OFFERING MEMORANDUM **NOT FOR GENERAL DISTRIBUTION IN THE UNITED STATES**

Swissport Financing S.à r.l.

€410,000,000 5.25% Senior Secured Notes due 2024
€250,000,000 9.00% Senior Notes due 2025

Swissport Financing S.à r.l., a private limited liability company (*société à responsabilité limitée*) incorporated and existing under the laws of the Grand Duchy of Luxembourg (the "**Issuer**"), is offering (the "**Offering**") €410,000,000 aggregate principal amount of its 5.25% senior secured notes due 2024 (the "**Senior Secured Notes**") and €250,000,000 aggregate principal amount of its 9.00% senior notes due 2025 (the "**Senior Notes**" and together with the Senior Secured Notes, the "**Notes**"). The proceeds of the Notes will primarily be used to repay existing indebtedness. See "*Use of Proceeds*".

The Issuer will pay interest on the Senior Secured Notes semi-annually on each of February 15 and August 15, commencing on February 15, 2020. At any time on or after August 15, 2021, the Issuer may redeem all or part of the Senior Secured Notes at the redemption prices set forth in this Offering Memorandum. Prior to August 15, 2021, the Issuer will be entitled, at its option, to redeem all or a portion of the Senior Secured Notes at a redemption price equal to 100% of the principal amount of the Notes, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption, plus a "make-whole" premium, as described in this Offering Memorandum. In addition, prior to August 15, 2021, the Issuer may also redeem at its option up to 40% of the aggregate principal amount of the Senior Secured Notes with the net cash proceeds from certain equity offerings. Upon certain events defined as constituting a change of control, the Issuer may be required to make an offer to purchase all of the outstanding Senior Secured Notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, to the date of repurchase. However, a change of control will not be deemed to have occurred if specified consolidated leverage ratios are not exceeded in connection with such event. In the event of certain developments affecting taxation, the Issuer may redeem all, but not less than all, of the Senior Secured Notes.

The Issuer will pay interest on the Senior Notes semi-annually on each of February 15 and August 15, commencing on February 15, 2020. At any time on or after August 15, 2021, the Issuer may redeem all or part of the Senior Notes at the redemption prices set forth in this Offering Memorandum. Prior to August 15, 2021, the Issuer will be entitled, at its option, to redeem all or a portion of the Senior Notes at a redemption price equal to 100% of the principal amount of the Senior Notes, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption, plus a "make-whole" premium, as described in this Offering Memorandum. In addition, prior to August 15, 2021, the Issuer may also redeem at its option up to 40% of the aggregate principal amount of the Senior Notes with the net cash proceeds from certain equity offerings. Upon certain events defined as constituting a change of control, the Issuer may be required to make an offer to purchase all of the outstanding Senior Notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, to the date of repurchase. However, a change of control will not be deemed to have occurred if specified consolidated leverage ratios are not exceeded in connection with such event. In the event of certain developments affecting taxation, the Issuer may redeem all, but not less than all, of the Senior Notes.

The Senior Secured Notes will be senior obligations of the Issuer and will be guaranteed on a senior basis by Swissport Holding International S.à r.l. (the "**Parent Guarantor**" and, such guarantee by the Parent Guarantor, the "**Senior Secured Notes Parent Guarantee**") and by certain subsidiaries of the Issuer that guarantee the Senior Facilities (as defined herein) (the "**Subsidiary Guarantors**" and, together with the Parent Guarantor, the "**Guarantors**" and, such guarantees of the Senior Secured Notes by the Subsidiary Guarantors, the "**Senior Secured Notes Subsidiary Guarantees**" and, together with the Senior Secured Notes Parent Guarantee, the "**Senior Secured Notes Guarantees**"). The Senior Secured Notes and the Senior Secured Notes Guarantees will rank *pari passu* in right of payment with any of the Issuer's and the Guarantors' existing and future debt that is not subordinated in right of payment to the Senior Secured Notes, including debt incurred under the Revolving Credit Facility (as defined herein), the Delayed Draw Loan Facility (as defined below) and the Term Loan B Facility (as defined herein) and will rank senior in right of payment to any existing and future debt that is subordinated in right of payment to the Senior Secured Notes. The Senior Secured Notes and the Senior Secured Notes Guarantees will be effectively subordinated to any of the Issuer's and the Guarantors' existing and future secured debt or other obligations to the extent of the value of the property and assets securing such debt or obligations and structurally subordinated to debt or other obligations of non-Guarantor subsidiaries.

The Senior Notes will be senior obligations of the Issuer and will be guaranteed on a senior subordinated basis by the Parent Guarantor (such guarantee by the Parent Guarantor, the "**Senior Notes Parent Guarantee**") and by the Subsidiary Guarantors (such guarantees of the Senior Notes by the Subsidiary Guarantors, the "**Senior Notes Subsidiary Guarantees**" and, together with the Senior Notes Parent Guarantee, the "**Senior Notes Guarantees**" and, together with the Senior Secured Notes Guarantees, the "**Guarantees**"). The Senior Notes and the Senior Notes Guarantees will rank *pari passu* in right of payment with any of the Issuer's and the Guarantors' existing and future debt that is not subordinated in right of payment to the Senior Notes, including debt incurred under the Revolving Credit Facility (as defined herein), the Delayed Draw Loan Facility (as defined below) and the Term Loan B Facility (as defined herein) and will rank senior in right of payment to any existing and future debt that is subordinated in right of payment to the Senior Notes. The Senior Notes and the Senior Notes Guarantees will be effectively subordinated to any of the Issuer's and the Guarantors' existing and future secured debt or other obligations to the extent of the value of the property and assets securing such debt or obligations and structurally subordinated to debt or other obligations of non-Guarantor subsidiaries.

Subject to certain agreed security principles set out in the Credit Agreement (as defined herein), on or prior to 60 days after the Issue Date, the Senior Secured Notes and the Senior Secured Notes Guarantees will be secured by first-ranking security interests granted on an equal and ratable first-priority basis over a first lien on material assets (other than shares in subsidiaries) of the Issuer and the Guarantors, the shares in certain Subsidiary Guarantors, and certain other assets of the Issuer and the Guarantors. The Notes and the Guarantees will be subject to restrictions on enforcement and other intercreditor arrangements. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*". The Guarantees and the Security will be subject to certain limitations of law. See "*Limitations on Validity and Enforceability of the Guarantees, the Senior Secured Notes Security and Certain Insolvency Law Considerations*". The Senior Notes and the Senior Notes Guarantees will be unsecured. The Notes will be issued in registered form in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof. The Notes will be represented on issue by one or more global notes and the Initial Purchaser (as defined herein) expects to deliver the Notes in book-entry form through Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A., *société anonyme*, Luxembourg ("**Clearstream, Luxembourg**") on or about August 14, 2019 (the "**Issue Date**").

This offering memorandum (the "**Offering Memorandum**") includes information on the terms of the Notes and the Guarantees, including redemption and repurchase prices, covenants and transfer restrictions.

There is currently no public market for the Notes. Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and to be admitted for trading on the Euro MTF market of the Luxembourg Stock Exchange (the "**Euro MTF Market**"). There is no assurance that the Notes will be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market, or that such listing will be maintained.

Investing in the Notes involves risks that are described in the "*Risk Factors*" section beginning on page 30 of this Offering Memorandum.

Senior Secured Notes Issue Price: 100.0% plus accrued interest, if any, from the Issue Date.

Senior Notes Issue Price: 100.0% plus accrued interest, if any, from the Issue Date.

The Notes and the Guarantees have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any other jurisdiction, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. In the United States, the Offering is being made only to "qualified institutional buyers" ("QIBs") (as defined in Rule 144A under the U.S. Securities Act ("Rule 144A")) in reliance on Rule 144A. Prospective purchasers that are QIBs are hereby notified that the Initial Purchaser of the Notes may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A thereunder. Outside the United States, the Offering is being made in reliance on Regulation S under the U.S. Securities Act ("Regulation S"). The Notes are not transferable except in accordance with the restrictions described under "*Notice to Investors*".

Sole Global Coordinator and Bookrunner

Barclays

The date of this Offering Memorandum is August 14, 2019

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NOTICE TO INVESTORS

We, having made all reasonable inquiries, confirm to the best of our knowledge, information and belief that the information contained in this Offering Memorandum with respect to us and our consolidated subsidiaries and affiliates taken as a whole and the Notes offered hereby is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this document are honestly held and that there are no other facts the omission of which would make this Offering Memorandum as a whole misleading in any material respect. Subject to the following paragraphs, we accept responsibility for the information contained in this Offering Memorandum.

We are providing this Offering Memorandum only to prospective purchasers of the Notes. You should read this Offering Memorandum before making a decision whether to purchase any Notes. You must not use this Offering Memorandum for any other purpose or disclose any information in this Offering Memorandum to any other person.

This Offering Memorandum does not constitute an offer to sell or an invitation to subscribe for or purchase any of the Notes in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Notes may not be offered or sold, directly or indirectly, and this Offering Memorandum may not be distributed, in any jurisdiction except in accordance with the legal requirements applicable to such jurisdiction. You must comply with all laws that apply to you in any place in which you buy, offer or sell any Notes or possess this Offering Memorandum. You must also obtain any consents or approvals that you need in order to purchase, offer or sell any Notes or possess or distribute this listing prospectus. Neither we nor Barclays Bank PLC (the "**Initial Purchaser**") are responsible for your compliance with any of the foregoing legal requirements. See "*Plan of Distribution*".

None of us, the Initial Purchaser or any of our or the Initial Purchaser's respective representatives are making an offer to sell the Notes in any jurisdiction except where such an offer or sale is permitted. We are relying on exemptions from registration under the U.S. Securities Act for offers and sales of securities that do not involve a public offering. By purchasing Notes, you will be deemed to have made the acknowledgments, representations, warranties and agreements set forth under "*Notice to Investors*" in this Offering Memorandum. You should understand that you will be required to bear the financial risks of your investment for an indefinite period of time.

This Offering Memorandum is based on information provided by us and by other sources that we believe are reliable. The Initial Purchaser named in this Offering Memorandum, the Trustee, the Principal Paying Agent, the Registrar and the Transfer Agent make no representation or warranty, express or implied, as to the accuracy or completeness of such information, and nothing contained in this Offering Memorandum is, or shall be relied upon as, a promise or representation by the Initial Purchaser with respect to the Issuer or the Notes as to the past or the future.

By purchasing the Notes, you will be deemed to have acknowledged that you have reviewed this Offering Memorandum and have had an opportunity to request, and have received all additional information that you need from us. No person has been authorized in connection with any offering made by this Offering Memorandum to provide any information or to make any representations other than those contained in this Offering Memorandum. You should carefully evaluate the information provided by the Issuer in light of the total mix of information available to you, recognizing that the Issuer can provide no assurance as to the reliability of any information not contained in this Offering Memorandum.

The information contained in this Offering Memorandum speaks as of the date hereof. Neither the delivery of this Offering Memorandum at any time after the date of publication nor any subsequent commitment to purchase the Notes shall, under any circumstances, create an implication that there has been no change in the information set forth in this Offering Memorandum or in our business since the date of this Offering Memorandum.

None of us, the Initial Purchaser, the Trustee, the Principal Paying Agent, the Registrar, the Transfer Agent or any of our or the Initial Purchaser's respective representatives are making any representation to you regarding the legality of an investment in the Notes by you under any legal, investment or similar laws or regulations. You should not consider any information in this Offering Memorandum to be legal, financial, business, tax or other advice. You should consult your own attorney, business advisor and tax advisor for legal, financial, business and tax and related aspects of an investment in the Notes. You are responsible for making your own examination of the Group and our business and your own assessment of the merits and risks of investing in the Notes.

You should contact the Initial Purchaser with any questions about this offering or if you require additional information to verify the information contained in this Offering Memorandum.

Neither the U.S. Securities and Exchange Commission (the "**Commission**" or the "**SEC**") nor any state securities commission has approved or disapproved of these securities or determined if this Offering Memorandum is truthful or complete. Any representation to the contrary is a criminal offense.

This communication is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). The Notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

In addition, the Notes are subject to restrictions on transferability and resale, which are described under the captions "*Plan of Distribution*" and "*Notice to Investors*". By possessing this Offering Memorandum or purchasing any Note, you will be deemed to have represented and agreed to all of the provisions contained in those sections of this Offering Memorandum.

The Notes will be issued in the form of one or more global notes, all of which will be deposited with or on behalf of Euroclear and Clearstream, Luxembourg. Beneficial interests in the global notes will be shown on, and transfers of beneficial interests in the global notes will be effected only through, records maintained by Euroclear and Clearstream, Luxembourg or their respective participants. See "*Book-Entry, Delivery and Form*".

We will not, nor will any of our agents, have responsibility for the performance of the obligations of Euroclear and Clearstream, Luxembourg or their respective participants under the rules and procedures governing their operations, nor will we or our agents have any responsibility or liability for any aspect of the records relating to, or payments made on account of, book-entry interests held through the facilities of any clearing system or for maintaining, supervising or reviewing any records relating to these book-entry interests. Investors wishing to use these clearing systems are advised to confirm the continued applicability of their rules, regulations and procedures.

We reserve the right to withdraw this offering of the Notes at any time prior to closing. We and the Initial Purchaser also reserve the right to reject any offer to purchase the Notes in whole or in part for any reason or no reason and to allot to any prospective purchaser less than the full amount of the Notes sought by it. The Initial Purchaser and certain of its related entities may acquire, for their own accounts, a portion of the Notes.

STABILIZATION

IN CONNECTION WITH THIS OFFERING, BARCLAYS BANK PLC (THE "STABILIZING MANAGER") (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILIZING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) WILL UNDERTAKE STABILIZATION ACTION. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE FINAL TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT MUST END NO LATER THAN THE EARLIER OF 30 CALENDAR DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 CALENDAR DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILIZATION ACTION OR OVER ALLOTMENT MUST BE CONDUCTED BY THE STABILIZING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

Notice to Investors in the United States

The Notes and the Guarantees have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S and within the United States to QIBs (as defined in Rule 144A) in reliance on Rule 144A. Prospective purchasers are hereby notified that the sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. Outside the United States, sellers may be relying on Regulation S under the U.S. Securities Act. For a description of these and certain other restrictions on offers, sales and transfers of the Notes and the distribution of this Offering Memorandum, see "*Notice to Investors*".

The Notes and the Guarantees have not been approved or disapproved by the SEC, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Offering or the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offense in the United States.

The Notes and the Guarantees are subject to restrictions on transferability and resale and may not be transferred or resold, except as permitted under the U.S. Securities Act and applicable state securities laws pursuant to registration thereunder or exemption therefrom. You should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time.

Notice to Investors in the European Economic Area

In relation to each Member State of the EEA (as defined below) (each, a "**Member State**"), the Initial Purchaser has represented and agreed, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For the purposes of this provision the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of MiFID II (as defined below); or

(ii) a customer within the meaning of the Insurance Distribution Directive (as defined below) where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

MIFID II Product Governance / Professional Investors and Eligible Counterparties

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of any of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU as amended ("**MiFID II**") and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

PRIIPs Regulation / Prohibition of Sales to EEA Retail Investors

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. This Offering Memorandum has been prepared on the basis that any offer of the Notes in any Member State will be made pursuant to an exemption under Regulation (EU) 2017/1129 the ("**Prospectus Regulation**") from the requirement to publish a prospectus for offers of the Notes. This Offering Memorandum is not a prospectus for the purposes of the Prospectus Regulation.

Each prospective purchaser of the Notes must comply with all applicable laws and rules and regulations in force in any jurisdiction in which it purchases, offers or sells the Notes and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales, and neither we nor the Initial Purchaser shall have any responsibility therefor.

Notice to Certain European Investors

Belgium

No action has been taken or will be taken in Belgium to permit a public offer of the Notes in accordance with the Belgian Act of 16 June 2006 on the public offer of securities and admission of securities to trading on a regulated market, as amended (the "**Belgian Prospectus Act**") and no Notes may be offered or sold to persons in Belgium unless such persons are either qualified investors within the meaning of Article 10 of the Belgian Prospectus Act or one or more other exemptions available under Article 3 of the Belgian Prospectus Act apply. The Offering has not been and will not be notified to, and this Offering Memorandum has not been and will not be approved by, the Belgian Financial Services and Markets Authority (*Autorité des Services et Marchés Financiers/Autoriteit voor Financiële Diensten en Markten*) pursuant to the Belgian laws and regulations applicable to the public offering of securities.

The Offering, and any materials relating to the Offering, may not be advertised to, the Notes are not intended to be offered, sold or otherwise made available to, and neither this Offering Memorandum nor any other information circular, brochure or similar document may be distributed, directly or indirectly, to, and the Notes should not be offered, sold or otherwise made available in Belgium to, any person qualifying as a "consumer" (*consument/consommateur*) within the meaning of the Belgian economic law code (*Wetboek economisch recht/ Code de droit economique*), as amended from time to time (the "**Belgian Economic Law Code**").

Grand Duchy of Luxembourg

This Offering Memorandum constitutes a prospectus to be approved by the Luxembourg Stock Exchange for the purpose of part IV of the Luxembourg law dated July 16, 2019 on prospectuses for securities (the "**Luxembourg Prospectus Law**"), and for the purpose of the rules and regulations of the Luxembourg Stock Exchange. The terms and conditions of this Offering Memorandum have however not been approved by and will not be submitted for approval to the Luxembourg Financial Services Authority (*Commission de Surveillance du Secteur Financier*) for purposes of public offering or sale in the Grand-Duchy of Luxembourg ("**Luxembourg**"). Accordingly, the Notes may not be offered or sold to the public in Luxembourg, directly or indirectly, and neither this Offering Memorandum nor any other circular, prospectus, form of application, advertisement, communication or other material may be distributed, or otherwise made available in or from, or published in Luxembourg, except in circumstances which, pursuant to the Luxembourg Prospectus Law, constitutes (i) an offer of securities which benefits from an exemption to or (ii) a transaction not subject to, the requirement to publish a prospectus in accordance with the Luxembourg Prospectus Law.

The Netherlands

Each Initial Purchaser has represented and agreed that any Notes will only be offered in the Netherlands to qualified investors (as defined in the Prospectus Regulation (as defined under "*Notice to Investors in the European Economic Area*" above)).

Switzerland

This Offering Memorandum, as well as any other material relating to the Notes which are the subject of the Offering, do not constitute an issue prospectus pursuant to article 652a and/or article 1156 of the Swiss Code of Obligations and may not comply with the Directive for Notes of Foreign Borrowers of the Swiss Bankers Association. The Notes will neither be publicly offered nor listed on the SIX Swiss Exchange Ltd., or any other Swiss stock exchange or regulated trading facility and, therefore, the documents relating to the Notes, including, but not limited to, this Offering Memorandum, do not claim to comply with the disclosure standards of the Swiss Code of Obligations and the listing rules of SIX Swiss Exchange Ltd. and corresponding prospectus schemes annexed to the listing rules of the SIX Swiss Exchange Ltd or the listing rules of any other Swiss stock exchange or regulated trading facility. Neither this Offering Memorandum nor any other material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland. The Notes are being offered in Switzerland by way of a private placement to a limited number of selected investors only, without any public advertisement and only to investors who do not purchase the Notes with the intention to distribute them to the public. The investors will be individually approached directly from time to time. Neither this Offering Memorandum nor any other offering or marketing material relating to the offering or the Notes have been or will be filed with or approved by any Swiss regulatory authority. This Offering Memorandum, as well as any other material relating to the Notes, is personal and confidential and does not constitute an offer to any other person. This Offering Memorandum, as well as any other material relating to the Notes, may only be used by those investors to whom it has been handed out in connection with the offering described herein and may neither directly nor indirectly be distributed or made available to other persons without the Issuer's express consent. This Offering Memorandum, as well as any other material relating to the Notes, may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in (or from) Switzerland.

United Kingdom

In the United Kingdom, each Initial Purchaser has represented and agreed that: (a) (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell the Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of Financial Services and Markets Act 2000 (the "**FSMA**") by the Issuer; (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

FORWARD-LOOKING STATEMENTS

This Offering Memorandum contains “forward-looking statements” as that term is defined by U.S. federal securities laws. These forward-looking statements include, but are not limited to, statements other than statements of historical facts contained in this Offering Memorandum, including, but without limitation, those regarding our future financial condition, results of operations and business, competitive and economic factors, the maturity of our markets, impact of governmental regulations or actions, our products and services, customer growth and retention rates, acquisition, disposition and finance strategies, successful integration of acquisitions and joint ventures into our group, projects to enhance efficiency, litigation outcomes and timetables, our capital expenditure priorities, anticipated cost increases, liquidity, credit risk, target leverage levels and objectives of management for future operations. In some cases, you can identify these statements by terminology such as “aim”, “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “positioned”, “potential”, “predict”, “project”, “should”, “strategy”, “will” and similar words used in this Offering Memorandum.

By their nature, forward-looking statements are subject to numerous assumptions, risks and uncertainties. Many of these assumptions, risks and uncertainties are beyond our control. Accordingly, actual results may differ materially from those expressed or implied by the forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we operate. We caution readers not to place undue reliance on such forward-looking statements, which speak only as of the date of this Offering Memorandum, and we expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein, to reflect any change in expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based.

Where, in any forward-looking statement, an expectation or belief is expressed as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the expectation or belief will result or be achieved or accomplished.

Risks and uncertainties that could cause actual results to vary materially from those anticipated in the forward-looking statements included in this Offering Memorandum include those described in the section entitled “*Risk Factors*” beginning on page 30.

The following include some but not all of the factors that could cause actual results or events to differ materially from those anticipated results or events:

- general economic trends and trends in the aviation industries;
- our dependence on key executives, managers and employees;
- increase in trade barriers and tariffs and trade tensions;
- labor strikes, work stoppages and other labor disputes;
- failure to win new, and retain existing, customers and contracts;
- political, social and economic risks related to our global operations;
- the competitive environment in which we operate;
- increasing pricing pressure;
- airline consolidation and the increase of low-cost carriers;
- payment default by our contractual partners;
- limited access to suitable warehouses and other infrastructure;
- our ability to obtain or renew licenses and leases;
- the impacts of deregulation of ground handling services;
- ability to expand successfully through acquisitions and to integrate acquired businesses;
- ability to penetrate new markets;
- exposure to risks associated with joint ventures and partnerships;
- disruptions caused by terrorist attacks, geopolitical instability, epidemics, threats or natural calamities;

- the risk of losses caused by damage to aircraft, airports or cargo or injury to individuals;
- withdrawal of the United Kingdom from the European Union;
- risks related to our ability to estimate the cost components of our contracts;
- failures of information technology systems;
- pension obligations;
- risks associated with our reliance on our subsidiaries and regional management to comply with various laws and intercompany policies;
- risks related to regulatory or other legal proceedings, which may restrict or prevent us from doing business in certain countries or jurisdictions, require us to incur additional costs or damage our reputation;
- ability to obtain required certifications;
- risks related to claims of anti-competitive practices;
- environmental, health and safety liabilities;
- risks related to anti-corruption laws, economic sanctions and import/export controls;
- changes in tax laws or challenges to our tax position
- availability of funds;
- deterioration of demand due to the global economic crisis;
- fluctuations in exchange rates;
- other risks associated with our principal shareholder, the Notes and our indebtedness.

We urge you to read the sections of this Offering Memorandum entitled "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Industry Overview*" and "*Business*" for a more complete discussion of the factors that could affect our future performance and the markets in which Swissport operates. In light of these risks, uncertainties and assumptions, the forward-looking events described in this Offering Memorandum may not occur. These forward-looking statements speak only as of the date on which the statements were made. We undertake no obligation to update or revise any forward-looking statement or risk factors, whether as a result of new information, future events or developments or otherwise.

This Offering Memorandum discloses important factors that could cause our actual results to differ materially from the expectations set out in this Offering Memorandum. These cautionary statements qualify all forward-looking statements attributable to us or persons acting on our behalf. When we indicate that an event, condition or circumstance could or would have an adverse effect on us, it means to include effects upon business, financial and other conditions, results of operations and ability to make payments on the Notes.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Presentation of Financial Information

Each of the Issuer and the Parent Guarantor is a holding company with no operating or financial reporting history and is not expected to engage in any activities other than those related to issuing the Notes and engaging in the Transactions. The Issuer's and the Parent Guarantor's only assets and liabilities are currently, and are expected in the future to be, their interest in the issued and outstanding shares of their subsidiaries and their outstanding indebtedness and intercompany balances incurred in connection with the Refinancing and the other Transactions described in this Offering Memorandum. Neither the Issuer nor the Parent Guarantor have prepared consolidated financial statements. Unless stated otherwise, all historical financial information included in this Offering Memorandum is that of Swissport Group S.à r.l. (the "**Swissport Parent Entity**").

This Offering Memorandum includes:

- the audited consolidated financial statements of the Swissport Parent Entity that includes the consolidated balance sheet as of December 31, 2016, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period from November 4, 2015 (the date of incorporation of the Swissport Parent Entity) to December 31, 2016 (the "**2016 Audited Consolidated Financial Statements**");
- the audited consolidated financial statements of the Swissport Parent Entity as of and for the year ended December 31, 2017 (the "**2017 Audited Consolidated Financial Statements**") and the year ended December 31, 2018 (the "**2018 Audited Consolidated Financial Statements**" and, together with the 2016 Audited Consolidated Financial Statements and the 2017 Audited Consolidated Financial Statements, the "**Audited Consolidated Financial Statements**"), and
- the unaudited condensed consolidated interim financial statements of the Swissport Parent Entity as of and for the three months ended March 31, 2019, which include comparative financial statements for the three months ended March 31, 2018 (the "**Interim Consolidated Financial Statements**" and, together with the Audited Consolidated Financial Statements, the "**Consolidated Financial Statements**").

Accordingly, all references to "we", "us", "our", the "Group" or "Swissport" in respect of financial information in this Offering Memorandum are to the Swissport Parent Entity and its subsidiaries on a consolidated basis, except that, in respect of the financial information included in this Offering Memorandum in *"Presentation of Financial and Other Information—Material Differences Between the Consolidated Financial Statements of the Swissport Parent Entity and the Parent Guarantor and its Subsidiaries"*, such terms refer to the Swissport Holding Group (as defined below) after giving effect to the Refinancing.

The Audited Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**EU IFRS**") and contain information on consolidated subsidiaries of the Group, including all of the Guarantors. The Interim Consolidated Financial Statements have been prepared in accordance with IAS 34, Interim Financial Reporting as adopted by the European Union ("**IAS 34**"). In this Offering Memorandum, we use the term "**IFRS**" to refer to EU IFRS.

The 2016 Audited Consolidated Financial Statements have been audited by KPMG Luxembourg *Société Coopérative* ("**KPMG**"), independent auditors, as stated in their audit report appearing herein. The 2017 Audited Consolidated Financial Statements and the 2018 Audited Consolidated Financial Statements have been audited by Ernst & Young *Société anonyme* ("**E&Y**"), independent auditors, as stated in their respective audit reports appearing herein. The Interim Consolidated Financial Statements have been reviewed by E&Y in accordance with International Standard on Review Engagements ("**ISRE**") 2410, as stated in their review report appearing herein.

Unaudited Pro Forma Financial Information for the year ended December 31, 2016

The Group's financial year runs from January 1 to December 31; however, the 2016 Audited Consolidated Financial Statements represent a 14-month period from November 4, 2015 until December 31, 2016, as the Swissport Parent Entity was incorporated on November 4, 2015 for the purpose of facilitating the acquisition of Aguila 2 S.A. (presently Aguila 2 S.à r.l.) and its subsidiaries (including the Issuer) by Swissport Investments S.A., an indirect subsidiary of HNA Group, on February 10, 2016 (the "**HNA Acquisition**"). The Swissport Parent Entity acquired the Issuer on February 10, 2016, and the results of the Issuer are consolidated in the 2016

Audited Consolidated Financial Statements from February 1, 2016. Prior to the HNA Acquisition, the Swissport Parent Entity was a shell company that did not conduct any operating activities of its own with the exception of certain administrative and financing activities and did not have any material assets or liabilities.

In order to provide comparisons for the periods from January 1, 2016 to December 31, 2016 and January 1, 2017 to December 31, 2017, we are also presenting in this Offering Memorandum unaudited pro forma condensed combined financial information of the Swissport Parent Entity for the year ended December 31, 2016 (the "**Unaudited Pro Forma Financial Information**"), which has been derived from the pro forma income statement information and the pro forma cash flow statement information with certain adjustments set forth in "*Unaudited Pro Forma Financial Information*". Unaudited Pro Forma Financial Information reflects the following adjustments: (i) the mathematical subtraction of acquisition and financing expenses associated with the HNA Acquisition of the Issuer by the Swissport Parent Entity during the period from November 4, 2015 to December 31, 2015; (ii) the mathematical addition of the results of operations of the Issuer for the month ended January 31, 2016; and (iii) the mathematical addition of the pro forma amortization, interest and tax impacts as if the HNA Acquisition had occurred on January 1, 2016, as set forth in "*Unaudited Pro Forma Financial Information*".

The results of operations of the Issuer for the month ended January 31, 2016 have been derived from the internal management accounts of the Issuer and have not been audited or reviewed by any independent accounting firm. The information provided for this period is not indicative of the results of operations that would have occurred if the acquisition by the Swissport Parent Entity of the Issuer had occurred on January 1, 2016, and, as a result, the Unaudited Pro Forma Financial Information is not comparable to other financial information included in this Offering Memorandum. Unaudited Pro Forma Financial Information is based on, derived from and should be read in conjunction with the 2016 Audited Consolidated Financial Statements included in this Offering Memorandum. Unaudited Pro Forma Financial Information should also be read in conjunction with "*Use of Proceeds*", "*Capitalization*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*".

Unaudited Pro Forma Financial Information has not been prepared by management in accordance with the regulations of the SEC or any other regulations and is not necessarily indicative of the condensed consolidated income statement that would have been realized had the HNA Acquisition occurred as of the dates indicated. Unaudited Pro Forma Financial Information was not prepared in accordance with the requirements of Rule 11-02 of Regulation S-X under the U.S. Securities Act or with the requirements of the Prospectus Regulation. Neither the assumptions underlying the pro forma adjustments nor the resulting pro forma financial information have been audited or reviewed.

Select Preliminary Financial Results for the Three and Six Months Ended June 30, 2019

This Offering Memorandum presents certain estimated select financial information for the three and six months ended June 30, 2019 for Swissport, which is preliminary in nature and represents the most current information available to management as of the date hereof. Swissport's financial information for the three and six months ended June 30, 2019 is based on preliminary management accounts and has not been audited or reviewed in accordance with any generally accepted auditing standards or verified by our independent auditors. During the course of Swissport's financial statement closing process for the three and six months ended June 30, 2019, Swissport could identify items that would require adjustments to be made and which could affect the results of operations for the periods presented. Therefore, our actual results for this period may differ materially from the select preliminary results presented in this Offering Memorandum due to the completion of our financial closing procedures, final adjustments and other developments which may arise between now and the time our financial statements for the three and six months ended June 30, 2019 are finalized.

Basis of preparation

Unaudited Pro Forma Financial Information is based on the historical financial information of the Swissport Parent Entity and the Issuer and the adjustments have been made based on the acquisition method of accounting. The acquisition method of accounting is based on IFRS 3 "Business Combinations". The historical consolidated financial information has been adjusted in the Unaudited Pro Forma Financial Information to give effect to pro forma events that are (i) directly attributable to the HNA Acquisition, (ii) factually supportable, and (iii) with respect to the pro forma condensed combined income statement, are expected to have a continuing impact on the combined results.

IFRS 3 requires, among other things, that most assets acquired and liabilities assumed in a business combination be recognized at their fair values as of the acquisition date. For purposes of the Unaudited Pro

Forma Financial Information, significant assumptions have been made by management regarding the estimated fair values of assets acquired and liabilities assumed in the HNA Acquisition. Fair value measurements can be highly subjective and it is possible that the application of a reasonable judgment could develop different assumptions resulting in a range of alternative estimates using the same facts and circumstances.

Accounting Policies

The historical financial information of the Swissport Parent Entity and the Issuer are based on IFRS. Please refer to the accounting policies of each entity in the 2016 Audited Consolidated Financial Statements.

Adjusted segment and geographical split financial information for the year ended December 31, 2016

In the year ended December 31, 2017, the composition of our operating and reporting segments and our geographical split have changed. For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Operating and Reporting Segments and Geographical Splits—Geographical Splits*". No restatements have been made for the prior comparable period. Following these changes, the comparative segment and geographical split information for the year ended December 31, 2016, was adjusted accordingly in the 2017 Audited Consolidated Financial Statements, see Note 1.1 in the 2017 Audited Consolidated Financial Statements. Unless stated otherwise, the segment and geographical split information for the year ended December 31, 2016, presented in this Offering Memorandum, has been derived from the 2017 Audited Consolidated Financial Statements.

Material Differences between the Consolidated Financial Statements of the Swissport Parent Entity and the Parent Guarantor and its Subsidiaries

The Indentures permit the Group to present the consolidated financial statements of the Swissport Parent Entity in lieu of the consolidated financial statements of the Parent Guarantor or the Issuer. However, if the Group presents the consolidated financial statements of the Swissport Parent Entity in lieu of those for the Parent Guarantor, the Group will be required to provide a reasonably detailed description of material differences between the consolidated financial statements of the Swissport Parent Entity and the Parent Guarantor for any period presented after the Issue Date.

With respect to our financial information as of and for the years ended December 31, 2017 and 2018 and the three months ended March 31, 2019, material differences between the consolidated financial statements of the Swissport Parent Entity and the financial information of the Parent Guarantor and its subsidiaries (the "**Swissport Holding Group**") relate to the level of equity, intercompany loans and balances with holding companies of which the Parent Guarantor is a subsidiary, and the level of borrowings. The Parent Guarantor was incorporated on July 7, 2017 for the purpose of facilitating the issuance of the Existing Notes, as such no operating or financial reporting history exists for the Parent Guarantor prior to that date. The Swissport Parent Entity's consolidated equity as of December 31, 2017, December 31, 2018 and March 31, 2019 was €1,837.1 million, €1,875.3 million and €1,886.3 million, respectively, compared to the Parent Guarantor's standalone capital and reserves as of December 31, 2017, December 31, 2018 and March 31, 2019 of €1,346.7 million, €1,444.9 million and €1,445.9 million, respectively, as a result of higher share capital and share premium and consolidated retained results.

The Swissport Parent Entity's consolidated borrowings (excluding capitalized transaction costs) as of December 31, 2017, December 31, 2018 and March 31, 2019 were €1,295.2 million, €1,682.0 million and €2,160.6 million, respectively, compared to the Swissport Holding Group's borrowings (excluding capitalized transaction costs) as of December 31, 2017, December 31, 2018 and March 31, 2019 of €1,242.8 million, €1,473.2 million and €1,946.6 million as a result of the 2015 Stub Notes and the Existing Note Purchase Agreement. Other than the items described above, there were no material differences between the consolidated financial statements of the Swissport Parent Entity and the Swissport Holding Group in the period under review.

Other

The Group adopted IFRS 16 (*Leases*) as issued by the International Accouning Standards Board ("**IASB**") effective January 1, 2019. In implementing IFRS 16, the Interim Consolidated Financial Statements have been prepared under the modified retrospective approach pursuant to which comparative results are not restated. Certain financial tables presented in this Offering Memorandum include, where applicable, financial information as at and for the three months ended March 31, 2019 as adjusted to exclude the impact of IFRS 16. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Comparability—IFRS 16 (Leases)*". For further description see Note 5.1 of the Interim Consolidated Financial Statements.

This Offering Memorandum includes certain of our unaudited consolidated financial information for the twelve months ended March 31, 2019. This information was calculated by taking the 2018 Audited Consolidated Financial Statements and subtracting our unaudited consolidated financial information for the three months ended March 31, 2018, and adding our unaudited consolidated financial information for the three months ended March 31, 2019, respectively. The unaudited consolidated financial information for the twelve months ended March 31, 2019 has been prepared solely for the purposes of this Offering Memorandum and is for illustrative purposes only and is not necessarily representative of our results of operations for any future period or financial condition at any future date.

Certain financial tables in this Offering Memorandum presenting unaudited financial information as at and for the twelve months ended March 31, 2019, such as the tables presented in "*Unaudited As Adjusted Financial Information of the Restricted Group*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Comparability—IFRS 16 (Leases)*", include financial information as at and for the three months ended March 31, 2019 as adjusted to exclude the impact of IFRS 16. This information is calculated by taking the 2018 Audited Consolidated Financial Statements, subtracting our unaudited consolidated financial information for the three months ended March 31, 2018, and adding our unaudited consolidated financial information for the three months ended March 31, 2019, including respective IFRS 16 adjustments.

We have also included in this Offering Memorandum unaudited consolidated as adjusted financial information relating to our debt and cash interest expense (as defined below) which have been adjusted to give effect to the Refinancing, including the Offering and the use of proceeds therefrom, as described under "*Use of Proceeds*". The unaudited consolidated as adjusted financial information has been prepared for illustrative purposes only and does not purport to represent what our actual borrowings or cash interest expense would have been if this Offering had occurred on the dates indicated nor does it purport to project our borrowings and cash interest expense at any future date. The unaudited as adjusted financial information set out in this Offering Memorandum is based on available information and certain assumptions and estimates that we believe are reasonable and may differ materially from actual amounts.

Non-IFRS Measures

This Offering Memorandum contains certain non-IFRS measures and ratios that are not required by, or presented in accordance with, IFRS and may not be permitted to appear on the face of primary financial statements or footnotes thereto and may not be permitted to be included in filings under the U.S. Securities Act. The following are the primary non-IFRS financial measures that are used in this Offering Memorandum:

- Operating EBITDA: We define Operating EBITDA as operating profit/(loss), as presented in the consolidated statement of profit or loss, before acquisition and integration costs, depreciation, amortization, restructuring and onerous contract charge, non-cash pension expenses and other long-term employee benefits, share based payment expenses, and expenses related to equity offerings.
- Operating EBITDA Margin: We define Operating EBITDA Margin as Operating EBITDA divided by total revenue and other operating income.
- Restricted Group Operating EBITDA (IFRS 16 Adjusted): We define Restricted Group Operating EBITDA (IFRS 16 Adjusted) as Operating EBITDA less the portion of the Operating EBITDA contributed by the Unrestricted Subsidiaries, calculated on a pre-IFRS 16 basis.
- Free Cash Flow: We define Free Cash Flow as total cash flow from operating activities as reported in the consolidated statement of cash flows plus (i) dividends received, income tax paid, less change in working capital, plus pensions, provisions and other items, acquisition costs, integration costs, restructuring and onerous contract charge, non-cash pension expenses and share-based payment transactions, expenses related to equity offering, unallocated other income and reporting adjustments, loss on disposal plus (ii) change in working capital less (iii) Net Capital Expenditure. Free Cash Flow excludes payments due for interest and principal of borrowings.
- Free Cash Flow (IFRS 16 Adjusted): We define Free Cash Flow (IFRS 16 Adjusted) as Free Cash Flow calculated on a pre-IFRS 16 basis.
- Net Capital Expenditure: We define Net Capital Expenditure as purchase of property, vehicles and equipment plus purchase of intangible assets less proceeds from sale of property, vehicles and equipment.
- Net Debt: We define Net Debt as borrowings less cash, cash equivalents and short term bank deposits.
- Working Capital: We define Working Capital as trade and other receivables plus inventories less trade and other payables excluding accrued bond interest.

- Change in Working Capital: We define Change in Working Capital as changes in trade and other receivables, changes in inventories and changes in trade and other payables, not adjusted for currency fluctuations during the period.

We use these non-IFRS measures as internal measures of performance to benchmark and compare performance, both between our own operations and as against other companies. We use these non-IFRS measures, together with measures of performance and ratios under IFRS, to compare the relative performance of operations in planning, budgeting and reviewing the performance of various businesses. We believe these non-IFRS measures are useful and commonly used measures of financial performance in addition to operating profit and other profitability measures, cash flow provided by operating activities and other cash flow measures and other measures of financial position under IFRS because they facilitate operating performance, cash flow and financial position comparisons from period to period, time to time and company to company. By eliminating potential differences between periods or companies caused by factors such as depreciation and amortization methods, financing and capital structures and taxation positions or regimes, we believe these non-IFRS measures can provide a useful additional basis for comparing the current performance of the underlying operations being evaluated. For these reasons, we believe these non-IFRS measures and similar measures are regularly used by the investment community as a means of comparing companies in our industry.

Different companies and analysts may calculate non-IFRS measures differently, so making comparisons among companies on this basis should be done very carefully. Non-IFRS measures are not measures of performance under IFRS, may not reflect accurately our performance, liquidity or our ability to incur debt and should not be considered in isolation or construed as a substitute for operating profit or as an indicator of our cash flow from operations, investing activities or financing activities or as an indicator of financial position in accordance with IFRS. The financial information contained in this Offering Memorandum is not intended to comply with the reporting requirements of the SEC and will not be subject to review by the SEC. For the calculation of non-IFRS measures, see "*Selected Consolidated and Pro Forma Financial and Other Information*".

Rounding

Certain numerical figures set out in this Offering Memorandum, including financial information presented in millions or thousands, and certain operating and market data have been subject to rounding adjustments and, as a result, the totals of the data in this Offering Memorandum may vary slightly from the actual arithmetic totals of such information. Percentages and amounts reflecting changes over time periods relating to financial and other data set forth in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" are calculated using the numerical data in the Consolidated Financial Statements or the tabular presentation of other data (subject to rounding) contained in this Offering Memorandum, as applicable, and not using the numerical data in the narrative description thereof.

Currencies

In this Offering Memorandum, all references to "**Euro**", "**euro**", "**EUR**" and "**€**" are to the single currency of the member states of the European Union participating in the third stage of economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended or supplemented from time to time; all references to "**CHF**" are to Swiss francs, the lawful currency of Switzerland; all references to "**pounds sterling**" and "**£**" are to the lawful currency of the United Kingdom and all references to "**dollars**", "**USD**", "**U.S. Dollars**", "**US$**" and "**$**" are to the lawful currency of the United States of America.

Trademarks and Trade Names

Swissport owns or has rights to certain trademarks or trade names that it uses in conjunction with the operation of its businesses. Each trademark, trade name or service mark of any other company appearing in this Offering Memorandum belongs to its holder.

CERTAIN DEFINITIONS USED IN THIS OFFERING MEMORANDUM

Unless indicated otherwise in this offering memorandum or the context requires otherwise:

"**2016 Audited Consolidated Financial Statements**" refers to the audited consolidated financial statements of Swissport as of and for the year ended December 31, 2016.

"**2017 Audited Consolidated Financial Statements**" refers to the audited consolidated financial statements of Swissport as of and for the year ended December 31, 2017.

"**2018 Audited Consolidated Financial Statements**" refers to the audited consolidated financial statements of Swissport as of and for the year ended December 31, 2018.

"**2015 Stub Notes**" refers to the 2015 Senior Secured Stub Notes and the 2015 Senior Stub Notes.

"**2015 Senior Secured Stub Notes**" refer to 6.750% senior secured notes issued by Swissport Investments S.A. due 2021 issued on December 14, 2015 with an original aggregate principal amount of €400,000,000, of which €36,478,000 remains outstanding as of March 31, 2019.

"**2015 Senior Stub Notes**" refer to 9.750% senior notes issued by Swissport Investments S.A. due 2021 issued on December 14, 2015 with an original aggregate principal amount of €290,000,000, of which €15,856,000 remains outstanding as of March 31, 2019.

"Aguila 2" refers to Aguila 2 S.à r.l., a private limited liability company (*société à responsabilité limitée*), established under the laws of the Grand Duchy of Luxembourg, having its registered office at 9, allée Scheffer, L-2520 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies' Register (*Registre de Commerce et des Sociétés de Luxembourg*) under number B 157671.

"**Collateral**" has the meaning ascribed to it under the "*Description of the Senior Secured Notes*".

"**Delayed Draw Loan Facility**" refers to the senior secured delayed draw term loan B facility made available under the Credit Agreement.

"**Existing Credit Agreement**" means the credit agreement dated January 20, 2016 (as amended and restated by an amendment agreement dated August 11, 2017) entered into between the Swissport Parent Entity as initial holdings, the Parent Guarantor as new holdings, Swissport Investments S.A. as the initial lux borrower, the Issuer as the new lux borrower, Swissport Group (USA) LLC as the U.S. borrower, Barclays Bank PLC, as administrative agent, Barclays Bank PLC, as collateral agent and Barclays Bank PLC and J.P. Morgan Limited as joint mandated lead arrangers and joint bookrunners.

"**Existing Incremental Term Loan B Facility**" means the €325 million incremental senior secured term loan B facility provided for by the Existing Credit Agreement with, among others, Barclays Bank PLC, as administrative agent, Barclays Bank PLC, as collateral agent, Barclays Bank PLC as arranger and incremental euro term loan lender.

"**Existing Indebtedness**" means the Existing Notes, the 2015 Stub Notes, the Existing Term Loan B Facilities and the Existing Revolving Credit Facility.

"**Existing Notes**" means the Existing Senior Secured Notes and the Existing Senior Notes.

"**Existing Senior Facilities**" means the Existing Term Loan B Facilities and the Existing Revolving Credit Facility.

"**Existing Senior Notes**" means the €264,644,000 9.750% Senior Notes due 2022 issued by the Issuer in August 11, 2017 pursuant to the Existing Senior Notes Indenture.

"**Existing Senior Notes Indenture**" means the indenture pursuant to which the Issuer issued the Existing Senior Notes.

"**Existing Senior Secured Notes**" means the €363,522,000 6.750% Senior Secured Notes due 2021 issued by the Issuer in August 11, 2017 pursuant to the Existing Senior Secured Notes Indenture.

"**Existing Senior Secured Notes Indenture**" means the indenture pursuant to which the Issuer issued the Existing Senior Secured Notes.

"**Existing Term Loan B Facility**" means the €460 million senior secured term loan B facility provided for by the Existing Credit Agreement with, among others, Barclays Bank PLC, as administrative agent, Barclays Bank PLC, as collateral agent, Barclays Bank PLC, J.P. Morgan Limited as joint mandated lead arrangers and joint bookrunners.

"**Existing Term Loan B Facilities**" means the Existing Term Loan B Facility and the Existing Incremental Term Loan B Facility.

"**Existing Revolving Credit Facility**" means the CHF 110 million available revolving credit facility provided for by the Credit Agreement.

"**FATCA**" means:

(a) sections 1471 to 1474 of the U.S. Internal Revenue Code and the Treasury regulations and official guidance issued thereunder, each as amended from time to time ("**U.S. FATCA**");

(b) any inter-governmental agreement between the United States and any other jurisdiction entered into in connection with U.S. FATCA (an "**IGA**");

(c) any treaty, law, regulation or official guidance enacted, issued or amended in any jurisdiction which facilitates the implementation of U.S. FATCA or an IGA ("**Implementing Law**"); and

(d) any agreement entered into with the U.S. Internal Revenue Service, the U.S. government or any governmental or tax authority in any other jurisdiction in connection with U.S. FATCA, an IGA or any Implementing Law.

"**Group**" or "**Swissport**" means the Swissport Parent Entity, a *société à responsibilité limitée* organized under the laws of the Grand Duchy of Luxembourg and its subsidiaries.

"**Guarantees**" collectively refers to the Senior Secured Notes Parent Guarantee, the Senior Secured Notes Subsidiary Guarantees, the Senior Notes Parent Guarantee and the Senior Notes Subsidiary Guarantees to be issued by the Guarantors guaranteeing the Notes.

"**Guarantors**" refers to the Parent Guarantor and the Subsidiary Guarantors.

"**HNA Acquisition**" means the acquisition of Aguila 2 S.A. (presently Aguila 2 S.à r.l.) and its subsidiaries (including the Issuer) by Swissport Investments S.A., an indirect subsidiary of HNA Group, on February 10, 2016.

"**HNA Group**" refers to HNA Group Co., Ltd.

"**Initial Purchaser**" refers to Barclays Bank PLC.

"**Indentures**" refers to the Senior Notes Indenture and the Senior Secured Notes Indenture.

"**Issue Date**" refers to the date on which the Notes offered hereby are issued.

"**Issuer**" refers to Swissport Financing S.à r.l., a private limited liability company *société à responsabilité limitée* organized under the laws of the Grand Duchy of Luxembourg, with registered office at 9, allée SchefferL—2520 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Register of Commerce and Companies (*Registre de Commerce et des Sociétés de Luxembourg*) under number B157692, and not to any of its subsidiaries.

"**Notes**" refers to the Senior Notes and the Senior Secured Notes.

"**Offering**" refers to the offering of the Notes contemplated by this Offering Memorandum.

"**Parent Guarantor**" refers to Swissport Holding International S.à r.l., a private limited liability company *société à responsabilité limitée* organized under the laws of the Grand Duchy of Luxembourg, having its registered office at 9, Allée Scheffer, L-2520 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies' Register (*Registre de Commerce et des Sociétés de Luxembourg*) under number B216399, which is the direct parent company of the Issuer.

"**Refinancing**" means the Offering, the entry into the Senior Facilities and the use of proceeds thereof to fully repay amounts outstanding under the Existing Senior Facilities and the Existing Notes as well as to pay transaction fees and expenses related thereto, each as described in "*Use of Proceeds*".

"**Restricted Group**" means the Parent Guarantor and its restricted subsidiaries.

"**Restricted Subsidiary**" any subsidiary of the Parent Guarantor that is not an Unrestricted Subsidiary.

"**Revolving Credit Facility**" refers to the senior secured revolving credit facility being made available under the Credit Agreement.

"**Security Agent**" refers to Barclays Bank PLC, as security agent under the Senior Secured Notes Indenture.

"**Security Documents**" has the meaning ascribed to it under the "*Description of the Senior Secured Notes*".

"**Senior Facilities**" refers to the Term Loan B Facility, the Revolving Credit Facility and the Delayed Draw Loan Facility.

"**Senior Notes**" refers to €250,000,000 aggregate principal amount of its 9.00% Senior Notes due 2025.

"**Senior Notes Guarantees**" refers to the guarantees issued by the Guarantors guaranteeing the Senior Notes.

"**Senior Notes Indenture**" refers to the indenture governing the Senior Notes, to be dated the Issue Date, by and among, inter alios, the Issuer, the Parent Guarantor, the Trustee, and Elavon Financial Services DAC, as principal paying agent.

"**Senior Secured Notes**" refers to €410,000,000 aggregate principal amount of its 5.25% Senior Secured Notes due 2024.

"**Senior Secured Notes Guarantees**" refers to the guarantees issued by the Guarantors guaranteeing the Senior Secured Notes.

"**Senior Secured Notes Indenture**" refers to the indenture governing the Senior Secured Notes, to be dated the Issue Date, by and among, inter alios, the Issuer, the Parent Guarantor, the Trustee, the Security Agent and Elavon Financial Services DAC, as principal paying agent.

"**SGSH**" refers to Swissport Global Services Holding S.à r.l., a private limited liability company (*société à responsabilité limitée*), having its registered office at 9, Allée Scheffer, L-2520 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies' Register (*Registre de Commerce et des Sociétés de Luxembourg*) under number B 222206.

"**Subsidiary Guarantors**" refers to those subsidiaries of the Issuer that will guarantee the Notes.

"**Swissport**" or "**Group**" refers to the Swissport Parent Entity and its subsidiaries.

"**Swissport Holding Group**" refers to the Parent Guarantor and its subsidiaries.

"**Swissport Parent Entity**" refers to Swissport Group S.à r.l., a private limited liability company *société à responsibilité limitée* organized under the laws of the Grand Duchy of Luxembourg, having its registered office at 9, allée Scheffer, L-2520 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies' Register (*Registre de Commerce et des Sociétés de Luxembourg*) under number B201404.

"**Term Loan B Facility**" refers to the five-year senior secured term loan B facility being made available under the Credit Agreement.

"**Trustee**" refers to U.S. Bank Trustees Limited as trustee under the Indentures.

"**Unrestricted Subsidiaries**" refers, collectively, to Swissport Belgium NV, Swissport Belgium Cleaning NV, Cargo Service Center Brazil S.A.T.A. Ltda., Swissport Brazil Ltda., Swissport Cargo Services Israel Ltd., Swissport Saudi Arabia Ltd. and their respective subsidiaries.

"**U.S. Internal Revenue Code**" refers to the U.S. Internal Revenue Code of 1986.

"**we**", "**us**" and "**our**" refer to Swissport or the Group, unless the context otherwise requires.

EXCHANGE RATE INFORMATION

The financial statements included in this Offering Memorandum are presented in euros. Set forth below, for the periods and dates indicated, are the period average, high, low and end exchange rates as published by Bloomberg of CHF expressed as EUR per CHF 1.00. The exchange rate of the euro on July 22, 2019 was CHF 1.0 = €0.9084 (the "**Prevailing CHF Exchange Rate**").

	EUR per CHF 1.00			
	High	**Low**	**Average(1)**	**Period End**
Year				
2015	1.0099	0.8313	0.9400	0.9184
2016	0.9358	0.8976	0.9178	0.9341
2017	0.9402	0.8516	0.8969	0.8573
2018	0.8924	0.8343	0.8696	0.8843
2019 (through July 22, 2019)	0.9084	0.8734	0.8905	0.8871
	High	**Low**	**Average(2)**	**Period End**
Month				
January 2019	0.8909	0.8765	0.8851	0.8790
February 2019	0.8830	0.8762	0.8798	0.8808
March 2019	0.8950	0.8794	0.8847	0.8950
April 2019	0.8947	0.8734	0.8827	0.8752
May 2019	0.8942	0.8763	0.8847	0.8942
June 2019	0.9028	0.8895	0.8961	0.9012
July 2019 (through July 22, 2019)	0.9084	0.8968	0.9006	0.9084

(1) The average of the exchange rates on the last business day of each month during the relevant period.

(2) The average of the exchange rates for each business day during the relevant period.

Set forth below, for the periods and dates indicated, are the period average, high, low and end exchange rates as published by Bloomberg of dollars expressed as EUR per US$1.00. The exchange rate of the dollar on July 22, 2019 was EUR 0.8914 = US$1.00 (the "**Prevailing USD Exchange Rate**").

	EUR per US$1.00			
	High	**Low**	**Average(1)**	**Period End**
Year				
2014	0.8264	0.7181	0.7587	0.8264
2015	0.9532	0.8266	0.9068	0.9203
2016	0.9630	0.8677	0.9070	0.9495
2017	0.9590	0.8135	0.8797	0.8319
2018	0.8893	0.8006	0.8496	0.8735
2019 (through July 22, 2019)	0.8982	0.8671	0.8865	0.8858
	High	**Low**	**Average(2)**	**Period End**
Month				
January 2019	0.8850	0.8671	0.8758	0.8735
February 2019	0.8872	0.8719	0.8811	0.8786
March 2019	0.8912	0.8798	0.8853	0.8912
April 2019	0.8979	0.8844	0.8902	0.8915
May 2019	0.8982	0.8895	0.8939	0.8959
June 2019	0.8927	0.8780	0.8854	0.8804
July 2019 (through July 22, 2019)	0.8922	0.8844	0.8891	0.8914

(1) The average of the exchange rates on the last business day of each month during the relevant period.

(2) The average of the exchange rates for each business day during the relevant period.

The rates in each of the foregoing tables may differ from the actual rates used in the preparation of the financial statements and other financial information appearing in this Offering Memorandum. These exchange rates are solely for the convenience of potential investors. The rates should not be construed as a representation that euro amounts could have been, or could be, converted into Swiss franc or dollars at the rates set forth herein or at any other rate.

INDUSTRY AND MARKET DATA

Unless otherwise expressly indicated or noted below, all information regarding markets, market size, market share, market position, growth rates and other industry data pertaining to our business contained in this Offering Memorandum is based on estimates prepared by us based on certain assumptions and our knowledge of the industry in which we operate, as well as data from various market research, publicly available information and industry publications, including reports published by various third-party sources. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. While we have examined and relied upon certain market or other industry data from external sources as the basis of our estimates, neither we nor the Initial Purchaser has verified that data independently. We and the Initial Purchaser cannot assure you of the accuracy and completeness of, and take no responsibility for, such data. Similarly, although we believe our internal estimates to be reasonable, such estimates have not been verified by any independent sources, and we cannot assure you as to their accuracy or that a third party using different methods to assemble, analyze or compute market data would obtain the same result.

Historical and current market data used throughout this Offering Memorandum were obtained from internal company analyses and industry publications, including a report (the "**Roland Berger Report**") commissioned by us from Roland Berger GmbH ("**Roland Berger**"). The Roland Berger Report is dated June 28, 2019, and thus all forecasts in such report speak as of such date and do not take into account developments after such date. Industry surveys and publications, including the Roland Berger Report, generally state that the information contained therein has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. We have not independently verified the data derived from the Roland Berger Report, although we take responsibility for the correct reproduction, use and disclosure of information from the Roland Berger Report. To the best of our knowledge, information and belief, the data presented from the Roland Berger Report and such other third-party information presents an accurate reflection of the markets in which we operate in all material respects. The projections and forward-looking statements in the "*Industry Overview*" section are not guarantees of future performance and actual events and circumstances could differ materially from current expectations. Numerous factors could cause or contribute to such differences. See *"Forward-Looking Statements"* and "*Industry Overview*".

In this Offering Memorandum, we present estimates of Swissport's market share for its ground handling and cargo handling services. Swissport estimates its market share within each line of service in which it operates by making adjustments to data obtained from industry publications. Such adjustments are based on assumptions that may not be accurate, and, as a result, Swissport's actual market share may differ from the estimates presented in this Offering Memorandum.

SUMMARY

This summary highlights information contained elsewhere in this Offering Memorandum. It is not complete and may not contain all the information that you should consider before investing in the Notes. You should read the entire Offering Memorandum, including the more detailed information in the financial statements and the related notes thereto included in this Offering Memorandum, before making an investment decision. See "Risk Factors" for factors that you should consider before investing in the Notes and "Forward-Looking Statements" for information relating to the statements contained in this Offering Memorandum that are not historical facts.

Overview

We are the world's leading independent provider of ground and cargo handling services to the aviation industry based on revenue and number of airports served. In 2018, we were the number one provider of ground and cargo handling services by revenue with an estimated 13% market share of the total global ground and cargo handling market accessible by independent ground and cargo handlers, which is significantly larger than the market share of our nearest competitor (*Source: Roland Berger Report*). We offer our customers a full range of ground and cargo handling services, which by their nature are mission-critical elements of our customers' own businesses. We aim to provide, as we already do in some airports, a full one-stop shop range of services. Our personnel can be found throughout the airports where we operate, both in passenger-facing roles, such as counter check-in, gate check-in and boarding, security screening and lounge services, and in logistical roles, such as baggage handling, ramp handling, aircraft maintenance, de-icing, cargo office and warehousing and fueling. As of March 31, 2019, we had over 3,700 individual contracts and provided ground handling and cargo services at 310 airports in 49 countries across six continents. We serve a broad and diversified customer base, which includes over 850 customers, of which approximately 63% are airline and approximately 37% are non-airline customers, such as airports and freight-forwarders. For the last twelve months ended March 31, 2019, our total revenue and other operating income was €3,059.7 million and our Operating EBITDA and Operating EBITDA (IFRS 16 Adjusted) were €317.3 million and €281.6 million, respectively. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Comparability—IFRS 16 (Leases)*". As of March 31, 2019, we had approximately 66,000 employees.

For operating and reporting purposes, we group the services we provide in the following segments:

- *Ground handling.* Our ground handling services include core services, such as ramp and passenger handling and baggage services, as well as higher value-add and higher yielding services, such as gate and check-in operations, airport management and control, crew administration, cabin cleaning and de/anti-icing. Ground handling also includes complementary specialty services, such as fueling, aviation security, lounge operations, aircraft maintenance, executive aviation and aviation passenger transport. In 2018, we provided ground handling services for over 285 million passengers on approximately 4.3 million flight movements. During the last twelve months ended March 31, 2019, ground handling operations contributed 81.4% and 67.1% to our total revenue and other operating income and our Operating EBITDA, respectively.

- *Cargo handling.* Our cargo handling services include physical import and export handling of freight, warehousing and storage of cargo, document handling, trucking, mail handling and e-freight services. In 2018, our cargo handling segment handled approximately 4.8 million metric tons of cargo. During the last twelve months ended March 31, 2019, cargo handling operations contributed 18.7% and 32.3% to our total revenue and other operating income and our Operating EBITDA, respectively.

As of March 31, 2019, we had operations across six continents, spanning 79 airports in Europe, 98 airports in North America, 31 airports in South America, 58 airports in the Middle East and Africa and 44 airports in the Asia-Pacific region. By number of airports serviced, we are ranked number one in Europe and the Middle East, Africa, Latin America and Asia-Pacific, and number three in North America amongst four similarly sized providers (*Source: Roland Berger Report*). We operate at some of the busiest airports in the world, including Chicago O'Hare International Airport, Tokyo Haneda Airport, Dallas/Fort Worth International Airport and Hartsfield-Jackson Atlanta International Airport. For the last twelve months ended March 31, 2019, our top ten airports accounted for 34.2% of our total revenue and other operating income. For the last twelve months ended March 31, 2019, our operations in Europe, the Middle East and Africa accounted for 55.4% of our total revenue and other operating income, with North American and Latin American operations and Asia-Pacific operations respectively accounting for 35.4% and 9.2% of our total revenue and other operating income.

Our integrated service offerings and global presence allow us to offer a comprehensive range and consistent quality of services across all the regions in which we operate. We offer a full suite of ground and cargo handling services, as well as more customized services for customers, such as low-cost carriers. Our services are complemented by sophisticated hub management capabilities, which allow us to respond to outsourcing by airlines at their home bases. Our services are designed to meet our customers' needs on both a local and global scale throughout our network. In addition, we are flexible to our customers' needs and to changes in the aviation landscape. We believe that we are consistently at the forefront of technological advancements in our industry. For example, we were one of the first independent global aviation service providers to offer web check-in, mobile check-in, real-time operations labor management, advanced integrated security procedures and various other innovative aviation services.

Our more than 850 customers are major full-service airlines, regional air carriers, low-cost carriers, air cargo carriers, freight forwarders and airports. We have a long service history and established contractual agreements in place with many of our key customers, including Swiss International Air Lines, United Airlines, Ryanair, Lufthansa, easyJet, Finnair, Qatar Airways, Delta Air Lines, Brussels Airlines, American Airlines, Emirates and KLM Royal Dutch Airlines. For the last twelve months ended March 31, 2019, our top ten customers represented 30% of our consolidated annual revenue and accounted for 11.3% of our more than 3,700 individual contracts. All of our top ten customers have been customers for over ten years, and some customers, such as Swiss International Airlines and Lufthansa, have been Swissport's customers since we were founded.

We believe that our strong reputation and loyal customer base have been achieved because of our global presence, integrated service offerings, consistency of service delivery across geographies and local management expertise. Because of our global presence, we are able to utilize best practices from each of the regions in which we operate in order to deliver service that consistently applies Swissport quality across all of our global locations. Our local management expertise allows us to apply our global and integrated services and key performance indicators ("**KPIs**") in a manner that is specifically tailored to the needs of our customers in each of those regions. This local expertise also allows us to respond quickly to changes in local market conditions and adapt our business accordingly. We believe that our global presence, integrated service offerings, consistent service quality and local management expertise aid us in attracting and maintaining a strong and loyal customer base.

Our Strengths

We are a global leader, as measured by revenue and number of airports served, in our industry with competitive advantages afforded by our global scale

We are the largest independent ground handler in the world, and one of the largest cargo handlers, based on revenue and number of airports (*Source: Roland Berger Report*), making us a leader in ground and cargo handling. As of March 31, 2019, we operated in 310 airports in 49 countries across six continents. In 2018, our total revenue and other operating income was €2,994.5 million, which is approximately 1.7 times larger than the revenue of our nearest competitor (*Source: Roland Berger Report*). Specifically, in EMEA we operate in 137 airports in 26 countries and have approximately 29,000 employees; in AMERICAS we operate in 129 airports in 18 countries and have approximately 31,000 employees; and in APAC we operate in 44 airports in five countries and have approximately 5,500 employees. Our market share continues to grow, and we estimate that our market share by revenue increased from 9% in 2012 to 13% in 2018 (*Source: Roland Berger Report*) of the total global ground and cargo handling market accessible by independent providers. As of March 31, 2019, we have expanded our global footprint to 310 airport stations across 49 countries, up from 178 airport stations in 37 countries in 2010. We estimate that we currently provide our services to over 850 customers, which includes providing ground handling services for over 285 million passengers on approximately 4.3 million flight movements and handling approximately 4.8 million metric tons of cargo. We believe that we are the leading independent provider by market share of ground handling and cargo handling services to the aviation industry in several regions in which we operate.

In 2018, we have been ranked first in Europe, the Middle East and Africa, Latin America and Asia-Pacific, and ranked third in North America as a global provider of ground and cargo handling services, by number of stations (*Source: Roland Berger Report*). We believe that our position as a global provider of ground and cargo handling services makes us well placed to offer network-wide coverage, with consistently high quality of service delivery across geographies to our customers. We believe that we are also well-positioned to provide our customers with their required type of hub and base services, including hub management (where we provide all of an airline's ground handling requirements at a certain hub). This puts us in a strong position to bid for and capture new licenses and contracts, whether arising through deregulation or airline restructuring, leading to new opportunities or tender renewals. We believe that our global scale, overall service quality and comprehensive product offering give us a competitive advantage and positioning vis-à-vis our competitors.

We operate in a resilient market with strong underlying growth drivers and are well positioned to take advantage of current trends in the global aviation industry

The ground handling market is expected to benefit from strong market trends underlying the global aviation industry. Global demand for passenger air travel and passenger aircraft is increasing and is expected to continue to increase. This trend in passenger traffic is expected to lead to an increase in the number of turnarounds and greater demand for ground handling services. Moreover, a continued trend towards outsourcing combined with local deregulation and liberalization of aviation services is expected to further contribute to the expansion of the accessible market. As a result, the market value of the aviation handling market is expected to grow by 3.7% annually from 2018 to 2023 (*Source: Roland Berger Report*).

In comparison to airlines in general, the ground handling services market has proven relatively resilient to external shocks, particularly stemming from changes in global economic conditions. The performance of the ground handling services business is primarily driven by the number of aircraft movements, rather than number of passengers. During economic downturns a decline in passenger volumes typically impacts the load factor or size of the aircraft they operate, as airlines have historically shown a preference to maintain the number of routes they operate, in order to preserve gate space. Airlines' reluctance to cancel existing routes generally has the effect of maintaining the number of aircraft movements during periods of economic contraction.

Although cargo volumes more closely follow economic cycles and changes in world trade, changes in cargo volumes have historically shown an early cycle recovery, largely because air cargo is primarily comprised of finished products that businesses need to restock at the early stage of their inventory cycles. Furthermore, the cargo handling market benefits from favorable underlying market dynamics, driven by the rapidly expanding e-commerce market and continued growth of global trade, resulting in a long-term increase in air cargo traffic and volumes (*Source: Roland Berger Report*).

We believe that our large size, global presence and wide variety of service offerings make us well-positioned to capitalize on these trends.

We demonstrate operational excellence in delivering mission-critical services, with industry-leading quality and safety standards

We operate in business sectors where our services are mission-critical to our customers. As such, our established reputation for high quality and consistency of service delivery across our global networks is one of our key strengths. Quality of service and on-time performance is mission-critical in the aviation services industry as airlines entrust their handling services to external parties, and high quality of service requires a high level of skill and technical know-how. Poor handling can lead to damaged aircraft, late check in, lost luggage and delayed schedules, all of which can be costly for airlines, both from a financial and reputational point of view, partially because many customers view handling personnel as airline employees instead of third-party employees.

We recognize the importance of quality in our services and strive to ensure that our customers feel confident that their customers will have positive experiences with our services. To this end, we developed and put in place a "Swissport Formula", which is a set of guiding principles and organizational standards aimed at standardizing and optimizing our operations to ensure delivery of consistent quality and reliable mission-critical services. The Swissport Formula is built on the principles of a common culture driven by certain KPIs and a focus on continuous improvement, the sharing of verified tools and processes between operations, the use of common best-practice operating standards across our businesses, the establishment of a standard training program by function across all organizational levels and airport stations and the implementation of standard safety management system at all levels.

Our strong reputation with our customers is supported by a performance culture that is driven by KPIs. Each airport station has a minimum of ten KPI targets. For example, we set ourselves a target in 2018 of 96.9% for on-time performance, based on specific customer service level agreements or 98% in case of absence of such an agreement. For the year ended December 31, 2018, we achieved an on-time performance rate of 97.5%, or 0.6%

over the target agreed with customers. We have a contract renewal rate target of 80% on an annual basis. We achieved a contract renewal rate of 74% for the year ended December 31, 2018. In 2018, we renewed contracts with an annual value in excess of €217 million, net contract win revenue, which is a metric showing the net effect on our revenues from won and lost contracts, of €56.3 million. We are also proud of our market leading safety standards. From 2015 to 2018, we achieved a 25% decrease in global loss time injury frequency and a 16% decrease in aircraft damages. With more than 850 customers and over 3,700 individual contracts as of March 31, 2019, we believe that we are an attractive partner for our customers.

Our focus on providing a high and standardized level of service across our network, together with our technical know-how, the wide range of services we offer globally and our local expertise in addressing the various and demanding needs of our customers, has earned us a strong reputation for high quality service offerings. We have received various awards and recognition, including ISAGO certificates and IGOM recognition at the IGHC 2017, the STAT Times Africa Award for "International Ground Handler of the Year for Cargo Services" at the Air Cargo Africa 2017 conference, Ground Handler of the Year at the 2016 Air Transport News Awards and the IATA "Innovator Award 2019" at IATA's ground handling Conference among others.

Our focus on continuously optimizing and streamlining our cost base allows us to leverage our best practices across our global network to create a leaner cost structure, which further drives our financial and operational performance. Personnel expenses represent our single largest expense, accounting for 67.9% and 68.1% of our total operating expenses for the year ended December 31, 2018 and for the three months ended March 31, 2019, respectively. For the most part, we consider personnel expenses to be variable costs, providing us with a certain amount of flexibility to adjust our cost base to the needs of our operations. To maintain the optimal level of staffing and minimize turnover, we seek to offer competitive remuneration to our employees. We strive to reduce idle time of labor force by carefully managing staff productivity through the use of real-time technology that we have deployed in our employee roster tools and flight information systems. The technology calculates staffing requirements based on flight schedules and aircraft type and helps to identify the optimum split of full-and part-time workers. Our standardized training program is designed to teach each team the skills it needs to perform that team's designated role, and we also provide airline certified training for select partners. The operational effectiveness of our labor force is actively monitored at a central level by the use of standard KPIs. Ground support equipment and uniforms for our personnel are procured centrally to achieve better pricing and further drive down our cost base.

We take a very rigorous approach to pricing processes and controls, with detailed cost build-ups tailored to the scope of services required, based off global contract templates for cost analysis and operational viability. All new contracts and renewals are tested for profitability against NPV/IRR thresholds, as well as usual commercial targets, with standardized margin thresholds and return hurdle analysis. Following an established system of clear thresholds based on contract size, all contracts are approved by both local and global group management. See "*Business—Material Contracts—Customer Contracts*".

We have a reputable and well-established global brand with a long standing and stable customer base

We have strong relationships and track records with our customers built on our quality of service and on-time performance. We have maintained long-term relationships with many of our customers, some of whom have been doing business with us since our inception and others since their inception. For example, we have provided services to British Airways and Flybe for more than 11 years. Swiss International Air Lines and Lufthansa have been our customers since we were founded, and our relationships with each of our top ten customers have continued for 12 years or longer, as of December 31, 2018, as indicated below:

- Swiss International Air Lines: over 19 years
- United Airlines: over 15 years
- Ryanair: over 13 years
- Lufthansa: over 19 years
- EasyJet: over 13 years
- Finnair: over 13 years
- Qatar Airways: over 13 years
- Delta Air Lines: over 18 years
- Brussels airlines: over 15 years
- American Airlines: over 12 years

There can be high switching costs for our customers in changing service providers due to the close integration of ground handling services and operations of the airline, which is especially the case for hub or base operations.

Our high quality services, combined with the wide range of services we offer globally and our ability to tailor a service package for the individual needs of our customers, have allowed us to build a loyal and diverse customer base, which is made up of players from every corner of the aviation industry, including major full-service airlines, regional air carriers, low-cost carriers, air cargo carriers, freight forwarders and airports. For the year ended December 31, 2018, our top ten customers represented 30% of our consolidated annual revenue (of which 84% was generated by ground handling services and 16% by cargo handling services provided to those customers), while our top 11 to 50 customers represented 33% of our consolidated annual revenue. Our top 10 customers represented the following percentage of sales as of December 31, 2018:

- Swiss International Air Lines: 7% of revenues
- United Airlines: 4% of revenues
- Ryanair: 3% of revenues
- Lufthansa: 3% of revenues
- EasyJet: 3% of revenues
- Finnair: 2% of revenues
- Qatar Airways: 2% of revenues
- Delta Air Lines: 2% of revenues
- Brussels airlines: 2% of revenues
- American Airlines: 2% of revenues

We have a resilient financial profile with further potential for margin expansion

Our business has a proven track record of margin resilience and cash flow generation with potential for margin expansion. Our total revenue and other operating income grew from €2,469.6 million in 2016 (€2,681.7 million on a pro forma basis) to €2,805.8 million in 2017 and to €2,994.5 million in 2018. Over the same period, our Operating EBITDA increased from €206.4 million in 2016, on as adjusted basis, to €220.1 million in 2017 and €273.2 million in 2018. Our Operating EBITDA Margin was 7.7% in 2016 on as adjusted basis, 7.8% in 2017 and 9.1% in 2018.

We focus on leveraging best practices across our global network with the aim of achieving continuous efficiency improvement through managing labor costs, understanding local cost bases, and disciplined and rigorous commercial governance and pricing practices. We have focused on expanding our network in locations with higher margin opportunities, particularly in emerging markets, while consolidating in developed markets with a focus on cost optimization. Our global scale provides an extensive equipment and personnel base from which we can draw, allowing for cross functional equipment and staff utilization, cost advantages and procurement efficiencies, which can lower the costs of new equipment purchases. We have created a centralized Centre of Procurement Excellence which has established a group-wide policy for the procurement of key items, such as ground service equipment and uniforms, and allows us to leverage our global scale to achieve lower unit costs.

By virtue of the asset-light nature of our business, we also benefit from low capital expenditure requirements which are closely monitored and managed. In 2016, 2017 and 2018, our Net Capital Expenditure of €70.1 million, €68.6 million and €109.2 million, respectively, amounted to 2.8%, 2.4% and 3.6% of our total revenue and other operating income of €2,469.6 million, €2,805.8 million and €2,994.5 million, respectively, while our working capital of €52.5 million, €56.2 million and €18.0 million, respectively, amounted to 2.1%, 2.0% and 0.6% of our total revenue and other operating income, respectively.

Our profitability and increased focus on working capital management has led to strong cash flow generation. We generated cash flow from operating activities of €135.7 million in 2016 (€138.4 million on a pro forma basis), €130.1 million in 2017 and €182.5 million in 2018. Measured as a percentage of Operating EBITDA, which was €198.7 million in 2016 (€206.4 million on as adjusted basis), €220.1 million in 2017 and €273.2 million in 2018, our cash flow from operating activities was 68.3% in 2016 (67.0% on as adjusted basis), 59.1% in 2017 and 66.8% in 2018. We continue to manage our working capital closely to maximize our cash flow generation.

We have a proven capability to drive multiple levers of growth, including organic growth, outsourcing and hub management, bolt-on acquisitions and greenfield investments

Our business has grown consistently since its foundation and continues to grow profitably. This strength has been driven by focusing on four building blocks for growth: organic growth, new outsourcing opportunities, bolt-on acquisitions and greenfield investments.

Our history of organic growth has principally been driven by an expansion of our existing operations by providing additional services to existing customers, adding new customers to existing airports and adding new airports in existing markets. Our relatively asset-light and flexible business model enables us to take advantage of organic growth opportunities with only limited additional capital expenditures. By leveraging our global scale to systematically expand our existing operations, we have seen the incremental and steady growth of our business with customers, such as Ryanair and Qatar Airways.

We have a demonstrated ability to successfully onboard outsourcing contracts and are well positioned to take advantage of new outsourcing opportunities. We believe our capability to offer sophisticated hub management services (where we provide all of an airline's ground handling requirements at a certain hub) makes us well suited for new customers looking to outsource or switch providers, particularly in relation to airline hubs and bases where aviation service providers need to be fully integrated into the daily activities of the airline. As of the date of this Offering Memorandum, we provide services at the hubs or bases of Swiss International Air Lines in Zurich, Brussels Airlines in Brussels, easyJet in Geneva, Finnair in Helsinki, United Airlines in Washington, D.C. (Dulles), South African Airways in Johannesburg, Lufthansa in Munich and Bulgaria Air in Sofia. The strong underlying trend by airlines and airports to focus on their core businesses in an effort to cut costs provides us with what we believe is an avenue for substantial growth of our business.

We have historically expanded our business through selective external growth opportunities, such as our acquisition of Servisair in 2013, our acquisition of a majority stake in AFS Aviation Fuel Services GmbH in September 2015, the acquisition of AGN Aviation Services in Mexico in October 2015, our acquisition of Skylink Handling Services ("**Skylink**") in October 2016 and most recently our acquisition of Aerocare (together with its subsidiaries, "**Aerocare**"), which was completed on March 7, 2018.

Additionally, we have historically employed greenfield investments as another avenue for growth. Our existing greenfield projects consist of opportunistic start-ups that have arisen from new tender prospects as a result of new business opportunities in untapped markets, such as the three new cargo stations built for the new contracts with Amazon, or as a result of outsourcing and deregulation, such as our recent entry into Saudi Arabia and Oman.

Our global scale and operational effectiveness allow us to reduce certain of the cost burdens associated with entering new markets, which can involve significant start-up costs and other development risks if a greenfield investment. We have sought to mitigate these risks by carefully assessing the market's regulatory framework, evaluating the prospects and certainty of new contracts and projecting our future capital expenditure requirements. We believe that we are well positioned to take advantage of new outsourcing markets because many of our customers already operate in those new markets and their strong customer relationship with us should allow us to follow those customers into those markets. We believe that the sophistication of our global knowledge and services allows us to integrate our systems into each new location more quickly and easily.

Our experienced management team has a proven track record and a strong corporate culture of governance and control

We have an internationally diverse senior management team with an average of 25 years of professional expertise and a proven track record in the air services and logistics operation industries. The international diversity of our management team, which includes four nationalities, reflects Swissport's global approach, which we believe has aided us in growing our total revenues, managing costs, introducing new products and acquiring and successfully integrating new businesses. We believe that the collective industry knowledge and leadership of our senior management team, along with their record of accomplishment in responding to challenging economic conditions and achieving profitable revenue growth, will enable them to continue to execute our strategy profitably.

Our management team has implemented a strong corporate culture of governance and control with a focus on maintaining a rigorous set of systems, rules, practices and processes to ensure that they are able to successfully balance the interests of our stakeholders.

Our Strategy

Sustain growth and leadership in our core markets

We seek to retain our leadership in our core markets by focusing on our operational excellence, our brand and core strengths as well as continuing to implement standardized operating procedures through the platform of the Swissport Formula. Our business has grown consistently since its foundation and continues to grow profitably. We opened our doors with three locations in Switzerland in 1996, and, as of March 31, 2019, we operated at 310 airports globally.

In addition to optimizing our service offerings across our existing airport stations, we aim to achieve further sustainable growth by leveraging our existing relationships with key customers at all of our locations and using our competitive advantage. As airlines continue to outsource a broad range of services at their main hubs to benefit from lower operating costs, we believe we are the sole independent provider of global and cargo handling services able to offer them one-stop shop services meeting their requirements.

Another strategy we have adopted for promoting expansion in existing locations has been to focus on entering into framework agreements with airline customers which contain pre-agreed terms for the provision of a range of ground and cargo handling services that apply whenever these airlines expand into new locations where we already offer our services and have customer infrastructure in place. We believe that we can also generate increased revenue through practices like allocating warehouse capacity to the highest margin contracts. Likewise, we continue to selectively close the gaps in our existing network in an effort to offer more complete coverage to our customers and to offer a wide portfolio of services at each airport at which we operate.

We have historically expanded our business through selective external growth opportunities, such as our acquisition of Skylink in October 2016 and our acquisition of Apron GmbH in September 2018. Our management team follows a disciplined, bottom-up approach with clear criteria driving which opportunities are ultimately selected for investments. We undertake a yearly strategic review using our market intelligence database and analyze growth targets by region to identify bolt-on and outsourcing. These are then filtered according to market and financial attractiveness and strategic relevance, following which we produce an internal high-level business case and initiate talks with the potential customer or target. Our international investment committee meets to evaluate opportunities on a bi-weekly basis, and there is a two stage approval process under which the committee mandates regional teams to develop such opportunities. Ultimately, our regional teams execute operational implementation and their progress is monitored and reviewed against the committee's detailed business case on a monthly basis. Based on these criteria, we have identified a large pipeline of potential consolidation opportunities. In addition to anticipating transactions developed through our pipeline, we also maintain the flexibility to enable us to capitalize on any opportunistic acquisitions that may become available with the goal of leveraging our global scale.

We constantly seek to adapt to market changes by offering industry leading services and products, an approach that we will continue to pursue. For example, we were one of the first aviation services providers to offer technological innovations, such as web and mobile check-in, and we have also been quick to adapt to changes in the aviation industry, including the increased presence of low-cost carriers.

Improve infrastructure and cost base across the globe

Across our operations we are continuously building on the improvements we have made to our infrastructure and optimizations of our cost base. Through our global network we seek to maximize resource utilization across the network and minimize costs, thereby enabling us to share and deploy our global knowledge and best practices across our vast international network, which will lead to consistency in the services provided to our customers and make us more competitive. With the aim of optimizing our back-office activities, we are currently implementing specific plans to create a shared service center that will provide common services across airport stations. We have procedures in place to ensure ground service equipment is distributed between airport stations according to demand, and to allocate older equipment to less demanding airport stations, but we believe our management of ground support equipment can be further optimized to achieve a more efficient allocation of resources.

We also intend to further leverage our leading market position at the procurement stage to achieve better prices and conditions in our contracts with airlines, and have created a centralized procurement function with group-wide procurement policies and contracting standards. The standard procedures we have implemented through the Swissport Formula also allows us to streamline our workforce best practices to create a leaner cost structure, which further drives our financial and operational performance. Our finance function has recently undergone a significant transformation which affects each of the five limbs of our finance group: accounting, financial planning and analysis, treasury and tax, business development, and internal audit. We aim to achieve lean services through standardizing and automating our processes as far as possible. This has included introducing the SAP enterprise resource planning system which allows us to capture between 80% and 90% of revenue in one platform, and automating procedures, such as production of standardized reports, self-service reports, checks and audit analytics. We introduced a new strategic planning process which has improved our forecasting and budgeting; have created decision support and performance management teams, and have strengthened our internal audit team.

In 2019 we completed our global IT transformation project to standardize and harmonize our global IT systems. In particular, we centralized IT operations from over 40 locations globally to two state of the art data centers in Frankfurt, established a dedicated 24-hour, seven-days-a-week IT user helpdesk in Budapest, implemented cloud storage for all data and migrated active IT users to approximately 170 applications, such as Microsoft Office 365, that reduce operating costs and improve security. With these developments, we now have in place global IT tools for KPI quality and tracking, safety management, consistent financial reporting and training management and compliance. We see our IT platform as a strategic enabler to allow us to reduce labor costs and spent 2.1%, 2.1% and 1.8% of total revenues and other operating income on upgrading our IT systems and processes in 2016, 2017 and 2018, respectively. We plan to continue to seek further areas to improve our infrastructure in pursuit of additional revenue streams and cost-saving opportunities.

Create value through innovation

We seek to adapt to market changes by offering industry leading services and product solutions to generate more revenue for us and our customers. The dependence on technology in the wider aviation industry, including the automation of passenger, ground and cargo handling services, continues to increase. Accordingly, technology use and development have been and remain a core priority of our business, and we consider ourselves to be an industry leader in the development and implementation of technological advancements within our business. For example, we were one of the first aviation services providers to offer technological innovations, such as web and mobile check-in, advanced integrated security procedures and other innovative aviation services. Our innovative resource management applications enable us to manage staff productivity in real time to reduce the idle time of our labor force. Through our focus on value creation and innovative offerings—including a partnership with a startup accelerator Plug and Play lab stations to test new best practices and a dedicated innovation team—we aim to meet and exceed the expectations of our customers with a continuous focus on cost management.

Build on our global network and market leading position by expanding to new locations, particularly in the Middle East and across the Asia-Pacific region

In addition to our continued focus on growth in locations where we are already active, we also from time to time seek to enter new markets or further develop our existing business in strategic locations through new outsourcing opportunities, greenfield projects or selected acquisitions. To this end, we continue to focus on developing existing expansion projects, particularly market entries in selected locations in the Middle East and across APAC region. We aim to capitalize on the increasing trend towards outsourcing and deregulation in these regions, which we believe will have a positive and sustainable impact on our revenue over the next few years.

Our opportunities for growth in APAC have been enhanced by our acquisition of Aerocare in March 2018. As a result of this acquisition, we are now one of the largest independent ground handler in Australia and New Zealand and a regional leader in flight support services, serving 34 airports and managing over 285,000 flight movements and 17.8 million passengers annually. We intend to leverage Aerocare's leadership position and Swissport's best practices framework to further strengthen our presence in APAC.

Recent Developments

In May 2019, Finnair Cargo appointed Swissport as the new operator of its COOL Nordic Cargo Hub facility at Helsinki Airport, one of the most modern air cargo hubs in Europe. From June 2019, Swissport will handle over 600 tons of perishables, pharmaceuticals and general cargo daily.

On May 29, 2019, Swissport was recognized with the "Innovator Award 2019" at the IATA ground handling Conference in Madrid for its role in developing the "LiftSuit". The LiftSuit, a wearable exoskeleton, can help to prevent musculoskeletal injuries amongst baggage handlers.

In June 2019, Swissport won easyJet's business at Zurich Airport as of September 1, 2019. The five-year contract complements Swissport's existing business with the airline in Geneva and at Basel's EuroAirport. Swissport will service some 120 daily easyJet flights at the three Swiss airports combined. On a global level easyJet relies on Swissport's ground handling services at 19 airports.

On July 4, 2019, Swissport announced the appointment of Dr. Peter Waller as Swissport's Chief Financial Officer and member of Group Executive Management. He is expected to succeed Dr. Christian Göseke, who notified Swissport of his desire to leave Swissport. Peter Waller will assume his duties on September 1, 2019.

Trading Update

Swissport's financial and operational results for the three and six months ended June 30, 2019 are not yet finalized; however, the following information reflects Swissport's preliminary estimates with respect to some of such results based on the information currently available to management.

Swissport's revenues for the three months ended June 30, 2019 amounted to €776.5 million compared to €753.7 million (€769.3 million on a constant currency basis) for the same period in 2018, representing an increase of 3.0% (0.9% on a constant currency basis) year on year.

Swissport's Operating EBITDA (IFRS 16 Adjusted) for the three months ended June 30, 2019 remained stable at €76.2 million (Swissport's Operating EBITDA without IFRS 16 adjustments amounted to €109.9 million) compared to €76.4 million (€78.0 million on a constant currency basis) for the same period in 2018. This was largely driven by continued growth in ground handling volumes (which historically represented a large majority of our total revenue) and successful exit from certain loss making units, such as ground handling operations at Los Angeles International Airport and the French cargo handling business. The Operating EBITDA was partially offset by weaker volumes in cargo handling.

Swissport's revenues for the six months ended June 30, 2019 amounted to €1,526.0 million compared to €1,437.9 million (€1,472.4 million on a constant currency basis) for the same period in 2018, representing an increase of 6.1% (3.6% on a constant currency basis) year on year.

Swissport's Operating EBITDA (IFRS 16 Adjusted) for the six months ended June 30, 2019 amounted to €121.9 million (Swissport's Operating EBITDA without IFRS 16 adjustments amounted to €191.4 million) compared to €113.7 million (€116.5 million on a constant currency basis) for the same period in 2018, representing an increase of 7.3% (4.6% on a constant currency basis) year on year. In addition to the drivers discussed above, this was also largely driven by growth coming from Swissport's acquisition of Aerocare in March 2018, as well as a strong de-icing season in the first three months of 2019.

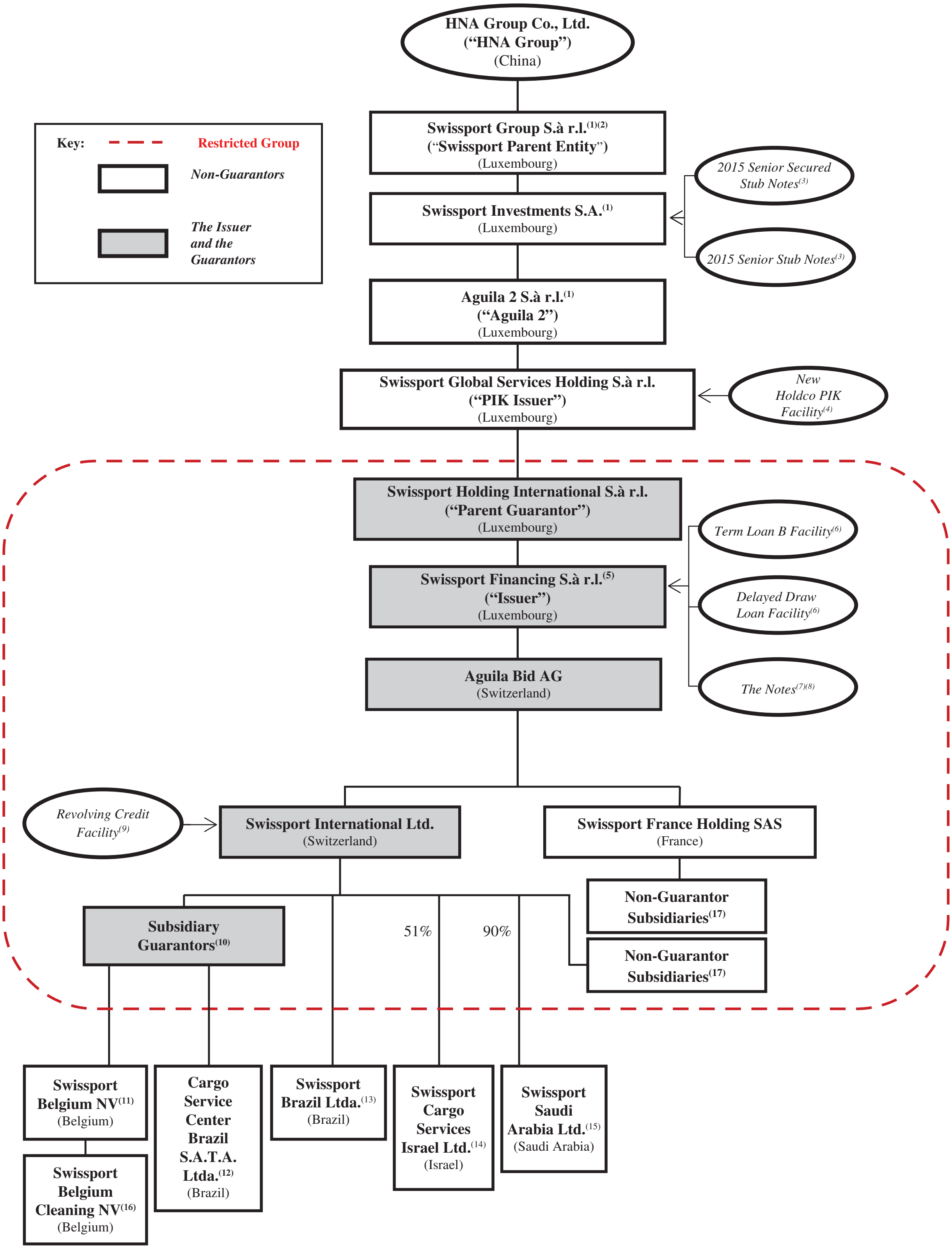
The select preliminary financial results for the three and six months ended June 30, 2019 are derived from Swissport's preliminary management accounts and have not been audited, reviewed or verified by Swissport's independent auditors, and you should not place undue reliance on these results. During the course of Swissport's financial statement closing process for the three and six months ended June 30, 2019, Swissport could identify items that would require adjustments to be made and which could affect the results of operations for the periods presented. Those procedures for such period are still ongoing and the operating results for such period may be different than the performance and trends indicated by the select preliminary financial results for the three and six months ended June 30, 2019 and such changes may be material. The information for the three and six months ended June 30, 2019 should not be regarded as an indication, forecast or representation by us or any other person regarding Swissport's financial performance for the three and six months ended June 30, 2019.

The Refinancing

Following completion of the Offering, we intend to use approximately €1,355.0 million of the aggregate gross proceeds from the Offering together with the Senior Facilities and cash on hand to repay outstanding borrowings, of which: (i) approximately €711.6 million is intended to be used to fully repay the Existing Term Loan B Facilities (approximately €417.1 million under the Existing Term Loan B Facility and approximately €294.5 million under the Existing Incremental Term Loan B Facility); (ii) approximately €15.2 million (CHF 17.0 million equivalent) is intended to be used to fully repay the Existing Revolving Credit Facility; and (iii) approximately €628.2 million is intended to be used to fully redeem the aggregate principal amount of the outstanding Existing Notes (approximately €363.5 million under the Existing Senior Secured Notes and approximately €264.6 million under the Existing Senior Notes) and pay transaction fees and expenses in connection with the Refinancing. For further information, see "*Use of Proceeds*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources*". In connection with the Refinancing, the Issuer will also enter into a Credit Agreement providing for: (i) a Term Loan B Facility in an aggregate principal amount of €850.0 million, (ii) a Revolving Credit Facility in an aggregate principal amount of up to €75.0 million and (iii) Delayed Draw Loan Facility in an aggregate principal amount of up to €50.0 million. We expect that the Revolving Credit Facility and the Delayed Draw Loan Facility will remain undrawn on the Issue Date. For further information, see "*Use of Proceeds*" and "*Description of Certain Financing Arrangements*".

Summary Corporate and Financing Structure

The following chart illustrates our simplified corporate structure and principal outstanding financing arrangements after giving effect to the Refinancing, including the Offering and the use of proceeds therefrom, as described in "Use of Proceeds". For a summary of the debt obligations referenced in this diagram, see "Description the Senior Secured Notes", "Description of the Senior Notes" and *"Description of Certain Financing Arrangements".*



(1) On January 27, 2016, pledges over the share capital of these entities were granted for the benefit of the lenders of the Sponsor Facility. "**Sponsor Facility**" means the facility agreement dated January 26, 2016 and made between, amongst others, HNA Aviation (Hong Kong) ground handling Holdings Co., Limited as borrower and Industrial and Commercial Bank of China Limited, Yangpu Branch as agent and security agent. As of June 30, 2019, the combined total assets of the Swissport Parent Entity, Swissport Investments S.A. and Aguila 2 was €679.6 million.

(2) The Swissport Parent Entity is controlled by HNA Group.

(3) On December 14, 2015, Swissport Investments S.A. issued the 6.750% senior secured notes due 2021 with an original aggregate principal amount of €400,000,000, of which €36,478,000 remains outstanding as of March 31, 2019 (the "**2015 Senior Secured Stub Notes**"), and the 9.750% senior notes due 2022 with an original aggregate principal amount €290,000,000, of which €15,856,000 remains outstanding as of March 31, 2019 (the "**2015 Senior Stub Notes**" and, together with the 2015 Senior Secured Stub Notes, the "**2015 Stub Notes**"). These amounts represent the 2015 Stub Notes not tendered and accepted for exchange in the Exchange Offer.

(4) On March 5, 2018, the PIK Issuer entered into a $162.0 million note purchase agreement, as issuer, with respect to notes due on March 5, 2022 (the "**Existing Note Purchase Agreement**"). As at March 31, 2019, an amount of $181.3 million (EUR 161.6 million equivalent) remained outstanding under the Existing Note Purchase Agreement. It is intended that on or about the Issue Date, the PIK Issuer will enter into a new €190.0 million Holdco PIK facility (the "**New Holdco PIK Facility**"), as borrower, pursuant to which the outstanding amount under the Existing Note Purchase Agreement will be repaid. The New Holdco PIK Facility will be guaranteed by Aguila 2. The obligations under the New Holdco PIK Facility will not be guaranteed or otherwise have recourse to the Issuer, the Parent Guarantor or any of their subsidiaries. For further information, see "*Description of Certain Financing Arrangements—Swissport Global Services Holding S.à r.l. PIK Facility*".

(5) On February 6, 2018, the Issuer, as lender, entered into a related party loan with an original principal amount of €361.6 million with another HNA Group subsidiary, as borrower, which was originally due in May 2018 (the "**HNA Loan**"). In May 2018, a partial repayment of US$100 million (€83.2 million equivalent) was made to the Issuer and the parties to the HNA Loan entered into a remedies standstill. Further remedies standstills were entered into in October 2018 and January 2019. As of March 31, 2019, the outstanding principal amount under the HNA Loan was €303.1 million. On July 29, 2019, Swissport agreed to forbear until August 15, 2019 from exercising remedies to collect on HNA Group's obligations under the HNA Loan. It is now contemplated that the HNA Loan will be transferred out of the Restricted Group from the Issuer to SGSH through successive repayments in kind, or another suitable structure. Further potential options for this transfer are subject to ongoing consideration.

(6) In connection with the Refinancing, the Issuer will also enter into the Credit Agreement providing for the Term Loan B Facility in an aggregate principal amount of €850.0 million and the Delayed Draw Loan Facility in an aggregate principal amount of up to €50.0 million on a committed basis for the purposes of funding acquisition costs and capital expenditures. For further information, see "*Use of Proceeds*" and "*Description of Certain Financing Arrangements—Senior Facilities*".

(7) Up to €410,000,000 5.25% Senior Secured Notes due 2024 and up to €250,000,000 9.00% Senior Notes due 2025 will be issued by the Issuer on the Issue Date. The Notes will be senior obligations of the Issuer. Upon issuance, the Guarantors will guarantee the Senior Secured Notes on a senior basis and the Senior Notes on a senior subordinated basis. See "*Description of the Senior Secured Notes—The Guarantees*" and "*Description of the Senior Notes—The Guarantees*" for further information on the Guarantees. The Guarantees of the Notes will be subject to certain limitations under applicable law, as described under "*Limitations on Validity and Enforceability of the Guarantees, the Senior Secured Notes Security and Certain Insolvency Law Considerations*".

(8) The Senior Secured Notes and the Senior Secured Notes Guarantees will be secured by the same assets that secure the Senior Facilities.

(9) In connection with the Refinancing, the Issuer will enter into the Credit Agreement providing for the Revolving Credit Facility in an aggregate principal amount of up to €75.0 million available to Swissport International Ltd. For further information, see "*Description of Certain Financing Arrangements—Senior Facilities*".

(10) The Subsidiary Guarantors and the Issuer represented 96.0% of Swissport's total assets (excluding goodwill, intercompany transactions and any assets of Swissport Group S.à r.l., Swissport Investments S.A., Aguila 2 S.à r.l and Swissport Global Services Holding S.à r.l.) as of March 31, 2019 and 72.5% of Swissport's Operating EBITDA (excluding intercompany transactions and Swissport Group S.à r.l., Swissport Investments S.A., Aguila 2 S.à r.l and Swissport Global Services Holding S.à r.l.) for the twelve-month period ended March 31, 2019.

(11) As of the date of this Offering Memorandum, the Issuer, through wholly owned subsidiaries, owns 100% of Swissport Belgium NV, an organization existing under the laws of Belgium. Swissport Belgium NV will not be a Guarantor of the Notes and will be considered an Unrestricted Subsidiary of the Parent Guarantor under the Indentures. For the twelve months ended March 31, 2019, Swissport Belgium NV represented 2.8% of Swissport's consolidated revenue and other operating income and 1.8% of Swissport's Operating EBITDA (excluding intercompany transactions and Swissport Group S.à r.l., Swissport Investments S.A., Aguila 2 S.à r.l and Swissport Global Services Holding S.à r.l.). As of March 31, 2019, Swissport Belgium NV represented 1.3% of Swissport's total assets (excluding goodwill, intercompany transactions and any assets of Swissport Group S.à r.l., Swissport Investments S.A., Aguila 2 S.à r.l and Swissport Global Services Holding S.à r.l.).

(12) As of the date of this Offering Memorandum, the Issuer, through wholly-owned subsidiaries, owns 100% of Cargo Service Center Brazil S.A.T.A. Ltda. ("**Brazil Cargo**"), an organization existing under the laws of Brazil. Brazil Cargo will not be a Guarantor of the Notes and will be considered an Unrestricted Subsidiary of the Parent Guarantor under the Indentures. For the twelve months ended March 31, 2019, Brazil Cargo represented 0.1% of Swissport's consolidated revenue and other operating income and 0.1% of Swissport's Operating EBITDA (excluding intercompany transactions and Swissport Group S.à r.l., Swissport Investments S.A., Aguila 2 S.à r.l and Swissport Global Services Holding S.à r.l.). As of March 31, 2019, Brazil Cargo represented 0.1% of Swissport's total assets (excluding goodwill, intercompany transactions and any assets of Swissport Group S.à r.l., Swissport Investments S.A., Aguila 2 S.à r.l and Swissport Global Services Holding S.à r.l.).

(13) As of the date of this Offering Memorandum, the Issuer, through wholly-owned subsidiaries, owns 100% of Swissport Brazil Ltda. ("**Swissport Brazil**"), an organization existing under the laws of Brazil. Swissport Brazil will not be a Guarantor of the Notes and will be considered an Unrestricted Subsidiary of the Parent Guarantor under the Indentures. For the twelve months ended March 31, 2019, Swissport Brazil represented 2.2% of Swissport's consolidated revenue and other operating income and 2.8% of Swissport's Operating EBITDA (excluding intercompany transactions and Swissport Group S.à r.l., Swissport Investments S.A., Aguila 2 S.à r.l and Swissport Global Services Holding S.à r.l.). As of March 31, 2019, Swissport Brazil represented 1.5% of Swissport's total assets (excluding goodwill, intercompany transactions and any assets of Swissport Group S.à r.l., Swissport Investments S.A., Aguila 2 S.à r.l and Swissport Global Services Holding S.à r.l.).

(14) As of the date of this Offering Memorandum, the Issuer, through wholly-owned subsidiaries, owns 51% of Swissport Cargo Services Israel Ltd. ("**Swissport Israel**"), an organization existing under the laws of Israel. Swissport Israel will not be a Guarantor of the Notes and will be considered an Unrestricted Subsidiary of the Parent Guarantor under the Indentures. For the twelve months ended March 31, 2019, Swissport Israel represented 0.8% of Swissport's consolidated revenue and other operating income and 2.1% of Swissport's Operating EBITDA (excluding intercompany transactions and Swissport Group S.à r.l., Swissport Investments S.A., Aguila 2 S.à r.l and Swissport Global Services Holding S.à r.l.). As of March 31, 2019, Swissport Israel represented 2.5% of Swissport's total assets (excluding goodwill, intercompany transactions and any assets of Swissport Group S.à r.l., Swissport Investments S.A., Aguila 2 S.à r.l and Swissport Global Services Holding S.à r.l.).

(15) As of the date of this Offering Memorandum, the Issuer, through wholly-owned subsidiaries, owns 100% of Swissport Saudi Arabia Ltd. ("**Swissport Saudi**"), an organization existing under the laws of the Kingdom of Saudi Arabia. Swissport Saudi will not be a Guarantor of the Notes and will be considered an Unrestricted Subsidiary of the Parent Guarantor under the Indentures. For the twelve months ended March 31, 2019, Swissport Saudi represented 0.7% of Swissport's consolidated revenue and other operating income and did not make a positive contribution to Swissport's Operating EBITDA (excluding intercompany transactions and Swissport Group S.à r.l., Swissport Investments S.A., Aguila 2 S.à r.l and Swissport Global Services Holding S.à r.l.). As of March 31, 2019, Swissport Saudi represented 1.5% of Swissport's total assets (excluding goodwill, intercompany transactions and any assets of Swissport Group S.à r.l., Swissport Investments S.A., Aguila 2 S.à r.l and Swissport Global Services Holding S.à r.l.).

(16) As of the date of this Offering Memorandum, the Issuer, through wholly owned subsidiaries, owns 100% of Swissport Belgium Cleaning NV, an organization existing under the laws of Belgium. Swissport Belgium Cleaning NV will not be a Guarantor of the Notes and will be considered an Unrestricted Subsidiary of the Parent Guarantor under the Indentures. For the twelve months ended March 31, 2019, Swissport Belgium Cleaning NV represented 0.0% of Swissport's consolidated revenue and other operating income and did not make a positive contribution to Swissport's Operating EBITDA (excluding intercompany transactions and Swissport Group S.à r.l., Swissport Investments S.A., Aguila 2 S.à r.l and Swissport Global Services Holding S.à r.l.). As of March 31, 2019, Swissport Belgium Cleaning NV represented 0.0% of Swissport's total assets assets (excluding goodwill, intercompany transactions and any assets of Swissport Group S.à r.l., Swissport Investments S.A., Aguila 2 S.à r.l and Swissport Global Services Holding S.à r.l.).

(17) As of March 31, 2019, the Issuer's non-Guarantor subsidiaries (excluding Unrestricted Subsidiaries and the Issuer) would have had total debt of approximately €31.1 million, all of which would have ranked structurally senior to the Notes and the Guarantees. In the event of a bankruptcy, liquidation or reorganization of any of these non-Guarantor Restricted Subsidiaries, the non-Guarantor Restricted Subsidiaries will likely be required to repay financial and trade creditors before distributing any assets to the Issuer or a Guarantor.

The Offering

The following summary of the Offering contains basic information about the Notes and the Guarantees. It is not intended to be complete and it is subject to important limitations and exceptions. For a more complete description of the terms of the Notes, including certain definitions of terms used in this summary, see "Description of the Senior Secured Notes" and "Description of the Senior Notes".

Issuer	Swissport Financing S.à r.l. (the "**Issuer**").
Notes Offered	
Senior Secured Notes	€410,000,000 aggregate principal amount of 5.25% senior secured notes due 2024 (the "**Senior Secured Notes**").
Senior Notes	€250,000,000 aggregate principal amount of 9.00% senior notes due 2025 (the "**Senior Notes**", together with the Senior Secured Notes, the "**Notes**")
Issue date	August 14, 2019 (the "**Issue Date**").
Issue price	
Senior Secured Notes	100.0% plus accrued interest, if any, from the Issue Date.
Senior Notes	100.0% plus accrued interest, if any, from the Issue Date.
Maturity date	
Senior Secured Notes	August 15, 2024.
Senior Notes	February 15, 2025.
Interest Payment Dates	
Senior Secured Notes	Semi-annually in arrears on February 15 and August 15 of each year, commencing on February 15, 2020.
Senior Notes	Semi-annually in arrears on Febraury 15 and August 15 of each year, commencing on February 15, 2020.
Form and Denomination	
Senior Secured Notes	Global Notes in minimum denomination of €100,000 and integral multiples of €1,000 in excess thereof. Notes in denominations of less than €100,000 will not be available.
Senior Notes	Global Notes in minimum denomination of €100,000 and integral multiples of €1,000 in excess thereof. Notes in denominations of less than €100,000 will not be available.
Notes Guarantees	The Notes will be guaranteed, on a joint and several basis, fully and unconditionally by the Parent Guarantor and each of its subsidiaries that guarantees the Senior Facilities.
Ranking of the Notes and the Guarantees	
Senior Secured Notes	The Senior Secured Notes will: • be general senior secured obligations of the Issuer; • rank *pari passu* in right of payment with any existing and future obligations of the Issuer that are not subordinated to the Notes, including the Issuer's obligations under the Senior Facilities;

- rank senior in right of payment to existing and future obligations of the Issuer that are subordinated to the Notes;
- be structurally subordinated to existing and future obligations of the Issuer's subsidiaries that are not Guarantors;
- be secured on a first-priority basis by the Collateral, as described below under "—*Security*";
- be fully and unconditionally guaranteed by the Guarantors, as described under "—*Notes Guarantees*", subject to certain guarantee limitations.

The Guarantees will:

- be general senior secured obligations of the relevant Guarantor;
- rank *pari passu* in right of payment with any existing and future obligations of the relevant Guarantor that are not subordinated to the relevant Guarantee, including the relevant Guarantor's obligations under the Senior Facilities; and
- rank senior in right of payment to existing and future obligations of the relevant Guarantor that are subordinated to the relevant Guarantee.

The Guarantees will be subject to the terms of the Intercreditor Agreement. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*". The Guarantees will also be subject to release under certain circumstances. See "*Description of Certain Financing Arrangements—Release of the Guarantees and the Security upon a Distressed Disposal*".

Senior Notes .... The Senior Notes will:

- be general senior unsecured obligations of the Issuer;
- rank *pari passu* in right of payment with any existing and future obligations of the Issuer that are not subordinated to the Notes, including the Issuer's obligations under the Senior Facilities;
- rank senior in right of payment to existing and future obligations of the Issuer that are subordinated to the Notes;
- be structurally subordinated to existing and future obligations of the Issuer's subsidiaries that are not Guarantors;
- be effectively subordinated to existing and future secured obligations of the Issuer to the extent of the value of the assets securing such obligations; and
- be fully and unconditionally guaranteed by the Guarantors, as described under "—*Notes Guarantees*", subject to certain guarantee limitations.

The Guarantees will:

- be general senior unsecured obligations of the relevant Guarantor;
- rank *pari passu* in right of payment with any existing and future obligations of the relevant Guarantor that are not subordinated to the relevant Guarantee, including the relevant Guarantor's obligations under the Senior Facilities;
- rank senior in right of payment to existing and future obligations of the relevant Guarantor that are subordinated to the relevant Guarantee; and
- be effectively subordinated to existing and future secured obligations of the relevant Guarantors to the extent of the value of the assets securing such obligations.

The Guarantees will be subject to the terms of the Intercreditor Agreement. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*". The Guarantees will also be subject to release under certain circumstances. See "*Description of Certain Financing Arrangements—Release of the Guarantees and Security upon a Distressed Disposal*".

Notes Guarantees

Senior Secured Notes . . . . The Senior Secured Notes will be guaranteed on a senior basis by the Guarantors. The Senior Secured Notes Guarantees of certain Guarantors will be limited as described under "*Risk Factors—Risks Relating to our Indebtedness, the Notes and Guarantees—The Guarantees of the Notes and the Collateral of the Senior Secured Notes, along with any future guarantees of the Notes and the future Collateral of the Senior Secured Notes, will be subject to certain limitations on enforcement and may be limited by applicable law or subject to certain defenses that may limit their validity and enforceability*" and "*Limitations on Validity and Enforceability of the Guarantees, the Senior Secured Notes Security and Certain Insolvency Law Considerations*".

Senior Notes . . . . The Senior Notes will be guaranteed on a senior basis by the Guarantors. The Senior Notes Guarantees of certain Guarantors will be limited as described under "*Risk Factors—Risks Relating to our Indebtedness, the Notes and Guarantees—The Guarantees of the Notes and the Collateral of the Senior Secured Notes, along with any future guarantees of the Notes and the future Collateral of the Senior Secured Notes, will be subject to certain limitations on enforcement and may be limited by applicable law or subject to certain defenses that may limit their validity and enforceability*" and "*Limitations on Validity and Enforceability of the Guarantees, the Senior Secured Notes Security and Certain Insolvency Law Considerations*".

Security . . . . The Senior Secured Notes and the Senior Secured Notes Guarantees will be secured on a first-ranking priority basis by a first or second lien on material assets (other than shares in subsidiaries) of the Issuer and the Guarantors, the shares in certain Subsidiary Guarantors, and certain other assets of the Issuer and the Guarantors.

Any security granted by the Issuer and the Guarantors will be limited as described under "*Risk Factors—Risks Relating to our Indebtedness, the Notes and Guarantees—The Guarantees of the Notes and the Collateral of the Senior Secured Notes, along with any future guarantees of the Notes and the future Collateral of the Senior Secured Notes, will be subject to certain limitations on enforcement and may be limited by applicable law or subject to certain defenses that may limit their validity and enforceability*" and "*Limitations on Validity and Enforceability of the Guarantees, the Senior Secured Notes Security and Certain Insolvency Law Considerations*".

The assets securing the Senior Secured Notes will also secure the Senior Facilities on an equal and ratable basis and may be released under certain circumstances. See "*Risk Factors—The Guarantors and the other security providers will have control over the Collateral securing the Senior Secured Notes, and the sale of particular assets could reduce the pool of assets securing the Senior Secured Notes*," "*Description of Certain Financing Arrangements—Intercreditor Agreement*" and "*Description of the Senior Secured Notes—Security*".

Use of Proceeds . . . . We intend to use the aggregate gross proceeds from the Offering together with the Senior Facilities and cash on hand to repay outstanding borrowings, of which: (i) approximately €711.6 million is intended to be used to fully repay the Existing Term Loan B Facilities (approximately €417.1 million under the Existing Term Loan B Facility and approximately €294.5 million under the Existing Incremental Term Loan B Facility); (ii) approximately €15.2 million (CHF 17.0 million equivalent) is intended to be used to fully repay the Existing Revolving Credit Facility; and (iii) approximately €628.2 million is intended to be used to fully redeem the aggregate principal amount of the outstanding Existing Notes (approximately €363.5 million under the Existing Senior Secured Notes and approximately €264.6 million under the Existing Senior Notes) and pay transaction fees and expenses in connection with the Refinancing.

Optional Redemption

Senior Secured Notes . . . . Prior to August 15, 2021, the Issuer will be entitled at its option to redeem all or a portion of the Senior Secured Notes at a redemption price equal to 100% of the principal amount of the Senior Secured Notes, plus the applicable "make-whole" premium described in this Offering Memorandum and accrued and unpaid interest to the redemption date.

On or after August 15, 2021, the Issuer will be entitled at its option to redeem all or a portion of the Senior Secured Notes at the redemption prices set forth under the caption "*Description of the Senior Secured Notes—Optional Redemption*" plus accrued and unpaid interest to the redemption date.

Prior to August 15, 2021, the Issuer will be entitled at its option on one or more occasions to redeem up to 40% of the aggregate principal amount of the Senior Secured Notes with the net cash proceeds from certain equity offerings at a redemption price equal to 105.250% of the principal amount of the outstanding Senior Secured Notes plus accrued and unpaid interest to the redemption date.

Senior Notes . . . . Prior to August 15, 2021, the Issuer will be entitled at its option to redeem all or a portion of the Senior Notes at a redemption price equal to 100% of the principal amount of the Senior Notes plus the applicable "make-whole" premium described in this Offering Memorandum and accrued and unpaid interest to the redemption date.

On or after August 15, 2021, the Issuer will be entitled at its option to redeem all or a portion of the Senior Notes at the redemption prices set forth under the caption "*Description of the Senior Notes—Optional Redemption*" plus accrued and unpaid interest to the redemption date.

Prior to August 15, 2021, the Issuer will be entitled at its option on one or more occasions to redeem up to 40% of the aggregate principal amount of the Senior Notes with the net cash proceeds from certain equity offerings at a redemption price equal to 109.000% of the principal amount of the outstanding Senior Notes plus accrued and unpaid interest to the redemption date.

Change of Control . . . . If the Issuer experiences a change of control, it will be required to offer to repurchase the Notes at 101% of their aggregate principal amount plus accrued interest to the date of such repurchase. However, a change of control will not be deemed to have occurred if certain consolidated net leverage ratio is not exceeded in connection with such an event. See "*Description of the Senior Secured Notes—Repurchase at the Option of Holders—Change of Control*" and "*Description of the Senior Notes—Repurchase at the Option of Holders—Change of Control*".

Redemption for Changes in Taxes

Senior Secured Notes . . . . If certain changes in the law of any relevant taxing jurisdiction become effective that would impose withholding taxes or other deductions on the payments of the Senior Secured Notes, we may redeem the Senior Secured Notes in whole, but not in part, at any time, at a redemption price of 100% of the principal amount, plus accrued and unpaid interest, if any, and additional amounts, if any, to the date of redemption. See "*Description of the Senior Secured Notes—Redemption for Changes in Taxes*".

Senior Notes . . . . If certain changes in the law of any relevant taxing jurisdiction become effective that would impose withholding taxes or other deductions on the payments on the Senior Notes, we may redeem the Senior Notes in whole, but not in part, at any time, at a redemption price of 100% of the principal amount, plus accrued and unpaid interest, if any, and additional amounts, if any, to the date of redemption. See "*Description of the Senior Notes—Redemption for Changes in Taxes*".

Additional Amounts . . . . Any payments made with respect to the Notes will be made without withholding or deduction for taxes unless required by law. If withholding or deduction for such taxes is required to be made in any relevant taxing jurisdiction with respect to a payment under the Notes, subject to certain exceptions, we will pay the additional amounts necessary so that the net amount received by the holders of Notes after the withholding is not less than the amount that they would have received in the absence of the withholding. See "*Description of the Senior Secured Notes—Additional Amounts*" and "*Description of the Senior Notes—Additional Amounts*".

Certain Covenants . . . . The Indenture governing each of the Notes will contain covenants that will, among other things, limit the ability of the Issuer and the Restricted Subsidiaries to, among other things:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- create or incur certain liens;
- make certain payments, including dividends or other distributions, with respect to the shares of the Issuer or its Restricted Subsidiaries;
- prepay or redeem subordinated debt or equity;
- make certain payments, including dividends and certain investments;
- prepay or redeem subordinated debt or equity;
- sell, lease or transfer certain assets including stock of Restricted Subsidiaries;
- engage in certain transactions with affiliates;
- consolidate or merge with other entities or sell all or substantially all of the assets of the Issuer and its Restricted Subsidiaries; and
- in the case of the Senior Secured Notes Indenture, impair the security.

	Each of the covenants is subject to a number of significant exceptions and qualifications. For a more detailed description of these covenants, see "*Description of the Senior Secured Notes—Certain Covenants*" and "*Description of the Senior Notes—Certain Covenants*".
Transfer Restrictions	The Notes and the Guarantees have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any other jurisdiction and may not be offered or sold, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. See "*Notice to Investors" and "Plan of Distribution*".
Absence of a Public Market for the Notes	The Notes will be new securities for which there is currently no market. Although the Initial Purchaser has informed us that they intend to make a market in the Notes, they are not obligated to do so and they may discontinue market-making at any time without notice. Accordingly, we cannot assure you that a liquid market for the Notes will develop or be maintained.
Listing	Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and admit the Notes to trading on the Euro MTF Market.
Trustee	U.S. Bank Trustees Limited.
Principal Paying Agent and Transfer Agent	Elavon Financial Services DAC.
Registrar	Elavon Financial Services DAC.
Governing Law for the Notes, the Guarantees and the Indentures	The Notes, the Guarantees and the Indentures are governed by the laws of the State of New York. For the avoidance of doubt, the application of articles 470-3 to 470-19 of the Luxembourg law of 10 August 1915 on commercial companies, as amended, is excluded.
Governing Law for the Security	Applicable jurisdictions for the Security Documents.
Governing Law for the Intercreditor Agreement	The Intercreditor Agreement is governed by the laws of the State of New York.
ISINs	
Senior Secured Notes	Regulation S: XS2036838634; 144A: XS2036841778.
Senior Notes	Regulation S: XS2036842230; 144A: XS2036842586.
Common Codes	
Senior Secured Notes	Regulation S: 203683863; 144A: 203684177.
Senior Notes	Regulation S: 203684223; 144A: 203684258.
Risk Factors	Investing in the Notes involves substantial risks. You should consider carefully all the information in this Offering Memorandum, and, in particular, you should evaluate the specific risk factors set forth in the "*Risk Factors*" section in this Offering Memorandum before making a decision whether to invest in the Notes.

SUMMARY CONSOLIDATED HISTORICAL AND PRO FORMA FINANCIAL AND OPERATIONAL INFORMATION

The tables below set forth the summary consolidated historical financial information of Swissport as of and for the years ended December 31, 2016, 2017 and 2018, and as of and for the three-months ended March 31, 2018 and 2019. The summary historical consolidated financial information set forth below as of and for the years ended December 31, 2016, 2017 and 2018 was extracted from the Audited Consolidated Financial Statements. The summary historical consolidated financial information set forth below as of and for the three months ended March 31, 2019, which includes comparative financial information for the three months ended March 31, 2018, was extracted from the Interim Consolidated Financial Statements. For comparative purposes, the tables below also present the Unaudited Pro Forma Financial Information, see "*Presentation of Financial and Other Information—Unaudited Pro Forma Financial Information for the year ended December 31, 2016*".

Prospective investors are advised to consult their professional advisors for an understanding of the differences between IFRS as adopted by the EU and other systems of generally accepted accounting principles and how those differences may affect the financial information included in this Offering Memorandum.

The tables below also set forth our unaudited consolidated financial information for the twelve months ended March 31, 2019. This information was calculated by taking the 2018 Audited Consolidated Financial Statements and subtracting our unaudited consolidated financial information for the three months ended March 31, 2018, and adding our unaudited consolidated financial information for the three months ended March 31, 2019, respectively. The unaudited consolidated financial information for the twelve months ended March 31, 2019 has been prepared solely for the purposes of this Offering Memorandum and is for illustrative purposes only and is not necessarily representative of our results of operations for any future period or financial condition at any future date.

The Indentures governing the Notes permit the Group to present the consolidated financial statements of the Swissport Parent Entity in lieu of the consolidated financial statements of the Parent Guarantor or the Issuer. However, if the Group presents the consolidated financial statements of the Swissport Parent Entity in lieu of those for the Parent Guarantor, the Group will be required to provide a reasonably detailed description of material differences between the consolidated financial statements of the Swissport Parent Entity and the Parent Guarantor for any period presented after the Issue Date.

With respect to our financial information as of and for the years ended December 31, 2017 and 2018 and the three months ended March 31, 2019, material differences between the consolidated financial statements of the Swissport Parent Entity and the financial information of the Parent Guarantor and its subsidiaries (the "**Swissport Holding Group**") relate to the level of equity, intercompany loans and balances with holding companies of which the Parent Guarantor is a subsidiary, and the level of borrowings. The Parent Guarantor was incorporated on July 7, 2017 for the purpose of facilitating the issuance of the Existing Notes, as such no operating or financial reporting history exists for the Parent Guarantor prior to that date. The Swissport Parent Entity's consolidated equity as of December 31, 2017, December 31, 2018 and March 31, 2019 was €1,837.1 million, €1,875.3 million and €1,886.3 million, respectively, compared to the Parent Guarantor's standalone capital and reserves as of December 31, 2017, December 31, 2018 and March 31, 2019 of €1,346.7 million, €1,444.9 million and €1,445.9 million, respectively, as a result of higher share capital and share premium and consolidated retained results.

The Swissport Parent Entity's consolidated borrowings (excluding capitalized transaction costs) as of December 31, 2017, December 31, 2018 and March 31, 2019 were €1,295.2 million, €1,682.0 million and €2,160.6 million, respectively, compared to the Swissport Holding Group's borrowings (excluding capitalized transaction costs) as of December 31, 2017, December 31, 2018 and March 31, 2019 of €1,242.8 million, €1,473.2 million and €1,946.6 million as a result of the 2015 Stub Notes and the Existing Note Purchase Agreement. Other than the items described above, there were no material differences between the consolidated financial statements of the Swissport Parent Entity and the Swissport Holding Group in the period under review.

In evaluating the financial information, you should carefully consider our audited consolidated financial statements and unaudited condensed consolidated interim financial statements included in this Offering Memorandum.

The following information is only a summary and should be read in conjunction with "*Presentation of Financial and Other Information*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and the Consolidated Financial Statements included in this Offering Memorandum, as well as the other financial information included in this Offering Memorandum.

Selected Statement of Profit or Loss Data

	Year ended December 31,				Three months ended March 31,		Twelve months ended March 31, 2019
	2016[1]	**Pro Forma 2016[2]**	**2017**	**2018**	**2018**	**2019**	
	(€ in millions)						
Profit or Loss:							
Revenue from contracts with customers[3]	2,384.9	2,586.8	2,707.6	2,944.0	657.5	726.2	3,012.7
Other operating income	84.7	94.9	98.2	50.5	26.8	23.3	47.0
Total revenue and other operating income	**2,469.6**	**2,681.7**	**2,805.8**	**2,994.5**	**684.3**	**749.5**	**3,059.7**
of which Ground handling	*2,033.2*	*2,192.1[4]*	*2,275.9[4]*	*2,431.7*	*552.6*	*611.4*	*2,490.5*
of which Cargo handling	*438.4*	*491.4[4]*	*530.6[4]*	*565.0*	*132.4*	*138.6*	*571.2*
of which Other/Eliminations	*(2.0)*	*(1.8)[4]*	*(0.7)[4]*	*(2.2)*	*(0.7)*	*(0.5)*	*(2.0)*
Goods and services purchased	(349.8)	(382.0)	(396.2)	(415.4)	(101.1)	(104.1)	(418.4)
Personnel expenses	(1,617.6)	(1,761.1)	(1,861.6)	(1,952.9)	(464.8)	(495.6)	(1,983.7)
Other operating expenses	(338.6)	(369.0)	(381.4)	(401.0)	(97.6)	(74.7)	(378.1)
Acquisition costs	(2.6)[5]	0.0[5]	(7.6)	(7.4)	(5.2)	(0.7)	(2.9)
Integration costs	(0.3)[5]	(0.3)[5]	(5.9)	(6.6)	(2.9)	(0.1)	(3.8)
Depreciation of property, vehicles and equipment	(51.3)	(55.9)	(56.5)	(60.3)	(14.2)	(13.3)	(59.4)
Depreciation of right-of-use assets	—	—	—	—	—	(31.2)	(31.2)
Amortization of intangible assets	(21.5)	(23.4)	(25.1)	(30.7)	(6.0)	(8.1)	(32.8)
Total operating expenses	**(2,381.7)[6]**	**(2,591.7)[6]**	**(2,734.3)**	**(2,874.3)**	**(691.8)**	**(727.8)**	**(2,910.3)**
Share of results of associates and joint ventures	5.1	5.6	8.2	10.0	2.5	2.8	10.3
Operating profit/(loss)	**93.0**	**95.6**	**79.7**	**130.2**	**(5.0)**	**24.5**	**159.7**
Finance expenses	(306.8)	(341.7)	(260.8)	(313.1)	(69.3)	(82.2)	(326.0)
Finance income	98.2	117.9	132.6	188.4	46.5	49.0	190.9
Loss on disposal	—	—	—	(13.2)	—	—	(13.2)
Net result before income taxes[7]	**(115.6)**	**(128.2)**	**(48.5)**	**(7.7)**	**(27.8)**	**(8.7)**	**11.4**
Income taxes	(24.8)	(27.1)	(14.3)	(12.4)	(4.8)	(7.6)	(15.2)
Net result for the period[8]	**(140.4)**	**(155.3)**	**(62.8)**	**(20.1)**	**(32.6)**	**(16.3)**	**(3.8)**

(1) The 2016 Audited Consolidated Financial Statements represent the period from November 4, 2015 (the date of incorporation of the Swissport Parent Entity) to December 31, 2016.

(2) In order to provide comparisons for the periods from January 1, 2016 to December 31, 2016 and January 1, 2017 to December 31, 2017, the unaudited pro forma condensed combined financial information for Swissport for the year ended December 31, 2016, presented in this column, has been derived from the pro forma income statement information with certain adjustments set forth in "*Unaudited Pro Forma Financial Information*".

(3) Presented as "Revenue" in the 2016 and 2017 Audited Consolidated Financial Statements.

(4) As presented in 2017 to reflect the changes in the composition of Swissport's reporting segments in the year ended December 31, 2017. For the year ended December 31, 2016, as presented in the pro forma income statement information with certain adjustments set forth in "*Unaudited Pro Forma Financial Information*", total revenue and other operating income for the ground handling segment, cargo handling segment and other/eliminations segment was €2,210.7 million, €472.8 million and a loss of €1.8 million, respectively.

(5) Acquisition costs and integration costs were presented after "Operating profit/(loss)" in the year ended December 31, 2016, including the pro forma year ended December 31, 2016.

(6) Presented exclusive of acquisition and integration costs of €(2.6) million and €(0.3) million, respectively (€0.0 million and €(0.3) million on a pro forma basis, respectively), as "Total operating expenses (excluding acquisition and integration costs)" in the 2016 Audited Consolidated Financial Statements.

(7) Presented as "(Loss) / profit before income tax" in the 2016 Audited Consolidated Financial Statements.

(8) Presented as "(Loss) / profit for the period" in the 2016 Audited Consolidated Financial Statements.

Selected Statement of Financial Position

	As of December 31,			As of March 31,
	2016	2017	2018	2019
	(€ in millions)			
Current assets				
Cash and cash equivalents	132.1	118.5	145.2	147.8
Prepayments, trade and other receivables(1)	474.0	892.8	785.0	812.8
Inventories	11.6	11.9	12.8	13.8
Available-for-sale financial assets	2.1	—	—	—
Current tax assets	4.6	8.4	9.1	9.9
	624.4	**1,031.6**	**952.1**	**984.3**
Non-current assets				
Goodwill	2,299.8	2,114.2	2,472.1	2,515.3
Other intangible assets	480.0	423.6	470.7	470.8
Property, vehicles and equipment	273.6	265.9	338.7	300.5
Right-of-use assets	—	—	—	506.2
Prepayments and other receivables(2)	57.0	102.5	128.3	134.3
Deferred tax assets	26.7	17.8	36.5	36.2
Investments in associates and joint ventures	35.9	36.5	40.5	33.7
Non-current financial assets(3)	2.0	2.0	0.4	0.4
	3,175.0	**2,962.5**	**3,487.2**	**3,997.4**
Total assets	**3,799.4**	**3,994.1**	**4,439.3**	**4,981.7**
Current liabilities				
Trade and other payables	(433.1)	(435.9)	(478.0)	(497.4)
Contract liabilities	—	—	(8.3)	(10.6)
Provisions	(56.1)	(31.5)	(33.6)	(36.3)
Borrowings	(728.4)	(35.3)	(33.7)	(145.3)
Short-term employee benefits	—	—	(16.8)	(16.8)
Current tax liabilities	(19.0)	(21.1)	(25.5)	(27.8)
	(1,236.6)	**(523.8)**	**(595.9)**	**(734.2)**
Non-current liabilities				
Borrowings	(733.7)	(1,236.3)	(1,617.5)	(1,986.9)
Long-term employee benefits(4)	(274.9)	(226.4)	(206.5)	(231.5)
Provisions	(136.2)	(114.6)	(85.1)	(83.8)
Deferred tax liabilities	(71.0)	(55.9)	(59.0)	(59.0)
	(1,215.8)	**(1,633.2)**	**(1,968.1)**	**(2,361.2)**
Total liabilities	**(2,452.4)**	**(2,157.0)**	**(2,564.0)**	**(3,095.4)**
Net assets(5)	**1,347.0**	**1,837.1**	**1,875.3**	**1,886.3**
Capital and Reserves				
Equity attributable to owners of the parent:				
Share capital and share premium	1,508.7	2,245.7	2,245.7	2,245.7
Reserves(6)	(24.6)	(256.7)	(203.1)	(153.4)
Retained earnings	(175.0)	(196.7)	(218.6)	(260.9)
Attributable to:				
Owners of the parent	1,309.1	1,792.3	1,824.0	1,831.4
Non-controlling interest	37.9	44.8	51.3	54.9
Total equity	**1,347.0**	**1,837.1**	**1,875.3**	**1,886.3**

(1) Presented as "Trade and other receivables" in the 2016 Audited Consolidated Financial Statements.

(2) Presented as "Prepayments and receivables" in the 2016 Audited Consolidated Financial Statements.

(3) Presented as "Available-for-sale financial assets" in the 2016 and 2017 Audited Consolidated Financial Statements.

(4) Presented as "Employee benefit obligations" in the 2016 Audited Consolidated Financial Statements.

(5) Not included in the 2016 Audited Consolidated Financial Statements.

(6) Presented separately as "Fair value reserve" and "Currency translation reserve" in the amounts of €(0.1) million and €(24.5) million, respectively, in the 2016 Audited Consolidated Financial Statements.

Selected Cash Flow Statement Data

	Year ended December 31,				Three months ended March 31,		Twelve months ended March 31,
	2016[(1)]	Pro Forma 2016[(2)]	2017	2018	2018	2019	2019
	(€ in millions)						
Cash flow from operating activities							
Net result for the period[(3)]	(140.4)	(155.3)	(62.8)	(20.1)	(32.6)	(16.3)	(3.8)
Adjustments for:							
Income tax expense	24.8	—	14.3	12.4	4.8	7.6	15.2
Net finance expense	208.6	—	128.2	124.7	22.8	33.2	135.1
Depreciation of property, vehicles and equipment	51.3	—	56.5	60.3	14.2	13.3	59.4
Depreciation of right-of-use assets	—	—	—	—	—	31.2	31.2
Amortization of intangibles assets	21.5	—	25.1	30.7	6.0	8.1	32.8
Pensions, provisions and other items	(10.7)	—	(9.3)	(16.9)	3.8	(3.7)	(24.4)
Changes in working capital[(4)]:							
Changes in inventories	(0.4)	—	(1.2)	(0.2)	—	(0.9)	(1.1)
Changes in trade and other receivables	(3.8)	—	(46.3)	(5.0)	(24.3)	(16.2)	3.1
Changes in trade and other payables	4.3	—	46.6	17.2	(27.4)	18.3	62.9
Income tax paid	(23.2)	—	(24.7)	(29.2)	(7.0)	(7.8)	(30.0)
Dividends received	3.7	—	3.7	8.6	2.6	—	6.0
Total cash flow from operating activities	**135.7**	**138.4**	**130.1**	**182.5**	**(37.1)**	**66.8**	**286.4**
Cash flow from investing activities							
Acquisitions of subsidiaries, net of cash and cash equivalents acquired	(1,220.0)	—	—	(347.4)	(343.3)	—	(4.1)
Exercise of options over the remaining non-controlling interest	—	—	—	(5.5)	—	—	(5.5)
Acquisition deposit	—	—	(52.4)	—	—	—	—
Net investment in financial assets	—	—	2.7	—	—	—	—
Disposal of subsidiary, net of cash and cash equivalents disposed	—	—	—	(10.2)	—	—	(10.2)
Payment on settlement of contingency on disposal of subsidiaries	(15.0)	—	—	—	—	—	—
Purchase of property, vehicles and equipment	(68.3)	—	(69.9)	(117.1)	(20.8)	(21.3)	(117.6)
Proceeds from sale of property, vehicles and equipment	10.5	—	9.0	10.8	0.8	5.8	15.8
Purchase of intangible assets	(12.3)	—	(7.7)	(2.9)	(2.1)	(2.2)	(3.0)
(Increase) / decrease in restricted cash	(37.1)	—	4.9	(27.0)	(29.8)	(2.9)	(0.1)
Repayment of loan granted to related parties	—	—	—	135.7	52.4	—	83.3
Grant of loan to related parties	—	—	(400.0)	—	—	—	—
Interest received / paid	2.0	—	1.4	2.5	(0.4)	0.6	3.5
Total cash flow (used in) investing activities	**(1,340.2)**	**(1,444.3)**	**(512.0)**	**(361.1)**	**(343.2)**	**(20.0)**	**(37.9)**
Cash flow from financing activities							
Issue of share premium (net of costs)	—	—	717.0	—	—	—	—
Proceeds from shareholder loans (converted to share capital at period end)	1,472.3	—	—	—	—	—	—
Change in borrowings:[(4)]							
Proceeds from borrowings from third parties	1,384.5	—	1.7	487.2	456.8	8.0	38.4
Repayment of borrowings from third parties	(1,274.8)	—	(191.6)	(118.3)	(44.8)	(29.0)	(102.5)
Penalty for early termination of financing	(24.0)	—	—	—	—	—	—
Proceed from early termination of financing	4.1	—	—	—	—	—	—

	Year ended December 31,				Three months ended March 31,		Twelve months ended March 31, 2019
	2016[1]	Pro Forma 2016[2]	2017	2018	2018	2019	
	(€ in millions)						
Other[4]:							
Bank charges and other financial costs paid	(6.2)	—	(7.5)	(5.4)	(1.5)	(1.5)	(5.4)
Financing and retainer fees paid	(60.6)	—	(23.9)	(30.8)	(20.1)	—	(10.7)
Dividends paid to non-controlling interests	(14.2)	—	(15.6)	(20.7)	(4.6)	(0.2)	(16.3)
Interest paid to third parties[5]	(99.5)	—	(100.7)	(91.1)	(7.0)	(26.1)	(110.2)
Payment on settlement of FX forward contract	(41.5)	—	—	—	—	—	—
Total cash flow from (used in) financing activities	**1,340.1**	**1,307.4**	**379.4**	**220.9**	**378.8**	**(48.8)**	**(206.7)**
Net increase / (decrease) in cash and cash equivalents	**135.6**	**1.5**	**(2.5)**	**42.3**	**(1.5)**	**(2.0)**	**41.8**
Opening cash and cash equivalents as at period start	0.0	—	132.1	118.5	118.5	145.2	145.2
Exchange gain / (loss) on cash and cash equivalents	(3.5)	—	(11.1)	(15.6)	(1.3)	4.6	(9.7)
Cash and cash equivalents at period end	**132.1**	**—**	**118.5**	**145.2**	**115.7**	**147.8**	**177.3**

(1) The 2016 Audited Consolidated Financial Statements represent the period from November 4, 2015 (the date of incorporation of the Swissport Parent Entity) to December 31, 2016.

(2) In order to provide comparisons for the periods from January 1, 2016 to December 31, 2016 and January 1, 2017 to December 31, 2017, the unaudited pro forma condensed combined financial information for Swissport for the year ended December 31, 2016, presented in this column, has been derived from the pro forma cash flow statement information with certain adjustments set forth in "*Unaudited Pro Forma Financial Information*". The items marked as "—" in this column are not presented on a pro forma basis in this Offering Memorandum.

(3) Presented as "(Loss)/profit for the period" in the 2016 Audited Consolidated Financial Statements.

(4) Not included in the 2016 Audited Consolidated Financial Statements.

(5) Presented as "Interest paid" in the 2016 Audited Consolidated Financial Statements.

Selected Total Revenue and Other Operating Income by Geographic Region

The following table presents our total revenue and other operating income by the geographical split.

	Year ended December 31,			Three months ended March 31,		Twelve months ended March 31, 2019
	2016[1]	2017	2018	2018	2019	
	(€ in millions)					
EMEA	1,403.2	1,602.7	1,671.4	375.9	399.2	1,694.7
AMERICAS	993.9	1,112.9	1,078.0	270.0	276.4	1,084.4
APAC	72.5	90.2	245.1	38.4	73.9	280.6
Total revenue and other operating income	**2,469.6**	**2,805.8**	**2,994.5**	**684.3**	**749.5**	**3,059.7**

(1) As presented in the 2017 Audited Consolidated Financial Statements, reflecting the change in regional reporting.

Other Financial Information

The following table presents our unaudited financial information, which we use to analyze our business on a consolidated basis, in each case for the periods indicated.

	Year ended December 31,				Three months ended March 31,		Twelve months ended March 31,
	2016[(1)]	As Adjusted 2016[(2)]	2017	2018	2018	2019	2019
	(€ in millions, unless otherwise indicated)						
Operating EBITDA[(3)]	198.7	206.4	220.1	273.2	37.4	81.5	317.3
Ground handling	*157.0*	*151.8*[(4)]	*155.0*[(4)]	*184.4*	*23.9*	*52.4*	*212.9*
Cargo handling	*46.0*	*57.7*[(4)]	*72.0*[(4)]	*86.5*	*15.7*	*31.6*	*102.4*
Other/Eliminations	*(4.3)*	*(3.1)*[(4)]	*(6.9)*[(4)]	*2.3*	*(2.2)*	*(2.5)*	*2.0*
Operating EBITDA Margin[(5)]	8.0%	7.7%	7.8%	9.1%	5.5%	10.9%	10.4%
Change in Working Capital[(6)]	0.1	(3.3)	(0.9)	12.0	(51.7)	1.2	64.9
Net Capital Expenditure[(7)]	(70.1)	(75.5)	(68.6)	(109.2)	(22.1)	(17.7)	(104.8)
Free Cash Flow[(8)]	128.7	127.6	150.6	176.0	(36.4)	65.0	277.4
Cash Conversion[(9)]	64.8%	61.8%	68.4%	64.4%	—	—	87.4%

(1) The 2016 Audited Consolidated Financial Statements represent the period from November 4, 2015 (the date of incorporation of the Swissport Parent Entity) to December 31, 2016.

(2) As adjusted information in this column is derived from Appendix 1 to the 2017 Audited Consolidated Financial Statements ("*Preparation of Adjusted Condensed Consolidated Financial Information*").

(3) Operating EBITDA is defined as operating profit/(loss), as presented in the consolidated statement of profit or loss, before acquisition and integration costs, depreciation, amortization, restructuring and onerous contract charge, non-cash pension expenses and other long-term employee benefits, share based payment expenses, and expenses related to equity offerings. Operating EBITDA is not a measure computed in accordance with IFRS and, accordingly, should not be considered as an alternative to operating profit/(loss) or net profit/(loss) as indicators of our performance or as an alternative to cash flows from operations as a measure of our liquidity.

The following table presents a reconciliation of net results for the period to Operating EBITDA, including Operating EBITDA of the Group's reportable segments, for the periods indicated:

	Year ended December 31,				Three months ended March 31,		Twelve months ended March 31, 2019
	2016(*)	As Adjusted 2016(**)	2017	2018	2018	2019	
	(€ in millions)						
Net result for the period	**(140.4)**	**(155.6)**	**(62.8)**	**(20.1)**	**(32.6)**	**(16.3)**	**(3.8)**
Income taxes	24.8	27.2	14.3	12.4	4.8	7.6	15.2
Interest expense	146.4	155.7	120.3	126.4	23.9	43.1	145.6
Interest income	(2.9)	(3.0)	(13.0)	(28.9)	(7.6)	(7.0)	(28.3)
Depreciation of property, vehicles and equipment	51.3	55.9	56.5	60.3	14.2	13.3	59.4
Ground handling	*41.7*	*45.5*	*45.1*	*48.3*	*11.2*	*10.8*	*47.9*
Cargo handing	*9.4*	*10.3*	*11.2*	*11.8*	*3.0*	*2.4*	*11.2*
Other/Eliminations	*0.2*	*0.1*	*0.2*	*0.2*	—	*0.1*	*0.3*
Depreciation of right-of-use assets	—	—	—	—	—	31.2	31.2
Ground handling	—	—	—	—	—	*19.1*	*19.1*
Cargo handing	—	—	—	—	—	*11.8*	*11.8*
Other/Eliminations	—	—	—	—	—	*0.3*	*0.3*
Amortization of intangible assets	21.5	23.0	25.1	30.7	6.0	8.1	32.8
Ground handling	*12.1*	*13.1*	*14.0*	*19.8*	*3.4*	*5.3*	*21.7*
Cargo handing	*8.0*	*8.4*	*9.4*	*9.3*	*2.2*	*2.5*	*9.6*
Other/Eliminations	*1.4*	*1.5*	*1.7*	*1.6*	*0.4*	*0.3*	*1.5*
Other finance expenses(***)	160.4	184.0	140.5	186.7	45.4	39.1	180.4
Other finance income(****)	(95.3)	(114.9)	(119.6)	(159.5)	(38.9)	(42.0)	(162.6)
Loss on disposal	—	—	—	13.2	—	—	13.2
Integration costs	0.3	0.3	5.9	6.6	2.9	0.1	3.8
Acquisition costs	2.6	2.6	7.6	7.4	5.2	0.7	2.9
Restructuring and onerous contract charge	11.8	12.1	8.3	10.9	1.0	1.8	11.7
Non-cash pension expenses and share-based payment transactions(*****)	17.9	18.9	37.0	21.9	9.5	1.8	14.2
Expenses related to equity offering	—	—	—	5.2	3.6	—	1.6
Unallocated other income and reporting adjustments	0.3	0.2	—	—	—	—	—
Operating EBITDA	**198.7**	**206.4**	**220.1**	**273.2**	**37.4**	**81.5**	**317.3**
Ground handling	*157.0*	*151.8*	*155.0*	*184.4*	*23.9*	*52.4*	*212.9*
Cargo handling	*46.0*	*57.7*	*72.0*	*86.5*	*15.7*	*31.6*	*102.4*
Other/Eliminations	*(4.3)*	*(3.1)*	*(6.9)*	*2.3*	*(2.2)*	*(2.5)*	*2.0*

(*) The 2016 Audited Consolidated Financial Statements represent the period from November 4, 2015 (the date of incorporation of the Swissport Parent Entity) to December 31, 2016.

(**) As adjusted information in this column is derived from Appendix 1 to the 2017 Audited Consolidated Financial Statements ("*Preparation of Adjusted Condensed Consolidated Financial Information*").

(***) Other finance expenses represent total finance expenses for the period less interest expense.

(****) Other finance income represent total finance income for the period less interest income.

(*****) Presented as "Non-cash pension expenses and other long-term employee benefits" in the 2016 Audited Consolidated Financial Statements.

(4) As presented in 2017 to reflect the changes in the composition of Swissport's reporting segments in the year ended December 31, 2017. For the year ended December 31, 2016, as presented in the pro forma income statement information with certain adjustments set forth in "*Unaudited Pro Forma Financial Information*", total revenue and other operating income for the ground handling segment, cargo handling segment and other/eliminations segment was €2,210.7 million, €472.8 million and a loss of €1.8 million, respectively.

(5) Operating EBITDA Margin is defined as Operating EBITDA divided by total revenue and other operating income.

(6) Change in Working Capital is defined as changes in trade and other receivables, changes in inventories and changes in trade and other payables, not adjusted for currency fluctuations during the period.

(7) Net Capital Expenditure is defined as purchase of property, vehicles and equipment plus purchase of intangible assets less proceeds from sale of property, vehicles and equipment.

The following table presents a reconciliation of the Group's Net Capital Expenditure for the periods indicated:

	Year ended December 31,				Three months ended March 31,		Twelve months ended March 31, 2019
	2016(*)	As Adjusted 2016(**)	2017	2018	2018	2019	
	(€ in millions)						
Purchase of property, vehicles and equipment	(68.3)	(73.5)	(69.9)	(117.1)	(20.8)	(21.3)	(117.6)
Intangible assets	(12.3)	(14.0)	(7.7)	(2.9)	(2.1)	(2.2)	(3.0)
Less:							
Proceeds from sale of property, vehicles and equipment	10.5	12.0	9.0	10.8	0.8	5.8	15.8
Net Capital Expenditure	**(70.1)**	**(75.5)**	**(68.6)**	**(109.2)**	**(22.1)**	**(17.7)**	**(104.8)**

(*) The 2016 Audited Consolidated Financial Statements represent the period from November 4, 2015 (the date of incorporation of the Swissport Parent Entity) to December 31, 2016.

(**) Information in this column is derived from Appendix 1 to the 2017 Audited Consolidated Financial Statements ("*Preparation of Adjusted Condensed Consolidated Financial Information*"). This information is not available in the "*Unaudited Pro Forma Financial Information*" and not presented on a pro forma basis in this Offering Memorandum.

(8) Free Cash Flow is defined as total cash flow from operating activities as reported in the consolidated statement of cash flows plus (i) dividends received, income tax paid, less change in working capital, plus pensions, provisions and other items, acquisition costs, integration costs, restructuring and onerous contract charge, non-cash pension expenses and share-based payment transactions, expenses related to equity offering, unallocated other income and reporting adjustments, loss on disposal plus (ii) change in working capital less (iii) Net Capital Expenditure. Free Cash Flow excludes payments due for interest and principal of borrowings.

The following table presents a reconciliation of the Group's Free Cash Flow for the periods indicated:

	Year ended December 31,				Three months ended March 31,		Twelve months ended March 31, 2019
	2016(*)	As Adjusted 2016(**)	2017	2018	2018	2019	2019
	(€ in millions)						
Total cash flow from operating activities	**135.7**	**138.4**	**130.1**	**182.5**	**(37.1)**	**66.8**	**286.4**
Dividends received	(3.7)	(3.7)	(3.7)	(8.6)	(2.6)	0.0	(6.0)
Income tax paid	23.2	23.6	24.7	29.2	7.0	7.8	30.0
Change in Working Capital	(0.1)	3.3	0.9	(12.0)	51.7	(1.2)	(64.9)
Pensions, provisions and other items	10.7	10.7	9.3	16.9	(3.8)	3.7	24.4
Acquisition costs	2.6	2.6	7.6	7.4	5.2	0.7	2.9
Integration costs	0.3	0.3	5.9	6.6	2.9	0.1	3.8
Restructuring and onerous contract charge	11.8	12.1	8.3	10.9	1.0	1.8	11.7
Non-cash pension expenses and share-based payment transactions(***)	17.9	18.9	37.0	21.9	9.5	1.8	14.2
Expenses related to equity offering	—	—	—	5.2	3.6	—	1.6
Unallocated other income and reporting adjustments	0.3	0.2	0.0	0.0	—	—	—
Loss on disposal	0.0	—	0.0	13.2	—	—	13.2
Operating EBITDA	**198.7**	**206.4**	**220.1**	**273.2**	**37.4**	**81.5**	**317.3**
Change in Working Capital(****)	0.1	(3.3)	(0.9)	12.0	(51.7)	1.2	64.9
Net Capital Expenditure	(70.1)	(75.5)	(68.6)	(109.2)	(22.1)	(17.7)	(104.8)
Free Cash Flow	**128.7**	**127.6**	**150.6**	**176.0**	**(36.4)**	**65.0**	**277.4**

(*) The 2016 Audited Consolidated Financial Statements represent the period from November 4, 2015 (the date of incorporation of the Swissport Parent Entity) to December 31, 2016.

(**) Information in this column is derived from Appendix 1 to the 2017 Audited Consolidated Financial Statements ("*Preparation of Adjusted Condensed Consolidated Financial Information*"). This information is not available in the "*Unaudited Pro Forma Financial Information*" and not presented on a pro forma basis in this Offering Memorandum.

(***) Presented as "Non-cash pension expenses and other long-term employee benefits" in the 2016 Audited Consolidated Financial Statements.

(****) Change in Working Capital is defined as changes in trade and trade receivables changes in inventories and changes in trade and other payables, not adjusted for currency fluctuations during the period.

(9) Cash Conversion is defined as Free Cash Flow divided by Operating EBITDA.

IFRS 16 (*Leases*)

We adopted IFRS 16 (*Leases*) from January 1, 2019 using the modified retrospective method, under which the cumulative effect of initially applying the standard is recognized at the date of initial application, January 1, 2019. IFRS 16 (*Leases*) removes the classification of leases as either operating or finance leases and requires substantially all leases to be recognized on a lessee's balance sheet.

In our consolidated statement of profit and loss and other comprehensive income and Operating EBITDA, this change leads to increase in reported Operating EBITDA, as operating lease payments which we previously recorded under other operating expenses, and which were reflected in Operating EBITDA, are now recorded as a split between (i) depreciation of right-of-use assets and (ii) finance expenses, to account for interest expense on such right-of-use assets, both of which are excluded from Operating EBITDA calculations.

The table below presents a summary of the changes made to our consolidated statement of profit and loss and other comprehensive income and Operating EBITDA for the three and twelve months ended March 31, 2019 due to the adoption of the IFRS 16 (*Leases*).

	Three months ended March 31, 2019			Twelve months ended March 31, 2019	
	(€ in millions)				
	As Reported[(1)]	IFRS 16 Adjustments	IFRS 16 Adjusted[(2)]	As Reported[(1)]	IFRS 16 Adjusted[(2)]
Profit or Loss:					
Total revenue and other operating income	**749.5**	**—**	**749.5**	**3,059.7**	**3,059.7**
Goods and services purchased	(104.1)	—	(104.1)	(418.4)	(418.4)
Personnel expenses	(491.9)	—	(491.9)	(1,963.4)	(1,963.4)
Other operating expenses	(74.8)	(35.7)	(110.5)	(370.9)	(406.6)
Share of results of associates and joint ventures	2.8	—	2.8	10.3	10.3
Operating EBITDA[(3)]	**81.5**	**(35.7)**	**45.8**	**317.3**	**281.6**
Depreciation of property, vehicles and equipment	(13.3)	—	(13.3)	(59.4)	(59.4)
Depreciation of right-of-use assets	(31.2)	29.4	(1.8)	(31.2)	(1.8)
Amortization of intangible assets	(8.1)	—	(8.1)	(32.8)	(32.8)
Acquisition and integration costs	(0.8)	—	(0.8)	(6.7)	(6.7)
Restructuring and onerous contract charge	(1.8)	—	(1.8)	(11.7)	(11.7)
Non-cash pension expenses and share-based payment transactions	(1.8)	—	(1.8)	(14.2)	(14.2)
Expenses related to equity offering	0.0	—	0.0	(1.6)	(1.6)
Operating profit/(loss)	**24.5**	**(6.3)**	**18.2**	**159.7**	**153.4**
Finance expenses	(82.2)	8.7	(73.5)	(326.0)	(317.3)
Finance income	49.0	—	49.0	190.9	190.9
Loss on disposal	—	—	—	(13.2)	(13.2)
Net result before income taxes	**(8.7)**	**2.4**	**(6.3)**	**11.4**	**13.8**
Income taxes	(7.6)	—	(7.6)	(15.2)	(15.2)
Net result for the period	**(16.3)**	**2.4**	**(13.9)**	**(3.8)**	**(1.4)**

(1) Reflecting the impact of the adoption of IFRS 16 (*Leases*), as presented in the segment information from the Interim Consolidated Financial Statements and the 2018 Audited Consolidated Financial Statements, see Notes 1.1 of the Interim Consolidated Financial Statements and the 2018 Audited Consolidated Financial Statements.

(2) Excluding the impact of IFRS 16 (*Leases*).

(3) The following is a reconciliation of Operating EBITDA to Restricted Group Operating EBITDA (IFRS 16 Adjusted) for the period presented:

	Twelve months ended March 31, 2019
	(€ in millions)
Operating EBITDA	317.3
IFRS 16 Adjustments	(35.7)
Unrestricted Subsidiaries	(8.1)
Restricted Group Operating EBITDA (IFRS 16 Adjusted)	**273.5**

The following is a reconciliation of Free Cash Flow to Free Cash Flow (IFRS 16 Adjusted) for the period presented:

	Twelve months ended March 31, 2019
	(€ in millions)
Free Cash Flow	277.4
IFRS 16 Adjustments	(35.7)
Free Cash Flow (IFRS 16 Adjusted)	**241.7**

In our consolidated statement of financial position, adoption of IFRS 16 (*Leases*) results in: (i) increase in total assets, as operating lease assets are now recognized as right-of-use assets and (ii) increase in borrowings through increase in lease liabilities to reflect our obligation to make future payments relating to those assets. This change consequently increases our consolidated net debt for the respective period.

The table below presents a summary of the changes made to our consolidated net debt for the Group and the Restricted Group as of March 31, 2019 due to the adoption of the IFRS 16 (*Leases*).

	As of March 31, 2019 (€ in millions)					
	As Reported[(1)]	Excluded per Covenant Definition[(2)]	IFRS 16 Adjustments	IFRS 16 Adjusted[(3)]	Other Adjustments[(4)]	Restricted Group
Notes[(5)]	680.5	—	—	680.5	(52.3)	628.2
Existing Term Loan B Facility	417.1	—	—	417.1	—	417.1
Existing Incremental Term Loan B Facility	294.5	—	—	294.5	—	294.5
Existing Note Purchase Agreement	161.6	—	—	161.6	(161.6)	0.0
Borrowings from related parties	9.7	(7.3)	—	2.4	—	2.4
Bank loans	51.7	—	—	51.7	(19.7)	32.0
Lease liabilities	509.0	—	(453.4)	55.6	(12.6)	43.0
Other local facilities	36.5	(10.5)	—	26.0	(10.4)	15.6
Borrowings[(6)]	**2,160.6**	**(17.8)**	**(453.4)**	**1,689.4**	**(256.6)**	**1,432.7**
Cash at bank and on hand	(137.2)	—	—	(137.2)	10.9	(126.3)
Short term bank deposits	(10.6)	—	—	(10.6)	—	(10.6)
Cash and cash equivalents	**(147.8)**	**—**	**—**	**(147.8)**	**10.9**	**(136.9)**
Net debt	**2,012.8**	**(17.8)**	**(453.4)**	**1,541.6**	**(245.7)**	**1,295.8**

(1) Reflecting the impact of the adoption of IFRS 16 (*Leases*). As presented in the Interim Consolidated Financial Statements.

(2) Excluding covenant definitions under the Existing Term Loan B Facilities and the Existing Notes.

(3) Excluding the impact of IFRS 16 (*Leases*) and exclusions per covenant definitions under the Existing Term Loan B Facilities and the Existing Notes.

(4) Consists of adjustments for the 2015 Stub Notes, the Existing Note Purchase Agreement and the Unrestricted Group.

(5) Comprised of the Existing Senior Secured Notes, 2015 Senior Secured Stub Notes, the Existing Senior Notes and 2015 Senior Stub Notes.

(6) Excluding capitalized transaction costs.

For additional details, see Note 5.1 of the Interim Consolidated Financial Statements.

Unaudited As Adjusted Financial Information of the Restricted Group

The following table presents unaudited financial information of the Restricted Group[(1)] after giving effect to the Refinancing, including the Offering and the use of proceeds therefrom, as described under "*Use of Proceeds*". The unaudited as adjusted financial information presented below is calculated on a pre-IFRS 16 basis.

	Twelve months ended March 31, 2019
	(€ in millions)
Restricted Group Operating EBITDA (IFRS 16 Adjusted)[(2)]	273.5
As adjusted senior secured debt[(3)]	1,303.0
As adjusted total debt[(4)]	1,587.8
As adjusted cash and cash equivalents[(5)]	263.5
As adjusted net senior secured debt[(6)]	1,039.5
As adjusted net total debt[(7)]	1,324.3
As adjusted cash interest expense[(8)]	91.4
Ratio of as adjusted net senior secured debt to Restricted Group Operating EBITDA (IFRS 16 Adjusted)[(2)(6)]	3.8x
Ratio of as adjusted net total debt to Restricted Group Operating EBITDA (IFRS 16 Adjusted)[(2)(7)]	4.8x
Ratio of Restricted Group Operating EBITDA (IFRS 16 Adjusted) to as adjusted cash interest expense[(2)(8)]	3.0x

(1) The Restricted Group is comprised of the Parent Guarantor and its Restricted Subsidiaries under the Indentures.

(2) Restricted Group Operating EBITDA (IFRS 16 Adjusted) is defined as Operating EBITDA less the portion of the Operating EBITDA contributed by the Unrestricted Subsidiaries, calculated on a pre-IFRS 16 basis. Operating EBITDA and Restricted Group Operating EBITDA (IFRS 16 Adjusted), as presented here, differ from the definition of "Consolidated EBITDA" contained in "*Description of the Senior Secured Notes*", "*Description of the Senior Notes*" and other financing documents.

The following is a reconciliation of Operating EBITDA to Restricted Group Operating EBITDA (IFRS 16 Adjusted) for the period presented:

	Twelve months ended March 31, 2019
	(€ in millions)
Operating EBITDA	317.3
IFRS 16 Adjustments	(35.7)
Unrestricted Subsidiaries	(8.1)
Restricted Group Operating EBITDA (IFRS 16 Adjusted)	**273.5**

(3) As adjusted senior secured debt represents total senior secured indebtedness of the Restricted Group as of March 31, 2019 after giving effect to the Refinancing, including the issuance of the Notes and the use of proceeds thereof as contemplated under "*Use of Proceeds*" as if it occurred on March 31, 2019. See "*Use of Proceeds*" and "*Capitalization*".

(4) As adjusted total debt represents the sum of as adjusted senior secured debt and as adjusted senior unsecured debt.

(5) As adjusted cash and cash equivalents represents cash and cash equivalents of the Restricted Group as of March 31, 2019 after giving effect to the Refinancing, including the Offering and the use of proceeds therefrom, as described under "*Use of Proceeds*" as if it occurred on March 31, 2019. It excludes certain fees in connection with the Refinancing and includes €50.0 million capacity provided for under the Factoring Agreement, see "*Description of Certain Financing Arrangements—Factoring Agreement*".

(6) As adjusted net senior secured debt represents as adjusted senior secured debt less as adjusted cash and cash equivalents.

(7) As adjusted net total debt represents as adjusted total debt less as adjusted cash and cash equivalents.

(8) As adjusted cash interest expense represents the annual interest expense that would be incurred on the as adjusted total debt assuming no change in the margin under the Senior Facilities.

RISK FACTORS

An investment in the Notes involves risks. Before purchasing the Notes, you should consider carefully the specific risk factors set forth below, as well as the other information contained in this Offering Memorandum. Any of the risks described below, alone or together with additional risk and uncertainties not currently known to us, or that we may currently deem immaterial, could have a material adverse impact on our business, cash flows, financial condition and results of operations and could, therefore, have a negative effect on the trading price of the Notes and on the Issuer's ability to pay all or part of the interest or principal on the Notes. The risk factors described below are not an exhaustive list or explanation of all relevant risks and should be used as guidance only. Additional risks that as at the date of this Offering Memorandum are unknown or deemed immaterial may also harm us and affect your investment in the Notes.

The order in which the risks are presented below is not an indication of the likelihood of the risks actually materializing, or the significance or degree of the risks or the scope of any potential harm to our business, cash flows financial condition, or results of operations. The risks mentioned herein could also materialize individually or cumulatively. You should, therefore, consider carefully whether an investment in the Notes is suitable for you in light of the information contained in this Offering Memorandum and your personal circumstances.

This Offering Memorandum also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks described below and elsewhere in this Offering Memorandum.

Risks Relating to the Industry and our Business

Adverse economic developments can have a significant adverse effect on the airline industry, which may result in downward pricing pressure and a decline in passenger volumes and, ultimately, aircraft turnarounds.

The worldwide aviation industry is susceptible to adverse economic developments, with weak or negative economic growth or economic shocks often having a material effect on the airline industry. Since our customers consist predominantly of passenger airlines and freight carriers, the overall condition of the airline industry has a substantial impact on our business. Generally, when economic factors adversely affect the airline industry, they tend to reduce the overall demand for airline ground handling services and cargo handling, causing downward pressure on pricing and increasing the credit risks associated with doing business with airlines. Such price pressure typically extends along the entire value chain, including the prices we can charge for ground handling, cargo handling, maintenance, fueling and other specialty services that we provide. All of these effects exacerbate the negative impact of reduced demand for our services on our business, cash flows, financial condition and results of operations.

Adverse economic conditions often reduce the number of business and leisure travelers, which could ultimately lead to cancellation of flight routes, reduction of aircraft in service and to an overall reduction in aircraft turnarounds. For example, the global aviation industry was adversely affected by the financial crisis which occurred in 2008 and 2009 and led to a worldwide economic crisis, the after-effects of which lasted for several years. Some of the countries in which we operate have only recently emerged from recession and could experience further recessions, and countries with stable or growing economies could experience downturns in the future. Any such economic recession or downturn can cause airline passenger traffic to decline, which if sustained could lead to airlines closing certain routes, thereby reducing the number of aircraft turnarounds. See also "—*An increase in trade barriers, tariffs and trade tensions may adversely affect our operations*".

Our ground handling business, which contributed to 81.2% and 81.6% of our total revenue and other operating income for the year ended December 31, 2018 and for the three months ended March 31, 2019, respectively, generates revenue primarily based on the number of aircraft turnarounds we service. Any sustained decline in passenger traffic that leads to the closure of airline routes or reduction of turnarounds could negatively affect the demand for our services, which would have an adverse effect on our business and results overall, despite any efforts to adjust our cost base. Moreover, we estimate that, for the year ended December 31, 2018, approximately 52% of the revenue generated by our ground handling business is linked to passenger volumes. As such, these passenger handling services are particularly exposed to the risk that an economic downturn would cause fewer passengers to travel by air and consequently reduce demand for this segment of our business.

Additionally, we are subject to changing travel trends, which may be affected by economic developments. If certain destinations lose popularity and others gain popularity, this may reduce or increase the number of flights to those destinations. To the extent that we provide services at airports in decreasingly popular destinations but not in increasingly popular destinations, then we may not be well positioned to adapt to such market changes, and this could have a material adverse effect on our business, cash flows, financial condition and results of operations.

Our cargo handling business is highly susceptible to adverse economic developments and particularly to changes in global trade volumes.

The air cargo industry is highly sensitive to economic cycles, with demand for air cargo transport increasing during times of economic prosperity and decreasing during periods of economic uncertainty or contraction. In particular, the health of the air freight industry is directly correlated with developments in gross domestic product ("**GDP**") and purchasing managers' indexes. For example, the financial crisis of 2008 and 2009, which was marked by sustained periods of low or negative GDP growth, led to a decrease in the overall volume of global trade and in the worldwide movement of goods. This caused a corresponding reduction in demand for air cargo from mid-2008 to mid-2009, and resulted in a significant decrease in utilization of cargo handling services that did not begin to improve again until 2010.

Our cargo handling segment accounted for 18.9% and 18.5% of our total revenue and other operating income for the year ended December 31, 2018 and for the three months ended March 31, 2019, respectively. Cargo handling business generates revenue primarily based on the tonnage of cargo handled. Consequently, our cargo business may be adversely affected by periods of economic uncertainty, recessionary periods and periods of slower economic growth. This is particularly the case across many emerging market economies, such as Brazil, which has only recently emerged from a period of sustained economic contraction. Economic uncertainty and volatility in world markets may stem from a number of factors, including the United Kingdom's impending departure from the European Union, introduction of trade barriers and tariffs, the recent rise in populist parties and candidates and geopolitical tensions, in particular concerning the Korean peninsula, Southeast Asia or the Middle East.

If economic growth worldwide is uneven in the future, this may also lead to shifting trade patterns and reduced demand for cargo transportation in certain markets. To the extent our operations are concentrated in markets with reduced demand or slower growth, we may not be well positioned to adapt to such market changes and may lose business, or be unable to win new business. If current conditions deteriorate, including in certain emerging markets, or if an economic crisis reoccurs, it could negatively affect the demand for cargo handling services, which could have a material adverse effect on our business, cash flows, financial condition and results of operations.

Our success depends on our ability to attract and retain employees and manage the cost of our workforce.

Our business is labor intensive with over 66,000 employees as of March 31, 2019. Accordingly, we require a sufficient number of adequately trained and educated personnel to deliver our services at our targeted quality level. Competition in the labor markets of many of the regions in which we operate is intense, and we could lose employees to other employers in the surrounding area that offer higher wages or provide better benefits. In addition, excessive employee turnover can result in insufficient staffing and an inexperienced workforce, leading to a decrease in our service quality, a higher number of accidents and an increase in expenses related to recruitment and training programs. Maintaining effective employee retention and talent management is critical to our success. The consequences that may result from a failure of our employee retention and talent management can include, among others, inability to sustain growth strategies due to the lack of required talent, non-competitive cost structures, inability to encourage innovation and sustain competitive differentiation, declining employee morale and increased attrition. Our inability to recruit, train, motivate and retain our employees could have a material adverse effect on our business, financial condition and results of operations.

Our business also depends on the efficient management of our workforce. Personnel expenses represent our single largest expense, accounting for 67.9% and 68.1% of our total operating expenses for the year ended December 31, 2018 and for the three months ended March 31, 2019, respectively. If we do not efficiently allocate our personnel in response to seasonal, weekly and intra-day fluctuations in flight patterns, as well as last-minute changes in flight schedules, our personnel expenses will be higher than they otherwise would need to be. While we have a certain amount of flexibility to adjust our personnel cost base to meet the needs of our operations, there is a risk that unforeseen circumstances or operational difficulties could prevent us from maintaining an optimum level of staffing. One means by which we manage optimum staffing levels is via outsourcing some activities to third parties. These third parties may fail to perform their obligations to the quality and standard expected by our customers and us, which could have negative reputational and financial implications. Any failure to effectively manage personnel expenses or outsourced personnel could have a material adverse effect on our business, cash flows, financial condition and results of operations.

An increase in trade barriers, tariffs and trade tensions may adversely affect our operations.

In March 2018, the United States announced tariffs on Chinese goods, and during the course of 2018, tariffs went into effect on over $250 billion of Chinese imports. In May 2019, the United States announced tariffs on a further $200 billion of Chinese goods. The United States has also recently implemented tariffs on steel and aluminum from a number of countries, including the European Union, Mexico, Canada and Turkey. China, the European Union, Mexico, Canada and Turkey have announced or implemented retaliatory tariffs against the U.S. products. We have significant operations in the European Union and the United States. While the currently implemented tariffs largely do not cover items transported by air, an escalation of trade disputes may impact other products that are transported by air. An increase in trade tensions, retaliatory measures and other trade barriers could reduce and disrupt the flow of international trade and adversely affect global markets more generally. We may not be able to predict the effect of such trade escalations. Any trade disruptions may have a negative macroeconomic impact and result in trade volatility. Such trade volatility could cause a reduction in global cargo transportation volumes and, in turn, this could have a negative impact on our cargo handling business revenues. Any negative impact on our cargo handling business revenues could have a material adverse effect on our business, cash flows, financial condition and results of operations.

A major disruption, including labor strikes, work stoppages and other labor disputes in our workforce could have a material adverse effect on our business, cash flows, financial condition and results of operations.

Given the nature and size of our operations, we are subject to the risk of labor disputes, which may disrupt our operations, particularly in jurisdictions where applicable labor laws may be rigorous and complex and provide a high level of protection for employees and trade unions. These labor laws and the associated obligations may limit our flexibility and agility when responding to market changes. In addition, employees at certain airports are members of unions or, based on applicable regulations, represented by works councils or other bodies. In many cases, we are required by applicable labor regulations to inform, consult with and request the consent or opinion of union representatives or works councils in managing, developing or restructuring certain aspects of our business. These labor laws and consultative procedures could limit our flexibility with respect to employment policy or economic reorganization and could limit our ability to respond to market changes efficiently. Even where consultative procedures are not mandatory, important strategic business decisions could be negatively received by some employees and employees' representative bodies, which could lead to labor actions that could disrupt our business.

We have in place over 100 collective bargaining arrangements worldwide and we estimate that approximately 60% of our employees are subject to collective bargaining agreements. These agreements may in the future limit our ability to contain increases in labor costs. Our ability to control our future labor costs depends on the outcome of wage negotiations, and we may not be able to periodically renegotiate collective agreements on acceptable terms. Settlement of actual or threatened labor disputes or an increase in the number of our employees covered by collective bargaining agreements may adversely affect our labor costs, productivity and flexibility.

Our operations may be materially affected by strikes, work stoppages, employee litigation, work slowdowns or other labor-related developments in the future, which could disrupt our operations. For example, in July 2017, our ground handling staff at Toronto Pearson International Airport went on strike for 82 days, disrupting our operations at the airport. Even if a labor disruption does not directly impact our results of operations, it may attract negative media attention, such as the unofficial industrial action by our baggage handlers at Brussels Airport in August 2017, which may in turn harm our reputation.

There are other instances where our operations are directly impacted by general national union campaigns or activities involving other aviation industry personnel who are not employed by us, such as pilots, flight crews and air traffic controllers. Labor strikes or stoppages by such persons, or which affect ground-handling personnel more widely, can also cause cancellations and delays, such as the strike by air traffic controllers in France, in March 2017, that resulted in the cancellation of large numbers of flights throughout Europe, or the strike by Spanish air traffic controllers in December 2010 when most air traffic controllers in Spanish airports walked out in a coordinated wildcat strike leading to a complete closure of Spanish airspace. Such labor strikes, work stoppages and other labor disputes are beyond our control and could have a material adverse effect on our business, cash flows, financial condition and results of operations.

Our success depends on our ability to win new, and retain existing, customers and contracts.

Although we have a diversified contract and customer portfolio, we nevertheless generate a notable portion of our revenue from a relatively small number of contracts and customers. Our ten highest revenue generating contracts accounted for 13.3% of our revenue for each of the year ended December 31, 2018 and the three months ended March 31, 2019. Additionally, our ten highest revenue generating customers for the year ended December 31, 2018 accounted for 459 contracts, generating 29.5% of our revenue, while for the three months ended March 31, 2019, our ten highest revenue generating customers accounted for 494 contracts, generating 29.7% of our revenue for that period. Moreover, a number of our individual customers form part of bigger aviation groups, potentially giving them increased negotiating power. For example, subsidiaries of the Lufthansa Group collectively accounted for 13% of our revenue in 2018. See also "—*Increasing price pressure from airlines and any significant changes in the airline industry can have a material adverse effect on us*".

We perform the majority of our work for customers under contracts which are based on the International Air Transport Association ("**IATA**") standard ground handling agreement ("**SGHA**"). Although the average duration of our customer contracts is three years, there are termination rights contained in our standard customer contracts which enable our customers to terminate such contracts early upon the occurrence of certain qualifying termination events. While we strive to maintain long-term ties with our customers, we may lose our key customers or significant contracts if customers exercise their rights to terminate their contracts as a result of deterioration in our relationship, adverse economic conditions or other factors outside of our control. We may not obtain compensation under applicable laws for terminated contracts or replace lost revenue through new contracts with other customers. Contract terminations or dissatisfaction with our services may damage our reputation and make it more difficult for us to obtain similar contracts with other customers. A reduction or elimination of demand for our services by a key customer or at a key location could have a material adverse effect on our business, cash flows, financial condition and results of operations.

Our global operations in diverse locations expose us to various political, social and economic risks that are beyond our control.

As of March 31, 2019, we operated in 49 countries at 310 airports. Due to the international scope of our operations, we are subject to a number of political, social and economic risks and challenges, many of which are beyond our control.

We face political and social risks and uncertainties, particularly in developing countries in which we operate that have been undergoing substantial political transformations. There can be no assurance that the political reforms necessary to complete such transformations will continue. The political systems in these countries may be vulnerable to the public's dissatisfaction with reforms, social and ethnic unrest and other factors that are beyond our control. Any disruption or volatility in the political or social environment in these countries may have a material adverse effect on our business, financial condition and results of operations. We face particular risks relating to our business in Venezuela, where social crisis and political unrest could lead to civil war or further economic collapse. We also face economic risks and uncertainties in the countries in which we operate. Any slowdown in the development of the economies of the countries in which we operate or any deterioration of currencies or disruption of the economic environment or reduction in government or private sector spending in the countries in which we operate may have a material adverse effect on our cash flows, financial condition and results of operations. Furthermore, certain incidents could lead to international tensions that could result in boycotts or otherwise restrict our ability to perform and render our services, which may have a material adverse effect on our business, cash flows, financial condition and results of operations.

In addition to political, social and economic instability, we face a series of other risks associated with operating in foreign countries, including:

- war, civil disturbance or acts of terrorism;
- taking of property by nationalization or expropriation without fair compensation;
- changes in government policies and regulations;
- currency devaluations, currency fluctuations or other disruptions of the economic environment;

- imposition of limitations on conversions of foreign currencies or remittance of dividends and other payments by foreign subsidiaries;
- imposition or increase of withholding and other taxes on remittance and other payments by foreign subsidiaries;
- sanctions, boycotts or other restrictions (for example, revocation or non-renewal of licenses, employment requirements in certain Middle East markets) on our ability to perform and render our services;
- hyperinflation in certain countries;
- political considerations that may affect contract bidding, particularly in countries where aviation services are not liberalized; and
- imposition or increase of investment and other restrictions or requirements by foreign governments.

Our operations may also be impacted by adverse decisions by foreign courts and disputes with local partners or other stakeholders. For example, in 2012, based on a dispute with a minority local shareholder in Ukraine, we were forced to sell our 70.6% holding in Swissport Ukraine LLC. Despite mounting a lengthy legal challenge, the Ukrainian Supreme Economic Court eventually made a final decision in 2014 in favor of the minority shareholder, reversing an earlier decision it had made in our favor. We may encounter similar disputes with foreign partners in the future, which may have a material adverse impact on our business, cash flows, financial condition and results of operations.

We face high levels of competition in the airport services industry generally and at many of the airports where we operate.

The airport and aviation services industry and the markets for our products and services are highly competitive, and we face competition from a number of sources. The decision to opt for an outsourced provider for ground handling, cargo handling, maintenance, fueling and other specialty services that we provide is often based on the circumstances and strategic plans of a particular potential customer, which we cannot necessarily influence with our value propositions. Our competitors include various well-capitalized companies, which offer a broad range of services (including food catering), a large number of smaller, specialized companies and subsidiaries established by major airlines or airport operators to provide certain services. For more information on our competitive landscape, see "*Business—Competition*". The level of competition in our markets depends primarily on the number and size of the other service providers operating at the airports at which we operate. At some of these airports, the service market is highly competitive and we compete against a number of operators. While, in general, on a global scale the aviation handling industry is characterized by high barriers to entry for new participants, see "*Industry Overview—Aviation Handling Market Dynamics—Synthesis and Industry Trends—High Barriers to Entry*", at some of the airports, the barriers to market entry may be low due to lack of restrictions on the number of potential licenses or due to availability of warehouse space, and this may further increase the levels of competition. In addition, there is a trend towards certain passenger handling services, including ticketing, check-in and boarding services, becoming automated. There is a risk, therefore, that we will face competition in these areas from specialist technology companies that will be able to provide such automated services to airports and put pressure on our market share. Generally, if a significant number of our existing airline customers or one or more of our larger airline customers were to purchase the services we currently provide to them from our competitors or to self-handle their ground support operations and other aviation services, or if the level of competition we face increases significantly, it could have a material adverse effect on our business, cash flows, financial condition and results of operations.

Increasing price pressure from airlines and any significant changes in the airline industry can have a material adverse effect on us.

In addition to a decline in aircraft turnarounds and cargo volumes, and consequently a decline in the demand for airline services, economic volatility typically causes our customers to seek ways to cut costs. One way in which our customers have sought to reduce their costs is by reducing the amount they spend on outsourced ground handling services, including the services that we provide. In the past, especially during periods of economic uncertainty, our customers have sought to renegotiate lower prices for our services, both under existing contracts and when our contracts have been up for renewal. Our contracts typically have a term of three years, and approximately one-quarter of our contracts are up for renewal each year. As a result, the pricing of our contracts is regularly reviewed and negotiated with our customers, which may try to exert pressure on us to reduce prices. This trend could continue or intensify in the future, which could lead to a drop in profitability or result in losses. For example, certain of our major contracts are up for renewal during the course of the next 18 months, including our contract with Swiss International Airlines in Zurich airport, which is one of our largest contracts by revenue, and our contract with Ryanair in the United Kingdom. If we are not able to successfully renew these or certain other of our major contracts when they become subject for renewal, this will have a negative impact on our revenue and it could have a material adverse effect on our business, cash flows, financial condition and results of operations.

Furthermore, our approach to contract pricing depends on our ability to correctly estimate our future costs over the duration of the contract period, which may lead to increased pressure on our profit margins if our actual costs are higher than expected. In addition, the measures we have taken to optimize income by adjusting prices and reducing operating costs may not be successful if market conditions change.

The airline industry has recently been subject to a number of airline consolidations, and we expect that this trend will continue. Additional consolidations in the airline industry could potentially put downward pressure on our profit margins. If two of our customers consolidate into a single business, the resulting transparency with respect to the pricing of our services could erode the strength of our negotiating position and lead to a potentially smaller profit margin on a number of contracts.

Additionally, the airline industry has seen an increase in the number of operators, and frequency of flights, of low-cost carriers, including carriers, such as Ryanair and easyJet. Low-cost carriers typically seek to reduce costs by simplifying the services they offer and by optimizing third-party supplier costs, putting pricing pressure on our profit margins. It is possible that we will not be able to provide our services at a price which is acceptable to low-cost carriers and that, as a result, they could start to use alternate providers. All of these factors could have a material adverse effect on our business, cash flows, financial condition and results of operations.

We are exposed to the risk of payment default by our contractual partners.

In our business, the performance of services to customers in advance of receiving payment is significant. The result is that total receivables in respect of individual customers, banks and financial institutions sometimes accrue in considerable amounts. As of March 31, 2019, our days' sales outstanding, which is the measure of the average number of days after a sale has been made until the revenue associated with that sale is collected, was 43 days. There is a risk that these receivables could be uncollectable and deemed impaired, in whole or in part, if contractual partners fail to pay or experience a temporary inability to pay or become insolvent. For example, our ability to receive payments was affected by the financial difficulties experienced by customers including Primera Air, which declared bankruptcy in 2018, and Germania, Fly BMI, WOW Air and Oceanair (Avianca Brasil), all of which declared bankruptcy during the first months of 2019. In addition, a reduction or elimination of demand for our services by a key customer due to insolvency could lead to a decrease in revenue. In the future, if contractual partners that owe considerable amounts to us were to become insolvent, including due to an economic crisis, or if key customers were to halt or curtail their business operations, this could have a material adverse effect on our business, cash flows, financial condition and results of operations.

Our cargo handling business depends heavily on access to suitable warehouses and other infrastructure.

Our cargo handling business depends on the supply and storage of goods through adequate transportation and storage infrastructure. Our ability to provide cargo services at an airport is dependent on access to a warehouse which is accessible to freight-forwarders delivering cargo and well-placed for loading cargo onto planes. However, the demand for warehouse space is high and warehouse space is often difficult to obtain, especially in greenfield sites where we have had no historical presence. If we cannot gain access to a warehouse which allows us to perform our services efficiently, we may miss out on cargo handling business opportunities.

Additionally, in order to provide cargo handling services at an airport, we rely on freight-forwarders having access to suitable vehicles, well-maintained roads and road access. In the event that such local infrastructure is not in place, or is not fit-for-purpose, as can sometimes be the case in emerging markets, this will have a significant impact on the flow of cargo in and out of an airport and will reduce the extent to which we will be able to provide our cargo handling services. Any significant disruption to the infrastructure which enables transportation and/or storage of goods, such as disruptions due to fire or other catastrophic events, power outages, vandalism, sabotage, labor disagreements, shipping problems, inadequate road maintenance or disruptions due to unanticipated increases in volume could have a knock-on adverse impact on the capacity and efficiency of our cargo handling business and therefore our overall performance.

Higher than anticipated growth of cargo volumes received from individual customers or the winning of new cargo handling contracts may lead to running our warehouses at their maximum capacity in terms of available storage space. The limited availability or lack of additional warehouse space as well as insufficient numbers of cargo handling staff could lead to a decrease in the quality of our services (for example, delay in delivery and a higher number of damaged or lost consignments of cargo) causing customer dissatisfaction and potential reputational damage. Our inability to have sufficient warehouse storage space available or our failure to effectively manage available warehouse capacity could have a material adverse effect on our business, cash flows, financial condition and results of operations.

We may not be able to obtain new licenses and leases, or renew or retain our existing licenses and leases that are required to conduct our business at various airports.

We operate our businesses under licenses usually granted by local civil aviation authorities and occasionally by the operators of various airports. We also lease from such operators land and other facilities, such as warehouses, that are necessary to conduct our businesses. If we are unable to maintain or renew our existing licenses and/or leases or take advantage of organic growth opportunities and obtain new licenses and/or leases from those operators on acceptable terms, we may be unable to provide our services for our customers at those airports, and our business, financial condition and results of operations would be adversely affected. We are particularly dependent on obtaining and retaining licenses in continental Europe, where there are typically only a limited number of licenses available at any given airport, which can result in us being locked out of a particular market for several years if a license renewal or tender process is unsuccessful.

For example, in November 2014, we were required to tender for a renewal of our licenses to operate ground handling services at a number of airports in Spain, including Madrid-Barajas airport. While we were successful in obtaining licenses to operate at 13 airports, we were not successful in obtaining a renewal at Madrid-Barajas and three other existing airports, resulting in a loss of revenue from ground handling services at these airports. We have also been unsuccessful in renewing our passenger with reduced mobility services license at Zurich airport for the period from 2020 to 2024, which we anticipate would result in a loss of revenue in our ground handling services at this airport in the future. Additionally, in order to obtain certain licenses, we are required to issue a guarantee in favor of the relevant airport, aviation authority or airline operator which is granting the license. For example, in November 2014, Swissport Handling S.A.U. was required to issue a guarantee in favor of Spanish airport operator, Aena, in order to obtain its licenses to operate at certain Spanish airports. The provision of such guarantees exposes our entities to a potential liability in the event that payment is required under the guarantees. Even if we are successful in obtaining, maintaining or renewing a license or concession, we may not achieve the results we had expected from our operations under such license or concession, and in some cases these licenses or concessions may require us to make minimum payments to the aviation authority or airport even when our activities there are not profitable. In addition, if we fail to comply with the performance standards required by operators over an extended period of time, our reputation could be harmed and we could lose existing customers or fail to attract new customers or our licenses from such operators could be revoked. Any failure to obtain new licenses and leases, or renew or retain our existing licenses and leases could have a material adverse effect on our business, cash flows, financial condition and results of operations.

A deceleration or reversal of the current outsourcing and deregulation trends in the aviation industry could negatively affect our business and growth prospects.

In the past, we have benefited from the outsourcing of ground handling and cargo handling operations by airlines and airports and from the growth of low-cost carriers, which tend to fully outsource handling services. The global ground and cargo handling outsourcing rate (i.e., the percentage of the global market by value that is serviced by independent operators) has increased in recent years, but is still at a relatively low level of 42% as of December 2018 (*Source: Roland Berger Report*), because major international airlines have traditionally serviced their own ground handling and cargo handling operations. Our business and growth strategies depend in part on the continuation of the current trend by airlines and airports to continue to outsource their ground handling and cargo handling operations. We cannot be certain that this trend will continue or will not be reversed or that customers that currently outsource their ground handling and cargo handling operations will not decide to perform these operations themselves. If there is significant change or reversal in our customers' preference or ability to outsource, or if the outsourcing trend does not continue at the rate at which we expect, then we will miss out on future growth opportunities, which could have a material adverse effect on our business, cash flows, financial condition and results of operations.

The airline services industry has traditionally benefited from strict public regulation of access to airports and airline service operators, an environment that still exists today in many markets in the Middle East, Europe, Asia, Africa and Latin America. Recently, local airport services in many countries and regions have been subject to increased deregulation, opening up new markets to independent handlers. We have benefited from the opportunity to expand our network into these new markets and we expect to continue to benefit from further deregulation in the future. However, if future deregulation does not materialize at the rate which we expect, then we will miss out on future growth opportunities, which may have a material effect on our future cash flows and financial condition. Additionally, if a new license or lease is made available at a market that had previously been closed to independent handlers and we are not successful in obtaining the license or lease, then that may have an impact on our growth prospects and results of operations.

We may not be successful in expanding our business through selective acquisitions, which may result in significant transaction expenses and integration risks.

Acquisitions have historically been a driver for the growth of our business, such as our acquisition of a majority stake in AFS Aviation Fuel Services GmbH ("**AFS**") in September 2015, our acquisition of AGN Aviation Services in Mexico in October 2015, our acquisition of Skylink Handling Services ("**Skylink**") in October 2016, our acquisition of Apron GmbH in Germany in September 2018 and, most recently, in February 2019, the increase of our shareholding in Heathrow cargo handling Ltd. from 50% to 100%. We plan to continue this strategy by selectively identifying bolt-on acquisition candidates that meet our investment criteria. However, we cannot assure you that we will be able to identify attractive acquisition candidates or complete the acquisition of any identified candidates at favorable prices and upon advantageous terms. We expect to face competition for acquisition candidates, which may limit the number of acquisition opportunities and lead to higher acquisition costs. We may be forced to divest or reduce the scope of certain businesses so as to obtain the necessary regulatory authorizations, in particular with respect to antitrust authorizations. We may not have the financial resources necessary to consummate any acquisitions or the ability to obtain the necessary funds on satisfactory terms. Furthermore, general economic conditions or unfavorable global capital and credit markets could affect the timing and extent to which we successfully acquire new businesses.

Following closing of an acquisition, we may incur substantial costs and experience delays or other problems in integrating the operations, technologies, services and personnel of the acquisition target into our business. For example, following our acquisition of the former Servisair group in 2013, we experienced integration problems in connection with the transfer of U.S. billing operations from the legacy Servisair billing platform to our billing platform, which adversely affected our results in the first half of 2015. While we subsequently resolved these integration issues, there can be no assurance that similar or analogous integration issues would not occur in the future in relation to any acquisition and such integration issues could have a material adverse effect on our business, cash flows, financial condition and results of operations.

In the short term, the disruptive effects of an acquisition can result in a loss of key personnel, lower employee productivity and a loss of customers, which may cause a drop in revenues from the acquired business. In the longer term, there can be no assurance that, following integration into the Group, an acquired business will be able to maintain its customer base consistent with expectations or generate the expected margins or cash flows.

Further, integration may take longer than expected and we may not achieve the expected financial and operational synergies on a timely basis, if at all. Although we thoroughly analyze each acquisition target, our assessments are subject to a number of assumptions. These assumptions may prove inaccurate, in particular with respect to the future performance of the acquired businesses, and we may need to write down goodwill and certain other intangible assets from our balance sheet as a result. We may acquire assets, in particular ground support equipment, that are worth significantly less than the values at which they are accounted or that require significant investment to remedy unanticipated deficiencies in their condition.

Additionally, we cannot guarantee that we will be able to develop or maintain favorable relations with key personnel and other employees of any acquisition target. For example, in connection with our acquisition of Air Services ANZ Pty Ltd. ("**Aerocare**") in Australia in March 2018, we are in ongoing discussions with Aerocare's labor force relating to Aerocare's enterprise agreement. In August 2017, we proposed new enterprise agreement for Aerocare's Australian employees, which intended to set wages and certain other conditions of employment. The proposed agreement was rejected by the Fair Work Commission (the "**FWC**"), Australia's workplace relations industrial tribunal, on the basis that it excluded certain casual employees from its coverage. In 2018, we proposed an amended enterprise agreement, the FWC approval hearing for which is scheduled to take place in

August 2019. In addition, in 2017, the Transport Workers Union of Australia filed a claim with the FWC to terminate Aerocare's existing enterprise agreement. The FWC had hearings on the latter in May 2019, and a decision is awaited on this application. In the event that the existing enterprise agreement is terminated without a new enterprise agreement being in place, relevant conditions of employment will be governed by statutory provisions, which could result in additional costs for our business. Any labor disputes, prolonged negotiations, conflicts or related activities could ultimately lead to a loss of staff, difficulties in recruitment going forward as well as negatively affect our revenues, profits and customer relations. Furthermore, acquisitions of companies expose us to the risk of unforeseen events, circumstances or legal liabilities with respect to employees, customers, suppliers and subcontractors of acquired businesses, public authorities and other parties that could have a material adverse effect on our business, cash flows, financial condition and results of operations.

Acquisitions may also divert our management's attention from the operation of existing businesses. The failure or delay of our management in responding to these challenges could have a material adverse effect on our business, cash flows, financial condition and results of operations.

We may experience limited success in penetrating new markets.

As part of our strategy, we continuously evaluate potential opportunities to expand into new markets through greenfield investments or outsourcing opportunities. See "*Business—Our Strategy—Build on our global network and market leading position by expanding to new locations, particularly in the Middle East and across the Asia-Pacific region*". For example, we entered the Middle East market through greenfield investments in Saudi Arabia in 2016 and Oman in 2017 and continue to make efforts to expand in these countries. We intend to focus on other similar jurisdictions where we may be able to benefit from deregulation in the future.

The successful development of greenfield investments depends on a number of factors, including:

- our ability to obtain all licenses and governmental approvals necessary to operate in that market;
- our ability to secure suitable facilities and equipment, including warehouses and ground support equipment, on reasonable terms;
- the availability of employees in that market with suitable training and education;
- our ability to fund the substantial up-front expenses to the extent required for us to build our operations in that market from the ground up;
- our ability to recoup our initial investment expenses in the forecasted time horizon or at all, which may be affected by a lack of local commercial expertise, unexpected shifts in demand for our services and delays in obtaining regulatory approval and in establishing operations;
- our ability to attract new customers to generate significant revenue to offset our significant expenses;
- the acceptance of local stakeholders; and
- our ability to navigate local regulations and laws, particularly labor laws and laws affecting the provision of our services.

Our inability to complete greenfield development projects or to complete them on a timely basis and in turn grow our business could have a material adverse effect on our business, cash flows, financial condition and results of operations.

To take advantage of greenfield investment opportunities and win new licenses or contracts, we must dedicate time and financial resources to complex tender procedures with uncertain outcomes.

Licenses or contracts for ground handling and other services we provide are often awarded following a competitive tender procedure based on lengthy evaluation periods and highly specific requests for proposal. In order to secure such licenses or contracts, we are required to invest resources, in both time and money, to prepare a tender offer. It is generally very difficult to predict whether or when we will be awarded such licenses or contracts because of the complexity of the bidding and selection process. This process is affected by a number of factors, such as operational capabilities, market conditions, financing arrangements and governmental approvals, some of which are outside of our control. Additional difficulties in tender procedures may arise in connection with greenfield investments, due to a lack of familiarity with the local tender process. If, after the competitive tender process, we are not awarded a license or contract, we cannot recover this cost and may fail to increase, or maintain, our market share and revenue, which could have a material adverse effect on our business, cash flows, financial condition and results of operations.

Our success depends on the continued service, expertise, commitment and performance of our key personnel.

Our future success and our ability to achieve business objectives will be heavily dependent on the continued service and performance of the members of the executive management board of Swissport International Ltd. (the "**Group Executive Management**"). We also depend on our regional senior managers, who play a key role in developing and maintaining our customer relationships around the world. Our growth and future success will depend, in large part, on the continued contributions of these key personnel, as well as our ability to motivate and retain these personnel or hire other persons. If we lose the services of any of our key personnel and are unable to find a suitable replacement in a timely manner, we may be challenged to effectively manage our business and execute our growth strategy. These key personnel may leave in the future and compete with us, which could result in a loss of know-how and deterioration of our competitive advantages. We can give no assurance that we will be successful in obtaining, recruiting and retaining key personnel in sufficient numbers to increase revenue, attain profitability, or successfully implement our strategy. The loss of, or diminution in, service of any of the members of the Group Executive Management or other key personnel could have a material adverse effect on our business, cash flows, financial condition and results of operations.

We intend to continue operating through strategic partnerships, including joint ventures, and are exposed to risks associated with such partnerships.

On occasion, where joint ventures are required by local regulations (as is often the case in emerging markets) we will seek to expand our presence through joint ventures. The success of our joint ventures is subject to risks, including our inability to maintain a good relationship with current and future business partners, the reliance on the local expertise of our joint venture partner, divergent economic and commercial interests between us and our business partners and the potential legal, regulatory or developmental difficulties. See "*—Our global operations in diverse locations expose us to various political, social and economic risks that are beyond our control*". Moreover, our partners may be unable, or unwilling, to honor or fulfill their obligations under the relevant joint venture agreements or may experience financial or other difficulties that may adversely impact our investment in a particular joint venture. Additionally, there is a risk that we will not be able to obtain a fair and proportional dividend payment from our joint ventures. Our partners may also have different strategies or priorities in executing projects than we do, and, as a result, their interests may not be aligned with our interests or with our shareholders' interests. Additionally, our partners may fail to fulfill their obligations and/or terminate their agreements with us for cause or for convenience. If a partner does not fulfill its obligations, we may be subject to unexpected costs, project delays or other losses. Moreover, liability in concessions contracts may be joint and several (rather than joint or several), and we could become liable in the event of a default by one of our partners. Despite our best efforts in selecting appropriate partners, it is possible that the partners chosen for these joint venture agreements may not be the most appropriate or qualified for the market in question. In the event that any of these partners turns out to be inappropriate or unqualified, our joint ventures may not be successful. Additionally, even if we conduct rigorous due diligence and background checks on potential partners, we may not be able to ascertain whether our potential partners or their affiliated companies have material hidden liabilities, especially with respect to compliance, political, tax, employment and environmental issues. It is also possible that the ownership of one of our partners in a joint venture changes, and the resulting new owners or shareholders have a different agenda affecting the business of the joint venture and/or our interests. Any of these risks could affect the success of current and future partnerships and consortia. If any of the foregoing were to occur, it could have a material adverse effect on our business, cash flows, financial condition and results of operations.

Terrorist attacks, threats of attacks, geopolitical instability, epidemics, threats of epidemics or other "Acts of God" may unexpectedly disrupt our operations and revenues.

Any attack, military action, threat of an attack, epidemic or perception that an epidemic could occur could have a negative impact on the number of aircraft movements, the availability of airports and the state of the aviation industry as a whole and could therefore have a material adverse effect on our aircraft turnarounds, cargo volumes and our business. Our ground handling services business is especially exposed to the risk of airport closures and variations in aircraft movements as a result of unexpected events. For example, as a result of a terrorist attack in March 2016, the Brussels Airport sustained significant damage. It took several weeks before the airport was able to reopen at full capacity, which had a negative impact on our operations in Belgium and on our financial results.

Terrorism and war (and the increasing threat of terrorism and war) and civil/political strife may also contribute to a fear of travelling by air, or visiting particular destinations, resulting in a potentially significant decrease in demand for air travel and correspondingly cause an adverse impact on our business. We are particularly exposed to this risk due to our growing presence in developing countries, where the risk of a terrorist attack and civil/political unrest is comparably higher. Similarly, the outbreak of any contagious disease with human-to-human airborne or contact propagation effects that escalates into a regional or global pandemic may have an adverse impact on all airlines that operate to/from the affected areas/regions. Although we maintain what we believe to be adequate liability insurance, damage resulting from any events, such as a terrorist attack, military action or epidemic, could exceed our insurance coverage, fall outside the scope of our insurance coverage or result in the cancellation of our insurance coverage. Moreover, there can be no assurance that we would not be forced to bear substantial losses irrespective of our existing insurance coverage. In particular, it is possible that losses could occur that are not limited to losses covered by our insurance.

The occurrence of such events, or civil unrest in a country, could also result in the closure or restriction of access to airspace or airports, the availability of which our services depend on. If an airport at which we carry out a significant portion of our business were to be shut down, nationalized or experience a catastrophic property loss as a result of terrorism, war, natural disaster, political instability or other events, we could face financial losses and a significant and potentially permanent disruption to our business. Even after the airport resumes operations, we may be unable to win back lost business or, if our market competitors make a faster recovery, re-establish our market share in the affected region. All of these factors could have a material adverse effect on our business, cash flows, financial condition and results of operations.

Furthermore, such a crisis could have a material impact on the operational and financial viability of certain of our customers in the affected stations and could increase the likelihood of financial distress or payment default. See "*—We are exposed to the risk of payment default by our contractual partners*".

Natural calamities, unusual or extreme weather conditions may unpredictably disrupt our operations and revenues, and we may not be able to remedy any negative incidents caused or precipitated by such weather conditions.

The aviation sector is exposed to the impact of unexpected or unusually extreme weather conditions, which can result in disruption to timetables and a decrease in aircraft turnarounds or cargo volumes, and as a result decreased demand for certain ground and cargo handling services offered by us. For example, unusually mild global weather conditions in the winter of 2014 resulted in a significant decrease in our revenues from de-icing activity compared to budget forecasts. Disruptions to aircraft timetabling due to extreme weather conditions can also have a knock-on effect on our ability as a ground or cargo handler to fully service our customers.

Other weather related disruptions that have had an adverse impact on our operations include the extreme winter storms in the United States in late January 2016, which led to airports and air traffic being shut down for several days, hurricanes in September 2017 in Florida and Texas which affected airport operations in the respective locations, extremely cold conditions in Canada in 2017 which resulted in numerous flight cancellations and a typhoon in Osaka, Japan, in September 2018, which caused flood and wind damage to our airport operations in the region, affecting the ground handling operations for three weeks and the cargo operations for two months.

In July 2014, we were exposed to negative national press coverage in the United Kingdom in relation to our operations at London's Gatwick airport when staffing levels among baggage handlers were deemed to be insufficient to cope with unusually concentrated flight arrivals occasioned by bad weather across Europe during the summer peak season that led to severe luggage delays to weekend commercial passenger flights operated by British Airways. We subsequently lost our tender to British Airways at Gatwick airport in August 2015. Although we resolved the problems associated with the operations at Gatwick airport within days, there is no assurance that we will always be able to remedy any negative impact caused or precipitated by unexpected or unusually extreme weather conditions.

Other natural disasters such as earthquakes, volcanoes, floods or tsunamis may devastate destinations and significantly reduce travel to those areas for a period of time thereby adversely affecting our business. We cannot give any assurance that natural calamities will not have a material adverse effect on our business, cash flows, financial condition and results of operations. Although we maintain what we believe to be adequate liability insurance, any claim as a result of damage from natural calamities could exceed our insurance coverage, fall outside the scope of our insurance coverage or result in the cancellation of our insurance coverage. Moreover, there can be no assurance that we would not be forced to bear substantial losses irrespective of insurance coverage. In particular, it is possible that losses could occur that are not limited to losses covered by our insurance.

We are exposed to the risk of losses from damage caused to aircraft, airports or cargo and from injury to individuals.

We operate in and around aircraft and airports and, as such, we face the inherent risk that we may inadvertently damage aircraft or aircraft equipment that could lead to flight delays, flight cancellations or possibly crashes. For example, the improper de-icing or maintenance of an aircraft, unbalanced loading of cargo within an aircraft, or any other damage to an aircraft caused by our employees could result in delays or accidents resulting in the loss of an aircraft or a loss of life. For example, in early January 2018, during severe winter weather at JFK airport, Swissport USA was requested to tow an empty China Southern Airlines ("**CSA**") aircraft for over four hours because gates and parking were not available. Earlier that day, the air traffic controllers directed Swissport USA to park a Kuwait Airways ("**KA**") jet in a space too short for the aircraft, causing the tail of that aircraft to reach into the taxiway. Airport controllers later directed Swissport to tow the CSA jet behind the KA jet, and the right wing of the CSA aircraft collided with the tail of the KA aircraft, causing an estimated $15 million in damage to both planes.

If we mishandle cargo or baggage, or otherwise cause damage to equipment or facilities, or cause injury to individuals in the course of carrying out our activities, we could be liable for that damage or injury. Although we maintain what we believe to be adequate liability insurance and prudent caps on our contractual liability, any claim as a result of such damage could exceed our insurance coverage, fall outside the scope of our insurance coverage or result in the cancellation of our insurance coverage. Moreover, there can be no assurance that we would not be forced to bear substantial losses irrespective of insurance coverage or that we will always be able to renew our insurance coverage on reasonable terms, if at all. In particular, it is possible that losses could occur that are not limited to losses covered by our insurance or contractual liability caps, or that our reputation could be harmed. An aircraft accident could tarnish our reputation, thus resulting in a significant, and possibly sustained, decline in demand. Any of these events could have a material adverse effect on our business, cash flows, financial condition and results of operations.

In addition, some of the services we offer put our employees and others in close proximity with heavy equipment, moving vehicles and combustible materials (namely airline fuel). Applicable laws generally render us responsible for the safety and wellbeing of our personnel and impose a duty of care on us for third parties who may be nearby. If we fail to implement safety procedures or if the procedures we implement are ineffective, our employees and others may be injured and health and safety authorities may impose fines or initiate legal proceedings against us. Many of our customers also require that we meet certain safety criteria to be eligible to bid for contracts. Unsafe work sites also have the potential to increase employee turnover, increase the cost of service to our customers and raise our operating costs. The introduction of new technology, procedures, services, tools and machinery may have unforeseen negative effects on the working conditions of our employees and may subject us to liability based on allegations of illness or injury resulting from exposure. Additionally, there is the possibility that during the course of our cargo handling services, our employees may inadvertently handle and subsequently transport certain illicit goods, which may subject us to certain liabilities.

Furthermore, a higher than usual number of incidents or the occurrence of highly expensive individual claims or losses could have an adverse impact on our insurance premiums for the affected insurance coverage to be paid to our insurance partners going forward or could negatively impact our ability to maintain deductibles or retentions at appropriately low levels. Any of the foregoing could result in financial losses, which could have a material adverse effect on our business, cash flows, financial condition and results of operations.

We are exposed to liability risks arising from the handling and storage of highly valuable cargo.

Consignments of valuables, such as precious metals, watches, jewelry or notes and coins, as well as other consignments of high value, such as notebooks, tablets, smartphones or pharmaceuticals, which are entrusted to us for handling and storage as part of our services to our customers, are exposed to theft or are attractive targets for robbery by criminals. As a result, we are exposed to third-party claims and litigation arising from the disappearance of highly valuable cargo while such consignments were in our custody and control. Although our exposure to third-party claims is usually limited by the applicable international conventions governing the carriage of cargo by air as well as by the individual contracts with our customers and insurance policies, a negative outcome in one or more third-party cargo claims or lawsuits could have a material adverse effect on our insurance premiums going forward, business, cash flows, financial condition and results of operations. In addition, such events could negatively impact our business relationship with certain of our customers or cause damage to our reputation as a reliable air cargo handler.

The United Kingdom's impending departure from the European Union may adversely affect economic conditions, may result in a decline in flights and demand for airline services, may disrupt financial markets and may make it difficult for us to retain and attract employees in the United Kingdom.

Following a national referendum in June 2016, the United Kingdom formally notified the European Council on March 29, 2017 of its intention to withdraw from the European Union ("**Brexit**"). Negotiations have commenced to determine the future terms of the United Kingdom's relationship with the European Union, including, among other things, the terms of trade between the United Kingdom and the European Union. However, the timing of any transition period following the United Kingdom's exit from the European Union, the terms of any agreement governing the future relationship between the United Kingdom and the European Union, as well as the legal and economic consequences of those terms, remain unclear.

If the United Kingdom leaves the European Union's single aviation market without any replacement arrangements, the legal consequences could be complex, resulting in a decline of route connections available between the United Kingdom and the remaining member states of the European Union or an airline's ability to operate certain routes within the United Kingdom. In the event of a "no-deal" Brexit, it is also possible that there may be no flights for an unknown period of time between the United Kingdom and the remaining member states of the European Union following the United Kingdom's departure from the European Union.

In addition, prolonged uncertainty during Brexit negotiations could adversely affect economic or market conditions in the United Kingdom and globally, which could lead to instability in global financial markets and foreign exchange markets. This economic uncertainty could lead to a reduction in commercial activity, and could have a negative impact on the demand for air travel within, and to, the United Kingdom as well as other key aviation markets.

Finally, a significant number of the staff we employ in the United Kingdom airports are citizens of the remaining member states of the European Union. As of the date of this Offering Memorandum, these staff will be able to apply to continue working in the United Kingdom following Brexit. However, it is not yet clear whether we will be able to continue recruiting European Union citizens to work in the United Kingdom after the United Kingdom withdraws from the European Union. Any loss of staff or restriction on our ability to recruit staff in the United Kingdom could lead to increased labor costs and difficulties in recruitment going forward.

The United Kingdom is our third largest country in terms of revenue, representing 12.4% and 10.8% of revenue and other operating income for the year ended December 31, 2018 and for the three months ended March 31, 2019, respectively. As of March 31, 2019, we had operations at over 20 airports in the United Kingdom and over 50 airports in the rest of Europe. As a result, any event which impacts our operations in the United Kingdom could have a material adverse effect on our business, cash flows, financial condition and results of operations.

We may not accurately estimate the cost components of our contracts and we have limited ability to adjust our cost base during periods of low cargo activity.

Historically, a portion of our total revenue from contracts with customers has been derived from multi-year contracts containing a fixed-price component, for example, based on the volume of cargo or luggage handled. In such cases, the fixed-price component is set on the date a bid is either tendered or awarded, although it usually allows for a certain increase in price over time. In many cases, fixed-price components cannot subsequently be altered or our ability to adjust the price is restricted by applicable clauses in the contract, which may provide only for certain limited cases of pass-through adjustments or automatic adjustments in case of variations affecting the underlying contract. Therefore, if cost estimates made at the time the relevant contract is signed prove to be inaccurate (for example, due to increases in the cost of labor or fuel), this could negatively impact our margins and have a material adverse effect on our business, cash flows, financial condition and results of operations.

In addition, to obtain adequate warehouse space, we typically enter into long-term leases of up to five years or more, which limits our ability to adjust our cost base in response to periods of low cargo activity. We are particularly exposed to this risk because our cargo handling business is more correlated with global economic developments than our ground handling business, which may result in a sharper downturn in the performance of our cargo handling business in the event of adverse economic developments. See “*—Our cargo handling business is highly susceptible to adverse economic developments and particularly to changes in global trade volumes*”.

We could be adversely affected by a failure or disruption of our computer, communications or other technology systems. Any delay in implementing our IT infrastructure enhancement may have an adverse effect on our business.

We are heavily and increasingly dependent on technology to operate our business. The computer and communications systems on which we rely could be disrupted due to various events, some of which are beyond our control, including natural disasters, power failures, terrorist attacks, equipment failures, software failures and computer viruses and hackers. There can be no assurance that the measures we have taken are adequate to prevent or remedy disruptions or failures of these systems. Any substantial or repeated failure of these systems could impact our operations and customer service, result in the loss of important data, loss of revenues, increased costs, and could have a material adverse effect on our business, cash flows, financial condition and results of operations.

In 2015, we commenced a wide-ranging redesign and reorganization of our IT infrastructure, for more information, see “*Business—Information Technology*”. This project, which involves a large portion of our staff and impacts all our activities, has been largely completed in 2018. As part of the project, all applications and IT operations have been outsourced to Tata Consultancy Services, our global IT service partner. Any glitch in the implementation and integration of this new IT infrastructure could result in delays in our operations and thereby negatively affect our service quality. There is a risk that we will lose business to competitors with a more sophisticated IT system. There is no assurance that this IT centralization and outsourcing will be as successful as desired, which could have a material adverse effect on our business, cash flows, financial condition and results of operations.

Our reliance on technology means we could be adversely affected by cyber security breaches and are exposed to the risk of infringing applicable data protection legislation and privacy laws.

We use IT systems across our global network to store and process our data. We therefore face both external cyber threats and internal risks to our data and systems. Our data and systems may be vulnerable to theft, loss, damage and interruption due to unauthorized access, security breaches, cyber-attacks, phishing attacks, computer viruses, power loss or other disruptive events. A security breach could have a negative impact on customer confidence in our systems and our reputation in the industry such that it could have a material adverse effect on our business, cash flows, financial condition and results of operations.

In, addition in certain jurisdictions the breach or loss of personal identifiable data may be subject to restrictive data protection legislation imposing data breach notification obligations as well as possible substantial fines on us. For example, the enforcement of the General Data Protection Regulation (GDPR) (Regulation (EU) 2016/679) (the “**GDPR**”) began on 25 May 2018. The GDPR introduces substantial changes to the EU data protection regime and will impose a substantially higher compliance burden on us, may increase our data protection costs and may restrict our ability to use personal data. Examples of this higher burden include expanding the requirement for informed opt-in consent by customers to processing of personal data in certain circumstances, and granting customers a “right to be forgotten” where required, restrictions on the use of personal data for profiling purposes, disclosure requirements of data sources to customers and the possibility of having to deal with a higher number of subject access requests. No assurance can be given that our measures taken will ensure compliance with the GDPR or any other national data protection legislation, which could have a material adverse effect on our business, cash flows, financial condition and results of operations.

Our pension obligations could substantially exceed the provisions we currently recognize for these obligations in our accounts.

We have certain pension obligations toward our employees. As a business with global operations, these pension obligations accrue at national levels and are subject to national legislation and regulation in each relevant jurisdiction. Such pension obligations are covered partly by provisions, but for the most part we cover them by pension funds or insurance. The amount of these provisions is based on certain actuarial assumptions, including discounting factors, demographic trends, pension trends, future salary trends and expected returns on plan assets. If actual results, particularly in relation to discounting factors, were to deviate from these assumptions, or if actuarial assumptions change, there could be a substantial increase in pension obligations and a resulting increase in the provisions for pensions on our balance sheet.

We have also identified funding deficits in certain of our existing pension schemes, particularly in the United Kingdom and Belgium.

In the United Kingdom, following our acquisition of Servisair group ("**Servisair**") in 2013, we are liable for Servisair's legacy pension obligations, including three defined benefit pension plans (the "**UK DB Plans**") which are all now closed to new entrants and accrual. As a result of past valuations for the UK DB Plans, funding deficits were assessed. Swissport currently funds the deficit with agreed contributions up to 2028.

In Belgium, our subsidiaries Swissport Belgium NV and Swissport Cargo Services Belgium NV operate various complementary pension schemes. Based on pension scheme regulations, we are responsible for a statutory guaranteed rate of return which is higher than the available rate of return that has prevailed since 2012. The Belgian national social partners (representatives of the nation-wide employee and employer representative bodies that are recognized and given prescribed negotiating powers under Belgian statute), following a request by the Belgian government and Ministry of Pensions, have passed a regulation to revise/reduce the statutory guaranteed rate of return, which entered into effect in 2016.

We are also susceptible to financial market risk of below-average portfolio performance and of errors in investment choices. All the above factors could have material adverse effects on our business, cash flows, financial condition and results of operations.

We rely upon our subsidiaries and regional management to comply with various laws and intercompany policies.

We delegate considerable operational responsibility to our subsidiaries. We believe that this has the advantage of allowing our management to remain close to customers and abreast of market developments. However, the scale of our decentralization, including operations at 310 airports in 49 countries as of March 31, 2019, is disproportionately large in relation to our total revenue and other operating income, which was €3,059.7 million for the twelve months ended March 31, 2019, and as a result we are more susceptible to internal procedural failures and problems that occur may not be detected as readily or as quickly as they would be in a more centralized organization.

Some fraudulent acts leading to misappropriation of our funds or assets may not be covered in whole or in part by our crime insurance. In addition, the tender process for new licenses or contracts involves risks associated with fraud, bribery and corruption. Despite monitoring compliance with our internal policies and updating such policies to comply with applicable legislation, we may, nonetheless, be unable to detect or prevent all instances of fraud, bribery and corruption involving our employees, agents, joint venture partners or franchisees in the future, which could subject us to civil, administrative or criminal penalties as well as reputational damage. As such, there can be no assurance that we will not experience future instances of our local, regional and national managers not complying with our policies, making unintended accounting misstatements or breaches of local and national regulations and legislation or committing fraud, any of which could, individually or collectively, have a material adverse effect on our business, cash flows, financial condition and results of operations.

We are exposed to risks related to legal proceedings.

We are involved in a number of lawsuits, both as plaintiff and as defendant. These lawsuits relate to claims that arise in the ordinary course of our business and include, but are not limited to, allegations of breach of contract, breach of warranty, property damage and violation of employment rights and similar causes of action. A large number of these lawsuits relate to employment-related issues. We are also subject to risks that our activities and records may be audited by the competent regulatory authorities in the jurisdictions in which we do business, including tax authorities. As of the date of this Offering Memorandum, there are several proceedings pending against us in connection with compensation disputes. Our Brazilian subsidiaries have experienced and continue to experience multiple employment claims of current employees, former employees and unions (individual claims and collective claims) based on several legal grounds, including hazardous working conditions, insalubrious working conditions, moral damage, health and safety, overtime, night shift and others. Some of our other U.S. subsidiaries are facing claims in U.S. courts concerning alleged violations of California Labor Code. Other U.S. subsidiaries are facing allegations that they mishandled employee biometric data under state laws and regulations relating to the collection of biometric data by private actors. Compliance with these laws and regulations, or changes in these laws and regulations, may be onerous and expensive and may be inconsistent from jurisdiction to jurisdiction, further increasing compliance costs. It is generally not possible to predict the outcome of pending or threatened legal proceedings. This is particularly true of lawsuits in the United States, in light of the large amounts of damages which can be claimed in some of these proceedings, see "*Business—Legal Proceedings*". There is no guarantee that we will not be found liable. We may need to make substantial payments in one or more of the lawsuits in which we are or may be involved as a result of a settlement or of a court ruling. A negative outcome in one or more of the pending or threatened high-value lawsuits, or in several relatively low-value lawsuits, could have a material adverse effect on our business, cash flows, financial condition and results of operations.

We rely on certifications from industry standards-setting bodies.

Applicable law and certain airport authorities and customers require us to obtain and maintain certifications from internationally-recognized organizations, such as ISAGO (IATA Safety Audit for Group Operations), an assessment for ground handling companies, and ISO 9001, an international certification for quality management systems. We may also obtain such certifications on a voluntary basis because the terms of public tenders confer advantages on bidders who are so certified. We incur significant expenses in maintaining these certifications, including training and upgrades to our fixed assets. If we fail to maintain any such certifications, customers that prefer or require them may terminate existing contracts or fail to award new contracts, which in turn could have a material adverse effect on our business, cash flows, financial condition and results of operations.

We are subject to laws and regulations, especially in relation to the environment, health and safety that could impose significant costs on us and the failure to comply with such requirements could subject us to administrative, civil and criminal sanctions and material fines and expenses.

Air transport and aircraft ground handling activities are subject to a high degree of regulation, notably with regard to maintenance, security and operating standards. Additional laws and regulations and tax increases (aeronautical, shipping and airport) could lead to an increase in operating expenses or reduce our revenues. For example, the U.S. Federal Aviation Administration and the European Union Aviation Safety Agency ("**EASA**"), from time to time, issue directives and other regulations relating to the management, maintenance and operation of aircraft and facilities, such as the EASA's recent New Basic Regulation (July 4th, 2018), which seeks to directly regulate ground handling at European airports. Furthermore, each of the airports in which we operate has its own rules and standards that may differ significantly from other airports. Compliance with those requirements may cause us to incur significant expenditures and the failure to comply with such requirements could subject us to administrative, civil and criminal sanctions and material fines and expenses. The ability of carriers to operate international routes is likely to be affected by amendments to bilateral agreements between governments. As such, future laws or regulations could have a negative impact on our activities and we cannot provide assurance that any such future law or regulations could not have a material adverse effect on our business, cash flows, financial condition and results of operations. See "*Business—Regulation*".

We are subject to a broad range of international, national and local environmental laws and regulations, including those governing the discharge of pollutants into the air or water, the use, transport, storage, processing, discharge, management and disposal of hazardous substances and waste and the responsibility to investigate and clean-up contaminated sites that are or were owned, leased, operated or used by us or our predecessors. Such laws and regulations impose increasingly stringent environmental obligations regarding, among other things, fuel handling, zoning and the protection of employee health and safety. Some of these laws and regulations require us to obtain permits, which can contain terms and conditions that impose limitations on our ability to emit and discharge hazardous materials into the environment and periodically may be subject to modification, renewal and revocation by issuing authorities.

In our operations, especially in fueling services, environmental damage can occur or employee health can be impacted due to spills or releases of harmful or hazardous substances, including de-icing fluid, aviation fuel, or other oil products, that could contaminate real estate owned by us or by third-parties, or pollute waterways or groundwater. This is particularly applicable with regard to the facilities where hazardous substances are used, transported, stored, processed, discharged, managed and disposed, as well as the other facilities and storage areas used by us. Such contamination or pollution could result not only in possible investigations, enforcement actions, fines or other public law sanctions, but also in reputational damage as well as considerable costs for removal, restoration and disposal, as well as potential further liability risks, which may not be covered in whole or in part by the environmental liability insurance policies we have taken out to protect our business against this exposure. Public knowledge of such environmental damage or injuries to our employees related thereto could also damage our reputation significantly. Although our exposure to activities relating to hazardous materials is limited because certain substances, including explosives, are not allowed to be transported by aircraft, we may also be subject to environmental liability in relation to our cargo handling services, such as when we are requested to handle radioactive materials or substances in line with international air transport regulations. Substantial fines and penalties may be imposed for non-compliance with applicable environmental and health control laws and regulations and the failure to have or to comply with the terms and conditions of required permits. We periodically review our procedures and policies for environmental compliance.

Historically, the costs of achieving and maintaining such compliance, and curing any non-compliance, have not been material; however, the operation of our business entails risks in these areas, and a failure by us to comply with applicable environmental, health or safety laws, regulations, or permits could result in civil or criminal fines, penalties, enforcement actions, third-party claims for property damage and personal injury, requirements to clean up property or to pay for the costs of clean-up, or regulatory or judicial orders enjoining or curtailing operations or requiring corrective measures. Moreover, if applicable environmental, health and safety laws and regulations, or the interpretation or enforcement thereof, become more stringent in the future, we could incur capital or operating costs beyond those currently anticipated. See "*Business—Regulation—Environmental*".

We are subject to anti-corruption, anti-bribery, anti-money laundering and antitrust laws. Potential compliance breaches may result in investigations by authorities, fines, damages claims and the termination of agreements with our customers and harm our reputation.

We are subject to various anti-corruption, anti-bribery, anti-money laundering and antitrust laws, including the United States Foreign Corrupt Practices Act of 1977, as amended (the "**FCPA**"), the United Kingdom Bribery Act 2010 (the "**Bribery Act**") and the Canadian Corruption of Foreign Public Officials Act (the "**CFPOA**"). These laws generally prohibit direct or indirect payments or offers of financial or other advantages to (a) government officials (including officers or employees of majority state-owned or controlled entities) with the intent of influencing any act or decision of the official or inducing the official to use his influence to affect an act or decision of a government entity for the purpose of obtaining or retaining business, and (b) any person, where the payment is intended to, or does influence that person to act or reward that person for acting in breach of an expectation of good faith, impartiality or trust or where the payment would otherwise be improper for the recipient to accept.

We are exposed to heightened risks because we frequently conduct business with governmental or quasi-governmental entities, such as airport authorities, and we operate in countries and regions that have a reputation for heightened corruption risk. While we have implemented policies and procedures designed to prevent and detect violations of these laws, such policies and procedures may prove inadequate or fail. We are also subject to the risk that our employees or any person doing business with us may engage in fraudulent activity, corruption or bribery, circumvent or override our internal controls and procedures or misappropriate or manipulate our assets for their personal or business advantage to our detriment. We are also exposed to the risk that we or our employees, agents, joint venture partners or intermediaries may engage in unauthorized conduct that breaches applicable legislation and regulations in order to gain an advantage when competing for, and responding to, tenders or requests for information or proposals.

In addition, we are subject to antitrust laws and regulations and may, from time to time, be subject to review by antitrust authorities. To the extent that we are deemed by relevant authorities to have significant market power, we can be subject to regulatory requirements which could have a material adverse effect on our cash flows, results of operations or financial condition, or harm our reputation and relationships with customers. The risk of antitrust or competition law-related claims may also increase in the event we acquire companies that have strong market position in any of the countries in which we operate. No assurance can be given that we will not be identified as having significant market power in any relevant markets in which we operate in the future and that we will not be subject to additional regulatory requirements.

Violation of any applicable anti-corruption, anti-bribery, anti-money laundering, antitrust and similar laws, may lead to legal proceedings against us, our officers and employees, fines, sanctions, court orders affecting future conduct, forfeiture of profits, rescission of existing contracts, exclusion from certain businesses, loss of licenses or other restrictions, which in turn might limit our ability to conduct our business. Furthermore, actual or alleged corrupt or fraudulent behavior in or relating to our business could harm our reputation, lead to the loss of existing customers and have a negative impact on efforts to compete for new customer business, all of which could have a material adverse effect on our business, prospects, financial condition and results of operations.

We must comply with import laws, export controls and economic sanctions. Potential compliance breaches may result in investigations by authorities, fines, damages claims and the termination of agreements with our customers and harm our reputation.

We are subject to various import laws, export controls and economic sanctions laws and regulations, including sanctions imposed by the United States Department of the Treasury's Office of Foreign Assets Control ("**OFAC**"), sanctions imposed by the European Union, Canada, Australia and Switzerland. We may suffer adverse effects on our financial condition or our business as a result of any failure to comply with the relevant import laws, export controls and economic sanctions and embargoes, including harm to our reputation, both in the United States and in other jurisdictions. In some non-U.S. jurisdictions, such as the E.U. and Canada, compliance with the certain sanctions imposed by OFAC by our local operating subsidiaries may subject us to local fines and penalties under the so-called "blocking" statutes or regulations in those jurisdictions (collectively, "**Blocking Laws**"). There can be no assurance that other national governments will not take adverse action against us or some of our local operating subsidiaries under such Blocking Laws and assess fines and penalties, or otherwise adversely affect the business operations of such subsidiaries in those jurisdictions. Furthermore, changes in import, export controls or economic sanctions laws may restrict our business practices, including the cessation of business activities in sanctioned countries or with sanctioned entities, and may result in modifications to compliance programs.

We are subject to potential changes in tax laws or challenges to our tax position.

We are a multinational company and are subject to complex tax laws in various jurisdictions. We have a global tax structure that aligns our global business operations, and we currently operate legal entities in multiple countries. In some countries, we maintain multiple entities for tax or other purposes. We may choose to consolidate or integrate certain of these entities, and these integration activities, changes in tax laws, rates, regulations, our future jurisdictional profitability, and related regulatory interpretations in the countries in which we operate may impact the taxes we pay or tax provision we record, which could adversely affect our results of operations. In addition, future effective tax rates could be affected by changes in the composition of earnings in countries with differing tax rates, changes in the valuation of deferred tax assets and liabilities. Furthermore, we often rely on generally available interpretations of applicable tax laws and regulations. We cannot be certain that the relevant tax authorities are in agreement with our interpretation of these laws. If our tax positions are challenged by the relevant tax authorities, the imposition of additional taxes could require us to pay taxes that we currently do not collect or pay or increase the costs of our services to track and collect such taxes, which could increase our costs of operations and have material adverse effects on our business, cash flows, financial condition and results of operations.

The multi-jurisdictional nature of our business may adversely affect our ability to offset losses and gains in a tax efficient manner.

Our services are subject to taxes in Switzerland and Luxembourg and in the various foreign jurisdictions where we do business. Among other things, our tax liabilities are impacted by the mix of pre-tax income or loss among the tax jurisdictions in which we operate and the repatriation of foreign earnings to Switzerland, which could be subject to withholding taxes. Notwithstanding the large tax treaty networks, which are intended to reduce or eliminate double taxation, there might be cases where the withholding taxes paid in the foreign jurisdictions, for example, on dividends, royalties or services, are not refundable, either in part or in full. In addition, we may be unable to effectively harmonize our global profit and loss for tax purposes. For instance, we may be unable to offset losses made in one jurisdiction against income made in another jurisdiction, which would result in an increased net tax liability for our business as a whole.

Current and future accounting pronouncements and other financial reporting standards might negatively impact our financial results.

The IASB, or other regulatory bodies, periodically introduce modifications to financial accounting and reporting standards under which we prepare our consolidated financial statements. Our consolidated financial statements are prepared and presented in accordance with IFRS. Any changes in these accounting standards may have a significant impact on our financial condition and results from operations. In particular, there are a number of standards, amendments and interpretations which have been issued by the IASB and IFRS standards are subject to change. Certain IFRS standards have been recently revised by the IASB. Notably, IFRS 16 (*Leases*) became effective from January 1, 2019 and had an impact on the manner in which we carry out our financial reporting. The application of IFRS 16 has an impact on our reported consolidated assets, liabilities, income statement and cash flow statement because we have recognized new assets and liabilities for our operating leases. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Comparability—IFRS 16 (Leases)*".

Further, our assumptions, estimates and judgments related to complex accounting matters could significantly affect our financial results. IFRS and related accounting pronouncements, implementation guidelines and interpretations with regard to a wide range of matters that are relevant to our business, including, but not limited to, revenue recognition, impairment of long-lived assets, leases and related economic transactions, intangibles, self-insurance, income taxes, property and equipment, litigation and equity-based compensation are highly complex and involve many subjective assumptions, estimates and judgments by us. Changes in these rules or their interpretation or changes in underlying assumptions, estimates or judgments by us could require us to make changes to our accounting systems to implement these changes that could increase our operating costs, and could significantly change our reported or expected financial performance.

There may be significant differences between the select preliminary financial information included in this Offering Memorandum and our actual results.

This Offering Memorandum presents certain estimated select financial information for the three and six months ended June 30, 2019 for Swissport, which is preliminary in nature and represents the most current information available to management as of the date hereof. The financial information for the three and six months ended June 30, 2019 is based on preliminary management accounts and has not been audited or reviewed in accordance with any generally accepted auditing standards or verified by our independent auditors. During the course of Swissport's financial statement closing process for the three and six months ended June 30, 2019, Swissport could identify items that would require adjustments to be made and which could affect the results of operations for the periods presented. Therefore, our actual results for this period may differ materially from the preliminary results presented in this Offering Memorandum due to the completion of our financial closing procedures, final adjustments and other developments which may arise between now and the time our financial statements for the three and six months ended June 30, 2019 are finalized.

Economic downturns or disruptions in the financial markets could adversely affect our liquidity and our ability to access capital markets.

Our business depends on access to capital funding and the success of financial markets. Financial markets have recently experienced certain disruptions, including, among other things, volatility in security prices, diminished liquidity and credit availability, rating downgrades on certain investments and declining valuations of others. In addition to the impact that the global economic downturn of 2008 – 2009 has already had on us, we may face significant challenges if conditions in the financial markets worsen. For example, certain of our facilities benefit from bank guarantees and to the extent that financial markets worsen and these bank guarantees are revoked, we would be forced to cover any such guarantees by depositing cash at the relevant bank. Additionally, there is a risk that Brexit may cause financial markets within and outside Europe to constrict, which may negatively affect the market price of the Notes and our access to capital funding, in general. Our financing arrangements rely on capital markets investment, and a significant amount of that investment originates in the United Kingdom. To the extent that the appetite for investment were to reduce in the United Kingdom or in the capital markets more generally as a result of Brexit, we may be limited in our ability to finance our future operations and capital needs and to grow our business. In addition, our ability to access the capital markets may be restricted at a time when we would like, or need, to do so, which could have an impact on our flexibility to react to changing economic and business conditions.

We are subject to exchange rate fluctuations.

Our revenue, costs, debts, capital expenditure and investments are mainly denominated in euros, Swiss francs, U.S. dollars and Great British pounds sterling. We are also exposed to currencies such as the Australian Dollar, Canadian Dollar, Brazilian Real, Japanese Yen, South African Rand, Mexican Peso, Algerian Dinar, South Korean Won, Israeli Shekel, Tanzanian Dollar, Trinidad & Tobago Dollar, Moroccan Dirham, Saudi Riyal, Kenyan Shilling, Argentinian Peso and other less material currency exposures. Consequently, portions of our costs, profit margins and asset values are affected by fluctuations in the exchange rates among the above-mentioned currencies. We do not generally engage in foreign exchange hedging because we believe that a significant portion of the revenues of our subsidiaries are denominated in the same currencies as their operating costs; however, at times we may enter into foreign exchange forward contracts, which allow us to ensure we benefit from a guaranteed exchange rate on a future date and thus removes the risk that a foreign exchange rate will move against us prior to the completion of certain transactions, for example, the provision of intercompany loans where the counterparties of such intercompany loan hold cash in different currencies. In addition, where possible, our subsidiaries enter into local funding and/or leasing arrangements denominated in their functional currency. Our corporate treasury department ("**Corporate Treasury**") may enter into foreign exchange hedge contracts to attempt to remove the foreign exchange risk on a loan to or from our companies.

To the extent balances change in the future, or foreign currency exchange rates fluctuate significantly in the future, our cash flows, financial condition and results of operations could be materially adversely affected. For example, since late 2016, the percentage of Operating EBITDA generated by our operations in Venezuela has been negatively impacted by the hyperinflation experienced by the Venezuelan bolivar. Some of the currencies may not be convertible or exchangeable or may be subject to exchange controls. As of the date of this Offering Memorandum, our reporting currency is the euro. Exchange rate gains or losses arise when assets and liabilities in foreign currencies are translated or exchanged into euros for financial reporting or repatriation purposes. If any relevant foreign currencies depreciate against the euro, our reported consolidated financial results could be adversely affected. For example, Brexit negotiations may cause instability in global financial and foreign exchange markets, with potential volatility in the value of the euro against our other operating currencies. This volatility may have a material adverse effect on our reported consolidated financial results.

Risks Relating to our Principal Shareholder

We have limited knowledge of the actions taken by other companies owned by HNA Group and we may not be able to prevent HNA Group from taking actions that have a negative impact on our financial position, including our financing arrangements.

HNA Group and its subsidiaries and affiliates form a large global conglomerate with companies across many jurisdictions each of which has its own distinct corporate needs and interests. As such, our management may not always be aware of operations and financing arrangements entered into by other entities beneficially owned by HNA Group. For example, in May 2017, we notified the lender group under the Existing Term Loan B Facility and the Existing Revolving Credit Facility of a default arising out of a breach of, amongst other things, the lien covenant after becoming aware that HNA Group had granted pledges over the share capital of certain of our indirect holding companies pursuant to a facility agreement entered into between HNA Aviation (Hong Kong) ground handling Holdings Co., Limited, a parent company of such indirect holding companies, and, amongst others, Industrial and Commercial Bank of China Limited, Yangpu Branch prior to our Group being acquired by HNA Group in February 2016.

It is possible that certain failings in our corporate governance structure could lead to HNA Group entering into financing arrangements which have a negative impact on our financial condition. For example, such financing arrangements may contain terms which cause us to breach our financing arrangements, such as the share pledge described immediately above which, amongst other things, led to events of default under the Existing Credit Agreement. Any such breach of our financing arrangements in the future may lead to all amounts outstanding under that debt to be declared due and immediately payable. Additionally, it is possible that, since HNA Group representative directors constitute a majority of the Board of Directors, the Board of Directors may in the future direct the Group to provide additional affiliate loans to HNA Group for an amount and on terms which may not be in our best interests. Any financing arrangements entered into by HNA Group which put pressure on our financial condition could have a material adverse effect on our business, cash flows, financial condition and results of operations.

In addition, any conflict between HNA Group's existing or future financing arrangements and our financing arrangements could result in the occurrence of events of default under any such HNA Group's financing arrangements, which could consequently lead to enforcement action being taken and to us experiencing a change of control.

HNA Group's investments and HNA Group-related ownership disclosures, have been subject to review by governmental authorities which may impact our ability to grow our business.

HNA Group's investments, and HNA Group-related ownership disclosures, have been subject to review by regulators, civil and criminal courts and other governmental authorities, including in Switzerland, Germany and the United States. Certain ownership disclosures made by HNA Group or its affiliates have been found by governmental authorities to be incomplete, inaccurate or misleading. For instance, the Swiss Takeover Board in its decision dated November 22, 2017, found that the information about HNA Aviation disclosed in the offer prospectus dated May 20, 2016 for the public tender offer of Gategroup Holding Group AG's then publicly held shares, was partially untrue and incomplete.

Past deficient ownership disclosures by HNA Group and controlled affiliates of HNA Group have been mentioned by private plaintiffs in legal proceedings, including in the United States. Some politicians in the United States have called for a moratorium on acquisitions by HNA Group of U.S. businesses and for renewed scrutiny by U.S. regulators of past acquisitions by HNA Group. Recent regulatory filings would suggest changes in HNA Group's ownership (and the ownership structure of certain of its portfolio companies) as well as close relationships with the Chinese government. There can be no assurance that HNA Group's ownership structure (including its ownership structure in relation to the Group) will not change in the future or that governmental authorities, including U.S. national security authorities, such as the Committee on Foreign Investment in the United States ("**CFIUS**"), other authorities, or third parties, including financial institutions, will not review HNA Group's investments, ownership disclosures by HNA Group or any of its affiliates regarding such investments or regarding future or past transactions, including HNA Group's acquisition of our Group in February 2016.

Any or all of the above reviews and proceedings could result in adverse findings and hence monetary or non-monetary penalties or reputational damage for HNA Group or for us. Further enquiries from regulators, civil and criminal courts or other governmental authorities, or third parties could have a material adverse effect on our business, cash flows, financial condition and results of operations.

There is also a risk that HNA Group's investments and related ownership disclosures will negatively impact our ability to grow our business through future acquisitions. HNA Group's ultimate beneficial ownership of the Group may mean that any of our proposed acquisitions could be met with a higher level of scrutiny from the selling counterparties or more stringent know your customer ("**KYC**") requirements, from governmental authorities or third parties, including financial institutions. It is possible even that certain governmental authorities will seek to block us from acquiring a business in their jurisdiction on the basis of HNA Group's shareholding. Any such restrictions on our ability to grow our operations through future acquisitions could have a material adverse effect on our business, cash flows, financial condition and results of operations. Furthermore, KYC requirements may impact our existing banking relationships and our ability to open new accounts or lines of credit.

Negative media attention on HNA Group regarding its financial position and ownership structure, and its relation to us, could negatively impact our business.

HNA Group has been subject to certain negative media attention in recent years, focused in particular on its ownership structure, leverage and capital structure. Such media attention, if it continues or intensifies, could divert significant management resources. For instance, our management may be required to spend a significant amount of time and efforts satisfying third-party KYC requirements. We cannot guarantee that these efforts will be successful nor that there will not be further media attention on our controlling shareholder and its relation to us and such attention could cause our lenders, customers or business partners to re-evaluate their relationship with us. In particular, our lenders may be unwilling to lend to us at a reasonable interest rate, or at all. Additionally, any such future media attention on HNA Group, particularly in relation to its financial position, may exacerbate any difficulties it may be having at the time in obtaining financing to meet its own liquidity requirements. To the extent that HNA Group does not have the requisite access to funding, this will have an impact on its long-term financial condition, which may ultimately have a material adverse impact on the price of the Notes and our business, financial condition and results of operations.

HNA Group's beneficial ownership exposes us to certain risks associated with having a significant shareholder in China, particularly in relation to Chinese insolvency law.

HNA Group is based in China ("**China**" or the "**PRC**" means for the purpose of this Offering Memorandum, the People's Republic of China excluding the Hong Kong Special Administrative Region, the Macao Special Administrative Region and Taiwan). We are therefore exposed to the inherent risks associated with having a significant shareholder in China. The Chinese economy differs from the economies of most developed countries in many respects, including the extent of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. Although the Chinese government has implemented measures since the late 1970s emphasizing the utilization of market forces for economic reform, the reduction of state ownership of productive assets and the establishment of improved corporate governance in business enterprises, a substantial portion of productive assets in China is still owned by the Chinese government. In addition, the Chinese government continues to play a significant role in regulating industry development by imposing industrial policies. The Chinese government also exercises significant control over China's economic growth through allocation of resources, controlling payment of foreign currency denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. Certain measures taken by the Chinese government to guide the allocation of resources may have a negative effect on HNA Group. We cannot predict the extent to which political, legal and economic volatility in China may impact the financial position of HNA Group. Additionally, uncertainty around Chinese laws and regulation, as well as the internal policy of HNA Group, could impact the extent to which we will be able to rely on HNA Group providing approval for certain Company decisions.

If the financial position of HNA Group should deteriorate to the point of bankruptcy, HNA Group may have to divest its shareholding in us to a creditor. The PRC Enterprise Insolvency Law remains largely untested and the interpretation thereof by the Chinese courts may vary from court to court in China. Politics and policy often play a much larger role in insolvency cases in China than in other jurisdictions, which may lead to delays and uncertainty as to whether a technically insolvent company will actually be declared insolvent and may delay the appointment of a court-appointed administrator. In cases where an administrator is appointed, the administrator enjoys wide powers and duties including, without limitation taking control of the assets of the insolvent enterprise, managing the insolvent enterprise's affairs and controlling its outgoings. Consequently, any potential insolvency process involving HNA Group in China could create considerable uncertainty around HNA Group's position, which consequently could have a material adverse effect on our business, cash flows, financial condition and results of operations.

Risks Relating to our Indebtedness, the Notes and the Guarantees

Our ability to repay our debt is dependent on our ability to obtain cash from our subsidiaries.

The Issuer is a holding company that conducts no business operations of its own and has no significant assets other than the shares it holds in its direct subsidiaries. Repayment of our indebtedness, including under the Notes, is dependent on the ability of our subsidiaries to make such cash available to the Issuer, by dividend distributions, debt repayment, loans or otherwise, and ability of our joint ventures to make distributions to their parent companies. Our subsidiaries may not be able to, or may be restricted by the terms of their existing or future indebtedness, or by law, in their ability to make distributions or advance upstream loans to enable us to make payments in respect of our indebtedness, including the Notes.

In particular, Swissport International Ltd., a company incorporated under the laws of Switzerland, which holds a large part of our operational business and revenue streams is subject to certain restrictions under Swiss law, such as that dividends may only be distributed out of distributable reserves, and, in principle, interim dividends are not allowed under Swiss law. According to the case law of the Swiss Federal Supreme Court, the distributable reserves of our Swiss subsidiaries may be reduced by, inter alia, the amount of any upstream or cross-stream intercompany loan provided which is not at arm's length terms. It is uncertain under Swiss law whether interim dividends may be allowed in certain circumstances, subject to strict conditions. Each subsidiary of ours is a distinct legal entity and, under certain circumstances, legal and contractual restrictions, or the inability to convert local currency, such as in the case of Venezuela, may limit our ability to obtain cash from our subsidiaries. Our joint ventures are also subject to contractual restrictions on the amount of cash they may distribute.

While the Revolving Credit Facility, the Term Loan B Facility, the Indentures governing the Notes offered hereby, and certain of our other credit facilities limit the ability of our subsidiaries to incur contractual restrictions on their ability to pay dividends or make other intercompany payments to us, these limitations are subject to certain significant qualifications and exceptions. In the event that we do not receive distributions or other payments from our subsidiaries, we may be unable to make required principal and interest payments on our indebtedness, including the Notes. We do not expect to have any other sources of funds that would allow us to make payments to holders of the Notes.

Our leverage may make it difficult for us to service our debt, including the Notes, and operate our business.

Following the consummation of the Refinancing, the Issuer will have a substantial amount of outstanding indebtedness with significant debt service requirements. As of March 31, 2019, on as adjusted basis after giving effect to the Refinancing and the application of the proceeds thereof, our total borrowings would have been €1,833.6 million (converting non-euro debt into euro at the March 31, 2019 exchange rate), including the Notes. See "*Capitalization*" and "*Description of Certain Financing Arrangements*". Our significant leverage could have important consequences for you as a holder of the Notes, including:

- requiring us to dedicate a substantial portion of our cash flow from operations to payments on our debt, thus reducing the availability of our cash flow to fund internal growth through working capital and capital expenditures and for other general corporate purposes;
- increasing our vulnerability to instances in which we are unable to meet the financial covenants contained in our debt agreements or to generate cash sufficient to make required payments on our debt, which circumstances may result in the acceleration of the maturity of some or all of our outstanding indebtedness (which we may not have the ability to pay);
- increasing our vulnerability to a downturn in our business or economic or industry conditions;
- placing us at a competitive disadvantage compared to our competitors that have less debt in relation to cash flow;
- negatively impacting credit terms with our creditors;

- limiting our flexibility in planning for or reacting to changes in our business and our industry;
- restricting us from exploiting strategic acquisitions or certain business opportunities; and
- limiting, among other things, our and our subsidiaries' ability to obtain additional financing in the future and increasing the costs of such additional financings.

If we are not able to refinance any of our debt, obtain additional financing or sell assets on commercially reasonable terms or at all, we may not be able to satisfy our debt obligations, including our obligations under the Notes. In that event, borrowings under other debt agreements or instruments that contain cross-default or cross-acceleration provisions may become payable on demand, and we may not have sufficient funds to repay all of our debts, including the Notes.

Any of these other consequences or events could have a material adverse effect on our ability to satisfy our debt obligations including our obligations under the Notes.

Despite our high level of indebtedness, we and our subsidiaries may still be able to incur additional amounts of debt, which could further exacerbate the risks associated with our substantial indebtedness.

We and our subsidiaries may be able to incur additional indebtedness in the future. Some of this debt could rank pari passu with the Notes, be structurally senior to the Notes and the Guarantees, benefit from "super priority" status (including indebtedness under certain hedging obligations) in the distribution of certain enforcement proceeds or proceeds resulting from certain distressed disposals. Additional debt could also mature prior to the Notes. Although the Revolving Credit Facility, the Term Loan B Facility, the Indentures, and certain of our other credit agreements contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions, and under certain circumstances the amount of indebtedness that could be incurred in compliance with these restrictions could be substantial.

In addition, none of the Revolving Credit Facility, the Term Loan B Facility or the Indentures prevents or will prevent us from incurring obligations that do not constitute indebtedness under those agreements. Borrowings under debt instruments that contain cross-acceleration or cross-default provisions may as a result also be accelerated and become due and payable. We may be unable to pay these debts in such circumstances which may result in a default under the Indentures. The incurrence of additional indebtedness would increase our leverage-related risks and could have a material adverse effect on our ability to satisfy our debt obligations including our obligations under the Notes. See also "*—Our leverage may make it difficult for us to service our debt, including the Notes, and operate our business*".

Restrictive covenants in the Credit Agreement and the Indentures may restrict our ability to operate our business.

The Credit Agreement requires us to comply with certain affirmative and financial covenants. See "*Description of Certain Financing Arrangements—Senior Facilities—Covenants*".

In addition, the Credit Agreement and the Indentures contain negative covenants restricting, among other things, our ability to:

- incur or guarantee additional debt or issue preferred stock;
- pay dividends and make other restricted payments;
- create or incur liens;
- make certain investments;
- agree to limitations on the ability of our subsidiaries to pay dividends or make other distributions;
- engage in sales of assets and subsidiary stock;
- enter into transactions with affiliates; and
- transfer all or substantially all of our assets or enter into merger or consolidation transactions.

The restrictions contained in the Credit Agreement and the Indentures could affect our ability to operate our business and may limit our ability to react to market conditions or take advantage of potential business opportunities as they arise. For example, as part of our strategy we aim to continue to engage in certain strategic acquisitions and greenfield investments, see "*Business—Our Strengths—We have a proven capability to drive multiple levers of growth, including organic growth, outsourcing and hub management, bolt-on acquisitions and greenfield investments*", and such restrictions could have a material adverse effect on our ability to make strategic acquisitions, investments or alliances, finance our operations, restructure our organization or finance our capital needs. Additionally, our ability to comply with these covenants and restrictions may be affected by events beyond our control. These include prevailing economic, financial and industry conditions. If we breach any of these covenants or restrictions, we could be in default under the Credit Agreement or the Indentures.

If there were an event of default under any of our debt instruments, including the Senior Facilities, that is not cured or waived the holders of the defaulted debt could cause all amounts outstanding with respect to that debt to be due and payable immediately. We cannot assure you that our assets or cash flow would be sufficient to fully repay borrowings under our outstanding debt instruments if accelerated upon an event of default. Further, if we are unable to repay, refinance or restructure our secured debt, the holders of such debt could proceed against the collateral securing that debt. In addition, any event of default or declaration of acceleration under one debt instrument could also result in an event of default under one or more of our other debt instruments, including the Notes. Any such actions could force us into bankruptcy or liquidation, and we may not be able to repay our obligations under the Notes in such an event.

We are exposed to interest rate risks. Shifts in such rates may adversely affect our debt service obligations.

We are exposed to the risk of fluctuations in interest rates, primarily under the Senior Facilities, which are indexed to LIBOR and/or EURIBOR. This will be increasingly the case following the Refinancing as the Existing Term Loan B Facilities have an aggregate principal amount of €785.0 million as of December 31, 2018, and the Existing Revolving Credit Facility has an aggregate available principal amount of CHF 110.0 million whereas the Term Loan B Facility will have an aggregate principal amount of €850.0 million, the Revolving Credit Facility will have an aggregate principal amount of €75.0 million and the Delayed Draw Loan Facility will have an aggregate principal amount of €50.0 million. We believe that borrowing at variable rates is cheaper over the long run and accept the risk that interest rates will fluctuate and are likely to increase above their current low level in the future. Although we plan on hedging against interest rate changes, there can be no assurance that hedging will continue to be available on commercially reasonable terms. Hedging itself carries certain risks, including that we may need to pay a significant amount (including costs) to terminate any hedging arrangements. Sustained increases in interest rates could have a material adverse effect on our business, cash flows, financial condition and results of operations.

Changes or uncertainty in respect of LIBOR, EURIBOR or any other relevant benchmarks may have a material adverse effect on our financial position.

Various interest rates and other indices which are deemed to be "benchmarks" (including LIBOR and EURIBOR) are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented, including the majority of the provisions of the EU Benchmark Regulation (Regulation (EU) 2016/1011). These reforms and other pressures may cause such benchmarks to disappear entirely, to perform differently than in the past, create disincentives for market participants to continue to administer or contribute to certain benchmarks or have other consequences which cannot be predicted.

Any of the above matters or any other significant change to the setting or existence of LIBOR, EURIBOR or any other relevant benchmark rate could adversely affect the value or liquidity of, and the amount payable under, any financial assets or investments that we hold, and/or the amounts payable by us in respect of our financing arrangements, in particular: interest due on the Senior Facilities and long-term cash deposits securing sureties over workers' compensation in the United States and the United Kingdom. Such a change could have a material adverse effect on our ability to service our debt and therefore our financial position as a whole. No assurance may be provided that changes will not be made to LIBOR, EURIBOR or any other relevant benchmarks or that such benchmarks will continue to exist.

The Notes will be structurally subordinated to the indebtedness and other obligations of our non-Guarantor subsidiaries.

Some, but not all, of the Parent Guarantor's subsidiaries will guarantee the Notes. The Parent Guarantor's subsidiaries (other than the Issuer) will not have any obligations to pay amounts due under the Notes or to make funds available for that purpose unless they guarantee the Notes. Generally, creditors under indebtedness and trade creditors, and preferred shareholders (if any), of the Parent Guarantor's non-Guarantor subsidiaries (other than the Issuer) are entitled to payments of their claims from the assets of such subsidiaries before these assets are made available for distribution to any guarantor, as direct or indirect shareholder. The Intercreditor Agreement will regulate priority of claims and payments.

Accordingly, in the event that any non-Guarantor subsidiary becomes subject to any foreclosure, dissolution, winding-up, liquidation, recapitalization, administrative or other bankruptcy or insolvency proceedings:

- the creditors of the Issuer (including the holders of Notes) will have no right to proceed against the assets of such subsidiary; and
- creditors of such non-Guarantor subsidiary, including trade creditors, will generally be entitled to payment in full from the sale or other disposal of the assets of such subsidiary before any guarantor, as direct or indirect shareholder, will be entitled to receive any distributions from such subsidiary.

As such, the Notes and each Guarantee will be structurally subordinated to the claims of the creditors (including trade creditors) and any preferred stockholders of our non-Guarantor subsidiaries. For the twelve months ended March 31, 2019, the non-Guarantor subsidiaries represented 27.5% of our Operating EBITDA and, as at March 31, 2019, the non-Guarantor subsidiaries represented 4.0% of our total assets. As of March 31, 2019, the Issuer's non-Guarantor subsidiaries (excluding Unrestricted Subsidiaries and the Issuer) would have had total debt of approximately €31.1 million all of which would have ranked structurally senior to the Notes and the Guarantees. Any of the debt that the Issuer's non-Guarantor subsidiaries incur in the future in accordance with the Indentures will rank structurally senior to the Notes and the Guarantees.

The Senior Notes Guarantees will be subordinated to our existing and future senior debt, and the Senior Notes are subject to restrictions on payment and enforcement.

The Senior Notes Guarantees will be senior subordinated obligations of the Guarantors, and each:

- will be a general senior subordinated obligation of the relevant Guarantor;
- will rank *pari passu* in right of payment with any existing and future obligations of the relevant Guarantor that are not subordinated to the relevant Guarantee, including the relevant Guarantor's obligations under the Senior Facilities;
- will rank senior in right of payment to all existing and future Indebtedness of the Guarantor that is expressly subordinated to the relevant Senior Notes Guarantee;
- will be effectively subordinated to any existing and future Indebtedness of the relevant Guarantor that is secured by property or assets that do not secure such Senior Notes Guarantee, to the extent of the value of the property and assets securing such Indebtedness, including the Senior Facilities and the Senior Secured Notes Guarantees.

In addition, until the Senior Secured Discharge Date (as defined in the Intercreditor Agreement), except with the prior consent of or as required by the Security Agent (acting on the instructions of the Majority Senior Secured Creditors (as defined in the Intercreditor Agreement)), no enforcement action in relation to the Senior Notes Guarantees may be taken, unless: (i) an event of default under the Senior Facilities or the Senior Secured Notes (a "**Senior Event of Default**" and such Senior Event of Default, the "**Relevant Senior Default**") is continuing; (ii) the Security Agent, the Administrative Agent and the Trustee have received a notice of the Relevant Senior Default (a "**Senior Enforcement Notice**") specifying the event or circumstance in relation to the Relevant Senior Default from the Senior Debt Representative (as defined in the Intercreditor Agreement); (iii) a Senior Standstill Period (as defined in "*Description of Certain Financing Arrangements—Intercreditor Agreement*") has elapsed; and (iv) the Relevant Senior Default is continuing at the end of the relevant Senior Standstill Period.

Upon any distribution to the creditors of a Senior Notes Guarantor in a liquidation, administration, bankruptcy, moratorium of payments, dissolution or other winding-up of such Senior Notes Guarantor, the holders of senior debt of such Senior Notes Guarantor will be entitled to be paid in full before any payment may be made with respect to its Senior Notes Guarantee. As a result, holders of the Notes may receive less, rateably, than the holders of senior debt of the Senior Notes Guarantors, including the lenders under the Senior Facilities and holders of the Senior Secured Notes.

The Intercreditor Agreement also contains significant restrictions with respect to payments of the Senior Notes, including payments by the Issuer. If there is a payment default under the Senior Facilities or the Senior Secured Notes, or if a senior payment stop notice is issued following an event of default other than a payment default under the Senior Facilities or the Senior Secured Notes, then payments will not be permitted to be made in respect of the Senior Notes. In some circumstances, for instance where payments were received on the Senior Notes in breach of the Intercreditor Agreement, holders would be required to turn over such payments to the Security Agent for redistribution. In addition, although the holders of the Senior Notes are generally entitled to enforce their claims against the Issuer pursuant to the terms of the Senior Notes Indenture, nevertheless the Intercreditor Agreement places limits on enforcement by senior creditors of their security granted by the Issuer. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*".

Our indebtedness under the Term Loan B Facility and the Revolving Credit Facility and the Senior Secured Notes will be secured on a first-priority basis by certain of our assets and as a result this indebtedness is senior to the Senior Notes to the extent of the value of such assets.

The Senior Facilities and the Senior Secured Notes will be secured on a first-ranking priority basis by a first lien on material assets (other than shares in subsidiaries) of the Issuer and the Guarantors, the shares in certain Subsidiary Guarantors and certain other assets of the Issuer and the Guarantors. We may also incur additional future indebtedness permitted under the Indentures that is secured by such assets or other assets. We intend to borrow the equivalent of approximately €850.0 million under the Term Loan B Facility, expect to have availability of €75.0 million under the Revolving Credit Facility and expect to have availability of €50.0 million under the Delayed Draw Loan Facility. Holders of the indebtedness under the Senior Facilities, the Senior Secured Notes Indenture and any other indebtedness secured by the same assets or other assets are entitled to receive proceeds from the realization of value of such assets to repay such indebtedness in full before the holders of the Senior Notes will be entitled to any recovery from such assets. Accordingly, holders of the Senior Notes will only be entitled to receive proceeds from the realization of value of such assets after all indebtedness and other obligations under the Senior Facilities, the Senior Secured Notes and any other obligations secured by such assets are repaid in full. As a result, the Senior Notes and the Senior Notes Guarantees will be effectively subordinated to indebtedness under the Senior Facilities, the Senior Secured Notes and any other indebtedness secured by such assets to the extent of the realizable value of such assets.

The Guarantees of the Notes and the Collateral of the Senior Secured Notes, along with any future guarantees of the Notes and the future Collateral of the Senior Secured Notes, will be subject to certain limitations on enforcement and may be limited by applicable law or subject to certain defenses that may limit their validity and enforceability.

The Issuer's obligations under the Notes will be guaranteed by the Guarantors. In addition, the Issuer and the Guarantors will secure the payment of the Senior Secured Notes by granting security over the Collateral under the relevant Security Documents. The Notes, the Guarantees and the Security interests granted under the Security Documents may be subject to claims that they should be limited or subordinated in favor of the Issuer's or Guarantors' existing and future creditors under the laws of Australia, Belgium, Canada, Quebec (Canada) England and Wales, Germany, Ireland, Luxembourg, Mexico, the Netherlands, New Zealand, Switzerland, Spain and the United States, as applicable, or any other applicable jurisdiction. There is no guarantee that the value of the Guarantees and the Collateral will be sufficient to satisfy claims under the Notes.

The obligations of the Guarantors, the security interests granted by them or a security provider over the Collateral and the enforcement of their Guarantees and such security interests will, where applicable, be limited to the extent of the amount which can be guaranteed or secured by a particular Guarantor or a security provider without rendering the Guarantee or security interest, as it relates to that Guarantor or a security provider, voidable or otherwise ineffective under, or not compliant with, applicable law and without rendering the Guarantor or a security provider insolvent or subject to any legal cause that would require it to be dissolved. These laws and defenses include those that relate to corporate benefit, fraudulent conveyance or transfer, insolvency, voidable preference, financial assistance, corporate purpose or benefit, preservation of share capital, thin capitalization and defenses affecting the rights of creditors generally.

Although laws differ among various jurisdictions, in general, under fraudulent conveyance and similar laws, a court could subordinate or void any guarantee or security interest provided by such Guarantor or security provider or any other person and if payment had already been made under a Guarantee or enforcement proceeds applied under a security document, require that the recipient return the payment to the relevant Guarantor or security provider if it found that:

- the relevant Guarantee or security interest in the Collateral was incurred with actual intent to hinder, delay or defraud creditors or shareholders of the Guarantor or security provider or any other person or to prefer one creditor over another or, in certain jurisdictions, even when the recipient was simply aware or should have been aware that the Guarantor or security provider or other person was insolvent when it issued the Guarantee;
- such Guarantor or security provider or other person did not receive fair consideration or reasonably equivalent value for the relevant Guarantee or security interest, and that Guarantor or security provider or other person:
  - was insolvent, subsequently became insolvent or was rendered insolvent because of the relevant Guarantee or security interest;
  - was undercapitalized or became undercapitalized because of the relevant Guarantee or security interest; or
  - intended to incur, or believed that it would incur, debts beyond its ability to pay at maturity;
- the relevant Guarantees or security interest in the Collateral were held to exceed the corporate objects/ corporate purposes of the Guarantor or security provider the guarantee or security interest was not in the best interests or for the benefit of the Guarantor or security provider or other person; or
- the amount paid or payable in respect of such Guarantee was in excess of the maximum amount permitted under applicable law.

The measure of insolvency for purposes of fraudulent conveyance and similar laws varies depending on the law applied. Generally, however, a Guarantor or security provider or other person would be considered insolvent if it could not pay its obligations as they became due. In such circumstances, if a court voided such Guarantee or Collateral, or held it unenforceable, holders of the Notes would cease to have any claim in respect of the Guarantor or security provider or other person and would be a creditor solely of the Issuer and the remaining Guarantors or security providers. Please see "*Limitations on Validity and Enforceability of the Guarantees, the Senior Secured Notes Security and Certain Insolvency Law Considerations*" on specific local law considerations, which may deviate from the above. If a court decides a guarantee was a fraudulent conveyance and voids the guarantee, or holds it unenforceable for any other reason, you may cease to have any claim in respect of the Guarantor or the security provider or other person and would be a creditor solely of the Issuer and any remaining Guarantors. The holders of the Notes may also be required to repay any amounts received with respect to such Guarantee or Collateral. See "*Limitations on Validity and Enforceability of the Guarantees, the Senior Secured Notes Security and Certain Insolvency Law Considerations*".

These or similar laws may also apply to any future guarantees or security interests granted by other subsidiaries pursuant to the Senior Secured Notes Indenture. Limitations on the enforceability of judgments obtained in New York courts in such jurisdictions could limit the enforceability of any Guarantee against any Guarantor. See "*Enforcement of Judgments*".

Corporate benefit and financial assistance laws and other limitations on the obligations under the Guarantees may adversely affect the validity and enforceability of the Guarantees.

The Guarantees for the Notes and the security interests in the Collateral for the Senior Secured Notes provide the holders of the respective Notes with a right of recourse against the assets of the relevant Guarantors and the Collateral. Each of the Guarantees and the security interests in the Collateral and the amounts recoverable thereunder will be limited to the maximum amount that can be guaranteed or secured by a particular Guarantor or security provider without rendering the Guarantee or security interest, as it relates to that Guarantor, unlawful voidable or otherwise ineffective under applicable law, i.e., to the extent that the grant or the enforcement of the Guarantee or security interest in the Collateral, would result in a breach of capital maintenance rules or other statutory laws or would cause the directors of such Guarantor or security provider to contravene its duties to incur civil or criminal liability or to contravene any legal prohibition. Enforcement of the obligations under the Notes against the Issuer and enforcement of a guarantee against a Guarantor and enforcement of a security interest against a Guarantor or security provider will be subject to certain defenses available to the Issuer or the relevant Guarantor or security provider, as the case may be, or, in some cases, to limitations designed to ensure full compliance with statutory requirements applicable to the relevant Guarantor or security provider. These laws and defenses may include those that relate to fraudulent conveyance or transfer, financial assistance, voidable preference, unfair consideration, corporate benefit, capital maintenance and regulations or defenses affecting the rights of creditors generally. If one or more of these laws and defenses are applicable, the Issuer or a Guarantor or security provider may have no liability or decreased liability under the Notes or its Guarantee or Security Documents or the Guarantees or Collateral may be unenforceable. It is possible that a Guarantor or security provider, a creditor of a Guarantor or security provider or the bankruptcy trustee, in the case of a bankruptcy of a Guarantor or security provider, may contest the validity and enforceability of the Guarantee and/or the Collateral, as applicable, and that the applicable court may determine that the Guarantee and/or the Collateral should be limited or voided. In the event that any Guarantee or security interest in the Collateral is no longer valid or enforceable, in whole or in part, the amounts due under the Notes would effectively be subordinated to all liabilities of the applicable Guarantor or security provider, including trade payables of such Guarantor or security provider. See "*Limitations on Validity and Enforceability of the Guarantees, the Senior Secured Notes Security and Certain Insolvency Law Considerations*".

Secured Subsidiary Notes Guarantees by the Subsidiary Guarantors and the security interests in the assets held by the Guarantors that will constitute Collateral will not be granted on the Issue Date.

The Subsidiary Guarantors will not guarantee or provide security for the Senior Secured Notes prior to the Issue Date. Even after the Issue Date, although the Issuer will be obligated to procure that the Subsidiary Guarantors guarantee the Notes and grant security in favor of the holders of the Senior Secured Notes within 60 days following Issue Date, such guarantees and security may be subject to significant limitations and exceptions. A failure to grant security over the assets of the Subsidiary Guarantors or to put in place the Guarantees on or prior to the date that is 60 days following the Issue Date would not itself constitute an event of default under the Indentures.

The Collateral may not be sufficient to secure the obligations under the Senior Secured Notes and the Senior Secured Notes Guarantees.

The Senior Secured Notes and the Senior Secured Notes Guarantees will be secured by security interests in the Collateral described in this Offering Memorandum, which Collateral also secures, or will secure, the obligations under the Senior Facilities. The Collateral securing the Senior Secured Notes and the Senior Secured Notes Guarantees may also secure additional debt to the extent permitted by the terms of the Senior Secured Notes Indenture and the Intercreditor Agreement. Your rights to the Collateral may be diluted by any increase in the first-priority debt secured by the Collateral or a reduction of the Collateral securing the Senior Secured Notes and the Senior Secured Notes Guarantee.

The value of the Collateral and the amount to be received upon an enforcement of such Collateral will depend upon many factors, including, among others, the ability to sell the Collateral in an orderly sale, the condition of the economies in which operations are located and the availability of buyers. The book value of the Collateral should not be relied on as a measure of realizable value for such assets. All or a portion of the Collateral may be illiquid and may have no readily ascertainable market value. Likewise, we cannot assure you that there will be a market for the sale of the Collateral, or, if such a market exists, that there will not be a substantial delay in its liquidation. In addition, the share pledges of an entity may be of no value if that entity is subject to an insolvency or bankruptcy proceeding. The Collateral is located in a number of countries, and the multijurisdictional nature of any foreclosure on the Collateral may limit the realizable value of the Collateral. For example, the bankruptcy, insolvency, administrative and other laws of the various jurisdictions may be materially different from, or conflict with, each other, including in the areas of rights of creditors, priority of government and other creditors, ability to obtain post-petition interest and the duration of the proceedings.

It may be difficult to realize the value of the Collateral securing the Senior Secured Notes.

The Collateral securing the Senior Secured Notes will be subject to any and all exceptions, defects, encumbrances, liens and other imperfections permitted under the Senior Secured Notes Indenture and/or the Intercreditor Agreement and accepted by other creditors that have the benefit of first-priority security interests in the Collateral securing the Senior Secured Notes from time to time, whether on or after the date the Senior Secured Notes are first issued. The existence of any such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the Collateral securing the Senior Secured Notes, as well as the ability of the Security Agent to realize or foreclose on such Collateral. Furthermore, the first-priority ranking of security interests can be affected by a variety of factors, including, among others, the timely satisfaction of perfection requirements, statutory liens or recharacterization under the laws of certain jurisdictions.

The security interests of the Security Agent will be subject to practical problems generally associated with the realization of security interests in Collateral. For example, under the laws of many jurisdictions, the enforcement of security interests over shares, whether by means of a sale or an appropriation, may be subject to certain specific requirements. Under bankruptcy laws in certain jurisdictions, secured creditors are prohibited from repossessing their security from a debtor during a bankruptcy proceeding or from disposing of security repossessed from such debtor without the approval of a bankruptcy court, and a court appointed insolvency or bankruptcy administrator may have the sole right to grant such authority. It is impossible to predict how long payments under the Senior Secured Notes could be delayed following commencement of a bankruptcy proceeding, whether or when the Security Agent could repossess or dispose of the Collateral or whether or to what extent a holder of the Senior Secured Notes may be compensated for any delay in payment or loss of value of the Collateral. In some jurisdictions, the Security Agent may also need to obtain the consent of a third party to enforce a security interest. We cannot assure you that the Security Agent will be able to obtain any such consent. We also cannot assure you that the consents of any third parties will be given when required to facilitate a foreclosure on such assets. Accordingly, the Security Agent may not have the ability to foreclose upon those assets, and the value of the Collateral may significantly decrease.

Holders of the Senior Secured Notes may not control certain decisions regarding the Collateral.

The Senior Secured Notes will be secured by the same Collateral securing the obligations under the Credit Agreement, certain cash management obligations (the "**Cash Management Obligations**"), certain ancillary facilities (the "**Ancillary Facilities**") and certain hedging obligations (the "**Hedging Obligations**"). In addition, under the terms of the Senior Secured Notes Indenture, we will be permitted to incur significant additional indebtedness and other obligations that may be secured by the same Collateral (such additional indebtedness, together with the indebtedness under the Senior Secured Notes, the indebtedness under the Credit Agreement, the Cash Management Obligations, the Ancillary Facilities, the Hedging Obligations and certain other indebtedness specified in the Intercreditor Agreement, the "**Senior Secured Creditor Obligations**" and the creditors being owed Senior Secured Creditor Obligations, the "**Senior Secured Creditors**").

Only the Majority Senior Secured Creditors (as defined below) will be entitled to instruct the Security Agent to enforce the Collateral and the holders of the Senior Secured Notes will not have separate rights to enforce the Collateral. Disputes may occur between the holders of the Senior Secured Notes and other Senior Secured Creditors as to the appropriate manner of pursuing enforcement remedies and strategies with respect to the Collateral.

"**Majority Senior Secured Creditors**" means, at any time, those Senior Secured Creditors (other than Cash Management Providers in their capacity as such) whose Senior Secured Creditor Obligations (other than Cash Management Obligations) at that time aggregate more than 50% of the total Senior Secured Creditor Obligations (excluding Cash Management Obligations) at that time.

The holders of the Senior Secured Notes will be bound by any decisions of the Majority Senior Secured Creditors, which may result in enforcement action in respect of the Collateral, whether or not such action is approved by the holders of the Senior Secured Notes or may be adverse to such holders. Certain Senior Secured Creditors may have interests that are different from the interest of holders of the Senior Secured Notes and they may elect to pursue their remedies under the Security Documents at a time when it would otherwise be disadvantageous for the holders of the Senior Secured Notes to do so. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*".

The security interests in the Collateral will be granted to the Security Agent rather than directly to the holders of the Senior Secured Notes. The ability of the Security Agent to enforce certain of the Collateral may be restricted by local law.

The security interests in the Collateral that will secure our obligations under the Senior Secured Notes and the obligations of the Guarantors under the Senior Secured Notes Guarantees will not be granted directly to the holders of the Senior Secured Notes but will be granted only in favor of the Security Agent. The Senior Secured Notes Indenture (along with the Intercreditor Agreement) provides that only the Security Agent has the right to enforce the Security Documents. As a consequence, holders of the Senior Secured Notes will not have direct security interests and will not be entitled to take enforcement action in respect of the Collateral securing the Senior Secured Notes, except through the Senior Secured Trustee, who will (subject to the provisions of the Senior Secured Notes Indenture) provide instructions to the Security Agent in respect of the Collateral. In addition, the ability of the Security Agent to enforce the security is subject to mandatory provisions of the laws of each jurisdiction in which security over the Collateral is granted. There is some uncertainty under the laws of certain jurisdictions as to whether obligations to beneficial owners of the Senior Secured Notes that are not identified as registered holders in a security document will be validly secured.

In certain jurisdictions, the security interests in the Collateral will not be granted directly to the holders of Senior Secured Notes but only in favor of the Security Agent, as beneficiary of parallel debt obligations (the "**Parallel Debt**"). This Parallel Debt is typically created by way of an abstract acknowledgment of debt to satisfy a requirement under the laws of the relevant jurisdiction that the Security Agent, as grantee of certain types of Collateral, be a creditor of the relevant debtor of the secured obligations. The Parallel Debt is in the same amount and payable at the same time as the obligations of the Issuer under the Senior Secured Notes Indenture and the Senior Secured Notes (the "**Principal Obligations**"). Any payment in respect of the Principal Obligations will discharge the corresponding Parallel Debt and any payment in respect of the Parallel Debt will discharge the corresponding Principal Obligations. Although the Security Agent will have, pursuant to the Parallel Debt, a claim against the Issuer for the full principal amount of the Senior Secured Notes, holders of the Senior Secured Notes bear some risks associated with a possible insolvency or bankruptcy of the Security Agent. The Parallel Debt obligations referred to above are contained in the Intercreditor Agreement and will also be agreed and acknowledged under the Senior Secured Notes Indenture, which are governed by New York law, respectively. In addition, the Parallel Debt construct has not been tested in a court of law in certain jurisdictions, including Switzerland, the Netherlands and Germany, and to the extent that the security interests in the Collateral created under the Parallel Debt construct are successfully challenged by other parties, holders of the Senior Secured Notes may not receive any proceeds from an enforcement of such security interests in the Collateral. There is no assurance that such a structure will be effective before the courts of the relevant jurisdiction, including Switzerland, the Netherlands and Germany, and therefore the ability of the Security Agent to enforce the Collateral may be restricted. See "*Limitations on Validity and Enforceability of the Guarantees, the Senior Secured Notes Security and Certain Insolvency Law Considerations*".

In other jurisdictions, such as Spain, where the concept of "parallel debt" does not exist, the perfection of the security interest on behalf of the Security Agent may need to be completed through a power of attorney.

Your rights in the Collateral for the Senior Secured Notes may be adversely affected by the failure to perfect security interest in the Collateral.

Under applicable law, a security interest in certain tangible and intangible assets can only be properly perfected, and its priority retained, through certain actions undertaken by the secured party and/or the grantor of the security. The liens on the Collateral securing the Senior Secured Notes may not be perfected with respect to the claims of such notes if we, or the Security Agent, fail or are unable to take the actions we are required to take to perfect any of these liens. In addition, applicable law requires that certain property and rights acquired after the grant of a general security interest, such as real property, equipment subject to a certificate and certain proceeds, can only be perfected at or promptly following the time such property and rights are acquired and identified.

The Trustee or the Security Agent may not monitor, or we may not comply with our obligations to inform the Trustee or the Security Agent of, any future acquisition of property and rights by us, and the necessary action may not be taken to properly perfect the security interest in such after-acquired property or rights. Such failure may result in the invalidity of the security interest in the Collateral for the Senior Secured Notes or adversely affect the priority of the security interest in favor of the Senior Secured Notes against third parties. Neither the Trustee nor the Security Agent has any obligation to monitor the acquisition of additional property or rights by us or the perfection of any security interest.

Not all assets will be included in the Collateral.

The Senior Secured Notes and the Senior Secured Notes Guarantees will be secured on a first-ranking priority basis by a first and/or second lien on material assets (other than shares in subsidiaries) of the Issuer and the Guarantors, shares in certain Subsidiary Guarantors, and certain other assets of the Issuer and the Guarantors. All or part of the Collateral may be released without the consent of holders of the Senior Secured Notes under certain circumstances. See "*—The liens over the Collateral securing Senior Secured Notes could be released in* *certain circumstances without the consent of the holders of the Senior Secured Notes*". If an event of default occurs and the Senior Secured Notes are accelerated, the Senior Secured Notes will rank equally with the holders of other unsubordinated and unsecured indebtedness with respect to any excluded assets not granted as Collateral. To the extent the claims of holders of the Senior Secured Notes exceed the value of the Collateral securing the Senior Secured Notes and other liabilities, claims of the holders of the Senior Secured Notes related to any excluded assets will rank equally with the claims of the holders of any other unsecured indebtedness. As a result, if the value of the assets granted as security for the Senior Secured Notes is less than the value of the claims of the holders of the Senior Secured Notes together with any super senior claims and any claims of the holders of any pari passu additional indebtedness, those claims may not be satisfied in full before the claims of the unsecured creditors are paid.

The Guarantors and the other security providers will have control over the Collateral securing the Senior Secured Notes, and the sale of particular assets could reduce the pool of assets securing the Senior Secured Notes.

Certain of the Security Documents allow the Guarantors and the other security providers to remain in possession of, retain exclusive control over, freely operate, and collect, invest and dispose of any income from, the Collateral securing the Senior Secured Notes. So long as no default or event of default under the Credit Agreement or the Senior Secured Notes Indenture is occurring or would result therefrom, the Guarantors and the other security providers may, among other things, without any release or consent by the Senior Secured Trustee or the Security Agent, conduct ordinary course activities with respect to the Collateral and making ordinary course cash payments, including repayments of indebtedness. Any of these activities could reduce the value of the Collateral, which could reduce the amounts payable to investors from the proceeds of any sale of Collateral in case of an enforcement.

The Collateral for the Senior Secured Notes is subject to casualty risks.

Although we maintain insurance policies to insure against losses, there are certain losses that may be either uninsurable or not economically insurable, in whole or in part. As a result, it is possible that the insurance proceeds will not compensate us fully for our losses in the event of a catastrophic loss. We cannot assure you that any insurance proceeds received by us upon the total or partial loss of the pledged Collateral for the Senior Secured Notes will be sufficient to satisfy all of our secured obligations, including the Senior Secured Notes.

The granting of the Guarantees in connection with the issue of the Notes, the granting of the Collateral in connection with the issue of the Senior Secured Notes or the incurrence of permitted debt in the future, may create or restart hardening periods, and the Guarantees may be challenged or voidable in accordance with the laws applicable in certain jurisdictions.

The granting of Guarantees and security interest in the Collateral to secure the Notes and the Guarantees themselves may create hardening periods for such Guarantees and security interest in certain jurisdictions. The applicable hardening period for new Guarantees and new security interests would typically run from the moment each new Guarantee and new security interest has been granted or perfected or any new indebtedness guaranteed by such Guarantee or secured by such security interest has been incurred.

The Guarantees and security interests in the Collateral may be voidable by the relevant Guarantors or security provider or by an insolvency trustee, liquidator, receiver or administrator or by other creditors, or may be otherwise set aside by a court, if certain events or circumstances exist or occur, including, amongst others, if the grantor is deemed to be insolvent at the time of the grant, or if the grant permits the secured parties to receive a greater recovery than if the grant had not been given and an insolvency proceeding in respect of the grantor is commenced within a legally specified hardening period following the grant. At each time, if a Guarantee or security interest granted or recreated is to be enforced before the end of the respective hardening period applicable in the relevant jurisdiction, it may be declared void or ineffective and/or it may not be possible to enforce it. To the extent that the issue of any Guarantee or granting of any security interest is voided, the holders of the Notes would lose the benefit of such Guarantee or security interest and would be creditors solely of the Issuer and any remaining Guarantors and security providers and would therefore benefit only from any remaining Guarantee or Collateral. The holders of the Notes may also be required to repay any amounts received with respect to such Guarantee or Collateral or release such Guarantee or Collateral.

In order to effectively secure future indebtedness, including additional Senior Secured Notes, that is permitted to share in the Collateral, and effectively guarantee future indebtedness, including additional notes, it may be necessary in some or all jurisdictions to create additional, junior-ranking security over the Collateral or to release and retake the Collateral at the time such indebtedness is incurred or to create additional Guarantees or to amend the relevant Guarantee at the time such indebtedness is incurred. The Senior Secured Notes Indenture permits the release and retaking of security granted in favor of the Senior Secured Notes in certain circumstances, including in connection with the incurrence of future indebtedness. Any such new or retaken security as well as any security interests for future indebtedness arising under the existing Security Documents over the Collateral and any such Guarantee or Guarantee amendments will likely be subject to new hardening periods and, consequently, to potential insolvency challenges as described under "*Limitations on Validity and Enforceability of the Guarantees, the Senior Secured Notes Security and Certain Insolvency Law Considerations*".

A successful challenge of any new junior ranking or any security interest arising for future indebtedness under the existing Security Documents would reduce the amount of enforcement proceeds available for distribution to the holders of the Senior Secured Notes and the other secured creditors that share in the Collateral. In addition, if the Issuer issues additional notes with the same securities identification numbers as the Notes offered hereby, a receiver, insolvency administrator or similar person may seek to challenge the enforceability of the Guarantees and Collateral securing both the additional notes and the initial Notes even if the hardening period with respect to the Guarantees and Collateral securing the initial Notes has expired, based on the fact that the initial Notes and the additional notes are fungible and not distinguishable. Any such successful challenge would further reduce the proceeds available to the holders of the Notes.

A summary description of certain aspects of the insolvency laws of certain jurisdictions where the Guarantors are organized or incorporated and have their center of main activities, is set out in "*Limitations on Validity and Enforceability of the Guarantees, the Senior Secured Notes Security and Certain Insolvency Law Considerations*" and does not purport to be complete or to discuss all the limitations or considerations that may affect the validity and enforceability of the Notes and the Guarantees.

Relevant insolvency and administrative laws may not be favorable to creditors, including holders of Notes, as the case may be, as insolvency laws of the jurisdictions in which you are familiar and may limit your ability to enforce your rights under the Notes or the Guarantees or security interests in the Collateral.

The Issuer is incorporated in Luxembourg and the Guarantors and security providers are incorporated or organized in Australia, Belgium, Canada, Quebec (Canada), England and Wales, Germany, Ireland, Luxembourg, Mexico, the Netherlands, New Zealand, Switzerland, Spain and the United States. The insolvency of some of our subsidiaries, including the Guarantors, may be subject to the insolvency laws of such jurisdictions, including those referred herein. Some of our subsidiaries are incorporated or organized in jurisdictions other than those listed above and are subject to the insolvency laws of such jurisdictions. The insolvency laws of these jurisdictions may not be as favorable to your interests as creditors as the bankruptcy laws of the United States or certain other jurisdictions. In addition, there can be no assurance as to how the insolvency laws of these jurisdictions will be applied in relation to one another. In the event that any one or more of the Issuer or the Guarantors or the Issuer's other subsidiaries experience financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings. Applicable insolvency laws may affect the validity and enforceability of the obligations and security granted by the Issuer and the Guarantors and security providers. Please see "*Limitations on Validity and Enforceability of the Guarantees, the Senior Secured Notes Security and Certain Insolvency Law Considerations*" for a summary of certain insolvency law considerations in some of the jurisdictions in which the Issuer and the Guarantors are or may be organized. Prospective investors in the Notes should consult their own legal advisors with respect to such limitations and considerations. See "*Limitations on Validity and Enforceability of the Guarantees, the Senior Secured Notes Security and Certain Insolvency Law Considerations*".

Enforcement of the Guarantees and Collateral across multiple jurisdictions may be difficult.

Although the Guarantees are governed by New York law, the enforcement of such guarantees against the Issuer and the Guarantors organized and having their center of main activities in countries other than the United States would be subject to the laws of multiple jurisdictions. In the event of a bankruptcy, insolvency or similar event, proceedings could be initiated in any of these jurisdictions. The rights of holders of the Notes under the Guarantees will thus be subject to the laws of a number of jurisdictions. In addition, the Collateral securing the Senior Secured Notes will be governed by the laws of multiple jurisdictions and the rights under the Collateral will thus be subject to the laws of the respective jurisdiction. It may be difficult to enforce such rights and Collateral in multiple bankruptcy, insolvency and other similar proceedings. Moreover, such multi-jurisdictional proceedings are typically complex and costly for creditors' rights. In addition, the bankruptcy, insolvency, administration and other laws of the Issuer's jurisdiction of organization and the jurisdiction of organization of the Guarantors and security providers may be materially different from, or in conflict with, one another, including creditor's rights, priority of creditors, the ability to obtain post-petition interest and the duration of the insolvency proceeding. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdictions' law should apply and could adversely affect the ability to realize any recovery under the Notes, the Guarantees and the Collateral and security providers. A summary description of certain aspects of the insolvency laws of certain jurisdictions in which the Guarantors are organized or have their center of main activities are set out in "*Limitations on Validity and Enforceability of the Guarantees, the Senior Secured Notes Security and Certain Insolvency Law Considerations*". Therefore, even if a holder of the Notes obtains a favorable judgment from a New York court against a Guarantor or security provider organized and/or having its center of main activities in countries other than the United States, such holder of the Notes will have to enforce such judgment in such foreign jurisdiction, which is likely to result in additional costs and a further delay of the enforcement action. See "*—You may be unable to recover in civil proceedings for U.S. securities laws violations*" and "*Enforcement of Judgments*".

You may be unable to recover in civil proceedings for U.S. securities laws violations.

The Issuer is organized under the laws of the Grand Duchy of Luxembourg and the Guarantors are organized under the laws of Australia, Belgium, Canada, Quebec (Canada), England and Wales, Germany, Ireland, Luxembourg, Mexico, the Netherlands, New Zealand, Switzerland, Spain and the United States. It is anticipated that some or all of the directors and executive officers of the Issuer and each of the Guarantors will be non-residents of the United States and that some or all of their assets will be located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer, the Guarantors or its or their respective directors and executive officers, or to enforce any judgments obtained in U.S. courts predicated upon civil liability provisions of the U.S. securities laws. As a result, service of process within the United States upon the Issuer and any of the Guarantors or any of their directors and executive officers, or enforcement against them, judgements of U.S. courts would be possible only under certain conditions. In addition, neither the Issuer nor the Guarantors assure you that civil liabilities predicated upon the federal securities laws of the United States will be enforceable in any of the above mentioned jurisdictions, other than the United States of America. There is also doubt that a court in Australia, Belgium, Canada, Quebec (Canada), England and Wales, Germany, Ireland, Luxembourg, Mexico, the Netherlands, New Zealand, Switzerland, Spain or the United States would have the requisite power or authority to grant remedies sought in an original action brought in such jurisdictions on the basis of U.S. securities laws violations. See "*Enforcement of Judgments*".

The liens over the Collateral securing Senior Secured Notes could be released in certain circumstances without the consent of the holders of the Senior Secured Notes.

The Senior Secured Notes Indenture and the Intercreditor Agreement will provide that the Security Agent is authorized to release the liens over the Collateral and, in the case of the Collateral consisting of shares in the capital of the Issuer or a Guarantor, the guarantee of the Senior Secured Notes provided by the relevant Guarantor, in certain circumstances, including in connection with the disposal of an asset:

- where such disposal is permitted under the Senior Secured Notes Indenture;
- in connection with the enforcement of the Collateral in accordance with the Intercreditor Agreement; and
- upon the designation of such Guarantor as an Unrestricted Subsidiary.

Certain covenants may be suspended upon the occurrence of a change in our ratings.

The Indentures provide that certain covenants will not be applicable to the Notes during any period of time that the Notes have received a rating of Baa3 (or the equivalent) or better by Moody's Investors Services, Inc. and BBB- (or the equivalent) or better by Standard & Poor's Ratings Group and no default or event of default has occurred and is continuing. See "*Description of the Senior Secured Notes—Certain Covenants—Suspension of Covenants When Notes Rated Investment Grade*" and "*Description of the Senior Notes—Certain Covenants—Suspension of Covenants when Notes Rated Investment Grade*". If these covenants were to cease to be applicable, we would be able to incur additional indebtedness or make payments, including dividends or investments, which may conflict with the interests of holders of the Notes. There can be no assurance that the Notes will ever achieve an investment grade rating or that any such rating will be maintained.

We may not be able to obtain sufficient funds to finance an offer to repurchase the Notes upon the occurrence of certain events constituting a change of control as required by the Indentures.

Upon the occurrence of certain events constituting a change of control (as defined in the Indentures), the Issuer is required to offer to repurchase all outstanding Notes issued by it at a purchase price in cash equal to 101% percent of the principal amount thereof on the date of purchase plus accrued and unpaid interest to the date of purchase. If a change of control were to occur, we cannot assure you that the Issuer would have sufficient funds available at such time to pay the purchase price of the outstanding Notes or that the restrictions in the Term Loan B Facility, the Revolving Credit Facility or other then-existing contractual obligations of the Issuer would allow the Issuer to make such required repurchases. A change of control may result in an event of default under, or acceleration of, the Term Loan B Facility, the Revolving Credit Facility, the Notes and other indebtedness or trigger a similar obligation to offer to repurchase loans or notes thereunder. The repurchase of the Notes pursuant to such an offer could also cause a default under such indebtedness, even if the change of control itself does not. The Issuer's ability to pay cash to the holders of the Notes following the occurrence of a change of control may be limited by our then-existing financial resources. Sufficient funds may not be available when necessary to make any required repurchases. If an event constituting a change of control occurs at a time when the Issuer is prohibited from repurchasing Notes, we may seek the consent of the lenders under such indebtedness to the purchase of Notes or may attempt to refinance the borrowings that contain such prohibition. If we do not obtain such a consent or repay such borrowings, the Issuer will remain prohibited from repurchasing any tendered Notes. In addition, we expect that we would require third-party financing to make an offer to repurchase the Notes upon a change of control. We cannot assure you that we would be able to obtain such financing. Any failure by the Issuer to offer to purchase Notes would constitute a default under each of the Indentures, which would, in turn, constitute a default under the Term Loan B Facility, the Revolving Credit Facility and the Notes.

The change of control provision contained in the Indentures may not necessarily afford you protection in the event of certain important corporate events, including reorganization, restructuring, merger or other similar transaction involving us that may adversely affect you, because such corporate events may not involve a shift in voting power or beneficial ownership or, even if they do, may not constitute a "change of control" as defined in the Indentures, as applicable. Except as described under "*Description of the Senior Secured Notes—Repurchase at the Option of Holders—Change of Control"* and *"Description of the Senior Notes—Repurchase at the Option of Holders—Change of Control*", the Indentures do not contain provisions that require us to offer to repurchase or redeem the Notes in the event of a reorganization, restructuring, merger, recapitalization or similar transaction. Moreover, an event of default under, or acceleration of any direct or indirect parent company of the Issuer could trigger a change of control.

The definition of "change of control" contained in the Indentures includes a disposition of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries taken as whole to any person. Although there is a limited body of case law interpreting the phrase "all or substantially all", there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the assets of the Issuer and its Restricted Subsidiaries taken as a whole. As a result, it may be unclear whether a change of control has occurred and whether the Issuer is required to make an offer to repurchase the Notes issued by it.

Credit ratings may not reflect all risks, are not recommendations to buy or hold securities and may be subject to revision, suspension or withdrawal at any time.

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agency at any time. A credit rating may not remain constant for any given period of time and may be lowered or withdrawn entirely by the credit rating agency if, in its judgment, circumstances in the future so warrant. A suspension, reduction or withdrawal at any time of the credit rating assigned to the Notes by one or more of the credit rating agencies may adversely affect the cost and terms and conditions of our financings and could adversely affect the value and trading of the Notes.

Transfers of the Notes are restricted, which may adversely affect the value of the Notes.

The Notes are being offered and sold pursuant to an exemption from registration under the U.S. Securities Act and applicable state securities laws of the United States. The Notes have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws. You may not transfer or sell the Notes in the United States except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the U.S. Securities Act, or pursuant to an effective registration statement. As a result, you may be required to bear the risk of your investment in the Notes for an indefinite period of time. The Notes and the Indentures contain provisions that restrict the Notes from being offered, sold or otherwise transferred except pursuant to the exemptions available pursuant to Rule 144A and Regulation S under the U.S. Securities Act, or other exemptions under the U.S. Securities Act. In addition, by acceptance of delivery of any Notes, the holder thereof agrees on its own behalf and on behalf of any investor accounts for which it has purchased the Notes that it shall not transfer the Notes in an aggregate principal amount of less than €100,000. Furthermore, we have not registered the Notes under any other country's securities laws. It is your obligation to ensure that your offers and sales of the Notes within the United States and other countries comply with applicable securities laws. See "*Notice to Investors*".

The Notes will initially be held in book-entry form, and therefore you must rely on the procedures of the relevant clearing systems to exercise any rights and remedies.

The Notes will initially only be issued in global certificated form and held through Euroclear or Clearstream, Luxembourg.

Interests in the global notes will trade in book-entry form only. Unless and until Notes in definitive registered form are issued in exchange for Book-Entry Interests (ownership interests in the Global Note), owners of Book-Entry Interests will not be considered owners or holders of the Notes. The common depositary for Euroclear and Clearstream, Luxembourg, or its nominee, will be the registered holder of each Regulation S Global Note and each Rule 144A Global Note. After payment by the Principal Paying Agent to Euroclear and Clearstream, Luxembourg, we will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of Book-Entry Interests. Accordingly, if you own a Book-Entry Interest, you must rely on the procedures of Euroclear or Clearstream, Luxembourg, as applicable, and if you are not a participant in Euroclear or Clearstream, Luxembourg, on the procedures of the participant through which you own your interest, to exercise any rights and obligations of a holder of the Notes under the Indentures. Please see "*Book-Entry, Delivery and Form*".

Unlike the holders of the Notes themselves, owners of Book-Entry Interests will not have the direct right to act upon our solicitations for consents, requests for waivers or other actions from holders of the Notes, as the case may be. Instead, if you own a Book-Entry Interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from Euroclear or Clearstream, Luxembourg or, if applicable, from a participant. The procedures implemented for the granting of such proxies may not be sufficient to enable you to vote on any request actions on a timely basis.

Similarly, upon the occurrence of an event of default under the Indentures, unless and until the relevant definitive registered Notes are issued in respect of all Book-Entry Interests, if you own a Book-Entry Interest, you will be restricted to acting through Euroclear or Clearstream, Luxembourg. The procedures to be implemented through Euroclear or Clearstream, Luxembourg may not be adequate to ensure the timely exercise of your rights under the Notes. See "*Book-Entry, Delivery and Form*".

There may not be an active trading market for the Notes in which case your ability to sell the Notes will be limited.

We cannot assure you as to:

- the liquidity of any market in the Notes;
- your ability to sell your Notes; or
- the prices at which you would be able to sell your Notes.

Future trading prices of the Notes will depend on many factors, including, among other things, prevailing interest rates, our operating results and the market for similar securities. Historically, the market for non-investment grade securities has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Notes. The liquidity of a trading market for the Notes may be adversely affected by a general decline in the market for similar securities and is subject to disruptions that may cause volatility in prices. It is possible that the market for the Notes will be subject to disruptions. Any such disruption may have a negative effect on you, as a holder of Notes, regardless of our prospects and financial performance. As a result, there may not be an active trading market for the Notes. If no active trading market develops, you may not be able to resell your Notes at a fair value, if at all.

Although the Issuer will agree to use its reasonable efforts to have the Notes listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of that exchange within a reasonable period after the Issue Date and to maintain such listing as long as the Notes are outstanding, the Issuer cannot assure you that the Notes will become, or remain, listed. If the Issuer can no longer maintain the listing on the Official List of the Luxembourg Stock Exchange and the admission to trading on the Euro MTF Market of that exchange or it becomes unduly burdensome to make or maintain such listing, the Issuer may cease to make or maintain such listing on the Official List of the Luxembourg Stock Exchange, provided that it will use reasonable efforts to obtain and maintain the listing of the Notes on another stock exchange although there can be no assurance that the Issuer will be able to do so. Although no assurance is made as to the liquidity of the Notes as a result of listing on the Official List of the Luxembourg Stock Exchange or another recognized listing exchange for high yield issuers in accordance with the Indentures, failure to be approved for listing or the delisting of the Notes from the Official List of the Luxembourg Stock Exchange or another listing exchange in accordance with the Indentures may have a material adverse effect on a holder's ability to resell Notes in the secondary market.

Taxation of the Issuer under the Luxembourg ATAD Law

The Issuer is liable for the Luxembourg corporate income tax on its worldwide net profits. The Luxembourg law of December 21, 2018 (the "**ATAD Law**"), which implements the Council Directive (EU) 2016/1164 of July 12, 2016 laying down rules against tax avoidance practices that directly affect the functioning of the internal market, introduced as of January 1, 2019 new tax measures into Luxembourg law, including among others a limitation as regards so-called "exceeding borrowing costs" and hybrid mismatch rules. Whilst certain exemptions and safe harbor provisions (for example, exceeding borrowing costs up to 3 million euro will always remain deductible) exist in relation to the limitation of exceeding borrowing costs, these new rules may in certain situations result in the limitation respectively the denial of the deduction of payments to investors for Luxembourg tax purposes, which may adversely affect the income tax position of the Issuer and as such affect generally its ability to make payments to the holders of the Notes. Clarifications as regards the ATAD Law and its interpretation may be enacted after the date of this Offering Memorandum, possibly with retroactive effect, and could alter the tax position of the Issuer. In addition, the Issuer may take positions with respect to certain tax issues resulting from the ATAD Law which may depend on legal conclusions not yet resolved by the courts. Should any such positions be successfully challenged by the applicable tax authority, there could be a materially adverse effect on the Issuer and its ability to make payments to the holders of the Notes.

Therefore, prospective holders of the Notes should make an investment decision only after careful consideration, with its independent advisers, as to the consequences of the ATAD Law.

The liquidity of the market for the Notes may be diminished if the proposed financial transactions tax ("FTT") or any similar tax were adopted.

On February 14, 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**Participating Member States**"). The Commission's Proposal has a very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including: (a) by transacting with a person established in a Participating Member State; or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

The FTT proposal remains subject to negotiation between the Participating Member States and the scope of any such tax is uncertain. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

The tax treatment of the Notes with respect to Swiss withholding tax is not yet confirmed by the Swiss tax authorities.

A confirmation (tax ruling) will be requested from the Swiss Federal Tax Administration confirming that no Swiss withholding tax is payable on interest payments under the Notes. Although we have no reason to believe that this confirmation will not be received, we cannot assure you that such tax ruling will be obtained.

USE OF PROCEEDS

We estimate that the aggregate gross proceeds from the Offering will be equivalent to approximately €660 million. We intend to use the proceeds from the Offering, together with the Senior Facilities and cash on hand to:

- repay our outstanding borrowings, of which:
  - i. approximately €711.6 million is intended to be used to fully repay the Existing Term Loan B Facilities (approximately €417.1 million under the Existing Term Loan B Facility and approximately €294.5 million under the Existing Incremental Term Loan B Facility);
  - ii. approximately €15.2 million (CHF 17.0 million equivalent) is intended to be used to fully repay the Existing Revolving Credit Facility; and
  - iii. approximately €628.2 million is intended to be used to fully redeem the aggregate principal amount of the outstanding Existing Notes (approximately €363.5 million under the Existing Senior Secured Notes and approximately €264.6 million under the Existing Senior Notes); and
- pay transaction fees and expenses in connection with the Refinancing.

The estimated sources and uses of the funds relating to the Offering are shown below. Actual amounts may vary from estimated amounts depending on several factors, including differences between estimated and actual fees and expenses, differences in exchange rates and interim debt repayments.

Sources of funds	**(EUR in millions)**	**Uses of funds**	**(EUR in millions)**
Term Loan B Facility	850.0	Redemption of the Existing Notes	628.2
Senior Secured Notes	410.0	*of which the Existing Senior Secured Notes*	*363.5*
Senior Notes	250.0	*of which the Existing Senior Notes*	*264.6*
		Repayment of the Existing Term Loan B Facility[(1)]	417.1
Factoring Agreement	50.0	Repayment of the Existing Incremental Term Loan B Facility[(1)]	294.5
		Repayment of the Existing Revolving Credit Facility[(1)]	15.2
		Redemption costs[(2)]	31.6
		Estimated transaction fees and expenses[(3)]	46.8
		Cash and cash equivalents[(4)]	126.6
Total sources	**1,560.0**	**Total uses**	**1,560.0**

(1) Reflects the repayments of the Existing Senior Facilities, including amounts outstanding under the Existing Revolving Credit Facility. The Issuer and Swissport International Ltd., among others, will enter into the new Credit Agreement on or about the Issue Date which, among others, will provide for a Revolving Credit Facility and a Delayed Draw Loan Facility which are expected to be undrawn on the Issue Date. The Existing Term Loan B Facility and the Existing Incremental Term Loan B Facility will be repaid at par. The principal amount outstanding under the Existing Revolving Credit Facility to be repaid is based on the amounts outstanding thereunder on March 31, 2019 and exclude any accrued interest and other repayments between March 31, 2019 and the date hereof and breakage costs. See "*Description of Certain Financing Arrangements*".

(2) This amount comprises a make-whole premium associated with redemption of the Existing Notes.

(3) Represents fees and expenses estimated in connection with the Refinancing, including underwriting fees for the Initial Purchaser, advisory and other professional fees and other transaction costs. Actual fees and expenses may differ.

(4) Represents estimated cash and cash equivalents to be funded on the balance sheet following completion of the Refinancing.

CAPITALIZATION

The following table sets forth our historical consolidated capitalization, along with our cash and cash equivalents, as of March 31, 2019 (i) on an actual basis, (ii) as adjusted for IFRS 16 (*Leases*) and the covenant definitions under the Existing Term Loan B Facilities and the Existing Notes, and (iii) as adjusted to give effect to the Refinancing, including the Offering and the use of proceeds therefrom, as described under "Use of Proceeds". The actual consolidated financial information has been derived from the financial information included in this Offering Memorandum.

You should read this table in conjunction with "*Use of Proceeds*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Description of Certain Financing Arrangements*", "*Description of the Senior Secured Notes*", "*Description of the Senior Notes*" and the Consolidated Financial Statements and the notes thereto included in this Offering Memorandum.

	As of March 31, 2019			
	Actual	**Adjusted for IFRS 16 and Covenant Definition**[(1)]	**Adjustments for the Refinancing**	**As Adjusted**[(2)]
			(€ in millions)	
Cash and cash equivalents	**147.8**[(3)]	**147.8**[(3)]	**126.6**	**274.4**[(4)]
of which in Restricted Group	*136.9*	*136.9*	*126.6*	*263.5*
of which outside Restricted Group	*10.9*	*10.9*	—	*10.9*
Existing Revolving Credit Facility[(5)]	15.2	15.2	(15.2)	—
Revolving Credit Facility[(6)]	—	—	—	—
Delayed Draw Loan Facility[(6)]	—	—	—	—
Existing Term Loan B Facility[(7)]	417.1	417.1	(417.1)	—
Existing Incremental Term Loan B Facility[(8)]	294.5	294.5	(294.5)	—
Existing Senior Secured Notes[(9)]	363.5	363.5	(363.5)	—
Senior Secured Notes	—	—	410.0	410.0
Term Loan B Facility	—	—	850.0	850.0
Lease liabilities[(10)]	496.4	43.0	—	43.0
Existing Senior Notes[(9)]	264.6	264.6	(264.6)	—
Senior Notes[(11)]	—	—	250.0	250.0
Other existing indebtedness[(12)]	52.6	34.8	—	34.8
Total Debt (within Restricted Group)	**1,903.9**	**1,432.7**	—	**1,587.8**
Lease liabilities (in Unrestricted Subsidiaries)	12.6	1.7	—	1.7
Other indebtedness (in Unrestricted Subsidiaries)	30.1	30.1	—	30.1
Total Debt (at Issuer and its Subsidiaries)	**1,946.6**	**1,464.5**	**—**	**1,619.6**
Other indebtedness (at parent entities of the Parent Guarantor outside the Restricted Group)	214.0[(13)]	214.0[(13)]	—	242.4[(14)]
Total debt (at the consolidated Group level)	**2,160.6**	**1,678.5**	—	**1,862.0**
Total equity	**1,886.3**	**1,886.3**	**—**	**1,886.3**
Total capitalization	**4,046.9**	**3,564.8**	**—**	**3,748.3**

(1) Excluding the impact of IFRS 16 (*Leases*) and exclusions per covenant definitions under the Existing Term Loan B Facilities and the Existing Notes.

(2) The "As adjusted" column does not reflect (among other things) trading movements subsequent to March 31, 2019, including trading movements in cash and cash equivalents after such date.

(3) Represents cash and cash equivalents as shown in the Interim Consolidated Financial Statements. Total cash at the time of the Offering will be different because of, among other reasons, interim trading results.

(4) Represents estimated cash and cash equivalents on the balance assuming completion of the Refinancing had occurred on March 31, 2019. Total cash and cash equivalents at the time of the completion of the Offering will be different because of, among other reasons, interim trading results, scheduled interest payments under the Existing Senior Secured Facilities. See footnotes (2) and (4) in the section "*Use of Proceeds*".

(5) Represents the principal amount of borrowings outstanding under the Existing Revolving Credit Facility. Amounts to be repaid on the actual Issue Date may be different because of, among other reasons, scheduled payments of interest on the Existing Revolving Credit Facility.

(6) On or about the Issue Date, the Issuer and Swissport International Ltd., among others, will enter into the new Credit Agreement which, among others, will provide for a Revolving Credit Facility in the amount of €75.0 million and a Delayed Draw Loan Facility in the amount of €50.0 million which are expected to be undrawn on the Issue Date. See "*Description of Certain Financing Arrangements*" for further information.

(7) Represents the principal amount of borrowings outstanding under the Existing Term Loan B Facility. Amounts to be repaid on the actual Issue Date may be different because of, among other reasons, scheduled payments of interest on the Existing Term Loan B Facility.

(8) Represents the principal amount of borrowings outstanding under the Existing Incremental Term Loan B Facility. Amounts to be repaid on the actual Issue Date may be different because of, among other reasons, scheduled payments of interest on the Existing Incremental Term Loan B Facility.

(9) Represents the aggregate outstanding principal amount of the Existing Notes as of March 31, 2019, including accrued but unpaid interest.

(10) Lease liabilities represent lease liabilities of the Restricted Group as of March 31, 2019 in accordance with IFRS 16 (*Leases*) and IFRS 16 Adjusted column represents exclusions of the IFRS 16 impact.

(11) Represents the aggregate principal amount of €250.0 million of the Senior Notes, excluding capitalized issue costs of the Senior Notes that will be amortized over the life of the Senior Notes as additional interest expense.

(12) This amount comprises amounts outstanding under the Existing Note Purchase Agreement, borrowings from related parties, bank loans and other local facilities, as presented in the Interim Consolidated Financial Statements.

(13) Consisting of the Existing Note Purchase Agreement in the amount of €161.6 million, the 2015 Senior Secured Stub Notes in the amount of €36.5 million and the 2015 Senior Stub Notes in the amount of €15.9 million.

(14) It is intended that on or about the Issue Date, the PIK Issuer will enter into a €190.0 million New Holdco PIK Facility, as borrower, pursuant to which the outstanding amount of €161.6 million under the Existing Note Purchase Agreement will be repaid.

SELECTED CONSOLIDATED AND PRO FORMA FINANCIAL AND OTHER INFORMATION

The tables below set forth the summary consolidated historical financial information of Swissport as of and for the years ended December 31, 2016, 2017 and 2018, and as of and for the three-months ended March 31, 2018 and 2019. The summary historical consolidated financial information set forth below as of and for the years ended December 31, 2016, 2017 and 2018 was extracted from the Audited Consolidated Financial Statements. The summary historical consolidated financial information set forth below as of and for the three months ended March 31, 2019, which includes comparative financial information for the three months ended March 31, 2018, was extracted from the Interim Consolidated Financial Statements. For comparative purposes, the tables below also present the Unaudited Pro Forma Financial Information, see "*Presentation of Financial and Other Information—Unaudited Pro Forma Financial Information for the year ended December 31, 2016*".

Prospective investors are advised to consult their professional advisors for an understanding of the differences between IFRS as adopted by the EU and other systems of generally accepted accounting principles and how those differences may affect the financial information included in this Offering Memorandum.

The tables below also set forth our unaudited consolidated financial information for the twelve months ended March 31, 2019. This information was calculated by taking the 2018 Audited Consolidated Financial Statements and subtracting our unaudited consolidated financial information for the three months ended March 31, 2018, and adding our unaudited consolidated financial information for the three months ended March 31, 2019, respectively. The unaudited consolidated financial information for the twelve months ended March 31, 2019 has been prepared solely for the purposes of this Offering Memorandum and is for illustrative purposes only and is not necessarily representative of our results of operations for any future period or financial condition at any future date.

The Indentures governing the Notes permit the Group to present the consolidated financial statements of the Swissport Parent Entity in lieu of the consolidated financial statements of the Parent Guarantor or the Issuer. However, if the Group presents the consolidated financial statements of the Swissport Parent Entity in lieu of those for the Parent Guarantor, the Group will be required to provide a reasonably detailed description of material differences between the consolidated financial statements of the Swissport Parent Entity and the Parent Guarantor for any period presented after the Issue Date.

With respect to our financial information as of and for the years ended December 31, 2017 and 2018 and the three months ended March 31, 2019, material differences between the consolidated financial statements of the Swissport Parent Entity and the financial information of the Swissport Holding Group relate to the level of equity, intercompany loans and balances with holding companies of which the Parent Guarantor is a subsidiary, and the level of borrowings. The Parent Guarantor was incorporated on July 7, 2017 for the purpose of facilitating the issuance of the Existing Notes, as such no operating or financial reporting history exists for the Parent Guarantor prior to that date. The Swissport Parent Entity's consolidated equity as of December 31, 2017, December 31, 2018 and March 31, 2019 was €1,837.1 million, €1,875.3 million and €1,886.3 million, respectively, compared to the Parent Guarantor's standalone capital and reserves as of December 31, 2017, December 31, 2018 and March 31, 2019 of €1,346.7 million, €1,444.9 million and €1,445.9 million, respectively, as a result of higher share capital and share premium and consolidated retained results.

The Swissport Parent Entity's consolidated borrowings (excluding capitalized transaction costs) as of December 31, 2017, December 31, 2018 and March 31, 2019 were €1,295.2 million, €1,682.0 million and €2,160.6 million, respectively, compared to the Swissport Holding Group's borrowings (excluding capitalized transaction costs) as of December 31, 2017, December 31, 2018 and March 31, 2019 of €1,242.8 million, €1,473.2 million and €1,946.6 million as a result of the 2015 Stub Notes and the Existing Note Purchase Agreement. Other than the items described above, there were no material differences between the consolidated financial statements of the Swissport Parent Entity and the Swissport Holding Group in the period under review.

In evaluating the financial information, you should carefully consider our audited consolidated financial statements and unaudited condensed consolidated interim financial statements included in this Offering Memorandum.

The following information is only a summary and should be read in conjunction with "*Presentation of Financial and Other Information*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and the Consolidated Financial Statements included in this Offering Memorandum, as well as the other financial information included in this Offering Memorandum.

Selected Statement of Profit or Loss Data

	Year ended December 31,				Three months ended March 31,		Twelve months ended March 31, 2019
	2016[(1)]	Pro Forma 2016[(2)]	2017	2018	2018	2019	
	(€ in millions)						
Profit or Loss:							
Revenue from contracts with customers[(3)]	2,384.9	2,586.8	2,707.6	2,944.0	657.5	726.2	3,012.7
Other operating income	84.7	94.9	98.2	50.5	26.8	23.3	47.0
Total revenue and other operating income	**2,469.6**	**2,681.7**	**2,805.8**	**2,994.5**	**684.3**	**749.5**	**3,059.7**
of which Ground handling	*2,033.2*	*2,192.1*[(4)]	*2,275.9*[(4)]	*2,431.7*	*552.6*	*611.4*	*2,490.5*
of which Cargo handling	*438.4*	*491.4*[(4)]	*530.6*[(4)]	*565.0*	*132.4*	*138.6*	*571.2*
of which Other/Eliminations	*(2.0)*	*(1.8)*[(4)]	*(0.7)*[(4)]	*(2.2)*	*(0.7)*	*(0.5)*	*(2.0)*
Goods and services purchased	(349.8)	(382.0)	(396.2)	(415.4)	(101.1)	(104.1)	(418.4)
Personnel expenses	(1,617.6)	(1,761.1)	(1,861.6)	(1,952.9)	(464.8)	(495.6)	(1,983.7)
Other operating expenses	(338.6)	(369.0)	(381.4)	(401.0)	(97.6)	(74.7)	(378.1)
Acquisition costs	(2.6)[(5)]	0.0[(5)]	(7.6)	(7.4)	(5.2)	(0.7)	(2.9)
Integration costs	(0.3)[(5)]	(0.3)[(5)]	(5.9)	(6.6)	(2.9)	(0.1)	(3.8)
Depreciation of property, vehicles and equipment	(51.3)	(55.9)	(56.5)	(60.3)	(14.2)	(13.3)	(59.4)
Depreciation of right-of-use assets	—	—	—	—	—	(31.2)	(31.2)
Amortization of intangible assets	(21.5)	(23.4)	(25.1)	(30.7)	(6.0)	(8.1)	(32.8)
Total operating expenses	**(2,381.7)**[(6)]	**(2,591.7)**[(6)]	**(2,734.3)**	**(2,874.3)**	**(691.8)**	**(727.8)**	**(2,910.3)**
Share of results of associates and joint ventures	5.1	5.6	8.2	10.0	2.5	2.8	10.3
Operating profit/(loss)	**93.0**	**95.6**	**79.7**	**130.2**	**(5.0)**	**24.5**	**159.7**
Finance expenses	(306.8)	(341.7)	(260.8)	(313.1)	(69.3)	(82.2)	(326.0)
Finance income	98.2	117.9	132.6	188.4	46.5	49.0	190.9
Loss on disposal	—	—	—	(13.2)	—	—	(13.2)
Net result before income taxes[(7)]	**(115.6)**	**(128.2)**	**(48.5)**	**(7.7)**	**(27.8)**	**(8.7)**	**11.4**
Income taxes	(24.8)	(27.1)	(14.3)	(12.4)	(4.8)	(7.6)	(15.2)
Net result for the period[(8)]	**(140.4)**	**(155.3)**	**(62.8)**	**(20.1)**	**(32.6)**	**(16.3)**	**(3.8)**

(1) The 2016 Audited Consolidated Financial Statements represent the period from November 4, 2015 (the date of incorporation of the Swissport Parent Entity) to December 31, 2016.

(2) In order to provide comparisons for the periods from January 1, 2016 to December 31, 2016 and January 1, 2017 to December 31, 2017, the unaudited pro forma condensed combined financial information for Swissport for the year ended December 31, 2016, presented in this column, has been derived from the pro forma income statement information with certain adjustments set forth in "*Unaudited Pro Forma Financial Information*".

(3) Presented as "Revenue" in the 2016 and 2017 Audited Consolidated Financial Statements.

(4) As presented in 2017 to reflect the changes in the composition of Swissport's reporting segments in the year ended December 31, 2017. For the year ended December 31, 2016, as presented in the pro forma income statement information with certain adjustments set forth in "*Unaudited Pro Forma Financial Information",* total revenue and other operating income for the ground handling segment, cargo handling segment and other/eliminations segment was €2,210.7 million, €472.8 million and a loss of €1.8 million, respectively.

(5) Acquisition costs and integration costs were presented after "Operating profit/(loss)" in the year ended December 31, 2016, including the pro forma year ended December 31, 2016.

(6) Presented exclusive of acquisition and integration costs of €(2.6) million and €(0.3) million respectively, (€0.0 million and €(0.3) million on a pro forma basis, respectively), as "Total operating expenses (excluding acquisition and integration costs)" in the 2016 Audited Consolidated Financial Statements.

(7) Presented as "(Loss) / profit before income tax" in the 2016 Audited Consolidated Financial Statements.

(8) Presented as "(Loss) / profit for the period" in the 2016 Audited Consolidated Financial Statements.

Selected Statement of Financial Position

	As of December 31,			As of March 31,
	2016	2017	2018	2019
	(€ in millions)			
Current assets				
Cash and cash equivalents	132.1	118.5	145.2	147.8
Prepayments, trade and other receivables(1)	474.0	892.8	785.0	812.8
Inventories	11.6	11.9	12.8	13.8
Available-for-sale financial assets	2.1	—	—	—
Current tax assets	4.6	8.4	9.1	9.9
	624.4	**1,031.6**	**952.1**	**984.3**
Non-current assets				
Goodwill	2,299.8	2,114.2	2,472.1	2,515.3
Other intangible assets	480.0	423.6	470.7	470.8
Property, vehicles and equipment	273.6	265.9	338.7	300.5
Right-of-use assets	—	—	—	506.2
Prepayments and other receivables(2)	57.0	102.5	128.3	134.3
Deferred tax assets	26.7	17.8	36.5	36.2
Investments in associates and joint ventures	35.9	36.5	40.5	33.7
Non-current financial assets(3)	2.0	2.0	0.4	0.4
	3,175.0	**2,962.5**	**3,487.2**	**3,997.4**
Total assets	**3,799.4**	**3,994.1**	**4,439.3**	**4,981.7**
Current liabilities				
Trade and other payables	(433.1)	(435.9)	(478.0)	(497.4)
Contract liabilities	—	—	(8.3)	(10.6)
Provisions	(56.1)	(31.5)	(33.6)	(36.3)
Borrowings	(728.4)	(35.3)	(33.7)	(145.3)
Short-term employee benefits	—	—	(16.8)	(16.8)
Current tax liabilities	(19.0)	(21.1)	(25.5)	(27.8)
	(1,236.6)	**(523.8)**	**(595.9)**	**(734.2)**
Non-current liabilities				
Borrowings	(733.7)	(1,236.3)	(1,617.5)	(1,986.9)
Long-term employee benefits(4)	(274.9)	(226.4)	(206.5)	(231.5)
Provisions	(136.2)	(114.6)	(85.1)	(83.8)
Deferred tax liabilities	(71.0)	(55.9)	(59.0)	(59.0)
	(1,215.8)	**(1,633.2)**	**(1,968.1)**	**(2,361.2)**
Total liabilities	**(2,452.4)**	**(2,157.0)**	**(2,564.0)**	**(3,095.4)**
Net assets(5)	**1,347.0**	**1,837.1**	**1,875.3**	**1,886.3**
Capital and Reserves				
Equity attributable to owners of the parent:				
Share capital and share premium	1,508.7	2,245.7	2,245.7	2,245.7
Reserves(6)	(24.6)	(256.7)	(203.1)	(153.4)
Retained earnings	(175.0)	(196.7)	(218.6)	(260.9)
Attributable to:				
Owners of the parent	1,309.1	1,792.3	1,824.0	1,831.4
Non-controlling interest	37.9	44.8	51.3	54.9
Total equity	**1,347.0**	**1,837.1**	**1,875.3**	**1,886.3**

(1) Presented as "Trade and other receivables" in the 2016 Audited Consolidated Financial Statements.

(2) Presented as "Prepayments and receivables" in the 2016 Audited Consolidated Financial Statements.

(3) Presented as "Available-for-sale financial assets" in the 2016 and 2017 Audited Consolidated Financial Statements.

(4) Presented as "Employee benefit obligations" in the 2016 Audited Consolidated Financial Statements.

(5) Not included in the 2016 Audited Consolidated Financial Statements.

(6) Presented separately as "Fair value reserve" and "Currency translation reserve" in the amounts of €(0.1) million and €(24.5) million, respectively, in the 2016 Audited Consolidated Financial Statements.

Selected Cash Flow Statement Data

	Year ended December 31,				Three months ended March 31,		Twelve months ended March 31,
	2016[1]	Pro Forma 2016[2]	2017	2018	2018	2019	2019
	(€ in millions)						
Cash flow from operating activities							
Net result for the period[3]	(140.4)	(155.3)	(62.8)	(20.1)	(32.6)	(16.3)	(3.8)
Adjustments for:							
Income tax expense	24.8	—	14.3	12.4	4.8	7.6	15.2
Net finance expense	208.6	—	128.2	124.7	22.8	33.2	135.1
Depreciation of property, vehicles and equipment	51.3	—	56.5	60.3	14.2	13.3	59.4
Depreciation of right-of-use assets	—	—	—	—	—	31.2	31.2
Amortization of intangibles assets	21.5	—	25.1	30.7	6.0	8.1	32.8
Pensions, provisions and other items	(10.7)	—	(9.3)	(16.9)	3.8	(3.7)	(24.4)
Changes in working capital[4]:							
Changes in inventories	(0.4)	—	(1.2)	(0.2)	—	(0.9)	(1.1)
Changes in trade and other receivables	(3.8)	—	(46.3)	(5.0)	(24.3)	(16.2)	3.1
Changes in trade and other payables	4.3	—	46.6	17.2	(27.4)	18.3	62.9
Income tax paid	(23.2)	—	(24.7)	(29.2)	(7.0)	(7.8)	(30.0)
Dividends received	3.7	—	3.7	8.6	2.6	—	6.0
Total cash flow from operating activities	**135.7**	**138.4**	**130.1**	**182.5**	**(37.1)**	**66.8**	**286.4**
Cash flow from investing activities							
Acquisitions of subsidiaries, net of cash and cash equivalents acquired	(1,220.0)	—	—	(347.4)	(343.3)	—	(4.1)
Exercise of options over the remaining non-controlling interest	—	—	—	(5.5)	—	—	(5.5)
Acquisition deposit	—	—	(52.4)	—	—	—	—
Net investment in financial assets	—	—	2.7	—	—	—	—
Disposal of subsidiary, net of cash and cash equivalents disposed	—	—	—	(10.2)	—	—	(10.2)
Payment on settlement of contingency on disposal of subsidiaries	(15.0)	—	—	—	—	—	—
Purchase of property, vehicles and equipment	(68.3)	—	(69.9)	(117.1)	(20.8)	(21.3)	(117.6)
Proceeds from sale of property, vehicles and equipment	10.5	—	9.0	10.8	0.8	5.8	15.8
Purchase of intangible assets	(12.3)	—	(7.7)	(2.9)	(2.1)	(2.2)	(3.0)
(Increase) / decrease in restricted cash	(37.1)	—	4.9	(27.0)	(29.8)	(2.9)	(0.1)
Repayment of loan granted to related parties	—	—	—	135.7	52.4	—	83.3
Grant of loan to related parties	—	—	(400.0)	—	—	—	—
Interest received (paid)	2.0	—	1.4	2.5	(0.4)	0.6	3.5
Total cash flow (used in) investing activities	**(1,340.2)**	**(1,444.3)**	**(512.0)**	**(361.1)**	**(343.2)**	**(20.0)**	**(37.9)**

	Year ended December 31,				Three months ended March 31,		Twelve months ended March 31, 2019
	2016[1]	Pro Forma 2016[2]	2017	2018	2018	2019	
	(€ in millions)						
Cash flow from financing activities							
Issue of share premium (net of costs)	—	—	717.0	—	—	—	—
Proceeds from shareholder loans (converted to share capital at period end)	1,472.3	—	—	—	—	—	—
Change in borrowings[4]:							
Proceeds from borrowings from third parties	1,384.5	—	1.7	487.2	456.8	8.0	38.4
Repayment of borrowings from third parties	(1,274.8)	—	(191.6)	(118.3)	(44.8)	(29.0)	(102.5)
Penalty for early termination of financing	(24.0)	—	—	—	—	—	—
Proceed from early termination of financing	4.1	—	—	—	—	—	—
Other[4]:							
Bank charges and other financial costs paid	(6.2)	—	(7.5)	(5.4)	(1.5)	(1.5)	(5.4)
Financing and retainer fees paid	(60.6)	—	(23.9)	(30.8)	(20.1)	—	(10.7)
Dividends paid to non-controlling interests	(14.2)	—	(15.6)	(20.7)	(4.6)	(0.2)	(16.3)
Interest paid to third parties[5]	(99.5)	—	(100.7)	(91.1)	(7.0)	(26.1)	(110.2)
Payment on settlement of FX forward contract	(41.5)	—	—	—	—	—	—
Total cash flow from (used in) financing activities	**1,340.1**	**1,307.4**	**379.4**	**220.9**	**378.8**	**(48.8)**	**(206.7)**
Net increase / (decrease) in cash and cash equivalents	**135.6**	**1.5**	**(2.5)**	**42.3**	**(1.5)**	**(2.0)**	**41.8**
Opening cash and cash equivalents as at period start	0.0	—	132.1	118.5	118.5	145.2	145.2
Exchange gain / (loss) on cash and cash equivalents	(3.5)	—	(11.1)	(15.6)	(1.3)	4.6	(9.7)
Cash and cash equivalents at period end	**132.1**	**—**	**118.5**	**145.2**	**115.7**	**147.8**	**177.3**

(1) The 2016 Audited Consolidated Financial Statements represent the period from November 4, 2015 (the date of incorporation of the Swissport Parent Entity) to December 31, 2016.

(2) In order to provide comparisons for the periods from January 1, 2016 to December 31, 2016 and January 1, 2017 to December 31, 2017, the unaudited pro forma condensed combined financial information for Swissport for the year ended December 31, 2016, presented in this column, has been derived from the pro forma cash flow statement information with certain adjustments set forth in "*Unaudited Pro Forma Financial Information*". The items marked as "—" in this column are not presented on a pro forma basis in this Offering Memorandum.

(3) Presented as "(Loss)/profit for the period" in the 2016 Audited Consolidated Financial Statements.

(4) Not included in the 2016 Audited Consolidated Financial Statements.

(5) Presented as "Interest paid" in the 2016 Audited Consolidated Financial Statements.

Selected Total Revenue and Other Operating Income by Geographic Region

The following table presents our total revenue and other operating income by the geographical split.

	Year ended December 31,			Three months ended March 31,		Twelve months ended March 31,
	2016[(1)]	2017	2018	2018	2019	2019
	(€ in millions)					
EMEA	1,403.2	1,602.7	1,671.4	375.9	399.2	1,694.7
AMERICAS	993.9	1,112.9	1,078.0	270.0	276.4	1,084.4
APAC	72.5	90.2	245.1	38.4	73.9	280.6
Total revenue and other operating income	**2,469.6**	**2,805.8**	**2,994.5**	**684.3**	**749.5**	**3,059.7**

(1) As presented in the 2017 Audited Consolidated Financial Statements, reflecting the change in regional reporting.

Other Financial Information

The following table presents our unaudited financial information, which we use to analyze our business on a consolidated basis, in each case for the periods indicated.

	Year ended December 31,				Three months ended March 31,		Twelve months ended March 31,
	2016[(1)]	As Adjusted 2016[(2)]	2017	2018	2018	2019	2019
	(€ in millions, unless otherwise indicated)						
Operating EBITDA[(3)]	198.7	206.4	220.1	273.2	37.4	81.5	317.3
Ground handling	*157.0*	*151.8*[(4)]	*155.0*[(4)]	*184.4*	*23.9*	*52.4*	*212.9*
Cargo handling	*46.0*	*57.7*[(4)]	*72.0*[(4)]	*86.5*	*15.7*	*31.6*	*102.4*
Other/Eliminations	*(4.3)*	*(3.1)*[(4)]	*(6.9)*[(4)]	*2.3*	*(2.2)*	*(2.5)*	*2.0*
Operating EBITDA Margin[(5)]	8.0%	7.7%	7.8%	9.1%	5.5%	10.9%	10.4%
Change in Working Capital[(6)]	0.1	(3.3)	(0.9)	12.0	(51.7)	1.2	64.9
Net Capital Expenditure[(7)]	(70.1)	(75.5)	(68.6)	(109.2)	(22.1)	(17.7)	(104.8)
Free Cash Flow[(8)]	128.7	127.6	150.6	176.0	(36.4)	65.0	277.4
Cash Conversion[(9)]	64.8%	61.8%	68.4%	64.4%	—	—	87.4%

(1) The 2016 Audited Consolidated Financial Statements represent the period from November 4, 2015 (the date of incorporation of the Swissport Parent Entity) to December 31, 2016.

(2) As adjusted information in this column is derived from Appendix 1 to the 2017 Audited Consolidated Financial Statements ("*Preparation of Adjusted Condensed Consolidated Financial Information*").

(3) Operating EBITDA is defined as operating profit/(loss), as presented in the consolidated statement of profit or loss, before acquisition and integration costs, depreciation, amortization, restructuring and onerous contract charge, non-cash pension expenses and other long-term employee benefits, share based payment expenses, and expenses related to equity offerings. Operating EBITDA is not a measure computed in accordance with IFRS and, accordingly, should not be considered as an alternative to operating profit/(loss) or net profit/(loss) as indicators of our performance or as an alternative to cash flows from operations as a measure of our liquidity.

The following table presents a reconciliation of net results for the period to Operating EBITDA, including Operating EBITDA of the Group's reportable segments, for the periods indicated:

	Year ended December 31,				Three months ended March 31,		Twelve months ended March 31, 2019
	2016(*)	As Adjusted 2016(**)	2017	2018	2018	2019	
	(€ in millions)						
Net result for the period	**(140.4)**	**(155.6)**	**(62.8)**	**(20.1)**	**(32.6)**	**(16.3)**	**(3.8)**
Income taxes	24.8	27.2	14.3	12.4	4.8	7.6	15.2
Interest expense	146.4	155.7	120.3	126.4	23.9	43.1	145.6
Interest income	(2.9)	(3.0)	(13.0)	(28.9)	(7.6)	(7.0)	(28.3)
Depreciation of property, vehicles and equipment	51.3	55.9	56.5	60.3	14.2	13.3	59.4
Ground handling	*41.7*	*45.5*	*45.1*	*48.3*	*11.2*	*10.8*	*47.9*
Cargo handing	*9.4*	*10.3*	*11.2*	*11.8*	*3.0*	*2.4*	*11.2*
Other/Eliminations	*0.2*	*0.1*	*0.2*	*0.2*	—	*0.1*	*0.3*
Depreciation of right-of-use assets	—	—	—	—	—	31.2	31.2
Ground handling	—	—	—	—	—	*19.1*	*19.1*
Cargo handing	—	—	—	—	—	*11.8*	*11.8*
Other/Eliminations	—	—	—	—	—	*0.3*	*0.3*
Amortization of intangible assets	21.5	23.0	25.1	30.7	6.0	8.1	32.8
Ground handling	*12.1*	*13.1*	*14.0*	*19.8*	*3.4*	*5.3*	*21.7*
Cargo handing	*8.0*	*8.4*	*9.4*	*9.3*	*2.2*	*2.5*	*9.6*
Other/Eliminations	*1.4*	*1.5*	*1.7*	*1.6*	*0.4*	*0.3*	*1.5*
Other finance expenses(***)	160.4	184.0	140.5	186.7	45.4	39.1	180.4
Other finance income(****)	(95.3)	(114.9)	(119.6)	(159.5)	(38.9)	(42.0)	(162.6)
Loss on disposal	—	—	—	13.2	—	—	13.2
Integration costs	0.3	0.3	5.9	6.6	2.9	0.1	3.8
Acquisition costs	2.6	2.6	7.6	7.4	5.2	0.7	2.9
Restructuring and onerous contract charge	11.8	12.1	8.3	10.9	1.0	1.8	11.7
Non-cash pension expenses and share-based payment transactions(*****)	17.9	18.9	37.0	21.9	9.5	1.8	14.2
Expenses related to equity offering	—	—	—	5.2	3.6	—	1.6
Unallocated other income and reporting adjustments	0.3	0.2	—	—	—	—	—
Operating EBITDA	**198.7**	**206.4**	**220.1**	**273.2**	**37.4**	**81.5**	**317.3**
Ground handling	*157.0*	*151.8*	*155.0*	*184.4*	*23.9*	*52.4*	*212.9*
Cargo handling	*46.0*	*57.7*	*72.0*	*86.5*	*15.7*	*31.6*	*102.4*
Other/Eliminations	*(4.3)*	*(3.1)*	*(6.9)*	*2.3*	*(2.2)*	*(2.5)*	*2.0*

(*) The 2016 Audited Consolidated Financial Statements represent the period from November 4, 2015 (the date of incorporation of the Swissport Parent Entity) to December 31, 2016.

(**) As adjusted information in this column is derived from Appendix 1 to the 2017 Audited Consolidated Financial Statements ("*Preparation of Adjusted Condensed Consolidated Financial Information*").

(***) Other finance expenses represent total finance expenses for the period less interest expense.

(****) Other finance income represent total finance income for the period less interest income.

(*****) Presented as "Non-cash pension expenses and other long-term employee benefits" in the 2016 Audited Consolidated Financial Statements.

(4) As presented in 2017 to reflect the changes in the composition of Swissport's reporting segments in the year ended December 31, 2017. For the year ended December 31, 2016, as presented in the pro forma income statement information with certain adjustments set forth in "*Unaudited Pro Forma Financial Information",* total revenue and other operating income for the ground handling segment, cargo handling segment and other/eliminations segment was €2,210.7 million, €472.8 million and a loss of €1.8 million, respectively.

(5) Operating EBITDA Margin is defined as Operating EBITDA divided by total revenue and other operating income.

(6) Change in Working Capital is defined as changes in trade and other receivables, changes in inventories and changes in trade and other payables, not adjusted for currency fluctuations during the period.

(7) Net Capital Expenditure is defined as purchase of property, vehicles and equipment plus purchase of intangible assets less proceeds from sale of property, vehicles and equipment.

The following table presents a reconciliation of the Group's Net Capital Expenditure for the periods indicated:

	Year ended December 31,				Three months ended March 31,		Twelve months ended March 31, 2019
	2016 (*)	As Adjusted 2016 (**)	2017	2018	2018	2019	
	(€ in millions)						
Purchase of property, vehicles and equipment	(68.3)	(73.5)	(69.9)	(117.1)	(20.8)	(21.3)	(117.6)
Intangible assets	(12.3)	(14.0)	(7.7)	(2.9)	(2.1)	(2.2)	(3.0)
Less:							
Proceeds from sale of property, vehicles and equipment	10.5	12.0	9.0	10.8	0.8	5.8	15.8
Net Capital Expenditure	**(70.1)**	**(75.5)**	**(68.6)**	**(109.2)**	**(22.1)**	**(17.7)**	**(104.8)**

(*) The 2016 Audited Consolidated Financial Statements represent the period from November 4, 2015 (the date of incorporation of the Swissport Parent Entity) to December 31, 2016.

(**) Information in this column is derived from Appendix 1 to the 2017 Audited Consolidated Financial Statements ("*Preparation of Adjusted Condensed Consolidated Financial Information*"). This information is not available "*Unaudited Pro Forma Financial Information*" and not presented on a pro forma basis in this Offering Memorandum.

(8) Free Cash Flow is defined as total cash flow from operating activities as reported in the consolidated statement of cash flows plus (i) dividends received, income tax paid, less change in working capital, plus pensions, provisions and other items, acquisition costs, integration costs, restructuring and onerous contract charge, non-cash pension expenses and share-based payment transactions, expenses related to equity offering, unallocated other income and reporting adjustments, loss on disposal plus (ii) change in working capital less (iii) Net Capital Expenditure. Free Cash Flow excludes payments due for interest and principal of borrowings.

The following table presents a reconciliation of the Group's Free Cash Flow for the periods indicated:

	Year ended December 31,				Three months ended March 31,		Twelve months ended March 31,
	2016(*)	As Adjusted 2016(**)	2017	2018	2018	2019	2019
	(€ in millions)						
Total cash flow from operating activities	**135.7**	**138.4**	**130.1**	**182.5**	**(37.1)**	**66.8**	**286.4**
Dividends received	(3.7)	(3.7)	(3.7)	(8.6)	(2.6)	0.0	(6.0)
Income tax paid	23.2	23.6	24.7	29.2	7.0	7.8	30.0
Change in Working Capital	(0.1)	3.3	0.9	(12.0)	51.7	(1.2)	(64.9)
Pensions, provisions and other items	10.7	10.7	9.3	16.9	(3.8)	3.7	24.4
Acquisition costs	2.6	2.6	7.6	7.4	5.2	0.7	2.9
Integration costs	0.3	0.3	5.9	6.6	2.9	0.1	3.8
Restructuring and onerous contract charge	11.8	12.1	8.3	10.9	1.0	1.8	11.7
Non-cash pension expenses and share-based payment transactions(***)	17.9	18.9	37.0	21.9	9.5	1.8	14.2
Expenses related to equity offering	—	—	—	5.2	3.6	—	1.6
Unallocated other income and reporting adjustments	0.3	0.2	0.0	0.0	—	—	—
Loss on disposal	0.0	—	0.0	13.2	—	—	13.2
Operating EBITDA	**198.7**	**206.4**	**220.1**	**273.2**	**37.4**	**81.5**	**317.3**
Change in Working Capital(****)	0.1	(3.3)	(0.9)	12.0	(51.7)	1.2	64.9
Net Capital Expenditure	(70.1)	(75.5)	(68.6)	(109.2)	(22.1)	(17.7)	(104.8)
Free Cash Flow	**128.7**	**127.6**	**150.6**	**176.0**	**(36.4)**	**65.0**	**277.4**

(*) The 2016 Audited Consolidated Financial Statements represent the period from November 4, 2015 (the date of incorporation of the Swissport Parent Entity) to December 31, 2016.

(**) Information in this column is derived from Appendix 1 to the 2017 Audited Consolidated Financial Statements ("*Preparation of Adjusted Condensed Consolidated Financial Information*"). This information is not available in the "*Unaudited Pro Forma Financial Information*" and not presented on a pro forma basis in this Offering Memorandum.

(***) Presented as "Non-cash pension expenses and other long-term employee benefits" in the 2016 Audited Consolidated Financial Statements.

(****) Change in Working Capital is defined as changes in trade and trade receivables changes in inventories and changes in trade and other payables, not adjusted for currency fluctuations during the period.

(9) Cash Conversion is defined as Free Cash Flow divided by Operating EBITDA.

Unaudited As Adjusted Financial Information of the Restricted Group

The following table presents unaudited financial information of the Restricted Group[(1)] after giving effect to the Refinancing, including the Offering and the use of proceeds therefrom, as described under "*Use of Proceeds*". The unaudited as adjusted financial information presented below is calculated on a pre-IFRS 16 basis.

	Twelve months ended March 31, 2019
	(€ in millions)
Restricted Group Operating EBITDA (IFRS 16 Adjusted)[(2)]	273.5
As adjusted senior secured debt[(3)]	1,303.0
As adjusted total debt[(4)]	1,587.8
As adjusted cash and cash equivalents[(5)]	263.5
As adjusted net senior secured debt[(6)]	1,039.5
As adjusted net total debt[(7)]	1,324.3
As adjusted cash interest expense[(8)]	91.4
Ratio of as adjusted net senior secured debt to Restricted Group Operating EBITDA (IFRS 16 Adjusted)[(2)(6)]	3.8x
Ratio of as adjusted net total debt to Restricted Group Operating EBITDA (IFRS 16 Adjusted)[(2)(7)]	4.8x
Ratio of Restricted Group Operating EBITDA (IFRS 16 Adjusted) to as adjusted cash interest expense[(2)(8)]	3.0x

(1) The Restricted Group is comprised of the Parent Guarantor and its Restricted Subsidiaries under the Indentures.

(2) Restricted Group Operating EBITDA (IFRS 16 Adjusted) is defined as Operating EBITDA less the portion of the Operating EBITDA contributed by the Unrestricted Subsidiaries, calculated on a pre-IFRS 16 basis. Operating EBITDA and Restricted Group Operating EBITDA (IFRS 16 Adjusted), as presented here, differ from the definition of "Consolidated EBITDA" contained in "*Description of the Senior Secured Notes*", "*Description of the Senior Notes*" and other financing documents.

The following is a reconciliation of Operating EBITDA to Restricted Group Operating EBITDA (IFRS 16 Adjusted) for the period presented:

	Twelve months ended March 31, 2019
	(€ in millions)
Operating EBITDA	317.3
IFRS 16 Adjustments	(35.7)
Unrestricted Subsidiaries	(8.1)
Restricted Group Operating EBITDA (IFRS 16 Adjusted)	**273.5**

(3) As adjusted senior secured debt represents total senior secured indebtedness of the Restricted Group as of March 31, 2019 after giving effect to the Refinancing, including the issuance of the Notes and the use of proceeds thereof as contemplated under "*Use of Proceeds*" as if it occurred on March 31, 2019. See "*Use of Proceeds*" and "*Capitalization*".

(4) As adjusted total debt represents the sum of as adjusted senior secured debt and as adjusted senior unsecured debt.

(5) As adjusted cash and cash equivalents represents cash and cash equivalents of the Restricted Group as of March 31, 2019 after giving effect to the Refinancing, including the Offering and the use of proceeds therefrom, as described under "*Use of Proceeds*" as if it occurred on March 31, 2019. It excludes certain fees in connection with the Refinancing and includes €50.0 million capacity provided for under the Factoring Agreement, see "*Description of Certain Financing Arrangements—Factoring Agreement*".

(6) As adjusted net senior secured debt represents as adjusted senior secured debt less as adjusted cash and cash equivalents.

(7) As adjusted net total debt represents as adjusted total debt less as adjusted cash and cash equivalents.

(8) As adjusted cash interest expense represents the annual interest expense that would be incurred on the as adjusted total debt assuming no change in the margin under the Senior Facilities.

UNAUDITED PRO FORMA FINANCIAL INFORMATION

In order to provide comparisons of the years ended December 31, 2016 and 2017, the Unaudited Pro Forma Financial Information presented in this Offering Memorandum has been prepared.

The Unaudited Pro Forma Financial Information was not prepared in accordance with the requirements of Rule 11-02 of Regulation S-X under the U.S. Securities Act or the Prospectus Regulation or any other regulations of the SEC or any other regulator. We have prepared the Unaudited Pro Forma Financial Information in accordance with the basis of preparation described below under "—*Basis of Preparation*".

Basis of Preparation

The Unaudited Pro Forma Financial Information has been prepared taking into consideration the significant accounting policies applied to prepare the 2016 Audited Consolidated Financial Statements included in this Offering Memorandum.

We have adjusted the historical combined financial information to give effect to pro forma events that are:

- directly attributable to these business combinations;
- factually supportable; and
- with respect to the pro forma combined income statement, expected to have a continuing impact on our combined results following the business combinations.

The pro forma combined income statement does not reflect any operating efficiencies and cost savings or synergies that we may achieve or any additional expenses that we may incur with respect to the combined operations. The Unaudited Pro Forma Financial Information set forth in this Offering Memorandum is based on available information and certain assumptions and estimates that we believe are reasonable. The amounts shown may differ materially from the actual amounts that would have been achieved had the events above occurred on the dates indicated.

The details of the purchase consideration and purchase price allocation to net identifiable assets acquired and goodwill used in the pro forma financial information are set out in Note 27 of the 2016 Audited Consolidated Financial Statements.

Pro Forma Income Statement Information

Pro Forma Period Ended December 31, 2016

In order to provide comparisons of the years ended December 31, 2016 and 2017, the pro forma income statement information presented in this Offering Memorandum has been derived from the 2016 Audited Consolidated Financial Statements with the following adjustments: (i) the mathematical subtraction of acquisition and financing expenses associated with the HNA Acquisition of the Issuer by the Swissport Parent Entity during the period from November 4, 2015 to December 31, 2015; (ii) the mathematical addition of the results of operations of the Issuer for the month ended January 31, 2016; and (iii) the mathematical addition of the pro forma amortization, interest and tax impacts as if the HNA Acquisition had occurred on January 1, 2016, as set forth in the table below. The results of operations of the Issuer for the month ended January 31, 2016 have been derived from the internal management accounts of the Issuer and have not been audited or reviewed by any independent accounting firm. The pro forma figures for the period from January 1, 2016 to December 31, 2016 have not been audited or reviewed by any independent accounting firm.

The information provided for this period is not indicative of the results of operations that would have occurred if the acquisition of the Issuer by the Swissport Parent Entity had occurred on January 1, 2016, and is not comparable to any other annual financial information included in this Offering Memorandum.

	Swissport Parent Entity		Issuer	Swissport Parent Entity	
		Subtraction	Addition	Addition	
	November 4, 2015 to December 31, 2016[(1)]	November 4, 2015 to December 31, 2015[(2)]	January 1, 2016 to January 31, 2016	Other Pro forma Adjustments[(3)]	Pro forma January 1, 2016 to December 31, 2016
			(EUR in millions)		
Operations					
Revenue	2,384.9	—	201.9	—	2,586.8
Other operating income	84.7	—	10.2	—	94.9
Total revenue and other operating income	**2,469.6**	**—**	**212.1**	**—**	**2,681.7**
Ground handling	*2,033.2*	—	*177.5*	—	*2,210.7*
Cargo handling	*438.4*	—	*34.4*	—	*472.8*
Other	*(2.0)*	—	*0.2*	—	*(1.8)*
Goods and services purchased	(349.8)	—	(32.2)	—	(382.0)
Personnel expenses	(1,617.6)	—	(143.5)	—	(1,761.1)
Other operating expenses	(338.6)	—	(30.4)	—	(369.0)
Depreciation and impairment of property, vehicles and equipment	(51.3)	—	(4.6)	—	(55.9)
Amortization and impairment of intangible assets	(21.5)	—	(1.5)	(0.4)	(23.4)
Total operating expenses (excluding acquisition and integration costs)	**(2,378.8)**	**—**	**(212.2)**	**(0.4)**	**(2,591.4)**
Share of results of associates and joint ventures	5.1	—	0.5	—	5.6
Operating profit (before acquisition and integration costs)	**95.9**	**—**	**0.4**	**(0.4)**	**95.9**
Acquisition costs	(2.6)	2.6	—	—	0.0
Integration costs	(0.3)	—	—	—	(0.3)
Operating profit	**93.0**	**2.7**	**0.4**	**(0.4)**	**95.6**
Finance expense	(306.8)	2.7	(32.9)	(4.7)	(341.7)
Finance income	98.2	—	19.7	—	117.9
Net finance expense	**(208.6)**	**2.7**	**(13.2)**	**(4.7)**	**(223.8)**
Loss on sale of subsidiary	—	—	—	—	
Loss on disposal	—	—	—	—	
Profit/(loss) before income tax	**(115.6)**	**5.3**	**(12.8)**	**(5.1)**	**(128.2)**
Income tax (expense)/credit[(4)]	(24.8)	—	(2.4)	0.1	(27.1)
Profit/(loss) for the period	**(140.4)**	**5.3**	**(15.2)**	**(5.0)**	**(155.3)**
Attributable to:					
Owners of the parent	(160.9)	5.3	(15.9)	(5.0)	(176.5)
Non-controlling interest	20.5	—	0.7	—	21.2

(1) Figures have been extracted from the respective audited financial statements.

(2) Relates to acquisition and interest expense incurred in 2015 in connection with the HNA Acquisition and its related refinancing.

(3) Reflects the full-year impact of amortization related to intangibles acquired as part of the HNA Acquisition and the full-year impact of the interest expense on the Existing Term Loan B Facility.

(4) Swissport's average tax rate for the year ended December 31, 2016 of 25.73% was applied on the amortization of intangible assets to determine the deferred tax impact of this pro-forma adjustment. There was no deferred tax impact on the pro-forma adjustment of finance expense.

Pro Forma Cash Flow Statement Information

Pro Forma Period Ended December 31, 2016

In order to provide comparisons of the years ended December 31, 2016 and 2017, the pro forma cash flow information presented in this Offering Memorandum has been derived from the 2016 Audited Consolidated Financial Statements with the following adjustments: (i) the mathematical subtraction of cash flows associated with the acquisition of the Issuer by the Swissport Parent Entity during the period from November 4, 2015 to December 31, 2015, (ii) the mathematical addition of the cash flows of the Issuer for the month ended January 31, 2016; and (iii) the mathematical addition of the pro forma interest impacts as if the HNA Acquisition had occurred on January 1, 2016 as set forth in the table below. The cash flows of the Issuer for the month ended January 31, 2016 have been derived from the internal management accounts of the Issuer and have not been audited or reviewed by any independent accounting firm. The pro forma figures for the period from January 1, 2016 to December 31, 2016 have not been audited or reviewed by any independent accounting firm. The information provided for this period is not indicative of the cash flows that would have occurred if the acquisition of the Issuer by the Swissport Parent Entity had occurred on January 1, 2016, and is not comparable to any other annual financial information included in this Offering Memorandum.

	Swissport Parent Entity		Issuer	Swissport Parent Entity	
		Subtraction	Addition		
	November 4, 2015 to December 31, 2016[1]	November 4, 2015 to December 31, 2015	January 1, 2016 to January 31, 2016	Other Pro forma Adjustments[2]	Pro forma January 1, 2016 to December 31, 2016
			(EUR in millions)		
Total cash flow from operating activities	135.7	—	2.7	—	138.4
Total cash flow used in investing activities	(1,340.2)	—	(104.1)	—	(1,444.3)
Total cash flow from (used in) financing activities	1,340.1	—	(28.0)	(4.7)	1,307.4
Net increase/(decrease) in cash and cash equivalents	**135.6**	**—**	**(129.4)**	**(4.7)**	**1.5**

(1) Figures have been extracted from the respective audited financial statements.

(2) Pro forma interest impact as if the HNA Acquisition had occurred on January 1, 2016.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following information should be read together with our selected consolidated financial and other information and the Consolidated Financial Statements and the notes thereto included in this Offering Memorandum. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this Offering Memorandum particularly in the sections entitled "Risk factors" and "Forward-looking statements".

The Indentures governing the Notes permits the Group to present the consolidated financial statements of the Swissport Parent Entity in lieu of the consolidated financial statements of the Parent Guarantor or the Issuer. However, if the Group presents the consolidated financial statements of the Swissport Parent Entity in lieu of those for the Parent Guarantor, the Group will be required to provide a reasonably detailed description of material differences between the consolidated financial statements of the Swissport Parent Entity and the Parent Guarantor for any period presented after the Issue Date.

With respect to our financial information as of and for the years ended December 31, 2017 and 2018 and the three months ended March 31, 2019, material differences between the consolidated financial statements of the Swissport Parent Entity and the financial information of the Swissport Holding Group relate to the level of equity, intercompany loans and balances with holding companies of which the Parent Guarantor is a subsidiary, and the level of borrowings. The Parent Guarantor was incorporated on July 7, 2017 for the purpose of facilitating the issuance of the Existing Notes, as such no operating or financial reporting history exists for the Parent Guarantor prior to that date. The Swissport Parent Entity's consolidated equity as of December 31, 2017, December 31, 2018 and March 31, 2019 was €1,837.1 million, €1,875.3 million and €1,886.3 million, respectively, compared to the Parent Guarantor's standalone capital and reserves as of December 31, 2017, December 31, 2018 and March 31, 2019 of €1,346.7 million, €1,444.9 million and €1,445.9 million, respectively, as a result of higher share capital and share premium and consolidated retained results.

The Swissport Parent Entity's consolidated borrowings (excluding capitalized transaction costs) as of December 31, 2017, December 31, 2018 and March 31, 2019 were €1,295.2 million, €1,682.0 million and €2,160.6 million, respectively, compared to the Swissport Holding Group's borrowings (excluding capitalized transaction costs) as of December 31, 2017, December 31, 2018 and March 31, 2019 of €1,242.8 million, €1,473.2 million and €1,946.6 million as a result of the 2015 Stub Notes and the Existing Note Purchase Agreement. Other than the items described above, there were no material differences between the consolidated financial statements of the Swissport Parent Entity and the Swissport Holding Group in the period under review.

Unless the context indicates otherwise, in this "Management's Discussion and Analysis of Financial Condition and Results of Operations", references to "we", "us", "our" or the "Group" refer to Swissport.

Overview

We are the world's leading independent provider of ground and cargo handling services to the aviation industry based on revenue and number of airports served. In 2018, we were the number one provider of ground and cargo handling services by revenue with an estimated 13% of the total global ground and cargo handling market accessible by independent ground and cargo handlers, which is significantly larger than the market share of our nearest competitor (*Source: Roland Berger Report*). We offer our customers a full range of ground and cargo handling services, which by their nature are mission-critical elements of our customers' own businesses. We aim to provide, as we already do in some airports, a full one-stop shop range of services. Our personnel can be found throughout the airports where we operate, both in passenger-facing roles, such as counter check-in, gate check-in and boarding, security screening and lounge services, and in logistical roles, such as baggage handling, ramp handling, aircraft maintenance, de-icing, cargo office and warehousing and fueling. As of March 31, 2019, we had over 3,700 individual contracts and provided ground handling and cargo services at 310 airports in 49 countries across six continents. We serve a broad and diversified customer base, which includes over 850 customers, of which approximately 63% are airline and approximately 37% are non-airline customers, such as airports and freight-forwarders. For the last twelve months ended March 31, 2019, our total revenue and other operating income was €3,059.7 million and our Operating EBITDA and Operating EBITDA (IFRS 16 Adjusted) were €317.3 million and €281.6 million, respectively. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Comparability—IFRS 16 (Leases)*". As of March 31, 2019, we had approximately 66,000 employees.

For operating and reporting purposes, we group the services we provide in the following segments:

- *Ground handling*. Our ground handling services include core services, such as ramp and passenger handling and baggage services, as well as higher value-add and higher yielding services, such as gate and check-in operations, airport management and control, crew administration, cabin cleaning and de/anti-icing. Ground handling also includes complementary specialty services, such as fueling, aviation security, lounge operations, aircraft maintenance, executive aviation and aviation passenger transport. In 2018, we provided ground handling services for over 285 million passengers on approximately 4.3 million flight movements. During the last twelve months ended March 31, 2019, ground handling operations contributed 81.4% and 67.1% to our total revenue and other operating income and our Operating EBITDA, respectively.

- *Cargo handling*. Our cargo handling services include physical import and export handling of freight, warehousing and storage of cargo, document handling, trucking, mail handling and e-freight services. In 2018, our cargo handling segment handled approximately 4.8 million metric tons of cargo. During the last twelve months ended March 31, 2019, cargo handling operations contributed 18.7% and 32.3% to our total revenue and other operating income and our Operating EBITDA, respectively.

As of March 31, 2019, we had operations across six continents, spanning 79 airports in Europe, 98 airports in North America, 31 airports in South America, 58 airports in the Middle East and Africa and 44 airports in the Asia-Pacific region. By number of airports serviced, we are ranked number one in Europe and the Middle East, Africa, Latin America and Asia-Pacific, and number three in North America amongst four similarly sized providers (*Source: Roland Berger Report*). We operate at some of the busiest airports in the world, including Chicago O'Hare International Airport, Tokyo Haneda Airport, Dallas/Fort Worth International Airport and Hartsfield-Jackson Atlanta International Airport. For the last twelve months ended March 31, 2019, our top ten airports accounted for 34.2% of our total revenue and other operating income. For the last twelve months ended March 31, 2019, our operations in Europe, the Middle East and Africa accounted for 55.4% of our total revenue and other operating income, with North American and Latin American operations and Asia-Pacific operations respectively accounting for 35.4% and 9.2% of our total revenue and other operating income.

Our integrated service offerings and global presence allow us to offer a comprehensive range and consistent quality of services across all the regions in which we operate. We offer a full suite of ground and cargo handling services, as well as more customized services for customers, such as low-cost carriers. Our services are complemented by sophisticated hub management capabilities, which allow us to respond to outsourcing by airlines at their home bases. Our services are designed to meet our customers' needs on both a local and global scale throughout our network. In addition, we are flexible to our customers' needs and to changes in the aviation landscape. We believe that we are consistently at the forefront of technological advancements in our industry. For example, we were one of the first independent global aviation service providers to offer web check-in, mobile check-in, real-time operations labor management, advanced integrated security procedures and various other innovative aviation services.

Our more than 850 customers are major full-service airlines, regional air carriers, low-cost carriers, air cargo carriers, freight forwarders and airports. We have a long service history and established contractual agreements in place with many of our key customers, including Swiss International Air Lines, United Airlines, Ryanair, Lufthansa, easyJet, Finnair, Qatar Airways, Delta Air Lines, Brussels Airlines, American Airlines, Emirates and KLM Royal Dutch Airlines. For the last twelve months ended March 31, 2019, our top ten customers represented 30% of our consolidated annual revenue and accounted for 11.3% of our more than 3,700 individual contracts. All of our top ten customers have been customers for over ten years, and some customers, such as Swiss International Airlines and Lufthansa, have been Swissport's customers since we were founded.

We believe that our strong reputation and loyal customer base have been achieved because of our global presence, integrated service offerings, consistency of service delivery across geographies and local management expertise. Because of our global presence, we are able to utilize best practices from each of the regions in which we operate in order to deliver service that consistently applies Swissport quality across all of our global locations. Our local management expertise allows us to apply our global and integrated services and key performance indicators ("**KPIs**") in a manner that is specifically tailored to the needs of our customers in each of those regions. This local expertise also allows us to respond quickly to changes in local market conditions and adapt our business accordingly. We believe that our global presence, integrated service offerings, consistent service quality and local management expertise aid us in attracting and maintaining a strong and loyal customer base.

Key Factors Affecting Our Results of Operations

Below are certain key factors that have historically had the greatest effect on our results of operations, and which may impact our results of operations in the future.

Aircraft Turnarounds

As core part of our operations, we provide ground handling services, including our services of ramp and passenger handling and baggage services. As of March 31, 2019, we provided ground handling services at 231 airports in 38 countries across six continents. In 2018, we provided ground handling services for approximately 285 million passengers on approximately 4.3 million flight movements, with each movement representing a take-off or landing of a flight. Most of the revenue generated by our ground handling business is driven by the number of aircraft turnarounds or movements, that is, the frequency of aircraft take-offs and landings at an airport. The importance of the number of aircraft turnarounds, rather than the number of passengers on an aircraft, marks a key distinction for our business as compared to the airline industry in general, which relies on passenger volumes as well as seat load factors and booking class mix. Our ground handling segment represented 81.6% and 81.2% of our total revenue and other operating income in the three months ended March 31, 2019 and the year ended December 31, 2018, respectively, and, consequently, any fluctuation in global aircraft turnarounds will have a significant effect on our results of operations.

Aircraft movements, which are more insulated from changes in GDP than passenger volumes, are forecasted to follow an upward trend in the coming years. Global demand for passenger travel is increasing and is expected to continue to increase at a CAGR of around 4.3% until 2023 (*Source: Roland Berger Report*). Additionally, the number of passengers per aircraft is expected to increase more modestly than in the past, based on slight increase of the share of large and wide-body aircraft in airline fleets (from 19% of 2018 global fleet to expected 20% of 2038 fleet (*Source: Boeing, Current Market Outlook 2019-2038*)) and due to the reaching of ceiling for load factors across most regions (around 80% as of today) (*Source: Roland Berger Report*). As a result, turnaround volume is expected to grow by 2.4% per annum over the period from 2018 to 2023 (*Source: Roland Berger Report*). This is expected to place more pressure on efficient turnarounds and drive continued growth in ground handling services, with forecasted annual growth in market value during the period from 2018 to 2028 expected to be 3.7% for the ground handling market (*Source: Roland Berger Report*). See "*Industry Overview—Aviation Handling Market Dynamics—Ground Handling*". We believe we are well positioned to capitalize on this expected market growth, both at a global and regional level, due to the global reach of our business operations and our extensive network of relationships with carriers and airports.

Trade Flows

As a cargo handling service provider, we provide cargo handling services, including physical import and export handling of freight, warehousing and storage of cargo, document handling, trucking, mail handling and e-freight services. In 2018, our cargo handling segment handled approximately 4.8 million metric tons of cargo. Most of the revenue generated by our cargo handling business is driven by the tonnage of cargo serviced, which is dependent on global trade flows. Certain factors, such as the ongoing trade tensions between the United States and China and imposition of tariffs have a direct negative impact on the volumes of global trade flows and may add cost pressures on the logistics and aviation industry. For details on some other factors, see "*—General Macroeconomic Conditions*". Our cargo handling segment represented 18.5% and 18.9% of our total revenue and other operating income in the three months ended March 31, 2019 and the year ended December 31, 2018, respectively, and, consequently, fluctuations in air cargo volumes and global trade flows in general could have a significant effect on our results of operations.

In general, air cargo volumes are expected to increase at a CAGR of 2.4% until 2023 (*Source: Roland Berger Report*). This growth is driven by favorable economic conditions, including GDP growth and global trade growth notably driven by e-commerce. Additional long-term growth drivers of cargo volumes are continued globalization and the growth of e-commerce, which are expected to increase the level of cargo shipment by air and consequently, benefit the cargo handling segment. As a result, the market value of the accessible air cargo handling industry is expected to increase at a CAGR of 3.5% between 2018 and 2023 (*Source: Roland Berger Report*). See "*Industry Overview—Aviation Handling Market Dynamics—Cargo Handling*".

General Macroeconomic Conditions

Demand for our services is dependent on global macroeconomic conditions, as well as on economic factors affecting each of the regions and countries where we operate. Economic conditions and trends affect the aviation industry generally and can impact the amount of air travel for business and leisure as well as the volume of goods shipped by air. For example, the global economic crisis in 2008 and 2009 had a negative impact on the aviation industry and on our operations. Not all geographic areas suffered to the same degree during the global economic crisis. The mix of countries in our operating portfolio affects the extent of our exposure to regional economic developments. For instance, certain emerging markets performed better overall and appeared to recover more quickly than more developed markets. Other emerging markets, such as Brazil, have only recently recovered from a lengthy period of economic contraction. Our globally diversified presence, which includes operations in a variety of developed markets in Europe, Asia and North America as well as emerging markets in South America, Africa and the Middle East, helped mitigate some of the effects of the global economic crisis on our operations.

Economic conditions have a direct effect on passenger numbers, with more passengers inclined to travel by air during periods of economic growth than during periods of economic contractions. However, aircraft turnaround volumes tend to be more resilient to downturns in the economy than passenger volumes, primarily because airlines are often reluctant to cancel routes (which may sometimes result in the forfeiture of gate space), and may, instead, utilize smaller aircraft to adapt to lower passenger volume. Although aircraft movements have historically been the primary driver of our ground handling business, some of our revenue streams, such as passenger handling including check-in activity, are directly linked to passenger volumes, which can consequently have an impact on our results of operations if passenger volumes decrease and we are not able to take appropriate downsizing measures.

In contrast with aircraft movements, cargo volumes closely follow economic cycles and changes in world trade. When economic activity is stagnant or contracting, manufacturers worldwide tend to export fewer goods, reducing demand for international air cargo services. Furthermore, trade flows and cargo volumes are also significantly influenced by government policies, mandates, regulations, and trade agreements. Governmental policies and actions, such as taxes, tariffs, duties, price controls, subsidies, incentives, foreign exchange rates, and import and export restrictions, influence the volume of production and the volume and types of imports and exports, as further described in "*Risk Factors—An increase in trade barriers, tariffs and trade tensions may adversely affect our operations*".

Changes in cargo volumes have historically shown an early cycle recovery, largely because air cargo is primarily comprised of finished products that businesses need to restock at the early stage of their inventory cycles. Passenger growth, which has an indirect effect on ground handling activity through airlines' management of flight numbers and routes, exhibits later cycle recovery, as it generally recovers following improved economic sentiment and consumer confidence.

Our results of operations can also be affected by disruptive events that have a negative impact on the aviation industry, ranging from terrorist attacks, such as the attacks at Brussels Airport in March 2016, to natural disasters and other phenomena like volcanic ash clouds, floods and forest fires, to epidemics, such as SARS and swine flu, to employment issues, including airport and air traffic personnel strikes. As our results of operations are highly correlated to the state of the aviation industry, any negative impact on the aviation industry caused by these events can adversely affect our business. See "*—Industry Trends*".

Industry Trends

Outsourcing

Outsourcing of ground handling and cargo handling services has played an important role in the aviation services industry in recent years. Major international airlines have traditionally serviced their own ground handling and cargo handling operations. Recent data, however, shows that more airlines are outsourcing these operations (*Source: Roland Berger Report*).

Ground and cargo handling services are generally considered to be non-core functions of airline carriers, particularly outside of their respective home bases. A carrier servicing its own ground handling operations needs to purchase or lease expensive equipment, such as push back tractors and loading lifts, that may lay redundant between that carrier's flights, resulting in under-utilization and unnecessary costs. Many airlines have sought to reduce these costs and focus on their core business of passenger transportation, thereby increasing their productivity and efficiency. Some of these airlines have outsourced their handling needs to third-party handlers, like us, that provide more efficient and less expensive alternatives because such third-party carriers are able to fully utilize their equipment to service several airlines operating at the same airport. We believe that the overall outsourcing rate may tend to increase during periods of economic downturn, as airlines are pressured to implement cost or deficit reduction plans that often include the outsourcing of their own ground handling and cargo handling activities to third parties.

According to the Roland Berger Report, the global outsourcing rate, or the percentage of the global market by value that is serviced by independent operators, for ground handling is expected to increase at a CAGR of 1.5% until 2023. For cargo handling, the outsourcing rate was higher in more mature regions than in emerging markets. Globally, outsourcing is expected to slightly increase by 0.5% per annum over the 2018–2023 period. In Europe and North America, further outsourcing potential appears limited with respectively 0.3% and 0.2% per annum as most legacy carriers are expected to keep self-handling in their hubs—reaching approximately 75% in 2023 in Europe and 71% in North America. The expected increase in the share of the outsourced market is supported by the steady growth of low-cost carriers, which tend to fully outsource their handling needs. See "*Industry Overview—Aviation Handling Market Dynamics*".

We believe we are well positioned to capitalize on this outsourcing trend because of our ability to provide our current and potential customers with a global array of services combined with our local market expertise and knowledge in many of the regions in which they operate. These services are complemented by sophisticated hub management capabilities, which allow us to respond to airlines outsourcing at their home bases. Further, we believe we are well positioned to take advantage of the growth of low-cost carriers, some of which are among our largest customers.

Deregulation in the Aviation Industry and Greenfield Developments

In addition to outsourcing by airline carriers, the market for ground and cargo handling services has also increased in recent years in part because of deregulation by governments and airports in certain countries. Deregulation is associated with a decrease in the number of airlines and airports that service their own handling needs internally and with a corresponding increase in the availability of licenses for independent handlers. As a result, deregulation within the aviation industry has opened up new markets for aviation service providers. In the past few years, this trend resulted in increased opportunities for expanding our network through investments in greenfield developments. Specifically, in 2016 and 2017, we invested in two greenfield developments in Saudi Arabia and Oman. We started operations in Saudi Arabia on June 2016 after having been awarded licenses from Jazeera Airways and Gulf Air at Jeddah, Riyadh and Dammam international airports. In Oman, we were awarded a ten-year ground handling license in June 2016 and began our operations in April 2017. The entry into Oman was made possible because of a decision by local authorities to initiate a tender process for a license to operate at Muscat International Airport, which had previously been dominated by the state-owned carrier's own ground handling operation.

In the short term, a greenfield development typically has a negative impact on our results of operations, as it involves large start-up costs, which include expenses associated with planning, the tender process for licenses, bidding for customer contracts and the leasing of ground support equipment and warehouse space. Our greenfield developments can take several years to reach our targeted revenue generation while we build up our business in that market. We regularly monitor costs and revenue projections in our development projects, including greenfield developments.

In the long term, we believe greenfield developments provide a significant opportunity to expand our business into growth markets and have the potential to increase our profitability over time. We believe that we are well positioned to take advantage of deregulation in the new markets because many of our customers already operate in those markets and we believe that our relationships with those customer will allow us to follow them into these new markets.

Strategic Projects and Efficiency and Cost Measures

One of the key parts of our strategy is to improve our infrastructure and cost base across the globe, see "*Business—Our Strategy—Improve infrastructure and cost base across the globe*". As part of this strategy we have in recent periods engaged, and may in the future engage, in various strategic projects, efficiency measures and rationalization programs. In 2015, we commenced a wide-ranging redesign and reorganization of our IT infrastructure, for more information see "*Business—Information Technology*". These activities were the key driving factor for increases in our integration costs, which increased from €0.3 million to €5.9 million and €6.6 million for the years ended December 31, 2016, 2017 and 2018, respectively, which we classified as acquisition and integration costs. This project, which involved a large portion of our staff and impacts all our activities, has been completed in the three months ended March 31, 2019.

In 2018, we also launched a station blueprint program which is designed to introduce and implement global standard structures across our operations. Implementation of station blueprint had minor contribution to increase in our personnel expenses in 2018 and in the three months ended March 31, 2018, which increased from €1,861.6 million for the year ended December 31, 2017 to €1,952.9 million for the year ended December 31, 2018, and from €464.8 million for the three months ended March 31, 2018 to €495.6 million for the three months ended March 31, 2019. Once completed, we expect the station blueprint program to unlock synergies and eliminate redundancies on a local level, which we believe would consequently help us to improve our cost base.

Personnel Expenses

Labor Costs and Changes in Employment Laws and Regulations

Ground handling and cargo handling are relatively labor-intensive businesses. As of March 31, 2019, we had approximately 66,000 employees, and our personnel expenses (which includes wages and salary, social security costs, pension costs, staff allowance and other staff costs) accounted for 66.1% and 65.2% of our total revenue and other operating income and 68.1% and 67.9% of our total operating expenses for the three months ended March 31, 2019 and the year ended December 31, 2018, respectively. Consequently, factors affecting our labor costs have a significant direct effect on our operating results.

Changes in labor regulation in any of the jurisdictions in which we operate can have an impact on the wages we pay our employees. In certain jurisdictions, we are required by local law or regulation to increase the salaries of employees annually or from time-to-time to meet minimum wage requirements. Additionally, certain of our collective bargaining agreements require quarterly, semi-annual and annual wage increases, subject to tenure. Any increase in the aggregate amount of salaries and other staff costs results in a corresponding increase in our total operating expenses.

We are often able to pass wage increases on to our customers through automatic price increases that are built into our contracts. For example, our standard form contract includes an inflationary price mechanism tied to the consumer price index and provides for the right to amend prices in the event of changes to, or the introduction of, minimum wage mandates. We also consider future wage increases under collective bargaining agreements when pricing new contracts with customers to limit any negative impact on our results.

For the most part, we consider personnel expenses in our cargo handling and ground handling segments to be variable costs. The flexibility in our personnel costs is supported by our ability, subject to certain conditions in some jurisdictions, to transfer the employees working on a contract that is terminated to a new operator at the same airport. Our customer contracts are entered into on a station-by-station basis, allowing us the flexibility to exit a station if market conditions deteriorate. For example, in the end of 2018, we terminated our ground handling operations at Los Angeles International Airport, which had some negative impact on our personnel and equipment expenses for the year ended December 31, 2018. However, the degree to which personnel expenses are variable may be limited to the extent that we face delays or incur additional costs in reducing our headcount, which can vary depending on the jurisdiction. Certain of our employees are temporary or part-time employees, which gives us additional flexibility for managing personnel during periods of higher or lower demand.

Labor Relations

To meet the demands of our customers and provide high quality of service, we believe that it is imperative that we attract, train, motivate and retain employees in sufficient numbers and with the necessary skills and experience to execute our service offerings. To attract, retain and incentivize our employees, it is imperative that we offer a competitive wage to our employees. To this end, we have implemented a global corporate compensation and benefits policy that creates a global broad band salary system within the Group that seeks to value and accurately compensate for each job category. Nevertheless, we face competition from other companies in the airline service industry, as well as companies in other industries, in recruiting and maintaining a sufficient employee base. Some of our stations experienced a significant turnover of employees, which has a negative impact on our personnel costs. Furthermore, a generally low unemployment rate in a jurisdiction can lead to increased competition for recruiting employees and result in a higher turnover rate.

We believe that the significant resources we dedicate toward personnel expenses reflect our dedication and willingness to invest in our employees and that these efforts have resulted in a strong and loyal employee base and have put us in a favorable position with unions, as evidenced by our strong local human resources relationships and the limited occurrences of union actions. As with any major disruption to our operations, union action can have a significant impact on our results of operations, such as the July 2017 strike in Canada that lasted for 82 days, negatively impacting our cash flow from operating activities by approximately €7.0 million for the year ended December 31, 2017.

Economies of Scale and Market Position

Economies of scale are a key driver of our profit margins, as we are able to more efficiently allocate our personnel and utilize our equipment when we service multiple customers at a single airport. We are also able to more efficiently distribute our centralized costs, when we have operations at more airports. Moreover, we procure ground support equipment and uniforms for our personnel on a centralized basis and, thus, we typically can achieve better pricing based on the size of our orders.

However, our ability to take advantage of our economies of scale depends on maintaining a sizeable share of the market, which may become increasingly difficult in a more competitive environment. The market in which we operate is fragmented, which we believe gives large global operators like us a competitive advantage over smaller local operators. As customers seek to consolidate their suppliers and service providers, we believe we are well positioned for this growth opportunity because of our global scale and the consistency of our services among our many airports. Although the market is expected to continue consolidating (*Source: Roland Berger Report*), we believe we are well placed to capitalize on such competition because of our strong reputation as an independent handler as well as our global scale.

Mergers and Acquisitions

In recent years, we executed and integrated a number of acquisitions, in particular the AFS Acquisition in 2016 and the Aerocare acquisition in March 2018. We intend to continue that strategy of supporting our organic growth with further acquisitions should opportunities arise that fit our strategic goals. Such activity could significantly affect our results of operations in the future.

The financial results for the periods covered by the Consolidated Financial Statements reflect the impact of several acquisitions by the Group. Each acquisition entails additional costs, such as acquisition and integration costs, goodwill allocations, increases in revenues and financial expenses and other charges that have an impact on future reporting periods, even though they are not directly related to, or arise from, the operation of the core business activities of the reporting entities. Because of the cumulative impact of these extraneous factors, period-to-period comparisons may be less meaningful that they would have been in the absence of such acquisitions.

Our results of operations for the year ended December 31, 2016 reflect the first full-year impact of the acquisitions by the Swissport Group of: (i) a 66.7% interest in AFS, a leading aircraft fueling and airport tank storage facility management services provider in Germany (which closed on July 16, 2015) and (ii) a 51% interest in AGN, a ground handling services provider in Mexico (which closed on September 11, 2015).

In addition, our results of operations for the year ended December 31, 2018 reflect the partial-year impact of the acquisition by the Swissport Group of Aerocare which closed on March 7, 2018. Aerocare and its wholly owned subsidiaries (including Skycare, Carbridge and EasyCart) provide flight support, ground handling and bus services throughout Australia and New Zealand.

Currency Translation Effects

As of March 31, 2019, we had operations in 49 countries across six continents. As a global business, our consolidated results of operations are affected by fluctuations in foreign exchange rates. In the year ended December 31, 2018, 21.8% of our total revenue and other operating income was generated in euro, 13.8% in Swiss francs, 25.7% in U.S. dollars and 12.4% in Great British pounds sterling, with the remainder being generated in other currencies. Our exposure to foreign currency risk is predominantly translation in nature, as our subsidiary companies generally incur expenses in the same currency as their revenue, providing a natural hedge to exchange rate fluctuations. However, for purposes of the Consolidated Financial Statements, revenue generated and expenses incurred in currencies other than the euro have to be translated into euro on the basis of the average exchange rate for the relevant period. In addition, our net assets in jurisdictions other than countries utilizing the euro have been translated at the period-end exchange rate into euro.

Seasonality

Our revenue from contracts with customers is subject to seasonal fluctuations. We generally experience higher volumes in the third quarter, and some of our services, such as de-icing, are offered only during specific seasons of the year. Furthermore, our ground handling segment typically experiences increased activity each year during the summer months. Overall, our Operating EBITDA in the ground handling segment is generally higher in the second half of the year than in the first half. Our cargo handling business segment experiences increased volumes each year in the first and the fourth quarter of the year (leading up to the year-end holidays).

Factors Affecting Comparability

As a result of certain events, such as adoption of material new accounting standards and amendments or major acquisitions and disposals, year-on-year comparisons of financial results may not be fully comparable. Our revenue, operating profit and other financial results may be affected by such factors as changes in accounting standards or changes in the scope of our business between financial periods.

IFRS 16 (Leases)

We adopted IFRS 16 (*Leases*) from January 1, 2019 using the modified retrospective method, under which the cumulative effect of initially applying the standard is recognized at the date of initial application, January 1, 2019. IFRS 16 (*Leases*) removes the classification of leases as either operating or finance leases and requires substantially all leases to be recognized on a lessee's balance sheet.

In our consolidated statement of profit and loss and other comprehensive income and Operating EBITDA, this change leads to increase in reported Operating EBITDA, as operating lease payments which we previously recorded under other operating expenses, and which were reflected in Operating EBITDA, are now recorded as a split between (i) depreciation of right-of-use assets and (ii) finance expenses, to account for interest expense on such right-of-use assets, both of which are excluded from Operating EBITDA calculations.

The table below presents a summary of the changes made to our consolidated statement of profit and loss and other comprehensive income and Operating EBITDA for the three and twelve months ended March 31, 2019 due to the adoption of the IFRS 16 (*Leases*).

	Three months ended March 31, 2019			Twelve months ended March 31, 2019	
	(€ in millions)				
	As Reported(1)	IFRS 16 Adjustments	IFRS 16 Adjusted(2)	As Reported(1)	IFRS 16 Adjusted(2)
Profit or Loss:					
Total revenue and other operating income	**749.5**	**—**	**749.5**	**3,059.7**	**3,059.7**
Goods and services purchased	(104.1)	—	(104.1)	(418.4)	(418.4)
Personnel expenses	(491.9)	—	(491.9)	(1,963.4)	(1,963.4)
Other operating expenses	(74.8)	(35.7)	(110.5)	(370.9)	(406.6)
Share of results of associates and joint ventures	2.8	—	2.8	10.3	10.3
Operating EBITDA(3)	**81.5**	**(35.7)**	**45.8**	**317.3**	**281.6**
Depreciation of property, vehicles and equipment	(13.3)	—	(13.3)	(59.4)	(59.4)
Depreciation of right-of-use assets	(31.2)	29.4	(1.8)	(31.2)	(1.8)
Amortization of intangible assets	(8.1)	—	(8.1)	(32.8)	(32.8)
Acquisition and integration costs	(0.8)	—	(0.8)	(6.7)	(6.7)
Restructuring and onerous contract charge	(1.8)	—	(1.8)	(11.7)	(11.7)
Non-cash pension expenses and share-based payment transactions	(1.8)	—	(1.8)	(14.2)	(14.2)
Expenses related to equity offering	0.0	—	0.0	(1.6)	(1.6)
Operating profit/(loss)	**24.5**	**(6.3)**	**18.2**	**159.7**	**153.4**
Finance expenses	(82.2)	8.7	(73.5)	(326.0)	(317.3)
Finance income	49.0	—	49.0	190.9	190.9
Loss on disposal	—	—	—	(13.2)	(13.2)
Net result before income taxes	**(8.7)**	**2.4**	**(6.3)**	**11.4**	**13.8**
Income taxes	(7.6)	—	(7.6)	(15.2)	(15.2)
Net result for the period	**(16.3)**	**2.4**	**(13.9)**	**(3.8)**	**(1.4)**

(1) Reflecting the impact of the adoption of IFRS 16 (*Leases*), as presented in the segment information from the Interim Consolidated Financial Statements and the 2018 Audited Consolidated Financial Statements, see Notes 1.1 of the Interim Consolidated Financial Statements and the 2018 Audited Consolidated Financial Statements.

(2) Excluding the impact of IFRS 16 (*Leases*).

(3) The following is a reconciliation of Operating EBITDA to Restricted Group Operating EBITDA (IFRS 16 Adjusted) for the period presented:

	Twelve months ended March 31, 2019
	(€ in millions)
Operating EBITDA	317.3
IFRS 16 Adjustments	(35.7)
Unrestricted Subsidiaries	(8.1)
Restricted Group Operating EBITDA (IFRS 16 Adjusted)	**273.5**

The following is a reconciliation of Free Cash Flow to Free Cash Flow (IFRS 16 Adjusted) for the period presented:

	Twelve months ended March 31, 2019
	(€ in millions)
Free Cash Flow	277.4
IFRS 16 Adjustments	(35.7)
Free Cash Flow (IFRS 16 Adjusted)	**241.7**

In our consolidated statement of financial position, adoption of IFRS 16 (*Leases*) results in: (i) increase in total assets, as operating lease assets are now recognized as right-of-use assets and (ii) increase in borrowings through increase in lease liabilities to reflect our obligation to make future payments relating to those assets. This change consequently increases our consolidated net debt for the respective period.

The table below presents a summary of the changes made to our consolidated net debt for the Group and the Restricted Group as of March 31, 2019 due to the adoption of the IFRS 16 (*Leases*).

	As of March 31, 2019 (€ in millions)					
	As Reported(1)	Excluded per Covenant Definition(2)	IFRS 16 Adjustments	IFRS 16 Adjusted(3)	Other Adjustments(4)	Restricted Group
Notes(5)	680.5	—	—	680.5	(52.3)	628.2
Existing Term Loan B Facility	417.1	—	—	417.1	—	417.1
Existing Incremental Term Loan B Facility	294.5	—	—	294.5	—	294.5
Existing Note Purchase Agreement	161.6	—	—	161.6	(161.6)	0.0
Borrowings from related parties	9.7	(7.3)	—	2.4	—	2.4
Bank loans	51.7	—	—	51.7	(19.7)	32.0
Lease liabilities	509.0	—	(453.4)	55.6	(12.6)	43.0
Other local facilities	36.5	(10.5)	—	26.0	(10.4)	15.6
Borrowings(6)	**2,160.6**	**(17.8)**	**(453.4)**	**1,689.4**	**(256.6)**	**1,432.7**
Cash at bank and on hand	(137.2)	—	—	(137.2)	10.9	(126.3)
Short term bank deposits	(10.6)	—	—	(10.6)	—	(10.6)
Cash and cash equivalents	**(147.8)**	**—**	**—**	**(147.8)**	**10.9**	**(136.9)**
Net debt	**2,012.8**	**(17.8)**	**(453.4)**	**1,541.6**	**(245.7)**	**1,295.8**

(1) Reflecting the impact of the adoption of IFRS 16 (*Leases*). As presented in the Interim Consolidated Financial Statements.

(2) Excluding covenant definitions under the Existing Term Loan B Facilities and the Existing Notes.

(3) Excluding the impact of IFRS 16 (*Leases*) and exclusions per covenant definitions under the Existing Term Loan B Facilities and the Existing Notes.

(4) Consists of adjustments for the 2015 Stub Notes, the Existing Note Purchase Agreement and the Unrestricted Group.

(5) Comprised of the Existing Senior Secured Notes, 2015 Senior Secured Stub Notes, the Existing Senior Notes and 2015 Senior Stub Notes.

(6) Excluding capitalized transaction costs.

For additional details, see Note 5.1 of the Interim Consolidated Financial Statements.

Operating and Reporting Segments and Geographical Splits

The Group manages its operations on a station-by-station basis. It aggregates and reports its results by service-based segments: ground handling, cargo handling and other/eliminations, as well as by region: EMEA, AMERICAS and APAC.

Ground handling

Our ground handling segment includes core services, such as ramp and passenger handling and baggage services, as well as higher value add and more profitable services, such as lounge and ticketing operations, airport management and control, crew administration, cabin cleaning and de/anti-icing. Our ground handling segment also includes complementary specialty services, such as fueling, aircraft maintenance, executive aviation and aviation security. The following table presents certain financial information for the ground handling segment for the periods indicated.

The primary source of revenue in ground handling services is earned through contracts with passenger airlines, many of which follow the SGHA. Revenues from ground handling services are primarily derived from passenger handling, baggage handling, ramp handling, lounge services, de-icing services and cleaning services. The primary metric under our contracts used to determine revenue for ground handling services is flight volume rather than passenger volume. As a result, ground handling revenues are somewhat insulated from fluctuations in passenger volumes, although sustained significant decreases in passenger volumes generally lead to a reduced number of flights or changes to aircraft configurations that could lead to a decrease in revenues. Additionally, we seek some level of protection from flight cancellations by including in many of our contracts provisions for the payment of cancellation fees for any flight that is cancelled.

We also offer specialty services, which include fueling, aircraft line maintenance and aviation security to complement our core ground handling and cargo services. Revenues from specialty services are generally tied to fueling services, maintenance and aviation security, which includes travel document verification, access control, passenger interviewing, baggage reconciliation, aircraft guarding, cargo and hold and hand baggage screening, security training, and threat and vulnerability assessments. These services benefit from airline outsourcing, as more and more airlines are beginning to rely on external providers for ancillary services. Security services are growing with new requirements to fulfill governmental obligations on the back of recent terrorist threats, as well as the aviation industry's expansion into new destinations, primarily in emerging markets in Africa and the Middle East. The expansion of new destinations in Africa that are serviced by U.S., Canadian and European passenger airlines and cargo carriers has increased the need for well-trained security personnel.

Cargo handling

Our cargo handling segment includes physical import and export handling of freight, warehousing and storage of cargo, document handling, trucking, mail handling and e-freight services. The following table presents certain financial information for the cargo handling segment for the periods indicated.

Cargo handling revenues primarily consist of physical handling of cargo within warehouses, storage charges, documentation fees and income from labor contracts. As of March 31, 2019, we operated 115 warehouses and, in the years ended December 31, 2016, 2017 and 2018, we handled approximately 4.3 million, 4.7 million and 4.8 million metric tons of cargo, respectively.

We seek to utilize state of the art technology in our cargo handling line of operations, including Automated Dimension Scanning and Hand Held Terminals to streamline the cargo handling process. "Automated Dimension Scanning" provides a dimensioning system that captures measurements and calculates the dimensional weight of cargo items without interfering with workflow. This product automates the process of quickly and accurately gathering dimensional and chargeable weight data, which increases productivity and turnaround times for collecting and organizing cargo. "Hand Held Terminals" offer mobile software products that create real-time tracking and enhanced monitoring of our people, assets and cargo. We believe that such automation creates value by decreasing the time needed to measure cargo, thereby streamlining the cargo handling process and allowing us to handle a larger volume of cargo in a shorter period.

Other/eliminations

Our other/eliminations segment consists of our head offices results and eliminations. This segment includes other items of income and expense that are not attributable to other segments.

Geographical Splits

Starting from the year ended December 31, 2017, our geographic regions consist of: EMEA, AMERICAS, and APAC. Prior to that, our geographic regions consisted of: the United States, Switzerland, the United Kingdom and Luxembourg.

Ground handling and cargo handling services are provided in each of these geographic regions. Segment revenue is based on the geographical location of the service provided, and segment assets are based on the physical location of the assets.

Presentation of Financial Statements

Below is a brief description of certain line items from our statement of profit or loss.

Revenue from contracts with customers

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of our activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group. Revenue is recognized when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity. Services are recognized in the accounting period the services are provided, as a proportion of the stage of completion of the total services to be provided. Any estimates are based on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Other operating income

Other operating income consists of expenses recharged to customers, income from service concession arrangements, rental income, consultancy services and any other services provided to customers.

Goods and services purchased

Goods and services purchased consists of subcontracting ground and cargo handling services to third-party providers, equipment rental costs and related maintenance, product purchases (primarily de-icing fluids) and airport and concession fees.

Personnel expenses

Personnel expenses consists of salaries, social security costs, personnel insurance, bonuses, pension costs, staff allowance funds, uniforms and protective clothing costs and training costs.

Other operating expenses

Other operating expenses consists of facility rental costs, IT costs, professional fees, travel costs, insurance costs, office-related expenses, shareholder disbursements, marketing and bad debt.

Depreciation of tangible assets

Depreciation of tangible assets consists of the depreciation and impairment of property, vehicles and equipment owned or held under finance leases.

Amortization of intangible assets

Amortization of intangible assets consists of amortization and impairment of customer portfolios, licensing agreements, software and other intangible assets (including; for example, amortization and impairment related to contracts in Israel, Kenya and Tanzania under the application of IFRIC 12 (*Service Concession Arrangements*) as adopted by the EU, which is the International Financial Reporting Interpretations Committee's interpretation of certain service concession arrangements, whereby a government or other body grants contracts for the supply of public services in exchange for the construction of infrastructure), as well as impairment of goodwill.

Net finance expense

Net finance expense consists of interest expense/income, unrealized and realized foreign exchange gains and losses, guarantee fees, bank charges, net interest cost of defined benefit plans and valuation adjustments of financial assets.

Income taxes

Income taxes consist of current income taxes and deferred taxes.

Net result for the period

Net result for the period is the remaining profit or loss after consideration of income taxes, and represents the result that belongs to the shareholder(s) of Swissport, as well as to the minority shareholder(s) of direct and indirect subsidiaries of Swissport.

Results of Operations

The table below sets out our results of operations for the years ended December 31, 2016, 2017 and 2018, for the three months ended March 31, 2018 and 2019 and for the twelve months ended March 31, 2019.

	Year ended December 31,				Three months ended March 31,		Twelve months ended March 31, 2019
	2016[1]	Pro Forma 2016[2]	2017	2018	2018	2019	
	(€ in millions unless otherwise indicated)						
Revenue from contracts with customers[3]	2,384.9	2,586.8	2,707.6	2,944.0	657.5	726.2	3,012.7
Other operating income	84.7	94.9	98.2	50.5	26.8	23.3	47.0
Total revenue and other operating income	**2,469.6**	**2,681.7**	**2,805.8**	**2,994.5**	**684.3**	**749.5**	**3,059.7**
Goods and services purchased	(349.8)	(382.0)	(396.2)	(415.4)	(101.1)	(104.1)	(418.4)
Personnel expenses	(1,617.6)	(1,761.1)	(1,861.6)	(1,952.9)	(464.8)	(495.6)	(1,983.7)
Other operating expenses	(338.6)	(369.0)	(381.4)	(401.0)	(97.6)	(74.7)	(378.1)
Acquisition costs	(2.6)[4]	(0.0)[4]	(7.6)	(7.4)	(5.2)	(0.7)	(2.9)
Integration costs	(0.3)[4]	(0.3)[4]	(5.9)	(6.6)	(2.9)	(0.1)	(3.8)
Depreciation of property, vehicles and equipment	(51.3)	(55.9)	(56.5)	(60.3)	(14.2)	(13.3)	(59.4)
Depreciation of right-of-use assets	—	—	—	—	—	(31.2)	(31.2)
Amortization of intangible assets	(21.5)	(23.4)	(25.1)	(30.7)	(6.0)	(8.1)	(32.8)
Total operating expenses	**(2,381.7)**[5]	**(2,591.7)**[5]	**(2,734.3)**	**(2,874.3)**	**(691.8)**	**(727.8)**	**(2,910.3)**
Share of results of associates and joint ventures	5.1	5.6	8.2	10.0	2.5	2.8	10.3
Operating profit/(loss)	**93.0**	**95.6**	**79.7**	**130.2**	**(5.0)**	**24.5**	**159.7**
Finance expense	(306.8)	(341.7)	(260.8)	(313.1)	(69.3)	(82.2)	(326.0)
Finance income	98.2	117.9	132.6	188.4	46.5	49.0	190.9
Loss on disposal	—	—	—	(13.2)	—	—	(13.2)
Net result before income taxes[6]	**(115.6)**	**(128.2)**	**(48.5)**	**(7.7)**	**(27.8)**	**(8.7)**	**11.4**
Income taxes	(24.8)	(27.1)	(14.3)	(12.4)	(4.8)	(7.6)	(15.2)
Net result for the period[7]	**(140.4)**	**(155.3)**	**(62.8)**	**(20.1)**	**(32.6)**	**(16.3)**	**(3.8)**
Other financial information[8]							
Operating EBITDA[9]	198.7	206.4	220.1	273.2	37.4	81.5	317.3
Operating EBITDA Margin[10](%)	8.0%	7.7%	7.8%	9.1%	5.5%	10.9%	10.4%

(1) The 2016 Audited Consolidated Financial Statements represent the period from November 4, 2015 (the date of incorporation of the Swissport Parent Entity) to December 31, 2016.

(2) In order to provide comparisons for the periods from January 1, 2016 to December 31, 2016 and January 1, 2017 to December 31, 2017, the unaudited pro forma condensed combined financial information for Swissport for the year ended December 31, 2016, presented in this column, unless stated otherwise, has been derived from the pro forma income statement information with certain adjustments set forth in "*Unaudited Pro Forma Financial Information*".

(3) Presented as "Revenue" in the 2016 and 2017 Audited Consolidated Financial Statements.

(4) Acquisition costs and integration costs were presented after "Operating profit/(loss)" in the year ended December 31, 2016, including the pro forma year ended December 31, 2016.

(5) Presented exclusive of acquisition and integration costs of €(2.6) million and €(0.3) million, respectively (€0.0 million and €(0.3) million on a pro forma basis, respectively) as "Total operating expenses (excluding acquisition and integration costs)" in the 2016 Audited Consolidated Financial Statements.

(6) Presented as "(Loss) / profit before income tax" in the 2016 Audited Consolidated Financial Statements.

(7) Presented as "(Loss) / profit for the period" in the 2016 Audited Consolidated Financial Statements.

(8) As adjusted information below has been derived from Appendix 1 to the 2017 Audited Consolidated Financial Statements ("*Preparation of Adjusted Condensed Consolidated Financial Information*").

(9) See reconciliation of Operating EBITDA in "*Selected Consolidated and Pro Forma Financial and Other Information—Other Financial Information*". Operating EBITDA is defined as operating profit/(loss), as presented in the consolidated statement of profit or loss, before acquisition and integration costs, depreciation, amortization, restructuring and onerous contract charge, non-cash pension expenses and other long-term employee benefits, share based payment expenses, and expenses related to equity offerings.

(10) Operating EBITDA Margin is defined as Operating EBITDA divided by total revenue and other operating income.

Three Months Ended March 31, 2018 Compared to the Three Months Ended March 31, 2019

Revenue from Contracts with Customers

Revenue from contracts with customers increased by €68.7 million, or 10.4%, to €726.2 million for the three months ended March 31, 2019 from €657.5 million for the three months ended March 31, 2018. This increase was mainly attributable to growth in revenues from our ground handling segment, particularly in APAC. The growth in APAC region was driven primarily by increase in our business volume, driven by our acquisition of Aerocare in March 2018.

Other Operating Income

Other operating income decreased by €3.5 million, or 13.1%, to €23.3 million for the three months ended March 31, 2019 from €26.8 million for the three months ended March 31, 2018. This decrease was mainly attributable to reclassifications from other operating income to revenues from contracts with customers of certain revenues in accordance with IFRS 15, which came into effect in 2018.

The table below sets out our revenue from contracts with customers and other operating income, broken down by reporting segments, for the three months ended March 31, 2018 and 2019:

	Three months ended March 31, 2019	Three months ended March 31, 2018	Change
	(€ in millions, except percentages)		
Ground handling	611.4	552.6	10.6%
Cargo handling	138.6	132.4	4.7%
Other/Eliminations	(0.5)	(0.7)	(28.6)%

Total revenue and other operating income in the ground handling segment increased by €58.8 million, or 10.6%, to €611.4 million for the three months ended March 31, 2019 from €552.6 million for the three months ended March 31, 2018. This increase was mainly attributable to our business performance in APAC, in large part driven by our acquisition of Aerocare, the general increase in the ground handling volume as well as strong performance in Germany and Switzerland.

Total revenue and other operating income in the cargo handling segment increased by €6.2 million, or 4.7%, to €138.6 million for the three months ended March 31, 2019 from €132.4 million for the three months ended March 31, 2018. This increase was mainly attributable to increase in business volume, particularly in the United States.

Total revenue and other operating income in the other/eliminations segment improved by €0.2 million, or 28.6%, to a loss of €0.5 million for the three months ended March 31, 2019 from a loss of €0.7 million for the three months ended March 31, 2018.

The table below sets out our revenue from contracts with customers and other operating income, broken down by geographic regions, for the three months ended March 31, 2018 and 2019:

	Three months ended March 31, 2019	Three months ended March 31, 2018	Change
	(€ in millions, except percentages)		
EMEA	399.2	375.9	6.2%
AMERICAS	276.4	270.0	2.4%
APAC	73.9	38.4	92.4%

Total revenue and other operating income in EMEA region increased by €23.3 million, or 6.2%, to €399.2 million for the three months ended March 31, 2019 from €375.9 million for the three months ended March 31, 2018. This increase was mainly attributable to favorable weather conditions that drove de-icing services primarily in Switzerland, Finland, and Belgium.

Total revenue and other operating income in AMERICAS region increased by €6.4 million, or 2.4%, to €276.4 million for the three months ended March 31, 2019 from €270.0 million for the three months ended March 31, 2018. This increase was mainly driven by de-icing performance in main stations across the United States as heavy winter conditions lasted for longer than usual.

Total revenue and other operating income in APAC region increased by €35.5 million, or 92.4%, to €73.9 million for the three months ended March 31, 2019 from €38.4 million for the three months ended March 31, 2018. This increase was mainly attributable to increase in our business volume, driven primarily by our acquisition of Aerocare.

Goods and Services Purchased

Goods and services purchased increased by €3.0 million, or 3.0%, to €104.1 million for the three months ended March 31, 2019 from €101.1 million for the three months ended March 31, 2018. This increase was mainly attributable to the Aerocare acquisition and our general business growth.

Personnel Expenses

Personnel expenses increased by €30.8 million, or 6.6%, to €495.6 million for the three months ended March 31, 2019 from €464.8 million for the three months ended March 31, 2018. This increase was mainly attributable to the Aerocare acquisition as well as the labor conditions in the United States.

Other Operating Expenses

Other operating expenses decreased by €22.9 million, or 23.5%, to €74.7 million for the three months ended March 31, 2019 from €97.6 million for the three months ended March 31, 2018. This decrease is mainly attributable to the effects of our adoption of IFRS 16 (*Leases*) in the three months ended March 31, 2019. For more details, see "*—Factors Affecting Comparability—IFRS 16 (Leases)*".

Acquisition Costs

Acquisition costs decreased by €4.5 million, or 86.5%, to €0.7 million for the three months ended March 31, 2019 from €5.2 million for the three months ended March 31, 2018. This decrease was mainly attributable to decrease in our acquisitions activities during the first three months of 2019, as compared to a similar period in 2018 when we incurred costs related to the Aerocare acquisition.

Integration Costs

Integration costs decreased by €2.8 million, or 96.6%, to €0.1 million for the three months ended March 31, 2019 compared to €2.9 million for the three months ended March 31, 2018. This decrease was mainly attributable to the completion of our IT transformation and outsourcing project in 2018, the costs of which were not carried into 2019. For more details on our IT transformation and outsourcing, see "*Business—Information Technology*".

Depreciation of property, vehicles and equipment

Depreciation of property, vehicles and equipment decreased by €0.9 million, or 6.3%, to €13.3 million for the three months ended March 31, 2019 from €14.2 million for the three months ended March 31, 2018. This decrease was primarily due to depreciation of right-of-use assets which amounted to €31.2 million. For more details, see "*—Factors Affecting Comparability—IFRS 16 (Leases)*".

Amortization of Intangible Assets

Amortization of intangible assets increased by €2.1 million, or 35.0%, to €8.1 million for the three months ended March 31, 2019 from €6.0 million for the three months ended March 31, 2018. This increase was mainly attributable to amortization of certain assets in connection with our acquisition of Aerocare in March 2018.

Share of Results of Associates and Joint Ventures

Share of results of associates and joint ventures increased by €0.3 million, or 12%, to €2.8 million for the three months ended March 31, 2019 from €2.5 million for the three months ended March 31, 2018. This increase was mainly attributable to an increase in the share of results that we receive from our joint ventures.

Net Finance Expense

Net finance expense increased by €10.4 million, or 45.6%, to €33.2 million for the three months ended March 31, 2019 from €22.8 million for the three months ended March 31, 2018. This increase was mainly attributable to increase in interest expenses, which increased to €43.1 million for the three months ended March 31, 2019, compared to €23.9 million for the three months ended March 31, 2018. This increase was mainly attributable to the inclusion of lease expenses as a result of our adoption of IFRS 16 (*Leases*) and the impact of interest on the Existing Incremental Term Loan B Facility and the Existing Note Purchase Agreement.

Net result before income taxes

Net result before income taxes decreased by €19.1 million, or 68.7%, to a loss of €8.7 million for the three months ended March 31, 2019, compared to a loss before income tax of €27.8 million for the three months ended March 31, 2018. This decrease was mainly attributable to the factors discussed above.

Income Taxes

Income taxes increased by €2.8 million, or 58.3%, to €7.6 million for the three months ended March 31, 2019 from €4.8 million for the three months ended March 31, 2018. This increase was mainly attributable to improved revenues as compared to the three months ended March 31, 2018 and the impact of the Aerocare acquisition.

Net Result for the Period

Net result for the period decreased by €16.3 million, or 50.0%, to a loss of €16.3 million for the three months ended March 31, 2019 from a loss of €32.6 million for the three months ended March 31, 2018. This change was mainly attributable to the factors discussed above.

Other Financial Information

Operating EBITDA increased by €44.1 million, or 117.9%, to €81.5 million for the three months ended March 31, 2019, from €37.4 million for the three months ended March 31, 2018. Operating EBITDA Margin increased to 10.9% for the three months ended March 31, 2019, compared to 5.5% for the three months ended March 31, 2018. These increases were mainly attributable to increase in total revenue from contracts with customers and our adoption of IFRS 16. For more details, see "*—Factors Affecting Comparability—IFRS 16 (Leases)*".

Year Ended December 31, 2018 Compared to the Year Ended December 31, 2017

Revenue from Contracts with Customers

Revenue from contracts with customers increased by €236.4 million, or 8.7%, to €2,944.0 million in the year ended December 31, 2018 from €2,707.6 million in the year ended December 31, 2017. This increase was mainly attributable to increased revenue in our ground handling, cargo handling, fueling, lounge services and other services (which include cleaning services, security services, executive aviation services and maintenance services). This increase, however, was partially offset by the sale of the cargo handling services in France.

Other Operating Income

Other operating income decreased by €47.7 million, or 48.6%, to €50.5 million in the year ended December 31, 2018 from €98.2 million in the year ended December 31, 2017. This decrease was mainly attributable to reclassifications of recharges of expense to customers and the sale of fuel from other operating income to revenues from contracts with customers in accordance with IFRS 15, which came into effect in 2018.

The table below sets out our revenue from contracts with customers and other operating income, broken down by reporting segments, for the years ended December 31, 2018 and 2017:

	Year ended December 31, 2018	Year ended December 31, 2017	Change
	(€ in millions, except percentages)		
Ground handling	2,431.7	2,275.9	6.8%
Cargo handling	565.0	530.6	6.5%
Other/Eliminations	(2.2)	(0.7)	214.3%

Total revenue and other operating income in the ground handling segment increased by €155.8 million, or 6.8%, to €2,431.7 million for the year ended December 31, 2018 from €2,275.9 million for the year ended December 31, 2017. This increase was mainly attributable to the Aerocare acquisition in March 2018 as well as our general business volumes in EMEA, particularly in Germany, Switzerland and Finland.

Total revenue and other operating income in the cargo handling segment increased by €34.4 million, or 6.5%, to €565.0 million for the year ended December 31, 2018 from €530.6 million for the year ended December 31, 2017. This increase was mainly attributable to our business volumes in the United States, particularly in Houston, Chicago and Newark.

Total revenue and other operating income in the other/eliminations segment decreased by €1.5 million, to a loss of €2.2 million for the year ended December 31, 2018 from a loss of €0.7 million for the year ended December 31, 2017.

The table below sets out our revenue from contracts with customers and other operating income, broken down by geographic regions, for the years ended December 31, 2018 and 2017:

	Year ended December 31, 2018	Year ended December 31, 2017	Change
	(€ in millions, except percentages)		
EMEA	1,671.4	1,602.7	4.3%
AMERICAS	1,078.0	1,112.9	(3.1)%
APAC	245.1	90.2	171.7%

Total revenue and other operating income in EMEA region increased by €68.7 million, or 4.3%, to €1,671.4 million for the year ended December 31, 2018 from €1,602.7 million for the year ended December 31, 2017. This increase was mainly attributable to our performance in cargo handling in Germany, the United Kingdom, Ireland and Finland as well as our performance in ground handling in Saudi Arabia, Switzerland and Germany.

Total revenue and other operating income in AMERICAS region decreased by €34.9 million, or 3.1%, to €1,078.0 million for the year ended December 31, 2018 from €1,112.9 million for the year ended December 31, 2017. This decrease was mainly attributable to a decrease in volumes in the United States driven by our exit from ground handling operations at Los Angeles International Airport, which was partially offset by increase in volumes in our lounge services.

Total revenue and other operating income in APAC region increased by €154.9 million, or 171.7%, to €245.1 million for the year ended December 31, 2018 from €90.2 million for the year ended December 31, 2017. This increase was mainly attributable to increase in our business volume, driven by the Aerocare acquisition in March 2018.

Goods and Services Purchased

Goods and services purchased increased by €19.2 million, or 4.8%, to €415.4 million in the year ended December 31, 2018 from €396.2 million in the year ended December 31, 2017. This increase was mainly attributable to increases in lease expenses, material and concession fees.

For the year ended December 31, 2018, goods and services purchased consisted of: (i) services, which amounted to €141.6 million, as compared to €144.0 million for the year ended December 31, 2017, (ii) maintenance of equipment, which amounted to €116.7 million, as compared to €103.8 million for the year ended December 31, 2017, (iii) lease expenses, which amounted to €55.6 million as compared to €52.4 million for the year ended December 31, 2017, (iv) material, which amounted to €61.4 million as compared to €57.6 million for the year ended December 31, 2017, (v) airport fees, which amounted to €19.5 million as compared to €19.9 million for the year ended December 31, 2017 and (vi) concession fees, which amounted to €20.6 million as compared to €18.5 million for the year ended December 31, 2017.

Personnel Expenses

Personnel expenses increased by €91.3 million, or 4.9%, to €1,952.9 million in the year ended December 31, 2018 from €1,861.6 million in the year ended December 31, 2017. This increase was mainly attributable to an increase in wages and salaries and pension costs, which was partially offset by a decrease in share-based payment transactions.

Other Operating Expenses

Other operating expenses increased by €19.6 million, or 5.1%, to €401.0 million in the year ended December 31, 2018 from €381.4 million in the year ended December 31, 2017. This increase is mainly attributable to an increase in rent and building occupancy, third-party workforce and professional services expenses, partially offset by a reduction in IT and other expenses.

In the year ended December 31, 2018, other operating expenses consisted of: (i) rent and building occupancy, which amounted to €176.8 million, as compared to €165.0 million for the year ended December 31, 2017, (ii) IT, which amounted to €54.0 million, as compared to €59.8 million for the year ended December 31, 2017, (iii) third-party workforce, which amounted to €61.1 million, as compared to €57.6 million for the year ended December 31, 2017, (iv) professional services, which amounted to €32.4 million, as compared to €21.6 million for the year ended December 31, 2017, (v) insurance costs, which amounted to €25.5 million, as compared to €25.0 million for the year ended December 31, 2017, (vi) travel costs, which amounted to €18.7 million, as compared to €18.4 million for the year ended December 31, 2017, (vii) office costs, which amounted to €12.6 million, as compared to €11.6 million for the year ended December 31, 2017 and (viii) other costs, which amounted to €19.9 million, as compared to €22.4 million for the year ended December 31, 2017.

Acquisition Costs

Acquisition costs decreased by €0.2 million, or 2.6%, to €7.4 million in the year ended December 31, 2018 compared to €7.6 million in the year ended December 31, 2017. This decrease was largely in line with acquisition costs incurred in the year ended December 31, 2017 and primarily relates to the Aerocare acquisition.

Integration Costs

Integration costs increased by €0.7 million, or 11.9%, to €6.6 million in the year ended December 31, 2018 compared to €5.9 million in the year ended December 31, 2017. This increase was mainly attributable to increased IT costs incurred in connection with an IT integration project, as well as an increase in staff and costs of uniforms. For more details on our IT transformation and outsourcing, see "*Business—Information Technology*".

Depreciation of property, vehicles and equipment

Depreciation of tangible assets increased by €3.8 million, or 6.7%, to €60.3 million in the year ended December 31, 2018 from €56.5 million in the year ended December 31, 2017. This increase was primarily due to increased property and leasehold improvements and vehicles, equipment and advance payments.

Amortization of Intangible Assets

Amortization of intangible assets increased by €5.6 million, or 22.3%, to €30.7 million in the year ended December 31, 2018 from €25.1 million in the year ended December 31, 2017. This increase was mainly attributable to increase in value of our customer portfolio driven by the Aerocare acquisition.

Share of Results of Associates and Joint Ventures

Share of results of associates and joint ventures increased by €1.8 million, or 22.0%, to €10.0 million in the year ended December 31, 2018 from €8.2 million in the year ended December 31, 2017. This increase was attributable to an increase in the share of results that we receive from our joint ventures and the positive translation effect of the results of certain of our associates, partially offset by an increase in dividend expenses relating to our joint ventures.

Net Finance Expense

Net finance expense decreased by €3.5 million, or 2.7%, to €124.7 million in the year ended December 31, 2018 from €128.2 million in the year ended December 31, 2017. This decrease was mainly attributable to an increase in finance income resulting from higher interest income and unrealized foreign exchange rate gains, partially offset by an increase in interest expense.

In the year ended December 31, 2018, net finance expense consisted of €126.4 million of interest expenses, compared to €120.3 million in the year ended December 31, 2017. This increase was mainly attributable to accrued interest under the Existing Term Loan B Facility.

Net Result before Income Taxes

Loss before income taxes decreased by €40.8 million, or 84.1%, to a loss of €7.7 million in the year ended December 31, 2018, compared to a loss of €48.5 million in the year ended December 31, 2017. This decrease was mainly attributable to the factors discussed above.

Income Taxes

Income taxes decreased by €1.9 million, or 13.3%, to €12.4 million in the year ended December 31, 2018 from €14.3 million in the year ended December 31, 2017. This decrease was mainly attributable to a decrease in the income tax rate to 21.95% in the year ended December 31, 2018, compared to 24.86% in the year ended December 31, 2017.

Net Result for the Period

Net result for the period decreased by €42.7 million, or 68.0%, to a loss of €20.1 million in the year ended December 31, 2018 from a loss of €62.8 million in the year ended December 31, 2017. This decrease was mainly attributable to the factors discussed above.

Other Financial Information

Operating EBITDA increased by €53.1 million, or 24.1%, to €273.2 million in the year ended December 31, 2018, from €220.1 million in the year ended December 31, 2017. Operating EBITDA Margin increased to 9.1% in the year ended December 31, 2018, compared to 7.8% in the year ended December 31, 2017. These increases were mainly attributable to an increase in total revenue from contracts with customers and other operating income, as well as a reduction of goods and services purchased and personnel expenses.

Year ended December 31, 2017 Compared to the Period from November 4, 2015 to December 31, 2016 and Pro Forma Year Ended December 31, 2016

In order to provide a comparison with 12-months of our operating results for the years ended December 31, 2016 and 2017, the discussion in the section below is based on the Unaudited Pro Forma Financial Information, which has been derived from the pro forma income statement information with certain adjustments set forth in "Unaudited Pro Forma Financial Information".

Revenue from Contracts with Customers

Revenue from contracts with customers increased by €322.7 million, or 13.5%, to €2,707.6 million for the year ended December 31, 2017 from €2,384.9 million for the period from November 4, 2015 to December 31, 2016.

On a pro forma basis, revenue from contracts with customers increased by €120.8 million, or 4.7%, to €2,707.6 million for the year ended December 31, 2017 from €2,586.8 million for the pro forma year ended December 31, 2016. This increase was mainly attributable to higher cargo volumes across the network, the gain of the ex-Aviator ground handling business in the United Kingdom after their exit from most of this market, a sizeable revenue expansion in Japan, volume growth in the ground handling business in Europe, the acquisition of Skylink in the Netherlands, additional ground handling business in Canada and the start-ups in Saudi Arabia and Ghana. These revenue increases were partially offset by our exit from London Heathrow's Terminal 4 in late 2016, the termination of the loss-making Frontier contract in Denver in September 2016 and volume reduction in some larger stations in the United States.

Other Operating Income

Other operating income increased by €13.5 million, or 15.9%, to €98.2 million for the year ended December 31, 2017 from €84.7 million for the period from November 4, 2015 to December 31, 2016.

On a pro forma basis, other operating income increased by €3.3 million, or 3.5%, to €98.2 million for the year ended December 31, 2017 from €94.9 million for the pro forma year ended December 31, 2016. This increase was mainly attributable to an increase in concession and rental, recharges of expenses to customers, sale of fuel, management and trademark fee, and other income.

The table below sets out our revenue from contracts with customers and other operating income, broken down by reporting segments, for the years ended December 31, 2017 and 2016:

	Year ended December 31, 2017	**Year ended December 31, 2016[(1)]**	**Year ended December 31, 2016[(2)]**
	(€ in millions, except percentages)		
Ground handling	2,275.9	2,033.2	2,192.1
Cargo handling	530.6	438.4	491.4
Other/Eliminations	(0.7)	(2.0)	(1.8)

(1) As presented in the 2016 Consolidated Financial Statements. For the year ended December 31, 2016, as presented in the pro forma income statement information with certain adjustments set forth in "*Unaudited Pro Forma Financial Information*" total revenue and other operating income for the ground handling segment, cargo handling segment and other/eliminations segment was €2,210.7 million, €472.8 million and a loss of €1.8 million, respectively.

(2) As restated in 2017 to reflect the changes in the composition of Swissport's reporting segments in the year ended December 31, 2017.

Total revenue and other operating income in the ground handling segment increased by €242.7 million, or 11.9%, to €2,275.9 million for the year ended December 31, 2017 from €2,033.2 million (€2,210.7 million on a pro forma basis) for the period from November 4, 2015 to December 31, 2016.

Total revenue and other operating income in the ground handling segment increased by €83.8 million, or 3.8%, to €2,275.9 million for the year ended December 31, 2017 from €2,192.1 million for the year ended December 31, 2016 (as presented in 2017). This increase was mainly attributable to strong growth in Europe, especially in the United Kingdom, Cyprus, Bulgaria and Belgium, and the Middle East with its operations in Saudi Arabia. This increase was largely offset by North America due to the termination of the loss-making Frontier contract in Denver and volume reductions in larger stations.

Total revenue and other operating income in the cargo handling segment increased by €92.2 million, or 17.4%, to €530.6 million for the year ended December 31, 2017 from €438.4 million (€472.8 million on a pro forma basis) for the period from November 4, 2015 to December 31, 2016.

Total revenue and other operating income in the cargo handling segment increased by €39.2 million, or 7.9%, to €530.6 million for the year ended December 31, 2017 from €491.4 million for the year ended December 31, 2016 (as presented in 2017). This increase was mainly attributable to an increase in cargo volumes with significant growth in Europe, where nearly all countries exceeded their 2016 volumes and where we successfully completed the acquisition of Skylink in the Netherlands in 2016.

Total revenue and other operating income in the other/eliminations segment improved by €1.3 million, to a loss of €0.7 million for the year ended December 31, 2017 from a loss of €2.0 million (€1.8 million on a pro forma basis) for the period from November 4, 2015 to December 31, 2016.

Total revenue and other operating income in the other/eliminations segment improved by €1.1 million, to a loss of €0.7 million for the year ended December 31, 2017 from a loss of €1.8 million for the year ended December 31, 2016 (as presented in 2017).

The table below sets out our revenue from contracts with customers and other operating income, broken down by geographic regions, for the years ended December 31, 2017 and 2016:

	Year ended December 31, 2017	Year ended December 31, 2016[(1)]	Change
	(€ in millions, except percentages)		
EMEA	1,602.7	1,403.2	14.2%
AMERICAS	1,112.9	993.9	12.0%
APAC	90.2	72.5	24.4%

(1) As presented in the 2017 Audited Consolidated Financial Statements, reflecting the change in regional reporting in the year ended December 31, 2017. This segment information is derived from Note 1.1 to the 2017 Audited Consolidated Financial Statements ("*Preparation of Adjusted Condensed Consolidated Financial Information*").

Total revenue and other operating income in EMEA region increased by €199.5 million, or 14.2%, to €1,602.7 million for the year ended December 31, 2017 from €1,403.2 million for the year ended December 31, 2016. This increase was mainly attributable to strong business volumes in the United Kingdom, initiation of operations in Oman and Saudi Arabia as well as the significant growth in Belgium, Finland and Switzerland.

Total revenue and other operating income in AMERICAS region increased by €119.0 million, or 12.0%, to €1,112.9 million for the year ended December 31, 2017 from €993.9 million for the year ended December 31, 2016. This increase was mainly attributable to termination of certain loss making contracts, which had a positive impact in the course of the year ended December 31, 2017 and the upward air cargo volumes have supported the strong performance.

Total revenue and other operating income in APAC region increased by €17.7 million, or 24.4%, to €90.2 million for the year ended December 31, 2017 from €72.5 million for the year ended December 31, 2016. This increase was mainly attributable to expansion of our services in various stations in Japan, especially in Tokyo.

Goods and Services Purchased

Goods and services purchased increased by €46.4 million, or 13.3%, to €396.2 million for the year ended December 31, 2017 from €349.8 million for the period from November 4, 2015 to December 31, 2016.

On a pro forma basis, goods and services purchased increased by €14.2 million, or 3.7%, to €396.2 million for the year ended December 31, 2017 from €382.0 million for the pro forma year ended December 31, 2016. This increase was mainly attributable to increase in material costs, operating lease of ground support equipment and subcontracted cargo handling in the United Kingdom.

For the year ended December 31, 2017 and 2016, goods and services purchased consisted primarily of expenses for services and maintenance of equipment as well as lease expenses, material expenses, airport and concession fees. For further details, see Note 1.3 to the 2017 Audited Consolidated Financial Statements.

Personnel Expenses

Personnel expenses increased by €244.0 million, or 15.1%, to €1,861.6 million for the year ended December 31, 2017 from €1,617.6 million for the period from November 4, 2015 to December 31, 2016.

On a pro forma basis, personnel expenses increased by €100.5 million, or 5.7%, to €1,861.6 million for the year ended December 31, 2017 from €1,761.1 million for the pro forma year ended December 31, 2016. This increase was mainly attributable to the strengthening of certain central functions, increased staff costs to handle the increased cargo volumes, mandatory salary increases, the start of operations in Saudi Arabia and Ghana and expenses related to productivity issues at certain airports. The increase was in part also driven by acquisition of Skylink in the Netherlands.

Other Operating Expenses

Other operating expenses increased by €42.8 million, or 12.6%, to €381.4 million for the year ended December 31, 2017 from €338.6 million for the period from November 4, 2015 to December 31, 2016.

On a pro forma basis, other operating expenses increased by €12.4 million, or 3.4%, to €381.4 million for the year ended December 31, 2017 from €369.0 million for the pro forma year ended December 31, 2016. This increase was mainly attributable to higher property costs, third-party workforce and travel costs, the greenfield development activities in Saudi Arabia and Ghana, the acquisition of Skylink in the Netherlands and new warehouses in the United States and Japan. This increase was partially offset by the discontinuation of our operations at Terminal 4 at London's Heathrow Airport.

For the year ended December 31, 2017 and 2016, other operating expenses consisted primarily of expenses for rent and building occupancy, information technology and third party workforce as well as insurance, travel and office costs, among others. For further details, see Note 1.3 to the 2017 Audited Consolidated Financial Statements.

Acquisition Costs

Acquisition costs increased by €5.0 million, or 192.3%, to €7.6 million for the year ended December 31, 2017, compared to €2.6 million for the period from November 4, 2015 to December 31, 2016 (same as for the pro forma year ended December 31, 2016). This increase was mainly attributable to transaction costs in 2017 in connection with the acquisition of Aerocare.

Integration Costs

Integration costs increased by €5.6 million, or 1,866.7%, to €5.9 million for the year ended December 31, 2017 compared to €0.3 million for the period from November 4, 2015 to December 31, 2016 (same as for the pro forma year ended December 31, 2016). This increase was mainly attributable to increased IT costs incurred in connection with an IT integration project, as well as an increase in staff costs and professional fees.

Depreciation of property, vehicles and equipment

Depreciation of tangible assets increased by €5.2 million, or 10.1%, to €56.5 million for the year ended December 31, 2017 from €51.3 million for the period from November 4, 2015 to December 31, 2016.

On a pro forma basis, depreciation of tangible assets increased by €0.6 million, or 1.1%, to €56.5 million for the year ended December 31, 2017 from €55.9 million for the pro forma year ended December 31, 2016. This increase was mainly attributable to the greenfield development activities in Saudi Arabia and Ghana.

Amortization of Intangible Assets

Amortization of intangible assets increased by €3.6 million, or 16.7%, to €25.1 million for the year ended December 31, 2017 from €21.5 million for the period from November 4, 2015 to December 31, 2016.

On a pro forma basis, amortization of intangible assets increased by €2.1 million, or 9.1%, to €25.1 million for the year ended December 31, 2017 from €23.4 million for the pro forma year ended December 31, 2016. This increase was mainly attributable to an increase in amortization relating to the value of our customer portfolio and licensing agreements.

Share of Results of Associates and Joint Ventures

Share of results of associates and joint ventures increased by €3.1 million, or 60.8%, to €8.2 million for the year ended December 31, 2017 from €5.1 million for the period from November 4, 2015 to December 31, 2016.

On a pro forma basis, share of results of associates and joint ventures increased by €2.6 million, or 46.4%, to €8.2 million for the year ended December 31, 2017 from €5.6 million for the pro forma year ended December 31, 2016. This increase was mainly attributable to positive contributions throughout the network.

Net Finance Expense

Net finance expense decreased by €80.4 million, or 38.5%, to €128.2 million for the year ended December 31, 2017 from €208.6 million for the period from November 4, 2015 to December 31, 2016.

On a pro forma basis, net finance expense decreased by €93.6 million, or 42.2%, to €128.2 million for the year ended December 31, 2017 from €223.8 million for the pro forma year ended December 31, 2016. This decrease was mainly attributable to a reduction in interest expense, realized foreign exchange losses, as well as an increase in interest income and unrealized foreign exchange rate gates. This decrease, however, was partially offset by an increase in unrealized foreign exchange losses, bank charges, net interest costs of long-term employee benefit plans and other financial costs.

For the year ended December 31, 2017, net finance expense consisted of €120.3 million of interest expenses, compared to €146.4 million for the pro forma year ended December 31, 2016. This decrease was mainly attributable to €29.7 million of capitalized transaction costs related to the Existing Term Loan B Facility and the Existing Revolving Credit Facility being fully expensed (which is included as an interest expense) in the year ended December 31, 2016.

Net Result before Income Taxes

Net result before income taxes decreased by €67.1 million, or 58.0%, to a loss of €48.5 million in the year ended December 31, 2017, compared to a loss of €115.6 million in the period from November 4, 2015 to December 31, 2016.

On a pro forma basis, net result before income taxes decreased by €79.9 million, or 62.2%, to a loss of €48.5 million in the year ended December 31, 2017, compared to a loss of €128.2 million in the pro forma year ended December 31, 2016. This decrease was mainly attributable to the factors discussed above.

Income Taxes

Income taxes decreased by €10.5 million, or 42.3%, to €14.3 million for the year ended December 31, 2017 from €24.8 million for the period from November 4, 2015 to December 31, 2016.

On a pro forma basis, income taxes decreased by €12.9 million, or 47.4%, to €14.3 million for the year ended December 31, 2017 from €27.1 million for the pro forma year ended December 31, 2016. This decrease was primarily attributable to the change in deferred taxes generated by the repayment of intercompany positions by our subsidiaries in the United Kingdom to Swissport International Ltd.

Net Result for the Period

Net result for the period decreased by €77.6 million, or 55.3%, to a loss of €62.8 million in the year ended December 31, 2017 from a loss of €140.4 million in the period from November 4, 2015 to December 31, 2016.

On a pro forma basis, net result for the period decreased by €92.8 million, or 59.6%, to a loss of €62.8 million in the year ended December 31, 2017 from a loss of €155.3 million in the pro forma year ended December 31, 2016. This decrease was mainly attributable to the factors discussed above.

Other Financial Information

Operating EBITDA increased by €21.4 million, or 10.8%, to €220.1 million in the year ended December 31, 2017, from €198.7 million in the period from November 4, 2015 to December 31, 2016. Operating EBITDA Margin decreased to 7.8% in the year ended December 31, 2017, compared to 8.0% in the period from November 4, 2015 to December 31, 2016.

Operating EBITDA increased by €13.7 million, or 6.6%, to €220.1 million in the year ended December 31, 2017, from €206.4 million in the year ended December 31, 2016, on as adjusted basis. Operating EBITDA Margin increased to 7.8% in the year ended December 31, 2017, compared to 7.7% in the year ended December 31, 2016, on as adjusted basis. These increases were mainly attributable to increase in total revenue from contracts with customers and other operating income, as well as a reduction of goods and services purchased and personnel expenses as a proportion of total revenue and other operating income.

Liquidity and Capital Resources

Our principal sources of cash are cash generated from operations and external financings, which include the Existing Senior Facilities, local credit facilities at certain subsidiaries and leases. Cash is used for capital expenditures, for maintenance of equipment and facilities, to service debt, to meet general operating expenses and for other purposes in the ordinary course of our business. Our ability to generate cash from operations depends on our future operating performance, which is, in turn, dependent to some extent on general economic, financial, competitive, market, legislative, regulatory and other factors, many of which are beyond our control, as well as the other factors discussed in the section titled "*Risk Factors*" in this Offering Memorandum.

Our companies regularly monitor and manage their liquidity to ensure all obligations are met. According to our investment policy, excess cash, which is regularly monitored by Corporate Treasury, is maintained in highly liquid and highly rated investments. The principal methods of managing liquidity and investments is the real time reporting of cash and cash equivalents, investments, borrowing commitments and the provision of a monthly detailed cash flow forecasts.

Cash Flow

The table below summarizes certain cash flow information for the periods indicated.

	Year ended December 31,				Three months ended March 31,		Twelve months ended March 31, 2019
	2016[1]	Pro Forma 2016[2]	2017	2018	2018	2019	
	(€ in millions)						
Net cash flow from operating activities	135.7	138.4	130.1	182.5	(37.1)	66.8	286.4
Net cash flow (used in) investing activities	(1,340.2)	(1,444.3)	(512.0)	(361.1)	(343.2)	(20.0)	(37.9)
Net cash flow from financing activities	1,340.1	1,307.4	379.4	220.9	378.8	(48.8)	(206.7)
Net increase/(decrease) in cash and cash equivalents	**135.6**	**1.5**	**(2.5)**	**42.3**	**(1.5)**	**(2.0)**	**41.8**

(1) The 2016 Audited Consolidated Financial Statements represent the period from November 4, 2015 (the date of incorporation of the Swissport Parent Entity) to December 31, 2016.

(2) In order to provide comparisons for the periods from January 1, 2016 to December 31, 2016 and January 1, 2017 to December 31, 2017, the unaudited pro forma condensed combined financial information for Swissport for the year ended December 31, 2016, presented in this column, has been derived from the pro forma cash flow statement information with certain adjustments set forth in "*Unaudited Pro Forma Financial Information*".

Three Months Ended March 31, 2018 Compared to the Three Months Ended March 31, 2019

Net cash flow from operating activities increased by €103.9 million, or 280.1%, to an inflow of €66.8 million for the three months ended March 31, 2019 from an outflow of €37.1 million for the three months ended March 31, 2018. This increase was mainly attributable to a positive impact on working capital from changes in trade and other payables which increased to an inflow of €18.3 million for the three months ended March 31, 2019 from an outflow of €27.4 million in the three months ended March 31, 2018. This was primarily driven by strict working capital management including favorable impact from bonus payment in April 2019 versus March 2018. The result was also driven, in part, by addition of €31.2 million in depreciation of right-of-use assets, resulting from our adoption of IFRS 16 (*Leases*).

Net cash flow used in investing activities decreased by €323.2 million, or 94.2%, to €20.0 million for the three months ended March 31, 2019 from €343.2 million for the three months ended March 31, 2018. This decrease was mainly attributable to a cash outflow €343.3 million for the three months ended March 31, 2018, which was incurred in connection with the Aerocare acquisition.

Net cash flow from financing activities decreased by €427.6 million, or 112.9%, to an outflow of €48.8 million in the three months ended March 31, 2019 from an inflow of €378.8 million for the three months ended March 31, 2018. This decreased net cash flow was mainly attributable to a reduction in proceeds from borrowings from third parties, which amounted to €8.0 million for the three months ended March 31, 2019 as compared to €456.8 million for the three months ended March 31, 2018, which was primarily driven by our borrowings under the Existing Incremental Term Loan B and the Existing Note Purchase Agreement.

Year Ended December 31, 2018 Compared to the Year Ended December 31, 2017

Net cash flow from operating activities increased by €52.4 million, or 40.3%, to €182.5 million for the year ended December 31, 2018 from €130.1 million for the year ended December 31, 2017. This increase was primarily attributable to a reduction in our net result for the year ended December 31, 2018 as compared to the year ended December 31, 2017, which amounted to a loss of €20.1 million as compared to a loss of €62.8 million, respectfully.

Net cash flow used in investing activities decreased by €150.9 million, or 29.5%, to an outflow of €361.1 million for the year ended December 31, 2018 from an outflow of €512.0 million for the year ended December 31, 2017. This decrease was mainly attributable to the grant of a €400 million loan to related parties in 2017.

Net cash flow from financing activities decreased by €158.5 million, or 41.8%, to €220.9 million in the year ended December 31, 2018 from €379.4 million for the year ended December 31, 2017. This decrease was mainly attributable to the issue of share premium totaling €717.0 million (net of costs) in the year ended December 31, 2017, partially offset by an increase in proceeds from borrowings from third parties in the year ended December 31, 2017.

Year Ended December 31, 2017 Compared to the Period from November 4, 2015 to December 31, 2016 and Pro Forma Year Ended December 31, 2016

In order to provide a comparison with 12-months of our operating results for the years ended December 31, 2016 and 2017, the discussion in the section below is based on the Unaudited Pro Forma Financial Information, which has been derived from the pro forma cash flow statement information with certain adjustments set forth in "Unaudited Pro Forma Financial Information".

Net cash flow from operating activities decreased by €5.6 million, or 4.1%, to €130.1 million for the year ended December 31, 2017 from €135.7 million for the period from November 4, 2015 to December 31, 2016.

On a pro forma basis, net cash flow from operating activities decreased by €8.3 million, or 6.0%, to €130.1 million for the year ended December 31, 2017 from €138.4 million for the pro forma year ended December 31, 2016. This decrease was mainly attributable to a reduction in our net result for the year ended December 31, 2017 as compared to the pro forma year ended December 31, 2016, which amounted to a loss of €62.8 million as compared to a loss of €155.3 million, respectfully.

Net cash flow used in investing activities decreased by €828.2 million, or 63.6%, to an outflow of €512.0 million for the year ended December 31, 2017 from an outflow of €1,340.2 million for the period from November 4, 2015 to December 31, 2016.

On a pro forma basis, net cash flow used in investing activities decreased by €932.3 million, or 64.6%, to an outflow of €512.0 million for the year ended December 31, 2017 from an outflow of €1,444.3 million for the pro forma year ended December 31, 2016. This decrease was mainly attributable to €1,319.5 million used in acquisitions of subsidiaries (net of cash and cash equivalent acquired) in the pro forma year ended December 31, 2016 compared to nil in the year ended December 31, 2017.

Net cash flow from financing activities decreased by €960.7 million, or 71.7%, to €379.4 million in the year ended December 31, 2017 from €1,340.1 million for the period from November 4, 2015 to December 31, 2016.

On a pro forma basis, net cash flow from financing activities decreased by €932.7 million, or 71.1%, to €379.4 million in the year ended December 31, 2017 from €1,307.4 million for the pro forma year ended December 31, 2016. This decrease was mainly attributable to the issuance of ordinary share capital in the pro forma year ended December 31, 2016 totaling €1,472.3 million, which was partially offset by the issuance of share premium in the year ended December 31, 2017 totaling €717.0 million (net of costs) and an increase in the repayment of borrowings from third parties.

Contractual Obligations

As of March 31, 2019, our total borrowings were €2,132.2 million. In 2016, 2017 and 2018, we had interest expenses of €146.4 million, €120.3 million and €126.4 million, respectively.

The following table summarizes the financial payments that we would have been obligated to make, including under debt instruments, as of March 31, 2019, on an as adjusted basis after giving effect to the Refinancing, assuming approximately €1,350.0 million of the aggregate gross proceeds from the Offering are used to consummate the Refinancing as described in "*Use of Proceeds*".

The information presented in the table below reflects management's estimates of interest payments and the contractual maturities of the respective obligations. These maturities may differ significantly from the actual maturity of these obligations.

	Payments due by period				
	Less than 1 year	1—2 years	2—5 years	More than 5 years	Total
As of March 31, 2019			(€ in millions)		
Existing Senior Secured Notes[1]	24.5	24.5	381.0	—	430.0
Existing Senior Notes[1]	25.8	25.8	308.8	—	360.4
2015 Senior Secured Stub Notes[1]	2.5	2.5	38.2	—	43.2
2015 Senior Stub Notes[1]	1.5	1.5	18.5	—	21.5
Existing Term Loan B Facility[1]	19.8	19.8	434.3	—	473.9
Existing Incremental Term Loan B Facility	12.9	12.9	305.7	—	331.5
Existing Note Purchase Agreement	25.0	25.0	185.7	—	237.5
Amounts drawn down under the Existing Revolving Credit Facility)	—	—	15.2	—	15.2
Lease liabilities[2]	12.2	14.5	23.3	0.5	50.5
Other loans, local facilities and indebtedness[3,4]	25.1	19.9	16.6	17.4	79.0
Total	**150.2**	**147.3**	**1,727.3**	**17.9**	**2,042.7**

(1) Principal amount is excluding capitalized transaction costs.
(2) Mainly in respect of equipment financing and warehouse leasing.
(3) Includes local facilities and minority shareholder loans.
(4) Maturities as of December 31, 2018.

For a description of the material terms of the Existing Term Loan B Facilities, the Existing Revolving Credit Facility, the Existing Notes and the 2015 Stub Notes, see "*Description of Certain Financing Arrangements*".

Working Capital

Our working capital requirements are primarily driven by our payroll needs, reflecting the significance of our personnel expenses in proportion to our total operating expenses. In addition, our business is inherently seasonal due to generally higher volumes in the third quarter and due to some services, such as de-icing, being offered only during specific seasons of the year. The main components of our working capital are trade and other receivables and trade and other payables. We believe that our working capital is sufficient for our present requirements.

The following table shows our working capital (defined as trade and other receivables plus inventories less trade and other payables excluding accrued bond interest) as of the dates indicated.

	As of December 31			As of March 31,	
	2016[1]	2017	2018	2018	2019
			(€ in millions)		
Trade and other receivables	474.0	480.2	483.1	623.2	505.7
Inventories	11.6	11.9	12.9	12.1	13.8
Trade and other payables[2]	(424.5)	(432.3)	(463.8)	(417.3)	(475.3)
Accrued bond interest[3]	(8.6)	(3.6)	(14.2)	(19.5)	(22.1)
Working capital	**52.5**	**56.2**	**18.0**	**198.5**	**22.1**

(1) The 2016 Audited Consolidated Financial Statements represent the period from November 4, 2015 (the date of incorporation of the Swissport Parent Entity) to December 31, 2016.
(2) The amount excludes the following accruals as of December 31, 2016: interest accruals - third parties of €0.3 million, interest accruals – Notes of €2.3 million, interest accruals - Term Loan B of €6.0 million.
(3) Consists of the following accruals as of December 31, 2016: interest accruals - third parties of €0.3 million, interest accruals – Notes of €2.3 million, interest accruals - Term Loan B of €6.0 million.

As of March 31, 2019, our working capital amounted to €22.1 million, compared to €198.5 million as of March 31, 2018 and €18.0 million, €56.2 million and €52.5 million as of December 31, 2018, 2017 and 2016, respectively.

Capital Expenditure and Investments

The following table shows our capital expenditures (defined as cash outflows on purchases of property, vehicles and equipment as well as purchases of intangible assets) for the periods indicated.

	Year ended December 31,				Three months ended March 31,		Twelve months ended March 31, 2019
	2016[1]	**As Adjusted 2016[2]**	**2017**	**2018**	**2018**	**2019**	
	(€ in millions, unless otherwise indicated)						
Purchase of property, vehicles and equipment	(68.3)	(73.5)	(69.9)	(117.1)	(20.8)	(21.3)	(117.6)
Purchase of intangible assets	(12.3)	(14.0)	(7.7)	(2.9)	(2.1)	(2.2)	(3.0)
Total capital expenditure[3]	**(80.6)**	**(87.5)**	**(77.6)**	**(120.0)**	**(22.9)**	**(23.5)**	**(120.6)**
Proceeds from sale of property, vehicles and equipment	10.5	12.0	9.0	10.8	0.8	5.8	15.8
Net Capital Expenditure[4]	**(70.1)**	**(75.5)**	**(68.6)**	**(109.2)**	**(22.1)**	**(17.7)**	**(104.8)**
Net Capital Expenditure % of total revenue and other operating income	2.8%	2.8%	2.4%	3.6%	3.2%	2.4%	3.4%
Operating EBITDA	198.7	206.4	220.1	273.2	37.4	81.5	317.3
Change in Working Capital[5]	0.1	(3.3)	(0.9)	12.0	(51.7)	1.2	64.9
Free Cash Flow[6]	**128.7**	**127.6**	**150.6**	**176.0**	**(36.4)**	**65.0**	**277.4**
Cash Conversion[7]	64.8%	61.8%	68.4%	64.4%	—	—	87.4%

(1) The 2016 Audited Consolidated Financial Statements represent the period from November 4, 2015 (the date of incorporation of the Swissport Parent Entity) to December 31, 2016.

(2) As adjusted information in this column is derived from Appendix 1 to the 2017 Audited Consolidated Financial Statements ("*Preparation of Adjusted Condensed Consolidated Financial Information*").

(3) Capital expenditures include cash paid for purchases of property, vehicles and equipment and purchases of intangible assets, which excludes capitalized interest.

(4) Net Capital Expenditure is defined as purchase of property, vehicles and equipment plus purchase of intangible assets less proceeds from sale of property, vehicles and equipment.

(5) Change in Working Capital is defined as changes in trade and trade receivables changes in inventories and changes in trade and other payables, not adjusted for currency fluctuations during the period.

(6) Free Cash Flow is defined as total cash flow from operating activities as reported in the consolidated statement of cash flows plus (i) dividends received, income tax paid, less change in working capital, plus pensions, provisions and other items, acquisition costs, integration costs, restructuring and onerous contract charge, non-cash pension expenses and share-based payment transactions, expenses related to equity offering, unallocated other income and reporting adjustments, loss on disposal plus (ii) change in working capital less (iii) Net Capital Expenditure. Free Cash Flow excludes payments due for interest and principal of borrowings.

(7) Cash conversion is defined as Free Cash Flow divided by Operating EBITDA.

For the three months ended March 31, 2019, our total capital expenditures amounted to €23.5 million as compared to €22.9 million for the three months ended March 31, 2018, of which €21.3 million related to the purchase of property, vehicles and equipment, as compared to €20.8 million for three months ended March 31, 2018. and €2.2 million related to the purchase of intangible assets, as compared to €2.1 million for three months ended March 31, 2018.

For the year ended December 31, 2018, our total capital expenditures amounted to €120.0 million, of which €117.1 million related to the purchase of property, vehicles and equipment and €2.9 million related to the purchase of intangible assets. Capital expenditures for the year ended December 31, 2018 were mainly attributable to the support equipment fleet replacement and our decision to purchase equipment, rather than finance it through finance and operating lease transactions.

For the year ended December 31, 2017, our total capital expenditures amounted to €77.6 million, of which €69.9 million related to the purchase of property, vehicles and equipment and €7.7 million related to the purchase of intangible assets. Capital expenditures for the year ended December 31, 2017 were primarily attributable to new business gained following the exit of Aviator from most of their stations in the United Kingdom, warehouse constructions in Algeria and the United States, investments into equipment across Europe, and the greenfield development in Oman.

For the year ended December 31, 2016, our total capital expenditures amounted to €80.6 million, of which €68.3 million related to the purchase of property, plant and equipment and €12.3 million related to the purchase of intangible assets. Capital expenditures for the year ended December 31, 2016 were primarily attributable to our business growth and equipment replacement program.

Finance Leases

A number of our subsidiaries have entered into finance leases with respect to equipment. As of March 31, 2019, we had indebtedness under finance leases of €44.7 million, compared to €22.8 million (€22.8 million on as adjusted basis for 2016), €23.8 million and €46.2 million as of December 31, 2016, 2017 and 2018, respectively, and €24.0 million as of March 31, 2018. Following our adoption of IFRS 16 (*Leases*) in January 2019, our finance and operating leases are recognized as leases in our statement of financial position. Our total leases amounted to €509.0 million as of March 31, 2019. See "*—Factors Affecting Comparability—IFRS 16 (Leases)*".

Off-Balance Sheet Arrangements

Certain third parties require our and various of our subsidiaries' banks to issue guarantees and letters of credit in the ordinary course of business, primarily related to rental payments, licenses, customs and other performance obligations. As of March 31, 2019, these guarantees and letters of credit amounted to €67.8 million. These letters of credit guarantee contingent liabilities that will crystallize to the extent that the letters of credit are drawn or the guarantees enforced and the bank enforces its right to recover the amount drawn.

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to a variety of financial risks, namely market risk, including currency and interest rate risk. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. Financial risk management at the Group-level is measured, monitored and hedged according to our Group Treasury department foreign exchange and the Group's interest rate risk management policies and continues to be carried out by the Corporate Treasury, which applies the below principles and policies.

Interest rate risk

We have significant exposure to interest rate risk as a result of our floating rate indebtedness. If, as of December 31, 2018, the interest rates had been 100 basis points lower or higher, our annual interest payments would have been €0.5 million lower or €7.3 million higher, with all other variances held constant. To mitigate such risk we may enter into one or more hedging arrangements.

Foreign exchange risk

We operate internationally and are exposed to foreign exchange risk arising from future commercial transactions and recognized assets and liabilities that are denominated in a currency other than the respective functional currencies of the Group companies, as well as investments in foreign operations that are denominated in a currency other than the Group's presentational currency. The functional currencies of the subsidiary companies are primarily the Euro, the Swiss franc and the U.S. dollar. Our currency exposures primarily arise with respect to the euro U.S. dollar, Great British pound sterling, Brazilian real, South African rand and Swiss franc. Individual companies of our Group rarely enter into transactions with third parties that are not denominated in their functional currency. Where they do, the foreign exchange risk has historically been monitored and managed through natural hedges and/or assessed not material. At the Corporate Treasury level, foreign exchange exposures are prevalent and thereby monitored and actively hedged.

Although transactions between Group-companies are generally not hedged, our Corporate Treasury may nevertheless enter into foreign exchange forward contracts to remove the foreign exchange risk on transactions with other Group-companies, such as a loan to, or from, Group-companies. The net assets of investments in foreign operations are also a source of foreign exchange risk. Our policy is to reduce this risk by:

- funding acquisitions using local rather than central borrowings, where possible, to provide a natural cash flow hedge in that the subsidiaries are mainly financed in the currency in which they generate the majority of their operational cash flows; and

- having external borrowings denominated in the functional currencies of the Group-companies concerned (principally U.S. dollar and Euro). Where appropriate, these borrowings are designated as hedges of the net investments in foreign entities and the exchange gains and losses arising on the translation of these borrowings are recognized in other comprehensive income.

If, with all other factors remaining constant, during the year ended on December 31, 2018,

- the Swiss franc had strengthened by 1% against the euro, our loss for the year would have decreased by €0.2 million;
- the Great British pound sterling had strengthened by 1% against the euro, our loss for the year would have decreased by €0.5 million; and
- the U.S. dollar had strengthened by 1% against the euro, our loss for the year would have increased by €0.5 million.

Cash flow and fair value interest rate risk

Our interest rate risk arises primarily from external borrowings and cash and cash equivalents. Borrowings and cash and cash equivalents at variable rates expose us to cash flow interest rate risk. Our exposure to interest rate risk is limited as the majority of our borrowings (bonds) have fixed interest rates (*i.e.*, the interest expense is not subject to changes in market interest rates). The table below shows the balances for cash and cash equivalents with the banks and financial institutions at the balance sheet date:

	As of December 31,			As of March 31,
	2016	2017	2018	2019
	(€ in millions)			
Cash and Cash Equivalents				
Counterparties external credit rating (Standard and Poor's)				
Investment Grade A– and above	95.8	80.2	108.0	104.0
Investment grade BBB+, BBB, BBB–	20.6	10.6	9.2	21.1
Non-investment grade BB+ and below	7.2	17.2	21.0	16.2
Not Rated	8.5	10.5	7.0	6.5
Total cash and cash equivalents[1]	**132.1**	**118.5**	**145.2**	**147.8**

(1) The cash and cash equivalents presented above are excluding any restricted cash. Restricted cash in the amounts of €49.9 million, €46.3 million and €0.4 million are included under prepayments, trade and other receivable in our consolidated balance sheets as of December 31, 2016, 2017 and 2018, respectively, and €92.8 million as of March 31, 2019.

The maximum exposure to credit risk at the reporting date is the carrying value of the financial assets.

Liquidity risk and investing excess liquidity

All Group-companies regularly monitor and manage their liquidity to ensure all obligations are met. According to our investment policy, excess cash, which is regularly monitored by Corporate Treasury, is maintained in highly liquid and highly rated investments. The principal methods of managing liquidity and investments is the real time reporting of cash and cash equivalents, investments, borrowing commitments and the provision of a monthly detailed cash flow forecast.

Critical Accounting Estimates

The preparation of financial statements requires management to make estimates and judgments concerning the future that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. In the future such estimates and judgments will be modified as appropriate in the year in which the circumstances change. Our significant accounting policies are set forth in the section titled "*Overview of Key Judgements and Estimates*" in the 2018 Audited Consolidated Financial Statements.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimated impairment of goodwill and intangible assets with indefinite useful lives

In accordance with our accounting policies, goodwill and intangible assets with indefinite useful lives is tested annually to determine whether it has suffered any impairment. Goodwill is tested for impairment on an operating segment level, which reflects the lowest level at which goodwill is monitored for internal reporting purposes. The impairment tests are normally based on value in use calculations. These calculations involve a variety of assumptions, such as estimates of future cash inflows and outflows and choice of an appropriate discount rate. Actual cash flows might, for example, differ significantly from management's current best estimate. Changes in assessed presence of competitors, customers under contract, technological obsolescence etc. might impact the future cash flows and result in recognition of impairment losses (see note 4.4 to the 2018 Audited Consolidated Financial Statements).

Income taxes

Companies of the Group are subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes and assessing the extent to which deferred tax assets are recoverable, particularly those in connection with tax losses carried forward. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. We recognize liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made (see note 6.1 to the 2018 Audited Consolidated Financial Statements).

Litigation

The current nature of our business exposes us to a number of proceedings and civil lawsuits. These proceedings take, in some cases, years to be resolved and management seeks advice from legal counsel and makes appropriate assumptions on the timing and estimated amounts of cash outflows of such proceedings. Claim-related provisions are presented in note 6.2 to the 2018 Audited Consolidated Financial Statements.

Insurance and workers compensation provisions

We have recognized insurance provisions in relation to aviation liabilities and workers compensation provisions in relation to injuries that occurred on the job. Both the insurance and workers compensation provisions are partially offset by receivables from insurance companies. In some cases, claim amounts may take years to be agreed upon. As such, management seeks advice from legal counsel and makes appropriate assumptions on the timing and estimated amounts of cash outflows of such claims. Insurance—and workers' compensation-related provisions are presented in note 4.5 to the 2018 Audited Consolidated Financial Statements.

Actuarial valuation

Assumptions are used in the preparation of the defined benefit schemes calculations. Management uses the services of external actuaries to perform these calculations. The assumptions used in these calculations are presented in note 3.3 to the 2018 Audited Consolidated Financial Statements.

Acquisition accounting

Intangible assets acquired in business combinations are required to be recognized separately from goodwill if they are subject to contractual or legal rights or are separately transferable and their fair value can be reliably estimated. The assumptions used in these calculations are presented in note 5.5 to the 2018 Audited Consolidated Financial Statements.

The fair value of these acquired intangible assets is based on valuation techniques. The valuation models require input based on assumptions about the future. Management uses its best knowledge to estimate fair value as of the acquisition date. Intangible assets with finite useful lives are tested for impairment when there is an indication that they might be impaired while intangible assets with indefinite useful lives are tested for impairment annually. Management also makes assumptions about the useful life of the acquired other intangible assets which might be affected by external factors, such as increased competition. In addition, as part of the purchase price allocation, the fair value of the other assets acquired and liabilities have to be determined.

The information set forth below relies on a report commissioned by us from the Roland Berger Report, which has not been updated since its date. The Roland Berger Report was prepared in the context of the Offering and in accordance with our instructions. The statements taken from the Roland Berger Reports are included in this Offering Memorandum, in the form and context in which they are included, with the consent of Roland Berger. We have delivered, upon Roland Berger's request, certain factual information and its own market data and analyses to Roland Berger and has discussed the underlying assumptions with Roland Berger. For purposes of the analyses presented in this report, Roland Berger has also relied upon, and considered accurate and complete data obtained from third-party sources, but has not independently verified the completeness or accuracy of that data. It is acknowledged that when providing consulting services, Roland Berger uses primarily information from the public domain, expert interviews, and findings from various consulting projects in the industries, customer and supplier industries and information from itself without independently validating this information. No representation or claim is made that the market forecast will actually be achieved. It is expected that the recipients will conduct their own independent analysis. All estimates and projections are based on data obtained from third-party sources and involve significant elements of subjective judgments and analyses which may or may not be correct. It is acknowledged that every market study is based on assumptions, qualifications and value judgments. Roland Berger may refer to these basic assumptions in an appropriate and usual way. Should the recipients wish to rely upon the Roland Berger Report, they acknowledge that they do so at their own responsibility.

Market Overview and Characteristics

Market definition

The aviation handling services industry encompasses a wide range of different service lines which can be broadly divided into ground handling services and cargo handling services.

Ground handling services consist of:

- ramp services related to aircraft handling (loading and unloading, aircraft towing, pushback, repositioning and cleaning);
- passenger services (passenger check-in, ticketing, boarding and transportation);
- and other ancillary services (aircraft maintenance, fueling, de-icing, security, executive aviation, lounges and IT services). These ancillary revenues are not included in market size estimates below.

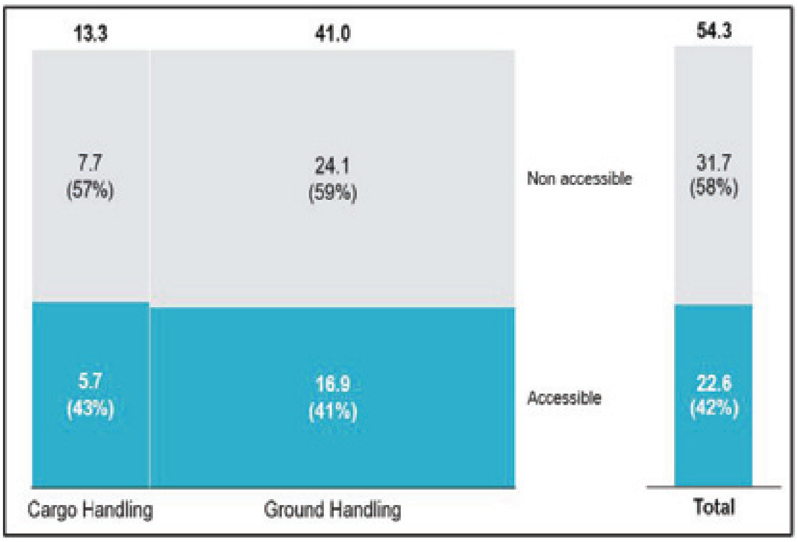
Cargo handling services consist of air freight trucking and handling, reception, warehousing, aircraft loading and unloading and delivery to trucks, and documentation and logistical support for air cargo.

For the year ended December 31, 2018, the global combined ground and cargo handling services market is estimated at approximately €54 billion. The industry is fragmented as aviation handling services can be provided by:

- Airlines themselves, Express players (cargo only) or airports. Referred to as Self-handling and Insourcing, this setup currently accounts for approximately 58% of the global market in value, considered as 'non-accessible' for independent players; or
- Independent operators such as Swissport. Referred to as Outsourcing, this setup currently accounts for approximately 42% of the global market in value. There is a wide range of independent operators from global operators such as Swissport to larger regional operators and small local players.

Accessible market value for independent players is estimated to be approximately €23 billion in 2018 including both ground handling and cargo handling services.

Aviation handling—Accessible & non-accessible markets per activity (2018e; EUR bn; estimate)[1]



(1) Ancillary services (above-listed) are excluded for market size estimates

Source: Albatross (June 2019), ACI World Airport Traffic Forecasts 2018-2040, IATA market annual update December 2018 & June 2019 report, DKMA Global Traffic Forecast 2017-2036, Boeing Commercial Market Outlook 2019-2038, Experts interviews, third-party analysis (market model)

Scope of services

Ground handling

Ground handling services comprise a range of activities which facilitate the rapid turnaround of an aircraft upon landing. These activities consist of core Ramp and Passenger services as well as a range of other related services.

Core Ramp services relate to aircraft handling, which includes activities such as loading, unloading and sorting of passenger baggage, aircraft towing, pushback, repositioning, as well as cabin cleaning. Core Passenger services consist of managing the inward and outward flow of passengers during each turnaround, and include services related to check-in and gate assistance, as well as passenger transportation.

In addition to core Ramp and Passenger services, ground handlers also offer a range of other services such as aircraft maintenance, fueling, de-icing, security, executive aviation, lounges and IT services.

Industry-specific features

The ground handling business is characterized by constant time pressure, complex processes and variable workload profiles which require close cooperation with airlines, airports and other service providers:

- *Time pressure*. Ground handlers have a considerable influence on punctuality, turnaround time, and minimum connecting time, which puts them under constant time pressure from their customers. Each of these factors has an impact on aircraft utilization levels as well as direct financial implications (e.g. in case of delay);
- *Complex processes*. Ground handling involves numerous actors including airport operators, airlines, air traffic control as well as other various service providers (these include catering, fueling, cleaning and baggage handling), which results in a range of logistical and coordination challenges to ensure that all the necessary personnel and equipment are provided where and when needed;
- *Variable workload*. Ground handling is a labor-intensive business with personnel costs typically accounting for more than 50% of total costs. Ground handlers must deal with peak and off-peak work periods on a daily, weekly, and seasonal basis.

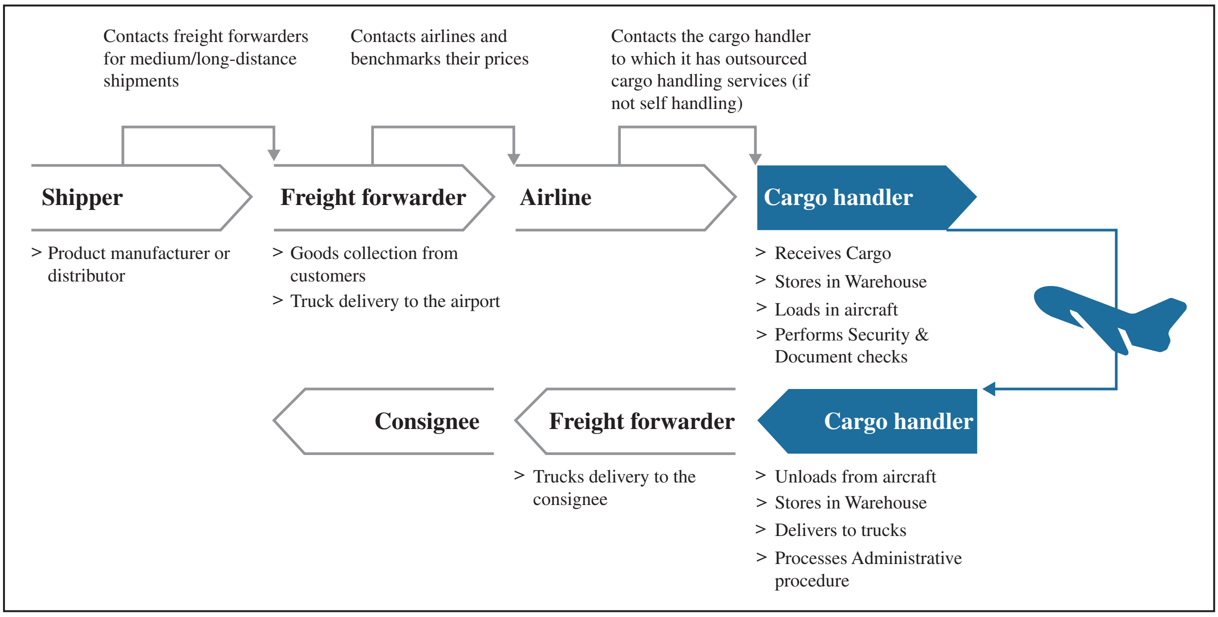
These specific features and challenges of the ground handling segment are particularly true in large airports such as hubs and tend to favor large and experienced players such as Swissport. In smaller regional airports, a broader range of players can provide handling services, including small-size/ local ground handlers. Competitive threats are expected to remain strong for handling licenses and airline contracts, particularly in small-size stations, for which local niche players can be more flexible than large independent ground handlers (due to younger staff and more limited union issues, among other factors).

Cargo handling

Cargo handling services comprise a range of activities including (see graph below):

- Reception, warehousing, aircraft loading and unloading, delivery to trucks;
- Global logistics for air cargo shipping;
- Cargo facilities management;
- Dangerous Goods Regulation training and safety;
- Cargo documentation and handling;
- Load planning services, which includes matching cargo shipment needs to available space on flights;
- Security processing; and
- Global cargo tracking.

Role of the Cargo Handler Within the Cargo Value Chain (simplified view for illustration purposes)



Source: Third-party

Aviation Handling Market Dynamics

Synthesis and Industry trends

Key industry drivers

The aviation handling industry is intrinsically linked to the airline industry and tends to follow its long-term upward trend. The aviation handling industry is also sensitive to the business cycle with higher revenue during periods of economic prosperity and expansion, and lower revenue in periods of economic downturn and contraction. However, while the aviation handling sector and the airline industry are correlated, they have different revenue growth drivers. Airlines rely on passenger growth as well as seat load factors and booking class mix, whereas the main drivers for the aviation handling industry are air traffic movements, or the a take-off or a landing of a flight, (translating into a number of turnarounds) for ground handling and air cargo tonnage for cargo handling, as well as the evolution of the outsourcing rate and handling prices, which are key drivers for both segments.

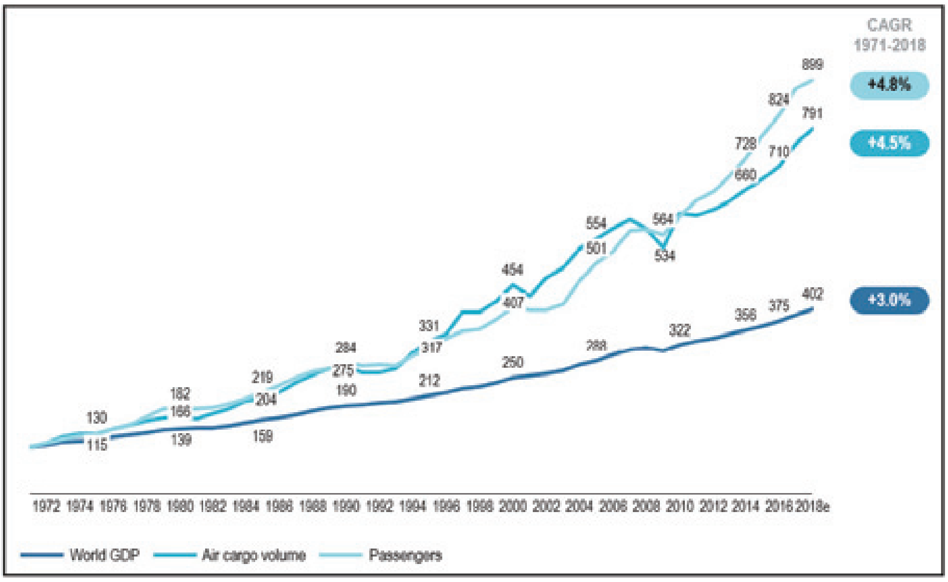
Ground and cargo handling services volumes appear to be broadly linked to year-on-year GDP evolutions, with underlying passenger traffic and air cargo volumes tending to outperform GDP evolution historically over 45 years (cf. graph below).

The continued positive trends in both number of turnarounds (linked to passengers traffic and average aircraft size) and air cargo tonnage, combined with the trend towards increased outsourcing from airlines and airports (especially for ground handling services) and moderate handling price increase, are expected to drive a combined +3.7% annual market growth over the period from 2018 to 2023 for the overall aviation handling services, consisting of an increase of +3.7% per annum for the ground handling market and +3.5% per annum for the cargo handling market.

This ground & cargo handling market growth is broadly aligned with 2013-2018 evolution and is supported by:

- GDP and global trade growth, driving an increase in the number of turnarounds (+2.4% per annum over 2018-2023) and in total air cargo freight volumes (+2.4% per annum);
- With respect to the ground handling segment, a slowdown of the increase in average number of passengers per flight (+1.8% per annum over 2018-2023 vs. +4.3% per annum over 2013-2018);
- Slight price increase, linked to continuing market consolidation and favorable market conditions in 2018, enabling a partial pass-through of wage inflation (variable per region).

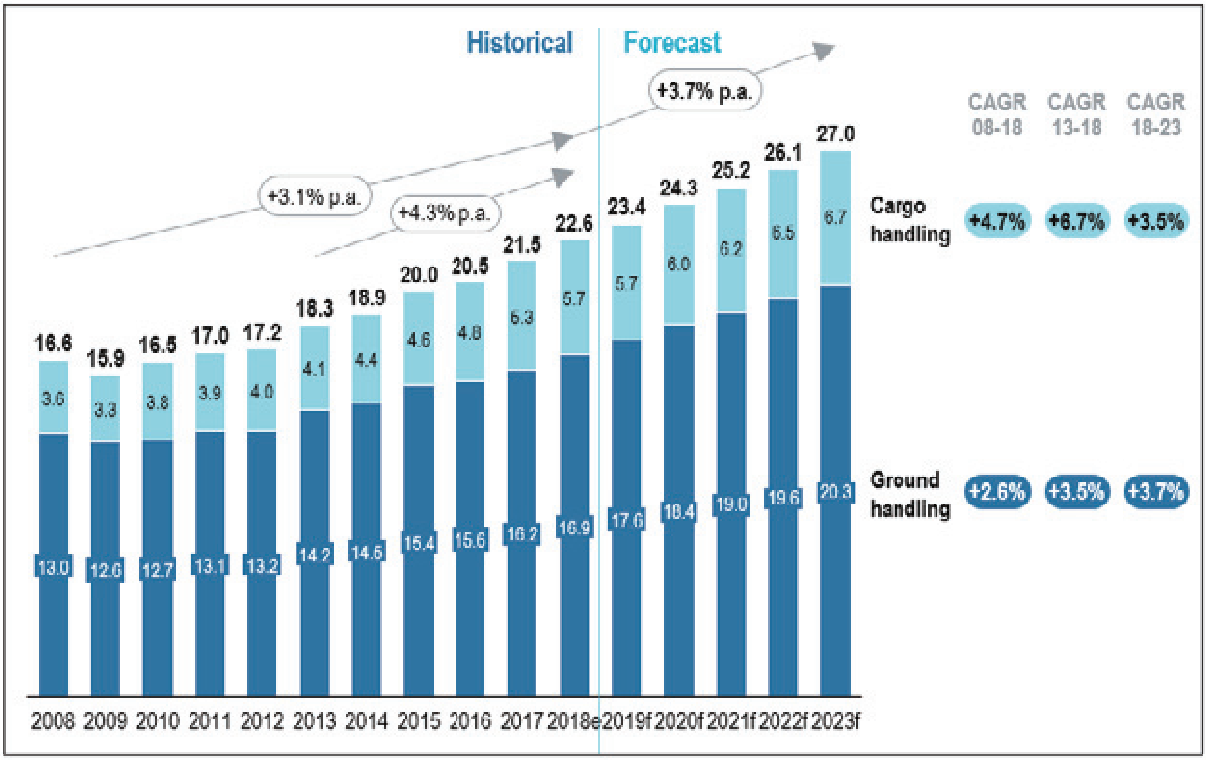
Air Cargo and Passenger Traffic vs. GDP growth (1971-2018e; base 100 in 1971)



Source: IATA, ACI, ICAO, World Bank, EIU, Albatross, third-party analysis

In terms of geographical dynamics, over the 2013-2018 period, accessible aviation handling market growth has been significantly driven by Asia Pacific (+7.7% per annum) and other (emerging) regions (Africa, Latin America & Middle-East) (c. +4.7% per annum). Europe and North America have also contributed to growth but to a lesser extent, with respectively +3.2% and +3.3% average annual growth over the period. Over 2018-2023, however, North America and Europe are expected to sustain growth with a respective forecast annual growth of +2.3% and +3.0%. Emerging countries should still fuel global growth with above-market CAGR, despite a slight slowdown in Asia Pacific (+5.6% per annum) while other (emerging) regions (Africa, Latin America & Middle-East) are expected to maintain a +5.5% per annum growth.

Accessible aviation handling market dynamics (2008-2023f; EUR bn)



Source: Albatross, ACI World Airport Traffic Forecasts 2018-2040, IATA market annual update December 2018 & June 2019 report, DKMA Global Traffic Forecast 2017-2036, Boeing Commercial Market Outlook 2019-2038, Experts interviews, third-party analysis (market model)

Focus on outsourcing and deregulation

Outsourcing has played, and continues to play, an important role in the Aviation handling industry. Airlines appear to continue focusing on their core businesses, and on the reduction of non-core components of their businesses, due to a strong focus on cost control and profitability notably for legacy airlines challenged by Low-Cost Carriers ("**LCCs**"). Outsourcing of aviation services can enable an airline to transfer ground support equipment ("**GSE**"), including load control devices, mobile ramps and other expensive goods – either through a sale or a leasing agreement–to a ground handler, which will operate GSEs. This equipment may go unused between flights, resulting in underutilization and inefficient costs. Independent ground handlers, however, can fully utilize their equipment as they can allocate it among different airlines and maximize profitability from such services. The same rationale applies to the higher utilization rate of handling staff, which can be allocated across contracts, reducing time inefficiencies between landings and take-offs or aircraft cargo loading periods.

The outsourcing trend is supported by continued ground handling deregulation, which has played an important role in changing the competitive landscape of the air services industry. While the cargo handling segment has been largely liberalized since the late 1990s, the ground handling segment has increasingly been liberalized in recent years, with contrasted situations country per country. Deregulation has had two important effects on the aviation handling industry. First, deregulation has opened new markets in which independent handling service providers, such as Swissport, may operate. Second, deregulation of the aviation handling industry has resulted in increased competition on the market. For example, EU regulations (e.g. Directive 96/67/EC in 1996) required airports with traffic exceeding two million passengers or 50,000 metric tons of freight per year to have at least two ground handling operators. At least one of them must be independent from the airport or any dominant carrier at the airport. This is implemented by the granting of licenses, typically renewed every three to seven years, to a shortlist of qualified independent handlers. As of today, Europe and North America represent the main accessible markets to independent handlers. In some of these countries (notably in Europe), independent aviation handlers are required to be licensed by authorities. By contrast, the aviation services markets in Africa and China (as well as, to a lesser extent, the rest of Asia and Latin America) appear relatively difficult to access for independent handlers with the progressive opening of these markets representing a potential long-term market driver.

In the past, airlines have sometimes proved reluctant to outsource large hub operations due to concerns that outsourcing could potentially put the safety, efficiency and quality of their flagship operations at risk. At present, one of the main barriers is social/ resistance from labor unions, which has also been a historic impediment to the outsourcing of services (mostly for ground handling). One exception may be North America, with US-based airlines placed under Chapter 11 insolvency proceedings following the global economic crisis have since emerged with more flexible labor agreements making outsourcing less appealing from a cost perspective compared to Europe for instance. As airlines are increasingly focused on controlling their aviation activities costs, partial outsourcing at large hubs or full outsourcing in mid-sized hubs may represent an opportunity for independent operators in the short- to medium-term (yet at a pace difficult to predict).

The increasing size of the accessible market compared to the in-sourced market has also been driven by market share gains of LCCs compared to the legacy carriers since LCCs tend to fully outsource handling services. Although LCCs tend to purchase a narrower range of services than legacy carriers, due to the smaller range of services that they provide to their passengers (and different aircraft mix towards smaller size modules as they operate mostly short to medium-haul destinations), this is compensated by LCCs operating higher number of turnarounds per day than legacy carriers.

High barriers to entry

The aviation handling industry is characterized by high barriers to entry for new participants on a global scale, a trend expected to persist and which typically results in limited market share fluctuations among leading handlers in a given region.

In the ground handling segment, entry barriers include the ability of service providers to obtain licenses (especially in the European Union; North America being more liberalized and thus presenting lower barriers to entry), the know-how (including on-time-performance, late aircraft management, flight peak absorption, among other factors), low churn rates and high contract retention rates at renewal (switching supplier represents an operational risk for airlines) which are typically above 70%, and security constraints (favoring established brands and the largest handlers) and relationship with customer airlines.

The cargo handling segment also presents high barriers to entry. These include the high capital expenditures needed to invest in warehouse capacity (a particularly high barrier, given the scarcity of available space at mid-size and large airports, especially in Europe, Asia and some airports in North America), the operational expertise necessary for service providers to work effectively with airlines and airports in order to handle cargo efficiently and minimize turnaround time for aircraft, the experience in integrating the service provider's processes within an airline's own internal processes requiring time for adjustment and optimized cooperation.

Moreover, across the two service segments, scale effects drive cost advantages for players already active in a given airport as those providers that are already present benefit from an ability to optimize resource allocation and utilization of both staff and ground support equipment.

Ground handling

Ground handling market size and forecast

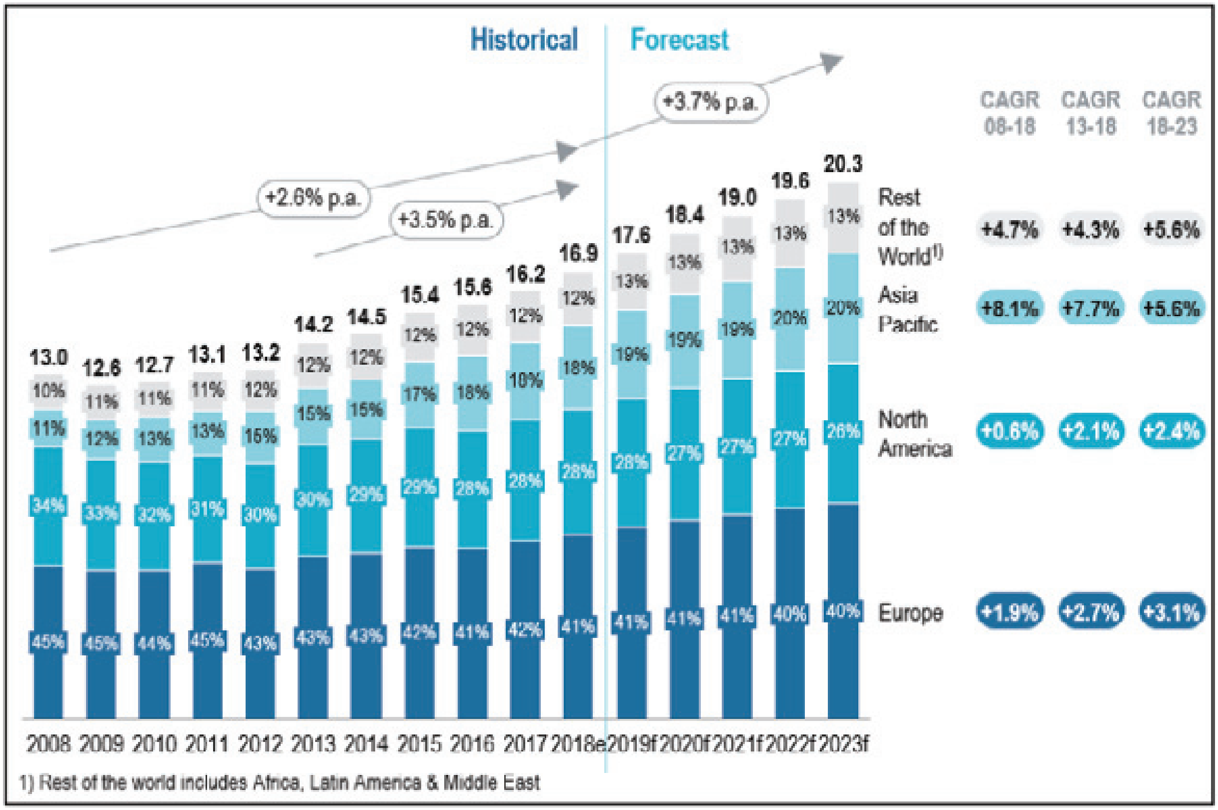
According to third-party market research, the value of the total accessible core ground handling business is estimated at approximately €17 billion in 2018 representing approximately 41% of the global ground handling market value. Over the past ten years, this accessible market has grown at +2.6% per annum (and at +3.5% per annum over 2013-2018), mainly driven by turnarounds volume growth and outsourcing trends. Ground handling market growth is estimated to proceed at +3.7% per annum over 2018-2023, in line with historical growth since 2013, driven by:

- Annual growth in turnarounds: +2.4% per annum (2018-2023 period) as a result of:
  - Significant and continuous increase in passenger traffic (+4.3% per annum), resulting from improving purchasing power in emerging regions and general GDP growth in mature economies;
  - A slowdown in the increase in average number of passengers per flight (+1.8% per annum over 2018-2023 vs. +4.3% per annum over 2013-2018)-as the share of large and wide-body aircraft is expected to continue to increase but at a slower pace than in the past (19% of 2018 global fleet vs. expected 20% of 2038 fleet according to Boeing Commercial Outlook), and as load factors reach a ceiling (around 80% as of today);

- A reduction of volume of ground handling services per turnaround (estimated impact of -0.5% per annum), as a result of:
  - Further LCC penetration with carriers trying to reduce average turnaround time and minimize specification requirements;
  - Progressive equipment automation, yet with limited impact in the short term;
- Continued outsourcing trends across regions (+1.5% per annum globally with differentiated patterns per region) for ground handling services;
- Slight price increase (+0.3% per annum), linked to continuing market consolidation, and favorable market conditions in 2018, enabling a partial pass-through of wage inflation (variable per region).

In terms of geographical dynamics, accessible ground handling market growth is expected to be primarily driven by emerging regions (notably +5.6% per annum growth in Asia over 2018-2023), and slower growth in mature regions (c. +3.1% to 2.4% annual growth in Europe and North America). As a result, emerging regions (primarily Asia Pacific) should slightly grow as a share of the global ground handling accessible market between 2018 and 2023, gaining +3 pts from 30% to 33% market share.

Ground Handling Accessible Market Breakdown by Region (2008-2023f; EUR bn)



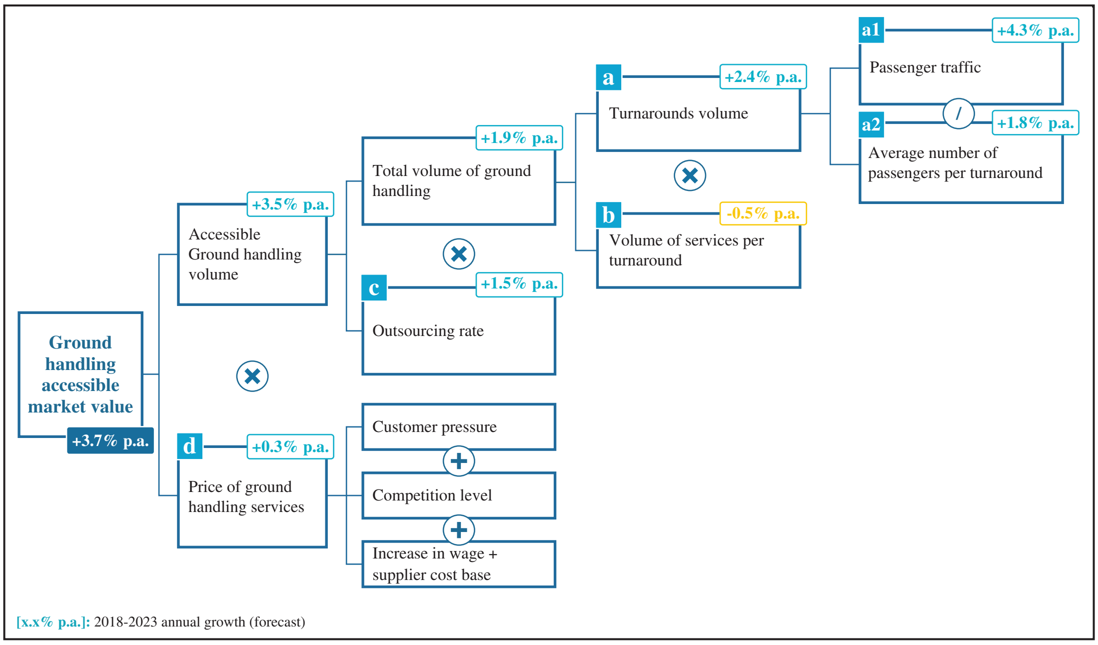
Source: Albatross, ACI World Airport Traffic Forecasts 2018-2040, IATA market annual update December 2018 & June 2019 report, DKMA Global Traffic Forecast 2017-2036, Boeing Commercial Market Outlook 2019-2038, Experts interviews, third-party analysis (market model)

Note: Excluding the forecast increase in outsourcing rates between 2018 and 2023 (difficult to forecast on a yearly basis), ground handling market value is expected to grow at approximately 2.2% per annum between 2018 and 2023 (incl. mix effect)

Ground handling market drivers

Ground handling accessible market growth should mainly be fueled by volume drivers (+3.5% CAGR impact between 2018 and 2023), including the number of aircraft turnarounds as well as the outsourcing rate for handling services, partially offset by the decrease in the average volume of services per turnaround, linked to progressive automation of some passengers processes (e.g. self-check-in, self-luggage drop-off, automatic boarding gates, emerging facial recognition boarding gates, among others) and LCCs penetration. Price dynamics should also support market growth, though to a lesser extent (+0.3% per annum). The relative contribution of each specific driver is detailed below, in terms of CAGR/ annual growth contribution over the period from 2018 to 2023.

Accessible ground handling market drivers (2018e-2023f)

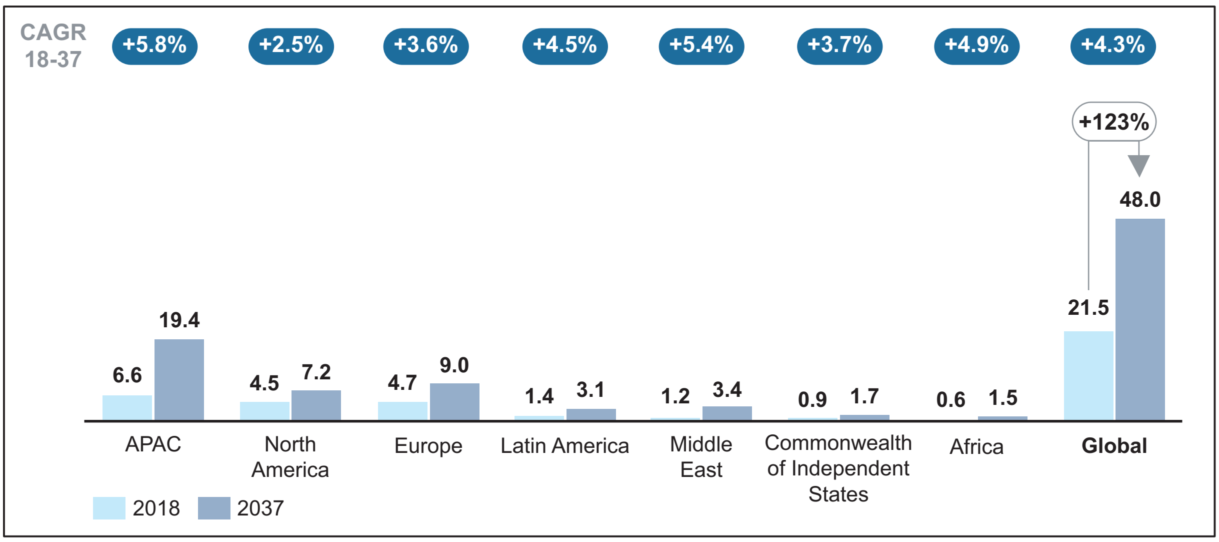


Source: Albatross, ACI World Airport Traffic Forecasts 2018-2040, IATA market annual update December 2018 & June 2019 report, DKMA Global Traffic Forecast 2017-2036, Boeing Commercial Market Outlook 2019-2038, Experts interviews, third-party analysis (market model)

Turnarounds volume

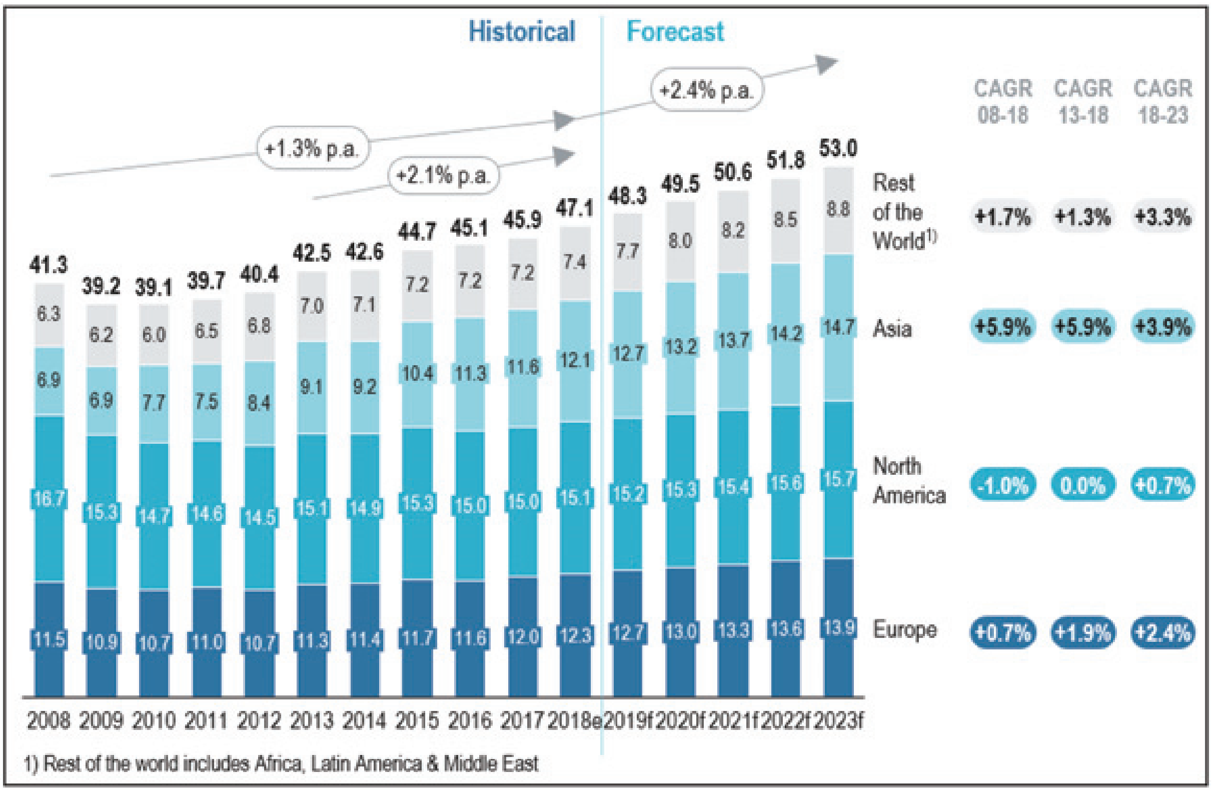
The volume of turnarounds is equivalent to half of the number of aircraft movements (takeoffs and landings). Based on the latest ACI forecast released end 2018, (*Source: ACI—World Airport Traffic Forecasts 2018-2040*), turnaround volume is expected to grow by +2.4% per annum over the period from 2018 to 2023, driven by steady passenger growth and a deceleration of the growth of large aircraft share and passenger load factors. While passenger growth is expected to be approximately +4.3% per annum over the next five years, the number of passengers per aircraft is expected to increase more modestly than in the past, based on slight increase of the share of large and wide-body aircraft in airline fleets (from 19% of 2018 global fleet to expected 20% of 2038 fleet (*Source: Boeing—Commercial Market Outlook 2019-2038*)) and due to the reaching of ceiling for load factors across most regions (approximately 80% as of today). In addition, turnarounds volume increase will be supported by the number of aircraft in service doubling from 2018 to 2037, mainly driven by APAC and the Middle East.

Number of aircraft in service by geography (thousand units; 2018-2037f)



Source: Airbus Global Market Forecast 2018-2037

Aircraft turnarounds breakdown by geography (millions of turnarounds; 2008-2023f)



Source: Albatross, ACI World Airport Traffic Forecasts 2018-2040, IATA market annual update December 2018 & June 2019 report, DKMA Global Traffic Forecast 2017-2036, Boeing Commercial Market Outlook 2019-2038, Experts interviews, third-party analysis (market model)

Note: Figures are based on Albatross database, therefore capturing all aircraft movements recorded in airports (including regional jets for instance). These figures notably include unscheduled flights, charters and executive flights, which are sometimes excluded from other databases (e.g. OAG). However, a discount rate of 5% has been applied to Albatross figures to exclude non-commercial flights with limited consumption of typical ground services provided by independent ground handlers (e.g. executive flights)

Volume of services per turnaround

The average volume of services per turnaround is expected to negatively impact ground handling market growth, with a (0.5%) annual contribution. This is mostly resulting from productivity improvements expected on ground handling activities, notably on passenger-related tasks, especially with the penetration of LCCs. Indeed, the increasing number of automated services (including e-ticketing, e-check-in, staff-less boarding, among others) and the willingness to minimize average aircraft turnaround time are the main negative drivers of core ground handling services, in addition to restrictive policies imposed by airlines (such as restrictions on baggage allowance).

Outsourcing rate

The outsourcing rate is the share of the market which is accessible to independent ground handlers. It is expected to keep increasing across regions—despite regional variations linked to different maturity levels—to reach a global weighted average of 44% in 2023 (vs. 41% in 2018 and 37% in 2013). This +3 pts increase between 2018 and 2023 would yield a global CAGR impact of +1.5% per annum on the ground handling market, and should mainly be driven by:

- Cost benefits as independent ground handlers' economies of scale make outsourcing price-competitive (outsourcing can typically reduce ground handling costs by 10% for an airline internally operating this activity);
- Higher quality of services, as ground handlers develop superior capabilities due to their specialization and investment;
- Regulatory evolutions and liberalization opening markets to independent handlers (notably in emerging regions).

The US market could offer potential for outsourcing growth as legacy carriers (including American Airlines, United or Delta) are facing fewer constraints than they did previously thanks to regulatory evolutions and consolidation (yet facing a less appealing cost-benefit balance for outsourcing). By contrast, Europe is a more mature market in terms of outsourcing, however there nevertheless remains room for growth within major legacy carriers such as Air France, Lufthansa, SAS or Iberia, where ground handling activities are still largely insourced, especially at their home hubs.

In emerging markets, outsourcing is expected to grow progressively as well, as several airports in North Africa (e.g. Algeria) and the Middle East (e.g. Saudi Arabia) are starting to liberalize. In Asia, where ground handling is primarily performed by airlines and/or airport authorities, the growth of LCCs as well as growing awareness of the cost advantages of outsourcing are pushing specific airlines and airports to increasingly consider outsourcing. Nevertheless, Latin America stands out as the most dynamic continent in terms of outsourcing trend, supported by progressive liberalization.

Note: The pace of outsourcing rate increase is difficult to predict on a yearly basis by nature (linked to individual airlines decision, airport liberalization, among other factors) beyond directional favorable trend. Figures presented above include incremental outsourcing trends at play but exclude the potential for growth linked to the future outsourcing of specific large hubs, that would significantly impact outsourcing rates at local/ regional level, but are hard to predict in terms of timing (hence their exclusion from the outsourcing growth forecast, which can present potential for upside). Also, current outsourcing figures have been cross-checked in interviews, but can vary depending on sources and/ or selected perimeter

Price evolution (including inflation)

After years of relative decrease (post-crisis effect), Europe and North America have first managed to stabilize prices over 2014-2016. They are now expected to benefit from various positive factors: continuing market consolidation and favorable market conditions in 2018, enabling a partial pass-through of wage inflation (variable per region). Although airlines are still accepting moderate price growth, there lie some uncertainties for the future as pressure on their margins is reinforcing (e.g. ticket price war due to overcapacity, fuel price surge, or other factors).

Consolidation is a persistent trend, driven by:

- Scale effects and cost synergies, particularly with respect to a relatively high fixed cost base, potential for cost improvement though increased utilization rates for equipment and staff at a given airport;
- Potential for sales synergies with respect to growing the share of large-scale, multi-station contracts across regions with a given airline (i.e., managing handling operations for an airline in its domestic hub as well as its main destination airports in other regions); as well as
- A fragmented competitive landscape wherein the top 4 players capture approximately 33% of accessible market (globally).

Relative reluctance from airlines to switch handling services providers enables a partial pass-through of wage inflation in prices at contract renewal, even if contracts usually include indexation clauses. Inflation is expected to be higher in Europe and North America compared to recent years. More specifically, the United States is expected to benefit from the partial pass-through of increasing labor cost due to the rise of minimum wages ("living wage" ordinances) in several states, including New York, California, Illinois and Massachusetts. Since 2017, 29 states and D.C. have a minimum wage higher than the federal minimum ($7.25 an hour). In New York City for instance, minimum wage reaches $15 an hour in 2019 (+ $2 vs. 2018).

According to third-party analyses, price development by region may contribute to a +0.3% annual price growth contribution over 2018-2023 (so below inflation), depending on the maturity of the local market and regional competition.

Price increase usually stands below inflation rate, as—despite their reluctance to switch providers—airlines are increasingly focusing on costs optimization, and would therefore launch new tenders in case of significant price growth from their current handling services provider(s). Indeed, operational performance across the largest ground handlers is relatively similar, and airline companies have defined clear processes and guidelines that must be implemented by any ground handler. The relatively uniform performance expectations for service providers emphasize the importance of price level in the overall price/ quality balance.

In emerging markets, prices are expected to remain flat, as the trend toward market liberalization should trigger decrease in prices and therefore offset the positive effect of above-listed drivers such as higher than average regional inflation rates.

Cargo handling

Cargo handling market size and forecast

Market analyses include the two most common options for goods to be shipped via air cargo:

- Transportation via cargo aircraft (full freighter/ main deck) which offers highly controlled conditions, direct routing, reliability, unique capacity considerations and is particularly suited for transporting high-value goods;
- Transportation via Passenger aircraft (belly-hold capacity/ lower deck) which offers business opportunities for integrators on non-cargo routes since freighter routes are highly concentrated on relatively few trade lanes.

According to third-party market research, the total accessible cargo handling market is estimated to be approximately €6 billion in 2018 with an approximate 43% share of total cargo handling market value. This market segment is expected to grow at +3.5% per annum in value between 2018 and 2023.

During 2013-2018, the accessible market has grown at +6.7% per annum (estimated +4.7% per annum over the past 10 years), mainly driven by global air cargo volumes (+4.4% per annum CAGR impact over 2013-2018), cargo handling outsourcing by airlines (approximately +1.7% CAGR impact over 2013-2018) and stable/ recently recovering handling prices (since 2015-2016)—following unfavorable price dynamics over 2008-2013 due to significant decrease in cargo volumes transported in specific years and growing pressure on margins for cargo owners and logistics operators and airlines.

These positive drivers were partially offset by increased market share for integrators, i.e. integrated express carriers such as FedEx, DHL and UPS (reaching over 18% market share of total air cargo in 2018), primarily self-handled.

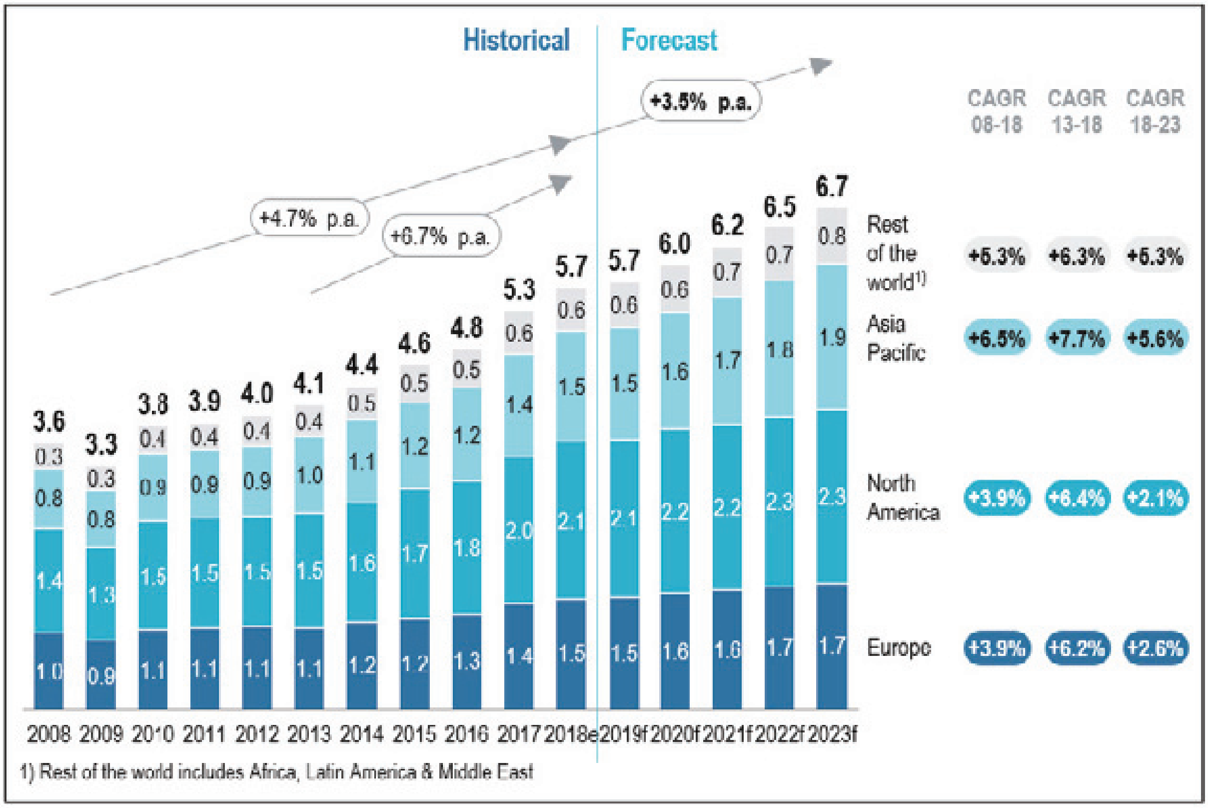
Over the next 5 years, accessible cargo handling market growth is expected to be sustained at a +3.5% per annum, supported by global air cargo volume growth (+2.4% CAGR) and price trends slightly more positive than historically (+1.0% CAGR), yet with a slowdown in the outsourcing trend (based on interviews with industry experts) and a more difficult year 2019 than expected due to trade war between China and the United States.

Air Cargo turns out to remain essential to many facets of modern life, including:

- Increasing needs from e-commerce companies to rely on fast solutions for transporting goods (such as Amazon or Alibaba);
- Strong global demand for consumer electronics, high-value added products with critical supply chain time constraints (e.g. smartphones);
- Continuous need for transportation of time-sensitive perishable goods and temperature-sensitive cargo (e.g. pharmaceuticals or live animals).

All in all, accessible market growth is expected to be mainly fueled by emerging regions, with a +5.3% $CAGR_{18\text{-}23}$ in those regions (notably driven by a +5.6% annual growth in Asia Pacific), while Europe and North America should also grow, but at a slower pace (respectively +2.6% per annum and +2.1% per annum).

Cargo handling accessible market breakdown by region (2008-2023f; EUR bn)



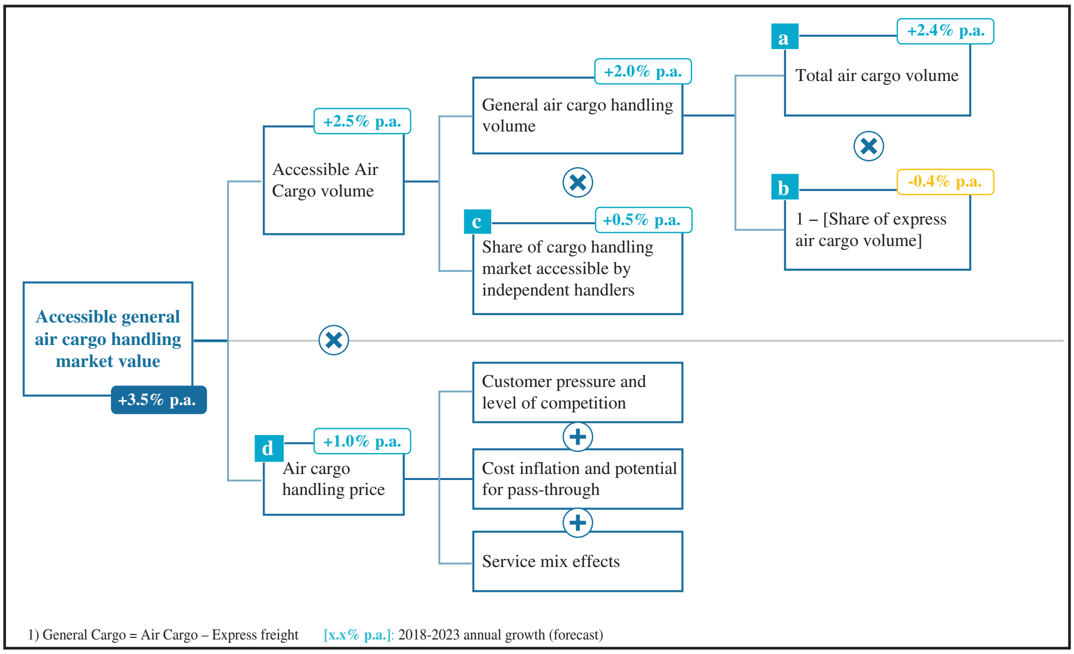
Source: Albatross, IATA market annual update December 2018 & June 2019 report, DKMA Global Traffic Forecast 2017-2036, Boeing Commercial Market Outlook 2019-2038, Experts interviews, third-party analysis (market model)

Note: Excluding the forecast increase in outsourcing rates between 2018 and 2023 (difficult to forecast on a yearly basis), cargo handling market value is expected to grow by approximately +2.6% per annum between 2018 and 2023 (incl. mix effect)

Cargo handling market drivers

The main market driver of cargo handling is total air cargo volumes. The detailed impacts of market drivers are outlined below in CAGR/ annual growth contribution during the period from 2018 to 2023.

Accessible General Air Cargo handling market drivers (CAGR 2018-2023f)



Source: Albatross, IATA market annual update December 2018 & June 2019 report, DKMA Global Traffic Forecast 2017-2036, Boeing Commercial Market Outlook 2019-2038, Experts interviews, third-party analysis (market model)

Air cargo volume

The total air cargo volume is the volume of loaded and unloaded cargo in metric tons. This volume is expected to grow at +2.4% per annum between 2018 and 2023, primarily supported by favorable economic conditions (GDP growth, global trade growth notably driven by e-commerce), with a significant slowdown in 2019 due to the ad hoc impact of higher tariffs on trade (also impacting 2020).

On the one hand, current geopolitical uncertainties between China and the United States should hinder 2019 cargo volumes growth. High tariffs imposed are currently leading to a decrease of air cargo volumes between China and the United States. This ad-hoc circumstantial trade crisis caused a negative growth of air cargo volume in the first months of 2019. However, IATA and market experts are still anticipating an almost flat year 2019 in terms of tonnages (as of June 2nd, 2019) (-0.5% vs. 2018), and a moderate growth in 2020 (+1.7% vs. 2019 considered). Without being able to project the evolution of this situation in the longer term, a return to normalcy could be expected in 2021, considering the effects to be partially mitigated by traffic redirections to neighboring countries such as Singapore, Vietnam, Canada or Mexico.

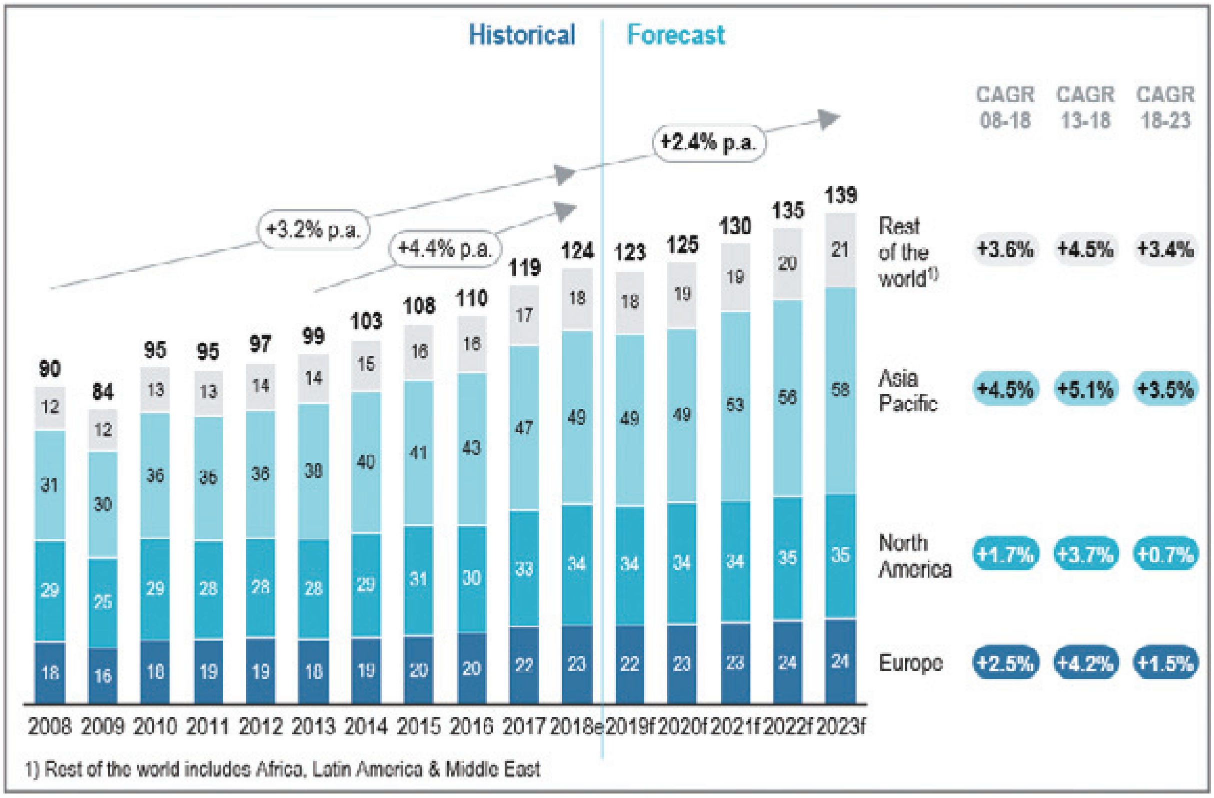
On the other hand, e-commerce constitutes a growing share of the air cargo market. E-commerce sales are booming globally, multiplied by 2.5x in the last 6 years (c. EUR2.5 trillion in 2018 vs. EUR 1 trillion in 2012):

- Asia-Pacific and especially China where e-commerce sales grew by +40% between 2012 and 2017. In particular, Alibaba (market leader of e-commerce in Asia) recently announced it would build its logistics and supply chain capabilities to be able to deliver anywhere in China within 24 hours and across the globe within 72 hours. Such short delivery times would be achieved through the establishment of 5 hubs in Hangzhou, Dubai, Kuala Lumpur, Liège and Moscow; and through a partnership with Emirates SkyCargo;
- The United States is the second largest e-commerce market in the world, led by Amazon accounting for almost half the market. For a few years, Amazon has been willing to take over its own deliveries and thus enter the cargo handling industry. Amazon launched Amazon Air in 2016 to manage its own fleet of aircraft. Amazon Air was created through agreements with air cargo companies: Air Transport Services Group ("**ATSG**") and Atlas Air Worldwide Holdings, and presently operates 40 aircraft. At the end of 2018, Amazon reached a deal with ATSG for 10 additional 767s going towards their aim of reaching a fleet of 100 aircraft in the short term.

Air cargo volume trend appears differentiated on a regional basis:

- Deceleration in mature markets, with Europe and North America volumes expected to increase at +1.5% and +0.7% per annum respectively (vs. respectively +4.2% and 3.7% per annum between 2013 and 2018). Both market being impacted in 2019 and slightly in 2020 by current trade tensions between China and the United States;
- Slight deceleration in Asia Pacific, with market expected to grow at +3.5% per annum, vs. +5.1% over 2013-2018 period. China being impacted in 2019 and slightly in 2020 by the same trade tensions;
- Sustained growth in the rest of the world at approximately +3.4% until 2023.

Total Air Cargo Volume (2008-2023f; m tons)



Source: Albatross, IATA market annual update December 2018 & June 2019 report, DKMA Global Traffic Forecast 2017-2036, Boeing Commercial Market Outlook 2019-2038, Experts interviews, third-party analysis (market model)

Share of express air cargo

A second driver for cargo handling market is the increasing share of express air cargo volume. This segment represents the market volume held by integrators, which are cargo carriers providing complete services such as pick-up, airport-to-airport transport, delivery, additional services. The integrators' share of air cargo volume is assumed not accessible by independent ground handlers, due to self-handling by integrators themselves for a large portion of the volumes and subcontracting to specialized express ground handlers with specific expertise.

The market share of express air cargo (or integrators' market share) is expected to continue to grow over the next five years, with a negative (0.4%) per annum CAGR impact on accessible volumes. In North America, integrators' share is expected to remain higher than in other regions, due to the large size of the domestic express market. Overall, the share captured by express carriers is expected to keep gradually increasing, and should reach 20% globally in 2023, vs. 18% in 2018 and 15% in 2008.

Outsourcing rate

The third driver of the cargo handling is the outsourcing rate from airlines. Indeed, legacy carriers still perform cargo handling activities in their hubs (esp. for full-freighters), but they can outsource that activity to focus on their core capabilities.

The outsourcing rate from airlines is expected to slightly increase by +0.5% per annum over the 2018-2023 period to reach a global weighted average of 53% in 2023 (vs. 52% in 2018 and 48% in 2013). In Europe and North America, further outsourcing potential appears limited with respectively +0.3% and +0.2% per annum as most legacy carriers are expected to keep self-handling in their hubs—reaching approximately 75% in 2023 in Europe and 71% in North America. Outsourcing rates remain lower in emerging regions—less than 40% in 2018—due to relatively closed market access for independent ground handlers. Asia-Pacific, Middle-East and Latin America outsourcing rate is expected to grow between +1.5% and +2.0% per annum between 2018 and 2023.

Note: The pace of outsourcing rate increase is difficult to predict on a yearly basis by nature (linked to individual airlines decision, airport liberalization, among other factors) beyond directional favorable trend. Figures presented above include incremental outsourcing trends at play, but exclude the potential for growth linked to the future outsourcing of specific large hubs, that would significantly impact outsourcing rates at local/ regional level, but are hard to predict in terms of timing (hence their exclusion from the outsourcing growth forecast, which can present potential for upside). Also, current outsourcing figures have been cross-checked in interviews, but can vary depending on sources and/ or selected perimeter

Price evolution (including inflation)

Air cargo handling prices are expected to slightly increase in future years, yet still below inflation, at an estimated +1.0% per annum over 2018-2023. The price increase will be driven by rather favorable market conditions after 2021 (both on cargo volumes & yields, assuming a future improvement in the current trade tensions between The United States and China) leading to some airport warehouse capacity saturation—with differentiated patterns per region. Prices of niche services, such as temperature-sensitive cargo (e.g. vaccines or live animals), requiring specific expertise, should be growing faster than traditional cargo prices.

Local competitive pressure—although moderate—is expected to be partly offset by price increase potential driven by air cargo volume growth, consolidation of the largest handlers and decreasing available warehouse capacity.

Competitive Dynamics

General competitive landscape

Both the ground handling and cargo handling industries are fragmented, with many small players and few global or regional handlers, offering a larger spectrum of services and capturing several competitive advantages thanks to their size. The concentration movement, started in the 1990s, continued recently with over 40 M&A operations between 2013 and 2018 (*Source: Capital IQ (June 2019)*). Though, this trend seems to be stabilizing with ground handlers and airlines now seeking for improvement in quality.

Ground and cargo handlers typology

Ground and cargo handlers are differentiated by their geographical presence and range of services offered. Players tend to specialize in either ground handling or cargo handling. The four main categories of handlers are:

- **Global players**: they are able to offer a comprehensive range of services across several continents, usually making more than €500 million in annual revenues. They benefit from strong investment capabilities and privileged long-term relationships with airlines through global contracts. Traditional global players include Swissport, Menzies and WFS. In recent years, Dnata, historically based in Dubai and sister company of Emirates, has completed multiple acquisitions of small handlers, gradually consolidating into a global actor;

- **Regional generalists**: they cover one or two regions and provide a wide range of services. They are usually strong in their domestic markets, benefiting from local scale effects and historical relationships with local airlines. Regional generalists include Aviapartner and Fraport in Europe, DGS in the USA, and Aviator in Nordic countries. Çelebi, a Turkish player historically focused on its home market, has been significantly increasing its market share in India in the last decade. In January 2019, Çelebi signed a 10-year agreement with Rajiv Gandhi International Airport in India to carry out ground handling services, allowing them to complete their presence in all private airports in India covering over 55% of the country's traffic;

- **Focused generalists:** they are regional players with a market positioning similar to regional generalists, yet with a focus on a narrower range of services (such as catering or fueling) that typically represent 30% to 70% of their revenue. Examples of focused generalists include SATS, a Singapore-based ground handler and sister company of Singapore Airlines esp. focused on catering, or Hactl, focusing on cargo related activities in Hong Kong;

- **Specialists:** they provide a certain type of service that requires particular skills and resources (such as executive aviation), and usually have a limited geographical reach. Examples of such players include Signature Flight Support which specializes in executive aviation or Skytanking which specializes in into-plane fueling.

Breakdown of major ground and cargo handlers (2018; not exhaustive)

Segments		Activities and geographical coverage	Main characteristics	Major players
Generalists	1 Global players	> Global footprint even though Europe remains a predominant part of their business > Over EUR 500 m of revenues > Mix of ramp & passenger and cargo handling services	> Investment capabilities (warehouses, manpower, GSE [1], IT and warranties) > Privileged long-term relationship with airlines (global contracts) > Strong regional cargo network with pre- and post- airport routing	WFS, swissport, dnata, Menzies
	2 Regional generalists	> Coverage of 1-2 geographies (e.g. Europe and/or North America) > Relatively large range of services	> Local market share with strong scale effects > Contracts and historical relations with local airlines, historical licenses > Strong freighter regional network with pre-and post-airport journey operations	Aviapartner, AVIATOR, GAT, Celebi, groundforce, DGS
	3 "Focused" generalists	> Regional players > Full range of services with 1 or 2 specific areas of expertise > This(ese) area(s) of expertise typically representing 30 to 70% of their revenues	> Superior expertise in one field requiring specific resources (manpower, equipment) > Complexity to develop a wide and balanced offer while focusing on one specific skill	sats, Hactl, APS
Specialists	4 Specialists	> Areas of specialization: cargo, fuel, catering, lounge... > Coverage of one product line	> Strong competitive advantage in their area of specialization > Technical investments (skills and assets)	SERVAIR, Signature, Skytanking

1) Ground Support Equipment

Source: Company websites & presentation, press review, interviews, third- party analysis

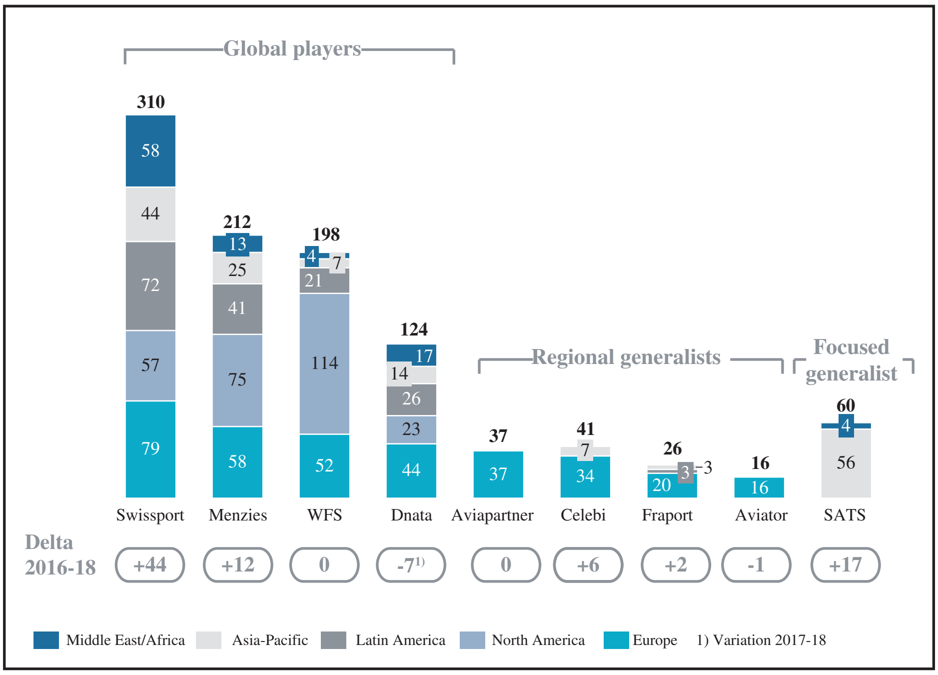
Large players can benefit from numerous structural advantages compared to smaller players, notably:

- Size and scale allowing them to better amortize their costs
- Experience and a steeper learning curve
- Recognition in their ability to manage operations in the largest hubs
- Activity based on large contracts less accessible to smaller peers
- High investment capabilities in GSE and staff, necessary to handle large volumes of activity, esp. in hubs with a high share of wide-body aircraft (e.g. high loaders)

Nevertheless, in secondary airports all over the globe, large players face tough competition from niche players operating in one or several airports.

Like other large players, Swissport has been able to materialize the benefits of its size and scale, positioning itself as one of the leading independent handlers globally by revenue and number of stations.

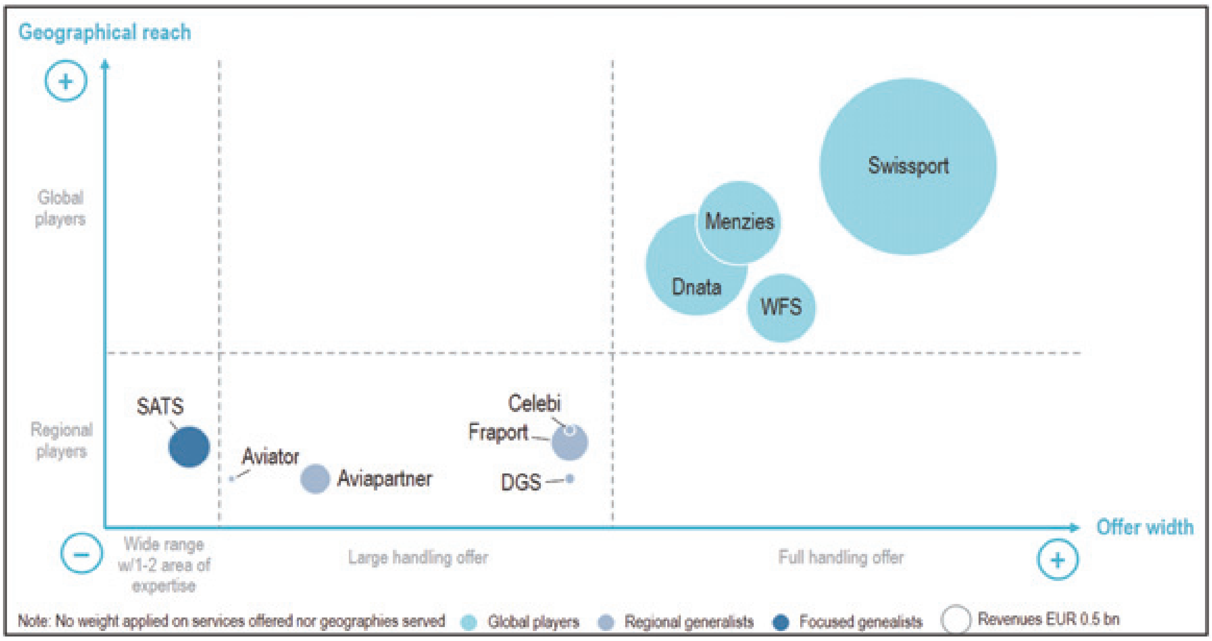
Top independent handlers' stations per area (# of stations; 2018)



Source: Swissport internal data, Company websites & annual reports (2019 and previous years)

The critical size reached by the 4 market leaders—Swissport, Menzies, WFS and Dnata—stands as a key comparative advantage. Firstly, a major difference among players stand in their geographical footprint. As large leaders tend to operate on all continents a high number of stations, challengers focus their activity on one or two main regions. Global players are also able to offer a complete array of services in all major handling segments: passenger, ramp and cargo, to the benefit of their clients (airlines) who can negotiate large contracts integrating several platforms. They are also able to provide a wide range of premium PAX services (e.g. executive aviation, lounge) and additional services such as flight operations, maintenance or security.

Top independent handlers' strategic positioning on the cargo and ground handling market (2018; not exhaustive)



Source: Swissport internal data, Company websites & annual reports (2019 and previous years), desk research

Ground and cargo handling key purchasing criteria from airlines

In addition to their structural advantages, global handlers position well on airlines' key purchasing criteria:

- **Level of safety**: more than a purchasing factor, safety is considered a pre-requisite by customer airlines. Large global players implemented specific safety and security procedures in all their stations and benefit from larger means to purchase monitoring and screening equipment for quality;
- **Price**: consolidation allowed global ground and cargo handlers to reach economies of scale, decrease their costs and reduce their prices while remaining profitable;
- **Quality of services and operational excellence**: airlines expect ground and cargo handlers to be flawless on their continuity of operations (no strikes or social conflicts), quality of interpersonal skills and commercial staff, punctuality, flexibility and agility (coping with increasing pressure on turnaround times to boost aircrafts utilization). Large ground and cargo handlers implemented compliance and ethics codes. Their code of conduct states how employees should perform on their daily work, and defines expectations for ethical behavior to ensure the preservation of the highest standards;
- **Quality of the relationship with the carrier and time length of the partnership** as well as **brand recognition** are also important incentives quoted by airlines when selecting a provider;
- **Range of services offered and geographical reach**: a comprehensive service offering enables to reduce the number of suppliers and thus, complexity for airlines. In addition, ground handlers covering numerous stations can offer bundled services at origin and destination to airlines at more competitive rates.

Swissport, Dnata and Menzies are perceived as the best performing handlers on the level of safety and quality of the relationship with the carrier.

Regulation and consolidation trend

The ground handling segment shows different degrees of liberalization according to the region. While the segment is fully liberalized in North America, the process is rather advanced in Europe and ongoing in Asia. Indeed, the European Commission has been pushing in favor of liberalization since the end of the 1990s with the Directive 96/67/EC, which opened ground handling services to competition in large airports. But, liberalization is still limited as for certain services (e.g. baggage handling, ramp handling, fueling and freight services), EU Member States may decide to limit the number of service suppliers. If so, there must be at least two suppliers and at least one of them must be independent of the airport or of the dominant airline at that airport. This rule counterbalances the limitation. In Asia, the situation is quite different, and liberalization is still at an early phase. The main foreign ground services groups still have relatively low presence in the region due to the continued domination of local airlines and airport authorities.

The cargo handling segment which is more liberalized has been subject to intense competition for many years, particularly in Europe and North America. Asia has seen an increase in competition over the last ten years. Indeed, large global cargo handlers have been entering the Asian market (e.g. WFS, Menzies, Swissport) mostly through joint ventures with local players (e.g. Bangkok Airways and WFS's cargo venture: Bangkok Flight Services; Menzies and Bangalore and Hyderabad airports' joint venture: Menzies Aviation Bobba). Still, spreading in the area can be challenging for global handlers since Asian countries have different local policies. Developed countries such as Australia, Japan and South Korea are easier to penetrate, and India also significantly freed access to global players. On the other hand, China is still a very challenging market for newcomers.

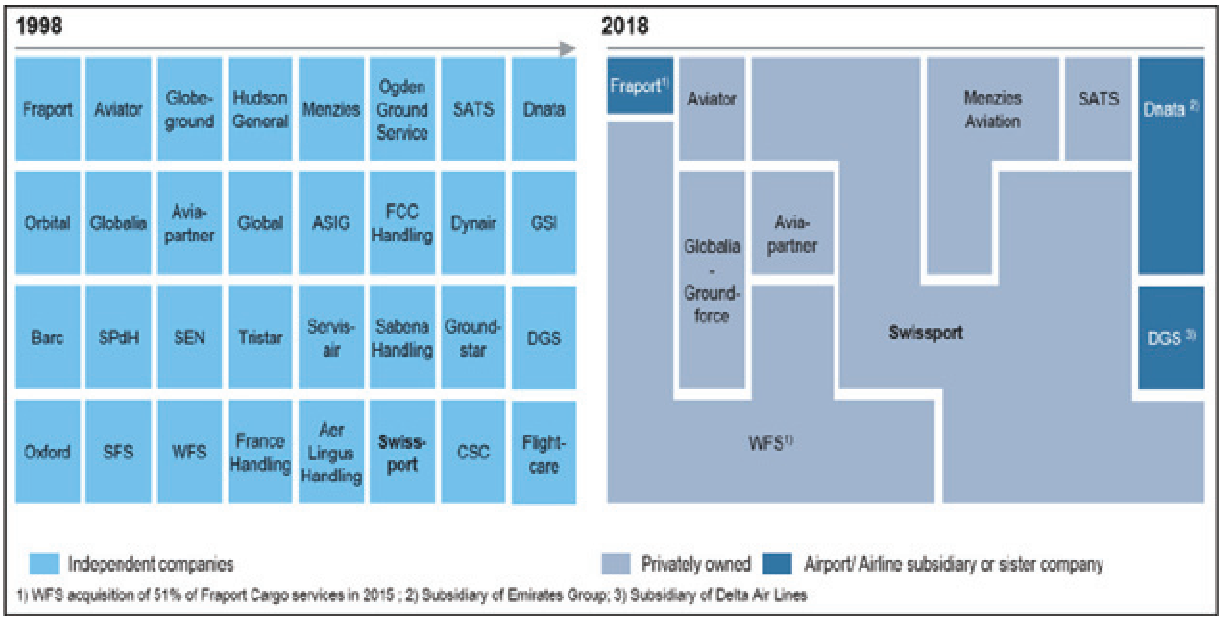
Despite fragmentation in the market, there has been a clear trend towards consolidation of the industry since the end of the 1990s / beginning of the 2000s. This concentration movement started with deregulation pushing the intensification of competition in the industry. The large number of players active in the market on several platforms drove prices down. This downward pressure on prices encouraged major players to grow in order to reach economies of scale. This enabled a cost decrease, thus allowing them to lower their prices while remaining profitable. However, the consolidation trend is expected to slow down in the near future, driven by the evolving demand of airlines towards better quality services, and the already large size of global handlers. Over 40 transactions among main global ground handlers occurred between 2013 and 2018. Recent examples include:

- The acquisition, in December 2018, by Dnata of 121 Inflight Catering, providing catering services for private jets and premier catering to international commercial flights based in the United States;

- The acquisition, in September 2018, by Swissport of Apron GmbH, a cargo and ground service provider based in Stuttgart, Germany;
- The acquisition, in July 2018, by Dnata of Airport Handling SPA, a ground and cargo handling service provider (e.g. baggage handling, security services, cargo and mail handling) based in Italy;
- The acquisition, in April 2018, by Dnata of Qantas Catering Group, a catering service provider with a strong footprint in Australia;
- The acquisition in April 2018, by Menzies Aviation of Airline Services, which provides aircraft presentation and cabin interior support services in the United Kingdom (e.g. interior cleaning, exterior washing and polishing, cabin laundry, seat cover changing, carpet fitting);
- The acquisition in November 2017, by Menzies Aviation of Farnair Handling, a ground and cargo handling services provider at Budapest Liszt Ferenc Airport;
- The acquisition, in November 2017, by Swissport of Aero-Care Pty, offering flight support services (incl. customer service, baggage and ramp handling, cleaning and other services) mainly based in Australia and New Zealand, thus strengthening Swissport's footprint in Asia-Pacific;
- The acquisition, in September 2016, by Menzies Aviation of ASIG, a fueling and ground handling service provider with a strong footprint in North America;
- The acquisition, in March 2016, by WFS of Consolidated Aviation Services, which was the largest cargo hand in North America;
- The acquisition, in May 2016, by Dnata of 100% of the equity of the American ground-handling company Ground Services International Inc ("**GSI**"), enabling the company to start operating in the North American market thanks to GSI's 14 stations in the country. This acquisition followed multiple smaller acquisitions completed between 2013 and 2017;
- The acquisition in July 2015, by WFS of 51% shareholding in Fraport Cargo services, building a strategic partnership with Fraport AG, for cargo handling at Frankfurt airport;
- The acquisition in July 2015, by Swissport of majority stakes in AFS enabling to expand its into-plane-fueling services and to capitalize from the ongoing liberalization of the European into-plane-fueling market.

The consolidation trend was reinforced these last few years by the large M&A operations carried out by Swissport. Dnata also significantly contributed to the consolidation movement, increasingly positioning itself as one of the global major players through external growth. Numerous transactions also revealed the aim of global players to expand into the Asia-Pacific market.

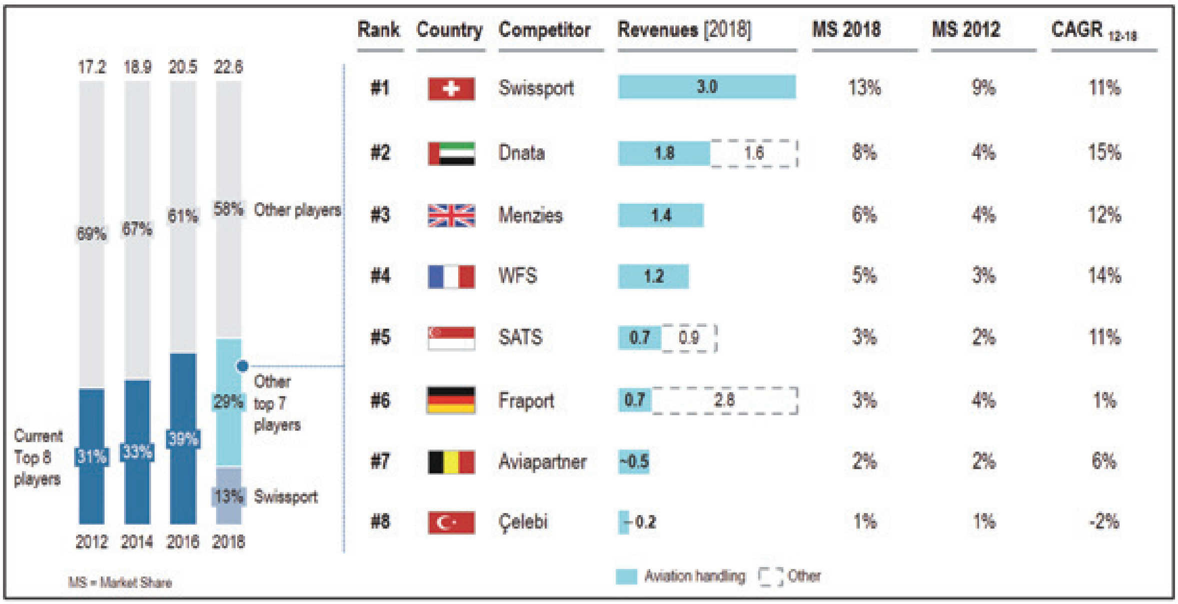
Figurative market consolidation of large independent handlers (1998-2018; not exhaustive)



Source: Company websites & presentation, press review, desk research

Despite multiple M&A operations which have contributed to increase concentration, the aviation handling market remains rather fragmented, with top-eight players accounting for an estimated approximately 42% share of the total accessible aviation handling market in value in 2018.

Top 8 independent aviation handlers' share of accessible cargo and ground handling market (EUR bn)



Source: Swissport internal data, companies' annual reports, desk research

BUSINESS

Overview

We are the world's leading independent provider of ground and cargo handling services to the aviation industry based on revenue and number of airports served. In 2018, we were the number one provider of ground and cargo handling services by revenue with an estimated 13% market share of the total global ground and cargo handling market accessible by independent ground and cargo handlers, which is significantly larger than the market share of our nearest competitor (*Source: Roland Berger Report*). We offer our customers a full range of ground and cargo handling services, which by their nature are mission-critical elements of our customers' own businesses. We aim to provide, as we already do in some airports, a full one-stop shop range of services. Our personnel can be found throughout the airports where we operate, both in passenger-facing roles, such as counter check-in, gate check-in and boarding, security screening and lounge services, and in logistical roles, such as baggage handling, ramp handling, aircraft maintenance, de-icing, cargo office and warehousing and fueling. As of March 31, 2019, we had over 3,700 individual contracts and provided ground handling and cargo services at 310 airports in 49 countries across six continents. We serve a broad and diversified customer base, which includes over 850 customers, of which approximately 63% are airline and approximately 37% are non-airline customers, such as airports and freight-forwarders. For the last twelve months ended March 31, 2019, our total revenue and other operating income was €3,059.7 million and our Operating EBITDA and Operating EBITDA (IFRS 16 Adjusted) were €317.3 million and €281.6 million, respectively. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Comparability—IFRS 16 (Leases)*". As of March 31, 2019, we had approximately 66,000 employees.

For operating and reporting purposes, we group the services we provide in the following segments:

- *Ground handling.* Our ground handling services include core services, such as ramp and passenger handling and baggage services, as well as higher value-add and higher yielding services, such as gate and check-in operations, airport management and control, crew administration, cabin cleaning and de/anti-icing. Ground handling also includes complementary specialty services, such as fueling, aviation security, lounge operations, aircraft maintenance, executive aviation and aviation passenger transport. In 2018, we provided ground handling services for over 285 million passengers on approximately 4.3 million flight movements. During the last twelve months ended March 31, 2019, ground handling operations contributed 81.4% and 67.1% to our total revenue and other operating income and our Operating EBITDA, respectively.
- *Cargo handling.* Our cargo handling services include physical import and export handling of freight, warehousing and storage of cargo, document handling, trucking, mail handling and e-freight services. In 2018, our cargo handling segment handled approximately 4.8 million metric tons of cargo. During the last twelve months ended March 31, 2019, cargo handling operations contributed 18.7% and 32.3% to our total revenue and other operating income and our Operating EBITDA, respectively.

As of March 31, 2019, we had operations across six continents, spanning 79 airports in Europe, 98 airports in North America, 31 airports in South America, 58 airports in the Middle East and Africa and 44 airports in the Asia-Pacific region. By number of airports serviced, we are ranked number one in Europe and the Middle East, Africa, Latin America and Asia-Pacific, and number three in North America amongst four similarly sized providers (*Source: Roland Berger Report*). We operate at some of the busiest airports in the world, including Chicago O'Hare International Airport, Tokyo Haneda Airport, Dallas/Fort Worth International Airport and Hartsfield-Jackson Atlanta International Airport. For the last twelve months ended March 31, 2019, our top ten airports accounted for 34.2% of our total revenue and other operating income. For the last twelve months ended March 31, 2019, our operations in Europe, the Middle East and Africa accounted for 55.4% of our total revenue and other operating income, with North American and Latin American operations and Asia-Pacific operations respectively accounting for 35.4% and 9.2% of our total revenue and other operating income.

Our integrated service offerings and global presence allow us to offer a comprehensive range and consistent quality of services across all the regions in which we operate. We offer a full suite of ground and cargo handling services, as well as more customized services for customers, such as low-cost carriers. Our services are complemented by sophisticated hub management capabilities, which allow us to respond to outsourcing by airlines at their home bases. Our services are designed to meet our customers' needs on both a local and global scale throughout our network. In addition, we are flexible to our customers' needs and to changes in the aviation landscape. We believe that we are consistently at the forefront of technological advancements in our industry. For example, we were one of the first independent global aviation service providers to offer web check-in, mobile check-in, real-time operations labor management, advanced integrated security procedures and various other innovative aviation services.

Our more than 850 customers are major full-service airlines, regional air carriers, low-cost carriers, air cargo carriers, freight forwarders and airports. We have a long service history and established contractual agreements in place with many of our key customers, including Swiss International Air Lines, United Airlines, Ryanair, Lufthansa, easyJet, Finnair, Qatar Airways, Delta Air Lines, Brussels Airlines, American Airlines, Emirates and KLM Royal Dutch Airlines. For the last twelve months ended March 31, 2019, our top ten customers represented 30% of our consolidated annual revenue and accounted for 11.3% of our more than 3,700 individual contracts. All of our top ten customers have been customers for over ten years, and some customers, such as Swiss International Airlines and Lufthansa, have been Swissport's customers since we were founded.

We believe that our strong reputation and loyal customer base have been achieved because of our global presence, integrated service offerings, consistency of service delivery across geographies and local management expertise. Because of our global presence, we are able to utilize best practices from each of the regions in which we operate in order to deliver service that consistently applies Swissport quality across all of our global locations. Our local management expertise allows us to apply our global and integrated services and key performance indicators ("**KPIs**") in a manner that is specifically tailored to the needs of our customers in each of those regions. This local expertise also allows us to respond quickly to changes in local market conditions and adapt our business accordingly. We believe that our global presence, integrated service offerings, consistent service quality and local management expertise aid us in attracting and maintaining a strong and loyal customer base.

Our Strengths

We believe we benefit from the following key strengths:

We are a global leader, as measured by revenue and number of airports served, in our industry with competitive advantages afforded by our global scale

We are the largest independent ground handler in the world, and one of the largest cargo handlers, based on revenue and number of airports (*Source: Roland Berger Report*), making us a leader in ground and cargo handling. As of March 31, 2019, we operated in 310 airports in 49 countries across six continents. In 2018, our total revenue and other operating income was €2,994.5 million, which is approximately 1.7 times larger than the revenue of our nearest competitor (*Source: Roland Berger Report*). Specifically, in EMEA we operate in 137 airports in 26 countries and have approximately 29,000 employees; in the AMERICAS we operate in 129 airports in 18 countries and have approximately 31,000 employees; and in APAC we operate in 44 airports in five countries and have approximately 5,500 employees. Our market share continues to grow, and we estimate that our market share by revenue increased from 9% in 2012 to 13% in 2018 (*Source: Roland Berger Report*) of the total global ground and cargo handling market accessible by independent providers. As of March 31, 2019, we have expanded our global footprint to 310 airport stations across 49 countries, up from 178 airport stations in 37 countries in 2010. We estimate that we currently provide our services to over 850 customers, which includes providing ground handling services for over 285 million passengers on approximately 4.3 million flight movements and handling approximately 4.8 million metric tons of cargo. We believe that we are the leading independent provider by market share of ground handling and cargo handling services to the aviation industry in several regions in which we operate.

In 2018, we have been ranked first in Europe, the Middle East and Africa, Latin America and Asia-Pacific, and ranked third in North America as a global provider of ground and cargo handling services, by number of stations (*Source: Roland Berger Report*). We believe that our position as a global provider of ground and cargo handling services makes us well placed to offer network-wide coverage, with consistently high quality of service delivery across geographies to our customers. We believe that we are also well-positioned to provide our customers with their required type of hub and base services, including hub management (where we provide all of an airline's ground handling requirements at a certain hub). This puts us in a strong position to bid for and capture new licenses and contracts, whether arising through deregulation or airline restructuring, leading to new opportunities or tender renewals. We believe that our global scale, overall service quality and comprehensive product offering give us a competitive advantage and positioning vis-à-vis our competitors.

We operate in a resilient market with strong underlying growth drivers and are well positioned to take advantage of current trends in the global aviation industry

The ground handling market is expected to benefit from strong market trends underlying the global aviation industry. Global demand for passenger air travel and passenger aircraft is increasing and is expected to continue to increase. This trend in passenger traffic is expected to lead to an increase in the number of turnarounds and greater demand for ground handling services. Moreover, a continued trend towards outsourcing combined with local deregulation and liberalization of aviation services is expected to further contribute to the expansion of the accessible market. As a result, the market value of the aviation handling market is expected to grow by 3.7% annually from 2018 to 2023 (*Source: Roland Berger Report*).

In comparison to airlines in general, the ground handling services market has proven relatively resilient to external shocks, particularly stemming from changes in global economic conditions. The performance of the ground handling services business is primarily driven by the number of aircraft movements, rather than number of passengers. During economic downturns a decline in passenger volumes typically impacts the load factor or size of the aircraft they operate, as airlines have historically shown a preference to maintain the number of routes they operate, in order to preserve gate space. Airlines' reluctance to cancel existing routes generally has the effect of maintaining the number of aircraft movements during periods of economic contraction.

Although cargo volumes more closely follow economic cycles and changes in world trade, changes in cargo volumes have historically shown an early cycle recovery, largely because air cargo is primarily comprised of finished products that businesses need to restock at the early stage of their inventory cycles. Furthermore, the cargo handling market benefits from favorable underlying market dynamics, driven by the rapidly expanding e-commerce market and continued growth of global trade, resulting in a long-term increase in air cargo traffic and volumes (*Source: Roland Berger Report*).

We believe that our large size, global presence and wide variety of service offerings make us well-positioned to capitalize on these trends.

We demonstrate operational excellence in delivering mission-critical services, with industry-leading quality and safety standards

We operate in business sectors where our services are mission-critical to our customers. As such, our established reputation for high quality and consistency of service delivery across our global networks is one of our key strengths. Quality of service and on-time performance is mission-critical in the aviation services industry as airlines entrust their handling services to external parties, and high quality of service requires a high level of skill and technical know-how. Poor handling can lead to damaged aircraft, late check in, lost luggage and delayed schedules, all of which can be costly for airlines, both from a financial and reputational point of view, partially because many customers view handling personnel as airline employees instead of third-party employees.

We recognize the importance of quality in our services and strive to ensure that our customers feel confident that their customers will have positive experiences with our services. To this end, we developed and put in place a "Swissport Formula", which is a set of guiding principles and organizational standards aimed at standardizing and optimizing our operations to ensure delivery of consistent quality and reliable mission-critical services. The Swissport Formula is built on the principles of a common culture driven by certain KPIs and a focus on continuous improvement, the sharing of verified tools and processes between operations, the use of common best-practice operating standards across our businesses, the establishment of a standard training program by function across all organizational levels and airport stations and the implementation of standard safety management system at all levels.

Our strong reputation with our customers is supported by a performance culture that is driven by KPIs. Each airport station has a minimum of ten KPI targets. For example, we set ourselves a target in 2018 of 96.9% for on-time performance, based on specific customer service level agreements or 98% in case of absence of such an agreement. For the year ended December 31, 2018, we achieved an on-time performance rate of 97.5%, or 0.6% over the target agreed with customers. We have a contract renewal rate target of 80% on an annual basis. We achieved a contract renewal rate of 74% for the year ended December 31, 2018. In 2018, we renewed contracts with an annual value in excess of €217 million, net contract win revenue, which is a metric showing the net effect on our revenues from won and lost contracts, of €56.3 million. We are also proud of our market leading safety standards. From 2015 to 2018, we achieved a 25% decrease in global loss time injury frequency and a 16% decrease in aircraft damages. With more than 850 customers and over 3,700 individual contracts as of March 31, 2019, we believe that we are an attractive partner for our customers.

Our focus on providing a high and standardized level of service across our network, together with our technical know-how, the wide range of services we offer globally and our local expertise in addressing the various and demanding needs of our customers, has earned us a strong reputation for high quality service offerings. We have received various awards and recognition, including ISAGO certificates and IGOM recognition at the IGHC 2017, the STAT Times Africa Award for "International Ground Handler of the Year for Cargo Services" at the Air Cargo Africa 2017 conference, Ground Handler of the Year at the 2016 Air Transport News Awards and the IATA "Innovator Award 2019" at IATA's ground handling Conference among others.

Our focus on continuously optimizing and streamlining our cost base allows us to leverage our best practices across our global network to create a leaner cost structure, which further drives our financial and operational performance. Personnel expenses represent our single largest expense, accounting for 67.9% and 68.1% of our total operating expenses for the year ended December 31, 2018 and for the three months ended March 31, 2019, respectively. For the most part, we consider personnel expenses to be variable costs, providing us with a certain amount of flexibility to adjust our cost base to the needs of our operations. To maintain the optimal level of staffing and minimize turnover, we seek to offer competitive remuneration to our employees. We strive to reduce idle time of labor force by carefully managing staff productivity through the use of real-time technology that we have deployed in our employee roster tools and flight information systems. The technology calculates staffing requirements based on flight schedules and aircraft type and helps to identify the optimum split of full-and part-time workers. Our standardized training program is designed to teach each team the skills it needs to perform that team's designated role, and we also provide airline certified training for select partners. The operational effectiveness of our labor force is actively monitored at a central level by the use of standard KPIs. Ground support equipment and uniforms for our personnel are procured centrally to achieve better pricing and further drive down our cost base.

We take a very rigorous approach to pricing processes and controls, with detailed cost build-ups tailored to the scope of services required, based off global contract templates for cost analysis and operational viability. All new contracts and renewals are tested for profitability against NPV/IRR thresholds, as well as usual commercial targets, with standardized margin thresholds and return hurdle analysis. Following an established system of clear thresholds based on contract size, all contracts are approved by both local and global group management. See "*—Material Contracts—Customer Contracts*".

We have a reputable and well-established global brand with a long standing and stable customer base

We have strong relationships and track records with our customers built on our quality of service and on-time performance. We have maintained long-term relationships with many of our customers, some of whom have been doing business with us since our inception and others since their inception. For example, we have provided services to British Airways and Flybe for more than 11 years. Swiss International Air Lines and Lufthansa have been our customers since we were founded, and our relationships with each of our top ten customers have continued for 12 years or longer, as of December 31, 2018, as indicated below:

- Swiss International Air Lines: over 19 years
- United Airlines: over 15 years
- Ryanair: over 13 years
- Lufthansa: over 19 years
- EasyJet: over 13 years
- Finnair: over 13 years
- Qatar Airways: over 13 years
- Delta Air Lines: over 18 years
- Brussels airlines: over 15 years
- American Airlines: over 12 years

There can be high switching costs for our customers in changing service providers due to the close integration of ground handling services and operations of the airline, which is especially the case for hub or base operations.

Our high quality services, combined with the wide range of services we offer globally and our ability to tailor a service package for the individual needs of our customers, have allowed us to build a loyal and diverse customer base, which is made up of players from every corner of the aviation industry, including major full-service airlines, regional air carriers, low-cost carriers, air cargo carriers, freight forwarders and airports. For the year ended December 31, 2018, our top ten customers represented 30% of our consolidated annual revenue (of which 84% was generated by ground handling services and 16% by cargo handling services provided to those customers), while our top 11 to 50 customers represented 33% of our consolidated annual revenue. Our top 10 customers represented the following percentage of sales as of December 31, 2018:

- Swiss International Air Lines: 7% of revenues
- United Airlines: 4% of revenues
- Ryanair: 3% of revenues
- Lufthansa: 3% of revenues
- EasyJet: 3% of revenues
- Finnair: 2% of revenues
- Qatar Airways: 2% of revenues
- Delta Air Lines: 2% of revenues
- Brussels airlines: 2% of revenues
- American Airlines: 2% of revenues

We have a resilient financial profile with further potential for margin expansion

Our business has a proven track record of margin resilience and cash flow generation with potential for margin expansion. Our total revenue and other operating income grew from €2,469.6 million in 2016 (€2,681.7 million on a pro forma basis) to €2,805.8 million in 2017 and to €2,994.5 million in 2018. Over the same period, our Operating EBITDA increased from €198.7 million in 2016 (€206.4 million on as adjusted basis) to €220.1 million in 2017 and €273.2 million in 2018. Our Operating EBITDA Margin was 7.7% in 2016 on as adjusted basis, 7.8% in 2017 and 9.1% in 2018.

We focus on leveraging best practices across our global network with the aim of achieving continuous efficiency improvement through managing labor costs, understanding local cost bases, and disciplined and rigorous commercial governance and pricing practices. We have focused on expanding our network in locations with higher margin opportunities, particularly in emerging markets, while consolidating in developed markets with a focus on cost optimization. Our global scale provides an extensive equipment and personnel base from which we can draw, allowing for cross functional equipment and staff utilization, cost advantages and procurement efficiencies, which can lower the costs of new equipment purchases. We have created a centralized Centre of Procurement Excellence which has established a group-wide policy for the procurement of key items, such as ground service equipment and uniforms, and allows us to leverage our global scale to achieve lower unit costs.

By virtue of the asset-light nature of our business, we also benefit from low capital expenditure requirements which are closely monitored and managed. In 2016, 2017 and 2018, our Net Capital Expenditure of €70.1 million, €68.6 million and €109.2 million respectively amounted to 2.8%, 2.4% and 3.6% respectively, of total revenue and other operating income of €2,469.6 million, €2,805.8 million and €2,994.5 million respectively, while our working capital of €52.5 million, €56.2 million and €18.0 million respectively amounted to 2.1%, 2.0% and 0.6% respectively, of total revenue and other operating income.

Our profitability and increased focus on working capital management has led to strong cash flow generation. We generated cash flow from operating activities of €135.7 million in 2016 (€138.4 million on a pro forma basis), €130.1 million in 2017 and €182.5 million in 2018. Measured as a percentage of Operating EBITDA which was €198.7 million in 2016 (€206.4 million on as adjusted basis), €220.1 million in 2017 and €273.2 million in 2018 respectively, our cash flow from operating activities was 68.3% in 2016 (67.0% on as adjusted basis), 59.1% in 2017 and 66.8% in 2018. We continue to manage our working capital closely to maximize our cash flow generation.

We have a proven capability to drive multiple levers of growth, including organic growth, outsourcing and hub management, bolt-on acquisitions and greenfield investments

Our business has grown consistently since its foundation and continues to grow profitably. This strength has been driven by focusing on four building blocks for growth: organic growth, new outsourcing opportunities, bolt-on acquisitions and greenfield investments.

Our history of organic growth has principally been driven by an expansion of our existing operations by providing additional services to existing customers, adding new customers to existing airports and adding new airports in existing markets. Our relatively asset-light and flexible business model enables us to take advantage of organic growth opportunities with only limited additional capital expenditures. By leveraging our global scale to systematically expand our existing operations, we have seen the incremental and steady growth of our business with customers, such as Ryanair and Qatar Airways.

We have a demonstrated ability to successfully onboard outsourcing contracts and are well positioned to take advantage of new outsourcing opportunities. We believe our capability to offer sophisticated hub management services (where we provide all of an airline's ground handling requirements at a certain hub) makes us well suited for new customers looking to outsource or switch providers, particularly in relation to airline hubs and bases where aviation service providers need to be fully integrated into the daily activities of the airline. As of the date of this Offering Memorandum, we provide services at the hubs or bases of Swiss International Air Lines in Zurich, Brussels Airlines in Brussels, easyJet in Geneva, Finnair in Helsinki, United Airlines in Washington, D.C. (Dulles), South African Airways in Johannesburg, Lufthansa in Munich and Bulgaria Air in Sofia. The strong underlying trend by airlines and airports to focus on their core businesses in an effort to cut costs provides us with what we believe is an avenue for substantial growth of our business.

We have historically expanded our business through selective external growth opportunities, such as our acquisition of Servisair in 2013, our acquisition of a majority stake in AFS Aviation Fuel Services GmbH in September 2015, the acquisition of AGN Aviation Services in Mexico in October 2015, our acquisition of Skylink Handling Services ("**Skylink**") in October 2016 and most recently our acquisition of Aerocare, which was completed on March 7, 2018.

Additionally, we have historically employed greenfield investments as another avenue for growth. Our existing greenfield projects consist of opportunistic start-ups that have arisen from new tender prospects as a result of new business opportunities in untapped markets, such as the three new cargo stations built for the new contracts with Amazon, or as a result of outsourcing and deregulation, such as our recent entry into Saudi Arabia and Oman.

Our global scale and operational effectiveness allow us to reduce certain of the cost burdens associated with entering new markets, which can involve significant start-up costs and other development risks if a greenfield investment. We have sought to mitigate these risks by carefully assessing the market's regulatory framework, evaluating the prospects and certainty of new contracts and projecting our future capital expenditure requirements. We believe that we are well positioned to take advantage of new outsourcing markets because many of our customers already operate in those new markets and their strong customer relationship with us should allow us to follow those customers into those markets. We believe that the sophistication of our global knowledge and services allows us to integrate our systems into each new location more quickly and easily.

Our experienced management team has a proven track record and a strong corporate culture of governance and control

We have an internationally diverse senior management team with an average of 25 years of professional expertise and a proven track record in the air services and logistics operation industries. The international diversity of our management team, which includes four nationalities, reflects Swissport's global approach, which we believe has aided us in growing our total revenues, managing costs, introducing new products and acquiring and successfully integrating new businesses. We believe that the collective industry knowledge and leadership of our senior management team, along with their record of accomplishment in responding to challenging economic conditions and achieving profitable revenue growth, will enable them to continue to execute our strategy profitably.

Our management team has implemented a strong corporate culture of governance and control with a focus on maintaining a rigorous set of systems, rules, practices and processes to ensure that they are able to successfully balance the interests of our stakeholders.

Our Strategy

The key components of our strategy are to:

Sustain growth and leadership in our core markets

We seek to retain our leadership in our core markets by focusing on our operational excellence, our brand and core strengths as well as continuing to implement standardized operating procedures through the platform of the Swissport Formula. Our business has grown consistently since its foundation and continues to grow profitably. We opened our doors with three locations in Switzerland in 1996, and, as of March 31, 2019, we operated at 310 airports globally.

In addition to optimizing our service offerings across our existing airport stations, we aim to achieve further sustainable growth by leveraging our existing relationships with key customers at all of our locations and using our competitive advantage. As airlines continue to outsource a broad range of services at their main hubs to benefit from lower operating costs, we believe we are the sole independent provider of global and cargo handling services able to offer them one-stop shop services meeting their requirements.

Another strategy we have adopted for promoting expansion in existing locations has been to focus on entering into framework agreements with airline customers which contain pre-agreed terms for the provision of a range of ground and cargo handling services that apply whenever these airlines expand into new locations where we already offer our services and have customer infrastructure in place. We believe that we can also generate increased revenue through practices like allocating warehouse capacity to the highest margin contracts. Likewise, we continue to selectively close the gaps in our existing network in an effort to offer more complete coverage to our customers and to offer a wide portfolio of services at each airport at which we operate.

We have historically expanded our business through selective external growth opportunities, such as our acquisition of Skylink in October 2016 and our acquisition of Apron GmbH in September 2018. Our management team follows a disciplined, bottom-up approach with clear criteria driving which opportunities are ultimately selected for investments. We undertake a yearly strategic review using our market intelligence database and analyze growth targets by region to identify bolt-on and outsourcing. These are then filtered according to market and financial attractiveness and strategic relevance, following which we produce an internal high-level business case and initiate talks with the potential customer or target. Our international investment committee meets to evaluate opportunities on a bi-weekly basis, and there is a two stage approval process under which the committee mandates regional teams to develop such opportunities. Ultimately, our regional teams execute operational implementation and their progress is monitored and reviewed against the committee's detailed business case on a monthly basis. Based on these criteria, we have identified a large pipeline of potential consolidation opportunities. In addition to anticipating transactions developed through our pipeline, we also maintain the flexibility to enable us to capitalize on any opportunistic acquisitions that may become available with the goal of leveraging our global scale.

We constantly seek to adapt to market changes by offering industry leading services and products, an approach that we will continue to pursue. For example, we were one of the first aviation services providers to offer technological innovations, such as web and mobile check-in, and we have also been quick to adapt to changes in the aviation industry, including the increased presence of low-cost carriers.

Improve infrastructure and cost base across the globe

Across our operations we are continuously building on the improvements we have made to our infrastructure and optimizations of our cost base. Through our global network we seek to maximize resource utilization across the network and minimize costs, thereby enabling us to share and deploy our global knowledge and best practices across our vast international network, which will lead to consistency in the services provided to our customers and make us more competitive. With the aim of optimizing our back-office activities, we are currently implementing specific plans to create a shared service center that will provide common services across airport stations. We have procedures in place to ensure ground service equipment is distributed between airport stations according to demand, and to allocate older equipment to less demanding airport stations, but we believe our management of ground support equipment can be further optimized to achieve a more efficient allocation of resources.

We also intend to further leverage our leading market position at the procurement stage to achieve better prices and conditions in our contracts with airlines, and have created a centralized procurement function with group-wide procurement policies and contracting standards. The standard procedures we have implemented through the Swissport Formula also allows us to streamline our workforce best practices to create a leaner cost structure, which further drives our financial and operational performance. Our finance function has recently undergone a significant transformation which affects each of the five limbs of our finance group: accounting, financial planning and analysis, treasury and tax, business development, and internal audit. We aim to achieve lean services through standardizing and automating our processes as far as possible. This has included introducing the SAP enterprise resource planning system which allows us to capture between 80% and 90% of revenue in one platform, and automating procedures, such as production of standardized reports, self-service reports, checks and audit analytics. We introduced a new strategic planning process which has improved our forecasting and budgeting; have created decision support and performance management teams, and have strengthened our internal audit team.

In 2019 we completed our global IT transformation project to standardize and harmonize our global IT systems. In particular, we centralized IT operations from over 40 locations globally to two state of the art data centers in Frankfurt, established a dedicated 24-hour, seven-days-a-week IT user helpdesk in Budapest, implemented cloud storage for all data and migrated active IT users to approximately 170 applications, such as Microsoft Office 365, that reduce operating costs and improve security. With these developments, we now have in place global IT tools for KPI quality and tracking, safety management, consistent financial reporting and training management and compliance. We see our IT platform as a strategic enabler to allow us to reduce labor costs and spent 2.1%, 2.1% and 1.8% of total revenues and other operating income on upgrading our IT systems and processes in 2016, 2017 and 2018, respectively. We plan to continue to seek further areas to improve our infrastructure in pursuit of additional revenue streams and cost-saving opportunities.

Create value through innovation

We seek to adapt to market changes by offering industry leading services and product solutions to generate more revenue for us and our customers. The dependence on technology in the wider aviation industry, including the automation of passenger, ground and cargo handling services, continues to increase. Accordingly, technology use and development have been and remain a core priority of our business, and we consider ourselves to be an industry leader in the development and implementation of technological advancements within our business. For example, we were one of the first aviation services providers to offer technological innovations, such as web and mobile check-in, advanced integrated security procedures and other innovative aviation services. Our innovative resource management applications enable us to manage staff productivity in real time to reduce the idle time of our labor force. Through our focus on value creation and innovative offerings—including a partnership with a startup accelerator Plug and Play, lab stations to test new best practices and a dedicated innovation team—we aim to meet and exceed the expectations of our customers with a continuous focus on cost management.

Build on our global network and market leading position by expanding to new locations, particularly in the Middle East and across the Asia-Pacific region

In addition to our continued focus on growth in locations where we are already active, we also from time to time seek to enter new markets or further develop our existing business in strategic locations through new outsourcing opportunities, greenfield projects or selected acquisitions. To this end, we continue to focus on developing existing expansion projects, particularly market entries in selected locations in the Middle East and across APAC region. We aim to capitalize on the increasing trend towards outsourcing and deregulation in these regions, which we believe will have a positive and sustainable impact on our revenue over the next few years.

Our opportunities for growth in APAC have been enhanced by our acquisition of Aerocare in March 2018. As a result of this acquisition, we are now the largest independent ground handler in Australia and New Zealand and the regional leader in flight support services, serving 34 airports and managing over 285,000 flight movements and 17.8 million passengers annually. We intend to leverage Aerocare's leadership position and Swissport's best practices framework to further strengthen our presence in APAC.

Swissport's History

The following are key milestones in our development:

- *1996-1999:* We opened our doors with three locations in Switzerland and within three years expanded our global footprint to South Africa, Turkey, the United Kingdom, Germany and Brazil, and we acquired DynAir in the United States and the ground and ramp handling operations of Aer Lingus in London.
- *2000-2007:* We further expanded our global footprint to 130 locations in 25 countries and acquired American Gateway Cargo Service Center in 2002. We also won a key tender process in Spain for licenses at six locations, acquired Protectas and Groundstar and expanded our global footprint by offering additional services or services for the first time at numerous airports globally.
- *2008-2010:* We built and opened new cargo facilities in Israel and Kenya, won a ground handling license at the Munich Airport and were awarded the "Cargo 2000" certification across the cargo business. We also further expanded our global footprint by offering additional services for the first time at numerous airports.
- *2011-2013:* We were acquired by affiliates of PAI in February 2011. We received numerous accolades, including being named "*Best ground handling Company*" by the Institute of Transport Management in 2012 for the twelfth consecutive year. Through a number of acquisitions, we increased our network in Spain, Belgium, Finland, Costa Rica and beyond. We also expanded cargo handling services in Japan, won licenses for international airports in Morocco and won a ground handling license for Oran International Airport in Algeria. In addition, in December 2013, we acquired 100% of the share capital and voting rights of Servisair SAS, including all its operating subsidiaries, associates and joint ventures. Servisair was another global operator in the airport services sector with a particular focus on the United Kingdom, the United States, Canada and Ireland.
- *2014-2016:*
    - In 2014, we signed an agreement for a global strategic partnership with Cargolux, and we joined the German Aviation Association.

— Swissport was again named "*Air cargo handling Agent of the Year*" 2014 award from Air Cargo Week, for the sixth consecutive year, the "*African Cargo Handler of the Year*" 2015 award from STAT Times and the "*Ground Handler of the Year 2016*" award by Air Transport News.

— In 2015, we completed the acquisition of Air BP's share in AFS as a result of which we now own a majority stake of 66.6% (through direct and indirect shareholding) in AFS. At the time, AFS was the largest provider of into-plane-fueling services in Germany with operations at ten German as well as two Austrian airports.

— In 2015, we signed an agreement with the shareholders of AGN to purchase the entire share capital of AGN through an earn-out mechanism. At the time, AGN was Mexico's third largest provider of ground handling services and operated at 28 airports in Mexico, including some of Mexico's biggest airports.

— With the closing of the acquisition of Swissport by HNA Group in February 2016, we became a stand-alone business within HNA Group.

- 2017:

— We received various ISAGO certificates and IGOM recognition at the 2017 IATA ground handling Conference in Bangkok.

— In April 2017, we started operations in Oman, providing flydubai and Air Arabia with comprehensive ground handling services at Muscat International Airport.

— On November 22, 2017, we signed a binding agreement for the purchase of Aerocare.

- 2018:

— On March 7, 2018, we completed the acquisition of Aerocare. As a result of this acquisition, we believe that we are now the largest domestic ground handler in Australia and New Zealand and the regional leader in flight support services, serving 34 airports and managing over 285,000 flight movements and approximately 17.8 million passengers annually in the region.

— On September 20, 2018, we acquired German cargo handler Apron GmbH. The acquisition made Stuttgart our second-largest cargo hub in Germany, only surpassed by our Frankfurt facility.

- 2019:

— On May 31, 2019, we completed the acquisition of the remaining 50% shareholding of Heathrow cargo handling Ltd from our joint venture partner, Air France. As a result, we now own a 100% stake in Heathrow cargo handling Ltd, which provides cargo handling services at Heathrow Airport.

Services and Business Operations

We provide ground handling services as well as cargo handling. Our integrated service offering and global presence allows us to offer a comprehensive range of services in each of the regions in which we operate. We offer a full range of ground and cargo handling services, as well as more customized services for customers, such as low-cost carriers. Our services are complemented by sophisticated hub management capabilities, which allow us to outsource ground handling for airlines at their home bases. We believe that the variety of services we offer benefits our customers by allowing us to provide a customized approach and individually tailor our services to each of their needs. The variety of services we offer also allows us to act as a "one-stop shop" where all of a customer's needs can be met through a single provider. Our ability to provide a comprehensive range of services in a single location enables us to generate significant additional revenue by optimizing service density.

The following table presents the full range of mission-critical services that we provide to a wide range of customer groups.

	SERVICES								
	Core		**Extended Core**				**Airport/customer driven**		
Customer Group	Ground handling	Cargo	Fueling	De- and anti-icing	Security	Lounges	Maintenance	Exec. Aviation	Air Passenger Transport
Scheduled Carriers	✓	✓	✓	✓	✓	✓	✓		✓
Low-cost Carriers	✓	✓	✓	✓	✓		✓		
Charter Airlines	✓		✓	✓	✓		✓	✓	✓
Freight Airlines		✓	✓	✓	✓				
Integrator Airlines		✓	✓	✓	✓				
Airports				✓		✓		✓	✓
Consumers						✓		✓	

Source: Company information.

Ground handling

We are the largest independent ground handler in the world based on revenue and number of airports (*Source: Roland Berger Report*), providing ground handling services at 310 airports worldwide and serving over 285 million passengers and approximately 4.3 million flight movements as of March 31, 2019. Our ground handling segment accounted for 81.2% and 81.6% of our total revenue and other operating income and 67.5% and 64.3% of Operating EBITDA for the year ended December 31, 2018 and three months ended March 31, 2019, respectively. As of March 31, 2019, our ground handling segment had over 45,000 personnel.

Our ground handling services are divided into three categories: (i) aircraft servicing and ramp handling, (ii) airport management and administration and (iii) passenger services.

Aircraft Servicing and Ramp Handling consists of both aircraft serving and baggage/ramp handling services. Aircraft serving consists of properly cleaning and preparing aircraft for flight by offering cabin cleaning, crew transport to and from aircraft, de/anti-icing, aircraft push-back and toilet and water services. Our de/anti-icing services consist of ensuring each plane is prepared for flight during cold weather by spraying a mixture of heated water and either propylene glycol or ethylene glycol onto an aircraft, which aids in melting ice on the aircraft. Our toilet and water services empty and properly dispose of the waste from aircraft lavatories. Baggage/ramp handling services consist of loading and unloading baggage from aircraft and ensuring that all baggage is sorted and organized appropriately through our unit load device control process. Unit load devices are pallets or containers used to load luggage or freight into aircraft. These devices allow a large quantity of cargo to be bundled into a single unit, thus reducing the number of units to load, which aids in reducing the likelihood of delayed flights by saving ground handling time.

Airport Management and Administration consists of flight operations assistance; irregularity operations support, which is necessary when flights are delayed or other abnormal flight disruptions occur; liaising with port authorities; load control; airport control; airport representation and supervision; airline flight plan filings and weather briefings. These services aid our customers by offering our expertise in all areas of airport and flight logistics, as well as offering up-to-date information on flight plans and weather. Our load control services are provided through centralized load planning teams at numerous locations; significant synergies are created by centralizing this function into centers which provides additional service benefits for the customer. Notable examples of centralized load planning include the expansion of our load control services through the building of such centers in Casablanca, Morocco and Nairobi, Kenya. Load control involves creating data by calculating the weight and balance of an aircraft to ensure the aircraft flies safely and efficiently while maintaining payload opportunities. Load planning information is provided to the stations, and finalized load sheets provided to the cockpit.

Passenger Services consists of airport ticketing sales desk services, arrival and transfer services, check-in services, dedicated passenger services, gate services, lost and found services, services for passengers with reduced mobility, lounge services and special passenger and VIP services. These services allow us to interact directly with the passengers that we provide services for annually throughout their traveling experience. A recent example of how we continue to develop our passenger services is the expansion of Aspire executive lounges open to all travelers, regardless of airline or travel class. We have opened Aspire lounges at numerous airports in recent years, including at London Heathrow Airport, Calgary, Larnaca, Johannesburg, Birmingham and Amsterdam.

We provide single or combinations of ground handling services to our customers at the airports at which we operate, and services are charged per turnaround. Based on a review of selected station data, we estimate that approximately 10% of such charges are attributable to additional or variable charge items. We provide certain of our customers with ground handling services at multiple airports across their networks or on a regional basis. Some of our customers employ us to provide all of their ground handling requirements at certain of their hubs and bases, referred to as "hub management". We perform hub management services for Swiss International Air Lines in Zurich, Lufthansa in Munich, Brussels Airlines in Brussels, easyJet in Geneva, Bulgaria Air in Sofia, Finnair in Helsinki, South African Airways in Johannesburg, and United Airlines Express at Dulles International Airport near Washington, D.C.

Customers and Sales

As of March 31, 2019, we had 503 ground handling customers, and we believe that we have a strong and loyal customer base and favorable brand recognition in the aviation services industry. Other than Swiss International Airlines, from which we were spun off in 1996 and which represented 7% of our consolidated revenue for the three months ended March 31, 2019, no other customer represented over 5% of our consolidated revenue during this period. Our top ten ground handling customers by revenues, which accounted for 31% of our ground handling revenue for the full year ended December 31, 2018, were:

- Swiss International Air Lines
- Ryanair
- United Airlines
- easyJet
- Finnair
- Lufthansa
- Delta Air Lines
- Virgin Australia
- Qantas
- Brussels Airlines

We have a long service history and established contractual agreements in place with each of these customers. We also have an experienced international ground handling sales team with expertise in our business and services. Key account managers are responsible for managing the relationship with and developing business with our larger customers. Our key account managers play a crucial role in maintaining long-term business relationships with our larger customers, such as Swiss, Lufthansa, British Airways, Ryanair, United Airlines and easyJet.

Our sales policy also includes local and regional sales representatives who are on site to deal with customers' local needs and expectations in terms of service and delivery. They are supported by our global account management teams who can deal with customers at a global level and protect their needs over their entire network.

Specialty Services

We provide a number of complementary aviation services, including maintenance, fueling, executive aviation and aviation security. Many of the specialty services are provided as a complement to our pre-existing ground handling locations and the revenues for specialty services are included under our ground handling segment to prevent any distortion to our historical reporting of revenue development.

Maintenance Services. As of March 31, 2019, we provided aircraft maintenance services at 19 airports, of which seven were located in North America, six in Latin America, one in EMEA, and five in APAC. Our aircraft maintenance services include repair work, engineering support, warranty administration, transit/turnaround services and aircraft checks. We also provide ground support equipment unit and unit load device maintenance services at various airports worldwide, and we manage and maintain a substantial ground support equipment fleet worldwide.

Fueling Services. We provide into-plane fueling services and ground support fueling services as well as the maintenance and operation of on- and off-airport fuel storage and distribution systems. As of March 31, 2019, we provided fueling services at 45 airports, of which 28 were located in North America, two in Africa and 15 in Europe. We refuel all types of aircraft with fixed hydrant carts, hydrant trucks and tankers utilizing electronic data capture providing customers with real-time information.

Executive Aviation. We provide executive aviation services to the international community of corporate operators and private high net worth individuals who rely on corporate or private jets. Our executive aviation services include domestic and international handling, fast turnarounds, passenger and crew assistance, flight planning and weather, catering, hotel and restaurant reservations, limousine and car rental, aircraft charter reservation, customs and immigration assistance, traffic rights and landing permits, airport and airway slot coordination and fueling. As of March 31, 2019, we provided certain executive aviation services in 97 airports of which 19 were located in Latin America, 37 in Europe and the Middle East, 33 in Africa and eight in APAC.

Aviation Security. We provide aviation security services consisting of general surveillance, travel documentation verification, access control, passenger screening, cabin searches, aircraft guarding, cargo and baggage screening, high-risk security operations for U.S. carriers, security training and threat and vulnerability assessments. Due to the large scale of our operations, we are also able to integrate our service offerings with our ground handling and cargo handling operations. As of March 31, 2019, we provided aviation security services at 36 airports of which 12 were located in Latin America, five in Europe and the Middle East and 19 in Africa.

Cargo Handling Services

We are one of the world's largest air cargo handling companies (*Source: Roland Berger Report*), and we handled approximately 4.8 million metric tons of cargo in 2018. Our cargo handling segment accounted for 18.9% and 18.5% of our total revenue and other operating income and contributed 42.0% and 38.8% to Operating EBITDA during the year ended December 31, 2018 and three months ended March 31, 2019, respectively. Our services are charged per ton and minimum profitability requirements are based on estimated tonnage. Additional charges may apply to import and export services.

As of March 31, 2019, our cargo handling segment had nearly 6,000 personnel and we provided cargo handling services at 104 airports in 34 countries via approximately 115 warehouses and offering a total of approximately 458,000 square meters of global storage capacity. Our major cargo bases are Brussels Airport in Belgium, London Heathrow Airport in the United Kingdom, Chicago O'Hare Airport in the United States, Amsterdam Airport Schiphol in the Netherlands and Ben Gurion Airport in Tel Aviv, Israel.

Our cargo handling services include physical import and export handling of freight, warehousing and storage of cargo, document handling, trucking, mail handling and e-freight services. The breadth of our service offering extends from the initial reception of cargo at the airport to final delivery at the end destination. On the outbound side of operations, our services include cargo documentation and handling, security processing, load planning, which requires matching cargo shipment flows to the dimensions of the particular aircraft and handing over to the ground handling operator for transport. On the inbound side of operations, our services include receiving cargo from the ground handling operator, warehousing and re-packing for the next mode of transport. Depending on customer needs, we also have the capability to handle the final leg of the journey and can arrange for transport of the cargo from the airport to its final destination.

The list below sets forth the main cargo handling services that we offer:

- Freight handling (on/off airport)
- Document handling (import/export)
- Cargo handling in a third-party facility
- Network handling services (off-line)
- Special cargo handling
- Trucking services
- e-freight services
- Mail handling
- Integrator handling
- Freighter ramp services / transportation
- Call center and airline customer services
- Warehousing
- Outsourced hub operations and management

Integrator Handling Management

We provide integrator handling management to integrators worldwide. Integrators are premium shipping providers that provide door-to-door transportation of freight, such as Federal Express, UPS, DHL and TNT, in addition to general freight. Integrator handling management differs from traditional handling management because integrator handling management uses automated conveyor belts, capable of handling higher volumes and different types of packages that cannot typically be handled as efficiently by traditional handling management. Additionally, the operational cargo handling peaks that occur throughout a given day differ for traditional handling management compared to integrator handling management, and by merging the two forms of management, we are able to better utilize staffing. Integrators also have strict deadlines to meet as they offer a high value delivery product with guaranteed short delivery times. When they outsource their handling, they select vendors who they can trust to meet their strict delivery requirements as a delay at one location can disrupt their whole network of deliveries. Due to the high quality demands of their business, they seldom change handling partners and often have long term relationships with their third-party suppliers.

Customers and Sales

As of March 31, 2019, we had 352 cargo handling customers, including 210 airlines. Our top ten cargo handling customers, which accounted for 40% of our cargo handling revenue for the twelve months ended March 31, 2019, were:

- United Airlines
- Qatar Airways
- KLM Royal Dutch Airlines
- Swiss International Air Lines
- Cargolux Airlines International
- Turkish Airlines
- Amazon
- DHL Global Forwarding
- Lufthansa
- Air France

As of the date of March 31, 2019, we have cargo framework agreements with the following customers:

- Oman Air (multi-station agreement for six airports)
- Swiss World Cargo (global framework agreement for over 37 airports)
- Finnair Cargo (global frame agreement for over 18 airports)
- Cargolux (global framework agreement for 37 airports)
- Cathay Pacific (global framework agreement for 21 airports)

These framework agreements generally range in duration from two to five years, and payment for our services is typically based upon volume of cargo tonnage handled by our operations.

Our service offering also includes terminal handling services provided to freight forwarders and other parties that are responsible for delivering the cargo to the airport. These services are charged independently of our contracts with the airline customers based on published tariffs.

Our direct cargo handling sales force, accounting for our primary sales channel to our customers, consists of a group of regional sales executives, along with five global account managers focused on maintaining relationships with key global customers. We also have a number of key sales representatives for each region in which we operate. These representatives have extensive knowledge of our global product offerings as well as local expertise, which we believe puts them in a position to offer our existing and potential customers tailored cargo service offerings that meet their individual needs.

Customer Relationship Management

In order to further differentiate our cargo handling services from our competitors and bring value-added benefits to our customers, we have implemented a customer relationship management initiative. This customer relationship management initiative is focused on customer retention by providing extra reporting and information services to customers to help them monitor the services that we are offering against Cargo iQ standards. A dedicated team works closely with our key customers to ensure we cover their needs in terms of product offering and service delivery and supports this with suitable tools.

Leases working capital and capital expenditure

It is generally our policy to utilize operating leases instead of investing in equipment. This gives us greater operational and financial flexibility because we can relocate the equipment and align lease terms with the maturity date of customer contracts. Our operating leases are generally short term: in 2018 over 80% of our leases had a maturity of under five years. In financial terms, in 2018, our lease obligations maturing within one year came to €140.1 million, lease obligations maturing between one and five years came to €232.7 million and lease obligations with a maturity profile of over five years came to €94.0 million. In markets where operating leases are not available (such as in some countries in the Middle East), we purchase our equipment. When entering into greenfield projects, we target a short payback period and only enter into finance or operating leases after securing at least one anchor customer.

Our working capital requirements are primarily driven by payroll (which is our most significant cost) and are seasonal. For instance, we generally see higher volumes of passengers in the third quarter and some services (such as de-icing) are only offered in specific seasons. Our capital expenditure is relatively low due to our asset light business model; approximately two thirds of our capital expenditure is used for maintenance purposes.

Long-term customer relationships

We have provided cargo handling services for a major American airline since 2008. Despite this customer choosing to in-source services in 2012, we have continued to develop this relationship, and have seen year-on-year growth in the amount of tonnage we handle for this customer, which has more than doubled between 2012 and 2018. We have signed several new contracts to provide cargo handling services for this customer in airports inside and outside the United States. Our cargo handling services for this customer in the United States have developed significantly, including by optimizing handling processes for floor management and increasing high-level automation and manpower throughput.

Geographical Coverage

EMEA

As of March 31, 2019, we provided ground handling services at 61 airports across Europe and the Middle East, servicing approximately 989,509 turnarounds and 531 airlines. In addition to traditional ramp and passenger services, we provide hub management services under long-term framework agreements to Swiss International Air Lines in Zurich, Lufthansa in Munich, Brussels Airlines in Brussels, easyJet in Geneva, South African Airways in Johannesburg, Bulgaria Air in Sofia and Finnair in Helsinki.

In the Middle East, we started operations in Saudi Arabia on June 1, 2016 after having been awarded licenses from Jazeera Airways and Gulf Air at Jeddah, Riyadh and Dammam international airports. Under the agreements with these airlines, we provide a full scope of ground handling services, including passenger, baggage, ramp and aircraft services for a period of ten years. We consider our entry into Saudi Arabia to be a major milestone in our business strategy as it marked our market entry into the Middle East. Continuing on this path, we were awarded a ten-year ground handling license in Oman in June 2016 and began operations at Muscat International Airport in April 2017. In Muscat, we negotiated contracts with Air Arabia and Fly Dubai prior to the start of the tender and installed a local back-up team to set up operations in advance of the start date. We initially focused on narrow-body aircraft to reduce the capital expenditure requirement. We achieved our first Operational EBITDA break-even within four months, believe that we now likely occupy the second position in the market (after the local incumbent) and are expanding our services to wide-body aircraft.

In Africa, we offer ground handling services at all airports within the main countries in which we operate, including South Africa, Tanzania, Kenya, Morocco and Algeria. As of March 31, 2019, we provided ground handling services at 26 airports in Africa, and we serviced 119,160 turnarounds in these airports. At these airports, we provided ground handling services for 58 airlines. In addition, we provide hub management services under a long-term framework agreement to South African Airlines in Johannesburg.

In EMEA region, we offer our ground handling services at the vast majority of the airports in which we operate. As of March 31, 2019, we offered specialized services for passengers with reduced mobility at 35 airports.

As of March 31, 2019, we provided cargo handling services in EMEA in 17 countries via approximately 65 warehouses at 56 stations and offered a total of approximately 286,000 square meters of regional storage capacity. Our major cargo bases in the region are in Liege, Amsterdam and Brussels. In 2018, we handled approximately 2.7 million metric tons of cargo in EMEA, for 364 customers, such as Turkish Airways, United, Qatar and Brussels Airlines.

AMERICAS

As of March 31, 2019, we had ground handling operations at 38 airports in the United States and Canada. At these airports, we serviced 390,755 turnarounds and provided passenger and ramp handling services for 230 airlines. In addition to traditional ramp and passenger handling in many locations across North America, we also handle the hub of United Airlines at Dulles International Airport near Washington, D.C.

As of March 31, 2019, we offered ground handling services at 64 airports across Latin America (including Mexico and the Caribbean). At these airports, we serviced 483,905 turnarounds and provided passenger and ramp handling services for 181 airlines. Across Latin America, our key markets are Mexico, Brazil and Chile, and we are focused on the development of strategic alliances with key regional carriers, such as GOL, AZUL, Avianca, Volaris, Caribbean and LATAM to take advantage of the rapid emergence of a middle class which is expected to drive air travel growth in the region. In 2015 we acquired AGN, a major independent ground handler in Mexico. We signed an agreement with the shareholders of AGN to purchase the entire share capital of AGN through an earn-out mechanism. At the time, AGN operated at 28 airports in Mexico, including some of Mexico's biggest airports at Mexico City, Cancun, Monterrey and Chihuahua. We believe that this local combination provides us with a strong platform for growth in the Mexican market.

As of March 31, 2019, we provided cargo handling services in AMERICAS in 13 countries via approximately 45 warehouses at 38 stations and offered a total of approximately 160,000 square meters of regional storage capacity. In 2018, we handled approximately 1.8 million metric tons of cargo in AMERICAS, for 136 customers, such as United Airlines, Amazon, DHL and Cargolux. Our major cargo bases in North America are in Newark, San Francisco and Chicago, and Mexico City in Latin America.

APAC

In APAC, as of March 31, 2019, we provided ground handling services at 44 airports across five countries, with 34 of these being in Australia and New Zealand, and the remaining ten airports being in South Korea, Hong Kong and Japan.

In March 7, 2018, we completed the acquisition of Aerocare. Aerocare and its wholly owned subsidiaries (including Skycare, Carbridge and EasyCart) together own and operate the flight support, ground handling and bus services business throughout Australia and New Zealand. Founded in 1992 and with its headquarters in Brisbane, Aerocare is an airport logistics solutions business and we believe that, based on our estimates, prior to our acquisition, Aerocare was the largest independent provider of flight support services in both Australia and New Zealand. Aerocare has around 3,000 employees and services 34 airports and manages over 285,000 flight movements and approximately 17.8 million passengers annually. Aerocare's range of services includes: customer service operations (including ticketing, passenger check-in, and airline lounge management), baggage and ramp handling (including aircraft loading and unloading, pushback and towing, baggage handling and de-icing), cleaning and other ancillary services (including catering, aircraft waste and water services) and passenger transportation services (including airside bussing, terminal transfers and fleet management services). Aerocare's major customers include airports, airlines and other aviation service providers, such as Qantas, Jetstar, Virgin, Scoot, Tiger Airways, Sydney Airport and Perth Airport. For accounting purposes, Aerocare has been consolidated into our results from March 1, 2018.

As of March 31, 2019, we provided cargo handling services in APAC in three countries via approximately five warehouses at 10 stations and offered a total of approximately 13,000 square meters of regional storage capacity. In 2018, we handled approximately 265,000 metric tons of cargo in APAC, for 36 customers, such as Cathay Pacific Airways and Malaysia Airlines. Our major cargo base in the region is Seoul Incheon in South Korea.

Material Contracts

Customer Contracts

Most of our airline customer contracts are based on IATA's Standard ground handling Agreement ("**SGHA**"), which includes standard provisions related to passenger services, ramp services, load control, flight operations, cargo and mail services, support services, security and aircraft maintenance, and which regulates standards of work, subcontracting, remuneration and liability and indemnity, among other things. This contract is an internationally recognized agreement that provides the basis for contracts between a commercially scheduled aviation operator and its ground handling agent. Our internal standard contract policy builds on the SGHA but also incorporates additional provisions which are favorable to us. These include, among other things, enhanced termination rights, the right to charge default interest on overdue payments and suspend services in the event of non-payment, and the right to increase prices to reflect inflation or minimum wage increases. We also have enhanced rights to amend prices in the event of changes to schedule, frequency, type of aircraft and/or tonnage, and we generally do not deviate from the IATA limitation of liability. Any amendments and modifications to the SGHA are recorded in separate annexes to each individual customer contract. While the duration of the contract can vary, most contracts are three years in duration and usually provide for a termination clause with two to three months' notice by either party.

Our longer-term contracts are generally adjusted annually in line with the consumer price index (or LWO in the United States), where others can be adjusted through other alternatives. Generally we seek to take into account inflation and/or other economic changes. Our short term contracts are generally not adjusted by one single approach, but these may generally be terminated and renegotiated depending on the situation in each case.

Many of our contracts with our key customers are longer-term contracts, typically with a duration of three years and some with a duration of up to five years. Of our ten largest contracts, four mature after 2020. These represent 30% of the same ten contracts when measured in terms of revenue. We also have a number of multi-stational and global framework agreements in which we provide services at more than one airport or location for the same customer, many of which are with our larger customers, including Swiss International Air Lines and United Airlines. A global framework agreement allows both contracting parties to quickly negotiate future opportunities or contracts, because they can rely on the terms of the framework agreement, so that the same terms need not be repeatedly negotiated, allowing focused negotiation on the location-specific terms and services only. The preferred contractual development with specific customers would be to start with a single contract that develops into a broader work relationship with handling operations across multiple locations and ultimately have full hub outsourcing to Swissport. The more extensive a work relationship is, the less likely the customer might choose to terminate it.

We price our contracts by conducting a full cost analysis, depending on the scope of services and specific requirements of our customers. The cost analysis conducted by our finance team includes a calculation of the unit cost (per hour) for each specific component of the requested services, such as personnel costs, required equipment cost or allocated overhead expenses. The analysis is further based on our experience and historical database. After further assessing whether the specific contract is operationally viable, we also conduct a marginal cost analysis to assess how the new contract fits into our current and future operations at the airport. Whereas the development, delivery and implementation of a pricing strategy by product, service and customer segment is the responsibility of each local commercial team, all pricing strategies are determined and set at the global commercial level. Contract payments eventually vary between pricing per service or aircraft turnaround and "all-in rates" with bi-weekly payments as target for new contracts. Wherever practicable we utilize our own costing tool to validate the profitability of contracts and new business. Loss-making and/or customer contracts whose profitability is below those levels as mandated in the Swissport Group Directives must be assessed and approved through the Commercial Steering Committee. Swissport Global Commercial collates and manages a register of the financial information that has been presented to the Commercial Steering Committee and focuses on the commercial KPIs as well as on important financial metrics.

We position ourselves to obtain the maximum available contract pricing in the market. In ground handling, we have several advantages over competitors: our global breadth creates cost efficiency due to scale and we can also benefit from "first mover" advantage due to having an established presence in an airport. We are well-known and therefore preferred by certain customers who seek established brands and trust our recognized ability to manage hub operations. We are also known for the development of service delivery know-how. In cargo handling, our established warehouse capacity, operational expertise, process integration and network density also place us at the top of the market for pricing. Our pricing strategy places us in a strong position to push back against unrealistic customer expectations. For instance, we were providing services at the secondary hub of a low-cost carrier when the contract came up for renewal, at which point the customer approached us with a significant demand for a price decrease based on strong peak volumes. We entered into a transparent and factual negotiation with the customer based on our detailed costings and review of market competition and were ultimately able to renew the contract with a reasoned price increase.

In January 2018, we implemented Salesforce, a new CRM system which has streamlined our commercial processes by alerting us to opportunities arising from either the expiry of an existing Swissport contract, or the estimated expiry of a competitor contract approximately a year in advance of such expiration date. This triggers the contract renewal process and enables us to make an informed decision as to whether to seek renewal based on assessment of the business case (including review of the cost build-up, negotiation and pricing strategy), or alternatively allows us to effectively manage our pipeline of opportunities. Salesforce also includes a contract creation tool and all signed contracts are uploaded into the system (including any deviation from policy) for future reference.

While new contracts and renewals are methodically evaluated to meet our financial and commercial targets, committees comprising both local management and/or global group management have to approve every single contract. We have stringent risk management policies in place in terms of analysis and decision-making in respect of new contracts and expansion opportunities, with a centralized approach whereby our senior management review key contracts at an early stage of the negotiations to mitigate against potential risks. All commercial contracts with annual revenue of €3.0 million or more (3.3% of total contracts as of March 31, 2019) require approval by our CEO via the Commercial Steering Committee, even if no additional investment is required, and are regulated by the Swissport Group Directives. Any commercial contract with an expected profit that falls below our target profit margin or that deviates from standard liability terms also requires approval from our CEO; commercial contracts with annual revenue from €2.0 million to €3.0 million require approval from a Regional EVP, and contracts with annual revenue below €2.0 million require approval from a local country manager or finance director. Throughout our advancements and expansions, we aim to meet and exceed the expectations of our customers with a continuous focus on quality, and to do so it is important that we aim for a positive margin across all contracts.

We monitor the profitability of our contracts on an on-going basis and manage relationships carefully where profitability is at risk. This was the case over the life cycle of our relationship with a European carrier: we negotiated the initial contract according to our standard policy and tested profitability periodically throughout the relationship. At our regional review meeting we identified two underperforming KPIs: yield (revenue per weighted turn) and productivity (worked hours per weighted turn). The underperformance was due to higher than expected labor expenses as a result of unpredictable flight patterns, so we used our planning tool to recalculate the additional staffing required to resolve the problem. After analyzing sample data we concluded that the contract was too expensive and reopened contract negotiations with the customer.

We aim to reduce our exposure to our contractual counterparties through contractual limitations on liability. To this end, our commercial contracts either contain a specific limitation of liability clause based on the formulation in the SGHA or directly incorporate the relevant section of the SGHA. Our policies dictate that the contracted limitation of liability shall never exceed USD 1.5 million per incident nor contain any consequential or indirect damages nor materially deviate from the language in the relevant section of the SGHA.

Competition

Aviation service industries are highly competitive, and we face significant competition from established and new competitors. Primarily, we face high competition from other independent ground handlers, as well as from airlines and airports that carry out their ground handling needs internally, and often as well from third parties. Our primary independent competitors in ground and cargo handling industry include, but are not limited to, Menzies, WFS and dnata, each of which has ground and cargo handling services on a global scale and in 2018, revenues of €1.4 billion, €1.2 billion and €1.8 billion, respectively (based on companies' annual reports). Our other competitors include SATS, Aviapartner, Fraport and Celebi, each of which had estimated revenues between €700 million and €200 million in 2018 (*Source: Roland Berger Report*). Assuming a total accessible ground handling and cargo handling market size of €23 billion, Roland Berger estimates that our market share by revenue was 13% in 2018. Over the last five years there has been a marked trend towards consolidation in the industry: over 40 merger and acquisition transactions in ground and cargo handling took place during that period. Despite this trend, the industry remains fragmented and the top eight operators accounted for an estimated 42% of the accessible aviation handling market in value in 2018, according to Roland Berger. There also remains a long tail of small players; there are several hundred small companies which operate in a single country only. See "*Risk Factors—We face high levels of competition in the airport services industry generally and at many of the airports where we operate*".

Information Technology

We have a significant number of state-of-the-art information technology applications and infrastructures, including hand-held terminals in the ground handling and cargo businesses, which allow for faster scanning of cargo and luggage, mobile offices with wireless internet equipped cars and mobile/web check-in platforms and common language facilities. We also hold a license to use the software "Cargospot". Cargospot offers a comprehensive cargo operating system that seeks to capitalize on the fact that most carriers now outsource their cargo sales and services. Cargospot fully integrates the processing of all cargo management activities, is easy to integrate with existing or new third-party systems and improves speed and accuracy of invoicing and reporting. In addition, our software "Freightfinder" uses the latest technology to allow our customers to track and trace their freight in any of our warehouses worldwide. We have also focused on creating further innovative services, digitalization and product solutions to generate revenue for us and our customers. We formed a partnership with a startup accelerator Plug and Play in Silicon Valley in June 2017, providing us with access to the latest technology and start-ups working on their application in our industry. In March 2018 we also tested a corporate ride sharing app for our employees, and an integrated employee allocation platform with web, mobile and smartwatch applications. We also have structured internal innovation workshops as well as trialing a number of new technologies in twelve defined lab stations.

Our innovative WebRoster application enables us to manage staff productivity to reduce the idle time of our labor force and assign tasks to agents in real time through mobile devices. It has also allowed us to introduce station-level accountability for additional staff hours used compared to hours planned. We also have global IT tools which streamline our operational processes by calculating staff requirements and schedules, co-ordinating resources with live updates, enabling station-by-station operation reporting and capturing information for invoices. In addition, we have a cloud-based contract creation and opportunity identification tool to improve our commercial processes.

In finance and performance management, our IT systems include a global KPI quality and tracking reporting tool, a training management and compliance platform, an incident tracking and safety management tool and a profit and loss and financial KPI reporting tool. Generally, we aim to standardize and automate our financial reporting systems. Our finance organization has recently undergone a notable transformation throughout the group: we have largely moved to the SAP enterprise resource planning system, which captures between 80% and 90% of revenue on one platform, and have automated certain processes including producing standardized reports, checks and audit analytics.

Procurement of Goods and Services

In 2018, our total cost of purchasing goods and services amounted to €415.4 million.

In order to leverage our global scale to obtain the best possible pricing for such goods and services, we established a centralized procurement function with group-wide contracting standards in 2016. As a result we have improved global visibility and spend analysis, including regional spending limits and competitive tender processes. We are implementing procure-to-pay and e-sourcing tools and have an on-going focus on optimizing suppliers' terms.

Intellectual Property and Trademarks

We have also developed and maintain a portfolio of registered trademarks. In addition, we have our own proprietary trade secrets and know-how, and we are a party to certain licensing arrangements and other agreements authorizing us to use trade secrets, know-how and related technology and/or operate within the scope of certain patents owned by other entities. We have licensed or sub-licensed intellectual property rights to third parties.

Because of the breadth and nature of our intellectual property rights and our business, we do not believe that any single intellectual property right (other than certain trademarks for which we intend to maintain the applicable registrations) is material to our business. Moreover, we do not believe that the termination of intellectual property rights expected to occur over the next several years, either individually or in the aggregate, will materially adversely affect our business, financial condition or results of operations.

We are not aware of any threatened, proposed or actual proceedings that have or will be brought against us for infringement of third-party intellectual property and trademark rights or any infringement of its intellectual property and trademark rights by third parties that if successfully prosecuted would have a materially adverse effect on our business.

Employees

The table below sets forth the headcount across various regions as of the dates indicated. As of December 31, 2018, approximately 88% of our employees were permanently employed, whereas approximately 12% of our employees worked on a temporary basis.

	For the year ended December 31,		
Region	**2016**	**2017**	**2018**
EMEA	28,873	30,548	29,579
AMERICAS	32,952	32,854	30,997
APAC	1,452	1,517	5,223
Headquarters	157	169	183
Total	**63,434**	**65,088**	**65,982**

Human Resources Management

Swissport's human resources department aims to cultivate a culture that allows people to perform at their best. The human resources department enables the execution of our business strategy by enhancing capabilities and fostering leadership and culture. We have implemented a global performance development review system to achieve and maintain management excellence. This system focuses on performance objective planning, performance evaluations with reviews against competency skills, performance improvement plans and aligning career aspirations and personal development plans. In addition, we have designed and implemented targeted training programs at every level of employment, from standardized technical training for our operations staff to our own Active Leadership and Advanced Active Leadership programs for members of first-line and middle management. Further, we recently launched a global corporate compensation strategy to support the growth of our business by closely aligning compensation and benefits to standardized performance matrices.

Labor Unions

Swissport's labor relations team aims to establish an open and stable employee relations environment. We proactively manage our biggest asset, our people, through improvements in employee engagement and more effective collaboration with trade unions and employee representation bodies. We also have in excess of 100 active collective bargaining agreements in place with various unions in many of the jurisdictions in which we operate. However, given the size and scope of our operations we have experienced a number of smaller-scale disputes through the years, in addition to a small number of larger scale strikes in support of trade union claims for improved pay and conditions. Recent examples of those included Canada in 2017 and Spain in 2019. None of these strikes materially impacted our overall operations and financial results.

Employee Pension and Retirement Programs

We cooperate with third-party pension insurance organizations across a number of the jurisdictions in which we have operations. Under these programs, we have no obligation for pension plan deficits other than higher future pension insurance premiums. We also operate defined benefit pension plans in certain jurisdictions in which we operate, including notably in Switzerland, the United Kingdom and Belgium.

Since January 1, 2004, we have had an independent pension scheme in Switzerland covering the following Swiss entities: Swissport International Ltd., Swissport Baggage Sorting AG, PrivatPort SA, Careport AG, GVAssistance SA and Swissport Group Services GmbH. The scheme received assets from "*Allgemeine Pensionskasse der SAirGroup*" ("**APK**"), the pension trust of the former SAirGroup (in liquidation), corresponding to the sum of individual vested benefits of its current employees. All the pensions already in payment remained the liability of APK.

Under Swiss law, the scheme is considered a defined contribution scheme; however, under IAS 19 (*Employee Benefits*) as adopted by the EU it is considered a defined benefit scheme and therefore an independent actuarial valuation has been performed using the projected unit credit method.

In the United Kingdom, we sponsor three defined benefit pension plans (the "**UK DB Plans**") in relation to our legacy Servisair business, and we also administer defined contributions pension plans, including those governed by UK auto-enrolment regulations. Our most significant UK DB Plan is a legacy plan inherited from Servisair's UK operations which is closed to new entrants and accruals; however, we are required by English law to fund over a recovery period any deficit in the scheme in accordance with a scheme funding valuation performed by the relevant plan trustee board every three years and agreed by the employer. In April 2016, an actuarial valuation of the scheme identified a funding shortfall of £54.6 million. To eliminate this funding shortfall, we agreed to pay deficit contributions to the scheme of £4,667,960.04 per annum, increasing at a rate of 3% per annum, payable for a period of 12 years from April 5, 2016.

In Belgium, our subsidiaries Swissport Belgium NV and Swissport Cargo Services Belgium NV operate various complementary pension schemes. Based on pension scheme regulations, we are responsible for a statutory guaranteed rate of return which is higher than the available rate of return that has prevailed since 2012. As of the date of this Offering Memorandum, these schemes are adequately funded. The Belgian national social partners (representatives of the nation-wide employee and employer representative bodies that are recognized and given prescribed negotiating powers under Belgian statute), following a request by the Belgian government and Ministry of Pensions, have passed a regulation to revise/reduce the statutory guaranteed rate of return, which entered into effect in 2016. The official retirement age is 65 years but is also set to be raised by two years in order to deal with an increasing pensions bill as a result of an aging population.

In the United States, we offer a 401(k) retirement plan through Prudential Financial in which employees are eligible to contribute from 1% to 100% of their pay per pay period on a pre-tax basis, up to the government imposed contribution limits. To be eligible for this program, employees must be at least 21 years of age and have a minimum of six months of service with Swissport. We will also match 100% of contributions up to 1% of compensation plus 50% of contributions between 1% and 6% of compensation.

The table below sets forth an overview of our most significant long-term employee benefit obligations, including liabilities under our defined benefit pension plans. Our most significant defined benefit pension plans are Personalvorsorge Swissport ("**PVS**") in Switzerland and the Servisair Pension Plan ("**SPP**").

	For the year ended December 31,		
	2016	**2017**	**2018**
	(EUR in millions, unless otherwise indicated)		
Total defined benefit plans	237.9	165.0	151.6
Total share-based payment transactions[(1)]	22.1	47.6	39.7
Total other long-term employee benefits[(2)]	14.1	13.1	14.7
Total defined contribution plans[(3)]	0.8	0.7	0.5
Total long-term employee benefit obligations	**274.9**	**226.4**	**206.5**

(1) Presented as "Other long-term employee benefits" in the 2016 Audited Consolidated Financial Statements.

(2) Amount is an aggregate figure comprised of Swiss night-shift obligation and Jubilee provision in the amounts of €7.1 million and €7.0 million, respectively, as reflected in the 2016 Audited Consolidated Financial Statements.

(3) Presented as "Defined contribution plans" in the 2016 Audited Consolidated Financial Statements.

Personalvorsorge Swissport

PVS is considered a defined contribution plan under Swiss law but is accounted as a defined benefit plan due to inherent legal guarantees. It was established by a foundation which bears actuarial risks associated with the plan. It is currently overfunded. SPP has been part of the Swissport business since the acquisition of Servisair in 2013 and has been closed to the future accrual of benefits since 2012.

Swiss Pension Accounting Considerations

Swiss employees are covered by a Swiss pension plan ("**BVG**") funded by defined monthly contributions. The employer is only obliged to pay the monthly contributions to such a plan, except in the case of a structural underfunding. There are certain measures employees and companies are authorized to take in the event of underfunding of a BVG plan, including the reduction of pension benefits, the reduction of the minimal interest rate paid on pension assets, and restructuring contributions to the BVG so that the employer accounts for at least 50%. The latter measure is the only one where risk is borne equally by the employer and employee, rather than solely by the employee. Swiss pension plans are generally classified as defined benefit plans under IFRS, IAS 19, which ignores the "risk-sharing" between employer and employee and generally applies relatively conservative actuarial assumptions.

A number of Swiss companies have started an initiative to modify current IFRS accounting practice to better capture the defined contribution nature of BVG plans and the "risk-sharing" element. The initiative aims to allow companies to adjust their pension obligations under IFRS to allows for inevitable reductions in pension benefits, such as those driven by demographics and low interest rates. While an EXPERTsuisse commission supports the application of "risk-sharing" for BVG plans under certain conditions, the details on how such risk-sharing should be reflected in financial statements are still being discussed.

Government Approvals

We operate on a global scale and in certain locations that are government-owned. Accordingly, at times we need to obtain consents or approvals from government entities to enable us to provide our services and operations, even if the properties on which we operate are not government-owned. These consents vary from jurisdiction to jurisdiction but are typically in the form of lease agreements or concession agreements. While we take every step that we believe is necessary to ensure we obtain any necessary government consents, there can be no assurance that we will be able to obtain further consents on favorable terms.

Licenses, Permits, Authorizations, Concessions and Certifications

As a global company, we are subject to a number of licenses, permits, authorizations, concessions and certifications in each of the jurisdictions in which we operate, and such certifications can vary widely between jurisdictions. We believe that we hold all licenses, permits, authorizations, concessions and certifications necessary to operate our business. See "— *Regulation*". We are also committed to maintaining the highest quality of management systems, and we seek to be in compliance with both voluntary and mandatory certification programs. As of the date of this Offering Memorandum, we are ISO 9001:2015 certified in 83 stations and our headquarters, which means that we have been formally audited by the International Organization for Standardization which found that our management systems demonstrate our ability to consistently provide a product that meets customer, statutory and regulatory requirements, and that we satisfactorily address customer satisfaction through effective application of our management systems. We are also ISAGO certified in 24 stations and our headquarters and which have been formally audited by IATA, which means that we are compliant to the safety standards required by the industry. The other stations are covered by our Swissport Management system, which has been recognized as ISO 9001:2015 and ISAGO and IGOM compliant.

We are also Cargo iQ compliant. Cargo iQ is an initiative in the air freight industry aimed at implementing a quality management system for the worldwide air cargo industry. To implement quality management systems, Cargo iQ has created a master operating plan that reduces the number of individual processes in the air cargo supply chain, which is meant to improve processing time for managing shipments. The Cargo iQ group operates as an industry group through IATA and is composed of approximately 80 major airlines, freight forwarders, ground handling agents, trucking companies and information technology providers at over 350 sites.

Our "Swissport Aviation Security" (Checkport) product also complies with the U.S. Transportation Security Administration's requirements, which allows us to work within the European security market for U.S. carriers. This certification has aided us by allowing us to offer more of our services to U.S. carriers outside of the United States.

Regulation

The aviation and airline industry is highly regulated on the local, national and international (including bilateral and multilateral) level. In the EU, the ground handling services market is covered by Directive 96/67/EC dating from October 1996 which gradually opened up the services to competition responding to the needs of industry to have a competitive market of suppliers available. Directive 96/67/EC stipulates that at the larger EU airports access to the market by suppliers of ground handling services must be free and that, for certain categories of services the number of suppliers must be no fewer than two for each category of service. Moreover, at least one of these suppliers must be entirely independent of the airport or the dominant air carrier at that airport. Similar provisions exist with regard to self-handling. For these services, there must be no fewer than two air carriers. In March 2015, the European Commission withdrew a proposal for an EU Regulation on ground handling services at EU airports that would have replaced Directive 96/67/EC. However, the EASA issued New Basic Regulation (04JUL18) which does seek to directly regulate ground handling at European airports. The next steps on the EASA roadmap are to build the implementing regulations ahead of a transition period for all ground handling service providers to achieve compliance with the regulation. We are heavily involved in the working groups both to represent our industry and to ensure our position is well represented as the leading supplier of ground services. Enforcement is expected to take place by the end of 2021.

Further regulations apply to the airline services industry in each of the other jurisdictions where we operate, which regulations can vary substantially from location to location. As of the date of this Offering Memorandum, we believe that we comply with these regulations in all material respects.

The aviation industry in general is regulated according to the ICAO annexes by a number of agencies worldwide, including the EASA in Europe, the Federal Aviation Administration and other agencies in the United States of America and by similar agencies in other countries. While the aviation services industry is not, as of the date of this Offering Memorandum, directly and materially regulated by these agencies, there can be no assurance that the aviation industry in general or our business in particular will not be regulated by these agencies in the future and that any such regulation, if enacted, will not materially adversely affect our business, financial condition or results of operations. Swissport continually strives to ensure the opinion of the ground handling service provider is well represented in order to ensure to the greatest degree that no detrimental outcome from regulation will impact future business or operational conditions.

Environmental

We are subject to a broad range of environmental laws and regulations in each of the jurisdictions in which we operate, including those governing the discharge of pollutants into the air or water, the uses, transport, storage, processing, discharge, management and disposal of hazardous substances and wastes and the responsibility to investigate and clean-up contaminated sites that are or were owned, leased, operated or used by us or our predecessors. Such laws and regulations impose increasingly stringent environmental obligations regarding, among other things, fuel handling, zoning and the protection of employee health and safety. We could therefore be exposed to costs and liabilities, including liabilities associated with past activities. Our operations are subject to obligations to obtain environmental permits, licenses and/or authorizations, or to provide notification to the appropriate authorities.

Our objective is to comply in all material respects, and we believe that our operations generally are in material compliance, with applicable environmental and health control laws and regulations, and all related permit requirements. Historically, the costs of achieving and maintaining such compliance, and curing any non-compliance, have not been material; however, the operation of our business entails risks in these areas, and a failure by us to comply with applicable environmental laws, regulations, or permits could result in civil or criminal fines, penalties, enforcement actions, third-party claims for property damage and personal injury, requirements to clean up property or to pay for the costs of cleanup or regulatory or judicial orders enjoining or curtailing operations or requiring corrective measures. We believe that the principal environmental risks arising from our current operations relate to the potential for pollution and for damage to cultural and environmental assets. In extreme cases, the penalty for repeat violations of the applicable environmental laws in most jurisdictions could result in administrative sanction, suspension and even revocation of one or more of our licenses.

In the United States, some environmental laws and regulations, including the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("**CERCLA**"), provide for strict, joint and several strict liability related to spills and releases of hazardous substances for damages to the environment and natural resources or threats to public health and safety, although such liability is often allocated among multiple responsible parties. Under CERCLA and similar state laws, a potentially responsible party can be liable for damages without regard to negligence or fault on the part of the party at a property currently or formerly owned or operated by the party or to which the party may have sent waste for recycling.

Health & Safety

We have an integrated global quality, health, safety and environment management system that is applicable to each location in which we operate. Our management system is compliant to ISAGO and IGOM. In addition to our integrated management system, we are also subject to additional local and country-specific laws and regulations. Our policy is to ensure we adhere to local and country-specific laws and regulations in relation to health and safety, and our local management teams have responsibility for ensuring such compliance. As of the date of this Offering Memorandum, we believe that we comply in all material respects both with our internal health and safety guidelines as well as any local regulations, but we cannot assure you that new and more stringent health and safety regulations will not be adopted in the future or that any such new regulations, if enacted, will not materially adversely affect our business, financial condition or results of operations.

Insurance

We have insurance coverage under various liability, property, marine transport and environmental insurance policies for, among other things, damage to our property, business interruptions, war and terrorism, aviation general third-party liability, aviation war, hi-jacking and other perils liability, employer's practice liability, professional indemnity, commercial crime, business travel and environmental liability, each of which is with insurance companies based in Switzerland or having a branch in Switzerland that we believe to be reputable. Our aviation liability insurance program, which covers property and personal injury claims of third parties, is our most prominent insurance program and the program under which we experience the greatest number of claims. Our international insurance programs consist of master policies, which define the coverage that applies worldwide, along with local supplemental policies where necessary. All insurance policies protecting our employees for work-related accidents, loss of life or disability are entered into on a local level in accordance with applicable law.

We also provide directors' and officers' liability insurance to all members of the Board of Directors of Swissport International Ltd., as well as certain other persons within the Swissport group. See "*Management*".

We believe that our existing insurance coverage, including the amounts of coverage and the terms and conditions, provides reasonable protection for all our business activities, taking into account the nature of our business operations and potential risks arising therefrom.

Property

As of the date of this Offering Memorandum, we do not own any material real property except for Swissport's United Kingdom headquarters which is located outside of Manchester, as well as other property in Caracas. Our property outside of Manchester occupies approximately ten thousand square feet and is used as our United Kingdom headquarters. We also own two properties in Caracas which are used for office space. One property occupies 1,528 square feet and is allocated to ground handling, and the other property occupies 2,903 square feet and is allocated to cargo handling.

We lease the vast majority of our facilities, including warehouses, and rely on "build own operate transfer", or "BOT", contracts in certain of our facilities, such as in Israel, Kenya and Tanzania. "BOT" contracts are a type of arrangement in which a private entity builds an infrastructure project, operates it and transfers ownership of the project to the government. In both Israel and Kenya, we have transferred ownership of the facilities we built, but we have retained the right to use such facilities for 20 years from the time of transfer. In Tanzania, the facilities we built will be transferred to the airport authorities upon ending of a 12-year service concession agreement.

Legal Proceedings

We become involved from time to time in various claims, proceedings and lawsuits arising in the ordinary course of our business, such as employee claims, disputes with our suppliers, lessors and other contract parties. Below is a description of our pending legal proceedings that we consider significant.

The potential damages associated with these types of claims can be substantial and can include actual damages, attorneys' fees and punitive damages. We believe that many of these claims will likely be unsuccessful, but we still may incur costs to manage, defend and/or settle such matters. The outcome of legal proceedings can be extremely difficult to predict with certainty, and we can offer no assurance in this regard. There are various cases outstanding and provisions have been made where the Group expects an outflow to result from such proceedings (see note 4.5 to the 2018 Audited Consolidated Financial Statements). It is possible that these provisions will prove to be inadequate, but the Group is not aware of any case where amounts not provided for could be material. However, based on our examination of these matters, the provisions we have made and the extent of our insurance coverage, we believe that any ultimate liability we may have for such proceedings will not have a material adverse effect on our business or financial condition.

Teamster Local 419 v. Swissport Canada Inc.

On September 6, 2018, a unionized workforce represented by Teamster Local 419 filed a damages claim with the grievance arbitrator of the Province of Ontario alleging that Swissport Canada Handling Inc. breached its collective bargaining agreements by improperly subcontracting certain services to temporary agencies during the labor disruptions at the Toronto Airport in 2017. The plaintiff's claim is approximately €2.6 million and proceedings are currently ongoing. The Group has not made any provisions in the accounts for this claim.

Inmobiliaria Tambomachay SA v. Peruvian Investments 2008 PTE Ltd.

On October 25, 2012, our subsidiary Peruvian Investments 2008 PTE Ltd. transferred Swissport GBH Peru S.A.C. (renamed Inmobiliaria Tambomachay SA after the transfer) to Talma Servicios Aeroportuarios S.A. The transaction was structured as a capital contribution and capitalization of capital premium by the transferee and a capital reduction of the shares of the existing shareholders. In a decision dated December 5, 2018, the Peruvian tax authority ("**SUNAT**") determined that the transaction constituted a share purchase agreement and should therefore be subject to "capital gains" withholding income tax. In a claim letter dated December 14, 2018, Inmobiliaria Tambomachay SA sought a payment of approximately $2.1 million and indemnity under the transaction documents from Peruvian Investments 2008 PTE Ltd. In parallel Inmobiliaria Tambomachay SA has appealed the determination of SUNAT and proceedings are currently ongoing. Peruvian Investments 2008 PTE Ltd. is handling the SUNAT proceedings on behalf of, and in conjunction with, Inmobiliaria Tambomachay SA. The Group has not made any provisions in the accounts for the claim of Inmobiliaria Tambomachay SA.

AENA Claim

In November 2016, Aena SME, S.A. ("**AENA**") claimed a penalty under a certain license agreement with Swissport Handling, S.A. for an alleged breach of the ground support equipment investment by Swissport

Handling, S.A. The penalty amounts to approximately €2.8 million and has been disputed by Swissport Handling, S.A. AENA sought payment of the penalty by enforcing a bank guarantee, which Swissport Handling, S.A. did not accept. Swissport Handling, S.A. paid an amount of approximately €0.6 million in January 2018 and €0.7 million in January 2019 under this claim. The Group has provisioned approximately €1.6 million in total in relation with this matter.

Belgian Labor Claims

During 2017, employees and former employees of Swissport Belgium NV filed two labor claims with the labor court of Brussels. The claimants are seeking payment of approximately €1.1 million in salary and benefits arrears under certain collective labor agreements with Swissport Belgium NV and Swissport Belgium Cleaning NV. On February 12, 2019, the labor tribunal of first instance dismissed one of the two claims in its entirety. Those claimants are entitled to appeal. Proceedings under the second claim are currently ongoing. The Group has not made any provisions in relation to these claims.

Brazilian Labor Claims

Several collective labor claims have been filed by employees and former employees of Swissport Brazil Ltda. These claims principally include allegations of hazardous allowance to employees and failure to provide proper meal and rest breaks. The estimated aggregate size of the outstanding claims is approximately CHF 18.4 million. It is common for Brazilian labor dispute claimants to state initial claims for unrealistically high amounts in the hope of ultimately reaching a more favorable agreement. The total amount of labor claims provisioned as of end of May 2019 amounts to €31.5 million (including collective and individual claims).

California Class Actions

Several class action claims have been brought against Swissport SA, LLC ("**SPSA**") and Swissport USA, Inc. ("**SPUSA**") in connection with our discontinued ground handling services business at Los Angeles International Airport ("**LAX**") and ongoing operations at San Francisco ("**SFO**") in California. Most of the claims have been brought under the California Labor Code Private Attorneys General Act ("**PAGA**"), which authorizes aggrieved employees to file lawsuits to recover civil penalties on behalf of themselves, other employees, and the State of California for California Labor Code violations. The complaints generally allege violations of California Labor Code provisions relating to payment of wages, payment of overtime, payment of minimum wage, furnishing accurate and itemized wage statements, providing meals and rest breaks and maintaining required records. The class action suits include the following main actions:

- *Avila v. SPSA and SPUSA; Bagby v. SPSA* and *J. Jackson v. SPSA and SPUSA*. The *Avila, Bagby and Jackson* class action suits were filed between August 2017 and February 2018 and later joined. The plaintiffs include former cabin cleaners and bag room agents at LAX and SFO. Swissport SA employed approximately 425 cleaning agents at LAX during the PAGA period represented by Avila and Bagby. Swissport USA employed approximately 237 cleaning agents at SFO during the PAGA period represented by Jackson. Swissport SA employed approximately 254 bag room agents at LAX during the PAGA period represented by Jackson. The complaints allege violations of California wage and hour laws as noted above, as well as failure to indemnify employees for expenses incurred in the discharge of duties. On January 4, 2019, the court ruled to compel arbitration of plaintiffs' non-PAGA claims and stayed the plaintiffs' PAGA claims. Proceedings under these claims are currently ongoing and there is no estimate of the potential maximum exposure of our Group.
- *Daniela Bustillo v. SPSA*. The plaintiff, a former passenger service agent, filed her complaint against SPSA on April 4, 2018. The complaint alleges violations of California wage and hour laws as stated above, as well as failure to pay wages upon termination and provide adequate timely notice of layoff. We believe the potential class size could extend to approximately 130 former employees in total and there is no estimate of the potential maximum exposure of our Group. Mediation under this claim was held on June 19, 2019 without resolution, but the mediator continues to work with the parties.
- *Jose Alvarado Garcia and Carlos Miranda v. SPSA*. The plaintiffs, who were employed as ramp agents at LAX, filed a complaint on August 3, 2018, alleging violations of California wage and hour laws noted above and failure to indemnify employees for expenses incurred in the discharge of duties, as well as violations of the business and professional code. Mediation under this claim is currently ongoing with parties working to set a date. *Garcia and Miranda* class size is unknown at this time and there is no estimate of the potential maximum exposure of our Group. The plaintiffs' deadline to file a class certification motion is October 4, 2019.

Illinois Biometric Information Privacy Act Litigation

The Illinois Biometric Information Privacy Act (“**BIPA**”) regulates the collection, use, safeguarding and storage of “biometric identifiers” or “biometric information” by private entities. In late 2017 and early 2019, two class action lawsuits were filed in Illinois state court against SPUSA, alleging that SPUSA failed to obtain informed written consent from the plaintiffs prior to collecting, storing and using their biometric data and that SPUSA failed to destroy the plaintiffs’ biometric data after they left Swissport. The claims in the 2017 lawsuit have been narrowed to alleged failure to destroy biometric data only, due to statute of limitations issues. Proceedings under both lawsuits are currently ongoing. The potential class size will depend on the applicable statute of limitations, but could range between approximately 865 to approximately 2,991 former and current employees and there is no estimate of the potential maximum exposure of our Group.

MANAGEMENT

The Parent Guarantor

The Parent Guarantor is a private limited liability company (*société à responsabilité limitée*) incorporated and existing under the laws of the Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies' Register (*Registre de Commerce et des Sociétés de Luxembourg*) under number B216399. The Parent Guarantor is a direct parent company of the Issuer and is a wholly owned subsidiary of Swissport Global Services Holding S.à r.l., which is an indirect subsidiary of HNA Group. The managers and executive officers of the Parent Guarantor are set forth in the table below. The Parent Guarantor's registered office is located at 9, Allée Scheffer, L-2520, Luxembourg, Grand Duchy of Luxembourg.

Name	Age
Dr. Thomas Staehelin (independent)	71
Loïc Marion*	42
Olivier Richaud*	39
Virginie Guillaume*	37
Charles Mobus	63
Can Zhang	37

* Expected to resign in the fall of 2019, following completion of the Refinancing.

The business address for each of the managers and executive officers of the Parent Guarantor is 9, Allée Scheffer, L-2520, Luxembourg, Grand Duchy of Luxembourg.

The biography of each of the managers and executive officers is set out below under "*Management—The Issuer*".

The Issuer

The Issuer is a private limited liability company (*société à responsabilité limitée*) incorporated and existing under the laws of the Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies' Register (*Registre de Commerce et des Sociétés de Luxembourg)* under number B157692. The Issuer is a wholly-owned subsidiary of the Parent Guarantor. The managers of the Issuer are set forth in the table below and the Issuer's registered office is located at 9, Allée Scheffer, L-2520, Luxembourg, Grand Duchy of Luxembourg.

Name	Age
Dr. Thomas Staehelin (independent)	71
Loïc Marion*	42
Olivier Richaud*	39
Virginie Guillaume*	37
Charles Mobus	63
Can Zhang	37

* Expected to resign in the fall of 2019, following completion of the Refinancing.

Dr. Thomas Staehelin became a member of the board of the Issuer in July 2017. Dr. Thomas Staehelin is a senior managing partner and Swiss corporate and tax attorney of Fromer Attorney and Notary Offices. Dr. Thomas Staehelin sits on the Board of Directors of Swissport International Ltd. and was formerly its chairman. Dr. Thomas Staehelin also serves on the boards of several Swiss companies and trusts. He is a board member and president of the tax and finance committee of the Association "economie suisse" and president of the combined Chamber of Commerce of the two Basel cantons. He formerly served as a member of the cantonal parliament of Basel. Dr. Thomas Staehelin holds a Ph.D. degree in law from the University of Basel.

Charles Mobus became a member of the board of the Issuer in January 2018 and a member of the board of Swissport International Ltd. in March 2016. Charles Mobus is currently the owner and President of Benedetto, Gartland & Company, Inc., an investment banking firm and FINRA registered broker/dealer in New York. Charles Mobus has been a Managing Partner of Benedetto, Gartland since 1994. Charles Mobus currently serves as a member of the board of directors of Swissport International Ltd. (and certain related Luxembourg entities), Tangla Spain, S.P., Travana Inc., and Beijing NH Grand China Hotel Management Company, Co., Ltd. Previously, Charles Mobus was Co-Chairman and Board Chairman of NH Hotel Group and served on the boards of Carlson Hotels, Inc. and Rezidor Hotel Group. In addition, Charles Mobus was a Managing Director of Smith

Barney Group, New York, a Vice President and Shareholder of Kidder Peabody & Co., Inc., New York and an Assistant Vice President with Citicorp, New York. He began his career at Midlantic Banks Inc. Charles Mobus has a Bachelor of Science degree in finance and economics from Lehigh University.

Can Zhang became a member of the board of the Issuer in July 2019. Can Zhang was elevated to the role of Chief Financial Officer of HNA Group North America in May 2018. He had served as Group Deputy Chief Financial Officer of HNA Innovation Finance Group since May 2017. Previously, Can Zhang was Chief Financial Officer of Hong Kong Airlines, Chief Financial Officer of GC Tankers Pte. Ltd., and Vice General Manager at YangZe River Express. Can Zhang obtained a bachelor's degree majoring in accounting from Wuhan University in July 2003. Can Zhang obtained a master's degree in business administration from Shanghai Jiao Tong University in June 2011.

Loïc Marion became a member of the board of the Issuer in July 2017. He has more than fifteen years of experience in finance and advisory services. After ten years in audit, he became a director for corporate services providers, dedicated to international private equity, multinationals and private clients. He has gained significant knowledge of the financial sector and regulatory challenges for regulated and unregulated entities in Luxembourg. He holds a master's degree in Finance and Management from the University of Nancy, France.

Olivier Richaud became a member of the board of the Issuer in July 2017. He holds a master's degree in Management from Audencia Nantes in France and also studied at the University of Cincinnati in the United States. He has more than ten years' work experience in audit and accounting in Luxembourg. He sits on boards of corporates as a non-executive director, including entities of HNA Group.

Virginie Guillaume became a member of the board of the Issuer in December 2017. She holds several master's degrees in Business Administration and Management from Business School (HEC) in Liège (Belgium), Perugia (Italy) and Bradford University (the UK). She also studied at the University of Luxembourg (master in corporate tax law). She has more than ten years' work experience in finance and advisory services in Luxembourg. She sits on boards of corporates as a non-executive director, including entities of HNA Group.

The business address of Virginie Guillaume, Loïc Marion and Olivier Richaud is 9, Allée Scheffer, L-2520, Luxembourg, Grand Duchy of Luxembourg. The business address of Dr. Thomas Staehelin is 55, Flughofstrasse, 8152 Opfikon, Zurich, Switzerland. The business address of Charles Mobus is Benedetto, Gartland & Co., 444 Madison Avenue, New York, New York 10022 USA. The business address of Can Zhang is 245 Park Avenue, New York, New York 10167 USA.

Swissport International Ltd.

Board of Directors

The current Board of Directors of Swissport International Ltd. (the "**Company**") as of the date of this Offering Memorandum consists of the following representatives:

Name	Age
Xiaofeng Chen (Chairman of the Board)	39
Eric Born (Delegate)	48
Dr. Thomas Staehelin	71
Charles Mobus	63
Stewart Smith	72
Chao Chen	49
Can Zhang	37
Zhanrong Zhang	50
Ling Zhang	42
Ziliang Liang	34

The business address for each of the directors and executive officers of Swissport International Ltd. is Flughofstrasse 55, 8152 Opfikon, Zurich, Switzerland.

Group Executive Management

Set forth below is information concerning the Group Executive Management.

Name	Age	Years of professional experience	Position
Eric Born	48	26	President and Chief Executive Officer
Dr. Christian Göseke	51	24	EVP Finance & Chief Financial Offer
Luzius Wirth	45	20	EVP Europe, Middle East & Africa
Glenn Rutherford	45	26	EVP Asia-Pacific
Andreas Hugener	52	30	EVP Chief Human Resources Officer
Dr. Simon Messner	50	26	EVP Performance management & Innovation
David Liu	42	20	EVP

Eric Born joined Swissport as CEO of Swissport International Ltd. in August of 2015. Prior to joining Swissport, Eric Born spent six years at Wincanton Plc, a leading logistics company headquartered in the United Kingdom and listed on the London Stock Exchange. He joined Wincanton in 2009 as COO before he was promoted to CEO in 2010. From 2004 to 2009 Eric Born was President Europe West/South and Member of the Executive Management Board of aviation services provider gategroup. Prior to that Eric Born held several managing director positions in retail businesses in the United Kingdom as well as Switzerland, including with Migros and Accenture. Eric Born also served as Non-Executive Director at John Menzies Plc, a leading distribution and global aviation services business from 2010 until 2014. Eric Born is a Swiss national and holds a BBA from the University of Applied Science in Zürich and a MBA from Simon Business School at the University of Rochester N.Y.

Dr. Christian Göseke is the Chief Financial Officer of Swissport. He started working at Swissport in September 2015 in a Business and Corporate Development role and was instrumental in the creation of the current Swissport strategy, before being promoted to his current role in May 2016. Dr. Christian Göseke started his career at the consultancy McKinsey & Company serving clients in financial institutions and automotive industry. He went on to develop his career in the service industry and logistics sector, gaining valuable experience over the last decade across Europe. He has worked for Delton AG, the strategic management holding of Stefan Quandt, where, in various CFO roles, he was tasked with turning one manufacturing division around, and with reorganizing their logistics business. Dr. Christian Göseke went on to work for Wincanton Plc within the continental European division and played an important role in the sales process when the division was acquired by Rhenus Logistics. Most recently he was responsible for the Central European catering business of Gate Group. Dr. Christian Göseke attended the business school at Otto-Beisheim School of Management where he secured an MBA equivalent (Dipl-Kfm.) and a Doctoral degree.

Luzius Wirth started at Swissport International Ltd. in January 2012 as Vice President Swissport Formula and later on as Vice President Corporate Operations & Quality focusing on standardizing Swissport's global operation. Mr. Wirth was appointed as SVP Group Services in April 2014. In October 2015, Luzius Wirth was appointed EVP Ground Handling & Group Services and in March 2017 he was appointed the Chief Executive Officer of Swissport UK and Ireland. Luzius Wirth received a degree in Mechanical Engineering at the Interstate University of Applied Science (NTB) in Buchs, Switzerland and an MBA from the Richard Ivey School of Business at the University of Western Ontario in Canada. Luzius Wirth has previously served at McKinsey & Company, IBM and PricewaterhouseCoopers.

Glenn Rutherford has been appointed Executive Vice President Asia-Pacific and member of the Group Executive Management of Swissport International Ltd. as of January 1, 2019. Since March 2018, Glenn has been responsible for Swissport in Australia and New Zealand as Senior Vice President Pacific. He took on this role following our acquisition of Aerocare. Since 2000 Glenn had led Aerocare as CEO. He had first joined the company as a baggage handler, working on weekends while studying. Glenn successfully grew the business from 35 employees to 3,500 employees at 32 airports, making Aerocare the leading aviation services provider in Australia and New Zealand. During his time at Aerocare, Glenn led the business to secure substantial contracts, complete several acquisitions and deliver two private equity transactions and the sale to Swissport International Ltd. He has set the strategic direction, fostered innovation, driven strong processes and built a talented team.

Andreas Hugener joined Swissport International Ltd. in February 2017 as the Chief Human Resources Officer. He was previously the Global Head of Human Resources at Sulzer Ltd. Pumps Equipment and held the position of Chief Human Resources a.i. at Sulzer Management Ltd. Prior to this, he was the Head of HR and Quality, Environment, Safety and Health, Compliance and Risk Management at Sulzer Markets and Technology Ltd. before he became Head of HR and Shared Services at Sulzer Metco. Andreas Hugener holds a master's degree in Human Capital Management from ZHAW School of Management and Law, a BA in Business Administration from the Steinbeis-University in Berlin and an executive degree in Management from the University of St. Gallen.

Dr. Simon Messner will assume the role of Executive Vice President "Performance & Innovation" on Group Executive level. In this role he will drive Operational Standards, manage Quality, Health, Safety and Environmental standards and oversee Commercial Governance. Future Product Development, Innovation and Fleet Management will also fall under the scope of this new unit, contributing towards a lean and effective setup at the Zurich headquarters.

David Liu became a member of the board of the Issuer in February 2017. David Liu joined Swissport in August 2016 as EVP. Prior to joining Swissport, he served as Corporate Executive Member of HNA Aviation Group Co. Ltd. Before that position he served as General Manager of Strategy Planning Department of HNA Aviation Group Co. Ltd. David Liu holds a Master of Businesses Administration from City of University of Seattle University and Bachelor of International Finance from Wuhan University.

Board of Directors' Practices

The principal responsibility of the Board is to ensure the Company's long-term success by collectively directing the Company's affairs within the parameters of the Company's internal control framework while identifying and managing the interests of its internal and external stakeholders. In seeking to ensure the prosperity of the Company, the Board assumes responsibility for the overall strategy of the Group, while approving, if considered appropriate, potential acquisitions and disposals, financial statements and major non-recurring projects and capital expenditure. In addition to consideration of significant operational and financial matters, the Board also addresses corporate governance and sustainability issues together with challenges arising in areas as diverse as health and safety, union engagement and employment, and the environment. In fulfilling their responsibilities as members of the Board, the directors remain cognizant of their obligation to act in a manner that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its shareholders as a whole.

Audit Committee

The Board has appointed an Audit Committee, which is responsible for the whole of Swissport. The internal audit team was strengthened in 2018 and its role is to assist the Company in staying compliant with its own rules and regulations, and with data protection regulations such as GDPR.

Compensation of Directors and Officers

For the year ended December 31, 2018, Swissport's directors received fees of €0.1 million for their service as directors. Those directors who have executive positions within the Swissport Group receive salaries and other benefits as executive officers. Swissport has no standard arrangements pursuant to which its executive offers receive compensation. For the year ended December 31, 2018, it paid €11.1 million in salaries and other short term employee benefits to its executive officers, including bonuses to offer incentives to executive officers to achieve annual performance targets for it as a whole as well as within specific areas of responsibility of its executive officers. For the year ended December 31, 2018, Swissport's executive directors received an additional €0.7 million in pension contributions, and €6.2 million in share-based payment transactions for a total compensation of €18.0 million for the year ended December 31, 2018. Officers of Swissport are expected to remain employed under their existing arrangements, except: (i) Joseph Phelan, the Chief Operating Officer, who intends to step down by the end of 2019 and (ii) Dr. Peter Waller is expected to succeed Dr. Christian Göseke as Swissport's Chief Financial Officer and member of Group Executive Management from September 1, 2019.

SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Shareholders

Swissport Financing S.à r.l. is wholly owned by the Parent Guarantor, which is wholly-owned (through one or more holding entities) by the HNA Group. The HNA Group was founded in 1993 and has its primary group headquarters in Beijing, Haikou, Shanghai and Hong Kong. It is a multinational conglomerate whose core focus is aviation but whose global interests also encompass airport management, financial services, real estate, retail, tourism and logistics.

Related Party Transactions

HNA and its affiliates, including HNA Aviation (Hong Kong) ground handling Holding Co., Limited, are related parties with significant influence. We maintain various business relationships with related parties. Our material transactions and agreements with related parties are summarized below. For further descriptions of our related party transactions see Note 5.3 to the 2018 Audited Consolidated Financial Statements and Note 4.1 to the Interim Consolidated Financial Statements.

On February 6, 2018, the Issuer, as lender, entered into a related party loan with an original principal amount of €361.6 million with another HNA Group subsidiary, as borrower, which was originally due in May 2018 (the "**HNA Loan**"). In May 2018, a partial repayment of US$100 million (€83.2 million equivalent) was made to the Issuer and the parties to the HNA Loan entered into a five month remedies standstill. Further remedies standstills were entered into in October 2018 and January 2019. On July 29, 2019, Swissport agreed to forbear until August 15, 2019 from exercising remedies to collect on HNA Group's obligations under the HNA Loan. As of March 31, 2019, the outstanding principal amount under the HNA Loan was €303.1 million. During 2018, we received a total partial repayment of the HNA Loan for an amount of €135.7 million. As of December 31, 2018, the principal amount of outstanding borrowings by HNA Group subsidiaries was €301.0 million (2017: €410.8 million). Current loans to HNA Group subsidiaries as at March 31, 2019 contain accrued interest of €4.0 million (as of December 31, 2018: €5.6 million). As at March 31, 2019, an amount of €307.3 million was outstanding under the HNA Loan.

It is now contemplated that the HNA Loan will be transferred out of the Restricted Group from the Issuer to SGSH through successive repayments in kind, in an amount equal to the outstanding amount of the HNA Loan, or another suitable structure. Further potential options for this HNA Loan transfer out of the Restricted Group are subject to ongoing consideration.

DESCRIPTION OF CERTAIN FINANCING ARRANGEMENTS

The following section summarizes certain material provisions of our material debt (other than the Notes). The following description is only a summary of the material provisions of the Existing Senior Notes, the Existing Senior Secured Notes, the Existing Senior Facilities, the Senior Facilities and Factoring Agreement and does not purport to be complete and is qualified in its entirety by reference to the documents governing such indebtedness. We recommend you refer to the actual agreements for further details, copies of which are available upon request to the Issuer.

Notes Issued by Swissport Investments S.A.

On December 14, 2015, Swissport Investments S.A. issued (i) 6.750% senior secured notes due 2021 (the "**2015 Senior Secured Stub Notes**") with an original aggregate principal amount of €400,000,000, of which €36,478,000 remains outstanding as of March 31, 2019, pursuant to an indenture dated the same date (as supplemented and amended, the "**2015 Senior Secured Stub Notes Indenture**") and made between, amongst others, Swissport Investments S.A., the Swissport Parent Entity, U.S. Bank Trustees Limited and Barclays Bank plc and (ii) 9.750% senior notes due 2022 (the "**2015 Senior Stub Notes**" and, together with the 2015 Senior Secured Notes, the "**2015 Stub Notes**") with an original aggregate principal amount of €290,000,000, of which €15,856,000 remains outstanding as of March 31, 2019, pursuant to an indenture dated the same date (as supplemented and amended, the "**2015 Senior Stub Notes Indenture**" and, together with the 2015 Senior Secured Stub Notes Indenture, the "**2015 Stub Notes Indentures**") and made between, amongst others, Swissport Investments S.A., the Swissport Parent Entity and U.S. Bank Trustees Limited.

Following a consent solicitation in July and August 2017, the parties to the 2015 Stub Notes Indentures entered into a set of supplemental indentures that eliminated substantially all of the restrictive covenants, all of the reporting requirements, certain of the events of defaults and related provisions in the 2015 Stub Notes Indentures. The guarantees under the 2015 Stub Notes Indentures have been released following the Exchange Offer.

Existing Senior Facilities

The Swissport Parent Entity as initial holdings, the Parent Guarantor as new holdings, Swissport Investments S.A. as the initial lux borrower, the Issuer as the new lux borrower, Swissport Group (USA) LLC as the US borrower, entered into a credit agreement dated January 20, 2016 (as amended and restated by an amendment agreement dated August 11, 2017 and by an incremental amendment dated March 5, 2018) (the "**Existing Credit Agreement**") which, as amended, provides for a €460.0 million senior secured term loan B facility with, among others, Barclays Bank PLC, as administrative agent, Barclays Bank PLC, as collateral agent, Barclays Bank PLC, J.P. Morgan Limited as joint mandated lead arrangers and joint bookrunners (the "**Existing Term Loan B Facility**"), a €325.0 million incremental senior secured term loan facility with, among others, Barclays Bank PLC, as administrative agent, Barclays Bank PLC, as collateral agent, Barclays Bank PLC as arranger and incremental euro term loan lender (the "**Existing Incremental Term Loan B Facility**" and together with the Existing Term Loan B Facility, the "**Existing Term Loan B Facilitie**s") and a CHF 110.0 million available revolving credit facility (the "**Existing Revolving Credit Facility**", together with the Existing Term Loan B Facilities the "**Existing Senior Facilities**").

The Existing Senior Facilities are guaranteed by various guarantors, including the Parent Guarantor, and secured by a first lien security interest over the shares of certain subsidiaries held by such guarantor, and certain other assets of those same guarantors.

We may voluntarily prepay all or a portion of the Existing Term Loan B Facilities and/ or permanently reduce our commitments under the Existing Revolving Credit Facility in a minimum amount of €2.0 million in respect of the Existing Term Loan B Facilities and €2.0 million in respect of the Existing Revolving Credit Facility.

The Existing Term Loan B Facilities bear interest at a rate per annum equal to EURIBOR with a 0% floor plus a margin. The Existing Revolving Credit Facility bears interest at a rate per annum equal to adjusted LIBOR for loans denominated in U.S. dollars, pounds sterling or Swiss franc, EURIBOR for loans denominated in Euro and the Canadian Dollar Offered Rate for loans denominated in Canadian dollars, in each case plus a margin. We are also required to pay a commitment fee, quarterly in arrears, on available but unused commitments under the Existing Revolving Credit Facility at a rate of 35% of the applicable margin.

Existing Senior Secured Notes

On August 11, 2017, the Issuer issued €363,522,000 6.750% senior secured notes due 2021 (the "**Existing Senior Secured Notes**") pursuant to the Existing Senior Secured Notes indenture (the "**Existing Senior Secured Notes Indenture**") by way of an exchange offer (the "**Exchange Offer**") in exchange for the 2015 Senior Secured Stub Notes. Interest on the Existing Senior Secured Notes is payable semi-annually on June 15 and December 15 of each year.

The Existing Senior Secured Notes are guaranteed on a senior basis by the Parent Guarantor and certain subsidiaries of the Group. The Existing Senior Secured Notes and the Existing Senior Secured Notes guarantees are secured on a first-ranking priority basis by a first or second lien on material assets (other than shares in subsidiaries) of the Issuer and the guarantors, the shares in certain subsidiary guarantors, and certain other assets of the Issuer and the guarantors. The assets securing the Existing Senior Secured Notes also secure the Existing Senior Facilities on an equal and ratable basis and may be released under certain circumstances.

At the date of this Offering Memorandum, the Issuer will be entitled at its option to redeem all or part of the Existing Senior Secured Notes at the redemption prices set forth in the table below, plus accrued and unpaid interest to the redemption date and additional amounts, if any.

Year	Redemption Price
Commencing December 15, 2018	103.375%
Commencing December 15, 2019	101.688%
Commencing December 15, 2020 and thereafter	100.000%

The Existing Senior Secured Notes Indenture contains customary information and negative covenants that restrict, subject to certain exceptions, the ability of the Parent Guarantor and certain of its subsidiaries' ability to, among other things, incur indebtedness, enter into affiliate transactions, grant liens on its assets, sell assets, or engage in acquisitions, mergers or consolidations.

The Existing Senior Secured Notes Indenture contain customary events of default, including among others, failure to pay principal or interest, failure to comply with certain covenants, certain failures to perform or observe other obligations under the Existing Senior Secured Notes Indentures, the occurrence of certain defaults under other indebtedness and certain events of bankruptcy or insolvency (subject in certain cases to grace periods, financial thresholds and other qualifications).

Existing Senior Notes

On August 11 2017, the Issuer issued €264,644,000 9.750% senior notes due 2022 (the "**Existing Senior Notes**") pursuant to the Existing Senior Notes indenture (the "**Existing Senior Notes Indenture**") by way of the Exchange Offer in exchange for the 2015 Stub Senior Notes. Interest on the Existing Senior Stub Notes is payable semi-annually on June 15 and December 15 of each year.

The Existing Senior Notes are guaranteed on a senior subordinated basis by the Parent Guarantor and certain subsidiaries of the Group.

At the date of this Offering Memorandum, the Issuer will be entitled at its option to redeem all or part of the Existing Senior Notes at the redemption prices set forth in the table below, plus accrued and unpaid interest to the redemption date and additional amounts, if any.

Year	Redemption Price
Commencing on December 15, 2018	107.313%
Commencing on December 15, 2019	104.875%
Commencing on December 15, 2020	102.438%
Commencing on December 15, 2021 and thereafter ..	100.000%

The Existing Senior Notes Indenture contains customary information and negative covenants that restrict, subject to certain exceptions, the ability of the Parent Guarantor and certain of its subsidiaries' ability to, among other things, incur indebtedness, enter into affiliate transactions, grant liens on its assets, sell assets, or engage in acquisitions, mergers or consolidations.

The Existing Senior Notes Indentures contain customary events of default, including among others, failure to pay principal or interest, failure to comply with certain covenants, certain failures to perform or observe other obligations under the Existing Senior Notes Indentures, the occurrence of certain defaults under other indebtedness and certain events of bankruptcy or insolvency (subject in certain cases to grace periods, financial thresholds and other qualifications).

Swissport Global Services Holding S.à r.l. PIK Facility

On March 5, 2018, Swissport Global Services Holding S.à r.l. (the "**PIK Issuer**") entered into a $162.0 million note purchase agreement, as issuer, with respect to notes due on March 5, 2022 (the "**Existing Note Purchase Agreement**"). As at March 31, 2019, an amount of $181.3 million (€161.6 million equivalent) remains outstanding under the Existing Note Purchase Agreement.

It is intended that on or about the Issue Date, the PIK Issuer will enter into a €190.0 million Holdco PIK Facility, as borrower, pursuant to which the outstanding amount under the Existing Note Purchase Agreement will be repaid (the "**New Holdco PIK Facility**"). The New Holdco PIK Facility will be guaranteed by Aguila 2, the direct parent company of the PIK Issuer. The obligations under the New Holdco PIK Facility will not be guaranteed or otherwise recourse to the Issuer, the Parent Guarantor or any of their subsidiaries.

Senior Facilities

The Issuer expects to enter into a credit agreement on or about the Issue Date (the "**Credit Agreement**") with certain lenders (the "**TLB Lenders**"), Barclays Bank PLC, as sole and exclusive arranger and bookrunner (the "**Lead Arranger**"), Barclays Bank PLC, as administrative agent (the "**Administrative Agent**") providing for a five-year senior secured term loan B facility (the "**Term Loan B Facility**"), a five-year senior secured delayed draw term loan B facility (the "**Delayed Draw Loan Facility**") and a revolving credit facility (the "**Revolving Credit Facility**" and, together with the Tem Loan B Facility and the Delayed Draw Loan Facility, the "**Senior Facilities**").

The Term Loan B Facility is expected to provide for borrowings by the Issuer in a single tranche of term loans denominated in euros up to an aggregate principal amount equal to €850.0 million, less the amount issued under any Senior Secured Notes (the "**Borrowings**"), which is to be used for the purpose of refinancing and replacing the Existing Term Loan B Facilities and otherwise consummating the Refinancing.

The Delayed Draw Loan Facility is expected to be made available for borrowings by the Issuer in an aggregate principal amount of up to €50.0 million on a committed basis for the purposes of funding acquisition costs and capital expenditures. The Delayed Draw Loan Facility is expected to be undrawn on the Issue Date, and will be available for drawing in multiple tranches.

The Revolving Credit Facility is expected to be made available in an amount of €75.0 million to Swissport International Ltd., as borrower (the "**Revolving Borrower**"), by certain lenders (the "**RCF Lenders**" and, together with the TLB Lenders, the "**Senior Lenders**"), and cash borrowings under the Revolving Credit Facility cannot exceed €35.0 million. The Revolving Credit Facility will be available to be used for general corporate and working capital purposes of the Revolving Borrower and the Restricted Subsidiaries (including certain permitted acquisitions and other investments), and will include a sub-facility for the issuance of letters of credit in an aggregate amount not to exceed €50.0 million. The Revolving Credit Facility is expected to be undrawn on the Issue Date.

Repayments and Prepayments

The Term Loan B Facility and the Delayed Draw Loan Facility will both mature on August 14, 2024. Neither facility will be subject to scheduled amortization. The Delayed Draw Loan Facility will be available for drawing over a three-year availability period, subject to an option of the lenders under the Delayed Draw Loan Facility to shorten such availability period to 15 months. During the availability period, subject to certain conditions, we may borrow, repay and re-borrow loans up to three times.

It is expected the Revolving Credit Facility will be available on a revolving basis until February 14, 2024. Any amount still outstanding at that time will be due and payable one month after such date. We may re-borrow amounts repaid under the Revolving Credit Facility, subject to certain conditions, until one month prior to its maturity.

It is expected that, subject to certain conditions, we may voluntarily prepay all or a portion of the Term Loan B Facility and the Delayed Draw Loan Facility and/or permanently reduce our commitments under the Revolving Credit Facility and the Delayed Draw Loan Facility in a minimum amount of €2.0 million in respect of the Term Loan B Facility and €2.0 million in respect of the Revolving Credit Facility by giving five business days' prior notice to the Administrative Agent.

In addition to voluntary prepayments, the Senior Facilities require mandatory prepayment (or, as the case may be, an offer to do so) in full or in part in certain circumstances, including with a portion of annual excess cash flow, with certain asset sale proceeds, a portion of proceeds from an initial public offering and upon the occurrence of a change of control.

Interest and Fees

Each of the Term Loan B Facility and the Delayed Draw Loan Facility is expected to bear interest at a rate per annum equal to EURIBOR plus a margin specific to each facility with a 0% floor. We are also required to pay a commitment fee, quarterly in arrears, on available but unused commitments under the Delayed Draw Loan Facility at a rate of 40% of the applicable margin.

The Revolving Credit Facility is expected to bear interest at a rate per annum equal to adjusted LIBOR for loans denominated in U.S. dollars, pounds sterling or Swiss franc, EURIBOR for loans denominated in euros and CBOR for loans denominated in Canadian dollars, in each case plus a margin. We are also required to pay a commitment fee, quarterly in arrears, on available but unused commitments under the Revolving Credit Facility at a rate of 35% of the applicable margin.

We are also required to pay an arrangement fee and certain fees to the Administrative Agent and the Lead Arranger in connection with the Senior Facilities.

Security and Guarantees

The Senior Facilities are, or will be, guaranteed by the Guarantors, and (subject to certain limitations and certain agreed security principles set out in the Credit Agreement) secured by a first lien security interest over the shares of certain subsidiaries held by the Guarantors, and certain other assets of those same Guarantors.

Covenants

It is expected that the Credit Agreement will contain customary positive and negative covenants (including restrictive covenants that will largely follow those contained in the Indentures), subject to certain agreed exceptions.

The Credit Agreement is also expected to require the Parent Guarantor and its Restricted Subsidiaries (the "**Borrower Group**") to observe a "springing" leverage covenant in respect of the Revolving Credit Facility. In this respect, where the Revolving Credit Facility is utilized beyond a certain level (35% of the commitments thereunder) as of the end of any quarter, the Borrower Group will be required to comply with a financial maintenance covenant requiring us to ensure that the Borrower Group's Total Net Leverage Ratio (to be defined in the Credit Agreement) does not exceed certain agreed levels. When applicable, this financial covenant will be tested quarterly on a rolling 12-month basis.

Events of Default

It is expected that the Credit Agreement will contain customary events of default (subject in certain cases to agreed grace periods, thresholds and other qualifications), the occurrence of which would allow the lenders to accelerate all or part of the outstanding utilizations and/or declare all or part of their utilizations are payable on demand and/or instruct the Security Agent to enforce the transaction security.

Governing Law

The Credit Agreement will be governed by and interpreted in accordance with New York law.

Intercreditor Agreement

In connection with entering into the Credit Agreement and the Indentures, the Issuer, the Revolving Borrower, the Guarantors, the security providers and certain other subsidiaries of the Parent Guarantor and certain other entities will on or about the Issue Date, enter into an intercreditor agreement between, among others, the Parent Guarantor, the Issuer and the Borrower Group from time to time in their capacity as Debtors and/or Intra-Group Lenders (each as defined below) (the "**Intercreditor Agreement**") to govern the relationships and relative priorities among: (i) the Senior Lenders and the other parties to the Credit Agreement; (ii) any persons that accede to the Intercreditor Agreement as counterparties to certain cash management agreements (collectively, the "**Cash Management Agreements**" and any persons that accede to the Intercreditor Agreement as counterparties to the Cash Management Agreements are referred to in such capacity as the "**Cash Management Providers**"); (iii) the Trustee on behalf of the holders of the Senior Secured Notes; (iv) any persons that accede to the Intercreditor Agreement as counterparties to certain hedging agreements (the "**Hedging Agreements**", and such persons, which include the Senior Lenders and their affiliates acting in such capacity, the "**Hedge Counterparties**", and the Hedge Counterparties, together with the Senior Lenders, the holders of the Senior Secured Notes, the Trustee under the Senior Secured Notes Indenture, the Cash Management Providers, the Pari Passu Creditors (as defined below), the Security Agent, the Administrative Agent, the Arrangers (as defined in the Intercreditor Agreement) and each Pari Passu Debt Representative (as defined below under "*—Permitted Payments*"), the "**Senior Secured Creditors**"); (iv) the Trustee under the Senior Notes Indenture on behalf of the holders of the Senior Notes; (v) the Administrative Agent; (vi) the Security Agent and (vii) certain intra-group creditors and debtors, including certain permitted re-financings and replacements of some or all of the foregoing. The Notes will be subject to the terms and conditions of the Intercreditor Agreement.

In addition, the Intercreditor Agreement regulates certain relationships between the Issuer, its subsidiaries, the Parent Guarantor and the Subordinated Creditors (as defined below under "*—Ranking and Priority*").

The Parent Guarantor, the Issuer and each of its subsidiaries that incur any liability or provide any guarantee under any Debt Document (as defined below under "*—Permitted Payments*") above a threshold to be agreed are referred to in this description as a "**Debtor**" and are referred to collectively as the "**Debtors**".

The Intercreditor Agreement sets out, among other things:

- the relative ranking of certain indebtedness of the Debtors (including pursuant to their guarantees of the Senior Secured Documents and the Senior Debt Documents (each as defined below under "*—Ranking and Priority*");
- the ranking of certain security granted by the Debtors;
- when payments can be made in respect of certain indebtedness of the Debtors;
- when enforcement actions can be taken in respect of that indebtedness;
- the terms pursuant to which intra-group indebtedness and claims of the Subordinated Creditor are subordinated upon the occurrence of certain events;
- turnover provisions; and
- when security and guarantees will be released to permit a sale of certain collateral granted in favor of the Senior Secured Creditors.

The Intercreditor Agreement will contain provisions relating to future indebtedness that may be incurred by the Debtors that (a) is permitted by the other debt documents evidencing the terms of various obligations governed by the Intercreditor Agreement to be incurred on a *pari passu* basis with the Senior Secured Obligations (as defined below under "*—Ranking and Priority*") and be secured by the Transaction Security (as defined below under "*—Ranking and Priority*"), subject to the terms of the Intercreditor Agreement, such debt being "**Pari Passu Debt**", the creditors of such debt and any Pari Passu Debt Representative being "**Pari Passu Creditors**", the obligations thereunder, the "**Pari Passu Debt Obligations**" and the agreements creating Pari Passu Debt Obligations, the "**Pari Passu Debt Documents**") and (b) is permitted by the other debt documents evidencing the terms of various obligations governed by the Intercreditor Agreement to be incurred on an unsecured basis, such debt being "**Additional Unsecured Debt**", the creditors of such debt and their respective representatives being "**Additional Unsecured Debt Creditors**", the obligations thereunder, the "**Additional Unsecured Debt Obligations**" and the agreements creating Additional Unsecured Debt Obligations, the "**Additional Unsecured Debt Documents**".

Unless expressly stated otherwise in the Intercreditor Agreement, the provisions of the Intercreditor Agreement override anything in the Debt Documents to the contrary. The preceding sentence as between any Primary Creditor (as defined below) and any Debtor or any member of the Borrower Group will not cure, postpone, waive or negate any default or event of default (however described) under any debt document as provided for in the relevant debt document.

By accepting a Senior Note or Senior Secured Note, holders of the Senior Notes and Senior Secured Notes shall be deemed to have agreed to, and accepted the terms and conditions of, the Intercreditor Agreement and to have instructed the Trustee under the Senior Secured Notes Indenture and the Trustee under the Senior Notes Indenture, respectively, to enter into the Intercreditor Agreement on their behalf. The holders of the Senior Secured Notes and the Trustee under the Senior Secured Notes Indenture are "**Senior Secured Creditors**". The holders of the Senior Notes and the Trustee under the Senior Notes Indenture are the "**Senior Creditors**", and the Senior Creditors together with the Senior Secured Creditors and the Additional Unsecured Debt Creditors are the "**Primary Creditors**".

The following description is a summary of certain provisions, among others, contained in the Intercreditor Agreement. It does not restate the Intercreditor Agreement and you are advised to read that document in its entirety because it, and not the discussion that follows, defines certain rights of the holders of the Notes.

Ranking and Priority

The Intercreditor Agreement provides, subject to the provisions in respect of permitted payments described below under "*—Permitted Payments*", that the obligations of the Debtors under, or in respect of, the Term Loan B Facility and the Revolving Credit Facility (the "**Senior Secured Facilities Obligations**"), the obligations of the Debtors under the Senior Secured Notes (the "**Senior Secured Notes Obligations**") the obligations of the Debtors under the Hedging Agreements (the "**Hedging Obligations**"), the obligations of the Debtors under the Cash Management Agreements (the "**Cash Management Obligations**"), the Pari Passu Debt Obligations, the obligations of the Debtors to the Security Agent, the obligations of the Debtors to the Trustee and certain other representatives of the Senior Secured Creditors, Senior Creditors and Additional Unsecured Debt Creditors (collectively, the "**Representatives**" and such obligations, the "**Representative Obligations**", together with the Senior Secured Facilities Obligations, the Senior Secured Notes Obligations, the Pari Passu Debt Obligations, the Hedging Obligations, the obligations to the Security Agent and the Cash Management Obligations, the "**Senior Secured Obligations**" and the agreements creating Senior Secured Obligations, the "**Senior Secured Documents**"), the obligations of the Debtors in respect of the Senior Notes (the "**Senior Debt Obligations**" and the agreements creating Senior Debt Obligations (including the Indentures), the "**Senior Debt Documents**") and the Additional Unsecured Debt Obligations will rank in right and priority of payment in the following order:

- with respect to obligations owed by the Debtors other than the Issuer (the "**Senior Subordinated Guarantors**", and the obligations of the Senior Subordinated Guarantors under each guarantee of the Senior Debt Obligations, the "**Senior Subordinated Guarantee Obligations**"):
  - first, the Senior Secured Obligations and the Additional Unsecured Debt Obligations *pari passu* between themselves and without any preference between them; and
  - second, the Senior Subordinated Guarantee Obligations *pari passu* between themselves and without any preference between them,
- with respect to obligations owed by the Issuer, the Senior Secured Obligations, the Senior Debt Obligations and the Additional Unsecured Debt Obligations *pari passu* between themselves and without any preference between them.

The Intercreditor Agreement also provides that certain intra-group claims and claims of members of the Group (the "**Intra-Group Lenders**") and of any direct or indirect shareholder of the Parent Guarantor (the "**Subordinated Creditors**", and together with the Intra-Group Lenders and the Primary Creditors, the "**Creditors**") are subordinated to the claims of the Primary Creditors.

The parties to the Intercreditor Agreement agree in the Intercreditor Agreement that the security provided by the Debtors and the other parties that provide security for the Senior Secured Creditors (the "**Transaction Security**" and the documents creating any Transaction Security, the "**Transaction Security Documents**") shall secure the Senior Secured Obligations *pari passu* and without any preference between them.

Under the Intercreditor Agreement, all proceeds from enforcement of the Transaction Security are applied as provided below under "*—Application of Proceeds*".

Permitted Payments

The Intercreditor Agreement permits, *inter alia*:

- in respect of Senior Secured Facilities Obligations, Debtors to make payments at any time under the Revolving Credit Facility and the Term Loan B Facility in accordance with the Credit Agreement and related documents;

- In respect of the Senior Secured Notes Obligations, Debtors to make payments at any time in accordance with the Senior Secured Documents;
- in respect of Pari Passu Debt Obligations, Debtors to make payments at any time in accordance with the relevant Par Passu Debt Debt Documents and related documents;
- in respect of Hedging Liabilities, Debtors to make payments to Hedge Counterparties in accordance with the relevant Hedging Agreement; provided that no payment may be made to a Hedge Counterparty if any scheduled payment due from that Hedge Counterparty to that Debtor under a Hedging Agreement to which they are both party is due and unpaid;
- in respect of the Cash Management Obligations, to make payments to any Cash Management Provider then due to that provider under any Cash Management Agreement in accordance with the terms of that Cash Management Agreement unless an acceleration event has occurred;
- in respect of the Senior Debt Obligations, Debtors to make payments to Senior Creditors (a) prior to the Senior Secured Discharge Date (as defined in the Intercreditor Agreement) (i) if (A) the payment is of (I) any of the principal amount (including capitalized interest, if any) of the Senior Debt Obligations which is either (1) not prohibited from being paid by the Senior Secured Documents or (2) paid on or after the final maturity date of the relevant Senior Debt Obligations; or (II) any other amount (including, without limitation, interest, default interest, fees, and additional amounts) which is not an amount of principal or capitalized interest; and (B) no Senior Debt Payment Blockage Notice (as defined below under "*—Issue of Senior Debt Payment Blockage Notice*") is outstanding; and (C) no payment default under the Senior Secured Documents (a "**Senior Secured Payment Default**") has occurred and is continuing; or (ii) if the Administrative Agent, the Trustee under the Senior Secured Notes Indenture, and each representative of Pari Passu Creditors (each a "**Pari Passu Debt Representative**") give prior consent to that payment being made; or (iii) if the payment is of fees or expenses or indemnities owed by a Debtor to a representative of the Senior Creditors; or (iv) if the payment is of costs, expenses, taxes and/or fees incurred in respect of, in relation to or reasonably incidental to the Senior Debt Document (including in relation to any reporting or listing requirements under the Senior Debt Documents); or (v) if the payment is of costs, taxes, premiums, expenses and fees incurred in respect of, in relation to or reasonably incidental to any refinancing of the Senior Debt not prohibited by the Senior Debt Documents; and (b) on or after the Senior Secured Discharge Date, any payments at any time (including, for the avoidance of doubt, payment of principal) (the payments in the foregoing clauses (a) and (b), the "**Permitted Senior Payments**");
- in respect of the Additional Unsecured Debt Obligations, Debtors to make payments to Additional Unsecured Debt Creditors (a) prior to the Senior Secured Discharge Date and the Senior Debt Discharge Date (as defined in the Intercreditor Agreement) (the later of such dates, the "**Senior Discharge Date**") (i) if (A) the payment is of: (I) any of the principal amount (including capitalized interest, if any) of the Additional Unsecured Debt Obligations which is either (1) not prohibited from being paid by the Senior Secured Documents (if the Senior Secured Discharge Date has not occurred) and the Senior Debt Documents (if the Senior Debt Discharge Date has not occurred), or (2) paid on or after the final maturity date of the relevant Additional Unsecured Debt Obligations, or (II) any other amount (including, without limitation, interest, default interest, fees, and additional amounts) which is not an amount of principal or capitalized interest; and (B) no Additional Unsecured Debt Payment Blockage Notice (as defined in the Intercreditor Agreement) is outstanding; and (C) no Senior Secured Payment Default or payment default under the Senior Debt Documents (a "**Senior Debt Payment Default**") has occurred and is continuing; (ii) if the Administrative Agent, the Trustee under the Senior Secured Notes Indenture, the Pari Passu Debt Representative(s) and the representative(s) of Senior Creditors (in each case, as applicable) give prior consent to that payment being made; (iii) if the payment is of fees or expenses owed by a Debtor to a representative of the Additional Unsecured Debt Creditors; (iv) if the payment is of costs, expenses, taxes and/or fees incurred in respect of, in relation to or reasonably incidental to the Additional Unsecured Debt Documents (including in relation to any reporting or listing requirements under the Additional Unsecured Debt Documents); or (v) if the payment is of costs, taxes, premiums, expenses and fees incurred in respect of, in relation to or reasonably incidental to any refinancing of the Additional Unsecured Debt not prohibited by the Additional Unsecured Debt Documents; and (b) on or after the Senior Discharge Date, make any payments in respect of the Additional Unsecured Debt Obligations at any time (including, for the avoidance of doubt, payment of principal);
- payments to lenders under any intra-group loan agreement (together, the "**Intra-Group Obligations**") if (a) at the time of payment no acceleration event has occurred in respect of any Senior Secured

Obligations, Senior Debt Obligations or Additional Unsecured Debt Obligations or (b) if such an acceleration event occurs, (i) with the consent of (A) prior to the Senior Secured Discharge Date, the Majority Senior Secured Creditors (as defined below), (B) following the Senior Secured Discharge Date but prior to the Senior Debt Discharge Date, the Majority Senior Creditors (as defined below) and (C) following the Senior Discharge Date but prior to the Additional Unsecured Debt Discharge Date (as defined in the Intercreditor Agreement), the Majority Additional Unsecured Debt Creditors; or (ii) that payment is made solely to facilitate payment of the Senior Secured Obligations, the Senior Debt Obligations, the Representative Obligations or the Additional Unsecured Debt Obligations (in each case to the extent permitted to be paid by the Intercreditor Agreement by a member of the Group (as defined in the Intercreditor Agreement)); and

- payments in respect of liabilities owed by any Debtor to a Subordinated Creditor, which are subordinated in right of payment to the Senior Creditors ("**Subordinated Obligations**") if (a) that payment is (i) (if prior to the Senior Secured Discharge Date), permitted by the Senior Secured Documents; (ii) (if prior to the Senior Debt Discharge Date), permitted by the Senior Debt Documents and (iii) (if prior to the Additional Unsecured Debt Discharge Date), permitted by the Additional Unsecured Debt Documents (together with the Senior Secured Documents, the Senior Debt Documents and any documents evidencing Transaction Security, Intra-Group Obligations or Subordinated Liabilities, the "**Debt Documents**") or (b)(i) prior to the Senior Secured Discharge Date, the prior consent of the Majority Senior Secured Creditors under any Senior Secured Documents pursuant to which such payment would result in a breach is obtained, (ii) prior to the Senior Debt Discharge Date, the prior consent of the Majority Senior Creditors under any Senior Debt Documents pursuant to which such payment would result in a breach is obtained and (iii) prior to the Additional Unsecured Debt Discharge Date, the prior consent of the Majority Additional Unsecured Debt Creditors under any Additional Unsecured Debt Documents pursuant to which such payment would result in a breach is obtained.

For the purposes of the Intercreditor Agreement, "**Majority Senior Secured Creditors**" means, at any time, those Senior Secured Creditors (other than Cash Management Providers in their capacity as such) whose Senior Secured Obligations (other than Cash Management Obligations) at that time aggregate more than 50% of the total Senior Secured Obligations (excluding Cash Management Obligations) at that time, "**Majority Senior Creditors**" means, at any time, those Senior Creditors whose Senior Debt Obligations at that time aggregate more than 50% of the total Senior Debt Obligations at that time and "**Majority Additional Unsecured Debt Creditors**" means, at any time, those Additional Unsecured Debt Creditors whose Additional Unsecured Debt Obligations at that time aggregate more than 50% of the total Additional Unsecured Debt Obligations at that time.

Issue of Senior Debt Payment Blockage Notice

Until the Senior Secured Discharge Date, except with the prior consent of the Administrative Agent (if the discharge of the Revolving Credit Facility and the Term Loan B Facility has not occurred), the Senior Secured Trustee and the Pari Passu Debt Representative(s) (the Administrative Agent, the Senior Secured Trustee and the Pari Passu Debt Representative(s), the "**Senior Secured Representatives**") (if the discharge of the Pari Passu Debt Obligations has not occurred), the Issuer and the Parent Guarantor and the other members of the Group may not make and no Senior Creditor may receive from any member of the Group, any Permitted Senior Payments (other than any Permitted Senior Payment made pursuant to clauses (a)(ii), (a)(iii) and (a)(iv) of the definition of Permitted Senior Payments (as set forth above under "*—Permitted Payments*") and clause (a)(v) of such definition (other than any consent fees, and original issuance discount and upfront fees)) if (i) a Senior Secured Payment Default is continuing; or (ii) an event of default under any Senior Secured Document ("**Senior Secured Event of Default**") (other than a Senior Secured Payment Default) is continuing, from the date which is one business day after the date on which a Senior Secured Representative delivers a notice (a "**Senior Debt Payment Blockage Notice**") specifying the event or circumstance in relation to that Senior Secured Event of Default to, among others, the Parent Guarantor, the Trustee under the Senior Notes Indenture and the Security Agent until the earliest of (A) the date falling a hundred and seventy-nine (179) days after delivery of that Senior Debt Payment Blockage Notice; (B) if a Senior Standstill Period (as defined below under "*—Restrictions on Enforcement by Senior Creditors*") is in effect at any time after delivery of that Senior Debt Payment Blockage Notice, the date on which that Senior Standstill Period expires; (C) the date on which the relevant Senior Secured Event of Default has been remedied or waived or, if the relevant Senior Secured Obligations have been accelerated, such acceleration has been rescinded, in accordance with the Senior Secured Documents (as applicable); (D) the date on which the Senior Secured Representative which delivered the relevant Senior Debt

Payment Blockage Notice delivers a notice to, among others, the Parent Guarantor, the Trustee under the Senior Notes Indenture and the Security Agent cancelling the Senior Debt Payment Blockage Notice; (E) the Senior Secured Discharge Date; and (F) the date on which the Security Agent takes enforcement action permitted under the Intercreditor Agreement against a Debtor.

Unless the Trustee under the Senior Notes Indenture waives this requirement: (i) a new Senior Debt Payment Blockage Notice may not be delivered unless and until three hundred and sixty (360) days have elapsed since the delivery of the immediately prior Senior Debt Payment Blockage Notice; and (ii) no Senior Debt Payment Blockage Notice may be delivered in reliance on a Senior Secured Event of Default more than sixty (60) days after the date the Senior Secured Representatives received notice of that Senior Secured Event of Default.

The Administrative Agent, the Trustee under the Senior Secured Notes Indenture, and the Pari Passu Debt Representative(s) may only serve one Senior Debt Payment Blockage Notice with respect to the same event or set of circumstances.

No Senior Debt Payment Blockage Notice may be served by the Administrative Agent, a Senior Secured Notes Representative or a Pari Passu Debt Representative in respect of a Senior Secured Event of Default which had been notified to the Administrative Agent, the Trustee under the Senior Secured Notes Indenture or the Pari Passu Debt Representative(s), as relevant, at a time at which an earlier Senior Debt Payment Blockage Notice was issued.

For the avoidance of doubt, the issuance of a Senior Debt Payment Blockage Notice (i) acts as a suspension of payment and not as a waiver of the right to receive payment on the date such payments are due; (ii) will not prevent the accrual or capitalization of interest (including default interest) in accordance with the Senior Debt Documents; (iii) will not prevent the payment of any fees, costs and expenses and other indemnification amounts owed to a representative of the Senior Creditors (including the Trustee under the Senior Notes Indenture); and (iv) will not prevent the payment of audit fees, directors' fees, taxes and other proper and incidental expenses required to maintain existence and any costs, taxes, fees and expenses incurred in respect of (or reasonably incidental to) any reporting or listing requirements under the Senior Debt Documents. Further, no event of default shall occur under the Senior Debt Documents solely as the result of the issuance a Senior Debt Payment Blockage Notice.

Amendments

The Senior Creditors, the Issuer and the Debtors may at any time amend or waive the terms of the Senior Debt Documents in accordance with their respective terms from time to time (and subject only to any consent required under them) provided that the terms of the Senior Debt Documents may not be amended or waived if such amendment or waiver is materially adverse to the interests of the Senior Secured Creditors taken as a whole.

Enforcement

Enforcement Instructions

The Security Agent may refrain from enforcing the Transaction Security or taking any other action as to enforcement unless instructed otherwise by the Majority Senior Secured Creditors. After the Transaction Security has become enforceable in accordance with its terms, the Majority Senior Secured Creditors may give or refrain from giving instructions to the Security Agent to enforce or refrain from enforcing the Transaction Security as they see fit provided that the instructions as to enforcement given by the Majority Senior Secured Creditors take into account the Security Enforcement Objective (as defined below).

"**Security Enforcement Objective**" means maximizing, so far as is consistent with a prompt and expeditious realization of value from an enforcement of the Transaction Security, the recovery by the Senior Secured Creditors.

Manner of Enforcement

If the Transaction Security is being enforced or other enforcement action is being taken, the Security Agent shall enforce the Transaction Security or take other action as to enforcement in such manner (including, without limitation, the selection of any administrator of any Debtor to be appointed by the Security Agent) as the

Majority Senior Secured Creditors shall instruct or, in the absence of any such instructions, as the Security Agent sees fit, in each case, taking into account the Security Enforcement Objective and the requirements of each relevant Transaction Security Document. For the avoidance of doubt, in the absence of instructions from the Majority Senior Secured Creditors, the Security Agent will not be required to take any action.

Exercise of Voting Rights

Subject to certain exceptions described in the Intercreditor Agreement, each Creditor (other than any Representative and the Senior Secured Creditors) will cast its vote in any proposal put to the vote by or under the supervision of any judicial or supervisory authority in respect of any insolvency, pre insolvency or rehabilitation or similar proceedings relating to any member of the Group as instructed by the Security Agent; provided that this will not entitle any party to the Intercreditor Agreement to exercise or require any Primary Creditor to exercise such power of voting or representation to waive, reduce, discharge, extend the due date for (or change the basis for accrual of any) payment of, or reschedule any of, the obligations owed to that Primary Creditor. The Security Agent shall give such instructions in accordance with any instructions given to it by the Majority Senior Secured Creditors (provided such instructions have been given in accordance with the Intercreditor Agreement).

Restrictions on Enforcement by Senior Creditors

If the Security Agent has notified the representatives of the relevant Senior Secured Creditor that it is enforcing the security interests under the Transaction Security Documents, no Senior Creditor may take or require the taking of any enforcement action in relation to the Senior Subordinated Guarantee Obligations, except as set forth in the next paragraph.

The Senior Creditors will be permitted to take enforcement action in relation to the Senior Subordinated Guarantee Obligations if (i) an event of default under the Senior Debt Documents (a "**Senior Event of Default**", and such Senior Event of Default, the "**Relevant Senior Default**") is continuing; (ii) the Security Agent and each Senior Secured Representative has received a notice of the Relevant Senior Default (a "**Senior Enforcement Notice**") specifying the event or circumstance in relation to the Relevant Senior Default from the Trustee under the Senior Notes Indenture; (iii) a Senior Standstill Period has elapsed; and (iv) the Relevant Senior Default is continuing at the end of the relevant Senior Standstill Period. The Senior Creditors may take enforcement action under the preceding sentence in relation to a Relevant Senior Default even if, at the end of any relevant Senior Standstill Period or at any later time, a further Senior Standstill Period has begun as a result of any other Senior Event of Default.

In relation to a Relevant Senior Default, a Senior Standstill Period shall mean the period beginning on the date (the "**Senior Standstill Start Date**") the Trustee under the Senior Notes Indenture serves a Senior Enforcement Notice on each of the Senior Secured Representatives and the Security Agent in respect of such Relevant Senior Default and ending on the earliest to occur (being the "**Senior Standstill Period**") of (a) the date falling one hundred and seventy-nine (179) days after the Senior Standstill Start Date; (b) the date the Senior Secured Parties take any enforcement action in relation to a particular Senior Subordinated Guarantor, provided, however, that if a Senior Standstill Period ends pursuant to this clause (b), the Senior Creditors may only take the same enforcement action in relation to such Senior Subordinated Guarantor as the enforcement action taken by the Senior Secured Parties against such Senior Subordinated Guarantor; (c) the date of an Insolvency Event (as defined in the Intercreditor Agreement) (other than as a result of any action taken by any Senior Creditor) in relation to a particular Senior Subordinated Guarantor in which case enforcement action is to be taken only against such Senior Subordinated Guarantor; (d) the date on which the consent of the Majority Senior Secured Creditors to the termination of the Senior Standstill Period has been obtained; (e) the expiry of any other Senior Standstill Period outstanding at the date such first-mentioned Senior Standstill Period commenced (unless that expiry occurs as a result of a cure, waiver or other permitted remedy); and (f) if a Senior Debt Payment Default has occurred resulting from a failure to pay the principal amount of the Senior Debt Obligations, at final maturity.

Insolvency Event

Without prejudice to certain set-off rights, including set-off rights in relation to multi-account overdraft balances, and close-out netting and payment-netting rights of hedge counterparties, after the occurrence of an Insolvency Event in relation to any member of the Group, each Creditor:

- entitled to receive a distribution out of the assets of such member of the Group (in respect of a Senior Secured Party (as defined in the Intercreditor Agreement) and only to the extent that such amount constitutes proceeds of the enforcement of Transaction Security) in respect of obligations owed to that Creditor must, to the extent it is able to do so, direct the person responsible for the distribution of the assets of such Debtor to pay that distribution to the Security Agent until the obligations owing to the Senior Secured Parties have been paid in full;

- irrevocably authorizes the Security Agent (on the relevant instructions of the Majority Super Senior Creditors or in their absence as the Security Agent sees fit), on its behalf, to: take any enforcement action (in accordance with the terms of the Intercreditor Agreement) against that member of the Group; demand, sue, prove and give receipt for any or all of that member of the Group's liabilities; collect and receive all distributions on, or on account of, any or all of that member of the Group's liabilities; and file claims, take proceedings and do all other things the Security Agent considers reasonably necessary to recover that member of the Group's liabilities; and
- will do all things that the Security Agent (in each case on the relevant instructions referred to above or in their absence as the Security Agent sees fit) reasonably requests in order to give effect to this paragraph including, in certain cases, to grant a power of attorney to the Security Agent to enable the Security Agent to take the relevant action.

Turnover

The Intercreditor Agreement provides that if at any time prior to the Senior Discharge Date, subject to certain exceptions, any intra-group creditor, any Subordinated Creditor or any Primary Creditor receives or recovers:

- any payment or distribution of, or on account of or in relation to, any liability owed by a Debtor which is not a permitted payment under the Intercreditor Agreement or made in accordance with "*—Application of Proceeds*" below;
- (except with respect to certain set-off rights, including set-off rights in relation to multi-account overdraft balances, and close-out netting and payment-netting rights of hedge counterparties), any amount by way of set off in respect of any liability owed by a Debtor which does not give effect to a permitted payment under the Intercreditor Agreement;
- any amount (i) on account of or in relation to any liability owed by a Debtor after the occurrence of an acceleration event under any Senior Secured Document, Senior Debt Document or Additional Unsecured Debt Document or as a result of the enforcement of any Transaction Security in accordance with the Transaction Security Documents (each, a "**Distress Event**") or as a result of proceedings against a member of the Group (other than after the occurrence of an Insolvency Event in respect of that member of the Group), or (ii) by way of set off in respect of any liability of a Debtor after the occurrence of a Distress Event in each case, except in accordance with "*—Application of Proceeds*" below;
- the proceeds of any enforcement of any Transaction Security or the proceeds of any Distressed Disposal in each case, except in accordance with "*—Application of Proceeds*" below; or
- (other than in relation to certain set-off rights) any distribution in cash or in kind or payment of, or on account of or in relation to, any liability owed by any member of the Group which is not in accordance with "*—Application of Proceeds*" below and which is made as a result of, or after, the occurrence of an Insolvency Event in respect of that member of the Group,

then the intra-group creditor, Subordinated Creditor or Primary Creditor, as the case may be:

- in relation to receipts or recoveries not received or recovered by way of set off, must hold that amount on trust for the Security Agent and promptly pay that amount to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and
- in relation to receipts and recoveries received or recovered by way of set off, must promptly pay an amount equal to that receipt or recovery to the Security Agent for application in accordance with the terms of the Intercreditor Agreement.

Application of Proceeds

The Intercreditor Agreement provides that, subject to certain exceptions, amounts received or recovered by the Security Agent, including all amounts recovered by the Security Agent in connection with the realization or enforcement of all or any part of the Transaction Security or a transaction in lieu of the enforcement of Transaction Security will be applied in the following order of priority:

- *first*, (A) in discharging any sums owing to the Security Agent and any receiver or any delegate appointed and (B) fees, costs and expenses and other indemnification amounts owed to the Representative(s) of Senior Secured Creditors, Senior Creditors and Additional Unsecured Debt Creditors, on a *pro rata* and *pari passu* basis;
- *second*, in payment or distribution to the Senior Secured Creditors of all costs and expenses incurred by any of them in connection with any realization or enforcement of the Transaction Security, in each case undertaken in accordance with the terms of the Intercreditor Agreement;
- *third*, in payment or distribution to (A) the Administrative Agent on its own behalf and on behalf of the Senior Secured Lenders (as defined in the Intercreditor Agreement) for which it is the representative; (B) the Hedge Counterparties and Cash Management Providers; (C) each Senior Secured Notes Representative on behalf of the Senior Notes Creditors and it represents; and (D) each Pari Passu Debt Representative on behalf of Pari Passu Creditors it represents, for application towards the Senior Secured Obligations on a *pro rata* and *pari passu* basis;
- *fourth*, to the extent paid out of proceeds resulting from any enforcement action in relation to any (A) Additional Unsecured Debt Obligations, in payment or distribution to each representative of Additional Unsecured Debt Creditors on behalf of the Additional Unsecured Debt Creditors it represents for application towards the discharge of the Additional Unsecured Debt Obligations owed to the Additional Unsecured Debt Creditors (in accordance with the terms of the Additional Unsecured Debt Documents) and (B) Senior Debt Obligations, in payment or distribution to each representative of Senior Creditors on behalf of the Senior Creditors it represents for application towards the discharge of the Senior Debt Obligations owed to the Senior Creditors (in accordance with the terms of the Senior Debt Documents), on a *pro rata* and *pari passu* basis; and
- *fifth*, the balance, if any, in payment to the relevant Debtor.

Release of the Guarantees and the Security upon a Distressed Disposal

If a Distressed Disposal (as defined below) is being effected the Security Agent is irrevocably authorized (at the cost of the relevant Debtor) without any consent, sanction, authority or further confirmation from any other party to the Intercreditor Agreement to (i) release the Transaction Security over the relevant asset; (ii) if the relevant asset consists of shares in the capital of a Debtor to release that Debtor and any of its subsidiaries from its liabilities in its capacity as a guarantor or a borrower (and certain other liabilities) under any Debt Document and, to release any Transaction Security granted by that Debtor and/or any subsidiary of that Debtor over any of its or their assets and/or the direct holding company of that Debtor over any of the shares in the capital of that Debtor; (iii) if the relevant asset consists of shares in the capital of a holding company of a Debtor, to release that holding company and any of its subsidiaries from their liabilities in their capacity as a guarantor or a borrower under any Debt Document, and certain other liabilities, and to release any Transaction Security granted by that holding company and any subsidiary of that holding company over any of its assets and the direct holding company of that holding company being disposed of over the shares on the capital of that holding company being disposed of; (iv) if the relevant asset consists of shares in the capital of a Debtor or holding company of a Debtor (the "**Disposed Entity**") and the Security Agent decides to dispose to another entity that is a Debtor (the "**Receiving Entity**") all or any part of the liabilities of that Disposed Entity, then the Security Agent shall enter into any relevant documentation provided that, if it is intended that the Receiving Entity should not be a Primary Creditor or Senior Secured Creditor, the Receiving Entity shall not be treated as a Primary Creditor or Senior Secured Creditor, and if it is intended that the Receiving Entity should be a Primary Creditor or Senior Secured Creditor, then all (and not part) of the liabilities owed to a Primary Creditor, and all or part of any other liabilities and liabilities owed to debtors shall be disposed of; and (v) if the relevant asset consists of shares in the capital of a Disposed Entity and the Security Agent decides to transfer to a Receiving Entity all or any part of the Disposed Entity's obligations or any obligations of any subsidiary of that Disposed Entity in respect of liabilities owed to a Debtor or intra-group lender, transfer all or part of such obligations on behalf of the person to which they are owed and accept the transfer of those obligations on behalf of the Receiving Entity.

In addition, if a Distressed Disposal is being effected such that any Senior Subordinated Guarantees or any Senior Debt Obligations will be released, it is a further condition to any such release that either (i) the Majority Senior Creditors have approved the release or (ii) where shares or assets of a Senior Subordinated Guarantor and/or the Issuer are sold or disposed of (A) the proceeds of such sale or disposal are in cash (or substantially in cash); (B) all claims of the Primary Creditors against any member of the Group and any subsidiary of that member of the Group whose shares that are owned by a Debtor and are pledged in favor of any Primary Creditors are sold or disposed of pursuant to such Distressed Disposal, are unconditionally released and discharged concurrently with such sale (and are not assumed by the purchaser or one of its affiliates), and all Transaction Security in respect of the assets that are sold or disposed of are simultaneously and unconditionally released and discharged concurrently with such sale, provided that in the event that: (I) the Majority Senior Secured Creditors determine, acting reasonably and in good faith, that the Senior Secured Creditors (taken as a whole) will recover more through a sale of disposal of any such claim than if such claim was released or discharged; and (II) the representative(s) representing the Majority Senior Secured Creditors serve a notice on the Security Agent notifying the Security Agent of the same, the Security Agent shall be entitled instead to immediately sell and transfer such claim to such purchaser (or an affiliate of such purchaser); and (C) such sale or disposal is made: (I) pursuant to a Public Auction (as defined in the Intercreditor Agreement); or (II) where a Financial Adviser (as defined in the Intercreditor Agreement) confirms that the sale, disposal or transfer price is fair from a financial point of view after taking into account all relevant circumstances; provided that there shall be no obligation to postpone any such sale, disposal or transfer in order to achieve a higher price.

"**Distressed Disposal**" means a disposal of an asset of a member of the Group subject to the Transaction Security which is being effected (a) at the request of the Majority Senior Secured Creditors in circumstances where the Transaction Security has become enforceable in accordance with the terms of the relevant Transaction Security document, (b) by enforcement of the Transaction Security in accordance with the terms of the relevant Transaction Security document or (c) after the occurrence of a Distress Event, by or on behalf of a Debtor to a person or persons which is not a member of the Group.

Option to Purchase

Subject to certain conditions, one or more of the Senior Creditors may, after certain Distress Events, by giving not less than the specified number of days' notice to the Senior Secured Representatives, acquire or procure the acquisition by a person nominated by the purchasing Senior Creditors of all, but not part, of the rights, benefits and obligations in respect of the Senior Secured Obligations.

Amendment

The Intercreditor Agreement provides that it may only be amended, subject to certain exceptions as set forth therein with only the consent of the Parent Guarantor, the Majority Senior Secured Creditors, the Security Agent, the Trustee under the Senior Secured Notes Indenture, the Trustee under the Senior Notes Indenture and other parties specified in the Intercreditor Agreement. If it is an amendment, waiver or consent that has the effect of changing or which relates to: (a) any amendment to the redistribution provisions, to the enforcement instructions provisions, to the application of proceeds provisions or the consents, amendments and override provisions; or (b) in the order of priority or subordination under the Intercreditor Agreement, such amendment, waiver or consent shall not be made without the consent of: (A) the Administrative Agent (acting on behalf of the adversely affected Senior Secured Lenders (as applicable)); (B) the Trustee under the Senior Secured Notes Indenture (acting on behalf of the adversely affected holders of Senior Secured Notes (as applicable)) (C) if any Pari Passu Debt has been incurred, the Pari Passu Debt Representative in respect of that Pari Passu Debt (acting on behalf of the adversely affected Pari Passu Creditors (as applicable)); (C) the Trustee under the Indentures in respect of that Senior Debt (acting on behalf of the adversely affected Senior Creditors (as applicable)); (D) if any Additional Unsecured Debt has been incurred, the Additional Unsecured Debt Representative (as defined in the Intercreditor Agreement) in respect of that Additional Unsecured Debt (acting on behalf of the adversely affected Additional Unsecured Debt Creditors (as applicable)); (E) each Hedge Counterparty (to the extent that the amendment or waiver would adversely affect that Hedge Counterparty); (F) each Cash Management Provider (to the extent that the amendment or waiver would adversely affect that Cash Management Provider); (G) the Parent Guarantor and (H) the Security Agent. No amendment or waiver of the Intercreditor Agreement may impose new or additional obligations on any Primary Creditor without their prior written consent other than in the case of Hedge Counterparties where the amendment does not adversely affect their rights or where the rights of the other Senior Creditors are also amended or waived to the same extent.

Governing Law

The Intercreditor Agreement is governed by New York law.

Factoring Agreement

As a means of improving our working capital, Swissport International Ltd. has entered into a master factoring agreement on February 11, 2019 (the "**Factoring Agreement**") with FactoFrance, a French *société anonyme* and licensed as an *établissement de crédit* (the "**Factoring Provider**"). The Factoring Agreement is a non-recourse factoring agreement whereby the Factoring Provider assumes the risk of our customers' insolvency. In a non-recourse factoring arrangement, it is contemplated that factored receivables are derecognized from a company's balance sheet and related cash received (reduced by the paid factoring commission) is recorded in cash and the risk of insolvency is borne by a factoring provider.

Certain of our subsidiaries in Europe (the "**Factoring Entities**"), including subsidiaries in Germany, Belgium, the Netherlands and Spain, have acceded, or in near future are expected to accede, to the Factoring Agreement, in respect of their accounts receivable. Certain other subsidiaries may also from time to time enter into recourse and/or non-recourse factoring agreements with leading financial institutions in the jurisdictions in which they operate in respect of their accounts receivable, as a means to financing their working capital needs. As of March 31, 2019, the committed amount under the Factoring Agreement was €50.0 million.

The Factoring Agreement is open-ended in duration and charges a factoring commission based on the receivable's face value and a financing fee based on the daily EURIBOR (with respect to amounts denominated in Euros) or LIBOR (with respect to amounts denominated in other currency), plus margin. The Factoring Agreement contains other customary terms and conditions and is secured by a cash collateral amount placed on an account opened in the name of the Factoring Provider and various pledges over the collection accounts of the relevant Factoring Entities where funds are to be paid by the assigned debtors.

DESCRIPTION OF THE SENIOR SECURED NOTES

You can find the definitions of certain terms used in this description under the subheading "—*Certain Definitions.*" In this description, references to (i) the "**Parent Guarantor**" refer only to Swissport Holding International S.à r.l. and not to any of its subsidiaries, (ii) the "**Issuer**" refer only to Swissport Financing S.à r.l. and not to any of its Subsidiaries, (iii) the "**Subsidiary Guarantors**" refer to the Subsidiaries of the Parent Guarantor (other than the Issuer) that will guarantee the Notes, and (iv) "**we**," "**our**" and "**us**" refer to the Parent Guarantor and its Restricted Subsidiaries. Certain defined terms used in this description but not defined below under "—*Certain Definitions*" have the meanings assigned to them in the Indenture (as defined below).

The Issuer will issue an amount of euro-denominated senior secured notes (the "**Notes**") under an indenture (the "**Indenture**"), to be dated as of the Issue Date, between, among others, the Issuer, the Parent Guarantor, U.S. Bank Trustees Limited, as trustee (the "**Trustee**"), and Barclays Bank PLC, as security agent (the "**Security Agent**"), in a private transaction that is not subject to the registration requirements of the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"). The Issuer will also issue Senior Notes due 2025 (together with additional Senior Notes issued under the relevant indenture, the "**Senior Notes**") concurrently with the Notes.

Unless the context otherwise requires, in this "*Description of the Senior Secured Notes*," references to the "**Notes**" include the Notes and any additional Notes having identical terms and conditions as any series of the Notes ("**Additional Notes**") that are issued. The terms of the Notes include those set forth in the Indenture. The Indenture will not incorporate or include any of the provisions of the U.S. Trust Indenture Act of 1939, as amended. The Security Documents referred to below under the caption "—Security" define the terms of the security that will secure the Notes.

The following description is a summary of the material provisions of the Indenture, the Notes and the Security Documents and refers to the Intercreditor Agreement. This does not restate those agreements in their entirety. We urge you to read the Indenture, the Notes, the Security Documents and the Intercreditor Agreement because they, and not this description, define your rights as holders of the Notes. Copies of the Indenture, the form of Notes, the Security Documents and the Intercreditor Agreement are available as set forth below under "—*Additional Information*."

The registered holder of a Note will be treated as the owner of it for all purposes. Only registered holders will have rights under the Indenture.

Brief Description of the Notes and the Guarantees

The Notes

The Notes:

- will be a general obligation of the Issuer;
- will be guaranteed on a senior basis by the Guarantors;
- will be secured on a first-priority basis by the Collateral, as described below under "—Security";
- will be effectively subordinated to any existing and future Indebtedness of the Issuer that is secured by property or assets that do not secure the Notes, to the extent of the value of the property and assets securing such Indebtedness;
- will be *pari passu* in right of payment to any future Indebtedness of the Issuer that is not subordinated in right of payment to the Notes (including the Term Loan B Facility and the guarantee of the Revolving Credit Facility);
- will be senior to any future Indebtedness of the Issuer that is subordinated in right of payment to the Notes, including any Subordinated Shareholder Debt; and
- will be effectively subordinated to any existing and future Indebtedness of the Subsidiaries of the Parent Guarantor (other than the Issuer) that do not guarantee the Notes.

The Guarantees

The Notes will be guaranteed on a senior basis by the Guarantors.

The Guarantee of each Guarantor:

- will be a general obligation of that Guarantor;
- will be secured on a first-priority basis by the Collateral, as described below under "—*Security*";
- will be effectively subordinated to any existing and future Indebtedness of the relevant Guarantor that is secured by property or assets that do not secure such Guarantee, to the extent of the value of the property and assets securing such Indebtedness;
- will be *pari passu* in right of payment with all existing and future Indebtedness of such Guarantor that is not subordinated in right of payment to such Guarantee (including Indebtedness under or guarantees of the Senior Facilities); and
- will be senior in right of payment to all existing and future Indebtedness of such Guarantor that is subordinated in right of payment to such Guarantee, including the Guarantee of the Senior Notes.

General

"**Restricted Subsidiary**" for purposes of the Indenture will be defined as any Subsidiary of the Parent Guarantor that is not an Unrestricted Subsidiary. Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the Indenture and will not guarantee the Notes. As of the Issue Date, only Cargo Service Center Brazil S.A.T.A. Ltda., Swissport Brazil Ltda, Swissport Israel Cargo Services Ltd., Swissport Belgium NV, Swissport Belgium Cleaning NV and Swissport Saudi Arabia Ltd. will be Unrestricted Subsidiaries. All of the Parent Guarantor's other Subsidiaries will be "Restricted Subsidiaries."

As of March 31, 2019, the Restricted Subsidiaries (excluding the Issuer) that have not guaranteed the Notes would have had approximately €31.1 million of Indebtedness outstanding.

Not all of the Restricted Subsidiaries will guarantee the Notes. The Subsidiary Guarantors and the Issuer represented 96.0% of Swissport's total assets (excluding goodwill, intercompany transactions and any assets of Swissport Group S.à r.l., Swissport Investments S.A., Aguila 2 S.à r.l and Swissport Global Services Holding S.à r.l.) as of March 31, 2019 and 72.5% of Swissport's Operating EBITDA (excluding intercompany transactions and Swissport Group S.à r.l., Swissport Investments S.A., Aguila 2 S.à r.l and Swissport Global Services Holding S.à r.l.) for the twelve-month period ended March 31, 2019. In the event of a bankruptcy, liquidation or reorganization of any of these non-guarantor Restricted Subsidiaries, the non-guarantor Restricted Subsidiaries will likely be required to repay financial and trade creditors before distributing any assets to the Issuer or a Guarantor.

The Issuer is a holding company without operations, and, therefore, the Issuer will depend on the cash flow of its Subsidiaries to meet its obligations, including its obligation under the Notes. Substantially all the operations of the Issuer will be conducted through its Subsidiaries, and, therefore, the Issuer will depend on the cash flow of its Subsidiaries to meet its obligations. The Notes will be effectively subordinated to all Indebtedness and other liabilities and commitments (including trade payables and lease obligations) of its non-guarantor Subsidiaries.

Principal, Maturity and Interest

The Issuer may issue an unlimited principal amount of Additional Notes under the Indenture from time to time after this Offering. Any issuance of Additional Notes is subject to all of the covenants in the Indenture, including the covenant described below under the caption "—*Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock.*" The Notes and any Additional Notes subsequently issued under the Indenture will be treated as a single class for all purposes under the Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase, *provided* that, if the Additional Notes are not fungible with the original Notes for U.S. federal income tax purposes, such Additional Notes, as applicable, will be issued with a separate identification number. The Issuer will issue the Notes in denominations of €100,000 and integral multiples of €1,000 in excess thereof. The Notes will mature on August 15, 2024 at a purchase price in an amount equal to 100% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any.

Interest on the Notes will accrue at the rate of 5.25% per annum. Interest on the Notes will be payable semi-annually in arrears on February 15 and August 15, commencing on February 15, 2020. The Issuer will make each interest payment to the holders of record on the immediately preceding February 1 and August 1.

Interest on the Notes will accrue from the date of original issuance or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Paying Agent and Registrar for the Notes

The Issuer will maintain one or more paying agents (each, a "**Paying Agent**") for the Notes in the City of London (the "**Principal Paying Agent**"). The initial Principal Paying Agent will be Elavon Financial Services DAC.

The Issuer will also maintain one or more registrars (each, a "**Registrar**") for so long as the Notes are listed on the Luxembourg Stock Exchange. The Issuer will also maintain a transfer agent (each, a "**Transfer Agent**"). The initial Registrar will be Elavon Financial Services DAC in Dublin, Ireland. The initial Transfer Agent will be Elavon Financial Services DAC. The Registrar and the Transfer Agent will maintain a register reflecting ownership of Definitive Registered Notes (as defined under "*Book-Entry, Delivery and Form*") outstanding from time to time and will make payments on and facilitate transfer of Definitive Registered Notes on behalf of the Issuer.

The Issuer may change the Paying Agents, the Registrars or the Transfer Agents without prior notice to the holders of Notes. For so long as the Notes are listed on the Luxembourg Stock Exchange, the Issuer will publish a notice of any change of Paying Agent, Registrar or Transfer Agent in a newspaper having a general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, post such notice on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*).

Transfer and Exchange

Notes sold within the United States to qualified institutional buyers pursuant to Rule 144A under the U.S. Securities Act will initially be represented by one or more global Notes in registered form without interest coupons attached (the "**144A Global Notes**"), and Notes sold outside the United States pursuant to Regulation S under the U.S. Securities Act will initially be represented by one or more global Notes in registered form without interest coupons attached (the "**Regulation S Global Notes**" and together with the 144A Global Notes, the "**Global Notes**").

Ownership of interests in the Global Notes (the "**Book-Entry Interests**") will be limited to persons that have accounts with Euroclear or Clearstream, Luxembourg or Persons that may hold interests through such participants. Ownership of interests in the Book-Entry Interests and transfers thereof will be subject to the restrictions on transfer and certification requirements summarized below and described more fully under "*Transfer Restrictions*." In addition, transfers of Book-Entry Interests between participants in Euroclear or Clearstream, Luxembourg will be effected by Euroclear or Clearstream, Luxembourg pursuant to customary procedures and subject to the applicable rules and procedures established by Euroclear or Clearstream, Luxembourg and their respective participants.

Book-Entry Interests in the 144A Global Note, or the "**Restricted Book-Entry Interest**," may be transferred to a person who takes delivery in the form of Book-Entry Interests in the 144A Global Note, as applicable, or the "**Regulation S Book-Entry Interests**," only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S under the U.S. Securities Act.

Prior to 40 days after the date of initial issuance of the Notes, ownership of Book-Entry Interests in Regulation S Global Notes will be limited to persons that have accounts with Euroclear or Clearstream, Luxembourg or persons who hold interests through Euroclear or Clearstream, Luxembourg and any sale or transfer of such interest to U.S. persons shall not be permitted during such period unless such resale or transfer is made pursuant to Rule 144A under the U.S. Securities Act. Subject to the foregoing, Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of Restricted Book-Entry Interests only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under "Notice to Investors" and in accordance with any applicable securities law of any other jurisdiction. Any Book-Entry Interest (as defined under "*Book-Entry, Delivery and Form*") that is transferred as described in the immediately preceding paragraphs will, upon transfer, cease to be a Book-Entry Interest in the Global Note from which it was transferred and will become a Book-Entry Interest in the Global Note to which it was transferred. Accordingly, from and after such transfer, it will become subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in the Global Note to which it was transferred.

If Definitive Registered Notes are issued, they will be issued only in minimum denominations of €100,000 principal amount and integral multiples of €1,000 in excess thereof, upon receipt by the applicable Registrar of instructions relating thereto and any certificates and other documentation required by the Indenture. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, Luxembourg, as applicable, from the participant that owns the relevant Book-Entry Interests. Definitive Registered Notes issued in exchange for a Book-Entry Interest will, except as set forth in the Indenture or as otherwise determined by the Issuer in compliance with applicable law, be subject to, and will have a legend with respect to, the restrictions on transfer summarized below and described more fully under "*Notice to Investors*."

Subject to the restrictions on transfer referred to above, Notes issued as Definitive Registered Notes may be transferred or exchanged, in whole or in part, in minimum denominations of €100,000 in principal amount and integral multiples of €1,000 in excess thereof, to persons who take delivery thereof in the form of Definitive Registered Notes. In connection with any such transfer or exchange, the Indenture will require the transferring or exchanging holder to, among other things, furnish appropriate endorsements and transfer documents, furnish information regarding the account of the transferee at Euroclear or Clearstream, Luxembourg where appropriate, furnish certain certificates and opinions and pay any Taxes in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the holder, other than any Taxes payable in connection with such transfer or exchange; *provided* that, if the Issuer or any Guarantor is a party to the transfer or exchange, the holder will not be required to pay such Taxes.

Notwithstanding the foregoing, the Issuer is not required to register the transfer of any Definitive Registered Notes:

(1) for a period of 15 days prior to any date fixed for the redemption of the Notes;

(2) for a period of 15 days immediately prior to the date fixed for selection of Notes to be redeemed in part;

(3) for a period of 15 days prior to the record date with respect to any interest payment date; or

(4) which the holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer or an Asset Sale Offer.

The Issuer, the Trustee, the Transfer Agent, the Registrar and the Paying Agent will be entitled to treat the holder of a Note as the owner of it for all purposes.

Additional Amounts

All payments made by or on behalf of the Issuer under or with respect to the Notes or any of the Guarantors with respect to any Guarantee will be made free and clear of and without withholding or deduction for, or on account of, any present or future Taxes unless the withholding or deduction of such Taxes is then required by law. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of (1) any jurisdiction in which the Issuer or any Guarantor is then incorporated or organized, engaged in business for tax purposes or otherwise resident for tax purposes or any political subdivision thereof or therein or (2) any jurisdiction from or through which payment is made by or on behalf of the Issuer or any Guarantor (including the jurisdiction of any Paying Agent) or any political subdivision thereof or therein (each, a "**Tax Jurisdiction**") will at any time be required to be made from any payments made by or on behalf of the Issuer under or with respect to the Notes or any of the Guarantors with respect to any Guarantee, including payments of principal, redemption price, interest or premium, the Issuer or the relevant Guarantor, as applicable, will pay such additional amounts (the "**Additional Amounts**") as may be necessary in order that the net amounts received in respect of such payments by each holder or beneficial owner after such withholding, deduction or imposition (including any such withholding, deduction or imposition from such Additional Amounts) will equal the respective amounts that would have been received in respect of such payments in the absence of such withholding or deduction; *provided*, *however*, that no Additional Amounts will be payable with respect to:

(1) any Taxes, to the extent such Taxes would not have been imposed but for the existence of any present or former connection between the holder or the beneficial owner of the Notes (or between a fiduciary, settlor, beneficiary, partner of, member or shareholder of, or possessor of a power over, the relevant holder, if the relevant holder is an estate, trust, nominee, partnership, limited liability company or corporation) and the relevant Tax Jurisdiction (including being or having been a citizen, resident, or national thereof or being or having been present or engaged in a trade or business therein or having or having had a permanent establishment therein), but excluding any connection arising merely from the holding of such Note, the enforcement of rights under such Note or under a Guarantee or the receipt of any payments in respect of such Note or a Guarantee;

(2) any Taxes, to the extent such Taxes were imposed as a result of the presentation of a Note for payment (where presentation is required) more than 30 days after the relevant payment is first made available for payment to the holder (except to the extent that the holder would have been entitled to Additional Amounts had the Note been presented on any day of such 30 day period);

(3) any estate, inheritance, gift, sales, excise, transfer, personal property or similar Taxes;

(4) any Taxes payable other than by deduction or withholding from payments under, or with respect to, the Notes or with respect to any Guarantee;

(5) any Taxes to the extent such Taxes are imposed or withheld by reason of the failure of the holder or beneficial owner of Notes, following the Issuer's written request addressed to the holder or beneficial owner (and made at a time that would enable the holder or beneficial owner acting reasonably to comply with that request), to comply with any certification, identification, information or other reporting requirements, whether required by statute, treaty, regulation or administrative practice of a Tax Jurisdiction, as a precondition to exemption from, or reduction in the rate of deduction or withholding of, Taxes imposed by the Tax Jurisdiction (including, without limitation, a certification that the holder or beneficial owner is not resident in the Tax Jurisdiction), but in each case, only to the extent the holder or beneficial owner is legally entitled to provide such certification or documentation);

(6) any Taxes imposed on or with respect to any payment by the Issuer or Guarantor to the holder if such holder is a fiduciary or partnership or any person other than the sole beneficial owner of such Note to the extent that Taxes would not have been imposed on such payment had such holder been the sole beneficial owner of such Note; or

(7) any combination of items (1) through (6) above.

In addition to the foregoing, the Issuer and the Guarantors will also pay and indemnify the holder for any present or future stamp, issue, registration, court or documentary taxes, or any other excise or property taxes, charges or similar levies (including penalties, interest and any other reasonable expenses related thereto) which are levied by any Tax Jurisdiction on the execution, delivery, issuance or registration of any of the Notes, the Indenture, any Guarantee or any other document referred to therein (other than a transfer of the Notes other than the initial resale by the Initial Purchaser) or the receipt of any payments with respect thereto (limited, solely in the case of taxes attributable to the receipt of any payments with respect thereto, to any such taxes imposed in a Tax Jurisdiction that are not excluded under clauses (1) through (3) or (5) and (6) above or any combination thereof), or any such taxes, charges or similar levies imposed by any jurisdiction as a result of, or in connection with, the enforcement of any of the Notes or any Guarantee.

If the Issuer or any Guarantor, as the case may be, becomes aware that it will be obligated to pay Additional Amounts with respect to any payment under or with respect to the Notes or any Guarantee, each of the Issuer or the relevant Guarantor, as the case may be, will deliver to the Trustee on a date that is at least 30 days prior to the date of that payment (unless the obligation to pay Additional Amounts arises less than 45 days prior to that payment date, in which case the Issuer or the relevant Guarantor shall notify the Trustee promptly thereafter) an Officer's Certificate stating the fact that Additional Amounts will be payable and the amount estimated to be so payable. The Officer's Certificates must also set forth any other information reasonably necessary to enable the Paying Agents to pay Additional Amounts to holders on the relevant payment date. The Trustee shall be entitled to rely solely on such Officer's Certificate without any liability as conclusive proof that such payments are necessary.

The Issuer or the relevant Guarantor will make all withholdings and deductions required by law and will timely remit the full amount deducted or withheld to the relevant Tax authority in accordance with applicable law. The Issuer or the relevant Guarantor will use its reasonable efforts to obtain Tax receipts from each Tax authority evidencing the payment of any Taxes so deducted or withheld. The Issuer or the relevant Guarantor will furnish to the Trustee, within a reasonable time after the date the payment of any Taxes so deducted or withheld is made, certified copies of Tax receipts evidencing payment by the Issuer or a Guarantor, as the case may be, or if, notwithstanding such entity's efforts to obtain receipts, receipts are not obtained, other evidence of payments (reasonably satisfactory to the Trustee) by such entity. If requested by the Trustee, the Issuer or the Guarantors will provide to the Trustee such information as may be in the possession of the Issuer or the Guarantors (and not otherwise in the possession of the Trustee) to enable the Trustee to determine the amount of withholding taxes attributable to any particular holder.

Whenever in the Indenture or in this "*Description of the Senior Secured Notes*" there is mentioned, in any context, the payment of amounts based upon the principal amount of the Notes or of principal, interest or of any other amount payable under, or with respect to, any of the Notes or any Guarantee, such mention shall be deemed to include mention of the payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The above obligations will survive any termination, defeasance or discharge of the Indenture, any transfer by a holder or beneficial owner of its Notes, and will apply, *mutatis mutandis*, to any jurisdiction in which any successor Person to the Issuer or any Guarantor is incorporated, engaged in business for tax purposes or resident for tax purposes or any jurisdiction from or through which such Person makes any payment on the Notes (or any Guarantee) and any department or political subdivision thereof or therein.

The Guarantees

The Notes will be guaranteed on a senior basis by the Parent Guarantor (the "**Parent Guarantee**") and the Subsidiary Guarantors (the guarantee by the Subsidiary Guarantors together with the Parent Guarantee, the "**Guarantees**"). The Guarantees will be joint and several obligations of the Guarantors.

Each of the Guarantees and the amounts recoverable thereunder will be limited to the maximum amount that can be guaranteed by a particular Guarantor without rendering its guarantee voidable or otherwise ineffective under applicable law, including laws relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally, or otherwise to reflect applicable laws, including laws relating to capital maintenance and the liability of directors and officers. See "*Risk Factors—Risks Relating to Our Indebtedness, the Notes and the Guarantees—Corporate benefit and financial assistance laws and other limitations on the obligations under the Guarantees may adversely affect the validity and enforceability of the Guarantees*" and "*Limitations on Validity and Enforceability of the Guarantees, the Senior Secured Notes Security and Certain Insolvency Law Considerations*."

The operations of the Parent Guarantor and the Issuer are conducted through its Subsidiaries, and, therefore, the Issuer will depend on the cash flow of its Subsidiaries to meet its obligations, including its obligations under the Notes. Not all of the Parent Guarantor's Subsidiaries will guarantee the Notes. The Notes will be effectively subordinated in right of payment to all Indebtedness and other liabilities and commitments (including trade payables and lease obligations) of the Parent Guarantor's non-guarantor Subsidiaries (other than the Issuer). Any right of any Guarantor or the Issuer to receive assets of any of the Parent Guarantor's non-guarantor Subsidiaries (other than the Issuer) upon that non-guarantor Subsidiary's liquidation or reorganization (and the consequent right of the holders of the Notes to participate in those assets) will be effectively subordinated to the claims of that non-guarantor Subsidiary's creditors, except to the extent that the Issuer or such Guarantor is itself recognized as a creditor of the non-guarantor Subsidiary, in which case the claims of the Issuer or such Guarantor, as the case may be, would still be subordinated in right of payment to any security over the assets of the non-guarantor Subsidiary and any Indebtedness of the non-guarantor Subsidiary senior to that held by the Issuer or such Guarantor. See "*Risk Factors—Risks Relating to our Indebtedness, the Notes and the Guarantees—The Notes will be structurally subordinated to the indebtedness and other obligations of our non-Guarantor subsidiaries*."

For a description of such contractual limitations, see "*Risk Factors—Risks Relating to Our Indebtedness, the Notes and Guarantees—Corporate benefit and financial assistance laws and other limitations on the obligations under the Guarantees may adversely affect the validity and enforceability of the Guarantees*."

Release of the Parent Guarantee

The Parent Guarantee will be released:

(1) upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as provided below under the captions "*—Legal Defeasance and Covenant Defeasance*" and "*—Satisfaction and Discharge*";

(2) upon the full and final payment of the aggregate principal amount of all the Notes and performance of all obligations of the Parent Guarantor under the Indenture and the Notes; or

(3) in accordance with the provisions under "*—Amendment, Supplement and Waiver*."

Release of the Subsidiary Guarantees

The Guarantee of a Subsidiary will be released:

(1) in connection with any sale, disposition, exchange or other transfer of all or substantially all of the assets of that Subsidiary Guarantor (including by way of merger, consolidation, amalgamation or combination) to a Person that is not (either before or after giving effect to such transaction) the Parent Guarantor or a Restricted Subsidiary, if the sale or other disposition does not violate the "*Asset Sale*" provisions of the Indenture;

(2) in connection with any sale, disposition, exchange or other transfer of Capital Stock of that Subsidiary Guarantor to a Person that is not (either before or after giving effect to such transaction) the Parent Guarantor or a Restricted Subsidiary, if the sale or other disposition does not violate the "Asset Sale" provisions of the Indenture and the Guarantor ceases to be a Restricted Subsidiary as a result of the sale or other disposition;

(3) if the Parent Guarantor designates any Restricted Subsidiary that is a Guarantor to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture;

(4) upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as provided below under the captions "*—Legal Defeasance and Covenant Defeasance*" and "*—Satisfaction and Discharge*";

(5) in accordance with an enforcement sale in compliance with the Intercreditor Agreement or any Additional Intercreditor Agreement, or as otherwise provided for under the Intercreditor Agreement or any Additional Intercreditor Agreement;

(6) upon the full and final payment of the aggregate principal amount of all the Notes and performance of all obligations of the Issuer under the Indenture and the Notes;

(7) in the case of any Restricted Subsidiary that after the Issue Date is required to guarantee the Notes pursuant to the covenant described under "*—Certain Covenants—Limitation on Issuances of Guarantees of Indebtedness*," upon the release or discharge of the guarantee of Indebtedness by such Restricted Subsidiary which resulted in the obligation to guarantee such Notes; or

(8) as described under "*—Amendment, Supplement and Waiver*."

Upon any occurrence giving rise to a release as specified above, the Trustee (upon the receipt of an Officer's Certificate and opinion of counsel satisfactory to the Trustee) or the Security Agent, as applicable, will execute any documents reasonably required in order to evidence or effect such release, discharge and termination in respect of such guarantee. Neither the Issuer nor any Guarantor will be required to make a notation on the Notes to reflect any such release, termination or discharge.

Security

Within 60 days of the Issue Date, the obligations of the Issuer under the Notes and the obligations of the Guarantors under their respective Guarantees will be secured, on a first-priority basis, by all assets that secure from time to time the Issuer's and the Guarantors' obligations under the Senior Facilities.

The Collateral (as defined below) will consist of a first lien on material assets of the Issuer and the Guarantors (other than shares in subsidiaries), the shares in the Subsidiary Guarantors, and certain other assets of the Issuer and the Guarantors subject to the agreed security principles.

The Liens securing the Notes and the Guarantees will also secure the obligations of the Issuer and the Guarantors under the Senior Facilities and certain hedging obligations. The assets and property of the Parent Guarantor and its subsidiaries that are from time to time subject to, or required to be subject to, a Lien pursuant to the Security Documents are referred to as the "Collateral." The security and other agreements in respect of the Collateral are referred to as the "Security Documents."

Under the Security Documents, the Collateral will be pledged by the Issuer and the Guarantors to secure the payment when due of the Issuer's and the Guarantors', as applicable, payment obligations under the Notes, the Guarantees and the Indenture. The Security Documents will be entered into by, *inter alios*, the Security Agent or its nominee(s), who will act as Security Agent for the lenders under the Senior Facilities and for the Trustee and the holders of Notes.

Each holder of Notes, by accepting a Note, shall be deemed (i) to have authorized the Trustee to enter into the Intercreditor Agreement and the Security Agent to enter into the Security Documents and the Intercreditor Agreement and (ii) to be bound thereby. Each holder of Notes, by accepting a Note, appoints the Trustee or the Security Agent, as the case may be, as its agent under the Security Documents and the Intercreditor Agreement and authorizes it to act as such.

The holders of the Notes are not a party to the Security Documents, and therefore holders may not, individually or collectively, take any direct action to enforce any rights in their favor under the Security Documents. The holders may only act through the Trustee or the Security Agent, as applicable. The Security Agent will agree to any release of the security interest created by the Security Documents that is in accordance with the Indenture and the Intercreditor Agreement without requiring any consent of the holders. Only the Majority Senior Secured Creditors (as defined below) will be entitled to instruct the Security Agent to enforce the collateral and the holders of the Notes will not have separate rights to enforce the collateral. "Majority Senior Secured Creditors" means, at any time, those Senior Secured Creditors (other than cash management providers in their capacity as such) whose Senior Secured Creditor Obligations (other than cash management obligations) at that time aggregate more than 50% of the total Senior Secured Creditor Obligations (excluding cash management obligations) at that time. The holders of the Senior Secured Notes will be bound by any decisions of the Majority Senior Secured Creditors, which may result in enforcement action in respect of the Collateral, whether or not such action is approved by the holders of the Senior Secured Notes. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*."

Subject to the terms of the Security Documents, the Issuer and the Guarantors, as the case may be, will be entitled to exercise any and all voting rights and to receive and retain any and all cash dividends, stock dividends, liquidating dividends, non-cash dividends, shares of stock resulting from stock splits or reclassifications, rights issue, warrants, options and other distributions (whether similar or dissimilar to the foregoing) in respect of the shares that are part of the Collateral.

The value of the Collateral securing the Notes and the Guarantees may not be sufficient to satisfy the Issuer's and the Guarantors' obligations under the Notes and the Guarantees, and the Collateral securing the Notes and the Guarantees may be reduced or diluted under certain circumstances, including the issuance of Additional Notes and the disposition of assets comprising the Collateral, subject to the terms of the Indenture. Your ability to recover under the Collateral may also be limited. Please see "*Risk Factors—Risks Relating to Our Indebtedness, the Notes and the Guarantees*."

No appraisals of the Collateral have been prepared by or on behalf of the Issuer or the Guarantors in connection with this offering of the Notes. There can be no assurance that the proceeds of any sale of the Collateral, in whole or in part, pursuant to the Indenture and the Security Documents following an Event of Default, would be sufficient to satisfy amounts due on the Notes or the Guarantees. By its nature, some or all the Collateral may be illiquid and may have no readily ascertainable market value. Accordingly, there can be no assurance that the Collateral would be sold in a timely manner or at all.

The Security Documents are governed by the laws of the other jurisdictions to which the Collateral is subject and provide that the rights with respect to the Notes and the Indenture must be exercised by the Security Agent and in respect of the entire outstanding amount of the Notes. The term "Security Interests" refers to the Liens in the Collateral.

Release of the security

The Issuer and the Guarantors will be entitled to release the Liens in respect of the Collateral securing the Notes and/or the Guarantees under any one or more of the following circumstances:

(1) in connection with any sale, assignment, transfer, conveyance or other disposition of such property or assets to a Person that is not (either before or after giving effect to such transaction) the Parent Guarantor or any of its Restricted Subsidiaries, if the sale or other disposition does not violate the "Asset Sale" provisions of the Indenture;

(2) in the case of a Guarantor that is released from its Guarantee pursuant to the terms of the Indenture, the release of the property and assets, and Capital Stock, of such Guarantor;

(3) if the Parent Guarantor designates any of its Restricted Subsidiaries to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture, the release of the property and assets of such Restricted Subsidiary;

(4) upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as provided below under the captions "—Legal Defeasance and Covenant Defeasance" and "—Satisfaction and Discharge";

(5) upon the full and final payment and performance of all obligations of the Parent Guarantor under the Indenture and the Notes; or

(6) as described under "—Amendment, Supplement and Waiver"

In addition, the Liens created by the Security Documents will be released (a) in accordance with the Intercreditor Agreement or any Additional Intercreditor Agreement and (b) as may be permitted by the covenant described under "Certain Covenants—Impairment of Security Interest."

The Security Agent and the Trustee (upon receipt of an Officer's Certificate and opinion of counsel satisfactory to the Trustee) will take all necessary action required to effectuate any release of Collateral securing the Notes and the Guarantees, in accordance with the provisions of the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement and the relevant Security Document. Each of the releases set forth above shall be effected by the Security Agent without the consent of the holders or any action on the part of the Trustee.

Optional Redemption

At any time prior to August 15, 2021, the Issuer may on any one or more occasions redeem up to 40% of the aggregate principal amount of the Notes issued under the Indenture at a redemption price equal to 105.250% of the principal amount of the Notes redeemed, upon not less than 10 nor more than 60 days' notice, plus accrued and unpaid interest and Additional Amounts, if any, to the date of redemption (subject to the rights of holders of Notes on the relevant record date to receive interest on the relevant interest payment date), with the net cash proceeds of an Equity Offering of (i) the Parent Guarantor or (ii) any Parent Entity to the extent the proceeds from such Equity Offering are contributed to the Parent Guarantor's common equity capital or are paid to the Parent Guarantor as consideration for the issuance of ordinary shares of the Parent Guarantor; *provided* that:

(1) at least 60% of the aggregate principal amount of the Notes (calculated after giving effect to any issuance of Additional Notes but excluding Notes held by the Parent Guarantor and its Subsidiaries) remains outstanding immediately after the occurrence of such redemption; and

(2) the redemption occurs within 90 days of the date of the closing of such Equity Offering.

At any time prior to August 15, 2021, the Issuer may on any one or more occasions redeem all or a part of the Notes upon not less than 10 nor more than 60 days' notice, at a redemption price equal to 100% of the principal amount of the Notes redeemed, plus the Applicable Premium as of, and accrued and unpaid interest and Additional Amounts, if any, to the date of redemption, subject to the rights of holders of the Notes on the relevant record date to receive interest due on the relevant interest payment date.

Except pursuant to the preceding two paragraphs and except pursuant to "*—Redemption for Changes in Taxes,*" the Notes will not be redeemable at the Issuer's option prior to August 15, 2021.

On or after August 15, 2021, the Issuer may on any one or more occasions redeem all or a part of the Notes upon not less than 10 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest and Additional Amounts, if any, on the Notes redeemed, to the applicable date of redemption, if redeemed during the twelve-month period beginning as indicated below, subject to the rights of holders of Notes on the relevant record date to receive interest on the relevant interest payment date:

Year	Redemption Price
Commencing on August 15, 2021	102.625%
Commencing on August 15, 2022	101.313%
Commencing on August 15, 2023 and thereafter	100.000%

Unless the Issuer defaults in the payment of the redemption price, interest will cease to accrue on the Notes or portions thereof called for redemption on the applicable redemption date.

Any redemption or notice may, in the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent.

Redemption for Changes in Taxes

The Issuer may redeem the Notes, in whole but not in part, at its discretion at any time upon giving not less than 10 nor more than 60 days' prior notice to the holders of the Notes (which notice will be irrevocable and given in accordance with the procedures described in "—*Selection and Notice*"), at a redemption price equal to 100% of the aggregate principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed by the Issuer for redemption (a "**Tax Redemption Date**") and all Additional Amounts (if any) then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise (subject to the right of holders of the Notes on the relevant record date to receive interest due on the relevant interest payment date and Additional Amounts (if any) in respect thereof), if on the next date on which any amount would be payable in respect of the Notes or any Guarantee, the Issuer under or with respect to the Notes or any of the Guarantors with respect to any Guarantee, as the case may be, is or would be required to pay Additional Amounts (but, in the case of the relevant Guarantor, only if such amount cannot be paid by the Issuer or another Guarantor who can pay such amount without the obligation to pay Additional Amounts) and the Issuer or Guarantor, as applicable, cannot avoid any such payment obligation by taking reasonable measures available (including making payment through a paying agent located in another jurisdiction) and the requirement arises as a result of:

(1) any amendment to, or change in, the laws or any regulations or rulings promulgated thereunder of a relevant Tax Jurisdiction which change or amendment has not been publicly announced as formally proposed before and which becomes effective after the date of this offering memorandum (or, if the applicable Tax Jurisdiction became a Tax Jurisdiction on a date after the date of this offering memorandum, such later date); or

(2) any amendment to, or change in, an official written interpretation or application of such laws, regulations or rulings (including by virtue of a holding, judgment, order by a court of competent jurisdiction or a change in published administrative practice) which amendment or change has not been publicly announced as formally proposed before and which becomes effective after the date of this offering memorandum (or, if the applicable Tax Jurisdiction became a Tax Jurisdiction on a date after the date of this offering memorandum, such later date) (each of the foregoing clauses (1) and (2), a "**Change in Tax Law**").

The Issuer will not give any such notice of redemption earlier than 60 days prior to the earliest date on which the Issuer or the Guarantor, as applicable, would be obligated to make such payment or withholding if a payment in respect of the Notes were then due, and the obligation to pay Additional Amounts must be in effect at the time such notice is given. Prior to the publication or, where relevant, mailing of any notice of redemption of the Notes pursuant to the foregoing, the Issuer will deliver to the Trustee an opinion of independent tax counsel (the choice of such counsel to be subject to the prior written approval of the Trustee (such approval not to be unreasonably withheld)) to the effect that there has been such Change in Tax Law which would entitle the Issuer to redeem the Notes hereunder. In addition, before the Issuer publishes or mails notice of redemption of the Notes as described above, it will deliver to the Trustee an Officer's Certificate to the effect that it cannot avoid its obligation to pay Additional Amounts by the Issuer taking reasonable measures available to it.

Absent manifest error, the Trustee will accept and shall be entitled to rely without any liability on such Officer's Certificate and opinion of counsel as sufficient evidence of the existence and satisfaction of the conditions precedent as described above, in which event it will be conclusive and binding on the holders.

The foregoing provisions shall apply (a) to a Guarantor only after such time as such Guarantor is obligated to make at least one payment on the Notes and (b) *mutatis mutandis* to any successor Person, after such successor Person becomes a party to the Indenture, with respect to a Change in Tax Law occurring after the time such successor Person becomes a party to the Indenture.

Mandatory Redemption

The Issuer is not required to make mandatory redemption or sinking fund payments with respect to the Notes.

Repurchase at the Option of Holders

Change of Control

If a Change of Control occurs, each holder of Notes will have the right to require the Issuer or the Parent Guarantor to repurchase all or any part (equal to €100,000 or an integral multiple of €1,000 in excess thereof) of that holder's Notes pursuant to a Change of Control Offer on the terms set forth in the Indenture. In the Change of Control Offer, the Issuer or the Parent Guarantor will offer a payment in cash equal to 101% of the aggregate principal amount of Notes repurchased, plus accrued and unpaid interest and Additional Amounts, if any, on the Notes repurchased to the date of purchase (the "**Change of Control Payment**"), subject to the rights of holders of Notes on the relevant record date to receive interest due on the relevant interest payment date.

Unless the Issuer or the Parent Guarantor has unconditionally exercised its right to redeem all the Notes of a series as described under "—*Optional Redemption*" or all conditions to such redemption have been satisfied or waived, within 30 days following any Change of Control, the Issuer or the Parent Guarantor will mail a notice to each holder of the Notes at such holder's registered address or otherwise deliver a notice in accordance with the procedures described under "—*Selection and Notice*," (with a copy to the Trustee) stating that a Change of Control Offer is being made and offering to repurchase Notes on the date (the "**Change of Control Payment Date**") specified in the notice, which date will be no earlier than 10 days and no later than 60 days from the date such notice is mailed or delivered, pursuant to the procedures required by the Indenture and described in such notice. The Issuer and the Parent Guarantor will comply, to the extent applicable, with the requirements of Rule 14e-1 under the U.S. Securities-Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"), and any other applicable securities laws and regulations to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions of the Indenture, the Issuer and the Parent Guarantor will comply with any applicable securities laws and regulations and will not be deemed to have breached its obligations under the Indenture by virtue of such compliance.

On the Change of Control Payment Date, the Issuer and the Parent Guarantor will, to the extent lawful:

(1) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;

(2) deposit with the Principal Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and

(3) deliver or cause to be delivered to the Trustee the Notes properly accepted together with an Officer's Certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Issuer or the Parent Guarantor, as the case may be.

The Principal Paying Agent will promptly mail (or cause to be delivered) to each holder of Notes properly tendered the Change of Control Payment for such Notes, and the Trustee (or its authenticating agent) will promptly authenticate and mail (or cause to be transferred by book-entry) to each holder a Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any. The Issuer or the Parent Guarantor will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

The provisions described above that require the Issuer or the Parent Guarantor to make a Change of Control Offer following a Change of Control will be applicable whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control, the Indenture will not contain provisions that permit the holders of the Notes to require that the Issuer or the Parent Guarantor repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction. The existence of a holder of the Notes' right to require the Issuer or the Parent Guarantor to repurchase such holder's Notes upon the occurrence of a Change of Control may deter a third party from seeking to acquire the Parent Guarantor or its Subsidiaries in a transaction that would constitute a Change of Control.

Neither the Issuer nor the Parent Guarantor will be required to make a Change of Control Offer upon a Change of Control if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Issuer or the Parent Guarantor, as the case may be, and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer, or (2) a notice of redemption has been given pursuant to the Indenture as described above under the caption "—*Optional Redemption*," unless and until there is a default in payment of the applicable redemption price. Notwithstanding anything to the contrary contained herein, a Change of Control Offer may be made in advance of a Change of Control, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place for the Change of Control at the time the Change of Control Offer is made.

The Senior Facilities will provide that the occurrence of a Change of Control would require the repayment of such debt. Future debt of the Parent Guarantor or its Subsidiaries may prohibit the Issuer or the Parent Guarantor, as the case may be, from purchasing Notes in the event of a Change of Control or provide that a Change of Control is a default or requires repayment upon a Change of Control. Moreover, the exercise by the holders of the Notes of their right to require the Issuer or the Parent Guarantor to purchase the Notes could cause a default under, or require a repurchase of, other debt, even if the Change of Control itself does not, due to the financial effect of the purchase on the Issuer or the Parent Guarantor, as the case may be.

Finally, the Issuer's or the Parent Guarantor's ability to repurchase Notes pursuant to a Change of Control Offer following the occurrence of a Change of Control may be limited by the Issuer's or the Parent Guarantor's, as the case may be, then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make the required purchase of the Notes. See "*Risk Factors—Risks Relating to our Indebtedness, the Notes and the Guarantees—We may not be able to obtain sufficient funds to finance an offer to repurchase the Notes upon the occurrence of certain events constituting a change of control as required by the Indenture*."

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of "all or substantially all" of the properties or assets of the Parent Guarantor and its Restricted Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of Notes to require the Issuer and the Parent Guarantor to repurchase its Notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of the Parent Guarantor and its Restricted Subsidiaries taken as a whole to another Person or group may be uncertain.

The provisions under the Indenture relating to the Issuer's and the Parent Guarantor's obligation to make an offer to repurchase the Notes as a result of a Change of Control may be waived or modified with the consent of the holders of a majority in principal amount of the Notes prior to the occurrence of the Change of Control.

If and for so long as the Notes are listed on the Luxembourg Stock Exchange and admitted for trading and the rules of the Luxembourg Stock Exchange so require, the Issuer will publish a public announcement with respect to the results of any Change of Control Offer in a leading newspaper of general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, post such notice on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*).

Asset Sales

The Parent Guarantor will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, consummate an Asset Sale unless:

(1) the Parent Guarantor (or the Restricted Subsidiary, as the case may be) receives consideration at the time of the Asset Sale at least equal to the Fair Market Value of the assets or Equity Interests issued or sold or otherwise disposed of; and

(2) at least 75% of the consideration received in the Asset Sale by the Parent Guarantor or such Restricted Subsidiary is in the form of cash or Cash Equivalents. For purposes of this provision, each of the following will be deemed to be cash:

(a) any liabilities, as recorded on the balance sheet of the Parent Guarantor or any Restricted Subsidiary or in the notes thereto or, if incurred, increased or decreased subsequent to the date of such balance sheet, liabilities that would have been reflected on the balance sheet of the Parent Guarantor or any Restricted Subsidiary or in the notes thereto as if such incurrence, increase or decrease had occurred on the date of such balance sheet (other than, in each case, contingent and subordinated liabilities), that are assumed by the transferee of any such assets and as a result of which the Parent Guarantor and its Restricted Subsidiaries are no longer obligated with respect to such liabilities or are indemnified against further liabilities;

(b) any securities, notes or other obligations received by the Parent Guarantor or any such Restricted Subsidiary from such transferee that are converted by the Parent Guarantor or such Restricted Subsidiary into cash or Cash Equivalents within 180 days following the closing of the Asset Sale, to the extent of the cash or Cash Equivalents received in that conversion;

(c) any Capital Stock or assets of the kind referred to in clauses (1)(e) or (f) of the next paragraph of this covenant;

(d) any Designated Non-Cash Consideration received by the Parent Guarantor or any Restricted Subsidiary in such Asset Sales having an aggregate Fair Market Value, taken together with all other Designated Non-Cash Consideration received pursuant to this clause (d) that is at that time outstanding, not to exceed the greater of €20 million and 1.0% of Total Assets at the time of the receipt of such Designated Non-Cash Consideration (with the Fair Market Value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value);

(e) Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Sale, to the extent that the Parent Guarantor and each other Restricted Subsidiary are released from any guarantee of such Indebtedness in connection with such Asset Sale; and

(f) consideration consisting of Indebtedness of the Issuer or any Guarantor received from Persons who are not the Parent Guarantor or any Restricted Subsidiary.

Within 365 days after the receipt of any Net Proceeds from an Asset Sale, the Parent Guarantor (or the applicable Restricted Subsidiary, as the case may be) may:

(1) apply such Net Proceeds (at the option of the Parent Guarantor or Restricted Subsidiary):

(a) to purchase the Notes in an offer to all holders of Notes at a purchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, to the date of purchase (a "**Notes Offer**");

(b) to repay Indebtedness and other Obligations under a Credit Facility that is secured by a Lien on the Collateral and, if the Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto;

(c) to purchase or permanently prepay or redeem or repay (i) any Indebtedness that is secured by a Lien on assets or property which do not constitute Collateral and, if the Indebtedness prepaid, redeemed or repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto or (ii) any Indebtedness of a Restricted Subsidiary that is not Guarantor;

(d) to acquire all or substantially all of the assets of, or any Capital Stock of, another Permitted Business, if, after giving effect to any such acquisition of Capital Stock, the Permitted Business is or becomes a Restricted Subsidiary;

(e) to make a capital expenditure; or

(f) to acquire other assets (other than Capital Stock) not classified as current assets under IFRS that are used or useful in a Permitted Business; or

(2) enter into a binding commitment to apply the Net Proceeds pursuant to clause (d), (e) or (f) of paragraph (1) above; *provided* that such binding commitment shall be treated as a permitted application of the Net Proceeds from the date of such commitment until the earlier of (x) the date on which such acquisition or expenditure is consummated, and (y) the 180th day following the expiration of the aforementioned 365 day period.

Pending the final application of any Net Proceeds, the Parent Guarantor (or the applicable Restricted Subsidiary) may temporarily reduce revolving credit borrowings or otherwise invest the Net Proceeds in any manner that is not prohibited by the Indenture.

Any Net Proceeds from Asset Sales that are not applied or invested as provided in the second paragraph of this covenant will constitute "**Excess Proceeds**." When the aggregate amount of Excess Proceeds exceeds €25 million, within ten Business Days thereof, the Issuer or the Parent Guarantor will make an offer (an "**Asset Sale Offer**") to all holders of Notes and, to the extent the Issuer or the Parent Guarantor elects, to all holders of other Indebtedness that is *pari passu* with the Notes or any Guarantee, to purchase, prepay or redeem the maximum principal amount of Notes and such other *pari passu* Indebtedness (plus all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith) that may be purchased, prepaid or redeemed out of the Excess Proceeds. The offer price for the Notes in any Asset Sale Offer will be equal to 100% of the principal amount, plus accrued and unpaid interest and Additional Amounts, if any, to the date of purchase, prepayment or redemption, subject to the rights of holders of Notes on the relevant record date to receive interest due on the relevant interest payment date, and will be payable in cash. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Parent Guarantor may use those Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes and other *pari passu* Indebtedness tendered into (or to be prepaid or redeemed in connection with) such Asset Sale Offer exceeds the amount of Excess Proceeds or if the aggregate amount of Notes tendered pursuant to a Notes Offer exceeds the amount of the Net Proceeds so applied, the Trustee will select the Notes and such other *pari passu* Indebtedness, if applicable, to be purchased on a pro rata basis (or in the manner described under "—*Selection and Notice*"), based on the amounts tendered or required to be prepaid or redeemed. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds will be reset at zero.

To the extent that any portion of Net Proceeds payable in respect of the Notes is denominated in a currency other than euro, the amount thereof payable in respect of such Notes shall not exceed the net amount of funds in euro, that is actually received by the Issuer upon converting such portion of the Net Proceeds into euro, as the case may be.

The Issuer and the Parent Guarantor will comply, to the extent applicable, with the requirements of Rule 14e-1 under the U.S. Exchange Act and any other applicable securities laws and regulations to the extent those laws and regulations are applicable in connection with each repurchase of Notes pursuant to a Change of Control Offer, an Asset Sale Offer or a Notes Offer. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control, Asset Sale or Notes Offer provisions of the Indenture, the Issuer and the Parent Guarantor will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Indenture by virtue of such compliance.

Selection and Notice

If less than all of the Notes are to be redeemed at any time, the Trustee will select Notes for redemption on a pro rata basis (or, in the case of Notes issued in global form as discussed under "*Book-Entry, Delivery and Form*," based on a method that most nearly approximates a pro rata selection, unless otherwise required by law or applicable stock exchange or depository requirements. The Trustee shall not be liable for selections made by it in accordance with this paragraph.

No Notes of €100,000 or less can be redeemed in part. Notices of redemption will be mailed by first class mail at least 10 but not more than 60 days before the redemption date to each holder of Notes to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note will state the portion of the principal amount of that Note that is to be redeemed. A Note in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the holder of Notes upon cancellation of the original Note. In the case of a Global Note, an appropriate notation will be made on such Note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof. Notes called for redemption become due on the date fixed for redemption. Unless the Issuer defaults in the payment of the redemption price, on and after the redemption date, interest ceases to accrue on Notes or portions of Notes called for redemption.

For Notes which are represented by global certificates held on behalf of Euroclear or Clearstream, Luxembourg, notices may be given by delivery of the relevant notices to Euroclear or Clearstream, Luxembourg for communication to entitled account holders in substitution for the aforesaid mailing. So long as any Notes are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, any such notice to the holders of the relevant Notes shall also be published in a newspaper having a general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, posted on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*) and, in connection with any redemption, the Issuer will notify the Luxembourg Stock Exchange of any change in the principal amount of Notes outstanding.

Certain Covenants

Incurrence of Indebtedness and Issuance of Preferred Stock

The Parent Guarantor will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, "**incur**") any Indebtedness (including Acquired Debt), and the Parent Guarantor will not issue any Disqualified Stock and will not permit any of its Restricted Subsidiaries to issue any shares of preferred stock; *provided*, *however*, that the Parent Guarantor may incur Indebtedness (including Acquired Debt) or issue Disqualified Stock, and any of its Restricted Subsidiaries may incur Indebtedness (including Acquired Debt) or issue preferred stock, if:

(a) the Fixed Charge Coverage Ratio for the Parent Guarantor's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock or such preferred stock is issued, as the case may be, would have been at least 2.0 to 1.0, in each case determined on *a pro forma* basis (including a *pro forma* application of the net proceeds therefrom), as if the additional Indebtedness had been incurred or the Disqualified Stock or the preferred stock had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such four-quarter period; and

(b) if such Indebtedness is Senior Secured Indebtedness, the Issuer and the Guarantors may incur such Senior Secured Indebtedness if the Consolidated Senior Secured Net Leverage Ratio for the Parent Guarantor's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Senior Secured Indebtedness is incurred would have been less than 4.0 to 1.0, in each case determined on a *pro forma* basis (including a *pro forma* application of the net proceeds therefrom), as if the additional Indebtedness had been incurred or the Disqualified Stock or the preferred stock had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such four-quarter period

provided, further that Restricted Subsidiaries of the Parent Guarantor that are not Guarantors may not incur Indebtedness pursuant to this paragraph if, after giving pro forma effect to the incurrence of such Indebtedness, the aggregate amount of Indebtedness of Restricted Subsidiaries of the Parent Guarantor that are not Guarantors incurred under this paragraph would exceed the greater of €50 million and 2.8% of Total Assets.

The first paragraph of this covenant will not prohibit the incurrence of any of the following items of Indebtedness (collectively, "**Permitted Debt**"):

(1) the incurrence by the Parent Guarantor and any Restricted Subsidiary of additional Indebtedness under Credit Facilities in an aggregate principal amount at any one time outstanding under this clause (1) not to exceed the sum of (a) €850 million, *plus* (b) €50 million, *plus* (c) €75 million, *plus* (d) the greater of €50 million and 20% of Consolidated EBITDA of the Parent Guarantor and its Restricted Subsidiaries, *plus* (e) the greater of €205 million and 75% of Consolidated EBITDA of the Parent Guarantor and its Restricted Subsidiaries, *plus*, in the case of any refinancing of any Indebtedness permitted under this clause (1) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such refinancing;

(2) Indebtedness of the Parent Guarantor or any Restricted Subsidiary outstanding on the Issue Date after giving effect to the Transactions, including the use of proceeds therefrom;

(3) the incurrence by the Issuer and the Guarantors of Indebtedness represented by the Notes and the Senior Notes issued on the Issue Date and the related Guarantees;

(4) (a) the incurrence by the Parent Guarantor or any of its Restricted Subsidiaries of Indebtedness represented by Capital Lease Obligations, mortgage financings or purchase money obligations, in each case, incurred for the purpose of financing all or any part of the purchase price or cost of design, construction, installation or improvement of property (real or personal), plant or equipment (whether through the direct purchase of assets or the Capital Stock of any Person owning such assets) used in the business of the Parent Guarantor or any of its Restricted Subsidiaries, in an aggregate principal amount, including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this clause (4)(a), not to exceed the greater of €175 million and 9.7% of Total Assets at any time outstanding; and (b) the incurrence by any Restricted Subsidiary of Indebtedness pursuant to any local working capital facility (including the financing of operating leases) and letter of credit (or bank guarantee) facilities in an aggregate principal amount at any time outstanding not to exceed the greater of €75 million and 4.2% of Total Assets.

(5) the incurrence by the Parent Guarantor or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge any Indebtedness (other than intercompany Indebtedness) that was permitted by the Indenture to be incurred under (a) the first paragraph of this covenant or (b) clauses (2), (3), (5), (16), (17) or (19) of this paragraph;

(6) the incurrence by the Parent Guarantor or any Restricted Subsidiary of intercompany Indebtedness between or among the Parent Guarantor or any Restricted Subsidiary; *provided* that:

(a) if the Issuer or any Guarantor is the obligor on such Indebtedness and the payee is not the Issuer or a Guarantor, such Indebtedness must be unsecured and expressly subordinated to the prior payment in full in cash of all Obligations then due with respect to the Notes, in the case of the Issuer, or the Guarantee, in the case of a Guarantor; and

(b) (i) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Parent Guarantor or a Restricted Subsidiary and (ii) any sale or other transfer of any such Indebtedness to a Person that is not either the Parent Guarantor or a Restricted Subsidiary, will be deemed, in each case, to constitute an incurrence of such Indebtedness by the Parent Guarantor or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (6);

(7) the issuance by any Restricted Subsidiary to the Parent Guarantor or to any of its Restricted Subsidiaries of preferred stock; *provided* that:

(a) any subsequent issuance or transfer of Equity Interests that results in any such preferred stock being held by a Person other than the Parent Guarantor or a Restricted Subsidiary; and

(b) any sale or other transfer of any such preferred stock to a Person that is not either the Parent Guarantor or a Restricted Subsidiary,

will be deemed, in each case, to constitute an issuance of such preferred stock by such Restricted Subsidiary that was not permitted by this clause (7);

(8) the incurrence by the Parent Guarantor or any Restricted Subsidiary of Hedging Obligations for *bona fide* hedging purposes of the Parent Guarantor and its Restricted Subsidiaries and not for speculative purposes;

(9) the guarantee by the Parent Guarantor or any Restricted Subsidiary of Indebtedness of the Parent Guarantor or any Restricted Subsidiary to the extent that the guaranteed Indebtedness was permitted to be incurred by another provision of this covenant; *provided* that if the Indebtedness being guaranteed is subordinated to the Notes or subordinated to or *pari passu* with a Guarantee, then the guarantee must be subordinated, in the case of the Notes, or subordinated or *pari passu*, as applicable, in the case of a Guarantee, in each case to the same extent as the Indebtedness guaranteed;

(10) the incurrence by the Parent Guarantor or any of its Restricted Subsidiaries of Indebtedness in respect of workers' compensation claims, self-insurance obligations, captive insurance companies, bankers' acceptances, performance and surety bonds in the ordinary course of business and consistent with past practice;

(11) the incurrence by the Parent Guarantor or any of its Restricted Subsidiaries of Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds, so long as such Indebtedness is covered within five Business Days of such incurrence;

(12) the incurrence by the Parent Guarantor and its Restricted Subsidiaries of Indebtedness arising from agreements of the Parent Guarantor or a Restricted Subsidiary providing for customary indemnification, obligations in respect of earn-outs or other adjustments of purchase price or, in each case, similar obligations, in each case, incurred or assumed in connection with the acquisition or disposition of any business or assets or Person or any Equity Interests of a Subsidiary, *provided* that the maximum liability of the Parent Guarantor and its Restricted Subsidiaries in respect of all such Indebtedness shall at no time exceed the gross proceeds, including the Fair Market Value of non-cash proceeds (measured at the time received and without giving effect to any subsequent changes in value), actually received by the Parent Guarantor and its Restricted Subsidiaries in connection with such disposition;

(13) the incurrence by the Parent Guarantor and its Restricted Subsidiaries of Indebtedness in respect of (A) letters of credit, surety, performance, completion or appeal bonds, instruments, guarantees or other obligations, judgment, advance payment, customs, VAT or other tax guarantees or similar instruments issued in the ordinary course of business of such Person and not in connection with the borrowing of money, including letters of credit or similar instruments in respect of self-insurance, workers compensation obligations and rent payment obligations, *provided*, *however*, that upon the drawing of such letters of credit or other instrument, such obligations are reimbursed within 30 days following such drawing; and (B) any customary cash management, cash pooling or netting or setting off arrangements;

(14) Indebtedness of the Parent Guarantor of any of its Restricted Subsidiaries in respect of Management Advances;

(15) customer deposits and advance payments received in the ordinary course of business from customers for goods and services purchased in the ordinary course of business;

(16) Indebtedness in an aggregate outstanding principal amount that, when taken together with any Permitted Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness incurred pursuant to this clause (16) and then outstanding, will not exceed 100% of the Net Proceeds received by the Parent Guarantor from the issuance or sale (other than to a Restricted Subsidiary) of its Capital Stock (other than through the issuance of Disqualified Stock, an Excluded Contribution or Excluded Amounts) or otherwise contributed to the equity (other than through the issuance of Disqualified Stock, an Excluded Contribution or Excluded Amounts) of the Parent Guarantor, in each case, subsequent to the Issue Date; *provided*, *however*, that (i) any such Net Proceeds that are so received or contributed shall be excluded for purposes of making Restricted Payments under the first paragraph and clauses (2), (4) and (9) of the second paragraph of the covenant described below under "*—Restricted Payments*" to the extent the Parent Guarantor and its Restricted Subsidiaries incur Indebtedness in reliance thereon and (ii) any Net Proceeds that are so received or contributed shall be excluded for purposes of incurring Indebtedness pursuant to this clause (16) to the extent the Parent Guarantor or any of its Restricted Subsidiaries makes a Restricted Payment under the first paragraph and clauses (2), (4) and (9) of the second paragraph of the covenant described below under "*—Restricted Payments*" in reliance thereon;

(17) Indebtedness (i) of any Person outstanding on the date on which such Person becomes a Restricted Subsidiary of the Parent Guarantor or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Parent Guarantor or any of its Restricted Subsidiaries or (ii) incurred by the Parent Guarantor or any Guarantor to provide all or a portion of the funds used to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Parent Guarantor or a Restricted Subsidiary; *provided*, *however*, with respect to this clause (17), that at the time of the acquisition or other transaction pursuant to which such Indebtedness was deemed to be incurred (x) the Parent Guarantor would have been able to incur €1.00 of additional Indebtedness pursuant to the first paragraph of this covenant after giving *pro forma* effect to the incurrence of such Indebtedness pursuant to this clause (17) or (y) the Fixed Charge Coverage Ratio of the Parent Guarantor would not be less than it was immediately prior to giving *pro forma* effect to the incurrence of such Indebtedness pursuant to this clause (17);

(18) Indebtedness incurred in any Qualified Securitization Financing;

(19) Indebtedness of an Unrestricted Subsidiary existing at the time of its designation as a Restricted Subsidiary in compliance with the covenant described under the caption "*—Designation of Restricted and Unrestricted Subsidiaries*" and not incurred in connection with or in contemplation of such designation if the Consolidated Net Leverage Ratio of (a) the Parent Guarantor and its Restricted Subsidiaries (on a *pro forma* basis giving effect to such designation) is not greater than 5.0 to 1.0 or would not be greater than it was immediately prior to giving pro forma effect to such designation and (b) of such Unrestricted Subsidiary (on an actual basis) is not greater than 5.0 to 1.0; and

(20) the incurrence by the Parent Guarantor or any of its Restricted Subsidiaries of additional Indebtedness in an aggregate principal amount (or accreted value, as applicable) at any time outstanding, including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this clause (20) not to exceed the greater of €175 million and 9.7% of Total Assets.

Neither the Issuer nor any Guarantor will incur any Indebtedness (including Permitted Debt) that is contractually subordinated in right of payment to any other Indebtedness of the Issuer or such Guarantor unless such Indebtedness is also contractually subordinated in right of payment to the Notes or the relevant Guarantee on substantially identical terms; *provided*, *however*, that no Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Issuer or any Guarantor solely by virtue of being unsecured or by virtue of being secured with different collateral or by virtue of being secured on a junior priority basis or by virtue of the application of waterfall or other payment-ordering provisions affecting different tranches of Indebtedness under Credit Facilities.

For purposes of determining compliance with this "*Incurrence of Indebtedness and Issuance of Preferred Stock*" covenant, in the event that an item of Indebtedness meets the criteria of more than one of the categories of Indebtedness described in this covenant, the Parent Guarantor, in its sole discretion, will be permitted to classify such item of Indebtedness on the date of its incurrence and only be required to include the amount and type of such Indebtedness in one of such clauses and will be permitted on the date of such incurrence to divide and classify an item of Indebtedness in more than one of the types of Indebtedness described in the first and second paragraphs of this covenant, and from time to time to reclassify all or a portion of such item of Indebtedness, in any manner that complies with this covenant, *provided* that Indebtedness incurred pursuant to clause (1) of the definition of Permitted Debt may not be reclassified. Indebtedness under the Senior Facilities outstanding on the Issue Date will be deemed to have been incurred on such date in reliance on the exception provided in clause (1) of the definition of Permitted Debt.

The accrual of interest or preferred stock dividends, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness, the reclassification of preferred stock as Indebtedness due to a change in accounting principles, and the payment of dividends on preferred stock or Disqualified Stock in the form of additional shares of the same class of preferred stock or Disqualified Stock will not be deemed to be an incurrence of Indebtedness or an issuance of preferred stock or Disqualified Stock for purposes of this covenant. For purposes of determining compliance with any euro-denominated restriction on the incurrence of Indebtedness, the euro Equivalent principal amount of Indebtedness denominated in a different currency shall be utilized, calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, in the case of term Indebtedness, or first committed, in the case of Indebtedness incurred under a revolving credit facility; *provided*, *however*, that (i) if such Indebtedness denominated in non-euro currency is subject to a Currency Exchange Protection Agreement with respect to euro, the amount of such Indebtedness expressed in euro will be calculated so as to take account of the effects of such Currency Exchange Protection Agreement; and (ii) the euro Equivalent of the principal amount of any such Indebtedness outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date. The principal amount of any refinancing Indebtedness incurred in the same currency as the Indebtedness being refinanced will be the euro Equivalent of the Indebtedness refinanced determined on the date such Indebtedness was originally incurred, except that to the extent that:

(1) such € Equivalent was determined based on a Currency Exchange Protection Agreement, in which case the refinancing Indebtedness will be determined in accordance with the preceding sentence; and

(2) the principal amount of the refinancing Indebtedness exceeds the principal amount of the Indebtedness being refinanced, in which case the euro Equivalent of such excess will be determined on the date such refinancing Indebtedness is being incurred.

Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Parent Guarantor or any of its Restricted Subsidiaries may incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values.

The amount of any Indebtedness outstanding as of any date will be:

(1) in the case of any Indebtedness issued with original issue discount, the amount of the liability in respect thereof determined in accordance with IFRS;

(2) the principal amount of the Indebtedness, in the case of any other Indebtedness; and

(3) in respect of Indebtedness of another Person secured by a Lien on the assets of the specified Person, the lesser of:

    (i) the Fair Market Value of such assets at the date of determination; and

    (ii) the amount of the Indebtedness of the other Person.

Restricted Payments

The Parent Guarantor will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) declare or pay any dividend or make any other payment or distribution on account of the Parent Guarantor's or any of its Restricted Subsidiaries' Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving the Parent Guarantor or any of its Restricted Subsidiaries) or to the direct or indirect holders of the Parent Guarantor's or any of its Restricted Subsidiaries' Equity Interests in their capacity as holders, other than (i) dividends or distributions payable in Equity Interests (other than Disqualified Stock) of the Parent Guarantor and (ii) dividends or distributions payable to the Parent Guarantor or a Restricted Subsidiary;

(2) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving the Parent Guarantor) any Equity Interests of the Parent Guarantor or any Parent Entity;

(3) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Indebtedness of the Issuer or any Guarantor that is contractually subordinated in right of payment to the Notes or to any Guarantee (excluding any intercompany Indebtedness between or among the Parent Guarantor and any of its Restricted Subsidiaries), except (i) a payment of interest or principal at the Stated Maturity thereof or (ii) the purchase, repurchase or other acquisition of Indebtedness purchased in anticipation of satisfying a scheduled sinking fund obligation, principal installment or scheduled maturity, in each case due within one year of the date of such purchase, repurchase or other acquisition;

(4) make any cash payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Subordinated Shareholder Debt; or

(5) make any Restricted Investment,

(all such payments and other actions set forth in these clauses (1) through (5) above being collectively referred to as "**Restricted Payments**"), unless, at the time of any such Restricted Payment:

(a) no Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment;

(b) the Parent Guarantor would, at the time of such Restricted Payment and after giving *pro forma* effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to incur at least €1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described below under the caption "*—Incurrence of Indebtedness and Issuance of Preferred Stock*"; and

(c) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Parent Guarantor and its Restricted Subsidiaries since the Issue Date (excluding Restricted Payments permitted by clauses (2), (3), (5), (6), (7), (8), (11), (12), (13), (14), (17), (18) and (21) of the next succeeding paragraph), is less than the sum, without duplication, of:

    (i) 50% of the Consolidated Net Income of Swissport Group S.à r.l. (excluding any Consolidated Net Income directly attributable to any Subsidiary of Swissport Group S.à r.l. other than the Parent Guarantor and any Subsidiary of the Parent Guarantor), until the time the Issuer, in its sole discretion, elects to provide and deliver consolidated financial statements of the Parent Guarantor, and the Parent Guarantor thereafter, in each case, for the period (taken as one accounting period) from the beginning of the fiscal quarter commencing immediately prior to the Issue Date to the end of the most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, less 100% of such deficit); plus

    (ii) 100% of the aggregate net cash proceeds and the Fair Market Value of marketable securities received by the Parent Guarantor since the Issue Date as a contribution to its common equity capital or from the issue or sale of Equity Interests of the Parent Guarantor (other than Disqualified Stock, Excluded Contributions and Excluded Amounts) or from the issue or sale of convertible or exchangeable Disqualified Stock of the Parent Guarantor or convertible or exchangeable debt securities of the Parent Guarantor, in each case that have been converted into or exchanged for Equity Interests of the Parent Guarantor (other than Equity Interests and convertible or exchangeable Disqualified Stock or debt securities sold to a Subsidiary of the Parent Guarantor) or from the issuance or sale of Subordinated Shareholder Debt (other than an issuance or sale to a Subsidiary of the Parent Guarantor); *plus*

    (iii) to the extent that any Restricted Investment that was made after the Issue Date is (a) sold, disposed of or otherwise cancelled, liquidated or repaid, 100% of the aggregate amount received in cash and the Fair Market Value of the property and marketable securities received by the Parent Guarantor or any Restricted Subsidiary (other than from a Person that is the Parent Guarantor or a Restricted Subsidiary), or (b) made in an entity that subsequently becomes a Restricted Subsidiary, 100% of the Fair Market Value of the Restricted Investment of the Parent Guarantor and its Restricted Subsidiaries as of the date such entity becomes a Restricted Subsidiary; *plus*

    (iv) to the extent that any Unrestricted Subsidiary of the Parent Guarantor designated as such after the Issue Date is redesignated as a Restricted Subsidiary or is merged or consolidated into the Parent Guarantor or a Restricted Subsidiary, or all of the assets of such Unrestricted Subsidiary are transferred to the Parent Guarantor or a Restricted Subsidiary, the Fair Market Value of the property received by the Parent Guarantor or Restricted Subsidiary or the Parent Guarantor's Restricted Investment in such Subsidiary as of the date of such redesignation, merger, consolidation or transfer of assets, to the extent such Investments reduced the Restricted Payments capacity under this clause (c) and were not previously repaid or otherwise reduced; *plus*

(v) upon the full and unconditional release of a Restricted Investment that is a guarantee made by the Parent Guarantor or one of its Restricted Subsidiaries to any Person, an amount equal to the amount of such guarantee; *plus*

(vi) 100% of any cash dividends or distributions received by the Parent Guarantor or a Restricted Subsidiary after the Issue Date from an Unrestricted Subsidiary, to the extent that such dividends or distributions were not otherwise included in the Consolidated Net Income of the Parent Guarantor for such period.

Notwithstanding the foregoing, any amounts (such amounts, the "*Excluded Amounts*") that would otherwise be included in the calculation of the amount available for Restricted Payments pursuant to sub-clauses (ii) or (iii) of the preceding clause (c) will be excluded to the extent (1) such amounts result from the receipt of cash or Cash Equivalents received in contemplation of, or in connection with, an event that would otherwise have constituted a Change of Control, (2) the purpose of, or the effect of, the receipt of such cash or Cash Equivalents was to reduce the Consolidated Net Leverage Ratio so that a Change of Control did not occur, which would otherwise have occurred without the receipt of such cash or Cash Equivalents, (3) no Change of Control Offer is made in connection with such event in accordance with the requirements of the Indenture and (4) Excluded Amounts shall be limited to the amount of cash or Cash Equivalents necessary to reduce the Consolidated Net Leverage Ratio to cause the occurrence of a Change of Control, and amounts of cash or Cash Equivalents received in excess thereof shall not constitute Excluded Amounts. The preceding provisions will not prohibit:

(1) the payment of any dividend or the consummation of any redemption within 60 days after the date of declaration of the dividend or giving of the redemption notice, as the case may be, if at the date of declaration or notice, the dividend or redemption payment would have complied with the provisions of the Indenture;

(2) the making of any Restricted Payment in exchange for, or out of or with the net cash proceeds of the substantially concurrent sale or issuance (other than to a Subsidiary of the Parent Guarantor) of, Equity Interests of the Parent Guarantor (other than Disqualified Stock), Subordinated Shareholder Debt or from the substantially concurrent contribution of common equity capital to the Parent Guarantor; *provided* that the amount of any such net cash proceeds that are utilized for any such Restricted Payment will be excluded from the calculation of amounts under clause (c)(ii) of the preceding paragraph, shall not constitute Excluded Contributions and will not be considered to be net cash proceeds from an Equity Offering for purposes of the "Optional Redemption" provisions of the Indenture;

(3) the repurchase, redemption, defeasance or other acquisition or retirement for value of Indebtedness of the Issuer or any Guarantor that is contractually subordinated to the Notes or any Guarantee with the net cash proceeds from an incurrence of Permitted Refinancing Indebtedness;

(4) the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Parent Guarantor or any Restricted Subsidiary held by any current or former officer, director, employee or consultant of the Parent Guarantor or any of its Restricted Subsidiaries pursuant to any equity subscription agreement, stock option agreement, restricted stock grant, shareholders' agreement or similar agreement; *provided* that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests may not exceed €10.0 million in any calendar year; and *provided*, *further*, that such amount in any calendar year may be increased by an amount not to exceed (i) the cash proceeds from the sale of Equity Interests of the Parent Guarantor or a Restricted Subsidiary received by the Parent Guarantor or a Restricted Subsidiary during such calendar year, in each case to members of management, directors or consultants of the Parent Guarantor, any of its Restricted Subsidiaries or any of its direct or indirect parent companies and (ii) the cash proceeds of key man life insurance policies, in each case to the extent the cash proceeds have not otherwise been applied to the making of Restricted Payments pursuant to clause (c)(ii) of the preceding paragraph or clause (2) of this paragraph;

(5) the repurchase of Equity Interests deemed to occur upon the exercise of stock options or warrants to the extent such Equity Interests represent a portion of the exercise price of those stock options or warrants;

(6) the declaration and payment of regularly scheduled or accrued dividends to holders of any class or series of Disqualified Stock of the Parent Guarantor or any preferred stock of any Restricted Subsidiary issued on or after the Issue Date in accordance with the covenant described above under the caption "*—Incurrence of Indebtedness and Issuance of Preferred Stock*";

(7) payments of cash, dividends, distributions, advances or other Restricted Payments by the Parent Guarantor or any of its Restricted Subsidiaries to allow the payment of cash in lieu of the issuance of fractional shares upon (i) the exercise of options or warrants or (ii) the conversion or exchange of Capital Stock of any such Person;

(8) payments pursuant to any tax sharing agreement or arrangement among the Parent Guarantor and its Subsidiaries and other Persons with which the Parent Guarantor or any of its Subsidiaries is required or permitted to file a consolidated tax return or with which the Parent Guarantor or any of its Restricted Subsidiaries is a part of a group for tax purposes; *provided*, *however*, that such payments will not exceed the amount of tax that the Parent Guarantor and its Subsidiaries would owe on a stand-alone basis and the related tax liabilities of the Parent Guarantor and its Subsidiaries are relieved by the payment of such amounts to a relevant taxing authority;

(9) so long as no Default has occurred and is continuing or would be caused thereby, following an Initial Public Offering of the Capital Stock of the Parent Guarantor or a Parent Entity, the payment of dividends on the Capital Stock of the Parent Guarantor in an amount not to exceed the greater of (i) 6% per annum of the Net Proceeds received by the Parent Guarantor from such Public Equity Offering or contributed to the equity (other than through the issuance of Disqualified Stock or through Excluded Contributions or Excluded Amounts) of the Parent Guarantor or contributed as Subordinated Shareholder Debt to the Parent Guarantor and (ii) 5% of the Market Capitalization, *provided* that after giving *pro forma* effect to the payment of any such dividend or making of any such distribution, the Consolidated Net Leverage Ratio of the Parent Guarantor and its Restricted Subsidiaries would not exceed 3.0 to 1.0; *provided*, in each case, that if such Initial Public Offering was of Capital Stock of a Parent Entity, the net proceeds of any such dividend are used to fund a corresponding dividend in equal or greater amount on the Capital Stock of such Parent Entity;

(10) advances or loans to (a) any future, present or former officer, director, employee or consultant of the Parent Guarantor or a Restricted Subsidiary to pay for the purchase or other acquisition for value of Equity Interests of the Parent Guarantor (other than Disqualified Stock), or any obligation under a forward sale agreement, deferred purchase agreement or deferred payment arrangement pursuant to any management equity plan or stock option plan or any other management or employee benefit or incentive plan or other agreement or arrangement or (b) any management equity plan or stock option plan or any other management or employee benefit or incentive plan or unit trust or the trustees of any such plan or trust to pay for the purchase or other acquisition for value of Equity Interests of the Parent Guarantor (other than Disqualified Stock); *provided* that the total aggregate amount of Restricted Payments made under this clause (10) does not exceed € 5.0 million in any calendar year;

(11) the payment of any dividend (or, in the case of any partnership or limited liability company, any similar distribution) by a Restricted Subsidiary to the holders of its Equity Interests on no more than a pro rata basis;

(12) so long as no Default or Event of Default has occurred and is continuing, the payment of Management Fees;

(13) Permitted Parent Payments;

(14) Restricted Payments that are made with Excluded Contributions;

(15) any purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Indebtedness of the Parent Guarantor or any Guarantor that is subordinated in right of payment to the Notes or any Guarantee (other than any Indebtedness so subordinated and held by Affiliates of the Parent Guarantor) upon a Change of Control or Asset Sale to the extent required by the agreements governing such Indebtedness at a purchase price not greater than 101% of the principal amount of such Indebtedness, in the case of a Change of Control, and 100%, in the case of an Asset Sale, but only if the Parent Guarantor has complied with its obligations under the covenants described under "*Repurchase at the Option of Holders—Change of Control*" and "*—Asset Sales*" and the Parent Guarantor repurchased all Notes tendered pursuant to the offer required by such covenants prior to offering to purchase, purchasing or repaying such Indebtedness;

(16) the distribution, as a dividend or otherwise, of shares of Capital Stock of, or Indebtedness owed to the Parent Guarantor or a Restricted Subsidiary of the Parent Guarantor by, Unrestricted Subsidiaries;

(17) the Transactions, including but not limited to any Restricted Payment pursuant to or in connection with, the Transactions;

(18) the payment of any Securitization Fees and purchases of Securitization Assets and related assets pursuant to a Securitization Repurchase Obligation in connection with a Qualified Securitization Financing;

(19) so long as no Default or Event of Default has occurred and is continuing, any dividend, distribution, loan or other payment to any Parent Entity; provided that, on the date of any such dividend, distribution, loan or other payment, the Consolidated Net Leverage Ratio of the Parent Guarantor and its Restricted Subsidiaries does not exceed 2.5 to 1.0 on a *pro forma* basis after giving effect, thereto;

(20) so long as no Default or Event of Default has occurred and is continuing, other Restricted Payments in an aggregate amount not to exceed the greater of €60 million and 3.3% of Total Assets;

(21) (a) the payment of scheduled interest or principal when due at scheduled maturity in respect of the Swissport International Notes and (b) the distribution of the HNA Loan to a direct or indirect parent company of the Parent Guarantor, as described in the Offering Memorandum under the heading "*Shareholders and Related Party Transactions—Related Party Transactions*" on or within two business days of the Issue Date; and

(22) to the extent constituting an employee compensation payment obligation, any payment to any employee, officer or director of Swissport International Ltd. or any other Restricted Subsidiary under any long-term incentive plan, including any long-term incentive plan entered into with Swissport Group S.à r.l, and distributions to Swissport Group S.à r.l. for the purpose of making such payments to the extent that the proceeds of such distributions are applied solely to the payment of such employee, officer or director compensation.

Notwithstanding any other provision of the Indenture, the Parent Guarantor will not, and will not cause or permit any of its Subsidiaries to, directly or indirectly:

(i) make any Restricted Payment (including, for the avoidance of doubt, any Permitted Investment the proceeds of which are intended to be used, or are used, to indirectly make any Restricted Payment or to take any other action that would constitute a Restricted Payment if made by the Parent Guarantor), to any Equity Investor or Related Party other than:

   (x) Restricted Payments permitted by clauses (2), (4), (7), (10), (12), (13), (14), (17), (21) and (22) of the immediately preceding paragraph, or

   (y) any other Restricted Payment otherwise permitted hereunder; *provided* that (a) such Restricted Payment is applied solely to the payment of the Mezzanine Notes and (b) on the date of such Restricted Payment, the Consolidated Net Leverage Ratio of the Parent Guarantor and its Restricted Subsidiaries does not exceed the Consolidated Net Leverage Ratio of the Parent Guarantor and its Restricted Subsidiaries as of the Issue Date on a *pro forma* basis after giving effect thereto, or

(ii) make any Restricted Investments otherwise permitted under this covenant or any Permitted Investment in or with an entity that is an Equity Investor or a Related Party.

The amount of all Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Parent Guarantor or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment.

Liens

The Parent Guarantor will not and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume or otherwise cause or suffer to exist or become effective any Lien (the "**Initial Lien**") of any kind securing Indebtedness upon any of their property or assets, now owned or hereafter acquired, except Permitted Liens, unless all payments due under the Indenture and the Notes are secured on an equal and ratable basis (or in the case of Indebtedness which is subordinated in right of payment to the Notes or any Guarantees, prior or senior thereto, with the same relative priority as the Notes or such Guarantee, as applicable, shall have with respect to such subordinated Indebtedness) with the obligations so secured. Notwithstanding the foregoing, no Indebtedness of the Parent Guarantor or any Restricted Subsidiary or Parent Entity, other than the Notes and the Note Guarantees, may be secured by a Lien over the Collateral other than Permitted Collateral Liens.

Any Lien created for the benefit of the holders pursuant to this covenant will provide by its terms that such Lien will be automatically and unconditionally released and discharged (a) upon the release and discharge of the Initial Lien other than as a consequence of an enforcement action with respect to the assets subject to such Lien or (b) as set forth under the heading "—Security."

Financial Calculations for Limited Condition Acquisitions

When calculating the availability under any basket or ratio under the Indenture, in each case in connection with a Limited Condition Acquisition, the date of determination of such basket or ratio and of any Default or Event of Default may, at the option of the Issuer, be the date the definitive agreements for such Limited Condition Acquisition are entered into and such baskets or ratios shall be calculated with such *pro forma* adjustments as are appropriate and consistent with the *pro forma* adjustment provisions set forth in the definition of Fixed Charge Coverage Ratio after giving effect to such Limited Condition Acquisition and the other transactions to be entered into in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) as if they occurred at the beginning of the applicable period for purposes of determining the ability to consummate any such Limited Condition Acquisition (and not for purposes of any subsequent availability of any basket or ratio), and, for the avoidance of doubt, (x) if any of such baskets or ratios are exceeded as a result of fluctuations in such basket or ratio (including due to fluctuations in Total Assets or Consolidated EBITDA of the Parent Guarantor or the target company) subsequent to such date of determination and at or prior to the consummation of the relevant Limited Condition Acquisition, such baskets or ratios will not be deemed to have been exceeded as a result of such fluctuations for purposes of determining whether such Limited Condition Acquisition and related transactions are permitted under the Indenture and (y) such baskets or ratios shall not be tested at the time of consummation of such Limited Condition Acquisition or related transactions solely for purposes of determining whether such Limited Condition Acquisition is permitted under the Indenture; *provided* that if the Issuer elects to have such determinations occur at the time of entry into such definitive agreement, any such transactions (including any incurrence of Indebtedness and the use of proceeds thereof) shall be deemed to have occurred on the date the definitive agreements are entered and outstanding thereafter for purposes of calculating any usage of baskets or ratios under the Indenture from and including the date of such agreement and before the consummation of such Limited Condition Acquisition, unless and until such Limited Condition Acquisition has been abandoned or such definitive agreement has expired or been terminated prior to consummation thereof. With respect to any such calculations of the availability under any basket or ratio under the Indenture with respect to a Limited Condition Acquisition, the Issuer will deliver to the Trustee promptly following the date the definitive agreement for such Limited Condition Acquisition is entered into an Officer's Certificate stating that such definitive agreement has been executed and that the Issuer has made any applicable ratio or basket calculations in accordance with this provision and in compliance with the terms of the Indenture.

Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

The Parent Guarantor will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

(1) pay dividends or make any other distributions on its Capital Stock to the Parent Guarantor or any Restricted Subsidiary, or with respect to any other interest or participation in, or measured by, its profits, or pay any Indebtedness owed to the Parent Guarantor or any Restricted Subsidiary;

(2) make loans or advances to the Parent Guarantor or any Restricted Subsidiary; or

(3) sell, lease or transfer any of its properties or assets to the Parent Guarantor or any Restricted Subsidiary,

provided that (x) the priority of any preferred stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill period to) loans or advances made to the Parent Guarantor or any Restricted Subsidiary to other Indebtedness incurred by the Parent Guarantor or any Restricted Subsidiary, in each case, shall not be deemed to constitute such an encumbrance or restriction.

However, the preceding restrictions will not apply to encumbrances or restrictions existing under or by reason of:

(1) agreements governing Indebtedness and Credit Facilities as in effect on the Issue Date after giving effect to the use of proceeds of the Notes and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements; *provided* that the amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings are not materially more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in those agreements on the Issue Date after giving effect to the use of proceeds of the Notes;

(2) the Indenture, the Notes, the Guarantees, the indenture governing the Senior Notes, the Senior Notes, the guarantees relating to the Senior Notes, the Intercreditor Agreement, the Security Documents and any Additional Intercreditor Agreement;

(3) any encumbrance or restriction arising pursuant to an agreement or instrument relating to any Indebtedness permitted to be incurred subsequent to the Issue Date pursuant to the provisions of the covenant described under "*—Incurrence of Indebtedness and Issuance of Preferred Stock*" if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the holders of the Notes than the encumbrances and restrictions contained in the Senior Facilities and the Intercreditor Agreement, in each case, as in effect on the Issue Date (as determined in good faith by the Parent Guarantor);

(4) applicable law, rule, regulation or order or the terms of any license, authorization, concession or permit;

(5) any instrument governing Indebtedness or Capital Stock of a Person acquired by the Parent Guarantor or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness or Capital Stock was incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired; *provided* that, in the case of Indebtedness, such Indebtedness was permitted by the terms of the Indenture to be incurred;

(6) customary non-assignment and similar provisions in contracts, leases and licenses entered into in the ordinary course of business;

(7) purchase money obligations for property acquired in the ordinary course of business and Capital Lease Obligations that impose restrictions on the property purchased or leased of the nature described in clause (3) of the preceding paragraph;

(8) any agreement for the sale or other disposition of the Capital Stock or all or substantially all of the property and assets of a Restricted Subsidiary that restricts distributions by that Restricted Subsidiary pending its sale or other disposition;

(9) Permitted Refinancing Indebtedness; *provided* that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced;

(10) Liens permitted to be incurred under the provisions of the covenant described above under the caption "*—Liens*" that limit the right of the debtor to dispose of the assets subject to such Liens;

(11) customary provisions limiting the disposition or distribution of assets or property in joint venture agreements, asset sale agreements, sale-leaseback agreements, stock sale agreements and other similar agreements in the ordinary course of business (including agreements entered into in connection with a Restricted Investment), which limitation is applicable only to the assets that are the subject of such agreements;

(12) restrictions on cash or other deposits or net worth imposed by customers or suppliers or required by insurance, surety or bonding companies, in each case, under contracts entered into in the ordinary course of business; and

(13) any encumbrance or restriction existing under any agreement that extends, renews, refinances or replaces the agreements containing the encumbrances or restrictions in the foregoing clauses (1) through (12), or in this clause (13); *provided* that the terms and conditions of any such encumbrances or restrictions are no more restrictive in any material respect than those under or pursuant to the agreement so extended, renewed, refinanced or replaced.

Merger, Consolidation or Sale of Assets

The Issuer

The Issuer will not directly or indirectly: (1) consolidate or merge with or into another Person (whether or not the Issuer is the surviving corporation), or (2) sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties or assets of the Issuer and its Subsidiaries that are Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person, unless:

(1) either: (a) the Issuer is the surviving corporation; or (b) the Person formed by or surviving any such consolidation or merger (if other than the Issuer) or to which such sale, assignment, transfer, conveyance, lease or other disposition has been made is an entity organized or existing under the laws of any member state of the Pre-Expansion European Union, Switzerland, Canada, any state of the United States or the District of Columbia;

(2) the Person formed by or surviving any such consolidation or merger with the Issuer (if other than the Issuer) or the Person to which such sale, assignment, transfer, conveyance, lease or other disposition has been made assumes all the obligations of the Issuer under the Notes, the Indenture, the Intercreditor Agreement and the Security Documents pursuant to a supplemental indenture in form and substance satisfactory to the Trustee;

(3) immediately after such transaction, no Default or Event of Default exists;

(4) the Issuer or the Person formed by or surviving any such consolidation or merger (if other than the Issuer), or to which such sale, assignment, transfer, conveyance, lease or other disposition has been made would, on the date of such transaction after giving *pro forma* effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period (i) be permitted to incur at least €1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described above under the caption "—Incurrence of Indebtedness and Issuance of Preferred Stock" or (ii) have a Fixed Charge Coverage Ratio no less than it was immediately prior to giving effect to such transaction; and

(5) the Parent Guarantor delivers to the Trustee an Officer's Certificate and opinion of counsel, in each case, stating that such consolidation, merger or transfer and such supplemental indenture comply with this covenant; *provided* that in giving an opinion of counsel, counsel may rely on an Officer's Certificate as to any matters of fact, including as to satisfaction of clauses (3) and (4) above.

The Parent Guarantor

The Parent Guarantor will not directly or indirectly: (1) consolidate or merge with or into another Person (whether or not the Issuer is the surviving corporation), or (2) sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties or assets of the Parent Guarantor and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person, unless:

(1) either: (a) the Parent Guarantor is the surviving corporation; or (b) the Person formed by or surviving any such consolidation or merger (if other than the Parent Guarantor) or to which such sale, assignment, transfer, conveyance, lease or other disposition has been made is an entity organized or existing under the laws of any member state of the Pre-Expansion European Union, Switzerland, Canada, any state of the United States or the District of Columbia;

(2) the Person formed by or surviving any such consolidation or merger with the Parent Guarantor (if other than the Parent Guarantor) or the Person to which such sale, assignment, transfer, conveyance, lease or other disposition has been made assumes all the obligations of the Parent Guarantor under the Notes, the Parent Guarantee, the Indenture and the Security Documents to which it is a party pursuant to a supplemental indenture and appropriate Security Documents in form and substance satisfactory to the Trustee;

(3) immediately after such transaction, no Default or Event of Default exists;

(4) the Parent Guarantor or the Person formed by or surviving any such consolidation or merger (if other than the Parent Guarantor), or to which such sale, assignment, transfer, conveyance, lease or other disposition has been made would, on the date of such transaction after giving *pro forma* effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period (i) be permitted to incur at least €1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described above under the caption "*—Incurrence of Indebtedness and Issuance of Preferred Stock*" or (ii) have a Fixed Charge Coverage Ratio no less than it was immediately prior to giving effect to such transaction; and

(5) the Parent Guarantor delivers to the Trustee an Officer's Certificate and opinion of counsel, in each case, stating that such consolidation, merger or transfer and such supplemental indenture comply with this covenant; *provided* that in giving an opinion of counsel, counsel may rely on an Officer's Certificate as to any matters of fact, including as to satisfaction of clauses (3) and (4) above.

A Subsidiary Guarantor

A Subsidiary Guarantor (other than a Guarantor whose Guarantee is to be released in accordance with the terms of Guarantee and the Indenture) will not, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not such Subsidiary Guarantor is the surviving corporation), or (2) sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties or assets of such Subsidiary Guarantor and its Subsidiaries that are Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person other than the Parent Guarantor or any other Restricted Subsidiary, unless:

(1) immediately after giving effect to such transaction, no Default or Event of Default exists;

(2) either:

  (a) such Subsidiary Guarantor is the surviving corporation; or (b) the Person acquiring the property in any such sale or disposition or the Person formed by or surviving any such consolidation or merger assumes all the obligations of that Subsidiary Guarantor under its Guarantee, the Indenture and the Security Documents to which such Guarantor is a party pursuant to a supplemental indenture and appropriate Security Documents satisfactory to the Trustee; or

  (b) the Net Proceeds of such sale or other disposition are applied in accordance with the applicable provisions of the Indenture.

In addition, the Parent Guarantor will not, directly or indirectly, lease all or substantially all of the properties and assets of it and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to any other Person.

Clauses (3) and (4) of each of the first and second paragraphs of this "*Merger, Consolidation or Sale of Assets*" covenant will not apply to any sale or other disposition of all or substantially all of the assets or merger or consolidation of the Issuer or the Parent Guarantor with or into any other Guarantor and clause (1) of the third paragraph of this "*Merger, Consolidation or Sale of Assets*" covenant will not apply to any sale or other disposition of all or substantially all of the assets or merger or consolidation of the Issuer with or into an Affiliate solely for the purpose of reincorporating the Issuer in another jurisdiction for tax reasons. This "*Merger, Consolidation or Sale of Assets*" covenant will not apply to any consolidation or merger of any Restricted Subsidiary that is not a Guarantor into the Parent Guarantor or any other Guarantor.

Transactions with Affiliates

The Parent Guarantor will not, and will not cause or permit any of its Restricted Subsidiaries to, make any payment to or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Parent Guarantor (each, an "**Affiliate Transaction**") involving aggregate payments or consideration in excess of € 5.0 million, unless:

(1) the Affiliate Transaction is on terms that are no less favorable to the Parent Guarantor or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Parent Guarantor or such Restricted Subsidiary with an unrelated Person; and

(2) the Parent Guarantor delivers to the Trustee:

  (a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of €10 million, a resolution of the Board of Directors of the Parent Guarantor set forth in an Officer's Certificate certifying that such Affiliate Transaction complies with this covenant and that such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors of the Parent Guarantor; and, in addition;

  (b) with respect to (i) any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of €25 million or (ii) any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of € 10 million in which there are no disinterested members of the Board of Directors of the Parent Guarantor, an opinion of an accounting, appraisal or investment banking firm of international standing, or other recognized independent expert of international standing with experience appraising the terms and conditions of the type of transaction or series of related transactions for which an opinion is required, stating that the transaction or series of related transactions is (i) fair from a financial point of view taking into account all relevant circumstances or (ii) on terms not less favorable than might have been obtained in a comparable transaction at such time on an arm's length basis from a Person who is not an Affiliate.

The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of the prior paragraph:

(1) any employment agreement, collective bargaining agreement, consultant, employee benefit arrangements with any employee, consultant, officer or director of the Parent Guarantor or any Restricted Subsidiary, including under any stock option, stock appreciation rights, stock incentive or similar plans, entered into in the ordinary course of business;

(2) transactions between or among the Parent Guarantor and any Restricted Subsidiary, or between or among Restricted Subsidiaries;

(3) transactions in the ordinary course of business with a Person (other than an Unrestricted Subsidiary of the Parent Guarantor) that is an Affiliate of the Parent Guarantor solely because the Parent Guarantor owns, directly or through a Restricted Subsidiary, an Equity Interest in, or controls, such Person;

(4) payment of reasonable and customary fees and reimbursements of expenses (pursuant to indemnity arrangements or otherwise) of Officers, directors, employees or consultants of the Parent Guarantor or any of its Restricted Subsidiaries;

(5) any issuance of Equity Interests (other than Disqualified Stock) of the Parent Guarantor or Subordinated Shareholder Debt to Affiliates of the Parent Guarantor;

(6) any Investment (other than a Permitted Investment) or other Restricted Payment, in either case, that does not violate the provisions of the Indenture described above under the caption "—*Restricted Payments*";

(7) Management Advances;

(8) any Permitted Investments (other than Permitted Investments described in clause (3) of the definition thereof) and any Permitted Investment in any Unrestricted Subsidiary;

(9) the incurrence of any Subordinated Shareholder Debt;

(10) transactions pursuant to, or contemplated by any agreement in effect on the Issue Date and transactions pursuant to any amendment, modification or extension to such agreement, so long as such amendment, modification or extension, taken as a whole, is not more disadvantageous to the holders of the Notes in any material respect than the original agreement as in effect on the Issue Date;

(11) transactions with customers, clients, suppliers, or purchasers or sellers of goods or services or providers of employees or other labor, in each case in the ordinary course of business and otherwise in compliance with the terms of the Indenture that are fair to the Parent Guarantor or the Restricted Subsidiaries, in the reasonable determination of the members of the Board of Directors of the Parent Guarantor or the senior management thereof, or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated Person;

(12) any payments or other transactions pursuant to a tax sharing agreement between the Parent Guarantor and any other Person or a Restricted Subsidiary of the Parent Guarantor and any other Person with which the Parent Guarantor or any of its Restricted Subsidiaries files a consolidated tax return or with which the Parent Guarantor or any of its Restricted Subsidiaries is part of a group for tax purposes or any tax advantageous group contribution made pursuant to applicable legislation; *provided*, *however*, that any such tax sharing or arrangement and payment does not permit or require payments in excess of the amounts of tax that would be payable by the Parent Guarantor and its Restricted Subsidiaries on a stand-alone basis;

(13) any contribution to the capital of the Parent Guarantor in exchange for Capital Stock of the Parent Guarantor (other than Disqualified Stock and preferred stock);

(14) transactions between the Parent Guarantor or any of its Restricted Subsidiaries and any Person, a director of which is also a director of the Parent Guarantor or any of its Restricted Subsidiaries, as applicable, or any Parent Entity; *provided*, *however*, that such director abstains from voting as a director of the Parent Guarantor, the Restricted Subsidiary or such direct or indirect parent, as the case may be, on any matter involving such other Person;

(15) pledges of Equity Interests of Unrestricted Subsidiaries;

(16) any transaction in the ordinary course of business between or among the Parent Guarantor or any Restricted Subsidiary and any Affiliate of the Parent Guarantor or an Associate or similar entity that would constitute an Affiliate Transaction solely because the Issuer or a Restricted Subsidiary or any Affiliate of the Parent Guarantor or a Restricted Subsidiary or any Affiliate of any Permitted Holder owns an equity interest in or otherwise controls such Affiliate, Associate or similar entity;

(17) any transaction effected as part of a Qualified Securitization Financing;

(18) any merger, consolidation or reorganization of the Issuer or the Parent Guarantor otherwise permitted under the provisions of the Indenture with an Affiliate of the Issuer solely for the purpose of (x) reorganizing to facilitate an initial public offering of securities of the Issuer, the Parent Guarantor or any Parent Entity, (y) forming or collapsing a holding company structure or (z) reincorporating the Parent Guarantor or Issuer in a new jurisdiction, in each case so long as any such merger, consolidation or reorganization has been approved by a majority of the members of the Board of Directors of the Parent Guarantor in good faith; and

(19) the Transactions.

Notwithstanding any other provision of the Indenture, the Parent Guarantor will not, and will not cause or permit any of its Subsidiaries to, make any payment to or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Equity Investor or Related Party other than, without duplication (i) items permitted by clauses (1), (2), (4), (5), (7) or (9) of the immediately preceding paragraph and (ii) Restricted Payments and Permitted Investments permitted to be made to the Equity Investor or any Related Party pursuant to the third paragraph of the covenant described above under the caption "*—Restricted Payments*."

Designation of Restricted and Unrestricted Subsidiaries

The Board of Directors of the Parent Guarantor may designate any Restricted Subsidiary (including any newly acquired or newly formed Restricted Subsidiary) to be an Unrestricted Subsidiary if that designation would not cause a Default. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate Fair Market Value of all outstanding Investments owned by the Parent Guarantor and its Restricted Subsidiaries in the Subsidiary designated as an Unrestricted Subsidiary will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments under the covenant described above under the caption "*—Restricted Payments*" or under one or more clauses of the definition of Permitted Investments, as determined by the Parent Guarantor. That designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. The Parent Guarantor may redesignate any Unrestricted Subsidiary to be a Restricted Subsidiary if that redesignation would not cause a Default.

Any designation of a Subsidiary of the Parent Guarantor as an Unrestricted Subsidiary will be evidenced to the Trustee by filing with the Trustee a copy of a resolution of the Board of Directors giving effect to such designation and an Officer's Certificate certifying that such designation complied with the preceding conditions and was permitted by the covenant described above under the caption "*—Restricted Payments*." If, at any time, any Unrestricted Subsidiary would fail to meet the requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for purposes of the Indenture and any Indebtedness of such Subsidiary will be deemed to be incurred as of such date and, if such Indebtedness is not permitted to be incurred as of such date under the covenant described under the caption "*—Incurrence of Indebtedness and Issuance of Preferred Stock*," the Parent Guarantor will be in default of such covenant. The Board of Directors of the Parent Guarantor may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that such designation will be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of any outstanding Indebtedness of such Unrestricted Subsidiary, and such designation will only be permitted if (1) such Indebtedness is permitted under the covenant described under the caption "*—Incurrence of Indebtedness and Issuance of Preferred Stock*," calculated on a *pro forma* basis as if such designation had occurred at the beginning of the applicable reference period; and (2) no Default or Event of Default would be in existence following such designation.

Maintenance of Listing

The Issuer will use its commercially reasonable efforts to obtain and maintain the listing of the Notes on the Luxembourg Stock Exchange for so long as such Notes are outstanding; *provided* that if the Issuer is unable to obtain admission to listing of the Notes on the Luxembourg Stock Exchange or if at any time the Issuer determines that it will not maintain such listing, it will use its commercially reasonable efforts to obtain and maintain a listing of such Notes on another recognized stock exchange.

Limitation on Issuances of Guarantees of Indebtedness

The Parent Guarantor will not permit any of its Restricted Subsidiaries, directly or indirectly, to guarantee the payment of any other Indebtedness of the Issuer or any Guarantor unless such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture to the Indenture providing for the Guarantee of the payment of the Notes by such Restricted Subsidiary, which Guarantee will be *pari passu* with or senior to such Restricted Subsidiary's guarantee of such other Indebtedness.

Each additional Guarantee will be limited as necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law.

The first preceding paragraph of this covenant will not be applicable to any Guarantees of any Restricted Subsidiary:

(1) existing on the Issue Date after giving effect to the use of proceeds from the Transactions;

(2) given to a bank or trust company having combined capital and surplus and undivided profits of not less than €250 million, whose debt has a rating, at the time such guarantee was given, of at least A or the equivalent thereof by S&P and at least A2 or the equivalent thereof by Moody's, in connection with the operation of cash management programs established for the benefit of the Issuer or any of its Restricted Subsidiaries; or

(3) any Guarantee arising as a result of (i) any Dutch Restricted Subsidiary being or having been part of a fiscal unity (*fiscale eenheid*) for VAT, corporate tax or other purposes and (ii) a declaration of joint and several liability (*hoofdelijke aansprakelijkheid*) as referred to in Article 2:403 of the Dutch Civil Code.

Notwithstanding the foregoing, the Parent Guarantor shall not be obligated to cause such Restricted Subsidiary to Guarantee the payment of the Notes to the extent that such Guarantee by such Restricted Subsidiary would reasonably be expected to give rise to or result in:

(1) a violation of applicable law which, in any case, cannot be prevented or otherwise avoided through measures reasonably available to the Parent Guarantor or the Restricted Subsidiary; or

(2) any liability for the officers, directors or shareholders of such Restricted Subsidiary.

Payments for Consent

The Parent Guarantor will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any holder of Notes for or as an inducement to any consent, waiver or amendment of any of the terms of the provisions of the Indenture or the Notes unless such consideration is offered to be paid and is paid to all holders of the Notes that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement. Notwithstanding the foregoing, the Parent Guarantor and its Restricted Subsidiaries shall be permitted, in any offer or payment of consideration for, or as an inducement to, any consent, waiver or amendment of any of the terms or provisions of the Indenture, to exclude holders of Notes in any jurisdiction where (i) the solicitation of such consent, waiver or amendment, including in connection with an offer to purchase for cash, or (ii) the payment of the consideration therefor would require the Parent Guarantor or any of its Restricted Subsidiaries to file a registration statement, prospectus or similar document under any applicable securities laws (including, but not limited to, the United States federal securities laws and the laws of the European Union or its member states), which the Parent Guarantor in its sole discretion determines (acting in good faith) (A) would be materially burdensome (it being understood that it would not be materially burdensome to file the consent document(s) used in other jurisdictions, any substantially similar documents or any summary thereof with the securities or financial services authorities in such jurisdiction); or (B) such solicitation would otherwise not be permitted under applicable law in such jurisdiction.

Impairment of Security Interest

The Parent Guarantor will not, and will not cause or permit any of its Restricted Subsidiaries to, take or knowingly or negligently omit to take, any action which action or omission would have the result of materially impairing the security interest with respect to the Collateral (it being understood that the incurrence of Liens on the Collateral permitted by the definition of Permitted Collateral Liens shall under no circumstances be deemed to materially impair the security interest with respect to the Collateral) for the benefit of the Trustee and the holders of the Notes, and the Parent Guarantor will not, and will not cause or permit any of its Restricted

Subsidiaries to, grant to any Person other than the Security Agent, for the benefit of the Trustee and the holders of the Notes and the other beneficiaries described in the Security Documents and the Intercreditor Agreement, any interest whatsoever in any of the Collateral; provided that (a) nothing in this provision shall restrict the discharge or release of the Collateral in accordance with the Indenture, the Security Documents and the Intercreditor Agreement and (b) the Parent Guarantor and its Restricted Subsidiaries may incur Permitted Collateral Liens; and provided further, however, that no Security Document may be amended, extended, renewed, restated, supplemented or otherwise modified, replaced, or released (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets) unless contemporaneously with such amendment, extension, replacement, restatement, supplement, modification, renewal or release (followed by an immediate retaking of a Lien of at least equivalent ranking over the assets), the Parent Guarantor delivers to the Trustee either (1) a solvency opinion from an internationally recognized investment bank or accounting firm, in form and substance reasonably satisfactory to the Trustee confirming the solvency of the Parent Guarantor and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, supplement, modification, replacement or release and retaking, (2) a certificate from the board of directors or chief financial officer of the relevant Person (acting in good faith) that confirms the solvency of the Person granting such Lien after giving effect to any transactions related to such amendment, extension, renewal, restatement, replacement, supplement, modification or release, or (3) an opinion of counsel, in form and substance reasonably satisfactory to the Trustee (subject to customary exceptions and qualifications), confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification, replacement or release and retaking, the Lien or Liens securing the Notes created under the Security Documents so amended, extended, renewed, restated, supplemented, modified, replaced or released and retaken are valid and perfected Liens not otherwise subject to any limitation imperfection or new hardening period, in equity or at law, and that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, modification, replacement or release and retaking.

At the direction of the Parent Guarantor and without the consent of the holders of the Notes, the Security Agent may from time to time enter into one or more amendments to the Security Documents to: (i) cure any ambiguity, omission, defect or inconsistency therein, (ii) (but subject to compliance with paragraph (a) above) provide for Permitted Collateral Liens, (iii) add to the Collateral or (iv) make any other change thereto that does not adversely affect the rights of the holders of the Notes in any material respect as set forth in an Officer's Certificate.

In the event that the Parent Guarantor complies with this covenant, the Trustee (upon the receipt of an Officer's Certificate and opinion of counsel satisfactory to the Trustee) and the Security Agent shall (subject to customary protections and indemnifications) consent to such amendment, extension, renewal, restatement, supplement, modification, replacement or release with no need for instructions from holders of the Notes.

Additional Intercreditor Agreements

At the request of the Parent Guarantor, without the consent of holders of the Notes, and at the time of, or prior to, the incurrence by the Issuer or a Guarantor of Indebtedness permitted pursuant to (x) the first paragraph of the covenant described under "*—Incurrence of Indebtedness and Issuance of Preferred Stock*" or clause (1), (4) (other than with respect to Capital Lease Obligations), (8), (16) and (19) of the second paragraph of the covenant described under "*—Incurrence of Indebtedness and Issuance of Preferred Stock*" and (y) any Permitted Refinancing Indebtedness in respect of Indebtedness referred to in the foregoing clause (x) the Issuer or the relevant Guarantor and the Trustee shall enter into with the holders of such Indebtedness (or their duly authorized representatives) an intercreditor agreement (an "**Additional Intercreditor Agreement**") on substantially the same terms as the Intercreditor Agreement, including terms with respect to the limitation on enforcement and release of guarantees and priority as set forth in the Intercreditor Agreement (or on terms more favorable to the holders of the Notes); *provided*, that such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or adversely affect the rights, duties, liabilities or immunities of the Trustee under the Indenture or the Intercreditor Agreement.

At the request of the Parent Guarantor, without the consent of holders of the Notes, and at the time of, or prior to, the incurrence by the Issuer or a Guarantor of Indebtedness permitted to be incurred pursuant to the preceding paragraph, the Issuer or the relevant Guarantor and the Trustee shall enter into one or more amendments to any Intercreditor Agreement or Additional Intercreditor Agreement to: (1) cure defects, resolve ambiguities or reflect changes, in each case, of a minor, technical or administrative nature, (2) increase the amount or types of Indebtedness covered by any Intercreditor Agreement or Additional Intercreditor Agreement that may be incurred by the Issuer or a Guarantor that is subject to any Intercreditor Agreement or Additional Intercreditor Agreement (provided that such amendment is consistent with the preceding paragraph), (3) add new

Guarantors to the Intercreditor Agreement or an Additional Intercreditor Agreement, (4) further secure the Notes, (5) make provision for the security securing Additional Notes to rank *pari passu* with the Collateral or (6) make any other change to any such Intercreditor Agreement or an Additional Intercreditor Agreement that does not adversely affect the rights of holders of the Notes in any material respect as set forth in an Officer's Certificate.

The Parent Guarantor shall not otherwise direct the Trustee to enter into any amendment to the Intercreditor Agreement or any Additional Intercreditor Agreement without the consent of the holders of the majority in aggregate principal amount of the Notes then outstanding, except as otherwise permitted by "*Amendment, Supplement and Waiver*" and the Parent Guarantor may only direct the Trustee to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or adversely affect the rights, duties, liabilities or immunities of the Trustee under the Indenture, the Intercreditor Agreement or such Additional Intercreditor Agreement and the Trustee has received an Officer's Certificate and opinion of counsel satisfactory to it.

In relation to the Intercreditor Agreement or, to the extent applicable, an Additional Intercreditor Agreement, the Trustee shall be deemed to have consented on behalf of the holders of the Notes to any payment, repayment, purchase, repurchase, defeasance, acquisition, retirement or redemption of any obligations subordinated to the Notes thereby; *provided* that such transaction would comply with the covenant described under "—Restricted Payments."

Each holder of the Notes shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement or any Additional Intercreditor Agreement (whether then entered into or entered into in the future pursuant to the provisions described herein) and to have consented to and directed the Trustee to enter into any Additional Intercreditor Agreement or any amendment of the Intercreditor Agreement or any Additional Intercreditor Agreement which complies with the foregoing provision and the conditions contained therein.

Suspension of Covenants When Notes Rated Investment Grade

If on any date following the Issue Date:

(1) the Notes have achieved Investment Grade Status; and

(2) no Default or Event of Default shall have occurred and be continuing on such date,

then, the Parent Guarantor will immediately notify in writing the Trustee and beginning on that day and continuing until such time, if any, at which the Notes cease to have Investment Grade Status (such period, the "**Suspension Period**"), the covenants specifically listed under the following captions in this offering memorandum will no longer be applicable to the Notes and any related default provisions of the Indenture will cease to be effective and will not be applicable to the Parent Guarantor and its Restricted Subsidiaries:

(1) "—Repurchase at the Option of Holders—Asset Sales";

(2) "—Incurrence of Indebtedness and Issuance of Preferred Stock";

(3) "—Restricted Payments";

(4) "—Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries";

(5) clause (4) of each of the first and second paragraphs of the covenant described under "—Merger, Consolidation or Sale of Assets";

(6) "—Transactions with Affiliates"; and

(7) "—Designation of Restricted and Unrestricted Subsidiaries."

Such covenants will not, however, be of any effect with regard to the actions of Parent Guarantor and the Restricted Subsidiaries properly taken during the continuance of the Suspension Period; *provided* that (1) with respect to the Restricted Payments made after any such reinstatement, the amount of Restricted Payments will be calculated as though the covenant described under the caption "*—Restricted Payments*" had been in effect prior to, but not during, the Suspension Period and (2) all Indebtedness incurred, or Disqualified Stock or preferred stock issued, during the Suspension Period will be classified to have been incurred or issued pursuant to clause (2) of the second paragraph of the caption "*—Incurrence of Indebtedness and Issuance of Preferred Stock*." Upon the occurrence of a Suspension Period, the amount of Excess Proceeds shall be reset at zero. There can be no assurance that the Notes will ever achieve or maintain an Investment Grade Status.

The Parent Guarantor shall promptly notify in writing the Trustee of the end of any Suspension Period. The Trustee will have no obligation to (i) independently determine or verify if such events have occurred or (ii) notify the holders of the Notes of any Suspension Event.

Reports

So long as any Notes are outstanding, the Parent Guarantor will furnish to the Trustee:

(1) within 120 days after the end of the fiscal year of the Swissport Group S.à r.l. until the time the Issuer, in its sole discretion, elects to provide and deliver consolidated financial statements of the Parent Guarantor, and thereafter of the Parent Guarantor, beginning with the fiscal year ending December 31, 2019, annual reports containing the following information with a level of detail that is substantially comparable and similar in scope to this offering memorandum: (a) audited consolidated balance sheet of Swissport Group S.à r.l. until the time the Issuer, in its sole discretion, elects to provide and deliver consolidated financial statements of Parent Guarantor and its Restricted Subsidiaries, and thereafter of the Parent Guarantor, as of the end of the most recent fiscal year (and comparative information for the end of the prior fiscal year) and audited consolidated income statement and statement of cash flow of Swissport Group S.à r.l. until the time the Issuer, in its sole discretion, elects to provide and deliver consolidated financial statements of Parent Guarantor and its Restricted Subsidiaries, and thereafter of the Parent Guarantor, for the most recent fiscal year (and comparative information for the prior fiscal year), including footnotes to such financial statements and the report of the independent auditors on the financial statements; (b) *pro forma* income statement and balance sheet information of Swissport Group S.à r.l., until the time the Issuer, in its sole discretion, elects to provide and deliver consolidated financial statements of Parent Guarantor and its Restricted Subsidiaries, and thereafter of the Parent Guarantor, together with explanatory footnotes, for any material acquisitions or dispositions (including, without limitation, any acquisitions or disposition that, individually or in the aggregate when considered with all other acquisition or dispositions that have occurred since the beginning of the most recently completed fiscal year as to which such annual report relates, represent greater than 20% of the consolidated revenues, EBITDA, or assets of Swissport Group S.à r.l. until the time the Issuer, in its sole discretion, elects to provide and deliver consolidated financial statements of Parent Guarantor and its Restricted Subsidiaries, and thereafter of the Parent Guarantor, on a *pro forma* basis) or recapitalizations that have occurred since the beginning of the most recently completed fiscal year as to which such annual report relates, in each case unless *pro forma* information has been provided in a previous report pursuant to clause (2) or (3) below; (c) an operating and financial review of the audited financial statements, including a discussion of the results of operations (including a discussion by business segment, if any), financial condition and liquidity and capital resources, and a discussion of material commitments and contingencies and critical accounting policies; (d) a description of the industry, business, management and shareholders of the Parent Guarantor, all material affiliate transactions, Indebtedness and material financing arrangements and a description of all material contractual arrangements, including material debt instruments; (e) material risk factors and material recent developments; and (f) a brief description of the material differences in the financial condition and results of operation between Swissport Group S.à r.l. and its subsidiaries and the Parent Guarantor and its Restricted Subsidiaries until the time the Issuer, in its sole discretion, elects to provide and deliver consolidated financial statements of Parent Guarantor and its Restricted Subsidiaries, and thereafter of the Parent Guarantor;

(2) within 60 days following the end of each of the first three fiscal quarters in each fiscal year of Swissport Group S.à r.l. until the time the Issuer, in its sole discretion, elects to provide and deliver consolidated financial statements of Parent Guarantor and its Restricted Subsidiaries, and thereafter of the Parent Guarantor beginning with the fiscal quarter ending June 30, 2019, quarterly reports containing the following information: (a) an unaudited condensed consolidated balance sheet as of the end of such quarter and unaudited condensed statements of income and cash flow for the quarterly and year to date periods ending on the unaudited condensed balance sheet date, and the comparable prior year periods for Swissport Group S.à r.l. until the time the Issuer, in its sole discretion, elects to provide and deliver consolidated financial statements of Parent Guarantor and its Restricted Subsidiaries, and thereafter of the Parent Guarantor, together with condensed footnote disclosure; (b) *pro forma* income statement and balance sheet information, together with explanatory footnotes, for any material acquisitions or dispositions (including, without limitation, any acquisition or disposition that, individually or in the aggregate when considered with all other acquisitions or dispositions that have occurred since the beginning of the most recent completed fiscal quarter as to which such quarterly report relates, represents greater than 20% of the consolidated revenues, EBITDA or assets of Swissport Group S.à r.l. until the time the Issuer, in its sole discretion, elects to provide and deliver consolidated financial statements of Parent Guarantor and its Restricted Subsidiaries, and thereafter of the Parent Guarantor, on a *pro forma* basis) or recapitalizations that have occurred since the beginning of the most recently completed fiscal quarter as to which such quarterly report relates, in each case

unless *pro forma* information has been provided in a previous report pursuant to clause (1), (2) or (3) of this covenant; (c) an operating and financial review of the unaudited financial statements (including a discussion by business segment, if any), including a discussion of the consolidated financial condition and results of operations of Swissport Group S.à r.l. until the time the Issuer, in its sole discretion, elects to provide and deliver consolidated financial statements of Parent Guarantor and its Restricted Subsidiaries, and thereafter of the Parent Guarantor, and any material change between the current year to date period and the corresponding period of the prior year; (d) material recent developments in the business of the Parent Guarantor and its Subsidiaries; (e) any material changes to the risk factors disclosed in the most recent annual report with respect to the Parent Guarantor; and (f) a brief description of the material differences in the financial condition and results of operation between Swissport Group S.à r.l. and its subsidiaries and the Parent Guarantor and its Restricted Subsidiaries until the time the Issuer, in its sole discretion, elects to provide and deliver consolidated financial statements of Parent Guarantor and its Restricted Subsidiaries, and thereafter of the Parent Guarantor; and

(3) promptly after the occurrence of (a) a material acquisition, disposition or restructuring (including any acquisition or disposition that would require the delivery of *pro forma* financial information pursuant to clause (1) or (2) above); (b) any senior management change at the Parent Guarantor; (c) any change in the auditors of Swissport Group S.à r.l.; (d) the entering into an agreement that will result in a Change of Control; or (e) any material events that the Parent Guarantor announces publicly, in each case, a report containing a description of such events,

provided, *however*, that the reports set forth in clauses (1), (2) and (3) above will not be required to (i) contain any reconciliation to U.S. generally accepted accounting principles or (ii) include separate financial statements for any Guarantors or non-guarantor Subsidiaries of the Parent Guarantor.

The Parent Guarantor may comply with the requirements of clauses (1) and (2) of this covenant by providing consolidated financial information and reports of the Parent Guarantor itself and its Subsidiaries instead of Swissport Group S.à r.l.

If the Parent Guarantor has designated any of its Subsidiaries as Unrestricted Subsidiaries and such Subsidiaries are Significant Subsidiaries, then the quarterly and annual financial information required by the preceding paragraph will include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, of the financial condition and results of operations of the Parent Guarantor and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Parent Guarantor.

All financial statements shall be prepared in accordance with IFRS. Except as provided for above, no report need include separate financial statements for the Parent Guarantor or Subsidiaries of the Parent Guarantor or any disclosure with respect to the results of operations or any other financial or statistical disclosure not of a type included in this offering memorandum.

In addition, for so long as any Notes remain outstanding and during any period during which the Parent Guarantor is not subject to Section 13 or 15(d) of the U.S. Exchange Act nor exempt therefrom pursuant to Rule 12g3-2(b), the Parent Guarantor has agreed that it will furnish to the holders of the Notes and to securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the U.S. Securities Act.

The Parent Guarantor will also make available copies of all reports required by clauses (1) through (3) of the first paragraph of the covenant (i) on Swissport International Ltd.'s website and (ii) if and so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, at the specified office of the Principal Paying Agent in London.

Delivery of such reports and information to the Trustee shall be for informational purposes only, and the Trustee's receipt of them shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on an Officer's Certificate). The Trustee shall have no responsibility for the filing, timeliness or content of reports.

Events of Default and Remedies

Each of the following is an "**Event of Default**":

(1) default for 30 days in the payment when due of interest or Additional Amounts, if any, with respect to the Notes;

(2) default in the payment when due (at maturity, upon redemption or otherwise) of the principal of, or premium, if any, on, the Notes;

(3) failure by the Issuer or relevant Guarantor to comply with the provisions described under the caption "*—Certain Covenants—Merger, Consolidation or Sale of Assets*";

(4) failure by the Issuer or relevant Guarantor for 60 days after written notice to the Issuer by the Trustee or the holders of at least 25% in aggregate principal amount of the Notes then outstanding voting as a single class to comply with any of the agreements in the Indenture (other than a default in performance, or breach, or a covenant or agreement which is specifically dealt with in clauses (1), (2) or (3) or the Notes, the Guarantees or the Security Documents);

(5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Parent Guarantor or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Parent Guarantor or any of its Restricted Subsidiaries), whether such Indebtedness or guarantee now exists, or is created after the Issue Date, if that default:

    (a) is caused by a failure to pay principal of, or interest or premium, if any, on, such Indebtedness at the Stated Maturity thereof prior to the expiration of the grace period provided in such Indebtedness on the date of such default (a "**Payment Default**"); or

    (b) results in the acceleration of such Indebtedness prior to its express maturity,

    and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates €60 million or more;

(6) failure by the Issuer, the Parent Guarantor or any Restricted Subsidiary to pay final judgments entered by a court or courts of competent jurisdiction aggregating in excess of €60 million (exclusive of any amounts that a solvent insurance company has acknowledged liability for), which judgments shall not have been discharged or waived and there shall have been a period of 60 consecutive days during which a stay of enforcement of such judgment or order, by reason of an appeal, waiver or otherwise, shall not have been in effect;

(7) (i) any security interest created by the Security Documents with respect to Collateral having a Fair Market Value in excess of €5.0 million ceases to be in full force and effect (except as permitted by the terms of the Indenture, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement), or an assertion by the Parent Guarantor or any of its Restricted Subsidiaries that any Collateral having a Fair Market Value in excess of €5.0 million is not subject to a valid, perfected security interest (except as permitted by the terms of the Indenture, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement); or (iii) the repudiation by the Parent Guarantor of any of its material obligations under the Security Documents;

(8) except as permitted by the Indenture, if any Guarantee is held in any judicial proceeding to be unenforceable or invalid or ceases for any reason to be in full force and effect, or any Guarantor, or any Person acting on behalf of any Guarantor, denies or disaffirms its obligations under its Guarantee and such Default continues for 20 days; and

(9) certain events of bankruptcy or insolvency described in the Indenture with respect to the Issuer, the Parent Guarantor or any Restricted Subsidiary that is a Significant Subsidiary or any group of its Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Parent Guarantor and its Restricted Subsidiaries), would constitute a Significant Subsidiary.

In the case of an Event of Default specified in clause (9), all outstanding Notes will become due and payable immediately without further action or notice; *provided* that, in the case of an Event of Default specified in clause (9), the amount due and payable shall be equal to the aggregate gross proceeds of the offering of the Notes, plus accrued and unpaid interest and additional amounts, if any. If any other Event of Default occurs and is continuing, the Trustee or the holders of at least 25% in aggregate principal amount of the then outstanding Notes may and, if directed by holders of at least 25% in aggregate principal amount of the then outstanding Notes, the Trustee shall, declare all the Notes to be due and payable immediately.

Subject to certain limitations, holders of a majority in aggregate principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from holders of the Notes notice of any continuing Default or Event of Default if it determines that withholding notice is in their interest, except a Default or Event of Default relating to the payment of principal, interest or Additional Amounts or premium, if any.

Subject to the provisions of the Indenture relating to the duties of the Trustee, in case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any holders of Notes unless such holders have offered to the Trustee, and the Trustee has received, indemnity and/or security satisfactory to it against any loss, liability, fees, costs or expense. Except (subject to the provisions described under "—*Amendment, Supplement and Waiver*") to enforce the right to receive payment of principal, premium, if any, or interest or Additional Amounts when due, no holder of a Note may pursue any remedy with respect to the Indenture or the Notes unless:

(1) such holder has previously given the Trustee notice that an Event of Default is continuing;

(2) holders of at least 25% in aggregate principal amount of the then outstanding Notes have requested the Trustee to pursue the remedy;

(3) such holders have offered the Trustee, and the Trustee has received, security and/or indemnity satisfactory to it against any loss, liability, fees, costs or expense;

(4) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security and/or indemnity; and

(5) holders of a majority in aggregate principal amount of the then outstanding Notes have not given the Trustee a direction inconsistent with such request within such 60-day period.

The holders of not less than a majority in aggregate principal amount of the Notes outstanding may, on behalf of the holders of all outstanding Notes, waive any past default under the Indenture and its consequences, except a continuing default in the payment of the principal of premium, if any, any Additional Amounts or interest on any Note held by a non-consenting holder (which may only be waived with the consent of each holder of Notes affected).

The Parent Guarantor is required to deliver to the Trustee annually a written statement regarding compliance with the Indenture.

No Personal Liability of Directors, Officers, Employees and Stockholders

No director, officer, employee, incorporator or stockholder of the Issuer or any Guarantor, as such, will have any liability for any obligations of the Issuer or the Guarantors under the Notes, the Indenture, the Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under applicable securities laws.

Legal Defeasance and Covenant Defeasance

The Issuer may at any time, at the option of its Board of Directors evidenced by a resolution set forth in an Officer's Certificate, elect to have all of its obligations discharged with respect to the outstanding Notes and all obligations of the Guarantors discharged with respect to their Guarantees ("**Legal Defeasance**") except for:

(1) the rights of holders of outstanding Notes to receive payments in respect of the principal of, or interest (including Additional Amounts) or premium, if any, on, such Notes when such payments are due from the trust referred to below;

(2) the Issuer's obligations with respect to the Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust;

(3) the rights, powers, trusts, duties and immunities of the Trustee, and the Issuer's, the Parent Guarantor's and the Subsidiary Guarantors' obligations in connection therewith; and

(4) the Legal Defeasance and Covenant Defeasance provisions of the Indenture.

In addition, the Issuer may at any time, at the option of its Board of Directors evidenced by a resolution set forth in an Officer's Certificate, elect to have the obligations of the Issuer, the Parent Guarantor and the

Subsidiary Guarantors released with respect to certain covenants (including its obligation to make Change of Control Offers and Asset Sale Offers) that are described in the Indenture ("**Covenant Defeasance**") and thereafter any omission to comply with those covenants will not constitute a Default or Event of Default with respect to the Notes. In the event Covenant Defeasance occurs, all Events of Default described under "*—Events of Default and Remedies*" (except those relating to payments on the Notes or, solely with respect to the Issuer, bankruptcy or insolvency events) will no longer constitute an Event of Default with respect to the Notes.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(1) the Issuer or the Parent Guarantor must irrevocably deposit with the Trustee, in trust, for the benefit of the holders of the Notes, cash in euro, non-callable euro-denominated European Government Obligations or a combination of cash in euro and non-callable euro-denominated European Government Obligations, in amounts as will be sufficient, in the opinion of an internationally recognized investment bank, appraisal firm or firm of independent public accountants, to pay the principal of, or interest (including Additional Amounts and premium, if any) on the outstanding Notes on the stated date for payment thereof or on the applicable redemption date, as the case may be, and the Issuer or the Parent Guarantor must specify whether the Notes are being defeased to such stated date for payment or to a particular redemption date;

(2) in the case of Legal Defeasance, the Issuer or the Parent Guarantor must deliver to the Trustee a legal opinion reasonably acceptable to the Trustee of United States counsel confirming that (a) the Issuer has received from, or there has been published by, the U.S. Internal Revenue Service a ruling or (b) since the Issue Date, there has been a change in the applicable U.S. Federal income tax law, in either case to the effect that, and based thereon such opinion of counsel will confirm that, the holders of the outstanding Notes will not recognize income, gain or loss for U.S. Federal income tax purposes as a result of such Legal Defeasance and will be subject to tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of Covenant Defeasance, the Issuer or the Parent Guarantor must deliver to the Trustee an opinion reasonably acceptable to the Trustee of United States counsel confirming that the holders of the outstanding Notes will not recognize income, gain or loss for U.S. Federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) the Issuer or the Parent Guarantor must deliver to the Trustee an Officer's Certificate stating that the deposit was not made by the Issuer or the Parent Guarantor with the intent of preferring the holders of Notes over the other creditors of the Issuer or the Parent Guarantor with the intent of defeating, hindering, delaying or defrauding any creditors of the Issuer, the Parent Guarantor or others; and

(5) the Issuer or the Parent Guarantor must deliver to the Trustee an Officer's Certificate and an opinion of counsel, subject to customary assumptions and qualifications, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Amendment, Supplement and Waiver

Except as provided otherwise in the succeeding paragraphs, the Indenture, the Notes, the Guarantees, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement may be amended or supplemented with the consent of the holders of at least a majority in aggregate principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), and any existing Default or Event of Default or compliance with any provision of the Indenture, the Notes, the Guarantees, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement may be waived with the consent of the holders of a majority in aggregate principal amount of the then outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes).

Unless (i) consented to by the holders of at least 90% of the aggregate principal amount of the then outstanding Notes or (ii) consented to by each holder of Notes adversely affected thereby (in each case including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), an amendment, supplement or waiver may not:

(1) reduce the principal amount of Notes whose holders must consent to an amendment, supplement or waiver;

(2) reduce the principal of or change the fixed maturity of any Note or alter the provisions with respect to the redemption of the Notes (other than provisions relating to the covenants described above under the caption "—*Repurchase at the Option of Holders*");

(3) reduce the rate of or change the time for payment of interest, including default interest, on any Note;

(4) impair the right of any holder of Notes to receive payment of principal of and interest on such holder's Notes on or after the due dates therefore or to institute suit for the enforcement of any payment on or with respect to such holder's Notes or any Guarantee in respect thereof;

(5) waive a Default or Event of Default in the payment of principal of, or interest, Additional Amounts or premium, if any, on, the Notes (except a rescission of acceleration of the Notes by the holders of at least a majority in aggregate principal amount of the then outstanding Notes and a waiver of the Payment Default that resulted from such acceleration);

(6) make any Note payable in money other than that stated in the Notes;

(7) make any change in the provisions of the Indenture relating to waivers of past Defaults or the rights of holders of Notes to receive payments of principal of, or interest, Additional Amounts or premium, if any, on, the Notes;

(8) waive a redemption payment with respect to any Note (other than a payment required by one of the covenants described above under the caption "—*Repurchase at the Option of Holders*");

(9) release any Guarantor from any of its obligations under its Guarantee or the Indenture, except in accordance with the terms of the Indenture and the Intercreditor Agreement;

(10) release any Collateral granted for the benefit of the holders of the Notes, except in accordance with the terms of the Indenture, the Intercreditor Agreement or the Security Documents; or

(11) make any change in the preceding amendment and waiver provisions.

Notwithstanding the preceding, without the consent of any holder of Notes, the Issuer, the Security Agent and the Trustee (as applicable) may amend or supplement the Indenture, the Notes, any Guarantee, any of the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement:

(1) to cure any ambiguity, defect or inconsistency;

(2) to provide for uncertificated Notes in addition to or in place of certificated Notes;

(3) to provide for the assumption of the Issuer's or a Guarantor's obligations to holders of Notes and Guarantees in the case of a merger or consolidation or sale of all or substantially all of the Issuer's or such Guarantor's assets, as applicable;

(4) to make any change that would provide any additional rights or benefits to the holders of Notes or that does not adversely affect the legal rights under the Indenture of any such holder in any material respect as set forth in an Officer's Certificate;

(5) to conform the text of the Indenture, the Guarantees, the Security Documents or the Notes to any provision of this Description of the Senior Secured Notes to the extent that such provision in this Description of the Senior Secured Notes was intended to be a verbatim recitation of a provision of the Indenture, the Guarantees, the Security Documents or the Notes;

(6) to enter into additional or supplemental Security Documents;

(7) to release any Guarantee in accordance with the terms of the Indenture;

(8) to release the Collateral in accordance with the terms of the Indenture and the Security Documents;

(9) to provide for the issuance of Additional Notes in accordance with the limitations set forth in the Indenture as of the Issue Date;

(10) to allow any Guarantor to execute a supplemental indenture, guarantee and/or a Guarantee with respect to the Notes; or

(11) to evidence and provide the acceptance of the appointment of a successor Trustee under the Indenture.

The consent of the holders of Notes is not necessary under the Indenture to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

In formulating its opinion on such matters, the Trustee shall be entitled to rely absolutely on such evidence as it deems appropriate, including an opinion of counsel and an Officer's Certificate.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect as to all Notes issued thereunder, when:

(1) either:

  (a) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust and thereafter repaid to the Issuer, have been delivered to the Trustee for cancellation; or

  (b) all Notes that have not been delivered to the Trustee for cancellation have become due and payable by reason of the mailing of a notice of redemption or otherwise or will become due and payable within one year and the Issuer or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the holders, cash in euro, non-callable euro-denominated European Government Obligations or a combination of cash in euro and non-callable euro-denominated European Government Obligations, in amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the Notes not delivered to the Trustee for cancellation for principal, premium and Additional Amounts, if any, and accrued interest to the date of maturity or redemption;

(2) the Issuer or any Guarantor has paid or caused to be paid all sums payable by it under the Indenture; and

(3) the Issuer or any Guarantor has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of the Notes at maturity or on the redemption date, as the case may be.

In addition, the Issuer or the Parent Guarantor must deliver an Officer's Certificate and a legal opinion of counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied; *provided* that any such counsel may rely on any Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses (1), (2) and (3)).

Judgment Currency

Any payment on account of an amount that is payable in euros that is made to or for the account of any holder or the Trustee in lawful currency of any other jurisdiction (the "**Judgment Currency**"), whether as a result of any judgment or order or the enforcement thereof or the liquidation of the Issuer or any Guarantor, shall constitute a discharge of the Issuer or the Guarantor's obligation under the Indenture and the Notes, the Guarantee, as the case may be, only to the extent of the amount of euros with such holder or the Trustee, as the case may be, could purchase in the London foreign exchange markets with the amount of the Judgment Currency in accordance with normal banking procedures at the rate of exchange prevailing on the first Business Day following receipt of the payment in the Judgment Currency. If the amount of euros that could be so purchased is less than the amount of euros originally due to such holder or the Trustee, as the case may be, the Issuer and the Guarantors shall indemnify and hold harmless the holder or the Trustee, as the case may be, from and against all loss or damage arising out of, or as a result of, such deficiency. This indemnity shall constitute an obligation separate and independent from the other obligations contained in the Indenture or the Notes, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any holder or the Trustee from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under any judgment or order.

Concerning the Trustee

The Issuer shall deliver written notice to the Trustee promptly, and in any case within thirty (30) days of becoming aware of the occurrence of a Default or an Event of Default. If the Trustee becomes a creditor of the Issuer or any Guarantor, the Indenture limits the right of the Trustee to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions; however, if it acquires any conflicting interest it must eliminate such conflict within 90 days or resign as Trustee.

The holders of a majority in aggregate principal amount of the then outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee, subject to certain exceptions. The Indenture provides that in case an Event of Default occurs and is continuing, the Trustee will be required, in the exercise of its power, to use the degree of care of a prudent man in the conduct of his own affairs. Subject to such provisions, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any holder of Notes, unless such holder has offered to the Trustee, and the Trustee has received, security and indemnity satisfactory to it against any loss, liability or expense.

The Issuer and (following their accession) the Guarantors will, jointly and severally, indemnify the Trustee and the Paying Agents (and their respective agents, employees, stockholders, directors and officers), for claims, liabilities, losses, damages, costs, fees and expenses incurred without gross negligence, willful default or fraud on their part (as determined by a court of competent jurisdiction in a final and non-appealable order), arising out of or in connection with their duties.

Listing

Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and to admit the Notes to trading on the Euro MTF Market of the Luxembourg Stock Exchange. There can be no assurance that the application to list the Notes on the Official List of the Luxembourg Stock Exchange and to admit the Notes on the Euro MTF Market of the Luxembourg Stock Exchange will be approved and settlement of the Notes is not conditioned on obtaining this listing.

Additional Information

Anyone who receives this offering memorandum may, following the Issue Date, obtain a copy of the Indenture, the form of Note, the Security Documents and the Intercreditor Agreement without charge by writing to the Issuer, c/o Swissport International Ltd., Attn: General Counsel, Flughofstrasse 55, 8152 Opfikon, Switzerland.

So long as the Notes are listed on the Luxembourg Stock Exchange and admitted for and the rules of the Luxembourg Stock Exchange shall so require, copies of the financial statements included in this offering memorandum may be obtained, free of charge, during normal business hours at the offices of the Principal Paying Agent in London.

Governing Law

The Indenture, the Notes and the Intercreditor Agreement are or will be governed by, and construed in accordance with, the laws of the State of the New York. For the avoidance of doubt of articles 470-3 to 470-19 of the Luxembourg law dated 10 August 1915 on commercial companies, as amended, is excluded.

Consent to Jurisdiction and Service of Process

The Indenture will provide that the Issuer and each Guarantor (other than any Guarantor incorporated in the United States) will appoint an agent for service of process in any suit, action or proceeding with respect to the Indenture, the Notes and the Guarantees brought in any U.S. federal or New York state court located in the City of New York and will submit to such jurisdiction.

Enforceability of Judgments

Substantially all of the assets of the Issuer and the non-U.S. Guarantors are outside the United States. As a result, any judgment obtained in the United States against the Issuer or any such Guarantor may not be collectable within the United States. See "Enforcement of Judgments."

Prescription

Claims against the Issuer or any Guarantor for the payment of principal or Additional Amounts, if any, on the Notes will be prescribed ten years after the applicable due date for payment thereof. Claims against the Issuer or any Guarantor for the payment of interest on the Notes will be prescribed five years after the applicable due date for payment of interest.

Certain Definitions

Set forth below are certain defined terms used in the Indenture. Reference is made to the Indenture for a full disclosure of all defined terms used therein, as well as any other capitalized terms used herein for which no definition is provided.

"**Acquired Debt**" means, with respect to any specified Person:

(1) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of such specified Person, whether or not such Indebtedness is incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Restricted Subsidiary; and

(2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"**Affiliate**" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control," as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise. For purposes of this definition, the terms "controlling," "controlled by" and "under common control with" have correlative meanings.

"**Applicable Premium**" means, with respect to any Note on any redemption date, the greater of:

(1) 1% of the principal amount of the Note; or

(2) the excess of:

   (a) the present value at such redemption date of (i) the redemption price of the Note at August 15, 2021 (such redemption price being set forth in the table appearing above under the caption "*—Optional Redemption*"), plus (ii) all required interest payments due on the Note through August 15, 2021 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Bund Rate as of such redemption date plus 50 basis points; over

   (b) the principal amount of the Note.

For the avoidance of doubt, calculation of the Applicable Premium shall not be an obligation or duty of the Trustee or the Paying Agents.

"**Asset Sale**" means:

(1) the sale, lease, conveyance or other disposition of any assets by the Parent Guarantor or any of its Restricted Subsidiaries; *provided* that the sale, lease, conveyance or other disposition of all or substantially all of the assets of the Parent Guarantor and its Restricted Subsidiaries taken as a whole will be governed by the provisions of the Indenture described above under the caption "*—Repurchase at the Option of Holders—Change of Control*" and/or the provisions described above under the caption "*—Certain Covenants—Merger, Consolidation or Sale of Assets*" and not by the provisions described under the caption "*—Repurchase at the Option of Holders—Asset Sales*"; and

(2) the issuance of Equity Interests by any Restricted Subsidiary or the sale by the Parent Guarantor or any of its Restricted Subsidiaries of Equity Interests in any of the Parent Guarantor's Subsidiaries (in each case, other than directors' qualifying shares).

Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

(1) any single transaction or series of related transactions that involves assets having a Fair Market Value of less than the greater of €20 million and 1% of Total Assets;

(2) a transfer of assets or Equity Interests between or among the Parent Guarantor and any Restricted Subsidiary or between or among any Restricted Subsidiaries;

(3) an issuance of Equity Interests by a Restricted Subsidiary to the Parent Guarantor or to a Restricted Subsidiary;

(4) the sale, lease or other transfer of (x) accounts receivable, inventory, trading stock, communications capacity and other assets (including any real or personal property) in the ordinary course of business

(including the abandonment or other disposition of intellectual property that is, in the reasonable judgment of the Parent Guarantor, no longer economically practicable to maintain or useful in the conduct of business of the Parent Guarantor and its Restricted Subsidiaries taken as a whole), (y) any property sold pursuant to a sale and leaseback transaction if such transaction is consummated within 180 days of the acquisition of such property sold pursuant to such sale and leaseback transaction and (z) any uneconomical, obsolete, damaged, unnecessary, surplus, unsuitable or worn out equipment or any sale or disposition of property or assets in connection with scheduled turnarounds, maintenance and equipment and facility updates or any disposition of inventory or goods (or other assets) held for sale or no longer used;

(5) licenses and sublicenses by the Parent Guarantor or any of its Restricted Subsidiaries of software or intellectual property in the ordinary course of business;

(6) any surrender or waiver of contract rights or the settlement, release, recovery on or surrender of contract, tort or other claims in the ordinary course of business;

(7) the granting of Liens not prohibited by the covenant described above under the caption "—*Liens*";

(8) the sale or other disposition of cash or Cash Equivalents;

(9) a Restricted Payment that does not violate the covenant described above under the caption "—*Certain Covenants—Restricted Payments*," a Permitted Investment or any transaction specifically excluded from the definition of Restricted Payment;

(10) the disposition of receivables in connection with the compromise, settlement or collection thereof or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(11) the foreclosure, condemnation or any similar action with respect to any property or other assets or a surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;

(12) the disposition of assets to a Person who is providing services (the provision of which have been or are to be outsourced by the Parent Guarantor or any Restricted Subsidiary to such Person) related to such assets;

(13) any sale or other disposition of Equity Interests in, or Indebtedness or other securities of, an Unrestricted Subsidiary;

(14) any exchange of assets (including a combination of assets and Cash Equivalents) for assets related to a Permitted Business of comparable or greater market value or usefulness to the business of the Parent Guarantor and its Restricted Subsidiaries as a whole, as determined in good faith by the Parent Guarantor;

(15) any sale, transfer or other disposition of Securitization Assets and related assets in connection with any Qualified Securitization Financing;

(16) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Parent Guarantor or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition; and

(17) to the extent constituting a disposition, any merger of the UK Pension Programs.

"**Associate**" means (i) any Person engaged in a Permitted Business of which the Parent Guarantor or its Restricted Subsidiaries are the legal and beneficial owners of between 20% and 50% of all outstanding Voting Stock and (ii) any joint venture entered into by the Parent Guarantor or any Restricted Subsidiary of the Issuer.

"**Beneficial Owner**" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the U.S. Exchange Act, except that in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the U.S. Exchange Act), such "person" will be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time. The terms "**Beneficially Owns**" and "**Beneficially Owned**" have a corresponding meaning.

"**Board of Directors**" means:

(1) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of such board;

(2) with respect to a partnership, the board of directors of the general partner of the partnership;

(3) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof; and

(4) with respect to any other Person, the board or committee of such Person serving a similar function.

"**Bund Rate**" means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity as of such date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such redemption date, where:

(1) "**Comparable German Bund Issue**" means the German Bundesanleihe security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such redemption date to August 15, 2021 and that would be utilized at the time of selection and in accordance with customary financial practice, in pricing new issues of euro-denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the Notes and of a maturity most nearly equal to August 15, 2021; provided, however, that, if the period from such redemption dated to August 15, 2021 is less than one year, a fixed maturity of one year shall be used;

(2) "**Comparable German Bund Price**" means, with respect to any redemption date, the average of all Reference German bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations, or if the Parent Guarantor obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;

(3) "**Reference German Bund Dealer**" means any dealer of German Bundesanleihe securities appointed by the Issuer in good faith; and

(4) "**Reference German Bund Dealer Quotations**" means, with respect to each Reference German Bund Dealer and any redemption date, the average as determined by the Parent Guarantor in good faith of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Parent Guarantor by such Reference German Bund dealer at 3:30 p.m. Frankfurt, Germany, time on the third Business Day preceding the redemption date.

"**Business Day**" means a day other than a Saturday, Sunday or other day on which banking institutions in London, Zurich or New York or a place of payment under the Indenture are authorized or required by law to close.

"**Capital Lease Obligation**" means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet (excluding the footnotes thereto) prepared in accordance with IFRS, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

"**Capital Stock**" means:

(1) in the case of a corporation, corporate stock;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

"**Cash Equivalents**" means:

(1) direct obligations (or certificates representing an interest in such obligations) issued by, or unconditionally guaranteed by, the government of a member state of the Pre-Expansion European Union, the United States of America, Switzerland, Japan or Canada (including, in each case, any agency or instrumentality thereof), as the case may be, the payment of which is backed by the full faith and credit of the relevant member state of the European Union or the United States of America, Switzerland, Canada or Japan, as the case may be, and which are not callable or redeemable at the Parent Guarantor's option;

(2) overnight bank deposits, time deposit accounts, certificates of deposit, banker's acceptances and money market deposits with maturities (and similar instruments) of 12 months or less from the date of acquisition issued by a bank or trust company which is organized under, or authorized to operate as a bank or trust company under, the laws of a member state of the Pre-Expansion European Union or of the United States of America or any state thereof, Switzerland, Canada or Japan; *provided* that such bank or trust company has capital, surplus and undivided profits aggregating in excess of €250 million (or the foreign currency equivalent thereof as of the date of such investment) and whose long-term debt is rated "A-2" or higher by Moody's or A or higher by S&P or the equivalent rating category of another internationally recognized rating agency, as of the date of the investment;

(3) repurchase obligations for underlying securities of the types described in clauses (1) and (2) above entered into with any financial institution meeting the qualifications specified in clause (2) above;

(4) commercial paper having one of the two highest ratings obtainable from Moody's or S&P on the date of the investment and, in each case, maturing within one year after the date of acquisition; and

(5) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (1) through (4) of this definition.

"**Change of Control**" means the occurrence of any of the following:

(1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Parent Guarantor and its Subsidiaries taken as a whole to any Person (including any "person" (as that term is used in Section 13(d)(3) of the U.S. Exchange Act)) other than one or more Permitted Holders;

(2) the adoption of a plan relating to the liquidation or dissolution of the Parent Guarantor or the Issuer; or

(3) the consummation of any transaction (including, without limitation, any merger or consolidation), the result of which is that any Person (including any "person" as defined above) other than one or more Permitted Holders becomes the Beneficial Owner, directly or indirectly, of more than 50% of the issued and outstanding Voting Stock of the Parent Guarantor measured by voting power rather than number of shares;

provided that, in each case, a Change of Control shall not be deemed to have occurred if such Change of Control is also a Specified Change of Control Event.

"**Change of Control Offer**" has the meaning assigned to that term in the Indenture governing the Notes.

"**Euro Equivalent**" means, with respect to any monetary amount in a currency other than the euros, at any time of determination thereof by the Parent Guarantor or the Trustee, the amount of euro obtained by converting such currency other than euro involved in such computation into euro at the spot rate for the purchase of euro with the applicable currency other than euro as published in *The Financial Times* in the "*Currency Rates*" section (or, if *The Financial Times* is no longer published, or if such information is no longer available in *The Financial Times*, such source as may be selected in good faith by the Issuer) on the date of such determination.

"**Collateral**" means the rights, property and assets securing the Notes and the Note Guarantees as described in the section entitled "—Security" and any rights, property or assets over which a Lien has been granted to secure the Obligations of the Issuer and the Guarantors under the Notes, the Note Guarantees and the Indenture.

"**Consolidated EBITDA**" means, with respect to any specified Person for any period, the Consolidated Net Income of such Person for such period plus the following to the extent deducted in calculating such Consolidated Net Income, without duplication:

(1) income or expense for taxes (current or deferred) based on income, profits or capital, in each case of such Person and its Subsidiaries which are Restricted Subsidiaries for such period; *plus*

(2) the Fixed Charges of such Person and its Subsidiaries which are Restricted Subsidiaries for such period; *plus*

(3) depreciation, amortization (including, without limitation, amortization of intangibles and deferred financing fees) and other non-cash charges and expenses (including without limitation write-downs and impairment of property, plant, equipment and intangibles and other long-lived assets and the impact of purchase accounting on the Parent Guarantor and its Restricted Subsidiaries for such period) of the Parent Guarantor and its Restricted Subsidiaries (excluding any such non-cash charge or expense to the extent that it represents an accrual of or reserve for cash charges or expenses in any future period or amortization of a prepaid cash charge or expense that was paid in a prior period) for such period; *plus*

(4) Management Fees; *plus*

(5) any non-cash expenses, charges or income attributable to a post-employment benefit scheme; *plus*

(6) any expenses, charges, premiums or other costs related to any Equity Offering, acquisition (including amounts paid in connection with the acquisition or retention of one or more individuals comprising part of a management team retained to manage the acquired business; provided that such payments are made in a manner consistent with the customary practice in the industry at the time of such acquisition), joint venture, disposition, recapitalization, Indebtedness permitted to be incurred by the Indenture, or the amendment or refinancing of any other Indebtedness of such Person or any of the other Restricted Subsidiaries (whether or not successful) (including such fees, expenses, premiums or charges related to the Transactions) and, in each case, deducted in such period in computing Consolidated Net Income; *plus*

(7) any expenses, costs or other charges (including any non-cash charges) related to the Transactions; *plus*

(8) the amount of cost savings, operating expense reductions, and synergies that are expected in good faith to be realized as a result of actions taken or expected to be taken within 24 months of the date of any acquisition, disposition or divestiture or the implementation of a cost savings or other similar initiative, as applicable (calculated on a *pro forma* basis as though such cost savings, operating expense reductions, and synergies had been realized on the first day of such period as if such cost savings, operating expense reductions, and synergies were realized during the entirety of such period, net of the amount of actual benefits realized during such period from such actions); provided that (A) such actions are expected to be taken within 24 months after the consummation of the acquisition, disposition, or the implementation of an initiative, as applicable, which is expected to result within 24 months after the respective action in cost savings, operating expense reductions, or synergies and (B) no cost savings, operating expense reductions, or synergies shall be added pursuant to this defined term to the extent duplicative of any expenses or charges otherwise added to Consolidated EBITDA, whether through a *pro forma* adjustment or otherwise, for such period; provided further, that the aggregate amount of cost savings, operating expense reductions, and synergies pursuant to this clause (8) and clause (9) below shall not exceed 25% of Consolidated EBITDA of the Parent Guarantor and its Restricted Subsidiaries for the relevant period (before taking into account any such adjustments); *plus*

(9) (1) restructuring costs, integration costs and, non-recurring charges and (2) transaction fees and expenses in becoming a public company, including, any one time expense relating to enhanced accounting function or related transaction costs, including those associated with becoming a standalone entity or a public company; provided, that the aggregate amount of the add-backs permitted pursuant to this clause (9) and clause (8) above shall not exceed 25% of Consolidated EBITDA of the Parent Guarantor and its Restricted Subsidiaries for the relevant period (before taking into account any such adjustments); *minus*

(10) to the extent included in determining Consolidated Net Income, non-cash items increasing such Consolidated Net Income for such period, other than non-cash items to the extent they represent the reversal of a reserve for cash charges that reduced Consolidated EBITDA in any prior period, in each case, on a consolidated basis and determined in accordance with IFRS.

Consolidated EBITDA for the Parent Guarantor for any period shall be calculated for Swissport Group S.à r.l. (excluding any EBITDA directly attributable to Swissport Group S.à r.l. or any Subsidiary of Swissport Group S.à r.l. other than the Parent Guarantor and any Subsidiary of the Parent Guarantor) for the period until the Issuer, in its sole discretion, elects to provide and deliver consolidated financial statements of the Parent Guarantor, and for the Parent Guarantor for the period thereafter (taken as one accounting period).

"**Consolidated Net Income**" means, with respect to any specified Person for any period, the aggregate of the net income (loss) of such Person and its Restricted Subsidiaries (including the net income (loss) of non-wholly owned Restricted Subsidiaries) for such period, on a consolidated basis (excluding the net income (loss) of any Unrestricted Subsidiaries), determined in accordance with IFRS and without any reduction in respect of preferred stock dividends; *provided* that:

(1) (i) any extraordinary, exceptional or unusual gain, loss or charge, (ii) any asset impairments charges or write-off or write-down, including in relation to intangible assets, long-lived assets, investments in debt and equity securities (including any mark-to-market adjustments), and the financial impacts of natural disasters (including fire, flood and storm and related events), (iii) any non-cash charges or reserves in respect of any restructuring, redundancy, integration or severance or (iv) any expenses, charges, reserves or other costs related to the Transactions, in each case, will be excluded;

(2) the net income or loss of any Person that is not a Restricted Subsidiary or that is accounted for under the equity method of accounting will be included only to the extent of the amount of dividends or similar distributions paid in cash to the specified Person or a Restricted Subsidiary which is a Subsidiary of the Person;

(3) solely for the purpose of determining the amount available for Restricted Payments under clause (c)(i) of the first paragraph under the caption "—*Certain Covenants—Restricted Payments*," any net income or loss of any Restricted Subsidiary (other than any Guarantor) will be excluded if such Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Parent Guarantor (or any Guarantor that holds the Equity Interests of such Restricted Subsidiary, as applicable), by operation of the terms of such Restricted Subsidiary's charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to the Restricted Subsidiary or its shareholders (other than (a) restrictions that have been waived or otherwise released, (b) restrictions pursuant to the Notes or the Indenture and (c) contractual restrictions in effect on the Issue Date with respect to the Restricted Subsidiary and other restrictions with respect to such Restricted Subsidiary that taken as a whole, are not materially less favorable to the holders of the Notes than such restrictions in effect on the Issue Date, except that the Parent Guarantor's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed or that could have been distributed by such Restricted Subsidiary during such period to the Parent Guarantor or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend to another Restricted Subsidiary (other than any Guarantor), to the limitation contained in this clause);

(4) any net after-tax income or loss from discontinued operations, including any component of an entity that has been disposed or ceased its operational activities or is held for sale, and any net after-tax gains or losses on disposal of discontinued operations, including any component of an entity that has been disposed or ceased its operational activities or is held for sale, shall be excluded;

(5) any net gain (or loss) realized upon the sale or other disposition of any asset or disposed operations of the Parent Guarantor or any Restricted Subsidiaries (including pursuant to any sale leaseback transaction) which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by the Parent Guarantor) will be excluded;

(6) any one-time non-cash charges or any increases in amortization or depreciation resulting from purchase accounting, in each case, in relation to any acquisition of another Person or business or resulting from any reorganization or restructuring involving the Parent Guarantor or its Subsidiaries will be excluded;

(7) the cumulative effect of a change in accounting principles will be excluded;

(8) any unrealized gains or losses in respect of Hedging Obligations or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value or changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Obligations will be excluded;

(9) any non-cash compensation charge or expenses arising from any grant of stock, stock options or other equity based awards will be excluded;

(10) any goodwill or other intangible asset impairment charges will be excluded;

(11) all deferred financing costs written off and premium paid in connection with any early extinguishment of Indebtedness and any net gain or loss from any write-off or forgiveness of Indebtedness will be excluded;

(12) any capitalized interest on any Subordinated Shareholder Debt will be excluded;

(13) (x) currency translation gains and losses related to currency re-measurements of Indebtedness (including the net gain or loss (i) resulting from swap contracts for currency exchange risk and (ii) resulting from intercompany indebtedness) and (y) any exchange, translation, or performance gains or losses relating to any foreign currency fluctuation will be excluded; and

(14) mark-to-market gains and losses on debt or equity securities will be excluded.

For the avoidance of doubt, (i) Consolidated Net Income shall be calculated on a *pro forma* basis and (ii) all proceeds of business interruption insurance shall be included in the calculation of Consolidated Net Income.

"**Consolidated Net Leverage**" means, with respect to any Person as of any date of determination, the sum without duplication of (i) the total amount of Indebtedness of such Person and its Restricted Subsidiaries on a consolidated basis *minus* (ii) the sum of the aggregate amount of cash and Cash Equivalents of such Person and its Restricted Subsidiaries (excluding the proceeds of any Indebtedness incurred in connection with such calculation of Consolidated Net Leverage).

"**Consolidated Net Leverage Ratio**" means, with respect to any specified Person as of any date of determination, the ratio of (a) the Consolidated Net Leverage of such Person on such date to (b) the Consolidated EBITDA of such Person for such Person's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding such date. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems Disqualified Stock or preferred stock subsequent to the commencement of the period for which the Consolidated Net Leverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Consolidated Net Leverage Ratio is made (the "**Calculation Date**"), then the Consolidated Net Leverage Ratio will be calculated giving *pro forma* effect to such incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, or such issuance, repurchase or redemption of Disqualified Stock or preferred stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter reference period (but not giving effect to any additional Indebtedness to be incurred on the date of determination as part of the same transaction or series of transactions pursuant to the second paragraph under the caption "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*").

For purposes of calculating the Consolidated EBITDA for such period:

(1) acquisitions of business entities or property and assets constituting a division or line of business of any Person, acquisitions that have been made by the specified Person or any of its Subsidiaries which are Restricted Subsidiaries, including through mergers or consolidations, or any Person or any of its Subsidiaries which are Restricted Subsidiaries acquired by the specified Person or any of its Subsidiaries which are Restricted Subsidiaries, and including all related financing transactions and including increases in ownership of Subsidiaries which are Restricted Subsidiaries, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date, or that are to be made on the Calculation Date, will be given *pro forma* effect (as determined in good faith by the Parent Guarantor's Chief Financial Officer or a responsible financial or accounting officer of the Parent Guarantor and may include anticipated expense and cost reduction synergies) as if they had occurred on the first day of the four-quarter reference period;

(2) the Consolidated EBITDA attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of on or prior to the Calculation Date (including transactions giving rise to the need to calculate such Consolidated Net Leverage Ratio), will be excluded;

(3) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four-quarter period; and

(4) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such four-quarter period.

For purposes of this definition, whenever *pro forma* effect is to be given to an Asset Sale, Investment or acquisition, the amount of income or earnings relating thereto or the amount of Consolidated EBITDA associated therewith, the *pro forma* calculation shall be determined in good faith by a responsible financial or accounting Officer of the Parent Guarantor. In determining the amount of Indebtedness outstanding on any date of determination, *pro forma* effect will be given to any incurrence, repayment, repurchase, defeasance or other acquisition, retirement or discharge or Indebtedness on such date or, in the case of any Limited Condition Acquisition, the date of execution of the definitive agreement in respect of such Indebtedness (including any commitment letter) and measured on a *pro forma* basis after giving effect to any increase in Indebtedness that would result from such acquisition.

"**Consolidated Senior Secured Indebtedness**" means, as of any date of determination, the sum of the total amount of Senior Secured Indebtedness of the Parent Guarantor and its Restricted Subsidiaries on a consolidated basis.

"**Consolidated Senior Secured Net Leverage Ratio**" means, as of any date of determination, the ratio of (a) the Consolidated Senior Secured Indebtedness of the Parent Guarantor less cash and Cash Equivalents of the Parent Guarantor and its Restricted Subsidiaries on a consolidated basis on such date to (b) the Consolidated EBITDA of the Parent Guarantor for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness, is incurred. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems Disqualified Stock or preferred stock subsequent to the commencement of the period for which the Consolidated Senior Secured Net Leverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Consolidated Senior Secured Net Leverage Ratio is made (the "**Calculation Date**"), then the Consolidated Senior Secured Net Leverage Ratio will be calculated giving *pro forma* effect (as determined in good faith by a responsible accounting or financial officer of the Parent Guarantor) to such incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, or such issuance, repurchase or redemption of Disqualified Stock or preferred stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter reference period (but not giving effect to any additional Indebtedness to be incurred on the date of determination as part of the same transaction or series of transactions pursuant to the second paragraph under the caption "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*").

In addition, for purposes of calculating the Consolidated EBITDA for such period:

(1) acquisitions that have been made by the specified Person or any of its Subsidiaries which are Restricted Subsidiaries, including through mergers or consolidations, or by any Person or any of its Subsidiaries which are Restricted Subsidiaries acquired by the specified Person or any of its Subsidiaries which are Restricted Subsidiaries, and including all related financing transactions and including increases in ownership of Subsidiaries which are Restricted Subsidiaries, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date, or that are to be made on the Calculation Date, will be given *pro forma* effect (as determined in good faith by a responsible accounting or financial officer of the Parent Guarantor and may include anticipated expense and cost reduction synergies) as if they had occurred on the first day of the four-quarter reference period;

(2) the Consolidated EBITDA attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded;

(3) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four-quarter period; and

(4) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such four-quarter period.

"**Contingent Obligations**" means, with respect to any Person, any obligation of such Person guaranteeing in any manner, whether directly or indirectly, any operating lease, dividend or other obligation that, in each case, does not constitute Indebtedness ("**primary obligations**") of any other Person (the "**primary obligor**"), including any obligation of such Person, whether or not contingent:

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(2) to advance or supply funds:

    (a) for the purchase or payment of any such primary obligation; or

    (b) to maintain the working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"**continuing**" means, with respect to any Default or Event of Default, that such Default or Event of Default has not been cured or waived.

"**Credit Facilities**" means, one or more debt facilities, instruments or arrangements incurred by any Restricted Subsidiary or any Finance Subsidiary (including the Senior Facilities or commercial paper facilities and overdraft facilities) or commercial paper facilities or indentures or trust deeds or note purchase agreements, in each case, with banks, other institutions, funds or investors, providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables), letters of credit, bonds, notes debentures or other corporate debt instruments or other Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time (and whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or trustees or other banks or institutions and whether provided under the Senior Facilities or one or more other credit or other agreements, indentures, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any notes and letters of credit issued pursuant thereto and any guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term "Credit Facilities" shall include any agreement or instrument (1) changing the maturity of any Indebtedness incurred thereunder or contemplated thereby, (2) adding Subsidiaries of the Parent Guarantor as additional borrowers, issuers or guarantors thereunder, (3) increasing the amount of Indebtedness incurred thereunder or available to be borrowed thereunder or (4) otherwise altering the terms and conditions thereof.

"**Currency Exchange Protection Agreement**" means, in respect of any Person, any foreign exchange contract, currency swap agreement, currency option, cap, floor, ceiling or collar or agreement or other similar agreement or arrangement designed to protect such Person against fluctuations in currency exchange rates as to which such Person is a party.

"**Default**" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"**Designated Non-Cash Consideration**" means the Fair Market Value of non-cash consideration received by the Parent Guarantor or one of its Restricted Subsidiaries in connection with an Asset Sale that is so designated as "Designated Non-Cash Consideration" pursuant to an Officer's Certificate, setting forth the basis of such valuation, less the amount of cash or Cash Equivalents received in connection with a subsequent sale of such Designated Non-Cash Consideration.

"**Disqualified Stock**" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case, at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, on or prior to the six-month anniversary of the date that the Notes mature. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the issuer thereof to repurchase such Capital Stock upon the occurrence of a Change of Control or an Asset Sale will not constitute Disqualified Stock if the terms of such Capital Stock provide that the issuer thereof may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the covenant described above under the caption "*—Certain Covenants—Restricted Payments*." For purposes hereof, the amount of Disqualified Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to the Indenture, and if such price is based upon, or measured by, the Fair Market Value of such Disqualified Stock, such Fair Market Value to be determined as set forth herein.

"**Equity Interests**" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"**Equity Investors**" means HNA Group and its Affiliates or any trust, fund, company or partnership owned, managed or advised by HNA Group or of which HNA Group is the general partner or any limited partner of any such trust, fund, company or partnership (in each case, solely for the purposes of (x) clause (ii) of the penultimate paragraph of the covenant described under "*Certain Covenants—Restricted Payments*," and (y) the last paragraph of the covenant described under "*Certain Covenants—Transactions with Affiliates*," other than entities controlled by Swissport Global Services Holding S.à r.l.).

"**Equity Offering**" means (x) a sale of Capital Stock (other than to the Issuer or any of its Subsidiaries) that is a sale of Capital Stock of the Parent Guarantor (other than Disqualified Stock) other than offerings registered on Form S-8 (or any successor form) under the U.S. Securities Act or any similar offering in other jurisdictions, or (y) the sale of Capital Stock or other securities by any Person, the proceeds of which are contributed as Subordinated Shareholder Debt or to the equity (other than through the issuance of Disqualified Stock) of the Parent Guarantor or any of its Restricted Subsidiaries.

"**European Government Obligations**" means direct obligations of, or obligations guaranteed by, a member state of the European Union, and the payment for which such member state of the European Union pledges its full faith and credit; *provided* that such member state has a long-term government debt rating of "A1" or higher by Moody's or A+ or higher by S&P or the equivalent rating category of another internationally recognized rating agency.

"**Excluded Contributions**" means the net cash proceeds (other than Excluded Amounts) received by the Parent Guarantor after the Issue Date from:

(1) contributions to its common equity capital; and

(2) the sale (other than to a Subsidiary of the Parent Guarantor) of Capital Stock (other than Disqualified Stock) of the Parent Guarantor,

in each case designated as "Excluded Contributions" pursuant to an Officer's Certificate of the Parent Guarantor (which shall be designated no later than the date on which such Excluded Contribution has been received by the Parent Guarantor), the net cash proceeds of which are excluded from the calculation set forth in the clause (c)(ii) of the covenant described under "*—Certain Covenants—Restricted Payments*" hereof.

"**Fair Market Value**" means the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress of either party, determined in good faith by the Parent Guarantor's Chief Executive Officer, Chief Financial Officer or responsible accounting or financial officer of the Parent Guarantor.

"**Finance Subsidiary**" means a wholly owned subsidiary that is formed for the purpose of borrowing funds or issuing securities and lending the proceeds to the Issuer or a Guarantor and that conducts no business other than as may be reasonably incidental to, or related to, the foregoing.

"**Fixed Charge Coverage Ratio**" means, with respect to any specified Person for any period, the ratio of the Consolidated EBITDA of such Person for such period to the Fixed Charges of such Person for such period. In the event that the specified Person or any of its Subsidiaries which are Restricted Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems preferred stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "**Calculation Date**"), then the Fixed Charge Coverage Ratio will be calculated giving *pro forma* effect (as determined in good faith by the Parent Guarantor's Chief Financial Officer or a responsible financial or accounting officer of the Parent Guarantor) to such incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, or such issuance, repurchase or redemption of preferred stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter reference period (but not giving effect to any additional Indebtedness to be incurred on the Calculation Date as part of the same transaction or series of transactions pursuant to the second paragraph under the caption "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*").

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

(1) acquisitions of business entities or property and assets constituting a division or line of business of any Person, acquisitions that have been made by the specified Person or any of its Subsidiaries which are

Restricted Subsidiaries, including through mergers or consolidations, or any Person or any of its Subsidiaries which are Restricted Subsidiaries acquired by the specified Person or any of its Subsidiaries which are Restricted Subsidiaries, and including all related financing transactions and including increases in ownership of Subsidiaries which are Restricted Subsidiaries, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date, or that are to be made on the Calculation Date, will be given *pro forma* effect (as determined in good faith by the Parent Guarantor's Chief Financial Officer or a responsible financial or accounting officer of the Parent Guarantor and may include anticipated expense and cost reduction synergies) as if they had occurred on the first day of the four-quarter reference period;

(2) the Consolidated EBITDA attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded;

(3) the Fixed Charges attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of the specified Person or any of its Subsidiaries which are Restricted Subsidiaries following the Calculation Date;

(4) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four-quarter period;

(5) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such four-quarter period; and

(6) if any Indebtedness bears a floating rate of interest and such Indebtedness is to be given *pro forma* effect, the interest expense on such Indebtedness will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to such Indebtedness if such Hedging Obligation has a remaining term as at the Calculation Date in excess of 12 months, or, if shorter, at least equal to the remaining term of such Indebtedness).

"**Fixed Charges**" means, with respect to any specified Person for any period, the sum, without duplication, of:

(1) the consolidated interest expense (net of interest income) of such Person and its Subsidiaries which are Restricted Subsidiaries for such period, whether paid or accrued, including, without limitation, amortization of debt discount (but not debt issuance costs, commissions, fees and expenses), non-cash interest payments (but excluding any non-cash interest expense attributable to the movement in the mark to market valuation of Hedging Obligations or other derivative instruments), the interest component of deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings; *plus*

(2) the consolidated interest expense (but excluding such interest on Subordinated Shareholder Debt) of such Person and its Subsidiaries which are Restricted Subsidiaries that was capitalized during such period; *plus*

(3) any interest on Indebtedness of another Person that is guaranteed by such Person or one of its Subsidiaries which are Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Subsidiaries which are Restricted Subsidiaries; *plus*

(4) net payments and receipts (if any) pursuant to interest rate Hedging Obligations (excluding amortization of fees) with respect to Indebtedness; *plus*

(5) the product of (a) all dividends, whether paid or accrued and whether or not in cash, on any series of preferred stock of any Restricted Subsidiary, other than dividends on Equity Interests payable to the Parent Guarantor or a Restricted Subsidiary, *times* (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined national, state and local statutory tax rate of such Person, expressed as a decimal, as estimated in good faith by a responsible accounting or financial officer of the Parent Guarantor.

"**Guarantee**" means the guarantee by each Guarantor of the Issuer's obligations under the Indenture and the Notes, executed pursuant to the provisions of the Indenture.

"**guarantee**" means a guarantee other than by endorsement of negotiable instruments for collection or deposit in the ordinary course of business, of all or any part of any Indebtedness (whether arising by agreements to keep-well, to take or pay or to maintain financial statement conditions, pledges of assets or otherwise).

"**Guarantors**" means, collectively, the Parent Guarantor and the Subsidiary Guarantors.

"**Hedging Obligations**" means, with respect to any specified Person, the obligations of such Person under:

(1) interest rate swap agreements, (whether from fixed to floating or from floating to fixed), interest rate cap agreements and interest rate collar agreements;

(2) other agreements or arrangements designed to manage interest rates or interest rate risk; and

(3) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates, including Currency Exchange Protection Agreements, or commodity prices.

"**HNA Group**" means HNA Group Co. Ltd.

"**HNA Loan**" means the related party loan with an original principal amount of €361.6 million entered into on February 6, 2018 by Swissport Financing S.à r.l. and a subsidiary of the HNA Group.

"**IFRS**" means the International Financial Reporting Standards promulgated by the International Accounting Standards Board or any successor board or agency as endorsed by the European Union and in effect on the date hereof, or, with respect to the covenant described under the caption "*Reports*" as in effect from time to time.

Notwithstanding the foregoing, solely with respect to all ratios, calculations and determinations based upon IFRS to be calculated or made, as the case may be, pursuant to the Indenture, any lease, concession or license of property that would be considered an operating lease under IFRS as applied by Swissport Group S.à r.l. immediately prior to the adoption of IFRS 16 (*Leases*), and any guarantee given by the Parent Guarantor or any Restricted Subsidiary solely in connection with, and in respect of, the obligations of the Parent Guarantor or any Restricted Subsidiary under any such operating lease shall be accounted for, for purposes of all calculations, ratios, defined terms and determinations, in accordance with IFRS as applied by Swissport Group S.à r.l. immediately prior to the adoption of IFRS 16 (*Leases*).

"**Indebtedness**" means, with respect to any specified Person, any indebtedness of such Person (excluding accrued expenses and trade payables):

(1) in respect of borrowed money;

(2) evidenced by bonds, notes, debentures or similar instruments for which such Person is responsible or liable;

(3) representing reimbursement obligations in respect of letters of credit, bankers' acceptances or similar instruments (except to the extent such reimbursement obligations relate to trade payables and such obligations are satisfied within 30 days of incurrence);

(4) representing Capital Lease Obligations;

(5) representing the balance deferred and unpaid of the purchase price of any property or services due more than six months after such property is acquired or such services are completed; and

(6) representing any Hedging Obligations,

if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet (excluding the footnotes thereto) of the specified Person prepared in accordance with IFRS. In addition, the term "**Indebtedness**" includes all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person) and, to the extent not otherwise included, the guarantee by the specified Person of any Indebtedness of any other Person to the extent guaranteed by such Person; *provided*, *however*, that in the case of Indebtedness secured by a Lien, the amount of such Indebtedness will be the lesser of (a) the fair market value of such asset at such date of determination (as determined in good faith) by the Parent Guarantor and (b) the amount of such Indebtedness of such other Person.

The term "**Indebtedness**" shall not include:

(1) Subordinated Shareholder Debt;

(2) any lease of property which would be considered an operating lease under IFRS;

(3) Contingent Obligations in the ordinary course of business;

(4) in connection with the purchase by the Parent Guarantor or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing *provided however*, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 30 days of becoming due and payable;

(5) the avoidance of doubt, any contingent obligations in respect of workers' compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage Taxes;

(6) deferred or prepaid revenues;

(7) any lease, concession or license of property (or Guarantee thereof) which would be considered an operating lease under IFRS as applied by Swissport Group S.à r.l. immediately prior to the adoption of IFRS 16 (*Leases*);

(8) Indebtedness in respect of the incurrence by the Parent Guarantor or any if its Restricted Subsidiaries of Indebtedness in respect of standby letters of credit, performance guarantees or bonds or surety bonds provided by or at the request of the Parent Guarantor or any of its Restricted Subsidiaries in the ordinary course of business (including standby letters of credit, performance guarantees or bonds or surety bonds in respect of such standby letters of credit, performance guarantees or bonds or surety bonds) to the extent such letters of credit, guarantees or bonds are not drawn upon or, if and to the extent drawn upon are honored in accordance with their terms and if, to be reimbursed, are reimbursed no later than the fifth Business Day following receipt by such Person of a demand for reimbursement following payment on the letter of credit, guarantee or bond;

(9) Indebtedness incurred by the Parent Guarantor or one of its Restricted Subsidiaries in connection with a transaction where (x) such Indebtedness is borrowed from a bank or trust company, having a combined capital and surplus and undivided profits of not less than €250 million, whose debt has a rating immediately prior to the time such transaction is entered into, of at least A or the equivalent thereof by S&P and A2 or the equivalent thereof by Moody's and (y) a substantially concurrent Investment is made by the Parent Guarantor or a Restricted Subsidiary of the Parent Guarantor in the form of cash deposited with the lender of such Indebtedness, or a Subsidiary or Affiliate thereof, in amount equal to such Indebtedness, and

(10) Qualified Securitization Financings.

"**Initial Public Offering**" means the first Public Equity Offering of common stock or common equity interests of the Parent Guarantor or any Parent Entity (the "**IPO Entity**") following which there is a Public Market.

"**Intercreditor Agreement**" means the intercreditor agreement to be dated on or about the Issue Date made between, among others, the Parent Guarantor, the Issuer, the Trustee and the security agent and the facility agent under the Senior Facilities, as amended, restated or otherwise modified or varied from time to time.

"**Investment Grade Status**" shall occur when the Notes are rated Baa3 or better by Moody's and BBB- or better by S&P (or, if either such entity ceases to rate the Notes, the equivalent investment grade credit rating from any other Rating Agency).

"**Investments**" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including guarantees or other obligations, but excluding advances or extensions of credit to customers or suppliers made in the ordinary course of business), advances or capital contributions (excluding commission, travel and similar advances to officers and employees made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as Investments on a balance sheet (excluding the footnotes) prepared in accordance with IFRS. If the Parent Guarantor or any Restricted Subsidiary sells or otherwise disposes of any Equity Interests of any direct or indirect Restricted Subsidiary such that, after giving effect to any such sale or disposition, such Person is no longer a Restricted Subsidiary, the Issuer will be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Issuer's Investments in such Restricted Subsidiary that were not sold or disposed of in an amount determined as provided in the final paragraph of the covenant described above under the caption "*—Certain Covenants—Restricted Payments*." The acquisition by the Parent Guarantor or any Restricted Subsidiary of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Issuer or such Restricted Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investments held by the acquired Person in such third Person in an amount determined as provided in the final paragraph of the covenant described above under the caption "*—Certain Covenants—Restricted Payments*." Except as otherwise provided in the Indenture, the amount of an Investment will be determined at the time the Investment is made and without giving effect to subsequent changes in value and, to the extent applicable, shall be determined based on the equity value of such Investment.

"**Issue Date**" means on or about August 14, 2019.

"**Lien**" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement or any lease in the nature thereof.

''**Limited Condition Acquisition**'' means any acquisition, including by way of merger, amalgamation or consolidation, by the Parent Guarantor or one or more of its Restricted Subsidiaries whose consummation is not conditioned upon the availability of, or on obtaining, third party financing; *provided* that Consolidated Net Income (and any other financial term derived therefrom), other than for purposes of calculating any ratios in connection with the Limited Condition Acquisition, shall not include any Consolidated Net Income of or attributable to the target company or assets associated with any such Limited Condition Acquisition unless and until the closing of such Limited Condition Acquisition shall have actually occurred.

"**Management Advances**" means loans or advances made to, or guarantees with respect to loans or advances made to, directors, officers, employees or consultants of the Parent Guarantor or any Restricted Subsidiary:

(1) in respect of travel, entertainment or moving related expenses incurred in the ordinary course of business;

(2) in respect of moving related expenses incurred in connection with any closing or consolidation of any facility or office; or

(3) (in the case of this clause (3)) not exceeding € 7.5 million in the aggregate outstanding at any time.

"**Management Fees**" means:

(a) customary annual fees for the performance of monitoring services by HNA Group or any of its Affiliates for the Parent Guarantor or any Restricted Subsidiary; *provided* that such fees will not, in the aggregate, exceed € 1.0 million per annum (exclusive of out-of-pocket expenses); and

(b) customary fees and related expenses for the performance of transaction, management, consulting, financial or other advisory services or underwriting, placement or other investment banking activities, including in connection with mergers, acquisitions, dispositions or joint ventures, by HNA Group or any of its Affiliates for the Parent Guarantor or any of its Restricted Subsidiaries, which payments in respect of this clause (b) have been approved by a majority of the disinterested members of the Board of Directors of the Parent Guarantor.

"**Market Capitalization**" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity on the date of the declaration of the relevant dividend *multiplied by* (ii) the arithmetic mean of the closing prices per share of such common stock or common equity interests for the 30 consecutive trading days immediately preceding the date of declaration of such dividend.

"**Mezzanine Notes**" means the New Note Purchase Agreement described in this Offering Memorandum under the caption "Description of Certain Financing Transactions—Swissport Global Services Holding S.à r.l. Note Purchase Agreement" as in effect on the Issue Date (including any corresponding provisions under any amendment thereto or refinancing thereof; *provided* that such provisions do not result in any material increase in the payment obligations under such agreement).

"**Moody's**" means Moody's Investors Service, Inc.

"**Net Proceeds**" means the aggregate cash proceeds received by the Parent Guarantor or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any Designated Non-Cash Consideration or other consideration received in non-cash form or Cash Equivalents substantially concurrently received in any Asset Sale), net of the direct costs relating to such Asset Sale and the sale of such Designated Non-Cash Consideration or other consideration received in non-cash form, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of the Asset Sale, taxes paid or payable as a result of the Asset Sale, and all distributions and other payments required to be made to minority interest holders (other than the Parent Guarantor or any Subsidiary) in Subsidiaries or joint ventures as a result of such Asset Sale, and any reserve for adjustment or indemnification obligations in respect of the sale price of such asset or assets established in accordance with IFRS.

"**Obligations**" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"**Offering Memorandum**" means this offering memorandum in relation to the offering of the Notes.

"**Officer**" means, with respect to any Person, the Chief Executive Officer, Chief Financial Officer, President, any Executive Vice President, Senior Vice President, Vice President, the Treasurer, the Secretary, Director or member of the Board of Directors of such Person or any other person that the Board of Directors of such Person shall designate for such purpose.

"**Officer's Certificate**" means a certificate signed by an Officer and delivered to the Trustee.

"**Parent Entity**" means any direct or indirect parent company or entity of the Parent Guarantor.

"**Parent Guarantor**" means Swissport Holding International S.à r.l.

"**Pension Trustees Limited**" means Swissport Pension Trustees Limited (reg 11982644 and incorporated on the 9th May 2019), a limited liability company organized under the laws of England and Wales to act as the corporate trustee for the UK Pension Programs.

"**Permitted Business**" means (i) any business, services or activities engaged in by the Parent Guarantor or any of its Restricted Subsidiaries on the Issue Date, and (ii) any businesses, services and activities that are related, complementary, incidental, ancillary or similar to any of the foregoing, or are extensions or developments of any thereof.

"**Permitted Collateral Liens**" means:

(1) Liens securing the Notes (including any Additional Notes) and any Permitted Refinancing Indebtedness (and Permitted Refinancing Indebtedness in respect of such Permitted Refinancing Indebtedness) incurred to refinance such Notes incurred in compliance with clause (5) of the definition of Permitted Debt, and the related Guarantees or guarantees of such Permitted Refinancing Indebtedness;

(2) Liens on the Collateral to secure Senior Secured Indebtedness of the Issuer and the Guarantors permitted by the first paragraph of the covenant entitled "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock" and Permitted Refinancing Indebtedness in respect thereof (and Permitted Refinancing Indebtedness in respect of such Permitted Refinancing Indebtedness);

(3) Liens on the Collateral to secure Indebtedness permitted under clauses (1), (2), (4) (other than with respect to Capital Lease Obligations), (8), (9) (to the extent such guarantee is in respect of Indebtedness otherwise permitted to be secured and is specified in this definition of "Permitted Collateral Liens"), (16), (17) (*provided* that, at the time of such acquisition or other transaction and after giving *pro forma* effect to such acquisition or other transaction and to the related incurrence of Indebtedness, the Consolidated Senior Secured Net Leverage Ratio would either (x) have been less than 4.0 to 1.0 or (y) not be greater than it was immediately prior to giving effect to the relevant transactions) and (19) of the definition of Permitted Debt and any Permitted Refinancing Indebtedness in respect of any of the Indebtedness referred to in this clause (3) (and Permitted Refinancing Indebtedness in respect of such Permitted Refinancing Indebtedness); and

(4) Liens described in clauses (3), (6), (7), (8), (12), (13), (14), (16), (17), (18), (19), (20), (21), (28) and (32) of the definition of "Permitted Liens" and that, in each case, would not materially interfere with the ability of the Security Agent to enforce any Lien over the Collateral,

provided, that, in the case of clauses (1), (2), (3) and (4) of this definition, such Lien ranks equal or junior to the Liens on such Collateral securing the Notes.

"**Permitted Holders**" means the Equity Investors and Related Parties. Any person or group whose acquisition of beneficial ownership constitutes (i) a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of this Indenture or (ii) a Specified Change of Control Event, in either case, will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

"**Permitted Investments**" means:

(1) any Investment in the Parent Guarantor or in a Restricted Subsidiary;

(2) any Investment in cash and Cash Equivalents;

(3) any Investment by the Parent Guarantor or any Restricted Subsidiary in a Person, if as a result of such Investment:

(a) such Person becomes a Restricted Subsidiary; or

(b) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Parent Guarantor or a Restricted Subsidiary;

(4) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with the covenant described above under the caption "*—Repurchase at the Option of Holders—Asset Sales*";

(5) any Investment received in compromise or resolution of (a) obligations of trade creditors or customers that were incurred in the ordinary course of business of the Issuer or any of its Restricted Subsidiaries, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer; or (b) litigation, arbitration or other disputes;

(6) any Investment in receivables owing to the Parent Guarantor or any Restricted Subsidiary created or acquired in the ordinary course of business;

(7) any Investment represented by Hedging Obligations, which obligations are permitted by clause (8) of the second paragraph of the covenant entitled "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*";

(8) any Investment in the Notes (including any Additional Notes) and any other Indebtedness of the Parent Guarantor or any Restricted Subsidiary;

(9) (a) any guarantee of Indebtedness of the Issuer or its Restricted Subsidiaries permitted to be incurred by the covenant described above under the caption "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*"; and (b) guarantees, keepwells and similar arrangements, other than with respect to Indebtedness, in the ordinary course of business not prohibited by the covenant described above under the caption "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*";

(10) any Investment existing on, or made pursuant to binding commitments existing on, the Issue Date and any Investment consisting of an extension, modification or renewal of any Investment existing on, or made pursuant to a binding commitment existing on, the Issue Date; *provided* that the amount of any such Investment may be increased (a) as required by the terms of such Investment as in existence on the Issue Date or (b) as otherwise permitted under the Indenture;

(11) any Investment acquired after the Issue Date as a result of the acquisition by the Parent Guarantor or any Restricted Subsidiary of another Person, including by way of a merger, amalgamation or consolidation with or into the Parent Guarantor or any of its Restricted Subsidiaries in a transaction that is not prohibited by the covenant described above under the caption "*—Certain Covenants—Merger, Consolidation or Sale of Assets*" after the Issue Date to the extent that such Investments were not made in contemplation of such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation;

(12) pledges or deposits (x) with respect to leases or utilities provided to third parties in the ordinary course of business or (y) otherwise described in the definition of "Permitted Liens" or made in connection with Liens permitted under the covenant described under "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*";

(13) any Investment to the extent made using as consideration Capital Stock of the Parent Guarantor (other than Disqualified Stock), Subordinated Shareholder Debt or Capital Stock of any Parent Entity;

(14) Management Advances;

(15) any Investment made in connection with a Qualified Securitization Financing, including Investments of funds held in accounts permitted or required by the arrangements governing such Qualified Securitization Financing or any related Indebtedness;

(16) Investments in any Person having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (16) that are at the time outstanding, not to exceed the greater of €75 million and 4.2% of Total Assets; *provided* that if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary at the date of the making of such Investment and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the covenant described above under the caption "*—Certain Covenants—Restricted Payments*," such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (3) of the definition of "Permitted Investments" and not this clause (16);

(17) (a) Investments by the Parent Guarantor or any of its Restricted Subsidiaries in Unrestricted Subsidiaries having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (17)(a) that are at the time outstanding, not to exceed the greater of €175 million and 9.7% of Total Assets and (b) guarantees of performance (or other non-financial) letter of credits or similar obligations of Unrestricted Subsidiaries having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (17)(b) that are at the time outstanding not to exceed the greater of €38 million and 2.1% of Total Assets; *provided*, *however*, that, in each case, if any Investment pursuant to this clause is made in a Person that is not a Restricted Subsidiary at the date of the making of such Investment and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the covenant described above under the caption "*—Certain Covenants—Restricted Payments*," such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (3) of the definition of "Permitted Investments" and not this clause (17); and

(18) contributions to, guarantees of and investments in Pension Trustees Limited or any Restricted Subsidiary, in each case, made in respect of the UK Pension Programs: for the purposes of funding or guaranteeing the UK Pension Programs in an aggregate amount not to exceed €50 million.

"**Permitted Liens**" means:

(1) Liens in favor of the Parent Guarantor or any of the Restricted Subsidiaries;

(2) Liens on property (including Capital Stock) of a Person existing at the time such Person becomes a Restricted Subsidiary or at the time the Parent Guarantor or any Restricted Subsidiary acquired such property, including any acquisition by means of a merger, amalgamation or consolidation with or into the Parent Guarantor or any Restricted Subsidiary; *provided* that such Liens were not incurred in contemplation of such Person becoming a Restricted Subsidiary or such acquisition and do not extend to any assets other than those of the Person that becomes a Restricted Subsidiary or is merged with or into or consolidated with the Parent Guarantor or any Restricted Subsidiary;

(3) Liens to secure the performance of statutory obligations, trade contracts, insurance, surety or appeal bonds, workers' compensation obligations, leases, performance bonds, guarantees or other obligations of a like nature incurred in the ordinary course of business (including Liens to secure letters of credit issued to assure payment of such obligations);

(4) Liens to secure Indebtedness permitted by (x) clause (4)(a) of the second paragraph of the covenant entitled "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*" covering only the assets acquired with or financed by such Indebtedness and (y) clause (4)(b) of the second

paragraph of the covenant entitled "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*";

(5) Liens existing on the Issue Date after giving effect to the use of proceeds of the Notes;

(6) Liens for taxes, assessments or governmental charges or claims that (x) are not yet overdue for more than 60 days or (y) are being contested in good faith by appropriate proceedings and for which a reserve or other appropriate provision, if any, as will be required in conformity with IFRS will have been made;

(7) Liens imposed by law, such as carriers', warehousemen's, landlord's and mechanics' Liens, in each case, incurred in the ordinary course of business;

(8) survey exceptions, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property that were not incurred in connection with Indebtedness and that do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(9) Liens created for the benefit of (or to secure) the Notes (or any Guarantee);

(10) Liens securing Indebtedness under Hedging Obligations, which obligations are permitted by clause (8) of the second paragraph of the covenant described above under the caption "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*";

(11) Liens to secure any Permitted Refinancing Indebtedness permitted to be incurred under the Indenture;

provided, *however*, that:

(a) the new Lien is limited to all or part of the same property and assets that secured or, under the written agreements pursuant to which the original Lien arose, could secure the original Lien (plus improvements and accessions to, such property or proceeds or distributions thereof); and

(b) the Indebtedness secured by the new Lien is not increased to any amount greater than the sum of (x) the outstanding principal amount, or, if greater, committed amount, of the Indebtedness renewed, refunded, refinanced, replaced, defeased or discharged with such Permitted Refinancing Indebtedness and (y) an amount necessary to pay any fees and expenses, including premiums, related to such renewal, refunding, refinancing, replacement, defeasance or discharge;

(12) Liens on insurance policies and proceeds thereof, or other deposits, to secure insurance premium financings;

(13) filing of Uniform Commercial Code financing statements under U.S. state law (or similar filings under other applicable jurisdictions) in connection with operating leases in the ordinary course of business;

(14) bankers' Liens, rights of setoff or similar rights and remedies as to deposit accounts, Liens arising out of judgments or awards not constituting an Event of Default and notices of *lis pendens* and associated rights related to litigation being contested in good faith by appropriate proceedings and for which adequate reserves have been made;

(15) Liens on cash, Cash Equivalents or other property arising in connection with the defeasance, discharge or redemption of Indebtedness;

(16) Liens on specific items of inventory or other goods (and the proceeds thereof) of any Person securing such Person's obligations in respect of bankers' acceptances issued or created in the ordinary course of business for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(17) leases, licenses, subleases and sublicenses of assets in the ordinary course of business;

(18) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of assets entered into in the ordinary course of business;

(19) (a) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any developer, landlord or other third party on property over which the Parent Guarantor or any Restricted Subsidiary has easement rights or on any real property leased by the Parent Guarantor or any Restricted Subsidiary and subordination or similar agreements relating thereto and (b) any condemnation or eminent domain proceedings or compulsory purchase order affecting real property;

(20) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;

(21) Liens securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities;

(22) Liens (including put and call arrangements) on Capital Stock or other securities of any Unrestricted Subsidiary that secure Indebtedness of such Unrestricted Subsidiary;

(23) limited recourse Liens in respect of the ownership interests in, or assets owned by, any joint ventures which are not Restricted Subsidiaries securing obligations of such joint ventures;

(24) Liens on any proceeds loan made by the Parent Guarantor or any Restricted Subsidiary in connection with any future incurrence of Indebtedness permitted under the Indenture and securing that Indebtedness;

(25) Liens on property at the time the Parent Guarantor or a Restricted Subsidiary acquired the property, including any acquisition by means of a merger or consolidation with or into the Parent Guarantor or any Restricted Subsidiary; *provided* that such Liens are not created, incurred or assumed in connection with, or in contemplation of, such acquisition and do not extend to any other property owned by the Parent Guarantor or any Restricted Subsidiary;

(26) Liens incurred to secure Indebtedness incurred under clause (20) of the second paragraph of the covenant described above under the caption "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*";

(27) Permitted Collateral Liens;

(28) any interest or title of a lessor under any operating lease;

(29) Liens on Securitization Assets and related assets incurred in connection with any Qualified Securitization Financing;

(30) Liens on cash set aside at the time of the incurrence of any Indebtedness or government securities purchased with such cash, in either case to the extent such cash or government securities prefund the payment of interest on such Indebtedness and are held in an escrow account or similar arrangement to be applied for such purpose;

(31) Liens on property or assets of a Restricted Subsidiary of the Parent Guarantor that is not a Guarantor securing Indebtedness of any Restricted Subsidiary of the Parent Guarantor that is not a Guarantor;

(32) Liens incurred in the ordinary course of business with respect to obligations that do not exceed the greater of €50 million and 2.8% of Total Assets;

(33) Liens incurred in connection with a cash management program established in the ordinary course of business; and

(34) (a) Liens created or provided in the ordinary course of business on normal commercial terms by: (i) a transfer of an account receivable or chattel paper; (ii) a lease for a term of more than one (1) year or (iii) a commercial consignment, in respect of property in New Zealand and that do not secure payment or performance of an Obligation; provided that in this clause (a), the terms "account receivable", "chattel paper" and "lease for a term more than 1 year" shall have the meanings given to them in the Personal Property Securities Act 1999 (New Zealand) and/or the Personal Property Securities Regulations 2001 (New Zealand) (as applicable) or (b) Liens that are deemed security interests by virtue only of section 12(3) of the Personal Property Securities Act 2009 (Cth) (Australia) to the extent that they do not secure payment or performance of any obligations.

"**Permitted Parent Payments**" means the declaration and payment of dividends or other distributions, or the making of loans, by the Parent Guarantor or any of its Restricted Subsidiaries to any Parent Entity in amounts and at times required to pay:

(1) franchise fees and other fees, taxes and expenses required to maintain the corporate existence of any Parent Entity of the Parent Guarantor;

(2) general corporate overhead expenses of any Parent Entity to the extent such expenses are attributable to the ownership or operation of the Parent Guarantor and its Restricted Subsidiaries or related to the proper administration of such Parent Entity (including fees and expenses properly incurred in the ordinary course of business to auditors and legal advisors and payments in respect of services provided by directors, officers, consultants or employees of any such Parent Entity) not to exceed € 5.0 million in any 12 month period;

(3) any income taxes, to the extent such income taxes are attributable to the income of the Parent Guarantor and any of its Restricted Subsidiaries, taking into account any net operating loss carryovers and other tax attributes, and, to the extent of the amount actually received in cash from its Unrestricted Subsidiaries, in amounts required to pay such taxes to the extent attributable to the income of such Unrestricted Subsidiaries; *provided* that such Parent Entity shall promptly pay such taxes or refund such amount to the Parent Guarantor;

(4) costs (including all professional fees and expenses) incurred by any Parent Entity in connection with reporting obligations under or otherwise incurred in connection with compliance with applicable laws, rules or regulations of any governmental, regulatory or self-regulatory body or stock exchange, the Indenture or any other agreement or instrument relating to Indebtedness of the Parent Guarantor or any of its Restricted Subsidiaries, including in respect of any reports filed with respect to the U.S. Securities Act, U.S. Exchange Act or the respective rules and regulations promulgated thereunder; and

(5) (x) fees and expenses of any Parent Entity incurred in relation to any public offering or other sale of Capital Stock or Indebtedness (whether or not completed) (a) where the net proceeds of such offering or sale are intended to be received by or contributed to the Parent Guarantor or any of its Restricted Subsidiaries (including any refinancing of Indebtedness originally incurred for such purpose); (b) in a prorated amount of such expenses in proportion to the amount of such net proceeds intended to be so received or contributed; or (c) otherwise on an interim basis prior to completion of such offering so long as any Parent Entity will cause the amount of such expenses to be repaid to the Parent Guarantor or the relevant Restricted Subsidiary out of the proceeds of such offering promptly if completed and (y) obligations of Swissport Global Services Holding S.à r.l. to pay costs and expenses or to satisfy indemnity obligations under the Mezzanine Notes; and

(6) for so long as Swissport Global Services Holding S.à r.l. or any parent entity organized under the laws of Luxembourg holds the HNA Loan, Luxembourg net worth and corporation taxes due in respect of the HNA Loan in an amount not to exceed €5 million per fiscal year.

"**Permitted Refinancing Indebtedness**" means any Indebtedness of the Parent Guarantor or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, exchange, defease or discharge other Indebtedness of the Parent Guarantor or any of its Restricted Subsidiaries (other than intercompany Indebtedness (other than any proceeds loan)); *provided* that:

(1) the aggregate principal amount (or accreted value, if applicable), or if issued with original issue discount, aggregate issue price) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable, or if issued with original issue discount, aggregate issue price) of the Indebtedness renewed, refunded, refinanced, replaced, exchanged, defeased or discharged (plus all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith);

(2) such Permitted Refinancing Indebtedness has (a) a final maturity date that is either (i) no earlier than the final maturity date of the Indebtedness being renewed, refunded, refinanced, replaced, exchanged, defeased or discharged or (ii) after the final maturity date of the Notes and (b) has a Weighted Average Life to Maturity that is equal to or greater than the Weighted Average Life to Maturity of the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged;

(3) if the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged is expressly, contractually, subordinated in right of payment to the Notes or any Guarantee, as the case may be, such Permitted Refinancing Indebtedness is subordinated in right of payment to the Notes or such Guarantee, as the case may be, on terms at least as favorable to the holders of Notes or the Guarantee, as the case may be, as those contained in the documentation governing the Indebtedness being renewed, refunded, refinanced, replaced, exchanged, defeased or discharged; and

(4) if the Parent Guarantor or any Guarantor was the obligor on the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged, such Indebtedness is incurred either by the Parent Guarantor, a Finance Subsidiary or by a Guarantor.

"**Person**" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

"**Pre-Expansion European Union**" means the European Union as of January 1, 2004, including the countries of Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, The Netherlands, Portugal, Spain, Sweden and the United Kingdom, but not including any country which became or becomes a member of the European Union after January 1, 2004.

"**Public Equity Offering**" means, with respect to any Person, a *bona fide* underwritten primary public offering of the shares of common stock or common equity interests of such Person, either:

(1) pursuant to a flotation on the main market of the London Stock Exchange or any other nationally recognized regulated stock exchange or listing authority in a member state of the Pre-Expansion European Union; or

(2) pursuant to an effective registration statement under the U.S. Securities Act (other than a registration statement on Form S-8 or otherwise relating to Equity Interests issued or issuable under any employee benefit plan).

"**Public Market**" means any time after:

(1) a Public Equity Offering of the IPO Entity has been consummated; and

(2) at least 20% of the total issued and shares of common stock or common equity interests of the IPO Entity has been distributed to investors other than the Permitted Holders or their Related Parties or any other direct or indirect shareholders of the Parent Guarantor as of the Issue Date.

"**Qualified Securitization Financing**" means any financing pursuant to which the Parent Guarantor or any of its Restricted Subsidiaries may sell, convey or otherwise transfer to any other Person or grant a security interest in, any Securitization Assets (and related assets) in any aggregate principal amount equivalent to the Fair Market Value of such Securitization Assets (and related assets) of the Parent Guarantor or any of its Restricted Subsidiaries; *provided* that (a) the covenants, events of default and other provisions applicable to such financing shall be on market terms (as determined in good faith by the Parent Guarantor's Board of Directors or senior management) at the time such financing is entered into, (b) the interest rate applicable to such financing shall be a market interest rate (as determined in good faith by the Parent Guarantor's Board of Directors or senior management) at the time such financing is entered into and (c) such financing shall be non-recourse to the Parent Guarantor or any of its Restricted Subsidiaries except to a limited extent customary for such transactions.

"**Rating Agencies**" means Moody's and S&P or, in the event Moody's or S&P no longer assigns a rating to the Notes, any other "nationally recognized statistical rating organization" within the meaning of Section 3(a)(62) under the U.S. Exchange Act selected by the Parent Guarantor as a replacement agency.

"**Related Party**" means:

(1) any controlling stockholder, partner or member, or any 50% (or more) owned Subsidiary, or immediate family member (in the case of an individual), of any Equity Investor; or

(2) any trust, corporation, partnership or other entity, the beneficiaries, stockholders, partners, owners or Persons beneficially holding a 50% or more controlling interest of which consist of any one or more Equity Investors and/or such other Persons referred to in the immediately preceding clause (in each case, solely for the purposes of (x) clause (ii) of the penultimate paragraph of the covenant described under "*Certain Covenants—Restricted Payments*," and (y) the last paragraph of the covenant described under "*Certain Covenants—Transactions with Affiliates*," other than entities controlled by Swissport Global Services Holding S.à r.l.).

"**Restricted Investment**" means an Investment other than a Permitted Investment.

"**Restricted Subsidiary**" means any Subsidiary of the Parent Guarantor that is not an Unrestricted Subsidiary.

"**S&P**" means Standard & Poor's Ratings Group.

"**Securitization Assets**" means any accounts receivable, inventory, royalty or revenue streams from sales of inventory subject to a Qualified Securitization Financing.

"**Securitization Fees**" means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not the Issuer or any of its Restricted Subsidiaries in connection with any Qualified Securitization Financing.

"**Securitization Repurchase Obligation**" means any obligation of a seller of Securitization Assets in a Qualified Securitization Financing to repurchase Securitization Assets arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, off-set or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

"**Security Agent**" means Barclays Bank PLC, until a successor replaces it in accordance with the applicable provisions of the Indenture or the Intercreditor Agreement and thereafter means the successor thereof.

"**Security Documents**" means the share pledges and any other instrument and document executed and delivered pursuant to the Indenture or otherwise or any of the foregoing, as the same may be amended, supplemented or otherwise modified from time to time and pursuant to which the Collateral is pledged, assigned or granted to or on behalf of the Security Agent for the benefit of the holders of the Notes and the Trustee or notice of such pledge, assignment or grant is given.

"**Senior Facilities**" means the senior facilities agreement comprising a revolving credit facility, delayed draw facility and term loan B to be dated on or about the Issue Date, between, among others, the Parent Guarantor and Barclays Bank PLC as agent and the security agent, as amended, restated or otherwise modified or varied from time to time.

"**Senior Secured Indebtedness**" means, with respect to any Person, the sum of the aggregate outstanding Indebtedness (other than (i) Capital Lease Obligations, mortgage financings or purchase money obligations incurred pursuant to clause (4) of the definition of Permitted Debt and (ii) Indebtedness of the type specified in clauses (6), (8), (10), (11), (12), (13) and (15) of the definition of Permitted Debt) of that Person and its Restricted Subsidiaries that is secured by Lien and Indebtedness of a Restricted Subsidiary of the Parent Guarantor that is not a Guarantor.

"**Specified Change of Control Event**" means the occurrence of any event that would constitute a Change of Control; provided that immediately prior to the occurrence of such event and immediately thereafter and giving pro forma effect thereto, the Consolidated Net Leverage Ratio of the Parent Guarantor and its Restricted Subsidiaries would have been no higher than 4.75 to 1.0. Notwithstanding the foregoing, only one Specified Change of Control Event shall be permitted under the Indenture after the Issue Date.

"**Significant Subsidiary**" means, at the date of determination, any Restricted Subsidiary that together with its Subsidiaries which are Restricted Subsidiaries (i) for the most recent fiscal year, accounted for more than 10% of the consolidated revenues of the Parent Guarantor or (ii) as of the end of the most recent fiscal year, was the owner of more than 10% of the consolidated assets of the Issuer.

"**Stated Maturity**" means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the documentation governing such Indebtedness as of the Issue Date, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"**Subordinated Shareholder Debt**" means, collectively, any debt provided to the Parent Guarantor by any Parent Entity or any Permitted Holder or Related Party, in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Subordinated Shareholder Debt; *provided* that such Subordinated Shareholder Debt:

(1) does not (including upon the happening of any event) mature or require any amortization or other payment of principal prior to the first anniversary of the Stated Maturity of the Notes (other than through conversion or exchange of any such security or instrument for Equity Interests of the Parent Guarantor (other than Disqualified Stock) or for any other security or instrument meeting the requirements of the definition);

(2) does not (including upon the happening of any event) require the payment of cash interest prior to the first anniversary of the Stated Maturity of the Notes;

(3) does not (including upon the happening of any event) provide for the acceleration of its maturity nor confers on its shareholders any right (including upon the happening of any event) to declare a default or event of default or take any enforcement action, in each case, prior to the first anniversary of the Stated Maturity of the Notes;

(4) is not secured by a lien on any assets of the Parent Guarantor or a Restricted Subsidiary and is not guaranteed by any Subsidiary of the Parent Guarantor;

(5) pursuant to its terms is fully subordinated and junior in right of payment to the Notes pursuant to subordination, payment blockage and enforcement limitation terms that are customary in all material respects for similar funding;

(6) does not (including upon the happening of any event) restrict the payment of amounts due in respect of the Notes or compliance by the Parent Guarantor with its obligations under the Notes and the Indenture;

(7) does not (including upon the happening of an event) constitute Voting Stock; and

(8) is not (including upon the happening of any event) mandatorily convertible or exchangeable, or convertible or exchangeable at the option of the holder, in whole or in part, prior to the date on which the Notes mature other than into or for Capital Stock (other than Disqualified Stock) of the Parent Guarantor,

provided, *however*, that any event or circumstance that results in such Indebtedness ceasing to qualify as Subordinated Shareholder Debt, such Indebtedness shall constitute an incurrence of such Indebtedness by the Parent Guarantor, and any and all Restricted Payments made through the use of the net proceeds from the incurrence of such Indebtedness since the date of the original issuance of such Subordinated Shareholder Debt shall constitute new Restricted Payments that are deemed to have been made after the date of the original issuance of such Subordinated Shareholder Debt.

"**Subsidiary**" means, with respect to any specified Person:

(1) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders' agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(2) any partnership or limited liability company of which (a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise, and (b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"**Subsidiary Guarantors**" means Swissport Cargo Services Belgium N.V.; Swissport Canada Inc.; Swissport Canada Handling Inc.; Swissport Canada Holding Inc.; Aguila Bid AG; Swissport Group Services GmbH; Swissport International Ltd.; Swissport Cargo Services Deutschland GmbH; Swissport Germany Holding GmbH; Swissport Ireland Limited; Cargo Service Center de Mexico S.A. de C.V.; Cargo Service Center East Africa B.V.; Swissport Mexico Holding S. De R.L. De C.V.; Swissport Amsterdam B.V.; Swissport Cargo Services The Netherlands B.V.; Swissport Holding B.V.; Swissport Nederland B.V.; Flightcare Multiservices UK Limited; Swissport Group UK Limited; Swissport GB Limited; Swissport Cargo Services UK Ltd.; Swissport Fuelling Ltd.; Swissport Ltd.; Swissport UK Holding Ltd.; Servisair Fuel Leasing Corporation; Swissport Cargo Services, Inc.; Swissport Fueling, Inc.; Swissport North America Holdings, Inc.; Swissport Holdings, Inc.; Swissport North America, Inc.; Swissport SA Fuel Services, LLC; Swissport SA, LLC; Swissport SA USA, LLC; Swissport DACH Holding AG; Swissport Europe Holding AG; Swissport LATAM Holding AG; Swissport MEA Holding AG; Swissport New Zealand Ltd; Swissport USA, Inc.; Swissport Pty Ltd; Swissport ANZ Pty Ltd; Swissport ANZ Acquisition Pty Ltd; Swissport ANZ Finance Pty Ltd; Swissport Services Pty Ltd; 3GSL Pty Ltd; Swissport Holding Spain, S.L.; Swissport Handling, S.A.U.; Heathrow Cargo Handling Ltd.; Swissport Deutschland GmbH and any other Subsidiary of the Issuer that executes a Guarantee in accordance with the provisions of the Indenture, and their respective successors and assigns, in each case, until the Guarantee of such Person has been released in accordance with the provisions of the Indenture.

"**Swissport International Notes**" means, together, the €400 million 6.75% senior secured notes due 2021 issued by Swissport Investments S.A.and the €290 million 9.75% senior unsecured notes due 2022 issued by Swissport Investments S.A.

"**Tax**" means any tax, duty, levy, impost, assessment or other governmental charge (including penalties, interest and any other additions thereto, and, for the avoidance of doubt, including any withholding or deduction for or on account of Tax). "**Taxes**" and "**Taxation**" shall be construed to have corresponding meanings.

"**Total Assets**" means the consolidated total assets less, without duplication, goodwill of the Parent Guarantor and its Restricted Subsidiaries, as shown on the most recent balance sheet of Swissport Group S.à r.l. (excluding any assets or liabilities of Swissport Group S.à r.l., Swissport Investments S.à r.l and Aguila 2 S.à r.l) after giving effect to the Transactions.

"**Transactions**" means the refinancing, including the offering of the Notes and the Senior Notes, the entry into the Credit Agreement and the Intercreditor Agreement, the related corporate reorganization and the related transactions.

"**UK Pension Programs**" means collectively each of the programs to satisfy the pension obligations of Servisair UK Limited, Cargo Service Centre (UK) Ltd. and the Swissport (Legacy) Pension Scheme, through, among other actions, the series of Investments set forth in clause (18) of the definition of Permitted Investments, which such schemes and programs may be merged into one pension scheme.

"**Unrestricted Subsidiary**" of the Parent Guarantor means:

(1) Cargo Service Center Brazil S.A.T.A. Ltda., Swissport Brazil Ltda, Swissport Israel Cargo Services Ltd, Swissport Belgium NV, Swissport Belgium Cleaning NV and Swissport Saudi Arabia Ltd. and any Subsidiary of the Parent Guarantor that at the time of determination is an Unrestricted Subsidiary (as designated by the Board of Directors of the Parent Guarantor in the manner provided below); and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of Swissport International Ltd. may designate any Subsidiary of the Parent Guarantor (including any newly acquired or newly formed Subsidiary or a company becoming a Subsidiary through merger, consolidation or other business combination transaction, or Investment therein) to be an Unrestricted Subsidiary only if:

(1) such Subsidiary or any of its Subsidiaries does not own any Capital Stock or Indebtedness of, or own or hold any Lien on any property of, the Parent Guarantor or any other Subsidiary of such Parent Guarantor which is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary; and

(2) such designation and the Investment of such Parent Guarantor in such Subsidiary complies with "*Certain Covenants—Limitation on Restricted Payments*."

Any such designation by the Board of Directors of Swissport International Ltd. shall be evidenced to the Trustee by filing with the Trustee a copy of the resolution of the Board of Directors of Swissport International Ltd. giving effect to such designation and an Officer's Certificate certifying that such designation complies with the foregoing conditions.

"**Voting Stock**" of any specified Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

"**Weighted Average Life to Maturity**" means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

(1) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Indebtedness, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by

(2) the then outstanding principal amounts of such Indebtedness.

DESCRIPTION OF THE SENIOR NOTES

You can find the definitions of certain terms used in this description under the subheading "*—Certain Definitions.*" In this description, references to (i) the "**Parent Guarantor**" refer only to Swissport Holding International S.à r.l. and not to any of its subsidiaries, (ii) the "**Issuer**" refer only to Swissport Financing S.à r.l. and not to any of its Subsidiaries, (iii) the "**Subsidiary Guarantors**" refer to the Subsidiaries of the Parent Guarantor (other than the Issuer) that will guarantee the Notes, and (iv) "**we**," "**our**" and "**us**" refer to the Parent Guarantor and its Restricted Subsidiaries. Certain defined terms used in this description but not defined below under "*—Certain Definitions*" have the meanings assigned to them in the Indenture (as defined below).

The Issuer will issue an amount of euro-denominated senior notes (the "**Notes**") under an indenture (the "**Indenture**"), to be dated as of the Issue Date, between, among others, the Issuer, the Parent Guarantor and U.S. Bank Trustees Limited, as trustee (the "**Trustee**"), in a private transaction that is not subject to the registration requirements of the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"). The Issuer will also issue Senior Secured Notes due 2024 (together with additional Senior Secured Notes issued under the relevant indenture, the "**Senior Secured Notes**") concurrently with the Notes.

Unless the context otherwise requires, in this "*Description of the Senior Notes*," references to the "**Notes**" include the Notes and any additional Notes having identical terms and conditions as any series of the Notes ("**Additional Notes**") that are issued. The terms of the Notes include those set forth in the Indenture. The Indenture will not incorporate or include any of the provisions of the U.S. Trust Indenture Act of 1939, as amended.

The following description is a summary of the material provisions of the Indenture and the Notes and refers to the Intercreditor Agreement. This does not restate those agreements in their entirety. We urge you to read the Indenture, the Notes and the Intercreditor Agreement (as defined below) because they, and not this description, define your rights as holders of the Notes. Copies of the Indenture, the form of Notes and the Intercreditor Agreement are available as set forth below under "*—Additional Information*."

The registered holder of a Note will be treated as the owner of it for all purposes. Only registered holders will have rights under the Indenture.

Brief Description of the Notes and the Guarantees

The Notes

The Notes:

- will be a general senior subordinated obligation of the Issuer;
- will be guaranteed on a senior subordinated basis by the Guarantors;
- will be *pari passu* in right of payment to any future Indebtedness of the Issuer that is not subordinated in right of payment to the Notes;
- will be senior to any future Indebtedness of the Issuer that is subordinated in right of payment to the Notes, including any Subordinated Shareholder Debt;
- will be effectively subordinated to any existing and future Indebtedness of the Subsidiaries of the Parent Guarantor (other than the Issuer) that do not guarantee the Notes; and
- will be effectively subordinated to any existing and future Indebtedness of the Issuer that is secured by property or assets that do not secure the Notes, to the extent of the value of the property and assets securing such Indebtedness, including the Senior Facilities and the Senior Secured Notes.

The Guarantees

The Notes will be guaranteed on a senior subordinated basis by the Guarantors.

The Guarantee of each Guarantor:

- will be a general senior subordinated obligation of that Guarantor;
- will be subordinated in right of payment with all existing and future senior Indebtedness of such Guarantor, including Indebtedness under or guarantees of the Senior Facilities and the Senior Secured Notes Guarantees;

- will rank senior in right of payment to all existing and future Indebtedness of the Guarantor that is expressly subordinated to the relevant Guarantee; and
- will be effectively subordinated to any existing and future Indebtedness of the relevant Guarantor that is secured by property or assets that do not secure such Guarantee, to the extent of the value of the property and assets securing such Indebtedness, including the Senior Facilities and the Senior Secured Guarantees.

General

"**Restricted Subsidiary**" for purposes of the Indenture will be defined as any Subsidiary of the Parent Guarantor that is not an Unrestricted Subsidiary. Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the Indenture and will not guarantee the Notes. As of the Issue Date, only Cargo Service Center Brazil S.A.T.A. Ltda., Swissport Brazil Ltda, Swissport Israel Cargo Services Ltd., Swissport Belgium NV, Swissport Belgium Cleaning NV and Swissport Saudi Arabia Ltd. will be Unrestricted Subsidiaries. All of the Parent Guarantor's other Subsidiaries will be "Restricted Subsidiaries."

As of March 31, 2019, the Restricted Subsidiaries that have not guaranteed the Notes would have had approximately €31.1 million of Indebtedness outstanding.

Not all of the Restricted Subsidiaries will guarantee the Notes. The Subsidiary Guarantors and the Issuer represented 96.0% of Swissport's total assets (excluding goodwill, intercompany transactions and any assets of Swissport Group S.à r.l., Swissport Investments S.A., Aguila 2 S.à r.l and Swissport Global Services Holding S.à r.l.) as of March 31, 2019 and 72.5% of Swissport's Operating EBITDA (excluding intercompany transactions and Swissport Group S.à r.l., Swissport Investments S.A., Aguila 2 S.à r.l and Swissport Global Services Holding S.à r.l.) for the twelve-month period ended March 31, 2019. In the event of a bankruptcy, liquidation or reorganization of any of these non-guarantor Restricted Subsidiaries, the non-guarantor Restricted Subsidiaries will likely be required to repay financial and trade creditors before distributing any assets to the Issuer or a Guarantor.

The Issuer is a holding company without operations, and, therefore, the Issuer will depend on the cash flow of its Subsidiaries to meet its obligations, including its obligation under the Notes. Substantially all the operations of the Issuer will be conducted through its Subsidiaries, and, therefore, the Issuer will depend on the cash flow of its Subsidiaries to meet its obligations. The Notes will be effectively subordinated to all Indebtedness and other liabilities and commitments (including trade payables and lease obligations) of its non-guarantor Subsidiaries.

Principal, Maturity and Interest

The Issuer may issue an unlimited principal amount of Additional Notes under the Indenture from time to time after this Offering. Any issuance of Additional Notes is subject to all of the covenants in the Indenture, including the covenant described below under the caption "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock.*" The Notes and any Additional Notes subsequently issued under the Indenture will be treated as a single class for all purposes under the Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase, *provided* that, if the Additional Notes are not fungible with the original Notes for U.S. federal income tax purposes, such Additional Notes, as applicable, will be issued with a separate identification number. The Issuer will issue the Notes in denominations of €100,000 and integral multiples of €1,000 in excess thereof. The Notes will mature on February 15, 2025 at a purchase price in an amount equal to 100% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any.

Interest on the Notes will accrue at the rate of 9.00% per annum. Interest on the Notes will be payable semi-annually in arrears on February 15 and August 15, commencing on February 15, 2020. The Issuer will make each interest payment to the holders of record on the immediately preceding February 1 and August 1.

Interest on the Notes will accrue from the date of original issuance or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Paying Agent and Registrar for the Notes

The Issuer will maintain one or more paying agents (each, a "**Paying Agent**") for the Notes in the City of London (the "**Principal Paying Agent**"). The initial Principal Paying Agent will be Elavon Financial Services DAC.

The Issuer will also maintain one or more registrars (each, a "**Registrar**") for so long as the Notes are listed on the Luxembourg Stock Exchange. The Issuer will also maintain a transfer agent (each, a "**Transfer Agent**"). The initial Registrar will be Elavon Financial Services DAC in Dublin, Ireland. The initial Transfer Agent will be Elavon Financial Services DAC. The Registrar and the Transfer Agent will maintain a register reflecting ownership of Definitive Registered Notes (as defined under "*Book-Entry, Delivery and Form*") outstanding from time to time and will make payments on and facilitate transfer of Definitive Registered Notes on behalf of the Issuer.

The Issuer may change the Paying Agents, the Registrars or the Transfer Agents without prior notice to the holders of Notes. For so long as the Notes are listed on the Luxembourg Stock Exchange, the Issuer will publish a notice of any change of Paying Agent, Registrar or Transfer Agent in a newspaper having a general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, post such notice on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*).

Transfer and Exchange

Notes sold within the United States to qualified institutional buyers pursuant to Rule 144A under the U.S. Securities Act will initially be represented by one or more global Notes in registered form without interest coupons attached (the "**144A Global Notes**"), and Notes sold outside the United States pursuant to Regulation S under the U.S. Securities Act will initially be represented by one or more global Notes in registered form without interest coupons attached (the "**Regulation S Global Notes**" and together with the 144A Global Notes, the "**Global Notes**").

Ownership of interests in the Global Notes (the "**Book-Entry Interests**") will be limited to persons that have accounts with Euroclear or Clearstream, Luxembourg or Persons that may hold interests through such participants. Ownership of interests in the Book-Entry Interests and transfers thereof will be subject to the restrictions on transfer and certification requirements summarized below and described more fully under "*Transfer Restrictions*." In addition, transfers of Book-Entry Interests between participants in Euroclear or Clearstream, Luxembourg will be effected by Euroclear or Clearstream, Luxembourg pursuant to customary procedures and subject to the applicable rules and procedures established by Euroclear or Clearstream, Luxembourg and their respective participants.

Book-Entry Interests in the 144A Global Note, or the "**Restricted Book-Entry Interest**," may be transferred to a person who takes delivery in the form of Book-Entry Interests in the 144A Global Note, as applicable, or the "**Regulation S Book-Entry Interests**," only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S under the U.S. Securities Act.

Prior to 40 days after the date of initial issuance of the Notes, ownership of Book-Entry Interests in Regulation S Global Notes will be limited to persons that have accounts with Euroclear or Clearstream, Luxembourg or persons who hold interests through Euroclear or Clearstream, Luxembourg and any sale or transfer of such interest to U.S. persons shall not be permitted during such period unless such resale or transfer is made pursuant to Rule 144A under the U.S. Securities Act. Subject to the foregoing, Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of Restricted Book-Entry Interests only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under "Notice to Investors" and in accordance with any applicable securities law of any other jurisdiction. Any Book-Entry Interest (as defined under "*Book-Entry, Delivery and Form*") that is transferred as described in the immediately preceding paragraphs will, upon transfer, cease to be a Book-Entry Interest in the Global Note from which it was transferred and will become a Book-Entry Interest in the Global Note to which it was transferred. Accordingly, from and after such transfer, it will become subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in the Global Note to which it was transferred.

If Definitive Registered Notes are issued, they will be issued only in minimum denominations of €100,000 principal amount and integral multiples of €1,000 in excess thereof, upon receipt by the applicable Registrar of instructions relating thereto and any certificates and other documentation required by the Indenture. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, Luxembourg, as applicable, from the participant that owns the relevant Book-Entry Interests. Definitive Registered Notes issued in exchange for a Book-Entry Interest will, except as set forth in the Indenture or as otherwise determined by the Issuer in compliance with applicable law, be subject to, and will have a legend with respect to, the restrictions on transfer summarized below and described more fully under "*Notice to Investors*."

Subject to the restrictions on transfer referred to above, Notes issued as Definitive Registered Notes may be transferred or exchanged, in whole or in part, in minimum denominations of €100,000 in principal amount and integral multiples of €1,000 in excess thereof, to persons who take delivery thereof in the form of Definitive Registered Notes. In connection with any such transfer or exchange, the Indenture will require the transferring or exchanging holder to, among other things, furnish appropriate endorsements and transfer documents, furnish information regarding the account of the transferee at Euroclear or Clearstrea, Luxembourg where appropriate, furnish certain certificates and opinions and pay any Taxes in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the holder, other than any Taxes payable in connection with such transfer or exchange; *provided* that, if the Issuer or any Guarantor is a party to the transfer or exchange, the holder will not be required to pay such Taxes.

Notwithstanding the foregoing, the Issuer is not required to register the transfer of any Definitive Registered Notes:

(1) for a period of 15 days prior to any date fixed for the redemption of the Notes;

(2) for a period of 15 days immediately prior to the date fixed for selection of Notes to be redeemed in part;

(3) for a period of 15 days prior to the record date with respect to any interest payment date; or

(4) which the holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer or an Asset Sale Offer.

The Issuer, the Trustee, the Transfer Agent, the Registrar and the Paying Agent will be entitled to treat the holder of a Note as the owner of it for all purposes.

Additional Amounts

All payments made by or on behalf of the Issuer under or with respect to the Notes or any of the Guarantors with respect to any Guarantee will be made free and clear of and without withholding or deduction for, or on account of, any present or future Taxes unless the withholding or deduction of such Taxes is then required by law. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of (1) any jurisdiction in which the Issuer or any Guarantor is then incorporated or organized, engaged in business for tax purposes or otherwise resident for tax purposes or any political subdivision thereof or therein or (2) any jurisdiction from or through which payment is made by or on behalf of the Issuer or any Guarantor (including the jurisdiction of any Paying Agent) or any political subdivision thereof or therein (each, a "**Tax Jurisdiction**") will at any time be required to be made from any payments made by or on behalf of the Issuer under or with respect to the Notes or any of the Guarantors with respect to any Guarantee, including payments of principal, redemption price, interest or premium, the Issuer or the relevant Guarantor, as applicable, will pay such additional amounts (the "**Additional Amounts**") as may be necessary in order that the net amounts received in respect of such payments by each holder or beneficial owner after such withholding, deduction or imposition (including any such withholding, deduction or imposition from such Additional Amounts) will equal the respective amounts that would have been received in respect of such payments in the absence of such withholding or deduction; *provided*, *however*, that no Additional Amounts will be payable with respect to:

(1) any Taxes, to the extent such Taxes would not have been imposed but for the existence of any present or former connection between the holder or the beneficial owner of the Notes (or between a fiduciary, settlor, beneficiary, partner of, member or shareholder of, or possessor of a power over, the relevant holder, if the relevant holder is an estate, trust, nominee, partnership, limited liability company or corporation) and the relevant Tax Jurisdiction (including being or having been a citizen, resident, or national thereof or being or having been present or engaged in a trade or business therein or having or having had a permanent establishment therein), but excluding any connection arising merely from the holding of such Note, the enforcement of rights under such Note or under a Guarantee or the receipt of any payments in respect of such Note or a Guarantee;

(2) any Taxes, to the extent such Taxes were imposed as a result of the presentation of a Note for payment (where presentation is required) more than 30 days after the relevant payment is first made available for payment to the holder (except to the extent that the holder would have been entitled to Additional Amounts had the Note been presented on any day of such 30 day period);

(3) any estate, inheritance, gift, sales, excise, transfer, personal property or similar Taxes;

(4) any Taxes payable other than by deduction or withholding from payments under, or with respect to, the Notes or with respect to any Guarantee;

(5) any Taxes to the extent such Taxes are imposed or withheld by reason of the failure of the holder or beneficial owner of Notes, following the Issuer's written request addressed to the holder or beneficial owner (and made at a time that would enable the holder or beneficial owner acting reasonably to comply with that request), to comply with any certification, identification, information or other reporting requirements, whether required by statute, treaty, regulation or administrative practice of a Tax Jurisdiction, as a precondition to exemption from, or reduction in the rate of deduction or withholding of, Taxes imposed by the Tax Jurisdiction (including, without limitation, a certification that the holder or beneficial owner is not resident in the Tax Jurisdiction), but in each case, only to the extent the holder or beneficial owner is legally entitled to provide such certification or documentation);

(6) any Taxes imposed on or with respect to any payment by the Issuer or Guarantor to the holder if such holder is a fiduciary or partnership or any person other than the sole beneficial owner of such Note to the extent that Taxes would not have been imposed on such payment had such holder been the sole beneficial owner of such Note; or

(7) any combination of items (1) through (6) above.

In addition to the foregoing, the Issuer and the Guarantors will also pay and indemnify the holder for any present or future stamp, issue, registration, court or documentary taxes, or any other excise or property taxes, charges or similar levies (including penalties, interest and any other reasonable expenses related thereto) which are levied by any Tax Jurisdiction on the execution, delivery, issuance or registration of any of the Notes, the Indenture, any Guarantee or any other document referred to therein (other than a transfer of the Notes other than the initial resale by the Initial Purchaser) or the receipt of any payments with respect thereto (limited, solely in the case of taxes attributable to the receipt of any payments with respect thereto, to any such taxes imposed in a Tax Jurisdiction that are not excluded under clauses (1) through (3) or (5) and (6) above or any combination thereof), or any such taxes, charges or similar levies imposed by any jurisdiction as a result of, or in connection with, the enforcement of any of the Notes or any Guarantee.

If the Issuer or any Guarantor, as the case may be, becomes aware that it will be obligated to pay Additional Amounts with respect to any payment under or with respect to the Notes or any Guarantee, each of the Issuer or the relevant Guarantor, as the case may be, will deliver to the Trustee on a date that is at least 30 days prior to the date of that payment (unless the obligation to pay Additional Amounts arises less than 45 days prior to that payment date, in which case the Issuer or the relevant Guarantor shall notify the Trustee promptly thereafter) an Officer's Certificate stating the fact that Additional Amounts will be payable and the amount estimated to be so payable. The Officer's Certificates must also set forth any other information reasonably necessary to enable the Paying Agents to pay Additional Amounts to holders on the relevant payment date. The Trustee shall be entitled to rely solely on such Officer's Certificate without any liability as conclusive proof that such payments are necessary.

The Issuer or the relevant Guarantor will make all withholdings and deductions required by law and will timely remit the full amount deducted or withheld to the relevant Tax authority in accordance with applicable law. The Issuer or the relevant Guarantor will use its reasonable efforts to obtain Tax receipts from each Tax authority evidencing the payment of any Taxes so deducted or withheld. The Issuer or the relevant Guarantor will furnish to the Trustee, within a reasonable time after the date the payment of any Taxes so deducted or withheld is made, certified copies of Tax receipts evidencing payment by the Issuer or a Guarantor, as the case may be, or if, notwithstanding such entity's efforts to obtain receipts, receipts are not obtained, other evidence of payments (reasonably satisfactory to the Trustee) by such entity. If requested by the Trustee, the Issuer or the Guarantors will provide to the Trustee such information as may be in the possession of the Issuer or the Guarantors (and not otherwise in the possession of the Trustee) to enable the Trustee to determine the amount of withholding taxes attributable to any particular holder.

Whenever in the Indenture or in this "*Description of the Senior Notes*" there is mentioned, in any context, the payment of amounts based upon the principal amount of the Notes or of principal, interest or of any other amount payable under, or with respect to, any of the Notes or any Guarantee, such mention shall be deemed to include mention of the payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The above obligations will survive any termination, defeasance or discharge of the Indenture, any transfer by a holder or beneficial owner of its Notes, and will apply, *mutatis mutandis*, to any jurisdiction in which any successor Person to the Issuer or any Guarantor is incorporated, engaged in business for tax purposes or resident for tax purposes or any jurisdiction from or through which such Person makes any payment on the Notes (or any Guarantee) and any department or political subdivision thereof or therein.

The Guarantees

The Notes will be guaranteed on a senior subordinated basis by the Parent Guarantor (the "**Parent Guarantee**") and the Subsidiary Guarantors (the guarantee by the Subsidiary Guarantors together with the Parent Guarantee, the "**Guarantees**"). The Guarantees will be joint and several obligations of the Guarantors.

Each holder of Notes, by accepting a Note, shall be deemed (i) to have authorized the Trustee to enter into the Intercreditor Agreement and (ii) to be bound thereby. Each holder of Notes, by accepting a Note, appoints the Trustee as its agent under the Intercreditor Agreement and authorizes it to act as such.

Each of the Guarantees and the amounts recoverable thereunder will be limited to the maximum amount that can be guaranteed by a particular Guarantor without rendering its guarantee voidable or otherwise ineffective under applicable law, including laws relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally, or otherwise to reflect applicable laws, including laws relating to capital maintenance and the liability of directors and officers. See "*Risk Factors—Risks Relating to Our Indebtedness, including the Notes and the Guarantees—Corporate benefit and financial assistance laws and other limitations on the obligations under the Guarantees may adversely affect the validity and enforceability of the Guarantees*" and "*Limitations on Validity and Enforceability of the Guarantees, the Senior Secured Notes Security and Certain Insolvency Law Considerations*."

The operations of the Parent Guarantor and the Issuer are conducted through its Subsidiaries, and, therefore, the Issuer will depend on the cash flow of its Subsidiaries to meet its obligations, including its obligations under the Notes. Not all of the Parent Guarantor's Subsidiaries will guarantee the Notes. The Notes will be effectively subordinated in right of payment to all Indebtedness and other liabilities and commitments (including trade payables and lease obligations) of the Parent Guarantor's non-guarantor Subsidiaries (other than the Issuer). Any right of any Guarantor or the Issuer to receive assets of any of the Parent Guarantor's non-guarantor Subsidiaries (other than the Issuer) upon that non-guarantor Subsidiary's liquidation or reorganization (and the consequent right of the holders of the Notes to participate in those assets) will be effectively subordinated to the claims of that non-guarantor Subsidiary's creditors, except to the extent that the Issuer or such Guarantor is itself recognized as a creditor of the non-guarantor Subsidiary, in which case the claims of the Issuer or such Guarantor, as the case may be, would still be subordinated in right of payment to any security over the assets of the non-guarantor Subsidiary and any Indebtedness of the non-guarantor Subsidiary senior to that held by the Issuer or such Guarantor. See "*Risk Factors—Risks Relating to our Indebtedness, including the Notes and the Guarantees—The Notes will be structurally subordinated to the indebtedness and other obligations of the Parent Guarantor's our non-guarantor subsidiaries*."

For a description of such contractual limitations, see "*Risk Factors—Risks Relating to Our Indebtedness, including the Notes and the Guarantees—Corporate benefit and financial assistance laws and other limitations on the obligations under the Guarantees may adversely affect the validity and enforceability of the Guarantees*."

Subordination of the Guarantees

Upon the occurrence of certain insolvency events involving a Guarantor, the Guarantee of the Notes owed by the insolvent Guarantor will be subordinate in right of payment to the Senior Secured Obligations (as defined in the Intercreditor Agreement) owed by such insolvent Guarantor under the Intercreditor Agreement. In addition, the payment on the Guarantees will be subject to provisions in the Intercreditor Agreement relating to payment blockage, restrictions on enforcement, turnover, release and other customary Senior Secured Obligations protections. See "*Description of Certain Financing Arrangements—Intercreditor Agreement.*"

Release of the Parent Guarantee

The Parent Guarantee will be released:

(1) upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as provided below under the captions "*—Legal Defeasance and Covenant Defeasance*" and "*—Satisfaction and Discharge*";

(2) upon the full and final payment of the aggregate principal amount of all the Notes and performance of all obligations of the Parent Guarantor under the Indenture and the Notes; or

(3) in accordance with the provisions under "—*Amendment, Supplement and Waiver*."

Release of the Subsidiary Guarantees

The Guarantee of a Subsidiary will be released:

(1) in connection with any sale, disposition, exchange or other transfer of all or substantially all of the assets of that Subsidiary Guarantor (including by way of merger, consolidation, amalgamation or combination) to a Person that is not (either before or after giving effect to such transaction) the Parent Guarantor or a Restricted Subsidiary, if the sale or other disposition does not violate the "*Asset Sale*" provisions of the Indenture;

(2) in connection with any sale, disposition, exchange or other transfer of Capital Stock of that Subsidiary Guarantor to a Person that is not (either before or after giving effect to such transaction) the Parent Guarantor or a Restricted Subsidiary, if the sale or other disposition does not violate the "Asset Sale" provisions of the Indenture and the Guarantor ceases to be a Restricted Subsidiary as a result of the sale or other disposition;

(3) if the Parent Guarantor designates any Restricted Subsidiary that is a Guarantor to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture;

(4) upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as provided below under the captions "—*Legal Defeasance and Covenant Defeasance*" and "—*Satisfaction and Discharge*";

(5) in accordance with an enforcement sale in compliance with the Intercreditor Agreement or any Additional Intercreditor Agreement, or as otherwise provided for under the Intercreditor Agreement or any Additional Intercreditor Agreement;

(6) upon the full and final payment of the aggregate principal amount of all the Notes and performance of all obligations of the Issuer under the Indenture and the Notes;

(7) in the case of any Restricted Subsidiary that after the Issue Date is required to guarantee the Notes pursuant to the covenant described under "—*Certain Covenants—Limitation on Issuances of Guarantees of Indebtedness*," upon the release or discharge of the guarantee of Indebtedness by such Restricted Subsidiary which resulted in the obligation to guarantee such Notes; or

(8) as described under "—*Amendment, Supplement and Waiver*."

Upon any occurrence giving rise to a release as specified above (upon the receipt of an Officer's Certificate and opinion of counsel satisfactory to the Trustee), the Trustee will execute any documents reasonably required in order to evidence or effect such release, discharge and termination in respect of such guarantee. Neither the Issuer nor any Guarantor will be required to make a notation on the Notes to reflect any such release, termination or discharge.

Optional Redemption

At any time prior to August 15, 2021, the Issuer may on any one or more occasions redeem up to 40% of the aggregate principal amount of the Notes issued under the Indenture at a redemption price equal to 109.00% of the principal amount of the Notes redeemed, upon not less than 10 nor more than 60 days' notice, plus accrued and unpaid interest and Additional Amounts, if any, to the date of redemption (subject to the rights of holders of Notes on the relevant record date to receive interest on the relevant interest payment date), with the net cash proceeds of an Equity Offering of (i) the Parent Guarantor or (ii) any Parent Entity to the extent the proceeds from such Equity Offering are contributed to the Parent Guarantor's common equity capital or are paid to the Parent Guarantor as consideration for the issuance of ordinary shares of the Parent Guarantor; *provided* that:

(1) at least 60% of the aggregate principal amount of the Notes (calculated after giving effect to any issuance of Additional Notes but excluding Notes held by the Parent Guarantor and its Subsidiaries) remains outstanding immediately after the occurrence of such redemption; and

(2) the redemption occurs within 90 days of the date of the closing of such Equity Offering.

At any time prior to August 15, 2021, the Issuer may on any one or more occasions redeem all or a part of the Notes upon not less than 10 nor more than 60 days' notice, at a redemption price equal to 100% of the principal amount of the Notes redeemed, plus the Applicable Premium as of, and accrued and unpaid interest and Additional Amounts, if any, to the date of redemption, subject to the rights of holders of the Notes on the relevant record date to receive interest due on the relevant interest payment date.

Except pursuant to the preceding two paragraphs and except pursuant to "*—Redemption for Changes in Taxes,*" the Notes will not be redeemable at the Issuer's option prior to August 15, 2021.

On or after August 15, 2021, the Issuer may on any one or more occasions redeem all or a part of the Notes upon not less than 10 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest and Additional Amounts, if any, on the Notes redeemed, to the applicable date of redemption, if redeemed during the twelve-month period beginning on August 15 of the years as indicated below, subject to the rights of holders of Notes on the relevant record date to receive interest on the relevant interest payment date:

Year	Redemption Price
Commencing on August 15, 2021	104.500%
Commencing on August 15, 2022	102.250%
Commencing on August 15, 2023 and thereafter	100.000%

Unless the Issuer defaults in the payment of the redemption price, interest will cease to accrue on the Notes or portions thereof called for redemption on the applicable redemption date.

Any redemption or notice may, in the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent.

Redemption for Changes in Taxes

The Issuer may redeem the Notes, in whole but not in part, at its discretion at any time upon giving not less than 10 nor more than 60 days' prior notice to the holders of the Notes (which notice will be irrevocable and given in accordance with the procedures described in "*—Selection and Notice*"), at a redemption price equal to 100% of the aggregate principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed by the Issuer for redemption (a "**Tax Redemption Date**") and all Additional Amounts (if any) then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise (subject to the right of holders of the Notes on the relevant record date to receive interest due on the relevant interest payment date and Additional Amounts (if any) in respect thereof), if on the next date on which any amount would be payable in respect of the Notes or any Guarantee, the Issuer under or with respect to the Notes or any of the Guarantors with respect to any Guarantee, as the case may be, is or would be required to pay Additional Amounts (but, in the case of the relevant Guarantor, only if such amount cannot be paid by the Issuer or another Guarantor who can pay such amount without the obligation to pay Additional Amounts) and the Issuer or Guarantor, as applicable, cannot avoid any such payment obligation by taking reasonable measures available (including making payment through a paying agent located in another jurisdiction) and the requirement arises as a result of:

(1) any amendment to, or change in, the laws or any regulations or rulings promulgated thereunder of a relevant Tax Jurisdiction which change or amendment has not been publicly announced as formally proposed before and which becomes effective after the date of this offering memorandum (or, if the applicable Tax Jurisdiction became a Tax Jurisdiction on a date after the date of this offering memorandum, such later date); or

(2) any amendment to, or change in, an official written interpretation or application of such laws, regulations or rulings (including by virtue of a holding, judgment, order by a court of competent jurisdiction or a change in published administrative practice) which amendment or change has not been publicly announced as formally proposed before and which becomes effective after the date of this offering memorandum (or, if the applicable Tax Jurisdiction became a Tax Jurisdiction on a date after the date of this offering memorandum, such later date) (each of the foregoing clauses (1) and (2), a "**Change in Tax Law**").

The Issuer will not give any such notice of redemption earlier than 60 days prior to the earliest date on which the Issuer or the Guarantor, as applicable, would be obligated to make such payment or withholding if a payment in respect of the Notes were then due, and the obligation to pay Additional Amounts must be in effect at the time such notice is given. Prior to the publication or, where relevant, mailing of any notice of redemption of the Notes pursuant to the foregoing, the Issuer will deliver to the Trustee an opinion of independent tax counsel (the choice of such counsel to be subject to the prior written approval of the Trustee (such approval not to be unreasonably withheld)) to the effect that there has been such Change in Tax Law which would entitle the Issuer to redeem the Notes hereunder. In addition, before the Issuer publishes or mails notice of redemption of the

Notes as described above, it will deliver to the Trustee an Officer's Certificate to the effect that it cannot avoid its obligation to pay Additional Amounts by the Issuer taking reasonable measures available to it.

Absent manifest error, the Trustee will accept and shall be entitled to rely without any liability on such Officer's Certificate and opinion of counsel as sufficient evidence of the existence and satisfaction of the conditions precedent as described above, in which event it will be conclusive and binding on the holders.

The foregoing provisions shall apply (a) to a Guarantor only after such time as such Guarantor is obligated to make at least one payment on the Notes and (b) *mutatis mutandis* to any successor Person, after such successor Person becomes a party to the Indenture, with respect to a Change in Tax Law occurring after the time such successor Person becomes a party to the Indenture.

Mandatory Redemption

The Issuer is not required to make mandatory redemption or sinking fund payments with respect to the Notes.

Repurchase at the Option of Holders

Change of Control

If a Change of Control occurs, each holder of Notes will have the right to require the Issuer or the Parent Guarantor to repurchase all or any part (equal to €100,000 or an integral multiple of €1,000 in excess thereof) of that holder's Notes pursuant to a Change of Control Offer on the terms set forth in the Indenture. In the Change of Control Offer, the Issuer or the Parent Guarantor will offer a payment in cash equal to 101% of the aggregate principal amount of Notes repurchased, plus accrued and unpaid interest and Additional Amounts, if any, on the Notes repurchased to the date of purchase (the "**Change of Control Payment**"), subject to the rights of holders of Notes on the relevant record date to receive interest due on the relevant interest payment date.

Unless the Issuer or the Parent Guarantor has unconditionally exercised its right to redeem all the Notes of a series as described under "—*Optional Redemption*" or all conditions to such redemption have been satisfied or waived, within 30 days following any Change of Control, the Issuer or the Parent Guarantor will mail a notice to each holder of the Notes at such holder's registered address or otherwise deliver a notice in accordance with the procedures described under "—*Selection and Notice*," (with a copy to the Trutess) stating that a Change of Control Offer is being made and offering to repurchase Notes on the date (the "**Change of Control Payment Date**") specified in the notice, which date will be no earlier than 10 days and no later than 60 days from the date such notice is mailed or delivered, pursuant to the procedures required by the Indenture and described in such notice. The Issuer and the Parent Guarantor will comply, to the extent applicable, with the requirements of Rule 14e-1 under the U.S. Securities-Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"), and any other applicable securities laws and regulations to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions of the Indenture, the Issuer and the Parent Guarantor will comply with any applicable securities laws and regulations and will not be deemed to have breached its obligations under the Indenture by virtue of such compliance.

On the Change of Control Payment Date, the Issuer and the Parent Guarantor will, to the extent lawful:

(1) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;

(2) deposit with the Principal Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and

(3) deliver or cause to be delivered to the Trustee the Notes properly accepted together with an Officer's Certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Issuer or the Parent Guarantor, as the case may be.

The Principal Paying Agent will promptly mail (or cause to be delivered) to each holder of Notes properly tendered the Change of Control Payment for such Notes, and the Trustee (or its authenticating agent) will promptly authenticate and mail (or cause to be transferred by book-entry) to each holder a Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any. The Issuer or the Parent Guarantor will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

The provisions described above that require the Issuer or the Parent Guarantor to make a Change of Control Offer following a Change of Control will be applicable whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control, the Indenture will not contain provisions that permit the holders of the Notes to require that the Issuer or the Parent Guarantor repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction. The existence of a holder of the Notes' right to require the Issuer or the Parent Guarantor to repurchase such holder's Notes upon the occurrence of a Change of Control may deter a third party from seeking to acquire the Parent Guarantor or its Subsidiaries in a transaction that would constitute a Change of Control.

Neither the Issuer nor the Parent Guarantor will be required to make a Change of Control Offer upon a Change of Control if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Issuer or the Parent Guarantor, as the case may be, and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer, or (2) a notice of redemption has been given pursuant to the Indenture as described above under the caption "—*Optional Redemption*," unless and until there is a default in payment of the applicable redemption price. Notwithstanding anything to the contrary contained herein, a Change of Control Offer may be made in advance of a Change of Control, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place for the Change of Control at the time the Change of Control Offer is made.

The Senior Facilities will provide that the occurrence of a Change of Control would require the repayment of such debt. Future debt of the Parent Guarantor or its Subsidiaries may prohibit the Issuer or the Parent Guarantor, as the case may be, from purchasing Notes in the event of a Change of Control or provide that a Change of Control is a default or requires repayment upon a Change of Control. Moreover, the exercise by the holders of the Notes of their right to require the Issuer or the Parent Guarantor to purchase the Notes could cause a default under, or require a repurchase of, other debt, even if the Change of Control itself does not, due to the financial effect of the purchase on the Issuer or the Parent Guarantor, as the case may be.

Finally, the Issuer's or the Parent Guarantor's ability to repurchase Notes pursuant to a Change of Control Offer following the occurrence of a Change of Control may be limited by the Issuer's or the Parent Guarantor's, as the case may be, then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make the required purchase of the Notes. See "*Risk Factors—Risks Relating to our Indebtedness, including the Notes and the Guarantees—We may not be able to obtain sufficient funds to finance an offer to repurchase the Notes upon the occurrence of certain events constituting a change of control as required by the Indenture*."

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of "all or substantially all" of the properties or assets of the Parent Guarantor and its Restricted Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of Notes to require the Issuer and the Parent Guarantor to repurchase its Notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of the Parent Guarantor and its Restricted Subsidiaries taken as a whole to another Person or group may be uncertain.

The provisions under the Indenture relating to the Issuer's and the Parent Guarantor's obligation to make an offer to repurchase the Notes as a result of a Change of Control may be waived or modified with the consent of the holders of a majority in principal amount of the Notes prior to the occurrence of the Change of Control.

If and for so long as the Notes are listed on the Luxembourg Stock Exchange and admitted for trading and the rules of the Luxembourg Stock Exchange so require, the Issuer will publish a public announcement with respect to the results of any Change of Control Offer in a leading newspaper of general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, post such notice on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*).

Asset Sales

The Parent Guarantor will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, consummate an Asset Sale unless:

(1) the Parent Guarantor (or the Restricted Subsidiary, as the case may be) receives consideration at the time of the Asset Sale at least equal to the Fair Market Value of the assets or Equity Interests issued or sold or otherwise disposed of; and

(2) at least 75% of the consideration received in the Asset Sale by the Parent Guarantor or such Restricted Subsidiary is in the form of cash or Cash Equivalents. For purposes of this provision, each of the following will be deemed to be cash:

(a) any liabilities, as recorded on the balance sheet of the Parent Guarantor or any Restricted Subsidiary or in the notes thereto or, if incurred, increased or decreased subsequent to the date of such balance sheet, liabilities that would have been reflected on the balance sheet of the Parent Guarantor or any Restricted Subsidiary or in the notes thereto as if such incurrence, increase or decrease had occurred on the date of such balance sheet (other than, in each case, contingent and subordinated liabilities), that are assumed by the transferee of any such assets and as a result of which the Parent Guarantor and its Restricted Subsidiaries are no longer obligated with respect to such liabilities or are indemnified against further liabilities;

(b) any securities, notes or other obligations received by the Parent Guarantor or any such Restricted Subsidiary from such transferee that are converted by the Parent Guarantor or such Restricted Subsidiary into cash or Cash Equivalents within 180 days following the closing of the Asset Sale, to the extent of the cash or Cash Equivalents received in that conversion;

(c) any Capital Stock or assets of the kind referred to in clauses (1)(e) or (f) of the next paragraph of this covenant;

(d) any Designated Non-Cash Consideration received by the Parent Guarantor or any Restricted Subsidiary in such Asset Sales having an aggregate Fair Market Value, taken together with all other Designated Non-Cash Consideration received pursuant to this clause (d) that is at that time outstanding, not to exceed the greater of €20 million and 1.0% of Total Assets at the time of the receipt of such Designated Non-Cash Consideration (with the Fair Market Value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value);

(e) Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Sale, to the extent that the Parent Guarantor and each other Restricted Subsidiary are released from any guarantee of such Indebtedness in connection with such Asset Sale; and

(f) consideration consisting of Indebtedness of the Issuer or any Guarantor received from Persons who are not the Parent Guarantor or any Restricted Subsidiary.

Within 365 days after the receipt of any Net Proceeds from an Asset Sale, the Parent Guarantor (or the applicable Restricted Subsidiary, as the case may be) may:

(1) apply such Net Proceeds (at the option of the Parent Guarantor or Restricted Subsidiary):

(a) to purchase the Notes in an offer to all holders of Notes at a purchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, to the date of purchase (a "**Notes Offer**");

(b) to repay Secured Indebtedness of the Issuer or any Guarantor or Senior Debt (as defined in the Intercreditor Agreement) of any Guarantor and, if the Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto;

(c) to repay Pari Passu Indebtedness and, if the Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto;

(d) to acquire all or substantially all of the assets of, or any Capital Stock of, another Permitted Business, if, after giving effect to any such acquisition of Capital Stock, the Permitted Business is or becomes a Restricted Subsidiary;

(e) to make a capital expenditure; or

(f) to acquire other assets (other than Capital Stock) not classified as current assets under IFRS that are used or useful in a Permitted Business; or

(2) enter into a binding commitment to apply the Net Proceeds pursuant to clause (d), (e) or (f) of paragraph (1) above; *provided* that such binding commitment shall be treated as a permitted application of the Net Proceeds from the date of such commitment until the earlier of (x) the date on which such acquisition or expenditure is consummated, and (y) the 180th day following the expiration of the aforementioned 365 day period.

Pending the final application of any Net Proceeds, the Parent Guarantor (or the applicable Restricted Subsidiary) may temporarily reduce revolving credit borrowings or otherwise invest the Net Proceeds in any manner that is not prohibited by the Indenture.

Any Net Proceeds from Asset Sales that are not applied or invested as provided in the second paragraph of this covenant will constitute "**Excess Proceeds**." When the aggregate amount of Excess Proceeds exceeds € 25 million, within ten Business Days thereof, the Issuer or the Parent Guarantor will make an offer (an "**Asset Sale Offer**") to all holders of Notes and, to the extent the Issuer or the Parent Guarantor elects, to all holders of other Indebtedness that is *pari passu* with the Notes or any Guarantee, to purchase, prepay or redeem the maximum principal amount of Notes and such other *pari passu* Indebtedness (plus all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith) that may be purchased, prepaid or redeemed out of the Excess Proceeds. The offer price for the Notes in any Asset Sale Offer will be equal to 100% of the principal amount, plus accrued and unpaid interest and Additional Amounts, if any, to the date of purchase, prepayment or redemption, subject to the rights of holders of Notes on the relevant record date to receive interest due on the relevant interest payment date, and will be payable in cash. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Parent Guarantor may use those Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes and other *pari passu* Indebtedness tendered into (or to be prepaid or redeemed in connection with) such Asset Sale Offer exceeds the amount of Excess Proceeds or if the aggregate amount of Notes tendered pursuant to a Notes Offer exceeds the amount of the Net Proceeds so applied, the Trustee will select the Notes and such other *pari passu* Indebtedness, if applicable, to be purchased on a pro rata basis (or in the manner described under "*—Selection and Notice*"), based on the amounts tendered or required to be prepaid or redeemed. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds will be reset at zero.

To the extent that any portion of Net Proceeds payable in respect of the Notes is denominated in a currency other than euro, the amount thereof payable in respect of such Notes shall not exceed the net amount of funds in euro, that is actually received by the Issuer upon converting such portion of the Net Proceeds into euro, as the case may be.

The Issuer and the Parent Guarantor will comply, to the extent applicable, with the requirements of Rule 14e-1 under the U.S. Exchange Act and any other applicable securities laws and regulations to the extent those laws and regulations are applicable in connection with each repurchase of Notes pursuant to a Change of Control Offer, an Asset Sale Offer or a Notes Offer. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control, Asset Sale or Notes Offer provisions of the Indenture, the Issuer and the Parent Guarantor will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Indenture by virtue of such compliance.

Selection and Notice

If less than all of the Notes are to be redeemed at any time, the Trustee will select Notes for redemption on a pro rata basis (or, in the case of Notes issued in global form as discussed under "*Book-Entry, Delivery and Form*," based on a method that most nearly approximates a pro rata selection, unless otherwise required by law or applicable stock exchange or depository requirements. The Trustee shall not be liable for selections made by it in accordance with this paragraph.

No Notes of €100,000 or less can be redeemed in part. Notices of redemption will be mailed by first class mail at least 10 but not more than 60 days before the redemption date to each holder of Notes to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note will state the portion of the principal amount of that Note that is to be redeemed. A Note in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the holder of Notes upon cancellation of the original Note. In the case of a Global Note, an appropriate notation will be made on such Note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof. Notes called for redemption become due on the date fixed for redemption. Unless the Issuer defaults in the payment of the redemption price, on and after the redemption date, interest ceases to accrue on Notes or portions of Notes called for redemption.

For Notes which are represented by global certificates held on behalf of Euroclear or Clearstream, Luxembourg, notices may be given by delivery of the relevant notices to Euroclear or Clearstream, Luxembourg for communication to entitled account holders in substitution for the aforesaid mailing. So long as any Notes are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, any such notice to the holders of the relevant Notes shall also be published in a newspaper having a general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, posted on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*) and, in connection with any redemption, the Issuer will notify the Luxembourg Stock Exchange of any change in the principal amount of Notes outstanding.

Certain Covenants

Incurrence of Indebtedness and Issuance of Preferred Stock

The Parent Guarantor will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, "**incur**") any Indebtedness (including Acquired Debt), and the Parent Guarantor will not issue any Disqualified Stock and will not permit any of its Restricted Subsidiaries to issue any shares of preferred stock; *provided*, *however*, that the Parent Guarantor may incur Indebtedness (including Acquired Debt) or issue Disqualified Stock, and any of its Restricted Subsidiaries may incur Indebtedness (including Acquired Debt) or issue preferred stock, if the Fixed Charge Coverage Ratio for the Parent Guarantor's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock or such preferred stock is issued, as the case may be, would have been at least 2.0 to 1.0, in each case determined on a *pro forma* basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been incurred or the Disqualified Stock or the preferred stock had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such four-quarter period; *provided, further* that Restricted Subsidiaries of the Parent Guarantor that are not Guarantors may not incur Indebtedness pursuant to this paragraph if, after giving *pro forma* effect to the incurrence of such Indebtedness, the aggregate amount of Indebtedness of Restricted Subsidiaries of the Parent Guarantor that are not Guarantors incurred under this paragraph would exceed the greater of €50 million and 2.8% of Total Assets.

The first paragraph of this covenant will not prohibit the incurrence of any of the following items of Indebtedness (collectively, "**Permitted Debt**"):

(1) the incurrence by the Parent Guarantor and any Restricted Subsidiary of additional Indebtedness under Credit Facilities in an aggregate principal amount at any one time outstanding under this clause (1) not to exceed the sum of (a) €850 million, *plus* (b) €50 million, *plus* (c) €75 million, *plus* (d) the greater of €50 million and 20% of Consolidated EBITDA of the Parent Guarantor and its Restricted Subsidiaries, *plus* (e) the greater of €205 million and 75% of Consolidated EBITDA of the Parent Guarantor and its Restricted Subsidiaries, *plus*, in the case of any refinancing of any Indebtedness permitted under this clause (1) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such refinancing;

(2) Indebtedness of the Parent Guarantor or any Restricted Subsidiary outstanding on the Issue Date after giving effect to the Transactions, including the use of proceeds therefrom;

(3) the incurrence by the Issuer and the Guarantors of Indebtedness represented by the Notes and the Senior Secured Notes issued on the Issue Date and the related Guarantees;

(4) (a) the incurrence by the Parent Guarantor or any of its Restricted Subsidiaries of Indebtedness represented by Capital Lease Obligations, mortgage financings or purchase money obligations, in each case, incurred for the purpose of financing all or any part of the purchase price or cost of design, construction, installation or improvement of property (real or personal), plant or equipment (whether through the direct purchase of assets or the Capital Stock of any Person owning such assets) used in the business of the Parent Guarantor or any of its Restricted Subsidiaries, in an aggregate principal amount, including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this clause (4)(a), not to exceed the greater of €175 million and 9.7% of Total Assets at any time outstanding; and (b) the incurrence by any Restricted Subsidiary of Indebtedness pursuant to any local working capital facility (including the financing of operating leases) and letter of credit (or bank guarantee) facilities in an aggregate principal amount at any time outstanding not to exceed the greater of €75 million and 4.2% of Total Assets.

(5) the incurrence by the Parent Guarantor or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge any Indebtedness (other than intercompany Indebtedness) that was

permitted by the Indenture to be incurred under (a) the first paragraph of this covenant or (b) clauses (2), (3), (5), (16), (17) or (19) of this paragraph;

(6) the incurrence by the Parent Guarantor or any Restricted Subsidiary of intercompany Indebtedness between or among the Parent Guarantor or any Restricted Subsidiary; *provided* that:

(a) if the Issuer or any Guarantor is the obligor on such Indebtedness and the payee is not the Issuer or a Guarantor, such Indebtedness must be unsecured and expressly subordinated to the prior payment in full in cash of all Obligations then due with respect to the Notes, in the case of the Issuer, or the Guarantee, in the case of a Guarantor; and

(b) (i) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Parent Guarantor or a Restricted Subsidiary and (ii) any sale or other transfer of any such Indebtedness to a Person that is not either the Parent Guarantor or a Restricted Subsidiary, will be deemed, in each case, to constitute an incurrence of such Indebtedness by the Parent Guarantor or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (6);

(7) the issuance by any Restricted Subsidiary to the Parent Guarantor or to any of its Restricted Subsidiaries of preferred stock; *provided* that:

(a) any subsequent issuance or transfer of Equity Interests that results in any such preferred stock being held by a Person other than the Parent Guarantor or a Restricted Subsidiary; and

(b) any sale or other transfer of any such preferred stock to a Person that is not either the Parent Guarantor or a Restricted Subsidiary,

will be deemed, in each case, to constitute an issuance of such preferred stock by such Restricted Subsidiary that was not permitted by this clause (7);

(8) the incurrence by the Parent Guarantor or any Restricted Subsidiary of Hedging Obligations for *bona fide* hedging purposes of the Parent Guarantor and its Restricted Subsidiaries and not for speculative purposes;

(9) the guarantee by the Parent Guarantor or any Restricted Subsidiary of Indebtedness of the Parent Guarantor or any Restricted Subsidiary to the extent that the guaranteed Indebtedness was permitted to be incurred by another provision of this covenant; *provided* that if the Indebtedness being guaranteed is subordinated to the Notes or subordinated to or *pari passu* with a Guarantee, then the guarantee must be subordinated, in the case of the Notes, or subordinated or *pari passu*, as applicable, in the case of a Guarantee, in each case to the same extent as the Indebtedness guaranteed;

(10) the incurrence by the Parent Guarantor or any of its Restricted Subsidiaries of Indebtedness in respect of workers' compensation claims, self-insurance obligations, captive insurance companies, bankers' acceptances, performance and surety bonds in the ordinary course of business and consistent with past practice;

(11) the incurrence by the Parent Guarantor or any of its Restricted Subsidiaries of Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds, so long as such Indebtedness is covered within five Business Days of such incurrence;

(12) the incurrence by the Parent Guarantor and its Restricted Subsidiaries of Indebtedness arising from agreements of the Parent Guarantor or a Restricted Subsidiary providing for customary indemnification, obligations in respect of earn-outs or other adjustments of purchase price or, in each case, similar obligations, in each case, incurred or assumed in connection with the acquisition or disposition of any business or assets or Person or any Equity Interests of a Subsidiary, *provided* that the maximum liability of the Parent Guarantor and its Restricted Subsidiaries in respect of all such Indebtedness shall at no time exceed the gross proceeds, including the Fair Market Value of non-cash proceeds (measured at the time received and without giving effect to any subsequent changes in value), actually received by the Parent Guarantor and its Restricted Subsidiaries in connection with such disposition;

(13) the incurrence by the Parent Guarantor and its Restricted Subsidiaries of Indebtedness in respect of (A) letters of credit, surety, performance, completion or appeal bonds, instruments, guarantees or other obligations, judgment, advance payment, customs, VAT or other tax guarantees or similar instruments issued in the ordinary course of business of such Person and not in connection with the borrowing of

money, including letters of credit or similar instruments in respect of self-insurance, workers compensation obligations and rent payment obligations, *provided*, *however*, that upon the drawing of such letters of credit or other instrument, such obligations are reimbursed within 30 days following such drawing; and (B) any customary cash management, cash pooling or netting or setting off arrangements;

(14) Indebtedness of the Parent Guarantor of any of its Restricted Subsidiaries in respect of Management Advances;

(15) customer deposits and advance payments received in the ordinary course of business from customers for goods and services purchased in the ordinary course of business;

(16) Indebtedness in an aggregate outstanding principal amount that, when taken together with any Permitted Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness incurred pursuant to this clause (16) and then outstanding, will not exceed 100% of the Net Proceeds received by the Parent Guarantor from the issuance or sale (other than to a Restricted Subsidiary) of its Capital Stock (other than through the issuance of Disqualified Stock, an Excluded Contribution or Excluded Amounts) or otherwise contributed to the equity (other than through the issuance of Disqualified Stock, an Excluded Contribution or Excluded Amounts) of the Parent Guarantor, in each case, subsequent to the Issue Date; *provided*, *however*, that (i) any such Net Proceeds that are so received or contributed shall be excluded for purposes of making Restricted Payments under the first paragraph and clauses (2), (4) and (9) of the second paragraph of the covenant described below under "*—Restricted Payments*" to the extent the Parent Guarantor and its Restricted Subsidiaries incur Indebtedness in reliance thereon and (ii) any Net Proceeds that are so received or contributed shall be excluded for purposes of incurring Indebtedness pursuant to this clause (16) to the extent the Parent Guarantor or any of its Restricted Subsidiaries makes a Restricted Payment under the first paragraph and clauses (2), (4) and (9) of the second paragraph of the covenant described below under "*—Restricted Payments*" in reliance thereon;

(17) Indebtedness (i) of any Person outstanding on the date on which such Person becomes a Restricted Subsidiary of the Parent Guarantor or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Parent Guarantor or any of its Restricted Subsidiaries or (ii) incurred by the Parent Guarantor or any Guarantor to provide all or a portion of the funds used to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Parent Guarantor or a Restricted Subsidiary; *provided*, *however*, with respect to this clause (17), that at the time of the acquisition or other transaction pursuant to which such Indebtedness was deemed to be incurred (x) the Parent Guarantor would have been able to incur €1.00 of additional Indebtedness pursuant to the first paragraph of this covenant after giving *pro forma* effect to the incurrence of such Indebtedness pursuant to this clause (17) or (y) the Fixed Charge Coverage Ratio of the Parent Guarantor would not be less than it was immediately prior to giving *pro forma* effect to the incurrence of such Indebtedness pursuant to this clause (17);

(18) Indebtedness incurred in any Qualified Securitization Financing;

(19) Indebtedness of an Unrestricted Subsidiary existing at the time of its designation as a Restricted Subsidiary in compliance with the covenant described under the caption "*—Designation of Restricted and Unrestricted Subsidiaries*" and not incurred in connection with or in contemplation of such designation if the Consolidated Net Leverage Ratio of (a) the Parent Guarantor and its Restricted Subsidiaries (on a *pro forma* basis giving effect to such designation) is not greater than 5.0 to 1.0 or would not be greater than it was immediately prior to giving pro forma effect to such designation and (b) of such Unrestricted Subsidiary (on an actual basis) is not greater than 5.0 to 1.0; and

(20) the incurrence by the Parent Guarantor or any of its Restricted Subsidiaries of additional Indebtedness in an aggregate principal amount (or accreted value, as applicable) at any time outstanding, including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this clause (20) not to exceed the greater of €175 million and 9.7% of Total Assets.

Neither the Issuer nor any Guarantor will incur any Indebtedness (including Permitted Debt) that is contractually subordinated in right of payment to any other Indebtedness of the Issuer or such Guarantor unless such Indebtedness is also contractually subordinated in right of payment to the Notes or the relevant Guarantee on substantially identical terms; *provided*, *however*, that no Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Issuer or any Guarantor solely by virtue of being unsecured or by virtue of being secured with different collateral or by virtue of being secured on a junior priority basis or by virtue of the application of waterfall or other payment-ordering provisions affecting different tranches of Indebtedness under Credit Facilities.

For purposes of determining compliance with this "*Incurrence of Indebtedness and Issuance of Preferred Stock*" covenant, in the event that an item of Indebtedness meets the criteria of more than one of the categories of Indebtedness described in this covenant, the Parent Guarantor, in its sole discretion, will be permitted to classify such item of Indebtedness on the date of its incurrence and only be required to include the amount and type of such Indebtedness in one of such clauses and will be permitted on the date of such incurrence to divide and classify an item of Indebtedness in more than one of the types of Indebtedness described in the first and second paragraphs of this covenant, and from time to time to reclassify all or a portion of such item of Indebtedness, in any manner that complies with this covenant, *provided* that Indebtedness incurred pursuant to clause (1) of the definition of Permitted Debt may not be reclassified. Indebtedness under the Senior Facilities outstanding on the Issue Date will be deemed to have been incurred on such date in reliance on the exception provided in clause (1) of the definition of Permitted Debt.

The accrual of interest or preferred stock dividends, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness, the reclassification of preferred stock as Indebtedness due to a change in accounting principles, and the payment of dividends on preferred stock or Disqualified Stock in the form of additional shares of the same class of preferred stock or Disqualified Stock will not be deemed to be an incurrence of Indebtedness or an issuance of preferred stock or Disqualified Stock for purposes of this covenant. For purposes of determining compliance with any €-denominated restriction on the incurrence of Indebtedness, the € Equivalent principal amount of Indebtedness denominated in a different currency shall be utilized, calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, in the case of term Indebtedness, or first committed, in the case of Indebtedness incurred under a revolving credit facility; *provided*, *however*, that (i) if such Indebtedness denominated in non-€ currency is subject to a Currency Exchange Protection Agreement with respect to €, the amount of such Indebtedness expressed in € will be calculated so as to take account of the effects of such Currency Exchange Protection Agreement; and (ii) the € Equivalent of the principal amount of any such Indebtedness outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date. The principal amount of any refinancing Indebtedness incurred in the same currency as the Indebtedness being refinanced will be the € Equivalent of the Indebtedness refinanced determined on the date such Indebtedness was originally incurred, except that to the extent that:

(1) such € Equivalent was determined based on a Currency Exchange Protection Agreement, in which case the refinancing Indebtedness will be determined in accordance with the preceding sentence; and

(2) the principal amount of the refinancing Indebtedness exceeds the principal amount of the Indebtedness being refinanced, in which case the € Equivalent of such excess will be determined on the date such refinancing Indebtedness is being incurred.

Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Parent Guarantor or any of its Restricted Subsidiaries may incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values.

The amount of any Indebtedness outstanding as of any date will be:

(1) in the case of any Indebtedness issued with original issue discount, the amount of the liability in respect thereof determined in accordance with IFRS;

(2) the principal amount of the Indebtedness, in the case of any other Indebtedness; and

(3) in respect of Indebtedness of another Person secured by a Lien on the assets of the specified Person, the lesser of:

    (i) the Fair Market Value of such assets at the date of determination; and

    (ii) the amount of the Indebtedness of the other Person.

Restricted Payments

The Parent Guarantor will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) declare or pay any dividend or make any other payment or distribution on account of the Parent Guarantor's or any of its Restricted Subsidiaries' Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving the Parent Guarantor or any of its Restricted Subsidiaries) or to the direct or indirect holders of the Parent Guarantor's or any of its Restricted Subsidiaries' Equity Interests in their capacity as holders, other than (i) dividends or distributions payable in Equity Interests (other than Disqualified Stock) of the Parent Guarantor and (ii) dividends or distributions payable to the Parent Guarantor or a Restricted Subsidiary;

(2) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving the Parent Guarantor) any Equity Interests of the Parent Guarantor or any Parent Entity;

(3) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Indebtedness of the Issuer or any Guarantor that is contractually subordinated in right of payment to the Notes or to any Guarantee (excluding any intercompany Indebtedness between or among the Parent Guarantor and any of its Restricted Subsidiaries), except (i) a payment of interest or principal at the Stated Maturity thereof or (ii) the purchase, repurchase or other acquisition of Indebtedness purchased in anticipation of satisfying a scheduled sinking fund obligation, principal installment or scheduled maturity, in each case due within one year of the date of such purchase, repurchase or other acquisition;

(4) make any cash payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Subordinated Shareholder Debt; or

(5) make any Restricted Investment,

(all such payments and other actions set forth in these clauses (1) through (5) above being collectively referred to as "**Restricted Payments**"), unless, at the time of any such Restricted Payment:

(a) no Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment;

(b) the Parent Guarantor would, at the time of such Restricted Payment and after giving *pro forma* effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to incur at least €1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described below under the caption "*—Incurrence of Indebtedness and Issuance of Preferred Stock*"; and

(c) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Parent Guarantor and its Restricted Subsidiaries since the Issue Date (excluding Restricted Payments permitted by clauses (2), (3), (5), (6), (7), (8), (11), (12), (13), (14), (17), (18) and (21) of the next succeeding paragraph), is less than the sum, without duplication, of:

    (i) 50% of the Consolidated Net Income of Swissport Group S.à r.l. (excluding any Consolidated Net Income directly attributable to any Subsidiary of Swissport Group S.à r.l. other than the Parent Guarantor and any Subsidiary of the Parent Guarantor), until the time the Issuer , in its sole discretion, elects to provide and deliver consolidated financial statements of the Parent Guarantor, and the Parent Guarantor thereafter, in each case, for the period (taken as one accounting period) from the beginning of the fiscal quarter commencing immediately prior to the Issue Date to the end of the most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, less 100% of such deficit); plus

    (ii) 100% of the aggregate net cash proceeds and the Fair Market Value of marketable securities received by the Parent Guarantor since the Issue Date as a contribution to its common equity capital or from the issue or sale of Equity Interests of the Parent Guarantor (other than Disqualified Stock, Excluded Contributions and Excluded Amounts) or from the issue or sale of convertible or exchangeable Disqualified Stock of the Parent Guarantor or convertible or exchangeable debt securities of the Parent Guarantor, in each case that have been converted into or exchanged for Equity Interests of the Parent Guarantor (other than Equity Interests and convertible or exchangeable Disqualified Stock or debt securities sold to a Subsidiary of the Parent Guarantor) or from the issuance or sale of Subordinated Shareholder Debt (other than an issuance or sale to a Subsidiary of the Parent Guarantor); *plus*

(iii) to the extent that any Restricted Investment that was made after the Issue Date is (a) sold, disposed of or otherwise cancelled, liquidated or repaid, 100% of the aggregate amount received in cash and the Fair Market Value of the property and marketable securities received by the Parent Guarantor or any Restricted Subsidiary (other than from a Person that is the Parent Guarantor or a Restricted Subsidiary), or (b) made in an entity that subsequently becomes a Restricted Subsidiary, 100% of the Fair Market Value of the Restricted Investment of the Parent Guarantor and its Restricted Subsidiaries as of the date such entity becomes a Restricted Subsidiary; *plus*

(iv) to the extent that any Unrestricted Subsidiary of the Parent Guarantor designated as such after the Issue Date is redesignated as a Restricted Subsidiary or is merged or consolidated into the Parent Guarantor or a Restricted Subsidiary, or all of the assets of such Unrestricted Subsidiary are transferred to the Parent Guarantor or a Restricted Subsidiary, the Fair Market Value of the property received by the Parent Guarantor or Restricted Subsidiary or the Parent Guarantor's Restricted Investment in such Subsidiary as of the date of such redesignation, merger, consolidation or transfer of assets, to the extent such Investments reduced the Restricted Payments capacity under this clause (c) and were not previously repaid or otherwise reduced; *plus*

(v) upon the full and unconditional release of a Restricted Investment that is a guarantee made by the Parent Guarantor or one of its Restricted Subsidiaries to any Person, an amount equal to the amount of such guarantee; *plus*

(vi) 100% of any cash dividends or distributions received by the Parent Guarantor or a Restricted Subsidiary after the Issue Date from an Unrestricted Subsidiary, to the extent that such dividends or distributions were not otherwise included in the Consolidated Net Income of the Parent Guarantor for such period.

Notwithstanding the foregoing, any amounts (such amounts, the "*Excluded Amounts*") that would otherwise be included in the calculation of the amount available for Restricted Payments pursuant to sub-clauses (ii) or (iii) of the preceding clause (c) will be excluded to the extent (1) such amounts result from the receipt of cash or Cash Equivalents received in contemplation of, or in connection with, an event that would otherwise have constituted a Change of Control, (2) the purpose of, or the effect of, the receipt of such cash or Cash Equivalents was to reduce the Consolidated Net Leverage Ratio so that a Change of Control did not occur, which would otherwise have occurred without the receipt of such cash or Cash Equivalents, (3) no Change of Control Offer is made in connection with such event in accordance with the requirements of the Indenture and (4) Excluded Amounts shall be limited to the amount of cash or Cash Equivalents necessary to reduce the Consolidated Net Leverage Ratio to cause the occurrence of a Change of Control, and amounts of cash or Cash Equivalents received in excess thereof shall not constitute Excluded Amounts. The preceding provisions will not prohibit:

(1) the payment of any dividend or the consummation of any redemption within 60 days after the date of declaration of the dividend or giving of the redemption notice, as the case may be, if at the date of declaration or notice, the dividend or redemption payment would have complied with the provisions of the Indenture;

(2) the making of any Restricted Payment in exchange for, or out of or with the net cash proceeds of the substantially concurrent sale or issuance (other than to a Subsidiary of the Parent Guarantor) of, Equity Interests of the Parent Guarantor (other than Disqualified Stock), Subordinated Shareholder Debt or from the substantially concurrent contribution of common equity capital to the Parent Guarantor; *provided* that the amount of any such net cash proceeds that are utilized for any such Restricted Payment will be excluded from the calculation of amounts under clause (c)(ii) of the preceding paragraph, shall not constitute Excluded Contributions and will not be considered to be net cash proceeds from an Equity Offering for purposes of the "Optional Redemption" provisions of the Indenture;

(3) the repurchase, redemption, defeasance or other acquisition or retirement for value of Indebtedness of the Issuer or any Guarantor that is contractually subordinated to the Notes or any Guarantee with the net cash proceeds from an incurrence of Permitted Refinancing Indebtedness;

(4) the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Parent Guarantor or any Restricted Subsidiary held by any current or former officer, director, employee

or consultant of the Parent Guarantor or any of its Restricted Subsidiaries pursuant to any equity subscription agreement, stock option agreement, restricted stock grant, shareholders' agreement or similar agreement; *provided* that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests may not exceed €10.0 million in any calendar year; and *provided*, *further*, that such amount in any calendar year may be increased by an amount not to exceed (i) the cash proceeds from the sale of Equity Interests of the Parent Guarantor or a Restricted Subsidiary received by the Parent Guarantor or a Restricted Subsidiary during such calendar year, in each case to members of management, directors or consultants of the Parent Guarantor, any of its Restricted Subsidiaries or any of its direct or indirect parent companies and (ii) the cash proceeds of key man life insurance policies, in each case to the extent the cash proceeds have not otherwise been applied to the making of Restricted Payments pursuant to clause (c)(ii) of the preceding paragraph or clause (2) of this paragraph;

(5) the repurchase of Equity Interests deemed to occur upon the exercise of stock options or warrants to the extent such Equity Interests represent a portion of the exercise price of those stock options or warrants;

(6) the declaration and payment of regularly scheduled or accrued dividends to holders of any class or series of Disqualified Stock of the Parent Guarantor or any preferred stock of any Restricted Subsidiary issued on or after the Issue Date in accordance with the covenant described above under the caption "*—Incurrence of Indebtedness and Issuance of Preferred Stock*";

(7) payments of cash, dividends, distributions, advances or other Restricted Payments by the Parent Guarantor or any of its Restricted Subsidiaries to allow the payment of cash in lieu of the issuance of fractional shares upon (i) the exercise of options or warrants or (ii) the conversion or exchange of Capital Stock of any such Person;

(8) payments pursuant to any tax sharing agreement or arrangement among the Parent Guarantor and its Subsidiaries and other Persons with which the Parent Guarantor or any of its Subsidiaries is required or permitted to file a consolidated tax return or with which the Parent Guarantor or any of its Restricted Subsidiaries is a part of a group for tax purposes; *provided*, *however*, that such payments will not exceed the amount of tax that the Parent Guarantor and its Subsidiaries would owe on a stand-alone basis and the related tax liabilities of the Parent Guarantor and its Subsidiaries are relieved by the payment of such amounts to a relevant taxing authority;

(9) so long as no Default has occurred and is continuing or would be caused thereby, following an Initial Public Offering of the Capital Stock of the Parent Guarantor or a Parent Entity, the payment of dividends on the Capital Stock of the Parent Guarantor in an amount not to exceed the greater of (i) 6% per annum of the Net Proceeds received by the Parent Guarantor from such Public Equity Offering or contributed to the equity (other than through the issuance of Disqualified Stock or through Excluded Contributions or Excluded Amounts) of the Parent Guarantor or contributed as Subordinated Shareholder Debt to the Parent Guarantor and (ii) 5% of the Market Capitalization, *provided* that after giving *pro forma* effect to the payment of any such dividend or making of any such distribution, the Consolidated Net Leverage Ratio of the Parent Guarantor and its Restricted Subsidiaries would not exceed 3.0 to 1.0; *provided*, in each case, that if such Initial Public Offering was of Capital Stock of a Parent Entity, the net proceeds of any such dividend are used to fund a corresponding dividend in equal or greater amount on the Capital Stock of such Parent Entity;

(10) advances or loans to (a) any future, present or former officer, director, employee or consultant of the Parent Guarantor or a Restricted Subsidiary to pay for the purchase or other acquisition for value of Equity Interests of the Parent Guarantor (other than Disqualified Stock), or any obligation under a forward sale agreement, deferred purchase agreement or deferred payment arrangement pursuant to any management equity plan or stock option plan or any other management or employee benefit or incentive plan or other agreement or arrangement or (b) any management equity plan or stock option plan or any other management or employee benefit or incentive plan or unit trust or the trustees of any such plan or trust to pay for the purchase or other acquisition for value of Equity Interests of the Parent Guarantor (other than Disqualified Stock); *provided* that the total aggregate amount of Restricted Payments made under this clause (10) does not exceed €5.0 million in any calendar year;

(11) the payment of any dividend (or, in the case of any partnership or limited liability company, any similar distribution) by a Restricted Subsidiary to the holders of its Equity Interests on no more than a pro rata basis;

(12) so long as no Default or Event of Default has occurred and is continuing, the payment of Management Fees;

(13) Permitted Parent Payments;

(14) Restricted Payments that are made with Excluded Contributions;

(15) any purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Indebtedness of the Parent Guarantor or any Guarantor that is subordinated in right of payment to the Notes or any Guarantee (other than any Indebtedness so subordinated and held by Affiliates of the Parent Guarantor) upon a Change of Control or Asset Sale to the extent required by the agreements governing such Indebtedness at a purchase price not greater than 101% of the principal amount of such Indebtedness, in the case of a Change of Control, and 100%, in the case of an Asset Sale, but only if the Parent Guarantor has complied with its obligations under the covenants described under "*Repurchase at the Option of Holders—Change of Control*" and "*—Asset Sales*" and the Parent Guarantor repurchased all Notes tendered pursuant to the offer required by such covenants prior to offering to purchase, purchasing or repaying such Indebtedness;

(16) the distribution, as a dividend or otherwise, of shares of Capital Stock of, or Indebtedness owed to the Parent Guarantor or a Restricted Subsidiary of the Parent Guarantor by, Unrestricted Subsidiaries;

(17) the Transactions, including but not limited to any Restricted Payment pursuant to or in connection with, the Transactions;

(18) the payment of any Securitization Fees and purchases of Securitization Assets and related assets pursuant to a Securitization Repurchase Obligation in connection with a Qualified Securitization Financing;

(19) so long as no Default or Event of Default has occurred and is continuing, any dividend, distribution, loan or other payment to any Parent Entity; provided that, on the date of any such dividend, distribution, loan or other payment, the Consolidated Net Leverage Ratio of the Parent Guarantor and its Restricted Subsidiaries does not exceed 2.5 to 1.0 on a *pro forma* basis after giving effect, thereto;

(20) so long as no Default or Event of Default has occurred and is continuing, other Restricted Payments in an aggregate amount not to exceed the greater of €60 million and 3.3% of Total Assets; and

(21) (a) the payment of scheduled interest or principal when due at scheduled maturity in respect of the Swissport International Notes and (b) the distribution of the HNA Loan to a direct or indirect parent company of the Parent Guarantor, as described in the Offering Memorandum under the heading "*Shareholders and Related Party Transactions—Related Party Transactions*" on or within two business days of the Issue Date; and

(22) to the extent constituting an employee compensation payment obligation, any payment to any employee, officer or director of Swissport International Ltd. or any other Restricted Subsidiary under any long-term incentive plan, including any long-term incentive plan entered into with Swissport Group S.à r.l, and distributions to Swissport Group S.à r.l. for the purpose of making such payments to the extent that the proceeds of such distributions are applied solely to the payment of such employee, officer or director compensation.

Notwithstanding any other provision of the Indenture, the Parent Guarantor will not, and will not cause or permit any of its Subsidiaries to, directly or indirectly:

(i) make any Restricted Payment (including, for the avoidance of doubt, any Permitted Investment the proceeds of which are intended to be used, or are used, to indirectly make any Restricted Payment or to take any other action that would constitute a Restricted Payment if made by the Parent Guarantor), to any Equity Investor or Related Party other than:

  (x) Restricted Payments permitted by clauses (2), (4), (7), (10), (12), (13), (14), (17), (21) and (22) of the immediately preceding paragraph, or

  (y) any other Restricted Payment otherwise permitted hereunder; *provided* that (a) such Restricted Payment is applied solely to the payment of the Mezzanine Notes and (b) on the date of such Restricted Payment, the Consolidated Net Leverage Ratio of the Parent Guarantor and its Restricted Subsidiaries does not exceed the Consolidated Net Leverage Ratio of the Parent Guarantor and its Restricted Subsidiaries as of the Issue Date on a *pro forma* basis after giving effect thereto, or

(ii) make any Restricted Investments otherwise permitted under this covenant or any Permitted Investment in or with an entity that is an Equity Investor or a Related Party.

The amount of all Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Parent Guarantor or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment.

Liens

The Parent Guarantor will not and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume or otherwise cause or suffer to exist or become effective any Lien (the "**Initial Lien**") of any kind securing Indebtedness upon any of their property or assets, now owned or hereafter acquired, except Permitted Liens, unless all payments due under the Indenture and the Notes are secured on an equal and ratable basis (or in the case of Indebtedness which is subordinated in right of payment to the Notes or any Guarantees, prior or senior thereto, with the same relative priority as the Notes or such Guarantee, as applicable, shall have with respect to such subordinated Indebtedness) with the obligations so secured.

Any Lien created for the benefit of the holders pursuant to this covenant will provide by its terms that such Lien will be automatically and unconditionally released and discharged (a) upon the release and discharge of the Initial Lien other than as a consequence of an enforcement action with respect to the assets subject to such Lien or (b) as set forth under the heading "—Security."

Financial Calculations for Limited Condition Acquisitions

When calculating the availability under any basket or ratio under the Indenture, in each case in connection with a Limited Condition Acquisition, the date of determination of such basket or ratio and of any Default or Event of Default may, at the option of the Issuer, be the date the definitive agreements for such Limited Condition Acquisition are entered into and such baskets or ratios shall be calculated with such *pro forma* adjustments as are appropriate and consistent with the *pro forma* adjustment provisions set forth in the definition of Fixed Charge Coverage Ratio after giving effect to such Limited Condition Acquisition and the other transactions to be entered into in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) as if they occurred at the beginning of the applicable period for purposes of determining the ability to consummate any such Limited Condition Acquisition (and not for purposes of any subsequent availability of any basket or ratio), and, for the avoidance of doubt, (x) if any of such baskets or ratios are exceeded as a result of fluctuations in such basket or ratio (including due to fluctuations in Total Assets or Consolidated EBITDA of the Parent Guarantor or the target company) subsequent to such date of determination and at or prior to the consummation of the relevant Limited Condition Acquisition, such baskets or ratios will not be deemed to have been exceeded as a result of such fluctuations for purposes of determining whether such Limited Condition Acquisition and related transactions are permitted under the Indenture and (y) such baskets or ratios shall not be tested at the time of consummation of such Limited Condition Acquisition or related transactions solely for purposes of determining whether such Limited Condition Acquisition is permitted under the Indenture; provided that if the Issuer elects to have such determinations occur at the time of entry into such definitive agreement, any such transactions (including any incurrence of Indebtedness and the use of proceeds thereof) shall be deemed to have occurred on the date the definitive agreements are entered and outstanding thereafter for purposes of calculating any usage of baskets or ratios under the Indenture from and including the date of such agreement and before the consummation of such Limited Condition Acquisition, unless and until such Limited Condition Acquisition has been abandoned or such definitive agreement has expired or been terminated prior to consummation thereof. With respect to any such calculations of the availability under any basket or ratio under the Indenture with respect to a Limited Condition Acquisition, the Issuer will deliver to the Trustee promptly following the date the definitive agreement for such Limited Condition Acquisition is entered into an Officer's Certificate stating that such definitive agreement has been executed and that the Issuer has made any applicable ratio or basket calculations in accordance with this provision and in compliance with the terms of the Indenture.

Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

The Parent Guarantor will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

(1) pay dividends or make any other distributions on its Capital Stock to the Parent Guarantor or any Restricted Subsidiary, or with respect to any other interest or participation in, or measured by, its profits, or pay any Indebtedness owed to the Parent Guarantor or any Restricted Subsidiary;

(2) make loans or advances to the Parent Guarantor or any Restricted Subsidiary; or

(3) sell, lease or transfer any of its properties or assets to the Parent Guarantor or any Restricted Subsidiary,

provided that (x) the priority of any preferred stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill period to) loans or advances made to the Parent Guarantor or any Restricted Subsidiary to other Indebtedness incurred by the Parent Guarantor or any Restricted Subsidiary, in each case, shall not be deemed to constitute such an encumbrance or restriction.

However, the preceding restrictions will not apply to encumbrances or restrictions existing under or by reason of:

(1) agreements governing Indebtedness and Credit Facilities as in effect on the Issue Date after giving effect to the use of proceeds of the Notes and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements; *provided* that the amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings are not materially more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in those agreements on the Issue Date after giving effect to the use of proceeds of the Notes;

(2) the Indenture, the Notes, the Guarantees, the indenture governing the Senior Secured Notes, the Senior Notes, the guarantees relating to the Senior Secured Notes, the Intercreditor Agreement and any Additional Intercreditor Agreement;

(3) any encumbrance or restriction arising pursuant to an agreement or instrument relating to any Indebtedness permitted to be incurred subsequent to the Issue Date pursuant to the provisions of the covenant described under "*—Incurrence of Indebtedness and Issuance of Preferred Stock*" if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the holders of the Notes than the encumbrances and restrictions contained in the Senior Facilities and the Intercreditor Agreement, in each case, as in effect on the Issue Date (as determined in good faith by the Parent Guarantor);

(4) applicable law, rule, regulation or order or the terms of any license, authorization, concession or permit;

(5) any instrument governing Indebtedness or Capital Stock of a Person acquired by the Parent Guarantor or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness or Capital Stock was incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired; *provided* that, in the case of Indebtedness, such Indebtedness was permitted by the terms of the Indenture to be incurred;

(6) customary non-assignment and similar provisions in contracts, leases and licenses entered into in the ordinary course of business;

(7) purchase money obligations for property acquired in the ordinary course of business and Capital Lease Obligations that impose restrictions on the property purchased or leased of the nature described in clause (3) of the preceding paragraph;

(8) any agreement for the sale or other disposition of the Capital Stock or all or substantially all of the property and assets of a Restricted Subsidiary that restricts distributions by that Restricted Subsidiary pending its sale or other disposition;

(9) Permitted Refinancing Indebtedness; *provided* that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced;

(10) Liens permitted to be incurred under the provisions of the covenant described above under the caption "*—Liens*" that limit the right of the debtor to dispose of the assets subject to such Liens;

(11) customary provisions limiting the disposition or distribution of assets or property in joint venture agreements, asset sale agreements, sale-leaseback agreements, stock sale agreements and other similar agreements in the ordinary course of business (including agreements entered into in connection with a Restricted Investment), which limitation is applicable only to the assets that are the subject of such agreements;

(12) restrictions on cash or other deposits or net worth imposed by customers or suppliers or required by insurance, surety or bonding companies, in each case, under contracts entered into in the ordinary course of business; and

(13) any encumbrance or restriction existing under any agreement that extends, renews, refinances or replaces the agreements containing the encumbrances or restrictions in the foregoing clauses (1) through (12), or in this clause (13); *provided* that the terms and conditions of any such encumbrances or restrictions are no more restrictive in any material respect than those under or pursuant to the agreement so extended, renewed, refinanced or replaced.

Merger, Consolidation or Sale of Assets

The Issuer

The Issuer will not directly or indirectly: (1) consolidate or merge with or into another Person (whether or not the Issuer is the surviving corporation), or (2) sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties or assets of the Issuer and its Subsidiaries that are Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person, unless:

(1) either: (a) the Issuer is the surviving corporation; or (b) the Person formed by or surviving any such consolidation or merger (if other than the Issuer) or to which such sale, assignment, transfer, conveyance, lease or other disposition has been made is an entity organized or existing under the laws of any member state of the Pre-Expansion European Union, Switzerland, Canada, any state of the United States or the District of Columbia;

(2) the Person formed by or surviving any such consolidation or merger with the Issuer (if other than the Issuer) or the Person to which such sale, assignment, transfer, conveyance, lease or other disposition has been made assumes all the obligations of the Issuer under the Notes, the Indenture and the Intercreditor Agreement pursuant to a supplemental indenture satisfactory to the Trustee;

(3) immediately after such transaction, no Default or Event of Default exists;

(4) the Issuer or the Person formed by or surviving any such consolidation or merger (if other than the Issuer), or to which such sale, assignment, transfer, conveyance, lease or other disposition has been made would, on the date of such transaction after giving *pro forma* effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period (i) be permitted to incur at least €1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described above under the caption "—Incurrence of Indebtedness and Issuance of Preferred Stock" or (ii) have a Fixed Charge Coverage Ratio no less than it was immediately prior to giving effect to such transaction; and

(5) the Parent Guarantor delivers to the Trustee an Officer's Certificate and opinion of counsel, in each case, stating that such consolidation, merger or transfer and such supplemental indenture comply with this covenant; *provided* that in giving an opinion of counsel, counsel may rely on an Officer's Certificate as to any matters of fact, including as to satisfaction of clauses (3) and (4) above.

The Parent Guarantor

The Parent Guarantor will not directly or indirectly: (1) consolidate or merge with or into another Person (whether or not the Issuer is the surviving corporation), or (2) sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties or assets of the Parent Guarantor and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person, unless:

(1) either: (a) the Parent Guarantor is the surviving corporation; or (b) the Person formed by or surviving any such consolidation or merger (if other than the Parent Guarantor) or to which such sale, assignment, transfer, conveyance, lease or other disposition has been made is an entity organized or existing under the laws of any member state of the Pre-Expansion European Union, Switzerland, Canada, any state of the United States or the District of Columbia;

(2) the Person formed by or surviving any such consolidation or merger with the Parent Guarantor (if other than the Parent Guarantor) or the Person to which such sale, assignment, transfer, conveyance, lease or other disposition has been made assumes all the obligations of the Parent Guarantor under the Notes, the Parent Guarantee and the Indenture pursuant to a supplemental indenture satisfactory to the Trustee;

(3) immediately after such transaction, no Default or Event of Default exists;

(4) the Parent Guarantor or the Person formed by or surviving any such consolidation or merger (if other than the Parent Guarantor), or to which such sale, assignment, transfer, conveyance, lease or other

disposition has been made would, on the date of such transaction after giving *pro forma* effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period (i) be permitted to incur at least €1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described above under the caption "*—Incurrence of Indebtedness and Issuance of Preferred Stock*" or (ii) have a Fixed Charge Coverage Ratio no less than it was immediately prior to giving effect to such transaction; and

(5) the Parent Guarantor delivers to the Trustee an Officer's Certificate and opinion of counsel, in each case, stating that such consolidation, merger or transfer and such supplemental indenture comply with this covenant; *provided* that in giving an opinion of counsel, counsel may rely on an Officer's Certificate as to any matters of fact, including as to satisfaction of clauses (3) and (4) above.

A Subsidiary Guarantor

A Subsidiary Guarantor (other than a Guarantor whose Guarantee is to be released in accordance with the terms of Guarantee and the Indenture) will not, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not such Subsidiary Guarantor is the surviving corporation), or (2) sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties or assets of such Subsidiary Guarantor and its Subsidiaries that are Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person other than the Parent Guarantor or any other Restricted Subsidiary, unless:

(1) immediately after giving effect to such transaction, no Default or Event of Default exists;

(2) either:

  (a) such Subsidiary Guarantor is the surviving corporation; or (b) the Person acquiring the property in any such sale or disposition or the Person formed by or surviving any such consolidation or merger assumes all the obligations of that Subsidiary Guarantor under its Guarantee and the Indenture pursuant to a supplemental indenture in form and substance satisfactory to the Trustee; or

  (b) the Net Proceeds of such sale or other disposition are applied in accordance with the applicable provisions of the Indenture.

In addition, the Parent Guarantor will not, directly or indirectly, lease all or substantially all of the properties and assets of it and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to any other Person.

Clauses (3) and (4) of each of the first and second paragraphs of this "*Merger, Consolidation or Sale of Assets*" covenant will not apply to any sale or other disposition of all or substantially all of the assets or merger or consolidation of the Issuer or the Parent Guarantor with or into any other Guarantor and clause (1) of the third paragraph of this "*Merger, Consolidation or Sale of Assets*" covenant will not apply to any sale or other disposition of all or substantially all of the assets or merger or consolidation of the Issuer with or into an Affiliate solely for the purpose of reincorporating the Issuer in another jurisdiction for tax reasons. This "*Merger, Consolidation or Sale of Assets*" covenant will not apply to any consolidation or merger of any Restricted Subsidiary that is not a Guarantor into the Parent Guarantor or any other Guarantor.

Transactions with Affiliates

The Parent Guarantor will not, and will not cause or permit any of its Restricted Subsidiaries to, make any payment to or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Parent Guarantor (each, an "**Affiliate Transaction**") involving aggregate payments or consideration in excess of €5.0 million, unless:

(1) the Affiliate Transaction is on terms that are no less favorable to the Parent Guarantor or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Parent Guarantor or such Restricted Subsidiary with an unrelated Person; and

(2) the Parent Guarantor delivers to the Trustee:

  (a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of €10 million, a resolution of the Board of Directors of the Parent Guarantor set forth in an Officer's Certificate certifying that such Affiliate Transaction complies with this covenant and that such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors of the Parent Guarantor; and, in addition;

(b) with respect to (i) any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of €25 million or (ii) any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of €10 million in which there are no disinterested members of the Board of Directors of the Parent Guarantor, an opinion of an accounting, appraisal or investment banking firm of international standing, or other recognized independent expert of international standing with experience appraising the terms and conditions of the type of transaction or series of related transactions for which an opinion is required, stating that the transaction or series of related transactions is (i) fair from a financial point of view taking into account all relevant circumstances or (ii) on terms not less favorable than might have been obtained in a comparable transaction at such time on an arm's length basis from a Person who is not an Affiliate.

The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of the prior paragraph:

(1) any employment agreement, collective bargaining agreement, consultant, employee benefit arrangements with any employee, consultant, officer or director of the Parent Guarantor or any Restricted Subsidiary, including under any stock option, stock appreciation rights, stock incentive or similar plans, entered into in the ordinary course of business;

(2) transactions between or among the Parent Guarantor and any Restricted Subsidiary, or between or among Restricted Subsidiaries;

(3) transactions in the ordinary course of business with a Person (other than an Unrestricted Subsidiary of the Parent Guarantor) that is an Affiliate of the Parent Guarantor solely because the Parent Guarantor owns, directly or through a Restricted Subsidiary, an Equity Interest in, or controls, such Person;

(4) payment of reasonable and customary fees and reimbursements of expenses (pursuant to indemnity arrangements or otherwise) of Officers, directors, employees or consultants of the Parent Guarantor or any of its Restricted Subsidiaries;

(5) any issuance of Equity Interests (other than Disqualified Stock) of the Parent Guarantor or Subordinated Shareholder Debt to Affiliates of the Parent Guarantor;

(6) any Investment (other than a Permitted Investment) or other Restricted Payment, in either case, that does not violate the provisions of the Indenture described above under the caption "—*Restricted Payments*";

(7) Management Advances;

(8) any Permitted Investments (other than Permitted Investments described in clause (3) of the definition thereof) and any Permitted Investment in any Unrestricted Subsidiary;

(9) the incurrence of any Subordinated Shareholder Debt;

(10) transactions pursuant to, or contemplated by any agreement in effect on the Issue Date and transactions pursuant to any amendment, modification or extension to such agreement, so long as such amendment, modification or extension, taken as a whole, is not more disadvantageous to the holders of the Notes in any material respect than the original agreement as in effect on the Issue Date;

(11) transactions with customers, clients, suppliers, or purchasers or sellers of goods or services or providers of employees or other labor, in each case in the ordinary course of business and otherwise in compliance with the terms of the Indenture that are fair to the Parent Guarantor or the Restricted Subsidiaries, in the reasonable determination of the members of the Board of Directors of the Parent Guarantor or the senior management thereof, or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated Person;

(12) any payments or other transactions pursuant to a tax sharing agreement between the Parent Guarantor and any other Person or a Restricted Subsidiary of the Parent Guarantor and any other Person with which the Parent Guarantor or any of its Restricted Subsidiaries files a consolidated tax return or with which the Parent Guarantor or any of its Restricted Subsidiaries is part of a group for tax purposes or any tax advantageous group contribution made pursuant to applicable legislation; *provided*, *however*, that any such tax sharing or arrangement and payment does not permit or require payments in excess of the amounts of tax that would be payable by the Parent Guarantor and its Restricted Subsidiaries on a stand-alone basis;

(13) any contribution to the capital of the Parent Guarantor in exchange for Capital Stock of the Parent Guarantor (other than Disqualified Stock and preferred stock);

(14) transactions between the Parent Guarantor or any of its Restricted Subsidiaries and any Person, a director of which is also a director of the Parent Guarantor or any of its Restricted Subsidiaries, as applicable, or any Parent Entity; *provided*, *however*, that such director abstains from voting as a director of the Parent Guarantor, the Restricted Subsidiary or such direct or indirect parent, as the case may be, on any matter involving such other Person;

(15) pledges of Equity Interests of Unrestricted Subsidiaries;

(16) any transaction in the ordinary course of business between or among the Parent Guarantor or any Restricted Subsidiary and any Affiliate of the Parent Guarantor or an Associate or similar entity that would constitute an Affiliate Transaction solely because the Issuer or a Restricted Subsidiary or any Affiliate of the Parent Guarantor or a Restricted Subsidiary or any Affiliate of any Permitted Holder owns an equity interest in or otherwise controls such Affiliate, Associate or similar entity;

(17) any transaction effected as part of a Qualified Securitization Financing;

(18) any merger, consolidation or reorganization of the Issuer or the Parent Guarantor otherwise permitted under the provisions of the Indenture with an Affiliate of the Issuer solely for the purpose of (x) reorganizing to facilitate an initial public offering of securities of the Issuer, the Parent Guarantor or any Parent Entity, (y) forming or collapsing a holding company structure or (z) reincorporating the Parent Guarantor or Issuer in a new jurisdiction, in each case so long as any such merger, consolidation or reorganization has been approved by a majority of the members of the Board of Directors of the Parent Guarantor in good faith; and

(19) the Transactions.

Notwithstanding any other provision of the Indenture, the Parent Guarantor will not, and will not cause or permit any of its Subsidiaries to, make any payment to or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Equity Investor or Related Party other than, without duplication (i) items permitted by clauses (1), (2), (4), (5), (7) or (9) of the immediately preceding paragraph and (ii) Restricted Payments and Permitted Investments permitted to be made to the Equity Investor or any Related Party pursuant to the third paragraph of the covenant described above under the caption "—*Restricted Payments*."

Designation of Restricted and Unrestricted Subsidiaries

The Board of Directors of the Parent Guarantor may designate any Restricted Subsidiary (including any newly acquired or newly formed Restricted Subsidiary) to be an Unrestricted Subsidiary if that designation would not cause a Default. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate Fair Market Value of all outstanding Investments owned by the Parent Guarantor and its Restricted Subsidiaries in the Subsidiary designated as an Unrestricted Subsidiary will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments under the covenant described above under the caption "—*Restricted Payments*" or under one or more clauses of the definition of Permitted Investments, as determined by the Parent Guarantor. That designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. The Parent Guarantor may redesignate any Unrestricted Subsidiary to be a Restricted Subsidiary if that redesignation would not cause a Default.

Any designation of a Subsidiary of the Parent Guarantor as an Unrestricted Subsidiary will be evidenced to the Trustee by filing with the Trustee a copy of a resolution of the Board of Directors giving effect to such designation and an Officer's Certificate certifying that such designation complied with the preceding conditions and was permitted by the covenant described above under the caption "—*Restricted Payments*." If, at any time, any Unrestricted Subsidiary would fail to meet the requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for purposes of the Indenture and any Indebtedness of such Subsidiary will be deemed to be incurred as of such date and, if such Indebtedness is not permitted to be incurred as of such date under the covenant described under the caption "—*Incurrence of Indebtedness and Issuance of Preferred Stock*," the Parent Guarantor will be in default of such covenant. The Board of Directors of the Parent Guarantor may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that such designation will be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of any outstanding Indebtedness of such Unrestricted Subsidiary, and such designation will only be permitted if (1) such Indebtedness is permitted under the covenant described under the caption "—*Incurrence of Indebtedness and Issuance of Preferred Stock*," calculated on a *pro forma* basis as if such designation had occurred at the beginning of the applicable reference period; and (2) no Default or Event of Default would be in existence following such designation.

Maintenance of Listing

The Issuer will use its commercially reasonable efforts to obtain and maintain the listing of the Notes on the Luxembourg Stock Exchange for so long as such Notes are outstanding; *provided* that if the Issuer is unable to obtain admission to listing of the Notes on the Luxembourg Stock Exchange or if at any time the Issuer determines that it will not maintain such listing, it will use its commercially reasonable efforts to obtain and maintain a listing of such Notes on another recognized stock exchange.

Limitation on Issuances of Guarantees of Indebtedness

The Parent Guarantor will not permit any of its Restricted Subsidiaries, directly or indirectly, to guarantee the payment of any other Indebtedness of the Issuer or any Guarantor unless such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture to the Indenture providing for the Guarantee of the payment of the Notes by such Restricted Subsidiary, which Guarantee will be *pari passu* with or senior to such Restricted Subsidiary's guarantee of such other Indebtedness unless such other Indebtedness constitutes Senior Secured Obligations (as defined in the Intercreditor Agreement), in which case the Guarantee of the Notes may be subordinated to the guarantee of such Senior Secured Obligations to the same extent as the Guarantees of the Notes are subordinated to the Senior Secured Obligations being guaranteed.

Each additional Guarantee will be limited as necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law.

The first preceding paragraph of this covenant will not be applicable to any Guarantees of any Restricted Subsidiary:

(1) existing on the Issue Date after giving effect to the use of proceeds from the Transactions;

(2) given to a bank or trust company having combined capital and surplus and undivided profits of not less than €250 million, whose debt has a rating, at the time such guarantee was given, of at least A or the equivalent thereof by S&P and at least A2 or the equivalent thereof by Moody's, in connection with the operation of cash management programs established for the benefit of the Issuer or any of its Restricted Subsidiaries; or

(3) any Guarantee arising as a result of (i) any Dutch Restricted Subsidiary being or having been part of a fiscal unity (*fiscale eenheid*) for VAT, corporate tax or other purposes and (ii) a declaration of joint and several liability (*hoofdelijke aansprakelijkheid*) as referred to in Article 2:403 of the Dutch Civil Code.

Notwithstanding the foregoing, the Parent Guarantor shall not be obligated to cause such Restricted Subsidiary to Guarantee the payment of the Notes to the extent that such Guarantee by such Restricted Subsidiary would reasonably be expected to give rise to or result in:

(1) a violation of applicable law which, in any case, cannot be prevented or otherwise avoided through measures reasonably available to the Parent Guarantor or the Restricted Subsidiary; or

(2) any liability for the officers, directors or shareholders of such Restricted Subsidiary.

Payments for Consent

The Parent Guarantor will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any holder of Notes for or as an inducement to any consent, waiver or amendment of any of the terms of the provisions of the Indenture or the Notes unless such consideration is offered to be paid and is paid to all holders of the Notes that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement. Notwithstanding the foregoing, the Parent Guarantor and its Restricted Subsidiaries shall be permitted, in any offer or payment of consideration for, or as an inducement to, any consent, waiver or amendment of any of the terms or provisions of the Indenture, to exclude holders of Notes in any jurisdiction where (i) the solicitation of such consent, waiver or amendment, including in connection with an offer to purchase for cash, or (ii) the payment of the consideration therefor would require the Parent Guarantor or any of its Restricted Subsidiaries to file a registration statement, prospectus or similar document under any applicable securities laws (including, but not limited to, the United States federal securities laws and the laws of the European Union or its member states), which the Parent Guarantor in its sole discretion determines (acting in good faith) (A) would be materially burdensome (it being understood that it would not be materially burdensome to file the consent document(s) used in other jurisdictions, any substantially similar documents or any summary thereof with the securities or financial services authorities in such jurisdiction); or (B) such solicitation would otherwise not be permitted under applicable law in such jurisdiction.

Additional Intercreditor Agreements

At the request of the Parent Guarantor, without the consent of holders of the Notes, and at the time of, or prior to, the incurrence by the Issuer or a Guarantor of Indebtedness permitted pursuant to (x) the first paragraph of the covenant described under "*—Incurrence of Indebtedness and Issuance of Preferred Stock*" or clause (1), (4) (other than with respect to Capital Lease Obligations), (8), (16) and (19) of the second paragraph of the covenant described under "*—Incurrence of Indebtedness and Issuance of Preferred Stock*" and (y) any Permitted Refinancing Indebtedness in respect of Indebtedness referred to in the foregoing clause (x) the Issuer or the relevant Guarantor and the Trustee shall enter into with the holders of such Indebtedness (or their duly authorized representatives) an intercreditor agreement (an "**Additional Intercreditor Agreement**") on substantially the same terms as the Intercreditor Agreement, including terms with respect to the limitation on enforcement and release of guarantees and priority as set forth in the Intercreditor Agreement (or on terms more favorable to the holders of the Notes); *provided*, that such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or adversely affect the rights, duties, liabilities or immunities of the Trustee under the Indenture or the Intercreditor Agreement.

At the request of the Parent Guarantor, without the consent of holders of the Notes, and at the time of, or prior to, the incurrence by the Issuer or a Guarantor of Indebtedness permitted to be incurred pursuant to the preceding paragraph, the Issuer or the relevant Guarantor and the Trustee shall enter into one or more amendments to any Intercreditor Agreement or Additional Intercreditor Agreement to: (1) cure defects, resolve ambiguities or reflect changes, in each case, of a minor, technical or administrative nature, (2) increase the amount or types of Indebtedness covered by any Intercreditor Agreement or Additional Intercreditor Agreement that may be incurred by the Issuer or a Guarantor that is subject to any Intercreditor Agreement or Additional Intercreditor Agreement (provided that such amendment is consistent with the preceding paragraph), (3) add new Guarantors to the Intercreditor Agreement or an Additional Intercreditor Agreement, (4) secure the Notes or (5) make any other change to any such Intercreditor Agreement or an Additional Intercreditor Agreement that does not adversely affect the rights of holders of the Notes in any material respect.

The Parent Guarantor shall not otherwise direct the Trustee to enter into any amendment to the Intercreditor Agreement or any Additional Intercreditor Agreement without the consent of the holders of the majority in aggregate principal amount of the Notes then outstanding, except as otherwise permitted by "*Amendment, Supplement and Waiver*" and the Parent Guarantor may only direct the Trustee to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or adversely affect the rights, duties, liabilities or immunities of the Trustee under the Indenture, the Intercreditor Agreement or such Additional Intercreditor Agreement.

In relation to the Intercreditor Agreement or, to the extent applicable, an Additional Intercreditor Agreement, the Trustee shall be deemed to have consented on behalf of the holders of the Notes to any payment, repayment, purchase, repurchase, defeasance, acquisition, retirement or redemption of any obligations subordinated to the Notes thereby; *provided* that such transaction would comply with the covenant described under "—Restricted Payments."

Each holder of the Notes shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement or any Additional Intercreditor Agreement (whether then entered into or entered into in the future pursuant to the provisions described herein) and to have consented to and directed the Trustee to enter into any Additional Intercreditor Agreement or any amendment of the Intercreditor Agreement or any Additional Intercreditor Agreement which complies with the foregoing provision and the conditions contained therein.

Suspension of Covenants When Notes Rated Investment Grade

If on any date following the Issue Date:

(1) the Notes have achieved Investment Grade Status; and

(2) no Default or Event of Default shall have occurred and be continuing on such date,

then, the Parent Guarantor will immediately notify in writing the Trustee and beginning on that day and continuing until such time, if any, at which the Notes cease to have Investment Grade Status (such period, the "**Suspension Period**"), the covenants specifically listed under the following captions in this offering memorandum will no longer be applicable to the Notes and any related default provisions of the Indenture will cease to be effective and will not be applicable to the Parent Guarantor and its Restricted Subsidiaries:

(1) "—Repurchase at the Option of Holders—Asset Sales";

(2) "—Incurrence of Indebtedness and Issuance of Preferred Stock";

(3) "—Restricted Payments";

(4) "—Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries";

(5) clause (4) of each of the first and second paragraphs of the covenant described under "—Merger, Consolidation or Sale of Assets";

(6) "—Transactions with Affiliates"; and

(7) "—Designation of Restricted and Unrestricted Subsidiaries."

Such covenants will not, however, be of any effect with regard to the actions of Parent Guarantor and the Restricted Subsidiaries properly taken during the continuance of the Suspension Period; *provided* that (1) with respect to the Restricted Payments made after any such reinstatement, the amount of Restricted Payments will be calculated as though the covenant described under the caption "*—Restricted Payments*" had been in effect prior to, but not during, the Suspension Period and (2) all Indebtedness incurred, or Disqualified Stock or preferred stock issued, during the Suspension Period will be classified to have been incurred or issued pursuant to clause (2) of the second paragraph of the caption "*—Incurrence of Indebtedness and Issuance of Preferred Stock*." Upon the occurrence of a Suspension Period, the amount of Excess Proceeds shall be reset at zero. There can be no assurance that the Notes will ever achieve or maintain an Investment Grade Status.

The Parent Guarantor shall promptly notify in writing the Trustee of the end of any Suspension Period. The Trustee will have no obligation to (i) independently determine or verify if such events have occurred or (ii) notify the holders of the Notes of any Suspension Event.

Reports

So long as any Notes are outstanding, the Parent Guarantor will furnish to the Trustee:

(1) within 120 days after the end of the fiscal year of the Swissport Group S.à r.l until the time the Issuer, in its sole discretion, elects to provide and deliver consolidated financial statements of the Parent Guarantor, and thereafter of the Parent Guarantor, beginning with the fiscal year ending December 31, 2019, annual reports containing the following information with a level of detail that is substantially comparable and similar in scope to this offering memorandum: (a) audited consolidated balance sheet of the Swissport Group S.à r.l. until the time the Issuer, in its sole discretion, elects to provide and deliver consolidated financial statements of Parent Guarantor and its Restricted Subsidiaries, and thereafter of the Parent Guarantor, as of the end of the most recent fiscal year (and comparative information for the end of the prior fiscal year) and audited consolidated income statement and statement of cash flow of Swissport Group S.à r.l. until the time the Issuer, in its sole discretion, elects to provide and deliver consolidated financial statements of Parent Guarantor and its Restricted Subsidiaries, and thereafter of the Parent Guarantor, for the most recent fiscal year (and comparative information for the prior fiscal year), including footnotes to such financial statements and the report of the independent auditors on the financial statements; (b) *pro forma* income statement and balance sheet information of Swissport Group S.à r.l., until the time the Issuer, in its sole discretion, elects to provide and deliver consolidated financial statements of Parent Guarantor and its Restricted Subsidiaries, and thereafter of the Parent Guarantor, together with explanatory footnotes, for any material acquisitions or

dispositions (including, without limitation, any acquisitions or disposition that, individually or in the aggregate when considered with all other acquisition or dispositions that have occurred since the beginning of the most recently completed fiscal year as to which such annual report relates, represent greater than 20% of the consolidated revenues, EBITDA, or assets of Swissport Group S.à r.l. until the time the Issuer, in its sole discretion, elects to provide and deliver consolidated financial statements of Parent Guarantor and its Restricted Subsidiaries, and thereafter of the Parent Guarantor, on a *pro forma* basis) or recapitalizations that have occurred since the beginning of the most recently completed fiscal year as to which such annual report relates, in each case unless *pro forma* information has been provided in a previous report pursuant to clause (2) or (3) below; (c) an operating and financial review of the audited financial statements, including a discussion of the results of operations (including a discussion by business segment, if any), financial condition and liquidity and capital resources, and a discussion of material commitments and contingencies and critical accounting policies; (d) a description of the industry, business, management and shareholders of the Parent Guarantor, all material affiliate transactions, Indebtedness and material financing arrangements and a description of all material contractual arrangements, including material debt instruments; (e) material risk factors and material recent developments; and (f) a brief description of the material differences in the financial condition and results of operation between Swissport Group S.à r.l. and its subsidiaries and the Parent Guarantor and its Restricted Subsidiaries until the time the Issuer, in its sole discretion, elects to provide and deliver consolidated financial statements of Parent Guarantor and its Restricted Subsidiaries, and thereafter of the Parent Guarantor;

(2) within 60 days following the end of each of the first three fiscal quarters in each fiscal year of Swissport Group S.à r.l. until the time the Issuer, in its sole discretion, elects to provide and deliver consolidated financial statements of the Parent Guarantor, and thereafter of the Parent Guarantor, beginning with the fiscal quarter ending June 30, 2019, quarterly reports containing the following information: (a) an unaudited condensed consolidated balance sheet as of the end of such quarter and unaudited condensed statements of income and cash flow for the quarterly and year to date periods ending on the unaudited condensed balance sheet date, and the comparable prior year periods for Swissport Group S.à r.l. until the time the Issuer, in its sole discretion, elects to provide and deliver consolidated financial statements of Parent Guarantor and its Restricted Subsidiaries, and thereafter of the Parent Guarantor, together with condensed footnote disclosure; (b) *pro forma* income statement and balance sheet information, together with explanatory footnotes, for any material acquisitions or dispositions (including, without limitation, any acquisition or disposition that, individually or in the aggregate when considered with all other acquisitions or dispositions that have occurred since the beginning of the most recent completed fiscal quarter as to which such quarterly report relates, represents greater than 20% of the consolidated revenues, EBITDA or assets of Swissport Group S.à r.l. until the time the Issuer, in its sole discretion, elects to provide and deliver consolidated financial statements of Parent Guarantor and its Restricted Subsidiaries, and thereafter of the Parent Guarantor, on a *pro forma* basis) or recapitalizations that have occurred since the beginning of the most recently completed fiscal quarter as to which such quarterly report relates, in each case unless *pro forma* information has been provided in a previous report pursuant to clause (1), (2) or (3) of this covenant; (c) an operating and financial review of the unaudited financial statements (including a discussion by business segment, if any), including a discussion of the consolidated financial condition and results of operations of Swissport Group S.à r.l. until the time the Issuer, in its sole discretion, elects to provide and deliver consolidated financial statements of Parent Guarantor and its Restricted Subsidiaries, and thereafter of the Parent Guarantor, and any material change between the current year to date period and the corresponding period of the prior year; (d) material recent developments in the business of the Parent Guarantor and its Subsidiaries; (e) any material changes to the risk factors disclosed in the most recent annual report with respect to the Parent Guarantor; (f) a brief description of the material differences in the financial condition and results of operation between Swissport Group S.à r.l. and its subsidiaries and the Parent Guarantor and its Restricted Subsidiaries until the time the Issuer, in its sole discretion, elects to provide and deliver consolidated financial statements of Parent Guarantor and its Restricted Subsidiaries, and thereafter of the Parent Guarantor; and

(3) promptly after the occurrence of (a) a material acquisition, disposition or restructuring (including any acquisition or disposition that would require the delivery of *pro forma* financial information pursuant to clause (1) or (2) above); (b) any senior management change at the Parent Guarantor; (c) any change in the auditors of Swissport group S.à r.l.; (d) the entering into an agreement that will result in a Change of Control; or (e) any material events that the Parent Guarantor announces publicly, in each case, a report containing a description of such events,

provided, *however*, that the reports set forth in clauses (1), (2) and (3) above will not be required to (i) contain any reconciliation to U.S. generally accepted accounting principles or (ii) include separate financial statements for any Guarantors or non-guarantor Subsidiaries of the Parent Guarantor.

The Parent Guarantor may comply with the requirements of clauses (1) and (2) of this covenant by providing consolidated financial information and reports of the Parent Guarantor itself and its Subsidiaries instead of Swissport Group S.à r.l.

If the Parent Guarantor has designated any of its Subsidiaries as Unrestricted Subsidiaries and such Subsidiaries are Significant Subsidiaries, then the quarterly and annual financial information required by the preceding paragraph will include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, of the financial condition and results of operations of the Parent Guarantor and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Parent Guarantor.

All financial statements shall be prepared in accordance with IFRS. Except as provided for above, no report need include separate financial statements for the Parent Guarantor or Subsidiaries of the Parent Guarantor or any disclosure with respect to the results of operations or any other financial or statistical disclosure not of a type included in this offering memorandum.

In addition, for so long as any Notes remain outstanding and during any period during which the Parent Guarantor is not subject to Section 13 or 15(d) of the U.S. Exchange Act nor exempt therefrom pursuant to Rule 12g3-2(b), the Parent Guarantor has agreed that it will furnish to the holders of the Notes and to securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the U.S. Securities Act.

The Parent Guarantor will also make available copies of all reports required by clauses (1) through (3) of the first paragraph of the covenant (i) on Swissport International Ltd.'s website and (ii) if and so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, at the specified office of the Principal Paying Agent in London.

Delivery of such reports and information to the Trustee shall be for informational purposes only, and the Trustee's receipt of them shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on an Officer's Certificate). The Trustee shall have no responsibility for the filing, timeliness or content of reports.

Events of Default and Remedies

Each of the following is an "**Event of Default**":

(1) default for 30 days in the payment when due of interest or Additional Amounts, if any, with respect to the Notes;

(2) default in the payment when due (at maturity, upon redemption or otherwise) of the principal of, or premium, if any, on, the Notes;

(3) failure by the Issuer or relevant Guarantor to comply with the provisions described under the caption "*—Certain Covenants—Merger, Consolidation or Sale of Assets*";

(4) failure by the Issuer or relevant Guarantor for 60 days after written notice to the Issuer by the Trustee or the holders of at least 25% in aggregate principal amount of the Notes then outstanding voting as a single class to comply with any of the agreements in the Indenture (other than a default in performance, or breach, or a covenant or agreement which is specifically dealt with in clauses (1), (2) or (3) or the Notes or the Guarantees);

(5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Parent Guarantor or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Parent Guarantor or any of its Restricted Subsidiaries), whether such Indebtedness or guarantee now exists, or is created after the Issue Date, if that default:

   (a) is caused by a failure to pay principal of, or interest or premium, if any, on, such Indebtedness at the Stated Maturity thereof prior to the expiration of the grace period provided in such Indebtedness on the date of such default (a "**Payment Default**"); or

(b) results in the acceleration of such Indebtedness prior to its express maturity,

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates €60 million or more;

(6) failure by the Issuer, the Parent Guarantor or any Restricted Subsidiary to pay final judgments entered by a court or courts of competent jurisdiction aggregating in excess of €60 million (exclusive of any amounts that a solvent insurance company has acknowledged liability for), which judgments shall not have been discharged or waived and there shall have been a period of 60 consecutive days during which a stay of enforcement of such judgment or order, by reason of an appeal, waiver or otherwise, shall not have been in effect;

(7) except as permitted by the Indenture, if any Guarantee is held in any judicial proceeding to be unenforceable or invalid or ceases for any reason to be in full force and effect, or any Guarantor, or any Person acting on behalf of any Guarantor, denies or disaffirms its obligations under its Guarantee and such Default continues for 20 days; and

(8) certain events of bankruptcy or insolvency described in the Indenture with respect to the Issuer, the Parent Guarantor or any Restricted Subsidiary that is a Significant Subsidiary or any group of its Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Parent Guarantor and its Restricted Subsidiaries), would constitute a Significant Subsidiary.

In the case of an Event of Default specified in clause (8), all outstanding Notes will become due and payable immediately without further action or notice; *provided* that, in the case of an Event of Default specified in clause (8), the amount due and payable shall be equal to the aggregate gross proceeds of the offering of the Notes, plus accrued and unpaid interest and additional amounts, if any. If any other Event of Default occurs and is continuing, the Trustee or the holders of at least 25% in aggregate principal amount of the then outstanding Notes may and, if directed by holders of at least 25% in aggregate principal amount of the then outstanding Notes, the Trustee shall, declare all the Notes to be due and payable immediately.

Subject to certain limitations, holders of a majority in aggregate principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from holders of the Notes notice of any continuing Default or Event of Default if it determines that withholding notice is in their interest, except a Default or Event of Default relating to the payment of principal, interest or Additional Amounts or premium, if any.

Subject to the provisions of the Indenture relating to the duties of the Trustee, in case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any holders of Notes unless such holders have offered to the Trustee, and the Trustee has received, indemnity and/or security satisfactory to it against any loss, liability, fees, costs or expense. Except (subject to the provisions described under "*—Amendment, Supplement and Waiver*") to enforce the right to receive payment of principal, premium, if any, or interest or Additional Amounts when due, no holder of a Note may pursue any remedy with respect to the Indenture or the Notes unless:

(1) such holder has previously given the Trustee notice that an Event of Default is continuing;

(2) holders of at least 25% in aggregate principal amount of the then outstanding Notes have requested the Trustee to pursue the remedy;

(3) such holders have offered the Trustee, and the Trustee has received, security and/or indemnity satisfactory to it against any loss, liability, fees, costs or expense;

(4) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security and/or indemnity; and

(5) holders of a majority in aggregate principal amount of the then outstanding Notes have not given the Trustee a direction inconsistent with such request within such 60-day period.

The holders of not less than a majority in aggregate principal amount of the Notes outstanding may, on behalf of the holders of all outstanding Notes, waive any past default under the Indenture and its consequences, except a continuing default in the payment of the principal of premium, if any, any Additional Amounts or interest on any Note held by a non-consenting holder (which may only be waived with the consent of each holder of Notes affected).

The Parent Guarantor is required to deliver to the Trustee annually a written statement regarding compliance with the Indenture.

No Personal Liability of Directors, Officers, Employees and Stockholders

No director, officer, employee, incorporator or stockholder of the Issuer or any Guarantor, as such, will have any liability for any obligations of the Issuer or the Guarantors under the Notes, the Indenture, the Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under applicable securities laws.

Legal Defeasance and Covenant Defeasance

The Issuer may at any time, at the option of its Board of Directors evidenced by a resolution set forth in an Officer's Certificate, elect to have all of its obligations discharged with respect to the outstanding Notes and all obligations of the Guarantors discharged with respect to their Guarantees ("**Legal Defeasance**") except for:

(1) the rights of holders of outstanding Notes to receive payments in respect of the principal of, or interest (including Additional Amounts) or premium, if any, on, such Notes when such payments are due from the trust referred to below;

(2) the Issuer's obligations with respect to the Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust;

(3) the rights, powers, trusts, duties and immunities of the Trustee, and the Issuer's, the Parent Guarantor's and the Subsidiary Guarantors' obligations in connection therewith; and

(4) the Legal Defeasance and Covenant Defeasance provisions of the Indenture.

In addition, the Issuer may at any time, at the option of its Board of Directors evidenced by a resolution set forth in an Officer's Certificate, elect to have the obligations of the Issuer, the Parent Guarantor and the Subsidiary Guarantors released with respect to certain covenants (including its obligation to make Change of Control Offers and Asset Sale Offers) that are described in the Indenture ("**Covenant Defeasance**") and thereafter any omission to comply with those covenants will not constitute a Default or Event of Default with respect to the Notes. In the event Covenant Defeasance occurs, all Events of Default described under "*—Events of Default and Remedies*" (except those relating to payments on the Notes or, solely with respect to the Issuer, bankruptcy or insolvency events) will no longer constitute an Event of Default with respect to the Notes.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(1) the Issuer or the Parent Guarantor must irrevocably deposit with the Trustee, in trust, for the benefit of the holders of the Notes, cash in euro, non-callable euro-denominated European Government Obligations or a combination of cash in euro and non-callable euro-denominated European Government Obligations, in amounts as will be sufficient, in the opinion of an internationally recognized investment bank, appraisal firm or firm of independent public accountants, to pay the principal of, or interest (including Additional Amounts and premium, if any) on the outstanding Notes on the stated date for payment thereof or on the applicable redemption date, as the case may be, and the Issuer or the Parent Guarantor must specify whether the Notes are being defeased to such stated date for payment or to a particular redemption date;

(2) in the case of Legal Defeasance, the Issuer or the Parent Guarantor must deliver to the Trustee a legal opinion reasonably acceptable to the Trustee of United States counsel confirming that (a) the Issuer has received from, or there has been published by, the U.S. Internal Revenue Service a ruling or (b) since the Issue Date, there has been a change in the applicable U.S. Federal income tax law, in either case to the effect that, and based thereon such opinion of counsel will confirm that, the holders of the outstanding Notes will not recognize income, gain or loss for U.S. Federal income tax purposes as a result of such Legal Defeasance and will be subject to tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of Covenant Defeasance, the Issuer or the Parent Guarantor must deliver to the Trustee an opinion reasonably acceptable to the Trustee of United States counsel confirming that the holders of the outstanding Notes will not recognize income, gain or loss for U.S. Federal income tax purposes as a

result of such Covenant Defeasance and will be subject to U.S. Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) the Issuer or the Parent Guarantor must deliver to the Trustee an Officer's Certificate stating that the deposit was not made by the Issuer or the Parent Guarantor with the intent of preferring the holders of Notes over the other creditors of the Issuer or the Parent Guarantor with the intent of defeating, hindering, delaying or defrauding any creditors of the Issuer, the Parent Guarantor or others; and

(5) the Issuer or the Parent Guarantor must deliver to the Trustee an Officer's Certificate and an opinion of counsel, subject to customary assumptions and qualifications, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Amendment, Supplement and Waiver

Except as provided otherwise in the succeeding paragraphs, the Indenture, the Notes, the Guarantees, the Intercreditor Agreement or any Additional Intercreditor Agreement may be amended or supplemented with the consent of the holders of at least a majority in aggregate principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), and any existing Default or Event of Default or compliance with any provision of the Indenture, the Notes, the Guarantees, the Intercreditor Agreement or any Additional Intercreditor Agreement may be waived with the consent of the holders of a majority in aggregate principal amount of the then outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes).

Unless (i) consented to by the holders of at least 90% of the aggregate principal amount of the then outstanding Notes or (ii) consented to by each holder of Notes adversely affected thereby (in each case including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), an amendment, supplement or waiver may not:

(1) reduce the principal amount of Notes whose holders must consent to an amendment, supplement or waiver;

(2) reduce the principal of or change the fixed maturity of any Note or alter the provisions with respect to the redemption of the Notes (other than provisions relating to the covenants described above under the caption "—*Repurchase at the Option of Holders*");

(3) reduce the rate of or change the time for payment of interest, including default interest, on any Note;

(4) impair the right of any holder of Notes to receive payment of principal of and interest on such holder's Notes on or after the due dates therefore or to institute suit for the enforcement of any payment on or with respect to such holder's Notes or any Guarantee in respect thereof;

(5) waive a Default or Event of Default in the payment of principal of, or interest, Additional Amounts or premium, if any, on, the Notes (except a rescission of acceleration of the Notes by the holders of at least a majority in aggregate principal amount of the then outstanding Notes and a waiver of the Payment Default that resulted from such acceleration);

(6) make any Note payable in money other than that stated in the Notes;

(7) make any change in the provisions of the Indenture relating to waivers of past Defaults or the rights of holders of Notes to receive payments of principal of, or interest, Additional Amounts or premium, if any, on, the Notes;

(8) waive a redemption payment with respect to any Note (other than a payment required by one of the covenants described above under the caption "—*Repurchase at the Option of Holders*");

(9) release any Guarantor from any of its obligations under its Guarantee or the Indenture, except in accordance with the terms of the Indenture and the Intercreditor Agreement; or

(10) make any change in the preceding amendment and waiver provisions.

Notwithstanding the preceding, without the consent of any holder of Notes, the Issuer and the Trustee may amend or supplement the Indenture, the Notes, any Guarantee, the Intercreditor Agreement or any Additional Intercreditor Agreement:

(1) to cure any ambiguity, defect or inconsistency;

(2) to provide for uncertificated Notes in addition to or in place of certificated Notes;

(3) to provide for the assumption of the Issuer's or a Guarantor's obligations to holders of Notes and Guarantees in the case of a merger or consolidation or sale of all or substantially all of the Issuer's or such Guarantor's assets, as applicable;

(4) to make any change that would provide any additional rights or benefits to the holders of Notes or that does not adversely affect the legal rights under the Indenture of any such holder in any material respect as set forth in an Officer's Certificate;

(5) to conform the text of the Indenture, the Guarantees or the Notes to any provision of this Description of the Senior Notes to the extent that such provision in this Description of the Senior Notes was intended to be a verbatim recitation of a provision of the Indenture, the Guarantees or the Notes;

(6) to release any Guarantee in accordance with the terms of the Indenture;

(7) to provide for the issuance of Additional Notes in accordance with the limitations set forth in the Indenture as of the Issue Date;

(8) to allow any Guarantor to execute a supplemental indenture, guarantee and/or a Guarantee with respect to the Notes; or

(9) to evidence and provide the acceptance of the appointment of a successor Trustee under the Indenture.

The consent of the holders of Notes is not necessary under the Indenture to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

In formulating its opinion on such matters, the Trustee shall be entitled to rely absolutely on such evidence as it deems appropriate, including an opinion of counsel and an Officer's Certificate.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect as to all Notes issued thereunder, when:

(1) either:

  (a) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust and thereafter repaid to the Issuer, have been delivered to the Trustee for cancellation; or

  (b) all Notes that have not been delivered to the Trustee for cancellation have become due and payable by reason of the mailing of a notice of redemption or otherwise or will become due and payable within one year and the Issuer or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the holders, cash in euro, non-callable euro-denominated European Government Obligations or a combination of cash in euro and non-callable euro-denominated European Government Obligations, in amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the Notes not delivered to the Trustee for cancellation for principal, premium and Additional Amounts, if any, and accrued interest to the date of maturity or redemption;

(2) the Issuer or any Guarantor has paid or caused to be paid all sums payable by it under the Indenture; and

(3) the Issuer or any Guarantor has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of the Notes at maturity or on the redemption date, as the case may be.

In addition, the Issuer or the Parent Guarantor must deliver an Officer's Certificate and a legal opinion of counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied; *provided* that any such counsel may rely on any Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses (1), (2) and (3)).

Judgment Currency

Any payment on account of an amount that is payable in euros that is made to or for the account of any holder or the Trustee in lawful currency of any other jurisdiction (the "**Judgment Currency**"), whether as a result of any judgment or order or the enforcement thereof or the liquidation of the Issuer or any Guarantor, shall constitute a discharge of the Issuer or the Guarantor's obligation under the Indenture and the Notes, the Guarantee, as the case may be, only to the extent of the amount of euros with such holder or the Trustee, as the case may be, could purchase in the London foreign exchange markets with the amount of the Judgment Currency in accordance with normal banking procedures at the rate of exchange prevailing on the first Business Day following receipt of the payment in the Judgment Currency. If the amount of euros that could be so purchased is less than the amount of euros originally due to such holder or the Trustee, as the case may be, the Issuer and the Guarantors shall indemnify and hold harmless the holder or the Trustee, as the case may be, from and against all loss or damage arising out of, or as a result of, such deficiency. This indemnity shall constitute an obligation separate and independent from the other obligations contained in the Indenture or the Notes, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any holder or the Trustee from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under any judgment or order.

Concerning the Trustee

The Issuer shall deliver written notice to the Trustee promptly, and in any case within thirty (30) days of becoming aware of the occurrence of a Default or an Event of Default. If the Trustee becomes a creditor of the Issuer or any Guarantor, the Indenture limits the right of the Trustee to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions; however, if it acquires any conflicting interest it must eliminate such conflict within 90 days or resign as Trustee.

The holders of a majority in aggregate principal amount of the then outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee, subject to certain exceptions. The Indenture provides that in case an Event of Default occurs and is continuing, the Trustee will be required, in the exercise of its power, to use the degree of care of a prudent man in the conduct of his own affairs. Subject to such provisions, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any holder of Notes, unless such holder has offered to the Trustee, and the Trustee has received, security and indemnity satisfactory to it against any loss, liability or expense.

The Issuer and (following their accession) the Guarantors will, jointly and severally, indemnify the Trustee and the Paying Agents (and their respective agents, employees, stockholders, directors and officers), for claims, liabilities, losses, damages, costs, fees and expenses incurred without gross negligence, willful default or fraud on their part (as determined by a court of competent jurisdiction in a final and non-appealable order), arising out of or in connection with their duties.

Listing

Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and to admit the Notes to trading on the Euro MTF Market of the Luxembourg Stock Exchange. There can be no assurance that the application to list the Notes on the Official List of the Luxembourg Stock Exchange and to admit the Notes on the Euro MTF Market of the Luxembourg Stock Exchange will be approved and settlement of the Notes is not conditioned on obtaining this listing.

Additional Information

Anyone who receives this offering memorandum may, following the Issue Date, obtain a copy of the Indenture, the form of Note and the Intercreditor Agreement without charge by writing to the Issuer, c/o Swissport International Ltd., Attn: General Counsel, Flughofstrasse 55, 8152 Opfikon, Switzerland.

So long as the Notes are listed on the Luxembourg Stock Exchange and admitted for and the rules of the Luxembourg Stock Exchange shall so require, copies of the financial statements included in this offering memorandum may be obtained, free of charge, during normal business hours at the offices of the Principal Paying Agent in London.

Governing Law

The Indenture, the Notes and the Intercreditor Agreement are or will be governed by, and construed in accordance with, the laws of the State of the New York. For the avoidance of doubt, the application of articles

470-3 to 470-19 of the Luxembourg law dated 10 August 1915 on commercial companies, as amended, is excluded.

Consent to Jurisdiction and Service of Process

The Indenture will provide that the Issuer and each Guarantor (other than any Guarantor incorporated in the United States) will appoint an agent for service of process in any suit, action or proceeding with respect to the Indenture, the Notes and the Guarantees brought in any U.S. federal or New York state court located in the City of New York and will submit to such jurisdiction.

Enforceability of Judgments

Substantially all of the assets of the Issuer and the non-U.S. Guarantors are outside the United States. As a result, any judgment obtained in the United States against the Issuer or any such Guarantor may not be collectable within the United States. See "Enforcement of Judgments."

Prescription

Claims against the Issuer or any Guarantor for the payment of principal or Additional Amounts, if any, on the Notes will be prescribed ten years after the applicable due date for payment thereof. Claims against the Issuer or any Guarantor for the payment of interest on the Notes will be prescribed five years after the applicable due date for payment of interest.

Certain Definitions

Set forth below are certain defined terms used in the Indenture. Reference is made to the Indenture for a full disclosure of all defined terms used therein, as well as any other capitalized terms used herein for which no definition is provided.

"**Acquired Debt**" means, with respect to any specified Person:

(1) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of such specified Person, whether or not such Indebtedness is incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Restricted Subsidiary; and

(2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"**Affiliate**" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control," as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise. For purposes of this definition, the terms "controlling," "controlled by" and "under common control with" have correlative meanings.

"**Applicable Premium**" means, with respect to any Note on any redemption date, the greater of:

(1) 1% of the principal amount of the Note; or

(2) the excess of:

    (a) the present value at such redemption date of (i) the redemption price of the Note at August 15, 2021 (such redemption price being set forth in the table appearing above under the caption "*—Optional Redemption*"), plus (ii) all required interest payments due on the Note through August 15, 2021 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Bund Rate as of such redemption date plus 50 basis points; over

    (b) the principal amount of the Note.

For the avoidance of doubt, calculation of the Applicable Premium shall not be an obligation or duty of the Trustee or the Paying Agents.

"**Asset Sale**" means:

(1) the sale, lease, conveyance or other disposition of any assets by the Parent Guarantor or any of its Restricted Subsidiaries; *provided* that the sale, lease, conveyance or other disposition of all or substantially all of the assets of the Parent Guarantor and its Restricted Subsidiaries taken as a whole will be governed by the provisions of the Indenture described above under the caption "*—Repurchase at the Option of Holders—Change of Control*" and/or the provisions described above under the caption "*—Certain Covenants—Merger, Consolidation or Sale of Assets*" and not by the provisions described under the caption "*—Repurchase at the Option of Holders—Asset Sales*"; and

(2) the issuance of Equity Interests by any Restricted Subsidiary or the sale by the Parent Guarantor or any of its Restricted Subsidiaries of Equity Interests in any of the Parent Guarantor's Subsidiaries (in each case, other than directors' qualifying shares).

Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

(1) any single transaction or series of related transactions that involves assets having a Fair Market Value of less than the greater of €20 million and 1% of Total Assets;

(2) a transfer of assets or Equity Interests between or among the Parent Guarantor and any Restricted Subsidiary or between or among any Restricted Subsidiaries;

(3) an issuance of Equity Interests by a Restricted Subsidiary to the Parent Guarantor or to a Restricted Subsidiary;

(4) the sale, lease or other transfer of (x) accounts receivable, inventory, trading stock, communications capacity and other assets (including any real or personal property) in the ordinary course of business (including the abandonment or other disposition of intellectual property that is, in the reasonable judgment of the Parent Guarantor, no longer economically practicable to maintain or useful in the conduct of business of the Parent Guarantor and its Restricted Subsidiaries taken as a whole), (y) any property sold pursuant to a sale and leaseback transaction if such transaction is consummated within 180 days of the acquisition of such property sold pursuant to such sale and leaseback transaction and (z) any uneconomical, obsolete, damaged, unnecessary, surplus, unsuitable or worn out equipment or any sale or disposition of property or assets in connection with scheduled turnarounds, maintenance and equipment and facility updates or any disposition of inventory or goods (or other assets) held for sale or no longer used;

(5) licenses and sublicenses by the Parent Guarantor or any of its Restricted Subsidiaries of software or intellectual property in the ordinary course of business;

(6) any surrender or waiver of contract rights or the settlement, release, recovery on or surrender of contract, tort or other claims in the ordinary course of business;

(7) the granting of Liens not prohibited by the covenant described above under the caption "*—Liens*";

(8) the sale or other disposition of cash or Cash Equivalents;

(9) a Restricted Payment that does not violate the covenant described above under the caption "*—Certain Covenants—Restricted Payments*," a Permitted Investment or any transaction specifically excluded from the definition of Restricted Payment;

(10) the disposition of receivables in connection with the compromise, settlement or collection thereof or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(11) the foreclosure, condemnation or any similar action with respect to any property or other assets or a surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;

(12) the disposition of assets to a Person who is providing services (the provision of which have been or are to be outsourced by the Parent Guarantor or any Restricted Subsidiary to such Person) related to such assets;

(13) any sale or other disposition of Equity Interests in, or Indebtedness or other securities of, an Unrestricted Subsidiary;

(14) any exchange of assets (including a combination of assets and Cash Equivalents) for assets related to a Permitted Business of comparable or greater market value or usefulness to the business of the Parent Guarantor and its Restricted Subsidiaries as a whole, as determined in good faith by the Parent Guarantor;

(15) any sale, transfer or other disposition of Securitization Assets and related assets in connection with any Qualified Securitization Financing;

(16) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Parent Guarantor or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition; and

(17) to the extent constituting a disposition, any merger of the UK Pension Programs.

"**Associate**" means (i) any Person engaged in a Permitted Business of which the Parent Guarantor or its Restricted Subsidiaries are the legal and beneficial owners of between 20% and 50% of all outstanding Voting Stock and (ii) any joint venture entered into by the Parent Guarantor or any Restricted Subsidiary of the Issuer.

"**Beneficial Owner**" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the U.S. Exchange Act, except that in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the U.S. Exchange Act), such "person" will be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time. The terms "**Beneficially Owns**" and "**Beneficially Owned**" have a corresponding meaning.

"**Board of Directors**" means:

(1) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of such board;

(2) with respect to a partnership, the board of directors of the general partner of the partnership;

(3) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof; and

(4) with respect to any other Person, the board or committee of such Person serving a similar function.

"**Bund Rate**" means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity as of such date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such redemption date, where:

(1) "**Comparable German Bund Issue**" means the German Bundesanleihe security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such redemption date to August 15, 2021 and that would be utilized at the time of selection and in accordance with customary financial practice, in pricing new issues of euro-denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the Notes and of a maturity most nearly equal to August 15, 2021; provided, however, that, if the period from such redemption dated to August 15, 2021 is less than one year, a fixed maturity of one year shall be used;

(2) "**Comparable German Bund Price**" means, with respect to any redemption date, the average of all Reference German bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations, or if the Parent Guarantor obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;

(3) "**Reference German Bund Dealer**" means any dealer of German Bundesanleihe securities appointed by the Issuer in good faith; and

(4) "**Reference German Bund Dealer Quotations**" means, with respect to each Reference German Bund Dealer and any redemption date, the average as determined by the Parent Guarantor in good faith of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Parent Guarantor by such Reference German Bund dealer at 3:30 p.m. Frankfurt, Germany, time on the third Business Day preceding the redemption date.

"**Business Day**" means a day other than a Saturday, Sunday or other day on which banking institutions in London, Zurich or New York or a place of payment under the Indenture are authorized or required by law to close.

"**Capital Lease Obligation**" means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet (excluding the footnotes thereto) prepared in accordance with IFRS, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

"**Capital Stock**" means:

(1) in the case of a corporation, corporate stock;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

"**Cash Equivalents**" means:

(1) direct obligations (or certificates representing an interest in such obligations) issued by, or unconditionally guaranteed by, the government of a member state of the Pre-Expansion European Union, the United States of America, Switzerland, Japan or Canada (including, in each case, any agency or instrumentality thereof), as the case may be, the payment of which is backed by the full faith and credit of the relevant member state of the European Union or the United States of America, Switzerland, Canada or Japan, as the case may be, and which are not callable or redeemable at the Parent Guarantor's option;

(2) overnight bank deposits, time deposit accounts, certificates of deposit, banker's acceptances and money market deposits with maturities (and similar instruments) of 12 months or less from the date of acquisition issued by a bank or trust company which is organized under, or authorized to operate as a bank or trust company under, the laws of a member state of the Pre-Expansion European Union or of the United States of America or any state thereof, Switzerland, Canada or Japan; *provided* that such bank or trust company has capital, surplus and undivided profits aggregating in excess of €250 million (or the foreign currency equivalent thereof as of the date of such investment) and whose long-term debt is rated "A-2" or higher by Moody's or A or higher by S&P or the equivalent rating category of another internationally recognized rating agency, as of the date of the investment;

(3) repurchase obligations for underlying securities of the types described in clauses (1) and (2) above entered into with any financial institution meeting the qualifications specified in clause (2) above;

(4) commercial paper having one of the two highest ratings obtainable from Moody's or S&P on the date of the investment and, in each case, maturing within one year after the date of acquisition; and

(5) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (1) through (4) of this definition.

"**Change of Control**" means the occurrence of any of the following:

(1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Parent Guarantor and its Subsidiaries taken as a whole to any Person (including any "person" (as that term is used in Section 13(d)(3) of the U.S. Exchange Act)) other than one or more Permitted Holders;

(2) the adoption of a plan relating to the liquidation or dissolution of the Parent Guarantor or the Issuer; or

(3) the consummation of any transaction (including, without limitation, any merger or consolidation), the result of which is that any Person (including any "person" as defined above) other than one or more Permitted Holders becomes the Beneficial Owner, directly or indirectly, of more than 50% of the issued and outstanding Voting Stock of the Parent Guarantor measured by voting power rather than number of shares;

provided that, in each case, a Change of Control shall not be deemed to have occurred if such Change of Control is also a Specified Change of Control Event.

"**Change of Control Offer**" has the meaning assigned to that term in the Indenture governing the Notes.

"**Euro Equivalent**" means, with respect to any monetary amount in a currency other than the euros, at any time of determination thereof by the Parent Guarantor or the Trustee, the amount of euro obtained by converting such currency other than euro involved in such computation into euro at the spot rate for the purchase of euro with the applicable currency other than euro as published in *The Financial Times* in the "*Currency Rates*" section (or, if *The Financial Times* is no longer published, or if such information is no longer available in *The Financial Times*, such source as may be selected in good faith by the Issuer) on the date of such determination.

"**Consolidated EBITDA**" means, with respect to any specified Person for any period, the Consolidated Net Income of such Person for such period plus the following to the extent deducted in calculating such Consolidated Net Income, without duplication:

(1) income or expense for taxes (current or deferred) based on income, profits or capital, in each case of such Person and its Subsidiaries which are Restricted Subsidiaries for such period; *plus*

(2) the Fixed Charges of such Person and its Subsidiaries which are Restricted Subsidiaries for such period; *plus*

(3) depreciation, amortization (including, without limitation, amortization of intangibles and deferred financing fees) and other non-cash charges and expenses (including without limitation write-downs and impairment of property, plant, equipment and intangibles and other long-lived assets and the impact of purchase accounting on the Parent Guarantor and its Restricted Subsidiaries for such period) of the Parent Guarantor and its Restricted Subsidiaries (excluding any such non-cash charge or expense to the extent that it represents an accrual of or reserve for cash charges or expenses in any future period or amortization of a prepaid cash charge or expense that was paid in a prior period) for such period; *plus*

(4) Management Fees; *plus*

(5) any non-cash expenses, charges or income attributable to a post-employment benefit scheme; *plus*

(6) any expenses, charges, premiums or other costs related to any Equity Offering, acquisition (including amounts paid in connection with the acquisition or retention of one or more individuals comprising part of a management team retained to manage the acquired business; provided that such payments are made in a manner consistent with the customary practice in the industry at the time of such acquisition), joint venture, disposition, recapitalization, Indebtedness permitted to be incurred by the Indenture, or the amendment or refinancing of any other Indebtedness of such Person or any of the other Restricted Subsidiaries (whether or not successful) (including such fees, expenses, premiums or charges related to the Transactions) and, in each case, deducted in such period in computing Consolidated Net Income; *plus*

(7) any expenses, costs or other charges (including any non-cash charges) related to the Transactions; *plus*

(8) the amount of cost savings, operating expense reductions, and synergies that are expected in good faith to be realized as a result of actions taken or expected to be taken within 24 months of the date of any acquisition, disposition or divestiture or the implementation of a cost savings or other similar initiative, as applicable (calculated on a *pro forma* basis as though such cost savings, operating expense reductions, and synergies had been realized on the first day of such period as if such cost savings, operating expense reductions, and synergies were realized during the entirety of such period, net of the amount of actual benefits realized during such period from such actions); provided that (A) such actions are expected to be taken within 24 months after the consummation of the acquisition, disposition, or the implementation of an initiative, as applicable, which is expected to result within 24 months after the respective action in cost savings, operating expense reductions, or synergies and (B) no cost savings, operating expense reductions, or synergies shall be added pursuant to this defined term to the extent duplicative of any expenses or charges otherwise added to Consolidated EBITDA, whether through a *pro forma* adjustment or otherwise, for such period; provided further, that the aggregate amount of cost savings, operating expense reductions, and synergies pursuant to this clause (8) and clause (9) below shall not exceed 25% of Consolidated EBITDA of the Parent Guarantor and its Restricted Subsidiaries for the relevant period (before taking into account any such adjustments); *plus*

(9) (1) restructuring costs, integration costs and, non-recurring charges and (2) transaction fees and expenses in becoming a public company, including, any one time expense relating to enhanced

accounting function or related transaction costs, including those associated with becoming a standalone entity or a public company; provided, that the aggregate amount of the add-backs permitted pursuant to this clause (9) and clause (8) above shall not exceed 25% of Consolidated EBITDA of the Parent Guarantor and its Restricted Subsidiaries for the relevant period (before taking into account any such adjustments); *minus*

(10) to the extent included in determining Consolidated Net Income, non-cash items increasing such Consolidated Net Income for such period, other than non-cash items to the extent they represent the reversal of a reserve for cash charges that reduced Consolidated EBITDA in any prior period, in each case, on a consolidated basis and determined in accordance with IFRS.

Consolidated EBITDA for the Parent Guarantor for any period shall be calculated for Swissport Group S.à r.l. (excluding any EBITDA directly attributable to Swissport Group S.à r.l. or any Subsidiary of Swissport Group S.à r.l. other than the Parent Guarantor and any Subsidiary of the Parent Guarantor) for the period until the Issuer, in its sole discretion, elects to provide and deliver consolidated financial statements of the Parent Guarantor, and for the Parent Guarantor for the period thereafter (taken as one accounting period).

"**Consolidated Net Income**" means, with respect to any specified Person for any period, the aggregate of the net income (loss) of such Person and its Restricted Subsidiaries (including the net income (loss) of non-wholly owned Restricted Subsidiaries) for such period, on a consolidated basis (excluding the net income (loss) of any Unrestricted Subsidiaries), determined in accordance with IFRS and without any reduction in respect of preferred stock dividends; *provided* that:

(1) (i) any extraordinary, exceptional or unusual gain, loss or charge, (ii) any asset impairments charges or write-off or write-down, including in relation to intangible assets, long-lived assets, investments in debt and equity securities (including any mark-to-market adjustments), and the financial impacts of natural disasters (including fire, flood and storm and related events), (iii) any non-cash charges or reserves in respect of any restructuring, redundancy, integration or severance or (iv) any expenses, charges, reserves or other costs related to the Transactions, in each case, will be excluded;

(2) the net income or loss of any Person that is not a Restricted Subsidiary or that is accounted for under the equity method of accounting will be included only to the extent of the amount of dividends or similar distributions paid in cash to the specified Person or a Restricted Subsidiary which is a Subsidiary of the Person;

(3) solely for the purpose of determining the amount available for Restricted Payments under clause (c)(i) of the first paragraph under the caption "*—Certain Covenants—Restricted Payments*," any net income or loss of any Restricted Subsidiary (other than any Guarantor) will be excluded if such Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Parent Guarantor (or any Guarantor that holds the Equity Interests of such Restricted Subsidiary, as applicable), by operation of the terms of such Restricted Subsidiary's charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to the Restricted Subsidiary or its shareholders (other than (a) restrictions that have been waived or otherwise released, (b) restrictions pursuant to the Notes or the Indenture and (c) contractual restrictions in effect on the Issue Date with respect to the Restricted Subsidiary and other restrictions with respect to such Restricted Subsidiary that taken as a whole, are not materially less favorable to the holders of the Notes than such restrictions in effect on the Issue Date, except that the Parent Guarantor's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed or that could have been distributed by such Restricted Subsidiary during such period to the Parent Guarantor or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend to another Restricted Subsidiary (other than any Guarantor), to the limitation contained in this clause);

(4) any net after-tax income or loss from discontinued operations, including any component of an entity that has been disposed or ceased its operational activities or is held for sale, and any net after-tax gains or losses on disposal of discontinued operations, including any component of an entity that has been disposed or ceased its operational activities or is held for sale, shall be excluded;

(5) any net gain (or loss) realized upon the sale or other disposition of any asset or disposed operations of the Parent Guarantor or any Restricted Subsidiaries (including pursuant to any sale leaseback transaction) which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by the Parent Guarantor) will be excluded;

(6) any one-time non-cash charges or any increases in amortization or depreciation resulting from purchase accounting, in each case, in relation to any acquisition of another Person or business or resulting from any reorganization or restructuring involving the Parent Guarantor or its Subsidiaries will be excluded;

(7) the cumulative effect of a change in accounting principles will be excluded;

(8) any unrealized gains or losses in respect of Hedging Obligations or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value or changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Obligations will be excluded;

(9) any non-cash compensation charge or expenses arising from any grant of stock, stock options or other equity based awards will be excluded;

(10) any goodwill or other intangible asset impairment charges will be excluded;

(11) all deferred financing costs written off and premium paid in connection with any early extinguishment of Indebtedness and any net gain or loss from any write-off or forgiveness of Indebtedness will be excluded;

(12) any capitalized interest on any Subordinated Shareholder Debt will be excluded;

(13) (x) currency translation gains and losses related to currency re-measurements of Indebtedness (including the net gain or loss (i) resulting from swap contracts for currency exchange risk and (ii) resulting from intercompany indebtedness) and (y) any exchange, translation, or performance gains or losses relating to any foreign currency fluctuation will be excluded; and

(14) mark-to-market gains and losses on debt or equity securities will be excluded.

For the avoidance of doubt, (i) Consolidated Net Income shall be calculated on a *pro forma* basis and (ii) all proceeds of business interruption insurance shall be included in the calculation of Consolidated Net Income.

"**Consolidated Net Leverage**" means, with respect to any Person as of any date of determination, the sum without duplication of (i) the total amount of Indebtedness of such Person and its Restricted Subsidiaries on a consolidated basis *minus* (ii) the sum of the aggregate amount of cash and Cash Equivalents of such Person and its Restricted Subsidiaries (excluding the proceeds of any Indebtedness incurred in connection with such calculation of Consolidated Net Leverage).

"**Consolidated Net Leverage Ratio**" means, with respect to any specified Person as of any date of determination, the ratio of (a) the Consolidated Net Leverage of such Person on such date to (b) the Consolidated EBITDA of such Person for such Person's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding such date. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems Disqualified Stock or preferred stock subsequent to the commencement of the period for which the Consolidated Net Leverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Consolidated Net Leverage Ratio is made (the "**Calculation Date**"), then the Consolidated Net Leverage Ratio will be calculated giving *pro forma* effect to such incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, or such issuance, repurchase or redemption of Disqualified Stock or preferred stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter reference period (but not giving effect to any additional Indebtedness to be incurred on the date of determination as part of the same transaction or series of transactions pursuant to the second paragraph under the caption "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*").

For purposes of calculating the Consolidated EBITDA for such period:

(1) acquisitions of business entities or property and assets constituting a division or line of business of any Person, acquisitions that have been made by the specified Person or any of its Subsidiaries which are Restricted Subsidiaries, including through mergers or consolidations, or any Person or any of its Subsidiaries which are Restricted Subsidiaries acquired by the specified Person or any of its Subsidiaries which are Restricted Subsidiaries, and including all related financing transactions and including increases in ownership of Subsidiaries which are Restricted Subsidiaries, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date,

or that are to be made on the Calculation Date, will be given *pro forma* effect (as determined in good faith by the Parent Guarantor's Chief Financial Officer or a responsible financial or accounting officer of the Parent Guarantor and may include anticipated expense and cost reduction synergies) as if they had occurred on the first day of the four-quarter reference period;

(2) the Consolidated EBITDA attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of on or prior to the Calculation Date (including transactions giving rise to the need to calculate such Consolidated Net Leverage Ratio), will be excluded;

(3) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four-quarter period; and

(4) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such four-quarter period.

For purposes of this definition, whenever *pro forma* effect is to be given to an Asset Sale, Investment or acquisition, the amount of income or earnings relating thereto or the amount of Consolidated EBITDA associated therewith, the *pro forma* calculation shall be determined in good faith by a responsible financial or accounting Officer of the Parent Guarantor. In determining the amount of Indebtedness outstanding on any date of determination, *pro forma* effect will be given to any incurrence, repayment, repurchase, defeasance or other acquisition, retirement or discharge or Indebtedness on such date or, in the case of any Limited Condition Acquisition, the date of execution of the definitive agreement in respect of such Indebtedness (including any commitment letter) and measured on a pro forma basis after giving effect to any increase in Indebtedness that would result from such acquisition.

"**Contingent Obligations**" means, with respect to any Person, any obligation of such Person guaranteeing in any manner, whether directly or indirectly, any operating lease, dividend or other obligation that, in each case, does not constitute Indebtedness ("**primary obligations**") of any other Person (the "**primary obligor**"), including any obligation of such Person, whether or not contingent:

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(2) to advance or supply funds:

   (a) for the purchase or payment of any such primary obligation; or

   (b) to maintain the working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"**continuing**" means, with respect to any Default or Event of Default, that such Default or Event of Default has not been cured or waived.

"**Credit Facilities**" means, one or more debt facilities, instruments or arrangements incurred by any Restricted Subsidiary or any Finance Subsidiary (including the Senior Facilities or commercial paper facilities and overdraft facilities) or commercial paper facilities or indentures or trust deeds or note purchase agreements, in each case, with banks, other institutions, funds or investors, providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables), letters of credit, bonds, notes debentures or other corporate debt instruments or other Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time (and whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or trustees or other banks or institutions and whether provided under the Senior Facilities or one or more other credit or other agreements, indentures, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any notes and letters of credit issued pursuant thereto and any guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term "Credit Facilities" shall include any agreement or instrument (1) changing the maturity of any Indebtedness incurred thereunder or contemplated thereby, (2) adding Subsidiaries of the

Parent Guarantor as additional borrowers, issuers or guarantors thereunder, (3) increasing the amount of Indebtedness incurred thereunder or available to be borrowed thereunder or (4) otherwise altering the terms and conditions thereof.

"**Currency Exchange Protection Agreement**" means, in respect of any Person, any foreign exchange contract, currency swap agreement, currency option, cap, floor, ceiling or collar or agreement or other similar agreement or arrangement designed to protect such Person against fluctuations in currency exchange rates as to which such Person is a party.

"**Default**" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"**Designated Non-Cash Consideration**" means the Fair Market Value of non-cash consideration received by the Parent Guarantor or one of its Restricted Subsidiaries in connection with an Asset Sale that is so designated as "Designated Non-Cash Consideration" pursuant to an Officer's Certificate, setting forth the basis of such valuation, less the amount of cash or Cash Equivalents received in connection with a subsequent sale of such Designated Non-Cash Consideration.

"**Disqualified Stock**" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case, at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, on or prior to the six-month anniversary of the date that the Notes mature. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the issuer thereof to repurchase such Capital Stock upon the occurrence of a Change of Control or an Asset Sale will not constitute Disqualified Stock if the terms of such Capital Stock provide that the issuer thereof may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the covenant described above under the caption "*—Certain Covenants—Restricted Payments*." For purposes hereof, the amount of Disqualified Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to the Indenture, and if such price is based upon, or measured by, the Fair Market Value of such Disqualified Stock, such Fair Market Value to be determined as set forth herein.

"**Equity Interests**" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"**Equity Investors**" means HNA Group and its Affiliates or any trust, fund, company or partnership owned, managed or advised by HNA Group or of which HNA Group is the general partner or any limited partner of any such trust, fund, company or partnership (in each case, solely for the purposes of (x) clause (ii) of the penultimate paragraph of the covenant described under "*Certain Covenants—Restricted Payments*," and (y) the last paragraph of the covenant described under "*Certain Covenants—Transactions with Affiliates*," other than entities controlled by Swissport Global Services Holding S.à r.l.).

"**Equity Offering**" means (x) a sale of Capital Stock (other than to the Issuer or any of its Subsidiaries) that is a sale of Capital Stock of the Parent Guarantor (other than Disqualified Stock) other than offerings registered on Form S-8 (or any successor form) under the U.S. Securities Act or any similar offering in other jurisdictions, or (y) the sale of Capital Stock or other securities by any Person, the proceeds of which are contributed as Subordinated Shareholder Debt or to the equity (other than through the issuance of Disqualified Stock) of the Parent Guarantor or any of its Restricted Subsidiaries.

"**European Government Obligations**" means direct obligations of, or obligations guaranteed by, a member state of the European Union, and the payment for which such member state of the European Union pledges its full faith and credit; *provided* that such member state has a long-term government debt rating of "A1" or higher by Moody's or A+ or higher by S&P or the equivalent rating category of another internationally recognized rating agency.

"**Excluded Contributions**" means the net cash proceeds (other than Excluded Amounts) received by the Parent Guarantor after the Issue Date from:

(1) contributions to its common equity capital; and

(2) the sale (other than to a Subsidiary of the Parent Guarantor) of Capital Stock (other than Disqualified Stock) of the Parent Guarantor,

in each case designated as "Excluded Contributions" pursuant to an Officer's Certificate of the Parent Guarantor (which shall be designated no later than the date on which such Excluded Contribution has been received by the Parent Guarantor), the net cash proceeds of which are excluded from the calculation set forth in the clause (c)(ii) of the covenant described under "*—Certain Covenants—Restricted Payments*" hereof.

"**Fair Market Value**" means the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress of either party, determined in good faith by the Parent Guarantor's Chief Executive Officer, Chief Financial Officer or responsible accounting or financial officer of the Parent Guarantor.

"**Finance Subsidiary**" means a wholly owned subsidiary that is formed for the purpose of borrowing funds or issuing securities and lending the proceeds to the Issuer or a Guarantor and that conducts no business other than as may be reasonably incidental to, or related to, the foregoing.

"**Fixed Charge Coverage Ratio**" means, with respect to any specified Person for any period, the ratio of the Consolidated EBITDA of such Person for such period to the Fixed Charges of such Person for such period. In the event that the specified Person or any of its Subsidiaries which are Restricted Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems preferred stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "**Calculation Date**"), then the Fixed Charge Coverage Ratio will be calculated giving *pro forma* effect (as determined in good faith by the Parent Guarantor's Chief Financial Officer or a responsible financial or accounting officer of the Parent Guarantor) to such incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, or such issuance, repurchase or redemption of preferred stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter reference period (but not giving effect to any additional Indebtedness to be incurred on the Calculation Date as part of the same transaction or series of transactions pursuant to the second paragraph under the caption "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*").

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

(1) acquisitions of business entities or property and assets constituting a division or line of business of any Person, acquisitions that have been made by the specified Person or any of its Subsidiaries which are Restricted Subsidiaries, including through mergers or consolidations, or any Person or any of its Subsidiaries which are Restricted Subsidiaries acquired by the specified Person or any of its Subsidiaries which are Restricted Subsidiaries, and including all related financing transactions and including increases in ownership of Subsidiaries which are Restricted Subsidiaries, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date, or that are to be made on the Calculation Date, will be given *pro forma* effect (as determined in good faith by the Parent Guarantor's Chief Financial Officer or a responsible financial or accounting officer of the Parent Guarantor and may include anticipated expense and cost reduction synergies) as if they had occurred on the first day of the four-quarter reference period;

(2) the Consolidated EBITDA attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded;

(3) the Fixed Charges attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of the specified Person or any of its Subsidiaries which are Restricted Subsidiaries following the Calculation Date;

(4) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four-quarter period;

(5) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such four-quarter period; and

(6) if any Indebtedness bears a floating rate of interest and such Indebtedness is to be given *pro forma* effect, the interest expense on such Indebtedness will be calculated as if the rate in effect on the

Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to such Indebtedness if such Hedging Obligation has a remaining term as at the Calculation Date in excess of 12 months, or, if shorter, at least equal to the remaining term of such Indebtedness).

"**Fixed Charges**" means, with respect to any specified Person for any period, the sum, without duplication, of:

(1) the consolidated interest expense (net of interest income) of such Person and its Subsidiaries which are Restricted Subsidiaries for such period, whether paid or accrued, including, without limitation, amortization of debt discount (but not debt issuance costs, commissions, fees and expenses), non-cash interest payments (but excluding any non-cash interest expense attributable to the movement in the mark to market valuation of Hedging Obligations or other derivative instruments), the interest component of deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings; *plus*

(2) the consolidated interest expense (but excluding such interest on Subordinated Shareholder Debt) of such Person and its Subsidiaries which are Restricted Subsidiaries that was capitalized during such period; *plus*

(3) any interest on Indebtedness of another Person that is guaranteed by such Person or one of its Subsidiaries which are Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Subsidiaries which are Restricted Subsidiaries; *plus*

(4) net payments and receipts (if any) pursuant to interest rate Hedging Obligations (excluding amortization of fees) with respect to Indebtedness; *plus*

(5) the product of (a) all dividends, whether paid or accrued and whether or not in cash, on any series of preferred stock of any Restricted Subsidiary, other than dividends on Equity Interests payable to the Parent Guarantor or a Restricted Subsidiary, *times* (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined national, state and local statutory tax rate of such Person, expressed as a decimal, as estimated in good faith by a responsible accounting or financial officer of the Parent Guarantor.

"**Guarantee**" means the guarantee by each Guarantor of the Issuer's obligations under the Indenture and the Notes, executed pursuant to the provisions of the Indenture.

"**guarantee**" means a guarantee other than by endorsement of negotiable instruments for collection or deposit in the ordinary course of business, of all or any part of any Indebtedness (whether arising by agreements to keep-well, to take or pay or to maintain financial statement conditions, pledges of assets or otherwise).

"**Guarantors**" means, collectively, the Parent Guarantor and the Subsidiary Guarantors.

"**Hedging Obligations**" means, with respect to any specified Person, the obligations of such Person under:

(1) interest rate swap agreements, (whether from fixed to floating or from floating to fixed), interest rate cap agreements and interest rate collar agreements;

(2) other agreements or arrangements designed to manage interest rates or interest rate risk; and

(3) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates, including Currency Exchange Protection Agreements, or commodity prices.

"**HNA Group**" means HNA Group Co. Ltd.

"**HNA Loan**" means the related party loan with an original principal amount of €361.6 million entered into on February 6, 2018 by Swissport Financing S.à r.l. and a subsidiary of the HNA Group.

"**IFRS**" means the International Financial Reporting Standards promulgated by the International Accounting Standards Board or any successor board or agency as endorsed by the European Union and in effect on the date hereof, or, with respect to the covenant described under the caption "*Reports*" as in effect from time to time.

Notwithstanding the foregoing, solely with respect to all ratios, calculations and determinations based upon IFRS to be calculated or made, as the case may be, pursuant to the Indenture, any lease, concession or license of property that would be considered an operating lease under IFRS as applied by Swissport Group S.à r.l. immediately prior to the adoption of IFRS 16 (*Leases*), and any guarantee given by the Parent Guarantor or any Restricted Subsidiary solely in connection with, and in respect of, the obligations of the Parent Guarantor or any Restricted Subsidiary under any such operating lease shall be accounted for, for purposes of all calculations, ratios, defined terms and determinations, in accordance with IFRS as applied by Swissport Group S.à r.l. immediately prior to the adoption of IFRS 16 (*Leases*).

"**Indebtedness**" means, with respect to any specified Person, any indebtedness of such Person (excluding accrued expenses and trade payables):

(1) in respect of borrowed money;

(2) evidenced by bonds, notes, debentures or similar instruments for which such Person is responsible or liable;

(3) representing reimbursement obligations in respect of letters of credit, bankers' acceptances or similar instruments (except to the extent such reimbursement obligations relate to trade payables and such obligations are satisfied within 30 days of incurrence);

(4) representing Capital Lease Obligations;

(5) representing the balance deferred and unpaid of the purchase price of any property or services due more than six months after such property is acquired or such services are completed; and

(6) representing any Hedging Obligations,

if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet (excluding the footnotes thereto) of the specified Person prepared in accordance with IFRS. In addition, the term "**Indebtedness**" includes all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person) and, to the extent not otherwise included, the guarantee by the specified Person of any Indebtedness of any other Person to the extent guaranteed by such Person; *provided*, *however*, that in the case of Indebtedness secured by a Lien, the amount of such Indebtedness will be the lesser of (a) the fair market value of such asset at such date of determination (as determined in good faith) by the Parent Guarantor and (b) the amount of such Indebtedness of such other Person.

The term "**Indebtedness**" shall not include:

(1) Subordinated Shareholder Debt;

(2) any lease of property which would be considered an operating lease under IFRS;

(3) Contingent Obligations in the ordinary course of business;

(4) in connection with the purchase by the Parent Guarantor or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; *provided however*, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 30 days of becoming due and payable;

(5) the avoidance of doubt, any contingent obligations in respect of workers' compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage Taxes;

(6) deferred or prepaid revenues;

(7) any lease, concession or license of property (or Guarantee thereof) which would be considered an operating lease under IFRS as applied by Swissport Group S.à r.l. immediately prior to the adoption of IFRS 16 (*Leases*);

(8) Indebtedness in respect of the incurrence by the Parent Guarantor or any if its Restricted Subsidiaries of Indebtedness in respect of standby letters of credit, performance guarantees or bonds or surety bonds provided by or at the request of the Parent Guarantor or any of its Restricted Subsidiaries in the ordinary course of business (including standby letters of credit, performance guarantees or bonds or surety bonds in respect of such standby letters of credit, performance guarantees or bonds or surety bonds) to the extent such letters of credit, guarantees or bonds are not drawn upon or, if and to the

extent drawn upon are honored in accordance with their terms and if, to be reimbursed, are reimbursed no later than the fifth Business Day following receipt by such Person of a demand for reimbursement following payment on the letter of credit, guarantee or bond;

(9) Indebtedness incurred by the Parent Guarantor or one of its Restricted Subsidiaries in connection with a transaction where (x) such Indebtedness is borrowed from a bank or trust company, having a combined capital and surplus and undivided profits of not less than €250 million, whose debt has a rating immediately prior to the time such transaction is entered into, of at least A or the equivalent thereof by S&P and A2 or the equivalent thereof by Moody's and (y) a substantially concurrent Investment is made by the Parent Guarantor or a Restricted Subsidiary of the Parent Guarantor in the form of cash deposited with the lender of such Indebtedness, or a Subsidiary or Affiliate thereof, in amount equal to such Indebtedness; and

(10) Qualified Securitization Financings.

"**Initial Public Offering**" means the first Public Equity Offering of common stock or common equity interests of the Parent Guarantor or any Parent Entity (the "**IPO Entity**") following which there is a Public Market.

"**Intercreditor Agreement**" means the intercreditor agreement to be dated on or about the Issue Date made between, among others, the Parent Guarantor, the Issuer, the Trustee and the security agent and the facility agent under the Senior Facilities, as amended, restated or otherwise modified or varied from time to time.

"**Investment Grade Status**" shall occur when the Notes are rated Baa3 or better by Moody's and BBB- or better by S&P (or, if either such entity ceases to rate the Notes, the equivalent investment grade credit rating from any other Rating Agency).

"**Investments**" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including guarantees or other obligations, but excluding advances or extensions of credit to customers or suppliers made in the ordinary course of business), advances or capital contributions (excluding commission, travel and similar advances to officers and employees made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as Investments on a balance sheet (excluding the footnotes) prepared in accordance with IFRS. If the Parent Guarantor or any Restricted Subsidiary sells or otherwise disposes of any Equity Interests of any direct or indirect Restricted Subsidiary such that, after giving effect to any such sale or disposition, such Person is no longer a Restricted Subsidiary, the Issuer will be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Issuer's Investments in such Restricted Subsidiary that were not sold or disposed of in an amount determined as provided in the final paragraph of the covenant described above under the caption "*—Certain Covenants—Restricted Payments*." The acquisition by the Parent Guarantor or any Restricted Subsidiary of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Issuer or such Restricted Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investments held by the acquired Person in such third Person in an amount determined as provided in the final paragraph of the covenant described above under the caption "*—Certain Covenants—Restricted Payments*." Except as otherwise provided in the Indenture, the amount of an Investment will be determined at the time the Investment is made and without giving effect to subsequent changes in value and, to the extent applicable, shall be determined based on the equity value of such Investment.

"**Issue Date**" means on or about August 14, 2019.

"**Lien**" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement or any lease in the nature thereof.

"**Limited Condition Acquisition**" means any acquisition, including by way of merger, amalgamation or consolidation, by the Parent Guarantor or one or more of its Restricted Subsidiaries whose consummation is not conditioned upon the availability of, or on obtaining, third party financing; *provided* that Consolidated Net Income (and any other financial term derived therefrom), other than for purposes of calculating any ratios in connection with the Limited Condition Acquisition, shall not include any Consolidated Net Income of or attributable to the target company or assets associated with any such Limited Condition Acquisition unless and until the closing of such Limited Condition Acquisition shall have actually occurred.

"**Management Advances**" means loans or advances made to, or guarantees with respect to loans or advances made to, directors, officers, employees or consultants of the Parent Guarantor or any Restricted Subsidiary:

(1) in respect of travel, entertainment or moving related expenses incurred in the ordinary course of business;

(2) in respect of moving related expenses incurred in connection with any closing or consolidation of any facility or office; or

(3) (in the case of this clause (3)) not exceeding € 7.5 million in the aggregate outstanding at any time.

"**Management Fees**" means:

(a) customary annual fees for the performance of monitoring services by HNA Group or any of its Affiliates for the Parent Guarantor or any Restricted Subsidiary; *provided* that such fees will not, in the aggregate, exceed € 1.0 million per annum (exclusive of out-of-pocket expenses); and

(b) customary fees and related expenses for the performance of transaction, management, consulting, financial or other advisory services or underwriting, placement or other investment banking activities, including in connection with mergers, acquisitions, dispositions or joint ventures, by HNA Group or any of its Affiliates for the Parent Guarantor or any of its Restricted Subsidiaries, which payments in respect of this clause (b) have been approved by a majority of the disinterested members of the Board of Directors of the Parent Guarantor.

"**Market Capitalization**" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity on the date of the declaration of the relevant dividend *multiplied by* (ii) the arithmetic mean of the closing prices per share of such common stock or common equity interests for the 30 consecutive trading days immediately preceding the date of declaration of such dividend.

"**Mezzanine Notes**" means the New Note Purchase Agreement described in this Offering Memorandum under the caption "Description of Certain Financing Transactions—Swissport Global Services Holding S.à r.l. Note Purchase Agreement" as in effect on the Issue Date (including any corresponding provisions under any amendment thereto or refinancing thereof; provided that such provisions do not result in any material increase in the payment obligations under such agreement).

"**Moody's**" means Moody's Investors Service, Inc.

"**Net Proceeds**" means the aggregate cash proceeds received by the Parent Guarantor or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any Designated Non-Cash Consideration or other consideration received in non-cash form or Cash Equivalents substantially concurrently received in any Asset Sale), net of the direct costs relating to such Asset Sale and the sale of such Designated Non-Cash Consideration or other consideration received in non-cash form, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of the Asset Sale, taxes paid or payable as a result of the Asset Sale, and all distributions and other payments required to be made to minority interest holders (other than the Parent Guarantor or any Subsidiary) in Subsidiaries or joint ventures as a result of such Asset Sale, and any reserve for adjustment or indemnification obligations in respect of the sale price of such asset or assets established in accordance with IFRS.

"**Obligations**" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"**Offering Memorandum**" means this offering memorandum in relation to the offering of the Notes.

"**Officer**" means, with respect to any Person, the Chief Executive Officer, Chief Financial Officer, President, any Executive Vice President, Senior Vice President, Vice President, the Treasurer, the Secretary, Director or member of the Board of Directors of such Person or any other person that the Board of Directors of such Person shall designate for such purpose.

"**Officer's Certificate**" means a certificate signed by an Officer and delivered to the Trustee.

"**Parent Entity**" means any direct or indirect parent company or entity of the Parent Guarantor.

"**Parent Guarantor**" means Swissport Holding International S.à r.l.

"***Pari Passu*** **Indebtedness**" means (a) any Indebtedness of the Issuer that ranks equally in right of payment with the Notes or (b) with respect to any Guarantee of a Guarantor, any Indebtedness that ranks equally in right of payment with such Guarantee.

"**Pension Trustees Limited**" means Swissport Pension Trustees Limited (reg 11982644 and incorporated on the 9th May 2019), a limited liability company organized under the laws of England and Wales to act as the corporate trustee for the UK Pension Programs.

"**Permitted Business**" means (i) any business, services or activities engaged in by the Parent Guarantor or any of its Restricted Subsidiaries on the Issue Date, and (ii) any businesses, services and activities that are related, complementary, incidental, ancillary or similar to any of the foregoing, or are extensions or developments of any thereof.

"**Permitted Holders**" means the Equity Investors and Related Parties. Any person or group whose acquisition of beneficial ownership constitutes (i) a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of this Indenture or (ii) a Specified Change of Control Event, in either case, will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

"**Permitted Investments**" means:

(1) any Investment in the Parent Guarantor or in a Restricted Subsidiary;

(2) any Investment in cash and Cash Equivalents;

(3) any Investment by the Parent Guarantor or any Restricted Subsidiary in a Person, if as a result of such Investment:

  (a) such Person becomes a Restricted Subsidiary; or

  (b) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Parent Guarantor or a Restricted Subsidiary;

(4) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with the covenant described above under the caption "*—Repurchase at the Option of Holders—Asset Sales*";

(5) any Investment received in compromise or resolution of (a) obligations of trade creditors or customers that were incurred in the ordinary course of business of the Issuer or any of its Restricted Subsidiaries, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer; or (b) litigation, arbitration or other disputes;

(6) any Investment in receivables owing to the Parent Guarantor or any Restricted Subsidiary created or acquired in the ordinary course of business;

(7) any Investment represented by Hedging Obligations, which obligations are permitted by clause (8) of the second paragraph of the covenant entitled "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*";

(8) any Investment in the Notes (including any Additional Notes) and any other Indebtedness of the Parent Guarantor or any Restricted Subsidiary;

(9) (a) any guarantee of Indebtedness of the Issuer or its Restricted Subsidiaries permitted to be incurred by the covenant described above under the caption "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*"; and (b) guarantees, keepwells and similar arrangements, other than with respect to Indebtedness, in the ordinary course of business not prohibited by the covenant described above under the caption "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*";

(10) any Investment existing on, or made pursuant to binding commitments existing on, the Issue Date and any Investment consisting of an extension, modification or renewal of any Investment existing on, or made pursuant to a binding commitment existing on, the Issue Date; *provided* that the amount of any such Investment may be increased (a) as required by the terms of such Investment as in existence on the Issue Date or (b) as otherwise permitted under the Indenture;

(11) any Investment acquired after the Issue Date as a result of the acquisition by the Parent Guarantor or any Restricted Subsidiary of another Person, including by way of a merger, amalgamation or consolidation with or into the Parent Guarantor or any of its Restricted Subsidiaries in a transaction that is not prohibited by the covenant described above under the caption "*—Certain Covenants—Merger, Consolidation or Sale of Assets*" after the Issue Date to the extent that such Investments were not made in contemplation of such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation;

(12) pledges or deposits (x) with respect to leases or utilities provided to third parties in the ordinary course of business or (y) otherwise described in the definition of "Permitted Liens" or made in connection with Liens permitted under the covenant described under "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*";

(13) any Investment to the extent made using as consideration Capital Stock of the Parent Guarantor (other than Disqualified Stock), Subordinated Shareholder Debt or Capital Stock of any Parent Entity;

(14) Management Advances;

(15) any Investment made in connection with a Qualified Securitization Financing, including Investments of funds held in accounts permitted or required by the arrangements governing such Qualified Securitization Financing or any related Indebtedness;

(16) Investments in any Person having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (16) that are at the time outstanding, not to exceed the greater of €75 million and 4.2% of Total Assets; *provided* that if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary at the date of the making of such Investment and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the covenant described above under the caption "*—Certain Covenants—Restricted Payments*," such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (3) of the definition of "Permitted Investments" and not this clause (16);

(17) (a) Investments by the Parent Guarantor or any of its Restricted Subsidiaries in Unrestricted Subsidiaries having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (17)(a) that are at the time outstanding, not to exceed the greater of €175 million and 9.7% of Total Assets and (b) guarantees of performance (or other non-financial) letter of credits or similar obligations of Unrestricted Subsidiaries having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (17)(b) that are at the time outstanding not to exceed the greater of €38 million and 2.1% of Total Assets; *provided*, *however*, that, in each case, if any Investment pursuant to this clause is made in a Person that is not a Restricted Subsidiary at the date of the making of such Investment and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the covenant described above under the caption "*—Certain Covenants—Restricted Payments*," such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (3) of the definition of "Permitted Investments" and not this clause (17); and

(18) contributions to, guarantees of and investments in Pension Trustees Limited or any Restricted Subsidiary, in each case, made in respect of the UK Pension Programs: for the purposes of funding or guaranteeing the UK Pension Programs in an aggregate amount not to exceed €50 million.

"**Permitted Liens**" means:

(1) Liens in favor of the Parent Guarantor or any of the Restricted Subsidiaries;

(2) Liens on property (including Capital Stock) of a Person existing at the time such Person becomes a Restricted Subsidiary or at the time the Parent Guarantor or any Restricted Subsidiary acquired such property, including any acquisition by means of a merger, amalgamation or consolidation with or into the Parent Guarantor or any Restricted Subsidiary; *provided* that such Liens were not incurred in contemplation of such Person becoming a Restricted Subsidiary or such acquisition and do not extend to any assets other than those of the Person that becomes a Restricted Subsidiary or is merged with or into or consolidated with the Parent Guarantor or any Restricted Subsidiary;

(3) Liens to secure the performance of statutory obligations, trade contracts, insurance, surety or appeal bonds, workers' compensation obligations, leases, performance bonds, guarantees or other obligations of a like nature incurred in the ordinary course of business (including Liens to secure letters of credit issued to assure payment of such obligations);

(4) Liens to secure Indebtedness permitted by (x) clause (4)(a) of the second paragraph of the covenant entitled "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*" covering only the assets acquired with or financed by such Indebtedness and (y) clause (4)(b) of the second paragraph of the covenant entitled "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*";

(5) Liens existing on the Issue Date after giving effect to the use of proceeds of the Notes, including to secure the Senior Secured Notes;

(6) Liens for taxes, assessments or governmental charges or claims that (x) are not yet overdue for more than 60 days or (y) are being contested in good faith by appropriate proceedings and for which a reserve or other appropriate provision, if any, as will be required in conformity with IFRS will have been made;

(7) Liens imposed by law, such as carriers', warehousemen's, landlord's and mechanics' Liens, in each case, incurred in the ordinary course of business;

(8) survey exceptions, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property that were not incurred in connection with Indebtedness and that do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(9) Liens created for the benefit of (or to secure) the Notes (or any Guarantee);

(10) Liens securing Indebtedness under Hedging Obligations, which obligations are permitted by clause (8) of the second paragraph of the covenant described above under the caption "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*";

(11) Liens to secure any Permitted Refinancing Indebtedness permitted to be incurred under the Indenture; *provided*, *however*, that:

    (a) the new Lien is limited to all or part of the same property and assets that secured or, under the written agreements pursuant to which the original Lien arose, could secure the original Lien (plus improvements and accessions to, such property or proceeds or distributions thereof); and

    (b) the Indebtedness secured by the new Lien is not increased to any amount greater than the sum of (x) the outstanding principal amount, or, if greater, committed amount, of the Indebtedness renewed, refunded, refinanced, replaced, defeased or discharged with such Permitted Refinancing Indebtedness and (y) an amount necessary to pay any fees and expenses, including premiums, related to such renewal, refunding, refinancing, replacement, defeasance or discharge;

(12) Liens on insurance policies and proceeds thereof, or other deposits, to secure insurance premium financings;

(13) filing of Uniform Commercial Code financing statements under U.S. state law (or similar filings under other applicable jurisdictions) in connection with operating leases in the ordinary course of business;

(14) bankers' Liens, rights of setoff or similar rights and remedies as to deposit accounts, Liens arising out of judgments or awards not constituting an Event of Default and notices of *lis pendens* and associated rights related to litigation being contested in good faith by appropriate proceedings and for which adequate reserves have been made;

(15) Liens on cash, Cash Equivalents or other property arising in connection with the defeasance, discharge or redemption of Indebtedness;

(16) Liens on specific items of inventory or other goods (and the proceeds thereof) of any Person securing such Person's obligations in respect of bankers' acceptances issued or created in the ordinary course of business for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(17) leases, licenses, subleases and sublicenses of assets in the ordinary course of business;

(18) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of assets entered into in the ordinary course of business;

(19) (a) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any developer, landlord or other third party on property over which the Parent Guarantor or any Restricted Subsidiary has easement rights or on any real property leased by the Parent Guarantor or any Restricted Subsidiary and subordination or similar agreements relating thereto and (b) any condemnation or eminent domain proceedings or compulsory purchase order affecting real property;

(20) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;

(21) Liens securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities;

(22) Liens (including put and call arrangements) on Capital Stock or other securities of any Unrestricted Subsidiary that secure Indebtedness of such Unrestricted Subsidiary;

(23) limited recourse Liens in respect of the ownership interests in, or assets owned by, any joint ventures which are not Restricted Subsidiaries securing obligations of such joint ventures;

(24) Liens on any proceeds loan made by the Parent Guarantor or any Restricted Subsidiary in connection with any future incurrence of Indebtedness permitted under the Indenture and securing that Indebtedness;

(25) Liens on property at the time the Parent Guarantor or a Restricted Subsidiary acquired the property, including any acquisition by means of a merger or consolidation with or into the Parent Guarantor or any Restricted Subsidiary; *provided* that such Liens are not created, incurred or assumed in connection with, or in contemplation of, such acquisition and do not extend to any other property owned by the Parent Guarantor or any Restricted Subsidiary;

(26) Liens incurred to secure Indebtedness incurred under clause (20) of the second paragraph of the covenant described above under the caption "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*";

(27) Liens securing Indebtedness under Credit Facilities, the Senior Secured Notes and any other Secured Indebtedness permitted to be incurred pursuant to "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*";

(28) any interest or title of a lessor under any operating lease;

(29) Liens on Securitization Assets and related assets incurred in connection with any Qualified Securitization Financing;

(30) Liens on cash set aside at the time of the incurrence of any Indebtedness or government securities purchased with such cash, in either case to the extent such cash or government securities prefund the payment of interest on such Indebtedness and are held in an escrow account or similar arrangement to be applied for such purpose;

(31) Liens on property or assets of a Restricted Subsidiary of the Parent Guarantor that is not a Guarantor securing Indebtedness of any Restricted Subsidiary of the Parent Guarantor that is not a Guarantor;

(32) Liens incurred in the ordinary course of business with respect to obligations that do not exceed the greater of €50 million and 2.8% of Total Assets;

(33) Liens incurred in connection with a cash management program established in the ordinary course of business; and

(34) (a) Liens created or provided in the ordinary course of business on normal commercial terms by: (i) a transfer of an account receivable or chattel paper; (ii) a lease for a term of more than one (1) year or (iii) a commercial consignment, in respect of property in New Zealand and that do not secure payment or performance of an Obligation; provided that in this clause (a), the terms "account receivable", "chattel paper" and "lease for a term more than 1 year" shall have the meanings given to them in the Personal Property Securities Act 1999 (New Zealand) and/or the Personal Property Securities Regulations 2001 (New Zealand) (as applicable) or (b) Liens that are deemed security interests by virtue only of section 12(3) of the Personal Property Securities Act 2009 (Cth) (Australia) to the extent that they do not secure payment or performance of any obligations.

"**Permitted Parent Payments**" means the declaration and payment of dividends or other distributions, or the making of loans, by the Parent Guarantor or any of its Restricted Subsidiaries to any Parent Entity in amounts and at times required to pay:

(1) franchise fees and other fees, taxes and expenses required to maintain the corporate existence of any Parent Entity of the Parent Guarantor;

(2) general corporate overhead expenses of any Parent Entity to the extent such expenses are attributable to the ownership or operation of the Parent Guarantor and its Restricted Subsidiaries or related to the proper administration of such Parent Entity (including fees and expenses properly incurred in the ordinary course of business to auditors and legal advisors and payments in respect of services provided by directors, officers, consultants or employees of any such Parent Entity) not to exceed € 5.0 million in any 12 month period;

(3) any income taxes, to the extent such income taxes are attributable to the income of the Parent Guarantor and any of its Restricted Subsidiaries, taking into account any net operating loss carryovers and other tax attributes, and, to the extent of the amount actually received in cash from its Unrestricted Subsidiaries, in amounts required to pay such taxes to the extent attributable to the income of such Unrestricted Subsidiaries; *provided* that such Parent Entity shall promptly pay such taxes or refund such amount to the Parent Guarantor;

(4) costs (including all professional fees and expenses) incurred by any Parent Entity in connection with reporting obligations under or otherwise incurred in connection with compliance with applicable laws, rules or regulations of any governmental, regulatory or self-regulatory body or stock exchange, the Indenture or any other agreement or instrument relating to Indebtedness of the Parent Guarantor or any of its Restricted Subsidiaries, including in respect of any reports filed with respect to the U.S. Securities Act, U.S. Exchange Act or the respective rules and regulations promulgated thereunder; and

(5) (x) fees and expenses of any Parent Entity incurred in relation to any public offering or other sale of Capital Stock or Indebtedness (whether or not completed) (a) where the net proceeds of such offering or sale are intended to be received by or contributed to the Parent Guarantor or any of its Restricted Subsidiaries (including any refinancing of Indebtedness originally incurred for such purpose); (b) in a prorated amount of such expenses in proportion to the amount of such net proceeds intended to be so received or contributed; or (c) otherwise on an interim basis prior to completion of such offering so long as any Parent Entity will cause the amount of such expenses to be repaid to the Parent Guarantor or the relevant Restricted Subsidiary out of the proceeds of such offering promptly if completed and (y) obligations of Swissport Global Services Holding S.à r.l. to pay costs and expenses or to satisfy indemnity obligations under the Mezzanine Notes; and

(6) for so long as Swissport Global Services Holding S.à r.l. or any parent entity organized under the laws of Luxembourg holds the HNA Loan, Luxembourg net worth and corporation taxes due in respect of the HNA Loan in an amount not to exceed €5 million per fiscal year.

"**Permitted Refinancing Indebtedness**" means any Indebtedness of the Parent Guarantor or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, exchange, defease or discharge other Indebtedness of the Parent Guarantor or any of its Restricted Subsidiaries (other than intercompany Indebtedness (other than any proceeds loan)); *provided* that:

(1) the aggregate principal amount (or accreted value, if applicable), or if issued with original issue discount, aggregate issue price) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable, or if issued with original issue discount, aggregate issue price) of the Indebtedness renewed, refunded, refinanced, replaced, exchanged, defeased or discharged (plus all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith);

(2) such Permitted Refinancing Indebtedness has (a) a final maturity date that is either (i) no earlier than the final maturity date of the Indebtedness being renewed, refunded, refinanced, replaced, exchanged, defeased or discharged or (ii) after the final maturity date of the Notes and (b) has a Weighted Average Life to Maturity that is equal to or greater than the Weighted Average Life to Maturity of the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged;

(3) if the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged is expressly, contractually, subordinated in right of payment to the Notes or any Guarantee, as the case may be, such

Permitted Refinancing Indebtedness is subordinated in right of payment to the Notes or such Guarantee, as the case may be, on terms at least as favorable to the holders of Notes or the Guarantee, as the case may be, as those contained in the documentation governing the Indebtedness being renewed, refunded, refinanced, replaced, exchanged, defeased or discharged; and

(4) if the Parent Guarantor or any Guarantor was the obligor on the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged, such Indebtedness is incurred either by the Parent Guarantor, a Finance Subsidiary or by a Guarantor.

"**Person**" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

"**Pre-Expansion European Union**" means the European Union as of January 1, 2004, including the countries of Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, The Netherlands, Portugal, Spain, Sweden and the United Kingdom, but not including any country which became or becomes a member of the European Union after January 1, 2004.

"**Public Equity Offering**" means, with respect to any Person, a *bona fide* underwritten primary public offering of the shares of common stock or common equity interests of such Person, either:

(1) pursuant to a flotation on the main market of the London Stock Exchange or any other nationally recognized regulated stock exchange or listing authority in a member state of the Pre-Expansion European Union; or

(2) pursuant to an effective registration statement under the U.S. Securities Act (other than a registration statement on Form S-8 or otherwise relating to Equity Interests issued or issuable under any employee benefit plan).

"**Public Market**" means any time after:

(1) a Public Equity Offering of the IPO Entity has been consummated; and

(2) at least 20% of the total issued and shares of common stock or common equity interests of the IPO Entity has been distributed to investors other than the Permitted Holders or their Related Parties or any other direct or indirect shareholders of the Parent Guarantor as of the Issue Date.

"**Qualified Securitization Financing**" means any financing pursuant to which the Parent Guarantor or any of its Restricted Subsidiaries may sell, convey or otherwise transfer to any other Person or grant a security interest in, any Securitization Assets (and related assets) in any aggregate principal amount equivalent to the Fair Market Value of such Securitization Assets (and related assets) of the Parent Guarantor or any of its Restricted Subsidiaries; *provided* that (a) the covenants, events of default and other provisions applicable to such financing shall be on market terms (as determined in good faith by the Parent Guarantor's Board of Directors or senior management) at the time such financing is entered into, (b) the interest rate applicable to such financing shall be a market interest rate (as determined in good faith by the Parent Guarantor's Board of Directors or senior management) at the time such financing is entered into and (c) such financing shall be non-recourse to the Parent Guarantor or any of its Restricted Subsidiaries except to a limited extent customary for such transactions.

"**Rating Agencies**" means Moody's and S&P or, in the event Moody's or S&P no longer assigns a rating to the Notes, any other "nationally recognized statistical rating organization" within the meaning of Section 3(a)(62) under the U.S. Exchange Act selected by the Parent Guarantor as a replacement agency.

"**Related Party**" means:

(1) any controlling stockholder, partner or member, or any 50% (or more) owned Subsidiary, or immediate family member (in the case of an individual), of any Equity Investor; or

(2) any trust, corporation, partnership or other entity, the beneficiaries, stockholders, partners, owners or Persons beneficially holding a 50% or more controlling interest of which consist of any one or more Equity Investors and/or such other Persons referred to in the immediately preceding clause (in each case, solely for the purposes of (x) clause (ii) of the penultimate paragraph of the covenant described under "*Certain Covenants—Restricted Payments*," and (y) the last paragraph of the covenant described under "*Certain Covenants—Transactions with Affiliates*," other than entities controlled by Swissport Global Services Holding S.à r.l.).

“**Restricted Investment**” means an Investment other than a Permitted Investment.

“**Restricted Subsidiary**” means any Subsidiary of the Parent Guarantor that is not an Unrestricted Subsidiary.

“**S&P**” means Standard & Poor’s Ratings Group.

“**Secured Indebtedness**” means Indebtedness that is secured by a Lien.

“**Securitization Assets**” means any accounts receivable, inventory, royalty or revenue streams from sales of inventory subject to a Qualified Securitization Financing.

“**Securitization Fees**” means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not the Issuer or any of its Restricted Subsidiaries in connection with any Qualified Securitization Financing.

“**Securitization Repurchase Obligation**” means any obligation of a seller of Securitization Assets in a Qualified Securitization Financing to repurchase Securitization Assets arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, off-set or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

“**Senior Facilities**” means the senior facilities agreement comprising a revolving credit facility, delayed draw facility and term loan B to be dated on or about the Issue Date, between, among others, the Parent Guarantor and Barclays Bank PLC as agent and the security agent, as amended, restated or otherwise modified or varied from time to time.

“**Specified Change of Control Event**” means the occurrence of any event that would constitute a Change of Control; provided that immediately prior to the occurrence of such event and immediately thereafter and giving pro forma effect thereto, the Consolidated Net Leverage Ratio of the Parent Guarantor and its Restricted Subsidiaries would have been no higher than 4.75 to 1.0. Notwithstanding the foregoing, only one Specified Change of Control Event shall be permitted under the Indenture after the Issue Date.

“**Significant Subsidiary**” means, at the date of determination, any Restricted Subsidiary that together with its Subsidiaries which are Restricted Subsidiaries (i) for the most recent fiscal year, accounted for more than 10% of the consolidated revenues of the Parent Guarantor or (ii) as of the end of the most recent fiscal year, was the owner of more than 10% of the consolidated assets of the Issuer.

“**Stated Maturity**” means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the documentation governing such Indebtedness as of the Issue Date, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

“**Subordinated Shareholder Debt**” means, collectively, any debt provided to the Parent Guarantor by any Parent Entity or any Permitted Holder or Related Party, in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Subordinated Shareholder Debt; *provided* that such Subordinated Shareholder Debt:

(1) does not (including upon the happening of any event) mature or require any amortization or other payment of principal prior to the first anniversary of the Stated Maturity of the Notes (other than through conversion or exchange of any such security or instrument for Equity Interests of the Parent Guarantor (other than Disqualified Stock) or for any other security or instrument meeting the requirements of the definition);

(2) does not (including upon the happening of any event) require the payment of cash interest prior to the first anniversary of the Stated Maturity of the Notes;

(3) does not (including upon the happening of any event) provide for the acceleration of its maturity nor confers on its shareholders any right (including upon the happening of any event) to declare a default or event of default or take any enforcement action, in each case, prior to the first anniversary of the Stated Maturity of the Notes;

(4) is not secured by a lien on any assets of the Parent Guarantor or a Restricted Subsidiary and is not guaranteed by any Subsidiary of the Parent Guarantor;

(5) pursuant to its terms is fully subordinated and junior in right of payment to the Notes pursuant to subordination, payment blockage and enforcement limitation terms that are customary in all material respects for similar funding;

(6) does not (including upon the happening of any event) restrict the payment of amounts due in respect of the Notes or compliance by the Parent Guarantor with its obligations under the Notes and the Indenture;

(7) does not (including upon the happening of an event) constitute Voting Stock; and

(8) is not (including upon the happening of any event) mandatorily convertible or exchangeable, or convertible or exchangeable at the option of the holder, in whole or in part, prior to the date on which the Notes mature other than into or for Capital Stock (other than Disqualified Stock) of the Parent Guarantor,

provided, *however*, that any event or circumstance that results in such Indebtedness ceasing to qualify as Subordinated Shareholder Debt, such Indebtedness shall constitute an incurrence of such Indebtedness by the Parent Guarantor, and any and all Restricted Payments made through the use of the net proceeds from the incurrence of such Indebtedness since the date of the original issuance of such Subordinated Shareholder Debt shall constitute new Restricted Payments that are deemed to have been made after the date of the original issuance of such Subordinated Shareholder Debt.

"**Subsidiary**" means, with respect to any specified Person:

(1) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders' agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(2) any partnership or limited liability company of which (a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise, and (b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"**Subsidiary Guarantors**" means Swissport Cargo Services Belgium N.V.; Swissport Canada Inc.; Swissport Canada Handling Inc.; Swissport Canada Holding Inc.; Aguila Bid AG; Swissport Group Services GmbH; Swissport International Ltd.; Swissport Cargo Services Deutschland GmbH; Swissport Germany Holding GmbH; Swissport Ireland Limited; Cargo Service Center de Mexico S.A. de C.V.; Cargo Service Center East Africa B.V.; Swissport Mexico Holding S. De R.L. De C.V.; Swissport Amsterdam B.V.; Swissport Cargo Services The Netherlands B.V.; Swissport Holding B.V.; Swissport Nederland B.V.; Flightcare Multiservices UK Limited; Swissport Group UK Limited; Swissport GB Limited; Swissport Cargo Services UK Ltd.; Swissport Fuelling Ltd.; Swissport Ltd.; Swissport UK Holding Ltd.; Servisair Fuel Leasing Corporation; Swissport Cargo Services, Inc.; Swissport Fueling, Inc.; Swissport North America Holdings, Inc.; Swissport Holdings, Inc.; Swissport North America, Inc.; Swissport SA Fuel Services, LLC; Swissport SA, LLC; Swissport SA USA, LLC; Swissport DACH Holding AG; Swissport Europe Holding AG; Swissport LATAM Holding AG; Swissport MEA Holding AG; Swissport New Zealand Ltd; Swissport USA, Inc.; Swissport Pty Ltd; Swissport ANZ Pty Ltd; Swissport ANZ Acquisition Pty Ltd; Swissport ANZ Finance Pty Ltd; Swissport Services Pty Ltd; 3G SL Pty Ltd; Swissport Holding Spain, S.L.; Swissport Handling, S.A.U.; Heathrow Cargo Handling Ltd.; Swissport Deutschland GmbH and any other Subsidiary of the Issuer that executes a Guarantee in accordance with the provisions of the Indenture, and their respective successors and assigns, in each case, until the Guarantee of such Person has been released in accordance with the provisions of the Indenture.

"**Swissport International Notes**" means, together, the €400 million 6.75% senior secured notes due 2021 issued by Swissport Investments S.A. and the €290 million 9.75% senior unsecured notes due 2022 issued by Swissport Investments S.A.

"**Tax**" means any tax, duty, levy, impost, assessment or other governmental charge (including penalties, interest and any other additions thereto, and, for the avoidance of doubt, including any withholding or deduction for or on account of Tax). "**Taxes**" and "**Taxation**" shall be construed to have corresponding meanings.

"**Total Assets**" means the consolidated total assets less, without duplication, goodwill of the Parent Guarantor and its Restricted Subsidiaries, as shown on the most recent balance sheet of Swissport Group S.à r.l. (excluding any assets or liabilities of Swissport Group S.à r.l., Swissport Investments S.à r.l and Aguila 2 S.à r.l) after giving effect to the Transactions.

"**Transactions**" means the refinancing, including the offering of the Notes and the Senior Secured Notes, the entry into the Credit Agreement and the Intercreditor Agreement, the related corporate reorganization and the related transactions.

"**UK Pension Programs**" means collectively each of the programs to satisfy the pension obligations of Servisair UK Limited, Cargo Service Centre (UK) Ltd. and the Swissport (Legacy) Pension Scheme, through, among other actions, the series of Investments set forth in clause (18) of the definition of Permitted Investments, which such schemes and programs may be merged into one pension scheme.

"**Unrestricted Subsidiary**" of the Parent Guarantor means:

(1) Cargo Service Center Brazil S.A.T.A. Ltda., Swissport Brazil Ltda, Swissport Israel Cargo Services Ltd, Swissport Belgium NV, Swissport Belgium Cleaning NV and Swissport Saudi Arabia Ltd. and any Subsidiary of the Parent Guarantor that at the time of determination is an Unrestricted Subsidiary (as designated by the Board of Directors of the Parent Guarantor in the manner provided below); and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of Swissport International Ltd. may designate any Subsidiary of the Parent Guarantor (including any newly acquired or newly formed Subsidiary or a company becoming a Subsidiary through merger, consolidation or other business combination transaction, or Investment therein) to be an Unrestricted Subsidiary only if:

(1) such Subsidiary or any of its Subsidiaries does not own any Capital Stock or Indebtedness of, or own or hold any Lien on any property of, the Parent Guarantor or any other Subsidiary of such Parent Guarantor which is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary; and

(2) such designation and the Investment of such Parent Guarantor in such Subsidiary complies with "*Certain Covenants—Limitation on Restricted Payments*."

Any such designation by the Board of Directors of Swissport International Ltd. shall be evidenced to the Trustee by filing with the Trustee a copy of the resolution of the Board of Directors of Swissport International Ltd. giving effect to such designation and an Officer's Certificate certifying that such designation complies with the foregoing conditions.

"**Voting Stock**" of any specified Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

"**Weighted Average Life to Maturity**" means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

(1) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Indebtedness, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by

(2) the then outstanding principal amounts of such Indebtedness.

BOOK-ENTRY, DELIVERY AND FORM

General

The Notes sold to qualified institutional buyers in reliance on Rule 144A under the U.S. Securities Act will initially be represented by a global note in registered form without interest coupons attached (the "**Rule 144A Global Note**"). The Notes sold to non-U.S. persons outside the United States in compliance with Regulation S under the U.S. Securities Act will initially be represented by a global note in registered form without interest coupons attached (the "**Regulation S Global Note**", and together with the Rule 144A Global Note, the "**Global Notes**"). The Global Notes will be deposited, on the closing date, with, or on behalf of, a common depositary and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream, Luxembourg.

Ownership of interests in the Rule 144A Global Note (the "**Rule 144A Book-Entry Interests**") and ownership of interests in the Regulation S Global Note (the "**Regulation S Book-Entry Interests**" and, together with the Rule 144A Book-Entry Interests, the "**Book-Entry Interests**") will be limited to persons that have accounts with Euroclear and/or Clearstream, Luxembourg or persons that hold interests through such participants. Euroclear and Clearstream, Luxembourg will hold interests in the Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositories. Except under the limited circumstances described below, Book-Entry Interests will not be issued in definitive form. The Book-Entry Interests in the Global Notes will be issued only in denominations of €100,000 and in integral multiples of €1,000 in excess thereof.

Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream, Luxembourg and their participants. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of those securities in definitive form. The foregoing limitations may impair your ability to own, transfer or pledge Book-Entry Interests. In addition, while the Notes are in global form, holders of Book-Entry Interests will not have the Notes registered in their name, will not receive physical delivery of the Notes in certificated form and will not be considered the registered owners or "holders" of Notes under the Indentures for any purpose.

So long as the Notes are held in global form, the common depositary for Euroclear and Clearstream, Luxembourg (or its nominee) will be considered the sole holder of the Global Notes for all purposes under the Indentures. In addition, participants must rely on the procedures of Euroclear and Clearstream, Luxembourg, and indirect participants must rely on the procedures of Euroclear and Clearstream, Luxembourg and the participants through which they own Book-Entry Interests, to transfer their interests or to exercise any rights of holders of Notes under the Indentures.

None of us, the Principal Paying Agent, the Transfer Agent, the Registrar or the Trustee (or any of our or their respective agents) will have any responsibility, or be liable, for any aspect of the records relating to the Book-Entry Interests.

Definitive Registered Notes

Under the terms of each Indenture, owners of the Book-Entry Interests will receive definitive registered notes in certificated form (the "**Definitive Registered Notes**") only:

(1) if either Euroclear or Clearstream, Luxembourg notifies us that it is unwilling or unable to continue to act as depositary and a successor depositary is not appointed by the Issuer within 120 days; or

(2) if the owner of a Book-Entry Interest requests such exchange in writing delivered through Euroclear or Clearstream, Luxembourg following an Event of Default under the Indentures and enforcement action is being taken in respect thereof under the Indentures.

In such an event, the Issuer will issue Definitive Registered Notes, registered in the name or names of the owner of the principal and interest payable thereon and issued in any approved denominations, requested by or on behalf of Euroclear, Clearstream, Luxembourg or us, as applicable (in accordance with their respective customary procedures and based upon directions received from participants reflecting the beneficial ownership of Book-Entry Interests), and such Definitive Registered Notes will bear the restrictive legend as provided in the Indentures, unless that legend is not required by the Indentures or applicable law. Thereafter, the Issuer shall cause to be kept at the office of the Registrar, a register (the "**Register**") on which shall be entered, *inter alia*, the name and address of the beneficial owner of the principal and stated interest of the Definitive Registered Notes, the amount and type of the Definitive Registered Notes held by each noteholder, and particulars of all transfers of title to the Definitive Registered Notes. Title to the Definitive Registered Notes will pass upon registration of transfers in the Register and surrender. The entries in the Register shall be conclusive absent manifest error and, except as ordered by a court of competent jurisdiction or as required by law, the registered holder of any Definitive Registered Note whose name is recorded in the Register pursuant to the Terms and Conditions shall be deemed to be and may be treated as the absolute owner for purposes of payment of principal and interest on such Definitive Registered Notes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the registered holder. The Issuer will also maintain a register at its registered office. In case of any inconsistency between the Register and the register held at the registered office of the Issuer, the register at the registered office of the Issuer will prevail.

To the extent permitted by law, we, the Trustee, the Principal Principal Paying Agent, the Transfer Agent and the Registrar shall be entitled to treat the registered holder of any Global Note as the absolute owner thereof and no person will be liable for treating the registered holder as such. Ownership of the Global Notes will be evidenced through registration from time to time at the registered office of the Issuer, and such registration is a means of evidencing title to the Notes.

The Registrar will send a copy of the register to the Issuer on the Issue Date and after any change to the register of holders of the Notes made by the Registrar, with such copy to be held by the Issuer, as the case may be, at its registered office.

We will not impose any fees or other charges in respect of the Notes; however, owners of the Book-Entry Interests may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and Clearstream, Luxembourg.

Redemption of the Global Notes

In the event that any Global Note (or any portion thereof) is redeemed, Euroclear and/or Clearstream, Luxembourg, as applicable, will redeem an equal amount of the Book-Entry Interests in such Global Note from the amount received by them in respect of the redemption of such Global Note. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by Euroclear and Clearstream, Luxembourg, as applicable, in connection with the redemption of such Global Note (or any portion thereof). We understand that, under the existing practices of Euroclear and Clearstream, Luxembourg, if fewer than all of the Notes are to be redeemed at any time, Euroclear and Clearstream, Luxembourg will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions), by lot or on such other basis as they deem fair and appropriate (including the pool factor).

Payments on Global Notes

We will make payments of any amounts owing in respect of the Global Notes (including principal, premium, if any, interest and additional amounts, if any) to the Principal Paying Agent for onward payment to Euroclear and Clearstream, Luxembourg. Euroclear or Clearstream, Luxembourg will distribute such payments to participants in accordance with their customary procedures. We will make payments of all such amounts without deduction or withholding for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, except as may be required by law and as described under "*Description of the Senior Secured Notes—Additional Amounts*" and "*Description of the Senior Notes—*"*Additional Amounts*". If any such deduction or withholding is required to be made, then, to the extent described under "*Description of the Senior Secured Notes—Additional Amounts*" and "*Description of the Senior Notes—Additional Amounts*", we will pay additional amounts as may be necessary in order for the net amounts received by any holder of the Global Notes or owner of Book-Entry Interests after such deduction or withholding will equal the net amounts that such holder or owner would have otherwise received in respect of such Global Note or Book-Entry Interest, as the case may be, absent such withholding or deduction. We expect that standing customer instructions and customary practices will govern payments by participants to owners of Book-Entry Interests held through such participants.

Under the terms of each of the Indentures, we, the Trustee, the Transfer Agent, the Registrar and the Principal Paying Agent will treat the registered holders of the Global Notes (i.e., the common depositary for Euroclear and Clearstream, Luxembourg (or its nominee)) as the owners thereof for the purpose of receiving payments and for all other purposes. Consequently, none of us, the Trustee, the Principal Paying Agent, the Transfer Agent, the Registrar or any of their respective agents has or will have any responsibility or liability for:

- any aspect of the records of Euroclear, Clearstream, Luxembourg or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest, for any such payments made by Euroclear or Clearstream, Luxembourg or any participant or indirect participant or for maintaining, supervising or reviewing the records of Euroclear or Clearstream, Luxembourg or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest;
- any other matters relating to the actions and practices of Euroclear, Clearstream, Luxembourg or any participant or indirect participant; or
- the records of the common depositary.

Payments by participants to owners of Book-Entry Interests held through participants are the responsibility of such participants.

Payments on Definitive Registered Notes

Payments of principal in respect of each Definitive Registered Note will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Definitive Registered Note at the specified office of the Registrar. Such payments will be made by transfer to the designated account of the holder (or the first named of joint holders) of the Definitive Registered Note appearing in the Register.

Currency of Payment for the Global Notes

The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Global Notes will be paid to holders of interests to such Notes through Euroclear and/or Clearstream, Luxembourg in euros. Should a holder seek to convert payments on the Notes received by Euroclear or Clearstream, Luxembourg for its account into U.S. dollars, then such election and subsequent currency conversion would be made according to the procedures of the relevant clearing system and at the cost of the relevant holder.

Action by Owners of Book-Entry Interests

Euroclear and Clearstream, Luxembourg have advised us that they will take any action permitted to be taken by a holder of Notes (including the presentation of Notes for exchange as described above) only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream, Luxembourg will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Notes. However, if there is an event of default under the Indentures, Euroclear and Clearstream, Luxembourg, at the request of the holders of Book-Entry Interests in the Notes, reserve the right to exchange the Global Notes for Definitive Registered Notes and to distribute such Definitive Registered Notes to their respective participants.

Transfers

Transfers of Book-Entry Interests in a Global Note between participants in Euroclear or Clearstream, Luxembourg will be effected in accordance with Euroclear and Clearstream, Luxembourg's rules and will be settled in immediately available funds. If a holder of Notes requires physical delivery of Definitive Registered Notes for any reason, including to sell Notes to persons in states which require physical delivery of such securities or to pledge such securities, such holder of Notes must transfer its interests in the Global Notes in accordance with the normal procedures of Euroclear and Clearstream, Luxembourg and in accordance with the procedures set forth in each of the Indentures.

The Global Notes will bear a legend to the effect set forth under "*Notice to Investors*". Book-Entry Interests in the Global Notes will be subject to the restrictions on transfers and certification requirements discussed under "*Notice to Investors*".

Through and including the 40th day after the later of the commencement of the offering of the Notes and the closing of the offering (the "**Distribution Compliance Period**"), Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of a Rule 144A Book-Entry Interest only upon delivery by the transferor of a written certification (in the form provided in each of the Indentures) to the effect that such transfer is being made to a person who the transferor reasonably believes is a “qualified institutional buyer” within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under “*Notice to Investors*” and in accordance with any applicable securities laws of any other jurisdiction.

After the expiration of the Distribution Compliance Period, beneficial interests in a Regulation S Global Note may be transferred to a person who takes delivery in the form of a beneficial interest in the Rule 144A Global Note without compliance with these certification requirements.

Transfers of Rule 144A Book-Entry Interests to persons wishing to take delivery of Rule 144A Book-Entry Interests will at all times be subject to such transfer restrictions.

Rule 144A Book-Entry Interests may be transferred to a person who takes delivery in the form of a Regulation S Book-Entry Interest only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S or Rule 144 under the U.S. Securities Act or any other exemption (if available under the U.S. Securities Act).

Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of a Rule 144A Book-Entry Interest only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a “qualified institutional buyer” within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under “*Notice to Investors*” and in accordance with any applicable securities laws of any other jurisdiction.

In connection with transfers involving an exchange of a Regulation S Book-Entry Interest for a Rule 144A Book-Entry Interest, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S Global Note and a corresponding increase in the principal amount of the Rule 144A Global Note.

Definitive Registered Notes may be transferred and exchanged for Book-Entry Interests in a Global Note only as described under “*Description of the Senior Secured Notes—Transfer and Exchange*” and “*Description of the Senior Notes—Transfer and Exchange*” and, if required, only if the transferor first delivers to the Trustee a written certificate (in the form provided in the Indentures) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Notes. See “*Notice to Investors*”.

Any Book-Entry Interest in one of the Global Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in any other Global Note will, upon transfer, cease to be a Book-Entry Interest in the first mentioned Global Note and become a Book-Entry Interest in such other Global Note, and accordingly will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such other Global Note for as long as it remains such a Book-Entry Interest.

A Definitive Registered Note may be transferred by the transferor or a person duly authorized on behalf of the transferor (i) surrendering the Definitive Registered Note, and (ii) depositing at the specified office of the Registrar a duly completed transfer certificate signed by or on behalf of the transferor. The Registrar shall, after due and careful enquiry, and upon being satisfied with the documents of title and the identity of the person making the request enter the name of the transferee of the Definitive Registered Notes in the Register as the noteholder of the Definitive Registered Notes.

Information Concerning Euroclear and Clearstream, Luxembourg

All Book-Entry Interests will be subject to the operations and procedures of Euroclear and Clearstream, Luxembourg, as applicable. We have provided the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of the settlement system are controlled by the settlement system and may be changed at any time. None of the Issuer, the Initial Purchaser, the Trustee, the Transfer Agent, the Registrar, or the Principal Paying Agent are responsible for those operations or procedures;

We understand as follows with respect to Euroclear and Clearstream, Luxembourg: Euroclear and Clearstream, Luxembourg hold securities for participating organizations. They facilitate the clearance and settlement of securities transactions between their participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream, Luxembourg provide various services to their participants, including the safekeeping, administration, clearance, settlement, lending and borrowing of internationally traded securities. Euroclear and Clearstream, Luxembourg interface with domestic securities markets. Euroclear and Clearstream, Luxembourg participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear and Clearstream, Luxembourg is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear and Clearstream, Luxembourg participant, either directly or indirectly.

Because Euroclear and Clearstream, Luxembourg can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of an owner of a beneficial interest to pledge such interest to persons or entities that do not participate in the Euroclear and/or Clearstream, Luxembourg system, or otherwise take actions in respect of such interest, may be limited by the lack of a definitive certificate for that interest. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests to such persons may be limited. In addition, owners of beneficial interests through the Euroclear or Clearstream, Luxembourg systems will receive distributions attributable to the 144A Global Notes only through Euroclear or Clearstream, Luxembourg participants.

Global Clearance and Settlement Under the Book-Entry System

The Notes represented by the Global Notes are expected to be listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market thereof. Transfers of interests in the Global Notes between participants in Euroclear or Clearstream, Luxembourg will be effected in the ordinary way in accordance with their respective system's rules and operating procedures.

Although Euroclear and Clearstream, Luxembourg currently follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants in Euroclear or Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or modified at any time. None of the Issuer, the Initial Purchaser, the Trustee, the Transfer Agent, the Registrar or the Principal Paying Agent will have any responsibility for the performance by Euroclear, Clearstream, Luxembourg or their participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Initial Settlement

Initial settlement for the Notes will be made in euros. Book-Entry Interests owned through Euroclear or Clearstream, Luxembourg accounts will follow the settlement procedures applicable to conventional bonds in registered form. Book-Entry Interests will be credited to the securities custody accounts of Euroclear and Clearstream, Luxembourg holders on the business day following the settlement date against payment for value on the settlement date.

Secondary Market Trading

The Book-Entry Interests will trade through participants of Euroclear and Clearstream, Luxembourg and will settle in same-day funds. Since the purchase determines the place of delivery, it is important to establish at the time of trading of any Book-Entry Interests where both the purchaser's and the seller's accounts are located to ensure that settlement can be made on the desired value date

Enforcement

For the purposes of enforcement of the provisions of the Indentures against the Trustee, the persons named in a certificate of the holder of the Notes in respect of which a Global Note is issued shall be recognized as the beneficiaries of the trusts set out in the Indentures to the extent of the principal amounts of their interests in the Notes set out in the certificate of the holder, as if they were themselves the holders of Notes in such principal amounts.

CERTAIN TAX CONSIDERATIONS

Prospective purchasers of the Notes are advised to consult their own tax advisors as to the tax consequences, under the tax laws of the country of which they are resident, of a purchase of Notes including, the consequences of receipt of interest and premium, if any, on and sale or redemption of, the Notes or any interest therein. References in this discussion to Notes acquired, owned, held or disposed of by noteholders include, except where otherwise expressly stated, the book-entry interests held by purchasers of the Notes in global form deposited with, and registered in the name of a common depositary for Euroclear or Clearstream, Luxembourg.

Certain U.S. federal income tax considerations

The following discussion is a summary of certain U.S. federal income tax consequences of the purchase, ownership and disposition of the Notes by a U.S. holder (defined below), but does not purport to be a complete analysis of all potential tax effects. This summary is based upon the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), Treasury regulations issued thereunder, and judicial and administrative interpretations thereof, each as in effect on the date hereof, and all of which are subject to change, possibly with retroactive effect. No rulings from the Internal Revenue Service ("**IRS**") have been or are expected to be sought with respect to the matters discussed below. There can be no assurance that the IRS will not take a different position concerning the tax consequences of the purchase, ownership or disposition of the Notes or that any such position would not be sustained.

This discussion does not address all of the U.S. federal income tax consequences that may be relevant to a holder in light of such holder's particular circumstances or to holders subject to special rules, such as financial institutions, U.S. expatriates, insurance companies, dealers in securities or currencies, traders in securities that elect to mark their securities to market, U.S. holders (as defined below) whose functional currency is not the U.S. dollar, tax-exempt organizations, retirement plans, regulated investment companies, real estate investment trusts, partnerships or other pass through entities or arrangement (or investors in such entities or arrangements), accrual method taxpayers subject to special tax accounting rules because of their use of financial statements, persons liable for alternative minimum tax and persons holding the Notes as part of a "straddle", "hedge", "conversion transaction" or other integrated transaction. In addition, this discussion is limited to persons who purchase the Notes for cash at the offering price set forth on the cover page pursuant to this Offering and who hold the Notes as capital assets within the meaning of section 1221 of the Code.

This discussion does not address the tax considerations relevant to U.S. holders of the Notes under any state, local, or subsidiary jurisdiction thereof, or foreign tax laws or any other tax laws other than the U.S. federal income tax laws, and it does not address the federal estate and gift tax, the alternative minimum tax or the Medicare tax on net investment income.

For purposes of this discussion, a "U.S. holder" is a beneficial owner of a Note that is, for U.S. federal income tax purposes, (i) an individual who is a citizen or resident of the United States; (ii) a corporation or any entity taxable as a corporation created or organized under the laws of the United States, any state thereof or the District of Columbia; (iii) any estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or if a valid election is in place to treat the trust as a U.S. person. If any entity or arrangement treated as a partnership for U.S. federal income tax purposes holds the Notes, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. A holder that is a partnership, and partners in such partnerships, should consult their tax advisors regarding the tax consequences of the purchase, ownership and disposition of the Notes.

Prospective purchasers of the Notes should consult their tax advisors concerning the tax consequences of holding Notes in light of their particular circumstances, including the application of the U.S. federal income tax considerations discussed below, as well as the application of U.S. federal estate and gift tax laws and state, local, foreign or other tax laws.

Payments of Stated Interest

Payments of stated interest on the Notes (including any non-U.S. tax withheld on such payments) generally will be taxable to a U.S. holder as ordinary income at the time that such payments are received or accrued, in accordance with such U.S. holder's method of accounting for U.S. federal income tax purposes. This discussion assumes that the Notes will not be issued with more than a *de minimis* amount of original issue discount for U.S. federal income tax purposes.

A cash basis U.S. holder will realize interest income equal to the U.S. dollar value of the interest payment, based on the spot rate of exchange on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars. A cash basis U.S. holder will not realize exchange gain or loss on the receipt of the interest income, but may recognize exchange gain or loss upon the actual disposition of the euros so received.

An accrual method U.S. holder will accrue interest income on the Notes in euros and translate that amount into U.S. dollars at the average spot rate of exchange in effect during the interest accrual period (or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within the U.S. holder's taxable year). Alternatively, an accrual basis U.S. holder may make an election (which must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS) to translate accrued interest income at the spot rate of exchange on the last day of the accrual period (or the last day of the taxable year in the case of a partial accrual period), or at the spot rate of exchange on the date of receipt, if that date is within five business days of the last day of the accrual period. An accrual method U.S. holder generally will realize exchange gain or loss with respect to accrued interest income on the date the interest payment is received. The amount of exchange gain or loss to be recognized by the U.S. holder will be an amount equal to the difference, if any, between the U.S. dollar value of the interest payment received (determined on the basis of the spot rate of exchange on the date the interest income is received) in respect of the accrual period and the U.S. dollar value of the interest income that has accrued during the accrual period (as determined above), regardless of whether the payment is in fact converted into U.S. dollars at that time. This exchange gain or loss generally will be treated as U.S. source ordinary income or loss, and generally will not be treated as an adjustment to interest income or expense.

Foreign Tax Credit

Interest income on a Note (including any amounts withheld and any Additional Amounts paid in respect of withholding taxes imposed on payments on the Notes) generally will constitute foreign source income and generally will be considered "passive category income" or, in the case of certain U.S. holders, "general category income" in computing the foreign tax credit allowable to U.S. holders under U.S. federal income tax laws. Any non-U.S. withholding tax paid by a U.S. holder at a rate applicable to such holder may be eligible for foreign tax credits (or deduction in lieu of such credits) for U.S. federal income tax purposes, subject to applicable limitations. The calculation of foreign tax credits involves the application of complex rules that depend on a U.S. holder's particular circumstances. U.S. holders should consult their independent tax advisors regarding the availability of foreign tax credits.

Sale, Exchange, Redemption, Retirement or Other Taxable Disposition of Notes

Generally, upon the sale, exchange, redemption, retirement or other taxable disposition of a Note, a U.S. holder will recognize taxable gain or loss equal to the difference between the amount realized on the disposition (less any amount attributable to accrued but unpaid interest, which will be taxable as such to the extent not previously included in income) and such U.S. holder's adjusted tax basis in the Note.

A U.S. holder's adjusted tax basis in a Note generally will equal the cost of the Note to such U.S. holder. The cost of a Note purchased with euros will be the U.S. dollar value of the euros purchase price on the date of purchase, calculated at the spot rate of exchange in effect on that date. The amount realized generally will equal the amount of any cash plus the fair market value of any property received in exchange for the Notes, translated into U.S. dollars at the spot rate of exchange on the date of disposition. If the Notes are traded on an established securities market, a cash method taxpayer and an electing accrual method taxpayer will determine the U.S. dollar value of the amount realized by translating that amount at the spot rate of exchange on the settlement date of the sale or other taxable disposition. If an accrual method taxpayer makes this election, the election must be applied consistently by the taxpayer to all debt instruments from year to year and once made cannot be revoked without the consent of the IRS.

Gain or loss realized by a U.S. holder upon the sale, exchange, redemption, retirement or other taxable disposition of a Note that is attributable to fluctuations in currency exchange rates will be ordinary income or loss which will not be treated as interest income or expense. Such gain or loss generally will equal the difference between the U.S. dollar value of the U.S. holder's purchase price of the Note in euros determined on the date of the sale, exchange, redemption, retirement or other taxable disposition (or on the settlement date, if the Notes are traded on an established securities market and the holder is either a cash basis U.S. holder or an electing accrual basis U.S. holder), and the U.S. dollar value of the U.S. holder's purchase price of the Note in euros determined on the date the U.S. holder acquired the Note. The amount of foreign exchange gain or loss upon a sale, exchange, redemption, retirement or other taxable disposition will be realized by a U.S. holder only to the extent of the total gain or loss realized by the U.S. holder on the sale, exchange, redemption, retirement or other taxable disposition of the Note, and generally will be treated as U.S. source for U.S. foreign tax credit limitation purposes.

Any gain or loss recognized by a U.S. holder not attributable to foreign currency gain or loss recognized on the sale, exchange, redemption, retirement or other taxable disposition of a Note generally will be U.S. source capital gain or loss and will be long term capital gain or loss if the Note has been held for more than one year at the time of the sale, exchange, redemption, retirement or other taxable disposition. In the case of an individual U.S. holder, long term capital gain is currently subject to preferential U.S. federal income tax rates. The deductibility of capital losses is subject to limitation. Prospective purchasers should consult their tax advisors as to the foreign tax credit implications of the sale, exchange, redemption, retirement or other taxable disposition of the Notes.

Exchange of Foreign Currencies

A U.S. holder of a Note will receive euros in payment for interest and principal. The tax basis of any euros received by a U.S. holder generally will equal the U.S. dollar equivalent of such euros at the spot rate of exchange on the date the euros are received. Any exchange gain or loss realized by a U.S. holder on a sale, exchange, redemption, retirement or other disposition of euros, including their exchange for U.S. dollars, generally will be treated as U.S. source ordinary income or loss.

Information Regarding Foreign Financial Assets and Tax Return Disclosure Requirement

Individuals that own "specified foreign financial assets" with an aggregate value in excess of certain thresholds are generally required to file an information report (IRS Form 8938) with respect to such assets with their tax returns. Under certain circumstances, an entity may be treated as an individual for purposes of the foregoing rules. "Specified foreign financial assets" include any financial accounts maintained by foreign financial institutions, as well as any of the following, but only if they are not held in financial accounts maintained by certain financial institutions: (i) stocks and securities issued by non-U.S. persons, (ii) financial instruments and contracts held for investment that have non-U.S. issuers or counterparties, and (iii) interests in foreign entities. The Notes may be subject to these rules. Persons required to file U.S. tax returns that are individuals are urged to consult their tax advisors regarding the application of this requirement to their ownership of the Notes.

Reportable Transactions

A U.S. holder that recognizes foreign currency exchange loss with respect to the Notes may be required to report the loss on IRS Form 8886 (Reportable Transaction Disclosure Statement) if the loss exceeds the thresholds set forth in the Treasury regulations. For individuals and trusts, this loss threshold is $50,000 in any single year. For other types of taxpayers and other types of losses, the thresholds are higher. Prospective investors are urged to consult their own tax advisors regarding the application of these rules to the acquisition, holding or disposition of the Notes.

Backup Withholding and Related Information Reporting Requirements

In general, payments of interest and the proceeds from sales or other dispositions (including retirements or redemptions) of Notes held by a U.S. holder may be required to be reported to the IRS unless the U.S. holder is an exempt recipient and, when required, demonstrates this fact. In addition, a U.S. holder that is not an exempt recipient may be subject to backup withholding unless it provides a taxpayer identification number and otherwise complies with applicable certification requirements.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a holder's U.S. federal income tax liability and may entitle the holder to a refund, provided that the appropriate information is timely furnished to the IRS.

FATCA

Pursuant to sections 1471 through 1474 of the Code (provisions commonly known as "**FATCA**"), a "foreign financial institution" may be required to withhold U.S. tax on certain "passthru payments" made after the date that is two years after the date of publication in the Federal Register of applicable final regulations defining foreign passthru payments to the extent such payments are treated as attributable to certain U.S. source payments. Obligations issued on or prior to the date that is six months after the date on which applicable final regulations defining foreign passthru payments are published in the Federal Register generally would be "grandfathered" unless materially modified after such date. Accordingly, if the Issuer is treated as a foreign financial institution, FATCA could apply to payments on the Notes only if there is a significant modification of the Notes for U.S. federal income tax purposes after the expiration of this grandfathering period. However, if Additional Notes are issued after the expiration of the grandfathering period, have the same CUSIP or ISIN as the original Notes issued hereby, and are subject to withholding under FATCA, then withholding agents may treat all the notes, including the Notes issued hereby, as subject to withholding under FATCA. Non-U.S. governments have entered into agreements with the United States (and additional non-U.S. governments are expected to enter into such agreements) to implement FATCA in a manner that alters the rules described herein. Holders should consult their own tax advisors on how these rules may apply to their investment in the Notes. In the event any withholding under FATCA is imposed with respect to any payments on the Notes, there will be no additional amounts payable to compensate for the withheld amount.

Investors should consult their own tax advisor to obtain a more detailed explanation of FATCA and how FATCA may affect them.

Certain EEA tax considerations

Certain general Luxembourg tax considerations

The following summary is of a general nature and is included herein solely for information purposes. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Withholding Tax

Under Luxembourg tax law currently in effect and subject to the exception below, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest) or repayment of principal.

In accordance with the law of 23 December 2005, as amended, interest payments made by Luxembourg paying agents to Luxembourg individual residents are subject to a 20 per cent. withholding tax. Responsibility for withholding such tax will be assumed by the Luxembourg paying agent.

Income Taxation on Principal, Interest, Gains on Sales or Redemption

Luxembourg tax residency of the Noteholders

Noteholders will not be deemed to be resident, domiciled or carrying on business in Luxembourg solely by reason of the holding, execution, performance, delivery, exchange and/or enforcement of the Notes.

Taxation of Luxembourg non-residents

Noteholders who are non-residents of Luxembourg and who do not have a permanent establishment, a permanent representative or a fixed base of business in Luxembourg with which the holding of the Notes is connected, will not be subject to taxes (income taxes and net wealth tax) or duties in Luxembourg with respect to payments of principal or interest (including accrued but unpaid interest), payments received upon redemption, repurchase or exchange of the Notes or capital gains realized upon disposal or repayment of the Notes.

Taxation of Luxembourg residents

Noteholders who are residents of Luxembourg will not be liable for any Luxembourg income tax on repayment of principal.

Interest received by an individual resident in Luxembourg is, in principle, reportable and taxable at the progressive rate unless the interest has been subject to the 20% withholding tax (see above "*Withholding Tax*"). The withholding tax is the final tax liability for the Luxembourg individual resident taxpayers receiving the interest payment in the framework of their private wealth. Individual Luxembourg resident Noteholders receiving the interest as business income must include this interest in their taxable basis. If applicable, the 20% Luxembourg withholding tax levied will be credited against their final income tax liability.

Luxembourg resident individual Noteholders are not subject to taxation on capital gains upon the disposal of the Notes, unless the disposal of the Notes precedes the acquisition of the Notes or the Notes are disposed of within six months of the date of acquisition of these Notes. Upon the sale, redemption or exchange of the Notes, accrued but unpaid interest will be subject to the 20% withholding tax or the self-applied tax, if applicable. Individual Luxembourg resident Noteholders receiving the interest as business income must include the portion of the price corresponding to this interest in their taxable income. The 20% Luxembourg withholding tax levied will be credited against their final income tax liability.

Luxembourg resident corporate Noteholders, or non-resident Noteholders which have a permanent establishment, a permanent representative or a fixed base of business in Luxembourg with which the holding of the Notes is connected, must for income tax purposes include in their taxable income any interest (including accrued but unpaid interest) as well as the difference between the sale or redemption price and the lower of the cost or book value of the Notes sold or redeemed.

Luxembourg resident corporate Noteholders which are companies benefiting from a special tax regime (such as family wealth management companies subject to the law of 11 May 2007, as amended, undertakings for collective investment subject to the law of 17 December 2010, as amended, specialized investment funds subject to the law of 13 February 2007, as amended, or reserved alternative investment funds governed by the law of 23 July 2016 (provided it is not foreseen in the incorporation documents that (i) the exclusive object is the investment in risk capital and that (ii) article 48 of the aforementioned law of 23 July 2016 applies) are tax exempt entities in Luxembourg, and are thus not subject to any Luxembourg tax (i.e., corporate income tax, municipal business tax and net wealth tax) other than the annual subscription tax calculated on their (paid up) share capital (and share premium) or net asset value and the minimum net wealth tax.

Net Wealth tax

Luxembourg net wealth tax will not be levied on the Notes held by an individual Noteholder or a corporate Noteholder, unless (a) such Noteholder is a corporate entity which is a Luxembourg resident other than a Noteholder governed by (i) the laws of 17 December 2010 and 13 February 2007 on undertakings for collective investment, as amended; (ii) the law of 22 March 2004 on securitization, as amended; (iii) the law of 15 June 2004 on the investment company in risk capital, as amended; (iv) the law of 11 May 2007 on family estate management companies, as amended; or (v) the law of 23 July 2016 on the reserved alternative investment funds, or (b) the Notes are attributable to an enterprise or part thereof which is carried on in Luxembourg through a permanent establishment or a permanent representative.

A minimum net wealth tax for corporate taxpayers is due even if the net asset value of the corporate taxpayer is nil or negative. This minimum net wealth tax amounts to a EUR 4,815 flat rate for corporate taxpayers whose total assets amount to at least EUR 350,000 and at least 90% of the corporate taxpayer's assets are financial assets falling within the meaning of accounts 23, 41, 50 and 51 of the Luxembourg Plan Comptable Normalisé. In all other cases, corporate taxpayers are subject to a minimum net wealth tax ranging from EUR 535 to EUR 32,100. All Luxembourg corporate taxpayers that are subject to net wealth tax are also subject to minimum net wealth tax.

Additionally, please note that securitization companies governed by the law of 22 March 2004 on securitization, as amended, or capital companies governed by the law of 15 June 2004 on venture capital vehicles, as amended, or reserved alternative investment funds governed by the law of 23 July 2016 (provided it is foreseen in the incorporation documents that (i) the exclusive object is the investment in risk capital and that (ii) article 48 of the aforementioned law of 23 July 2016 applies) and which fall under the special tax regime set out under article 48 thereof may be subject to minimum net wealth tax.

Other taxes

No stamp, registration, transfer or similar taxes or duties will be payable in Luxembourg by Noteholders in connection with the issue of the Notes, nor will any of these taxes be payable as a consequence of a subsequent transfer or redemption of the Notes, unless the documents relating to the Notes are voluntarily registered in Luxembourg or appended to a document that requires obligatory registration in Luxembourg.

There is no Luxembourg value added tax payable in respect of payments in consideration for the issuance of the Notes or in respect of the payment of interest or principal under the Notes or the transfer of the Notes. Luxembourg value added tax may, however, be payable in respect of fees charged for certain services rendered to the Issuer, if for Luxembourg value added tax purposes such services are rendered or are deemed to be rendered in Luxembourg and an exemption from Luxembourg value added tax does not apply with respect to such services.

Noteholders not permanently resident in Luxembourg at the time of death will not be subject to inheritance or other similar taxes in Luxembourg in respect of the Notes. No Luxembourg gift tax is levied upon a gift or donation of the Notes, if the gift is not passed before a Luxembourg notary or recorded in a deed registered in Luxembourg.

CERTAIN ERISA CONSIDERATIONS

General Fiduciary Matters

The following is a summary of certain considerations associated with the purchase of the Notes by employee benefit plans that are subject to Title I of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"); plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the Code; entities whose underlying assets are deemed under ERISA to include "plan assets" of any such employee benefit plans or other plans, accounts or arrangements (collectively, "**Plans**"); and other plans that are subject to Similar Law (as defined below).

ERISA imposes certain requirements on Plans subject to Title I of ERISA and on entities that are deemed to hold the assets of such plans (collectively, "**ERISA Plans**"), and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including, but not limited to, the requirement of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the plan. A fiduciary can be personally liable for losses incurred by an ERISA Plan resulting from a breach of fiduciary duties.

Non-U.S. plans, governmental plans and certain church plans, while not subject to the fiduciary responsibility provisions of ERISA or the prohibited transaction provisions of ERISA and Section 4975 of the Code, may nevertheless be subject to non-U.S., federal, state, local or other laws or regulations that are substantially similar to the foregoing provisions of ERISA and the Code ("**Similar Law**"). Fiduciaries of any such plans should consult with their counsel before purchasing the Notes to determine the need for, and the availability, if necessary, of any exemptive relief under any such Similar Law.

Prohibited Transaction Issues

Section 406 of ERISA and Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), prohibit certain transactions involving the assets of a Plan and certain persons (referred to as "parties in interest" or "disqualified persons") having certain relationships to such a Plan, or transactions involving a prohibited conflict of interest for the fiduciary acting on behalf of the Plan, unless a statutory or administrative exemption is applicable to the transaction. A party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code.

Any Plan fiduciary that proposes to cause a Plan to purchase the Notes should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code to such an investment, and to confirm that such purchase and holding will not constitute or result in a non-exempt prohibited transaction or any other violation of an applicable requirement of ERISA or the Code.

The fiduciary of a Plan that proposes to purchase and hold any Notes should consider, among other things, whether such purchase and holding may involve a prohibited transaction, including without limitation (i) the direct or indirect extension of credit to a party in interest or a disqualified person, (ii) the sale or exchange of any property between a Plan and a party in interest or a disqualified person, or (iii) the transfer to, or use by or for the benefit of, a party in interest or disqualified person, of any Plan assets. Such parties in interest or disqualified persons could include, without limitation, the Issuer, the Guarantors, the Initial Purchaser named in this Offering Memorandum, the Trustee, the Principal Paying Agent, the Registrar and the Transfer Agent, the lenders under the Issuer's existing Revolving Credit Facility or any of their respective affiliates. Certain exemptions from the prohibited transaction rules could be applicable to the purchase and holding of Notes by a Plan depending on the satisfaction of certain conditions, which may include the identity of the fiduciary making the decision to acquire such Notes and the relationship of the party in interest or disqualified person to the Plan. Included among these exemptions are Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code for certain transactions between a Plan and non-fiduciary service providers to the Plan (the "**Service Provider Exemption**"). In addition, the U.S. Department of Labor has issued certain administrative prohibited transaction exemptions that may apply to the purchase and holding of Notes, including Prohibited Transaction Class Exemption ("**PTCE**") 84-14 (relating to transactions effected by a "qualified professional asset manager"), PTCE 90-1 (relating to investments by insurance company pooled separate accounts), PTCE 91-38 (relating to investments by bank collective investment funds), PTCE 95-60 (relating to investments by insurance company general accounts) or PTCE 96-23 (relating to transactions directed by an in-house asset manager) (collectively, the

"**Class Exemptions**"). However, there can be no assurance that the Service Provider Exemption, any of these Class Exemptions or any other exemption will be available with respect to any particular transaction involving the Notes.

Fiduciary Independence

Each purchaser of the Notes (including any interest in a Note) that is an ERISA Plan by acceptance of a Note (including any interest in a Note), will be deemed to have represented and warranted that a fiduciary acting on its behalf is causing it to purchase the Notes and that such fiduciary: (a) is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies, including the purchaser's transactions hereunder; (b) has been advised that none of the Issuer, the Initial Purchaser or their respective affiliates has undertaken or will undertake to provide impartial investment advice, or has given or will give advice in a fiduciary capacity, in connection with the purchaser's transactions; (c) is a "fiduciary" under Section 3(21) of ERISA or Section 4975(e)(3) of the Code, or both, as applicable, with respect to, and is responsible for exercising independent judgment in evaluating, the purchaser's transactions contemplated hereby; and (d) understands and acknowledges the existence and nature of the discounts, commissions and fees, and any other related fees, compensation arrangements or financial interests of the Issuer, the Initial Purchaser and their respective affiliates in connection with the purchaser's transactions contemplated hereby.

Representation

By its purchase or receipt of a transfer of any Note, the purchaser or transferee thereof will be deemed to have represented and warranted that either:

(1) no assets of a Plan or non-U.S., governmental or church plan subject to Similar Law have been or will be used to acquire or hold such Notes or an interest therein; or

(2) the acquisition and holding of such Notes or an interest therein by such person do not constitute a non-exempt prohibited transaction under ERISA or the Code or a violation of Similar Law.

If the purchaser or transferee of any Note or interest therein is a Plan, it and any fiduciary directing the transaction on its behalf also will be deemed to represent, warrant and agree that (i) none of Issuer, the Initial Purchaser, the Guarantors, the underwriters, the Trustee, the Principal Paying Agent, the Registrar or the Transfer Agent, nor any of their affiliates (collectively, the "**Transaction Parties**"), has provided any investment advice on which it, or any fiduciary or other person investing the assets of the Plan, or Plan fiduciary, has relied in connection with its decision to invest in Notes, and they are not otherwise acting as a fiduciary, as defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Plan or the Plan fiduciary in connection with the Plan's acquisition of Notes; and (ii) the Plan fiduciary is exercising its own independent judgment in evaluating the transaction.

Each Plan fiduciary (and each fiduciary for non-U.S. governmental or church plans subject to Similar Law) should consult with its legal advisor concerning the potential consequences to the plan under ERISA, the Code or such Similar Laws of an investment in the Notes. The sale to any Plan or plan subject to Similar Law of the Notes is in no respect a representation by the Transaction Parties that such investment meets all relevant legal requirements with respect to investments by such investors generally or any particular such investor, or that such an investment is appropriate for such investors generally or any particular such investor.

NOTICE TO INVESTORS

The Notes have not been, and will not be, registered under the U.S. Securities Act or any state securities laws and, unless so registered, may not be offered or sold within the United States or to, or for the account or benefit of U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Notes offered hereby are being offered and sold only to QIBs in reliance on Rule 144A under the U.S. Securities Act and to non-U.S. persons outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act.

In addition, until 40 days after the later of the commencement of the offering and the closing date, an offer or sale of the Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than pursuant to Rule 144A.

Each purchaser of Notes, by its acceptance thereof, will be deemed to have acknowledged, represented to and agreed with us and the Initial Purchaser as follows:

(1) You understand and acknowledge that the Notes have not been registered under the U.S. Securities Act or any applicable state securities law, are being offered for resale in transactions not requiring registration under the U.S. Securities Act or any state securities law, including sales pursuant to Rule 144A, and may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the U.S. Securities Act or any applicable state securities law, pursuant to an exemption therefrom or in any transaction not subject thereto and in each case in compliance with the conditions for transfer set forth in paragraphs (5) and (6) below.

(2) You are not an "affiliate" (as defined in Rule 144 under the U.S. Securities Act) of the Issuer or acting on behalf of the Issuer and you are either:

   (i) a QIB and are aware that any sale of Notes to you will be made in reliance on Rule 144A and the acquisition of Notes will be for your own account or for the account of another QIB; or

   (ii) a non-U.S. person purchasing the Notes outside the United States in an offshore transaction in accordance with Regulation S.

(3) You acknowledge that neither we nor the Initial Purchaser, nor any person representing us or the Initial Purchaser, has made any representation to you with respect to the offering or sale of any Notes, other than the information contained in this offering memorandum, which offering memorandum has been delivered to it and upon which are relying in making your investment decision with respect to the Notes. You acknowledge that neither the Initial Purchaser nor any person representing the Initial Purchaser makes any representation or warranty as to the accuracy or completeness of the information contained in this offering memorandum. It also has had access to such financial and other information concerning us and the Notes have deemed necessary in connection with your decision to purchase any of the Notes.

(4) You are purchasing the Notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the U.S. Securities Act or any state securities laws, subject to any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within your or their control and subject to your or their ability to resell such Notes pursuant to Rule 144A, Regulation S or any other exemption from registration available under the U.S. Securities Act.

(5) You agree on your own behalf and on behalf of any investor account for which you are purchasing the Notes, and each subsequent holder of the Notes by its acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such Notes prior to the date (the "**Resale Restriction Termination Date**") that is, in the case of the Rule 144A Notes, one year after the later of the Issue Date and the last date on which we or any of our affiliates was the owner of such Notes (or any predecessor thereto) or, in the case of the Regulation S Notes, 40 days after the later of the original issue date and the last date on which the Notes were first offered to persons other than "distributors" (as defined in Rule 902 of Regulation S), only (i) to us, (ii) pursuant to a registration statement that has been declared effective under the U.S. Securities Act, (iii) for so long as the Notes are eligible for resale pursuant to Rule 144A, to a person you reasonably believe is a QIB that purchases for its own account or for the account

of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A, (iv) pursuant to offers and sales that occur outside the United States in compliance with Regulation S, or (v) pursuant to any other available exemption from the registration requirements of the U.S. Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and in compliance with any applicable state securities laws and any applicable local laws and regulations, and further subject to the Issuer's and the Trustee's rights prior to any such offer, sale or transfer pursuant to clause (iv) or (v) to require the delivery of an opinion of counsel, certification and/ or other information satisfactory to each of them. Each purchaser acknowledges that each Note will contain a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, (THE "**U.S. SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT. THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED SECURITIES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE RESALE RESTRICTION TERMINATION DATE, WHICH IS [IN THE CASE OF REGULATION S NOTES:

40 DAYS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE DATE ON WHICH THIS SECURITY WAS FIRST OFFERED TO PERSONS OTHER THAN DISTRIBUTORS (AS DEFINED IN RULE 902 OF THE REGULATION S)] [IN THE CASE OF RULE 144A NOTES: ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY)], ONLY (A) TO THE ISSUER OR THE GUARANTORS, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE U.S. SECURITIES ACT ("**RULE 144A**"), TO A PERSON IT REASONABLY BELIEVES IS A "**QUALIFIED INSTITUTIONAL BUYER**" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT, OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSES (D) OR (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM.

(6) You agree that you will give to each person to whom you transfer the Notes notice of any restrictions on transfer of such Notes.

(7) You acknowledge that until 40 days after the commencement of the offering, any offer or sale of the Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the US Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the US Securities Act.

(8) You acknowledge that the Trustee will not be required to accept for registration of transfer any Notes except upon presentation of evidence satisfactory to us and the Trustee that the restrictions set out therein have been complied with.

(9) You acknowledge that we, the Initial Purchaser and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements and agrees that if any of the acknowledgements, representations, warranties and agreements deem to have been made by its purchase of the Notes is no longer accurate, it will promptly notify the Initial Purchaser. If you are acquiring any Notes as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each such investor account and that you have full power to make the foregoing acknowledgements, representations and agreements on behalf of each such investor account.

(10) You understand that no action has been taken in any jurisdiction (including the United States) by the Issuer, the Guarantors or the Initial Purchaser that would result in a public offering of the Notes or the possession, circulation or distribution of this offering memorandum or any other material relating to us or the Notes in any jurisdiction where action for such purpose is required. Consequently, any transfer of the Notes will be subject to the selling restrictions set out under "*Plan of Distribution*", "*Notice to Certain European Investors—European Economic Area*" and "*Notice to Certain European Investors—United Kingdom*".

PLAN OF DISTRIBUTION

Subject to the terms and conditions set forth in a purchase agreement (the "**Purchase Agreement**") to be dated as of the date of this Offering Memorandum, the Issuer has agreed to sell to the Initial Purchaser, and the Initial Purchaser has agreed to purchase from the Issuer the Notes in an aggregate principal amount of €780,000,000.

The Purchase Agreement provides that the obligations of the Initial Purchaser to pay for and accept delivery of the Notes are subject to, among other conditions, the delivery of certain legal opinions by counsel.

The Initial Purchaser proposes to offer the Notes initially at the price indicated on the cover page hereof. After the initial Offering, the offering price and other selling terms of the Notes may from time to time be varied by the Initial Purchaser without notice.

Persons who purchase Notes from the Initial Purchaser may be required to pay stamp duty, taxes and other charges in accordance with the laws and practice of the country of purchase in addition to the offering price set forth on the cover page hereof.

The Purchase Agreement provides that we will indemnify and hold harmless the Initial Purchaser against certain liabilities, including liabilities under the U.S. Securities Act, and will contribute to payments that the Initial Purchaser may be required to make in respect thereof. We have agreed, subject to certain limited exceptions, not to offer, sell, contract to sell or otherwise dispose of, except as provided under the Purchase Agreement, any securities of, or guaranteed by, the Issuer or any of the Guarantors that are substantially similar to the Notes during the period from the date of the Purchase Agreement through and including the date 120 days after the date of the Purchase Agreement.

The Initial Purchaser expects to make offers and sales both inside and outside the United States through its selling agents. The Initial Purchaser is not a U.S. registered broker dealer and to the extent it intends to effect any sales of the Notes in the United States, it will only do so through one or more U.S. registered broker dealer affiliates as permitted by Financial Industry Regulatory Authority guidelines.

The Notes and the Guarantees have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except to qualified institutional buyers in reliance on Rule 144A under the U.S. Securities Act and outside the United States in compliance with Regulation S under the U.S. Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the U.S. Securities Act. Resales of the Notes are restricted as described under "*Notice to Investors*". The Initial Purchaser has agreed that, except as permitted by the Purchase Agreement, it will not offer or sell the Notes, (i) as part of their distribution at any time, or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date, within the United States, or to or for the account or benefit of U.S. persons, and that it will send to each distributor, dealer or person receiving a selling concession to whom it sells Notes within such 40 day period a confirmation or other notice stating that the purchaser is subject to the foregoing selling restrictions to the same extent that they apply to the Initial Purchaser.

The Initial Purchaser has represented, warranted and agreed that it:

- has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or any Guarantor;
- has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom; and
- has not offered or sold and will not offer or sell any Notes to any retail investor in the EEA. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

No action has been taken in any jurisdiction, including the United States and the United Kingdom, by us or the Initial Purchaser that would permit a public offering of the Notes or the possession, circulation or distribution of this Offering Memorandum or any other material relating to us or the Notes in any jurisdiction where action for this purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any other offering material or advertisements in connection with the Notes may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction. This Offering Memorandum does not constitute an offer to sell or a solicitation of an offer to purchase in any jurisdiction where such offer or solicitation would be unlawful. Persons into whose possession this Offering Memorandum comes are advised to inform themselves about and to observe any restrictions relating to the Offering, the distribution of this Offering Memorandum and resale of the Notes. See "*Notice to Certain European Investors*".

The Notes are a new issue of securities for which there currently is no market. We will apply, through our listing agent, to list the Notes on the Official List of the Luxembourg Stock Exchange and trade the Notes on the Euro MTF Market, however, we cannot assure you that the Notes will be approved for listing or that such listing will be maintained.

The Initial Purchaser is not obligated, however, to make a market in the Notes, and any market-making activity may be discontinued at any time at the sole discretion of the Initial Purchaser without notice. In addition, any such market-making activity will be subject to the limits imposed by the U.S. Securities Act and the U.S. Exchange Act. Accordingly, we cannot assure you that any market for the Notes will develop, that it will be liquid if it does develop, or that you will be able to sell any Notes at a particular time or at a price which will be favorable to you. See "*Risk Factors—Risks Relating to our Indebtedness, the Notes and the Guarantees—There may not be an active trading market for the Notes in which case your ability to sell the Notes will be limited*".

In connection with the Offering, the Stabilizing Manager, or persons acting on its behalf, may engage in transactions that stabilize, maintain or otherwise affect the price of the Notes. Specifically, the Stabilizing Manager, or persons acting on its behalf, may bid for and purchase Notes in the open markets to stabilize the price of the Notes. The Stabilizing Manager, or persons acting on its behalf, may also over allot the Offering, creating a syndicate short position, and may bid for and purchase Notes in the open market to cover the syndicate short position. In addition, the Stabilizing Manager, or persons acting on its behalf, may bid for and purchase Notes in market making transactions as permitted by applicable laws and regulations and impose penalty bids. These activities may stabilize or maintain the respective market price of the Notes above market levels that may otherwise prevail. The Stabilizing Manager is not required to engage in these activities, and may end these activities at any time. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the Notes. See "*Risk Factors—Risks Relating to our Indebtedness, the Notes and the Guarantees—There may not be an active trading market for the Notes in which case your ability to sell the Notes will be limited*".

We expect that delivery of the Notes will be made against payment on the Notes on or about the date specified on the cover page of this Offering Memorandum, which will be three business days (as such term is used for purposes of Rule 15c6-1 of the U.S. Exchange Act) following the date of pricing of the Notes (this settlement cycle is referred to as "**T + 3**"). Under Rule 15c6-1 of the U.S. Exchange Act, trades in the secondary market generally are required to settle in two business days unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes on the date of this Offering Memorandum or the four succeeding business days will be required, by virtue of the fact that the Notes initially will settle in T+3, to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to make such trades should consult their own advisors.

The Initial Purchaser and/or certain of its affiliates are arrangers, co-managers or lenders under the Term Loan B Facility and Revolving Credit Facility being entered into in connection with the Refinancing. Barclays Bank PLC will act as facility agent. In connection therewith, the Initial Purchaser and/or certain of its affiliates have received customary fees and commissions.

The Initial Purchaser or its respective affiliates from time to time have provided in the past and may provide in the future investment banking, financial advisory and commercial banking services to us and our affiliates in the ordinary course of business for which they have received or may receive customary fees and commissions. The Initial Purchaser or certain of its affiliates that have a lending relationship with us may hedge their credit exposure to us consistent with their customary risk management policies. Typically, the Initial Purchaser and its affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities (including potentially the Notes). Any such short positions could adversely affect future trading prices of the Notes. The Initial Purchaser and its respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

LEGAL MATTERS

Certain legal matters in connection with the Offering will be passed upon for us by Hogan Lovells International LLP, as to matters of United States federal and New York law, English law and Luxembourg law and by Schellenberg Wittmer, as to matters of Swiss law. Certain legal matters in connection with the Offering will be passed upon for the Initial Purchaser by Shearman & Sterling (London) LLP, as to certain matters relating to the validity of the Notes and as to matters of English law, by Linklaters LLP, as to matters of Luxembourg law, and by Pestalozzi Attorneys at Law Ltd., as to matters of Swiss law.

INDEPENDENT AUDITORS

The consolidated financial statements of Swissport Group S.à r.l as of December 31, 2016, and for the period from November 4, 2015 to December 31, 2016, included in this Offering Memorandum, have been audited by KPMG Luxembourg, *Société Coopérative*, independent auditors, as stated in their report appearing herein. KPMG's registered office is located at 39, Avenue John F. Kennedy, L-1855 Luxembourg, independent auditors, as stated in their report dated May 30, 2017, appearing herein, which includes an explanatory paragraph that states that the financial statements describe the existence of certain events of default due to a technical breach of the lien covenant provisions of the senior secured credit agreement dated January 20, 2016, included the impact on the consolidated financial statements and the current status of the process to cure these events of default.

The 2017 Audited Consolidated Financial Statements and the 2018 Audited Consolidated Financial Statements have been audited by Ernst & Young *Société anonyme*, with registered office at 35E Avenue John F. Kennedy, L-1855 Luxembourg, independent auditors, as stated in their reports dated April 27, 2018, and April 26, 2019, respectively, appearing herein.

The Interim Consolidated Financial Statements have been subject to review by Ernst & Young *Société anonyme*, with registered office at 35E Avenue John F. Kennedy, L-1855 Luxembourg, independent auditors, as stated in their report dated July 5, 2019, appearing herein.

AVAILABLE INFORMATION

Each purchaser of Notes from the Initial Purchaser will be furnished with a copy of this Offering Memorandum and, to the extent provided to the Initial Purchaser by the Issuer for such purpose, any related amendments or supplements to this Offering Memorandum. Each person receiving this Offering Memorandum and any related amendments or supplements to this Offering Memorandum acknowledges that:

(i) such person has been afforded an opportunity to request from the Issuer, and to review and has received, all additional information considered by it to be necessary to verify the accuracy and completeness of the information contained herein;

(ii) such person has not relied on the Initial Purchaser or any person affiliated with the Initial Purchaser in connection with its investigation of the accuracy of such information or its decision to invest in the Notes; and

(iii) except as provided pursuant to (i) above, no person has been authorized to give any information or to make any representation concerning the Notes offered hereby other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by the Issuer or the Initial Purchaser.

For so long as any of the Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, we will, during any period in which we are neither subject to the reporting requirements of Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"), nor exempt from the reporting requirements under Rule 12g3-2(b) under the U.S. Exchange Act, provide to the holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, in each case upon the written request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the U.S. Securities Act. Any such request should be directed to the Issuer at 9, Allée Scheffer, L-2520 Luxembourg. Copies of the Indentures (as defined herein), the forms of the Notes, the Intercreditor Agreement (as defined herein) will be made available upon request to the Issuer at the address above. We are not currently, and we will not be, subject to the periodic reporting and other information requirements of the U.S. Exchange Act. Pursuant to the Indentures and so long as the Notes are outstanding, we will furnish periodic information to holders of the Notes, as applicable. See the section entitled "*—Reports*" in the "*Description of the Senior Secured Notes*" and "*Description of the Senior Notes*".

ENFORCEMENT OF JUDGMENTS

The Issuer and the Parent Guarantor are incorporated and existing under the laws of the Grand Duchy of Luxembourg. Most of the Subsidiary Guarantors are incorporated and existing under laws other than those of the United States and most of the directors and officers of the Issuer, the Parent Guarantor and the Subsidiary Guarantors are residents or citizens of countries other than the United States. Most of the assets of the Issuer, the Parent Guarantor and the Subsidiary Guarantors and the directors and officers of the Issuer, the Parent Guarantor and the Subsidiary Guarantors are located outside the United States. As a result, it may be difficult or impossible for U.S. investors to effect service of process within the United States upon the Issuer's, the Parent Guarantor's or the Subsidiary Guarantors' management or directors or to enforce judgments obtained in U.S. courts predicated upon the federal securities laws of the United States or the securities or blue sky laws of any state within the United States, against the Issuer's, the Parent Guarantor's or the Subsidiary Guarantors' managers or directors.

If a judgment is obtained in a U.S. court against the Issuer, the Parent Guarantor or the Subsidiary Guarantors, investors will need to enforce such judgment in jurisdictions where the relevant company has assets. You should consult with your own advisors in any pertinent jurisdiction to enquire what is needed to enforce a judgment in those countries or elsewhere outside the United States.

It may be possible for holders of the Notes to effect service of process within the jurisdictions of the Issuer, the Parent Guarantor and the Subsidiary Guarantors upon the Issuer or the Parent Guarantor or the Subsidiary Guarantors provided that the Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters of 15 November 1965 is applicable and complied with. Currently, Germany, Luxembourg, Spain, Switzerland, England and Wales, Canada and the United States have signed and ratified the convention.

Australia

Generally, foreign judgments can be enforced in Australia by registering the judgment under the *Foreign Judgments Act 1991* (Cth). This regime is based on reciprocity of enforcement and only foreign judgments issued by courts or countries set out in the *Foreign Judgments Regulations 1992* (Cth) may be registered.

There are no reciprocal arrangements between Australia and the United States, and accordingly, judgments obtained from a New York court (or courts in another United States jurisdiction) cannot be registered and enforced under the *Foreign Judgments Act 1991* (Cth).

To enforce such a judgment in Australia, the judgment creditor will need to bring fresh proceedings at common law either relying on the foreign judgment as creating a debt, or bringing a cause of action based on the original cause of action relying on the foreign judgment to estop the judgment creditor from raising any defence. To be recognized and enforced in Australia, a U.S. judgment must satisfy the following conditions:

- the U.S. judgment must be final and conclusive (that is, the judgement cannot be subject to appeal, dismissal, reversal, setting aside or stay of execution);
- the U.S. judgment must be for a fixed or readily ascertainable sum;
- the parties must be the same;
- the U.S. Court awarding the judgment had jurisdiction over the judgment debtor at the time of exercising jurisdiction, and this jurisdiction must be recognized under Australian conflict of law rules;
- generally, it was obtained within the last 12 years (although different limitation periods may apply in different Australian States); and
- the U.S. judgement is not in respect of taxes, a foreign revenue debt or a penalty/fine imposed by U.S. (or any foreign) law.

A judgment debtor may seek to defend the enforcement of a U.S. judgment on the basis that either:

- the U.S. judgment was obtained by fraud;
- the U.S. judgment is contrary to Australian public policy;
- the judgment debtor was denied natural justice before the U.S. court (for example, if they did not receive notice of the proceedings in sufficient time to enable them to defend the case); or

- there is a prior judgment in another court between the same parties concerning the same issues as are dealt with in the U.S. judgment.

No assurance can be given that judgments of a U.S. court will be enforceable in Australia. In addition, no assurance can be made as to whether or not an Australian court would accept jurisdiction and impose civil liability in an original action commenced in Australia and predicated solely upon U.S. federal securities laws.

Canada

The laws of the Province of Québec permit an action to be brought in a court of competent jurisdiction in the Province of Québec (each such court, a "**Québec Court**") to recognize and declare enforceable a final and enforceable judgment *in personam* for a sum certain of a court of competent jurisdiction of the State of New York (a "**New York Court**"), that is not impeachable as void or voidable under the laws of the State of New York (a "**New York Judgment**") and that is not subject to ordinary remedy (such as an appeal) under such laws, unless: (i) the New York Court had no jurisdiction over the judgment debtor as recognized by a Québec Court; (ii) the New York Judgment was rendered in contravention of fundamental principles of procedure (such as notice of fair hearing and the right to be heard) or the rules of law in force in the Province of Québec which are applicable by reason of their particular object; (iii) the New York Judgment was obtained by fraud or contrary to any order made by the Attorney General of Canada under the *Competition Act* (Canada) or the *Foreign Extraterritorial Measures Act* (Canada); (iv) a proceeding between the same parties based on the same facts and having the same object as the New York Judgment is pending in the Province of Québec or has given rise to a judgment rendered in the Province of Québec or in another jurisdiction meeting the necessary conditions for recognition in the Province of Québec; (v) the outcome of the New York Judgment is manifestly inconsistent with public order as understood in international relations; (vi) the New York Judgment enforces obligations arising from taxation laws of a foreign country (unless there is reciprocity) or from other laws of a public nature such as penal or expropriation laws; and (vii) the motion for recognition and declaration for enforcement of the New York Judgment in the Province of Québec was not commenced and the final unappealable judgment of the Québec Court declaring the enforcement of such New York Judgment in the Province of Québec was not rendered, in each case prior to the lapsing of the limitation period for the enforcement of such New York Judgment under the laws of the State of New York. In any motion for recognition and enforcement of a New York Judgment, a Québec Court may only consider whether the conditions set out above were met and may not consider the merits of the New York Judgment.

There is doubt whether proceedings can successfully be pursued in a Québec Court based upon violations of U.S. federal securities laws for which no equivalent or similar claims are available in the laws of the Province of Québec. Moreover, depending on the circumstances and nature of relief obtained, there may also be doubt as to the enforceability in a Québec Court of a New York Judgment obtained in actions based upon the civil liability provisions of U.S. federal securities laws of the United States or any state thereof or the equivalent laws of other jurisdictions.

Further, if the New York Judgment was rendered by default, the plaintiff must prove that the act of procedure initiating the proceedings was duly served on the defendant, and a Québec Court may refuse recognition or enforcement of the New York Judgment if the defendant proves that, owing to the circumstances, it was unable to learn of the act of procedure or it was not given sufficient time to offer its defence.

Recognition or enforcement of a New York Judgment may also be granted partially if the decision deals with several claims that can be dissociated.

Where a New York Judgment orders a debtor to pay a sum of money expressed in foreign currency, a Québec Court converts the sum into Canadian currency at the rate of exchange prevailing on the day that the New York Judgment became enforceable at the place where it was rendered. The determination of interest payable under a New York Judgment is governed by the law of the authority that rendered the New York Judgment, until its conversion.

New Zealand

Recognition and enforcement of judgments obtained in the courts of New York or the United States

A judgment obtained in the courts of New York or the United States will not be immediately enforceable in New Zealand and there is no reciprocal enforcement of New York or United States judgments in New Zealand under statute. However, a final and conclusive judgment obtained in a court of New York or the United States against a New Zealand defendant or an owner of assets in New Zealand, may be enforceable in New Zealand under the common law.

For a foreign judgment to be enforceable, the judgment must be final and conclusive in the jurisdiction and be for a debt or other definite sum of money. A foreign judgment is regarded as final and conclusive, even though it is subject to an appeal, and even though an appeal against it is actually pending in New York or the United States. A judgment will not be regarded as final and conclusive however, if the court retains the power to review or vary its own order in the future.

Under the common law, foreign judgments are enforced by bringing an action on the judgment by filing a statement of claim pleading the essential requirements to enforce the foreign judgment. The simplest action to bring is an application for summary judgment as evidence can be more readily dealt with by way of affidavit under the summary judgment procedure.

The New Zealand defendant would not be able to raise, by way of defence, any matter which could have been raised in the court of New York or the United States (even if it were not raised in the proceedings there). The grounds to oppose the enforcement of the judgment in New Zealand are limited, but include: fraud by the party that obtained judgment or by the New York or the United States court pronouncing the judgment; lack of jurisdiction (in the view of the New Zealand court) by the pronouncing court; enforcement or recognition of the judgment being contrary to New Zealand public policy; and/or breach of natural justice in the proceedings in which the judgment was obtained.

Generally, a court of a foreign country is regarded as having jurisdiction to give a judgment capable of enforcement or recognition in New Zealand in any of the following cases:

- if the judgment debtor was, at the time the proceedings were instituted, resident (or, in the case of a company, had a place of business) in the foreign country;
- if the judgment debtor was the plaintiff, or had counter-claimed, in the proceedings in the foreign country;
- if the judgment debtor, being a defendant in the foreign court, submitted to the jurisdiction of that court by voluntarily appearing in the proceedings; and/or
- if the judgment debtor, being a defendant in the original court, had before the commencement of the proceedings agreed, in respect of the subject matter of the proceedings, to submit to the jurisdiction of that court or the courts of that country.

In general, a foreign judgment which is final and conclusive on the merits cannot be impeached for any error either of fact or of law. A foreign judgment cannot, in general, be impeached on the ground that the court which gave it was not competent to do so according to the law of the foreign country concerned.

Switzerland

Judgments in civil or commercial matters of a non-Swiss court or authority will be recognized and enforced against an individual or a legal entity with legal domicile or seat in Switzerland pursuant to a bilateral or multilateral treaty or convention between the foreign country and Switzerland such as the Lugano Convention on Jurisdiction and the Enforcement of Judgments of October 30, 2007. Where no applicable treaty or convention exists, the rules of the Swiss Federal Act on International Private Law (*Bundesgesetz über das internationale Privatrecht*, "**PILA**") apply. Except for arbitral awards, there is currently no treaty or convention in effect pertaining to the recognition and enforcement of judgments in civil and commercial matters between the United States of America and Switzerland.

Articles 25 to 29 PILA apply for the recognition and enforcement of foreign judgments, including judgments of a U.S. federal or state court judgment ("**U.S. Judgment**") in Switzerland. In cases where a U.S. Judgment for a monetary claim shall be enforced, the Swiss Federal Act on Debt Enforcement and Bankruptcy (*Bundesgesetz über Schuldbetreibung und Konkurs*, "**DEBA**") and the Swiss Code of Civil Procedure (*Schweizerische Zivilprozessordnung*, "**ZPO**"), apply in addition to the PILA. The judgment of a Swiss court or authority of first instance concerning recognition and enforcement of a foreign judgment, including a U.S. Judgment, is generally subject to appeal.

There is doubt as to the enforceability in Switzerland of civil liabilities based on the securities laws of the United States, either in an original action or in an action to enforce a judgment obtained in U.S. courts. The United States and Switzerland currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Consequently, a final judgment for payment given by a court in the United States, whether or not predicated solely upon U.S. securities laws, may not be automatically enforceable in Switzerland. However, if a person has obtained a final and conclusive judgment rendered by a U.S. court which is enforceable in the United States and files a claim with the competent Swiss court, the Swiss court may be expected to recognize the judgment rendered by the U.S. court, provided that (i) there are no grounds to refuse recognition and enforcement and (ii) such judgment has not been rendered in violation of elementary principles of fair trial and is not contrary to the public policy of Switzerland and, in particular, has been rendered by a court which has established its jurisdiction vis-à-vis the relevant party on the basis of a valid submission by such party to the jurisdiction of such U.S. court in accordance with the proceeding set forth by the PILA and the ZPO.

In particular, a Swiss court or authority will refuse recognition and enforcement for the following reasons only and may not otherwise review the non-Swiss judgment, including a U.S. Judgment, as to its merits: (i) if recognition and enforcement would be irreconcilable with Swiss public policy; or (ii) if a party proves that: it was not duly summoned pursuant to the law of its domicile or ordinary residence unless it made an appearance in the proceedings without objecting to jurisdiction; or (iii) the decision was rendered in violation of fundamental principles of Swiss procedural law, in particular the right to be heard was not granted; or (iv) a proceeding between the same parties in the same subject matter was first brought or adjudicated in Switzerland, or that it was earlier adjudicated in a third country and such decision is recognizable in Switzerland.

Further, valid submission to the jurisdiction of a foreign court, in particular a U.S. court or authority, is established (i) if a provision of the PILA so provides or, in the absence of such provision, the defendant had his legal domicile in the country in which the decision was rendered; or (ii) if the parties, in a pecuniary dispute, entered into an agreement valid under the PILA submitting their dispute to the jurisdiction of the court or authority which rendered the judgment; or (iii) if the defendant, in a pecuniary dispute, proceeded on the merits without objecting to jurisdiction; or (iv) if, in the event of a counterclaim, the court or authority which rendered the decision had jurisdiction over the principal claim and if there is a factual connection between the principal claim and the counterclaim. It is uncertain whether these rules extend to default judgments as well. In addition, Swiss courts may deny the recognition and enforcement of punitive damages or other awards as incompatible with Swiss public policy. Alternatively, a Swiss court may reduce the amount of damages ordered by a U.S. court and recognize damages only to the extent that they are necessary to compensate actual losses or damages.

Swiss civil procedure differs substantially from U.S. civil procedure in a number of respects. Insofar as the production of evidence is concerned, U.S. law and the laws of several other jurisdictions based on common law provide for pre-trial discovery, a process by which parties to the proceedings may prior to trial compel the production of documents by adverse or third parties and the deposition of witnesses. Evidence obtained in this manner may be decisive in the outcome of any proceeding. No such pre-trial discovery process exists under Swiss law. Instead, a Swiss court would decide upon the claims for which evidence is required from the parties and the related burden of proof.

Under Swiss law, any amount denominated in a foreign currency and ordered to be paid pursuant to a final judgment is subject to enforcement by Swiss debt collection authorities (*schweizerische Zwangsvollstreckungsbehörden*) and must be converted into Swiss Francs.

Due to the nature of enforcement proceedings in Switzerland, no statement can be made as to the time required to obtain recognition and enforcement of a judgment in Switzerland.

Judicial documents may not be served directly from abroad on a person in Switzerland (see Switzerland's reservation to the Hague Convention on Service Abroad of Judicial or Extra Judicial Documents in Civil and Commercial Matters concluded on 15 November 1965) and service must be effected by way of judicial assistance.

The Netherlands

Recognition and enforcement of judgments obtained in the courts of New York or the United States

Since there is no execution treaty on judgments in civil and commercial matters (other than arbitration awards) between The Netherlands and the United States, New York or any other state of the United States, a final and conclusive judgment for the payment of money obtained in any federal or state court in the United States which is enforceable in the United States, whether or not predicated solely on U.S. federal securities laws, is not automatically recognized and cannot automatically be enforced in the Netherlands. In order to obtain a judgment which is enforceable in the Netherlands, the party in whose favor a final and conclusive judgment of the U.S. court has been rendered will be required to file its claim with a court of competent jurisdiction in the Netherlands. Such party may submit to the Dutch court the final judgment rendered by the U.S. court. The Dutch court is in principle free to assess if and to what extent effect must be given to a foreign judgment. Generally, final, conclusive and enforceable foreign judgments for monetary obligations will be recognized, without substantive re-examination or re-litigation on the merits of the subject matter, if the following minimum requirements are met: (i) the foreign judge was competent to hear the case on internationally generally accepted grounds, (ii) the foreign judgment was rendered after proper service of process and using proper judicial procedure, (iii) such judgment is not incompatible with a judgment given between the same parties by a Dutch court or with a prior judgment given between the same parties by a foreign court in a dispute concerning the same subject matter and based on the same cause of action, provided such prior judgment is recognisable in the Netherlands and (iv) the foreign judgment does not violate the public order (*openbare orde*) of the Netherlands.

Subject to the foregoing and service of process in accordance with applicable treaties, investors may be able to enforce in the Netherlands judgments in civil and commercial matters obtained from U.S. federal or state courts. However, no assurance can be given that those judgments will be enforceable. In addition, it is doubtful whether a Dutch court would accept jurisdiction and impose civil liability in an original action commenced in the Netherlands and predicated solely upon U.S. federal securities laws.

Any enforcement of agreements governed by foreign law and any foreign judgments in the Netherlands will be subject to the rules of Dutch civil procedure. Judgments may be rendered in a foreign currency but enforcement is executed in EUR at the applicable rate of exchange. Enforcement of obligations in the Netherlands will be subject to the nature of the remedies available in the courts of the Netherlands. The taking of concurrent proceedings in more than one jurisdiction may be disallowed by the courts of the Netherlands, but such courts have the power to stay proceedings (*aanhouden*) if concurrent proceedings are being brought elsewhere.

A Dutch court may reduce the amount of damages granted by a United States court and recognize damages only to the extent that they are necessary to compensate actual losses and damages.

Enforcement of obligations before a Dutch court will be subject to the degree to which the relevant obligations are enforceable under their governing law, to the nature of the remedies available in Dutch courts, the acceptance by such courts of jurisdiction, the effect of provisions imposing prescription periods and to the availability of defenses such as set off (unless validly waived) and counter-claim; specific performance may not always be awarded.

Luxembourg

Enforcement of civil liabilities

The Issuer is Swissport Financing S.à r.l., a *private limited liability company société à responsabilité limitée* organized under the laws of the Grand Duchy of Luxembourg. A substantial portion of its assets are located outside the United States and you may not be able to enforce in Luxembourg judgments obtained in U.S. courts against the Issuer based on civil liability provisions of the U.S. federal and state securities laws or other laws. We have been advised by our Luxembourg counsel that the United States and Luxembourg are not currently bound by a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitral awards, rendered in civil and commercial matters. According to such counsel, an enforceable judgment for the payment of monies rendered by any U.S. federal or state court based on civil liability, whether or not predicated solely upon the U.S. securities laws, would not directly be enforceable in Luxembourg. However, a party who received such favorable judgment in a U.S. court may initiate enforcement proceedings in Luxembourg (*exequatur*) by requesting enforcement of the U.S. judgment by the District Court (*Tribunal d'Arrondissement*) pursuant to Article 678 of the Luxembourg New Code of Civil Procedure (*Nouveau code de procedure civile*). The District Court will authorize the enforcement in Luxembourg of the U.S. judgment if it is satisfied that all of the following conditions are met:

- the U.S. judgment is final and duly enforceable (*exécutoire*) in the United States;
- the U.S. court awarding the judgment has jurisdiction to adjudicate the respective matter under applicable U.S. federal or state jurisdictions rules, and that jurisdiction is recognized by Luxembourg private international law and local law;
- the U.S. court has applied to the dispute the substantive law which would have been applied by the Luxembourg conflict of laws rules;
- the U.S. judgment does not contravene international public policy or order as understood under the laws of the Grand Ducy of Luxembourg or has been given in proceedings of a criminal nature;

- the U.S. court has acted in accordance with its own procedural laws; and
- the judgment was granted following proceedings where the counterparty had the opportunity to appear, and if it appeared, to present a defense.

In practice, Luxembourg courts now tend not to review the merits of a foreign judgment, although there is no clear statutory prohibition of such review.

If an original action is brought in Luxembourg, Luxembourg courts may refuse to enforce any choice of law provisions if the application of such law would contravene Luxembourg international public policy. In a judgment of the Luxembourg District Court, dated January 10, 2008, the Court differed slightly from the traditional rules for enforcing a judgment described above, and decided that, in order to enforce a foreign judgment in Luxembourg, a Luxembourg judge has to make sure that three conditions are fulfilled: (1) the "indirect" competence of the foreign judge based on the connection of the litigation with the jurisdiction of such judge, (2) the conformity with international public policy requirements, both substantive and procedural, and (3) the absence of fraud to the law. In the judgment, the District Court held that the Luxembourg judge does not need to verify that the (substantive) law applied by the foreign judge is the law which would have been applicable according to Luxembourg conflict of law rules.

Whether the District Court's opinion described above will develop into the prevailing position of Luxembourg case law cannot be forecast with certainty at this stage, especially considering that in the case at issue the matter was not appealed to the Court of Appeal and because, to the best of our knowledge and belief, having taken all reasonable care to ensure that such is the case, there has been no further case law on the issue since then. To the extent, however, that the District Court's decision endorsed the solution prevailing in French case law, its decision might, in the future, be endorsed by the Luxembourg courts in general.

In the event of any proceedings brought in a Luxembourg court in respect of a monetary obligation expressed to be payable in a currency other than euro, a Luxembourg court would have the power to give judgment as an order to pay a currency other than euro. However, enforcement of the judgment against any party in Luxembourg would be available only in euro and for such purposes all claims or debts would be converted into euro.

Mexico

No treaty exists between the United States and Mexico for the reciprocal enforcement of judgments issued in the other country.

The enforcement of any foreign judgment in Mexico is subject to a recognition procedure (*procedimiento judicial de homologación*) and to compliance with all the requirements set out under the Commercial Code (*Código de Comercio*) and the Federal Code of Civil Procedures (*Código Federal de Procedimientos Civiles*) and other applicable law. The requirements to enforce foreign judgments include, among others, the following:

(a) such judgment is obtained in compliance with legal requirements of the jurisdiction of the court rendering such judgment and in compliance with all legal requirements of the principal document and in accordance with the recognized rules of international law which are compatible with those established in the Commercial Code and Federal Code of Civil Procedures;

(b) such judgment is strictly for the payment of a certain sum of money and has been rendered in an *in personam* action as opposed to an *in rem* action;

(c) service of process is made personally on the guarantor, or on the appropriate process agent;

(d) such judgment does not contravene, and so is compatible with, Mexican law, public policy of Mexico, international treaties or agreements binding upon Mexico;

(e) the applicable procedural requirements under the laws of Mexico with respect to the enforcement of foreign judgments (including the issuance of letters rogatory by the competent authority of such jurisdiction requesting enforcement of such judgment and the certification of such judgment as authentic by the corresponding authorities of such jurisdiction in accordance with the laws thereof) are complied with;

(f) such judgment is final in the jurisdiction where obtained;

(g) the action in respect of which such judgment is rendered is not the subject matter of a lawsuit among the same parties, pending before a Mexico court; and

(h) the courts of such jurisdiction recognize the principles of reciprocity in connection with the enforcement of Mexico judgment in such jurisdiction.

Additionally, there is doubt as to the enforceability, in original actions in Mexican courts, of liabilities predicated, in whole or in part, on U.S. federal securities laws.

In the event that proceedings are brought in Mexico seeking to enforce Mexican guarantors' obligations in respect of the Notes, the Mexican guarantor would not be required to discharge such obligations in a currency other than the Mexican peso. Pursuant to Mexican law, an obligation in a currency other than the Mexican peso, which is payable in Mexico, may be satisfied in Mexican currency at the rate of exchange in effect on the date on which payment is made. Such rate of exchange is currently determined by *Banco de México* each business day in Mexico and published the following business banking day in the Official Gazette of Mexico (*Diario Oficial de la Federación*).

Germany

There is doubt as to the enforceability in Germany of civil liabilities based on federal or state securities laws of the United States, either in an original action or in an action to enforce a judgment obtained in U.S. federal or state courts. The United States and the Federal Republic of Germany currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments other than arbitration awards, in civil and commercial matters. Consequently, a final judgment for payment of money rendered by any federal or state court in the United States, whether or not predicated solely upon U.S. federal or state securities laws, would not automatically be enforceable in Germany.

As a general matter, a final and conclusive judgment by a U.S. federal or state court for the payment of a specific sum of money based on civil matters may be recognized and enforced in Germany in an action before a court of competent jurisdiction in accordance with the proceedings set forth by the German Code of Civil Procedure (*Zivilprozessordnung*). In such an action, a German court generally will not reinvestigate the merits of the original matter decided by a U.S. court, unless:

- the courts of the jurisdiction where the relevant court is located did not have jurisdiction according to the principles on jurisdictional competence under German law;
- the judgment was given in default of appearance and the defendant invokes such default or the defendant was not served with the document which instituted the proceedings properly or within sufficient time and in such a way to enable him to arrange for his defense, unless the defendant failed to commence proceedings to challenge the judgment when it was possible for the defendant; a method of service of process agreed upon may not be regarded as due service if such method is contrary to the applicable law (including any international treaty) on service for the proceedings;
- the judgment is irreconcilable with (i) any prior judgment which became *res judicata* rendered by a German court or (ii) any prior judgment which became *res judicata* rendered by a foreign court which is to be recognized in Germany or (iii) the procedure leading to the respective judgment being irreconcilable with a proceeding previously commenced in Germany;
- such recognition entails results which are obviously irreconcilable with fundamental principles of German law (*ordre public*), including without limitation, fundamental rights under the constitution of Germany (*Grundrechte*). In this context, it should be noted that any component of a U.S. federal or state court civil judgment awarding punitive damages or any other damages which do not serve a compensatory purpose, such as treble damages, will not be enforced in Germany. They are regarded to be in conflict with material principles of German law; or
- the reciprocity of enforcement of judgments is not guaranteed.

Enforcement and foreclosure based on U.S. judgments may be sought against German defendants after having received an enforcement (*exequatur*) decision from a competent German court in accordance with the above principles. Even if a U.S. judgment is recognized in Germany, it does not necessarily mean that it will be enforced under all circumstances. In particular, the obligations need to be of a specific kind and type for which an enforcement procedure exists under German law. Also, if circumstances have arisen after the date on which such foreign judgment became res judicata, a defense against enforcement may arise. The success of enforcement is also subject to the effect of any applicable bankruptcy, insolvency, reorganization, liquidation, moratorium as well as other similar laws, provisions or circumstances affecting creditors' rights generally.

In addition, it is doubtful whether a German court would accept jurisdiction and impose civil liability in an original action predicated solely upon U.S. federal securities law. Further, German civil procedure differs substantially from U.S. civil procedure in a number of aspects. With respect to the production of evidence, for example, U.S. federal and state law and the laws of several other jurisdictions based on common law provide for pre-trial discovery, a process by which parties to the proceedings may, prior to trial, compel the production of documents by adverse or third parties and the deposition of witnesses. Evidence obtained in this manner may be decisive in the outcome of any proceeding. No such pre-trial discovery process exists under German law.

If the party in whose favor a final U.S. judgment is rendered brings a new suit in a competent court in Germany, such party may submit to the German court the final judgment rendered in the United States. Under such circumstances, a judgment by a federal or state court of the United States will be regarded by a German court only as evidence of the outcome of the dispute to which such judgment relates. A German court may choose to re-hear the dispute and may render a judgment not in line with the judgment rendered by a federal or state court of the United States.

Belgium

Recognition and enforcement of judgments obtained in the courts of a European Member State

Pursuant to the provisions of the European Regulation (EU) No 1215/2012 of the European Parliament and of the Council of December 12, 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (the "**Brussels I Regulation (recast)**"), the recognition and enforcement of foreign judgments is subject in Belgium to a light procedure when the judgment has been rendered by a court of a European Member State.

Civil and commercial judgements of the courts of a European Member State will be recognized in Belgium without any special procedure being required. Recognition and enforcement can only be refused if:

- such recognition and enforcement would be manifestly incompatible with Belgian public policy (*openbare orde/ordre public*);
- the judgment was given in default of appearance and the defendant was not served with the document which instituted the proceedings or with an equivalent document in sufficient time and in such a way as to enable it to arrange for its defense, unless the defendant failed to commence proceedings to challenge the judgment when it was possible for it to do so;
- the judgment is irreconcilable with a Belgian judgment given in a dispute between the same parties;
- the judgment is irreconcilable with an earlier judgment given in another European Member State or a third state involving the same object and cause of action and between the same parties, provided the earlier judgment meets the conditions necessary for its recognition in Belgium; or
- the judgment conflicts with Sections 3, 4, 5 or 6 of Chapter II of the Brussels I Regulation (recast) (namely matters relating to insurance, consumer contracts or exclusive jurisdiction).

Such judgment shall be declared enforceable on completion of the formalities referred to in Article 53 of the Brussels I Regulation (recast), subject to the right to lodge proceedings against any such decision as set out in Article 43 of the Brussels I Regulation (recast). Enforcement of the judgment may, however, be stayed if it is subject to an ordinary appeal in the country in which the judgment was given.

If the claim is uncontested, the European Regulation (EC) No 805/2004 creating a European Enforcement Order for uncontested claims may apply.

Specific rules apply in the context of insolvency proceedings. In such cases, the recognition of insolvency proceedings will be governed by the European Regulation (EU) No 2015/848 on insolvency proceedings.

Recognition and enforcement of judgements obtained in a court in the United States

In the absence of any bilateral or multilateral treaty, a final and enforceable judgment of the courts exercising jurisdiction in the United States would be recognized and enforced by the courts of Belgium without review on the merits subject to the conditions specified in Articles 22 to 25 of the law of July 16, 2004 which implements the Code of International Private Law (*Wetboek van Internationaal Privaatrecht/Code de droit international priv*), as amended (the "**Code of International Private Law**").

Pursuant to Article 24 of the Belgian Code of International Private Law, the following documents must be produced in court by the claimant seeking enforcement:

• an official copy of the judgment (*uitgifte van de beslissing/expédition de la décision*) fulfilling all conditions required for its authentication under the applicable foreign law;

• if obtained by default, an original or legalized copy of the document demonstrating that the originating process has been served on the defendant in accordance with the applicable foreign law; and

• any document demonstrating that, under the applicable foreign law, the judgment is enforceable and has been notified to the defendant.

Articles 22 et seq. of the Belgian Code of International Private Law mainly require that the recognition or enforcement of the foreign judgment should not be a manifest violation of public policy, that the foreign courts must have respected the rights of defense, that the foreign judgment should be final, and that the assumption of jurisdiction by the foreign court may not have breached certain principles of Belgian law.

However, recognition can be refused will refuse enforcement in the circumstances described in Article 25 of the Belgian Code of International Private Law and notably, if:

- the rights of defense have been violated;
- such recognition or enforcement of the decision would be manifestly incompatible with Belgian public policy;
- the jurisdiction of the courts of the foreign judge was based solely on the presence of the defendant or assets in the such state without any further direct connection with dispute in the foreign state;
- the decision is not final and may still be appealed under the applicable foreign law (however, provisional enforcement could then be granted) or does not meet the requirements of authenticity pursuant to the applicable laws;
- if in relation to matters for which parties cannot freely dispose of their rights, the decision has been sought with the sole purpose of escaping from the application of the laws applicable in accordance with Belgian private international law;
- the claim was filed in the United States after the filing in Belgium of a claim that is still pending between the same parties with respect to the same subject matter;
- the judgment is incompatible with a decision rendered in Belgium or a prior judgment rendered in another jurisdiction that can be recognized in Belgium;
- the Belgian jurisidctions have exclusive jurisdiction in respect to the claim; or
- the decision is in conflict with the rules on the recognition and enforcement of court decisions in relation to insolvency proceedings, property rights or corporate standing.

As a general principle, procedural rules are governed by the law of the jurisdiction of the court (*lex fori*). In Belgium, the procedural rules contained in, among others, the Belgian Judicial Code and the Code of International Private Law will apply when recognition and enforcement of judgments rendered by United States courts is sought in Belgium.

In the case of an enforcement through legal proceedings in Belgium (including the exequatur of foreign court decisions in Belgium), a registration tax at the rate of 3% of the amount of the judgment is payable by the debtor if the sum of money that the debtor is ordered to pay by (a) Belgian court, or (b) a foreign court judgment that is either (i) automatically enforceable and registered in Belgium or (ii) rendered enforceable by a Belgian court, exceeds EUR12,500. A nominal registration tax A nominal registration tax would be due on the registration of bailiff deeds.

The Code of International Private Law contains specific rules for the enforcement of judgments that relate to insolvency matters.

Spain

Recognition and enforcement of judgments obtained in the courts of New York or the United States

Since there is no execution treaty on judgments in civil and commercial matters (other than arbitration awards) between Spain and the United States, New York or any other state of the United States, a judgment obtained in any federal or state court in the United States is not recognized and cannot automatically be enforced in Spain.

A judgment duly rendered by a New York court, pursuant to a local action instituted before such courts would only be enforceable in the competent courts of the Kingdom of Spain, provided that prior to the time such New York court judgment is introduced into a Spanish court for enforcement, there is no material contradiction or incompatibility with a judgment rendered or judicial proceedings outstanding in Spain, in accordance with and subject to Article 523.2 of the Spanish law of civil procedure (*Ley 1/2000, de 7 de enero, de Enjuiciamiento Civil*) and Articles 14 to 55 of the recently enacted Law 29/2015 of July 30, 2015, on international judicial cooperation on civil matters ("**Law 29/2015**").

Such provisions and the case law set forth that any final judgment rendered outside the Kingdom of Spain may be enforced in the Kingdom of Spain in two different situations: (i) in the cases and in accordance with the provisions of any applicable treaty; and (ii) in the absence of any such treaty in accordance with Law 29/2015. Such Law provides that a judgment will not be recognized, *inter alia*: (a) if such recognition is manifestly contrary to Spanish public policy ("*order público*"), (b) if the judgment is not final (i.e. subject to further appeal) and therefore is not of an enforceable nature (*fuerza ejecutiva*) in the foreign jurisdiction, (c) where any of the parties in the proceedings was manifestly unable to exercised his rights of defense, (d) if it is irreconcilable with a judgment issued by the Spanish courts, (e) if there are any ongoing proceedings in Spain between the same parties in relation to the same matter, (f) if the judgement is incompatible with another country's judgement which meets the requirements to be enforceable in Spain, (g) if the matter of the judgment falls within the matters of the exclusive jurisdiction of the Spanish courts or, in any other matters, if the foreign court jurisdiction does not have a reasonable connection with the dispute, (h) if the Guarantors are subject to an insolvency proceeding in Spain and the foreign judgment does not meet the requirements provided for in Spanish Insolvency Law or (i) the copy of the judgment presented before the Spanish Court is not duly legalized or apostilled or the documentation prepared for the purposes of requesting the enforcement is not accompanied by a Spanish translation in accordance with Article 144 of the Spanish law of civil procedure (*Ley 1/2000, de 7 de enero, de Enjuiciamiento Civil*).

Reciprocity is no longer a prerequisite; however the Spanish Government could exceptionally issue a decree denying the recognition of judicial decisions issued in countries which recurrently reject the recognition of Spanish decisions. Spain has not issued such decree in relation to the United States of America.

The enforcement of any judgments in Spain entails, among others, the following actions and costs: (a) documents in a language other than Spanish must be accompanied by a sworn translation into Spanish (translator's fees will be payable); (b) foreign documents may be required to be legalized and apostilled; (c) certain court fees must be paid, (d) the procedural acts of a party litigating in Spain must be directed by an attorney at law and the party must be represented by a court agent (procurador); and (e) the content and validity of foreign law, if needed, must be evidenced to the Spanish courts (which could, again, entail certain costs). In addition, Spanish civil proceedings rules cannot be amended by agreement of the parties and will therefore prevail notwithstanding any provision to the contrary in the Notes.

Since there is no applicable treaty between the Kingdom of Spain and the United States of America, exequatur proceedings (as contemplated in Law 29/2015) will have to be carried out in order to enforce a judgment of a New York court in the Kingdom of Spain.

Recognition and enforcement of judgments obtained in the courts of England

Pursuant to article 36 of Regulation 1215/2012 and subject to article 523 of the Spanish law of civil procedure (*Ley 1/2000, de 7 de enero, de Enjuiciamiento Civil*) judgments rendered in England will be recognized and enforced in Spain without any special procedure being required. However, article 45 of Regulation 1215/2012 provides that a judgment will, inter alia, not be recognized:

(i) if such recognition is manifestly contrary to public policy in the Member State in which recognition is sought;

(ii) where it was given in default of appearance, if the defendant was not served with the document which instituted the proceedings or with an equivalent document in sufficient time and in such a way as to enable the defendant to arrange for his defense, unless the defendant failed to commence proceedings to challenge the judgment when it was possible for the defendant to do so;

(iii) if it is irreconcilable with a judgment given in a dispute between the same parties in the Member State in which recognition is sought; and

(iv) if it is irreconcilable with an earlier judgment given in another Member State or in a third State involving the same cause of action and between the same parties, provided that the earlier judgment fulfils the conditions necessary for its recognition in the Member State addressed.

Moreover, a judgment shall not be recognized in a case provided for in article 72 of Regulation 1215/2012.

The recognition and enforcement of judgments obtained in the courts of England in Spain could be affected as a result of Brexit. In the event of the withdrawal of United Kingdom from the European Union without an agreement, Regulation 1215/2012 may not apply and the provisions of Law 29/2015 may be applicable instead for the recognition and enforcement of judgments rendered in England.

England and Wales

There is no convention or treaty providing for the reciprocal enforcement of judgments between the US and United Kingdom (of which the jurisdiction of England and Wales forms part). Accordingly, a judgment obtained in a federal or state court in the US cannot be automatically recognized and enforced in England and Wales under any statutory scheme. However, a US judgment enforcing the Guarantees can be enforced provided that certain criteria are satisfied, and this process is governed by English common law principles.

Method of Enforcement

A US judgment cannot be enforced directly in England and Wales (by execution or a similar process). Instead, the judgment will be treated as a simple contract debt between the parties to it. This "debt" can then be enforced through the English courts by issuing new proceedings. The English court will generally not re-examine the merits of the underlying dispute but the judgment must still satisfy the criteria set out below. The general principle applied by the English courts is that a judgment of a US court of competent jurisdiction which is final and conclusive will be conclusive in England between the parties. Therefore the burden of proof is on the judgment debtor who seeks to oppose the enforcement of a US court judgment on the basis of one of the criteria listed.

Court of Competent Jurisdiction

The English court must be satisfied that according to English conflict of laws rules the US court had jurisdiction over the debtor when it made the judgment. Broadly this means that the judgment debtor was either present in the US when the US proceedings were commenced or entered an appearance in the US proceedings or that the debtor otherwise expressly submitted to the jurisdiction of the US court.

Judgment for a Definite Sum

In order to be enforceable in England, the US judgment must be for a definite sum. Therefore a US declaratory judgment or an order for damages to be assessed would not be enforceable. Any costs orders relating to the US proceedings would also be enforceable, but only once the final figure is determined. The English courts will not entertain actions to enforce, either directly or indirectly, foreign penal or tax laws.

Final and Conclusive Judgment

In order to begin enforcement proceedings in England, the existence of the debt must have been pronounced upon finally and conclusively by the US court which heard the case. This means that the court that made the judgment must not have the power to vary or rescind it subsequently. The fact that the judgment may be subject to an appeal to a higher court does not prevent it from being final and conclusive although in certain circumstances the English court may stay enforcement proceedings pending the outcome of the appeal. Enforcement proceedings cannot be commenced in England if the US court has granted a stay of execution pending the hearing of the appeal.

Other Relevant Issues

Public policy

A US judgment will not be recognized or enforced by the English court if this would be contrary to English public policy. For example, the English courts will not enforce an award of punitive damages including awards of multiple damages (although the basic award, before the punitive element was added, would be enforceable).

Natural or substantial justice

The English court will not enforce a judgment if it considers that the proceedings in the US were conducted in a manner contrary to natural or substantial justice. One of the most common arguments raised under this heading is that the judgment debtor was not given proper notice of the US proceedings and therefore did not have a sufficient opportunity to defend the claim. The English court will consider each case on its merits, but the English court will be reluctant to interfere in circumstances where the proceedings have been conducted in accordance with the laws of the relevant US court and provisions as to notice have been complied with. If a judgment debtor argues that it did not have sufficient notice of the US proceedings it must be able to demonstrate that it had a reasonable prospect of successfully defending the action in the US.

Fraud

A US judgment which has been obtained by defrauding the US court will not be recognized or enforced in England. If it is alleged that the judgment was obtained as a result of fraud the English court will consider re-examining the underlying claim in relation to the issues surrounding the alleged fraud, even if those issues have been considered by the US court.

General Issues in English Court Proceedings

Specific Performance

The power of an English court to grant equitable remedies is discretionary and there can be no guarantee that they would be available. Specific performance is not usually ordered and an injunction not usually granted where damages would be an adequate remedy.

Enforceability

Where any obligation is to be performed in a jurisdiction outside England and Wales or by a person subject to the laws of that other jurisdiction, the obligation may not be enforceable under English law to the extent that its performance would be illegal or contrary to public policy under the laws of that other jurisdiction. In addition, English courts may refuse to apply a rule of law of another jurisdiction if this would be manifestly incompatible with English public policy.

Discretions

Where a person is vested with a discretion, or may determine any matter in his opinion, English law may require that the discretion be exercised reasonably and in a manner which does not frustrate the reasonable expectations of the parties. In addition, a provision that any certificate or determination will be conclusive will not be effective if it is fraudulent or made on an unreasonable basis.

Ireland

Recognition and enforcement of judgments obtained in the courts of New York or the United States

A judgment rendered in the courts of New York and which is final, conclusive and enforceable in such jurisdiction is enforceable in Ireland, even though an appeal therefrom is pending or it is subject to appeal provided the following general requirements are met:

a) the New York judgment is for a definite sum;

b) the New York court must have had jurisdiction in relation to the particular defendant according to Irish conflict of law rules; and

c) the foreign judgment must be final and conclusive and the decree must be final and unalterable in the court which pronounces it.

Provided however that the courts of Ireland may refuse to enforce a judgment of the courts of New York which meets the foregoing requirements for one of the following reasons:

a) the New York judgment was obtained by fraud;

b) the enforcement of the New York judgment in Ireland would be contrary to natural or constitutional justice;

c) the New York judgment is contrary to Irish public policy or involves certain foreign laws which will not be enforced in Ireland; or

d) jurisdiction cannot be obtained by the courts of Ireland over the judgment debtors in the enforcement proceedings by personal service in Ireland or outside Ireland under Order 11 of the Rules of the Superior Courts.

Recognition and enforcement of judgments obtained in the courts of England

Pursuant to article 36 of Regulation 1215/2012 of the European Parliament and of the Council of December 12, 2012 on Jurisdiction and Recognition and Enforcement of Judgments in Civil and Commercial Matters, as amended ("**Regulation 1215/2012**"), judgments rendered in England will be recognized and enforced in Ireland without any special procedure being required. However, article 45 of Regulation 1215/2012 provides that a judgment will, inter alia, not be recognized on the application of any interested party:

(i) if such recognition is manifestly contrary to public policy in the Member State in which recognition is sought;

(ii) where it was given in default of appearance, if the defendant was not served with the document which instituted the proceedings or with an equivalent document in sufficient time and in such a way as to enable the defendant to arrange for his defense, unless the defendant failed to commence proceedings to challenge the judgment when it was possible for the defendant to do so;

(iii) if the judgment is irreconcilable with a judgment given between the same parties in the Member State in which recognition is sought; and

(iv) if it is irreconcilable with an earlier judgment given in another Member State or in a third State involving the same cause of action and between the same parties, provided that the earlier judgment fulfils the conditions necessary for its recognition in the Member State addressed.

Moreover, article 45 of Regulation 1215/2012 provides that a judgment shall not be recognized if it conflicts with Sections 3, 4 or 5 of Chapter II where the policyholder, the insured, a beneficiary of the insurance contract, the injured party, the consumer or the employee was the defendant, or with Section 6 of Chapter II, or in a case provided for in article 72 of Regulation 1215/2012.

LIMITATIONS ON VALIDITY AND ENFORCEABILITY OF THE GUARANTEES, THE SENIOR SECURED NOTES SECURITY AND CERTAIN INSOLVENCY LAW CONSIDERATIONS

The following is a summary description of certain limitations on the validity and enforceability of the Guarantees and a summary of certain insolvency law considerations in some of the jurisdictions in which the Issuer, the Guarantors and the Subsidiaries are incorporated or organized. The description is only a summary and does not purport to be complete or to discuss all of the limitations or considerations that may affect the validity and enforceability of the Notes and the Guarantees. Prospective investors in the Notes should consult their own legal advisors with respect to such limitations and considerations.

Australia

Insolvency

Certain of the Guarantors are incorporated under Australian law. Accordingly, insolvency proceedings with respect to those companies would be likely to proceed under, and be governed by, Australian insolvency law.

Australian insolvency law is different from the laws of the United States and other jurisdictions with which investors may be familiar. In the event that Australian Guarantors experience financial difficulty, it is not possible to predict with certainty the outcome of insolvency or similar proceedings.

Australian insolvency law provides for the following formal insolvency procedures:

- voluntary administration — a formal process designed to enable restructuring, usually initiated by the directors of the company, placing an administrator in control of the company. The administrator must, in a short 5 to 6 week window (subject to extension by the Court or a one-off adjournment at a meeting of creditors) investigate the affairs of the company, engage with any parties interested in putting forward a restructuring plan known as a deed of company arrangement ("**DOCA**"), and make a recommendation as to whether it would be in the best interests of creditors for the company to enter into any proposed DOCA or to otherwise be placed into liquidation. Creditors vote on resolutions to this effect at a meeting of creditors. A DOCA, if approved by creditors and executed, may have the effect of compromising or rearranging rights of creditors;
- liquidation — a winding up of the company by a liquidator appointed to the company either following a voluntary administration, by the Court on the petition of a creditor, or by a resolution of shareholders. Liquidation aims to realize the assets of the company and distribute the proceeds to creditors according to statutory priorities;
- receivership — a form of external administration which is usually initiated by a secured creditor appointing a receiver to the assets of a company pursuant to powers under a security agreement. A receiver takes control of property and/or realizes property in order to protect the rights of the secured creditor. A receiver is under a statutory duty to take all reasonable care to sell secured assets for not less than market value or, if there is no market value, for the best price reasonably obtainable in the circumstances. A receiver can also be appointed by Court order in certain circumstances; and
- a creditors' scheme of arrangement — a process which allows a company to enter into a court-approved arrangement which compromises or re-arranges the rights of its creditors.

The following is a summary of certain aspects of Australian insolvency law relating to guarantees granted by a company incorporated under Australian law. The application of these laws could adversely affect investors, their ability to enforce their rights under the guarantees and therefore may limit the amount that investors may receive in an insolvency of the Guarantors. Investors should seek independent advice on the implications (if any) of these laws on their investment.

Restrictions on enforcement

A secured creditor is generally able to enforce its security interest immediately upon the occurrence of an event of default. Court action is generally not required.

A guarantee can usually only be enforced on notice where the principal debtor is in default (subject to the terms of the guarantee).

On the appointment of a voluntary administrator, there is an immediate moratorium on enforcement action being taken against the company by its creditors (including pursuant to a guarantee), which includes a moratorium on commencement or progression of legal proceedings, the exercise of rights by lessors or owners of property used by the company, and enforcement of security, unless consent of the administrator or leave of the Court is obtained.

There is a further stay on the enforcement of rights against a company by reason only of the company entering into voluntary administration, receivership or commencing a scheme of arrangement (these rights are referred to as "ipso facto" rights), or the company's financial position, for agreements entered into after 1 July 2018 (or variations to pre-1 July 2018 agreements entered into before 1 July 2023). Certain exemptions apply under the Corporations Regulations 2001 (Cth), including for syndicated loans, bonds or promissory notes.

Neither the moratorium nor the stay apply to a secured creditor with security over the whole or substantially the whole of the company's assets where the secured creditor appoints a receiver over the secured property within 13 business days of notice of appointment, or where the secured creditor enforced its security before the beginning of the administration.

Additionally, security interests that are either unperfected ,or not perfected within 20 business days of the grant of security or six months prior to the commencement of liquidation or voluntary administration, will vest in the grantor on liquidation or voluntary administration. We note that guarantees, on the other hand, generally do not need to be registered under the Personal Property Securities Act 2009 (Cth) (which establishes a national system for the registration of security interests in personal property).

Appointment of a liquidator

A liquidator of an Australian company can apply to the Court to challenge (and possibly set aside, or seek a broad range of orders from the Court in relation to) a transaction entered into by the company prior to insolvency, including as:

- an unfair preference claim, which can only be brought in respect of unsecured debt, where a payment is received which results in a creditor receiving more than it would have received in the liquidation;
- an uncommercial transaction, where a reasonable person would not have entered into the transaction having regard to the benefits and detriments to the company and to other parties to the transaction.

These transactions can only be challenged if they took place within statutory time limits preceding the appointment of a liquidator (or an earlier appointment of a voluntary administrator), and those time limits vary depending on the nature of the transaction and whether the transaction was with a related party. The company must also have been insolvent at the time of the transaction or must have become insolvent as a result of it.

A payment made pursuant to a guarantee might be challenged by a subsequently appointed liquidator to the guarantor as an unfair preference or an uncommercial transaction. Security granted by an Australian company might be challenged by a subsequently appointed liquidator to the Australian company as an uncommercial transaction.

Additionally, security over circulating assets (for example, receivables or inventory) may be void against a liquidator to the extent that it secures advances made prior to the grant of security if the security was granted in the six month period prior to the appointment of the liquidator (or an earlier appointment of a voluntary administrator). This does not apply if the company was solvent immediately after granting the security.

Priority of claims in liquidation

One of the key functions of a liquidator is to realize the assets of the company and distribute the proceeds to creditors according to statutory priorities.

Creditors are generally paid on a pari passu basis, that is, the assets are distributed equally to creditors in proportion to the debts they are owed. However, certain classes of creditors receive payment in priority to others pursuant to either security held by the creditor or statutory priorities afforded under the Corporations Act 2001 (Cth) ("**Australian Corporations Act**"). Creditors in a particular class will only receive payment if creditors in the higher classes have been paid first, subject to certain statutory exceptions.

Where assets are subject to a perfected security, the security holder will generally receive payment in priority to general unsecured creditors. The liquidator or administrator will, however, have a lien in relation to fees and expenses incurred in protecting and realizing the assets. Further, statutory priority is given to certain unpaid employee entitlements ahead of the interest of a secured creditor over circulating assets. If a secured creditor suffers a shortfall after realization of the secured assets, it may prove as an unsecured creditor for the balance of its claim.

Section 556 of the Australian Corporations Act sets out a number of payments required to be made in priority to the company's unsecured debts and claims in liquidation. Broadly, those payments include, in the following order:

- expenses incurred by the liquidator in protecting and realizing property;
- legal costs incurred in obtaining an order for a court-ordered winding up;
- costs incurred by a voluntary administrator prior to liquidation;
- certain reporting and auditing costs;
- remuneration and fees of the liquidator and any prior voluntary administrator; and
- unpaid wages, superannuation contributions, leave entitlements and retrenchment payments for employees of the company in liquidation.

Unsecured creditors then receive payment on a pari passu basis.

New Zealand

Certain Subsidiary Guarantors may be incorporated in or be organized in and/or have property in New Zealand.

Insolvency

In the event of insolvency of any such Subsidiary Guarantor, insolvency proceedings may be initiated in New Zealand based on New Zealand insolvency law.

The relevant insolvency procedures do not change the law that would govern the obligations provided for in the Guarantee. In other words, the contractual obligations in connection with the Guarantee would remain subject to the choice of law clause and would be governed by New York law, but recovery by creditors would be governed in accordance with the relevant insolvency procedure in New Zealand.

The following is a brief description of certain aspects of the insolvency laws of New Zealand.

The insolvency procedures applicable will depend on (among other things) whether the Subsidiary Guarantor is an individual, limited liability company, or other entity. The procedures may lead to the restructuring *of the business or the realisation of asset of the Subsidiary Guarantor.*

The follow procedures could apply to the Subsidiary Guarantor:

- the liquidation regime set out in Part XVI of the Companies Act 1993 ("**Companies Act**");
- the administration regime set out in Part 15A of the Companies Act;
- the statutory management regimes set out in the Corporations (Investment and Management Act 1989 ("CIM Act") which applies to corporations, whether incorporated in New Zealand or elsewhere, that have assets or conduct business in New Zealand;
- the receivership regime set out in the Receiverships Act 1993 ("**Receiverships Act**"); and
- the creditors' compromise regime under Part XIV of the Companies Act.

Liquidation regime

The liquidation regime in the Companies Act contains a set of liquidation rules that is intended to realise the assets of a company, to distribute the proceeds to the company's creditors and shareholders and to dissolve the company.

A company is put into liquidation by the appointment of a liquidator. Pursuant to section 241(2) of the Companies Act, a liquidator may be appointed by:

- a special resolution of shareholders; or
- the board of the company on the occurrence of an event specified in the constitution; or
- the Court:
  a) on the application of the company, a director, a shareholder or other entitled person, a creditor (including any contingent or prospective creditor), the administrator (if the company is in administration), the Financial Markets Authority (if the company is a financial markets participant), the RBNZ (if the company is a licensed insurer), or the Registrar of Companies; and
  b) if the Court (among other things) is satisfied that the company is unable to pay its debts, has persistently or seriously failed to comply with the Companies Act, the company (or its directors or shareholders) has intentionally provided inaccurate information to the Registrar of Companies, the company does not comply with section 10 of the Companies Act, or it is just and equitable to appoint a liquidator; or
- a resolution of creditors passed at the watershed meeting (which is a meeting held where a company is in administration).

Undervalues and preferences

Once a company is in liquidation, a liquidator is likely to examine the company's records to ascertain if the liquidator can claw back payments made to creditors in the two-year period prior to liquidation as "voidable transactions". There are a range of actions available to a liquidator in respect of transactions with creditors during that period. A summary of the commonly used actions against unsecured creditors is set out below.

Voidable transactions

Under section 292(1) of the Companies Act a transaction by a company is voidable by the liquidator if it is:

(a) an insolvent transaction; and

(b) was entered into within the specified period (broadly two years before the date of the commencement of liquidation).

An "insolvent transaction" is defined as a transaction by a company that:

(a) is entered into at a time when the company is unable to pay its due debts; and

(b) enables another person to receive more towards satisfaction of a debt owed by the company than the person would receive, or would be likely to receive, in the company's liquidation.

"Transaction" for the purposes of section 292 includes any of the following steps by the company:

(a) conveying or transferring the company's property;

(b) creating a charge over the company's property;

(c) incurring an obligation;

(d) paying money;

(e) anything done or omitted to be done for the purpose of entering into the transaction or giving effect to it.

Whether a company is "unable to pay its due debts" is a question of fact. However, the Companies Act and case law provide guidance as to when a company will be unable to pay its due debts. The judgment of the High Court in Re Universal Management Ltd (In Liquidation) (Wellington, M 134 & 135/77, 1 December 1981) (endorsed by the Court of Appeal) set out a number of principles that can be used to determine a company's solvency. The case considered the phrase "unable to pay its debts as they become due from its own money" (being the terminology in the equivalent section in the Companies Act 1955). While section 292 expresses the concept somewhat differently, the principles in Re Universal Management Ltd (In Liquidation) are still applicable:

(a) Consideration of ability to pay debts is concerned with the debtor's present position. However, in considering that position, regard may be had to the recent past, that is, whether the debtor has, in recent weeks, been able to pay its debts as they have become due.

(b) Outstanding debts must be taken into account in determining a company's ability to meet its debts as they become due.

(c) The words "as they become due" mean as the debts become legally due.

(d) If, as is well-established, convertibility of non-cash assets on hand may be taken into account in determining solvency, so must debts becoming due while that conversion takes place. Moreover, the words "as they become due" involve consideration of a debtor's position over a period and not at a specific time.

(e) The test of solvency is an objective one. The views of the debtor itself as to its financial position (current or future) are irrelevant.

Section 292(4A) of the Companies Act provides that a transaction entered into within the "restricted period" is presumed, unless the contrary is proved, to be entered into at a time when the company is unable to pay its due debts. The restricted period is broadly 6 months before the commencement of the liquidation.

If a company and a creditor have a continuing business relationship (such as a running account) in which the level of indebtedness fluctuates from time to time, then all the transactions forming part of the relationship are treated as a single transaction for the purposes of section 292. That single transaction would need to be a net decrease in indebtedness over the course of the relationship to be a voidable transaction.

Voidable Charges

Under section 293(1) of the Companies Act a charge of any property or undertaking of a company is voidable by the liquidator if:

(a) the charge was given in the specified period; and

(b) immediately after the charge was given, the company was unable to pay its due debts.

"Specified period" and "unable to pay its due debts" (including the presumption in relation to the restricted period) have the same meanings as in relation to voidable transactions under section 292 of the Companies Act.

Under section 293(1A) of the Companies Act a charge will not be voidable where:

(a) the charge secures money actually advanced or paid, or the actual price or value of property sold or supplied to the company, or any other valuable consideration given in good faith by the grantee of the charge at the time of, or at any time after, the giving of the charge; or

(b) the charge is in substitution for a charge given before the specified period.

Transactions at an undervalue

Under section 297 of the Companies Act a liquidator may recover the difference between the value provided by a company and the value received by the company from a person transacting with the company if:

(c) the company entered into the transaction within the "specified period"; and

(d) the company either was unable to pay its due debts when it entered into the transaction, or became unable to pay its due debts as a result of entering into the transaction.

"Specified period", "unable to pay its due debts" and "transaction" have the same meanings as in relation to voidable transactions under section 292 of the Companies Act.

Pooling

Sections 271 and 272 of the Companies Act allows the court, on the application of a liquidator, or any of its individual shareholders or creditors, to make the following orders if it considers it is just and equitable to do so:

(a) an order that a company related to a company in liquidation, but not itself in liquidation, pay all or part of the claims made in the liquidation (a contribution order); or

(b) an order that the liquidation of two related companies proceed together as if they were one company (a pooling order).

Distribution of realisations and priority of claims in liquidation

The Companies Act prescribes how the assets of a company are distributed to meet creditors' claims in a liquidation:

(a) under section 305, secured creditors may realise any property subject to a charge, if entitled to do so;

(b) under section 304, unsecured creditors are required to file a proof of debt with the liquidator.

The liquidator will distribute the realisations as follows:

(a) firstly, under section 312, to the preferential creditors as set out in Schedule 7 of the Act; and

(b) secondly, under section 313, to satisfy all other claims on a pari passu basis (except for any subordinated claims under section 313(3)).

The priority of a secured creditor recovering from the company in liquidation will depend on the type of security interest it holds, and the underlying asset subject to the charge:

(a) a perfected purchase money security interest ("PMSI") holder is able to recover assets subject to the extent of the PMSI and the extent any amounts are unpaid;

(b) section 312 of the Companies Act requires a liquidator to pay out of the assets of the company (remaining after secured creditors have realised their security in accordance with section 305) the expenses, fees and claims listed in Schedule 7, which deals with preferential creditors, in the order specified ahead of general creditors. The preferential claims include:

   (i) the liquidator's fees and expenses, any award of costs made in favour of the creditor that applied for the liquidation order and payments to creditors who have protected, preserved or recovered assets of the company;

   (ii) certain unpaid wages or salary of any employee in respect of services during the 4 months prior to liquidation, holiday pay etc (up to a specified maximum); and

   (iii) various tax related claims including GST, PAYE, NRWT, and Customs and Excise tax.

(c) a non-PMSI, security interest holder in assets that are not accounts receivable or inventory is able to recover from those assets ahead of unsecured creditors;

Any realisations remaining after the preferential creditors have been paid fully are available for distribution to the general unsecured creditors. All unsecured creditors' claims will be paid on a pari passu basis unless a creditor has agreed to accept a subordinated priority.

Administration regime

The administration of a company begins when an administrator is appointed by:

(a) board resolution; or

(b) a liquidator; or

(c) a secured creditor having a charge over all, or substantially all, of the company's property where that charge has become enforceable; or

(d) the Court, on the application of a creditor, a liquidator, the Registrar of Companies or the Financial Markets Authority (if the company is a financial markets participant).

The appointment of an administrator has three main consequences. First, it vests control of the company's business in the administrator. Secondly, it triggers obligations on the administrator to hold various creditors' meetings to try to seek a consensus on the future of the company. Thirdly, it imposes a stay on certain creditor actions. For example, while a company remains in administration, in the absence of administrator consent or a court order:

(a) a transaction or dealing that affects the company's property is void;

(b) a person may not enforce a charge over the company's property, except for:

   (i) a chargeholder having a charge over all, or substantially all, of the company's property who begins enforcing the charge no later than the 10th working day after the commencement of the administration; or

(ii) any chargeholder who begins enforcing their charge prior to the commencement of the administration; or

(iii) any chargeholder with a charge over perishable property;

(c) the owner or lessor of property occupied or used by the company may not repossess that property (unless repossession began prior the commencement of the administration or the property is perishable); and

(d) court proceedings or any enforcement process against the company or any of its property may not begin or continue.

The exceptions set out above at (b) could be relevant to the extent that a New Zealand Guarantor has granted security.

Administration is intended to be a relatively short-term measure that, in general terms, freezes the company's financial position while the administrator and the creditors negotiate the company's future. The administration of a company ends either when the negotiations have been successful (in which case, a "deed of company arrangement", which must be approved by a majority in number representing 75% in value of creditors voting, is entered into) or when the statutory timeframe expires without resolution (in which case, the company will either go into liquidation or be returned to the directors of the company). Other steps, such as the appointment of a liquidator, can also end an administration.

Statutory management regimes

Making a corporation subject to statutory management in New Zealand creates a moratorium on creditors' claims and in relation to that corporation's affairs. The CIM Act applies to any corporation, whether incorporated or not and whether incorporated or established in New Zealand or elsewhere. The moratorium extends to the claims of both secured and unsecured creditors.

Other relevant points that investors should be aware of in relation to statutory management include:

(a) The effect of the moratorium does not necessarily prevent the establishment of rights. If leave of the statutory manager or the court is obtained, an action or proceeding may be commenced or continued against the corporation for the purposes of determining whether any right or liability exists.

(b) With one exception, the statutory manager may waive the moratorium, in whole or in part, insofar as it applies to the whole or part of any claim of, or security held by, a creditor or class of creditors.

(c) The moratorium is not intended to determine or cancel rights. Unless expressly provided otherwise, the moratorium does not affect the existence of any security over the property of the corporation or the priority of that security over other debts.

(d) Special rules apply in the case of a netting agreement to which ss 310A–310O of the Companies Act or ss 225–263 of the Insolvency Act 2006 applies.

Receivership regime

A receiver or receiver and manager of a New Zealand company's affairs may be appointed either by the terms of a contract (typically, a contract granting a security interest) or by the High Court under the Receiverships Act. A receiver is generally appointed to manage all or substantially all of the company's affairs.

Creditors' compromise regime

Part XIV of the Companies Act enables a company and its creditors to effect a compromise where a proponent has reason to believe a company "is or will be unable to pay its debts". The compromise may be sought by the company, any receiver or liquidator, or, with leave of the Court, a creditor or shareholder. A compromise may cover a range of issues including:

(e) cancelling all or part of a debt of the company; or

(f) varying the rights of its creditors or the terms of a debt; or

(g) relating to an alteration of a company's constitution that affects the likelihood of the company being able to pay a debt.

Once a compromise proposal has been put forward all creditors of the company who would be affected by the proposed compromise must be informed of the proposal and, to become binding, the compromise must then be approved by a majority in number representing 75% in value of creditors. If approved, a compromise will be binding on all creditors (including secured creditors) or all creditors of a given class provided that they have received notice of the proposal.

Unlike administration, a creditors' compromise does not involve a moratorium on creditor action unless and until it is a term of the compromise and it is approved by creditors. A moratorium on certain creditor actions can be made by Court order following an application to Court after the compromise has been proposed to creditors. However, such a moratorium would not affect the right of a secured creditor during that period to take possession of, realise, or otherwise deal with property of the company over which it has a charge.

European Union

The Issuer and several of the Guarantors are incorporated or organized under the laws of Member States of the European Union. Pursuant to Regulation (EU) no. 2015/848 of the European Parliament and of the Council (the "**EU Insolvency Regulation**"), the court that shall have jurisdiction to open insolvency proceedings in relation to a company is the court of the Member State of the European Union (other than Denmark) where the company concerned has its "center of main interests" (as that term is used in Article 3(1) of the EU Insolvency Regulation). The determination of where any such company has its "center of main interests" is a question of fact on which the courts of the different Member States of the European Union may have differing and even conflicting views.

The term "center of main interests" has been addressed through the EU Insolvency Regulation and in the jurisprudence of the European Court of Justice relating to Council Regulation (EC) no. 1346/2000. There is a rebuttable presumption under Article 3(1) of the EU Insolvency Regulation that any such company has its "center of main interests" in the Member State of the European Union in which it has its registered office. This presumption does not apply where the debtor has moved its registered office to another Member State within three months before the opening of the insolvency proceedings. Recital 30 of the preamble to the EU Insolvency Regulation states that the presumption can be rebutted where the debtor's central administration is located in a Member State other than that of its registered office and where a comprehensive assessment of all the relevant factors establishes, in a manner that is ascertainable by third parties, that the debtor's actual center of management and supervision and of the management of its interests is located in such other Member State. Further, the second sentence of Article 3(1) of the EU Insolvency Regulation states that the "center of main interests" of a debtor should correspond to the place where the debtor conducts the administration of its interests on a regular basis and "this is ascertainable by third parties". In that respect, factors such as where board meetings are held, the location where the company conducts the majority of its business and the location where the large majority of the company's creditors reasonably perceives the center of the company's business operations to be may all be relevant in the determination of the place where the company has its "center of main interests". The European Court of Justice, in the ruling dated 20 October 2011 in case C-396/09 (the "**Ruling**"), interpreted the notion "center of main interests" under the Council Regulation (EC) no. 1346/2000 to specify that a debtor company's "center of main interests" must be determined by attaching greater importance to the place of the company's central administration, as may be established by objective factors which are ascertainable by third parties, and where the bodies responsible for the management and supervision of a company are in the same place as its registered office and the management decisions of the company are taken, in a manner that is ascertainable by third parties, in that place, the presumption in that provision cannot be rebutted. The Ruling further specified that where a company's central administration is not in the same place as its registered office, the presence of company assets and the existence of contracts for the financial exploitation of those assets in a Member State other than that in which the registered office is situated cannot be regarded as sufficient factors to rebut the presumption unless a comprehensive assessment of all the relevant factors makes it possible to establish, in a manner that is ascertainable by third parties, that the company's actual center of management and supervision and of the management of its interests is located in that other Member State.

If the center of main interests of a company is and will remain located in the Member State of the European Union in which it has its registered office, the main insolvency proceedings in respect of the company under the EU Insolvency Regulation would be commenced in such jurisdiction and accordingly a court in such jurisdiction would be entitled to commence the types of insolvency proceedings referred to in Annex A to the EU Insolvency

Regulation. Insolvency proceedings opened in one Member State of the European Union under the EU Insolvency Regulation are to be recognized in the other Member States of the European Union (other than Denmark), although secondary proceedings may be opened in another Member State of the European Union. If the "center of main interests" of a company is in one Member State of the European Union (other than Denmark), under Article 3(4) of the EU Insolvency Regulation, the courts of another Member State of the European Union (other than Denmark) have jurisdiction to open "territorial proceedings" only in the event that such debtor has an "establishment" in the territory of such other Member State of the European Union. An "establishment" is defined to mean a place of operations where the company carries out, or has carried out in the three-month period prior to the request to open main insolvency proceedings, non-transitory economic activity with human means and goods. The effects of those territorial proceedings opened in that other Member State are restricted to the assets of the company situated in such other Member State. The effects of those territorial proceedings are restricted to the assets of the debtor situated in the territory of such other Member State of the European Union. If the company does not have an establishment in any other Member State of the European Union, no court of any other Member State of the European Union has jurisdiction to open territorial proceedings in respect of such company under the EU Insolvency Regulation.

Irrespective of whether the insolvency proceedings are main or territorial proceedings, such proceedings will always, subject to certain exemptions, be governed by the lex fori concursus, i.e., the local insolvency law of the court which has assumed jurisdiction for the insolvency proceedings of the debtor.

In the event that any one or more of the Issuer, the Guarantors or any of the Subsidiaries experience financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings. Applicable insolvency laws may affect the enforceability of the obligations and the security of the Issuer and the Guarantors.

Belgium

Insolvency

The Notes will be guaranteed by Swissport Cargo Services Belgium NV, a limited liability company (*société anonyme/naamloze vennootschap*) organized under the laws of Belgium (the "**Belgian Guarantor**"). Consequently, in the event of an insolvency of the Belgian Guarantor, main insolvency proceedings may be initiated in Belgium. Such main proceedings would then be governed by Belgian law. Under certain circumstances, Belgian law also allows secondary bankruptcy proceedings to be opened in Belgium over the assets of companies that are not established under Belgian law. The following is a brief description of certain aspects of Belgian insolvency law.

Belgian insolvency laws provide for two primary insolvency procedures: a judicial reorganization procedure (*gerechtelijke reorganisatie/réorganisation judiciaire*) and a bankruptcy procedure (*faillissement/faillite*). Both proceedings are regulated by the Book XX (Insolvency of Companies) of the Belgian Economic Law Code ("**Book XX**"), which entered into force on May 1, 2018.

Judicial Reorganization

A debtor may file a petition for judicial reorganization if the continuity of the enterprise is at risk, whether immediately or in the future. The contents of this principle are broad and are defined in practice by the courts. The fact that the conditions for bankruptcy are met (entailing that the debtor has the legal obligation to declare bankruptcy under Book XX of the Belgian Economic Law Code) does not preclude the debtor from applying for judicial reorganization. The obligation to declare bankruptcy is suspended as from filing of a petition for judicial reorganization. If the net assets of the debtor have fallen under 50% of the debtor's registered capital (*maatschappelijk kapitaal/capital social*), the continuity of the enterprise is always presumed to be at risk.

The petition for judicial reorganization must indicate the measures and proposals that will be taken or made by the debtor to carry out the reorganization. A number of documents must also be attached to the petition, including, but not limited to, an interim balance sheet and income statement, prepared under the supervision of an auditor, an external expert accountant or a certified tax accountant.

As from the filing of the petition and as long as the court overseeing a judicial reorganization has not issued a ruling on the reorganization petition, the debtor cannot be declared bankrupt or wound up by court order. In addition, during the period between the filing of the petition and the court's decision, subject to certain exceptions, none of the debtor's assets may be disposed of by any of its creditors as a result of the enforcement of any security interests that such creditors may hold with respect to such assets. The filing of the petition does not, however, have a suspensory effect, except if the court decides otherwise, if the debtor requested the opening of judicial reorganization proceeding less than six months ago and this was accepted. Book XX of the Belgian Economic Law Code provides that, within a period of fifteen days as from the filing of the petition, the court will hear the debtor and/or his or her legal counsel on the petition for reorganization and will hear the report from the delegated judge. After this hearing, the court will rule within eight days on the petition for judicial reorganization. If the conditions for judicial reorganization appear to be met, and all required documents have been provided, the court will declare the judicial reorganization procedure open, allowing a temporary moratorium for a maximum period of six months. At the request of the debtor and pursuant to the report issued by the delegated judge, the moratorium period can therefore be extended by another six months. In exceptional circumstances (such as due to the size of the business, the complexity of the case or the impact of the procedure on employment), and if the interests of the creditors so allow, the court may order an additional extension of the moratorium period for six months.

The granting of the moratorium operates as a stay on enforcement. No enforcement measures with respect to pre-existing claims in the moratorium can be continued or initiated against any of the debtor's assets from the time that the moratorium is granted until the end of the period, with a few exceptions. Furthermore, the debtor cannot be declared bankrupt or wound up by court order. During the duration of the moratorium, no attachments can be made with regard to pre-existing claims. Creditors however retain the possibility to create legal or contractual security.

Conservatory attachments that existed prior to the opening of the judicial reorganization retain their conservatory character, but the court may order their release, provided that such release does not have a material adverse effect on the situation of the creditor concerned.

If receivables are pledged by the debtor in favor of a creditor these will not be affected by the moratorium provided that the receivables are pledged specifically to that creditor from the moment when the pledge is created. The holder of such pledged receivables is permitted to take enforcement measures against the estate of the initial counterparty of the debtor (such as the debtor's customers) during the moratorium. Receivables that form part of a pledge over business assets do not benefit from such exemption. A pledge, to the extent a payment breach has been established, on financial instruments in the meaning of the Financial Collateral Act of December 15, 2004 (the "**Belgian Financial Collateral Act**"), such as shares in the Belgian Guarantor, can be enforced notwithstanding the enforcement prohibition imposed by the moratorium (unless considered an abuse of right).). In the case of a pledge on cash held on accounts, the enforcement prohibition applies, save in the event of payment default or if certain other conditions are met. Personal guarantees granted by third parties in favor of the debtor's creditors are not covered by the enforcement prohibition imposed by the moratorium, nor are the debts payable by co-debtors, subject to certain exceptions or qualifications in respect of guarantees granted by individuals. The moratorium also does not prevent the voluntary payment by the debtor of claims covered by the moratorium , to the extent such payment is necessary for the continuity of the enterprise.

During the judicial reorganization proceedings, the management of the debtor (in principle) continues to exercise its management functions. Upon request of the debtor, the court may appoint an enterprise mediator (*ondernemingsbemiddelaar/médiateur d'entreprise*) to assist with the reorganization of the whole or part of the assets or activities of the debtor. The court may also appoint a judicial administrator *(gerechtsmandataris/mandataire de justice)*, upon the request of any interested party or the public prosecutor, in the event of manifestly grave shortcomings (*kennelijk grove tekortkomingen/manquements graves et caractérisés*) of the debtor or any of its corporate bodies or if the debtor's economic activities are endangered, insofar as such measure can safeguard the continuity of the debtor. In addition, in the event of manifestly gross negligence (*kennelijk grove fout/faute grave et caractérisée*), the court may, upon the request of any interested party or the public prosecutor, appoint a temporary administrator (*voorlopig bewindvoerder/administrateur provisoire*) replacing the debtor's corporate bodies for the duration of the moratorium and charged with the management of the debtor. Furthermore, upon request of any interested party or upon its own initiative, the court may decide that the company loses all or part of the management of all or part of its assets or activities in case of important, precise and consistent indications (*gewichtige, bepaalde en met elkaar overeenstemmende aanwijzigingen/indices graves, précis et concordants*) that the conditions for bankruptcy are met.

The delegated judge, appointed by the court to assist the debtor in achieving the goal of the reorganization, has additional powers, including the power to request the court to end the reorganization procedure prematurely if he or she considers that the debtor is clearly not in a state to ensure the continuity of the whole or part of his or her business.

The reorganization procedure aims to preserve the continuity of a company as a going concern. Consequently, the initiation of the procedure does not terminate any contracts. Contractual provisions that provide for the early termination or acceleration of the contract upon the initiation or approval of a reorganization procedure, and certain contractual terms such as default interest may not be enforceable during such a procedure. Subject to certain conditions, such enforcement prohibition does not apply to close-out netting provisions. Book XX of the Belgian Economic Law Code provides that a creditor may not terminate a contract on the basis of a debtor's default by performing its obligations under the agreement that occurred prior to the reorganization procedure if the debtor remedies such default within a fifteen-day period following the notification of such default.

As an exception to the general rule of continuity of contracts, the debtor may cease performing a contract during the reorganization procedings, provided that the debtor notifies the creditor, and the decision is necessary for the debtor to be able to propose a reorganization plan to its creditors or to transfer all or part of the company or its assets. The exercise of this right does not prevent the creditor from suspending the performance of its own obligations.

Book XX of the Belgian Economic Law Code provides for three types of reorganization: (i) an amicable settlement between the debtor and two or more of its creditors; (ii) a collective agreement; or (iii) the transfer of (part of) the activities.

The type of reorganization may change during the proceedings and may also depend on the position of the court and/or third parties.

Amicable Settlement

In the case of an amicable settlement as provided by Book XX of the Belgian Economic Law Code, the debtor can opt for an amicable settlement by drawing up an agreement and joint payment scheme plan with at least two creditors in order to settle its debts. The parties thereto will be bound by the terms they have agreed. If an agreement is reached for reorganization purposes, it is submitted to the court and entered into a register. Such an amicable settlement will remain enforceable in the event of a later bankruptcy, subject to certain exceptions.

Collective Agreement

In the case of a judicial reorganization by collective agreement, the creditors agree to a reorganization plan during the reorganization procedure.

The debtor must prepare a reorganization plan in which it includes a list of its creditors and of the amount of their claims against the debtor as recorded in the books of the debtor, as well as of details regarding security interests, if applicable. Creditors with pre-existing claims, as well as any other interested party that claims to be a creditor, can challenge the amounts and the ranking of the secured claims declared by the debtor. The court can determine the disputed amounts and the ranking of such claims on a preliminary basis for the purpose of the reorganization procedure. In addition, the court can, upon the request by the creditor, change the amount and the ranking of the claim initially declared by the debtor at the latest fifteen days before the date on which the creditors will vote on the reorganization plan. If a creditor has not challenged the amount and the ranking of its claim at least one month in advance of the date on which the creditors will vote on the approval of the reorganization plan, the amount of its claim will remain unchanged for voting purposes as well as for the purposes of the reorganization plan.

The debtor must use the moratorium period to complete and finalize a reorganization plan, with the assistance of the court-appointed administrator or enterprise mediator, as the case may be. The plan may include measures such as the reduction or rescheduling of liabilities and interest obligations and the conversion of debt into equity and may be based on a differentiated treatment of certain various categories of liabilities. The maximum duration of the plan is five years. The plan must be filed at least 20 days in advance of the date on which the creditors will vote on the approval of the restructuring plan. The court needs to ratify the restructuring plan prior to its taking effect. A restructuring plan approved by a double majority of creditors (both in headcount and in principal amount due) and ratified by the court will bind the debtor and all creditors, including those who voted against the plan or abstained.

Transfer of (Part Of) the Activities

A court-ordered transfer of all or part of the debtor's enterprise can be requested by the debtor in its petition or at a later stage in the procedure. It can be requested by the public prosecutor, by a creditor or by any party who has an interest in acquiring, in whole or in part, the debtor's enterprise, and the court can order such transfer in specific circumstances. The price of the transferred assets should at least be equal to the liquidation value. In the case of comparable offers, priority will be given to the offer guaranteeing employment by way of a social agreement.

A court-ordered transfer will be organized by a judicial administrator (*gerechtsmandataris/mandataire de justice*) appointed by the court. Following the transfer, the recourse of the creditors will be limited to the transfer price.

In the case of a court-ordered transfer, co-contractors of ongoing agreements can be forced to continue to perform the agreement without their consent after the transfer (except in case of *intuitu personae* agreements), provided historical debts under such agreement are paid.

Bankruptcy

The Belgian bankruptcy procedure is essentially governed by Book XX of the Belgian Economic Law Code and by case law.

Bankruptcy procedings may be initiated by the debtor, by unpaid creditors or upon the initiative of the public prosecutor's office, by the provisional administrator of the debtor's assets, by the liqiudator of the debtor's assets or by the liquidator of "main insolvency proceedings" opened in another EU Member State (other than Denmark) in accordace with the EU Insolvency Regulation (as defined herein). Once the court ascertains that the requirements for bankruptcy are met, the court will establish a date by which all creditors' claims must be submitted to the court for verification.

Conditions for a bankruptcy order (*faillietverklaring/déclaration de faillite*) are that the debtor must be in a situation of cessation of payments (*staking van betaling/cessation de paiements*) and be unable to obtain further credit (*wiens krediet geschokt is/ébranlement de crédit*). Cessation of payments is generally accepted to mean that the debtor is not able to pay its debts as they fall due. Such a situation must be persistent and not merely temporary. The mere fact that a debtor has more debts than assets does not mean that the bankruptcy conditions are met. Companies in liquidation can be declared bankrupt up to six months after the judgments of the closing of the liquidation. In bankruptcy, the debtor loses all authority and decision rights concerning the management of the bankrupt business. The bankruptcy receiver (*curator/curateur*), appointed by the court, becomes responsible for the operation of the business and implements the sale of the debtor's assets, the distribution of the sale proceeds to creditors and the liquidation of the debtor. The rights of creditors in the process are limited to being informed of the course of the bankruptcy proceedings on a regular basis by the bankruptcy receiver. Creditors may oppose the sale of assets by bringing an action before the court, or may request the temporary continued operation of the business.

The bankruptcy receiver must decide whether or not to continue performance of ongoing contracts (i.e., contracts existing before the bankruptcy order). The bankruptcy receiver may decide not to continue the performance of one or several contracts, subject to certain limitations, according to case law. The counterparty to an ongoing contract may summon the bankruptcy receiver to take a decision within fifteen days. If no extension of the 15-day term is agreed upon or if the bankruptcy receiver does not make any decision, the ongoing contract is presumed to be terminated after the expiration of the 15-day term. If the bankruptcy receiver decides not to continue the performance of an ongoing contract or if an ongoing contract is terminated due to the expiration of the fifteen-day term, the counterparty to the contract may make a claim for damages in the bankruptcy, in which case such claim will rank *pari passu* with the claims of all other unsecured creditors.

The bankruptcy receiver may elect to continue the business of the debtor, provided the bankruptcy receiver obtains the authorization of the court and such continuation does not cause any prejudice to the creditors. Two exceptions apply, however:

(i) the parties to an agreement may contractually agree that the occurrence of a bankruptcy constitutes an automatic early termination or acceleration event; and

(ii) *intuitu personae* contracts (i.e., contracts whereby the identity of the counterparty constitutes an essential element upon the signing of the contract) are automatically terminated as of the bankruptcy judgment, since the debtor is no longer responsible for the management of the company. Parties can agree to continue to perform under such contracts.

As a general rule, the enforcement rights of individual creditors are suspended upon the rendering of the court order opening bankruptcy receiver may proceed against the debtor and liquidate its assets. However, such suspension does not apply to a pledge on financial instruments or cash held on account falling within the scope of the Belgian Financial Collateral Act.

For creditors with claims secured by movable assets, such suspension would normally be limited to the period required for the first report of verification of the claims. Upon the request of the bankruptcy receiver, the suspension period may be extended by a court order for up to one year as from the bankruptcy judgment, provided that such extension is in the interest of the bankruptcy estate and if the further suspension will allow for a realization of the assets which does not prejudice the secured creditors, and provided that those secured creditors have been given the opportunity to be heard by the court.

For creditors with claims secured by immovable assets, the intervention of the bankruptcy receiver is necessary to pursue the sale of the assets, subject to certain exceptions. The bankruptcy receiver will intervene upon an order of the court. However, a first-ranking mortgagee will be entitled to pursue the enforcement of its mortgage as soon as the report of claims has been finalized.

If a security interest, such as a pledge, has been granted over assets that, at the time insolvency proceedings are initiated, are located in another EU Member State, the rights the creditor has under such security shall, in accordance with the EU Insolvency Regulation, not be affected by the initiation of such insolvency proceedings.

As from the date of the bankruptcy judgment, no further interest accrues against the bankrupt debtor on its unsecured debt, or debts secured by a general privilege, such as tax debts or social security debts.

The ranking of different types of debt of the bankrupt debtor is determined on the basis of a complex set of rules. The following is a general overview of only the main principles:

- Estate debt: Costs and indebtedness incurred by the bankruptcy receiver during the bankruptcy proceedings, the "estate debts", which have a senior priority. In addition, if the bankruptcy receiver has contributed to the realization and enforcement of secured assets, such costs will be paid to the bankruptcy receiver in priority out of the proceeds of the realized assets before distributing the remainder to the secured creditors. Tax and social security claims incurred during the judicial reorganization proceedings will be preferential debts of the estate in a subsequent liquidation or bankruptcy.
- Security interests: Creditors that hold a security interest have a priority right over the secured asset (whether by means of appropriation of the asset or on the proceeds upon realization).
- Privileges: Creditors may have a particular privilege on certain or all assets (such as tax claims, claims for social security premiums, etc.). Privileges on specific assets rank before privileges on all assets of the debtor. Certain privileges prevail over the security interests.
- Unsecured creditors (*pari passu*): once all estate debts and creditors having the benefit of security interests and privileges have been satisfied, the proceeds of the remaining assets will be distributed by the bankruptcy receiver among the unsecured creditors who rank *pari passu* (unless a creditor agreed to be subordinated).
- Subordinated creditors will receive the remainder (if any).

Book XX of the Belgian Economic Law Code provides that any assets, amounts and sums of distributions (such as income generated by a new activity) received after a bankruptcy are excluded from the bankruptcy estate if their relevant cause dates from after the bankruptcy.

Limitation on Enforcement

The grant of a guarantee or collateral by the Belgian Guarantor for the obligations of another group company must fall within the grantor's legal and corporate purpose, be for the own corporate benefit of the Belgian Guarantor and comply with any applicable financial assistance rules.

Corporate benefit is not a well-defined concept term under Belgian law and its interpretation is left to the courts and legal authors. The corporate benefit rules and their application in the context of granting guarantees or collateral for the benefit of a group company are not clearly established under Belgian law and there is only limited case law on this issue.

The question of corporate benefit must be determined on a case-by-case basis by reference to the prevailing factual circumstances. Consideration has to be given to any direct and/or indirect benefit that the company would actually derive from the transaction and is particularly relevant for upstream or cross-stream guarantees and collateral. It is generally taught by legal scholars that such benefit should be proportionally greater than the risk for the company resulting from the granting and/or enforcement of the guarantee concerned. The financial support granted by the company should not exceed its financial capabilities. Belgian case law does not offer clear guidelines on when a group transaction is within the individual group member's corporate benefit and when aforementioned conditions are met.

Whether or not the corporate benefit requirement is met is a matter of fact to be assessed by the management of the Belgian Guarantor. The corporate benefit justification by the company's management will be subject to only a "marginal review" by the courts; in insolvency situations, however, the courts can be expected to take a more critical view.

If the corporate benefit requirement is not met, the directors or managers of the company may be held liable under civil law (i) by the company for negligence in the management and (ii) by third parties in tort and under criminal law in certain specific circumstances (i.e., where the specific facts can be qualified as "abuse of company goods" (*misbruik van vennootschapsgoederen/abus de bien sociaux*)). Moreover, the guarantee or collateral could be declared null and void. Alternatively, the guarantee or collateral could be reduced to an amount corresponding to the corporate benefit. These rules have been seldom tested under Belgian law, and there is only limited case law on this issue.

In order to enable Belgian subsidiaries to grant a guarantee and collateral to secure liabilities of a direct or indirect parent or sister company without the risk of violating Belgian rules on corporate benefit, it is standard market practice for indentures, credit agreements, guarantees and security documents to contain "limitation language" in relation to subsidiaries incorporated or established in Belgium. Accordingly, the Indentures will contain such limitation language and the Guarantee of the Belgian Guarantor(s) will be limited accordingly. Including such limitation language is, however, not conclusive in determining or upholding the corporate benefit.

Based upon the above, guarantee limitation language has been agreed in this transaction with respect to the Guarantees to be granted by the Belgian Guarantor in respect of the payment obligations of the Issuer under the Notes:

Pursuant to such limitation language, the guarantee granted by each Belgian Guarantor will be limited to the higher of (i) the amount of intra-group borrowings plus 90% of the net assets of that guarantor (as determined in accordance with the Belgian Companies Code and Belgian GAAP, but not taking intra-group debt into account as debt) as calculated on the basis of its most recent audited annual financial statements at the Issue Date and (ii) the amount of intragroup borrowings plus 90% of the net assets of that guarantor (as determined in accordance with the Belgian Companies Code and Belgian GAAP, but not taking intra-group debt into account as debt) as calculated on the basis of its most recent audited annual financial statements at the time the relevant demand is made.

Representative of secured creditors

Since there is no established concept of "trust" or "trustee" under the present Belgian legal system, the nature, effect and enforceability of the duties, rights and powers of a security agent as agent or trustee for holders of the Notes in respect of security interests such as pledges are debated and may not be effective or enforceable under Belgian law. Pursuant to Belgian law, security is an "accessory" which must be granted to the same person to whom the secured debt is owed, except in the case of financial collateral within the meaning of the Belgian Financial Collateral Act or collateral subject to the Belgian Act of July 11, 2013 on *in rem* security interests over movable assets ("**Belgian Act on Security over Movable Assets**").

Belgian pledges over financial collateral (such as the shares of the Belgian Guarantor) will be granted to the financial institution acting as the security agent acting for itself and for the account of the secured parties pursuant to Article 5 of the Belgian Financial Collateral Act. Belgian pledges over movable assets (including receivables) will be granted to the financial institution acting as the security agent acting for itself and for the account of the secured parties pursuant to Article 3 of the Belgian Act on Security over Movable Assets. These provisions allow for the creation of security over financial collateral and over movable assets, respectively, held by an agent acting as representative for secured parties, provided that the secured parties can be determined on the basis of the security agreement.

Beneficial Ownership

As there is no concept of "beneficial ownership" or "beneficial owner" under the present Belgian legal system, the rights, claims and effects resulting from such a concept may not be enforceable under Belgian law.

Hardening Periods and Fraudulent Transfer

In the event of bankruptcy proceedings governed by Belgian law, certain business transactions that have been concluded or performed by the debtor durding the "hardening period" may be declared ineffective against third parties.

In principle, the cessation of payments (which constitutes a condition for filing for bankruptcy) is deemed to have occurred as of the date of the bankruptcy order. The court issuing the bankruptcy order may determine, based on serious and objective indications that the cessation of payments occurred on an earlier date. Such earlier date may not be earlier than six months before the date of the bankruptcy order, except in the case where the bankruptcy order relates to a company that was dissolved more than six months before the date of the bankruptcy order in circumstances suggesting an intent to defraud its creditors, in which case the date of cessation of payments may be determined to be the date of such decision to dissolve the company. The period from the date of cessation of payments up to the declaration of bankruptcy is referred to as the "hardening period" (*verdachte periode/période suspecte*).

The transactions entered into or performed during the hardening period which may be declared ineffective against third parties and which are unenforceable against the bankruptcy receiver include, among others: (i) gratuitous transactions or transactions where the consideration received is considerably below the value of the act or asset provided by the debtor, (ii) payments for debts that are not yet due, (iii) payments other than in cash for debts due, and (iv) new security provided for preexisting debts.

Other transactions entered into or performed during the hardening period may be declared ineffective against third parties, provided that the counterparty was aware of the debtor's cessation of payment.

In particular, a guarantee or security interests entered into during the hardening period may be declared ineffective against third parties if (i) it is regarded as having been granted gratuitously or where the consideration received is considerably below the value of the guarantee or security interests provided, (ii) the beneficiaries of the guarantee or security interests were aware of the company's cessation of payments or (iii) it is granted for preexisting debts.

If the guarantee or security interests granted by the Belgian Guarantor were successfully voided (based on the considerations above), holders of the Notes would cease to have any claim in respect thereof and would be under an obligation to repay any amounts received pursuant to such Guarantee or the enforcement proceeds of the security interests.

Finally, regardless of any declaration by the Enterprise Court of a hardening period, a third-party creditor may obtain a court ruling that any act or transaction (such as a guarantee) is not enforceable against it if it can establish that the challenged act or transaction was entered into with the fraudulent intent to adversely affect its position as an existing creditor (*actio pauliana*), irrespective of its date.

Recognition and enforcement

The granting of security interests over movable or immovable, tangible or intangible, assets may be subject to validity and/or enforceability conditions. The breach of any of such conditions may render such security interests invalid or unenforceable. The foreclosure of security interests may be subject to formalities (e.g. judicial or non-judicial consent) and may be time consuming in the event that the foreclosure takes place under judicial control or in the event of a legal dispute. Courts may condition the enforcement of a security interest and/or guarantee upon the evidence that the creditor has a final and undisputed claim triggering the foreclosure of the security interest and/or guarantee. Enforcement of security interests and/or guarantees may be hindered by conflict of law and/or conflict of jurisdiction issues and may not breach any public policy provision and/or mandatory legal provisions. Courts may require a sworn translation in French or Dutch of the English documents which they may review.

In particular, and without limiting the generality of what is set out above, validity, effectiveness and enforceability of certain security interests may be limited as follows:

- bank account and receivables pledge: the perfection of the pledge towards respectively the account bank or the debtor of the pledged receivables requires a notice of pledge or acknowledgment of pledge by the relevant account bank or debtor. In the absence of notice (or, in the case of a receivable governed by foreign law, of compliance with the applicable rules set by that foreign law), the pledge is not perfected as against the debtors of the receivables and (i) the debtors may still validly pay the receivables to the pledgor, (ii) the debtors may still raise defences of set-off, (iii) subsequent assignment or pledge of the receivables to a bona fide third party in respect of which notice is given first would take priority over the pledge effected by the bank account and receivable pledge agreement, (iv) the pledge will not be effective against a third-party creditor of the company (such as, typically, a creditor, a creditor having made an attachment on the receivables) to whom a debtor would, in good faith, have paid a receivable before having received notice of the pledge, and (v) it is uncertain whether, after notice, debtors may still raise defences of set-off.
- pledge on moveable assets: the perfection of the pledge towards third parties requires a registration of the pledge with the national pledge registry (*Nationaal Pandregister/Registre National des gages*) established by a royal decree of 14 September 2017 in execution of the articles of title XVII of book III of the Belgian Civil Code relating to the use of the national pledge registry. The pledgee or his proxy holder is responsible to complete the registration process through an online application by inserting, amongst others, the identity of the parties, the secured amount, the pledged asset and a declaration of the pledgee confirming he assumes liability for any incorrect information. The pledge will become effective as of the date of payment of the retribution and such registration remains valid for a renewable period of 10 years. As long as it is not recorded with the national pledge registry, there is a risk that the holders of Notes secured by such pledge on moveable assets will not receive any proceeds from an enforcement of the security interest in that collateral; and
- pledge on registered shares representing the issued share capital of a Belgian company: a notice of pledge must be recorded and dated in the share register of the Belgian company to be enforceable against third parties. As long as the recordation is not effectuated in the share register of the Belgian company, there is a risk that the holders of Notes secured by such pledge on registered shares will not receive any proceeds from an enforcement of the security interest in that collateral.

Canada

This summary highlights certain aspects of (i) the laws of the province of Quebec, including the federal laws of Canada applicable therein, ("**Quebec Law**") relating to guarantees granted by a Quebec company or a company governed by the Canada Business Corporations Act (a "**CBCA company**") and security over personal property, and (ii) the federal laws of Canada in respect of bankruptcy and insolvency of corporations, in each case in force on the date of this Offering Memorandum. The rules relating to security over personal property in the other provinces and territories of Canada are somewhat different from the rules in force in Quebec, and more akin to the rules in force in the United States of America.

Generally, under Quebec Law, a Quebec company or CBCA company may create a hypothec (the Quebec Law equivalent of a security interest) in all or any of its property, owned or subsequently acquired, to secure any of its obligations.

Unless the articles or by-laws of a Quebec company or CBCA company provide otherwise, under Quebec Law the directors of such company have the power to (i) authorize such transactions without authorization of the shareholders, or (ii) delegate such power of authorization to a director, an officer or a committee of the directors.

An agent, which need not be a creditor, may hold security on behalf of a syndicate of creditors.

Guarantees

Under Quebec Law, a guarantee or some of its provisions may be unenforceable against the guarantor if they constitute (i) a penalty or (ii) a breach of public order (e.g., a clause providing for the rate of interest exceeding the statutory ceiling would be illegal). A guarantee may also be unenforceable if the underlying guaranteed obligation is unenforceable against the principal debtor, although this result may be overcome if the guarantee also includes appropriate language that is intended to convert it into an indemnity (an indemnity remains enforceable notwithstanding any invalidity or defect in the underlying obligation unless the underlying obligation is contrary to public order). While a guarantee may also provide that a guarantor will be liable as principal debtor for any amount not recoverable on the basis of a guarantee, the enforceability of such a clause is questionable. Guarantees typically contain waivers of defenses available to the guarantor as a matter of law. Waivers of general defenses may be unenforceable in certain circumstances, including where they are considered too vague or uncertain.

Insolvency

In Canada, insolvency proceedings are governed primarily by two federal statutes, the *Bankruptcy and Insolvency Act* (the "**BIA**") and the *Companies' Creditors Arrangement Act* (the "**CCAA**"). The federal insolvency laws in Canada apply across the country and allow for either a bankruptcy type proceeding (i.e., a Chapter 7 type liquidation) or a restructuring type proceeding (i.e., a Chapter 11 type proceeding). In addition, under federal insolvency laws or provincial personal property security legislation and the rules of court, secured creditors may appoint (by contract or court order) what is known as a "receiver" over the collateral of the debtor, in order to sell the debtor's assets or manage the debtor's business or otherwise realize on collateral. Notwithstanding that insolvency proceedings in Canada are governed by federal statute, in certain circumstances provincial and territorial laws will affect those proceedings (e.g., securities laws, landlord rights, etc.). In addition, secured creditors may have recourse to self-help or court- supervised remedies.

Liquidation

Bankruptcy proceedings in Canada can be either voluntarily commenced by a debtor company or involuntarily commenced by one or more creditors of such a company owed at least C$1000 each. In order for a voluntary bankruptcy assignment to be valid, the debtor company must meet one of the tests for insolvency set out in the BIA, with the most commonly met test being a failure to meet obligations generally as they become due. Upon a bankruptcy occurring and subject to the rights of secured creditors, all of the assets of the bankrupt company vest in a trustee in bankruptcy, with the proceedings being subject to the oversight of both the Superintendent of Bankruptcy and the court. Typically, a trustee in bankruptcy proceeds to liquidate the assets of the company and distribute the proceeds to creditors in accordance with their legal priorities.

Certain statutes in Canada provide super priority status to claims such as payroll deductions for employee income taxes, government operated pension plans and employment insurance, as well as for certain specified private pension contributions (if any), and unpaid wages and employee disbursements. After the statutory super priorities, the BIA provides that secured creditors are to be paid prior to unsecured creditors. While the general rule is that unsecured creditors share any remaining proceeds *pari passu*, the BIA does provide that certain "preferred" claims are to be paid prior to the general body of unsecured creditors, including the fees and expenses of the trustee in bankruptcy and its counsel, remaining unpaid wages accrued in the six months prior to the bankruptcy beyond the priority amounts noted above and certain landlord claims. The BIA also provides that certain claims related to equity interests in the bankrupt company are subordinate to the claims of unsecured creditors. In the context of a bankruptcy, a trustee in bankruptcy is also required to review asset transfers and transactions undertaken by the bankrupt within specified time periods prior to the bankruptcy to determine if the bankrupt was engaged in any preferences, transfers at under value or other reviewable transactions. In the case of transfers at under value, the review period is 1 year from the date of the initial bankruptcy event (or 5 years for related parties) and preferences are subject to review if they occurred within 3 months of the initial bankruptcy event (or 12 months for related parties). In the event that such a transaction is determined to have occurred, the trustee in bankruptcy may apply to the court for relief, including unwinding of the transaction and/or asserting claims against the recipient of the assets. After the payment of all amounts owing to the creditors, any surplus is available equity claims and to the shareholders.

Upon the issuance of a bankruptcy order or filing of a voluntary assignment in bankruptcy, the BIA imposes a stay of proceedings and leave is required to proceed, or continue, with any actions against the bankrupt entity. The stay of proceedings in bankruptcy does not apply to secured creditors. Secured creditors are free to continue to enforce their security against the assets of the bankrupt, subject to satisfying the trustee in bankruptcy that they have valid security over the same.

As stated above, a secured creditor may appoint a "receiver" over the collateral of a debtor company. The receiver is not typically installed to restructure a business. A receiver is generally used as a mechanism for realizing on collateral. The receiver will typically seek to sell the debtor's assets, manage the debtor's business or otherwise realize on the collateral, with the proceeds from its activities payable in accordance with the established priorities. A receiver can be court-appointed or privately appointed—the reasons for each varies. In the case of a court-appointed receivership, the powers of the receiver are in the discretion of the court. The appointment order typically includes a broad stay of proceedings (which applies to both secured and unsecured creditors) and establishes priority charges for administration fees and receiver's borrowings, among other possible charges. In the case of a private receiver, the receiver's powers are prescribed by contract (i.e., between the creditor and the debtor) and relevant personal property security legislation. In each case, the receivership remains subject to many of the considerations in a bankruptcy, including super-priorities (which, in certain circumstances includes claims for unremitted sales taxes), reporting obligations, etc. A receiver is often appointed where only the secured creditors are likely to be paid out of the realizations or there is an opportunity to realize higher returns through a going-concern sale of the business than a piecemeal liquidation. Ultimately, however, the effect is the same: the realization on the debtor company's assets in favor of the creditors.

Restructuring

Generally, restructuring proceedings in respect of insolvent companies are commenced under one of two statutes in Canada. For large or complex restructurings, the most commonly used statute is the CCAA. In order to seek relief under the CCAA, the company must have at least C$5 million in outstanding debt. The granting of an initial order for relief under the CCAA is in the discretion of the court, but if granted, an initial CCAA order typically involves a broad stay of proceedings (applying to secured and unsecured creditors), protection from the termination of contracts by third parties, authority of the debtor to disclaim or repudiate executory contracts and, in certain cases, the granting of super priority security interests on the assets of the debtor to secure amounts owing to debtor-in-possession lenders, professionals involved in the restructuring and directors of the debtor company with respect to certain indemnified liabilities, among other possible super priority claims. An initial stay of proceedings under the CCAA cannot exceed 30 days (proposed amendments to the CCAA will reduce this period to 10 days, if passed), but the debtor company is entitled to seek extensions to the stay. There is no time limit on the duration of an extension to the stay of proceedings under the CCAA or on the duration of the entirety of the proceeding itself. Multiple related companies may be subject to a single CCAA proceeding.

CCAA proceedings are supervised by the court and upon the making of an initial order under the CCAA, the court must appoint a licensed trustee in bankruptcy to act as the "monitor" of the applicant company. The monitor is given certain powers under the CCAA and additional powers may be granted by court order. The monitor does not take possession of, or have any control over, the assets of the applicant company unless otherwise ordered by the court. The monitor is required to oversee certain filings made by the applicant company and provide its views with respect to same. The monitor also has a statutory duty to advise the court of any material adverse change in the status of the applicant company.

Under the CCAA, a company may, inter alia, proceed to file a plan of compromise or arrangement, or seek court approval of an interim sale or liquidation of some or all of its assets. In the case of a plan of compromise or arrangement, it is necessary for the applicant company to obtain the requisite level of creditor approval ($66^2/_3$% in value of the debt and more than 50% in number of the creditors who cast votes in each affected class of creditors) and court approval of the restructuring plan. Secured creditors may be included in the plan, in which case they have a right to vote in one or more separate classes, or may be dealt with outside of the plan. Upon requisite creditor and court approvals being obtained, the restructuring plan is binding on all affected creditors whether or not they voted in favor of the plan. CCAA plans may be combined with plans of reorganization or arrangement under Canada's federal and provincial corporate statutes, allowing Canadian companies to change their share capital, including cancelling existing shares and/or converting existing debt to new shares, in the context of a plan. Insolvent companies may restructure certain of their debts in stand-alone arrangement proceedings under federal or provincial corporate statutes, and in doing so the court may provide some of the same powers, and protections as are available in CCAA proceedings. If the CCAA proceeding includes an asset sale, any sale out of the ordinary course is subject to approval of the court (but with no creditor vote and notwithstanding corporate shareholders' approval requirements) and the court is authorized to vest assets in a purchaser free and clear of liens, claims and encumbrances. During the course of a CCAA proceeding, creditors and contract counter parties are generally not entitled to exercise rights or remedies without leave of the court except for certain statutory exceptions (e.g., proven claims of set-off, termination and enforcement rights under certain types of derivative agreements and certain regulatory actions).

The court may not approve an asset sale or sanction a restructuring plan in the context of a CCAA proceeding unless any existing super priority employee wage claims and pension contribution claims are satisfied or provided for to the satisfaction of the court.

Insolvent companies in Canada may also proceed with a restructuring under the proposal provisions of the Bankruptcy and Insolvency Act (as previously defined, the "**BIA**"). The proposal provisions of the BIA (the "**Proposal Provisions**") provide for a process that is very similar to restructuring proceedings under the CCAA with certain key differences. A restructuring under the BIA is typically undertaken where the proposed restructuring is small or relatively simple; or, where the applicant company simply does not qualify for the CCAA because its aggregate debt is less than C$5 million.

Upon filing a proposal (or a notice of intention to make a proposal) with the Office of the Superintendent of Bankruptcy, the BIA provides an automatic stay of proceedings. There is no need to apply to the court for the initial stay. The scope and term of the stay varies, depending on whether the company commences the proceedings by filing a proposal or by filing a notice of intention to make a proposal. Such stay will remain in place until the trustee administering the proposal proceedings is discharged (e.g., the proposal is implemented and the proceedings concluded) or the company becomes bankrupt (e.g., via a failed proposal, as discussed below). In the context of a notice of intention to make a proposal, the initial stay is for a period of 30 days, which applies to secured and unsecured creditors. However, if the company has not filed a proposal within the initial 30-day period, it must apply to the court for an extension of such period or be deemed bankrupt. The Proposal Provisions limit the duration of initial 30-day period and any extensions thereto, to an aggregate of 6 months from the date of the filing of the notice of intention. Failure to file a proposal within this period will result in a deemed bankruptcy. In the case of any proceedings under the Proposal Provisions, the applicant company is protected from the termination of contracts by third parties without leave of the court.

The Proposal Provisions allow for the granting of super priority charges by court order (similar to the CCAA), repudiation or disclaimer of contracts (similar to the CCAA), and the appointment of a proposal trustee (which has a similar role and powers as a monitor under the CCAA). A proposal is ultimately put to a creditor vote, with secured creditors (if any) voting in a separate class (or classes) from the unsecured creditors. In the event that the company's proposal to its creditors is either rejected by any class of unsecured creditors at a meeting held to approve such proposal (same voting thresholds as the CCAA noted above) or by the court when the proposal is put before the court for approval, the company is deemed bankrupt. Notably, if a proposal is rejected by a class of secured creditors but accepted by each class of unsecured creditors, the proposal does not necessarily fail. The secured class rejecting the proposal may be left to pursue private remedies, while the proposal is submitted to the court for approval.

The court may not approve an asset sale out of the ordinary course of business in the context of proposal proceedings or sanction a proposal unless any existing super priority employee wage claims and pension contribution claims are satisfied or provided for to the satisfaction of the court.

In the event of a foreign insolvency proceeding, both the CCAA and the BIA allow a representative, authorized in a foreign proceeding in respect of a debtor, to seek recognition of the foreign insolvency proceeding in Canada. The CCAA and the BIA each provide for a modified version of the UNCITRAL model insolvency protocol (collectively, the "**Recognition Provisions**"). The Recognition Provisions allow an authorized representative to apply for recognition of the foreign insolvency proceeding as either a "foreign main proceeding" or a "foreign non-main proceeding". The determination of the type of proceeding is based upon the center of main interest ("**COMI**") of the applicant. The COMI test is substantially similar to the test set out in the UNCITRAL model law and Chapter 15 of the U.S. Bankruptcy Code, with some variations. If the court determines that the foreign proceeding is a "foreign main proceeding," the court must grant a stay of proceedings in Canada and may grant additional relief permitted under the CCAA/BIA. If the court determines that the foreign proceeding is a "foreign non-main proceeding", the court may, but is not required to, grant a stay of proceedings in Canada and any other relief permitted under the CCAA/BIA. In the event of a recognition order being granted, certain restrictions are imposed on the debtor company, including a restriction on selling assets in Canada unless the court approves such asset sale transaction. In the event that the foreign proceeding results in the approval of a restructuring plan, the Canadian court may grant such plan full force and recognition in Canada.

England and Wales

Guarantees granted by a subsidiary incorporated in England (a "**UK Subsidiary**") are subject to limitation to the extent that they would result in unlawful financial assistance within the meaning of the Companies Act 2006.

Insolvency

Certain of the Guarantors are incorporated under the laws of England and Wales.

Accordingly, insolvency proceedings with respect to each English Guarantor would be likely to proceed under, and be governed by, English insolvency law (unless that company's center of main interests for the purposes of the EU Insolvency Regulation is held to be in an EC member state other than the United Kingdom in which case the laws of that jurisdiction will, subject to certain exceptions, govern the relevant insolvency proceedings). Similarly, the Cross-Border Insolvency Regulations 2006, which implement the UNCITRAL Model Law on Cross-Border Insolvency in the UK, provide that a foreign (i.e., non-European) court may have jurisdiction where any English-incorporated company has a center of its main interests in such foreign jurisdiction, or where it has an "establishment" (being a place of operations in such foreign jurisdiction, where it carries out non-transitory economic activities with human means and assets or services). The point at which this issue falls to be determined is at the time that the relevant insolvency proceedings are opened.

English insolvency law is different to the laws of the United States and other jurisdictions with which investors may be familiar. In the event that the English Guarantors experience financial difficulty, it is not possible to predict with certainty the outcome of insolvency or similar proceedings.

Formal insolvency proceedings under the laws of England and Wales may be initiated in a number of ways, including by the company or a creditor making an application for administration in or out of court, or by a creditor filing a petition to wind up the company or the company resolving to do so (in the case of liquidation). A company may be wound up if it is unable to pay its debts, and may be placed into administration if it is, or is likely to become, unable to pay its debts, and the administration is reasonably likely to achieve one of three statutory purposes (see below).

Under the Insolvency Act, a company is insolvent if it is unable to pay its debts. A company is deemed unable to pay its debts if it is insolvent on a "cash flow" basis (unable to pay its debts as they fall due), if it is insolvent on a "balance sheet" basis (the value of the company's assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities), or, among other matters, if it fails either to satisfy a creditor's statutory demand for a debt exceeding £750 or to satisfy in full a judgment debt (or similar court order).

English insolvency laws may not be as favorable to investors as United States and other insolvency laws. Insolvency laws and limitations on the notes and the guarantees of the notes may adversely affect the validity and enforceability of the notes and the guarantees and may limit the amount that can be recovered under the notes or the guarantees.

The following is a brief description of certain aspects of English insolvency law relating to certain limitations on the notes and on the guarantees, fixed charges and debentures ("**Security**"). The application of these laws could adversely affect investors, their ability to enforce their rights under the guarantees and therefore may limit the amounts that investors may receive in an insolvency of the Guarantors.

Administration, Administrative Receivership and Floating Charges

The Insolvency Act empowers English courts to make an administration order in respect of an English company or a company with its "center of main interest" in England in certain circumstances. An administrator can also be appointed out of court by the company, its directors or the holder of a qualifying floating charge, and different procedures apply according to the identity of the appointor. The purpose of an administration is comprised of three objectives that must be looked at successively: rescuing the company as a going concern or, if that is not reasonably practicable, achieving a better result for the company's creditors as a whole than if the company went into an immediate liquidation or, if neither of those objectives is reasonably practicable, and the interests of the creditors as a whole are not unnecessarily harmed thereby, realizing property to make a distribution to secured or preferential creditors.

During the administration, there is a statutory moratorium and in general, no proceedings or other legal process may be commenced or continued against the debtor, or security enforced over the company's property, except with leave of the court or the consent of the administrator. However, certain creditors of a company in administration may be able to realize their security over certain of that company's property notwithstanding the statutory moratorium. This is by virtue of the disapplication of the moratorium in relation to a "security financial collateral agreement" (generally, cash at bank or financial instruments, such as shares, bonds or tradeable capital market debt instruments) under the Financial Collateral Arrangements (No. 2) Regulations 2003. If an English company were to enter administration, it is possible that the security granted by it or the guarantee granted by it may not be enforced while it is in administration. In addition, other than in limited circumstances, a secured creditor will not be entitled to appoint an administrative receiver (although it may be entitled to appoint an administrator).

In order to empower a secured creditor (or its agent) to appoint an administrative receiver or an administrator to the company out of court, the floating charge granted by the relevant English obligor must constitute a "qualifying floating charge" for purposes of English insolvency law and, in the case of the ability to appoint an administrative receiver, the qualifying floating charge must, unless the security document pre dates 15 September 2003, fall within one of the exceptions in the Enterprise Act 2002 to the prohibition on the appointment of administrative receivers. In order to constitute a qualifying floating charge, the floating charge must be created by an instrument which (a) states that the relevant statutory provision applies to it; (b) purports to empower the holder to appoint an administrator of the company or (c) purports to empower the holder to appoint an administrative receiver. The secured creditor will be the holder of a qualifying floating charge if such floating charge security, together (if necessary) with other forms of security, relates to the whole or substantially the whole of the property of the relevant English company and at least one such security interest is a qualifying floating charge. Whether the assets that are subject to the floating charges and other security will constitute substantially the whole of the relevant English company's assets at the time that the floating charges are enforced will be a question of fact at that time.

The most relevant exception to the prohibition on the appointment of an administrative receiver is the exception relating to "capital market arrangements" (as defined in the Insolvency Act), which may apply if the issue of the Notes creates a debt of at least £50.0 million for the relevant company under the arrangement and the arrangement involves the issue of a "capital market investment" (which is defined in the Insolvency Act, and includes rated, listed or traded debt instruments, and debt instruments designed to be rated, listed or traded).

If an administrative receiver has been appointed, an administrator can only be appointed by the court (and not by the company, its directors or the holder of a qualifying charge using the out of court procedure), and then only if the person who appointed the administrative receiver consents or the court considers that the security pursuant to which the administrative receiver was appointed is invalid. If an administrator is appointed, any administrative receiver will vacate office, and any receiver of part of the company's property must resign if required to do so by the administrator.

Prescribed Part

An administrator, receiver (including administrative receiver) or liquidator of the company will generally be required to set aside ring fence a certain percentage of the proceeds of enforcement of floating charge security for the benefit of unsecured creditors (after making full provision for preferential creditors and expenses. Under current law, this applies to 50 per cent of the first £10,000 of floating charge realizations and 20 per cent of the remainder over £10,000, with a maximum aggregate cap of £600,000.

Challenges to guarantees and security

There are circumstances under English insolvency law in which the granting by an English company of security and guarantees, including the chargers, can be challenged. In most cases, this will only arise if the company is placed into administration or liquidation within a specified period of the granting of the relevant guarantee or security. Therefore, if during the specified period an administrator or liquidator is appointed to an English company, the administrator or liquidator may challenge the validity of any security or guarantees given by such company.

Liquidation/Winding-Up

Liquidation is a company dissolution procedure under which the assets of the company are realized and distributed by the liquidator to creditors in the statutory order of priority prescribed by the Insolvency Act. At the end of the liquidation process the company will normally be dissolved. In the case of a liquidation commenced by way of a court order, no proceedings or other actions may be commenced or continued against the company except by leave of the court and subject to such terms as the court may impose (although security enforcement is not affected). In proceedings where the company or its directors has resolved to place the company into liquidation, the liquidator (or creditor or shareholder) can apply to the court for an order that no proceedings or other actions may be commenced or continued against the company.

Under English insolvency law, a liquidator has the power to disclaim any onerous property by serving the prescribed notice on the relevant party. Onerous property, for these purposes, is any unprofitable contract and any other property of the company which is unsaleable or not readily saleable or is such that it may give rise to a liability to pay money or perform any other onerous act. A contract may be unprofitable if it gives rise to prospective liabilities and imposes continuing financial obligations on the company which may be regarded as detrimental to creditors. A contract will not be unprofitable merely because it is financially disadvantageous, or because the company could have made, or could make, a better bargain. This power does not apply to a contract all the obligations under which have been performed nor can it be used to disturb accrued rights and liabilities.

A liquidator has the power to bring or defend legal proceedings on behalf of the company; to carry on the business of the company as far as it is necessary for its beneficial winding up; to sell the company's property and execute documents in the name of the company; and to challenge antecedent transactions.

Priority of Claims

One of the primary functions of liquidation (and, where the company cannot be rescued as a going concern, one of the possible functions of administration) under English law is to realize the assets of the insolvent company and to distribute realizations made from those assets to its creditors. Under the Insolvency Act and the Insolvency Rules 1986, creditors are placed into different classes, with the proceeds from the realization of the insolvent company's property applied in descending order of priority, as set out below. With the exception of the "Prescribed Part" (please see "*—Prescribed Part*" above), distributions cannot be made to a class of creditors until the claims of the creditors in a prior ranking class have been paid in full. Unless creditors have agreed otherwise, distributions are made on a *pari passu* basis, that is, the assets are distributed in proportion to the debts due to each creditor within a class.

The general priority of claims on insolvency is as follows (in descending order of priority):

First ranking claims: holders of fixed charge security and creditors with a proprietary interest in assets of the debtor but only to the extent of the realizations from those secured assets or with respect to the asset in which they have a proprietary interest;

Second ranking claims: expenses of the insolvent estate incurred during the relevant insolvency proceedings (there are statutory provisions setting out the order of priority in which expenses are paid);

Third ranking claims: preferential creditors. Preferential debts include (but are not limited to) debts owed by the insolvent company in relation to: (i) contributions to occupational and state pension schemes; (ii) wages and salaries of employees for work done in the four months before the insolvency date, up to a maximum of £800 per person; and (iii) holiday pay due to any employee whose contract has been terminated, whether the termination takes place before or after the insolvency date. As between one another, preferential debts rank equally;

Fourth ranking claims: holders of floating charge security to the extent of the realizations from those secured assets, according to the priority of their security. This would include any floating charge that was stated to be a fixed charge in the document that created it but which, on a proper interpretation, was rendered a floating charge. However, before distributing asset realizations to the holders of floating charges, the Prescribed Part (as defined above) must be set aside for distribution to unsecured creditors (please see "*—Prescribed Part*");

Fifth ranking claims: unsecured creditors. However, any secured creditor not repaid in full from the realization of assets subject to its security can also claim the remaining debt due to it (a shortfall) from the insolvent estate as an unsecured claim. To pay a shortfall, the officeholder can only use realization from unsecured assets, as secured creditors are not entitled to any distribution from the Prescribed Part in respect of a shortfall unless the Prescribed Part is sufficient to pay out all unsecured creditors in full;

Sixth ranking claims: shareholders. If after the repayment of all unsecured creditors in full, any remaining funds exist, these will be distributed to the shareholders of the insolvent company.

Challenges to Guarantees and Security

There are circumstances under English insolvency law in which the granting by an English company of security and guarantees including the Security can be challenged. In most cases, this will only arise if the company is placed into administration or liquidation within a specified period of the granting of the guarantee or security. Therefore, if during the specified period an administrator or liquidator is appointed to an English company, the administrator or liquidator may challenge the validity of the security or guarantee given by such company. We are unable to say with certainty that, in the event that the onset of an English Guarantors' insolvency (as described further below) occurs within any of the requisite time periods set out below, the grant of a security interest or guarantee in respect of the relevant Notes would not be challenged or that a court would uphold the transaction as valid.

Connected Persons

A connected person for the purposes of transactions at an undervalue, preferences and invalid floating charges (as described below), is a party who is a director, shadow director, an associate of such director, or an associate, of the relevant company. A party is associated with an individual if they are a relative of the individual or the individual's husband, wife or civil partner, or the husband, wife or civil partner of a relative of the individual or the individual's husband, wife or civil partner. A party is associated with a company if employed by that company. A company is associated with another company if the same person has control of both companies, or a person has control of one and persons who are his associates, or he and persons who are his associates, have control of the other, or if a group of two or more persons has control of each company, and the groups either consist of the same persons or could be regarded as consisting of the same persons by treating (in one or more cases) a member of either group as replaced by a person of whom he is an associate.

The following potential grounds for challenge may apply to any security interest or guarantee granted by an English company (including the Security):

Transaction at an undervalue

Under English insolvency law, a liquidator or administrator of an English company could apply to the court for an order to set aside the creation of a security interest or a guarantee (including the Security) if such liquidator or administrator believed that the creation of such security interest or guarantee constituted a transaction at an undervalue. A transaction will only be a transaction at an undervalue if, at the time of the transaction or as a result of the transaction, the English company was unable to pay its debts (as that term is defined in Section 123 of the Insolvency Act). The transaction can be challenged if the English company enters into liquidation or administration proceedings within a period of two years from the date the English company grants the security interest or the guarantee. A transaction might be subject to being set aside as a transaction at an undervalue if the company makes a gift to a person, if the company receives no consideration or if the company receives consideration of significantly less value, in money or money's worth, than the consideration given by such company. A court, however, will not intervene if it is satisfied that the company entered into the transaction in good faith and for the purpose of carrying on its business and that, at the time it did so, there were reasonable grounds for believing the transaction would benefit the company. If the court determines that the transaction was a transaction at an undervalue, the court can make such order as it thinks fit to restore the position to what it would have been in if the transaction had not been entered into. In any proceedings, it is for the administrator or liquidator to demonstrate that the English company was unable to pay its debts unless a beneficiary of the transaction was a connected person (as set out above), in which case there is a presumption of insolvency and the connected person must demonstrate the solvency of the English company in such proceedings.

Preference

Under English insolvency law, a liquidator or administrator of an English company could apply to the court for an order to set aside the creation of a security interest or a guarantee (including the Security) if such liquidator or administrator believed that the creation of such security interest or such guarantee constituted a preference. A transaction will only be a preference if, at the time of the transaction or as a result of the transaction, the English company was unable to pay its debts. The transaction can be challenged if the English company enters into liquidation or administration proceedings within a period of six months (if the beneficiary of the security or the guarantee is not a connected person) or two years (if the beneficiary is a connected person) from the date the English company grants the security interest or the guarantee. A transaction may constitute a preference if it has the effect of putting a creditor of the English company (or a surety or guarantor for any of the company's debts or liabilities) in a better position (in the event of the company going into insolvent liquidation) than such creditor, guarantor or surety would otherwise have been in had that transaction not been entered into. If the court determines that the transaction was a preference, the court can make such order as it thinks fit to restore the position to what it would have been in if the preference had not been entered into. For the court to determine a preference, however, it must be shown that the English company was influenced by a desire to produce the preferential effect. In any proceeding, it is for the administrator or liquidator to demonstrate that the English company was unable to pay its debts and that the company was influenced by a desire to produce the preferential effect, unless the beneficiary of the transaction was a connected person, in which case there is a presumption that the company was influenced by a desire to produce the preferential effect and the connected person must demonstrate in such proceeding that there was no such influence.

Transaction defrauding creditors

Under English insolvency law, where it can be shown that a transaction was at an undervalue and was made for the purposes of putting assets beyond the reach of a person who is making, or may make against the company, a claim against a company, or of otherwise prejudicing the interests of a person in relation to the claim that that person is making or may make, the transaction may be set aside by the court as a transaction defrauding creditors. This provision may be used by any person who claims to be a "victim" of the transaction and is not therefore limited to liquidators or administrators. There is no specified time limit for challenges in the insolvency legislation within which the challenge must be made (unlike in the case of transactions at an undervalue or preferences) and the relevant company does not need to be unable to pay its debts at the time of or as a result of the transaction. If the court determines that the transaction was a transaction defrauding creditors, the court can make such orders as it thinks fit to restore the position to what it would have been if the transaction had not been entered into and to protect the interests of the victims of the transaction.

Avoidance of Floating Charges

Under English insolvency law, if an English company is insolvent at the time of (or as a result of) granting a floating charge then such floating charge is invalid except to the extent of the value of the money paid to, or goods or services supplied to, or any discharge or reduction of any debt of, the relevant English company at the same time as or after the creation of the floating charge. The requirement for the English company to be insolvent at the time of (or as a result of) granting the floating charge does not apply where the floating charge is granted to a connected person. If the floating charge is granted to a connected person then the floating charge is invalid except to the extent of the value of the money paid to, or goods or services supplied to, or any discharge or reduction of any debt of, the relevant English company at the same time as or after the creation of the floating charge, whether the relevant English company is solvent or insolvent. The transaction can be challenged if the relevant English company enters into liquidation or administration proceedings within a period of one year (if the beneficiary is not a connected person) or two years (if the beneficiary is a connected person) from the date the relevant English company grants the floating charge.

If the floating charge qualifies as a "security financial collateral agreement" under the Financial Collateral Arrangements (No. 2) Regulations 2003 (as amended) then the floating charge will not be subject to challenge as described in the paragraph above.

Foreign Currency

Under English insolvency law where creditors are asked to submit formal proofs of claim for their debts, any debt of a company payable in a currency other than pounds sterling must be converted into pounds sterling at a single rate for each currency determined by the officeholder by reference to exchange rates prevailing at the date when the company went into liquidation or administration (if the administration was immediately preceded by a winding up, on the date the company went into liquidation). This provision overrides any agreement between the parties.

Scheme of Arrangement

Pursuant to Part 26 of the Companies Act 2006, the Issuer may also be able to propose a scheme of arrangement with its creditors, which if approved by the requisite majority and sanctioned by the court would become binding upon the company and its creditors including dissenting creditors. If 75% by number and 50% by value of those creditors present and voting at the creditor meeting(s) vote in favor of the proposed compromise, irrespective of the terms and approval thresholds contained in the finance documents, that compromise will be binding on all affected creditors, including those affected creditors who did not participate in the vote on the scheme of arrangement and those who voted against the scheme of arrangement.

Germany

Certain Subsidiary Guarantors and other subsidiaries of the Issuer are incorporated in Germany.

Security

Under German law it is unclear whether all of the security interests in the collateral give the Security Agent a right to prevent other creditors of the German guarantors from foreclosing into and realizing the collateral. Some courts have held that certain types of security interests only give their holders priority (according to their rank) in the distribution of any proceeds of such realization, but not an intervention right (*Drittwiderspruchsrecht*). Accordingly, the Security Agent and the holders of the Notes may not be able to avoid foreclosure by other creditors into the collateral, even if they consider such foreclosure untimely. Moreover, enforcement of the collateral through the German courts may become time-barred or subject to defenses of set-off or counterclaim.

Global assignments

Under German law, in particular the basic principle of priority (*Prioritätsgrundsatz*), receivables can only be validly assigned if, at the time the assignment is made, the assignor has unencumbered title to such receivable or is authorised by the holder of the receivable to assign such receivable to the relevant assignee. In general, German law does neither recognize any bona fide acquisition (*gutgläubiger Erwerb*) of receivables nor can a pledge of receivables be validly granted solely on a bona fide basis. The principle of priority (*Prioritätsgrundsatz*), however, does not apply where an extended retention of title (*verlängerter Eigentumsvorbehalt*) conflicts with a global security assignment (Globalzession, in which case notwithstanting the timely priority the extended retention of title (*verlängerter Eigentumsvorbehalt*) prevails.

If the creditor and the debtor of a receivable have contractually restricted the assignment of such receivable it cannot be validly assigned unless it is a commercial monetary claim (i.e., claim for the payment of money) governed by German law and the underlying agreement giving rise to such claim constitutes a commercial transaction (*Handelsgeschäft*) or the debtor under such claim is a public law entity (*juristische Person des öffentlichen Rechts*) or public special fund (*öffentlich-rechtliches Sondervermögen*).

Under German law, a debtor may

- invoke against an assignee all defenses it possesses against the assignor at the time of the assignment of the claim; and
- under certain circumstances, set-off against the assignee an existing claim which the debtor has against the assignor.

An assignee must give credit for any payment or other act of performance by the debtor in favor of the assignor after the assignment unless the debtor knew of the assignment at the time of performance. In addition, any legal transaction entered into after the assignment between a debtor (being unaware of the assignment) and the assignor in respect of the debt will have effect against the assignee. If, in any court action between the debtor and the assignor subsequent to the assignment, a final judgement has been delivered, the assignee is bound by that judgement, unless the debtor knew of the assignment at the date when the action was first commenced.

Receivables which are subject to or result from a current account relationship (*Kontokorrentverhältnis*) come into *in rem* existence and can validly be assigned only

- on each balance date (*Abrechnungsstichtag*), (but until such current account relationship is terminated such claims are subject to the continuing current account relationship); and
- upon termination of the current account relationship (whether by notice or by the initiation of insolvency proceedings in relation to any party or otherwise in relation to such current account relationship).

An assignment of rights and claims may only be effective if the rights and claims to be assigned are identifiable (*bestimmbar*) at the time of the assignment or transfer.

Finally, in case of an assignment of receivables where the underlying supply is subject to value added tax, such as trade receivables, the assignor and the assignee will be jointly liable for the payment of such value added tax.

Pledges

The same limitations as set out above apply to pledges as a receivable may not validly be pledged if the transfer of such receivable is restricted. Moreover, if shares in a limited liability Company are to be pledged, for such pledge a notarisation is required. Also, under German law, a pledge may only be validly created in favor of the creditor(s) of the secured claims and the pledgor will need to notify the relevant debtor of a pledged claim (or alternatively the company of pledged shares in relation to the pledge of claims) of such pledge in order to create a valid pledge. Furthermore its validity, extent and enforceability is strictly linked ("**accessory**") to the validity, extent and enforceability of the secured claims. In particular, a pledge may cease to exist if the claims secured by the pledge are transferred to new creditor(s) by way of novation or at a time when no amounts are outstanding under the secured claims. As a result, the security interests granted as pledges have been created in favor of the Security Agent acting in its capacity as creditor of a parallel debt. It is widely believed that a parallel debt can effectively be secured by a pledge, but there are no published court decisions on this issue. See "Parallel Debt" below.

Since German law does not generally permit for an appropriation of pledged assets by the pledgee upon the occurrence of an enforcement event, an enforcement of a share pledge governed by German law usually requires the sale of the relevant collateral through a formal disposal process involving a public auction. Certain waiting periods and notice requirements may apply for such disposal process.

The concept of determining the beneficiary (such as future creditors of a secured claim) of an agreement which provides for a transfer of rights or the creation of an encumbrance (such as pledges) has been qualified as questionable by some legal scholars. Also, there is no case law establishing that such concept would be recognized under German law.

Parallel Debt

Under German law, certain "accessory" security interests such as pledges (*Pfandrechte*) require that the pledgee and the creditor of the secured claim be the same person. Such security interests cannot be held for the benefit of a third party by a pledgee who does not itself hold the secured claim. The holders of interests in the Notes from time to time will not be parties to the Security Documents. In order to permit the holders of the Notes from time to time to benefit from pledges granted to the Security Agent under German law the Security Documents provide for the creation of a "parallel debt". Pursuant to the parallel debt, the Security Agent becomes the holder of a claim equal to each amount payable by an obligor under, in particular, the Notes and the Indentures. The pledges governed by German law will directly secure, in particular, the parallel debt. There are no published court decisions confirming the validity of the parallel debt structure and of the pledges granted under German law to secure such parallel debt, and hence there is no certainty that German courts will uphold such pledges.

Standard business terms

The Security Documents may qualify as standard business terms (*Allgemeine Geschäftsbedingungen*). Standard business terms are subject to certain mandatory legal requirements, inter alia, they must be readily understandable (*transparent*) and not unduly burdensome to the average addressee. If any such requirements are not complied with, the relevant standard business terms would be void and replaced by applicable statutory law.

Excessive collateral

According to the case law of the German Federal Court, collateral, and the agreements granting such collateral, can be void if an initial over-collateralization (*anfängliche Übersicherung*) is constituted which is so excessive that it must be considered as being "against good ethics" (*gegen die guten Sitten*). If, at the time of entering into a security agreement, it is already certain that the realizable value of the collateral is significantly out of proportion to the claim secured, the entire German collateral could be regarded as an initially excessive collateralization. Although no specific case law exists, a decision by the German Federal Court indicates that the loan-to-collateral ratio would be beyond the threshold applied to subsequent excessive collateralization if the value of the collateral is more than 150 per cent. of the amount of the secured obligations. Any valuation, however, will be based on the realizable value taking into account any possible discount on the current market value, arising, e.g. from a sale in the then current situation. In addition, the over-collateralization, in order to be regarded as initially excessive, must be based on a creditor's reprobate attitude (*verwerfliche Gesinnung*), which is assumed if a creditor, out of self-interest, displays an ethically unbearable recklessness against a debtor. In exceptional circumstances, an excessive loan-to-collateral ratio can, itself, justify the assumption of a reprobate attitude.

If the realizable value of the collateral at any date after having been granted not only temporarily exceeds the amount of the secured claims by more than 10 per cent., the subsequently excessively secured (*nachträglich* *übersichert*) creditor is, according to the case law of the German Federal Court, regularly obliged to release collateral back to the debtor insofar as the estimated realizable value of collateral, which depends on the risks of realization of the collateral and on the market situation, exceeds the secured amount by more than such 10 per cent. In order to determine the realizable value of the collateral granted, the German Federal Court allows for a reduction of the face value of the collateral, thus, permitting that the face value of the collateral is up to 150 per cent. of the amounts secured from time to time. In case and to the extent that the realizable value of the aggregate collateral exceeds 110 per cent. of the secured obligations, the secured creditor would, on demand by the collateral provider, have to release excess collateral.

Insolvency

In the event of insolvency of a German subsidiary of the Issuer, insolvency proceedings may be initiated in Germany if it was held to have its center of main interest within the territory of the Federal Republic of Germany at such time. Such proceedings would then be governed by German insolvency law. The insolvency laws of Germany and, in particular, the provisions of the German Insolvency Code (*Insolvenzordnung*) may not be as favorable to creditors as the insolvency laws of other jurisdictions, including, inter alia, in respect of priority of creditors' claims, the ability to obtain post-petition interest and the duration of the insolvency proceedings, and hence may limit the ability of creditors' to recover payment due on the Notes and the Guarantees or to enforce any collateral to an extent exceeding the limitations arising under other insolvency laws. However, pursuant to the EU Insolvency Regulation, where a German company conducts business in more than one member state of the European Union, the jurisdiction of the German courts may be limited if the company's "center of main interests" is found to be in a member state other than Germany (see—"*European Union*"). This issue is to be determined at the time when the competent court decides on the commencement of the relevant insolvency proceedings.

Under German insolvency law, there is no consolidation of the assets and liabilities of a group of companies in the event of insolvency. In case of a group of companies, each entity, from an insolvency law point of view, has to be dealt with separately (i.e., there is no group insolvency concept under German insolvency law). As a consequence, there is, in particular, no pooling of claims among the respective entities of a group, but rather claims of and vis-à-vis each entity have to be dealt with separately. However, under certain circumstances, the following procedural options are available in order to facilitate an efficient administration of group insolvencies in Germany: (i) a single court may be competent for each group entity's insolvency proceeding; (ii) the appointment of a single person as insolvency administrator for all group companies; (iii) certain coordination obligations are imposed on insolvency courts, insolvency administrators and creditors' committees; and (iv) certain parties may apply for so-called "coordination proceedings" (*Koordinationsverfahren*) and the appointment of a so-called "coordination insolvency administrator" (*Koordinationsverwalter*) with the ability to propose a "coordination plan" (*Koordinationsplan*).

Under German law, insolvency proceedings are not initiated by the competent insolvency court ex officio, but require the filing of a petition for the opening of insolvency proceedings. Insolvency proceedings can be initiated either by a company itself or by a creditor of such company upon the occurrence of a cause of insolvency, with over-indebtedness (*Überschuldung*), illiquidity (*Zahlungsunfähigkeit*) and impending illiquidity (*drohende Zahlungsunfähigkeit*) of the relevant company constituting such causes of insolvency. In case of impending illiquidity, though, only the relevant company's management but not its creditors may initiate insolvency proceedings.

A company is considered to be over-indebted if its liabilities exceed the value of its assets, unless its continuation as going concern is predominantly likely (*überwiegend wahrscheinlich*). Whether the debtor´s liabilities exceed the value of its assets is reviewed on the basis of a special over-indebtedness balance (*Überschuldungsbilanz*) which in certain valuation aspects may deviate from a regular statutory balance sheet. A company is considered to be illiquid if it is unable to pay its debts as and when they fall due. Whether the debtor is illiquid must be evaluated by way of a comparison of its due liabilities and its liquid means on the dated of the evaluation. If the liquidity status does not show a material liquidity gap of ten percent or more of the current liabilities, the company in general is liquid. If the liquidity status shows a material liquidity-gap, the management must evaluate in a second step on the basis of the expected development of the company if such material liquidity-gap can be closed within the next three weeks. Impending illiquidity exists when there is an imminent risk of the company becoming unable to pay its debts as and when they fall due (*drohende Zahlungsunfähigkeit*).

Upon a limited liability company (*Gesellschaft mit beschränkter Haftung—GmbH*) a stock corporation (*Aktiengesellschaft—AG*), a European law stock corporation having its center of main interests in Germany

(*Societas Europaea—SE*), any other limited liability company or any company not having an individual as personally liable shareholder becoming illiquid or over-indebted, the debtor, i.e. its managing director(s) and, in certain circumstances its shareholders, are required by law to file for insolvency without undue delay but no later than three weeks after such illiquidity and/or over-indebtedness was established. This three weeks period may however only be utilized if and to the extent that the company's management is still in promising negotiations for a restructuring of the company. Failure to comply with this obligation constitutes a criminal offence and brings about material liability risks for the managing directors. In case of impending illiquidity the debtor is entitled (but not obligated) to file for insolvency.

Any insolvency proceedings in Germany are court-controlled. Upon receipt of the insolvency petition, the court may take preliminary protective measures to secure the property of the debtor during preliminary insolvency proceedings. The insolvency court may prohibit or suspend any measures taken to enforce individual claims against the debtor's assets during these preliminary proceedings as far as these protective measures are reasonable to avoid prejudicial changes in the debtor's assets. As a part of such protective measures the court may appoint a preliminary insolvency administrator (*vorläufiger Insolvenzverwalter*). The rights and duties of the preliminary administrator depend on the decision of the court. The duties of the preliminary administrator may be, in particular, to safeguard and to preserve the debtor's property and to assess whether the debtors net assets will be sufficient to cover the costs of the insolvency proceedings.

During preliminary proceedings a "preliminary creditors committee" (*vorläufiger Gläubigerausschuss*) shall be set up if the debtor satisfied two of the following three requirements in the last business year: (i) a balance sheet total in excess of €6.0 million (after deducting an equity shortfall if the debtor is over-indebted), (ii) revenues of at least €12.0 million in the twelve month prior to the last balance sheet date and (iii) an annual average of 50 or more employees. The preliminary creditors committee will participate in certain important insolvency court decisions. It will have, for example, the power to influence the selection of a preliminary insolvency administrator or an insolvency administrator (*vorläufiger Insolvenzverwalter oder Insolvenzverwalter*), orders for "debtor in possession" proceedings (*Anordnung der Eigenverwaltung*), and the appointment of a preliminary trustee (*Sachwalter*).

The court orders the opening of main insolvency proceedings (*Eröffnung des Insolvenzverfahrens*) if certain requirements are met, in particular if (i) the debtor is in a situation of impending illiquidity (if the petition has been filed by the debtor) or illiquidity and/ or over-indebted and (ii) there are sufficient assets to cover at least the cost of the insolvency proceedings. If the assets of the debtor are not expected to be sufficient, the insolvency court will only open main insolvency proceedings if third parties, for example creditors, advance the costs themselves. In the absence of such advancement, the petition for opening of insolvency proceedings will usually be refused for insufficiency of assets (*Abweisung mangels Masse*). If the competent court decides to open insolvency proceedings, it appoints an insolvency administrator with full authority to dispose of the debtor's assets, unless debtor-in-possession (*Eigenverwaltung*) is ordered. The opening of insolvency proceedings may occur as late as two or three months after an insolvency petition has been filed. The competent court may appoint an interim insolvency administrator in the meanwhile. If the debtor has applied for debtor-in-possession proceedings (*Eigenverwaltung*), the court may order debtor-in-possession (*Eigenverwaltung*) proceedings to be run by the relevant debtor itself under the supervision of a trustee (*Sachwalter*), in which case the relevant debtor retains to a large extent its authority to dispose of its assets. Such order remains subject to review and may be repealed in which case an insolvency administrator would be appointed. In addition, the insolvency administrator may raise new financial indebtedness and incur other liabilities to continue the debtor's operations and satisfaction of these liabilities as preferential debts of the estate (*Masseverbindlichkeiten*) will be preferred to any insolvency claims of unsecured creditors (this also includes such portion of an in rem secured creditor's claim which exceeds the amount obtained through a realization of the relevant collateral).

All creditors, whether secured or unsecured, who wish to assert claims against the debtor need to participate in the insolvency proceedings. German insolvency proceedings are collective proceedings and creditors may generally no longer pursue their individual claims during the insolvency proceedings separately, but can instead only enforce them in compliance with the restrictions under the German Insolvency Code. Any judicial enforcement action brought against the debtor by any of its creditors is subject to an automatic stay once insolvency proceedings have been opened (and, if so ordered by a court, with respect to assets other than real estate also between the time when an insolvency petition is filed and the time when insolvency proceedings commence). If, during the final month preceding the date of filing for insolvency proceedings, a creditor acquires through execution (*Zwangsvollstreckung*) a security interest in any of the debtor's property that would normally form part of the insolvency estate, such security becomes null and void by operation of law upon opening of the insolvency proceedings. Accordingly, unsecured creditors (including creditors only having a guarantee but no asset security) may file their claims in the insolvency proceedings and will be paid on a *pro rata* basis from the insolvency estate (to the extent sufficient assets are available). Creditors with a segregation right over assets (*Aussonderungsrecht*) can claim separation of these assets from the insolvency estate. However, such segregation right needs to be evidenced towards the insolvency administrator and during the preliminary insolvency proceedings segregation can be temporarily suspended by the insolvency court provided the assets in question are of particular relevance for the continuation of the debtor's business.

If a German subsidiary of the Issuer grants security over its assets to other creditors than the holders of the Notes, such security may result in a preferred satisfaction of such other creditors' secured claims with respect to the proceeds obtained through the disposal of the relevant collateral in insolvency proceedings upon the estate of the German subsidiary. In contrast, the claims of the holders of the Notes under a Guarantee granted by the German subsidiary of the Issuer would be qualified as an unsecured insolvency claim in the subsidiary's insolvency. This means that the holders of the Notes would be paid a dividend (if any) only. Whether and to what extent a dividend can be distributed to the unsecured insolvency creditors depends on the size of the insolvency estate and the amount of the claims registered within the list of creditors. In addition, it may take several years until an insolvency dividend (if any) is distributed to unsecured creditors (whereas advanced distributions to the secured creditors are generally allowed). Alternatively, a different distribution of enforcement proceeds and/or the insolvency estate could be proposed in an insolvency plan (*Insolvenzplan*) that may be submitted by the relevant debtor or the relevant insolvency administrator. Such insolvency plan may provide for measures deviating from regular insolvency proceedings in terms of conducting the procedure as well as realization and distribution of the insolvency estate. In particular, such insolvency plan may provide for corporate measures including the implementation of a debt for equity swap and the restructuring of the debtor's enterprise. Adoption of the insolvency plan requires the consent of the debtor as well as the consent of each class of creditors in accordance with specific majority rules (with secured creditors being grouped in a separate class).

In the event that a creditor group does not consent, the insolvency plan may still be approved if—in simple terms—the insolvency court establishes that the members of the dissenting creditor group are not worse off with the plan than without the plan and that they adequately participate in the economic benefits of the plan.

Other than secured and unsecured creditors, German insolvency law provides for certain creditors to be subordinated by law (in particular, but not limited to, claims made by shareholders (unless privileged) of the relevant debtor for the repayment of shareholder loans or claims resulting from legal acts economically equivalent to shareholder loans (unless privileged) which may also include claims of creditors that are not formal shareholders but are treated as if they were shareholders), while claims of a person who became a creditor of the insolvency estate only after the opening of insolvency proceedings (*Massegläubiger*) generally rank senior to the claims of regular, unsecured insolvency creditors. Realizing the value of the insolvency estate for distribution of the proceeds among the creditors is commonly achieved by disposing of the debtor's assets, or, as the case may be, under certain circumstances by disposing of the debtor's business as a going concern. Under German insolvency law, it is also possible to implement a debt-to-equity-swap through an insolvency plan. However, it is not possible to force a creditor into a debt-to-equity conversion if it does not consent to such conversion. If a debtor files for the opening of insolvency proceedings due to over-indebtedness or imminent illiquidity and further if it files for preliminary debtor-in-possession proceedings, upon request of the debtor, the court will prohibit enforcement measures (other than with respect to immovable assets) and may implement other preliminary measures to protect the debtor from credit enforcement actions for up to three months if an independent expert testifies that the restructuring of the debtor's business is not obviously futile (*offensichtlich aussichtslos*) and that the debtor is not already illiquid. During such period, the debtor shall, together with its creditors and a preliminary trustee (*vorläufiger Sachwalter*), prepare an insolvency plan which ideally will be implemented in formal debtor-in-possession proceedings (*Eigenverwaltung*) after formal insolvency proceedings have been opened.

Under German insolvency law, contractual termination rights, automatic termination events or "escape clauses" entitling one party to terminate an agreement, or resulting in an automatic termination of an agreement, upon the opening of insolvency proceedings in respect of the other party, the filing for insolvency or the occurrence of reasons justifying the opening of insolvency proceedings (*insolvenzbezogene Kündigungsrechte oder Lösungsklauseln)* may be invalid if they frustrate the election right of the insolvency administrator whether or not to perform the contract unless they reflect termination rights applicable under statutory law. This may also relate to agreements that are not governed by German law. While powers of attorney granted by the relevant debtor and certain other legal relationships cease to be effective upon the opening of insolvency proceedings, most executory contracts become unenforceable at such time unless and until the insolvency administrator opts for performance.

The collateral granted by the German Guarantors will result in a preferential right (*Absonderungsrecht*) over such collateral assets in insolvency proceedings against a German Guarantor. However, such preferential right needs to be evidenced towards the insolvency administrator and secured creditors are not entitled to enforce their security interests after an insolvency petition has been filed to the extent the Insolvency Code authorizes the insolvency administrator to dispose of the relevant collateral (although, between the time when an insolvency petition is filed and the time when insolvency proceedings commence, such stay on enforcement requires a court order). Any transfer of assets (including future receivables) which is effective following the commencement of insolvency proceedings over the assets of the transferor is invalid.

Whether or not, after the initiation of insolvency proceedings, a secured creditor remains entitled to enforce collateral granted to such creditor by the relevant debtor depends on the type of collateral. However, even if the law vests the right of disposal regarding the relevant collateral in the insolvency administrator, the relevant secured creditor retains a right of preferred satisfaction with regard to the disposal proceeds. As a consequence, the enforcement proceeds minus certain contributory charges for (i) assessing the value of the secured assets and (ii) realizing the secured assets (which together usually amount to 9% of the enforcement proceeds plus VAT (if applicable) unless the actual realization costs are significantly higher or lower) are paid to the creditor holding a security interest in the relevant collateral up to an amount equal to its secured claims. As with segregation rights, enforcement of such preferential rights can be temporarily suspended upon a specific court order provided the assets in question are of particular relevance for the continuation of the debtor's business. Remaining amounts ("**excess-proceeds**") are distributed among the unsecured creditors.

A current account relationship (*Kontokorrent*), which is the standard concept for bank accounts, will be mandatorily terminated after the opening of insolvency proceedings over the assets of the account holder. Thereafter, no disposals (*Verfügungen*) may be made in relation to assets belonging to such account holder. Accordingly, the final account balance which comes into existence upon termination of the current account relationship belongs to the insolvency estate (*Insolvenzmasse*) of the assignor or pledgor, as applicable, and an assignment or pledge will not become valid. If, however, the account holder has entered into a giro contract (*Girovertrag*) with the account bank. he has a claim for payment of the daily balance (*Tagessaldo*) vis-à-vis the account bank which may be validly assigned or pledged even if the relevant account is operated as current account.

Limitation on Enforcement

The German subsidiaries of the Issuer guaranteeing and providing collateral for the Notes (Swissport Cargo Services Deutschland GmbH, Swissport Deutschland GmbH and Swissport Germany Holding GmbH) are established in the form of a limited liability company (*Gesellschaft mit beschränkter Haftung*, "**GmbH**") (each a "**German Subsidiary Guarantor**"). Consequently, the granting of a guarantee or collateral by a German subsidiary is subject to certain provisions of the German Limited Liability Company Act (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*, "**GmbHG**") These provisions would also apply to any future Guarantor in the form of a GmbH or a limited partnership with a limited liability company as unlimited liable partner (e.g. GmbH & Co. KG).

The enforcement of the Guarantee and the collateral granted by a German subsidiary of the Issuer (such as Swissport Cargo Services Deutschland GmbH, Swissport Deutschland GmbH and Swissport Germany Holding GmbH) to secure the Issuer's debt will be limited if, and to the extent, payments under the Guarantee or the enforcement of the collateral would cause the amount of such German subsidiary's net assets (i.e., total assets less liabilities in accordance with the German Commercial Code (HGB)) to fall below the amount of its stated share capital.

Sections 30 and 31 of the GmbHG ("**Sections 30 and 31**") prohibit a GmbH from disbursing its assets to its shareholders to the extent that the amount of the GmbHs net assets would fall below the amount of its stated share capital (*Stammkapital*) or an already negative amount of its net assets would further be reduced (in each case a registered share capital deficit). If and to the extent a payment prohibited by Sections 30 and 31 takes place, the recipient is obliged to repay such amount to the GmbH. Guarantees, share pledges and any other collateral granted by a GmbH in order to guarantee or secure liabilities of a direct or indirect shareholder or affiliate as well as payments under any intra-group arrangements that are not at arm's length terms are considered disbursements under Sections 30 and 31. Therefore, in order to enable German subsidiaries to grant guarantees and collateral to secure liabilities of a direct or indirect shareholder or affiliate without the risk of violating Sections 30 and 31, it is standard market practice for indentures, credit agreements, guarantees and security documents to contain so-called "limitation language" in relation to subsidiaries in the legal form of a GmbH or a limited partnership with a GmbH as unlimited liable partner (GmbH & Co. KG) incorporated or established in Germany. Pursuant to such limitation language, the secured parties agree, subject to certain exemptions, to enforce the collateral (or to release the proceeds of an enforcement, as applicable) and the beneficiaries of the guarantees agree to enforce the guarantees against the German subsidiary only to the extent that such enforcement does not result in a registered share capital deficit or increases an already existing registered share capital deficit of the German GmbH. Accordingly, the documentation in relation to the Guarantees and any collateral, to the extent they relate to a German subsidiary of the Issuer, includes such limitation language and such Guarantees and the enforcement of collateral are limited in the manner described.

Further, section 64 sentence 3 GmbHG restricts payments if and to the extent such payments under any Guarantee or the enforcement of collateral would deprive the German Subsidiary Provider of the liquidity necessary to fulfill its financial liabilities to its creditors.

To the extent the limitation language limits or prohibits the enforcement of the Guarantee of or other collateral provided by the relevant German subsidiary of the Issuer, the holders of the Notes will lose the benefit of this Guarantee or collateral, respectively.

To the extent the collateral comprises the assignment of intra-group receivables by any creditor of a GmbH, the recipient of any proceeds from such assignment could become liable to repay such proceeds to the GmbH to the extent that the intra-group receivables are considered to be disbursements under Sections 30 and 31 (as set out above).

German capital maintenance rules are subject to ongoing court decisions. We cannot assure you that future court rulings may not further limit the access of shareholders to assets of their subsidiaries constituted in the form of a GmbH, which can negatively affect the ability of the German Subsidiary Guarantors to make payments on the Guarantees or to grant security or of the beneficiaries of the Guarantees to enforce the Guarantees or other collateral provided.

In addition, it cannot be ruled out that the case law of the German Federal Court of Justice (*Bundesgerichtshof*) regarding "destructive interference" (*existenzvernichtender Eingriff*) (i.e. a situation where a shareholder deprives a German limited liability company of the liquidity necessary for it to meet its own payment obligations) may be applied by courts with respect to the enforcement of the Guarantee and other collateral granted by a German Subsidiary Guarantor. In such a case, the amount of proceeds to be realized in an enforcement process may be reduced. According to a decision of the German Federal Court of Justice (*Bundesgerichtshof*), a security agreement may be void due to tortious inducement of breach of contract if a creditor knows about the distressed financial situation of the debtor and anticipates that the debtor will only be able to grant guarantees and collateral by disregarding the vital interests of its other business partners. It cannot be ruled out that German courts may apply this case law with respect to the granting of the Guarantees or any other collateral by a German Subsidiary Guarantor.

The limitations set out above apply *mutatis mutandis* if the Guarantee or collateral is granted by a German Guarantor incorporated as a limited liability partnership (KG) in relation to each general partner (*Komplementär*) incorporated as a limited liability company (GmbH) or if the Guarantee or collateral is granted by a German Guarantor incorporated as a general partnership (OHG) in relation to each general partner incorporated as a limited liability company (GmbH). Also, the above-described rules and limitations would apply *mutatis mutandis* to any potential Guarantee granted by a German Subsidiary Guarantor in the future.

Hardening Periods and Fraudulent Transfer

In the event of insolvency proceedings with respect to a German subsidiary of the Issuer based on and governed by the insolvency laws of Germany, an insolvency administrator (*Insolvenzverwalter*) (or in the event debtor-in—possession status has been granted, the preliminary trustee (*Sachwalter*) may possibly challenge (*anfechten*) under the rules of avoidance as set out in the German insolvency code (*Insolvenzordnung*) (i) a Guarantee granted by that entity, (ii) payments that have been made (under the Guarantee or in relation to any collateral), if such payments have already been made or (iii) any other collateral granted by that entity.

Acts (*Rechtshandlungen*) or transactions (*Rechtsgeschäfte*) (which term includes the provision of guarantees or collateral or the repayment of debt) that have been detrimental to the insolvency creditors (as a whole) may be challenged by an insolvency administrator. This may under certain circumstances even affect actions taken by the debtor which have occurred up to ten years prior or at any time after the respective insolvency petition has been filed, or—in case of granting security or justifying a claim—four years in each case. When successful, such challenge results in an obligation of the relevant creditor to return the benefit obtained through or in connection with such action to the insolvency estate, while a claim for the return of a consideration originally granted to the debtor for the debtor's performance (if any) would constitute a regular, unsecured insolvency claim, only. Such unsecured insolvency claim would only be satisfied to the extent a general insolvency dividend is paid upon the distribution of the insolvency estate to the creditors.

Such transactions can include granting the holders of the Notes a Guarantee or any other security interest or the payment of any amounts to the holders of the Notes (under a Guarantee granted or in relation to any collateral) or providing credit support for the benefit of the holders of the Notes.

In particular, an act (*Rechtshandlung*) or a legal transaction (*Rechtsgeschäft*) (which term includes the granting of a guarantee, the provision of collateral and the repayment of debt) detrimental to the creditors of the debtor may be avoided according to the German Insolvency Code in the following cases:

- any act granting a creditor, or enabling a creditor to obtain, security or satisfaction for a debt (*Befriedigung*) can be avoided if the transaction was effected (i) in the last three months prior to the filing of a petition for the opening of insolvency proceedings, if at the time of the transaction the debtor was illiquid (zahlungsunfähig) (i.e. such debtor was unable to pay its debt when due) and the creditor had knowledge thereof or knowledge of circumstances imperatively suggesting such illiquidity, or (ii) after a petition for the opening of insolvency proceedings has been filed and the creditor had knowledge thereof or of the debtor being illiquid or knowledge of circumstances imperatively suggesting the petition for opening of insolvency proceedings or such illiquidity;

- any act granting a creditor, or enabling a creditor to obtain, security (including a guarantee) or satisfaction for a debt to which such creditor had no right, no right at the respective time or no right as to the respective manner, can be avoided (i) if the transaction was effected in the month prior to the filing of a petition for the opening of insolvency proceedings or after such filing; (ii) if the transaction was effected in the second or third month prior to the filing and if at the time of the transaction the debtor was illiquid; or (iii) the transaction was effected in the second or third month prior to the filing of the petition for the opening of the insolvency proceedings and the creditor knew that the transaction would be detrimental to the creditors of the debtor (or had knowledge of circumstances imperatively suggesting such detrimental effect);

- any legal transaction effected by the debtor which is directly detrimental to the creditors of the debtor or by which the debtor loses a right or the ability to enforce a right or by which a proprietary claim against a debtor is obtained or becomes enforceable, can be avoided if the transaction was effected (i) in the last three months prior to the filing of a petition for the opening of insolvency proceedings against the debtor and if at the time of the legal transaction the debtor was illiquid and the other party to the legal transaction had knowledge thereof or (ii) after a petition for the opening of insolvency proceedings has been filed against the debtor and the other party to the legal transaction had knowledge thereof or of the debtor being illiquid;

- any legal transaction effected by the debtor without consideration (*unentgeltlich*) including granting security (including a guarantee) for a third-party debt which is regarded as having been granted gratuitously (*unentgeltlich*), can be avoided unless it was effected earlier than four years prior to the filing of a petition for the opening of insolvency proceedings against the debtor;

- any act performed by the debtor during a period of ten years, or—in case of granting security or justifying a claim—four years, in each case prior to the filing of the petition for the opening of insolvency proceedings or at any time after such filing can be avoided if the debtor acted with the intent to disadvantage its creditors and the beneficiary of the transaction had knowledge of such intent at the time of the transaction, with such knowledge being presumed if the beneficiary knew that the debtor's illiquidity was imminent and that the transaction disadvantaged the other creditors;

- any non-gratuitous contract concluded between the debtor and an "related party" (*nahestehende Person*) which directly operates to the detriment of the creditors can be avoided unless such contract was concluded earlier than two years prior to the filing of the petition for the opening of insolvency proceedings or the other party had no knowledge of the debtor's intention to disadvantage its creditors as at the time the contract was concluded;

- any act that provides security or satisfaction for a claim of a shareholder for repayment of a shareholder loan (*Gesellschafterdarlehen*) or an economically equivalent claim can be avoided

(i) in the event it provided security, if the transaction was effected within the last ten years prior to the filing of a petition for opening of insolvency proceedings or thereafter or (ii) in the event it provided satisfaction, if the transaction was effected in the last year prior to the filing of a petition for opening of insolvency proceedings or thereafter; or

- any act whereby the debtor grants satisfaction for a loan claim or an economically equivalent claim to a third party can be voided if the transaction was effected in the last year prior to the filing of a petition for opening of insolvency proceedings or thereafter and if a shareholder of the debtor had granted security or was liable as a guarantor (*Bürge*). When successful such challenge results in an obligation of the shareholder to reimburse the insolvency estate for the payments made by the debtor to the third party.

In this context, "knowledge" is generally deemed to exist if the other party is aware of the facts from which the conclusion must be drawn that the debtor (e.g. a German Domiciled Obligor) was unable to pay its debts generally as they fell due, that a petition for the opening of insolvency proceedings has been filed, or that the act was detrimental to, or intended to prejudice, the insolvency creditors, as the case may be. A person is deemed to have knowledge of the debtor's intention to prejudice the insolvency creditors if it knew of the debtor's impending illiquidity and that the transaction prejudiced the debtor's creditors. If the other party is a "related party" (*nahestehende Person*), there is a general statutory presumption that such party had "knowledge".

The term "related party" (*nahestehende Person*) includes, subject to certain limitations, in the case of debtors that are corporate persons, members of the management or supervisory board, personally liable partners of the debtor, shareholders owning more than 25% of the debtor's share capital, persons or companies holding comparable positions that give them access to information about the economic situation of the debtor, and persons who are spouses, relatives or members of the household of any of the foregoing persons.

If the Guarantee or collateral given by a German subsidiary of the Issuer were avoided or held unenforceable for any reason, e.g. because of subordination of the secured debt, any claims in respect thereof could not be asserted. Any amounts received from a transaction that has been successfully avoided would have to be repaid to the insolvency estate. The holders of the Notes would only have a general unsecured claim under the Notes, without reference in insolvency proceedings.

Furthermore, even in the absence of an insolvency proceeding, a third-party creditor who has obtained an enforcement order but has failed to obtain satisfaction of its enforceable claims by a levy of execution or where such levy of execution can be expected not to result in full satisfaction of such claims, under certain circumstances, has the right to avoid certain transactions, such as the payment of debt and the granting of security pursuant to the German Code on Avoidance (*Anfechtungsgesetz*) outside formal insolvency proceedings. The prerequisites vary to a certain extent from the rules described above and the avoidance periods are calculated from the date when the creditor exercises its right of avoidance in the courts.

Creditor Liability

The beneficiary of a transaction effecting a repayment of the stated share capital of the grantor of the guarantee or security could moreover become personally liable under exceptional circumstances. The German Federal Supreme Court (*Bundesgerichtshof*) ruled that this could be the case if for example the creditor were to act with the intention of detrimentally influencing the position of the other creditors of the debtor in violation of the legal principle of contra bonos mores (*Sittenwidrigkeit*). Such intention could be present if the beneficiary of the transaction was aware of any circumstances indicating that the grantor of the guarantee or security is close to collapse (*Zusammenbruch*), or had reason to enquire further with respect thereto. Under such circumstances, the Guarantees or other collateral may also be invalid.

Luxembourg

The conditions to be satisfied by the granting of guarantees or security interests relate to (i) corporate power, (ii) corporate authority, and (iii) corporate benefit. These rules are derived from general principles and must be applied to specific circumstances, which have to be analyzed on a case-by-case basis.

Corporate power

Limits on corporate power can either be imposed (i) by law or (ii) by the articles of association of the company.

(i) Limitations imposed by law.

Pursuant to the Luxembourg Civil Code (*Code civil*), a company is established with a view to participate in the profits (and the losses) which may arise therefrom. A company may carry out gratuitous acts whenever these acts are accomplished with a view to the realization, directly or indirectly, of the company's corporate objective. It is normally understood that except in exceptional circumstances, an intragroup security is a type of act which may serve the purpose of realizing a profit.

Thus, it is only in exceptional circumstances when there is no reasonable indirect potential benefit of, or a motivated interest for, a proposed guarantee or security interest to be given by a company, that the validity of such a guarantee or security interest could be challenged for lack of any interest by the guarantor in providing the guarantee or security interest.

Further to this general legal restriction, additional limitations are imposed by specific laws, such as the prohibition to exercise a financial activity without a specific authorization (which in the case of a Luxembourg company, does not apply to financial activities within a group of companies) or the limitation on financial assistance in the case of subscription or purchase of shares of the guarantor or security provider.

(ii) Limitations imposed by the articles of association.

The provision of guarantees or security by a company must be within the limits of the object clause of its articles of association.

Should the provision of a guarantee or security by a Luxembourg company be considered to exceed the corporate objective as expressed in the articles of association, the company is still bound by such action, unless there is evidence that the beneficiary of such acts knew that the acts exceeded the corporate objective or that the beneficiary could not, in light of the circumstances, have been unaware of that fact.

Corporate authority

When a Luxembourg company grants guarantees and/or security, applicable corporate procedures normally entail that the decision be approved by a board resolution or by decision of delegates that have been appointed for such purpose.

Corporate benefit

The third condition for a guarantee or security interest to be granted by a Luxembourg company is that the proposed action by the company must be "in the corporate interest of the company", which words is a translation of the French "*intérêt social*", an equivalent term to the English legal concept of corporate benefit. The concept of "corporate interest" is not defined by law, but has been developed by doctrine and court precedents and may be described as being "'the limit of acceptable corporate behavior". Whereas the previous discussions regarding the limits of corporate power are based on objective criteria (provisions of law and of the articles of association), the concept of corporate benefit requires a subjective judgment. In a group context, the interest of the companies of the group taken individually is not entirely eliminated. Although the existence of a corporate interest in the issue of a guarantee or the granting of a security on a group level is certainly important, the mere existence of such a group interest does not compensate for a lack of corporate interest for one or more of the companies of the group taken individually. The concept of corporate benefit is of particular importance in the context of misuse of corporate assets as provided by article 1500-11 of the law of August 10, 1915 on commercial companies (as amended).

In general terms, group interest may justify the issue of a guarantee or the granting of security in favor of a parent company (upstream guarantee) or a sister company (cross-stream guarantee), thus avoiding (should the Luxembourg courts adopt the same position as the French courts) the qualification of misuse of corporate assets, under the following circumstances:

- the proposed action must be justified on the basis of a common economic, social, or financial policy applicable throughout the entire group;
- the existence of a group should be evidenced through capital links;
- the guarantee or security interest must not be (i) without consideration, or alternatively (ii) break up the balance between the undertakings of the various group companies; and

- the obligations arising out of the proposed action must not exceed the financial means of the companies concerned.

To the extent that all companies of the group are asked to bear in a similar way the burden of guarantees or security given for the benefit of the other group company or companies in an equal way, the obligation undertaken by a group company for the benefit of other group companies may be justified. Similarly, if a group company cannot exist outside of the group and is dependent on the group, assistance to other group companies should ultimately result in a benefit for such company. The limit of reasonable corporate behavior is reached when the transaction is exclusively in the interest of the parent company or the other companies of the group, without any benefit, direct or indirect, for the Luxembourg company granting the guarantee or security.

However, the failure to comply with the corporate benefit requirement will typically result in liability for the directors or managers of the guarantor or security provider concerned.

The guarantee or security interest could itself be held unenforceable, if it is held that it is contrary to public policy (*ordre public*). It should be stressed that, as is the case with all criminal offenses addressed by the law on commercial companies, a director or manager of a Luxembourg company will in general be prosecuted for misuse of corporate assets only if someone has lodged a complaint with the public prosecutor. This person may be an interested third party, e.g., a creditor, a minority shareholder, a liquidator or an insolvency receiver. In addition, it cannot be excluded that the public prosecutor will act on his own initiative if the existence of such a misuse of corporate assets became known to him.

If there is a misuse of corporate assets criminally sanctioned by a court, then this could under general principles of law, have the effect that contracts concluded in breach of article 1500-11 of the law of August 10, 1915 on commercial companies will be held null and void. There are, however, scholars who argue that bona fide contractual counterparties should remain unaffected.

The criteria mentioned above have to be applied on a case-by-case basis and a subjective fact based judgment is required to be made by the directors or managers of the Luxembourg Guarantor (as defined below).

As a result, the guarantees or security interests granted by a Luxembourg company may be subject to certain limitations, which usually take the form of a general limitation language, which is inserted in the relevant finance document(s) or guarantee agreements and which covers the aggregate obligations and exposure of the relevant Luxembourg assisting company under all finance documents, security agreements or guarantee agreements.

For the purposes of this transaction, a specific limitation language has been agreed upon between the parties, whereby the aggregate obligations and exposure of any guarantor or security provider incorporated under the laws of the Grand Duchy of Luxembourg (a "**Luxembourg Guarantor**") with respect to the obligations of any other Obligor shall be limited as follows:

The payment undertaking of any Luxembourg Guarantor for the obligations of any Obligor which is not a Subsidiary of that Guarantor shall be limited at any time, to an aggregate amount not exceeding ninety per cent. (90%) of the greater of:

(i) the Luxembourg Guarantor's own funds ("*capitaux propres*") and the debt owed by such Luxembourg Guarantor to any of its direct or indirect shareholders, as determined by the Luxembourg law of December 19 2002 on the register of commerce and companies, accounting and companies' annual accounts, as amended, as reflected in the last annual accounts of the Luxembourg Guarantor, as at the date of the respective agreement. Should no annual accounts of the Luxembourg Guarantor be available on the date of the respective agreement, the Luxembourg Guarantor's own funds and the debt owed by such Luxembourg Guarantor to any of its direct or indirect shareholders will be determined at the reasonable discretion of the Security Agent in accordance with the accounting principles applicable to the Luxembourg Guarantor.

(ii) the Luxembourg Guarantor's own funds ("*capitaux propres*") and the debt owed by such Luxembourg Guarantor to any of its direct or indirect shareholders, as determined by the Luxembourg law of December 19, 2002 on the register of commerce and companies, accounting and companies' annual accounts, as amended, as reflected in the last annual accounts of the Luxembourg Guarantor, as at the date the guarantee is called.

The above limitation shall not apply to any amounts borrowed under any Facility and in each case made available, in any form whatsoever, to such Luxembourg Guarantor or any of its Subsidiaries.

Security interests considerations

According to Luxembourg conflict of law rules, the courts in Luxembourg will generally apply the *lex rei sitae* or *lex situs* (the law of the place where the assets or subject matter of the pledge or security interest is situated) in relation to the perfection and enforcement of security interests over such assets. As a consequence, Luxembourg law will apply in relation to the perfection and enforcement of security interests over assets located or deemed to be located in Luxembourg, such as registered shares in Luxembourg companies, bank accounts held with a Luxembourg bank, receivables/claims governed by Luxembourg law and/or having debtors located in Luxembourg, tangible assets located in Luxembourg, securities which are held through an account located in Luxembourg, bearer securities physically located in Luxembourg, etc.

If there are assets located or deemed to be located in Luxembourg, the security interests over such assets will usually be governed by Luxembourg law and must be perfected and enforced in accordance with Luxembourg law. The Luxembourg law of 5 August 2005 on financial collateral arrangements, as amended (the "**Law on financial collateral arrangements**") governs the pledges over shares, bank accounts and receivables under Luxembourg law.

Under the Law on financial collateral arrangements, the perfection of security interests is made by transfer of possession. A share pledge agreement, if over registered shares, must be registered in the shareholders' register. In the case of receivables pledges, depossession is effected by the mere entering into the pledge agreement by the pledgor and the pledgee. However, the debtor is validly discharged from its payment obligations by payment to the pledgor as long as it has not gained knowledge of the pledge. Depossession in relation to cash collateral held in a bank account is made by the mere entering into of the pledge agreement by the pledgor and the pledgee. Given that the account bank usually has a first-ranking pledge, it needs to be involved in the perfection process and (i) waive its first-ranking pledge or (ii) consent to the pledge, so that it can become a second ranking pledge.

The Law on financial collateral arrangements sets out enforcement remedies that are available to the pledgee. The pledgee may, *inter alia*:

- appropriate or cause a third party to appropriate the pledged collateral at a price determined, before or after appropriation, by applying the valuation method agreed by the parties;
- assign or cause to be assigned the pledged collateral by private sale in a commercially reasonable manner, by sale over a stock exchange or by public auction;
- court allocation of the pledged collateral to the pledgee in discharge of the secured obligations following a valuation made by an expert; or
- set-off between the secured obligations and the pledged assets.

As the Law on financial collateral arrangements does not provide any specific time periods, timing will depend on (i) the method chosen, (ii) the valuation of the pledged assets (if applicable), (iii) any possible recourses and (iv) the possible need to involve third parties, such as, e.g., courts, stock exchanges and appraisers.

Under Luxembourg law, security interests qualifying as financial collateral arrangements under the Law on financial collateral arrangements may be granted in favor of a person acting on behalf of the beneficiaries of such security interests, a fiduciary or a trustee as a security for the claims of third party beneficiaries, present or future, to the extent that such third party beneficiaries are or may be determined.

Insolvency

In the event where the Issuer or a Luxembourg Guarantor becomes insolvent, insolvency proceedings may be initiated in Luxembourg to the extent that the Issuer or the Luxembourg Guarantor has its principal establishment or its center of main interests in Luxembourg within the meaning of EU Insolvency Regulation. Such proceedings would then be governed by Luxembourg law.

There are three statutory insolvency proceedings under Luxembourg law: bankruptcy proceedings ("*faillite*"), controlled management ("*gestion contrôlée*") and composition proceedings ("*concordat préventif de la faillite*"). Controlled management and composition proceedings are formal corporate rescue procedures, while the purpose of bankruptcy proceedings is to realize the assets of the company, distribute the proceeds to its creditors and wind up the company.

A company in financial difficulty may instead seek to reach an informal contractual agreement with its creditors to reorganize its financial position or to restructure its business (non-statutory proceedings). On the basis of articles 593ff. of the Luxembourg Commercial Code (*Code de commerce*), the company may also apply to court to suspend payment of its debts ("*sursis de paiement*"). In addition, judicial liquidation ("*liquidation judiciaire*") proceedings may be opened at the request of the public prosecutor against companies pursuing an activity violating criminal laws or that are in serious breach or violation of the commercial code or of the law of August 10, 1915 on commercial companies (as amended). The management of such liquidation proceedings will generally follow the rules of bankruptcy proceedings.

Bankruptcy proceedings, controlled management, composition proceedings and "*sursis de paiement*" are available to all types of Luxembourg companies with a commercial corporate object. Special regimes apply for entities including, but not limited to, financial institutions and insurance companies. The commencement of any procedure, other than bankruptcy, does not preclude the court from declaring the company bankrupt (including on the court's own motion), if the legal conditions for bankruptcy are met.

Bankruptcy ("faillite")

A company may enter into bankruptcy proceedings if it has ceased making payments (i.e. it is no longer able to repay its debts as they fall due, one debt being sufficient to satisfy that condition) ("*cessation des paiements*") and its creditworthiness has been impaired ("*ébranlement du crédit*") (for example, the company is no longer able to obtain credit). In other words, the company must be insolvent under a cash flow test (as opposed to a balance sheet test).

Bankruptcy proceedings may be opened by the company or a creditor of the company by filing a declaration of bankruptcy (in the case of the company) or an application for bankruptcy (in the case of a creditor) with the commercial court in the district in which the company has its principal place of business. Bankruptcy proceedings may also be ordered by the court itself.

If the court declares a company bankrupt, it will appoint a receiver ("*curateur*") (or several receivers, depending on the complexity of the proceedings) and a judge ("*juge-commissaire*") to supervise the insolvency proceedings. The receiver will realize the company's assets and distribute the proceeds to the company's creditors in accordance with the statutory order of payment and (if there are any funds left) the company's shareholders.

Unsecured claims will, in the event of a liquidation of the company following bankruptcy, only rank after the cost of liquidation (including any debt incurred for the purpose of such liquidation) and those debts of the relevant entity that are entitled to priority under Luxembourg law. Preferential debts under Luxembourg law include, among others:

- certain amounts owed to the Luxembourg Revenue;
- value-added tax and other taxes and duties owed to the Luxembourg Customs and Excise;
- social security contributions; and
- remuneration owed to employees.

The receiver must notify creditors of the date by which they must file claims with the clerk of the court. The period within which creditors must file their claims is specified in the published judgment declaring the company bankrupt. Claims filed after such period may nevertheless be taken into account if the receiver has not started the realization of the assets of the company and the distribution of the proceeds from that realization. The receiver will need to obtain court permission for certain acts, such as agreeing settlement of claims or deciding to pursue the business of the company during the bankruptcy proceedings.

The receiver takes over the management and control of the company in place of the directors or managers. The receiver represents the company on the one hand and, on the other, the creditors collectively ("*masse des créanciers*"). Contracts of the company are not automatically terminated on commencement of bankruptcy proceedings, save for contracts for which the identity or solvency of the company is crucial ("*intuitu personae*" agreements) (e.g. a power of attorney). However, certain contracts are terminated automatically by law, such as employment contracts, unless expressly confirmed by the receiver. Contractual provisions purporting to terminate a contract upon bankruptcy are valid. The receiver may choose to terminate contracts of the company. As of the date of the bankruptcy judgment, no interest on any unsecured claim will accrue vis-à-vis the bankruptcy estate.

Bankruptcy is governed by public policy and strict regulations, which generally delay the bankruptcy proceedings and any restructuring of the group to which the bankrupt company belongs. On closing of the bankruptcy proceedings, the company will typically be dissolved.

Finally, international aspects of Luxembourg bankruptcy, controlled management or composition proceedings may be subject to the EU Insolvency Regulation.

Controlled Management ("gestion contrôlée")

A company which has lost its creditworthiness or which is not in a position to completely fulfil its obligations can apply for the regime of controlled management in order either to reorganize its business or to realize its assets in good conditions. This procedure is rarely applied for as it is not often successful and generally leads to bankruptcy proceedings. This procedure is occasionally applied to companies, in particular holding or finance companies, which are part of an international group and whose inability to meet obligations results from a default of group companies.

An application for controlled management can only be made by the company.

The company must have lost its creditworthiness or be unable to fulfill its obligations. The loss of creditworthiness is identical to the credit test applied in bankruptcy proceedings. As to the second situation, a broad view of the total situation of the company is taken. A company will be denied the regime of controlled management if it is considered of bad faith in case of gross negligence or heavy irregularities in the management of its affairs.

The procedure is divided into three steps:

1. The company has to file an application with the district court sitting in commercial matters. The court can reject the application because (i) the company has already been declared bankrupt; or (ii) the evidence brought forward by the company does not ensure the stabilization and the normal exercise of the company's business or improve the realization of the company's assets in better conditions. If the application is upheld at this stage, the court will appoint an investigating judge to make a report on the overall situation of the company.

2. Once the investigating judge has delivered his report, the court may (i) turn down the application on the ground that the proposals made by the applicant are unlikely to lead to the reorganization of the business or the realization of the assets in better conditions; or (ii) appoint one or several administrators who will supervise the management of the assets of the company.

If the court ascertains that the company is unable to pay its creditors (cessation of payment), it may set the date as from which the company will be deemed to have been in such situation. Such date may be set up to six months prior to the filing of application for controlled management. However bankruptcy may only be declared, if the conditions for bankruptcy are met (cessation of payment and loss of creditworthiness) and if the application has been dismissed either before or after consideration of the report by the investigating judge or after the plan proposed by the administrators at step 3 (see below).

The administrators will draw up the inventory of the assets as well as the financial situation of the company. They are also in charge of the annual accounts of the company. The administrators may also prescribe any act they consider to be in the interests of the applicant or its creditors. The administrators have to be convened to any meeting of the board of directors or of managers. They may attend all board meetings but have no voting right. They have the right to convene such board meetings.

3. The administrators will draft a plan for the reorganization of the applicant's business or a plan for realization of the assets, within the deadlines set forth by the court. The plan shall equitably take into account all interests involved and will comply with the ranking of mortgages and privileges as required by law, without taking into account any contractual clause regarding termination, penalties or acceleration. The administrators will notify the draft plan to the creditors, joint debtors and guarantors. Within fifteen days of such notification or publication, the creditors will inform the court whether they agree or object to the draft plan. Any creditor who abstains will be considered as having adhered to the plan. The creditors, the company, the joint debtors and the guarantors may submit written observations to the court.

The court may (i) approve the plan if a majority of the creditors representing, via their claims which have not been challenged by the administrators, at least half of the company's liabilities, have agreed thereto: the judgment approving the plan will be binding upon the company and its creditors, joint debtors and guarantors; or (ii) disagree with the plan proposed by the administrators even though a majority of creditors representing at least half of the applicant's liabilities have notified their agreement, in which case the application for controlled management will be dismissed; or (iii) ask the administrators to propose an amended plan (such amended plan will have to be submitted to the creditors as aforesaid).

The fees of the administrators will be fixed by the court and will be borne by the company. The administrators who at the same time are creditors of the applicant are not entitled to any fees.

Composition in Order to Avoid Bankruptcy ("concordat préventif de la faillite")

A company may enter into composition proceedings ("*concordat préventif de la faillite*") in order to resolve its financial difficulties by entering into an agreement with its creditors, the purpose of which is to avoid bankruptcy.

Composition proceedings may only be applied for by a company which is in financial difficulty. As with the controlled management procedure, this procedure is not available if the company has already been declared insolvent by the court or if the company is acting in bad faith.

The application for the composition proceedings can only be made by the company and must be supported by proposals of composition.

The court will delegate to a judge (the "**Delegate**") the duty to verify, and to prepare a report on, the situation of the company. Based on such report, the court will decide whether to pursue or not the composition proceedings. If the court considers that the procedure should not be pursued it will in the same judgment declare the bankruptcy of the company (which bankruptcy may also be declared during the composition proceedings if the conditions for the composition proceedings are not met). If the court considers that the procedure may be pursued, it will set the place, date and hour of a meeting (*assemblée concordataire*) at which the creditors will be convened. The Delegate will make its report at the *assemblée concordataire*.

The *concordat préventif* may only be adopted if the majority of the creditors representing, by their unchallenged claims, three-quarters of the company's debts, have adhered to the proposal and if the composition has been homologated by the court. Creditors benefiting from mortgages, privileges or pledges only have a deliberating voice in the operations of the *concordat* if they renounce to the benefit of their mortgages, privileges or pledges. The vote in favor of the concordat entails renunciation. The renunciation may be limited by the secured creditors to only a portion (but representing at least 50% in value) of their claims with corresponding voting rights.

The composition has no effect on the claims secured by a mortgage, a privilege or a pledge and on claims by the tax authorities.

If the application results in a composition arrangement sanctioned by the court, the composition could still either be annulled (if it has not been executed) or terminated (in case of fraud or bad faith of the company). The consequence of an annulment is the declaration of bankruptcy. Such a bankruptcy judgment can decide to fix the date of cessation of payment to the date of the application for the composition. If that date is less than six months prior to the bankruptcy judgment, the court can of course set the cessation of payment date at six months prior to its judgment.

The company's business activities continue during the composition proceedings. While the composition is being negotiated, the company may not dispose of, or grant any security over, any assets without the approval of the Delegate. Once the composition has been agreed by the court, this restriction is lifted. However, the company's business activities will still be supervised by the Delegate.

Composition proceedings are rarely used in practice since they are not binding upon secured creditors.

Suspension of Payments ("sursis de paiement")

A suspension of payment (*sursis de paiement*) for "general" commercial companies is not to be confused with the *sursis de paiement* proceedings available to banks and insurance companies. It can only be applied to a company which, as a result of extraordinary and unforeseeable events, has to temporarily cease its payments but who has on the basis of its balance sheet sufficient assets to pay all amounts due to its creditors. The *sursis de paiement* may also be granted if the situation of the applicant, even though showing a loss, presents serious elements of reestablishment of the balance between the assets and the debts.

The purpose of the suspension of payments is to allow a business undertaking experiencing financial difficulties to suspend its payments for a limited time after a complex proceedings involving both the district court and the court of appeals and the approval by the majority of the creditors representing, by their claims, three-quarters of the company's debts (excluding claims secured by privilege, mortgage or pledge).

The suspension of payments is, however, not of general application—one of the main reasons why it has lost its attractiveness. It only applies to those liabilities which have been assumed by the debtor prior to obtaining the suspension reprieve from payment and has no effect as far as taxes and other public charges or secured claims (by right of privilege, a mortgage or a pledge) are concerned.

Effect of Opening Insolvency Proceedings

According to the Law on financial collateral arrangements, all financial collateral arrangements (including pledges of financial instruments or cash held on account) as well as the enforcement events relating to these financial collateral arrangements are valid and enforceable against third parties (including supervisors, receivers, liquidators or other similar persons or bodies) irrespective of any bankruptcy, liquidation or other situation (for instance, pre-bankruptcy suspect period), national or foreign, of composition with creditors or reorganization affecting any one of the parties, save in case of fraud.

Bankruptcy

Under Luxembourg law transactions entered into or payments made by the company during the period before bankruptcy, the so-called "suspect period" (*période suspecte*) which is a maximum of six months preceding the judgment declaring bankruptcy (or the ten days preceding it), may be declared, or are, void. In certain specific situations the court may set the start of the suspect period at an earlier date and if the bankruptcy judgment was preceded by controlled management proceedings, the court may set the maximum up to six months prior to the filing for such controlled management. In particular:

- pursuant to article 445 of the Luxembourg Code of Commerce, specified transactions (such as, in particular, the granting of a security interest for antecedent debts save in respect of financial collateral arrangements within the meaning of Law on financial collateral arrangements; the payment of debts which have not fallen due, whether payment is made in cash or by way of assignment, sale, set-off or by any other means; the payment of debts which have fallen due by any means other than in cash or by bill of exchange; the sale of assets without consideration or with substantially inadequate consideration), entered into during the suspect period (or the ten days preceding it) must be set aside or declared null and void, if so requested by the insolvency receiver;
- pursuant to article 446 of the Luxembourg Code of Commerce payments made for matured debts as well as other transactions concluded for consideration during the suspect period are subject to cancellation by the court upon proceedings instituted by the insolvency receiver if they were concluded with the knowledge of the bankrupt party's cessation of payments by its counterparty;
- pursuant to article 21 (2) of the Law on financial collateral arrangements, notwithstanding the suspect period as referred to in articles 445 and 446 of the Luxembourg Code of Commerce, where a financial collateral arrangement has been entered into after the opening of liquidation proceedings or the coming into force of reorganization measures or the entry into force of such measures, such arrangement is valid and binding against third parties, administrators, insolvency receivers, liquidators and other similar organs if the collateral taker proves that it was unaware of the fact that such proceedings had been opened or that such measures had been taken or that it could not reasonably be aware of it; and
- in the case of bankruptcy, article 448 of the Luxembourg Code of Commerce and article 1167 of the Luxembourg Civil Code (*action paulienne*) give the insolvency receiver (acting on behalf of the creditors) the right to challenge any fraudulent payments and transactions, including the granting of security with an intent to defraud, made prior to the bankruptcy, without any time limit.

Controlled Management

As from the day of the appointment of the investigating judge until the final decision on the application for controlled management, any subsequent enforcement proceedings or acts, even if initiated by privileged creditors (including creditors who have the benefit of pledges and mortgages) are stayed, save as provided for by the Law on financial collateral arrangements. The company may not enter into any act of disposition, mortgage, contract or accept any movable asset without the authorization of the investigating judge.

Once the administrators have been appointed, the company may not carry out any act (including receiving funds, lending money, granting any security, making any payment) without the prior authorization of the administrators. The administrators may bring any action in court in order to have any act made in violation of the legislation governing the controlled management or in fraud of the creditors' rights be declared void. Subject to the prior authorization of the court, they may bring an action (i) to have the directors, managers or the statutory auditor be held liable or (ii) if the court has declared the company to be in cessation of payments, to have any payment, compensation or security be declared void (under certain conditions set forth in articles 445 ff. of the Luxembourg Commercial Code).

Composition

Except as provided for in the law on financial collateral arrangements, while the composition is being negotiated, unsecured creditors may not take action against the company to recover their claims. Secured creditors who do not participate in the composition proceedings may take action against the company to recover their claims and to enforce their security.

Fraudulent transactions which took place before the date on which the court commenced composition proceedings, may be set aside as described for the bankruptcy proceedings.

Mexico

Guarantees

Under Mexican law, there are no limitations for Mexican companies to guaranty or secure third-party obligations, including parents, subsidiaries or affiliates, to the extent permitted by its corporate by-laws, other than fraudulent conveyance and insolvency laws and others discussed below. The validity of each guarantee and security interest is subject to the existence and validity of the obligation being guaranteed or secured. As a consequence thereof, its enforcement is not independent or irrespective of such obligation being guaranteed or secured. Furthermore, under Mexican law, a subsidiary guarantor may be released from its obligations under the guarantee or security interest if (i) the holder of the note (or the person who legitimately represents its interests) gives an extension for payment under the notes without the express consent of the subsidiary guarantor, or (ii) the company waives any cause that would otherwise release the company of its obligations under the notes, including expirations or statute of limitation provisions.

In Mexico, all amounts payable by any Mexican company under each collateral document may be paid offshore in the currency in which such amounts are expressly stated to be payable. However, in the event that proceedings are brought in Mexico seeking performance within Mexico of payment obligations denominated in a currency other than Mexican Pesos, pursuant to Article 8 of the Mexican Monetary Law (*Ley Monetaria de los Estados Unidos Mexicanos*), the obligor may discharge its obligations by paying any sum due in Mexican currency at the prevailing exchange rate in Mexico on the date when payment is made. Such rate of exchange is currently determined by Banco de México, on each business day and published the following business day in the Official Gazette of Mexico (*Diario Oficial de la Federación*).

Additionally, the enforcement of any guaranty or security interest in Mexico may not be made in Mexico without judicial intervention after the defendant is given the right to be heard and defeated in court. Judicial proceedings in Mexico tend to be formalistic and the enforcement of any guaranty in Mexico could be hindered or delayed by formalities such as proper service of process or the granting of an appropriate power of attorney to the attorney-in-fact acting on behalf of the plaintiff. Further, the court may request an official Spanish translation of any documentary evidence not executed in Spanish language.

Finally, unless the default of any principal obligation that the Guarantees provided by the Mexican Guarantors and Mexican security interests are securing is independently proven before a Mexican court, the enforcement of any foreign judgment in Mexico declaring the default of any such principal obligation is subject to a recognition procedure (*procedimiento judicial de homologación*) and to compliance with all the requirements set out under the Commercial Code (*Código de Comercio*), the Federal Code of Civil Procedures (*Código Federal de Procedimientos*) and other applicable law.

Security Interests

The Senior Secured Notes will be secured by: (i) a non-possessory pledge (*prenda sin transmisión de posesión)* over all assets of Cargo Service Center de México, S.A. de C.V., that may be subject to be pledged according to their nature, (ii) a pledge over the shares *(prenda sobre acciones)* owned by Swissport México Holding, S. de R.L. de C.V. and issued by, and representing the capital stock of Cargo Service Center de México, S.A. de C.V., and (iii) a pledge over the equity interests *(prenda sobre partes sociales)* owned by Swissport International Ltd. and issued by, and representing the capital stock of Swissport México Holding, S. de R.L. de C.V.

In Mexico, security interests require a written agreement for perfection at a minimum, and in most cases its formalization in a public instrument issued by a Mexican notary public. Also, the documents evidencing security interests are required to be recorded in a public registry and/or in corporate books and ledgers of the company in order to obtain priority *vis-à-vis* third parties.

A pledge creates a lien on personal property, including movable assets, rights (including rights derived from and over accounts receivables), shares and partnership interests. Although pledges are regulated by state law, federal law regulating pledges override state law if the pledge is granted for commercial purposes. Commercial law provides for two types of pledges: possessory, when the pledged asset is delivered (or deemed to be delivered) to the pledgee or a person appointed by the parties, and non-possessory, when the pledged asset remains with the pledgor. The non-possessory pledge conceptually operates as a “floating lien”.

A. Possessory Pledge

In the case of a possessory pledge, the pledge is perfected by delivery of the asset to the pledgee or to a third party appointed by the parties. Also, depending on the nature of the asset, notice to third parties may be required, as in the case of account receivables (notice to the account borrower) and stock (notice of the company issuer of the shares). Further formalities may be required in the case of negotiable instruments, which require the endorsement in favor of the pledgee and, in the case of shares and partnership interests, the annotation of the pledge in the corporate books and ledgers of the issuer. It is worth mentioning that stock certificates are deemed negotiable instruments under Mexican applicable law, and therefore require endorsement to comply with pledge perfection formalities. In case of default of the secured obligations, a pledgee in a possessory pledge has the right to request the court to sell the assets and apply the proceeds of the sale to payment of the secured obligation.

As provided above, to formalize and perfect the pledge over the shares owned by Swissport México Holding, S. de R.L. de C.V. and issued by, and representing the capital stock of Cargo Service Center de México, S.A. de C.V. requires the endorsement in guarantee of the stock certificates representing such shares as well as a notation of the pledge in the stock ledger *(Libro de Registro de Acciones)* of Cargo Service Center de México, S.A. de C.V. To cover pledge perfection formalities, the pledge over the equity interests held by Swissport International Ltd. and issued by, and representing the capital stock of Swissport México Holding, S. de R.L. de C.V. only requires a notation of the pledge in the partners’ registry book *(Libro de Registro de Socios)* of Swissport México Holding, S. de R.L. de C.V.

B. Non-Possessory Pledge

Commercial law provides for a general non-possessory pledge which creates a lien on present and future assets used or owned by the pledgor in performing its commercial activities. The pledgor retains possession of the pledged assets, which may be processed and sold in terms of applicable law unless the parties agree otherwise. In the event of default of the secured obligations, the pledgee has the right to require from the pledgor delivery of the assets, in order to subject such assets to a judicial or extrajudicial foreclosure procedure and apply the proceeds obtained from the sale of the assets to pay the secured obligations.

The cover pledge perfection formalities, the non-possessory pledge over assets owned by Cargo Service Center de México, S.A. de C.V. requires a written agreement executed before a notary or commercial notary *(corredor publico*), and its recording at the “Sole Registry of Liens over Movable Assets” *(Registro Único de Garantías Mobiliarias).*

Enforcement of Security Interests

As a general principle under Mexican law, a secured creditor may not take possession of the collateral without court intervention, and if he does so, such action could constitute a criminal offence. Generally speaking, the main right that a security interest provides is the right to request a court to dispose of the asset and apply the proceeds of the sale to payment of the secured obligation. Unless otherwise agreed by the parties, the secured obligation includes ordinary and delinquent interest agreed by the parties or otherwise provided for in the law, as well as expenses incurred in the process of enforcement of the security interest.

Procedural steps to enforce liens before courts in Mexico depend on the nature of each security interest, and on whether the debtor is in insolvency *(concurso mercantil),* bankruptcy, or is still doing business. In any event, the procedural approach will vary and the type of action will depend on the documentation held by the creditor. In the event of insolvency of the pledgor, in certain cases in which the creditor is not willing to participate in the reorganization plan and the reorganization plan does not contemplate payment of such debt, assets subject to the non-possessory pledge existing in the insolvency estate, may be foreclosed outside the insolvency procedure as provided by the Mexican Insolvency Law (*Ley de Concursos Mercantiles*).

Judicial proceedings in Mexico tend to be formalistic and the enforcement of, and foreclosure on security interests in Mexico could be hindered or delayed by formalities such as proper service of process or the granting of an appropriate power of attorney to the attorney in fact acting on behalf of the plaintiff. Further, the court may request an official Spanish translation of any documentary evidence not executed in Spanish language.

Because of the above, in order to enforce its security interest, the creditor must normally initiate a lawsuit in Mexico. When the collateral is located within Mexican territory, filing the lawsuit before a Mexican court would most probably be more effective than trying to enforce in Mexico a judgment of a foreign court. Judgments of non-Mexican courts are enforceable in Mexico, provided a number of conditions are met, including certain basic principles of Mexican due process rules. Among such basic principles is service of process, which in all instances should be made personally on the defendant or its attorney-in-fact. Service of process by mail is ineffective under Mexican due process rules.

There are no limitations to the election of remedies in Mexico, creditors can pursue multiple remedies at the same time until the total amount of the indebtedness is fully paid. The debtor is entitled to receive any outstanding amount derived from the enforcement and foreclosure of all security interest, once the secured obligations have been paid in full to the creditors.

Foreclosure

With the exception of the non-possessory pledge and a security trust, court intervention is required in order to foreclose in all security interests afforded by Mexican law. This does not mean, however, that the foreclosure of a non-possessory pledge and of a security trust will not end up being resolved or settled in a Mexican court.

In the case of the non-possessory pledge, and as more specifically described above, the pledgee has the right to require delivery of the assets in order to cause their sale and apply the proceeds obtained therefrom to the payment of the secured obligations. In case the borrower opposes the sale of the pledged assets, then the pledgee has to proceed with a judicial procedure to continue the sale.

Limitations to the Enforceability of the Guarantees and Security Interests Derived from Insolvency, Fraudulent Conveyance and Similar Laws

In the event a Mexican company becomes subject to an insolvency proceeding, the relevant guarantee or security interest granted by such company may be deemed to have been a fraudulent transfer and rendered null and void. Under Mexican insolvency law, any action consummated by a Mexican company prior to the date of an insolvency judgement will be deemed fraudulent when the Mexican company is knowingly defrauding its creditors, and the third-party participating in any such action had actual knowledge of such fraudulent intent. If the action is gratuitous, the action will be deemed fraudulent even if the third-party had no actual knowledge of the fraudulent intent. Any action consummated by a Mexican company at any time after the date that is 270 calendar days (or more if authorised by the judge upon request by the conciliator or the creditors but in no event more than three years) prior to the date of the applicable insolvency judgment:

- will be deemed fraudulent when, ***inter alia***, (a) the Mexican company receives no consideration, or the consideration received or paid by the Mexican company, or the terms and conditions of the transaction, are clearly or materially above or below market, or (b) the Mexican company makes a payment of indebtedness not yet due, or forgives debt owed to it; and

- will be presumed fraudulent, unless the interested third party proves that it was acting in good faith, when (a) the Mexican company grants or increases collateral not originally contemplated and (b) the Mexican company makes any payments in-kind not originally contemplated.

In addition, most civil codes of the different states in Mexico, as well as the Federal Civil Code (***Código Civil Federal)***, contain fraudulent conveyance provisions pursuant to which a court may set aside the obligations of Mexican companies under any guarantee documents even outside of an insolvency proceeding when the Mexican company unduly gave a priority to one creditor over its former creditors.

Description of Insolvency Proceedings in Mexico

In the event of insolvency of a Mexican company, the relevant insolvency proceedings may be initiated in Mexico. Such proceedings will be governed by Mexican law. Under Mexican law, foreign creditors benefit from the same rights as domestic creditors in the event of the filing of an insolvency petition in Mexico or the commencement of insolvency proceedings. However, the insolvency laws of Mexico may not be as favorable to your interests, as the insolvency laws of other jurisdictions, including in respect of priority of creditors, enforceability, the ability to obtain post-petition interest and the duration of the insolvency proceedings, and hence may limit your ability to recover payments due on the Notes to the extent exceeding the limitations arising under other insolvency laws.

The Mexican Insolvency Law (*Ley de Concursos Mercantiles*) contemplates a single proceeding for reorganization (*concurso mercantil*) and bankruptcy (*quiebra*) with two successive stages: the first stage, known as the "mediation" stage (*etapa de conciliación*), is compulsory and is designed to reorganize the insolvent entity; and the second stage, known as the "bankruptcy" stage (*etapa de quiebra*), provides for the bankruptcy and liquidation of the insolvent entity. In limited cases, the creditors or the petitioner may decide to skip the first stage and begin the proceeding directly as a bankruptcy.

In Mexico, a person will be declared insolvent when it generally fails to pay its obligations as and when they become due. Insolvency of a person will be adjudicated upon the request of the insolvent entity, the Mexican attorney general's office or any creditor of the insolvent entity when: (a) the insolvent entity has defaulted in its payment obligations with two or more creditors; and (b) when, on the date of such request, (i) such delinquent obligations that have been delinquent for more than 30 days represent 35% or more of all the obligations of the person; and (ii) the insolvent entity does not have sufficient liquid assets (namely, cash and cash equivalents, such as bank deposits and account receivables with a maturity of no more than 90 calendar days, or securities that may be sold within 30 banking days, in each case, from the date of filing of the insolvency request) to pay at least 80% of its due and payable obligations on the date of filing of the insolvency request. If the insolvency request is filed voluntarily by the insolvent entity, only one of the conditions described in items (i) and (ii) of clause (b) above would have to be satisfied. If the attorney general's office or any creditor of the insolvent entity files the insolvency request, both conditions described in items (i) and (ii) of clause (b) above would have to be satisfied. An insolvency presumption will exist with respect to any person or entity when, *inter alia*, its assets for attachment in aid of execution of a judgment or claim are insufficient; it has failed to pay two or more creditors; or it has participated in fraudulent or fictitious acts to avoid payment to creditors.

Upon filing of a petition for a judgment declaring insolvency, the court will instruct the Federal Institute of Insolvency Specialists (*Instituto Federal de Especialistas de Concursos Mercantiles*) to appoint an inspector (*visitador*) to visit the entity presumed to be insolvent and to inform the tax authorities. The inspector will then issue an opinion regarding the commercial entity's insolvency, which will enable the court to issue a judicial resolution declaring the legal insolvency of such person. Following the issuance of such insolvency judgement, the Federal Institute of Insolvency Specialists will designate and appoint a mediator (*conciliador*) who will facilitate the negotiations between the insolvent entity and its creditors in order to reach a creditors' agreement. The issuance of the insolvency judgment and the appointment of the mediator will initiate the "mediation" stage of the insolvency proceeding. The insolvency proceeding in Mexico is at all times court controlled, and upon receipt of an insolvency petition, the insolvency court may take preliminary measures (*providencias precautorias*) to secure the property of the insolvent entity.

As from the date a petition for insolvency is filed, the insolvent entity may request authorisation from the judge to receive emergency loans to maintain the operation of the company and to ensure there is enough liquidity during the insolvency proceeding. The judge may authorize these loans and may even authorize the granting of security interests in connection thereto. It should be noted that these loans are senior to secured and unsecured loans assumed before the insolvency petition.

During the "mediation" stage, the insolvent entity and those creditors that have been recognized within the insolvency proceeding as creditors of the insolvent entity would negotiate an agreement with respect to the payment of the outstanding obligations of the insolvent entity. In order for such creditors' agreement to become effective and binding, it must be entered into between the insolvent entity and those recognized creditors holding title to more than 50% of the sum of (i) the amount of all unsecured claims of all unsecured recognized creditors of the insolvent entity and subordinated creditors of the insolvent entity, and (ii) the amount of all secured claims of those secured recognized creditors that enter into such creditors' agreement.

In the event the insolvent entity has recognized qualified subordinated creditors (essentially related parties of the insolvent entity) that represent at least 25% of the total acknowledged debt, jointly or individually, the agreement will be valid if it is executed by 50% of recognized creditors that represent 50% of the total amount of the acknowledged debt excluding qualified subordinated creditors (essentially related parties of the insolvent entity). The above shall not apply in the event the recognized subordinated creditors agree to the reorganization accepted by the rest of the recognized creditors, in which case, the percentages provided in the foregoing paragraph apply.

The creditors' agreement would then have to be approved by the insolvency court. A secured claim under the Mexican Insolvency Law is considered to be a claim secured under a pledge or a mortgage or otherwise benefiting from any other form of statutory privilege or priority of payment. The concept of *subordinated creditor* was recently introduced to the Mexican insolvency law. Subordinated creditor means (i) any creditor that agreed to subordinate their debt below unsecured creditors; and (ii) certain related party that have unsecured creditors against the Mexican Guarantor.

Under the Mexican Insolvency Law, the creditors' agreement would be deemed entered into by an unsecured recognized creditor (whether or not such creditor actually enters into the agreement) if the agreement expressly provides (a) the payment of all amounts due and payable to such creditor on the date of the respective insolvency judgment converted to *Unidades de Inversión* (i.e., a Mexican inflation-pegged accounting unit), (b) the payment of all amounts that would become due and payable to such creditor from the date of the insolvency judgment until the date of approval of the creditors' agreement by the insolvency court, which would be converted into *Unidades de Inversión* on the date such amounts become due and payable, and (c) the payment of all other amounts that would become due and payable to such creditor after the date of approval of the creditors' agreement assuming that payments under (a) and (b) were made on the date of the insolvency judgment and on the date when they became due and payable, respectively.

The creditors' agreement could also provide, with respect to any unsecured recognized creditors that are not a party to such agreement, (i) a stay of such creditors' claim (with a capitalization of ordinary interest), but only to the extent the term of such stay is at least equal to the shortest stay assumed by those unsecured creditors that are a party to the creditors' agreement and whose claims amount to 30% of all aggregate recognized claims, (ii) a haircut on such creditors' claim, but only to the extent such haircut is at least equal to the lowest haircut assumed by those unsecured creditors that are a party to the creditors' agreement whose claims amount to 30% of all aggregate recognized claims, or (iii) a combination of a stay and a haircut of such creditors' claim, to the extent it is identical to the combinations accepted by those unsecured creditors that are a party to the creditors' agreement whose claims amount to 30% of all aggregate recognized claims.

Secured recognized creditors that do not become a party to the creditors' agreement may commence or continue foreclosure of their respective collateral; unless, the creditors' agreement contemplates the payment of their respective claims or the payment of the price of the properties constituting such collateral. In this case, any excess with respect to the value of such properties would be deemed an unsecured claim for purposes of the insolvency proceeding.

The insolvency court would be required to issue a judgment declaring the bankruptcy of the insolvent entity upon: (i) the request insolvent entity; (ii) the expiration of the "mediation stage" (i.e. 185 calendar days plus approved extensions) without the filing of an approved creditors' agreement before the insolvency court or (iii) under certain circumstances at the request of the mediator or (iv) if the proceeding is directly commenced in the bankruptcy stage as requested by creditors. Upon such declaration of bankruptcy, the insolvency court would appoint a receiver (*síndico*) that would be charged with the management of the insolvent entity until its liquidation. The receiver would carry out the liquidation of the insolvent entity through the sale of its assets, in accordance with certain pre-set rules and conditions. The proceeds obtained from the liquidation of the assets of the insolvent entity would be applied by the receiver to make payments to creditors in the following order of priority:

- first, payment of labor claims for salaries and severance for the two calendar years preceding the insolvency judgment;
- second, payment of expenses for the management of the assets of the insolvent entity with authorization of the receiver, or the emergency credits that were authorized by the judge because they were necessary for the ordinary operation of the insolvent entity during insolvency proceeding;
- third, payment of liabilities and obligations of the estate of the insolvent entity (i.e. management costs, fees and expenses incurred after the insolvency judgment);
- fourth, payment of litigation costs and expenses, and fees and expenses of the inspector, the mediator and any appointed receivers;
- fifth, to secured creditors (including costs and expenses relating to foreclosure and the enforcement of their respective rights, litigation expenses for the defense or recovery of the collateral and necessary expenses for the refurbishment, conservation and disposal of such collateral), but only to the extent of the value of their respective collateral;
- sixth, payment of other labor claims and tax claims;
- seventh, payments to other creditors that qualify as "privileged" under Mexican commercial laws (e.g. creditors that are entitled to retain an asset until payment is made), but only to the extent of the value of the respective privilege;
- eighth, payments to unsecured creditors; and
- ninth, payments to subordinated creditors.

Generally, the issuance of an insolvency judgment may affect the enforceability of the guarantees granted by Mexican companies. On the date of an insolvency judgment issued against any of the Mexican companies, the obligations of any such Mexican companies (i) would be subject to the outcome of, and priorities recognized in, the Mexican insolvency law, (ii) would cease to accrue interest from the date insolvency (*concurso mercantil*) or bankruptcy (*quiebra*) was declared and would be converted to Mexican currency and to *unidades de inversion*, which is an instrument indexed to inflation in Mexico, and (iii) would be subject to certain statutory preferences including tax, social security and labor claims.

The Netherlands

Limitation on Enforcement

If a Dutch company grants a guarantee or security interest and that guarantee or security interest is not in the company's corporate interest, the guarantee or security interest may be nullified by the Dutch company, its receiver (*curator*) in bankruptcy (*faillissement*) and its administrator (*bewindvoerder*) in moratorium of payments (*surseance van betaling*) or otherwise and, as a consequence, not be valid, binding and enforceable against it. In determining whether the granting of a guarantee or security interest is in the interest of a Dutch company, Dutch courts would not only consider the text of the objects clause in the articles of association (*statuten*) of the company but all relevant circumstances, including (i) whether the company irrespective of the wording of the objects clause derives certain commercial benefits from the transaction in respect of which the guarantee or security interest was granted and (ii) the balance between the risk that the company is assuming and the benefit it derives from such transaction. In addition, if it is determined that there are no, or insufficient, commercial benefits from the transactions for the company that grants the guarantee or security interest, then such company (and any bankruptcy receiver) may challenge the enforcement of the guarantee or security interest, and it is possible that such challenge would be successful. Such benefit may, according to Dutch case law, consist of an indirect benefit derived by the company as a consequence of the interdependence of such company with the group of companies to which it belongs. In addition, it is relevant whether, as a consequence of the granting of the guarantee or security interest, the continuity of such company would foreseeably be endangered by the granting of such guarantee or security interest. It remains possible that even if such strong financial and commercial interdependence exists, the transaction may be declared void if it appears that the granting of the guarantee or security interest cannot serve the realization of the relevant company's objects or where it is determined that there is a material imbalance to the disadvantage of the company between the commercial benefit on the one hand and the risks on the other hand. The above *ultra vires* concept also applies with respect to any security interest granted or other legal act entered into by a Dutch company.

In connection with the removal of the prohibition on financial assistance for Dutch private companies with limited liability as per 1 October 2012, it was mentioned in Dutch Parliament that the granting of security, providing of a guarantee or accepting of liability with a view to the acquisition (or the refinancing thereof) by any party of shares in the company's share capital or the shares of its (direct or indirect) parent company could, depending on the further circumstances, constitute *ultra vires*. At present, there is no Dutch case law on this subject.

If Dutch law applies, a guarantee or security interest governed by Dutch law may be voided by a court, if the document was executed through undue influence (*misbruik van omstandigheden*), fraud (*bedrog*), duress (*bedreiging*) or mistake (*dwaling*) of a party to the agreement contained in that document. The courts of the Netherlands may change the effects of a contractual obligation on the basis of abuse of authority (*misbruik van bevoegdheid*). Moreover, enforcement of the Guarantees or security interests may be capable of being rescinded (*vernietigd*) as a result of lack of consensus ad idem (*wilsgebreken*) and the legal consequences thereof.

Payment pursuant to a guarantee or following enforcement or foreclosure of security granted may, regardless of an insolvency situation occurring or not, also be withheld due to unforeseen circumstances (*onvoorziene omstandigheden*), force majeure (*niet-toerekenbare tekortkoming*) or reasonableness and fairness (*redelijkheid en billijkheid*). Other impeding factors include the right to suspend performance (*opschortingsrecht*) dissolution (*ontbinding*) of contract and set off (*verrekening*).

In addition, a guarantee issued by a Dutch company and a security interest provided by a Dutch company may be suspended or avoided by the Enterprise Chamber of the Court of Appeal in Amsterdam (*Ondernemingskamer van het Gerechtshof te Amsterdam*) on the motion of the holder or holders of 10% or more of the shares in such company or shares or depositary receipts issued therefor with a nominal value of Euro 225,000 or more or such lesser amount as provided by the articles of association of such company. If the company has an issued share capital of at least Euro 22.5 million such motion may be made by a holder or holders of 1% or more of the shares in such company or, provided those are listed on a qualifying trading venue, shares or depositary receipts issued therefor with a value of Euro 20 million or more or such lesser amount as provided in the company's articles of association. A trade union and/or other entities entitled thereto in the articles of association of the relevant Dutch company may also submit a motion to the enterprise chamber for this purpose. The guarantee or security itself may further be upheld by the enterprise chamber, yet actual payment under it may be suspended or avoided.

Parallel Debt

Under Dutch law, certain "accessory" security interests such as pledges require that the pledgee and the creditor be the same person. Such security interests cannot be held by a third party which does not hold the secured claim but purports to hold security interests for the parties that do. The beneficial holders of the Notes from time to time will not be party to the Security Documents. In order to permit the holders of the Notes from time to time to have a secured claim, the Security Documents or other finance documents will provide for the creation of a "parallel debt". Pursuant to the parallel debt, the Security Agent becomes the holder of a claim equal to each amount payable by an obligor under the Notes. The pledges governed by Dutch law will directly secure the parallel debt. The parallel debt structure has not been tested under Dutch law, and there is no certainty that it will eliminate or mitigate the risk of unenforceability posed by Dutch law.

With respect to any trust purported to be created by a Dutch company, it should be noted that the concept of "trust" under, for example, the laws of the State of New York or English law does not exist under Dutch law. The Netherlands have, however, ratified the Hague Trust Convention and, consequently, it is to be expected that such trust would be recognized by the courts of the Netherlands, provided that (i) it is a trust within the meaning of Article 2 of the Hague Trust Convention, (ii) it is validly created and existing under the laws of the state under which it is created and is evidenced in writing, (iii) the court requested to recognize such trust does not find that the elements thereof have a closer connection with a jurisdiction in which the concept of trust does not exist, and (iv) such elements are also otherwise in accordance with the requirements for recognition of trusts under the Hague Trust Convention.

Fraudulent Transfer / Conveyance

Dutch law contains specific provisions dealing with fraudulent transfer both in and outside of bankruptcy. Under these provisions, a legal act performed by a person, including, without limitation, an agreement pursuant to which it guarantees the performance of the obligations of a third party or agrees to provide or provides security for any of its or a third party's obligations, additional agreements benefiting from existing security and any other legal act having similar effect, can be challenged in or outside bankruptcy of the relevant person and may be nullified. In case of bankruptcy a legal act performed by a debtor prior to the onset of its insolvency may be nullified by its trustee in bankruptcy if (i) the person performed such acts without an obligation to do so (*onverplicht*), (ii) any creditor was prejudiced as a consequence of the act and (iii) at the time the act was or the acts were performed both the person (unless the act was for no consideration (*om niet*)) and the counterparty to the transaction knew or should have known that the person's creditors, existing or future, would be prejudiced. Such knowledge is presumed by law in the event that the legal act by which the creditors have been prejudiced has been performed within a period of one year before the bankruptcy date in respect of, amongst others, legal acts for the payment or safeguarding of a debt that is not due and payable. In addition, in the case of a bankruptcy, the trustee in bankruptcy may nullify the debtor's performance of any due and payable obligation, including, without limitation, an obligation to provide security for any of its or a third party's obligations, if (i) the payee knew that a request for bankruptcy had been filed at the moment of payment or (ii) the performance of the obligation was the result of a consultation between the debtor and the payee with a view to give preference to the latter over the debtor's other creditors.

Outside bankruptcy, the creditors may invoke the nullification of a non-obligatory (*onverplichte*) legal act performed by a debtor provided that the debtor knew or should have known that such act would be detrimental to the creditors. Any reciprocal legal act (*anders dan om niet*) entered into by and between parties can only be nullified if, in addition to the debtor, also the other party, knew or should have known that this legal act would be detrimental to the creditors. Under certain circumstances, such knowledge is statutory presumed in the event that the legal act by which the creditors have been prejudiced has been performed within a period of one year before invoking the ground of annulment of the legal act.

If a Dutch court found that the granting of the Guarantees, the granting of security interests or any other transaction entered into by any Dutch Guarantor at any time in connection with the Notes, involved a fraudulent transfer as set out above, then the granting of the Guarantees or security interests or any other transaction entered into by any Dutch Guarantor could be nullified. In the case of successful challenge, holders of the Notes would not enjoy the benefit of the Guarantees or security interests. The value of any consideration that holders of the Notes received with respect to the Notes, also could be subject to recovery from such holders of the Notes and possibly from subsequent transferees, by prejudiced creditors of any Dutch Guarantor as a result of any fraudulent transfer. In addition holders of the Notes may be held liable for any damages incurred by such prejudiced creditors.

Effectiveness and Foreclosure of Dutch security rights

It is not certain and has not been determined in published case law whether a right of pledge on shares can be created in advance of the acquisition of the shares by the pledgor.

If a security right is created in collateral to which a pledgor has not yet obtained title, such collateral will not be subject to such a security interest if that company is declared bankrupt or granted a moratorium of payments (or otherwise ceased to have legal capacity do dispose over assets) prior to obtaining title thereto.

It is not possible to conduct searches in respect of any Dutch law governed security (other than in respect of rights of mortgage, if any), except that any security created over the shares in a Dutch company should be registered in its shareholders' register. However, this does not constitute conclusive evidence of the absence of any pre-existing security.

Pursuant to the Dutch security documents, the relevant security agent may enforce the Dutch law security rights in case of certain acceleration events.

Dutch law security rights can only secure monetary obligations (*vorderingen tot voldoening van een geldsom*); enforcement (*uitwinning*) requires a default (*verzuim*) in the performance of such obligations which is continuing. Enforcement of security rights in a Dutch court is subject to Dutch rules of civil procedure. In addition, foreclosure on Dutch law security rights (including allocation of the proceeds) is subject to Dutch law.

Under Dutch law, the enforcement of a pledge over shares in the capital of a Dutch private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*; a "**DutchCo**") and/or a pledge over moveable assets (*roerende zaken*) is, as a general rule, effected by way of a public auction. Unless otherwise agreed, the pledgee is obliged to notify the pledgor and any other persons who may be involved, of the fact that it wishes to enforce the pledge by way of a public auction. The sale may only take the form of a private sale with the prior approval of a preliminary relief judge. When asking the preliminary relief judge's approval the pledgee will have to make clear that a private sale would result in higher foreclosure proceeds than a public sale and that there are no other parties who are likely to offer a better price under similar conditions. The court approval is discretionary but is likely to be granted if the proceeds of the private sale are likely to be higher than the proceeds that would have been received if the assets were sold at a public auction.

From a timing perspective, there are certain relevant limitations to take into account under Dutch law in respect of the foreclosure procedure of a right of pledge. In addition to the possible mandatory "cooling down period" (during which a secured creditor may not, without the court's consent, (i) claim the asset subject to the security right (including pledged shares) if it is under the control of (*in de macht van*) the debtor subject to moratorium of payments or, as applicable, the trustee in bankruptcy (*curator*) or (ii) seek recourse against the asset—see further below), in respect of a pledge over shares in a DutchCo the articles of association of a DutchCo could contain a blocking clause in respect of a sale (including but not limited to a foreclosure sale) of the shares in its capital to third parties. Such blocking clause would generally require the consent of the general meeting and/or provide for a right of first refusal for any co-shareholders of a DutchCo. Compliance with such blocking clause may cause delays in enforcing the pledged shares, in particular in case there are other holders of shares in the capital of such DutchCo which shares have not also been pledged to the same pledgee.

Furthermore, in respect of a foreclosure sale of shares in a DutchCo, Dutch securities laws and regulations may also apply.

A pledge of receivables is only effective if the pledgor has the power to dispose of the receivables at the time they are pledged. This limits the ability of a pledgor to pledge in advance receivables arising in the future. If the pledgor is insolvent once the receivables actually arise, the pledgor will not have the right to dispose of the receivables and the receivables will therefore not be subject to the pledge. In addition, receivables do not necessarily exist prior to insolvency solely as the result of their being based on an agreement that was already in existence prior to such insolvency.

A pledge of receivables (*vorderingen*) can be foreclosed upon under Dutch law by way of collection (*inning*) of the related payment either through:

(a) in respect of undisclosed rights of pledge, a notification of the account debtor of these receivables of such rights of pledge; or

(b) in respect of disclosed rights of pledge, termination of the authorisation that may have been given by the relevant pledgee thereunder to the relevant pledgor to collect payment of these receivables, after which the account debtor of such receivables can only discharge its obligations by paying to or to the order of the relevant pledgee.

An alternative way to enforce these security rights would be to sell these receivables in a foreclosure sale. This sale must take the form of a public auction unless the approval of the Dutch court is obtained for a private sale to occur, which could cause a delay. When asking the court's approval the pledgee will have to make clear that the private sale would result in higher foreclosure proceeds than a public sale and that there are no other parties who are likely to offer a better price under similar conditions. The court approval is discretionary but is likely to be granted if the proceeds of the private sale are likely to be higher than the proceeds that would have been received if the assets were sold at a public auction. A foreclosure of rights of pledge over receivables by way of a foreclosure sale may for example be relevant in circumstances where the receivables pledged have long maturities.

In addition, if there is a dispute in respect of the application of the foreclosure proceeds, further delays could occur due to the fact that in that case a statutory allocation procedure will have to be followed.

From a timing perspective, there are no other relevant limitations under Dutch law in respect of the foreclosure procedure of a right of pledge of receivables whether by way of collection or by way of a foreclosure sale of the receivables over which such right of pledge is established other than the possible mandatory "cooling down period", which is further described below.

A pledge over moveable assets can be limited by an attachment of moveable property located on the premises of the debtor (see below).

Insolvency

Certain of the Guarantors are incorporated in the Netherlands. Any insolvency proceedings concerning any of such Guarantors' guarantee or security interest would likely be based on Dutch insolvency law. Under certain circumstances, bankruptcy proceedings may also be opened in The Netherlands in accordance with Dutch law over the assets of companies that are not established under Dutch law. The following is a brief description of certain aspects of Dutch insolvency law. There are two primary insolvency regimes under Dutch law: the first, moratorium of payments (*surseance van betaling*), is intended to facilitate the reorganization of a debtor's indebtedness and enable the debtor to continue as a going concern. The second, bankruptcy (*faillissement*), is primarily designed to liquidate assets and distribute the proceeds of the assets of a debtor to its creditors. Both insolvency regimes are set forth in the Dutch Bankruptcy Act (*Faillisementswet*). In practice, a suspension of payments often results in bankruptcy. A general description of the principles of both insolvency regimes is set out below.

An application for a moratorium of payments can only be made by the debtor itself. Once the request for a moratorium of payments is filed, a court will immediately (*dadelijk*) grant a provisional moratorium and appoint an administrator (*bewindvoerder*). A meeting of creditors is required to decide on the definitive moratorium. If a draft composition (*ontwerp akkoord*) is filed simultaneously with the application for moratorium of payments, the court can order that the composition will be processed before a decision about a definitive moratorium. If the composition is accepted and subsequently ratified by the court (*gehomologeerd*), the provisional moratorium ends. The definitive moratorium will generally be granted unless a qualified minority (more than one-quarter in amount of claims held by creditors represented at the creditors' meeting or more than one-third in number of creditors represented at such creditors' meeting) of the unsecured non-preferential creditors withholds its consent. The suspension of payments can, at any time, be withdrawn by the court, on its own volition, the request of a creditor or the administrator or submission of the delegated judge on certain ground concerning the behavior of the debtor and the state and prospects of the estate. The moratorium of payments is only effective with regard to unsecured non-preferential creditors.

Unlike Chapter 11 proceedings under U.S. bankruptcy law, in which both secured and unsecured creditors are generally barred from seeking to exercise remedies against the debtor without court approval, in moratorium of payments and bankruptcy proceedings under Dutch law secured creditors (and in case of moratorium of payments also preferential creditors (including tax and social security authorities)) may enforce their rights against assets of the company to satisfy their claims as if there were no insolvency proceedings. A recovery under Dutch law could, therefore, involve a sale of assets that does not reflect the going concern value of the debtor. However, the court may order a "cooling down period" (*afkoelingsperiode*) for a maximum period of four months during which enforcement actions by secured or preferential creditors are barred. Also in a definitive moratorium of payments, a composition (*akkoord*) may be offered to creditors. A composition will be binding on all unsecured and non-preferential creditors if it is approved by (i) a majority in number of the creditors represented at the creditors' meeting, representing at least 50% in amount of the claims that are admitted for voting purposes and (ii) subsequently ratified (*gehomologeerd*) by the court. Consequently, Dutch insolvency laws could preclude or inhibit the ability of the holders of the Notes to effect a restructuring and could reduce the recovery of a holder of Notes in Dutch moratorium of payments proceedings. Also, a restructuring could involve a sale of assets that does not reflect the going concern value of the debtor. Interest payments that fall due after the date on which a moratorium of payments is granted cannot be claimed in a composition.

A moratorium of payments is only effective with regard to unsecured non-preferential creditors. Secured creditors having the benefit of a Dutch law pledge (*pandrecht*) or mortgage (*hypotheek*) and preferential creditors (including tax and social security authorities) may enforce their rights against assets of a person subject to a moratorium of payments to satisfy their claims as if there were no moratorium of payments, except that the competent court as a general rule set a "cooling down period" of up to four months during which a secured creditor may not, without the court's consent, (i) claim the asset subject to the security right if it is under the control of (in de macht van) the debtor subject to suspension of payments or (ii) seek recourse against the asset.

Under Dutch law, a debtor can be declared bankrupt when it is no longer able to pay its debts when due. The bankruptcy can be requested by a creditor of a claim that is due and payable but left unpaid when there is at least one other creditor. Bankruptcy can also be declared in certain circumstances when a debtor is subject to a suspension of payments. The debtor can also request the application of bankruptcy proceedings itself.

Under Dutch bankruptcy proceedings, the assets of a debtor are generally liquidated and the proceeds distributed to the debtor's creditors in accordance with the respective rank and priority of their claims. The general principle of Dutch bankruptcy law is the so-called *paritas creditorum* (principle of equal treatment) which means that all creditors have an equal right to payment and that the proceeds of bankruptcy proceedings shall be distributed in proportion to the size of their claims. However, certain creditors (such as secured creditors and tax and social security authorities) will have special rights that take priority over the rights of other creditors. The preferences of the tax and social security administrations of the Netherlands are among the highest in rank and, with respect to certain movable property, may in certain circumstances rank more senior than a right of pledge on that property (including where that movable property is located at the premises of an insolvent third party not being the owner of that moveable property). Consequently, Dutch insolvency laws could reduce your potential recovery in Dutch bankruptcy proceedings.

The claim of a creditor may be limited depending on the date the claim becomes due and payable in accordance with its terms. Generally, claims of the holders of the Notes that were not due and payable by their terms on the date of a bankruptcy of the relevant Guarantor will be accelerated and become due and payable as of that date. Each of these claims will have to be submitted to the bankruptcy receiver to be verified. "Verification" under Dutch law means that the receiver determines the value of the claim and whether and to what extent it will be admitted in the bankruptcy proceedings to the purpose of the distribution of the proceeds. The valuation of claims that otherwise would not have been payable at the time of the bankruptcy proceedings may be based on a net present value analysis. Interest payments that fall due after the date of the bankruptcy cannot be verified. Where interest is accruing after the date of opening of the proceedings, it can be admitted pro memoria.

The existence, value and ranking of any claims submitted by the holders of the Notes may be challenged in the Dutch bankruptcy proceedings. Generally, in a creditors' meeting (*verificatievergadering*), the bankruptcy receiver, the insolvent debtor and all verified creditors may dispute the verification of claims of other creditors. Creditors whose claims or value thereof are disputed in the creditors' meeting may be referred to separate court proceedings (*renvooiprocedure*). These procedures could cause holders of the Notes to recover less than the principal amount of their Notes or less than they could recover in a U.S. liquidation. Such *renvooi* proceedings could also cause payments to the holders of the Notes to be delayed compared with holders of undisputed claims. As in moratorium of payments proceedings, in a bankruptcy a composition may be offered to creditors, which shall be binding on unsecured non-preferential creditors if it is approved by (i) a majority in number of the creditors represented at the creditors' meeting, representing at least 50% in amount of the claims that are admitted for voting purposes and (ii) subsequently confirmed by the court. If the bankruptcy has ended with a composition, a claim that has not been submitted for verification within the deadline set therefore can no longer be enforced. The Dutch Bankruptcy Act does not in itself recognize the concept of classes of creditors. Remaining amounts, if any, after satisfaction of the secured and the preferential creditors are distributed among the unsecured non-preferential creditors, who will be satisfied on a pro rata basis. Contractual subordination may to a certain extent be given effect in Dutch insolvency proceedings. The actual effect depends largely on the way such subordination is construed.

Secured or preferential creditors (including tax and social security authorities) may enforce their rights against assets of the debtor to satisfy their claims under a Dutch bankruptcy as if there is no bankruptcy. As in moratorium of payments proceedings, the court may order a "cooling down period" for a maximum of four months (which may be a period of eight months if the bankruptcy follows suspension of payments) during which enforcement actions by secured or preferential creditors are barred unless such creditors have obtained leave for enforcement from the supervisory judge (*rechter-commissaris*). Further, a receiver in bankruptcy can force a secured creditor to enforce its security interest within a reasonable period of time, failing which the receiver will be entitled to sell the secured assets, if any, and the secured creditor will have to share in the bankruptcy costs, which may be significant. Also, in this case, the secured creditor will have to wait for payment until the distribution payment plan becomes final. Excess proceeds of enforcement must be returned to the bankrupt estate; they may not be set-off against an unsecured claim of the secured creditor in the bankruptcy. Such set-off is allowed prior to the bankruptcy, although a set-off prior to bankruptcy may be subject to clawback in the case of fraudulent conveyance or bad faith in obtaining the claim used for set-off. Moreover, to the extent that Dutch law applies, a legal act performed by a debtor (including, without limitation, an agreement pursuant to which it guarantees the performance of the obligations of a third party or agrees to provide or provides security for any of its or a third party's obligations, enters into additional agreements benefiting from existing security and any other legal act having a similar effect) can be challenged in an insolvency proceeding or otherwise and may be nullified by any of its creditors or its trustee in bankruptcy. See "Fraudulent Transfer" above.

Any pending executions of judgments against the debtor will be suspended by operation of law when a moratorium of payments is granted and terminate by operation of law when bankruptcy is declared. In addition, all attachments on the debtor's assets will cease to have effect upon the suspension of payments having become definitive, a composition having been ratified by the court or the declaration of bankruptcy (as the case may be) subject to the ability of the court to set an earlier date for such termination. Litigation pending on the date of the bankruptcy order is automatically stayed. Under Dutch law, bankruptcy and suspension of payment generally take effect at 00.00 a.m. on the day of the judgment of the bankruptcy or the moratorium of payments.

The Dutch legislator has prepared a bill for the implementation of a composition outside bankruptcy or moratorium of payments proceedings and is referred to as the Act on Court Confirmation of Extrajudicial Restructuring Plans (CERP, or WHOA in Dutch). On 8 July 2019, the bill was submitted to the parliament and will now go through the legislative process (which requires debate and adoption in the Second Chamber of Dutch Parliament and then the First Chamber). It is still uncertain what the final legislation will be (due to possible amendments) and what the timeline is for implementation. It is expected that this legislation will come into effect in the foreseeable future. As a result hereof, it may well be that claims against the Guarantors can be compromised as a result of a composition if the relevant majority of creditors within a class vote in favour of such a composition.

Spain

Insolvency

Swissport Handling, S.A.U. and Swissport Holdings Spain, S.L. are incorporated under the laws of Spain. Consequently, in the event of insolvency of these entities, insolvency proceedings (*concurso de acreedores*) may be initiated in Spain. The Spanish Law 22/2003 of July 9, 2003 on Insolvency Proceedings (the "**Spanish Insolvency Law**"), as further amended regulates court insolvency proceedings (and pre-insolvency proceedings), as opposed to out- of-court liquidation (which is only available when the debtor has sufficient assets to meet its liabilities). The insolvency proceedings (*concurso de acreedores*) are applicable to all persons or entities (save for certain exceptions). These proceedings may lead either to the restructuring of the business or to the liquidation of the assets of the debtor.

Concept and Petition for Insolvency

Under Spanish Insolvency Law, a debtor is insolvent when it cannot comply with its current obligations on a regular basis or when it expects that it will shortly be unable to do so. Insolvency proceedings are available as a type of legal protection that the debtor may request to avoid foreclosure of its assets by its creditors. A petition for insolvency may be filed by the debtor (within two months of the date when it becomes aware, or should have become aware, of its insolvency), by any debtor's creditor or by certain other interested third parties.

Voluntary insolvency

Insolvency is considered voluntary (*concurso voluntario*) if filed by the debtor.

The debtor is obliged to file a petition for insolvency within two months after it becomes aware, or should have become aware, of its state of insolvency. It is presumed that the debtor becomes aware of its insolvency, unless otherwise proved, if any of the circumstances that qualify as the basis for a petition for mandatory insolvency (*concurso necesario*) occur. In the event of the debtor failing to file a petition for insolvency within the time period established by law, it may be unable to exercise certain courses of action and the personal liability of the member of the management body may be increased.

Mandatory insolvency

Insolvency is considered mandatory (*concurso necesario*) if filed by a debtor's creditor or by certain other interested third parties.

Under Section 2.4 of the Spanish Insolvency Law, a creditor can apply for a declaration of insolvency if, inter alia: (i) there is a generalized default on payments by the debtor; (ii) there is a seizure of assets affecting or comprising the generality of the debtor's assets; (iii) there is a misplacement, "fire sale" or ruinous liquidation of the debtor's assets; or (iv) there is a generalized default on certain tax, social security and employment obligations during the applicable statutory period (three months).

Conclusion of insolvency: proposal of agreement or liquidation

The Spanish Insolvency Law provides that insolvency proceedings conclude following either the implementation of an agreement between the creditors and the debtor (the "**Rescheduling Agreement**" (*convenio*) or the "**RA**") or the liquidation of the debtor.

Proposal of agreement

Once the debtor's assets and liabilities have been identified, the Spanish Insolvency Law encourages creditors to reach an agreement regarding payment of the debtor's debts. This agreement may be proposed either by the debtor or by the creditors, and it shall set forth how, when and up to what amount creditors are to be paid. Once executed, this agreement must be honored by the debtor and respected by the creditors.

The agreement should contain proposals for write-off and grace period. It may contain alternative proposals for all creditors or for certain classes, including conversion of the credit into shares or into profit-sharing credits. It may also include proposals for allocation of all assets or of certain assets to a specific person, along with a commitment from the acquirer to continue the activity and to pay off the debt as determined in the agreement. The proposals in the agreement shall include a payment schedule.

In order for an RA to be deemed approved by the creditors, the following quota shall be met at the creditors' meeting:

(a) if creditors whose claims amount to at least 50 percent of the ordinary credits have voted for such RA, they shall be subject to write-offs equal to or less than 50 percent of the claims; to deferrals in the payment of principal, interest or any other outstanding amount, for a period not exceeding five years; or, in the case of creditors other than those related to the public administration or employment matters, to the conversion of debt into profit sharing loans over the same period. Notwithstanding the above, a vote by creditors representing a portion of the unsecured liabilities that is greater than the vote against will suffice when the settlement consists of (i) full payment of ordinary or unsecured claims within a period not exceeding three years or (ii) immediate repayment of outstanding due ordinary unsecured claims applying a write-off of less than 20 per cent.

(b) if creditors whose claims amount to 65 per cent of the ordinary credits vote for the RA, they shall be subject to deferrals of more than five years, but in no case more than ten; to write- offs in excess of 50 percent of the claims; and, in the case of creditors other than those related to the public administration or employment matters, to the conversion of debt into profit sharing loans over the same period and subject to certain measures.

The holders of subordinated credits are not entitled to vote.

Although in principle privileged creditors are not subject to an approved RA (unless they have expressly voted in its favor), the effects of an approved RA can be extended to privileged creditors provided that the relevant RA has been approved by majorities of (i) 60% for extending the effects detailed under paragraph (a) above; and (ii) 75% for extending the effects detailed under paragraph (b) above. The calculation of the thresholds detailed above will be computed: (i) for special privileged creditors as a percentage of the value of the security interests accepting the RA over the total value of the security interests within each class and (ii) for general privileged creditors as a percentage of the value of the liabilities accepting the RA over total liabilities benefiting from the same general privilege within each class. In particular Article 94.2 contemplates four classes of privileged (special or general) creditors: labor, public, financial (irrespective of whether they are subject to financial supervision or not) and other type of creditors.

Liquidation

Liquidation is an alternative outcome to RA. It can be requested by the debtor at any time and, in certain circumstances, by a creditor or the insolvency administrator. Additionally, the liquidation can be opened by the insolvency court *ex-officio* in accordance with Article 143 of Spanish Insolvency Law. The debtor must file a petition for liquidation if, during the period while the RA is in force, it becomes aware of no longer being able to meet the payment commitments and obligations undertaken after the approval of such RA. In such a case, the company will be aimed at dissolution and the administrators and liquidators will be removed and substituted by the insolvency administrators. Deferred credits will compulsorily fall due and credits consisting of other benefits are converted into cash credits.

The insolvency administrator will be required to prepare a liquidation plan that must be approved by the insolvency court. The insolvency administrator is required to report quarterly on the liquidation process and has one year to complete the liquidation. If the liquidation is not completed within one year, the court may appoint (if so required) a different insolvency administrator.

Enforcement and termination in a pre-insolvency scenario

It is not certain, that the obligations under the Notes and/or the Guarantees will be enforced in accordance with their respective terms in every circumstance, such enforcement being subject to, *inter alia*, the nature of the remedies available in the Spanish Courts, the acceptance by such court of jurisdiction, the discretion of the courts, the power of such courts to stay proceedings, the provisions of the Spanish Law on Civil Procedure Act 1/2000 of 7 January (*Ley 1/2000, de 7 de enero, de Enjuiciamento Civil*) (the "**2000 Spanish Civil Procedure Law**") regarding remedies and enforcement measures available under Spanish law and other principles of law of general application. The enforcement in Spain of security interests governed by Spanish law will be subject to Spanish rules of civil procedure (including but not limited to the 2000 Spanish Civil Procedure Law and, if applicable, the Royal Decree-Law 5/2005, of 11 March (*Real Decreto-ley 5/2005, de 11 de marzo, de reformas urgentes para el impulso a la productividad y para la mejora de la contratación pública*) which implemented in Spain the EU Directive 2002/47/EC of the European Parliament and of the Council of 6 June 2002 on financial collateral arrangements (the "**RDL 5/2005**")). In this regard:

- Spanish law does not expressly recognize the concept of an indemnity. Article 1,152 of the Spanish Civil Code establishes that any penalty (*cláusula penal*) agreed by the parties in an agreement will substitute damages (*indemnización de daños y abono de intereses*) in an event of breach, unless otherwise agreed. Spanish Courts may modify the penalty agreed on an equitable basis if the debtor has partially or irregularly performed its obligations. There is doubt as to the enforceability in Spain of punitive damages.

- Notarized evidence of any and all assignments carried out by the entity acting as security trustee and/or sufficient evidence of title over the Notes by the holders of the Notes will need to be provided to the Spanish court.

- Under Spanish law the legal concept of "security agent/trustee" is not recognized. Therefore, prior to the enforcement of Spanish security interests it may be necessary to provide evidence that the appointed security agent/trustee was duly and expressly empowered for the execution of the relevant Spanish security interests by means of a power of attorney granted in favor of the appointed security agent/trustee by each of the creditors duly notarized and, if necessary, with the Apostille of The Hague Convention dated 5 October 1961. Likewise, if enforcement of the Spanish security interests is carried out by the appointed security agent/trustee, it may be necessary to prove that the appointed security agent/trustee is duly and expressly empowered for such purpose by means of a power of attorney granted in favor of the Security Agent by each of the creditors duly notarized and, if necessary, with the Apostille of The Hague Convention dated 5 October 1961.

- The term "enforceable" means that the obligations assumed by the parties are of a type that the Spanish courts enforce. It does not mean that those obligations will necessarily be enforced in all circumstances in accordance with their terms.

- Spanish law, as applied by the Spanish Supreme Court, precludes an agreement being terminated on the basis of a breach of obligations, undertakings or covenants which are merely ancillary or complementary to the main payment undertakings of the relevant agreement, and allows Spanish courts not to enforce any such termination.

- Spanish law does not protect the abusive exercise of rights (i.e. against such an agreement's purpose and prejudicing third parties) or arbitrary decisions or determinations by one of the parties. Accordingly, Spanish courts may refuse to uphold the termination of an agreement based on an unreasonable, inequitable or bad faith interpretation of one of its events of default or on the breach of obligations, undertakings or covenants which are merely ancillary or complementary to the main payment undertakings of the secured documents.

- Spanish law does not regulate expressly, with respect to claims deriving from proceeds obtained through a bond issuance, that security interests may be created only for the benefit of a security trustee. Further, evidence of any potential replacement of the entity acting as security trustee in its position as such will need to be recorded at the relevant Spanish public registry prior to the commencement of any enforcement proceedings.

- The enforcement by Spanish courts of any final judgment for a sum of money in relation to the secured documents obtained against the Spanish Guarantors in any court outside of Spain may be limited by the provisions of Spanish principles of public policy ("*orden público*").

- Under Spanish law, acts carried out in accordance with the terms of a legal provision whenever said acts seek a result which is forbidden by or contrary to law, shall be deemed to have been executed in circumvention of law ("*fraude de ley*") and the provisions whose application was intended to be avoided shall apply.

- Where obligations are to be performed in a jurisdiction outside Spain, they may not be enforceable in Spain to the extent that performance would be illegal under the laws of the applicable jurisdiction.

- In accordance with the general principles of Spanish Civil Procedural laws, the rules of evidence in any judicial proceeding cannot be modified by agreement of the parties. Accordingly, provisions in an agreement in which determinations by a party are to be deemed to be conclusive would not be upheld by a Spanish court. A determination, designation, calculation or certificate from one party as to any matter provided in the secured documents might, in certain circumstances, be held by a Spanish court not to be final, conclusive and binding, if it could be shown to have an unreasonable or arbitrary basis or in the event of manifest error despite any provision in the secured documents to the contrary.

- Spanish law precludes the validity and performance of contractual obligations to be left at the discretion of one of the contracting parties. Therefore, Spanish courts may refuse to uphold and enforce terms and conditions of an agreement giving discretionary authority to one of the contracting parties.

- It is not beyond doubt that the entity acting as security trustee may validly establish a liquidated sum in respect of a claim in a proceeding for the enforcement of security interests governed by Spanish law in accordance with the procedure established in Article 572.2 of the 2000 Spanish Civil Procedure Law.

- It is not entirely clear whether RDL 5/2005, would apply to Spanish law security interest securing the Notes. In such case, the enforcement provisions contained therein referred to RDL 5/2005 would not be effective although such security interests could be enforced through any of the other enforcement proceedings permitted by the Spanish law and contemplated in the relevant provisions included in such security interests.

- A certified translation into Spanish by an official translator of any document not executed in Spanish will be required to make such document admissible in evidence in Spain.

The enforcement of any security over assets that are essential to the commercial or professional activity of the insolvent company is suspended until the earlier of: (i) an RA being reached provided that such RA does not affect such right or (ii) one year having elapsed as of the opening of the insolvency proceedings without the opening of liquidation.

In addition, it should be noted that when granting security for existing debt within the two year suspicious period set out in the Spanish Insolvency Act for example, on the basis of a promissory security given at the time of obtaining such debt, there is a risk that security interests governed by Spanish law may fall within the legal presumption of a harmful act to the debtor's assets provided in article 71 of the Spanish Insolvency Act and said security interests created may be challenged (please also refer to subsection *Hardening Periods and Clawback actions*).

With regard to security interests governed by Spanish law that need to be registered within a Spanish public registry, in addition to the above it should be noted that:

- such security interest are only duly created as valid security interests, constituting an effective security interest exercisable *vis-à-vis* third parties, when the notarial deed by which the security interest is granted has been recorded at the relevant Spanish registry.

- the competent Spanish registrar may refuse to register events of default or early termination events stipulated in the secured documents thereunder (irrespective of their governing law) which may be deemed contrary to the principles of Spanish law applicable to rights *in rem* over assets located in Spain, such as events of default or early termination events based on the breach of obligations, undertakings or covenants which are merely ancillary or complementary to the main payment undertakings of the secured documents. In such case, a Spanish court or a Spanish notary would not accept an enforcement of such security interest based on an event of default or early termination event which has not been registered in the relevant Spanish public registry.

Additionally, the following, should also be noted in relation to the pre-insolvency instruments contemplated under the Spanish Insolvency Law:

— Notwithstanding the obligation of a debtor to request for insolvency as contemplated above, an insolvent debtor that is negotiating with its creditors an agreement (of those foreseen in article 71 *bis*.1

-i.e., refinancing agreements that are protected against clawback actions- or in additional provision fourth -as further explain below-) to overcome the insolvency situation may, within the referred two month term, apply before the competent court for the pre-insolvency status, but once the filling has been made, the relevant debtor may not file another pre-insolvency status request within a year term.

— After an application to the competent court relating to the negotiation of the abovementioned refinancing agreements, it will not be possible to initiate judicial or extrajudicial enforcement of assets or rights that are necessary for the continuity of the business activity of the debtor and the enforcement proceedings already initiated will be suspended.

— Once the debtor qualifies as a pre-insolvent debtor it will benefit for an additional three month term to reach an agreement with its creditors and one more month to file the insolvency petition if it has not been able to overcome its insolvency. Therefore, in practice, pre-insolvent debtors benefit from an additional four month term to reach an agreement with its creditors provided that they have applied for the pre-insolvency status.

— No mandatory proceedings (*concurso necesario*) may be initiated within the above mentioned four month term.

Special regimes for certain refinancing agreements

(a) Refinancing agreements that fulfill the following conditions cannot be rescinded: (i) the refinancing agreement gives rise to a "significant increase" in the funds available to the borrower, or a modification of the terms of the initial financing by extending the maturity date or by replacing the existing obligations with new ones, provided that they meet a viability plan that allows the continuity of the debtor's business in the short and medium term; (ii) the agreement has been entered into with creditors whose credits represent at least 60 per cent of the debtor's liabilities as of the date of the agreement; (iii) a certification is issued by the auditors of the debtor, on the sufficiency of the liabilities required to adopt the agreement; and (iv) the refinancing agreement and the documents substantiating performance of conditions (ii) to (iii) above are executed by way of a Spanish public deed.

(b) Together with the refinancing agreements described above, no action for rescission will be either available (except for the insolvency administration pursuant to Article 72.2 of the Spanish Insolvency Law) for those refinancing agreements that meet all the following criteria: (i) the ratio of assets to liabilities is greater under the refinancing agreement than before the agreement took effect; (ii) the resulting current assets are equal to or higher than the then current liabilities; (iii) the value of the security that would be provided to the relevant creditors does not exceed either 90 per cent of the value of the debt owed to those creditors, or the ratio of security to outstanding debt that the creditors had the benefit of prior to the agreement taking effect; (iv) the rate of interest relating to the debt under the refinancing agreement for the creditors concerned is not increased by more than one third of the rate applicable to the debt before the refinancing; and (v) the agreement has been executed as a deed by all parties concerned.

(c) In addition, certain refinancing agreements (those that have been approved by at least 51% of the financial creditors and meet the criteria under (i), (iii) and (iv) of paragraph (a) above) may be sanctioned by the court (*homologación judicial*). The effects of the endorsement (*homologación judicial*) will depend on the different majorities reached when approving the refinancing agreement:

— if the refinancing agreement is approved by creditors representing 51% of the financial liabilities of the debtor, the agreement will be protected against clawback actions under the Spanish Insolvency Law, but it will not extend its effects to the dissenting lenders.

— if the refinancing agreement is approved by creditors representing, at least, 60% of the financial liabilities of the debtor, the following terms of a refinancing agreement may be crammed down on dissenting unsecured lenders (i.e., lenders not secured by an *in rem* security) and on dissenting secured lenders, but only with respect to the amount of debt that exceeds the value of the *in rem* security: (i) stays for a term of no more than 5 years; or (ii) conversion of credits into profit participating loans with a tenor of no more than 5 years.

The same effects may be extended to the amount of the credit covered by the value of the in rem security when the refinancing agreement is approved by creditors representing 65% of the total value of the *in rem* securities.

— if the refinancing agreement is approved by creditors representing, at least, 75% of the financial liabilities of the debtor, the following terms of a refinancing agreement may be crammed down on dissenting unsecured lenders (i.e., lenders not secured by an *in rem* security) and on dissenting secured lenders, but only with respect to the amount of debt that exceeds the value of the *in rem* security: (i) stays for a term of no more than 10 years; (ii) conversion of credits into profit participating loans with a tenor of no more than 10 years; (iii) debt write off; (iv) capitalization of debt (dissenting lenders may however opt for a write off instead of such capitalization); (v) payment in kind of debt; or (vi) conversion of debt in convertible notes, subordinated debt, PIK interest loans or any other financial instrument with tenor, ranking or other features different form the original debt.

The same effects may be extended to the amount of the credit covered by the value of the in rem security when the refinancing agreement is approved by creditors representing 80% of the total value of the *in rem* securities.

Commercial creditors may voluntary adhere to the refinancing agreement, although their liabilities shall not be computed in order to calculate the relevant thresholds. For the calculation of the relevant majorities the following shall be noted:

(i) For syndicated facilities, it shall be deemed that all of the lenders of a syndicated facility have voted in favor of the refinancing agreement when creditors representing 75% (or such lower percentage so provided for in the syndicated facility agreement) of such syndicated facility vote in favor of the refinancing agreement; and

(ii) the creditors considered parties specially related to the debtor shall not be computed (although such creditors may be affected by the endorsement).

Certain effects of the insolvency for the debtor and on contracts

As a general rule, the debtor in a voluntary insolvency retains its powers to manage and dispose of its business, but is subject to the intervention of the insolvency administration (*administración concursal*). In the case of mandatory insolvency, as a general rule, the debtor no longer has power over its assets, and management's powers (including the power to dispose of assets) are conferred solely upon the insolvency administration. However, the court has the power to modify this general regime subject to the specific circumstances of the case.

Under Section 61 of the Spanish Insolvency Law, any provision in any agreement with reciprocal outstanding obligations that entitles any party to terminate an agreement based solely on the other party's opening of insolvency proceedings are deemed as not included in the agreement and, therefore, unenforceable, except if expressly permitted by specific laws (*i.e*., agency laws).

A declaration of insolvency does not affect agreements with reciprocal obligations pending on performance by either the insolvent party or the counterparty, which remain in full force and effect, and the obligations of the insolvent debtor arising after the opening of the insolvency proceedings will be fulfilled against the insolvent estate. The court can nonetheless terminate any such contracts at the request of the insolvency administrators (in case of suspension) or the company itself when such termination is in the interest of the estate. The termination of such contracts may result in the insolvent debtor having to return or indemnify its counterpart.

Hardening Periods and Clawback actions

Under Spanish Insolvency Law, upon the declaration of insolvency, transactions taken or completed within the two years immediately preceding the opening of insolvency proceedings may be challenged if they are considered detrimental (*perjudiciales*) to the insolvency estate. Transactions taking place earlier than two years prior to the declaration of insolvency may be rescinded subject to ordinary Spanish Civil Code based actions (as further detail below).

Spanish Insolvency Law does not define the meaning of detrimental. Detrimental does not refer to the intention of the parties, but to the consequences of the transaction on the debtor's interest or prejudice the equality treatment among creditors. In particular, Spanish Insolvency Law contemplates that an action is presumed to be detrimental in the following cases:

— without admission of proof to the contrary: (i) actions of disposal for no consideration, except for ordinary largesse (*liberalidades de uso*); or (ii) regarding payments or other actions cancelling obligations falling due after the declaration of bankruptcy (unless they were secured); or

— with admission of proof to the contrary: (i) in actions for valuable consideration carried out for any party especially related to the debtor, (ii) granting of *in rem* security covering preexisting debts or new debts incurred to cancel preexisting debts; or (iii) cancellation of secured obligations falling due after the declaration of insolvency.

Otherwise, the damage must be proved by the person seeking rescission.

Under no circumstances can actions carried out in the debtor's ordinary course of professional or entrepreneurial business and under market conditions be rescinded.

Ranking of Creditors

Creditors are required to report their claims to the insolvency administration within one month from the last official publication of the Court order declaring the opening of insolvency proceedings, providing documentation (originals can be required) to justify such claims. Based on the documentation provided by the creditors and documentation held by the debtor, the insolvency administration draw up a list of acknowledged creditors/claims and classify them according to the categories established in the Spanish Insolvency Law:

(i) Debts against the debtor's estate (*créditos contra la masa*), which include, among others, certain debts incurred by the debtor following the declaration of the insolvency proceedings, certain debts for salaries, and certain debts from claw-back proceedings will be payable when due, according to their own terms, and in the event of liquidation never on account of assets used as collateral for securing debts benefiting from special privileges. They are not considered part of the debtor's general debt and are payable when due according to their own terms (and, therefore, are paid before other debts under insolvency proceedings).

(ii) Creditors benefiting from special privileges, representing security on certain assets (*in rem* security). These privileges may entail separate proceedings, though subject to certain restrictions derived from a waiting period that may last up to one year. Privileged creditors are not subject to the RA, except if they give their express support by voting in favor of it. The special privilege will only cover the part of the credit that does not exceed the value of the corresponding security calculated as determined in Section 94.5 of the Spanish Insolvency Law. In the event of liquidation, they are the first to collect payment against the assets on which they are secured.

(iii) Creditors benefiting from a general privilege, including, among others, specific labor claims and specific claims brought by public entities or authorities are recognized for half their amount, and claims held by the creditor taking the initiative to apply for the insolvency proceedings, for up to a half of the amount of such debt. The holders of general privileges are not to be affected by the RA if they do not agree to the said RA and, in the event of liquidation, they are the first collecting payment (once the debts against the debtor's estate (*créditos contra la masa*) have been paid) against assets that do not secure privileged claims or to the excess of those assets once the privileged claims are paid, in accordance with the ranking established under the Spanish Insolvency Law.

(iv) Ordinary creditors (non-subordinated and non-privileged claims) will be paid *pro rata*.

(v) Subordinated creditors (thus classified by virtue of an agreement or pursuant to law), include, among others, credits communicated late (outside the specific one month period mentioned above); credits which are contractually subordinated *vis-à-vis* all other credits of the debtor; credits relating to unpaid interest claims (including default interest) except for those credits secured with an in rem right up to the secured amount; fines; claims of creditors which are "specially related parties" to the insolvent debtor.

In the case of a legal entity, the following shall be deemed as "specially related parties": (i) shareholders with unlimited liability, (ii) limited liability shareholders holding, directly or indirectly, when the relevant credit arises, 10 percent. or more of the insolvent company's share capital (or 5 percent. if the company is listed), or (iii) directors (both legal or the facto) and those holding general powers of attorney from the insolvent company within the last two years, and (iv) companies pertaining to the same group as the debtor and their respective shareholders provided such shareholders meet the minimum shareholding requirements set out in (ii) above).

Subordinated creditors do not vote the RA and have limited chances of collection according to the ranking established in the Spanish Insolvency Law.

As a general rule, insolvency proceedings are not compatible with other enforcement proceedings. When compatible, in order to protect the interests of the debtor and creditors, the Law extends the jurisdiction of the court dealing with insolvency proceedings, which is then legally authorized to handle any enforcement proceedings or interim measures affecting the debtor's assets (whether based upon civil, labor, or administrative law).

Limitations on enforcement

Claims may become time-barred (being the general term established for obligations *in personam* under Article 1,964 of the Spanish Civil Code ("**Código Civil**") 5 years pursuant to recently enacted Law 42/2015, 5 October, which amends the Spanish law of civil procedure (*Ley 1/2000, de 7 de enero, de Enjuiciamiento Civil*)) or may be or become subject to the defense of set-off or counterclaim.

The terms "enforceable", "enforceability", "valid", "legal", "binding" and "effective" (or any combination thereof) mean that all the obligations assumed by the relevant party under the relevant documents are of a type that Spanish Courts enforce; it does not mean that these obligations will necessarily be enforced in all circumstances in accordance with their terms; in particular, enforcement before the Courts will in any event be subject to:

(i) the nature of the remedies available in the Courts; and

(ii) the availability of defenses such as (without limitation), set- off (unless validly waived), fraud ("*fraude de ley*"), abuse in the exercise of rights ("*abuso de derecho*"), misrepresentation, force majeure, unforeseen circumstances, undue influence, duress, abatement and counter-claim.

In general terms, under Spanish law, any guarantee, pledge or mortgage must guarantee or secure another obligation to which they are ancillary and which must be clearly identified in the relevant guarantee or security agreement. Therefore, the guarantee follows the underlying obligation in such a way that nullity of the underlying obligation entails nullity of the guarantee or security and termination of the underlying obligation entails cancellation of the guarantee or security. In the event that the security providers were able to prove that there are no existing and valid guaranteed obligations, Spanish Courts may consider that the security providers' obligations under the relevant guarantees or securities would not be enforceable.

Under Spanish Law, there are some provisions on equity capitalization which may need to be taken into account when guarantees are enforced. For example, when payments under a guarantee cause the net equity (*patrimonio neto*) of any Guarantor incorporated and organized under the laws of Spain to fall below half of its share capital, the Spanish Guarantor will be obliged to be wound up (*disolución*), unless its share capital is increased or decreased in the required amount to re-establish the balance between its net equity and its share capital, and provided it is not required to file for insolvency.

Under Spanish law, guarantees of the type issued by the Spanish Guarantor to guarantee the Notes (the "**Spanish Guarantee**") may be granted by entities that are incorporated as stock companies (*sociedades anónimas* or "**S.A.**") and as limited liability companies (*sociedades de responsabilidad limitada* or "**S.L.**"). Related thereto, article 401 of the Spanish Royal Decree Law 1/2010, of 2 July, on Spanish companies (*Real Decreto Legislativo 1/2010, de 2 de julio, por el que se aprueba el Texto Refundido de la Ley de Sociedades de Capital* (the "**Spanish Companies Act**")) states that limited liability companies (*sociedades de responsabilidad limitada* or *S.L.*) may only issue notes or any other type of debt securities up to an amount equal to two times their net equity (*patrimonio neto*), unless the issue is secured by mortgage, pledge over securities or guarantee provided by a public body or a first demand guarantee from a credit institution.

Although this article only refers to limitations with respect to the issue of notes by S.L. companies and the guarantee of convertible notes by S.L. companies, given that there is no case law on this or settled position among scholars, a systematic and teleological interpretation by Spanish courts limiting the ability of the Spanish Guarantors to guarantee the Notes cannot be ruled out.

Additionally, certain case law indicates (and certain scholars understand) that risks associated with a guarantee provided by a company to guarantee the indebtedness held by other companies within its corporate group shall be reasonable and economically and operationally justified from the guarantor's own perspective and justified under the corporate interest of such company.

Also, as stated in section "Insolvency" above, guarantees granted by a Spanish company in favor of other group companies may be challenged on the basis that such guarantees have no consideration unless evidence could be provided that there was a tangible and identifiable economic interest for the Spanish companies (beyond an abstract group interest). Whether there is a specific consideration in favor of the guarantor for the granting of the guarantee, any such consideration or economic interest are factual matters that will need to be assessed on a case by case basis. The lack of whether there is a tangible and identifiable economic interest for the Spanish companies, may entail, if the guarantee is challenged, that a judge declares the guarantee null and/or void.

The Spanish Companies Act prohibits financial assistance (i.e. borrowing or guaranteeing) by a Spanish Guarantor in relation to the acquisition of their own shares or the shares of their direct or indirect holding company (for S.A. companies) and also in relation to the acquisition of their own shares or the shares of any company within the group (for S.L. companies).

Therefore, the obligations under the Guarantee granted by the Spanish Guarantor:

(iii) shall not extend to any use of the proceeds of the Notes for the purpose of acquiring shares representing the share capital of such Spanish Guarantor or shares representing the share capital of its holding company (or, in case of private limited liability companies (*sociedades de responsabilidad limitada*), also shares representing the share capital of any entity of its group), or refinancing a previous debt incurred for the acquisition of shares representing the share capital of such Spanish Guarantor or shares representing the share capital of its holding company (or, in case of private limited liability companies (*sociedades de responsabilidad limitada*), also shares representing the share capital of any entity of its group); and

(iv) shall be deemed not to be undertaken or incurred by the Spanish Guarantor to the extent that the same would constitute unlawful financial assistance within the meaning of Article 143 or Article 150 of Spanish Companies Act (*Real Decreto Legislativo 1/2010, de 2 de Julio, approving Texto Refundido de la Ley de Sociedades de Capital*), as applicable, and, in that case, all provisions of such Guarantee shall be construed accordingly in the sense that, in no case, can any Guarantee or security given by the Spanish Guarantor secure repayment of the above mentioned funds.

For the purposes of first paragraph above, a reference to a "holding company" of the Spanish Guarantor shall mean the company (if any) which, directly or indirectly, owns the majority of the voting rights of such Spanish Guarantor or that may have a dominant influence on such Spanish Guarantor. It shall be presumed that one company has a dominant influence on another company when:

- any of the scenarios set out in section 1 of article 42 of the Spanish Commercial Code (*Código de Comercio*) are met; or
- when at least half plus one of the members of the managing body of the Spanish Guarantor are also members of the managing body or top managers (*altos directivos*) of the dominant company or of another company controlled by such dominant company.

In addition, a reference to the "group" of the Spanish Guarantor shall mean the group of companies that have in common the same holding company (as this term is described above).

Parallel Debt

With respect to any trust purported to be created by a Spanish company, it should be noted that, since the concept of "trust" and/or "parallel debt" (under, for example, the laws of the State of New York or English law) is not recognized under Spanish law, guarantees/security interests require that the beneficiary of the guarantee/security interests and the creditor is the same person. Such guarantee/security interests cannot be held by a third party which does not hold the guaranteed/secured claim but purports to hold guarantees/security interests for the parties that do.

First demand guarantee

The structure of first demand guarantees is not specifically regulated in the Spanish Civil Code but their validity and effectiveness have been reviewed in several judgments and defined by the Spanish Supreme Court (*Tribunal Supremo*) as autonomous guarantees, detached from the underlying agreement whose obligations are being guaranteed. These judgments acknowledge the validity of provisions pursuant to which guarantors waive the ability to call on enforceability exceptions different to those stated under the guarantee. Notwithstanding the foregoing, certain case law has also admitted the possibility that, with certain limitations, the guarantor automatically raises the enforceability exception of fraud, bad faith or abuse of right (*abuso de derecho*) in the event where the beneficiary enforces the guarantee in a fraudulent manner or in bad faith. Certain case law has also admitted that the guarantor can stay enforcement by showing that there has been no event of default (the guarantor bearing the burden of proof), usually through a motion for declaratory relief filed by the guarantor.

Fraudulent Conveyance Laws

Under Spanish law, in addition to the insolvency claw-back action (see subsection "*Hardening Periods and Fraudulent Transfer*"), the insolvency administrator and any creditor may bring an action to rescind a contract or agreement (*acción rescisoria pauliana*) against the debtor and the third party which is a party to such contract or agreement, provided that the same is performed or entered into fraudulently and the creditor cannot obtain payment of the amounts owed in any other way. Although case law is not entirely consistent, it is broadly accepted that the following requirements must be met in order for a creditor to bring such action:

- the debtor owes the creditor an amount under a valid contract and the fraudulent action took place after such debt was created;
- the debtor has carried out an act that is detrimental to the creditor and beneficial to the third party;
- such act was fraudulent;
- there is no other legal remedy available to the creditor to obtain compensation for the damages suffered; and
- debtor's insolvency, construed as the situation where there has been a relevant decrease in the debtor's estate making it impossible or more difficult to collect the claim.

The existence of fraud (which must be evidenced by the creditor) is one of the essential requirements under Spanish law for the action to rescind to succeed. Pursuant to Article 1,297 of the Spanish Civil Code: (i) agreements by virtue of which the debtor transfers assets for no consideration, and (ii) transfers for consideration carried out by parties who have been held liable by a court (*sentencia condenatoria*) or whose assets have been subject to a writ of attachment (*mandamiento de embargo*) will be considered fraudulent. The presumption referred to in (i) above is *a iuris et de iure* presumption (i.e., it cannot be rebutted by evidence), unlike the presumption indicated in (ii) above, which is a *iuris tantum* presumption (i.e., it is a rebuttable presumption).

If the rescission action were to be upheld, the third party would be liable to return to the debtor the consideration received under the contract in order to satisfy the debt owed to the creditor. Following that, the creditor would need to carry out the actions necessary to obtain the amount owed by the debtor. If the consideration received by the third party under the contract cannot be returned to the debtor, the third party must indemnify the creditor for such damages if it is proved that such third party incurred it in wilful misconduct when entering into the fraudulent agreement with the debtor. In any other case (i.e. if it is proved that the third party acted in good faith and was not aware of the debtor's fraudulent intention) it will be the person who has actually and consciously caused the damage to the creditor who will have to reimburse the corresponding amount.

The deadline to file a rescission action expires after four years as from the date when the claim could have been filed.

Switzerland

The validity and the enforcement of a guarantee or a security may be limited by applicable bankruptcy, insolvency, re-organization, corporate, tax, contract or similar laws, regulations or defenses affecting creditors and secured parties (including provisions relating to fraudulent transfer, voidable preference, corporate purpose, financial assistance, capital maintenance and solvency), international private laws (including *ordre public*) or laws or principles of general application (including but not limited to the abuse of rights (*Rechtsmissbrauch*), the principle of good faith (*Grundsatz von Treu und Glauben*) and public policy).

The incurrence by any Guarantor or security provider incorporated under the laws of Switzerland (any such Guarantor or security provider, a "Swiss Collateral Guarantor") of any liabilities in respect of obligations of its direct or indirect shareholder(s) ("**upstream**") or of related persons or entities of its shareholder(s) ("**cross stream**") other than any direct or indirect wholly-owned subsidiaries is subject to certain Swiss corporate law rules that may significantly impact the value of the guarantee or the security interest. In particular, upstream and cross stream guarantees and securities must be within the corporate purpose and scope, as set forth in the articles of association of the Swiss Collateral Guarantor. In addition, the enforcement of the guarantee or security interest provided by a Swiss Collateral Guarantor may be treated as a profit distribution to shareholders.

The liabilities of any Swiss Collateral Guarantor under any up-stream or cross-stream Guarantee and security interest are at any time (to the extent that such is a requirement of applicable Swiss law in force at the relevant time) limited to a sum equal to the maximum amount of the respective Swiss Collateral Guarantor's freely disposable equity capital at the relevant time, provided that such limitations shall not free the respective Swiss Collateral Guarantor from payment obligations in excess of its freely distributable equity, but merely postpone the payment date of those obligations until such time as payment is permitted notwithstanding such limitations. Such freely disposable equity capital will be determined on the basis of a stand-alone audited balance sheet of such Swiss Collateral Guarantor in accordance with Swiss law and Swiss accounting principles. The freely disposable equity capital of such Swiss Collateral Guarantor may be reduced by (1) the aggregate amount of the intercompany loans, if any, granted by such Swiss Collateral Guarantor to any affiliates or related parties (other than its direct or indirect subsidiaries), and (2) other adjustments. The payment under the respective Swiss Collateral Guarantor's Guarantee and the enforcement of security interest may require certain prior corporate formalities to be completed including, but not limited to, obtaining an audit report, shareholders' resolutions and board resolutions. There can be no assurance that the Swiss Collateral Guarantor will have distributable profits and reserves available at the relevant time to satisfy the obligations under the Guarantee or to use the enforcement proceed of the security, whether or not it makes dividend payments to its shareholders.

The enforcement of the respective Swiss Collateral Guarantor's Guarantee and security may give rise to Swiss withholding taxes on dividends (of up to 53.8% at present rates) to the extent that the payment or enforcement of security interest falls to be regarded as a deemed distribution by the respective Swiss Collateral Guarantor to the Issuer or any other related party.

For the above reasons, it is standard market practice for indenture agreements, credit agreements, guarantees and security agreements to contain so-called "limitation language" in relation to the respective Obligor substantially in the form as set out below under "*Limitations on Enforcement of Guarantee and security granted by Swiss Collateral Guarantor*".

Rules applying to up-stream or cross-stream Guarantees and security are uncertain under Swiss law. We cannot provide any assurance that future court rulings will not further restrict the enforceability, or deny the validity, of guarantees. Such rulings would negatively affect the ability to enforce the guarantees granted by Swiss companies.

Limitations on Enforcement of Guarantee and Security granted by Swiss Collateral Guarantor

If and to the extent that obligations of a Swiss Collateral Guarantor under the Indentures, any security agreement or any other Notes documentation are for the benefit of its direct or indirect affiliates (other than its wholly-owned subsidiaries) and that complying with such obligations would constitute a repayment of capital (*Einlagerückgewähr*), a violation of the legally protected reserves (*gesetzlich geschützte Reserven*) or the payment of a (constructive) dividend (*Gewinnausschüttung*) by such Swiss Collateral Guarantor or would otherwise be restricted under Swiss corporate law then applicable (the "**Restricted Obligations**"), the following provisions shall apply.

The aggregate liability of the Swiss Collateral Guarantor for Restricted Obligations under the Indentures, any security agreement or any other Notes documentation, including, without limitation, under the Guarantees, and the security shall be limited to the amount of the Swiss Collateral Guarantor's freely disposable equity determined on the basis of the balance sheet profits and non-statutory reserves available for the distribution as dividends, reduced by (1) the aggregate amount of the intercompany loans, if any, granted by such Swiss Collateral Guarantor to any affiliates or related parties (other than its direct or indirect subsidiaries), and (2) other adjustments, at the relevant time and in each case in accordance with Swiss law and Swiss accounting principles (the "**Available Amount**") (provided that this is a requirement under applicable law at that time and further provided that such limitation (as may apply from time to time or not) shall not (generally or definitively) free the Swiss Collateral Guarantor from performing Restricted Obligations under the Indentures, any security agreement or any other Notes documentation in excess thereof, but merely postpone the performance date therefor until such times as performance is again permitted notwithstanding such limitation).

Immediately after having been requested to incur Restricted Obligations under the Indentures, any security agreement or any other Notes documentation, the Swiss Collateral Guarantor shall and any parent company of the Swiss Collateral Guarantor shall procure that the Swiss Collateral Guarantor will:

- if (and to the extent requested by the Trustee or required under then applicable Swiss law, provide the Trustee, within 30 Business Days, with (a) an interim balance sheet audited by the statutory auditors of the Swiss Collateral Guarantor, (b) the determination by the statutory auditors of the Available Amount based on such interim audited balance sheet and (c) a confirmation from the statutory auditors of the Swiss Collateral Guarantor that the Available Amount complies with the provisions of Swiss corporate law which are aimed at protecting the share capital and legal reserves;

- to the extent permitted by applicable law, write down or dispose of any of its assets that are shown on its balance sheet with a book value that is significantly lower than the market value of the assets, in case of disposal, however, only if such assets are not necessary for the Swiss Collateral Guarantor's or the Group's business (*nicht betriebsnotwendig*);
- take such further corporate and other action which may be necessary at the time (such as obtaining board and shareholders' approvals and obtaining the receipt of any confirmations from the Swiss Collateral Guarantor's statutory auditors) in order to allow a prompt payment under the Indentures, any security agreement or any other Notes documentation with a minimum of limitations; and/or
- immediately after confirming the Available Amount in accordance with paragraph (i) above, any amounts received or collected by the Trustee under and in connection with Restricted Obligations under the Indentures, any security agreement or any other Notes documentation in excess of the Available Amount shall be returned to the Swiss Collateral Guarantor as soon as possible and, if not already done so, paid up to the Available Amount (less, if required, any Swiss withholding tax) to the Trustee.

If the Swiss Collateral Guarantor is required under applicable law (including double tax treaties) in force at the time to incur Restricted Obligations under the Indentures, any security agreement or any other Notes documentation, the Swiss Collateral Guarantor shall:

- deduct the Swiss withholding tax at the rate of 35% (or such other rate as is in force at that time) from any payment under the Indentures, any security agreement or any other Notes documentation;
- pay the Swiss withholding tax to the Swiss Federal Tax Administration; and
- notify and provide evidence to the Trustee that the Swiss withholding tax has been paid to the Swiss Federal Tax Administration

Unless grossing-up is explicitly permitted under the laws of Switzerland then in force, the Swiss Collateral Guarantor shall not be required to make a gross-up, indemnify or otherwise hold harmless the holders of the Notes for the deduction of the Swiss withholding tax, notwithstanding anything to the contrary contained in the Indentures, any security agreement or any other Notes documentation, provided that this should not in any way limit any obligations of the Issuer or the other Guarantors security providers under the Indentures, any security agreement or any other Notes documentation to indemnify the holders of the Notes in respect of the deduction of the Swiss withholding tax, including, without limitation, any tax indemnity undertaking under the Indentures, any security agreement or any other Notes documentation. The Swiss Collateral Guarantor shall use its best efforts to ensure that any person which is, as a result of a deduction of Swiss withholding tax, entitled to a full or partial refund of the Swiss withholding tax, will, as soon as possible after the deduction of the Swiss withholding tax, (i) request a refund of the Swiss withholding tax under any applicable law (including double tax treaties) and (ii) pay to the Trustee upon receipt any amount so refunded.

Pledges

With respect to pledges, under Swiss law, a valid pledge may only be created in favor of the person whose claim is secured by the pledge (and not to a third party) and the enforceability of the pledge is linked to the enforceability of the secured claim. If and to the extent the (beneficial) holders of the Secured Notes from time to time will not be party to such Swiss law governed pledge agreements, there may be a risk regarding the validity and/or enforceability of such security interest granted in favor of holders of the Secured Notes. In order to mitigate the risk, as the (beneficial) holders of the Secured Notes, which may change from time to time, will not be party to the Security Documents, a parallel debt structure has been established in the Security Documents pursuant to which security interests granted as pledges are created in favor of the Security Agent who will hold a claim equal to each amount payable by an obligor under the Senior Secured Notes (the "**Parallel Debt**"). This Parallel Debt is created by way of an abstract acknowledgement of debt (*abstraktes Schuldanerkenntnis*) to satisfy a requirement under the laws of Switzerland that the Security Agent, as grantee of certain types of collateral, be a creditor of the relevant debtor of the secured obligations. The Parallel Debt is in the same amount and payable at the same time as the obligations of the Issuer under the Senior Secured Notes Indenture (the "**Principal Obligations**"). Any payment in respect of the Principal Obligations shall discharge the corresponding Parallel Debt and any payment in respect of the Parallel Debt shall discharge the corresponding Principal Obligations. Although the Security Agent will have, pursuant to the Parallel Debt, a claim against the Issuer for the full principal amount of the Senior Secured Notes, holders of the Senior Secured Notes bear some risks associated with a possible insolvency or bankruptcy of the Security Agent. The parallel debt structure has not been tested under Swiss law and there is no assurance that such a structure will be effective before a Swiss court because there is no judicial or other guidance as to its efficacy and, therefore, there is no certainty that such structure will eliminate or mitigate the risk of the pledge in favor of the Senior Secured Notes being invalid or unenforceable. Moreover, the instruction and appointment of an agent and any power of attorney may be revoked at any time under Swiss law notwithstanding the appointment, instruction or power of attorney being said to be irrevocable and any mandate may, as a matter of statutory law, be terminated at any time by each party to the mandate.

Bank accounts are typically subject to a pledge and right of set-off granted to the relevant account banks under the general terms and conditions of such account banks.

Under Swiss law, it is not required for the Swiss Collateral Guarantors to validly assign receivables to the Security Agent that the receivables debtors are notified. However,without notification, a receivables debtor may validly discharge its obligation under a receivable by paying to the Swiss Collateral Guarantors until, but not after, the debtor receives a notification of the existence of the assignment by the Swiss Collateral Guarantors. Under Swiss law, future claims which have been assigned by the Swiss Collateral Guarantors to the Security Agent but which would come into existence only after the opening of bankruptcy proceedings (if any) against the relevant Swiss Collateral Guarantor fall into the bankruptcy estate of the relevant Swiss Collateral Guarantor and do not pass to the Security Agent; similar restrictions apply in composition proceedings.

The Guarantee issued by the Swiss Collateral Guarantors will be, based on a choice of law, subject to the laws of the State of New York. Should a Swiss court accept jurisdiction in proceedings on the merits, a Swiss court will generally recognize the choice of law. The scope of such choice of law is, usually, limited to the rules of the substantive law chosen by the parties; as to procedural matters, a Swiss court will apply Swiss procedural law. Due to the different nature of Swiss procedural law and the procedural law in common law jurisdictions (such as the United States of America and the United Kingdom) classification and delimitation issues between substantive and procedural law could occur.

To establish the non-Swiss substantive law applicable to the merits, a Swiss court may, in pecuniary matters, request the parties to establish the non-Swiss substantive law. If the content of the foreign substantive law cannot be established then Swiss law may be applied. While a Swiss court will generally accept a choice of law, exceptions exist though they tend to be restrictively applied. These exceptions include the following: such choice of law may not extend to non-contractual obligations and Swiss courts may diverge from the chosen substantive law if such chosen law would lead to a result contrary to Swiss public policy, if the purpose of mandatory rules of Swiss law require, by their special aim, immediate application, or if the purpose of mandatory rules of another law, to which the dispute is closely connected, are considered legitimate under Swiss legal concepts and, upon weighing the interests of the parties involved, the clearly predominant interest(s) of one party so require.

The above principles also apply to security interests over assets and accounts owned by a Swiss security provider. Under Swiss conflict of law rules, although Swiss law permits a choice of law with respect to a pledge or an assignment for security purposes, such choice of law may not be opposable to third parties.

Insolvency

The insolvency laws of Switzerland in general and, in particular, the provisions of the Swiss Federal Act on Debt Enforcement and Bankruptcy (*Bundesgesetz über Schuldbetreibung und Konkurs, "**DEBA**"*) may be less favorable to the interests of creditors than the insolvency laws of other jurisdictions, including in respect of priority of creditors, the ability to obtain post-petition interest and the duration of the insolvency proceedings, and therefore may limit the ability of creditors to recover payments due on the Notes to an extent exceeding the limitations arising under other insolvency laws.

The following is a brief description of certain aspects of the insolvency laws of Switzerland currently in force.

Under Swiss insolvency laws, there is no group insolvency concept, which means there is no consolidation of the assets and liabilities of a group of companies in the event of insolvency. In case of a group of companies, each entity has, from an insolvency laws point of view, to be dealt with separately. As a consequence, there is, in particular, no pooling of claims among the respective entities of a group, but rather claims of and against each entity have to be dealt with separately. Under Swiss law, insolvency proceedings may be opened against an entity having its registered office or assets in Switzerland.

In the event of a Swiss Collateral Guarantor's insolvency, the respective insolvency proceedings would be governed by Swiss law as a result of the respective Swiss Collateral Guarantor's offices being registered in the competent commercial register in Switzerland. In addition, Swiss debt enforcement and insolvency laws may be applicable in case of an enforcement of security interests over assets of a foreign entity located in Switzerland. The enforcement of claims and questions relating to insolvency and bankruptcy in general are dealt with by the DEBA Swiss Federal Act on Debt Enforcement and Bankruptcy (*Bundesgesetz über Schuldbetreibung und Konkurs*). Under these rules claims that are pursued against a Swiss entity can lead to the opening of bankruptcy (*Konkurs*) and, hence, a general liquidation of all assets, even if located outside of Switzerland, and liabilities of the debtor. However, with regard to assets located outside of Switzerland, a Swiss bankruptcy decree may only be enforceable if it is recognized at the place where such assets are located. If bankruptcy has not been declared, creditors secured by a pledge must follow a special enforcement proceeding limited to the liquidation of the collateral (*Betreibung auf Pfandverwertung*) unless the parties have agreed on a private liquidation. However, if bankruptcy is declared while such a special enforcement proceeding is pending, the proceeding ceases and the creditor participates in the bankruptcy proceedings with the other creditors and a private liquidation is no longer permitted.

Under Swiss insolvency law, as a rule, insolvency proceedings are not initiated by the competent insolvency court *ex officio*, but rather require that the debtor or a creditor files a petition for the opening of insolvency proceedings. If a creditor wants to initiate insolvency proceedings it has to file an application for commencement of enforcement proceedings (*Betreibungsbegehren*) with the competent debt collection office (*Betreibungsamt*). With respect to unsecured claims, the competent collection office is located where the debtor is registered or resident. The collection office will then serve the debtor with the writ of payment (*Zahlungsbefehl*). There is virtually no material assessment of the claim at this stage. The debtor may within ten days upon having been served with the writ of payment, file an objection (*Rechtsvorschlag*) to bring the procedure to a halt and obtain an individual stay of proceedings. No reasons need to be given for the objection. The collection office notifies the creditor of the objection.

For claims based on an enforceable judgment, the creditor can without any further delay file an application to lift this stay with the court (*Rechtsöffnungsbegehren*). For claims not based on an enforceable judgment, but on a certified and/or signed document evidencing the claim, provisional lifting of such stay can be applied for in summary proceedings (*provisorische Rechtsöffnung*). In the event the objection is set aside in these summary proceedings, the debtor may within 20 days bring an action in ordinary court proceedings for negative declaration that the creditor's claim does not exist (*Aberkennungsklage*).

The creditor may then ask the debt collection office to issue a writ of continuation (*Fortsetzungsbegehren*) in relation to an existing writ of payment having full force and effect. The competent insolvency office delivers this writ of continuation to the debtor. The insolvency court may take preliminary measures to secure property of the debtor in case this is requested by a creditor and required to secure the creditor's rights. After 20 days from receipt of the threat of insolvency (*Konkursandrohung*), the creditor may petition the opening of insolvency proceedings. The competent insolvency court decides upon the insolvency without any delay, provided that there are no reasons which would lead to a suspension of the insolvency court's decision. In addition, the debtor has the right to file a request for a moratorium. The parties may file an appeal against any decision taken by the insolvency court.

However, the competent court may also declare a debtor bankrupt without such prior proceedings if the following requirements are met: (i) at the request of the debtor, if the debtor's board of directors or, in case of failure of the board of directors, the auditors of the company declare that the debtor is over-indebted (*überschuldet*) within the meaning of art. 725 (2) of the Swiss Code of Obligations (*Bundesgesetz vom 30. März 1911 betreffend die Ergänzung des Schweizerischen Zivilgesetzbuches: Obligationenrecht, "**CO**")* or if it declares to be insolvent *(zahlungsunfähig)* according to the DEBA Swiss Federal Act on Debt Enforcement and Bankruptcy *(Bundesgesetz über Schuldbetreibung und Konkurs),* and (ii) at the request of a creditor, if the debtor fraudulently commits certain acts to the detriment of its creditors or ceases to make payments *(Zahlungseinstellung)* according to the DEBA or if certain events happen during composition proceedings. Generally, pursuant to Swiss corporate law, a debtor is over-indebted *(überschuldet)* when its liabilities exceed the value of its assets, which must be assessed pursuant to the accounting standards of the CO and on the basis of a balance sheet to be drawn up (i) on the basis of the liquidation value of the debtor's assets and (ii)—to the extent there is still a going concern scenario—based upon the going concern value. If the interim balance sheet shows that the creditors' claims are neither covered by assets valued at liquidation values nor at going concern values, the debtor's board of directors has to notify the insolvency court, provided that creditors of the debtor do not agree to subordinate their claims in the amount necessary to cover the over-indebtedness (Art. 725 CO).

However, as soon as the debtor loses the going concern assumption for accounting purposes, going concern values become irrelevant and over-indebtedness is assessed solely based on liquidation values. While the criterion of over-indebtedness is based on a balance sheet test (rather than a liquidity test), it is important to note that a debtor's inability to pay its debts as and when they fall due may cause the debtor to lose the going concern assumption for accounting purposes and lead to an obligation to account for liquidation values. This, in turn, will typically result in over-indebtedness. The debtor's board of directors is obliged to file for insolvency without delay and non-compliance with this obligation exposes board of directors to both damage claims as well as sanctions under criminal law. The debtor's board of directors need not file for bankruptcy if (i) creditors with claims in an aggregate amount no lower than the amount of the debtor's over-indebtedness subordinate their claims against the claims of all other creditors, or (ii) if there is a substantiated likelihood for a financial restructuring (informal (i.e. out-of-court) workout) within a relatively short period of time. It is not settled in Swiss case law as to how long such period of time is supposed to be. However, many legal scholars consider such period to be four to six weeks. Finally, the debtor's auditors have the obligation to notify the competent court if the debtor's board of directors has failed to file for insolvency despite the debtor being obviously overindebted.

The insolvency court orders the continuation of bankruptcy proceedings if certain requirements are met, in particular if there are sufficient assets to cover at least the costs of the insolvency proceedings. If the assets of the debtor are not expected to be sufficient, the bankruptcy court will only order to continue bankruptcy proceedings if creditors advance the costs of the bankruptcy proceedings themselves. In the absence of such advancement, the bankruptcy proceedings will be closed for insufficiency of assets (*Einstellung des Konkursverfahrens mangels Aktiven*). Alternatively, the bankruptcy office may request the bankruptcy court to resolve upon summary bankruptcy proceedings (*summarisches Konkursverfahren*), if the assets are not sufficient to cover the cost of ordinary insolvency proceedings and the actual facts of the case are not complicated. Also, in such case, creditors have the right to request ordinary bankruptcy proceedings.

Upon the opening of formal bankruptcy proceedings (*Konkurseröffnung*), the right to administer and dispose over the business and the assets of the debtor passes to the bankruptcy office (*Konkursamt*). The bankruptcy office has full administrative and disposal authority over the debtor's estate (*Konkursmasse*), provided that certain acts require the approval of the bankruptcy court. The creditors' meeting may appoint a private insolvency administration (*private Konkursverwaltung*) and, in addition, a creditors' committee (*Gläubigerausschuss*). In such case, the private bankruptcy administration will be competent to maintain and liquidate the debtor's estate. The creditors' committee has additional competences. The designated receiver in a bankruptcy proceeding (*Konkursverwaltung*) will draw up an inventory of the assets and, further to a creditors' call for the filing of claims, establish a schedule of claims (*Kollokationsplan*). Any creditor wishing to contest the schedule of claims because his claim has been entirely or partially rejected by the receiver in bankruptcy or not allocated in the rank requested must bring an action against the estate before the competent court. If any creditor wishes to contest the admission of another creditor to the schedule of claims or the allocated rank, he must bring an action against such creditor. Such court proceedings could cause holders of Notes to recover less than the principal amount of their Notes or less than they could recover in a United States liquidation. Such proceedings could also cause payment to the holders of the Notes to be delayed, as compared with holders of undisputed claims. Bankruptcy results in the acceleration of all claims against a debtor (secured or unsecured), except for those secured by a mortgage on the debtor's real property, and the relevant claims become due upon bankruptcy. As a result of such acceleration, a creditor's bankruptcy claim consists of the principal amount of the debt, interest accrued thereon until the date of bankruptcy, and (limited) costs of enforcement. Upon bankruptcy, interest ceases to accrue. Only secured claims enjoy a preferential treatment insofar as interest that would have accrued until the collateral is realized will be honored if and to such extent as the proceeds of the collateral suffice to cover such interests.

All creditors, whether secured or unsecured (unless they have a segregation right (*Aussonderungsrecht*)), wishing to assert claims against the debtor need to participate in the bankruptcy proceedings. Swiss bankruptcy proceedings are collective proceedings and creditors may generally no longer pursue their individual claims separately, but can instead only enforce them in compliance with the restrictions of Swiss insolvency laws.

All assets at the time of the declaration of bankruptcy and all assets acquired or received subsequently form the bankrupt estate, which after deduction of costs and certain other expenses, are used to satisfy the creditors. Realization proceedings are governed by Swiss insolvency laws which provide for a public auction, or, subject to certain conditions, a private sale. Proceeds from enforcement are used to cover (i) enforcement costs, (ii) the claims of the secured creditors and (iii) any excess proceeds will be used to satisfy the unsecured creditors.

Assets which are subject to a pledge and similar security rights are considered to be part of the debtor's estate (*Konkursmasse*) and will be realized by the bankruptcy administration. As a consequence, the private enforcement of pledged assets is not permitted and the enforcement mandatorily occurs according to the rules of the DEBA. The secured creditor is under an obligation to remit the pledged assets to the bankrupt estate. The assets are liquidated by the receiver in bankruptcy in the same manner as the other assets of the bankrupt estate, but the creditor secured by the pledge retains its privilege to be satisfied from the proceeds of the liquidation of the assets pledged to it with priority over the unsecured creditors. If the proceeds from the sale of the pledged assets exceed the secured claims, the surplus is available for distribution to the unsecured creditors. If the enforcement proceeds are not sufficient to fully satisfy the secured claims, the remainder of the claims have equal rank as unsecured claims with all other unsecured and (provided it is not a privileged claim) non-prioritized claims.

Claims assigned for security purposes by a Swiss Collateral Guarantor that come into existence prior to the opening of bankruptcy can be enforced by the secured creditor outside Swiss bankruptcy proceedings subject to potential avoidance actions. According to the current jurisprudence of the Swiss Federal Supreme Court, assigned claims that come into existence after the opening of bankruptcy over a Swiss entity or similar insolvency proceedings that lead to the loss of the capacity of the relevant assignor to dispose of such rights or claims may generally not be enforceable by the secured creditor and, hence, may fall within the bankruptcy estate and the secured creditor may not be entitled to such claims and the proceeds from an enforcement of such claims. With regard to assigned claims that come into existence prior to bankruptcy, enforcement in a strict sense is not necessary as the ownership has already been transferred to the secured party. Enforcement in this context essentially means that the obligation to return the transferred assets under the security agreement expires. However, this must follow similar rules as for the private enforcement of a pledge and must generally be made in accordance with the principle of good faith, adequately taking into account the security provider's interests, in particular the security interests are to be valued fairly, the valuation must be properly documented, the secured obligations must be repaid by set-off out of the proceeds of the realization and any surplus after satisfaction of the secured obligations must be accounted for and repaid to the party having granted security.

Final distribution of non-secured claims is based on a ranking of creditors in three classes. The first and the second class, which are privileged, comprise claims under employment contracts, accident insurance, pension plans and family law and claims for deposits under the Swiss Banking Act (*Bundesgesetz über die Banken und Sparkassen*). Certain privileges can also be claimed by the government and its subdivisions based on specific provisions of federal law. All other creditors are treated equally in the third class. A secured party participates in the third class to the extent its claim is not covered by its collateral.

As an alternative solution to bankruptcy, the debtor (or, under certain circumstances, a creditor) may seek a composition with creditors (*Nachlassverfahren*) by applying to the competent composition court (*Nachlassgericht*) for a moratorium (*Nachlassstundung*) and submitting, besides other documents, a tentative reorganization plan. The court immediately decides whether to grant the moratorium provisionally (*provisorische Stundung*) for a maximum period of four month. With its decision the court appoints a commissioner provisionally (*provisorischer Sachwalter*). In case during the period of the provisional moratorium a reorganization of the company or a composition agreement (*Nachlassvertrag*) appear promising, at a time before the provisional moratorium has expired, the court approves the moratorium definitely and appoints a commissioner (*Sachwalter*). The court may, where deemed necessary, also appoint a creditors' committee (*Gläubigerausschuss*) for the purpose of supervising the commissioner. The commissioner convokes a meeting of creditors (*Gläubigerversammlung*) which has to approve the draft for reorganization procedures by composition with the debtor's creditors. Reorganization is initiated by a request with the competent court for a stay (*Nachlassstundung*) pending negotiation of the composition agreement according to specific majority rules. The composition with the creditors and confirmation of such agreement (*Nachlassvertrag*) is subject to the approval of the competent court. The DEBA provides for three different types of composition agreements: the ordinary composition agreement (*Ordentlicher Nachlassvertrag*), the composition agreement providing for the assignment of assets (*Nachlassvertrag mit Vermögensabtretung*) which leads to a private liquidation and in many instances has analogous effects as bankruptcy proceedings, and the dividend composition (*Dividenden-Vergleich*) providing for the payment of a certain percentage on the creditors' claims and the continuation of the debtor. Further, there is the possibility of a composition in the form of a mere payment term extension (*Stundungsvergleich*). During a moratorium, debt collection proceedings cannot be initiated and pending proceedings are stayed. An assignment of claims for security purposes entered into by a Swiss entity prior to the granting of a moratorium is ineffective if the assigned claims come into existence only after the granting of a moratorium. Furthermore, the debtor's power to dispose of its assets and to manage its affairs is restricted. In case of a pledge, the secured party is not entitled to proceed with a private liquidation until the confirmation of the settlement by the competent court. A secured creditor participates in the settlement only for the amount of its claim not covered by the collateral. The moratorium does not affect the agreed due dates of debts (contrary to bankruptcy, in which case all debts become immediately due upon adjudication). The moratorium aims at facilitating the conclusion of one of the above composition agreements. Any composition agreement needs to be approved by the creditors and confirmed by the competent court. With the judicial confirmation, the composition agreement becomes binding on all creditors, whereby secured claims are only subject to the composition agreement to the extent that the collateral proves to be insufficient to cover the secured claims.

Upon the request of the foreign insolvency administrator, the debtor or a creditor, a foreign bankruptcy decree may be recognized in Switzerland provided that, (i) the bankruptcy decree is enforceable in the state where it was issued, (ii) there is no reason to reject such enforcement and (iii) the decree was issued (a) in the state of the debtor's domicile or (b) in the state where the center of the debtor's main interests are located, provided that the debtor was not domiciled in Switzerland when the foreign bankruptcy proceedings were initiated.

Hardening Periods and Fraudulent Transfer

Under Swiss insolvency laws, the insolvency administration may, under certain conditions, claim for avoidance of transactions, such as, inter alia, the granting of or the payment under any guarantee or security or, if a payment has already been made under the relevant guarantee or security, require that the recipients return the amount received to the debtor's estate. In particular, a transaction (which term includes the granting of a guarantee, the provision of security and the payment of debt) detrimental to the debtor's other creditors may be avoided according to Swiss insolvency laws in the following cases if such acts result in damages to the creditors:

- The debtor has made a transaction being considered as a gift or a disposal of assets without any consideration, provided that the debtor made such transaction within the last year prior to the opening of formal insolvency proceedings (*Konkurseröffnung*) or the confirmation of the moratorium in case of a composition agreement with assignment of assets (*Nachlassvertrag mit Vermögensabtretung*). Similarly, transactions pursuant to which the debtor received consideration which was disproportionate to its own performance, may be avoided. In case the beneficiary of the relevant transaction with the debtor is a related party, including without limitation a group company, the burden of proof is shifted: the beneficiary must in this case prove that such transaction was at arm's length.
- Certain acts are voidable if performed by the debtor within the last year prior to the opening of formal insolvency proceedings (*Konkurseröffnung*) or the confirmation of the moratorium in case of a composition agreement with assignment of assets (*Nachlassvertrag mit Vermögensabtretung*), provided that the debtor was already over-indebted at that time: (i) granting of security for existing claims, provided that the debtor was not previously obliged to grant such security, (ii) payment of a monetary obligation (*Geldschuld*) in any other way than by payment in cash (*Barschaft*) or other customary means of payment, and (iii) the payment of a debt not yet due. However, any avoidance action is dismissed if the beneficiary of the transaction can prove that it was not aware of the debtor's over-indebtedness and, being diligent, could not know that the debtor had been over-indebted at that time.
- Furthermore, any acts performed within the last five years prior to, inter alia, the opening of formal insolvency proceedings (*Konkurseröffnung*) or the confirmation of the moratorium in case of a composition agreement with assignment of assets (*Nachlassvertrag mit Vermögensabtretung*) performed by the debtor with the intention to discriminate some creditors against others or to favor some creditors to others are voidable if such intention was, or exercising the requisite due diligence, must have been known to the debtor's counterparty. In case the beneficiary of the relevant transaction with the debtor is a related party, including without limitation a group company, the burden of proof is shifted: the beneficiary must in this case prove that such intention was not recognizable.

The transactions potentially subject to avoidance also include those contemplated by the relevant Swiss Collateral Guarantor's New Guarantee or the granting of security interests. If any guarantee or security is avoided as summarized above or held to be unenforceable for any other reason, the claimant would cease to have any claim in respect of the guarantee and would have a claim solely under the Notes and the remaining guarantees, if any. Any amounts obtained from transactions that have been avoided would have to be repaid.

Ireland

Insolvency

The Notes will be guaranteed by Swissport Ireland Limited, a limited liability company organized under the laws of Ireland (the "**Irish Guarantor**"). Consequently, in the event of an insolvency of the Irish Guarantor, main insolvency proceedings would likely be initiated and conducted in Ireland in accordance with Irish insolvency laws.

However, pursuant to Irish insolvency law, where an Irish company conducts business in another member state of the European Union, the jurisdiction of the Irish courts may be limited if the company's center of main interests is found to be in another Member State. There are a number of factors that are taken into account to ascertain the center of main interests. The center of main interests should correspond to the place where the company conducts the administration of its interests on a regular basis, and is therefore ascertainable by third parties. The point at which the center of main interests of a particular company falls to be determined is at the time that the relevant insolvency proceedings are opened.

Irish insolvency laws and other limitations could limit the enforceability of a guarantee provided by the Irish Guarantor and any security interests granted by the Irish Guarantor.

The following is a brief description of certain aspects of Irish insolvency laws relating to certain limitations on the guarantee and security interests in respect of the Notes, insofar as they are provided by the Irish Guarantor.

The application of these laws could adversely affect your ability to enforce your rights under the Guarantee or security interests in respect of the Notes and limit any amounts that you may receive. The following also contains analysis of the typical forms of security interests in Ireland which are commonly created in Ireland over a company's assets, namely fixed and floating charges.

Preferred Creditors under Irish Law

Under Section 621 of the Companies Act 2014 (as amended, the "**Companies Act**"), in a winding-up of an Irish company, certain preferential debts are required to be paid in priority to all debts other than those secured by a fixed charge. Preferential debts therefore have priority over debts secured by a floating charge. If the assets of the relevant company available for the payment of general creditors are insufficient to pay the preferential debts, they are required to be paid out of the property subject to the floating charge. Under Section 440 of the Companies Act, the holder of a floating charge, or a receiver appointed by such a holder, who takes possession of property subject to the floating charge when the company is not in the course of being wound up, is required to pay the preferential debts out of that property in priority to principal and interest secured by the floating charge. Such preferential debts would comprise, among other things, any amounts owed in respect of local rates and certain amounts owed to the Irish Revenue Commissioners for income/corporation/capital gains tax, value added tax (VAT), employee related taxes, social security and pension scheme contributions and remuneration, salaries and wages of employees and certain contractors and the expenses of liquidation.

In addition, there is a further limited category of super-preferential creditors which take priority, not only over unsecured creditors and holders of floating security, but also over holders of fixed security. These super-preferential claims include the remuneration, costs and expenses properly incurred by any examiner of the company which may include any borrowings made by an examiner to fund the company's requirements for the duration of his appointment that have been approved by the Irish courts, (see—"Examinership" below) and any capital gains tax payable on the disposition of an asset of the company by a liquidator, receiver or mortgagee in possession, as well as, in certain circumstances, PAYE, VAT and local property tax arrears where a fixed charge over book debts is created.

Limitation on Enforcement

A guarantee by the Irish Guarantor for the obligations of another group company and any security interests granted by the Irish Guarantor must be in the commercial interest and for the corporate benefit of the Irish Guarantor. If the giving of a guarantee or granting of security is not for the Irish Guarantor's corporate benefit, the guarantee or security could be held null and void.

The giving of a guarantee or security must comply with any applicable financial assistance rules.

The question of corporate benefit is determined on a case-by-case basis and consideration has to be given to any direct and/or indirect benefit that the company would actually derive from the transaction and is particularly relevant for upstream or cross-stream guarantees.

The question whether or not the corporate benefit requirement is met is a matter of fact, which must be assessed by the competent body of the company being the board of directors of the company acting bona fide in the interest of the company.

If the corporate benefit requirement is not met, the directors of the company may be held liable by the company for negligence in the management of the company. Moreover, the guarantee or security could be declared null and void.

It is open to a court to find that assignments and charges described as fixed charges constitute floating charges rather than fixed charges, the description given to them as fixed charges not being determinative and no opinion is expressed on whether security interests created by the Transaction Security Documents are fixed charges or floating charges. One of the three characteristics of a floating charge is the ability of the chargor to carry on business in the ordinary way so far as concerns the particular class of assets in question until some further step is taken by or on behalf of the chargee. Where the chargor is free to deal with the assets, which form the subject matter of the charge, without the consent of the chargee, or the chargee does not exercise the requisite degree of control over the assets, or the proceeds of such assets, the court would be likely to hold that the charge in question constitutes a floating charge, notwithstanding that it may be described as a fixed charge. Irish case law have interpreted the requisite level of control to a high standard. To the extent that any of the secured assets are not specifically identified a court may hold that such assets which are expressed to be subject to a fixed charge may in fact be subject to a floating charge. It should be noted that insofar as the Transaction Security Documents purport to create fixed security over future assets the asset must either be identified as at the date of execution of such Transaction Security Documents or identifiable as falling within the security purported to be created thereby.

A floating charge is more vulnerable than a fixed charge both to being set aside in a winding-up and to losing its priority to other rights and interests. A floating charge will take effect subject to:

(a) third party rights or interests (including rights of set-off) unless the third party concerned had express notice that a term in the relevant Security Document prohibited the type of transaction which the mortgagor, chargor or assignor thereunder entered into with such third party or that the floating charge had crystallized;

(b) any execution or attachment completed before crystallization; and

(c) any distress, whether levied on or after crystallization.

Moreover, amounts received in a winding-up or receivership by realizing assets subject to a floating charge must first be used to pay certain preferential debts, for example, money owed to the Irish Revenue Commissioners for tax deducted at source, value added tax and remuneration of employees.

The effectiveness of any crystallization clause in the Transaction Security Documents is unclear although it has been held by the Supreme Court that a crystallization notice served by the chargee was valid to crystallize the floating charge and that the floating charge had become a fixed charge and, as such, ranked ahead of preferential creditors and *pari passu* with other fixed security over the chargor's assets.

A fixed charge on book debts is subject to the provisions of Section 1001 Taxes Consolidation Act 1997 which provides inter alia that on receipt of a notice from the Revenue Commissioners that the chargor is in arrears on its PAYE (pay-as-you-earn), VAT (value added tax), PRSI (pay-related social insurance) or LPT (local property tax) payments the holder of the fixed charge must thereafter pay all sums it receives from the chargor to the Revenue Commissioners until the arrears (and any further arrears which accrue) of PAYE, VAT, PRSI or LPT payments (as the case may be) have been discharged in full. Where the holder of the security has informed the Revenue Commissioners of the creation of the security within 21 days of its creation, liability of the holder is limited to the amount of certain tax liabilities of the charger arising after the issue of such notice.

Monies held in a bank account of the Company could, notwithstanding any charge or right of set-off over such account being held by the Security Agent, be subject to Section 1002 of the Taxes Consolidation Act 1997 which provides inter alia that on receipt of a notice from the Revenue Commissioners that a taxpayer is in arrears in the discharge of any tax, interest or penalty, a person owing money to the taxpayer (including, without limitation, a bank holding monies of the taxpayer) must pay such monies to the Revenue Commissioners.

The effectiveness of a charge on a security account held with the chargee is not free from doubt.

The exercise of enforcement powers by secured creditors is controlled by law; for example, a mortgagee owes certain duties to the debtor in relation to realizations. These laws may override provisions in the Transaction Security Documents to the contrary.

On a disposal of the Collateral on an enforcement of the security created pursuant to the Transaction Security Documents, the Security Agent may be required to pay any capital gains tax owed in respect of those assets in priority to the debts secured by such assets.

A notification under the Competition Acts 2002 to 2014 (the "**Competition Acts**") may need to be made when enforcing a share charge. Under the Competition Acts, the acquisition, whether directly or indirectly, of control of an undertaking must be notified to the Competition and Consumer Protection Commission (the "**CCPC**") where in the most recent financial year:

(a) the aggregate turnover in Ireland of the undertakings involved in the transaction is not less than €50 million; and

(b) the turnover in Ireland of each of two or more of the undertakings involved is not less than €3 million.

Where the person acquiring control of an undertaking is a receiver or liquidator acting as such, or is an underwriter or jobber acting as such, a notification to the CCPC is not required under the Competition Acts. Where the Competition Acts apply, a transfer that is put into effect without prior notification to and clearance from the CCPC shall be void. In addition, where the person(s) in control of an undertaking involved knowingly and willfully authorised(s) or permit(s) the undertaking involved to fail to notify the transaction within the period specified under the Competition Acts, such person(s) may be found guilty of an offence under the Acts and subject to fines of up to €250,000. Particular provisions apply in relation to media mergers, which, inter alia, disapply the financial thresholds referred to above.

Failure to register the particulars of the Transaction Security Documents and any other requisite documents in the Companies Registration Office within 21 days of the creation of the security constituted by the Transaction Security Documents will render the relevant charge void as against any liquidator or creditor of the Company.

To the extent that the legal title (as distinct from the beneficial title) to any of the assets purported to be secured by the Transaction Security Documents is not held by the Company, then the legal title will not be subject to the security created by the Transaction Security Documents.

1. Improper transfer

If it can be shown on the application of a liquidator, creditor or contributory of a company which is being wound up, to the satisfaction of the High Court, that any property of that company was disposed of and the effect of such a disposal was to "*perpetrate a fraud*" on the company, its creditors or members, the High Court may, if it deems it just and equitable to do so, order any person who appears to have "*use, control or possession*" of the property concerned, or of the proceeds of the sale or development of that property, to deliver it or them, or to pay a sum in respect of it to the liquidator on such terms as the High Court sees fit.

2. Unfair preference

(a) Any act relating to property made or done by or against a company which is unable to pay its debts as they become due in favor of any creditor of the company or any person on trust for any such creditor, with a view to giving such creditor (or any surety or guarantor of the debt due to such creditor) a preference over the company's other creditors, shall be deemed to be an unfair preference of its creditors and be invalid accordingly if a winding up of the company commences within six months of the doing of the act and the company is, at the date of commencement of the winding up, unable to pay its debts (taking into account contingent and prospective liabilities).

(b) Where the act is in favor of a "*connected person*", the six month period is extended to two years and the act in question shall be deemed, if the company is being wound up and is, at the time that the winding up commences, unable to pay its debts, to have been done with a view to giving the connected person a preference over the company's other creditors, to be an unfair preference, and to be invalid. Consequently, the burden of proof is on the connected person to show that any such act was not an unfair preference. A "**connected person**" means a person who was, at the time that the transaction took place, a director or shadow director of the company, a person connected with a director of the company within the meaning of Section 220 (*Connected persons*) of the Companies Act, a related company, or any trustee of or surety or guarantor for the debt due to any of the foregoing.

3. Disclaimer of onerous property

(a) The liquidator of a company may, by the giving of notice, disclaim any onerous property of the company under Section 615 of the Companies Act. "**Onerous property**" is defined to include any "*unprofitable contract*" and "*any other property [of the company] which is unsaleable or not readily saleable by reason of its binding the possessor of it to the performance of any onerous act or to the payment of any sum of money*". A disclaimer operates to determine, as of the date it is made, the rights, interests and liabilities of the company in or in respect of the property disclaimed but "*shall not, except so far as is necessary for the purpose of releasing the company and the property of the company from any liability, affect the rights or liabilities of any other person*". A notice of disclaimer may not be given in respect of any property if the property is not disclaimed within 28 days (or such longer period as the High Court may allow) of an application in writing to the liquidator by the person interested in the property requiring the liquidator to decide whether or not to disclaim. Any person sustaining loss or damage in consequence of a disclaimer is deemed a creditor of the company to the extent of the loss or damage and may prove for same in the winding up. A liquidator must disclaim the whole of the property. He may not keep part and disclaim part.

(b) The meaning given to an "*unprofitable contract*" in case law is one that would involve the liquidator in some liability (e.g. the performance of an onerous act or the payment of money). There must be some onerous or burdensome obligations associated with the contract; the mere fact that the insolvent company's estate would be better off by disclaimer is not enough.

4. Actions of directors of insolvent company

(a) It is possible that actions of the directors of an insolvent company would not be held to be lawfully and effectively done if carried out in disregard of the rights and interests of the general creditors. In ***Re Frederick Inns Ltd*** [1991] 1 ILRM 387 ("**Re Frederick Inns**") the Supreme Court held that as soon as a winding-up order has been made against a company, that company ceases to be the beneficial owner of its assets and the directors no longer have the power to dispose of them. It should be noted that this is also the case prior to insolvency proceedings where the company is under the management of its directors pending imminent liquidation or where the company's situation is such that any creditor could have it wound up on the grounds of insolvency. In such situations the directors have a duty to the creditors to preserve the assets to enable them to be applied in discharge of the company's liabilities. ***Re Frederick Inns*** also cited, with approval, the statement of Street CJ in ***Kinsela v Russell Kinsela Property Ltd (in liquidation)*** [1986] 4 NSWLR 722, that a transaction was voidable, despite being within the power of the company, if entered into by the directors in breach of their duty to the company not to directly prejudice the interests of the company's creditors.

(b) In summary, the effect of ***Re Frederick Inns*** is that where the directors of an insolvent company are aware of its insolvency, they hold the assets of that company in trust for the benefit of the company's creditors. It is not necessary that the company has commenced winding up, only that it is liable to being wound-up, should a petition for its winding-up be presented by one of its creditors.

5. Floating charges

Under Section 597 (*Circumstances in which floating charge is invalid*) of the Companies Act, a floating charge is invalid if created in the period of twelve months (or two years if created in favor of a "**connected person**") ending with the date of commencement of the winding up of the company, and unless it can be proven that the company was solvent immediately after the creation of the charge. Such invalidity does not apply to money actually advanced or paid or the actual price or value of goods or services sold or supplied to the company at the time or after the creation of, and in consideration for, the charge together with interest at the appropriate rate.

6. Examinership

(a) Examinership is a court moratorium/protection procedure which is available under Irish company law. It was originally introduced in Ireland, under the Companies (Amendment) Act 1990, to provide a remedy for a company with serious but not terminal financial difficulties to achieve with its creditors, shareholders, employees, tax and any applicable regulatory authorities some balanced and equitable solution that will return the company to a sound footing, and to achieve a more beneficial social and economic outcome than a winding-up. In terms of companies which have been subject to an examination to date, typically they have had some substance in terms of an active trade, several employees, creditors who also count on a continuing trade with the company and various other secured, preferential and unsecured creditors.

(b) Where a company which has its center of main interests in Ireland is, or is likely to be, unable to pay its debts an examiner may be appointed on a petition to the High Court under Section 509 (*Power of court to appoint examiner*) of the Companies Act. It should be noted that where the relevant company is treated as a "**small company**" by virtue of Section 350 (*Qualification of company as small or medium company*) of the Companies Act (i.e. it meets two of the following three conditions in respect of a financial year:

(i) it has a balance sheet total of less than or equal to €4.4 million;

(ii) it has turnover of less than or equal to €8.8 million; and

(iii) its average number of employees does not exceed 50),

the petition may instead be presented to the Circuit Court. A company is deemed to be unable to pay its debts if:

(A) it is unable to meet its debts as they fall due;

(B) the value of its assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities;

(C) a creditor, by assignment or otherwise, to whom the company is indebted in a sum exceeding €10,000 then due, has served a written demand on the company (by leaving it at the company's registered office) requiring the company to pay the sum due and the company has, for 21 days after the date of service of the demand, neglected to pay that sum or neglected to secure or compound for it to the reasonable satisfaction of the creditor;

(D) two or more creditors, by assignment or otherwise, to whom (in aggregate) the company is indebted in a sum exceeding €20,000 then due, have served a written demand on the company (by leaving it at the company's registered office) requiring the company to pay the sum due and the company has, for 21 days after the date of service of the demand, neglected to pay the sum or neglected to secure or compound for it to the reasonable satisfaction of each of the creditors; or

(E) execution or other process issued on foot of a judgment, decree or order of any court in favor of a creditor of the company is returned unsatisfied in whole or in part.

(c) Under Section 510 (*Petition for court*) of the Companies Act, examinership petitions may be presented by the company, by the directors, by a creditor, by a contingent or prospective creditor or by members of the company holding, at the date of presentation of the petition, not less than one-tenth of the paid-up voting share capital of the company.

Period of examinership

(d) Where an examinership petition is presented in relation to a company, that company is deemed to be under the protection of the Court during the period beginning on presentation of the petition and ending 70 days later (which period may be extended by a further 30 days where the Court is satisfied that the examiner would not be able to present his report within 70 days, or by such further unlimited period as the Court may allow where the Court needs more time to consider the proposals contained in the examiner's final report). In the event of an appeal of the Court's decision, the protection period is likely to be further extended in order to allow the determination of the appeal.

Examiner's proposals

(e) Once appointed an examiner must, as soon as practical, formulate proposals for a compromise or scheme of arrangement in relation to the company to which he has been appointed. Typically, a scheme of arrangement will involve the writing down of creditors' claims (both secured and unsecured, contingent and actual) that are in existence at the date of the petition and the introduction into the company of new funds. Having formulated his proposals, he must convene meetings of such classes of members and creditors as he thinks proper to consider acceptance of his proposals. The examiner must report to the Court on the outcome of his meetings within 35 days of his appointment, although the 35 day period can be extended by the Court. There is acceptance by creditors or by a class of creditors when a majority in number representing a majority in value of the claims represented at the meeting vote in favor of the proposals. The proposals must be confirmed by the Court if they are to become effective and the Court can confirm the proposals only if, inter alia:

(i) at least one class of creditors whose interests or claims would be impaired by implementation of the proposals have accepted them;

(ii) the Court is satisfied that the proposals are fair and equitable in relation to any class of members or creditors that has not accepted them and whose interests and claims would be impaired by implementation; and

(iii) they are not unfairly prejudicial to the interests of any interested party.

Once confirmed by the Court, the proposals become binding on the company and all creditors (whether secured or unsecured) or the class or classes of creditors (whether secured or unsecured), as the case may be, affected by the proposals and their rights are accordingly modified.

Repudiation of contracts

(f) Under Section 537 (*Repudiation of certain contracts*) of the Companies Act ("**Section 537**"), where proposals for a compromise or scheme of arrangement are to be formulated in relation to a company, the company may, subject to the approval of the Court, affirm or repudiate any contract under which some element of performance other than payment remains to be rendered both by the company and the other contracting party/parties. Any person who suffers loss or damage as a result of such repudiation stands as an unsecured creditor for the amount of such loss or damage and is entitled to be treated as such in any scheme of arrangement as if the loss or damage constituted a pre-petition claim. Where the Court approves the affirmation or repudiation of a contract under Section 537, it may in giving such approval make such orders as its thinks fit for the purposes of giving full effect to its approval including orders as to notice to, or declaring the rights of, any party affected by such affirmation or repudiation. Section 537 replaced Section 20 (*Repudiation of certain contracts*) of the Companies (Amendment) Act 1990 ("**Section 20**") with effect from 1 June 2015. Existing case law in relation to the scope of Section 20 was limited to the repudiation of leases.

Effects of examinership

(g) The effect of the appointment of an examiner is to suspend the rights of a secured creditor for the protection period but, save as detailed further below, the appointment does not of itself affect the security or the rights of the secured creditor. Section 520 (*Effect of petition to appoint examiner on creditors and others*) of the Companies Act ("**Section 520**") provides that for as long as a company is under the protection of the Court, no attachment, sequestration, distress or execution shall be put into force against the property or effects of the company except with the consent of the examiner. The section goes on to provide, amongst other things, that, except with the consent of the examiner:

(i) where any claim against the company is secured by a mortgage, charge, lien or other encumbrance of, or pledge of or affecting, the whole or any part of the property, effects or income of the company, no action may be taken to realize the whole or any part of such security;

(ii) no receiver over any part of the property or undertaking of the company shall be appointed (and if a receiver was appointed before the petition was presented, that receiver will be unable to act); and

(iii) no proceedings for the winding up of the company may be commenced and no resolution for winding up of the company may be passed (and no such resolution passed shall have any effect).

(h) Pursuant to Section 521 (*Restriction on payment of pre-petition debts*) of the Companies Act, no payment may be made by a company during the period of Court protection by way of satisfaction or discharge of the whole or a part of a liability incurred by the company before the date upon which the petition for the examiner's appointment was presented unless the independent expert's report under Section 511 (*Independent expert's report*) of the Companies Act that accompanied the petition recommended that all or part of that liability be discharged or satisfied, or such payment is authorised by the Court (on application of the examiner or any interested party) where the Court is satisfied that a failure to discharge or satisfy in whole or in part that liability would considerably reduce the prospects of the company or the whole or any part of its undertaking surviving as a going concern.

(i) Accordingly, in any examinership of a company, that company will be precluded from paying over monies to its creditors.

(j) Before the examiner can dispose of assets the subject of a security interest, the approval of the Court pursuant to Section 530 (*Power to deal with charged property, etc.*) of the Companies Act ("**Section 530**") is required.

(k) It would be open to an examiner to borrow monies and to certify such borrowings under Section 529 (*Incurring of certain liabilities by examiner*) of the Companies Act ("**Section 529**"). Under Section 529, where the examiner certifies such liabilities incurred by a company as having been incurred in circumstances where, had they not been incurred, that company's survival as a going concern during the protection period would have been seriously prejudiced, such liabilities are treated as expenses properly incurred by the examiner for the purposes of Section 554 (*Costs and remuneration of examiners*) of the Companies Act ("**Section 554**"). As such, they will rank for payment ahead of any floating charge, but behind any fixed charge.

Powers of examiner

(l) Section 522 (*Effect on receiver or provisional liquidator of order appointing examiner*) of the Companies Act confers on the Court broad powers to prevent any receiver or provisional liquidator who has been appointed before the commencement of the examinership from continuing to act as such. Under sub-section (5) of Section 524 (*Powers of an examiner*) of the Companies Act ("**Section 524**"), where an examiner becomes aware of any actual or proposed act, omission, course of conduct, decision or contract by or on behalf of the company or by any person in relation to the income, assets or liabilities of the company which, in his opinion, is or is likely to be to the detriment of the company or any interested party, he is given broad powers, subject to the right of parties acquiring an interest in good faith for value in such income, assets or liabilities, to take whatever steps are necessary to halt, prevent or rectify the effects of such act, omission, course of conduct, decision or contract.

(m) Section 525 (Repudiation by examiner of contracts made before period of protection and of negative pledge clauses whenever made: prohibitions and restrictions) of the Companies Act states that nothing in Section 524 entitles an examiner to repudiate a contract entered into by the company prior to the company coming under Court protection. However, where an agreement entered into by the company (whether before or after it came under Court protection) provides that the company cannot (or may not, other than in specified cases) borrow money or otherwise obtain credit from any person other than the counterparty to the agreement, or create or permit to subsist any mortgage, charge, lien or other encumbrance or any pledge over the whole or any part of the company's property or undertaking (i.e. a negative pledge), and where the examiner's opinion is that the provision, if enforced, could prejudice the survival of the company or all or part of its undertaking as a going concern, and the examiner serves a notice on the counterparty or counterparties to the agreement informing them of his opinion, such restrictive provisions will not be binding on the company from the time that the notice is served until the time that the company exits Court protection.

Examiner's borrowings, remuneration and costs

(n) Section 554 gives power to the Court to sanction payment of the examiner's remuneration, costs and expenses. References to an examiner's remuneration and costs are to his remuneration as well as the costs of lawyers and other agents incurred directly by the examiner. The effect of sanction by the Court under Section 554 of the examiner's own remuneration, costs and expenses is to give such items priority ahead of any other claim, whether secured or unsecured, under any compromise or scheme of arrangement or in any receivership or winding up of the company.

(o) The examiner may certify that certain liabilities that are incurred by the company during the period of court protection have been properly incurred in circumstances where, in the opinion of the examiner, the survival of the company as a going concern during the examinership would otherwise have been seriously prejudiced. The effect of certification by the examiner is that the relevant liabilities are paid before any claim (including a claim secured by a floating charge or the claims of preferential creditors), other than a claim secured by a fixed security or pledge, under any compromise or scheme of arrangement or in any subsequent receivership or winding up of the company. In practice, an examiner will normally apply to the Court for the approval of such certified expenses.

Examinership and powers of attorney

(p) The appointment of an examiner to a company may result in restrictions on the powers of any attorney appointed by the company. The exact nature of those restrictions will depend on what powers the attorney possesses and the circumstances of the particular case.

LISTING AND GENERAL INFORMATION

The Issuer

The Issuer was incorporated in Luxembourg on December 13, 2010. The registered office of the Issuer is at 9, Allée Scheffer, L-2520 Luxembourg, Grand Duchy of Luxembourg. The Issuer's Articles of Association are deposited with the Registre de Commerce et des Sociétés in Luxembourg, where such document may be examined and copies thereof obtained. The Articles of Association of the Issuer have been published in the *Recueil Electronique des Sociétés et Association*s. The Issuer has no establishment or branch in or outside of Luxembourg. The LEI of the Issuer is 529900U3RVWMAQTFNR08.

There have been no governmental proceedings with respect to the Issuer.

Corporate Objects

Article 4 of the Articles of Association of the Issuer sets out the corporate object of the Issuer as follows:

The corporate object of the Issuer is the direct and indirect acquisition and holding of stakes, in any form whatsoever, in Luxembourg and/or foreign undertakings, as well as the administration, development and management of these stakeholdings.

This includes without limitation the investment in, acquisition and disposal of, grant or issuance (without a public offering with respect to the Issuer of equity instruments and / or convertible debt instruments) of preferred equity certificates, loans, bonds, notes, debentures and other debt instruments (convertible or not), shares, warrants and other equity instruments or rights, including without limitation, shares of capital stock, limited partnership interests, limited-liability company interests, preferred stock, securities and swaps, and any combination of the foregoing, in each case whether readily marketable or not, as well as obligations (including without limitation synthetic securities obligations) in any type of company, entity or other legal person.

The Issuer may also use its funds to invest in real estate, intellectual property rights or any other movable or immovable asset in any form or of any kind.

The Issuer may grant pledges, guarantees, liens, mortgages and any other form of security as well as any form of indemnity, to Luxembourg or foreign entities, in respect of its own obligations and debts.

The Issuer may also provide assistance in any form (including without limitation the extension of advances, loans, money deposits and credit as well as the provision of pledges, guarantees, liens, mortgages and any other form of security) to the Issuer's subsidiaries. On a more occasional basis, the Issuer may provide the same type of assistance to undertakings that form part of the same group to which the Issuer belongs or to third parties, provided that doing so is in the Issuer's interest and does not trigger any license requirements.

The Issuer may generally employ any techniques and instruments relating to its investments for the purpose of their efficient management, including techniques and instruments designed to protect the Issuer against credit, currency exchange, interest rate risks and other risks.

In general, the Issuer may carry out any commercial, industrial or financial transactions and engage in those other activities as it deems necessary, advisable, convenient, incidental to, or not inconsistent with, the accomplishment and development of its corporate purpose. Notwithstanding the foregoing, the Issuer shall not enter into any transaction that would cause it to be engaged in a regulated activity or one that requires the Issuer to have a license.

Share Capital

The Issuer has an issued share capital of EUR 390,020,044.74 divided into (i) 26,334,673,519 ordinary shares, (ii) 11,433,066,257 class A mandatory convertible preferred shares and (iii) 1,234,264,697 class B mandatory convertible preferred shares, each with a nominal value of EUR 0.01. The share capital of the Issuer has been fully paid-up. All shares issued by the Issuer have equal voting rights as provided for by the law of August 10, 1915 on commercial companies, as amended, and as set forth in the Articles of Association of the Issuer.

The Parent Guarantor has an issued share capital of EUR 736,691,912 divided into (i) 12,000 ordinary shares, (ii) 7,366,917,920 class A shares, (iii) 7,366,917,920 class B shares, (iv) 7,366,917,920 class C shares, (v) 7,366,917,920 class D shares, (vi) 7,366,917,920 class E shares, (vii) 7,366,917,920 class F shares, (viii) 7,366,917,920 class G shares, (ix) 7,366,917,920 class H shares, (x) 7,366,917,920 class I shares and (xi) 7,366,917,920 class J shares, each with a nominal value of EUR 0,01. The share capital of the Parent Guarantor has been fully paid-up. All shares issued by the Parent Guarantor have equal voting rights as provided for by the act of August 10, 1915 on commercial companies, as amended, and as set forth in the Articles of Association of the Parent Guarantor.

Indebtedness

Except as disclosed herein, the Issuer has no material indebtedness as of the date of this Offering Memorandum.

Except as disclosed herein, the Parent Guarantor has no material indebtedness as of the date of this Offering Memorandum.

Financial Statements

Neither the Issuer nor the Parent Guarantor have prepared consolidated financial statements. The audited standalone financial statements of the Parent Guarantor and the Issuer will be published on an annual basis. Any published financial statements of the Parent Guarantor and the Issuer (which will be in respect of the period ending on December 31 in each year) along with their respective audit reports will be available from the Principal Paying Agent.

Documentation

Paper copies of the following documents will be available free of charge for physical inspection while the Notes remain outstanding and listed on the Euro MTF Market of the Luxembourg Stock Exchange at the registered office of the Issuer during normal business hours on any weekday:

- the organizational documents of the Issuer;
- the Consolidated Financial Statements, contained elsewhere in this Offering Memorandum;
- the Indentures (which includes the terms and form of the Notes);
- the guarantees and the Security Documents; and
- the Intercreditor Agreement.

Guarantor Information

The following is a brief description of the Subsidiary Guarantors that will provide Guarantees of the Notes:

	Guarantor Name	Registered Office
1	Swissport Cargo Services Belgium N.V.	Bedrijvenzone Machelen-Cargo 704 Boite 22, 1830 Machelen, Belgium
2	Swissport Canada Inc.	100 Alexis Nihon, Suite 400, Montreal, QC, H4M 2N9, Canada
3	Swissport Canada Handling Inc.	100 Alexis Nihon, Suite 400, Montreal, QC, H4M 2N9, Canada
4	Swissport Canada Holding Inc.	100 Alexis Nihon, Suite 400 Montreal, QC, H4M 2N9, Canada
5	Aguila Bid AG	Flughofstrasse 55 8152 Opfikon, Switzerland
6	Swissport Group Services GmbH	Zugerstrasse 77, 6340 Baar, Switzerland

	Guarantor Name	Registered Office
7	Swissport International Ltd.	Flughofstrasse 55, 8152 Opfikon, Switzerland
8	Swissport Cargo Services Deutschland GmbH	Cargo City Süd, Gebäude 558 B, 60549 Frankfurt, Germany
9	Swissport Germany Holding GmbH	Gebäude 558b, 60549 Frankfurt, Germany
10	Swissport Ireland Limited	Cargo Terminal 2 Dublin Airport, Ireland
11	Cargo Service Center de Mexico S.A. de C.V.	Avenida TeXCOCO SN PE&ON de Los BA&OS Francisco Sarabia, C.P. 15520 Distrito Federal , Mexico
12	Cargo Service Center East Africa B.V.	Strawinskylaan 1431, 1077 XX, Amsterdam, The Netherlands
13	Swissport Mexico Holding S. De R.L. De C.V.	Avenida TEXCOCO SN PE&ON de Los BA&OS Francisco Sarabia, C.P. 15520 Distrito Federal , Mexico
14	Swissport Amsterdam B.V.	Havenmeesterweg 21, 1118 CB Schiphol Airport, Amsterdam, The Netherlands
15	Swissport Cargo Services The Netherlands B.V.	Anchoragelaan 30, Luchthaven Schiphol 1118LO, The Netherlands
16	Swissport Holding B.V.	Strawinskylaan 1431, 1077 XX, Amsterdam, The Netherlands
17	Swissport Nederland B.V.	Strawinskylaan 1431, 1077 XX, Amsterdam, The Netherlands
18	Flightcare Multiservices UK Limited	Swissport House Hampton Court Manor Park, WA7 1TT Runcorn, Cheshire, UK
19	Swissport Group UK Limited	Swissport House Hampton Court, Manor Park, Runcorn, Cheshire, England, WA7 1TT
20	Swissport GB Limited	Swissport House Hampton Court Manor Park, WA7 1TT Runcorn, Cheshire, UK
21	Swissport Cargo Services UK Ltd.	Groundstar House Freight Village, Newcastle Int. Airport, NE13 8BH Newcastle, UK
22	Swissport Fuelling Ltd.	Swissport House Hampton Court, Manor Park, Runcorn, Cheshire, WA7 1TT
23	Swissport Ltd.	Swissport House Hampton Court, Manor Park, Runcorn, Cheshire, WA7 1TT
24	Swissport UK Holding Ltd.	Swissport House Hampton Court, Manor Park, Runcorn, Cheshire, WA7 1TT
25	Servisair Fuel Leasing Corporation	151 Northpoint Drive, Houston TX 77060, USA
26	Swissport Cargo Services, Inc.	45025 Aviation Drive, Suite 350, VA DE 20166 Dulles, VA - USA
27	Swissport Fueling, Inc.	45025 Aviation Drive, Suite 350, VA DE 20166 Dulles, VA - USA
28	Swissport North America Holdings, Inc.	45025 Aviation Drive, Suite 350, VA DE 20166 Dulles, VA - USA
29	Swissport Holdings, Inc.	1011 Centre Road, Suite 322, Wilmington DE 19805, USA
30	Swissport North America, Inc.	45025 Aviation Drive, Suite 350, VA DE 20166 Dulles, VA - USA
31	Swissport SA Fuel Services, LLC	151 Northpoint Drive, Houston TX 77060, USA
32	Swissport SA, LLC	151 Northpoint Drive, Houston TX 77060, USA
33	Swissport SA USA, LLC	151 Northpoint Drive, Houston TX 77060, USA
34	Swissport DACH Holding AG	c/o Swissport International AG, Flughofstrasse 55, 8152 Opfikon, Switzerland
35	Swissport Europe Holding AG	c/o Swissport International AG, Flughofstrasse 55, 8152 Opfikon, Switzerland

	Guarantor Name	Registered Office
36	Swissport LATAM Holding AG	c/o Swissport International AG, Flughofstrasse 55, 8152 Opfikon, Switzerland
37	Swissport MEA Holding AG	c/o Swissport International AG, Flughofstrasse 55, 8152 Opfikon, Switzerland
38	Swissport New Zealand Ltd	C/- Frank Porter Co, Level 11, 51-53 Shortland Street, Auckland 1010, New Zealand
39	Swissport USA, Inc.	45025 Aviation Drive, Suite 350, VA DE 20166 Dulles, VA - USA
40	Swissport Pty Ltd	31a Longland Street, Newstead QLD 4006, Australia
41	Swissport ANZ Pty Ltd	31a Longland Street, Newstead QLD 4006, Australia
42	Swissport ANZ Acquisition Pty Ltd	31a Longland Street, Newstead QLD 4006, Australia
43	Swissport ANZ Finance Pty Ltd	31a Longland Street, Newstead QLD 4006, Australia
44	Swissport Services Pty Ltd	31a Longland Street, Newstead QLD 4006, Australia
45	3GSL Pty Ltd	31a Longland Street, Newstead QLD 4006, Australia
46	Swissport Holding Spain, S.L.	Avenida Central, numero 25, Madrid, Spain
47	Swissport Handling, S.A.U.	Avenida Central, numero 25, Madrid, Spain
48	Heathrow Cargo Handling Ltd	Building 558 Shoreham Road West, Heathrow Airport, Hounslow, Middlesex, TW6 3RN
49	Swissport Deutschland GmbH	Cargo City Süd, Geb. 558 B, 60549 Frankfurt am Main, Germany

Other Information

Application has been made for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange’s Euro MTF Market.

All notices to holders of the Notes, including any notice of optional redemption, change of control or any change in the interest rate payable on the Notes will be published in a Luxembourg newspaper of general circulation (which is expected to be the *Luxemburger Wort*) or on the website of the Luxembourg Stock Exchange (*www.bourse.lu*).

We accept responsibility for the information contained in this Offering Memorandum. To the best of our knowledge, except as otherwise noted, the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything likely to affect the import of this Offering Memorandum.

Except as disclosed herein, there has been no material adverse change in the consolidated financial position or prospects of the Issuer or the Parent Guarantor since March 31, 2019.

Neither we nor any of our subsidiaries is a party to any litigation that, in our judgment, is material in the context of the issue of the Notes, except as disclosed herein.

We have appointed Elavon Financial Services DAC as our Principal Paying Agent and Transfer Agent. We reserve the right to vary such appointment and shall publish notice of such change of appointment in a newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or on the Luxembourg Stock Exchange’s website, *www.bourse.lu*. The Principal Paying Agent will act as intermediary between the holders of the Notes.

The issuance of the Notes was authorized by resolutions of the board of directors of the Issuer passed at a meeting held on July 8, 2019.

The granting of the Parent Guarantees by the Parent Guarantor was authorized by resolutions of the board of directors of the Parent Guarantor passed at a meeting held on July 8, 2019.

The granting of the Guarantees by each Guarantor will be authorized by each Guarantor at the time of accession.

Security Codes

The Senior Secured Notes sold pursuant to Regulation S and Rule 144A have been accepted for clearing and settlement through the facilities of Euroclear and Clearstream, Luxembourg and Euroclear under common codes 203683863 and 203684177, respectively. The international securities identification number (the "**ISIN**") for the Senior Secured Notes sold pursuant to Regulation S is XS2036838634 and the ISIN for the Senior Secured Notes sold pursuant to Rule 144A is XS2036841778.

The Senior Notes sold pursuant to Regulation S and Rule 144A have been accepted for clearing and settlement through the facilities of Euroclear and Clearstream, Luxembourg and Euroclear under common codes 203684223 and 203684258, respectively. The ISIN for the Senior Notes sold pursuant to Regulation S is XS2036842230 and the ISIN for the Senior Notes sold pursuant to Rule 144A is XS2036842586.

INDEX TO FINANCIAL STATEMENTS

SWISSPORT GROUP S.À R.L.

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE 3 MONTHS PERIOD ENDED MARCH 31, 2019

GENERAL INFORMATION

Swissport Group S.à r.l. ("the Company" or "Swissport Group") and its subsidiaries (together "the Group") provide ground handling and cargo handling services to many of the world's leading airlines in 50 countries.

The parent company of the Group is Swissport Group S.à r.l. which is a limited liability company domiciled in Luxembourg and was legally incorporated on 4 November 2015. The address of the registered office is: 9, allée Scheffer, L-2520 Luxembourg.

HNA Group Co. Ltd ("HNA Group", a global enterprise group based in Haikou, China) is the ultimate parent company of HNA Aviation (Hong Kong) Ground Handling Holdings Co., Limited (HNA Aviation), the sole parent company of Swissport Group S.à r.l.. The Board of Managers approved these condensed consolidated interim financial statements for the 3 months period ended 31 March 2019 on 5 July 2019.

The condensed consolidated interim financial statements for the period ended 31 March 2019 have been prepared in accordance with IAS 34, 'Interim Financial Reporting'. These condensed consolidated interim financial statements are unaudited and should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 December 2018, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and issued by the International Accounting Standard Board (IASB). These condensed consolidated interim financial statements do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

The IFRS adopted by the EU effective date may be later than that established by the IASB. For the purpose of these condensed consolidated interim financial statements, the EU adopted standards do not differ from those under IFRS as issued by the IASB.

The condensed consolidated interim financial statements are prepared in millions of Euro, which is also the functional currency of the Company. Amounts expressed in Euro are designated as EUR, amounts expressed in thousands of Euro are designated as TEUR and amounts expressed in millions of Euro are designated as MEUR. The condensed consolidated interim financial statements are prepared under the historical cost basis, with the exception that certain items are stated at their fair value (Non-current non-listed equity investment at fair value through other comprehensive income, financial assets and liabilities at fair value through profit or loss, including derivative instruments).

ABOUT THIS REPORT

Information presented in condensed consolidated interim financial statements for the reporting period reflects the Group's operating results for the period from 1 January 2019 until 31 March 2019. The comparative information is presented for the period from 1 January 2018 until 31 March 2018.

Changes in accounting policy

The same accounting policies have been followed in these condensed consolidated interim financial statements as were applied in the preparation of the consolidated financial statements of the Group for the year ended 31 December 2018. A number of new, revised or amended IFRS standards and new and revised interpretations have been published and are effective for the Group's accounting periods beginning on or after 1 January 2019.

IFRS 16 supersedes IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", SIC-15 "Operating Leases – Incentives" and SIC-27 "Evaluating the Substance of Transactions in the Legal Form of a Lease". The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial recognition on 1 January 2019. For further details on the changes arising out of the adoption of IFRS 16 please refer to note 5.1.

Several other new, revised or amended IFRS standards apply for the first time in 2019, but do not have an impact on these condensed consolidated interim financial statements, please refer to note 5.1.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
CONTINUED FOR THE 3 MONTHS PERIOD ENDED 31 MARCH 2019

OVERVIEW OF KEY JUDGEMENTS AND ESTIMATES

REFERENCE KEY

Key Judgements and Estimates
The preparation of the condensed consolidated interim financial statements requires management to make assumptions, estimates and judgements that affect the application of accounting policies. Key judgements and estimates applied to the preparation of the financial statements are shown where the related accounting balance or financial statement matter is discussed.

Significant Accounting Policies
The material accounting policies and measurement basis relevant to understanding the condensed consolidated interim financial statements are provided throughout the notes to the financial statements. A disclosure is considered material and relevant if it is of significant size, nature or criticality to understand the Group's results. Accounting policies with immaterial effect on the condensed consolidated interim financial statements have been intentionally excluded from these financial statements.

Related Parties
The Group enters into various transactions and agreements with its related parties. A related party is a person or entity who has significant influence over the reporting entity. The significant transactions and balances are disclosed throughout the condensed consolidated interim financial statements.

Internal Reference
Cross references are used in the report to provide the user with easier access to the relevant information.

KEY EVENTS AND TRANSACTIONS

The financial position and performance of the Group was particularly affected by the following events and transactions during the period:

1. SWISSPORT CONTINUES REMEDIES STANDSTILL REGARDING AFFILIATE LOAN TO HNA GROUP
On 31 January 2019, Swissport continued the temporary remedies standstill regarding the collection of the unpaid balance of its granted loan to a related party. Swissport had agreed to forbear for a period of six months until July, 31 2019 from exercising remedies to collect the remaining unpaid balance. The parties to the loan are expecting a settlement in the third quarter of 2019.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH

MEUR	Note	Unaudited 2019	Unaudited 2018
Profit or Loss:			
Revenue from contracts with customers	→ 1.2	726.2	657.5
Other operating income	→ 1.2	23.3	26.8
Total revenue and other operating income		**749.5**	684.3
Goods and services purchased		-104.1	-101.1
Personnel expenses		-495.6	-464.8
Other operating expenses		-74.7	-97.6
Acquisition costs	→ 4.2	-0.7	-5.2
Integration costs	→ 4.2	-0.1	-2.9
Depreciation of property, vehicles and equipment		-13.3	-14.2
Depreciation of right-of-use assets	→ 5.1	-31.2	-
Amortization of intangible assets		-8.1	-6.0
Total operating expenses		**-727.8**	-691.8
Share of results of associates and joint ventures		2.8	2.5
Operating profit / -loss		**24.5**	-5.0
Finance expenses	→ 2.2	-82.2	-69.3
Finance income	→ 2.2	49.0	46.5
Net result before income taxes		**-8.7**	-27.8
Income taxes		-7.6	-4.8
Net result for the period		**-16.3**	-32.6
Attributable to:			
Owners of the parent		-19.9	-37.1
Non-controlling interest		3.6	4.5

MEUR	Note	Unaudited 2019	Unaudited 2018
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		50.6	-32.3
Net loss on hedge of a net investment		-0.7	-
Items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit obligations, net of tax		-22.4	8.5
Total other comprehensive income / -loss		**27.5**	-23.8
Total comprehensive income / -loss for the period		**11.2**	-56.4
Attributable to:			
Owners of the parent		7.4	-60.6
Non-controlling interest		3.8	4.2

Individual line items in the statement of other comprehensive income are disclosed net of tax. The tax impact for the period 1 January to 31 March 2019 is an expense of MEUR 1.0 and for the period 1 January to 31 March 2018 a gain of MEUR 6.7.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH

MEUR	Note	Unaudited 2019	Unaudited 2018
Cash flow from operating activities			
Net result for the period		-16.3	-32.6
Adjustments to net result for the period		89.7	51.6
Income tax expense		7.6	4.8
Net finance expense	→ 2.2	33.2	22.8
Depreciation of property, vehicles and equipment		13.3	14.2
Depreciation of right-of-use assets	→ 5.1	31.2	-
Amortization of intangibles assets		8.1	6.0
Pensions, provisions and other items		-3.7	3.8
Change in working capital		1.2	-51.7
Changes in inventories		-0.9	-
Changes in trade and other receivables		-16.2	-24.3
Changes in trade and other payables		18.3	-27.4
Income tax paid		-7.8	-7.0
Dividends received		-	2.6
Net cash flow from operating activities		**66.8**	-37.1
Cash flow from investing activities			
Acquisitions of subsidiaries, net of cash and cash equivalents acquired		-	-343.3
Purchase of property, vehicles and equipment		-21.3	-20.8
Proceeds from sale of property, vehicles and equipment		5.8	0.8
Purchase of intangible assets		-2.2	-2.1
Decrease / -increase in restricted cash		-2.9	-29.8
Repayment of loan granted to related parties		-	52.4
Interest received / -paid		0.6	-0.4
Net cash flow from investing activities		**-20.0**	-343.2

MEUR	Note	Unaudited 2019	Unaudited 2018
Cash flow from financing activities			
Change in borrowings		-21.0	412.0
Proceeds from borrowings from third parties		8.0	456.8
Repayment of borrowings from third parties		-29.0	-44.8
Interest paid to third parties		-26.1	-7.0
Other		-1.7	-26.2
Bank charges and other financial costs paid		-1.5	-1.5
Financing and retainer fees paid		-	-20.1
Dividends paid to non-controlling interests		-0.2	-4.6
Net cash flow from financing activities		**-48.8**	378.8
Net decrease in cash and cash equivalents		**-2.0**	-1.5
Opening cash and cash equivalents as at 1 January	→ 2.1	145.2	118.5
Exchange gain / -loss on cash and cash equivalents		4.6	-1.3
Cash and cash equivalents as at 31 March	→ 2.1	**147.8**	115.7

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019 AND 31 DECEMBER 2018

MEUR	Note	Unaudited 31 Mar 2019	31 Dec 2018
Current assets			
Cash and cash equivalents	→ 2.1	**147.8**	145.2
Prepayments, trade and other receivables		**812.8**	785.0
Inventories		**13.8**	12.8
Current tax assets		**9.9**	9.1
		984.3	952.1
Non-current assets			
Goodwill		**2,515.3**	2,472.1
Other intangible assets		**470.8**	470.7
Property, vehicles and equipment		**300.5**	338.7
Right-of-use assets	→ 5.1	**506.2**	-
Prepayments and other receivables		**134.3**	128.3
Deferred tax assets		**36.2**	36.5
Investments in associates and joint ventures		**33.7**	40.5
Non-current financial assets		**0.4**	0.4
		3,997.4	3,487.2
Total assets		**4,981.7**	4,439.3
Current liabilities			
Trade and other payables		**-497.4**	-478.0
Contract liabilities		**-10.6**	-8.3
Provisions		**-36.3**	-33.6
Borrowings	→ 2.1	**-145.3**	-33.7
Short-term employee benefits		**-16.8**	-16.8
Current tax liabilities		**-27.8**	-25.5
		-734.2	-595.9
Non-current liabilities			
Borrowings	→ 2.1	**-1,986.9**	-1,617.5
Long-term employee benefits		**-231.5**	-206.5
Provisions		**-83.8**	-85.1
Deferred tax liabilities		**-59.0**	-59.0
		-2,361.2	-1,968.1
Total liabilities		**-3,095.4**	-2,564.0
Net assets		**1,886.3**	1,875.3

MEUR	Note	Unaudited 31 Mar 2019	31 Dec 2018
Capital and reserves			
Equity attributable to owners of the parent:			
Share capital and share premium		**2,245.7**	2,245.7
Reserves		**-153.4**	-203.1
Retained earnings		**-260.9**	-218.6
Attributable to:			
Owners of the parent		**1,831.4**	1,824.0
Non-controlling interest		**54.9**	51.3
Total equity		**1,886.3**	1,875.3

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
AS AT 1 JANUARY AND 31 MARCH

		Attributable to owners of the parent								Non-controlling interest		Total equity	
		Share capital and share premium		Reserves		Retained earnings		Total					
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
MEUR	Note	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
As at 1 January		2,245.7	2,245.7	-203.1	-256.7	-218.6	-196.7	1,824.0	1,792.3	51.3	44.8	1,875.3	1,837.1
Impact of adopting new accounting standard	→ 5.1	-	-	-	-	-	-2.8	-	-2.8	-	-	-	-2.8
As at 1 January restated		2,245.7	2,245.7	-203.1	-256.7	-218.6	-199.5	1,824.0	1,789.5	51.3	44.8	1,875.3	1,834.3
Net result for the period		-	-	-	-	-19.9	-37.1	-19.9	-37.1	3.6	4.5	-16.3	-32.6
Other comprehensive income		-	-	49.7	-32.0	-22.4	8.5	27.3	-23.5	0.2	-0.3	27.5	-23.8
Total comprehensive income / -loss		**-**	-	**49.7**	-32.0	**-42.3**	-28.6	**7.4**	-60.6	**3.8**	4.2	**11.2**	-56.4
Transactions with owners													
Contributions by / -distribution to owners													
Dividends declared		-	-	-	-	-	-	-	-	-0.2	-4.6	-0.2	-4.6
Total contributions by / -distribution to owners		**-**	-	**-**	-	**-**	-	**-**	-	**-0.2**	-4.6	**-0.2**	-4.6
As at 31 March		**2,245.7**	2,245.7	**-153.4**	-288.7	**-260.9**	-228.1	**1,831.4**	1,728.9	**54.9**	44.4	**1,886.3**	1,773.3

01
PERFORMANCE

This section explains the Group's performance and includes the segment results, which are reported on the same basis as to the key decision makers. It also provides details of selected operating income and expense items.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE 3 MONTHS PERIOD ENDED 31 MARCH 2019

1.1. SEGMENT INFORMATION

	2019				2018			
MEUR	Ground Handling	Cargo Handling	Other / Eliminations	Total	Ground Handling	Cargo Handling	Other / Eliminations	Total
Total revenue and other operating income	611.4	138.6	-0.5	749.5	552.6	132.4	-0.7	684.3
Goods and services purchased	-84.5	-20.6	1.0	-104.1	-79.7	-22.4	1.0	-101.1
Personnel expenses	-417.1	-68.0	-6.8	-491.9	-381.9	-63.7	-8.7	-454.3
Other operating expenses	-60.0	-18.6	3.8	-74.8	-69.0	-31.2	6.2	-94.0
Share of results of associates and joint ventures	2.6	0.2	-	2.8	1.9	0.6	-	2.5
Operating EBITDA[1]	**52.4**	**31.6**	**-2.5**	**81.5**	23.9	15.7	-2.2	37.4
Depreciation of property, vehicles and equipment	-10.8	-2.4	-0.1	-13.3	-11.2	-3.0	-	-14.2
Depreciation of right-of-use assets	-19.1	-11.8	-0.3	-31.2	-	-	-	-
Amortization of intangible assets	-5.3	-2.5	-0.3	-8.1	-3.4	-2.2	-0.4	-6.0
Acquisition and integration costs				-0.8				-8.1
Restructuring and onerous contract charge				-1.8				-1.0
Non-cash pension expenses and share-based payment transactions				-1.8				-9.5
Expenses related to equity offering				-				-3.6
Operating profit / -loss				**24.5**				-5.0
Finance results				-33.2				-22.8
Net result before income taxes				**-8.7**				-27.8
Income taxes				-7.6				-4.8
Net result for the period				**-16.3**				-32.6

[1] As defined below

The Group Executive Management committee assesses the performance of the operating segments based on the Operating EBITDA. The Operating EBITDA measure is defined as operating profit, as presented in the condensed consolidated interim statement of profit or loss, before acquisition and integration costs, depreciation, amortization, restructuring and onerous contract charges, non-cash pension expenses and other long-term employee benefits, share-based payment expenses, and expenses related to equity offering. For further details on the Operating EBITDA impacts arising out of the adoption of IFRS 16 please refer to note 5.1.

The following summary describes the operations in each of the Group's reportable segments:

- Ground Handling services include ramp and passenger handling, baggage services, lounge and ticketing supervision, cabin cleaning, de-icing, e-services, passengers with reduced mobility handling and executive aviation. Ground Handling also includes the provision of specialty services which are complementary to the core Ground Handling services. These services include fueling, aircraft maintenance and aviation security.
- Cargo Handling services include physical import and export handling of cargo, warehousing and storage of cargo, document handling, trucking and mail handling.

In addition, Other/Eliminations that consist of the Group's head offices results and eliminations are reported separately. This includes other items of income and expense that are not attributable to specific segments.

The Group's presentation of revenue is based on the geographical location of the service provided, and non-current assets are based on the physical location of the assets.

	Revenue from 1 Jan until 31 Mar	
MEUR	**2019**	2018
EMEA	399.2	375.9
AMERICAS	276.4	270.0
APAC	73.9	38.4
Total	**749.5**	684.3

The Group presentation of segment information is consistent with the information needs of the Group Executive Management (GEM). Segment results include items directly attributable to a segment as well as an allocation of Head Office costs. The GEM uses a measure of adjusted earnings before interest, tax, depreciation and amortization (Operating EBITDA, see definition in this note) to assess the performance of operating segments.

1.2. REVENUE AND OTHER OPERATING INCOME

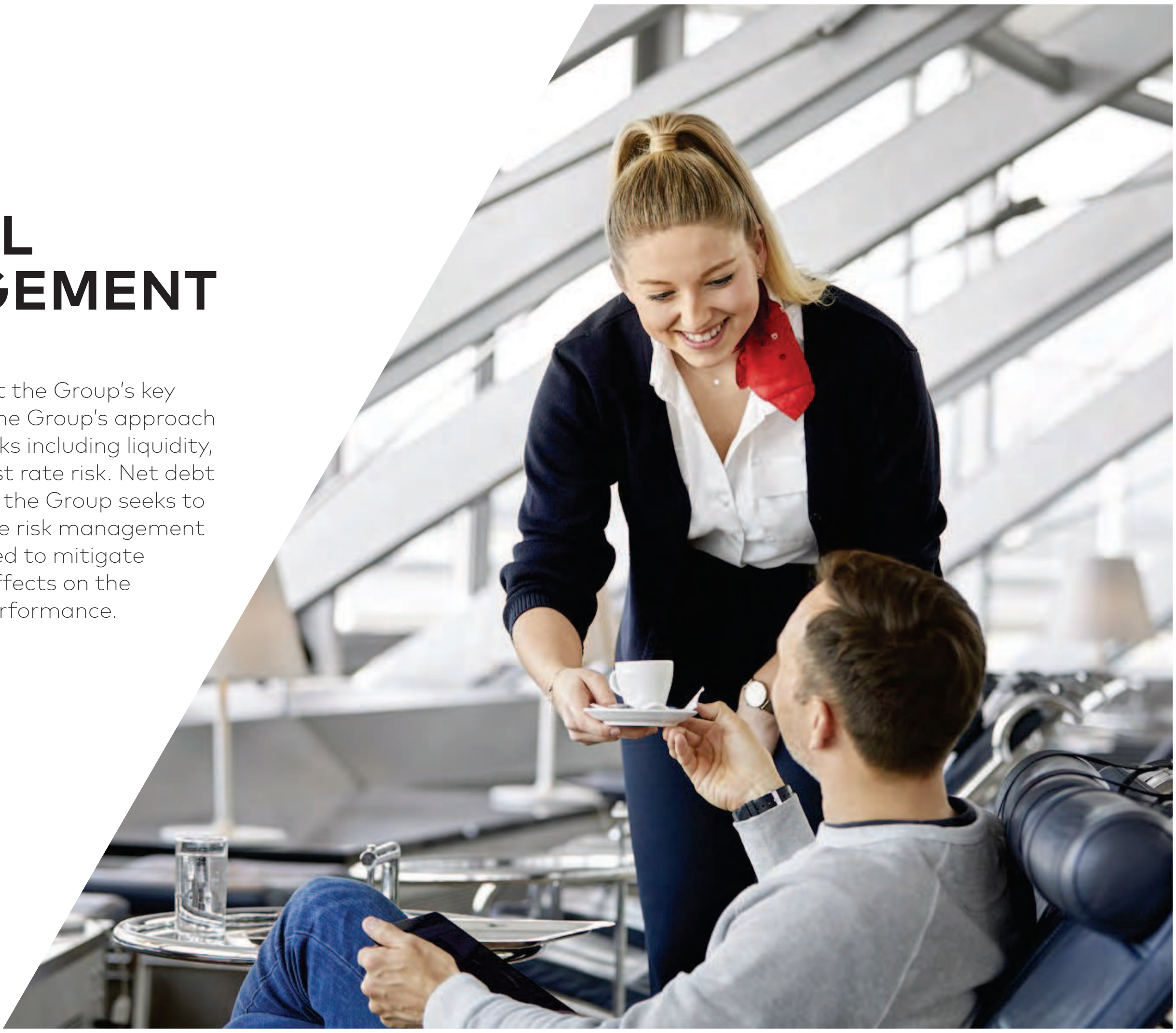
	Revenue from 1 Jan until 31 Mar	
MEUR	**2019**	2018
Revenue from contracts with customers		
Ground handling services	459.8	412.5
Fuelling services	35.7	31.1
De-icing services	46.7	41.4
Lounge services	20.1	19.3
Cargo handling services	130.9	127.2
Other services	33.0	26.0
	726.2	657.5
Other operating income		
Concession and rental	6.8	6.2
Sale of fuel (excluding into-plane fuelling)	4.1	3.3
Management and trademark fees	0.5	0.7
Other	11.9	16.6
	23.3	26.8
Total revenue and other operating income	**749.5**	684.3

Other services from revenue with customers mainly include the following services:

- Cleaning services
- Security services
- Executive aviation services
- Maintenance services
- Others

02
CAPITAL MANAGEMENT

This section sets out the Group's key financial risks and the Group's approach to managing the risks including liquidity, currency and interest rate risk. Net debt is a key driver which the Group seeks to manage through the risk management programme designed to mitigate potential adverse effects on the Group's financial performance.



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
CONTINUED FOR THE 3 MONTHS PERIOD ENDED 31 MARCH 2019

2.1. NET DEBT

	31 Mar 2019			31 Dec 2018			Principal (MEUR)		Principal (Original)						
MEUR	Current	Non-Current	Net debt	Current	Non-Current	Net Debt	2019	2018	2019	2018	Original currency	Issue price	Interest rate	Issue Date	Maturity date
Senior Secured Notes[1]	-	357.9	357.9	-	357.5	357.5	363.5	363.5	363.5	363.5	EUR	100%	6.750%	11-Aug-17	15-Dec-21
Senior Secured Notes[1]	-	35.8	35.8	-	35.7	35.7	36.5	36.5	36.5	36.5	EUR	100%	6.750%	14-Dec-15	15-Dec-21
Senior Notes[1]	-	260.5	260.5	-	260.3	260.3	264.6	264.6	264.6	264.6	EUR	100%	9.750%	11-Aug-17	15-Dec-22
Senior Notes[1]	-	15.4	15.4	-	15.3	15.3	15.9	15.9	15.9	15.9	EUR	100%	9.750%	14-Dec-15	15-Dec-22
Term Loan B[1]	-	411.5	411.5	-	411.0	411.0	417.1	417.1	417.1	417.1	EUR	100%	4.750%	11-Aug-17	08-Feb-22
Incremental Term Loan B[1]	-	286.0	286.0	-	285.4	285.4	294.5	294.5	294.5	294.5	EUR	100%	4.375%	06-Mar-18	08-Feb-22
Note purchase agreement[2]	-	158.2	158.2	-	152.5	152.5	161.6	156.4	162.0	162.0	USD	100%	16.000%	06-Mar-18	05-Mar-22
Borrowings from related parties (→ note 4.1)	9.7	-	9.7	8.8	-	8.8									
Bank loans	9.2	42.5	51.7	7.8	41.3	49.1									
Lease liabilities (→ note 5.1)	113.7	395.3	509.0	10.5	35.7	46.2									
Other local facilities	12.7	23.8	36.5	6.6	22.8	29.4									
Borrowings	**145.3**	**1,986.9**	**2,132.2**	33.7	1,617.5	1,651.2	**1,553.7**	1,548.5							
Cash at bank and on hand			-137.2			-141.9									
Short term bank deposits			-10.6			-3.3									
Cash and cash equivalents			**-147.8**			-145.2									
Net debt (reported)			**1,984.4**			1,506.0									
Adjustments for capitalized transaction costs			28.4			30.8									
Net debt			**2,012.8**			1,536.8									

[1] Carrying amount for the Senior Secured Notes, Senior Notes, Term Loan B, Incremental Term Loan B are net of capitalized transaction costs.
[2] The carrying amount for the Note purchase agreement is net of capitalized transaction costs and includes payment-in-kind interest of MEUR 17.2 (31 December 2018: MEUR 15.0).

The movements in net debt are not all cash-relevant (refer to description in this note).

On 11 August 2017, the Group successfully completed a refinancing by entering into an amended and restated Credit Facility and raising a MEUR 460.0 Term Loan B and by issuing new notes in exchange for existing notes previously issued by Swissport Investments S.à r.l.. On 14 May 2018, the Group decreased its debt by partial repayment of MEUR 42.9 for the Term Loan B.

Approximately 90% of the existing Swissport Investment noteholders participated in the exchange offer. The Group's new notes (Senior Secured Notes MEUR 363.5 and Senior Notes MEUR 264.6) are listed on the Euro MTF market of the Luxembourg Stock Exchange.

In addition, Swissport International AG, a 100% subsidiary of the Group and, being a party to the Credit Facility, entered into an amended and restated Credit Agreement MCHF 150.0 Revolving Credit Facility ("RCF") due 2021 on a senior secured basis.

MCHF[1]	**31 Mar 2019**	31 Dec 2018
Maximum	**150.0**	150.0
Committed	**110.0**	110.0
Utilized		
- Guarantees	45.7	39.0
- Cash draw down	17.0	15.0
- Overdraft	-	-
Total utilized	**62.7**	54.0

[1] For reference, the foreign exchange rates for the translation from CHF to EUR were CHF/EUR 1.1166 as at 31 March 2019 and CHF/EUR 1.1265 as at 31 December 2018.

Under the Amended and Restated Credit Agreement dated 11 August 2017, the Group is subject to a net leverage ratio financial covenant, which is contingent upon the level of RCF borrowings. The covenant is only tested by the lenders when the cash drawing made under the RCF is greater than 30% of the aggregate sum of the RCF and overdraft facilities at the end of each reporting period. At 31 March 2019, such utilization was insufficient to trigger the reporting requirement.

In addition, Swissport Global Services Holding S.à r.l., a 100% subsidiary of Swissport Group S.à r.l. entered on 6 March 2018 into a MUSD 162.0 Note purchase agreement in respect of notes due 5 March 2022.

On 6 March 2018, Swissport Financing S.à r.l. a 100% subsidiary of Swissport Group S.à r.l., entered into a MEUR 325.0 Incremental Term Loan B due 8 February 2022. This loan is fully syndicated. On 14 May 2018, the Group decreased its debt by partial repayment of MEUR 30.5 for the Incremental Term Loan B.

Cash and cash equivalents comprise cash in hand and at banks, fixed term and call deposits with a term of less than 90 days from the date of acquisition. Restricted cash is included in Prepayments and other receivables.

The Group borrows money from financial institutions and debt investors in the form of bank overdrafts, bank loans and notes. Interest-bearing and foreign currency liabilities are measured at amortized cost with any difference between the net proceeds received and the maturity amount to be paid recognized in the condensed consolidated interim statement of profit or loss over the period of the borrowings using the effective interest rate method. Debt is shown net of capitalized transaction costs that are expensed by application of the effective interest rate method.

2.2. FINANCE RESULTS

Finance expenses

	1 January to 31 March	
MEUR	**2019**	2018
Interest expense	-43.1	-23.9
Realized foreign exchange losses	-2.2	-4.1
Unrealized foreign exchange losses	-33.8	-36.1
Bank charges	-1.4	-1.5
Net interest costs of long-term employee benefit plans	-0.4	-2.1
Other financial costs	-1.3	-1.6
Total finance expenses	**-82.2**	-69.3

The following interests are unpaid and included in "Trade and other payables" of the condensed consolidated interim statement of financial position as per 31 March 2019 and 31 December 2018.

	31 March	31 December
MEUR	**2019**	2018
Accrued interest on Senior Notes	15.9	2.3
Accrued interest on Term Loan B	2.2	4.2
Accrued interest on Incremental Term Loan B	1.7	3.0
Accrued interest on Note purchase agreement	2.2	4.1
Expensed transaction costs	2.4	11.8
Total	**24.4**	**25.4**

In addition, included in the interest expenses is MEUR 9.8 (2018: MEUR 0.3) of interest expenses on lease liabilities. In 2019, the interest expenses on lease liabilities are the result from the IFRS 16 adoption, please refer to note 5.1.

Finance income

	1 January to 31 March	
MEUR	**2019**	2018
Interest income	7.0	7.6
Realized foreign exchange gains	3.1	3.6
Unrealized foreign exchange gains	38.9	35.3
Total finance income	**49.0**	46.5

The Group recognizes finance expenses and income on an accrual basis. Costs associated with the management of cash and cash equivalents and debt in connection with the arrangement of borrowings are amortized using the effective interest rate method when the borrowings are drawn-down. If the borrowings are not drawn-down, the cost is amortized on a straight-line basis over the borrowings duration. When the expenses are directly attributable to the acquisition or to a construction of a qualifying asset, then such financing costs are capitalized up to the time the asset is ready for its intended use and are then amortized over the expected useful economic life.

03
OUR PEOPLE

This section provides information on how the Group remunerates its employees. It also includes details on the compensation paid to key management personnel as well as the Group's post-employment and share-based payment transactions and other long-term employee benefits.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
CONTINUED FOR THE 3 MONTHS PERIOD ENDED 31 MARCH 2019

3.1. KEY MANAGEMENT PERSONNEL

Company Managers:

Name	Position		Date of the change
Mr. Loïc Marion	Member		
Mr. Olivier Richaud	Member		
Dr. Thomas Staehelin	Member		
Mrs. Virginie Guillaume	Member		
Mr. Charles Mobus	Member	From	22-Jan-18
Mr. William Zhang	Member	From	22-Jan-18
Mr. Peng Liu	Member	From Until	06-Feb-17 22-Jan-18
Mr. Eric Born	Member	From Until	06-Feb-17 22-Jan-18

Group Executive Management:

Name	Position		Date of the change
Mr. Eric Born	President and CEO		
Dr. Christian Göseke	Member		
Mr. Nils Pries Knudsen	Member	Until	30-Jun-19
Mr. Peng Liu	Member		
Mr. Joe Phelan	Member	Until	30-Apr-19
Dr. Johannes C. Spindler	Member	Until	30-Apr-19
Mr. Luzius Wirth	Member		
Mr. Andreas Hugener	Member		
Mr. Glenn Rutherford	Member	From	01-Jan-19
Dr. Simon Messner	Member	From	01-Jan-19

04
GROUP STRUCTURE

This section provides the overview of the Group's structure including the listing of all subsidiaries, associates and joint ventures where the Group has a shareholding. Further it shows the business activities with related parties where the counter-party holds control or significant influence over the Group.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
CONTINUED FOR THE 3 MONTHS PERIOD ENDED 31 MARCH 2019

4.1. RELATED PARTY TRANSACTIONS

The following transactions occurred with related parties at arm's length basis in the normal course of business:

	2019							2018					
MEUR	HNA Group (ultimate owner)	HNA Group subsidiaries	Companies where HNA holds a significant interest	Associates	Joint Ventures	TOTAL		HNA Group (ultimate owner)	HNA Group subsidiaries	Companies where HNA holds a significant interest	Associates	Joint Ventures	TOTAL
1 January to to 31 March							**1 January to to 31 March**						
Total revenue and other operating income	-	6.6	3.9	-	3.5	14.0		-	4.1	12.1	-	-	16.2
Goods and services purchased	-	-	-	-	-1.6	-1.6		-	-	-	-	-1.6	-1.6
Personnel expenses	-	-	-	-	-	-		-	-	-	-	-1.0	-1.0
Other operating expenses	-	-	-	-	-0.1	-0.1		-	-	-	-	-0.1	-0.1
Finance expenses	-	-	-	-0.2	-	-0.2		-0.2	-	-	-	-	-0.2
Finance income	-	6.3	-	-	-	6.3		-	7.5	-	-	-	7.5
Total	**-**	**12.9**	**3.9**	**-0.2**	**1.8**	**18.4**		-0.2	11.6	12.1	-	-2.7	20.8
As at 31 March							**As at 31 December**						
Assets:													
Borrowings	-	307.3	-	1.5	0.8	309.6		-	301.0	-	1.5	0.9	303.4
Prepayments, trade and other receivables	11.8	5.0	2.1	1.0	2.8	22.7		11.7	4.4	4.2	1.1	1.0	22.4
Total	**11.8**	**312.3**	**2.1**	**2.5**	**3.6**	**332.3**		11.7	305.4	4.2	2.6	1.9	325.8
Liabilities:													
Borrowings	-	-	-	7.9	1.8	9.7		-	-	-	7.0	1.8	8.8
Trade and other payables	-	-	-	0.4	-	0.4		-	-	-	0.4	-	0.4
Total	**-**	**-**	**-**	**8.3**	**1.8**	**10.1**		-	-	-	7.4	1.8	9.2

Current loans to HNA Group subsidiaries as at 31 March 2019 contain accrued interest of MEUR 4.0 (31 December 2018 : MEUR 5.6). The parties to the loan are expecting a settlement in the third quarter of 2019. The loan continues to be measured at amortized cost.

The management does not consider it necessary to recognize an expected credit loss on the loan receivable from the affiliate either as of 31 March 2019 (31 December 2018 : Nil).

The Group applies the same accounting policies to transactions with related parties that are separately disclosed to enable users of the condensed consolidated interim financial statements to form a view about the effects of the related party relationships on the Group.

4.2. ACQUISITION AND INTEGRATION COSTS

In 2018 and 2019 , the Group incurred integration costs in connection with an IT integration project from which future benefits in the form of savings and increased IT security are expected. However, requirements for the capitalization of the IT costs were not fulfilled. In 2018 the acquisition costs mainly included costs related to the Aerocare acquisition.

MEUR	2019	2018
Acquisition costs	**-0.7**	-5.2
Integration costs:		
Information technology	-	-2.6
Staff costs	**-0.1**	-0.3
	-0.1	-2.9
Total acquisition and integration costs	**-0.8**	-8.1

4.3. BUSINESS COMBINATIONS

Acquisitions:
2019:

No business combinations were completed during the first three months in 2019 .

2018:

(a) Acquisition of Aerocare
On 7 March 2018, Swissport International Ltd., a company 100% owned and controlled by Swissport Group S.à r.l., acquired 100% of Air Services ANZ Pty Ltd ("Aerocare") and its subsidiaries from its former owner Archer Capital and the Aerocare management for a total consideration of MEUR 411.0. As at 31 December 2017, non-current prepayments and other receivables included an upfront deposit payment of MEUR 51.4 (excluding transaction costs), that was made for the purpose of the acquisition of Aerocare. Total consideration of MEUR 343.3 have been paid in 2018.

For accounting purposes, the Group has consolidated the results of the acquired Aerocare from 1 March 2018. The 12 month measurement period was completed end of February 2019. During the period 1 January 2019 to 28 February 2019 no measurement period adjustments have been identified.

(b) Acquisition of Apron
On 20 September 2018, "Swissport Cargo Services Deutschland GmbH", a company 100% owned and controlled by Swissport Group S.à r.l. purchased 100% of the entity named "Apron GmbH". From the total consideration of MEUR 3.5, MEUR 2.5 have been paid as at 31 December 2018. The remaining consideration of MEUR 1.0 is to be paid by 31 December 2020 and is recognized within the "Trade and other payables" in the condensed consolidated interim statement of financial position as at 31 March 2019 (31 December 2018: MEUR 1.0).

Disposals:
2019:

Other
Other minor disposals were effected during the 3 months period ended 31 March 2019 that were not material to the condensed consolidated interim financial statements.

2018:

Sale of Swissport Cargo Services France S.à r.l.
On 13 June 2018, the Group sold Swissport Cargo Services France S.à r.l.. A negative consideration was agreed of MEUR 14 .0 with the purchaser to implement the needed restructuring measures of which MEUR 10.5 have been paid as at 31 December 2018. The remaining amount of MEUR 3.5 is to be paid by 30 June 2019 and is recognized within the "Trade and other payables" in the condensed consolidated interim statement of financial position as at 31 March 2019 (31 December 2018: MEUR 3.5).

Other
Other minor disposals were effected in 2018 that were not material to the condensed consolidated interim financial statements.

05
OTHER INFORMATION AND UNRECOGNIZED ITEMS

This section sets out other information, unrecognised items and disclosures not included in other sections of this report. This section shows the taxes recognised, other significant accounting policies, contingent liabilities, commitments and events that have occurred after the end of the reporting period.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
CONTINUED FOR THE 3 MONTHS PERIOD ENDED 31 MARCH 2019

5.1. OTHER SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES

Adoption of New Standards In 2019

Certain new and amended IFRS standards and interpretations that are effective for the 2019 reporting year are either not applicable to the Group, or do not have a material impact on the condensed consolidated interim financial statements.

New, revised or amended standards and interpretations	Effective date	Planned application by the Group
IFRS 16 Leases	1 January 2019	Reporting year 2019
IFRIC 23 Uncertainty over Income Tax Treatments	1 January 2019	Reporting year 2019
Annual Improvements to IFRS Standards 2015-2017 Cycle	1 January 2019	Reporting year 2019
Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures	1 January 2019	Reporting year 2019
Amendments to IFRS 9: Prepayment Features with Negative Compensation	1 January 2019	Reporting year 2019
Amendments to IAS 19: Plan Amendment, Curtailment or Settlement	1 January 2019	Reporting year 2019

IFRS 16 – Leases

Adoption of IFRS 16 results in almost all leases being recognized in the condensed consolidated interim statement of financial position, since the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased asset) and a financial liability are recognized, unless the term of the lease is for 12 months or less or the lease is for a low-value asset (i.e., below TEUR 5).

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial recognition on 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application.

Initial application of the standard at the Group affected leases that previously had been classified as operating leases. Short-term leases with a term not exceeding 12 months (and no purchase option) as well as leases where the underlying asset is of low value were not recognized using an option under IFRS 16.5.

The effect from the adoption of IFRS 16 as at 1 January 2019 is as follows:

MEUR	1 January 2019
Assets	
Right-of-use assets	521.5
Property, vehicles and equipment	-47.5
Total assets	**473.9**
Liabilities	
Borrowings	473.9
Total liabilities	**473.9**

Nature of the effect of adoption IFRS 16

The Group has lease contracts for various items of property, vehicles and equipment. Before the adoption of IFRS 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all the risks and rewards incidental to ownership of the leased asset to the Group; otherwise it was classified as an operating lease. Finance leases were capitalized at the commencement of the lease at the lesser of the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment was allocated between the reduction of the lease liability and finance expenses to achieve a constant periodic rate of interest on the outstanding balance of the liability. In an operating lease, the leased property was not capitalized, and the lease payments were recognized as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognized under "Prepayments and other receivables" and "Trade and other payables" in the condensed consolidated interim statement of financial position, respectively.

Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

Leases previously classified as finance leases
The Group did not change the initial carrying amounts of recognized assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognized under IAS 17). The requirements of IFRS 16 was applied to these leases from 1 January 2019.

Leases previously accounted for as operating leases
The Group recognized right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were measured at the amount of lease liability, using the incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognized based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognized. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:
- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term and in a similar economic environment)
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease
- Relied on its assessment of whether the leases are onerous immediately before the date of initial application
- Applied the short-term exemptions to the leases with the lease term that ends within 12 months at the date of initial application
- Applied low-value leases exemptions to the leases of low value at the date of initial application

Based on foregoing initial assessment, as at 1 January 2019:
- Right-of-use assets of MEUR 521.5 were recognized and presented separately in the condensed consolidated interim statement of financial position. This includes the lease assets recognized previously under finance leases of MEUR 47.5 that were reclassified from Property, vehicles and equipment.
- Additional lease liabilities of MEUR 473.9 (included in Borrowings) were recognized.
- The net effect of these adjustments is zero on the equity.

The lease liabilities as at 1 January 2019 can be reconciled to the operating commitments as of 31 December 2018 as follows:

MEUR	
Operating lease commitments as at 31 December 2018	**557.7**
Weighted average incremental borrowing rate as at 1 January 2019	9.9%
Discounted operating lease commitments at 1 January 2019	473.9
Less:	
Commitments relating to short-term and low value leases	-21.1
Add:	
Commitments relating to leases previously classified as finance leases	46.2
Commitments relating to contracts reassessed for the purpose of containing a lease at the date of initial application	18.6
Lease liabilities as at 1 January 2019	**517.6**

Amounts recognized in the condensed consolidated interim statement of financial position and profit or loss

Set out below, are the Group's right-of-use assets and lease liabilities and the movements during the three months period in 2019:

	Right-of-use assets			
MEUR	Property & leasehold improvements	Vehicles, equipment & advance payments	Total property, vehicles and equipment	Lease Liability
As at 1 January	**333.3**	**188.1**	**521.5**	**517.6**
Additions	3.9	11.2	15.1	16.5
Disposals	-0.1	-0.2	-0.3	-
Depreciation	-20.2	-10.9	-31.2	-
Reclassifications	0.0	-2.9	-2.9	-
Currency translation differences	2.2	1.9	4.1	4.0
Interest expense	-	-	-	9.8
Payments	-	-	-	-38.8
As at 31 March	**319.1**	**187.2**	**506.2**	**509.0**

The Group recognized expenses from short-term leases of MEUR 10.3, leases of low value assets MEUR 1.3, leases of short term and low value assets of MEUR 1.2 and leases of variable lease payments of MEUR 1.7 for three months ended 31 March 2019.

Summary of new accounting policies
Set out below are the new accounting policies of the Group upon adoption of IFRS 16, which have been applied from the date of initial application:

Right-of-use assets
The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities
At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the "other operating expenses" in the period on which the event or condition that triggers the payment occurs.
In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low value
The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

Significant judgment in determining the lease term of contracts with renewal options
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. It considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew.
The Group included the renewal period as part of the lease term for leases of property, vehicles and equipment due to the significance of these assets to its operations.

Adoption of new standards in 2018

Certain new and amended IFRS standards and interpretations that are effective for the 2018 reporting year are either not applicable to the Group, or do not have a material impact on the consolidated financial statements.

New, revised or amended standards and interpretations	Effective date	Planned application by the Group
Amendments to IFRS 12 Disclosures of Interest in Other Entities: Clarification of the scope of disclosure requirements in IFRS 12 from Annual Improvement Cycles – 2014-2016	1 January 2018	Reporting year 2018
IFRS 15 Revenue from Contracts with Customers	1 January 2018	Reporting year 2018
Amendments to IFRS 2: Share-based Payment	1 January 2018	Reporting year 2018
Amendments to IAS 40: Transfers of Investment Property	1 January 2018	Reporting year 2018
IFRS 9 Financial Instruments	1 January 2018	Reporting year 2018

IFRS 15 – Revenue from Contracts with Customers
The Group adopted IFRS 15 using the modified retrospective method with the date of initial application of 1 January 2018. The effect of adopting IFRS 15 across the Group was not material, consequently at the date of initial application no adjustment was made to the opening balance of retained earnings.

IFRS 9 – Financial Instruments
The Group elected to apply IFRS 9 without adjusting the comparative information for the period beginning on 1 January 2017. The adjustments arising from the new impairment rules are therefore not reflected in the restated balance sheet as at 31 December 2017, but are recognized in the opening balance sheet on 1 January 2018. On the date of initial application, 1 January 2018, the statement of financial position was restated, resulting in decreases in Prepayments, Trade and other receivables, and Retained earnings amounting to MEUR 2.8.

Adoption of standards and interpretations in 2020 and later
A number of new, revised or amended standards and new and revised interpretations have been published and are effective for the Group's accounting periods beginning on or after 1 January 2020, but the Group has not adopted them earlier. The expected effects, as disclosed below, reflect the assessment by the Group's Management.

New, revised or amended standards and interpretations	Effective date	Planned application by the Group
Amendments to References to the Conceptual Framework in IFRS Standards (not yet endorsed by the EU)[2]	1 January 2020	Reporting year 2020
Amendments to IAS 1 and IAS 8: Definition of Material (not yet endorsed by the EU)[2]	1 January 2020	Reporting year 2020
Amendment to IFRS 3 Business Combinations (not yet endorsed by the EU)[2]	1 January 2020	Reporting year 2020
IFRS 17 Insurance Contracts (not yet endorsed by the EU)[1]	1 January 2021	Reporting year 2021

[1] No or no significant impacts are expected on the condensed consolidated interim financial statements, the Group is still assessing the final impact.
[2] The impact on the condensed consolidated interim financial statements cannot be determined with sufficient reliability yet.

Other accounting policy disclosures:
Service concession arrangements
Service concession arrangements in which the Group contracts with a government or other public sector body to operate and maintain infrastructure assets, such as cargo warehouses, and in which the government or other public sector body (i) controls or regulates what services the Group must provide, to whom it must provide them, and at what price, and (ii) controls a significant residual interest in the infrastructure at the end of the arrangement, are accounted for in accordance with IFRIC 12. The Group recognizes a financial asset for the consideration received to the extent that it has an unconditional contractual right to receive cash or another financial asset. The Group recognizes an intangible asset to the extent that it receives a right (a license) to charge users of the public service. If the Group, in addition, is entitled to cash receipts, it records these receipts as receivables.

Inventories
Inventories are stated at the lesser of cost or net realizable value. Allowances are made for obsolete, slow moving and excess inventories. Cost is determined by the first-in, first-out method (FIFO) and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Borrowing costs are not included in the cost. Net realizable value is the estimated selling price in the ordinary course of business, less estimated selling costs.

Inventories consist mainly of de-icing liquid and spare parts.

Fair value estimation
The carrying amount of financial assets and liabilities at variable interest rate approximates their fair value.

Going concern basis of accounting
The condensed consolidated interim financial statements have been prepared on a going concern basis.

5.2 EVENTS OCCURRING AFTER THE REPORTING PERIOD

No significant events that would require an adjustment or disclosure in the condensed consolidated interim financial statements occurred between 31 March 2019 and 5 July 2019, the date of issue of these condensed consolidated interim financial statements.

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Report on review of interim condensed consolidated financial statements

To the Board of Managers of
Swissport Group S.à r.l.
9, allée Sheffer
L-2520 Luxembourg

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Swissport Group S.à r.l. as of 31 March 2019 and 31 March 2018, which comprise the interim consolidated statement of financial position as at 31 March 2019 and 31 March 2018 and the related interim consolidated income statement, the interim consolidated statement of comprehensive income, the interim consolidated statement of changes in equity, the interim consolidated cash flow statement for the 3 month periods then ended and explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting* as adopted by the European Union ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Alban Aubrée

Luxembourg, 5 July 2019

SWISSPORT GROUP S.À R.L.

CONSOLIDATED
FINANCIAL STATEMENTS

FOR THE YEAR
ENDED DECEMBER 31, 2018

GENERAL INFORMATION

Swissport Group S.à r.l. ("the Company" or "Swissport Group") and its subsidiaries (together "the Group") provide ground handling and cargo handling services to many of the world's leading airlines in 50 countries.

The parent company of the Group is Swissport Group S.à r.l. which is a limited liability company domiciled in Luxembourg and was legally incorporated on 4 November 2015. The address of the registered office is: 9, allée Scheffer, L-2520 Luxembourg.

HNA Group Co. Ltd ("HNA Group", a global enterprise group based in Haikou, China) is the ultimate parent company of HNA Aviation (Hong Kong) Ground Handling Holdings Co., Limited (HNA Aviation), the sole parent company of Swissport Group S.à r.l..

The Board of Managers approved the consolidated financial statements for the financial year ended 31 December 2018 on 16 April 2019. Under Luxembourg law, the consolidated financial statements are approved by the shareholders during the Annual General Meeting.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and issued by the International Accounting Standard Board (IASB). The IFRS adopted by the EU effective date may be later than that established by the IASB. For the purpose of these consolidated financial statements, the EU adopted standards do not differ from those under IFRS as issued by the IASB.

The consolidated financial statements are prepared in millions of Euro, which is also the functional currency of the Company. Amounts expressed in Euro are designated as EUR, amounts expressed in thousands of Euro are designated as TEUR and amounts expressed in millions of Euro are designated as MEUR. The consolidated financial statements are prepared under the historical cost basis, with the exception that certain items are stated at their fair value (Non-current non-listed equity investment at fair value through other comprehensive income, financial assets and liabilities at fair value through profit or loss, including derivative instruments).

ABOUT THIS REPORT

Information presented in the consolidated financial statements for the reporting year reflects the Group's operating results for the period from 1 January 2018 until 31 December 2018. The comparative information is presented for the period from 1 January 2017 until 31 December 2017.

Changes in accounting policy
A number of new, revised or amended IFRS standards and new and revised interpretations have been published and are effective for the Group's accounting periods beginning on or after 1 January 2018.

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. Note 1.2 is presenting only the revenues from contracts with customers for 2018 as a result of the implementation of IFRS 15 using the retrospective approach with a date of initial adoption as of 1 January 2018. No retrospective adjustments have been made for the comparative numbers in note 1.2. For further details on the changes arising out of the adoption of IFRS 15 please refer to note 6.4.

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018. The Group applied IFRS 9 prospectively, with an initial application date of 1 January 2018, without adjusting the comparative information for the period beginning on 1 January 2017 which continues to be reported under IAS 39. The adjustments arising from the adoption of IFRS 9 have been recognized in the opening balance sheet on 1 January 2018 directly in retained earnings. For further details on the changes arising out of the adoption of IFRS 9 please refer to notes 2.3, 4.1 and 6.4.

CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2018

OVERVIEW OF KEY JUDGEMENTS AND ESTIMATES

To assist in identifying key judgements and estimates, they are separately highlighted and located within the following notes:

	Note
Defined benefit pension plans – actuarial valuations	→ 3.3
Share-based payment transactions	→ 3.4
Impairment testing of goodwill and other intangible assets	→ 4.4
Provisions	→ 4.5
Income taxes	→ 6.1

REFERENCE KEY

Key Judgements and Estimates
The preparation of the consolidated financial statements requires management to make assumptions, estimates and judgements that affect the application of accounting policies. Key judgements and estimates applied to the preparation of the financial statements are shown where the related accounting balance or financial statement matter is discussed.

Significant Accounting Policies
The material accounting policies and measurement basis relevant to understanding the consolidated financial statements are provided throughout the notes to the financial statements. A disclosure is considered material and relevant if it is of significant size, nature or criticality to understand the Group's results. Accounting policies with immaterial effect on the consolidated financial statements have been intentionally excluded from these financial statements.

Related Parties
The Group enters into various transactions and agreements with its related parties. A related party is a person or entity who has significant influence over the reporting entity. The significant transactions and balances are disclosed throughout the consolidated financial statements.

Internal Reference
Cross references are used in the report to provide the user with easier access to the relevant information.

KEY EVENTS AND TRANSACTIONS

The financial position and performance of the Group was particularly affected by the following events and transactions during the year:

1. Acquisition of Aerocare
On 7 March 2018 the Group announced the completion of its acquisition of Aerocare, the leading ground handler in Australia / New Zealand. Under the terms of the agreement, two upfront deposit payments of MEUR 51.4 (excluding transaction costs) and MEUR 52.4 were made by the Group in November 2017 and February 2018. The final consideration of MEUR 411.0 for 100% of the shares comprised of the two upfront deposit payments and a final payment of MEUR 307.2 transferred on 7 March 2018. For further details, refer to note 5.5.

2. Incremental Term Loan B
On 6 March 2018, Swissport Financing S.à r.l., a 100% subsidiary of Swissport Group S.à r.l., entered into a MEUR 325.0 Incremental Term Loan B due 8 February 2022, in part to finance the acquisition of Aerocare. This loan is fully syndicated.

3. Note purchase agreement
On 6 March 2018, Swissport Global Services Holding S.à r.l., a 100% subsidiary of Swissport Group S.à r.l., entered into a MUSD 162.0 (translated at transaction date to MEUR 131.4) Note purchase agreement in respect of notes due 5 March 2022. For further details refer to note 2.1.

4. Repayment of loan granted to a related party
During 2018, the Group received a partial repayment of its loan granted to a related party for an amount of MEUR 135.7. On 5 October 2018, Swissport extended the temporary remedies standstill regarding the collection of the unpaid balance of its granted loan to a related party. Swissport had agreed to forbear for a period of three months from exercising remedies to collect the remaining unpaid balance. At the reporting date, the balance of this loan amounted to MEUR 301.0, including accrued interest. For further details, refer to note 5.3 and 6.5.

5. Deferral of planned IPO
On 24 January 2018, the Group announced its intention to seek an Initial Public Offer ("IPO") and a listing of its shares on the SIX Swiss Exchange during the course of 2018. On 10 April 2018, the Group announced that the planned IPO will be deferred.

6. Increase of shareholding in AGN and CREA
On 11 April 2018, by exercising its put/call option over the remaining non-controlling interest, the Group increased its shareholding to 100% in AGN Aviation Services S.A. de C.V. and CREA Recursos Humanos, S.A. de C.V., which resulted in a decrease of non-controlling interest of MEUR 1.0 and an increase of MEUR 1.0 of retained results. As at 31 December 2017, a liability of MEUR 4.0 was already recorded for the put/call option within the "Trade and other payables" in the consolidated statement of financial position. The net cash outflow in connection with this transaction was MEUR 5.5 in 2018, which resulted in net costs of MEUR 1.5 and decreased the retained earnings in 2018.

7. Disposals
During 2018, the Group sold its 43.4% investment in Checkport South Africa Proprietary Limited as well its 100% investment in Swissport Cargo Services France S.à r.l. and Knights Cleaning Services Ltd. For further details, refer to note 5.5.

8. Partial repayment of the Term Loan B and Incremental Term Loan B
During 2018, the Group decreased its debt by partial repayment of MEUR 42.9 for the Term Loan B and MEUR 30.5 for the incremental Term Loan B. For further details, refer to note 2.1.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER

MEUR	Note	2018	2017
Profit or Loss:			
Revenue from contracts with customers	→ 1.2	2,944.0	2,707.6
Other operating income	→ 1.2	50.5	98.2
Total revenue and other operating income		**2,994.5**	2,805.8
Goods and services purchased	→ 1.3	-415.4	-396.2
Personnel expenses	→ 3.1	-1,952.9	-1,861.6
Other operating expenses	→ 1.3	-401.0	-381.4
Acquisition costs	→ 5.4	-7.4	-7.6
Integration costs	→ 5.4	-6.6	-5.9
Depreciation of property, vehicles and equipment	→ 4.3	-60.3	-56.5
Amortization of intangible assets	→ 4.4	-30.7	-25.1
Total operating expenses		**-2,874.3**	-2,734.3
Share of results of associates and joint ventures	→ 5.2	10.0	8.2
Operating profit		**130.2**	79.7
Finance expenses	→ 2.2	-313.1	-260.8
Finance income	→ 2.2	188.4	132.6
Loss on disposal	→ 5.5	-13.2	-
Net result before income taxes		**-7.7**	-48.5
Income taxes	→ 6.1	-12.4	-14.3
Net result for the period		**-20.1**	-62.8
Attributable to:			
Owners of the parent		-48.6	-86.8
Non-controlling interest		28.5	24.0

MEUR	Note	2018	2017
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		55.4	-234.2
Net loss on hedge of a net investment		-1.7	-
Net change in fair value of non-listed equity investments		-	-0.2
Items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit obligations, net of tax		28.6	65.1
Total other comprehensive income / -loss		**82.3**	-169.3
Total comprehensive income / -loss for the period		**62.2**	-232.1
Attributable to:			
Owners of the parent		33.6	-253.8
Non-controlling interest		28.6	21.7

Individual line items in the statement of other comprehensive income are disclosed net of tax. Income tax relating to the comprehensive income is disclosed in Note 6.1.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER

MEUR	Note	2018	2017
Cash flow from operating activities			
Net result for the period		-20.1	-62.8
Adjustments to net result for the period		211.2	214.8
Income tax expense	→ 6.1	12.4	14.3
Net finance expense	→ 2.2	124.7	128.2
Depreciation of property, vehicles and equipment	→ 4.3	60.3	56.5
Amortization of intangibles assets	→ 4.4	30.7	25.1
Pensions, provisions and other items		-16.9	-9.3
Change in working capital		12.0	-0.9
Changes in inventories		-0.2	-1.2
Changes in trade and other receivables		-5.0	-46.3
Changes in trade and other payables		17.2	46.6
Income tax paid		-29.2	-24.7
Dividends received		8.6	3.7
Net cash flow from operating activities		**182.5**	130.1
Cash flow from investing activities			
Acquisitions of subsidiaries, net of cash and cash equivalents acquired	→ 5.5	-347.4	-
Exercise of options over the remaining non-controlling interest		-5.5	-
Acquisition deposit	→ 5.5	-	-52.4
Purchase of property, vehicles and equipment	→ 4.3	-117.1	-69.9
Proceeds from sale of property, vehicles and equipment		10.8	9.0
Purchase of intangible assets	→ 4.4	-2.9	-7.7
(Increase) / decrease in restricted cash		-27.0	4.9
Repayment of loan granted to related parties	→ 5.3	135.7	-
Grant of loan to related parties		-	-400.0
Disposal of subsidiary, net of cash and cash equivalents	→ 5.5	-10.2	-
Other		2.5	4.1
Interest received		2.5	1.4
Net investment in financial assets		-	2.7
Net cash flow from (used in) investing activities		**-361.1**	-512.0

MEUR	Note	2018	2017
Cash flow from financing activities			
Issue of share premium (net of costs)		-	717.0
Change in borrowings		368.9	-189.9
Proceeds from borrowings from third parties		487.2	1.7
Repayment of borrowings from third parties		-118.3	-191.6
Interest paid to third parties		-91.1	-100.7
Other		-56.9	-47.0
Bank charges and other financial costs paid		-5.4	-7.5
Financing and retainer fees paid		-30.8	-23.9
Dividends paid to non-controlling interests		-20.7	-15.6
Net cash flow from financing activities		**220.9**	379.4
Net increase / -decrease in cash and cash equivalents		**42.3**	-2.5
Opening cash and cash equivalents as at 1 January	→ 2.1	118.5	132.1
Exchange loss on cash and cash equivalents		-15.6	-11.1
Cash and cash equivalents as at 31 December	→ 2.1	**145.2**	118.5

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER

MEUR	Note	2018	2017
Current assets			
Cash and cash equivalents	→ 2.1	**145.2**	118.5
Prepayments, trade and other receivables	→ 4.1	**785.0**	892.8
Inventories		**12.8**	11.9
Current tax assets		**9.1**	8.4
		952.1	1,031.6
Non-current assets			
Goodwill	→ 4.4	**2,472.1**	2,114.2
Other intangible assets	→ 4.4	**470.7**	423.6
Property, vehicles and equipment	→ 4.3	**338.7**	265.9
Prepayments and other receivables	→ 4.1	**128.3**	102.5
Deferred tax assets	→ 6.1	**36.5**	17.8
Investments in associates and joint ventures	→ 5.2	**40.5**	36.5
Non-current financial assets	→ 2.3	**0.4**	2.0
		3,487.2	2,962.5
Total assets		**4,439.3**	3,994.1
Current liabilities			
Trade and other payables	→ 4.2	**-478.0**	-435.9
Contract liabilities	→ 6.4	**-8.3**	-
Provisions	→ 4.5	**-33.6**	-31.5
Borrowings	→ 2.1	**-33.7**	-35.3
Short-term employee benefits	→ 3.3	**-16.8**	-
Current tax liabilities		**-25.5**	-21.1
		-595.9	-523.8
Non-current liabilities			
Borrowings	→ 2.1	**-1,617.5**	-1,236.3
Long-term employee benefits	→ 3.3	**-206.5**	-226.4
Provisions	→ 4.5	**-85.1**	-114.6
Deferred tax liabilities	→ 6.1	**-59.0**	-55.9
		-1,968.1	-1,633.2
Total liabilities		**-2,564.0**	-2,157.0
Net assets		**1,875.3**	1,837.1

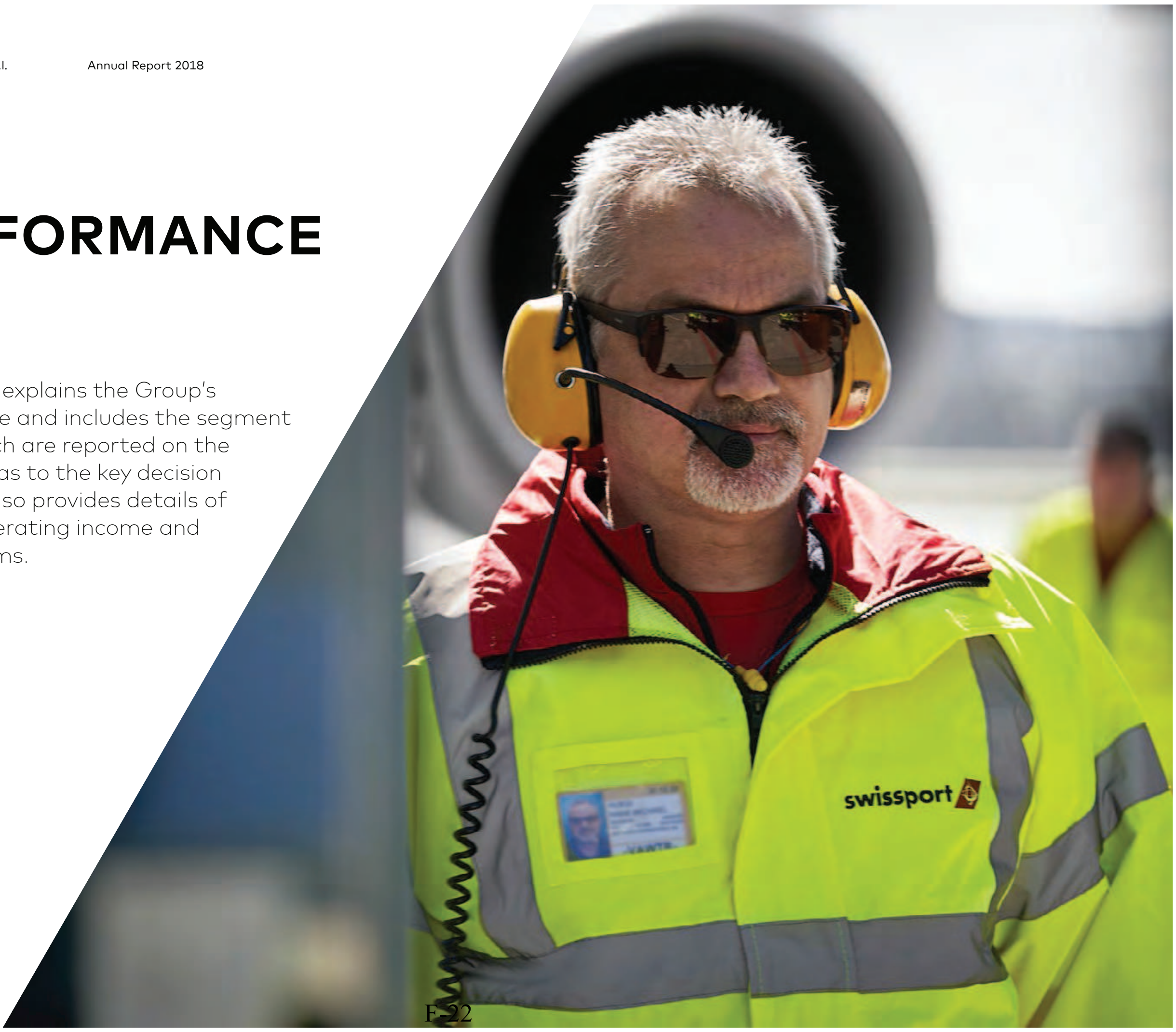
MEUR	Note	2018	2017
Capital and reserves			
Equity attributable to owners of the parent:			
Share capital and share premium	→ 2.4	**2,245.7**	2,245.7
Reserves		**-203.1**	-256.7
Retained earnings		**-218.6**	-196.7
Attributable to:			
Owners of the parent		**1,824.0**	1,792.3
Non-controlling interest		**51.3**	44.8
Total equity		**1,875.3**	1,837.1

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER

		Attributable to owners of the parent								Non-controlling interest		Total equity	
		Share capital and share premium		Reserves		Retained earnings		Total					
MEUR	Note	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
As at 1 January	→ 2.4	2,245.7	1,508.7	-256.7	-24.6	-196.7	-175.0	1,792.3	1,309.1	44.8	37.9	1,837.1	1,347.0
Impact of adopting new accounting standard	→ 6.4	-	-	-	-	-1.4	-	-1.4	-	-	-	-1.4	-
As at 1 January restated		2,245.7	1,508.7	-256.7	-24.6	-198.1	-175.0	1,790.9	1,309.1	44.8	37.9	1,835.7	1,347.0
Net result for the period		-	-	-	-	-48.6	-86.8	-48.6	-86.8	28.5	24.0	-20.1	-62.8
Other comprehensive income		-	-	53.6	-232.1	28.6	65.1	82.2	-167.0	0.1	-2.3	82.3	-169.3
Total comprehensive income / -loss		**-**	-	**53.6**	-232.1	**-20.0**	-21.7	**33.6**	-253.8	**28.6**	21.7	**62.2**	-232.1
Transactions with owners													
Contributions by / (distribution to) owners													
Issue of share capital		-	-	-	-	-	-	-	-	-	-	-	-
Issue of share premium, net of transaction costs	→ 2.4	-	737.0	-	-	-	-	-	737.0	-	-	-	737.0
Dividends declared		-	-	-	-	-	-	-	-	-21.1	-14.8	-21.1	-14.8
Total contributions by / (distribution to) owners		**-**	737.0	**-**	-	**-**	-	**-**	737.0	**-21.1**	-14.8	**-21.1**	722.2
Changes in ownership interest in subsidiaries													
Changes from exercise of options		-	-	-	-	-0.5	-	-0.5	-	-1.0	-	-1.5	-
Total changes in ownership interest in subsidiaries		-	-	-	-	-0.5	-	-0.5	-	-1.0	-	-1.5	-
As at 31 December		**2,245.7**	2,245.7	**-203.1**	-256.7	**-218.6**	-196.7	**1,824.0**	1,792.3	**51.3**	44.8	**1,875.3**	1,837.1

01 **PERFORMANCE**

This section explains the Group's performance and includes the segment results, which are reported on the same basis as to the key decision makers. It also provides details of selected operating income and expense items.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1.1. SEGMENT INFORMATION

MEUR	2018 Ground Handling	2018 Cargo Handling	2018 Other / Eliminations	2018 Total	2017 Ground Handling	2017 Cargo Handling	2017 Other / Eliminations	2017 Total
Total revenue and other operating income	2,431.7	565.0	-2.2	2,994.5	2,275.9	530.6	-0.7	2,805.8
Goods and services purchased	-328.0	-91.1	3.7	-415.4	-307.2	-91.4	2.4	-396.2
Personnel expenses	-1,638.8	-259.3	-27.7	-1,925.8	-1,546.0	-242.6	-27.7	-1,816.3
Other operating expenses	-287.2	-131.4	28.5	-390.1	-273.3	-127.2	19.1	-381.4
Share of results of associates and joint ventures	6.7	3.3	-	10.0	5.6	2.6	-	8.2
Operating EBITDA[1]	**184.4**	**86.5**	**2.3**	**273.2**	155.0	72.0	-6.9	220.1
Depreciation of property, vehicles and equipment	-48.3	-11.8	-0.2	-60.3	-45.1	-11.2	-0.2	-56.5
Amortization of intangible assets	-19.8	-9.3	-1.6	-30.7	-14.0	-9.4	-1.7	-25.1
Acquisition and integration costs				-14.0				-13.5
Restructuring and onerous contract charge				-10.9				-8.3
Non-cash pension expenses and share-based payment transactions				-21.9				-37.0
Expenses related to equity offering				-5.2				-
Operating profit				**130.2**				79.7
Finance results				-124.7				-128.2
Loss on disposal				-13.2				-
Net result before income taxes				**-7.7**				-48.5
Income taxes				-12.4				-14.3
Net result for the period				**-20.1**				-62.8

[1] As defined below

The Group Executive Management committee assesses the performance of the operating segments based on the Operating EBITDA. The Operating EBITDA measure is defined as operating profit, as presented in the consolidated statement of profit or loss, before acquisition and integration costs, depreciation, amortization, restructuring and onerous contract charges, non-cash pension expenses and other long-term employee benefits, share-based payment expenses, and expenses related to equity offering. In 2017, the Group Executive Management committee updated the composition of the operating segments and geographical split.
The following summary describes the operations in each of the Group's reportable segments:

- Ground Handling services include ramp and passenger handling, baggage services, lounge and ticketing supervision, cabin cleaning, de-icing, e-services, passengers with reduced mobility handling and executive aviation. Ground Handling also includes the provision of specialty services which are complementary to the core Ground Handling services. These services include fuelling, aircraft maintenance and aviation security.
- Cargo Handling services include physical import and export handling of cargo, warehousing and storage of cargo, document handling, trucking and mail handling.

In addition, Other/Eliminations that consist of the Group's head offices results and eliminations are reported separately. This includes other items of income and expense that are not attributable to specific segments.

The Group's presentation of revenue is based on the geographical location of the service provided, and non-current assets are based on the physical location of the assets.

Non-current assets include property, vehicles and equipment, goodwill, other intangibles and investments in associates and joint ventures. No significant revenue or non-current assets are located in Luxembourg, the Group parent company's domicile country. The Group's largest customer group accounted for 13.1% of total revenue in 2018 (2017: 11.5%), representing over 105 contracts.

MEUR	Revenue and other operating income 2018	Revenue and other operating income 2017	Non-current assets 2018	Non-current assets 2017
EMEA	1,671.4	1,602.7	1,747.0	1,873.3
AMERICAS	1,078.0	1,112.9	1,184.5	961.1
APAC	245.1	90.2	390.5	5.8
Total	**2,994.5**	2,805.8	**3,322.0**	2,840.2

The Group presentation of segment information is consistent with the information needs of the Group Executive Management (GEM). Segment results include items directly attributable to a segment as well as an allocation of Head Office costs. The GEM uses a measure of adjusted earnings before interest, tax, depreciation and amortization (Operating EBITDA, see definition in this note) to assess the performance of operating segments.

1.2. REVENUE AND OTHER OPERATING INCOME

MEUR	2018	2017
Revenue from contracts with customers		
Ground handling services	1,970.8	1,785.8
Fuelling services	142.9	135.0
De-icing services	65.8	70.3
Lounge services	80.2	75.3
Cargo handling services	538.8	519.0
Other services	145.5	122.2
	2,944.0	2,707.6
Other operating income		
Concession and rental	29.5	26.4
Recharges of expense to customers	-	42.6
Sale of fuel (excluding into-plane fuelling)	-	11.0
Management and trademark fees	2.1	4.0
Other	18.9	14.2
	50.5	98.2
Total revenue and other operating income	**2,994.5**	2,805.8

Other services from revenue with customers mainly include the following services:
- Cleaning services
- Security services
- Executive aviation services
- Maintenance services
- Others

Contract balances
As of 31 December 2018, there are contract liabilities of MEUR 8.3 (refer to note 6.4). Contract liabilities at 31 December 2018 represent short-term advance payments received from customers in relation to the Group's obligation for providing of services.

Transaction price
Based on the nature of services provided by the Group, contracts with customers typically have stated prices for the various services offered, but often the amount of the total consideration is not known at inception because the total consideration is based on the extent of the services actually performed.

Factors that affect the total consideration may include, but are not limited to, the weight handled, number of units/ pieces, aircraft type, air waybill, and turnarounds. While this would generally meet the definition of a transaction price with variable consideration, these types of contracts include regular billing schedules (i.e. bi-weekly or monthly invoices), which are based on specific service reports prepared for each customer. Thus, absent other aspects of variable consideration, determining the transaction price for each performance obligation provided is straightforward and does not induce any estimation efforts as the transaction price is known at the time of revenue recognition.

Performance obligations
The vast majority of the ground handling solutions and cargo handling solutions performed by the Group transfer control of the services to the customer over time (i.e. within 24 hours) as the customer simultaneously receives and consumes the benefits provided while the Group performs the services. Although revenue recognition over time is technically appropriate, recognition of revenue at a point in time would not lead to significantly different outcomes because the services provided by the Group are typically performed over a short period of time (i.e. within 24 hours).

The Group opted not to disclose the amount of remaining performance obligation at 31 December 2018 by using a practical expedient provided in IFRS 15.121 since the Group recognizes revenue in an amount that corresponds with the value of the Group's performance obligation completed to date, in accordance with IFRS15.B16.

The Group recognizes revenue as the Group satisfies performance obligation by providing promised services to the customers. Revenue is recognized at the time the service is provided in accordance with the terms of the relevant contract.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2018

1.3. OPERATING EXPENSES

MEUR	Note	2018	2017
Personnel expenses	→ 3.1	**-1,952.9**	-1,861.6
Goods and services purchased:			
Services		-141.6	-144.0
Maintenance of equipment		-116.7	-103.8
Lease expenses		-55.6	-52.4
Material		-61.4	-57.6
Airport fees		-19.5	-19.9
Concession fees		-20.6	-18.5
		-415.4	-396.2
Other operating expenses:			
Rent and building occupancy		-176.8	-165.0
Information technology		-54.0	-59.8
Third party workforce		-61.1	-57.6
Professional services		-32.4	-21.6
Insurances costs		-25.5	-25.0
Travel costs		-18.7	-18.4
Office costs		-12.6	-11.6
Other costs		-19.9	-22.4
		-401.0	-381.4
Acquisition costs	→ 5.4	-7.4	-7.6
Integration costs	→ 5.4	-6.6	-5.9
Depreciation of property, vehicles and equipment	→ 4.3	-60.3	-56.5
Amortization of intangible assets	→ 4.4	-30.7	-25.1
Total operating expenses		**-2,874.3**	-2,734.3

Fees billed to the Group by the auditor Ernst & Young, during the year were as follows (excluding VAT):

Audit and other fees		2018	2017
Audit services		2.3	2.2
Other assurance services		0.3	0.5
Tax advisory		0.6	0.7
Other fees		0.1	0.1
Total audit and other fees		**3.3**	3.5

02 CAPITAL MANAGEMENT

This section sets out the Group's key financial risks and the Group's approach to managing the risks including liquidity, currency and interest rate risk. Net debt is a key driver which the Group seeks to manage through the risk management programme designed to mitigate potential adverse effects on the Group's financial performance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2018

2.1. NET DEBT

	31 Dec 2018			31 Dec 2017			Principal (MEUR)		Principal (Original)						
MEUR	**Current**	**Non-Current**	**Net debt**	Current	Non-Current	Net Debt	**2018**	2017	**2018**	2017	Original currency	Issue price	Interest rate	Issue Date	Maturity date
Senior Secured Notes[1]	-	357.5	357.5	-	355.7	355.7	363.5	363.5	363.5	363.5	EUR	100%	6.750%	11-Aug-17	15-Dec-21
Senior Secured Notes[1]	-	35.7	35.7	-	35.5	35.5	36.5	36.5	36.5	36.5	EUR	100%	6.750%	14-Dec-15	15-Dec-21
Senior Notes[1]	-	260.3	260.3	-	259.4	259.4	264.6	264.6	264.6	264.6	EUR	100%	9.750%	11-Aug-17	15-Dec-22
Senior Notes[1]	-	15.3	15.3	-	15.2	15.2	15.9	15.9	15.9	15.9	EUR	100%	9.750%	14-Dec-15	15-Dec-22
Term Loan B[1]	-	411.0	411.0	-	451.1	451.1	417.1	460.0	417.1	460.0	EUR	100%	4.750%	11-Aug-17	08-Feb-22
Incremental Term Loan B[1]	-	285.4	285.4	-	-	-	294.5	-	294.5	-	EUR	100%	4.375%	06-Mar-18	08-Feb-22
Note purchase agreement[2]	-	152.5	152.5	-	-	-	156.4	-	162.0	-	USD	100%	16.000%	06-Mar-18	05-Mar-22
Borrowings from related parties (→ note 5.3)	8.8	-	8.8	6.8	1.1	7.9									
Bank loans	7.8	41.3	49.1	11.1	81.5	92.6									
Finance lease liabilities	10.5	35.7	46.2	9.0	14.8	23.8									
Other local facilities	6.6	22.8	29.4	8.4	22.0	30.4									
Borrowings	**33.7**	**1,617.5**	**1,651.2**	35.3	1,236.3	1,271.6	**1,548.5**	1,140.5							
Cash at bank and on hand			-141.9			-114.6									
Short term bank deposits			-3.3			-3.9									
Cash and cash equivalents			**-145.2**			-118.5									
Net debt (reported)			**1,506.0**			1,153.1									
Adjustments for capitalized transaction costs			30.8			23.6									
Net debt			**1,536.8**			1,176.7									

[1] Carrying amount for the Senior Secured Notes, Senior Notes, Term Loan B, Incremental Term Loan B are net of capitalized transaction costs.
[2] The carrying amount for the Note purchase agreement is net of capitalized transaction costs and includes payment-in-kind interest of MEUR 15.0.

The movements in net debt are not all cash-relevant (refer to description in this note).

For the purposes of repayment of certain liabilities, Swissport Investments S.A., a 100% subsidiary of Swissport Group S.à r.l., issued on 15 December 2015 MEUR 400.0 6.750% Senior Secured Notes due 15 December 2021 and MEUR 290.0 9.750% Senior Notes due 15 December 2022, which were fully funded and held in escrow until the acquisition date of 10 February 2016. During 2016, the Group bought back MEUR 9.5 of the Senior Notes.

In addition, on 10 February 2016, Swissport Investments S.A. entered into a MEUR 660.0 Term Loan B Facility (TLB) due 8 February 2022.

On 10 February 2016, Swissport International AG entered into a new MCHF 150.0 Revolving Credit Facility (RCF) due 2021 on a senior secured basis which will provide borrowings up to an aggregated amount of MCHF 150.0.

Early in 2017, the Swissport Group became aware of defaults arising out of a technical breach of the lien covenant provisions contained in the senior secured credit agreement (TLB) dated 20 January 2016. The technical breach was uncovered during the course of discussions between the Swissport Group and HNA Group regarding an equity injection from HNA Group intended to enable certain improvements to Swissport's capital structure. The defaults were caused by pledges granted over the shares of Swissport Group S.à r.l., Swissport Investments S.A. and Aguila 2 S.à r.l. (former Aguila 2 S.A.) as security for a debt facility entered into by a subsidiary of HNA Group Co. Ltd. prior to the completion of the acquisition of Swissport by the HNA Group. This subsidiary of the HNA Group Co. Ltd. is a parent company of the Swissport Group. The pledged shares are not shares used as collateral intended to secure the TLB and RCF or its senior secured high yield bonds. The issues concerning the default were resolved in the first half of 2017.

On 11 August 2017, the Group successfully completed a refinancing by entering into an amended and restated Credit Facility and raising a MEUR 460.0 Term Loan B and by issuing new notes in exchange for existing notes previously issued by Swissport Investments S.à r.l..
On 14 May 2018, the Group decreased its debt by partial repayment of MEUR 42.9 for the TLB.

Approximately 90% of the existing Swissport Investment noteholders participated in this exchange offer. The Group's new notes (Senior Secured Notes MEUR 363.5 and Senior Notes MEUR 264.6) are listed on the Euro MTF market of the Luxembourg Stock Exchange.

In addition, Swissport International AG, a 100% subsidiary of the Group and, being a party to the Credit Facility, entered into an amended and restated Credit Agreement MCHF 150.0 Revolving Credit Facility ("RCF") due 2021 on a senior secured basis.

MCHF[1]	**2018**	2017
Maximum	**150.0**	150.0
Committed	**110.0**	110.0
Utilized		
- Guarantees	39.0	42.5
- Cash draw down	15.0	46.8
- Overdraft	-	1.8
Total utilized	**54.0**	91.1

[1] For reference, the foreign exchange rates for the translation from CHF to EUR were CHF/EUR 1.1265 as at 31 December 2018 and CHF/EUR 1.1695 as at 31 December 2017.

Under the Amended and Restated Credit Agreement dated 11 August 2017, the Group is subject to a net leverage ratio financial covenant, which is contingent upon the level of RCF borrowings. The covenant is only tested by the lenders when more than 30% of the RCF and overdrafts facility is utilized at the end of each reporting period. At 31 December 2018, such utilization was insufficient to trigger the reporting requirement.

In addition, Swissport Global Services Holding S.à r.l., a 100% subsidiary of Swissport Group S.à r.l. entered on 6 March 2018 into a MUSD 162.0 Note purchase agreement in respect of notes due 5 March 2022.

On 6 March 2018, Swissport Financing S.à r.l. a 100% subsidiary of Swissport Group S.à r.l., entered into a MEUR 325.0 Incremental Term Loan B due 8 February 2022. This loan is fully syndicated. On 14 May 2018, the Group decreased its debt by partial repayment of MEUR 30.5 for the Incremental Term Loan B.

The Group is required to provide a quarterly unaudited and annual audited consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows to the Administrative Agent and/or Trustee.

The assets pledged at the end of the reporting periods are as follows:

MEUR	**2018**	2017
Cash and cash equivalents	54.3	50.2
Trade and other receivables	265.9	219.9
Swissport Brand and other intangibles	323.0	302.3
Vehicles, equipment and inventory	136.2	126.8
Total assets pledged	**779.4**	699.2

The figures above also include assets pledged locally outside of the notes, term loan and revolving credit facility. Intercompany receivables and shareholdings in certain Group companies are also pledged, but not presented above as they are eliminated on a consolidated level.

The maturity profile of non-current borrowings are as follows:

	2018				2017			
MEUR	13-24 months	25-60 months	> 60 months	Total	13-24 months	25-60 months	> 60 months	Total
Notes	-	668.8	-	668.8	-	665.8	-	665.8
Term Loan B	-	411.0	-	411.0	-	451.1	-	451.1
Incremental Term Loan B	-	285.4	-	285.4	-	-	-	-
Note purchase agreement	-	152.5	-	152.5	-	-	-	-
Bank loans	6.1	28.5	6.7	41.3	7.3	19.3	54.9	81.5
Finance lease liabilities	13.4	21.8	0.5	35.7	5.6	9.1	0.1	14.8
Other local facilities	12.4	-	10.4	22.8	10.5	1.0	10.5	22.0
Borrowings from related parties	-	-	-	-	1.1	-	-	1.1
Total	**31.9**	**1,568.0**	**17.6**	**1,617.5**	24.5	1,146.3	65.5	1,236.3

The future minimum lease payments of MEUR 50.5 (2017: MEUR 25.2) include MEUR 4.3 (2017: MEUR 1.4) of interest. As per 31 December 2018, MEUR 30.8 (31 December 2017: MEUR 23.6) financing costs have been capitalized on inception of the debt.

The weighted average effective interest rates on borrowings at the reporting date were as follows:

	2018	2017
Notes	7.99%	7.99%
Bank loans	6.55%	3.87%
Finance lease liabilities	3.73%	4.09%

Cash and cash equivalents comprise cash in hand and at banks, fixed term and call deposits with a term of less than 90 days from the date of acquisition. Restricted cash is included in Prepayments and other receivables (refer to note 4.1).

The Group borrows money from financial institutions and debt investors in the form of bank overdrafts, bank loans and notes. Interest-bearing and foreign currency liabilities are measured at amortized cost with any difference between the net proceeds received and the maturity amount to be paid recognized in the consolidated statement of profit or loss over the period of the borrowings using the effective interest rate method. Debt is shown net of capitalized transaction costs that are expensed by application of the effective interest rate method.

2.2. FINANCE RESULTS

Finance expenses

MEUR	2018	2017
Interest expense	-126.4	-120.3
Realised foreign exchange losses	-18.8	-27.7
Unrealised foreign exchange losses	-151.2	-93.9
Bank charges	-5.4	-7.5
Net interest costs of long-term employee benefit plans	-6.5	-6.3
Other financial costs	-4.8	-5.1
Total finance expenses	**-313.1**	-260.8

Included in the interest expense is:

MEUR	2018	2017
Accrued interest on Senior Notes	2.3	2.3
Accrued interest on Term Loan B	4.2	1.3
Accrued interest on Incremental Term Loan B	3.0	-
Accrued interest on Note purchase agreement	4.1	-
Expensed transaction costs	11.8	24.5
Total	**25.4**	28.1

Finance income

MEUR	2018	2017
Interest income	28.9	13.0
Realised foreign exchange gains	18.1	18.9
Unrealised foreign exchange gains	140.9	99.8
Other financial income	0.5	0.9
Total finance income	**188.4**	132.6

The Group recognizes finance expenses and income on an accrual basis. Costs associated with the management of cash and cash equivalents and debt in connection with the arrangement of borrowings are amortized using the effective interest rate method when the borrowings are drawn-down. If the borrowings are not drawn-down, the cost is amortized on a straight-line basis over the borrowings duration. When the expenses are directly attributable to the acquisition or to a construction of a qualifying asset, then such financing costs are capitalized up to the time the asset is ready for its intended use and are then amortized over the expected useful economic life.

2.3. FINANCIAL RISK MANAGEMENT

	Source of risk	Risk mitigation
1. Liquidity risk	Liquidity risk is the risk that the Group will encounter difficulties in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.	Liquidity risk is managed centrally by Group Treasury and involves maintaining available funding and ensuring the Group has access to an adequate amount of committed credit facilities. Due to the dynamic nature of the business, Group Treasury aims to maintain flexibility within the funding structure through the use of bank overdrafts, bank loans, secured notes, unsecured notes and committed revolving credit facilities. The following is used to manage the risk: ■ maintaining minimum undrawn committed liquidity of at least MCHF 10.0 (in various currencies) that can be drawn upon at short notice; ■ regularly performing a comprehensive analysis of all cash inflows and outflows in relation to operational, investing and financing activities; ■ generally using tradeable instruments only in highly liquid markets; ■ maintaining a reputable credit profile; ■ managing credit risk related to financial assets; ■ monitoring the duration of long-term debt; ■ only investing surplus cash with major financial institutions or where permitted by other senior lenders, to affiliates within the Group for the duration of the consent period; ■ to the extent practicable, spreading the maturity dates of long-term debt facilities.
2. Foreign exchange risk	The Group operates internationally and is exposed to foreign exchange risk arising from commercial transactions and recognized assets and liabilities that are denominated in a currency other than the respective functional currencies of the Group entities, and investments in foreign operations that are denominated in a currency other than the presentation currency of the Group. The currency exposures primarily arise with respect to USD, CHF, GBP, EUR, CAD, BRL, ZAR and AUD.	Group Treasury can enter into forward FX (foreign currency) contracts to mitigate certain identified FX risks in meeting future cash flows. Wherever possible, Group companies match asset and liability flows in local functional currency to avoid unnecessary FX exposure by creating a natural hedge.

	Source of risk	Risk mitigation
3. Interest rate risk	The Group's interest rate risk mainly arises from external borrowings and cash and cash equivalents. Borrowings and cash and cash equivalents at variable rates expose the Group to cash flow interest rate risk. The Group's exposure to interest rate risk is currently moderate as more than half of the Group's borrowings mainly (notes) have fixed interest rates, i.e., the interest expense is not subject to changes in benchmark interest rates and the majority of the remaining debt (mainly Term Loan B) has an interest floor rate with a Euribor floor rate that is above current market conditions.	The Group does not use derivative instruments to hedge its interest rate exposure to floating rate instruments. Group Treasury monitors future risks resulting from potentially higher interest rates and can, with approval, enter into derivates contracts to convert the floating Euribor rate to a fixed rate once a risk is perceived as becoming material.
4. Credit risk	Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash at banks, cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers primarily through outstanding receivables.	Group Treasury only deposits funds with banks and credit institutions of renown credit rating, relative to the country of operation. For a temporary period of 180 days following the refinancing in August 2017, the senior lenders permitted the Group to place surplus funds with an affiliate company of the parental Group; for a maximum period of 90 days per each loan agreement. The highest area of risk stems from exposure to commercial customers. Each significant customer goes through a periodic credit check using proprietary credit metrics tools, and those that fall below credit standard are moved to more risk-averse trading terms at the earliest point contractually possible. Group Treasury provides a monthly report to Group and regional management showing details of aged debtors by business unit, and sets annual targets for the units to achieve in terms of DSO (days sales outstanding).

The Group has the following categories of financial instruments at the reporting date:

MEUR	2018	2017
Prepayments, trade and other receivables[1]	821.0	917.2
Total receivables	**821.0**	917.2
Non-listed equity instrument at fair value through OCI	0.4	2.0
Other non-current financial assets	**0.4**	2.0
Borrowings	1,651.2	1,271.6
Trade and other payables[1]	287.6	268.6
Total financial liabilities at amortized cost	**1,938.8**	1,540.2

[1] This concerns the current "Prepayments, trade and other receivables" and the non-current "Prepayments and other receivables". The amounts differ from the carrying amounts presented in the consolidated statement of financial position. Only financial instruments that fall within the scope of IFRS 7 Financial Instruments: Disclosures are included in the table above.

1. Liquidity risk

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of the financial liabilities based on the earliest date on which the Group can be required to settle. The table includes both interest and principal cash flows. The contractual cash flows for the borrowings as at 31 December 2018 and 31 December 2017 are as follows:

	2018						2017					
MEUR	Carrying amount	Contractual cash flows	<12 months	13-24 months	25-60 months	> 60 months	Carrying amount	Contractual cash flows	<12 months	13-24 months	25-60 months	> 60 months
Notes	668.8	856.8	54.3	54.3	748.2	-	665.8	908.2	54.3	54.3	799.6	-
Term Loan B	411.0	472.6	19.8	19.8	433.0	-	451.1	522.1	17.3	17.3	487.5	-
Incremental Term Loan B	285.4	325.6	12.9	12.9	299.8	-	-	-	-	-	-	-
Note purchase agreement	152.5	232.0	25.0	25.0	177.5	4.5	-	-	-	-	-	-
Bank loans	49.1	54.0	9.6	7.5	29.9	7.0	92.6	100.5	13.6	9.2	22.1	55.6
Finance lease liabilities	46.2	50.5	12.2	14.5	23.3	0.5	23.8	25.2	9.8	6.0	9.3	0.1
Other local facilities	29.4	29.5	6.7	12.4	-	10.4	30.4	30.4	8.4	10.5	1.0	10.5
Borrowings from related parties	8.8	8.8	8.8	-	-	-	7.9	10.1	7.3	1.6	1.2	-
Total	**1,651.2**	**2,029.8**	**149.3**	**146.4**	**1,711.7**	**22.4**	1,271.6	1,596.5	110.7	98.9	1,320.7	66.2

2. Foreign exchange risk

At the reporting date, the Group's exposure to foreign exchange risk (translated in EUR and presented in millions), including intercompany balances, was as follows:

	2018								2017						
MEUR	CHF	USD	EUR	GBP	CAD	BRL	ZAR	AUD	CHF	USD	EUR	GBP	CAD	BRL	ZAR
Cash and cash equivalents	7.8	23.0	29.3	5.5	6.6	1.1	7.6	10.7	8.2	26.3	38.6	7.1	5.1	7.5	5.2
Prepayments, trade and other receivables	85.8	162.4	160.8	143.2	31.0	24.2	8.3	30.7	73.5	167.7	195.9	172.8	45.4	23.0	12.8
Loans receivable	739.8	753.5	1,010.8	274.7	26.8	19.9	1.1	19.5	983.6	687.6	812.0	305.8	27.2	16.2	1.2
Trade and other payables	-122.5	-99.3	-173.1	-155.1	-33.4	-30.4	-10.9	-21.5	-114.1	-92.5	-157.5	-178.2	-47.2	-26.0	-10.0
Borrowings	-740.4	-935.7	-1,595.6	-244.8	-29.1	-23.4	-5.6	-19.5	-926.8	-730.2	-2,037.2	-294.4	-23.4	-19.9	-8.0
Net balance sheet exposure	**-29.5**	**-96.1**	**-567.8**	**23.5**	**1.9**	**-8.6**	**0.5**	**19.9**	24.4	58.9	-1,148.2	13.1	7.1	0.8	1.2

Sensitivity analysis

As an impact from transactions, a strengthening/weakening of the USD, CHF, GBP, EUR and AUD at 31 December 2018, would have increased/decreased the profit or loss and equity by the amounts shown in the next table. This analysis is based on foreign currency exchange rate variances and assumes that all other variables, in particular interest rates, remain constant. The change to profit or loss is mainly related to foreign exchange gains/losses based on the translation of intra-group loans. The change to equity is related to USD, CHF, GBP and EUR loans that, in substance, form part of the net investment in foreign operations.

	31 December 2018		31 December 2017	
MEUR	Profit or (loss)	Equity	Profit or (loss)	Equity
USD 1% strengthening	-0.5	2.1	-	2.4
CHF 1% strengthening	0.2	2.9	0.8	3.2
GBP 1% strengthening	0.5	1.8	0.4	1.8
EUR 1% strengthening	-3.8	2.0	0.5	-0.4
AUD 1% strengthening	-0.1	-	-	-

3. Interest rate risk

At the reporting date, the interest profile of the Group's interest-bearing financial assets and liabilities was as follows:

MEUR	**2018**	**2017**
Fixed rate instruments		
Cash and cash equivalents	**3.3**	3.9
Borrowings[1]	**-886.6**	-741.0
Total fixed rate instruments	**-883.3**	**-737.1**
Variable rate instruments		
Cash and cash equivalents	**141.9**	114.6
Borrowings[1]	**-757.4**	-528.1
Total variable rate instruments	**-615.5**	**-413.5**

[1] The amounts presented exclude transaction costs, bank overdrafts and related party loan.

Cash flow sensitivity analysis – variable rate instruments

At year-end, if the interest rates had been 100 basis points lower or higher, with all other variables held constant, the impact on the loss for the period would be:

MEUR	**2018**	2017
100 basis points lower	0.5	0.6
100 basis points higher	-7.3	-2.4

4. Credit risk

The table below shows the balances for cash and cash equivalents with banks and financial institutions at the reporting date, sorted by the counterparties external credit rating (Standard & Poors):

MEUR	**2018**	2017
Investment grade A- and above	108.0	80.2
Investment grade BBB+, BBB, BBB-	9.2	10.6
Non-investment grade BB+ and below	21.0	17.2
Not rated	7.0	10.5
Total cash and cash equivalents (refer to note 2.1)	**145.2**	118.5

Credit risks related to trade receivables are systematically analyzed, monitored and managed. The Group has policies in place to ensure that sales of products and services on credit are only made to customers with an appropriate credit history. The Group may hold collateral as security. Concentrations of credit risk with respect to trade receivables (MEUR 318.5, 2017: MEUR 303.1) are limited due to the Group's large number of customers, who are internationally dispersed. Trade receivables from the biggest customer (an aviation group) do not exceed 7.8% (2017: 8.6%) of the total trade receivables. The carrying amount of financial assets represents the Group's maximum credit exposure.

The maximum exposure to credit risk at the reporting date (excluding related party loan, which is described in note 4.1) was as follows:

MEUR	2018	2017
Cash and cash equivalents	145.2	118.5
Prepayments and other receivables	127.9	102.1
Prepayments, trade and other receivables	693.1	789.0
Total assets	**966.2**	1,009.6

Impairment of trade receivables

For trade receivables, the Group applies the IFRS 9 simplified approach for measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 36 months ending 31 December 2018 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Set out below is the information concerning the credit risk exposure on the Group's trade receivables using a provision matrix :

	As at 31 December 2018							
MEUR	Paid within contractual credit terms	Paid between 1 - 10 days	Paid between 11 - 30 days	Paid between 31 - 60 days	Paid between 61 - 90 days	Paid between 91 - 180 days	Paid after 181 days	**Total**
Expected credit loss rate[1]	0.2%	0.3%	0.5%	1.4%	4.4%	12.0%	9.1%	
Gross carrying amount - trade receivables	236.9	39.7	19.9	13.7	3.5	4.9	7.3	**325.7**
Expected credit loss allowance	**0.4**	**0.1**	**0.1**	**0.2**	**0.2**	**0.6**	**0.7**	**2.2**

[1] expressed as weighted averages

Capital risk management

The Group's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide medium to long-term stable returns for its shareholder and benefits for other stakeholders. In order to optimize a long-term capital structure, the Group may issue new shares or sell assets to reduce debt.

By ensuring the Group adheres to the covenant leverage ratio limit (profitability specified in agreement vs net debt) as set out in the Amended and Restated Credit Agreement dated 11 August 2017, management meets the primary capital risk objective under compliance with the Group's financing arrangements. Management's objective is to make sure that this ratio is below the limit set out by the credit facility which was:

	2018	2017
Covenant leverage ratio	4.77	4.95
Covenant leverage ratio limit	5.50	7.00

Under the Amended and Restated Credit Agreement dated 11 August 2017, the Group is subject to a financial covenant being the net leverage ratio test against a maximum threshold. The covenant is only reported to the creditors if a certain amount of the RCF is being utilized. The amount drawn down by the Group as at 31 December 2017 triggered additional reporting requirements. In 2018 there were no events that triggered additional reporting requirements.

Fair value estimation

The carrying amount of financial assets and liabilities at variable interest rate approximates their fair value. The fair value of the notes is estimated to be MEUR 706.4 (2017: MEUR 712.6). The fair value of the notes is determined based on quoted market price at reporting date, therefore the fair value measurement of the notes is categorized in level 1. See fair value hierarchy as defined in this note. The carrying amount of the non-current fixed rate interest-bearing liabilities (excluding notes and related party loans) is MEUR 198.4 (2017: MEUR 55.1) and approximates their fair value because of the recent issuance of the instruments.

For finance leases, the market rate of interest is determined by reference to similar agreements.

Fair value hierarchy

The table below analyzes financial assets and liabilities carried at fair value using the levels in the fair value hierarchy. The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2);
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

	As at 31 December 2018				As at 31 December 2017			
MEUR	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Non-listed equity instrument at fair value through OCI	-	-	0.4	0.4	-	-	2.0	2.0
Non-current financial assets	**-**	**-**	**0.4**	**0.4**	-	-	2.0	2.0

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if transactions for asset or liability take place with sufficient frequency and volume to provide information on an ongoing basis. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

The fair value of derivative instruments included in this category is determined based on current and available market data. If fair value of financial instruments is not determinable the valuation is at cost (level 3).

2.4. EQUITY

	2018			2017		
MEUR	Share capital MEUR	Share premium MEUR	Total	Share capital MEUR	Share premium MEUR	Total
As at 1 January	1,472.3	773.4	2,245.7	1,472.3	36.4	1,508.7
Issue of share capital	-	-	-	-	-	-
Issue of share premium, net of transaction costs	-	-	-	-	737.0	737.0
As at 31 December	**1,472.3**	**773.4**	**2,245.7**	1,472.3	773.4	2,245.7

In February 2016, HNA Aviation converted receivables equivalent to MEUR 1,472.2 (1,472,255,258) with a par value of 1 EUR each. The Class A Shares, the Class B Shares, the Class C Shares, the Class D Shares, the Class E Shares, the Class F Shares, the Class G Shares, the Class H Shares, the Class I Shares and the Class J Shares are collectively referred to as the "Preference Shares", each being a "Preference Share". The Ordinary Shares and the Preference Shares are collectively referred to as the "Shares", each being a "Share".

In April 2017, HNA Aviation injected MEUR 718.0 (excluding transaction costs of MEUR 1.0) of cash into equity and converted a subordinated MEUR 20.0 loan into equity. These injections were allocated to the share premium. All ordinary shares are registered, issued and fully paid at 1 EUR par. One vote is attached to each share (ordinary and preferred). The holders of the ordinary shares and preferred shares have the right to receive dividends in accordance with the bylaws of the Company.

After payment of all the outstanding debts and charges against the Company, including taxes and expenses pertaining to the liquidation process, the remaining net assets of the Company shall be distributed to the shareholders in conformity with and so as to achieve on an aggregate basis the same economic result as the distribution rules set for dividend distributions in the bylaws of the Company.

MEUR	2018 Shares	2017 Shares
Ordinary shares	12,000.0	12,000.0
Class A Shares	147,224,326.0	147,224,326.0
Class B Shares	147,224,326.0	147,224,326.0
Class C Shares	147,224,326.0	147,224,326.0
Class D Shares	147,224,326.0	147,224,326.0
Class E Shares	147,224,326.0	147,224,326.0
Class F Shares	147,224,326.0	147,224,326.0
Class G Shares	147,224,326.0	147,224,326.0
Class H Shares	147,224,326.0	147,224,326.0
Class I Shares	147,224,325.0	147,224,325.0
Class J Shares	147,224,325.0	147,224,325.0
As at 31 December	**1,472,255,258.0**	1,472,255,258.0

Ordinary and preference shares are classified as equity. Incremental costs directly attributable to the issuance of new shares are shown in equity as a deduction, net of tax, from the proceeds. The amount paid by shareholders for their issued shares in excess of the par value of those shares is classified as share premium. Dividend distributions to the Group's shareholder are recognized as a liability in the Group's financial statements in the period in which the dividends are approved by the Group's shareholder.

Foreign currency translation
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Euro (EUR). Transactions in foreign currencies are translated at the exchange rate effective on the transaction date. Monetary items are re-translated into the functional currency using exchange rates as at the reporting date. The resulting exchange gains and losses are recognized in the consolidated statement of profit or loss. If a loan is made to a foreign operation and the loan in substance forms part of the Group's investment in the foreign operation (i.e. settlement of the loan is neither planned nor likely in the foreseeable future), exchange differences arising from the loan are also recognized in the currency translation reserve.

Currency translation reserve
Exchange differences arising out of translation of foreign controlled entities are recognized in other comprehensive income and accumulated in a separate reserve within equity. This reserve comprises all foreign exchange differences on loans in substance forming part of the net investments in foreign operations. The cumulative amount is reclassified to consolidated statement of profit or loss when the investment is disposed.

03
OUR PEOPLE

This section provides information on how the Group remunerates its employees. It also includes details on the compensation paid to key management personnel as well as the Group's post-employment and share-based payment transactions and other long-term employee benefits.

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3.1. PERSONNEL EXPENSES

MEUR	**2018**	2017
Wages and salaries	-1,536.0	-1,438.3
Social security costs	-142.9	-143.1
Personnel insurances	-77.9	-81.8
Pension costs - defined benefit plans (→ note 3.3)	-32.1	-30.4
Contributions paid	-18.6	-18.5
Other service costs	-2.3	-2.2
Non-cash pension (expenses) / gain	-11.2	-9.7
Other long-term employee benefits	-0.1	-1.1
Share-based payment transactions (→ note 3.4)	-10.7	-27.3
Pension costs - defined contribution plans	-30.1	-18.3
Staff allowance	-33.1	-35.1
Uniforms and protective clothes	-13.3	-12.8
Other staff costs	-76.7	-73.4
Total personnel expenses	**-1,952.9**	-1,861.6

Personnel expenses are recognized in the period to which they relate.

3.2. KEY MANAGEMENT PERSONNEL

During 2018, the Company's managers received MEUR 0.1 for their services as managers (2017: MEUR 0.1). Those managers who have executive positions within the Group received salaries and other benefits, which are disclosed below under Executive Management remuneration.

Company Managers:

Name	Position		Date of the change
Mr. Loïc Marion	Member		
Mr. Olivier Richaud	Member		
Dr. Thomas Staehelin	Member		
Mrs. Virginie Guillaume	Member		
Mr. Charles Mobus	Member	From	22-Jan-18
Mr. William Zhang	Member	From	22-Jan-18
Mr. Peng Liu	Member	From Until	06-Feb-17 22-Jan-18
Mr. Eric Born	Member	From Until	06-Feb-17 22-Jan-18

Group Executive Management:

Name	Position		Date of the change
Mr. Eric Born	President and CEO		
Dr. Christian Göseke	Member		
Mr. Nils Pries Knudsen	Member		30-Jun-19
Mr. Peng Liu	Member		
Mr. Joe Phelan	Member		30-Apr-19
Dr. Johannes C. Spindler	Member	Until	30-Apr-19
Mr. Luzius Wirth	Member		
Mr. Andreas Hugener	Member		
Mr. Glenn Rutherford	Member	From	01-Jan-19
Mr. Simon Messner	Member	From	01-Jan-19

The compensation paid or payable to Executive Management for employee services during the year is shown below:

Group's Executive Management remuneration

MEUR	2018	2017
Short-term employee benefits (including bonus)	11.1	5.0
Post-employment benefits (pension contributions)	0.7	0.6
Share-based payment transactions	6.2	23.2
Total	**18.0**	28.8

3.3. LONG-TERM EMPLOYEE BENEFITS

Long-term employee benefit obligations:

MEUR	2018	2017
Total defined benefit plans	151.6	165.0
Total share-based payment transactions[1]	39.7	47.6
Total other long-term employee benefits	14.7	13.1
Total defined contribution plans	0.5	0.7
Total long-term employee benefit obligations	**206.5**	226.4

[1] As of 31 December 2018, short term liabilities for share-based payment transactions amounted to MEUR 16.8 (31 December 2017: Nil)

The principal defined benefit plans are structured as follows:

As at 31 December 2018

Country	Switzer-land	United-Kingdom	Republic of Korea	Belgium	Germany	Tanzania	France	Mexico	Japan	Total
Number of funded plans	2	3	1	3	1	-	-	-	-	**10**
Number of unfunded plans	-	-	-	3	3	1	3	3	1	**14**

(a) Defined benefit plans

The Group maintains a number of defined benefit plans. Significant plans are in Switzerland, Personalvorsorge Swissport (PVS), Swiss Bridging pensions (SBP), and in the United Kingdom, Servisair Pension Plan (SPP). Non-significant plans, from a Group perspective, are aggregated in "Others" in the following tables within this note.

Personalvorsorge Swissport (PVS)

The Group has an independent pension plan in Switzerland established as a foundation, Personalvorsorge Swissport (PVS), covering the following Swiss entities: Swissport International AG, Swissport Baggage Sorting AG, PrivatPort S.A., Careport AG, GVAssistance AG and Swissport Group Services GmbH. Under Swiss law the plan is considered a defined contribution plan; however, because of inherent legal guarantees it is considered a defined benefit plan under IAS 19 and therefore an independent actuarial valuation has been performed using the projected unit credit method.

The PVS pension plan is managed by a Board of Trustees that consists of six members of an equal number of employer's and employees' representatives. In case of underfunding, based on BVG regulations, the Board of Trustees shall take measures to restore the scheme to financial stability. The provisional funding level based on Occupational Pension Scheme Act (BVG) regulations as per 31 December 2018 is 111.8% (2017: 116.6%).

The pension plan with its legal structure as a foundation bears the actuarial risks which are regularly assessed by the Board of Trustees. The Board of Trustees is responsible for the investment of the plan assets. All investment decisions made by the Board of Trustees need to be within the guidelines set out in a long-term investment strategy "Strategic Asset Allocation". The Strategic Asset Allocation is based on legal requirements, expected future contributions and expected future obligations and is reassessed at least every five years. The last assessment was in 2017.

Servisair Pension Plan (SPP)

In the UK, the Group operates a defined benefit pension scheme known as the Servisair Pension Plan (SPP). This plan provides benefits to members in the form of a guaranteed level of pension payable for life. Benefits are paid to members from trustee-administered funds, which are responsible for ensuring that the SPP is sufficiently funded to meet current and future benefit payments. Plan assets are held in trusts separate from the Group. If investment experience is worse than expected, the Group's obligations are increased. The trustees' other duties include managing the investment of SPP assets, administration of SPP benefits and exercising of discretionary powers. The Group works closely with the trustees to manage the SPP. The defined benefit obligation is calculated using a discount rate set with reference to high-quality corporate bond yields using the projected unit credit method. Although investment decisions are the responsibility of the trustees, the Group takes an active interest to ensure that pension plan risks are managed efficiently and takes an active role in managing the ongoing liabilities in the SPP. The SPP was closed to future accrual of benefits on 5 April 2012.

Swiss Bridging pensions (SBP)

In Switzerland the regulatory retirement age for the participants in Swissport's pension plan is 63 for men and women. The statutory retirement age for the state pension (AVS/AHV) is 65 for men and 64 for women. During the gap between the Swissport pension plan's regulatory retirement date and the first time when the state pension is paid, the Group pays a bridging pension equal to the maximum state pension CHF 28.200 (EUR 25.034) per year, CHF 28.200 (EUR 24.112) per year at 31 December 2017.

The defined benefit obligations and the plan assets' fair values have moved as follows:

	Defined benefit obligations 2018				Fair value of plan assets 2018				2018
	PVS	SPP	SBP	Others	PVS	SPP	SBP	Others	Total
	MEUR	MEUR	MEUR	MEUR	MEUR	MEUR	MEUR	MEUR	MEUR
As at 1 January	**816.8**	**183.5**	**32.2**	**103.7**	**-743.5**	**-137.8**	**-**	**-89.9**	**165.0**
Service cost:									
Current service cost	24.4	-	2.3	3.4	-	-	-	-	30.1
Past service cost	-	1.3	-	0.7	-	-	-	-	2.0
Gain on settlements	-	-	-	0.2	-	-	-	-	0.2
Interest cost / (income)	5.3	4.5	0.2	2.4	-4.9	-3.5	-	-2.0	2.0
Total amount recognized in the statement of profit or loss	**29.7**	**5.8**	**2.5**	**6.7**	**-4.9**	**-3.5**	**-**	**-2.0**	**34.3**
Remeasurements:									
Effect of changes									
- in demographic assumptions	-	-10.4	-	0.6	-	-	-	-	-9.8
- in financial assumptions	-23.2	-10.7	-0.5	-4.4	-	-	-	-	-38.8
- Effect of experience adjustments	2.4	1.3	-0.8	3.4	-	-	-	-	6.3
Return on plan assets (excluding interest income)	-	-	-	-	9.4	7.5	-	3.4	20.3
Total amount recognized in the statement of other comprehensive income	**-20.8**	**-19.8**	**-1.3**	**-0.4**	**9.4**	**7.5**	**-**	**3.4**	**-22.0**
Contributions:									
Employer contributions	-	-	-	-	-15.5	-	-	-3.1	-18.6
Employee contributions	11.8	-	-	0.8	-11.8	-	-	-0.8	-
Cash flows:									
Benefit payments from plan	-21.7	-10.4	-	-2.9	21.7	10.4	-	2.9	-
Benefit payments from employer	-	-	-2.2	-0.9	-	-6.1	-	-2.3	-11.5
Insurance premiums for risk benefits	-	-	-	-0.1	-	-	-	0.1	-
Administrative expenses and taxes	-	-	-	-	-	0.2	-	-	0.2
Other	-	0.2	-	-0.5	-	-	-	-	-0.3
Other significant events:									
Increase due to effect of change in plan	-	-	-	-	-	-	-	-0.7	-0.7
Effect of movement in exchange rates	31.2	-1.6	1.2	0.5	-28.5	1.3	-	1.1	5.2
Total other	**21.3**	**-11.8**	**-1.0**	**-3.1**	**-34.1**	**5.8**	**-**	**-2.8**	**-25.7**
As at 31 December	**847.0**	**157.7**	**32.4**	**106.9**	**-773.1**	**-128.0**	**-**	**-91.3**	**151.6**

	Defined benefit obligations 2017				Fair value of plan assets 2017				2017
	PVS	SPP	SBP	Others	PVS	SPP	SBP	Others	Total
	MEUR	MEUR	MEUR	MEUR	MEUR	MEUR	MEUR	MEUR	MEUR
As at 1 January	858.6	194.7	34.6	107.9	-744.1	-127.0	-	-86.8	237.9
Service cost:									
Current service cost	24.9	-	2.2	3.3	-	-	-	-	30.4
Past service cost	-	-	-	-	-	-	-	-	-
Gain on settlements	-	-	-	-	-	-	-	-	-
Interest cost / (income)	4.9	5.0	0.2	2.4	-4.3	-3.3	-	-2.0	2.9
Total amount recognized in the statement of profit or loss	29.8	5.0	2.4	5.7	-4.3	-3.3	-	-2.0	33.3
Remeasurements:									
Effect of changes									
- in demographic assumptions	-	-3.0	-	-3.8	-	-	-	-	-6.8
- in financial assumptions	-6.6	-1.1	-0.2	-0.2	-	-	-	-	-8.1
- Effect of experience adjustments	23.3	-1.1	0.7	0.2	-	-	-	-	23.1
Return on plan assets (excluding interest income)	-	-	-	-	-60.1	-10.9	-	-2.9	-73.9
Total amount recognized in the statement of other comprehensive income	16.7	-5.2	0.5	-3.8	-60.1	-10.9	-	-2.9	-65.7
Contributions:									
Employer contributions	-	-	-	-	-15.5	-	-	-3.0	-18.5
Employee contributions	11.7	-	-	0.7	-11.7	-	-	-0.7	-
Cash flows:									
Benefit payments from plan	-28.0	-4.0	-	-3.2	28.0	4.0	-	3.2	-
Benefit payments from employer	-	-	-2.4	-0.7	-	-5.9	-	-	-9.0
Insurance premiums for risk benefits	-	-	-	-0.1	-	-	-	0.1	-
Administrative expenses and taxes	-	-	-	-	-	0.4	-	-	0.4
Other	-0.1	-	-	-0.2	-	-	-	0.3	-
Other significant events:									
Increase due to effect of change in plan	-	-	-	1.0	-	-	-	-1.0	-
Effect of movement in exchange rates	-71.9	-7.0	-2.9	-3.6	64.2	4.9	-	2.9	-13.4
Total other	-88.3	-11.0	-5.3	-6.1	65.0	3.4	-	1.8	-40.5
Balance as at 31 December	816.8	183.5	32.2	103.7	-743.5	-137.8	-	-89.9	165.0

The principal actuarial assumptions used were:

	PVS		SPP		SBP		Others[1]	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017
Discount rate	0.9%	0.7%	2.9%	2.6%	0.9%	0.7%	2.5%	2.1%
Future salary increase	1.5%	1.5%	0.0%	n/a	n/a	n/a	0.9%	0.7%
Future pension increase	0.0%	0.0%	2.3%	2.3%	n/a	n/a	1.4%	1.8%
Mortality table	BVG 2015, GT	BVG 2015, GT	S2PA 110% CMI_2017 [1.25%]	S2PA 110% CMI_2016 [1.25%]	BVG 2015, GT	BVG 2015, GT	various	various
Rate of increase in social security pension (AHV)	n/a	n/a	n/a	n/a	1.00%	1.00%	n/a	n/a
Current maximum AHV Pension (CHF)	n/a	n/a	n/a	n/a	28,200	28,200	n/a	n/a
Weighted average duration of plan	16 yrs	17 yrs	20 yrs	20 yrs	up to 2 yrs	up to 2 yrs	up to 22 yrs	up to 22 yrs
Life expectancy at age 65 years (Male)	22.6 yrs	22.5 yrs	21.2 yrs	21.3 yrs	n/a	n/a	n/a	n/a
Life expectancy at age 65 years (Female)	24.7 yrs	24.5 yrs	23.1 yrs	23.1 yrs	n/a	n/a	n/a	n/a
Life expectancy at age 65 years, for a now 45-year-old active member (Male)	24.4 yrs	24.3 yrs	22.6 yrs	22.6 yrs	n/a	n/a	n/a	n/a
Life expectancy at age 65 years, for a now 45-year-old active member (Female)	26.4 yrs	26.4 yrs	24.7 yrs	24.6 yrs	n/a	n/a	n/a	n/a
Groups' expected contributions to be paid for defined benefit plans within <12 months after reporting period	MEUR 16.2	MEUR 14.8	MEUR 6.1	MEUR 4.0	n/a	n/a	MEUR 2.8	MEUR 3.5

[1] expressed as weighted averages

Sensitivity analysis

The discount rate, future salary increase and future pension increase were identified as significant actuarial assumptions. A change in one of these assumptions by +0.25% or -0.25% (with all other assumptions remaining constant) would have the following impact on the defined benefit obligation at the end of the reporting period. In practice, however, there are certain correlations between the individual assumptions. The same method was used to calculate the sensitivities and the defined benefit obligation at the reporting date.

	PVS				SPP				SBP			
	2018		2017		2018		2017		2018		2017	
	0.25% increase	**0.25% decrease**	**0.25% increase**	**0.25% decrease**	**0.25% increase**	**0.25% decrease**	**0.25% increase**	**0.25% decrease**	**0.25% increase**	**0.25% decrease**	**0.25% increase**	**0.25% decrease**
Discount rate	-3.33%	3.52%	-3.67%	3.93%	-4.25%	4.25%	-4.75%	4.75%	-2.43%	2.54%	-2.34%	2.33%
Future pension increase	2.93%	n/a	3.21%	n/a	3.50%	-3.50%	4.00%	-4.00%	n/a	n/a	n/a	n/a
Future salary increase	0.23%	-0.08%	0.16%	-0.17%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

The fair value of the major categories of plan assets is as follows:

MEUR	**2018**	2017
Cash	13.4	33.7
Mortgages	41.7	34.2
Bonds	351.9	342.7
Equities	250.2	287.8
Real estate	281.6	232.4
Assets held by insurance companies	28.8	18.4
Alternative investments	24.8	22.0
Total plan assets	**992.4**	971.2

Most of the equity, debt securities and assets held by insurance companies have a quoted market price in an active market (level 1). Real estate, mortgages and alternative investments do not have a quoted market price (level 3).

As of 31 December 2018, the Group has recognized a liability for defined benefit obligations in the amount of MEUR 151.6 (2017: MEUR 165.0) based on actuarial valuations. A number of assumptions are made in the calculation of the liability, including discount rate, future salary, pension increases and mortality. A relatively minor change in any of these assumptions can have a significant impact on the carrying amount of the defined benefit obligation.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The contributions are recognized as pension costs in personnel expenses in the periods during which services are rendered by the employees.

The asset or liability recognized in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date, less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate. This discount rate is that used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit obligation (asset).

Items	Description	Recognized in
Current service cost	The cost to the Group of future benefits resulting from employee service in the current period.	Operating expenses in the consolidated statement of profit or loss
Past service cost	The cost or credit as a result of changes in the benefits offered to members (plan amendments), a reduction in the number of employees (curtailments) covered by the plan or transactions entered into by the Group to eliminate all further legal or constructive obligations for some or all of the benefits provided by the schemes (settlements).	Operating expenses in the consolidated statement of profit or loss
Settlement gains or losses	Settlement gains or losses can arise from the transfer of member benefits into alternative pension arrangements, fully insuring benefits or on business disposals.	Operating expenses in the consolidated statement of profit or loss
Interest expense and income	Interest expense is the unwinding of the discount on the present value of the obligation. Interest income on plan assets is based on the value of the scheme assets at the beginning of the year multiplied by the same rate as the discount rate applied to the obligation.	Finance (expense) / income result in the consolidated statement of profit or loss
Experience gains or losses	In order to value the Group's defined benefit obligation at the end of the period, it is necessary to apply certain assumptions in relation to demographic and financial trends. Actuarial gains or losses arise when there is a difference between previous estimates and actual experience, or a change in assumptions.	Other comprehensive income
Return on plan assets	Arise from differences between actual and the expected final asset values.	Other comprehensive income
Contributions	The Group's contributions and cash contributions by the scheme participants are paid into the schemes to be managed and invested.	Defined benefit assets within the consolidated statement of financial position
Benefits paid	Any benefits paid out by the scheme will lower the obligations of those plans.	Defined benefit obligation within the consolidated statement of financial position

(b) Other long-term employee benefits
The liability relates to the constructive obligation of some Group companies to pay long-term service awards to employees on completion of a predetermined number of service years.

(c) Defined contribution plans
The Group contributes to a number of defined contribution plans on behalf of employees and the Group's legal or constructive obligation is limited to these contributions. Contributions payable by the Group are recognized as an expense in the consolidated statement of profit or loss as incurred.

3.4. SHARE-BASED PAYMENT TRANSACTIONS

On 1 March 2016, Swissport Group S.à r.l., issued a long-term incentive plan ("LTIP" or the "Plan") to provide financial incentives for Group key management who are expected to make significant contributions to the business in the long run.

Key management has the opportunity to receive grants of ordinary shares equivalents ("Phantom Units") whose value is tied to the stated value ("Stated Value") of a share of the Group's stock. According to the Plan, the Stated Value:

1. Shall be determined by applying a multiple to certain Group's KPIs; or
2. is equal to the per share IPO price in the event of an IPO triggering a change of control; or
3. is equal to the per share purchase price in the event of a sales or purchase transaction triggering a change of control.

Phantom Units generally vest and become payable in cash on the fourth anniversary of the grant date. In the event of a full IPO prior to the fourth anniversary of the grant date, all Phantom Units will immediately vest and paid out at the IPO price. In an event of a partial IPO or sale of 20% or more of the parent company Swissport Group S.à r.l. or any of its affiliates' shares prior to the fourth anniversary of the grant date, a proportional percentage of Phantom Units will vest and be paid out in cash at the IPO price or purchase price, respectively. Under certain conditions for participants who cease to be Swissport employees on the third year or later from the grant date, Phanton Units vest and become fully payable.

In 2017, the likelihood of an IPO or sale became more probable. Management considered this as a significant change in estimate which required to account prospectively for the LTIP as a cash-settled share-based payment plan in accordance IFRS 2 Share-based Payment.

In 2018, Management considered it appropriate to continue to account for the LTIP as a cash-settled share-based payment plan in accordance with IFRS 2 Share-based Payments. The input factors in the calculation continue to be reflected at fair value. The classification of LTIP amounts both under short term and long-term liabilities is reflective of the expected timing of payment for vested Phantom Units.

The reporting date fair value has been calculated considering a vesting period of four years and an EBITDA multiple based on comparable companies and comparable transactions. The Group's management also makes assumptions regarding expected vesting date and expected participant attrition. This results in a fair value of MEUR 56.3 which is recorded in the consolidated financial statements (2017: MEUR 47.6).

For cash-settled plans, the provision of the compensation costs to the Group's employees is recognized, based on reporting date fair value, including expected vesting date and expected participant attrition, in personnel expenses with a corresponding credit entry to liabilities, representing the estimated obligation for the Group.

04
OPERATING ASSETS AND LIABILITIES

This section sets out Group's primary operating assets and liabilities enabling the carrying out of business activities. It also provides the overview of the working capital and the assets, both property, vehicles and equipment as well as the intangible assets which have arisen largely as a result of acquisition activities.

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4.1. PREPAYMENTS, TRADE AND OTHER RECEIVABLES

MEUR	Current		Non-current	
	2018	2017	**2018**	2017
Trade receivables	327.7	304.6	-	-
Trade receivables from related parties (→ note 5.3)	10.7	10.1	-	-
Allowance for bad-debt	-19.9	-11.6	-	-
Net trade receivables	**318.5**	303.1	**-**	-
Prepayments	36.7	26.5	-	53.1
Expected reimbursements from insurance companies	17.3	14.5	29.0	30.7
Restricted cash	0.4	46.3	87.2	-
Non-income tax receivables	33.1	26.1	-	-
Other receivables	65.4	63.7	10.6	18.7
Other receivables from related parties (→ note 5.3)	11.7	-	-	-
Loans to related parties (→ note 5.3)	301.9	412.6	1.5	-
Total prepayments, trade and other receivables	**785.0**	892.8	**128.3**	102.5

Trade receivables past due but not impaired

MEUR	**2018**	2017
Up to 3 months	75.5	83.4
3 to 6 months	5.5	8.4
Over 6 months	3.0	2.5
Total trade receivables past due but not impaired	**84.0**	94.3

Allowance for bad-debt

MEUR	**2018**	2017
As at 1 January	-11.6	-1.4
Impact of adopting new accounting standard	-1.4	-
As at 1 January restated	**-13.0**	-1.4
Provisions made during the year	-7.5	-10.4
Provisions used during the year	1.5	1.4
Provisions released during the year	0.6	-
Currency exchange differences	-1.6	-1.2
As at 31 December	**-19.9**	-11.6

Trade receivables are generally contractually collected within 30 days of invoice date in accordance with the Group's policy (refer to note 2.3). Based on experience, more than 99% (2017: 99%) of the balances with customers that are neither past due nor impaired were fully recovered. Generally, trade receivables that are less than three months past due are not considered impaired unless there is reliable information on financial difficulties of the counterparties. In general, the Group analyzes, monitors and manages its credit risks by providing products and services only to creditworthy customers. Trade receivables relate to a number of customers for whom there is no recent history of default and there is no expectation that they will default. The adoption of the ECL (expected credit losses) requirements of IFRS 9 resulted in increases in allowance for bad-debts on 1 January 2018 by MEUR 1.4 for trade receivables. On the date of initial application, 1 January 2018, the statement of financial position was restated, resulting in decreases in Prepayments, Trade and other receivables, and Retained earnings amounting to MEUR 1.4. Note 2.3 provides further details about the calculation of the ECL allowance for 2018.

The total allowance for bad debt comprises of:

	2018	2017
Specific allowance	-17.7	-11.6
Expected credit loss allowance	-2.2	-
Total allowance for bad debt	**-19.9**	-11.6

Loans to related parties include a short-term loan of MEUR 408.0 for which the Company has assessed the recoverability based on facts and circumstances, including partial repayments of MEUR 135.7 (2017: MEUR 52.4) during 2018. The Company is of the opinion that there is no need for an impairment of the year-end balance. Please refer to 6.4 for further details on the credit risk assessment of the loan receivable from related parties as at 31 December 2018.

The impairment allowance represents the Group's best estimate of incurred losses in respect of trade receivables. The Group measures the allowance for bad debt based on lifetime expected credit losses and specific loss component that relates to individually significant exposures in respect of trade receivables. The recognition of allowances for impaired trade receivables and any subsequent recoveries of balances previously impaired are included in "other operating expenses" in the consolidated statement of profit or loss. Amounts charged to the allowance account are written off against the receivables when there is no expectation of recovering additional cash, while receivables with a short duration are not discounted. Receivables that were acquired in a business combination are shown net of their allowance for bad-debt as these are recognized at fair value at acquisition.

4.2. TRADE AND OTHER PAYABLES

	Current	
MEUR	**2018**	2017
Trade payables	112.7	111.8
Payroll related accruals	160.4	133.1
Purchase related accruals	117.7	118.3
Non income-tax payables	30.0	25.2
Deferred revenue	-	9.0
Interest accruals	14.2	3.6
Other payables	42.6	33.1
Other payables to related parties (→ note 5.3)	0.4	1.8
Total trade and other payables	**478.0**	435.9

Trade and other payables represent liabilities for goods, services and personnel related accruals, such as unused holiday days and bonuses, that are provided to the Group within the financial year and are unpaid at year-end.

4.3. PROPERTY, VEHICLES AND EQUIPMENT

	2018			2017		
MEUR	Property & leasehold improvements	Vehicles, equipment & advance payments	Total property, vehicles and equipment	Property & leasehold improvements	Vehicles, equipment & advance payments	Total property, vehicles and equipment
Net book value as at 1 January	**41.8**	**224.1**	**265.9**	38.3	235.3	273.6
Acquisitions through business combinations (→ note 5.5)	0.5	27.4	27.9	-	-	-
Additions	8.2	108.9	117.1	4.5	73.9	78.4
Disposals	-0.8	-10.9	-11.7	-0.3	-8.0	-8.3
Depreciation	-7.9	-52.4	-60.3	-6.5	-50.0	-56.5
Reclassifications	-	-1.6	-1.6	9.0	-9.0	-
Currency translation differences	0.4	1.0	1.4	-3.2	-18.1	-21.3
Net book value as at 31 December	**42.2**	**296.5**	**338.7**	41.8	224.1	265.9
Cost value	54.4	426.2	480.6	43.8	269.1	312.9
Accumulated depreciation	12.2	129.7	141.9	2.0	45.0	47.0
Net book value as at 31 December	**42.2**	**296.5**	**338.7**	41.8	224.1	265.9
Net book value of assets under finance lease	-	47.5	47.5	-	27.9	27.9

	Useful life
Property & leasehold improvements	30 to 50 years
Vehicles & equipment	7 to 15 years
IT equipment	3 to 5 years

Property & leasehold improvements (comprising mainly warehouses, storage buildings, maintenance shops and offices), vehicles and equipment are stated at cost less depreciation and, if any, less impairment losses. Cost value includes expenditure that is directly attributable to the acquisition of the item. Depreciation is calculated using the straight-line method over the asset's estimated useful life. The useful lives, depreciation methods and residual values are reviewed at each reporting date. Leasehold improvements are depreciated over the remaining duration of the lease. Fixed assets with an indefinite useful life, such as land, are not depreciated.

Leases of property, vehicles and equipment are classified as finance leases if the Group has all the substantially risks and rewards of ownership. Finance leases are capitalized at the commencement of the lease at the lesser of the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is allocated between the reduction of the lease liability and finance expenses to achieve a constant periodic rate of interest on the outstanding balance of the liability. The corresponding liability is included in borrowings. The property, vehicles and equipment acquired under finance lease contracts are depreciated over the shorter of the useful life of the asset and the lease term, and tested for impairment when there is an impairment indicator.

4.4. INTANGIBLE ASSETS

	2018						2017					
MEUR	Goodwill	Swissport Brand	Customer portfolios	Licensing agreements	Other	Total intangible assets	Goodwill	Swissport Brand	Customer portfolios	Licensing agreements	Other	Total intangible assets
Net book value as at 1 January	**2,114.2**	**297.9**	**62.1**	**31.8**	**31.8**	**2,537.8**	2,299.8	324.5	83.7	39.4	32.4	2,779.8
Acquisitions through business combinations (→ note 5.5)	317.3	-	54.6	-	1.4	373.3	-	-	-	-	-	-
Additions	-	-	-	-	8.4	8.4	-	-	-	-	7.7	7.7
Disposals	-	-	-	-	-0.2	-0.2	-	-	-	-	-0.1	-0.1
Reclassifications	-	-	-	-	1.2	1.2	-	-	-	-	-	-
Currency translation differences	40.6	11.4	0.1	0.6	0.3	53.0	-185.6	-26.6	-7.3	-2.9	-2.1	-224.5
Amortization	-	-	-19.9	-3.9	-6.9	-30.7	-	-	-14.3	-4.7	-6.1	-25.1
Net book value as at 31 December	**2,472.1**	**309.3**	**96.9**	**28.5**	**36.0**	**2,942.8**	2,114.2	297.9	62.1	31.8	31.8	2,537.8
Cost or fair value	2,472.1	309.3	143.3	41.3	53.8	3,019.8	2,114.2	297.9	87.8	40.4	38.8	2,579.1
Accumulated amortization	-	-	46.4	12.8	17.8	77.0	-	-	25.7	8.6	7.0	41.3
Net book value as at 31 December	**2,472.1**	**309.3**	**96.9**	**28.5**	**36.0**	**2,942.8**	2,114.2	297.9	62.1	31.8	31.8	2,537.8

Intangible assets:

	Nature of intangible assets	Useful life
Goodwill	Recognized through business combination, reflecting the surplus paid above the net identifiable assets less accumulated impairment losses, if any. Tested annually for impairment.	Indefinite, subject to impairment test
Acquired Swissport brand	Recognized through business combination. Tested annually for impairment and stated at cost less accumulated impairment losses, if any.	Indefinite, subject to impairment test
Acquired customer portfolios	Valued taking into consideration one renewal of the acquired contracts at 50% probability and have finite useful lives and are amortized using the straight-line method over their estimated useful lives.	Up to 10 years
Acquired licensing agreements	Have finite useful lives and are amortized using the straight-line method over their estimated useful lives.	0 to 20 years
Other	Represent mainly the software and the service concession arrangements with airport authorities. Intangible assets arising from a service concession arrangement are recognized when the Group has a right to charge for usage of the concession infrastructure.	Up to 20 years

For the year ended 31 December 2018, goodwill in an amount of MEUR 2,472.1 (2017: MEUR 2,114.2) and the Swissport brand with an indefinite useful life in an amount of MEUR 309.3 (2017: MEUR 297.9) were tested for impairment. No impairment loss was recognized in 2018 and 2017. Key assumptions used to test for impairment are incorporated below. The future developments of these underlying variables in determining the carrying amount might differ significantly from Management's current best estimate. Changes in the underlying business assumptions that may impact the future results and cash flows (such as presence of competitors, the Group's customer base, technological obsolescence etc.) as well as in the underlying market conditions may result in a reduction of the recoverable amounts and a recognition of impairment losses.

Other intangible assets - additions

From the total additions in the other intangible assets of MEUR 8.4 in 2018, MEUR 5.5 have been funded by a third party in 2018 to build a warehouse in Israel. In exchange for the third-party funding Swissport will provide cargo services exclusively to the same third party until 15 June 2028.The building of the warehouse is completed and the cargo services started in June 2018.

IMPAIRMENT TESTING OF SIGNIFICANT GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES

The impairment test was based on a value-in-use calculation. This calculation used pre-tax cash flow projections based on business plans approved by the Board of Managers covering a five-year period (2019 – 2023). Cash flows beyond the five-year period were extrapolated using the estimated growth rates stated below. The growth rates did not exceed the long-term inflation forecast of the countries in which the cash generating units operate. Future cash flows were discounted based on the weighted average cost of capital (WACC). Risks that are specific to the cash generating units tested for impairment were included in the future cash flows.

The key assumptions used for each segment are disclosed below:

	2018		2017	
Cash Generating Unit (CGU)	Ground Handling	Cargo Handling	Ground Handling	Cargo Handling
Goodwill & Swissport Brand	2,225.3	556.1	1,874.8	537.3
Method	Value-in-use calculation	Value-in-use calculation	Value-in-use calculation	Value-in-use calculation
Key assumption				
Weighted average estimated growth rate beyond 5 year period	2.5%	3.1%	2.6%	3.1%
Pre-tax discount rate	8.8%	9.2%	8.9%	9.2%

The goodwill impairment testing was performed on Group CGU's. All recoverable amounts exceeded their carrying amounts and consequently no impairment of goodwill was recognized as at 31 December 2018 and 2017.

Sensitivity analyses

The Company has performed its goodwill impairment testing and a sensitivity assessment. As a result of the impairment testing, there is headroom of MEUR 528.0 for the Ground Handling and MEUR 442.9 for the Cargo Handling segment (2017: MEUR 298.5 for the Ground Handling and MEUR 320.2 for the Cargo Handling). Management also performed sensitivity analyses for the two segments Ground Handling and Cargo Handling by increasing the pre-tax discount rate by 100 basis points and, performing this sensitivity analysis, management did not identify an impairment for these CGU's as at 31 December 2018.

In 2017, increasing the pre-tax discount rate for Ground Handling CGU used in the impairment review of 100 base points would have lead, in isolation, to an aggregated goodwill impairment charge of MEUR 193.0.

(a) Goodwill
Goodwill arising from an acquisition of a subsidiary represents the excess of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. Goodwill related to the acquisition of associates and joint ventures is included in the carrying amount of the investments in associates and joint ventures respectively. Separately recognized goodwill is tested annually for impairment and stated at cost less accumulated impairment losses. When calculating the gain or loss on disposal of an entity, the carrying value of related goodwill is taken into account.

(b) Other intangible assets
Intangible assets with finite useful lives are stated at cost less accumulated amortization and, if any, accumulated impairment losses. Intangible assets acquired from third parties or acquired in a business combination are separately recognized as intangible assets. Intangible assets acquired in a business combination are recognized separately from goodwill if they arise from contractual or legal rights or are separately transferable and their fair value can be reliably estimated. Acquired computer software licenses are capitalized based on the costs incurred to acquire and deploy the specific software. These costs are amortized using the straight-line method over their estimated useful lives (subject to a maximum of three years). Costs that are directly associated with the development of identifiable software products are only recognized as intangible assets when development costs can be measured reliably, the software is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use the software. These costs include costs of materials, software development, employee costs and an appropriate portion of overheads directly attributable to the development of the asset. Gains and losses on disposals are determined by comparing the sale proceeds with the carrying amounts and are included in the operating result in the consolidated statement of profit or loss.

Intangible assets arising from a service concession arrangement are recognized when the Group has a right to charge for usage of the concession infrastructure. A consideration received for providing construction or upgrade services in a service concession arrangement which is classified as an intangible asset is measured at fair value upon initial recognition. Subsequent to initial recognition, the intangible asset is measured at cost, which includes capitalized borrowing costs, less accumulated amortization and, if any, accumulated impairment losses. The estimated useful life is the period from when the Group is able to charge for the use of the infrastructure until the end of the concession period. The useful lives, amortization methods and residual values are reviewed at each reporting date.

(c) Impairment of non-financial assets
The carrying amounts of the Group's investments in property, vehicles and equipment, intangible assets, associates and joint ventures are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Goodwill and intangible assets with indefinite useful lives are tested for impairment every year. The Group's policy is to test goodwill and intangible assets with indefinite useful lives for impairment prior to the preparation of the annual consolidated financial statements. In addition, an impairment test is performed if there are indications that goodwill and intangible assets with indefinite useful lives are impaired at any other time. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or "CGUs"). Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to CGUs that are expected to benefit from the synergies of the combination. An impairment loss is recognized in profit or loss for the amount by which the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. The recoverable amount is the greater of an asset's fair value less costs of disposal and its value in use. In calculating value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. An impairment loss on goodwill is not reversed.

4.5. PROVISIONS

	Claims		Onerous contracts		Workers compensation		Aviation liability		Other provisions		Total	
MEUR	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
As at 1 January	58.1	83.8	4.2	7.5	47.9	56.5	26.0	30.6	9.9	13.9	146.1	192.3
Provisions made during the year	7.8	11.3	-	4.6	15.8	19.0	3.6	3.7	2.2	0.8	29.4	39.4
Provisions released during the year	-11.8	-12.3	-0.1	-7.0	-9.2	-	-0.1	-	-3.2	0.4	-24.4	-18.9
Provisions used during the year	-13.2	-14.3	-1.6	-0.7	-12.8	-20.9	-0.2	-4.6	-3.1	-4.8	-30.9	-45.3
Currency exchange differences	-4.9	-10.4	-0.1	-0.2	2.0	-6.7	1.4	-3.7	0.1	-0.4	-1.5	-21.4
As at 31 December	**36.0**	58.1	**2.4**	4.2	**43.7**	47.9	**30.7**	26.0	**5.9**	9.9	**118.7**	146.1
Of which current	2.4	5.3	1.0	1.0	15.5	11.6	13.0	11.2	1.7	2.4	33.6	31.5
Of which non-current	33.6	52.8	1.4	3.2	28.2	36.3	17.7	14.8	4.2	7.5	85.1	114.6

Class of provision	Source of provision
Claims	The balance of the provision relates to various claims that have been incurred in the ordinary course of business mainly in connection with labor related claims in Brazil. Provisions made during the year are also mainly related to labor claims in Brazil. The timing of the resolution of court cases is unknown. Provisions used are mainly related to settlements of labor claims in Brazil.
Onerous contracts	The onerous contracts provision mainly covers the future losses in relation to operating lease contracts, where the expected benefits to be received were not expected to cover the unavoidable costs in entities domiciled in the United Kingdom. The expiration dates vary between 2018 and 2020.
Workers Compensation	Workers compensation provisions represent provisions for claims mainly in the United States in relation to injuries that occurred on the job. These provisions are partially offset by a receivable of MEUR 15.9 (2017: MEUR 18.4) from an insurance company, which is included in other receivables. It is estimated that the majority of the claim liability will be settled in seven to ten years.
Aviation liability	Aviation liability represent provisions for claims in relation to aviation liabilities for damages. Damages higher than TUSD 5 per claim are virtually certain to be recovered from the insurance company, and therefore offset by receivables from insurance companies of MEUR 30.4 (2017: MEUR 26.8) and recognized in Prepayments and other receivables. Based on past experience, the damages are settled by the insurance company directly. Damages below TUSD 5 per claim are not recovered from the insurance company and are payable by the Group. The Aviation liabilities are expected to be settled within three years from the moment of the incident.
Other provisions	Other provisions mainly cover costs associated with employee termination benefits. In addition, the year-end balance of the other provisions relates to a variety of other matters where the Group anticipates an outflow of resources at some point in the future. The majority of the remaining provisions are attributed to provisions for customs fines and other labor-related provisions.

The current nature of the business exposes the Group to a number of proceedings and civil lawsuits (collectively referred to as "Claims"). These procedures take, in some cases, years to be resolved and Management seeks advice from legal counsel and makes appropriate assumptions on the timing and estimated amounts of cash outflows of such proceedings.

The Group has recognized provisions in relation to aviation liability, and workers compensation provisions relating to injuries that occurred on the job. Both the damages and workers compensation provisions are partially offset by receivables from insurance companies. In some cases the claim amount may take several years to be agreed upon. As such, Management seeks advice from experts and makes appropriate assumptions on the timing and estimated amounts of cash outflows of such claims.

A provision is recognized when the Group has a present legal or constructive obligation resulting from past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. A provision for onerous contracts is recognized when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits expected to be received under the same contract.

Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. This offsetting component is shown within receivables while the expense relating to the provision is presented net of the amount recognized for a reimbursement.

05 GROUP STRUCTURE

This section provides the overview of the Group's structure including the listing of all subsidiaries, associates and joint ventures where the Group has a shareholding. Further it shows the business activities with related parties where the counterparty holds control or significant influence over the Group.

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5.1. SUBSIDIARIES

Unless otherwise stated, the following subsidiaries have share capital consisting solely of shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights of the Group.

		Interest where not 100%		
Fully consolidated entities		**2018**	2017	Country of operation
Luxembourg				
Swissport Group S.à r.l.				Luxembourg
Swissport Investments S.à r.l.				Luxembourg
Aguila 2 S.à r.l.				Luxembourg
Swissport Global Services Holding S.à r.l.	(a)		-	Luxembourg
Swissport Holding International S.à r.l.				Luxembourg
Swissport Financing S.à r.l.				Luxembourg
Swissport Cargo Services Luxembourg S.A.		75.0%	75.0%	Luxembourg
Switzerland				
Aguila Bid AG				Switzerland
Swissport International AG				Switzerland
Swissport Baggage Sorting AG				Switzerland
Swissport Group Services GmbH				Switzerland
Checkport Schweiz AG		85.0%	85.0%	Switzerland
PrivatPort S.A.		51.0%	51.0%	Switzerland
Careport AG		66.8%	66.8%	Switzerland
GVAssistance AG		70.0%	70.0%	Switzerland
Swissport DACH Holding				Switzerland
Swissport MEA Holding				Switzerland
Swissport Europe Holding				Switzerland
Swissport LATAM Holding				Switzerland
Swissport Overseas Holding AG				Switzerland
Other European Countries				
Swissport Cargo Services Austria GmbH				Austria

		Interest where not 100%		
Fully consolidated entities		**2018**	2017	Country of operation
Swissport Cargo Services Graz GmbH		51.0%	51.0%	Austria
AFS Aviation Fuel Services Austria GmbH		33.3%	33.3%	Austria
Swissport Cargo Services Belgium N.V.				Belgium
Swissport Belgium N.V.				Belgium
Swissport Belgium Cleaning N.V.				Belgium
Swissport Bulgaria AD		51.0%	51.0%	Bulgaria
Swissport G.A.P. Vassilopoulos (Cyprus) Ltd.		51.0%	51.0%	Cyprus
Swissport Cyprus Ltd.	(c)	38.2%	38.2%	Cyprus
Swissport Denmark AS				Denmark
Swissport Finland OY				Finland
Swissport France Holding SAS				France
Swissport Cargo Services France Sarl	(f)	-		France
Swissport Executive Aviation SAS		51.0%	51.0%	France
AFS Aviation Fuel Services GmbH	(b)	66.7%	66.7%	Germany
Swissport Berlin GmbH		95.0%	95.0%	Germany
Swissport Germany Holding GmbH	(b)			Germany
Swissport Cargo Services Deutschland GmbH	(b)			Germany
Swissport Losch GmbH & Co. OHG	(b)	55.0%	55.0%	Germany
Swissport Losch Services GmbH & Co. KG	(b)	55.0%	55.0%	Germany
Swissport Losch Operations Verwaltungsgesellschaft mbH	(b)	55.0%	55.0%	Germany
Swissport Losch Services Verwaltungsgesellschaft mbH	(b)	55.0%	55.0%	Germany
Swissport Losch München GmbH & Co. KG	(b)	55.0%	55.0%	Germany
PrivatPort München GmbH & Co. KG	(b)	55.0%	55.0%	Germany
Apron GmbH	(a)			Germany
Flightcare Multiservices Ireland Limited				Republic of Ireland
Knights Cleaning Services Ltd	(f)	-		Republic of Ireland
Swissport Ireland Ltd				Republic of Ireland
Swissport Kazakhstan LLP	(e)	-		Kazakhstan

		Interest where not 100%		
Fully consolidated entities		**2018**	2017	Country of operation
Swissport Holding B.V.				Netherlands
Swissport Nederland B.V.				Netherlands
Swissport Cargo Services The Netherlands B.V.				Netherlands
Swissport Amsterdam B.V. (formerly Servisair Amsterdam B.V.)				Netherlands
Servisair Holdings B.V.				Netherlands
Skylink Handling Services B.V	(e)	-		Netherlands
Cargo Service Center East Africa B.V.				Netherlands
Aspire-STAR Lounge Amsterdam B.V.	(a)			Netherlands
Swissport Poland Ltd.				Poland
Swissport Portugal S.A.				Portugal
Servisair Portugal Unipessoal Lda				Portugal
Swissport Spain Aviation Services S.L.				Spain
Swissport Holding Spain S.L.				Spain
Swissport Handling S.A.				Spain
Servisair Iberica S.A.				Spain
Swissport Fuelling Ltd.				United Kingdom
Swissport Cargo Services UK Ltd.				United Kingdom
Swissport UK Holding Ltd.				United Kingdom
Swissport Stansted Ltd.				United Kingdom
Swissport Fuelling Services UK Limited				United Kingdom
Flightcare Multiservices UK Limited				United Kingdom
Swissport Group UK Limited (formerly Swissport GB Limited)				United Kingdom
Servisair Group Limited				United Kingdom
Swissport Holdings Limited (formerly Servisair Holdings Limited)				United Kingdom
Swissport Jersey Ltd.				United Kingdom
Swissport Guernsey Ltd.				United Kingdom
North America				
Swissport Canada Handling Inc.				Canada

		Interest where not 100%		
Fully consolidated entities		**2018**	2017	Country of operation
Swissport Canada Inc.				Canada
Swissport Canada Deicing Inc.	(f)	-		Canada
Swissport Canada Fuel Services Inc.	(f)	-		Canada
Swissport North America Holdings Inc.				USA
Swissport North America Inc.				USA
Swissport Cargo Holdings Inc.	(f)	-		USA
Swissport Cargo Services L.P.				USA
Swissport Holdings Inc.				USA
Swissport Lounge LLC				USA
BWID LLC	(f)	-		USA
Dapsco Inc.				USA
Swissport USA Inc.				USA
Swissport Cargo Services Inc.				USA
Swissport Fueling Inc.				USA
Swissport Fueling of Nevada Inc.	(f)	-		USA
Swissport SA LLC				USA
Servisair Americas LLC	(f)	-		USA
Swissport SA USA LLC				USA
Servisair Leasing Corporation	(f)	-		USA
Swissport SA Fuel Services LLC				USA
Servisair Fuel Leasing Corporation				USA
Hallmark Aviation Services L.P.		51.0%	51.0%	USA
Oceania				
Swissport ANZ Pty Ltd	(a)		-	Australia
Swissport ANZ Finance Pty Ltd	(a)		-	Australia
Swissport ANZ Acquisition Pty Ltd	(a)		-	Australia
3GSL Pty Ltd	(a)		-	Australia
Carbridge Pty Ltd	(a)		-	Australia
SP Finance Unit Trust	(a)		-	Australia
Prime Vantage Pty Ltd	(a)		-	Australia

Fully consolidated entities		Interest where not 100% 2018	2017	Country of operation
Swissport Pty Ltd	(a)		-	Australia
Swissport Australia Unit Trust	(a)		-	Australia
AeroVantagePty Ltd	(a)		-	Australia
Australian Ground Services Pty Ltd	(a)		-	Australia
AGS Logistics Pty Ltd	(a)		-	Australia
Aerocare Restructure Pty Ltd	(a)		-	Australia
Aviation Ground Handling Pty Ltd	(a)		-	Australia
Aeroflight Services Pty Ltd	(a)		-	Australia
Airline Handling Agency Pty Ltd	(a)		-	Australia
Swissport Australia Pty Ltd	(a)		-	Australia
Swissport New Zealand Ltd	(a)		-	New Zealand
Skycare Flight Support Ltd	(a)		-	New Zealand
Skycare International Ltd	(a)		-	New Zealand
Inspire Travel Group Ltd	(a)		-	New Zealand
Cheap Seats Ltd	(a)		-	New Zealand
Other countries				
SPA Swissport Algerie Ltd.		51.0%	51.0%	Algeria
Swissport Argentina S.A.				Argentina
Swissport Brazil Ltda.				Brazil
Cargo Service Center Brazil S.A.T.A Ltda.				Brazil
Camport PLC	(c)	46.8%	46.8%	Cameroon
Swissport Chile SA				Chile
Interairport Services Swissport S.A.		51.0%	51.0%	Costa Rica
Aerocargo B.V.				Curacao
Cargo Services Center International N.V.				Curacao
Swissport Curacao N.V.				Curacao
Swissport Cargo Services Israel Ltd.		51.0%	51.0%	Israel
Swissport Ghana	(d)	50.0%	50.0%	Ghana
Swissport Kenya Limited				Kenya
Swissport Korea Ltd.		59.0%	59.0%	Republic of Korea

Fully consolidated entities		Interest where not 100% 2018	2017	Country of operation
Swissport Japan Ltd.		51.0%	51.0%	Japan
Swissport Maroc SA		85.0%	85.0%	Morocco
Swissport Executive Aviation Maroc Sàrl		85.0%	85.0%	Morocco
AGN Aviation Services, S.A. de C.V.	(a)		51.0%	Mexico
CREA Recursos Humanos, S.A. de C.V.	(a)		51.0%	Mexico
Swissport Mexico Holding, S. de R.L. de C.V.				Mexico
Cargo Service Center de Mexico S.A. de C.V.				Mexico
Swissport Aviation Services de Mexico S.A. de C.V.				Mexico
Swissport Guyana Inc.	(a)			Guyana
Checkport Security Nigeria Limited	(c)	43.4%	43.4%	Nigeria
Swissport Oman LLC		70.0%	70.0%	Oman
Swissport Peru S.A.C.				Peru
Swissport Saudi Arabia Ltd.				Saudi Arabia
Peruvian Investments 2008 PTE. Ltd.				Singapore
Swissport South Africa (PTY) Ltd.		51.0%	51.0%	South Africa
Checkport South Africa (PTY) Ltd.	(f)	-	43.4%	South Africa
Swissport Tanzania Ltd.		51.0%	51.0%	Tanzania
Swissport Zanzibar Company Limited		65.0%	65.0%	Tanzania
Swissport Trinidad and Tobago Limited				Trinidad & Tobago
Swissport Cargo Services Venezuela S.A.		88.0%	88.0%	Venezuela
Carbridge Singapore Pte Ltd	(a)		-	Singapore

Inactive entities		2018	2017	Country of operation
Tramitaven C.A.		60.0%	60.0%	Venezuela
Swissport Austria GmbH				Austria
Swissport Middle East Holding Inc.		51.0%	51.0%	Cayman Islands
Carribbean Jets				Dominican Republic
Swissport Middle East Services FZCO				Dubai
Swissport Deutschland GmbH				Germany
Swissport Ground Handling GmbH				Germany
Swissport Services GmbH				Germany

Inactive entities		2018	2017	Country of operation
Swissport Travel Center GmbH				Germany
Checkport Ghana	(c)	43.4%	43.4%	Ghana
Swissport GBH Honduras S.A.	(c)	41.0%	41.0%	Honduras
Servisair Nominees Services Limited	(f)	-		Republic of Ireland
Trading Spaces Limited	(f)	-		Republic of Ireland
Shamrock Logistics Limited				Republic of Ireland
Swissport Cargo Services Italy S.R.L.				Italy
Checkport Nederland B.V.				Netherlands
Swissport Mexico Participation II B.V.				Netherlands
Smart Handling B.V.				Netherlands
Servisair Assistance Piste Orly	(e)			France
Swissport Latinamerica S.A.				Panama
Swissport Singapore Pte Ltd.				Singapore
Servisair PLS Ltd.				Turks and Caicos Islands
Servisair TCI Ltd.				Turks and Caicos Islands
Servisair (Contract Handling) Limited				United Kingdom
Swissport Pension (Scotland) Limited				United Kingdom
GlobeGround (UK) Limited				United Kingdom
GlobeGround Heathrow Limited				United Kingdom
Globeground Manchester Limited				United Kingdom
Airway Handling Limited				United Kingdom
Tri-Star Acquisition Corporation				USA
GlobeGround Services Inc.				USA
Servisair Venezuela CA				Venezuela
Swissport Uruguay S.A.				Uruguay

Additional information on the Group's interests:

(a) The entity was founded, acquired or the shareholding was increased during 2018.
(b) Since these entities are being consolidated within the consolidated Group financial statements, it is not necessary that they produce a local consolidated financial statement.
(c) Indirect shareholding: Entity controlled by partially owned and controlled by intermediate subsidiaries that holds more than 50% directly.
(d) Controlled by shareholder agreement.
(e) Liquidated.
(f) The entity was dissolved or sold during 2018.

The Group doesn't disclose the financial information of its subsidiaries where it has the non-controlling interests, as these non-controlling interests are individually not material to the Group on a total assets and revenue level.

The Group companies are entities controlled by the Group either directly or indirectly. Group companies are consolidated from the date on which the Group has power to the variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Group companies are required to adopt the Group's accounting policies for Group reporting.

5.2. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Name	Country of operation		Ownership interest 2018	2017
Flughafen Graz Boden-Services GmbH	Austria	Associate	37%	37%
Compania de Economia Mixta Servicios Aeroportuarios del Ecuador - Quito	Ecuador	Associate	30%	30%
Swissport Dominicana S.A.	Dominican Republic	Associate	34%	34%
GlobeGround Romania SRL	Romania	Associate	25%	25%
Bucharest International Cargo Centre SA	Romania	Associate	26%	26%
ZAO Cargo Terminal Pulkovo	Russia	Associate	40%	40%
S&L Airport Services Ltd.	Cyprus	JV	19%	19%
AFC Aviation Fuel Company OHG	Germany	JV	50%	50%
N*ICE Aircraft Services & Support GmbH	Germany	JV	48%	48%
Quality Airport Services Israel Ltd	Israel	JV	50%	50%
Air Ghana Perishable Cargo Center Ltd	Ghana	JV	50%	50%
Bradford Swissport Limited	United Kingdom	JV	50%	50%
Swissport ALD Limited	United Kingdom	JV	51%	51%
Heathrow Cargo Handling Ltd	United Kingdom	JV	50%	50%

MEUR	Associates 2018	2017	Joint Ventures 2018	2017
As at 1 January	18.5	21.1	18.0	14.8
Share of results	2.8	2.8	7.2	5.4
Dividends	-2.0	-3.4	-6.6	-2.6
Other (including currency translation differences)	2.7	-2.0	-0.1	0.4
As at 31 December	**22.0**	18.5	**18.5**	18.0

The Group doesn't disclose the financial information of its associates and joint ventures (JV), as none of the associates and joint ventures are material to the Group on a total assets and revenue level.

Associates are those entities in which the Group has significant influence (generally involving a shareholding of between 20% and 50% of the voting rights). Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control over those policies. Investments in associates are accounted for using the equity method from the date of significant influence until the date significant influence ceases. Joint ventures are arrangements of which the Group has joint control, established by contracts or law requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns. Where the Group has rights only to the net assets of the joint ventures, these are classified and accounted for the interest using the equity method.

5.3. RELATED PARTY TRANSACTIONS

The following transactions occurred with related parties at arm's length basis in the normal course of business:

	2018						2017					
MEUR	HNA Group (ultimate owner)	HNA Group subsidiaries	Companies where HNA holds a significant interest	Associates	Joint Ventures	TOTAL	HNA Group (ultimate owner)	HNA Group subsidiaries	Companies where HNA holds a significant interest	Associates	Joint Ventures	TOTAL
1 January to 31 December												
Total revenue and other operating income	-	25.8	36.3	-	9.0	71.1	-	15.8	48.3	-	-	64.1
Goods and services purchased	-	-	-	-	-6.4	-6.4	-	-	-	-	-	-
Personnel expenses	-	-	-	-	-0.3	-0.3	-	-	-	-	-3.9	-3.9
Other operating expenses	-	-	-	-	-0.3	-0.3	-	-	-	-	-0.3	-0.3
Finance expenses	-0.2	-0.9	-	-0.4	-0.2	-1.7	-0.2	-	-	-	-	-0.2
Finance income	-	26.1	-	0.3	0.3	26.7	-	10.9	-	-	0.1	11.0
Total	**-0.2**	**51.0**	**36.3**	**-0.1**	**2.1**	**89.1**	-0.2	26.7	48.3	-	-4.1	70.7
As at 31 December												
Assets:												
Borrowings	-	301.0	-	1.5	0.9	303.4	-	410.8	-	1.8	-	412.6
Prepayments, trade and other receivables	11.7	4.4	4.2	1.1	1.0	22.4	-	2.7	5.4	0.7	1.3	10.1
Total	**11.7**	**305.4**	**4.2**	**2.6**	**1.9**	**325.8**	-	413.5	5.4	2.5	1.3	422.7
Liabilities:												
Borrowings	-	-	-	7.0	1.8	8.8	-	-	-	6.3	1.6	7.9
Trade and other payables	-	-	-	0.4	-	0.4	-	-	-	1.8	-	1.8
Total	**-**	**-**	**-**	**7.4**	**1.8**	**9.2**	-	-	-	8.1	1.6	9.7

During 2018, the Group received a partial repayment of its loan granted to a related party for an amount of MEUR 135.7. Current loans to HNA Group subsidiaries as at 31 December 2018 contain accrued interest of MEUR 5.6 (2017: MEUR 2.8). Accrued interest on the current loan to HNA Group subsidiaries for the period until 07 October 2018 of MEUR 26.0 have been capitalized and shown net with the principal outstanding amount as at 31 December 2018.

The Group applies the same accounting policies to transactions with related parties that are separately disclosed to enable users of the consolidated financial statements to form a view about the effects of the related party relationships on the Group.

5.4. ACQUISITION AND INTEGRATION COSTS

In 2018, the Group incurred integration costs in connection with an IT integration project from which future benefits in the form of savings and increased IT security are expected. However, requirements for the capitalization of the IT costs were not fulfilled. The acquisition costs mainly included costs related to the Aerocare acquisition, please refer to note 5.5.

MEUR	2018	2017
Acquisition costs	**-7.4**	-7.6
Integration costs:		
Information technology	**-4.8**	-4.3
Staff costs	**-1.1**	-0.9
Professional fees	**-0.2**	-0.7
Travel costs	**-0.1**	-
Rent and maintenance of equipment	**-0.1**	-
Uniforms & protective clothes	**-0.3**	-
	-6.6	-5.9
Total acquisition and integration costs	**-14.0**	-13.5

5.5. BUSINESS COMBINATIONS

2018:
Acquisitions:

Total impact on the cash flow from acquisitions is:

Acquisitions of subsidiaries, net of cash and cash equivalents acquired	MEUR
(a) Acquisition of Aerocare	-345.4
(b) Acquisition of Apron	-2.0
Total	**-347.4**

(a) Acquisition of Aerocare
On 7 March 2018, Swissport International Ltd., a company 100% owned and controlled by Swissport Group S.à r.l., acquired 100% of Air Services ANZ Pty Ltd ("Aerocare") and its subsidiaries from its former owner Archer Capital and the Aerocare management for a total consideration of MEUR 411.0. As at 31 December 2017, non-current prepayments and other receivables included an upfront deposit payment of MEUR 51.4 (excluding transaction costs), that was made for the purpose of the acquisition of Aerocare.

For accounting purposes the Group has consolidated the results of the acquired Aerocare from 1 March 2018.

Acquisition costs presented in 5.4 are mainly related to the acquisition of Aerocare.

Aerocare is the largest ground handler in Australia and New Zealand and the regional leader in flight support services. The acquisition adds 36 airports to Swissport's global network. The acquisition of Aerocare brings significant strategic benefits to Swissport.

Details of the purchase consideration are preliminary, since the 12 month measurement period is not completed as at 31 December 2018. The net identifiable assets acquired and goodwill are as follows:

Consideration transferred	MEUR
Cash paid	411.0
Total consideration transferred	**411.0**
Fair value of assets / - liabilities	
Cash and cash equivalents	13.2
Prepayments, trade and other receivables	32.3
Prepayments and other receivables	0.3
Property, vehicles and equipment	27.4
Other intangible assets	56.0
Deferred tax assets	4.1
Inventories	0.4
Trade and other payables	-18.4
Long-term employee benefits	-0.7
Current tax liabilities	-1.0
Deferred tax liabilities	-17.8
Fair value of net identifiable assets, including non-controlling interest	**95.8**
Non-controlling interest	-
Fair value of net identifiable assets, excluding non-controlling interest	**95.8**
Goodwill	**315.2**
Cash flow from acquisition:	
Cash paid to former shareholder	-411.0
Acquired cash and cash equivalents	13.2
Total net cash outflow	**-397.8**
Acquisition deposit 2017	52.4
Net cash outflow 2018	**-345.4**

Goodwill
Goodwill of MEUR 315.2 arose out of this acquisition. None of the goodwill recognized is expected to be deductible for tax purposes.

Acquired intangible assets
The intangible assets recognized separately from goodwill of MEUR 56.0 consist of the customer portfolios (MEUR 54.8) and other intangible assets (MEUR 1.2).

Acquired prepayments, trade and other receivables
The trade and other receivables comprise gross contractual amounts of MEUR 32.4 due, consisting mainly of trade receivables of MEUR 26.9. The residual amount concerns the other receivables. From the total trade and other receivables gross contractual amount, the total amount expected to be uncollectible at the acquisition date for the total trade and other receivables amount is MEUR 0.1.

Acquired contingent liabilities – Bank guarantees
Acquired contingent liabilities in respect of bank guarantees, arising in the ordinary course of business and provided to third parties by the Group's banks, amounting to MEUR 2.1. The guarantees represent contingent liabilities that will crystallize to the extent that the guarantees are drawn and the bank enforces its right to recover the amount drawn from the Group. No liability has been recognized at acquisition date. As at 31 December 2018, these were cash covered and reflected as part of the Restricted Cash within the "Prepayments, trade and other receivables" in the consolidated statement of financial position as at 31 December 2018.

Acquired contingent liabilities – Legal matters
Acquired contingent liabilities for pending legal claims are not material and management believes that the outcome should not result in a material impact to the accounts.

Revenue and profit contribution
From the date of acquisition, Aerocare contributed MEUR 132.5 of revenue and MEUR 11.7 to profit before tax of the Group.

(b) Acquisition of Apron

On 20 September 2018, "Swissport Cargo Services Deutschland GmbH", a company 100% owned and controlled by Swissport Group S.à r.l. purchased 100% of the entity named "Apron GmbH". From the total consideration of MEUR 3.5, MEUR 2.5 have been paid as at 31 December 2018. The remaining consideration is to be paid by 31 December 2020. Goodwill of MEUR 2.1 arose on this acquisition. None of the goodwill recognized is expected to be deductible for tax purposes.

2017:

No business combinations were completed in 2017.

2018:

Disposals:

(a) Sale of Checkport South Africa Proprietary Limited

At the beginning of April 2018, the Group sold its 43.4% investment in Checkport South Africa Proprietary Limited.

(b) Sale of Swissport Cargo Services France S.à r.l.

On 13 June 2018, the Group sold Swissport Cargo Services France S.à r.l.. A negative consideration was agreed of MEUR 14.0 with the purchaser to implement the needed restructuring measures of which MEUR 10.5 have been paid as at 31 December 2018. The remaining amount of MEUR 3.5 is to be paid by 30 June 2019. This negative consideration of MEUR 14.0 is recognized within the "Loss on Disposal" in the consolidated statement of profit and loss and other comprehensive income 2018. The remaining payable amount MEUR 3.5 is recognized within the "Trade and other payable" in the consolidated statement of financial position as at 31 December 2018.

(c) Sale of Knights Cleaning Services Ltd

On 8 June 2018, Knights Cleaning Services Ltd. was sold.

The net results after tax for the period from all disposals in 2018 are as follows:

MEUR		2018
Profit or Loss:		
Revenue from contracts with customers		8.8
Other operating income		0.1
Total revenue and other operating income		**8.9**
Goods and services purchased		-2.5
Personnel expenses		-6.6
Other operating expenses		-2.9
Depreciation of property, vehicles and equipment		-0.2
Total operating expenses		**-12.2**
Operating profit		**-3.3**
Loss on disposal		-13.2
Net result before income taxes		**-16.5**
Income taxes		-
Net result for the period		**-16.5**
Total net cash flow from the disposals are as follows:		
Cash received from disposal		1.2
Cash sold as a part of disposal		-0.9
Net cash inflow on disposal		**0.3**

Total impact on the cash flow from disposal is:

Disposal of subsidiary, net of cash and cash equivalents		MEUR
Net cash inflow on disposal		0.3
Negative consideration on sale of Swissport Cargo Services France S.à r.l.		-10.5
Total		**-10.2**

2017:

No disposals in 2017.

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OTHER INFORMATION AND UNRECOGNIZED ITEMS

This section sets out other information, unrecognised items and disclosures not included in other sections of this report. This section shows the taxes recognised, other significant accounting policies, contingent liabilities, commitments and events that have occurred after the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

6.1. INCOME TAXES

MEUR	2018	2017
a. Income tax expense recognized in the consolidated statement of profit or loss		
Current tax expense		
Current period	**29.8**	22.7
Deferred tax expense		
Origination and reversal of temporary differences	-33.3	5.7
Recognition of previously unrecognized tax losses	13.3	-14.9
Total deferred tax (recovery) / expense	-20.0	-9.2
Under / (over) provided in prior period	2.6	0.8
Income tax expense recognized in the consolidated statement of profit or loss	**12.4**	14.3
b. Reconciliation between tax expense and pre-tax net profit		
The reconciliation between tax expense and the product of (loss) before		
tax multiplied by the Group's average applicable income tax rate is as follows:		
Net results before income taxes	**-7.7**	-48.5
Income tax calculated at 21.95% (2017: 24.86%)	1.7	12.1
Income not subject to taxes (Non deductible expenses)	-18.6	1.5
Recognition of tax assets on prior period tax losses	10.0	14.9
Current period tax losses for which no deferred tax asset was recognized	-23.4	-45.1
Changes in recognized deferred taxes on temporary differences	15.6	-
Effect of different local tax rates and change in tax rate	1.8	3.4
Effect of prior period income tax adjustments	2.6	0.8
Withholding taxes	-2.1	-1.9
Income tax expense recognized in the consolidated statement of profit or loss	**-12.4**	-14.3

c. Income tax recognized directly in other comprehensive income		
Deferred tax expense		
Remeasurement of net defined benefit obligations	6.6	-0.6
Deferred tax on currency translation adjustments	3.4	-6.7
Income tax recognized directly in other comprehensive income	**10.0**	-7.3

MEUR	2018	2017
d. Deferred tax assets and liabilities		
Deferred tax asset	36.5	17.8
Deferred tax liability	-59.0	-55.9
Net deferred tax liability	**-22.5**	-38.1

Deferred tax balances reflect temporary differences attributable to:

	Deferred tax assets		Deferred tax liabilities	
	2018	2017	**2018**	2017
Tax losses and tax credits	19.7	19.9	-	-
Property, vehicles and equipment	4.0	1.3	10.2	8.3
Receivables, payables and provisions	21.0	6.6	12.5	17.7
Intangible assets	1.0	1.9	66.3	52.9
Employee benefit obligations	14.2	9.4	-	-
Borrowings	6.6	1.7	-	-
Set-off deferred tax assets and deferred tax liabilities	-30.0	-23.0	-30.0	-23.0
Total amount recognized in the consolidated statement of financial position	**36.5**	17.8	**59.0**	55.9

MEUR	2018	2017
e. Movement in temporary differences during the period		
As at 1 January	-38.1	-44.3
Acquisitions through business combinations	-12.8	-
Recognized in the consolidated statement of profit or loss	20.0	9.2
Recognized in other comprehensive income	10.5	-7.3
Currency translation differences	-2.1	4.3
As at 31 December	**-22.5**	-38.1

The Group has unrecognized tax losses and tax credits to carry forward and associated unrecognized deferred tax assets, which expire as follows:

MEUR	2018	2017
Temporary differences	20.7	15.7
Withholding tax and other taxes on unremitted earning	0.4	0.5
Tax losses with 1-3 years expiry date	3.7	2.0
Tax losses with 4-6 years expiry date	84.2	60.9
Tax losses with 7+ years expiry date	71.0	23.0
Tax losses with no expiry date	61.6	100.1
Unrecognized deferred tax assets from tax losses and tax credits are related to:		
Tax losses with 1-3 years expiry date	15.2	7.7
Tax losses with 4-6 years expiry date	406.7	291.4
Tax losses with 7+ years expiry date	271.9	101.8
Tax losses with no expiry date	249.6	372.5

Management regularly assesses the risk of uncertain tax positions and potential exposure, and recognition and recoverability of deferred tax assets. This requires judgements about application of income tax legislation in the jurisdictions in which the Group operates and the future operating performance of entities with carry forward losses. These judgements and assumptions which include e.g. availability and timing of tax deductions and the application of the arm's length principle to related party transactions, are subject to risk and uncertainty. Future changes in tax laws and the Group's performance may affect the carrying amount of deferred tax assets and liabilities recognized. Any resulting adjustment to the carrying amount of a current or deferred tax will be recorded in the consolidated statement of profit or loss and other comprehensive income.

Current taxes: Current tax assets and liabilities are amounts expected to be recovered from or paid to tax authorities, under the tax rates and laws in each jurisdiction. These include any rates or laws enacted or substantively enacted as at the reporting date. Deferred taxes: Deferred tax liabilities are recognized for deductible temporary differences.

Deferred tax assets are recognized for deductible temporary differences, carried forward unused tax benefits and unused tax losses, if it is probable that future taxable profits will be available to utilize them. The carrying amount on deferred tax assets is reviewed at the reporting date. If it is no longer probable that taxable profit will be available, the asset will be reduced accordingly. Deferred tax is measured using tax rates and laws that are enacted at the reporting date and are expected to apply when the related income tax asset is realized or when the deferred income tax liability is settled. Deferred tax assets and liabilities are offset if a legally enforceable right exits to set-off the tax assets against current liabilities and if they are related to the same taxable entity or group and the same taxation authority.

Income taxes attributable to amounts recognized in other comprehensive income or directly in equity are also recognized in other comprehensive income or in equity, and not in the consolidated statement of profit or loss. Liabilities for uncertain tax positions and potential exposures are based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax in the period in which such determination is made.

6.2. CONTINGENT LIABILITIES

Bank guarantees
As at 31 December 2018, the Group had contingent liabilities in respect of bank guarantees, arising in the ordinary course of business and provided to third parties by the Group's banks, amounting to MEUR 62.0 (2017: MEUR 68.0). The guarantees represent contingent liabilities that will crystallize to the extent that the guarantees are drawn and the bank enforces its right to recover the amount drawn from the Group.

Legal matters
The Group and some of its subsidiaries are party to a number of proceedings and civil lawsuits in which the Group and some of its subsidiaries are defendants. There are various cases outstanding and provisions have been made where the Group expects an outflow to result from such proceedings (see note 4.5). In addition to these provided cases, there are other cases where management has assessed that the recognition criteria is not fulfilled. They represented the contingent liabilities of the Group.

In addition to these there are no other matters from which it is anticipated that a material liability could arise.

Contingent liabilities are possible obligations arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. They may also be present obligations that are unrecognized because the future outflow of resources is not probable or the amount cannot be reasonably determined. Contingent liabilities are usually not recognized but disclosed, unless in case of a business combination. Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

6.3. COMMITMENTS

Capital commitments

MEUR	2018	2017
Capital expenditures contracted for:		
Property, vehicles and equipment	68.6	31.1
Total capital expenditures contracted	**68.6**	31.1

Operating lease commitments
The Group has entered into commercial leases on certain buildings, vehicles and other operating equipment. The lease terms are mainly between one and five years. Escalation clauses and renewal options are included in some of the leases. Operating lease rentals for buildings of MEUR 167.5 (2017: MEUR 128.8) and leases of vehicles and equipment amounting to MEUR 55.6 (2017: MEUR 52.4) are included in the consolidated statement of profit or loss in "other operating expenses" and "goods and services purchased", respectively.

MEUR	2018	2017
The non-cancellable operating lease payments are due:		
- within 1 year	140.1	156.9
- between 1 and 5 years	232.7	231.0
- after 5 years	94.0	24.0
Total non-cancellable operating lease payments	**466.8**	411.9

Commitments are usually not recognized but disclosed, unless in case of a business combination. Leases are classified as operating leases, if the criteria of a finance lease is not met. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated statement of profit or loss on a straight-line basis over the period of the lease. The commitments relating to non-cancellable operating leases are disclosed within these consolidated financial statements. In addition to these provided cases, there are other cases where Management has assessed that the recognition criteria is not fulfilled. They represent the contingent liabilities of the Group.

6.4. OTHER SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES

Adoption of New Standards In 2018
Certain new and amended IFRS standards and interpretations that are effective for the 2018 reporting year are either not applicable to the Group, or do not have a material impact on the consolidated financial statements.

New, revised or amended standards and interpretations	Effective date	Planned application by the Group
Amendments to IFRS 12 Disclosures of Interest in Other Entities: Clarification of the scope of disclosure requirements in IFRS 12 from Annual Improvement Cycles – 2014-2016	1 January 2018	Reporting year 2018
IFRS 15 Revenue from Contracts with Customers	1 January 2018	Reporting year 2018
Amendments to IFRS 2: Share-based Payment	1 January 2018	Reporting year 2018
Amendments to IAS 40: Transfers of Investment Property	1 January 2018	Reporting year 2018
IFRS 9 Financial Instruments	1 January 2018	Reporting year 2018

IFRS 15 – Revenue from Contracts with Customers
IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Group adopted IFRS 15 using the modified retrospective method with the date of initial application of 1 January 2018. Under this method, the cumulative effect of initially applying IFRS 15 is recognized at the date of initial application as an adjustment to the opening balance of retained earnings. At the date of initial application, the standard can be applied either to all contracts or only to contracts that are not completed at this date. The Group elected to apply that method to all contracts that were not completed at the date of initial application. The effect of adopting IFRS 15 across the Group was not material, consequently at the date of initial application no adjustment was made to the opening balance of retained earnings. Nevertheless, adoption of IFRS 15 affected the presentation of certain financial statements line items in the consolidated statement of profit or loss and consolidated statement of financial position.

Set out below, are the amounts by which each financial statement line item is affected as at and for the year ended 31 December 2018 as a result of the adoption of IFRS 15. The first column shows amounts prepared under IFRS 15 and the second column shows what the amounts would have been had IFRS 15 not been adopted.

The reason for the changes in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2018 and consolidated statement of financial position as at 31 December 2018 are described below:

(a) Revenue from contracts with customers
Under IFRS 15, revenue obtained from the transfer of promised services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for services, is presented as revenue from contracts with customers.

		Amounts for 2018 prepared under		
MEUR	Reference	IFRS 15	Previous IFRS	Increase/ (decrease)
Revenue from contracts with customers	(a)	2,944.0	-	2,944.0
Revenue		-	2,944.0	-2,944.0
Other operating income	(a)	50.5	50.5	-
Total revenue from contracts with customers and other operating income		**2,994.5**	2,994.5	-

(b) Contract liabilities
Under IFRS 15, the Group's obligation to transfer services to customers for which the Group has received consideration (or the amount is due) from customers is presented as contract liability. Under previous IFRS equivalent, obligation was included in the financial statement line item Trade and other payables as Deferred revenue.

		Amounts at 31 December 2018 prepared under		
MEUR	Reference	**IFRS 15**	Previous IFRS	Increase/ (decrease)
Trade and other payables	(b)	-478.0	-486.3	8.3
Contract liabilities	(b)	-8.3	-	-8.3
Provisions		-33.6	-33.6	-
Borrowings		-33.7	-33.7	-
Short-term employee benefits		-16.8	-16.8	-
Current tax liabilities		-25.5	-25.5	-
Current liabilities		**-595.9**	-595.9	-

Besides changes explained above, no other adjustments to the items of the primary financial statements are required as a result of adoption of IFRS 15.

IFRS 9 – Financial Instruments
IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018. The Group elected to apply IFRS 9 without adjusting the comparative information for the period beginning on 1 January 2017. The adjustments arising from the new impairment rules are therefore not reflected in the restated balance sheet as at 31 December 2017, but are recognized in the opening balance sheet on 1 January 2018.

As at 31 December 2018, the Group's financial assets included Cash and cash equivalents, Prepayments, trade and other receivables (including a related party loan) and Other non-current financial assets (non-listed equity investments).

The classification and measurement requirements of IFRS 9 did not have a significant impact to the Group. The Group continued measuring at fair value all financial assets previously held at fair value under IAS 39.

The following are the changes in the classification of the Group's financial assets. Prepayments, trade and other receivables (i.e., loan to a related party), classified as Loans and receivables as at 31 December 2017, are held to collect contractual cash flows and give rise to cash flows solely representing payments of principal and interest. These are classified and measured as debt instruments at amortized cost beginning 1 January 2018. Equity investments in non-listed companies classified as Available-for-sale financial assets as at 31 December 2017 are classified and measured as Equity instruments designated at fair value through OCI beginning 1 January 2018. The Group elected to classify irrevocably its non-listed equity investments under this category as it intends to hold these investments for the foreseeable future.

On the date of initial application, 1 January 2018, the financial instruments of the group were as follows, with any reclassifications noted:

	Measurement category			**Carrying amount**	
MEUR	**IFRS 9**	**Previous IAS 39**	**IFRS 9**	**Previous IAS 39**	**Increase/ (decrease)**
Current financial assets					
Cash and cash equivalents	Amortized cost	Amortized cost	145.2	145.2	-
Prepayments, trade and other receivables[1]	Amortized cost	Amortized cost	785.0	786.4	-1.4
Non-current financial assets					
Prepayments and other receivables	Amortized cost	Amortized cost	128.3	128.3	-
Non-listed equity investment	Available-for-sale	FVOCI	0.4	0.4	-

[1] The difference is the result of applying the new expected credit loss model. Refer to the discussion below. The reclassifications of the financial assets on adoption of IFRS 9 did not result in any changes to measurements.

The new impairment model for assets held at amortized cost, requires the recognition of impairment provisions based ECL rather than only incurred credit losses as is the case under IAS 39.

For trade receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Refer to Note 2.3 for information about the credit risk exposure on the Group's trade receivables using a provision matrix.

The adoption of the ECL requirements of IFRS 9 resulted in an increase in allowance for bad-debts on 1 January 2018 by MEUR 1.4.

On the date of initial application, 1 January 2018, the statement of financial position was restated, resulting in decreases in Prepayments, Trade and other receivables, and Retained earnings amounting to MEUR 1.4.

Loan to related party
The related party loan is expected to be repaid in the second quarter of 2019. The loan continues to be measured at amortized cost. The management performed a credit risk assessment on the total loan receivable of MEUR 301.0 from HNA Group (International) Company Limited (the "Affiliate") as at 31 December 2018. The internal credit risk assessment follows the methodology outlined in the recently approved Swissport Group Customer Credit Risk Policy and the condensed interim financial statement of the affiliate as at 30 September 2018. Based on this assessment and the short-term nature of the loan, the outcome is that the risk of impairment of the related party loan and the default probability of the affiliate are low. Between the initial application date of IFRS 9 and the reporting date, the related party loan did not show a significant increase in the credit risk. Therefore, management does not consider it necessary to recognize an expected credit loss on the loan receivable from the affiliate either as of 1 January 2018 or as of 31 December 2018.

Hedge accounting
On 6 March 2018, Swissport Global Services Holding S.à r.l. entered into a MUSD 162.0 Note purchase agreement (non-derivative financial liability). The foreign currency exposure of the bond debt (hedging instrument) was designated as a hedge of the change in the value of the net investments in foreign operation (hedged item).

The hedged item represents 44.2% of the MUSD 366.6 intercompany equity loan from Aguila Bid AG (Aguila Bid) to Swissport North America Holding Inc (Swissport North America). This equals the USD amount of the hedging instrument (MUSD 162.0). The intercompany equity loan is a monetary item that is a long-term receivable from Swissport North America, for which the settlement is neither planned nor likely to occur in the foreseeable future. Therefore, this loan forms a part of Aguila Bid net investment in Swissport North America.

At the inception of the hedging relationship, the Group prepared formal documentation which included identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group assesses whether the hedging relationship meets the hedge effectiveness requirements. The Group concluded the hedge to be effective at the inception and at the reporting date as changes in the fair value of the foreign currency risk component of the hedging instrument offset changes in the fair value of the foreign risk component of the hedged item. Over the hedging period, it is not expected that the changes in the fair value of the foreign currency component of the hedging instrument will differ from those of the hedged item. The hedge ratio of the hedged risk will by nature remain at 100%. The Group will continue monitoring the effectiveness of the hedge at each reporting date.

Adoption of standards and interpretations in 2019 and later

A number of new, revised or amended standards and new and revised interpretations have been published and are effective for the Group's accounting periods beginning on or after 1 January 2019, but the Group has not adopted them earlier. The expected effects, as disclosed below, reflect the assessment by the Group's Management.

New, revised or amended standards and interpretations	Effective date	Planned application by the Group
IFRS 16 Leases[3]	1 January 2019	Reporting year 2019
IFRIC 23 Uncertainty over Income Tax Treatments[2]	1 January 2019	Reporting year 2019
Annual Improvements to IFRS Standards 2015-2017 Cycle[1]	1 January 2019	Reporting year 2019
Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures[1]	1 January 2019	Reporting year 2019
Amendments to IFRS 9: Prepayment Features with Negative Compensation[1]	1 January 2019	Reporting year 2019
Amendments to IAS 19: Plan Amendment, Curtailment or Settlement[2]	1 January 2019	Reporting year 2019
Amendments to References to the Conceptual Framework in IFRS Standards (not yet endorsed by the EU)[2]	1 January 2020	Reporting year 2020
Amendments to IAS 1 and IAS 8: Definition of Material (not yet endorsed by the EU)[2]	1 January 2020	Reporting year 2020
Amendment to IFRS 3 Business Combinations (not yet endorsed by the EU)[2]	1 January 2020	Reporting year 2020
IFRS 17 Insurance Contracts (not yet endorsed by the EU)[1]	1 January 2021	Reporting year 2021

[1] No or no significant impacts are expected on the consolidated financial statements, the Group is still assessing the final impact.
[2] The impact on the consolidated financial statements cannot be determined with sufficient reliability yet.
[3] See details below.

IFRS 16 – Leases

In January 2016, the IASB published the financial reporting standard IFRS 16 "Leases", which was adopted into European law on 9 November 2017. The standard replaces the existing guidelines on leases, including IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", SIC-15 "Operating Leases – Incentives" and SIC-27 "Evaluating the Substance of Transactions in the Legal Form of a Lease".

Adoption of IFRS 16 results in almost all leases being recognized in the consolidated statement of financial position, since the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased asset) and a financial liability are recognized, unless the term of the lease is for 12 months or less or the lease is for a low-value asset.

IFRS 16 is mandatorily applicable initially for financial years commencing on or after 1 January 2019. The Group is applying the standard for the first time on 1 January 2019, using the modified retrospective approach. Initial application of the standard at the Group affects leases that previously have been classified as operating leases. Short-term leases with a term not exceeding 12 months (and no purchase option) as well as leases where the underlying asset is of low value are not recognized using an option under IFRS16.5. In case of current lease liabilities, the right-of-use is adjusted by the relevant amount under IFRS16.C10(ii). During the first-time application of IFRS 16 to operating leases, the right to use the leased asset is generally measured at the amount of lease liability, using the incremental borrowing rate at the date of initial application (IFRS16.C8(a)(b)(ii)). The Group uses the practical expedient under IFRS16.C10(a) and applies a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term and in a similar economic environment). For the measurement of the right-of-use at the date of first time application, initial direct costs are not taken into account in accordance with IFRS16.C10(d). Furthermore, the Group uses hindsight in determining the lease terms if the contracts contained options to extend or terminate the lease (IFRS16.C10(e)). The Group also applies the relieve option under IFRS16.C10(b) and relies on its assessment of whether leases have been onerous, applying IAS 17 Provisions, Contingent Liabilities and Contingent Assets immediately before the date of initial application as an alternative to performing an impairment review.
The comparative information for the financial year 2018 will not be adjusted in the financial year 2019 under IFRS16.C7.

At the time that these consolidated financial statements will be approved, the Group will still be in the process of estimating the impact of the first-time application of IFRS 16. It is, therefore, not yet possible to estimate the amount of right-of-use assets and lease liabilities that are recognized on adoption of the new standard and how this may affect the Group's profit or loss and classification of cash flows in financial year 2019. As at the reporting date, the Group has operating lease commitments of MEUR 557.7 (2017: MEUR 411.9).

Other accounting policy disclosures:

Service concession arrangements

Service concession arrangements in which the Group contracts with a government or other public sector body to operate and maintain infrastructure assets, such as cargo warehouses, and in which the government or other public sector body (i) controls or regulates what services the Group must provide, to whom it must provide them, and at what price, and (ii) controls a significant residual interest in the infrastructure at the end of the arrangement, are accounted for in accordance with IFRIC 12. The Group recognizes a financial asset for the consideration received to the extent that it has an unconditional contractual right to receive cash or another financial asset. The Group recognizes an intangible asset to the extent that it receives a right (a license) to charge users of the public service. If the Group, in addition, is entitled to cash receipts, it records these receipts as receivables.

Inventories

Inventories are stated at the lesser of cost or net realizable value. Allowances are made for obsolete, slow moving and excess inventories. Cost is determined by the first-in, first-out method (FIFO) and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Borrowing costs are not included in the cost. Net realizable value is the estimated selling price in the ordinary course of business, less estimated selling costs.

Inventories consist mainly of de-icing liquid and spare parts.

Going concern basis of accounting

The consolidated financial statements have been prepared on a going concern basis.

6.5 EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 31 January 2019, Swissport continued the temporary remedies standstill regarding the collection of the unpaid balance of its granted loan to a related party. Swissport had agreed to forbear for a period of five months from exercising remedies to collect the remaining unpaid balance. The remedies standstill was originally agreed in May 2018 and continued in October 2018. At the reporting date, the balance of this loan amounted to MEUR 301.0 including accrued interest.

No other significant events that would require an adjustment or disclosure in the consolidated financial statements occurred between 31 December 2018 and 26 April 2019, the date of approval of the consolidated financial statements by the Board of Managers.

INDEPENDENT AUDITOR'S REPORT

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion
We have audited the consolidated financial statements of Swissport Group S.à r.l. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Basis For Opinion
We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under those Law and standards are further described in the "responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements section of our report. We are also independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information
The Board of Managers is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF MANAGERS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Managers is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS as adopted by the European Union, and for such internal control as the Board of Managers determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Managers is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Managers either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Group's financial reporting process.

RESPONSIBILITIES OF THE "RÉVISEUR D'ENTREPRISES AGRÉÉ" FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgement and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers.

- Conclude on the appropriateness of Board of Managers' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Alban Aubrée
Luxembourg, 26 April 2019

SWISSPORT GROUP S.À R.L.

CONSOLIDATED
FINANCIAL STATEMENTS

FOR THE YEAR
ENDED DECEMBER 31, 2017

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL INFORMATION

Swissport Group S.à r.l. ("the Company" or "Swissport Group") and its subsidiaries (together "the Group") provide Ground Handling and Cargo Handling services to many of the world's leading airlines in 48 countries.

The Parent Company of the Group is Swissport Group S.à r.l. which is a limited liability company domiciled in Luxembourg and was legally incorporated on 4 November 2015. The address of the registered office is: 9, allée Scheffer, L-2520 Luxembourg.

HNA Group Co. Ltd ("HNA Group", a global enterprise group based in Haikou, China) is the ultimate Parent Company of HNA Aviation (Hong Kong) Ground Handling Holdings Co., Limited (HNA Aviation), the sole Parent Company of Swissport Group S.à r.l..

The Board of Managers approved the consolidated financial statements for the financial year ended 31 December 2017 on 27 April 2018. Under a Luxembourg law the consolidated financial statements are approved by the shareholders during the Annual General Meeting.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and issued by the International Accounting Standard Board (IASB). The IFRS adopted by the EU effective date may be later than that established by the IASB. For the purpose of these consolidated financial statements, the EU adopted standards do not differ from those under IFRS as issued by the IASB.

The consolidated financial statements are prepared in millions of Euro, which is also the functional currency of the Company. Amounts expressed in Euro are designated as EUR, amounts expressed in thousands of Euro are designated as TEUR and amounts expressed in millions of Euro are designated as MEUR.

The consolidated financial statements are prepared under the historical cost basis, with the exception that certain items are stated at their fair value (available-for-sale financial assets as well as financial assets and liabilities at fair value through profit or loss, including derivative instruments).

ABOUT THIS REPORT

Information presented in the consolidated financial statements for the reporting year reflects the Group's operating results for the period from 1 January 2017 until 31 December 2017. The comparative information is presented for a 14-month period from 4 November 2015 until 31 December 2016 as the Company was incorporated on 4 November 2015, and is referred to as "2016" or "previous period" throughout the consolidated financial statements. The comparative information reflects the Group's operational results since February 2016, as prior to that date, the Company did not have any operating revenues or expenses. For adjusted comparative information with 12-month operational results, please refer to the appendix "Preparation of adjusted condensed consolidated financial information" on page 37.

Compared to our prior consolidated financial statements the format of the Consolidated Financial Statements 2017 has changed in order to increase the understanding and interpretation of our financial performance and position.

This resulted in:

- elimination of immaterial disclosures that may undermine the usefulness of the financial report by obscuring important information;
- reorganisation of the notes to the financial statements into separate sections to help users better understand our financial performance; and
- moving our accounting policies together with key estimates and judgements used in preparation of the consolidated financial statements to the relevant notes in order to provide the appropriate context.

CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2017

OVERVIEW OF KEY JUDGEMENTS AND ESTIMATES

KEY JUDGEMENTS AND ESTIMATES

To assist in identifying key judgements and estimates, they are separately highlighted and located within the following notes:

	Note
Defined benefit pension plans – actuarial valuations	**3.3**
Share-based payment transactions	**3.4**
Impairment testing of goodwill and other intangible assets	**4.4**
Provisions	**4.5**
Income taxes	**6.1**

REFERENCE KEY

KEY JUDGEMENTS AND ESTIMATES:
The preparation of the consolidated financial statements requires management to make assumptions, estimates and judgements that affect the application of accounting policies. Key judgements and estimates applied to the preparation of the financial statements are shown where the related accounting balance or financial statement matter is discussed.

RELATED PARTIES:
The Group enters into various transactions and agreements with its related parties. A related party is a person or entity who has significant influence over the reporting entity. The significant transactions and balances are disclosed throughout the consolidated financial statements.

SIGNIFICANT ACCOUNTING POLICIES:
The material accounting policies and measurement basis relevant to understanding the consolidated financial statements are provided throughout the notes to the financial statements. A disclosure is considered material and relevant if it is of significant size, nature or criticality to understand the Group's results. Accounting policies with immaterial effect on the consolidated financial statements have been intentionally excluded from these financial statements.

INTERNAL REFERENCE:
Cross references are used in the report to provide the user with easier access to the relevant information.

KEY EVENTS AND TRANSACTIONS

The financial position and performance of the Group was particularly affected by the following events and transactions during the reporting period:

1) Debt to equity swap and equity injection
In April 2017, HNA Aviation the sole shareholder, injected MEUR 717.0 (net of transaction costs of MEUR 1.0) of cash into equity and converted a subordinated MEUR 20.0 loan into equity. These injections were allocated to the equity reserve account of Swissport Group.

2) Financing agreements
On 11 August 2017, the Group successfully completed a refinancing by entering into an amended and restated Credit Facility and raising a MEUR 460.0 Term Loan B and by issuing new notes in exchange for existing notes previously issued by Swissport Investments S.à r.l., approximately 90% of the existing Swissport Investment noteholders participated in this exchange offer. The Group's new notes (Senior Secured Notes MEUR 363.5 and Senior Notes MEUR 264.6) are listed on the Euro MTF market of the Luxembourg Stock Exchange.

3) Loan to a related party
Up to the date of approval of these consolidated financial statements, the Group granted multiple short-term loans to a related party. At the reporting date, the balance of this loan amounted to MEUR 410.8, including accrued interest.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIODS ENDED 31 DECEMBER[1]

MEUR	NOTE	2017	2016
Profit or Loss:			
Revenue	1.2	**2,707.6**	2,384.9
Other operating income	1.2	**98.2**	84.7
Total revenue and other operating income		**2,805.8**	2,469.6
Goods and services purchased	1.3	**-396.2**	-349.8
Personnel expenses	3.1	**-1,861.6**	-1,617.6
Other operating expenses	1.3	**-381.4**	-338.6
Acquisition costs	5.4	**-7.6**	-2.6
Integration costs	5.4	**-5.9**	-0.3
Depreciation of property, vehicles and equipment	4.3	**-56.5**	-51.3
Amortisation of intangible assets	4.4	**-25.1**	-21.5
Total operating expenses		**-2,734.3**	-2,381.7
Share of results of associates and joint ventures	5.2	**8.2**	5.1
Operating profit		**79.7**	93.0
Finance expenses	2.2	**-260.8**	-306.8
Finance income	2.2	**132.6**	98.2
Net result before income taxes		**-48.5**	-115.6
Income taxes	6.1	**-14.3**	-24.8
Net result for the period		**-62.8**	-140.4
Attributable to:			
Owners of the parent		**-86.8**	-160.9
Non-controlling interest		**24.0**	20.5

MEUR	NOTE	2017	2016
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**-234.2**	-24.3
Net change in fair value of available-for-sale financial assets		**-0.2**	-0.1
Items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit obligations, net of tax		**65.1**	-14.1
Total other comprehensive loss		**-169.3**	-38.5
Total comprehensive loss for the period		**-232.1**	-178.9
Attributable to:			
Owners of the parent		**-253.8**	-199.6
Non-controlling interest		**21.7**	20.7

1 Period is defined in the section "About this report".

Individual line items in the statement of other comprehensive income are disclosed net of tax. Income tax relating to the comprehensive income is disclosed in Note 6.1.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIODS ENDED 31 DECEMBER[1]

MEUR	NOTE	2017	2016
Cash flow from operating activities			
Net result for the period		**-62.8**	-140.4
Adjustments to net result for the period		**214.8**	295.5
Income tax expense	6.1	**14.3**	24.8
Net finance expense	2.2	**128.2**	208.6
Depreciation of property, vehicles and equipment	4.3	**56.5**	51.3
Amortisation of intangibles assets	4.4	**25.1**	21.5
Pensions, provisions and other items		**-9.3**	-10.7
Change in working capital		**-0.9**	0.1
Changes in inventories		**-1.2**	-0.4
Changes in trade and other receivables		**-46.3**	-3.8
Changes in trade and other payables		**46.6**	4.3
Income tax paid		**-24.7**	-23.2
Dividends received		**3.7**	3.7
Net cash flow from operating activities		**130.1**	135.7
Cash flow from investing activities			
Acquisitions of subsidiaries, net of cash and cash equivalents acquired	5.5	**–**	-1,220.0
Acquisition deposit	6.5	**-52.4**	–
Payment on settlement of contingency on disposal of subsidiaries		**–**	-15.0
Purchase of property, vehicles and equipment	4.3	**-69.9**	-68.3
Proceeds from sale of property, vehicles and equipment	4.3	**9.0**	10.5
Purchase of intangible assets	4.4	**-7.7**	-12.3
(Increase)/decrease in restricted cash		**4.9**	-37.1
Grant of loan to related parties		**-400.0**	–
Other		**4.1**	2.0
Interest received		**1.4**	2.0
Net investment in financial assets		**2.7**	–
Net cash flow from (used in) investing activities		**-512.0**	-1,340.2

MEUR	NOTE	2017	2016
Cash flow from financing activities			
Issue of share capital		**–**	1,472.3
Issue of share premium (net of costs)		**717.0**	–
Change in borrowings		**-189.9**	109.7
Proceeds from borrowings from third parties		**1.7**	1,384.5
Repayment of borrowings from third parties		**-191.6**	-1,274.8
Interest paid to third parties		**-100.7**	-99.5
Other		**-47.0**	-142.4
Bank charges and other financial costs paid		**-7.5**	-6.2
Penalty for early termination of financing		**–**	-24.0
Financing and retainer fees paid		**-23.9**	-60.6
Proceeds from early termination of financing		**–**	4.1
Dividends paid to non-controlling interests		**-15.6**	-14.2
Payment on settlement of FX forward contract		**–**	-41.5
Net cash flow from financing activities		**379.4**	1,340.1
Net (decrease)/increase in cash and cash equivalents		**-2.5**	135.6
Opening cash and cash equivalents	2.1	**132.1**	0.0
Exchange loss on cash and cash equivalents		**-11.1**	-3.5
Cash and cash equivalents as at 31 December	2.1	**118.5**	132.1

1 Period is defined in section "About this report".

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER

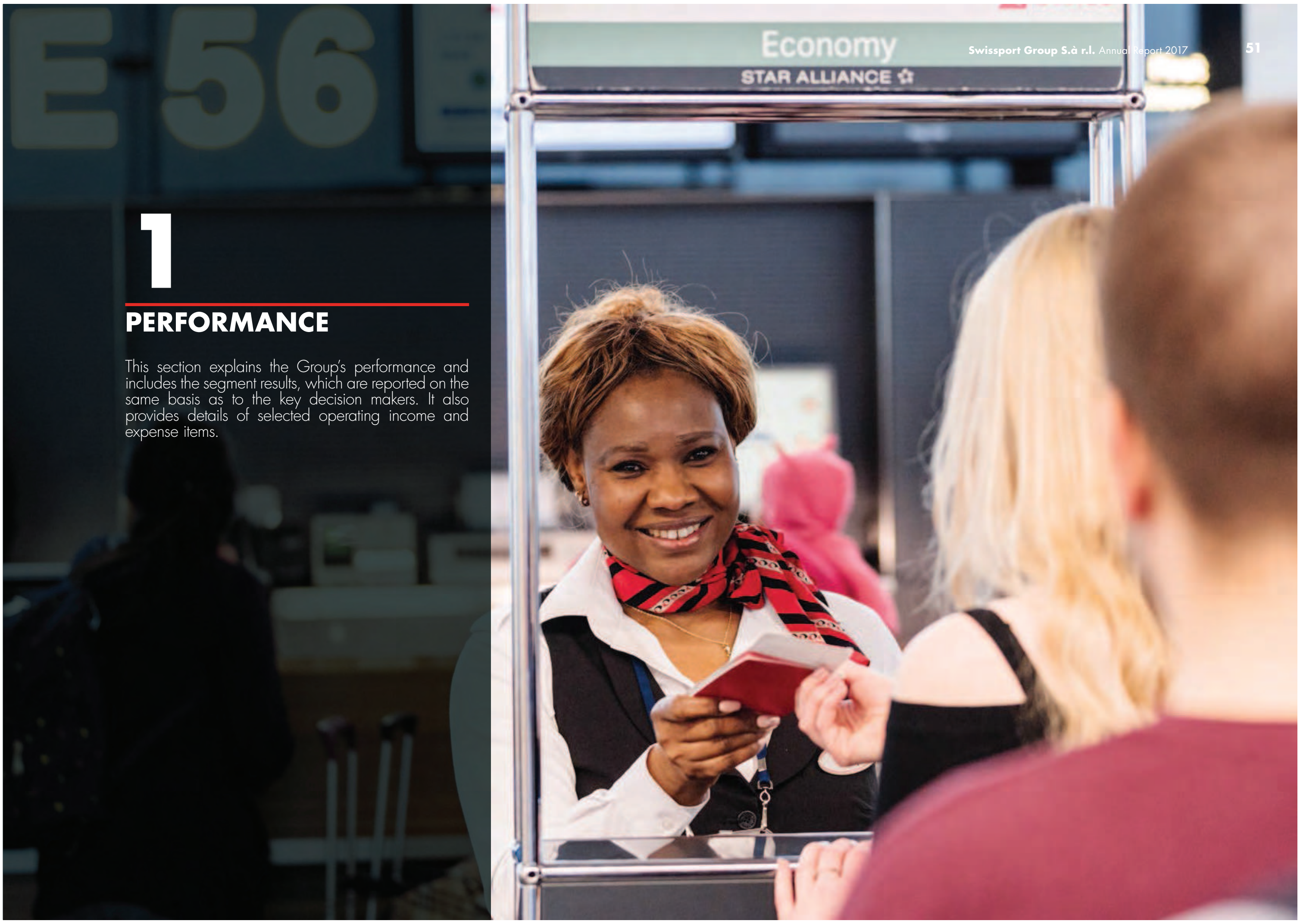
MEUR	NOTE	2017	2016
Current assets			
Cash and cash equivalents	2.1	**118.5**	132.1
Prepayments, trade and other receivables	4.1	**892.8**	474.0
Inventories		**11.9**	11.6
Available-for-sale financial assets	2.3	**–**	2.1
Current tax assets		**8.4**	4.6
		1,031.6	624.4
Non-current assets			
Goodwill	4.4	**2,114.2**	2,299.8
Other intangible assets	4.4	**423.6**	480.0
Property, vehicles and equipment	4.3	**265.9**	273.6
Prepayments and other receivables	4.1	**102.5**	57.0
Deferred tax assets	6.1	**17.8**	26.7
Investments in associates and joint ventures	5.2	**36.5**	35.9
Available-for-sale financial assets	2.3	**2.0**	2.0
		2,962.5	3,175.0
Total assets		**3,994.1**	3,799.4
Current liabilities			
Trade and other payables	4.2	**-435.9**	-433.1
Provisions	4.5	**-31.5**	-56.1
Borrowings	2.1	**-35.3**	-728.4
Current tax liabilities		**-21.1**	-19.0
		-523.8	-1,236.6
Non-current liabilities			
Borrowings	2.1	**-1,236.3**	-733.7
Long-term employee benefits	3.3	**-226.4**	-274.9
Provisions	4.5	**-114.6**	-136.2
Deferred tax liabilities	6.1	**-55.9**	-71.0
		-1,633.2	-1,215.8
Total liabilities		**-2,157.0**	-2,452.4
Net assets		**1,837.1**	1,347.0

MEUR	NOTE	2017	2016
Capital and reserves			
Equity attributable to owners of the parent:			
Share capital and share premium	2.4	**2,245.7**	1,508.7
Reserves		**-256.7**	-24.6
Retained earnings		**-196.7**	-175.0
Attributable to:			
Owners of the parent		**1,792.3**	1,309.1
Non-controlling interest		**44.8**	37.9
Total equity		**1,837.1**	1,347.0

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER

		ATTRIBUTABLE TO OWNERS OF THE PARENT											
		SHARE CAPITAL AND SHARE PREMIUM		RESERVES		RETAINED EARNINGS		TOTAL		NON-CONTROLLING INTEREST		TOTAL EQUITY	
MEUR	NOTE	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
As at the beginning of the period[1]	2.4	**1,508.7**	0.0	**-24.6**	–	**-175.0**	–	**1,309.1**	0.0	**37.9**	–	**1,347.0**	0.0
Net result for the period		**–**	–	**–**	–	**-86.8**	-160.9	**-86.8**	-160.9	**24.0**	20.5	**-62.8**	-140.4
Other comprehensive income		**–**	–	**-232.1**	-24.6	**65.1**	-14.1	**-167.0**	-38.7	**-2.3**	0.2	**-169.3**	-38.5
Total comprehensive income		**–**	–	**-232.1**	-24.6	**-21.7**	-175.0	**-253.8**	-199.6	**21.7**	20.7	**-232.1**	-178.9
Transactions with owners Contributions by/ (distribution to) owners													
Issue of share capital		**–**	1,472.3	**–**	–	**–**	–	**–**	1,472.3	**–**	–	**–**	1,472.3
Issue of share premium, net of transaction costs	2.4	**737.0**	36.4	**–**	–	**–**	–	**737.0**	36.4	**–**	–	**737.0**	36.4
Dividends declared		**–**	–	**–**	–	**–**	–	**–**	–	**-14.8**	-14.8	**-14.8**	-14.8
Total contributions by/ (distribution to) owners		**737.0**	1,508.7	**–**	–	**–**	–	**737.0**	1,508.7	**-14.8**	-14.8	**722.2**	1,493.9
Changes in ownership interest in subsidiaries													
Non-controlling interest arising from business combinations		**–**	–	**–**	–	**–**	–	**–**	–	**–**	32.0	**–**	32.0
Total changes in ownership interest in subsidiaries		**–**	–	**–**	–	**–**	–	**–**	–	**–**	32.0	**–**	32.0
As at 31 December		**2,245.7**	1,508.7	**-256.7**	-24.6	**-196.7**	-175.0	**1,792.3**	1,309.1	**44.8**	37.9	**1,837.1**	1,347.0

1 Period is defined in section "About this report".



1

PERFORMANCE

This section explains the Group's performance and includes the segment results, which are reported on the same basis as to the key decision makers. It also provides details of selected operating income and expense items.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1.1. SEGMENT INFORMATION

	2017				2016			
MEUR	GROUND HANDLING	CARGO HANDLING	OTHER/ ELIMINATIONS	TOTAL	GROUND HANDLING	CARGO HANDLING	OTHER/ ELIMINATIONS	TOTAL
Total revenue and other operating income	**2,275.9**	**530.6**	**-0.7**	**2,805.8**	2,015.9	455.7	-2.0	2,469.6
Goods and services purchased	**-307.2**	**-91.4**	**2.4**	**-396.2**	-263.2	-78.9	-7.7	-349.8
Personnel expenses	**-1,546.0**	**-242.6**	**-27.7**	**-1,816.3**	-1,359.8	-204.4	-23.7	-1,587.9
Other operating expenses	**-273.3**	**-127.2**	**19.1**	**-381.4**	-249.7	-114.1	25.5	-338.3
Share of results of associates and joint ventures	**5.6**	**2.6**	**–**	**8.2**	4.2	0.8	0.1	5.1
Operating EBITDA[1]	**155.0**	**72.0**	**-6.9**	**220.1**	147.4	59.1	-7.8	198.7
Depreciation of property, vehicles and equipment	**-45.1**	**-11.2**	**-0.2**	**-56.5**	-41.7	-9.5	-0.1	-51.3
Amortisation of intangible assets	**-14.0**	**-9.4**	**-1.7**	**-25.1**	-12.1	-8.1	-1.3	-21.5
Acquisition and integration costs				**-13.5**				-2.9
Restructuring and onerous contract charge				**-8.3**				-11.8
Non-cash pension expenses and share-based payment transactions				**-37.0**				-17.9
Unallocated other income and reporting adjustments				**–**				-0.3
Operating profit				**79.7**				93.0
Finance results				**-128.2**				-208.6
Net result before income taxes				**-48.5**				-115.6
Income taxes				**-14.3**				-24.8
Net result for the period				**-62.8**				-140.4

1 Definition see below.

The Group Executive Management committee assesses the performance of the operating segments based on the Operating EBITDA. The Operating EBITDA measure is defined as operating profit, as presented in the consolidated statement of profit or loss, before acquisition and integration costs, depreciation, amortisation, restructuring and onerous contract charges, non-cash pension expenses and other long-term employee benefits, share-based payment expenses, and unallocated other income and reporting adjustments. In 2017, the Group Executive Management committee updated the composition of the operating segments and geographical split; prior year comparatives have been adjusted accordingly.

The following summary describes the operations in each of the Group's reportable segments:

- Ground Handling services include ramp and passenger handling, baggage services, lounge and ticketing supervision, cabin cleaning, de-icing, e-services, passengers with reduced mobility handling and executive aviation. Ground Handling also includes the provision of speciality services which are complementary to the core Ground Handling services. These services include fuelling, aircraft maintenance and aviation security.
- Cargo Handling services include physical import and export handling of cargo, warehousing and storage of cargo, document handling, trucking and mail handling.

In addition, Other/Eliminations that consist of the Group's head offices results and eliminations are reported separately. This includes other items of income and expense that are not attributable to specific segments.

The Group's presentation of revenue is based on the geographical location of the service provided, and non-current assets are based on the physical location of the assets.

	REVENUES		NON-CURRENT ASSETS	
MEUR	**2017**	2016	**2017**	2016
EMEA	**1,602.7**	1,403.2	**1,873.3**	2,006.6
AMERICAS	**1,112.9**	993.9	**961.1**	1,076.8
APAC	**90.2**	72.5	**5.8**	5.9
Total	**2,805.8**	2,469.6	**2,840.2**	3,089.3

Non-current assets include property, vehicles and equipment, goodwill, other intangibles and investments in associates and joint ventures. No significant revenue or non-current assets are located in Luxembourg, the country of domicile of the Parent Company of the Group. The Group's largest customer group accounted for 11.5% of total revenue in 2017 (previous period: 12.1%), representing over 105 contracts.

The Group presentation of segment information is consistent with the information needs of the Group Executive Management (GEM). Segment results include items directly attributable to a segment as well as an allocation of Head Office costs. The GEM uses a measure of adjusted earnings before interest, tax, depreciation and amortisation (Operating EBITDA, see definition in this note) to assess the performance of operating segments.

1.2. REVENUE AND OTHER OPERATING INCOME

MEUR	**2017**	2016
Revenue		
Ground handling services	**1,785.8**	1,604.9
Fuelling services	**135.0**	119.4
De-icing services	**70.3**	50.1
Lounge services	**75.3**	66.9
Cargo handling services	**519.0**	457.2
Other services	**122.2**	86.4
	2,707.6	2,384.9
Other operating income		
Concession and rental	**26.4**	25.8
Recharges of expense to customers	**42.6**	43.9
Sale of fuel (excl. into-plane fuelling)	**11.0**	4.4
Management and trademark fees	**4.0**	1.4
Other	**14.2**	9.2
	98.2	84.7
Total revenue and other operating income	**2,805.8**	2,469.6

Other services included the following services:

- Cleaning services
- Security services
- Executive aviation services
- Maintenance services
- Others

The Group recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Group. Revenue is recognised at the time the service is provided in accordance with the terms of the relevant contract.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2017

1.3. OPERATING EXPENSES

MEUR	NOTE	**2017**	2016
Personnel expenses	3.1	**-1,861.6**	-1,617.6
Goods and services purchased:			
Services		**-144.0**	-134.1
Maintenance of equipment		**-103.8**	-94.9
Lease expenses		**-52.4**	-41.4
Material		**-57.6**	-43.9
Airport fees		**-19.9**	-19.5
Concession fees		**-18.5**	-16.0
		-396.2	-349.8
Other operating expenses:			
Rent and building occupancy		**-165.0**	-148.0
Information technology		**-59.8**	-52.9
Third party workforce		**-57.6**	-47.9
Professional services		**-21.6**	-23.1
Insurances costs		**-25.0**	-20.6
Travel costs		**-18.4**	-16.6
Office costs		**-11.6**	-11.4
Other costs		**-22.4**	-18.1
		-381.4	-338.6
Acquisition costs	5.4	**-7.6**	-2.6
Integration costs	5.4	**-5.9**	-0.3
Depreciation of property, vehicles and equipment	4.3	**-56.5**	-51.3
Amortisation of intangible assets	4.4	**-25.1**	-21.5
Total operating expenses		**-2,734.3**	-2,381.7

The Group applies the accrual basis of accounting across its financial statements. Expenses are presented by their nature.

2

CAPITAL MANAGEMENT

This section sets out the Group's key financial risks and the Group's approach to managing the risks including liquidity, currency and interest rate risk. Net debt is a key driver which the Group seeks to manage through the risk management programme designed to mitigate potential adverse effects on the Group's financial performance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2017

2.1. NET DEBT

MEUR	2017 CURRENT	2017 NON-CURRENT	2017 NET DEBT	2016 CURRENT	2016 NON-CURRENT	2016 NET DEBT	PRINCIPAL (MEUR) 2017	PRINCIPAL (MEUR) 2016	ISSUE PRICE	INTEREST RATE	ISSUE DATE	MATURITY DATE
Senior Secured Notes[1]	**-**	**355.7**	**355.7**	–	–	–	**363.5**	–	100%	6.750%	11.08.17	15.12.21
Senior Secured Notes[1]	**-**	**35.5**	**35.5**	–	386.1	386.1	**36.5**	400.0	100%	6.750%	14.12.15	15.12.21
Senior Notes[1]	**-**	**259.4**	**259.4**	–	–	–	**264.6**	–	100%	9.750%	11.08.17	15.12.22
Senior Notes[1]	**-**	**15.2**	**15.2**	–	270.3	270.3	**15.9**	280.5	100%	9.750%	14.12.15	15.12.22
Term Loan B[1]	**-**	**451.1**	**451.1**	–	–	–	**460.0**	–	100%	3.750%	11.08.17	08.02.22
Term Loan B[1]	**-**	**-**	**-**	660.0	–	660.0	**-**	660.0	100%	6.250%	10.02.16	08.02.22
Subordinated shareholder loan (note 5.3)	**-**	**-**	**-**	20.0	–	20.0						
Borrowings from related parties (note 5.3)	**6.8**	**1.1**	**7.9**	7.6	–	7.6						
Bank loans	**11.1**	**81.5**	**92.6**	13.5	47.5	61.0						
Finance lease liabilities	**9.0**	**14.8**	**23.8**	10.1	12.7	22.8						
Other local facilities	**8.4**	**22.0**	**30.4**	17.2	17.1	34.3						
Borrowings	**35.3**	**1,236.3**	**1,271.6**	728.4	733.7	1,462.1	**1,140.5**	1,340.5				
Cash at bank and on hand			**-114.6**			-126.5						
Short-term bank deposits			**-3.9**			-5.6						
Cash and cash equivalents			**-118.5**			-132.1						
Net debt (reported)			**1,153.1**			1,330.0						
Adjustments for capitalised transaction costs			**23.6**			24.1						
Net debt			**1,176.7**			1,354.1						

1 Carrying amount for the Senior Secured Notes, Senior Notes and Term Loan B are net of capitalised transaction costs.

The movements in net debt are not all cash-relevant (refer to description in this note).

For the purposes of repayment of certain liabilities, Swissport Investments S.A., a 100% subsidiary of Swissport Group S.à r.l., issued on 15 December 2015 MEUR 400.0 6.750% Senior Secured Notes due 15 December 2021 and MEUR 290.0 9.750% Senior Notes due 15 December 2022, which were fully funded and held in escrow until the acquisition date (10 February 2016). During 2016 the Group bought back MEUR 9.5 of the Senior Notes.

In addition, Swissport Investments S.A. entered into a MEUR 660.0 Term Loan B Facility (TLB) due 8 February 2022.

On 10 February 2016 Swissport International AG entered into a new MCHF 150.0 Revolving Credit Facility (RCF) due 2021 on a senior secured basis which will provide borrowings up to an aggregated amount of MCHF 150.0.

The bonds issued by the acquired former Aguila 3 S.A. (now Swissport Financing S.à r.l.) (MUSD 945.0 and MCHF 350.0; translated at transaction date to MEUR 1,165.0) and the old Super Senior Revolving Credit Facility were fully repaid on 10 February 2016. The pledges for the old secured debts were released and new pledges and guarantees have been established on the transaction date of 10 February 2016 or shortly hereafter for the duration of the new secured debts.

Early 2017, the Swissport Group became aware of defaults arising out of a technical breach of the lien covenant provisions contained in the senior secured credit agreement (TLB) dated 20 January 2016. The technical breach was uncovered during the course of discussions between the Swissport Group and HNA Group regarding an equity injection from HNA Group intended to enable certain improvements to Swissport's capital structure. The defaults were caused by pledges granted over the shares of Swissport Group S.à r.l., Swissport Investments S.A. and Aguila 2 S.à r.l. (former Aguila 2 S.A.) as security for a debt facility entered into by a subsidiary of HNA Group Co. Ltd. prior to the completion of the acquisition of Swissport by the HNA Group. This subsidiary of the HNA Group Co. Ltd. is a Parent Company of the Swissport Group. The pledged shares are not shares used as collateral intended to secure the TLB and RCF or its senior secured high yield bonds. The events of the default have been resolved in the first half of 2017.

On 11 August 2017, the Group successfully completed a refinancing by entering into an amended and restated Credit Facility and raising a MEUR 460.0 Term Loan B and by issuing new notes in exchange for existing notes previously issued by Swissport Investments S.à r.l.. Approximately 90% of the existing Swissport Investment noteholders participated in this exchange offer. The Group's new notes (Senior Secured Notes MEUR 363.5 and Senior Notes MEUR 264.6) are listed on the Euro MTF market of the Luxembourg Stock Exchange.

In addition, Swissport International AG, a 100% subsidiary of the Group and being a party to the Credit Facility, entered into an amended and restated Credit Agreement MCHF 150.0 Revolving Credit Facility ("RCF") due 2021 on a senior secured basis.

MCHF[1]	2017	2016
Maximum	**150.0**	150.0
Committed	**110.0**	110.0
Utilised		
– Guarantees	**42.5**	42.5
– Cash draw down	**46.8**	–
– Overdraft	**1.8**	–
Total utilised	**91.1**	42.5

1 For reference, the foreign exchange rates for the translation from CHF to EUR were CHF/EUR 1.1695 as at 31 December 2017 and CHF/EUR 1.0736 as at 31 December 2016.

Under the Amended and Restated Credit Agreement at 11 August 2017, the Group is subject to a financial covenant being the net leverage ratio test against a maximum threshold. The covenant is only reported to the creditors if a certain amount of the RCF is being utilised. The amount drawn down by the Group as at 31 December 2017 triggered those additional reporting requirements.

The Group is required to provide quarterly unaudited and annual audited consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows to the Administrative Agent and/or Trustee.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2017

The assets pledged at the end of the reporting periods are as follows:

MEUR	2017	2016
Cash and cash equivalents	**50.2**	68.0
Trade and other receivables	**219.9**	245.0
Swissport Brand and other intangibles	**302.3**	324.5
Vehicles, equipment and inventory	**126.8**	145.2
Total assets pledged	**699.2**	782.7

The figures above also include assets pledged locally outside of the notes, term loan and revolving credit facility. Intercompany receivables and shareholdings in certain Group companies are also pledged but not presented above as they are eliminated on a consolidated level.

The maturity profile of non-current borrowings are as follows:

	2017				2016			
MEUR	13-24 MONTHS	25-60 MONTHS	> 60 MONTHS	TOTAL	13-24 MONTHS	25-60 MONTHS	> 60 MONTHS	TOTAL
Notes	**–**	**665.8**	**–**	**665.8**	–	385.8	270.6	656.4
Term Loan B	**–**	**451.1**	**–**	**451.1**	–	–	–	–
Bank loans	**7.3**	**19.3**	**54.9**	**81.5**	6.2	22.9	18.4	47.5
Finance lease liabilities	**5.6**	**9.1**	**0.1**	**14.8**	6.0	6.5	0.2	12.7
Other local facilities	**10.5**	**1.0**	**10.5**	**22.0**	5.9	–	11.2	17.1
Borrowings from related parties	**1.1**	**–**	**–**	**1.1**	–	–	–	–
Total	**24.5**	**1,146.3**	**65.5**	**1,236.3**	18.1	415.2	300.4	733.7

The future minimum lease payments of MEUR 25.2 (2016: MEUR 24.4) include MEUR 1.4 (2016: MEUR 1.6) of interest. As per 31 December 2017, MEUR 23.6 (as per 31 December 2016: MEUR 24.1) financing costs have been capitalised on inception of the debt.

The weighted average effective interest rates on borrowings at the reporting date were as follows:

	2017	2016
Notes	**7.99%**	7.99%
Bank loans	**3.87%**	6.16%
Finance lease liabilities	**4.09%**	5.55%

Cash and cash equivalents comprise cash in hand and at banks, fixed term and call deposits with a term of less than 90 days from the date of acquisition. Restricted cash is included in Prepayments and other receivables (refer to note 4.1).

The Group borrows money from financial institutions and debt investors in the form of bank overdrafts, bank loans and notes. Interest-bearing and foreign currency liabilities are measured at amortised cost with any difference between the net proceeds received and the maturity amount to be paid recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest rate method. Debt is shown net of capitalised transaction costs that are expensed by application of the effective interest rate method.

2.2. FINANCE RESULTS

Finance expenses

MEUR	2017	2016
Interest expense	**-120.3**	-146.4
Realised foreign exchange losses	**-27.7**	-51.5
Unrealised foreign exchange losses	**-93.9**	-72.8
Bank charges	**-7.5**	-6.2
Penalty for early termination of financing	**–**	-24.0
Net interest costs of long-term employee benefit plans	**-6.3**	-2.8
Other financial costs	**-5.1**	-3.1
Total finance expenses	**-260.8**	-306.8

Included in the interest expense is MEUR 2.3 (2016: MEUR 6.0) of accrued interest on the notes, MEUR 1.3 (2016: MEUR 2.3) of accrued interest on the term loan facility. In 2016 MEUR 29.7 of capitalised transaction costs related to the MEUR 660 Term Loan B and the Revolving Credit Facility that were fully expensed, which are included in the interest expense.

Finance income

MEUR	2017	2016
Interest income	**13.0**	2.9
Realised foreign exchange gains	**18.9**	7.2
Unrealised foreign exchange gains	**99.8**	83.8
Proceeds from early termination of financing	**–**	4.1
Other financial income	**0.9**	0.2
Total finance income	**132.6**	98.2

The Group recognises finance expenses and income on an accrual basis. Costs associated with the management of cash and cash equivalents and debt in connection with the arrangement of borrowings are amortised using the effective interest rate method when the borrowings are drawn-down. If the borrowings are not drawn-down the cost is amortised on a straight-line basis over the borrowings duration. When the expenses are directly attributable to the acquisition or to a construction of a qualifying asset then such financing costs are capitalised up to the time the asset is ready for its intended use and are then amortised over the expected useful economic life.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2017

2.3. FINANCIAL RISK MANAGEMENT

	Source of risk	Risk mitigation
1 Liquidity risk	Liquidity risk is the risk that the Group will encounter difficulties to meet obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.	Liquidity risk is managed centrally by Group Treasury and involves maintaining available funding and ensuring the Group has access to an adequate amount of committed credit facilities. Due to the dynamic nature of the business, Group Treasury aims to maintain flexibility within the funding structure through the use of bank overdrafts, bank loans, secured notes, unsecured notes and committed revolving credit facilities. The following is used to manage the risk: ■ maintaining minimum undrawn committed liquidity of at least MCHF 10 (in various currencies) that can be drawn upon at short notice; ■ regularly performing a comprehensive analysis of all cash inflows and outflows in relation to operational, investing and financing activities; ■ generally using tradeable instruments only in highly liquid markets; ■ maintaining a reputable credit profile; ■ managing credit risk related to financial assets; ■ monitoring duration of long-term debt; ■ only investing surplus cash with major financial institutions or where permitted by other senior lenders, to affiliates within the Group for the duration of the consent period; and ■ to the extent practicable, spreading the maturity dates of long-term debt facilities.
2 Foreign exchange risk	The Group operates internationally and is exposed to foreign exchange risk arising from commercial transactions and recognised assets and liabilities that are denominated in a currency other than the respective functional currencies of the Group entities, and investments in foreign operations that are denominated in a currency other than the presentation currency of the Group. The currency exposures primarily arise with respect to USD, EUR, GBP, CAD, BRL, ZAR and CHF.	Group Treasury can enter into forward FX (foreign currency) contracts to mitigate certain identified FX risks in meeting future cash flows. Wherever possible, Group companies match asset and liability flows in local functional currency to avoid unnecessary FX exposure by creating a natural hedge.

	Source of risk	Risk mitigation
3 Interest rate risk	The Group's interest rate risk mainly arises from external borrowings and cash and cash equivalents. Borrowings and cash and cash equivalents at variable rates expose the Group to cash flow interest rate risk. The Group's exposure to interest rate risk is currently moderate as more than half of the Group's borrowings mainly (notes) have fixed interest rates, i.e. the interest expense is not subject to changes in benchmark interest rates and the majority of the remaining debt (mainly Term Loan B) has an interest floor rate with a Euribor floor rate that is above current market conditions.	The Group does not use derivative instruments to hedge its interest rate exposure to floating rate instruments. Group Treasury monitors future risks resulting from potentially higher interest rates and can, with approval, enter into derivates contracts to convert the floating Euribor rate to a fixed rate once a risk is seen to become material.
4 Credit risk	Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash at banks, cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers primarily through outstanding receivables.	Group Treasury only deposits funds with banks and credit institutions of suitable credit rating, relative to the country of operation. For a temporary period of 180 days following the refinancing in August 2017, the senior lenders have permitted the Group to place surplus funds with an affiliate company of the parental Group, for a maximum period of 90 days per each loan agreement. The highest area of risk stems from exposure to commercial customers. Each significant customer goes through a periodic credit check using proprietary credit metrics tools, and those that fall below credit standard are moved to more risk-averse trading terms at the earliest point contractually possible. Group Treasury provides a monthly report to Group and regional management showing details of aged debtors by business unit, and set annual targets for the units to achieve in terms of DSO (Days sales outstanding).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2017

The Group has the following categories of financial instruments at the reporting date:

MEUR	2017	2016
Prepayments, trade and other receivables[1]	**917.2**	447.0
Total receivables	**917.2**	447.0
Available-for-sale financial assets (current and non-current)	**2.0**	4.1
Total financial assets available for sale	**2.0**	4.1
Borrowings	**1,271.6**	1,462.1
Trade and other payables[1]	**268.6**	274.3
Total financial liabilities at amortised cost	**1,540.2**	1,736.4

1 The amounts differ from the carrying amounts presented in the consolidated statement of financial position. Only financial instruments that fall within the scope of IFRS 7 Financial Instruments: Disclosures are included in the table above.

1. Liquidity risk

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of the financial liabilities based on the earliest date on which the Group can be required to settle. The table includes both interest and principal cash flows. The contractual cash flows for the borrowings as at 31 December 2017 and 31 December 2016 are as follows:

	2017						2016					
MEUR	CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	<12 MONTHS	13-24 MONTHS	25-60 MONTHS	> 60 MONTHS	CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	<12 MONTHS	13-24 MONTHS	25-60 MONTHS	> 60 MONTHS
Notes	**665.8**	**908.2**	**54.3**	**54.3**	**799.6**	**–**	656.4	953.2	54.3	54.3	547.8	296.8
Term Loan B	**451.1**	**522.1**	**17.3**	**17.3**	**487.5**	**–**	660.0	870.9	701.2	41.3	123.8	4.6
Bank loans	**92.6**	**100.5**	**13.6**	**9.2**	**22.1**	**55.6**	61.0	71.3	16.6	8.6	26.6	19.5
Finance lease liabilities	**23.8**	**25.2**	**9.8**	**6.0**	**9.3**	**0.1**	22.8	24.7	11.2	6.5	6.8	0.2
Other local facilities	**30.4**	**30.4**	**8.4**	**10.5**	**1.0**	**10.5**	34.3	36.5	17.6	6.3	1.1	11.5
Borrowings from related parties	**7.9**	**10.1**	**7.3**	**1.6**	**1.2**	**–**	7.6	7.6	7.6	–	–	–
Subordinated shareholder loan	**–**	**–**	**–**	**–**	**–**	**–**	20.0	20.0	20.0	–	–	–
Total	**1,271.6**	**1,596.5**	**110.7**	**98.9**	**1,320.7**	**66.2**	**1,462.1**	**1,984.2**	**828.5**	**117.0**	**706.1**	**332.6**

2. Foreign exchange risk

At the reporting date, the Group's exposure to foreign exchange risk (translated in EUR and presented in millions), including intercompany balances, was as follows:

	2017							2016						
MEUR	CHF	USD	EUR	GBP	CAD	BRL	ZAR	CHF	USD	EUR	GBP	CAD	BRL	ZAR
Cash and cash equivalents	**8.2**	**26.3**	**38.6**	**7.1**	**5.1**	**7.5**	**5.2**	11.4	65.4	34.7	10.0	5.6	6.0	6.6
Prepayments, trade and other receivables	**73.5**	**167.7**	**195.9**	**172.8**	**45.4**	**23.0**	**12.8**	96.3	168.4	563.4	193.1	34.0	23.9	8.9
Loans receivable	**983.6**	**687.6**	**812.0**	**305.8**	**27.2**	**16.2**	**1.2**	1,171.6	1,401.9	2,058.3	326.4	26.8	9.5	1.3
Trade and other payables	**-114.1**	**-92.5**	**-157.5**	**-178.2**	**-47.2**	**-26.0**	**-10.0**	-113.3	-126.1	-556.0	-204.2	-33.9	-21.0	-7.9
Borrowings	**-926.8**	**-730.2**	**-2,037.2**	**-294.4**	**-23.4**	**-19.9**	**-8.0**	-1,170.5	-1,423.2	-3,493.3	-327.2	-26.8	-14.3	-8.5
Net balance sheet exposure	**24.4**	**58.9**	**-1,148.2**	**13.1**	**7.1**	**0.8**	**1.2**	-4.5	86.4	-1,392.9	-1.9	5.7	4.1	0.4

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2017

Sensitivity analysis

A strengthening/weakening of the USD, CHF, GBP and EUR at 31 December 2017, would have increased/decreased the profit or loss and equity by the amounts shown in the next table as impact from transactions. This analysis is based on foreign currency exchange rate variances and assumes that all other variables, in particular interest rates, remain constant. The change to profit or loss is mainly related to foreign exchange gains/losses on translation of intra-group loans. The change to equity is related to USD, CHF, GBP and EUR loans that in substance form part of the net investment in foreign operations.

	31 DECEMBER 2017		31 DECEMBER 2016	
MEUR	PROFIT OR (LOSS)	EQUITY	PROFIT OR (LOSS)	EQUITY
USD 1% strengthening	**–**	**2.4**	-0.6	3.9
CHF 1% strengthening	**0.8**	**3.2**	0.3	–
GBP 1% strengthening	**0.4**	**1.8**	0.1	2.0
EUR 1% strengthening	**0.5**	**-0.4**	-8.1	0.6

3. Interest rate risk

At the reporting date, the interest profile of the Group's interest-bearing financial assets and liabilities was as follows:

MEUR	2017	2016
Fixed rate instruments		
Cash and cash equivalents	**3.9**	5.6
Borrowings[1]	**-741.0**	-708.6
Total fixed rate instruments	**-737.1**	-703.0
Variable rate instruments		
Cash and cash equivalents	**114.6**	126.5
Borrowings[1]	**-528.1**	-725.1
Total variable rate instruments	**-413.5**	-598.6

1 The amounts presented exclude transaction costs, shareholder loan, bank overdrafts and related party loan.

Related party loan has a duration of 90 days and a fixed interest rate. Therefore the interest rate risk is considered remote.

Cash flow sensitivity analysis – variable rate instruments

At year-end, if the interest rates had been 100 basis points lower or higher, with all other variables held constant, the impact on the loss for the period would be:

MEUR	2017	2016
100 basis points lower	**0.6**	0.4
100 basis points higher	**-2.4**	-6.4

4. Credit risk

The table below shows the balances for cash and cash equivalents with banks and financial institutions at the reporting date, sorted by the counterparties external credit rating (Standard & Poors):

MEUR	2017	2016
Investment grade A- and above	**80.2**	95.8
Investment grade BBB+, BBB, BBB-	**10.6**	20.6
Non-investment grade BB+ and below	**17.2**	7.2
Not rated	**10.5**	8.5
Total cash and cash equivalents (refer to note 2.1)	**118.5**	132.1

Credit risks related to trade receivables are systematically analysed, monitored and managed. The Group has policies in place to ensure that sales of products and services on credit are only made to customers with an appropriate credit history. The Group may hold collateral as security. Concentrations of credit risk with respect to trade receivables (MEUR 303.1, 2016: MEUR 285.6) are limited due to the Group's large number of customers, who are internationally dispersed. Trade receivables from the biggest customer (an aviation group) do not exceed 8.6% (2016: 5.2%) of the total trade receivables.

The carrying amount of financial assets represents the Group's maximum credit exposure. The maximum exposure to credit risk at the reporting date (excluding related party loan, which is described in note 4.1) was as follows:

MEUR	2017	2016
Cash and cash equivalents	**118.5**	132.1
Non-current receivables	**102.1**	56.5
Current receivables	**789.0**	390.5
Total assets	**1,009.6**	579.1

Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, in order to provide medium to long-term stable returns for its shareholder and benefits for other stakeholders. In order to optimise a long-term capital structure, the Group may issue new shares or sell assets to reduce debt.

By ensuring the Group adheres to the covenant leverage ratio limit (profitability specified in agreement vs net debt), as set out in the Amended and Restated Credit Agreement dated 11 August 2017, under the Group's financing arrangements, management meets the primary capital risk objective. The objective of the management is to make sure that this ratio is below the limit set out by the credit facility which were:

	2017	2016
Covenant leverage ratio	**4.95**	5.99
Covenant leverage ratio limit	**7.00**	7.50

Under the Amended and Restated Credit Agreement dated 11 August 2017, the Group is subject to a financial covenant being the net leverage ratio test against a maximum threshold. The covenant is only reported to the creditors if a certain amount of the RCF is being utilised. The amount drawn down by the Group as at 31 December 2017 triggered additional reporting requirements.

Fair value estimation

The carrying amount of financial assets and liabilities at variable interest rate approximates their fair value. The fair value of the notes is estimated to be MEUR 712.6 (2016: MEUR 742.6). The fair value of the notes is determined based on quoted market price at reporting date, therefore the fair value measurement of the notes is categorised in level 1, see fair vale hierarchy as defined in this note. The carrying amount of the non-current fixed rate interest-bearing liabilities (excluding notes and related party loans) is MEUR 55.1 (2016: MEUR 17.9) and approximates their fair value because of the recent issuance of the instruments.

For finance leases, the market rate of interest is determined by reference to similar agreements.

Fair value hierarchy

The table below analyses financial assets and liabilities carried at fair value, by the levels in the fair value hierarchy. The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2);
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

	AS AT 31 DECEMBER 2017				AS AT 31 DECEMBER 2016			
MEUR	**LEVEL 1**	**LEVEL 2**	**LEVEL 3**	**TOTAL**	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Available-for-sale financial assets	**–**	**–**	**2.0**	**2.0**	2.1	0.1	1.9	4.1
Total available-for-sale financial assets	**–**	**–**	**2.0**	**2.0**	2.1	0.1	1.9	4.1

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if transactions for asset or liability take place with sufficient frequency and volume to provide information on an ongoing basis. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

The fair value of derivative instruments included in this category is determined based on current and available market data. If fair value of financial instruments is not determinable the valuation is at cost (level 3).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2017

2.4. EQUITY

	2017			2016		
MEUR	**SHARE CAPITAL MEUR**	**SHARE PREMIUM MEUR**	**TOTAL**	SHARE CAPITAL MEUR	SHARE PREMIUM MEUR	TOTAL
As at the beginning of the period[1]	**1,472.3**	**36.4**	**1,508.7**	0.0	0.0	0.0
Issue of share capital	**–**	**–**	**–**	1,472.3	–	1,472.3
Issue of share premium, net of transaction costs	**–**	**737.0**	**737.0**	–	36.4	36.4
As at 31 December	**1,472.3**	**773.4**	**2,245.7**	1,472.3	36.4	1,508.7

1 Period is defined in section "About this report".

In February 2016, HNA Aviation converted receivables equivalent to MEUR 1,472.2 (1,472,255,258) with a par value of 1 EUR each. The Class A Shares, the Class B Shares, the Class C Shares, the Class D Shares, the Class E Shares, the Class F Shares, the Class G Shares, the Class H Shares, the Class I Shares and the Class J Shares are collectively referred to as the "Preference Shares", each being a "Preference Share". The Ordinary Shares and the Preference Shares are collectively referred to as the "Shares", each being a "Share".

In April 2017, HNA Aviation injected MEUR 718.0 (excluding transaction costs of MEUR 1.0) of cash into equity and converted a subordinated MEUR 20.0 loan into equity. These injections were allocated to the share premium.

All ordinary shares are registered, issued and fully paid at 1 EUR par. One vote is attached to each share (ordinary and preferred). The holders of the ordinary shares and preferred shares have the right to receive dividends in accordance with the bylaws of the Company.

After payment of all the outstanding debts and charges against the Company, including taxes and expenses pertaining to the liquidation process, the remaining net assets of the Company shall be distributed to the shareholders in conformity with and so as to achieve on an aggregate basis the same economic result as the distribution rules set for dividend distributions in the bylaws of the Company.

	2017 SHARES	2016 SHARES
Ordinary shares	**12,000.0**	12,000.0
Class A Shares	**147,224,326.0**	147,224,326.0
Class B Shares	**147,224,326.0**	147,224,326.0
Class C Shares	**147,224,326.0**	147,224,326.0
Class D Shares	**147,224,326.0**	147,224,326.0
Class E Shares	**147,224,326.0**	147,224,326.0
Class F Shares	**147,224,326.0**	147,224,326.0
Class G Shares	**147,224,326.0**	147,224,326.0
Class H Shares	**147,224,326.0**	147,224,326.0
Class I Shares	**147,224,325.0**	147,224,325.0
Class J Shares	**147,224,325.0**	147,224,325.0
As at 31 December	**1,472,255,258.0**	1,472,255,258.0

Ordinary and preference shares are classified as equity. Incremental costs directly attributable to the issuance of new shares are shown in equity as a deduction, net of tax, from the proceeds.

The amount paid by shareholders for their issued shares in excess of the par value of those shares is classified as share premium. Dividend distributions to the Group's shareholder are recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Group's shareholder.

Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Euro (EUR). Transactions in foreign currencies are translated at the exchange rate effective on the transaction date. Monetary items are re-translated into the functional currency using exchange rates as at the reporting date. The resulting exchange gains and losses are recognised in the consolidated statement of profit or loss. If a loan is made to a foreign operation and the loan in substance forms part of the Group's investment in the foreign operation (i.e. settlement of the loan is neither planned nor likely in the foreseeable future), exchange differences arising from the loan are also recognised in the currency translation reserve.

Currency translation reserve

Exchange differences arising on translation of foreign controlled entities are recognised in other comprehensive income and accumulated in a separate reserve within equity. This reserve comprises all foreign exchange differences on loans in substance forming part of the net investments in foreign operations. The cumulative amount is reclassified to consolidated statement of profit or loss when the investment is disposed.

3
OUR PEOPLE

This section provides information on how the Group remunerates its employees. It also includes details on the compensation paid to key management personnel as well as the Group's post-employment and share-based payment transactions and other long-term employee benefits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2017

3.1. PERSONNEL EXPENSES

	2017 MEUR	2016 MEUR
Wages and salaries	**-1,438.3**	-1,265.4
Social security costs	**-143.1**	-127.7
Personnel insurances	**-81.8**	-75.4
Pension costs – defined benefit plans (note 3.3)	**-30.4**	-14.3
Contributions paid	**-18.5**	*-17.7*
Other service costs	**-2.2**	*-2.1*
Non-cash pension (expenses)/gain	**-9.7**	*5.5*
Other long-term employee benefits	**-1.1**	-23.0
Share-based payment transactions (note 3.4)	**-27.3**	–
Pension costs – defined contribution plans	**-18.3**	-15.0
Staff allowance	**-35.1**	-31.8
Uniforms and protective clothes	**-12.8**	-11.2
Other staff costs	**-73.4**	-53.8
Total personnel expenses	**-1,861.6**	-1,617.6

Personnel expenses are recognised in the period to which they relate.

3.2. KEY MANAGEMENT PERSONNEL

During 2017, the Company's Managers received MEUR 0.1 for their services as Managers (previous period: MEUR 0.1). Those Managers who have executive positions within the Group received salaries and other benefits, which are disclosed below under Executive Management remuneration.

Company Managers:

Name	Position	Date of the change	
Mr. Loïc Marion	Member		
Mr. Olivier Richaud	Member		
Dr. Thomas Staehelin	Member	From	06.02.2017
Mrs. Virginie Guillaume	Member	From	18.12.2017
Mr. Charles Mobus	Member	From	22.01.2018
Mr. William Zhang	Member	From	22.01.2018
Mr. Peng Liu	Member	From	06.02.2017
		Until	22.01.2018
Mr. Eric Born	Member	From	06.02.2017
		Until	22.01.2018
Mr. Giuseppe Di Modica	Member	From	08.08.2017
		Until	30.11.2018
Mr. Bo Cui	Member	Until	06.02.2017
Mr. Rui Li	Member	Until	06.02.2017
Mr. Daoqi Liu	Member	Until	06.02.2017
Mr. Maksud Ahmadkhanov	Member	Until	13.07.2017

Group Executive Management:

Name	Position	Date of the change	
Mr. Eric Born	President and CEO		
Dr. Christian Göseke	Member		
Mr. Nils Pries Knudsen	Member		
Mr. Peng Liu	Member		
Mr. Joe Phelan	Member		
Dr. Johannes C. Spindler	Member		
Mr. Luzius Wirth	Member		
Mr. Andreas Hugener	Member	From	01.02.2017
Mr. Peter Moser	Member	Until	01.02.2017

The compensation paid or payable to Executive Management for employee services during the year is shown below:

Group's Executive Management remuneration

MEUR	2017	2016
Short-term employee benefits (including bonus)	**5.0**	6.0
Post-employment benefits (pension contributions)	**0.6**	0.5
Share-based payment transactions	**23.2**	–
Total	**28.8**	6.5

3.3. LONG-TERM EMPLOYEE BENEFITS

Long-term employee benefit obligations:

MEUR	2017	2016
Total defined benefit plans	**165.0**	237.9
Total share-based payment liabilities	**47.6**	22.0
Total other long-term employee benefits	**13.1**	14.2
Total defined contribution plans	**0.7**	0.8
Total long-term employee benefit obligations	**226.4**	274.9

The principal defined benefit plans are structured as follows:

Country	SWITZERLAND	UNITED KINGDOM	REPUBLIC OF KOREA	BELGIUM	GERMANY	TANZANIA	FRANCE	MEXICO	TOTAL
Number of funded plans	2	3	1	3	1	0	0	0	10
Number of unfunded plans	0	0	0	3	3	1	3	3	13

(a) Defined benefit plans

The Group maintains a number of defined benefit plans. Significant plans are in Switzerland, Personalvorsorge Swissport (PVS), Swiss Bridging pensions (SBP), and in the United Kingdom, Servisair Pension Plan (SPP). Nonsignificant plans, from a Group perspective, are aggregated in "Others" in the following tables within this note.

Personalvorsorge Swissport (PVS)

The Group has an independent pension plan in Switzerland established as a foundation, Personalvorsorge Swissport (PVS), covering the following Swiss entities: Swissport International AG, Swissport Baggage Sorting AG, PrivatPort S.A., Careport AG, GVAssistance AG and Swissport Group Services GmbH. Under Swiss law the plan is considered a defined contribution plan; however, because of inherent legal guarantees it is considered a defined benefit plan under IAS 19 and therefore an independent actuarial valuation has been performed using the projected unit credit method.

The PVS pension plan is managed by a Board of Trustees that consists of six members, of an equal number of employer's and employees' representatives. In case of underfunding, based on BVG regulations, the Board of Trustees shall take measures to restore the scheme to financial stability. The provisional funding level based on Occupational Pension Scheme Act (BVG) regulations as per 31 December 2017 is 116.6% (2016: audited funding level of 114.6%).

The actuarial risks are borne by the pension plan that has a legal structure of a foundation and are regularly assessed by the Board of Trustees. The Board of Trustees is responsible for the investment of the plan assets. All investment decisions made by the Board of Trustees need to be within the guidelines set out in a long-term investment strategy "Strategic Asset Allocation". The Strategic Asset Allocation is based on legal requirements, expected future contributions and expected future obligations and is reassessed at least every five years; the last assessment was in 2017.

Servisair Pension Plan (SPP)

In the UK, the Group operates a defined benefit pension scheme known as the Servisair Pension Plan (SPP) which provides benefits to members in the form of a guaranteed level of pension payable for life. Benefits are paid to members from trustee-administered funds, which are responsible for ensuring that the SPP is sufficiently funded to meet current and future benefit payments. Plan assets are held in trusts separate from the Group. If investment experience is worse than expected, the Group's obligations are increased. The trustees' other duties include managing the investment of SPP assets, administration of SPP benefits and exercising of discretionary powers. The Group works closely with the trustees to manage the SPP. The defined benefit obligation is calculated using a discount rate set with reference to high-quality corporate bond yields using the projected unit credit method. Although investment decisions are the responsibility of the trustees, the Group takes an active interest to ensure that pension plan risks are managed efficiently and takes an active role in managing the ongoing liabilities in the SPP. The SPP was closed to future accrual of benefits on 5 April 2012.

Swiss Bridging pensions (SBP)

In Switzerland the regulatory retirement age for the participants in the pension plan of Swissport is 63 for men and women. The statutory retirement age for the state pension (AVS/AHV) is 65 for men and 64 for women. During the gap between the Swissport pension plan's regulatory retirement date and the first time when the state pension is paid, the Group pays a bridging pension equal to the maximum state pension CHF 28,200 (EUR 24,112) per year, CHF 28,200 (EUR 26,266) per year at 31 December 2016.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2017

The defined benefit obligations and the plan assets' fair values have moved as follows:

	DEFINED BENEFIT OBLIGATIONS 2017				FAIR VALUE OF PLAN ASSETS 2017				2017
	PVS MEUR	SPP MEUR	SBP MEUR	OTHERS MEUR	PVS MEUR	SPP MEUR	SBP MEUR	OTHERS MEUR	TOTAL MEUR
Balance as at beginning of the period[1]	**858.6**	**194.7**	**34.6**	**107.9**	**-744.1**	**-127.0**	**–**	**-86.8**	**237.9**
Acquisitions through business combinations	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Service cost:									
Current service cost	**24.9**	**–**	**2.2**	**3.3**	**–**	**–**	**–**	**–**	**30.4**
Past service cost	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Gain on settlements	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Interest cost/(income)	**4.9**	**5.0**	**0.2**	**2.4**	**-4.3**	**-3.3**	**–**	**-2.0**	**2.9**
Total amount recognised in the statement of Profit or Loss	**29.8**	**5.0**	**2.4**	**5.7**	**-4.3**	**-3.3**	**–**	**-2.0**	**33.3**
Remeasurements:									
Effect of changes									
– in demographic assumptions	**–**	**-3.0**	**–**	**-3.8**	**–**	**–**	**–**	**–**	**-6.8**
– in financial assumptions	**-6.6**	**-1.1**	**-0.2**	**-0.2**	**–**	**–**	**–**	**–**	**-8.1**
– effect of experience adjustments	**23.3**	**-1.1**	**0.7**	**0.2**	**–**	**–**	**–**	**–**	**23.1**
Return on plan assets (excluding interest income)	**–**	**–**	**–**	**–**	**-60.1**	**-10.9**	**–**	**-2.9**	**-73.9**
Total amount recognised in the statement of Other Comprehensive income	**16.7**	**-5.2**	**0.5**	**-3.8**	**-60.1**	**-10.9**	**–**	**-2.9**	**-65.7**
Contributions:									
Employer contributions	**–**	**–**	**–**	**–**	**-15.5**	**–**	**–**	**-3.0**	**-18.5**
Employee contributions	**11.7**	**–**	**–**	**0.7**	**-11.7**	**–**	**–**	**-0.7**	**–**
Cash flows:									
Benefit payments from plan	**-28.0**	**-4.0**	**–**	**-3.2**	**28.0**	**4.0**	**–**	**3.2**	**–**
Benefit payments from employer	**–**	**–**	**-2.4**	**-0.7**	**–**	**-5.9**	**–**	**–**	**-9.0**
Insurance premiums for risk benefits	**–**	**–**	**–**	**-0.1**	**–**	**–**	**–**	**0.1**	**–**
Administrative expenses and taxes	**–**	**–**	**–**	**–**	**–**	**0.4**	**–**	**–**	**0.4**
Other	**-0.1**	**–**	**–**	**-0.2**	**–**	**–**	**–**	**0.3**	**–**
Other significant events:									
Increase due to effect of change in plan	**–**	**–**	**–**	**1.0**	**–**	**–**	**–**	**-1.0**	**–**
Effect of movement in exchange rates	**-71.9**	**-7.0**	**-2.9**	**-3.6**	**64.2**	**4.9**	**–**	**2.9**	**-13.4**
Total other	**-88.3**	**-11.0**	**-5.3**	**-6.1**	**65.0**	**3.4**	**–**	**1.8**	**-40.5**
Balance as at 31 December	**816.8**	**183.5**	**32.2**	**103.7**	**-743.5**	**-137.8**	**–**	**-89.9**	**165.0**

1 Period is defined in section "About this report".

	DEFINED BENEFIT OBLIGATIONS 2016				FAIR VALUE OF PLAN ASSETS 2016				2016
	PVS MEUR	SPP MEUR	SBP MEUR	OTHERS MEUR	PVS MEUR	SPP MEUR	SBP MEUR	OTHERS MEUR	TOTAL MEUR
As balance at beginning of the period[1]	–	–	–	–	–	–	–	–	–
Acquisitions through business combinations	835.3	162.8	35.3	99.0	-682.9	-123.0	–	-81.6	244.9
Service cost:									
Current service cost	25.2	–	2.1	2.6	–	–	–	–	29.9
Past service cost	-15.6	–	–	–	–	–	–	–	-15.6
Gain on settlements	–	–	–	–	–	–	–	–	–
Interest cost/(income)	6.2	5.3	0.3	3.1	-5.5	-4.1	–	-2.5	2.8
Total amount recognised in the statement of Profit or Loss	15.8	5.3	2.4	5.7	-5.5	-4.1	–	-2.5	17.1
Remeasurements:									
Effect of changes									
– in demographic assumptions	2.9	-1.8	0.2	-1.5	–	–	–	–	-0.2
– in financial assumptions	-6.8	50.1	-0.3	15.6	–	–	–	–	58.6
– effect of experience adjustments	-0.8	2.8	-0.7	-0.4	–	–	–	–	0.9
Return on plan assets (excluding interest income)	–	–	–	–	-32.5	-12.6	–	-8.5	-53.6
Total amount recognised in the statement of Other Comprehensive income	-4.7	51.1	-0.8	13.7	-32.5	-12.6	–	-8.5	5.7
Contributions:									
Employer contributions	–	–	–	–	-14.1	–	–	-3.6	-17.7
Employee contributions	10.7	–	–	0.6	-10.7	–	–	-0.6	–
Cash flows:									
Benefit payments from plan	-24.3	-3.7	–	-2.7	24.3	3.7	–	2.7	–
Benefit payments from employer	–	–	-2.2	–	–	-5.4	–	–	-7.6
Insurance premiums for risk benefits	–	–	–	-0.1	–	–	–	0.1	–
Administrative expenses and taxes	–	–	–	–	–	0.5	–	–	0.5
Other	–	–	–	–	–	–	–	–	–
Other significant events:									
Increase due to effect of change in plan	–	–	–	–	–	–	–	–	–
Effect of movement in exchange rates	25.8	-20.8	-0.1	-8.3	-22.7	13.9	–	7.2	-5.0
Total other	12.2	-24.5	-2.3	-10.5	-23.2	12.7	–	5.8	-29.8
Balance as at 31 December	858.6	194.7	34.6	107.9	-744.1	-127.0	–	-86.8	237.9

1 Period is defined in section "About this report".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2017

The principal actuarial assumptions used were:

	PVS		SPP		SBP		OTHERS[1]	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016
Discount rate	**0.7%**	0.6%	**2.6%**	2.7%	**0.7%**	0.6%	**2.1%**	2.6%
Future salary increase	**1.5%**	1.5%	**n/a**	n/a	**n/a**	n/a	**0.7%**	2.4%
Future pension increase	**0.0%**	0.0%	**2.3%**	2.3%	**n/a**	n/a	**1.8%**	2.6%
Mortality table	**BVG 2015, GT**	BVG 2015, GT	**S2PA 110% CMI_2016 [1.25%]**	S2PA 110% CMI_2015 [1.25%]	**BVG 2015, GT**	BVG 2015, GT	**various**	various
Rate of increase in social security pension (AHV)	**n/a**	n/a	**n/a**	n/a	**1.00%**	1.00%	**n/a**	n/a
Current maximum AHV Pension (CHF)	**n/a**	n/a	**n/a**	n/a	**28,200**	28,200	**n/a**	n/a
Weighted average duration of plan	**17 yrs**	17 yrs	**20 yrs**	21 yrs	**up to 2 yrs**	up to 2 yrs	**up to 22 yrs**	up to 22 yrs
Life expectancy at age 65 years (Male)	**22.5 yrs**	22.4 yrs	**21.3 yrs**	21.4 yrs	**n/a**	n/a	**n/a**	n/a
Life expectancy at age 65 years (Female)	**24.5 yrs**	24.4 yrs	**23.1 yrs**	23.4 yrs	**n/a**	n/a	**n/a**	n/a
Life expectancy at age 65 years, for a now 45-year-old active member (Male)	**24.3 yrs**	24.3 yrs	**22.6 yrs**	23.1 yrs	**n/a**	n/a	**n/a**	n/a
Life expectancy at age 65 years, for a now 45-year-old active member (Female)	**26.4 yrs**	26.3 yrs	**24.6 yrs**	25.3 yrs	**n/a**	n/a	**n/a**	n/a
Groups' expected contributions to be paid for defined benefit plans within <12 months after reporting period	**MEUR 14.8**	MEUR 18.7	**MEUR 4.0**	MEUR 5.2	**n/a**	n/a	**MEUR 3.5**	MEUR 7.9

1 Expressed as weighted averages.

Sensitivity analysis

The discount rate, future salary increase and future pension increase were identified as significant actuarial assumptions. A change in one of these assumptions by +0.25% or -0.25% (with all other assumptions remaining constant) would have the following impact on the defined benefit obligation at the end of the reporting period. In practice, however, there are certain correlations between the individual assumptions. The same method was used to calculate the sensitivities and the defined benefit obligation at the reporting date.

	PVS				SPP				SBP			
	2017		2016		**2017**		2016		**2017**		2016	
	0.25% INCREASE	**0.25% DECREASE**	0.25% INCREASE	0.25% DECREASE	**0.25% INCREASE**	**0.25% DECREASE**	0.25% INCREASE	0.25% DECREASE	**0.25% INCREASE**	**0.25% DECREASE**	0.25% INCREASE	0.25% DECREASE
Discount rate	**-3.67%**	**3.93%**	-2.64%	2.83%	**-4.75%**	**4.75%**	-5.15%	5.15%	**-2.34%**	**2.33%**	-1.63%	0.68%
Future pension increase	**3.21%**	**n/a**	3.23%	n/a	**4.00%**	**-4.00%**	3.95%	-3.95%	**n/a**	**n/a**	n/a	n/a
Future salary increase	**0.16%**	**-0.17%**	0.03%	-0.04%	**n/a**	**n/a**	n/a	n/a	**n/a**	**n/a**	n/a	n/a

The fair value of the major categories of plan assets is as follows:

MEUR	2017	2016
Cash	**33.7**	29.0
Mortgages	**34.2**	23.4
Bonds	**342.7**	311.4
Equities	**287.8**	296.5
Real estate	**232.4**	242.9
Assets held by insurance companies	**18.4**	20.7
Alternative investments	**22.0**	34.0
Total plan assets	**971.2**	**957.9**

Most of the equity, debt securities and assets held by insurance companies have a quoted market price in an active market (level 1). Real estate, mortgages and alternative investments do not have a quoted market price (level 3).

KEY JUDGEMENTS AND ESTIMATES:
As of 31 December 2017, the Group has recognised a liability for defined benefit obligations in the amount of MEUR 165.0 (2016: MEUR 237.9) based on actuarial valuations. A number of assumptions are made in the calculation of the liability, including discount rate, future salary, pension increases and mortality. A relatively minor change in any of these assumptions can have a significant impact on the carrying amount of the defined benefit obligation.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The contributions are recognised as pension costs in personnel expenses in the periods during which services are rendered by the employees.

The asset or liability recognised in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date, less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit obligation (asset).

Items	Description	Recognised in
Current service cost	The cost to the Group of future benefits resulting from employee service in the current period.	Operating expenses in the consolidated statement of profit or loss.
Past service cost	The cost or credit as a result of changes in the benefits offered to members (plan amendments), a reduction in the number of employees (curtailments) covered by the plan or transactions entered into by the Group to eliminate all further legal or constructive obligations for some or all of the benefits provided by the schemes (settlements).	Operating expenses in the consolidated statement of profit or loss.
Settlement gains or losses	Settlement gains or losses can arise from the transfer of member benefits into alternative pension arrangements, fully insuring benefits or on business disposals.	Operating expenses in the consolidated statement of profit or loss.
Interest expense and income	Interest expense is the unwinding of the discount on the present value of the obligation. Interest income on plan assets is based on the value of the scheme assets at the beginning of the year multiplied by the same rate as the discount rate applied to the obligation.	Finance (expense)/income result in the consolidated statement of profit or loss.
Experience gains or losses	In order to value the Group's defined benefit obligation at the end of the period, it is necessary to apply certain assumptions in relation to demographic and financial trends. Actuarial gains or losses arise when there is a difference between previous estimates and actual experience, or a change in assumptions.	Other comprehensive income.
Return on plan assets	Arise from differences between actual and the expected final asset values.	Other comprehensive income.
Contributions	The Group's contributions and cash contributions by the scheme participants are paid into the schemes to be managed and invested.	Defined benefit assets within the consolidated statement of financial position.
Benefits paid	Any benefits paid out by the scheme will lower the obligations of those plans.	Defined benefit obligation within the consolidated statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2017

(b) Other long-term employee benefits
The liability relates to the constructive obligation of some Group companies to pay long-term service awards to employees on completion of a predetermined number of service years.

(c) Defined contribution plans
The Group contributes to a number of defined contribution plans on behalf of employees and the Group's legal or constructive obligation is limited to these contributions. Contributions payable by the Group are recognised as an expense in the consolidated statement of profit or loss as incurred.

3.4. SHARE-BASED PAYMENT TRANSACTIONS

On 1 March 2016, Swissport Group S.à r.l., issued a long-term incentive plan ("LTIP" or the "Plan") to provide financial incentives for Group key management who are expected to make significant contributions to the business in the long run.

Key management has the opportunity to receive grants of ordinary shares equivalents ("Phantom Units") which value is tied to the stated value ("Stated Value") of a share of the Group's stock. According to the Plan, the Stated Value:

1. Shall be determined by applying a fixed multiple to certain Group's KPIs; or
2. is equal to the per share IPO price in the event of an IPO triggering a change of control; or
3. is equal to the per share purchase price in the event of a sales or purchase transaction triggering a change of control.

Phantom Units generally vest and become payable in cash on the fourth anniversary of the grant date. In the event of a full IPO prior to the fourth anniversary of the grant date, all Phantom Units will immediately vest and paid out at the IPO price. In an event of a partial IPO or sale of 20% or more of the Parent Company Swissport Group S.à r.l. or any of its affiliates' shares prior to the fourth anniversary of the grant date, a proportional percentage of Phantom Units will vest and be paid out in cash at the IPO price or purchase price, respectively.

In the prior year, the likelihood of an IPO or sale was considered almost remote and the classification, recognition and valuation of the Plan was accordingly performed at the level of Swissport Group S.à r.l. in accordance with IAS 19 "Employee Benefits" by applying the fixed multiple provided in the agreement.

In 2017, the likelihood of an IPO or sale became more probable. Management considered this as significant change in estimate which required to account prospectively for the LTIP as a cash-settled share-based payment plan in accordance IFRS 2 Share-based Payment.

KEY JUDGEMENTS AND ESTIMATES:
The reporting date fair value has been calculated considering a vesting period of four years and an EBITDA multiple based on comparable companies and comparable transactions. The Group's management also makes assumptions regarding expected vesting date and expected participant attrition. This results in a fair value of MEUR 47.6 which is recorded in the consolidated financial statements.

For cash-settled plans, the provision of the compensation costs to the Group's employees is recognised, based on reporting date fair value, including expected vesting date and expected participant attrition, in personnel expenses with a corresponding credit entry to liabilities, representing the estimated obligation for the Group.

4

OPERATING ASSETS AND LIABILITIES

This section sets out Group's primary operating assets and liabilities enabling the carrying out of business activities. It also provides the overview of the working capital and the assets, both property, vehicles and equipment as well as the intangible assets which have arisen largely as a result of acquisition activities. Information about provisions where the timing and amount of the liability is uncertain, is listed in detail.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2017

4.1. PREPAYMENTS, TRADE AND OTHER RECEIVABLES

	CURRENT		NON-CURRENT	
MEUR	**2017**	2016	**2017**	2016
Trade receivables	**304.6**	279.9	**–**	–
Trade receivables from related parties (note 5.3)	**10.1**	7.1	**–**	–
Allowance for bad-debt	**-11.6**	-1.4	**–**	–
Net trade receivables	**303.1**	285.6	**–**	–
Prepayments	**26.5**	42.4	**53.1**	–
Expected reimbursements from insurance companies	**14.5**	18.3	**30.7**	35.8
Restricted cash	**46.3**	49.9	**–**	–
Non-income tax receivables	**26.1**	24.5	**–**	–
Other receivables	**63.7**	52.1	**18.7**	20.3
Loans to related parties (note 5.3)	**412.6**	1.2	**–**	0.9
Total prepayments, trade and other receivables	**892.8**	474.0	**102.5**	57.0

Trade receivables past due but not impaired

MEUR	**2017**	2016
Up to 3 months	**83.4**	70.0
3 to 6 months	**8.4**	7.3
Over 6 months	**2.5**	7.5
Total trade receivables past due but not impaired	**94.3**	84.8

Allowance for bad-debt

MEUR	**2017**	2016
As at the beginning of the period[1]	**-1.4**	–
Provisions made during the year	**-10.4**	-1.4
Provisions used during the year	**1.4**	–
Provisions released during the year	**–**	–
Currency exchange differences	**-1.2**	–
As at 31 December	**-11.6**	-1.4

1 Period is defined in section "About this report".

Trade receivables are generally contractually collected within 30 days of invoice date in accordance with the Group's policy (2.3 Financial risk management). Based on experience, more than 99% (2016: 99%) of the balances with customers that are neither past due nor impaired were fully recovered. Generally, trade receivables that are less than three months past due are not considered impaired unless there is reliable information on financial difficulties of the counterparties. In general, the Group analyses, monitors and manages its credit risks by providing products and services only to creditworthy customers. Trade receivables relate to a number of customers for whom there is no recent history of default and there is no expectation that they will default. Loans to related parties include a short-term loan of MEUR 408.0 for which the Company has assessed the recoverability based on facts and circumstances, including partial repayments of MEUR 52.4 subsequently to the reporting date as well as documentation received. The Company is of the opinion that there is no need for an impairment of the year-end balance.

The impairment allowance represents the Group's best estimate of incurred losses in respect of trade receivables. The allowance consists of a specific loss component that relates to individually significant exposures and a collective loss component based on historical experience. The recognition of allowances for impaired trade receivables and any subsequent recoveries of balances previously impaired are included in "other operating expenses" in the consolidated statement of profit or loss. Amounts charged to the allowance account are written off against the receivables when there is no expectation of recovering additional cash while receivables with a short duration are not discounted. Receivables that were acquired in a business combination are shown net of their allowance for bad-debt as these are recognised at fair value at acquisition.

4.2. TRADE AND OTHER PAYABLES

MEUR	CURRENT 2017	2016
Trade payables	**111.8**	113.9
Payroll related accruals	**133.1**	126.6
Purchase related accruals	**118.3**	107.5
Non income-tax payables	**25.2**	25.3
Deferred revenue	**9.0**	6.9
Interest accruals	**3.6**	8.6
Other payables	**33.1**	41.4
Other payables to related parties	**1.8**	2.9
Total trade and other payables	**435.9**	433.1

Trade and other payables represent liabilities for goods, services and personnel related accruals, such as unused holiday days and bonuses, that are provided to the Group within the financial year and are unpaid at year-end.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2017

4.3. PROPERTY, VEHICLES AND EQUIPMENT

MEUR	2017 PROPERTY & LEASEHOLD IMPROVEMENTS	2017 VEHICLES, EQUIPMENT & ADVANCE PAYMENTS	2017 TOTAL PROPERTY, VEHICLES AND EQUIPMENT	2016 PROPERTY & LEASEHOLD IMPROVEMENTS	2016 VEHICLES, EQUIPMENT & ADVANCE PAYMENTS	2016 TOTAL PROPERTY, VEHICLES AND EQUIPMENT
Net book value as at the beginning of the period[1]	**38.3**	**235.3**	**273.6**	–	–	–
Acquisitions through business combinations (note 5.5)	**–**	**–**	**–**	41.0	214.8	255.8
Additions	**4.5**	**73.9**	**78.4**	3.3	71.4	74.7
Disposals	**-0.3**	**-8.0**	**-8.3**	-1.5	-7.6	-9.1
Depreciation	**-6.5**	**-50.0**	**-56.5**	-4.6	-46.7	-51.3
Reclassifications	**9.0**	**-9.0**	**–**	1.0	-1.1	-0.1
Currency translation differences	**-3.2**	**-18.1**	**-21.3**	-0.9	4.5	3.6
Net book value as at 31 December	**41.8**	**224.1**	**265.9**	38.3	235.3	273.6
Cost value	**43.8**	**269.1**	**312.9**	40.9	275.6	316.5
Accumulated depreciation	**2.0**	**45.0**	**47.0**	2.6	40.3	42.9
Net book value as at 31 December	**41.8**	**224.1**	**265.9**	38.3	235.3	273.6
Net book value of assets under finance lease	**–**	**27.9**	**27.9**	–	31.0	31.0

1 Period is defined in section "About this report".

	Useful life
Property & leasehold improvements	30 to 50 years
Vehicles & equipment	7 to 15 years
IT equipment	3 to 5 years

Property & leasehold improvements (comprising mainly warehouses, storage buildings, maintenance shops and offices), vehicles and equipment are stated at cost less depreciation and, if any, less impairment losses. Cost value includes expenditure that is directly attributable to the acquisition of the item.

Depreciation is calculated using the straight-line method over the asset's estimated useful life. The useful lives, depreciation methods and residual values are reviewed at each reporting date. Leasehold improvements are depreciated over the remaining duration of the lease. Fixed assets with an indefinite useful life, such as land, are not depreciated.

Leases of property, vehicles and equipment are classified as finance leases if the Group has substantially all the risks and rewards of ownership. Finance leases are capitalised at the commencement of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is allocated between the reduction of the lease liability and finance expenses to achieve a constant periodic rate of interest on the outstanding balance of the liability. The corresponding liability is included in borrowings. The property, vehicles and equipment acquired under finance lease contracts are depreciated over the shorter of the useful life of the asset and the lease term, and tested for impairment when there is an impairment indicator.

4.4. INTANGIBLE ASSETS

MEUR	2017 GOODWILL	2017 SWISSPORT BRAND	2017 CUSTOMER PORTFOLIOS	2017 LICENSING AGREEMENTS	2017 OTHER	2017 TOTAL INTANGIBLE ASSETS	2016 GOODWILL	2016 SWISSPORT BRAND	2016 CUSTOMER PORTFOLIOS	2016 LICENSING AGREEMENTS	2016 OTHER	2016 TOTAL INTANGIBLE ASSETS
Net book value as at the beginning of the period[1]	**2,299.8**	**324.5**	**83.7**	**39.4**	**32.4**	**2,779.8**	–	–	–	–	–	–
Acquisitions through business combinations (note 5.5)	**–**	**–**	**–**	**–**	**–**	**–**	2,299.3	317.7	96.0	42.6	23.9	2,779.5
Additions	**–**	**–**	**–**	**–**	**7.7**	**7.7**	–	–	–	–	12.3	12.3
Disposals	**–**	**–**	**–**	**–**	**-0.1**	**-0.1**	–	–	–	–	–	–
Reclassifications	**–**	**–**	**–**	**–**	**–**	**–**	–	–	–	–	-1.2	-1.2
Currency translation differences	**-185.6**	**-26.6**	**-7.3**	**-2.9**	**-2.1**	**-224.5**	0.5	6.8	0.3	0.9	2.2	10.7
Amortisation	**–**	**–**	**-14.3**	**-4.7**	**-6.1**	**-25.1**	–	–	-12.6	-4.1	-4.8	-21.5
Net book value as at 31 December	**2,114.2**	**297.9**	**62.1**	**31.8**	**31.8**	**2,537.8**	2,299.8	324.5	83.7	39.4	32.4	2,779.8
Cost or fair value	**2,114.2**	**297.9**	**87.8**	**40.4**	**38.8**	**2,579.1**	2,299.8	324.5	97.1	43.9	37.1	2,802.4
Accumulated amortisation	**–**	**–**	**25.7**	**8.6**	**7.0**	**41.3**	–	–	13.4	4.5	4.7	22.6
Net book value as at 31 December	**2,114.2**	**297.9**	**62.1**	**31.8**	**31.8**	**2,537.8**	2,299.8	324.5	83.7	39.4	32.4	2,779.8

1 Period is defined in section "About this report".

Intangible assets	***Nature of intangible assets***	Useful life
Goodwill	*Recognised through business combination, reflecting the surplus paid above the net identifiable assets less accumulated impairment losses, if any. Tested annually for impairment.*	*Indefinite, subject to impairment test*
Acquired Swissport brand	*Recognised through business combination. Tested annually for impairment and stated at cost less accumulated impairment losses, if any.*	*Indefinite, subject to impairment test*
Acquired customer portfolios	*Valued taking into consideration one renewal of the acquired contracts at 50% probability and have finite useful lives and are amortised using the straight-line method over their estimated useful lives.*	*Up to 10 years*
Acquired licensing agreements	*Have finite useful lives and are amortised using the straight-line method over their estimated useful lives.*	*0 to 20 years*
Other	*Represent mainly the software and the service concession arrangements with airport authorities. Intangible assets arising from a service concession arrangement are recognised when the Group has a right to charge for usage of the concession infrastructure.*	*Up to 20 years*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2017

KEY JUDGEMENTS AND ESTIMATES:

For the year ended 31 December 2017, goodwill in an amount of MEUR 2,114.2 (2016: MEUR 2,299.8) and the Swissport brand with an indefinite useful life in an amount of MEUR 297.9 (2016: MEUR 324.5) were tested for impairment. No impairment loss was recognised in 2017 and 2016. Key assumptions used to test for impairment are incorporated below.

The future developments of these underlying variables in determining the carrying amount might differ significantly from Management's current best estimate. Changes in the underlying business assumptions that may impact the future results and cash flows (such as presence of competitors, the Group's customer base, technological obsolescence etc.) as well as in the underlying market conditions may result in a reduction of the recoverable amounts and a recognition of impairment losses.

IMPAIRMENT TESTING OF SIGNIFICANT GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES

In 2017 for the goodwill allocated to Ground Handling of MEUR 1,636.3 (2016: MEUR 1,773.0) and Cargo Handling of MEUR 477.9 (2016: MEUR 526.8), the impairment test was based on a value-in-use calculation. This calculation used pre-tax cash flow projections based on business plans approved by the Board of Managers covering a five-year period (2018 – 2022). In 2016 those cash flow projections included the Swissport trademark fees as the Swissport Brand was not tested separately (see below). For the 2017 goodwill impairment test, cash flow projections no longer include trademark fees, since the Swissport Brand is tested separately. Cash flows beyond the five-year period were extrapolated using the estimated growth rates stated below. The growth rates did not exceed the long-term inflation forecast of the countries in which the cash generating units operate. Future cash flows were discounted based on the weighted average cost of capital (WACC).

Risks that are specific to the cash generating units tested for impairment were included in the future cash flows. In 2016 for the goodwill allocated to Ground Handling (MEUR 1,773.0), the impairment test was based on a fair value less costs of disposal calculation. This calculation used the current year normalised EBITDA (normalised for market entry Saudi Arabia) multiplied by an adequate market multiple derived from quoted peer companies.

The key assumptions used for each segment are disclosed below:

	2017	2017	2016	2016
Significant intangible asset	**Goodwill**	**Goodwill**	Goodwill	Goodwill
Cash Generating Unit (CGU)	**Ground Handling**	**Cargo Handling**	Ground Handling	Cargo Handling
Carrying Amount of goodwill as of 31 December in MEUR	**1,636.3**	**477.9**	1,773.0	526.8
Method	**Value-in-use calculation**	**Value-in-use calculation**	Market multiple derived from quoted peer companies	Value-in-use calculation
Key assumption				
Weighted average estimated growth rate beyond 5 year period (2016: 6 year period)	**2.6%**	**3.1%**	n.a.	3.1%
Pre-tax discount rate	**8.9%**	**9.2%**	n.a.	9.1%

The goodwill impairment testing was performed on an operating segment level. All recoverable amounts exceeded their carrying amounts and consequently no impairment of goodwill was recognised as at 31 December 2017 and 2016.

In 2016 the Swissport Brand was not tested separately, but the trademark fees paid by the operational segments were considered in the calculation of the free cash flows and the recoverable amount of the Cash-Generating units. Therefore Management concluded that the carrying amount of the Swissport Brand was recoverable.

Starting 2017 the Swissport Brand is tested for impairment separately at Group level by comparison to its fair value, that is determined using the relief from royalty method. Trademark fees have been determined applying a royalty rate of 0.83% on projected revenues presented in the aforementioned business plans and discounted using a pre-tax discount rate of 8.06%. The resulting estimated fair value being higher than its carrying amount, Management concluded that the carrying amount of the Swissport Brand is recoverable.

Sensitivity analyses

Management has performed sensitivity analyses for the two segments Ground Handling and Cargo Handling as well as for the Swissport Brand which increased the pre-tax discount rate by 100 basis points. The only CGU where the significant possible change to the pre-tax discount rate assumption would, in isolation, cause the recoverable amount to be less than its carrying amount is the Ground Handling CGU. At 31 December 2017 the recoverable amount of the Ground Handling CGU exceeded the carrying amount by EUR 298.5 million. Increasing the pre-tax discount rate used in the impairment review of 100 basis points would, in isolation, lead to an aggregate goodwill impairment charge of EUR 193.0 million. Sensitivity of Swissport brand did not lead to any impairment.

(a) Goodwill

Goodwill arising from an acquisition of a subsidiary represents the excess of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. Goodwill related to the acquisition of associates and joint ventures is included in the carrying amount of the investments in associates and joint ventures respectively. Separately recognised goodwill is tested annually for impairment and stated at cost less accumulated impairment losses. On disposal of an entity, the carrying value of related goodwill is taken into account when calculating the gain or loss on disposal.

(b) Other intangible assets

Intangible assets with finite useful lives are stated at cost less accumulated amortisation and, if any, accumulated impairment losses. Intangible assets acquired from third parties or acquired in a business combination are separately recognised as intangible assets. Intangible assets acquired in a business combination are recognised separately from goodwill if they arise from contractual or legal rights or are separately transferable and their fair value can be reliably estimated. Acquired computer software licences are capitalised based on the costs incurred to acquire and bring the specific software to use. These costs are amortised using the straight-line method over their estimated useful lives (subject to a maximum of three years). Costs that are directly associated with the development of identifiable software products are only recognised as intangible assets when development costs can be measured reliably, the software is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use the software. These costs include costs of materials, software development, employee costs and an appropriate portion of overheads directly attributable to the development of the asset. Gains and losses on disposals are determined by comparing the sale proceeds with the carrying amounts and are included in the operating result in the consolidated statement of profit or loss.

Intangible assets arising from a service concession arrangement are recognised when the Group has a right to charge for usage of the concession infrastructure. A consideration received for providing construction or upgrade services in a service concession arrangement which is classified as intangible asset is measured at fair value upon initial recognition. Subsequent to initial recognition, the intangible asset is measured at cost, which includes capitalised borrowing costs, less accumulated amortisation and, if any, accumulated impairment losses. The estimated useful life is the period from when the Group is able to charge for the use of the infrastructure until the end of the concession period. The useful lives, amortisation methods and residual values are reviewed at each reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2017

(c) Impairment of non-financial assets

The carrying amounts of the Group's investments in property, vehicles and equipment, intangible assets, associates and joint ventures are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Goodwill and intangible assets with indefinite useful lives are tested for impairment every year. The Group's policy is to test goodwill and intangible assets with indefinite useful lives for impairment prior to the preparation of the annual consolidated financial statements. In addition, an impairment test is performed if there are indications that goodwill and intangible assets with indefinite useful lives are impaired at any other time. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or "CGUs"). Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to CGUs that are expected to benefit from the synergies of the combination. An impairment loss is recognised in profit or loss for the amount by which the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. In calculating value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. An impairment loss on goodwill is not reversed.

4.5. PROVISIONS

MEUR	CLAIMS 2017	CLAIMS 2016	ONEROUS CONTRACTS 2017	ONEROUS CONTRACTS 2016	WORKERS COMPENSATION 2017	WORKERS COMPENSATION 2016	AVIATION LIABILITY 2017	AVIATION LIABILITY 2016	OTHER PROVISIONS 2017	OTHER PROVISIONS 2016	TOTAL 2017	TOTAL 2016
As at the beginning of the period[1]	**83.8**	–	**7.5**	–	**56.5**	–	**30.6**	–	**13.9**	–	**192.3**	–
Acquisitions through business combinations (note 5.5)	**–**	75.1	**–**	10.5	**–**	51.5	**–**	23.9	**–**	12.1	**–**	173.1
Provisions made during the year	**11.3**	5.6	**4.6**	1.3	**19.0**	14.2	**3.7**	3.6	**0.8**	4.3	**39.4**	29.0
Provisions released during the year	**-12.3**	–	**-7.0**	-0.9	**–**	4.7	**–**	–	**0.4**	-0.5	**-18.9**	3.3
Provisions used during the year	**-14.3**	-9.5	**-0.7**	-3.1	**-20.9**	-15.4	**-4.6**	2.2	**-4.8**	-1.3	**-45.3**	-27.1
Currency exchange differences	**-10.4**	12.6	**-0.2**	-0.3	**-6.7**	1.5	**-3.7**	0.9	**-0.4**	-0.7	**-21.4**	14.0
As at 31 December	**58.1**	83.8	**4.2**	7.5	**47.9**	56.5	**26.0**	30.6	**9.9**	13.9	**146.1**	192.3
Of which current	**5.3**	18.2	**1.0**	1.6	**11.6**	13.8	**11.2**	14.3	**2.4**	8.2	**31.5**	56.1
Of which non-current	**52.8**	65.6	**3.2**	5.9	**36.3**	42.7	**14.8**	16.3	**7.5**	5.7	**114.6**	136.2

1 Period is defined in section "About this report".

Class of provision	***Source of provision***
Claims	*The balance of the provision relates to various claims that have been incurred in the ordinary course of business mainly in connection with labour related claims in Brazil. Provisions made during the year are also mainly related to labour claims in Brazil. The timing of the resolution of court cases is unknown. Provisions used are mainly related to settlements of labour claims in Brazil.*
Onerous contracts	*The onerous contracts provision mainly covers the future losses in relation to operating lease contracts, where the expected benefits to be received were not expected to cover the unavoidable costs in entities domiciled in the United Kingdom. The expiration dates vary between 2018 and 2020.*
Workers Compensation	*Workers compensation provisions represent provisions for claims mainly in the United States in relation to injuries that occurred on the job. These provisions are partially offset by a receivable of MEUR 18.4 (2016: MEUR 24.2) from an insurance company, which is included in other receivables. It is estimated that the majority of the claim liability will be settled in seven to ten years.*
Aviation liability	*Insurance provisions represent provisions for claims in relation to aviation liabilities such as damages. These provisions are partially offset by receivables of MEUR 26.8 (2016: MEUR 29.9) from insurance companies, which are included in other receivables. The liabilities are expected to be settled within three years from the moment of the incident.*
Other provisions	*Other provisions mainly cover costs associated with employee termination benefits. In addition, the year-end balance of the other provisions relates to a variety of other matters where the Group anticipates an outflow of resources at some point in the future. The majority of the remaining provisions are attributed to provisions for customs fines and other labour-related provisions.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2017

KEY JUDGEMENTS AND ESTIMATES:

The current nature of the business exposes the Group to a number of proceedings and civil lawsuits (collectively referred to as "Claims"). These procedures take, in some cases, years to be resolved and Management seeks advice from legal counsel and makes appropriate assumptions on the timing and estimated amounts of cash outflows of such proceedings.

The Group has recognised provisions in relation to aviation liability, and workers compensation provisions relating to injuries that occurred on the job. Both the damages and workers compensation provisions are partially offset by receivables from insurance companies. In some cases the claim amount may take several years to be agreed upon. As such Management seeks advice from experts and makes appropriate assumptions on the timing and estimated amounts of cash outflows of such claims.

A provision is recognised when the Group has a present legal or constructive obligation resulting from past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. A provision for onerous contracts is recognised when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits expected to be received under the same contract.

Where the Group expects a provision to be reimbursed, for example under a insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. This offsetting component is shown within receivables while the expense relating to the provision is presented net of the amount recognised for a reimbursement.

5

GROUP STRUCTURE

This section provides the overview of the Group's structure including the listing of all subsidiaries, associates and joint ventures where the Group has a shareholding. Further it shows the business activities with related parties where the counterparty holds control or significant influence over the Group. This section further provides information on business combinations and the resulting acquisition and integration costs.

This section outlines the Group's structure and includes information about the controlled entities, joint ventures and associated entities. It provides details of changes to these investments and their effect on the Group's financial position and performance during the financial year. It also includes the results of the Group's material joint ventures and associated entities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2017

5.1. SUBSIDIARIES

Unless otherwise stated, the following subsidiaries have share capital consisting solely of shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights of the Group.

		INTEREST WHERE NOT 100%		
Fully consolidated entities		2017	2016	Country of operation
Luxembourg				
Swissport Group S.à r.l.				Luxembourg
Swissport Investments S.à r.l.				Luxembourg
Aguila 2 S.à r.l.				Luxembourg
Swissport Holding International S.à r.l.				Luxembourg
Swissport Financing S.à r.l.				Luxembourg
Swissport Cargo Services Luxembourg S.A.		**75.0%**	75.0%	Luxembourg
Switzerland				
Aguila Bid AG				Switzerland
Swissport International AG				Switzerland
Swissport Baggage Sorting AG				Switzerland
Swissport Group Services GmbH				Switzerland
Checkport Schweiz AG		**85.0%**	85.0%	Switzerland
PrivatPort S.A.		**51.0%**	51.0%	Switzerland
Careport AG		**66.8%**	66.8%	Switzerland
GVAssistance AG		**70.0%**	70.0%	Switzerland
Swissport DACH Holding	(a)		–	Switzerland
Swissport MEA Holding	(a)		–	Switzerland
Swissport Europe Holding	(a)		–	Switzerland
Swissport LATAM Holding	(a)		–	Switzerland
Swissport Overseas Holding AG				Switzerland
Other European Countries				
Swissport Cargo Services Austria GmbH				Austria
Swissport Cargo Services Graz GmbH		**51.0%**	51.0%	Austria
AFS Aviation Fuel Services Austria GmbH		**33.3%**	33.3%	Austria
Swissport Cargo Services Belgium N.V.				Belgium
Swissport Belgium N.V.				Belgium
Swissport Belgium Cleaning N.V.				Belgium
Swissport Bulgaria AD		**51.0%**	51.0%	Bulgaria

		INTEREST WHERE NOT 100%		
Fully consolidated entities		2017	2016	Country of operation
Swissport G.A.P. Vassilopoulos (Cyprus) Ltd.		**51.0%**	51.0%	Cyprus
Swissport Cyprus Ltd.	(c)	**38.2%**	38.2%	Cyprus
Swissport Denmark AS				Denmark
Swissport Finland OY				Finland
Swissport France Holding SAS				France
Swissport Cargo Services France Sarl				France
Swissport Executive Aviation SAS		**51.0%**	51.0%	France
AFS Aviation Fuel Services GmbH	(b)	**66.7%**	66.7%	Germany
Swissport Berlin GmbH		**95.0%**	65.0%	Germany
Swissport Germany Holding GmbH	(b)			Germany
Swissport Cargo Services Deutschland GmbH	(b)			Germany
Swissport Losch GmbH & Co. OHG	(b)	**55.0%**	55.0%	Germany
Swissport Losch Services GmbH & Co. KG	(b)	**55.0%**	55.0%	Germany
Swissport Losch Operations Verwaltungsgesellschaft mbH	(b)	**55.0%**	55.0%	Germany
Swissport Losch Services Verwaltungsgesellschaft mbH	(b)	**55.0%**	55.0%	Germany
Swissport Losch München GmbH & Co. KG	(b)	**55.0%**	55.0%	Germany
PrivatPort München GmbH & Co. KG	(b)	**55.0%**	55.0%	Germany
Flightcare Multiservices Ireland Limited				Republic of Ireland
Knights Cleaning Services Ltd				Republic of Ireland
Swissport Ireland Ltd				Republic of Ireland
Swissport Kazakhstan LLP				Kazakhstan
Swissport Holding B.V.				Netherlands
Swissport Nederland B.V.				Netherlands
Swissport Cargo Services The Netherlands B.V.				Netherlands
Swissport Amsterdam B.V. (formerly Servisair Amsterdam B.V.)				Netherlands
Servisair Holdings B.V.				Netherlands
Skylink Handling Services B.V	(a)		–	Netherlands
Cargo Service Center East Africa B.V.				Netherlands

Fully consolidated entities		INTEREST WHERE NOT 100% 2017	2016	Country of operation
Swissport Poland Ltd.				Poland
Swissport Portugal S.A.				Portugal
Servisair Portugal Unipessoal Lda				Portugal
Swissport Spain Aviation Services S.L.				Spain
Swissport Holding Spain S.L.				Spain
Swissport Handling S.A.				Spain
Servisair Iberica S.A.				Spain
Swissport Fuelling Ltd.				United Kingdom
Swissport Cargo Services UK Ltd.				United Kingdom
Swissport UK Holding Ltd.				United Kingdom
Swissport Stansted Ltd.				United Kingdom
Swissport Fuelling Services UK Limited				United Kingdom
Flightcare Multiservices UK Limited				United Kingdom
Swissport GB Limited				United Kingdom
Servisair Group Limited				United Kingdom
Servisair Holdings Limited				United Kingdom
Swissport Jersey Ltd.				United Kingdom
Swissport Guernsey Ltd.				United Kingdom
North America				
Swissport Canada Handling Inc.				Canada
Swissport Canada Inc.				Canada
Swissport Canada Deicing Inc.				Canada
Swissport Canada Fuel Services Inc.				Canada
Swissport North America Holdings Inc.				USA
Swissport North America Inc.				USA
Swissport Cargo Holdings Inc.				USA
Swissport Cargo Services L.P.				USA
Swissport Holdings Inc.				USA
Swissport Lounge LLC				USA
BWID LLC				USA
Dapsco Inc.				USA
Swissport USA Inc.				USA
Swissport Cargo Services Inc.				USA
Swissport Fuelling Inc.				USA

Fully consolidated entities		INTEREST WHERE NOT 100% 2017	2016	Country of operation
Swissport Fuelling of Nevada Inc.				USA
Swissport SA LLC				USA
Servisair Americas LLC				USA
Swissport SA USA LLC				USA
Servisair Leasing Corporation				USA
Swissport SA Fuel Services LLC				USA
Servisair Fuel Leasing Corporation				USA
Hallmark Aviation Services L.P.		**51.0%**	51.0%	USA
Other countries				
SPA Swissport Algerie Ltd.		**51.0%**	51.0%	Algeria
Swissport Argentina S.A.				Argentina
Swissport Brazil Ltda.				Brazil
Cargo Service Center Brazil S.A.T.A Ltda.				Brazil
Camport PLC	(c)	**46.8%**	46.8%	Cameroon
Swissport Chile SA				Chile
Interairport Services Swissport S.A.		**51.0%**	51.0%	Costa Rica
Aerocargo B.V.				Curacao
Cargo Services Center International N.V.				Curacao
Swissport Curacao N.V.				Curacao
Swissport Cargo Services Israel Ltd.		**51.0%**	51.0%	Israel
Swissport Ghana	(d)	**50.0%**	50.0%	Ghana
Swissport Kenya Limited				Kenya
Swissport Korea Ltd.		**59.0%**	59.0%	Republic of Korea
Swissport Japan Ltd.		**51.0%**	51.0%	Japan
Swissport Maroc SA		**85.0%**	85.0%	Morocco
Swissport Executive Aviation Maroc Sàrl		**85.0%**	85.0%	Morocco
AGN Aviation Services, S.A. de C.V.		**51.0%**	51.0%	Mexico
CREA Recursos Humanos, S.A. de C.V.		**51.0%**	51.0%	Mexico
Swissport Mexico Holding, S. de R.L. de C.V.				Mexico
Cargo Service Center de Mexico S.A. de C.V.				Mexico
Swissport Aviation Services de Mexico S.A. de C.V.				Mexico
Checkport Security Nigeria Limited	(c)	**43.4%**	43.4%	Nigeria
Swissport Oman LLC		**70.0%**	70.0%	Oman
Swissport Peru S.A.C.				Peru

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2017

Fully consolidated entities		INTEREST WHERE NOT 100% 2017	2016	Country of operation
Swissport Saudi Arabia Ltd.				Saudi Arabia
Peruvian Investments 2008 PTE. Ltd.				Singapore
Swissport South Africa (PTY) Ltd.		**51.0%**	51.0%	South Africa
Checkport South Africa (PTY) Ltd.	(c)	**43.4%**	43.4%	South Africa
Swissport Tanzania Ltd.		**51.0%**	51.0%	Tanzania
Swissport Zanzibar Company Limited		**65.0%**	65.0%	Tanzania
Swissport Trinidad and Tobago Limited				Trinidad & Tobago
Swissport Cargo Services Venezuela S.A.		**88.0%**	88.0%	Venezuela

Inactive entities		2017	2016	Country of operation
Tramitaven C.A.		**60.0%**	60.0%	Venezuela
Swissport Austria GmbH				Austria
Swissport Middle East Holding Inc.		**51.0%**	51.0%	Cayman Islands
Caribbean Jets				Dominican Republic
Swissport Middle East Services FZCO				Dubai
Swissport Deutschland GmbH				Germany
Swissport Ground Handling GmbH				Germany
Swissport Services GmbH				Germany
Swissport Travel Center GmbH				Germany
Checkport Ghana	(c)	**43.4%**	43.4%	Ghana
Swissport GBH Honduras S.A.	(c)	**41.0%**	41.0%	Honduras
Servisair Nominees Services Limited				Republic of Ireland
Trading Spaces Limited				Republic of Ireland
Shamrock Logistics Limited				Republic of Ireland
Swissport Cargo Services Italy S.R.L.				Italy
Checkport Nederland B.V.				Netherlands
Swissport Mexico Participation II B.V.				Netherlands
Smart Handling B.V.				Netherlands
Servisair Assistance Piste Orly	(e)			France
Swissport Latinamerica S.A.				Panama
Swissport Singapore Pte Ltd.				Singapore
Servisair PLS Ltd.				Turks and Caicos Islands

Inactive entities	2017	2016	Country of operation
Servisair TCI Ltd.			Turks and Caicos Islands
Servisair (Contract Handling) Limited			United Kingdom
Swissport Pension (Scotland) Limited			United Kingdom
GlobeGround (UK) Limited			United Kingdom
GlobeGround Heathrow Limited			United Kingdom
Globeground Manchester Limited			United Kingdom
Airway Handling Limited			United Kingdom
Tri-Star Acquisition Corporation			USA
GlobeGround Services Inc.			USA
Servisair Venezuela CA			Venezuela
Servisair Inmobiliaria CA (Venezuela)			Venezuela
Swissport Uruguay S.A.			Uruguay

Additional information on the Group's interests:
(a) The entity was founded or acquired during 2017.
(b) Since these entities are being consolidated within the consolidated Group financial statements, it is not necessary that they produce a local consolidated financial statement.
(c) Indirect shareholding: Entity controlled by partially owned and controlled by intermediate subsidiaries that holds more than 50% directly.
(d) Controlled by shareholder agreement.
(e) Liquidated.

The Group doesn't disclose the financial information of its subsidiaries where it has the non-controlling interests as at 31 December 2017, as these non-controlling interests are individually not material to the Group on a total assets and revenue level.

The Group companies are entities controlled by the Group either directly or indirectly. Group companies are consolidated from the date on which the Group has power to the variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Group companies are required to adopt the Group's accounting policies for Group reporting.

5.2. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Associates are those entities in which the Group has significant influence (generally involving a shareholding of between 20% and 50% of the voting rights). Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for using the equity method from the date of significant influence until the date significant influence ceases. Joint ventures are arrangements of which the Group has joint control, established by contracts or law requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns. Where the Group has rights only to the net assets of the joint ventures, these are classified and accounted for the interest using the equity method

Name	Country of operation		Ownership interest 2017	Ownership interest 2016
Flughafen Graz Boden-Services GmbH	Austria	Associate	**37%**	37%
Compania de Economia Mixta Servicios Aeroportuarios del Ecuador – Quito	Ecuador	Associate	**30%**	30%
Swissport Dominicana S.A.	Dominican Republic	Associate	**34%**	34%
GlobeGround Romania SRL	Romania	Associate	**25%**	25%
Bucharest International Cargo Centre SA	Romania	Associate	**26%**	26%
ZAO Cargo Terminal Pulkovo	Russia	Associate	**40%**	40%
S&L Airport Services Ltd.	Cyprus	JV	**19%**	19%
AFC Aviation Fuel Company OHG	Germany	JV	**50%**	50%
N*ICE Aircraft Services & Support GmbH	Germany	JV	**48%**	48%
Quality Airport Services Israel Ltd	Israel	JV	**50%**	50%
Air Ghana Perishable Cargo Center Limited	Ghana	JV	**50%**	50%
Bradford Swissport Limited	United Kingdom	JV	**50%**	50%
Swissport ALD Limited	United Kingdom	JV	**51%**	51%
Heathrow Cargo Handling Ltd	United Kingdom	JV	**50%**	50%

MEUR	Associates 2017	Associates 2016	Joint ventures 2017	Joint ventures 2016
As at the beginning of the period[1]	**21.1**	–	**14.8**	–
Acquisitions through business combinations (note 5.5)	**–**	20.6	**–**	14.4
Share of results	**2.8**	2.4	**5.4**	2.7
Dividends	**-3.4**	-1.9	**-2.6**	-1.8
Other	**-2.0**	–	**0.4**	-0.5
As at 31 December	**18.5**	21.1	**18.0**	14.8

1 Period is defined in section "About this report".

The Group doesn't disclose the financial information of its associates and joint ventures (JV), as none of the associates and joint ventures are material to the Group on a total assets and revenue level.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2017

5.3. RELATED PARTY TRANSACTIONS

The following transactions occurred with related parties at arm's length basis in the normal course of business:

	2017 HNA Group (ultimate owner) MEUR	2017 HNA Group subsidiaries MEUR	2017 Companies where HNA holds a significant interest MEUR	2017 Associates MEUR	2017 Joint ventures MEUR	2017 Total MEUR	2016 HNA Group (ultimate owner) MEUR	2016 HNA Group subsidiaries MEUR	2016 Companies where HNA holds a significant interest MEUR	2016 Associates MEUR	2016 Joint ventures MEUR	2016 Total MEUR
Transactions for the period[1]												
Revenue	**–**	**15.8**	**48.3**	**–**	**–**	**64.1**	–	10.8	19.4	–	–	30.2
Management and trademark fees	**–**	**–**	**–**	**–**	**0.3**	**0.3**	–	–	–	–	0.3	0.3
Salary recharges	**–**	**–**	**–**	**–**	**3.9**	**3.9**	–	–	–	–	3.4	3.4
Interest expenses	**0.2**	**–**	**–**	**–**	**–**	**0.2**	–	–	–	–	–	–
Interest earned	**–**	**10.9**	**–**	**–**	**0.1**	**11.0**	–	–	–	–	0.1	0.1
Total	**0.2**	**26.7**	**48.3**	**–**	**4.3**	**79.5**	–	10.8	19.4	–	3.8	34.0
As at 31 December												
Assets:												
Non-current loans	**–**	**–**	**–**	**–**	**–**	**–**	–	–	–	0.9	–	0.9
Current loans	**–**	**410.8**	**–**	**1.8**	**–**	**412.6**	–	–	–	–	1.2	1.2
Trade receivables	**–**	**2.7**	**5.4**	**0.7**	**1.3**	**10.1**	–	2.3	3.0	0.8	1.0	7.1
Total	**–**	**413.5**	**5.4**	**2.5**	**1.3**	**422.7**	–	2.3	3.0	1.7	2.2	9.2
Liabilities:												
Non-current loans	**–**	**–**	**–**	**–**	**1.1**	**1.1**	–	–	–	–	–	–
Current loans	**–**	**–**	**–**	**6.3**	**0.5**	**6.8**	20.0	–	–	–	7.6	27.6
Trade payables	**–**	**–**	**–**	**1.8**	**–**	**1.8**	–	–	–	1.8	1.1	2.9
Total	**–**	**–**	**–**	**8.1**	**1.6**	**9.7**	20.0	–	–	1.8	8.7	30.5

1 Period is defined in section "About this report".

Current loans to HNA Group subsidiaries as at 31 December 2017 contain accrued interest of MEUR 2.8.

The Group applies the same accounting policies to transactions with related parties that are separately disclosed to enable users of the consolidated financial statements to from a view about the effects of the related party relationships on the Group.

5.4. ACQUISITION AND INTEGRATION COSTS

In 2017 the Company incurred integration costs of MEUR 5.9 in connection with an IT integration project from which are expected future benefits in form of savings and increased IT security. However, requirements for the capitalisation of the IT costs were not fulfilled. The acquisition costs mainly included costs related to the Aerocare acquisition, which was closed after the reporting date.

In 2016, acquisition cost of MEUR 2.6 occurred in connection with the acquisition of Aguila 2 S.A.'s shares including Aguila 3 S.A. and its subsidiaries, joint ventures and associates from its former owner PAI Partners.

MEUR	2017	2016
Acquisition costs	**-7.6**	-2.6
Integration costs:		
Information technology	**-4.3**	0.0
Staff costs	**-0.9**	-0.2
Professional fees	**-0.7**	–
Rent and maintenance of equipment	**–**	-0.1
	-5.9	-0.3
Total acquisition and integration costs	**-13.5**	-2.9

5.5. BUSINESS COMBINATIONS

2017:
No business combinations were completed in 2017.

2016:
Acquisitions:
(a) Creation of the Swissport Group
Swissport Investments S.A., a company 100% owned and controlled by Swissport Group S.à r.l., acquired Aguila 2 S.à r.l. (former Aguila 2 S.A.), the sole shareholder of Swissport Financing S.à r.l. (former Aguila 3 S.A.), from its former owner PAI Partners for a consideration of MEUR 1,319.0. With the acquisition of Aguila 2 S.à r.l. (former Aguila 2 S.A.), Swissport Group acquired the former Aguila 3 Group ventures (as it existed with Aguila 3 S.A. (now Swissport Financing S.à r.l.) as its holding company) including all its operating subsidiaries and stakes in associated and joint undertakings. For accounting purposes Swissport Group has consolidated the results of the acquired former Aguila 3 Group from 1 February 2016. The transaction was closed on 10 February 2016, the date of the transfer of Aguila 2 S.à r.l. (former Aguila 2 S.A.) shares from the seller, PAI Partners SAS, to Swissport Investments S.A..

Acquisition costs of MEUR 2.6 arose in connection with this acquisition. The acquisition costs are presented separately on the profit or loss for the previous period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2017

Details of the purchase consideration, the net identifiable assets acquired and goodwill are as follows:

Consideration transferred:	MEUR
Cash paid	1,319.0
Total consideration transferred	**1,319.0**
Fair value of assets/(liabilities):	
Cash and cash equivalents	99.0
Trade and other receivables	480.4
Property, vehicles and equipment	255.8
Intangible assets	480.2
Deferred tax assets	53.6
Investment in associates and joint ventures	35.0
Inventories	11.0
Borrowings	-1,383.5
Trade and other payables	-457.5
Provisions	-173.1
Employee benefit obligations	-262.1
Deferred tax liabilities	-87.1
Fair value of net identifiable assets, including non-controlling interest	**-948.3**
Non-controlling interest	-32.0
Fair value of net identifiable assets, excluding non-controlling interest	**-980.3**
Goodwill	**2,299.3**
Cash flow from acquisition:	
Cash paid to former shareholder	-1,319.0
Acquired cash and cash equivalents	99.0
Net cash outflow[1]	**-1,220.0**

1 In addition the Group spent MEUR 0.5 for other minor acquisitions resulted in a goodwill of MEUR 0.5. The corresponding cash outflow is reflected in the above net cash flow for acquisitions.

Goodwill
Goodwill of MEUR 2,299.3 arose on this acquisition because certain intangible assets did not meet the IFRS 3 criteria for recognition as intangible assets at the date of acquisition. These assets are mainly management expertise and workforce. None of the goodwill recognised is expected to be deductible for tax purposes.

Acquired intangible assets
The intangible assets recognised separately from goodwill of MEUR 480.2 consisting of the Swissport brand (MEUR 317.7), licensing agreements (MEUR 42.6), customer portfolios (MEUR 96.0) and other intangible assets (MEUR 23.9).

Acquired receivables
The trade and other receivables comprise gross contractual amounts due of MEUR 527.5 consisting mainly of trade receivables of MEUR 299.3. The residual amount concerns the other receivables. From the total trade and other receivables gross contractual amount, total amount expected to be uncollectible at the acquisition date for the total trade and other receivables amounts MEUR 47.1 (consisting mainly of trade receivables of MEUR 34.9).

Revenue and profit contribution
The Aguila 3 Group contributed revenue of MEUR 2,469.6 and a loss of MEUR 26.6 to the consolidated revenue and loss from date of acquisition to 31 December 2016. If the Aguila 3 Group had been consolidated as of 1 January 2016, the Company would have contributed revenue of MEUR 2,681.7 and a loss of MEUR 41.8 to the consolidated revenue and loss for the period ended 31 December 2016.

Acquired contingent liabilities – Bank guarantees
Acquired of contingent liabilities in respect of bank guarantees, arising in the ordinary course of business and provided to third parties by the Group's banks, amounting to MEUR 90.1. The guarantees represent contingent liabilities that will crystallise to the extent that the guarantees are drawn and the bank enforces its right to recover the amount drawn from the Group. No liability has been recognised at acquisition date.

Acquired contingent liabilities – Legal matters
The Group recognised contingent liabilities for pending proceedings and civil lawsuits in which the Group and some of its subsidiaries are defendants at fair values. There are various cases outstanding and provisions have been made where the Group expects an outflow to result from such proceedings.

6

OTHER INFORMATION AND UNRECOGNISED ITEMS

This section sets out other information, unrecognised items and disclosures not included in other sections of this report. This section shows the taxes recognised, other significant accounting policies, contingent liabilities, commitments and events that have occurred after the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2017

6.1. INCOME TAXES

MEUR	2017	2016
a. Income tax expense recognised in the consolidated statement of profit or loss		
Current tax expense		
Current period	**22.7**	24.0
Deferred tax expense		
Origination and reversal of temporary differences	**5.7**	1.3
Recognition of previously unrecognised tax losses	**-14.9**	-0.1
Total deferred tax (recovery)/expense	**-9.2**	1.2
Under/(over) provided in prior period	**0.8**	-0.4
Income tax expense recognised in the consolidated statement of profit or loss	**14.3**	24.8
b. Reconciliation between tax expense and pre-tax net profit		
The reconciliation between tax expense and the product of (loss) before tax multiplied by the Group's average applicable income tax rate is as follows:		
Net results before income tax	**-48.5**	-115.6
Income tax calculated at 24.86% (2016: 25.73%)	**12.1**	29.7
Income not subject to taxes (Non deductible expenses)	**1.5**	-6.2
Recognition of tax assets on prior period tax losses	**14.9**	-2.3
Current period tax losses for which no deferred tax asset was recognised	**-45.1**	-45.5
Effect of different local tax rates and change in tax rate	**3.4**	2.0
Effect of prior period income tax adjustments	**0.8**	-0.4
Withholding taxes	**-1.9**	-2.1
Income tax expense recognised in the consolidated statement of profit or loss	**-14.3**	-24.8

MEUR	2017	2016
c. Income tax recognised directly in other comprehensive income		
Deferred tax expense		
Remeasurement of net defined benefit obligations	**-0.6**	-8.4
Deferred tax on currency translation adjustments	**-6.7**	–
Income tax recognised directly in other comprehensive income	**-7.3**	-8.4
d. Deferred tax assets and liabilities		
Deferred tax asset	**17.8**	26.7
Deferred tax liability	**-55.9**	-71.0
Net deferred tax liability	**-38.1**	-44.3

	DEFERRED TAX ASSETS		DEFERRED TAX LIABILITIES	
MEUR	2017	2016	2017	2016
Deferred tax balances reflect temporary differences attributable to:				
Tax losses and tax credits	**19.9**	33.3	**–**	–
Property, vehicles and equipment	**1.3**	0.8	**8.3**	8.4
Receivables, payables and provisions	**6.6**	16.2	**17.7**	11.2
Intangible assets	**1.9**	1.9	**52.9**	72.9
Employee benefit obligations	**9.4**	13.5	**–**	–
Borrowings	**1.7**	–	**–**	17.5
Set-off deferred tax assets and deferred tax liabilities	**-23.0**	-39.0	**-23.0**	-39.0
Total amount recognised in the consolidated statement of financial position	**17.8**	26.7	**55.9**	-71.0

MEUR	2017	2016
e. Movement in temporary differences during the period		
As at the beginning of the period[1]	**-44.3**	–
Acquisitions through business combinations	**0.0**	-33.5
Recognised in the consolidated statement of profit or loss	**9.2**	-1.2
Recognised in other comprehensive income	**-7.3**	-8.4
Currency translation differences	**4.3**	-1.2
As at 31 December	**-38.1**	-44.3

1 Period is defined in section "About this report".

The Group has unrecognised tax losses and tax credits to carry forward and associated unrecognised deferred tax assets, which expire as follows:

MEUR	2017	2016
Temporary differences	**15.7**	26.0
Withholding tax and other taxes on unremitted earning	**0.5**	0.3
Tax losses with 1-3 years expiry date	**2.0**	4.4
Tax losses with 4-6 years expiry date	**60.9**	47.5
Tax losses with 7+ years expiry date	**23.0**	26.6
Tax losses with no expiry date	**100.1**	98.7
Unrecognised deferred tax assets from tax losses and tax credits are related to:		
Tax losses with 1-3 years expiry date	**7.7**	19.7
Tax losses with 4-6 years expiry date	**291.4**	229.9
Tax losses with 7+ years expiry date	**101.8**	122.6
Tax losses with no expiry date	**372.5**	359.4

Management regularly assesses the risk of uncertain tax positions and potential exposure, recognition and recoverability of deferred tax assets. This requires judgements about application of income tax legislation in the jurisdictions in which the Group operates and the future operating performance of entities with carry forward losses. These judgements and assumptions which include e.g. availability and timing of tax deductions and the application of the arm's length principle to related party transactions, are subject to risk and uncertainty. Future changes in tax laws and the Group's performance may affect the carrying amount of deferred tax assets and liabilities recognised. Any resulting adjustment to the carrying amount of a current or deferred tax will be recorded in the consolidated statement of profit or loss and other comprehensive income.

Current taxes: Current tax assets and liabilities are amounts expected to be recovered from or paid to tax authorities, under the tax rates and laws in each jurisdiction. These include any rates or laws enacted or substantively enacted as at the reporting date.

Deferred taxes: Deferred tax liabilities are recognised for deductible temporary differences. Deferred tax assets are recognised for deductible temporary differences, carried forward unused tax benefits and unused tax losses, if it is probable that future taxable profits will be available to utilise them.

The carrying amount on deferred tax assets is reviewed at the reporting date. If it is no longer probable that taxable profit will be available, the asset will be reduced accordingly.

Deferred tax is measured using tax rates and laws that are enacted at the reporting date and are expected to apply when the related income tax asset is realised or when the deferred income tax liability is settled.

Deferred tax assets and liabilities are offset, if a legally enforceable right exits to set-off the tax assets against current liabilities and if they are related to the same taxable entity or group and the same taxation authority.

Income taxes attributable to amounts recognised in other comprehensive income or directly in equity are also recognised in other comprehensive income or in equity, and not in the consolidated statement of profit or loss.

Liabilities for uncertain tax positions and potential exposures are based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax in the period in which such determination is made.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2017

6.2. CONTINGENT LIABILITIES

Bank guarantees
As at 31 December 2017 the Group had contingent liabilities in respect of bank guarantees, arising in the ordinary course of business and provided to third parties by the Group's banks, amounting to MEUR 68.0 (2016: MEUR 69.5). The guarantees represent contingent liabilities that will crystallise to the extent that the guarantees are drawn and the bank enforces its right to recover the amount drawn from the Group.

Legal matters
The Group and some of its subsidiaries are party to a number of proceedings and civil lawsuits in which the Group and some of its subsidiaries are defendants. There are various cases outstanding and provisions have been made where the Group expects an outflow to result from such proceedings (see note 4.5). In addition to these provided cases, there are other cases where management has assessed that the recognition criteria is not fulfilled. They represented the contingent liabilities of the Group.

In addition to these there are no other matters from which it is anticipated that a material liability could arise.

Contingent liabilities are possible obligations arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. They may also be present obligations that are unrecognised because the future outflow of resources is not probable or the amount cannot be reasonably determined. Contingent liabilities are usually not recognised but disclosed, unless in case of a business combination.

6.3. COMMITMENTS

MEUR	2017	2016
Capital expenditures contracted for:		
Property, vehicles and equipment	**31.1**	15.2
Total capital expenditures contracted	**31.1**	15.2

Operating lease commitments
The Group has entered into commercial leases on certain buildings, vehicles and other operating equipment. The lease terms are mainly between one and five years. Escalation clauses and renewal options are included in some of the leases. Operating lease rentals for buildings of MEUR 128.8 (2016: MEUR 111.0) and leases of vehicles and equipment amounting to MEUR 52.4 (2016: MEUR 41.4) are included in the consolidated statement of profit or loss in "other operating expenses" and "goods and services purchased", respectively.

MEUR	2017	2016
The non-cancellable operating lease payments are due:		
– within 1 year	**156.9**	125.7
– between 1 and 5 years	**231.0**	172.3
– after 5 years	**24.0**	31.1
Total non-cancellable operating lease payments	**411.9**	329.1

Commitments are usually not recognised but disclosed, unless in case of a business combination. Leases are classified as operating leases, if the criteria of a finance lease is not met. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated statement of profit or loss on a straight-line basis over the period of the lease. The commitments relating to non-cancellable operating leases are disclosed within these consolidated financial statements. In addition to these provided cases, there are other cases where Management has assessed that the recognition criteria is not fulfilled. They represent the contingent liabilities of the Group.

6.4. OTHER SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES

ADOPTION OF NEW STANDARDS IN 2017

Certain new and amended IFRS standards and interpretations that are effective for the 2017 reporting year are either not applicable to the Group, or do not have a material impact on the consolidated financial statements.

New, revised or amended standards and interpretations	Effective date	Planned application by the Group
Amendments to IAS 7: Statement of Cash Flow: Disclosure Initiative	1 January 2017	Reporting year 2017
Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017	Reporting year 2017

Adoption of standards and interpretations in 2018 and later

A number of new, revised or amended standards and new and revised interpretations have been published and are effective for the Group's accounting periods beginning on or after 1 January 2018, but the Group has not early adopted them. The expected effects, as disclosed below, reflect the assessment by the Group's Management.

New, revised or amended standards and interpretations	Effective date	Planned application by the Group
Amendments to IFRS 12 Disclosures of Interest in Other Entities: Clarification of the scope of disclosure requirements in IFRS 12 from Annual Improvement Cycles – 2014-2016[1]	1 January 2018	Reporting year 2018
IFRS 15 Revenue from Contracts with Customers[3]	1 January 2018	Reporting year 2018
Amendments to IFRS 2: Share-based Payment[1]	1 January 2018	Reporting year 2018
Amendments to IAS 40: Transfers of Investment Property[1]	1 January 2018	Reporting year 2018
IFRS 9 Financial Instruments[3]	1 January 2018	Reporting year 2018
IFRIC 22 Foreign Currency Transactions and Advance Consideration[1]	1 January 2018	Reporting year 2018
IFRS 16 Leases[3]	1 January 2019	Reporting year 2019
IFRIC 23 Uncertainty over Income Tax Treatments (not yet endorsed by the EU)[2]	1 January 2019	Reporting year 2019
Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures (not yet endorsed by the EU)[1]	1 January 2019	Reporting year 2019
Amendments to IFRS 9: Prepayment Features with Negative Compensation[1]	1 January 2019	Reporting year 2019
IFRS 17 Insurance Contracts (not yet endorsed by the EU)[1]	1 January 2021	Reporting year 2021

1 No or no significant impacts are expected on the consolidated financial statements, the Group is still assessing the final impact.
2 The impact on the consolidated financial statements cannot be determined with sufficient reliability yet.
3 See details below.

IFRS 15 – Revenue from Contracts with Customers

The Group will implement IFRS 15 on 1 January 2018 and will apply the modified retrospective method. IFRS 15 is based on the principle that revenue is recognised when control of a good or service is transferred to a customer. Based on its initial assessment, the Group does not expect a significant impact on revenue recognition as a result of the application of the new standard IFRS 15 will require detailed additional disclosures regarding revenue in the notes of the consolidated financial statements.

IFRS 16 – Leases

IFRS 16 will generally result in almost all leases being recognised in the consolidated statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability are recognised. The only exceptions are short-term and low-value leases.

The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has operating lease commitments of MEUR 411.9 (2016: MCHF 329.1). A significant portion of these commitments will be recognised in the consolidated statement of financial position.

The Group has not yet assessed what other adjustments, if any, are necessary. This concerns, for example, adjustments due to the change in definition of the lease term and the different treatment of variable lease payments and of extension and termination options. It is therefore not yet possible to estimate the amount of right-of-use assets and lease liabilities that will have to be recognised on adoption of the new standard and how this may affect the Group's profit or loss and classification of cash flows going forward.

IFRS 9 – Financial Instruments

IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The Group has reviewed its financial assets and liabilities and is expecting, based on its initial assessment, the following impact from the adoption of the new standard on 1 January 2018.

The Group's financial assets include trade receivables and a related party loan in 2017. The new impairment model for assets held at amortised cost, requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under IAS 39. It applies to the Group's financial assets classified at amortised cost, contract assets under IFRS 15 Revenue from Contracts with Customers and loan commitments. Based on its initial assessments so far, the Group doesn't expect material change in the loss allowance for trade receivables. The expected credit loss model will likely lead to a recognition of 0.07% of the Group's sales as an expected credit loss amount. The Group's related party loan is expected to be repaid in May 2018 so there will be no loan receivables balance subject to IFRS 9 going forward.

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities.

The Group does currently not apply hedge accounting so it is not impacted by the changes to hedge accounting under IFRS 9.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments, particularly in the year of the adoption of the new standard, 2018.

The Group will implement the new standard on 1 January 2018 and will apply the modified retrospective method, which requires the recognition of any cumulative effect of initially applying IFRS 9, as at 1 January 2018, to retained earnings.

Other accounting policy disclosures:

Service concession arrangements

Service concession arrangements where the Group contracts with a government or other public sector body to operate and maintain infrastructure assets, such as cargo warehouses, and where the government or other public sector body (i) controls or regulates what services the Group must provide, to whom it must provide them, and at what price and (ii) controls a significant residual interest in the infrastructure at the end of the arrangement, are accounted for in accordance with IFRIC 12. The Group recognises a financial asset for the consideration received to the extent that it has an unconditional contractual right to receive cash or another financial asset. The Group recognises an intangible asset to the extent that it receives a right (a licence) to charge users of the public service. If the Group is in addition entitled to cash receipts, it records these receipts as receivables.

Inventories

Inventories are stated at the lower of cost or net realisable value. Allowances are made for obsolete, slow moving and excess inventories. Cost is determined by the first-in, first-out method (FIFO) and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Borrowing costs are not included in the cost. Net realisable value is the estimated selling price in the ordinary course of business, less estimated selling costs.

Inventories consist mainly of de-icing liquid and spare parts.

Going concern basis of accounting

The consolidated financial statements have been prepared on a going concern basis.

6.5 EVENTS OCCURRING AFTER THE REPORTING PERIOD

Up to the date of approval of these consolidated financial statements, the Group granted multiple short-term loans to a related party. The principal outstanding at the date of approval of these consolidated financial statements amounts to MEUR 348.0 (excluding unpaid interest).

On 5 March 2018, the Group received funds of MEUR 100.0 (MUSD 122.0 translated at transaction date) from a third party.

On 7 March 2018 the Group announced the completion of its acquisition of Aerocare, the leading ground handler in Australia/New Zealand. Under the terms of the agreement two upfront deposit payments of MEUR 51.4 (excluding transaction costs) and MEUR 52.4 were made by the Group in November 2017 and February 2018. Final consideration of MEUR 411.0 for 100% of the shares comprised of the two upfront deposit payments and a final payment of MEUR 307.2 transferred on 7 March 2018. Given the close proximity of the completion of the transaction to the date the consolidated financial statements were approved, the accounting entries for this transaction have not yet been determined. The provisional assessment of the fair values of the assets and liabilities acquired will be completed in the second quarter 2018. The acquisition has been financed in part with an incremental MEUR 325.0 Term Loan B which is fully syndicated.

On 24 January 2018, the Group announced its intention to seek an Initial Public Offer ("IPO") and a listing of its shares on the SIX Swiss Exchange in the course of 2018. On 10 April 2018, the Group announced that the planned IPO will be deferred.

No other significant events that would require an adjustment or disclosure in the consolidated financial statements occurred between 31 December 2017 and 27 April 2018, the date of approval of the consolidated financial statements by the Board of Managers.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Swissport Group S.à r.l.
9, allée Sheffer
L-2520 Luxembourg

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the consolidated financial statements of Swissport Group S.à r.l. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

BASIS FOR OPINION

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under those Law and standards are further described in the "responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements section of our report. We are also independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER INFORMATION

The Board of Managers is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF MANAGERS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Managers is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS as adopted by the European Union, and for such internal control as the Board of Managers determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Managers is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Managers either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

RESPONSIBILITIES OF THE "RÉVISEUR D'ENTREPRISES AGRÉÉ" FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers.
- Conclude on the appropriateness of Board of Managers' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

OTHER MATTERS

The consolidated financial statements as at 31 December 2016 were audited by KPMG Luxembourg, Société cooperative which issued an unmodified auditor's report on 30 May 2017.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Alban Aubrée

Luxembourg, 27 April 2018

SWISSPORT GROUP S.À R.L.

CONSOLIDATED
FINANCIAL STATEMENTS

FOR THE YEAR
ENDED DECEMBER 31, 2016

KPMG

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To the Sole Shareholder of
Swissport Group S.à r.l.
9, allée Scheffer
L - 2520 Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Swissport Group S.à r.l., which comprise the consolidated balance sheet as at December 31, 2016, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the period from November 4, 2015 (date of incorporation) to December 31, 2016, and notes, comprising a summary of significant accounting policies and other explanatory information.

Board of Managers' responsibility for the consolidated financial statements

The Board of Managers is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Board of Managers determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the Réviseur d'Entreprises agréé

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the judgement of the Réviseur d'Entreprises agréé, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the Réviseur d'Entreprises agréé considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Managers, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of Swissport Group S.à r.l. as of December 31, 2016, and of its consolidated financial performance and its consolidated cash flows for the period from November 4, 2015 (date of incorporation) to December 31, 2016 in accordance with International Financial Reporting Standards as adopted by the European Union.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 23 "Borrowings" and Note 30 "Events occurring after the reporting period" in the consolidated financial statements which describe the existence of certain events of default due to a technical breach of the lien covenant provisions of the senior secured credit agreement dated January 20, 2016. Furthermore, these Notes describe the impact on the consolidated financial statements and the current status of the process to cure these events of default.

Other information

The Board of Managers is responsible for the other information. The other information comprises the information included in the consolidated management report but does not include the consolidated financial statements and our report of réviseur d'entreprises agréé thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Report on other legal and regulatory requirements

The consolidated management report, is consistent with the consolidated financial statements and has been prepared in accordance with the applicable legal requirements.

Luxembourg, May 30, 2017

KPMG Luxembourg
Société coopérative
Cabinet de révision agréé

Ch. Schmitt

Consolidated Balance sheet
as at

(all amounts in millions of Euro, unless otherwise stated)

ASSETS	Note	31 Dec 2016	4 Nov 2015
Non-current assets			
Property, vehicles and equipment	15	273.6	-
Goodwill	16	2,299.8	-
Other intangible assets	16	480.0	-
Investments in associates and joint ventures	17	35.9	-
Available-for-sale financial assets		2.0	-
Deferred tax assets	18	26.7	-
Prepayments and receivables	20	57.0	-
		3,175.0	**-**
Current assets			
Inventories		11.6	-
Trade and other receivables	20	474.0	-
Current tax assets		4.6	-
Available-for-sale financial assets		2.1	-
Cash and cash equivalents	21	132.1	0.0
		624.4	**0.0**
Total assets		**3,799.4**	**0.0**
EQUITY AND LIABILITIES			
Equity			
Equity attributable to owners of the parent			
Share capital and share premium	22	1,508.7	0.0
Fair value reserve		(0.1)	-
Currency translation reserve		(24.5)	-
Retained earnings		(175.0)	-
		1,309.1	**0.0**
Non-controlling interest		**37.9**	**-**
Total equity		**1,347.0**	**0.0**
Liabilities			
Non-current liabilities			
Borrowings	23	733.7	-
Provisions	24	136.2	-
Employee benefit obligations	19	274.9	-
Deferred tax liabilities	18	71.0	-
		1,215.8	**-**
Current liabilities			
Borrowings*	23	728.4	-
Provisions	24	56.1	-
Current tax liabilities		19.0	-
Trade and other payables	25	433.1	-
		1,236.6	**-**
Total liabilities		**2,452.4**	**-**
Total equity and liabilities		**3,799.4**	**0.0**

* Given the circumstances described in note 30, the Term Loan B (MEUR 660.0) is classified as current borrowings.

The notes on pages 26 to 84 form an integral part of these consolidated financial statements.

Consolidated Income Statement
for the period

(all amounts in millions of Euro, unless otherwise stated)

	Note	4 Nov 2015 to 31 Dec 2016
Revenue	7	2,384.9
Other operating income	7	84.7
Total revenue and other operating income		**2,469.6**
Goods and services purchased	8	(349.8)
Personnel expenses	9	(1,617.6)
Other operating expenses	10	(338.6)
Depreciation of property, vehicles and equipment	15	(51.3)
Amortisation of intangible assets	16	(21.5)
Total operating expenses (excluding acquisition and integration costs)		**(2,378.8)**
Share of results of associates and joint ventures	17	5.1
Operating profit before acquisition and integration costs		**95.9**
Acquisition costs	11	(2.6)
Integration costs		(0.3)
Operating profit		**93.0**
Finance expense	12	(306.8)
Finance income	13	98.2
(Loss) / profit before income tax		**(115.6)**
Income taxes	14	(24.8)
(Loss) / profit for the period		**(140.4)**
Attributable to:		
Owners of the parent		(160.9)
Non-controlling interest		20.5

The notes on pages 26 to 84 form an integral part of these consolidated financial statements.

Consolidated Statement of Other Comprehensive Income
for the period ended 31 December

(all amounts in millions of Euro, unless otherwise stated)

	4 Nov 2015 to 31 Dec 2016
(Loss) / profit for the period	**(140.4)**
Other comprehensive income:	
Items that will not be reclassified to profit or loss	
Re-measurement of net defined benefit obligation	(14.1)
Total items that will not be reclassified to profit or loss	(14.1)
Items that are or may be reclassified subsequently to profit or loss	
Net change in fair value of available-for-sale financial assets	(0.1)
Currency translation differences	(24.3)
Total items that are or may be reclassified subsequently to profit or loss	(24.4)
Total other comprehensive (loss) / income for the period, net of tax	(38.5)
Total comprehensive (loss) / income for the period, net of tax	**(178.9)**
Attributable to:	
Owners of the parent	(199.6)
Non-controlling interest	20.7

Individual line items in the statement above are disclosed net of tax. The income tax relating to other comprehensive income is disclosed in note 14.

The notes on pages 26 to 84 form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

for the period ended 31 December 2016

(all amounts in millions of Euro, unless otherwise stated)

	Note	Attributable to owners of the parent						
		Share capital and share premium	Fair value reserve	Currency translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 4 November 2015		0.0	-	-	-	0.0	-	0.0
(Loss) / profit for the period		-	-	-	(160.9)	(160.9)	20.5	(140.4)
Other comprehensive income								
Net change in fair value of available-for-sale financial assets		-	(0.1)	-	-	(0.1)	-	(0.1)
Re-measurement of net defined benefit obligation	14	-	-	-	(14.1)	(14.1)	-	(14.1)
Currency translation differences		-	-	(24.5)	-	(24.5)	0.2	(24.3)
Total other comprehensive income, net of tax		-	(0.1)	(24.5)	(14.1)	(38.7)	0.2	(38.5)
Total comprehensive income, net of tax		**-**	**(0.1)**	**(24.5)**	**(175.0)**	**(199.6)**	**20.7**	**(178.9)**
Transactions with owners								
Contributions by / (distributions to) owners								
Issue of share capital	22	1,472.3	-	-	-	1,472.3	-	1,472.3
Share premium	22	36.4	-	-	-	36.4	-	36.4
Dividends declared to non-controlling interest		-	-	-	-	-	(14.8)	(14.8)
Total contributions by / (distributions to) owners		1,508.7	-	-	-	1,508.7	(14.8)	1,493.9
Changes in ownership interests in subsidiaries								
Non-controlling interest arising from business combination	27	-	-	-	-	-	32.0	32.0
Total changes in ownership interest in subsidiaries		-	-	-	-	-	32.0	32.0
Total transactions with owners		**1,508.7**	**-**	**-**	**-**	**1,508.7**	**17.2**	**1,525.9**
Balance at 31 December 2016		**1,508.7**	**(0.1)**	**(24.5)**	**(175.0)**	**1,309.1**	**37.9**	**1,347.0**

The notes on pages 26 to 84 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows
for the period

(all amounts in millions of Euro, unless otherwise stated)

	Note	4 Nov 2015 to 31 Dec 2016
Cash flow from operating activities		
(Loss) / profit for the period		(140.4)
Adjustments for:		
- Income tax expense	14	24.8
- Net finance expense	12, 13	208.6
- Depreciation of property, vehicles and equipment	15	51.3
- Amortisation of intangibles assets	16	21.5
- Pensions, provisions and other items		(10.7)
Changes in inventories		(0.4)
Changes in trade and other receivables		(3.8)
Changes in trade and other payables		4.3
Income tax paid		(23.2)
Dividends received		3.7
Total cash flow from operating activities		**135.7**
Cash flow from investing activities		
Acquisitions of subsidiaries, net of cash and cash equivalents acquired	27	(1,220.0)
Payment on settlement of contingency on disposal of subsidiaries		(15.0)
Purchase of property, vehicles and equipment	15	(68.3)
Proceeds from sale of property, vehicles and equipment		10.5
Purchase of intangible assets	16	(12.3)
(Increase) in restricted cash		(37.1)
Interest received		2.0
Total cash flow (used in) investing activities		**(1,340.2)**
Cash flow from financing activities		
Proceeds from shareholder loans (converted to share capital at period end)	22	1,472.3
Proceeds from borrowings		1,384.5
Repayment of borrowings		(1,274.8)
Penalty for early termination of financing	12	(24.0)
Proceed from early termination of financing		4.1
Bank charges and other financial costs paid	12	(6.2)
Financing and retainer fees paid		(60.6)
Dividends paid to non-controlling interests		(14.2)
Interest paid		(99.5)
Payment on settlement of FX forward contract		(41.5)
Total cash flow from / (used in) financing activities		**1,340.1**
Net increase in cash and cash equivalents		**135.6**
Opening cash and cash equivalents		0.0
Exchange loss on cash and cash equivalents		(3.5)
Cash and cash equivalents at 31 December	21	**132.1**

The notes on pages 26 to 84 form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1. General information

Swissport Group S.à r.l. ('the Company') and its subsidiaries (together 'the Group' or 'the Swissport Group') provide Ground Handling and Cargo Handling services to many of the world's leading airlines in 48 countries.

The holding company of the Group is Swissport Group S.à r.l. which is a limited company domiciled in Luxembourg and was legally incorporated on 4 November 2015 with a starting capital of TEUR 12.5. The address of the registered office is:

Swissport Group S.à r.l.
9, allée Scheffer
L-2520 Luxembourg

Swissport Investments S.A., a company 100% owned and controlled by Swissport Group S.à r.l., acquired Aguila 2 S.A., the sole shareholder of Aguila 3 S.A., from its former owner PAI Partners. With the acquisition of Aguila 2 S.A., Swissport Group acquired the Aguila 3 Group ventures (as it existed with Aguila 3 S.A. as its holding company) including all its operating subsidiaries and stakes in associated and joint undertakings. For accounting purposes Swissport Group has consolidated the results of the acquired Aguila 3 Group from 1 February 2016. The transaction was finalized on 10 February 2016, the date of the transfer of Aguila 2 S.A.'s shares from the seller, PAI Partners SAS, to Swissport Investments S.A..

The opening balance sheet of the consolidated financial statements is 4 November 2015, the day the holding company was incorporated. The first reporting period of the Group was therefore a period of nearly 14 months from 4 November 2015 to 31 December 2016. Going forward, the reporting year will start on 1 January. No comparative information is presented in the consolidated financial statements as the Group did not exist in prior reporting periods.

The consolidated financial statements of the Group for the period ended 31 December 2016 comprise the Company and its subsidiaries and interests in associates and joint ventures. The consolidated financial statements were authorised for issue by the Board of Managers on 30 May 2017.

2. Statement of compliance

The consolidated financial statements for the period ended 31 December 2016 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and IFRS 1 – First-time Adoption of International Financial Reporting Standards has been applied.

3. Accounting policies

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

3.1. Basis of preparation

The consolidated financial statements are presented in millions of Euro, which is also the functional currency of the Company. Amounts expressed in Euro are designated as EUR, amounts expressed in thousands of Euro are designated as TEUR and amounts expressed in millions of Euro are designated as MEUR.

The consolidated financial statements are prepared under the historical cost basis, with the exception that certain items are stated at their fair value (available-for-sale financial assets as well as financial assets and liabilities, including derivative instruments, at fair value through profit or loss). Critical judgments made by management in the application of IFRS and key sources of estimation uncertainties are disclosed in note 5.

Going concern basis of accounting

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to meet its financial obligations as disclosed in Note 23.

Adoption of standards and interpretations in 2017 and later

A number of new, revised or amended standards and new and revised interpretations have been published and are effective for the Group's accounting periods beginning on or after 1 January 2017, but the Group has not early adopted them. Their impact on the consolidated financial statements of the Group has not been systematically analysed yet. The expected effects as disclosed in the table below reflect a first assessment by Group management.

New, revised or amended standards and interpretations	***Effective date***	***Planned application by the Group***
Amendments to IFRS 16: Leases (not yet endorsed by the EU)**	1 January 2019	Reporting year 2019
IFRS 9 Financial Instruments **	1 January 2018	Reporting year 2018
IFRS 15 Revenue from Contracts with Customers**	1 January 2018	Reporting year 2018
Amendments to IFRS 2: Share-based Payment (not yet endorsed by the EU)*	1 January 2018	Reporting year 2018
Amendments to IAS 7: Statement of Cash Flow (not yet endorsed by the EU)*	1 January 2017	Reporting year 2017
Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses (not yet endorsed by the EU)*	1 January 2017	Reporting year 2017

* No or no significant impacts are expected on the consolidated financial statements.

** The impacts on the consolidated financial statements can not be determined with sufficient reliability yet.

3.2. Basis of consolidation

(a) Business combinations

Business combinations are accounted for using the acquisition method.

The consideration transferred for the acquisition of a subsidiary is measured as the fair value of the assets transferred, any liabilities incurred and any equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement as well as any share-based payment awards of the acquiree that are replaced mandatorily in the business combination. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. Acquisition related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at its fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired, is recognised as goodwill. A negative excess is recognised in profit or loss.

The acquisition method is also applied to a business combination achieved without the transfer of consideration (e.g. when achieving control due to amended shareholder agreements). Applying the acquisition method to such a business combination requires the Group to adjust the carrying amount of any existing interest in the acquiree to fair value, recognise in profit or loss the difference between the carrying amount of any existing interest in the acquiree prior to obtaining control and the fair value of the interest held upon obtaining control, and recognise any amounts previously recognised in other comprehensive income relating to the previously-held equity interest on the same basis as would be required if the previously-held equity interest had been disposed of directly.

(b) Subsidiaries

Subsidiaries ('Group companies') are entities controlled by the Group. The Group controls an entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Group companies are consolidated from the date on which control is transferred to the Group and are deconsolidated from the date that control ceases.

Group companies are required to adopt the Group's accounting policies. All transactions, balances and gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Foreign exchange differences on intercompany transactions are disclosed within exchange gains and losses in the consolidated income statement, except for those loans that are considered as net investments in foreign operations, in accordance with IAS 21.

(c) Acquisitions and disposals of non-controlling interests

Changes in the Group's ownership interest in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as transactions with equity owners of the Group. The carrying amount of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interest are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

(d) Associates

Associates are those entities in which the Group has significant influence (generally involving a shareholding of between 20% and 50% of the voting rights). Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for using the equity method from the date of significant influence until the date significant influence ceases. The investments are initially recognised at cost.

The Group's share of its associates' post-acquisition profits or losses is recognised in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any loans that are considered to be part of the net investment, the Group does not recognise further losses, unless it has incurred obligations or has made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the asset transferred.

If the ownership interest in an associate is reduced but significant influence is retained, a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(e) Joint arrangements

Joint arrangements are arrangements of which the Group has joint control, established by contracts or law requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns. Where the Group has rights only to the net assets of the arrangements, Joint ventures are classified and accounted for the interest using the equity method, as for associates (see note 3.2 (d)).

(f) Loss of control, significant influence or joint control

When the Group ceases to have control, significant influence or joint control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purpose of subsequent accounting for the retained interest of an associate, joint arrangement or financial asset.

In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(g) Non-current assets held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than from continuing use. The asset (or disposal group) must be available for immediate sale in its present condition and the sale must be highly probable. Immediately before classification as held for sale, the measurement of the assets (and all assets and liabilities in a disposal group) is updated in accordance with applicable IFRS. Then, on initial classification as held for sale, non-current assets (or disposal groups) are recognised at the lower of carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale are included in the consolidated income statement. Intangible assets and property, plant and equipment once classified as held for sale are not amortised or depreciated.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations which is disposed of as part of a single co-ordinated plan, or is a company acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or, if earlier, when the operation meets the criteria to be classified as held for sale.

3.3. Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Euro (EUR).

(b) Transactions and balances

Foreign currency transactions are translated into the respective functional currencies of the Group entities using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated at year-end exchange rates. Non-monetary assets and liabilities in foreign currencies that are stated at historical cost are translated at the exchange rate at the date of the transaction. Non-monetary assets and liabilities in foreign currencies that are stated at fair value are translated at the foreign exchange rate at the date the values are determined. Foreign exchange gains and losses arising on translation are recognised in the consolidated income statement.

If a loan is made to a foreign operation and the loan in substance forms part of the Group's investment in the foreign operation (i.e. settlement of the loan is neither planned nor likely in the foreseeable future), exchange differences arising from the loan are also recognised in the currency translation reserve.

(c) Foreign operations

The results and financial position of all Group entities that have a functional currency different from the Group's presentation currency are translated into the Group's presentation currency as follows:

(a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(b) income and expenses for each income statement are translated at average exchange rates of that period, which approximate the foreign exchange rates at the dates of the transactions;

(c) all exchange differences resulting from such transactions are recognised as a separate component of other comprehensive income and accumulated in equity in a separate translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that is a foreign operation, a disposal involving loss of joint control over a jointly controlled arrangement that is a foreign operation, or a disposal involving loss of significant influence over an associate that is a foreign operation), all exchange differences accumulated in equity in respect of that operation that are attributable to the owners of the Company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that is a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to the non-controlling interest and are not recognised in profit or loss. For all other partial disposals (i.e. reductions in the Group's ownership interests in associates or jointly controlled arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing rate.

Venezuela has met the conditions of a hyperinflationary economy since November 2009. As the operations in Venezuela are immaterial in the overall scope of the Group, IAS 29 'Financial Reporting in Hyperinflationary Economies' is not applied. The impact of not applying this standard on the consolidated financial statements is deemed immaterial.

(d) Principal exchange rates

The exchange rates used for the principal currencies of the Group were:

	Year-end exchange rates	Average exchange rates
	2016	**2016**
Swiss Franc (CHF)	0.9314	0.9171
US Dollar (USD)	0.9490	0.9080
Pound Sterling (GBP)	1.1677	1.2304
Canadian Dollar (CAD)	0.7047	0.6843
Brazilian Real (BRL)	0.2917	0.2613
South African Rand (ZAR)	0.0695	0.0620

3.4. Property, vehicles and equipment

Buildings (comprising mainly warehouses, storage buildings, maintenance shops and offices) and all other equipment are stated at cost less depreciation and, if any, less impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item. Depreciation is calculated using the straight-line method over the asset's estimated useful life as follows:

Buildings and building improvements: 30 to 50 years

Motorised and non-motorised equipment: 7 to 15 years

IT equipment: 3 to 5 years

Where an asset comprises several components with different useful lives, each part of the asset is depreciated separately over its applicable useful life.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the consolidated income statement during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the sale proceeds with the carrying amounts and are included in the operating result in the consolidated income statement. The useful lives, depreciation methods and residual values are reviewed at each balance sheet date.

3.5. Goodwill and other intangible assets

(a) Goodwill

Goodwill arising on an acquisition of a subsidiary represents the excess of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired.

Goodwill related to the acquisition of associates and joint ventures is included in the carrying amount of the investments in associates and joint ventures respectively.

Separately recognised goodwill is tested annually for impairment and stated at cost less accumulated impairment losses.

On disposal of an entity, the carrying value of related goodwill is taken into account when calculating the gain or loss on disposal.

(b) Other intangible assets

Intangible assets with finite useful lives are stated at cost less accumulated amortisation and, if any, accumulated impairment losses.

Intangible assets acquired from third parties or acquired in a business combination are separately recognised as intangible assets. Intangible assets acquired in a business combination are recognised separately from goodwill if they arise from contractual or legal rights or are separately transferable and their fair value can be reliably estimated.

Acquired computer software licences are capitalised based on the costs incurred to acquire and bring the specific software to use. These costs are amortised using the straight-line method over their estimated useful lives (subject to a maximum of 3 years).

External computer software development costs are capitalised and amortised using the straight-line method over their useful lives (subject to a maximum of 3 years) where it is considered that economic benefits will be derived in future years.

Costs that are directly associated with the development of identifiable software products are only recognised as intangible assets when development costs can be measured reliably, the software is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use the software. These costs include costs of materials, software development, employee costs and an appropriate portion of overheads directly attributable to the development of the asset.

Acquired customer portfolios are valued taking into consideration one renewal of the acquired contracts at 50% probability and have finite useful lives and are amortised using the straight-line method over their estimated useful lives (subject to a maximum of 10 years).

Acquired licensing agreements have finite useful lives and are amortised using the straight-line method over their estimated useful lives (subject to a maximum of 14 years).

The acquired Swissport brand has an indefinite useful life and is tested annually for impairment and stated at cost less accumulated impairment losses, if any.

Gains and losses on disposals are determined by comparing the sale proceeds with the carrying amounts and are included in the operating result in the consolidated income statement.

Intangible assets arising from a service concession arrangement are recognised when the Group has a right to charge for usage of the concession infrastructure (see further policy 3.20). A consideration received for providing construction or upgrade services in a service concession arrangement which is classified as intangible asset is measured at fair value upon initial recognition. Subsequent to initial recognition, the intangible asset is measured at cost, which includes capitalised borrowing costs, less accumulated amortisation and, if any, accumulated impairment losses. The estimated useful life is the period from when the Group is able to charge the public for the use of the infrastructure to the end of the concession period.

The useful lives, amortisation methods and residual values are reviewed at each balance sheet date.

3.6. Impairment of non-financial assets

The carrying amounts of the Group's investments in property, vehicles and equipment, intangible assets, associates and joint ventures are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Goodwill and intangible assets with indefinite useful lives are tested for impairment every year. The Group's policy is to test goodwill and intangible assets with indefinite useful lives for impairment prior to the preparation of the annual consolidated financial statements. In addition, an impairment test is performed if there are indications that goodwill and intangible assets with indefinite useful lives are impaired at any other time.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or "CGUs"). Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised in profit or loss for the amount by which the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In calculating value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. An impairment loss on goodwill is not reversed.

3.7. Financial assets

The Group classifies its financial assets into the following categories:

- Financial assets at fair value through profit or loss
- Loans and receivables
- Available-for-sale financial assets

The classification depends on the nature and the purpose of the transaction.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short-term. Derivative instruments are classified as held for trading. The Group does not apply hedge accounting under IAS 39. Derivative instruments (including separated embedded derivatives) and other financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss. Attributable transaction costs are recognised in profit or loss as incurred.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except when the carrying amount is expected to be recovered more than 12 months after the balance sheet date in which case they are classified as non-current assets. The Group's loans and receivables consist of trade and other receivables and restricted cash and cash equivalents.

Loans and receivables are recognised initially at fair value plus any directly attributable transaction costs, and subsequently measured at amortised cost using the effective interest method less an allowance for impairment. See accounting policy 3.8 for additional details about trade receivables.

The Group recognises a financial asset arising from a service concession arrangement when it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction or upgrade services provided. Such financial assets are measured at fair value upon initial recognition. Subsequent to initial recognition, the financial assets are measured at amortised cost (see further policy 3.20).

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or not classified in any of the other categories.

Available-for-sale investments are initially recognised at fair value plus any directly attributable transaction costs. Available-for-sale financial assets are subsequently measured at fair value. Changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income, with the exception of impairment losses being recognised in the consolidated income statement. When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are re-classified to the consolidated income statement as 'gains and losses from available-for-sale financial assets'.

(d) Impairment of financial assets

A financial asset is impaired if its carrying amount is greater than its estimated recoverable amount. The Group assesses, at each balance sheet date, whether there is any objective evidence that a financial asset may be impaired. If any such evidence exists, the Group estimates the recoverable amount of that asset and recognises any impairment loss in the consolidated income statement. For financial assets classified as available-for-sale, losses accumulated in the fair value reserve are reclassified from equity to profit or loss on sale or other disposal and impairment. See accounting policy 3.8 for additional details about trade and other receivables.

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be objectively related to an event occurring after the recognition of the impairment loss, the impairment loss of the financial asset is reversed. For financial assets carried at amortised cost, the reversal cannot result in a carrying amount that exceeds the amount that the amortised cost would have been had the impairment not been recognised at the date the impairment is reserved. The amount of the reversal shall be recognized in profit or loss.

3.8. Trade receivables

Trade receivables are recognised initially at fair value plus any directly attributable transaction costs, and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment. The allowance is determined based on an individual and a portfolio basis.

An allowance for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivable. The impairment loss is equal to the difference between the carrying amount and the present value of the amounts expected to be recovered discounted at the asset's original effective interest rate. Receivables with a short duration are not discounted. Significant financial difficulties of the debtor, probability that the debtor will go into bankruptcy or need financial restructuring and default or delinquency in payments are considered indicators that a receivable is impaired. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the consolidated income statement within 'other operating expenses'. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against 'other operating expenses' in the consolidated income statement.

3.9. Inventories

Inventories are stated at the lower of cost or net realisable value. Allowances are made for obsolete, slow moving and excess inventories. Cost is determined by the first-in, first-out method (FIFO) and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Borrowing costs are not included in the cost. Net realisable value is the estimated selling price in the ordinary course of business, less estimated selling costs.

Inventories consist mainly of de-icing liquid and spare parts.

3.10. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at banks, fixed term and call deposits with a term of less than 90 days from the date of acquisition. Restricted cash is presented as other current or non-current receivables depending on for how long the cash is restricted.

3.11. Share capital

Ordinary shares

Ordinary shares are classified as equity (refer to note 22). Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Share premium

The additional amount shareholders paid for their issued shares that were in excess of the par value of those shares are classified as share premium (refer to note 22).

3.12. Financial liabilities

The Group classifies its financial liabilities into the following categories:

- Financial liabilities at fair value through profit or loss
- Other financial liabilities

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss only include derivative liabilities, being classified as financial liabilities held for trading. Derivative instruments are measured at fair value, and changes therein are recognised in profit or loss. Attributable transaction costs are recognised in profit or loss as incurred.

(b) Other financial liabilities

The Group's other financial liabilities consist of trade and other payables as well as borrowings. Other financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

The difference between the proceeds (net of transaction costs) and the redemption value is amortised over the term of the borrowing using the effective interest method. Borrowings due to be settled within 12 months of the balance sheet date are presented as current liabilities, other borrowings are presented as non-current liabilities. Borrowings where the Company has an unconditional right and intent to defer payment for more than 12 months are presented as non-current liabilities.

Fees paid on the establishment of loan facilities are regarded as directly attributable transaction costs for the loan to the extent that it is probable that some or all of the facility will be drawn down and that cash flows and timing of cash flows can be estimated reliably. In this case, the fee is deferred until the draw-down occurs and then amortised using the effective interest rate method. To the extent that it is not probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for the service of having the possibility to draw down the facility and amortised on a straight-line basis over the term of the related facility.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised and included in the cost of these assets and amortised over the useful life of the respective assets. Borrowing costs not directly attributable to qualifying assets are recognised as a finance expense in the period in which they occur.

3.13. Current and deferred tax

Income tax on the profit or loss for the year comprises current and deferred taxes. Income tax is recognised in the consolidated income statement except to the extent that it relates to a business combination or to items recognised directly in equity or in other comprehensive income.

(a) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year. The current income tax expense / credit is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group's subsidiaries operate and generate taxable income. It includes any adjustment to tax payable in respect of previous years. Management periodically evaluates positions taken in tax returns, with respect to situations in which applicable tax regulations are subject to interpretation, and establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred tax

Deferred tax is recognised using the balance sheet liability method, for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. The following temporary differences are not accounted for: the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising from investments in subsidiaries to the extent that the timing of the reversal of the temporary difference can be controlled and it is probable that they will not reverse in the foreseeable future. The principal temporary differences arise from depreciation of property, vehicles and equipment, amortisation of intangible assets, provisions for pensions and other post-retirement benefits and tax losses carried forward, and, in relation to acquisitions, on the difference between the fair values of the net assets acquired and their tax base.

The amount of deferred tax recognised is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using local tax rates enacted or substantively enacted by the balance sheet date.

Deferred tax assets relating to the carry forward of unused tax losses, tax credits and deductible temporary differences are recognised to the extent that it is probable that future taxable profit will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are only offset within the same tax jurisdiction where there is a legally enforceable right to offset current tax liabilities and assets and the reversal will occur within the same period.

3.14. Employment benefits

(a) Defined benefit and defined contribution plans

Group companies operate both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The contributions are recognised as pension costs in personnel expenses in the periods during which services are rendered by the employees.

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service, compensation or the balance of the savings account. The asset or liability recognised in the consolidated balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date, less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit obligation (asset).

When the calculation results in a potential asset, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. The present value of economic benefits available is equal to the present value of future service costs, less the present value of any minimum future funding contributions requirements, plus the amount that reduces future contributions because the entity made a prepayment. Consideration of a minimum funding requirement may also give rise to a liability.

Remeasurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Group recognises them immediately in other comprehensive income and all other expenses related to defined benefit plans in personnel expenses in profit or loss.

When the benefits of the plan are changed, or when a plan is curtailed, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment, is recognised immediately in profit or loss when the plan amendment or curtailment occurs.

(b) Bridging pensions

In Switzerland the regulatory retirement age for the participants in the pension plan of Swissport is 63 for men and women. The statutory retirement age for the state pension (AVS/AHV) is 65 for men and 64 for women. During the gap between the Swissport pension plan's regulatory retirement date and the first time when the state pension is paid, the Group pays a bridging pension equal to the maximum state pension (CHF 28,200 at 31 December 2016). The bridging pension is a defined benefit plan and is therefore determined as described above in policy 3.14 (a).

(c) Swiss night-shift obligations

Under the Swiss general workers contract (GAV), employers must provide employees working during the night with an option to take holidays and / or early retirement from the age of 57 onwards. The Swiss night-shift obligations are considered other long-term employee benefits. The obligation can be estimated reliably based on the past service provided by the employee. Liabilities for these obligations are recognised in the balance sheets of the companies concerned.

(d) Jubilee provision

Some Group companies have a constructive obligation to pay long service-awards to employees on completion of a predetermined number of years of service, e.g. 10 years. This long-term employee benefit can be received either in cash and / or in holiday entitlements. The jubilee provision is another long-term employee benefit. The present value of the obligation is determined using the projected unit credit method. Any actuarial gains and losses are recognised in profit or loss in the period in which they arise.

(e) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.15. Provisions

A provision is recognised when the Group has a present legal or constructive obligation resulting from past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

Provisions are measured at the present value of the future cash flows expected to be required to settle the obligations, using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance expense.

(a) Legal claims

Provisions are made for legal claims when the Group believes, after taking legal advice where appropriate, that it is probable that the final outcome will be an outflow of resources and when the amount can be estimated reliably.

(b) Restructuring

Restructuring provisions mainly comprise employee termination payments and lease termination penalties, and are recognised in the period in which the Group becomes legally or constructively committed to payment. Employee termination benefits are recognised only after an agreement is in place with the appropriate employee representatives specifying the terms of redundancy and the numbers of employees affected, or after individual employees have been advised of the specific terms. No provision is made for future operating losses.

(c) Onerous contracts

A provision for onerous contracts is recognised when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits expected to be received under the same contract. In the Group’s line of business long-term rental contracts for warehousing facilities, vehicles or equipment can become onerous. The present obligation is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

3.16. Contingent liabilities

Contingent liabilities are possible obligations arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. They may also be present obligations that are unrecognised because the future outflow of resources is not probable or the amount cannot be reasonably determined. Contingent liabilities are usually not recognised but disclosed, unless in case of a business acquisition..

3.17. Revenue recognition

(a) Sales of services

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group’s activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group. The Group recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity. Revenue from services is recognised in the accounting period the services are provided, in proportion to the stage of completion of the total services to be provided. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Where the outcome of transactions cannot be estimated reliably, revenue is recognised only to the extent of recoverable expenses.

(b) Interest income

Interest income is recognised as it accrues using the effective interest method.

(c) Management and trademark fees

Revenue from management and trademark fees, including from associates and joint arrangements, is recognised on an accruals basis in accordance with the substance of the relevant agreements and is included in other operating income. Management and trademark fees within the Group are eliminated.

(d) Dividend income

Dividend income is recognised when the right to receive payment is established. Dividends within the Group are eliminated.

(e) Service concession arrangements

Revenue related to construction or upgrade services under a service concession arrangement is recognised based on the stage of completion of the work performed. Revenue is recognised in the period in which the services are provided by the Group. When the Group provides more than one service in a service concession arrangement, the consideration received is allocated by reference to the relative fair values of the services delivered when the amounts are separately identifiable (see also sections 3.5 (b) and 3.7 (b)).

3.18. Leases

Leases of property, vehicles and equipment are classified as finance leases if the Group has substantially all the risks and rewards of ownership. Finance leases are capitalised at the commencement of the lease at the lower of the fair value of the leased asset or the present value of the minimum lease payments. Each lease payment is allocated between the reduction of the lease liability and finance expenses so as to achieve a constant periodic rate of interest on the outstanding balance of the liability. The corresponding liability is included in borrowings. The property, vehicles and equipment acquired under finance lease contracts are depreciated over the shorter of the useful life of the asset and the lease term and tested for impairment when there is an impairment indicator (see policy 3.6).

Leases are classified as operating leases, if the criteria of a finance lease are not met. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated income statement on a straight-line basis over the period of the lease.

3.19. Dividend distribution

Dividend distributions to the Group's shareholder are recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Group's shareholder.

3.20. Service concession arrangements

Service concession arrangements where the Group contracts with a government or other public sector body to operate and maintain infrastructure assets, such as cargo warehouses, and where the government or other public sector body (i) controls or regulates what services the Group must provide, to whom it must provide them, and at what price and (ii) controls a significant residual interest in the infrastructure at the end of the arrangement, are accounted for in accordance with IFRIC 12. The Group recognises a financial asset for the consideration received to the extent that it has an unconditional contractual right to receive cash or another financial asset. The Group recognises an intangible asset to the extent that it receives a right (a licence) to charge users of the public service. Both types of arrangements may exist within a single contract.

3.21. Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Operating segments are reported in a manner consistent with the internal reporting to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group Executive Management.

4. Financial risk management

4.1. Financial risk factors

The Group is exposed to a variety of financial risks, namely market risk (including currency and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse affects on the Group's financial performance.

At the date of approval of these consolidated financial statements, the Group was in discussions with its lender group for a resolution of events of default arising out of a technical breach of the lien covenant provisions contained in the Credit Facility documents as described in note 30. As of the date of approval of these consolidated financial statements, the Group was exposed to the outcome of these discussions.

Financial risk management is carried out by a central treasury department ('Corporate Treasury'), which applies the principles and policies described in this note. Local management are not authorised to enter into any derivative instruments.

The Group has the following categories of financial instruments at the balance sheet date:

	2016 MEUR
Cash and cash equivalents	132.1
Trade and other receivables*	447.0
Total receivables	**579.1**
Financial assets available for sale	4.1
Total financial assets available for sale	**4.1**
Borrowings	1,462.1
Trade and other payables*	274.3
Total financial liabilities at amortised cost	**1,736.4**

*The amounts differ from the carrying amounts presented in the Consolidated balance sheet. Only financial instruments that fall within the scope of "IFRS 7 Financial Instruments: Disclosures" are included in the table above.

(a) Foreign exchange risk

Foreign exchange risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group operates internationally and is exposed to foreign exchange risk arising from future commercial transactions and recognised assets and liabilities that are denominated in a currency other than the respective functional currencies of the Group entities, and investments in foreign operations that are denominated in a currency other than the presentation currency of the Group. The functional currencies of the Group entities are mainly CHF, EUR, GBP and USD. The currency exposures primarily arise with respect to USD, EUR, GBP, CAD, BRL, ZAR and CHF. Individual Group companies usually enter into transactions with third parties that are denominated in their functional currency. Where this is not the case, the foreign exchange risk is not actively managed. Group policy does not permit the use by subsidiaries of any kind of derivative instruments to hedge their foreign exchange risk in such cases.

Transactions with other Group companies are generally not hedged. However, Corporate Treasury may enter into foreign exchange forward contracts to remove the foreign exchange risk on transactions with other Group companies (such as a loan to or from Group companies) or external companies.

The net assets of the Group's investment in foreign operations are also a source of foreign exchange risk. The Group's policy is to reduce this risk by funding acquirees using local rather than central borrowings, where possible, to provide a natural cash flow hedge in that the subsidiaries are mainly financed in the currency in which they generate the majority of their operational cash flows.

At the balance sheet date, the Group's exposure to foreign exchange risk (in millions), including intercompany balances, was as follows:

2016

	CHF	USD	EUR	GBP	CAD	BRL	ZAR
Cash and cash equivalents	11.4	65.4	34.7	10.0	5.6	6.0	6.6
Trade and other receivables	96.3	168.4	563.4	193.1	34.0	23.9	8.9
Loans Receivable	1,171.6	1,401.9	2,058.3	326.4	26.8	9.5	1.3
Trade and other payables	(113.3)	(126.1)	(556.0)	(204.2)	(33.9)	(21.0)	(7.9)
Borrowings	(1,170.5)	(1,423.2)	(3,493.3)	(327.2)	(26.8)	(14.3)	(8.5)
Net balance sheet exposure	**(4.5)**	**86.4**	**(1,392.9)**	**(1.9)**	**5.7**	**4.1**	**0.4**

Sensitivity analysis

A strengthening / weakening of the USD, CHF, GBP and EUR at 31 December 2016, as indicated below, would have increased / decreased the profit or loss and equity by the amounts shown below as impact from transactions. This analysis is based on foreign currency exchange rate variances and assumes that all other variables, in particular interest rates, remain constant. The change to profit or loss is mainly related to foreign exchange gains / losses on translation of intra-group loans. The change to equity is related to USD, CHF, GBP and EUR loans that in substance form part of the net investment in foreign operations.

	31 December 2016	
	MEUR Profit or (loss)	MEUR Equity
EUR 1% strengthening	(8.1)	0.6
USD 1% strengthening	(0.6)	3.9
CHF 1% strengthening	0.3	-
GBP 1% strengthening	0.1	2.0

(b) Interest rate risk

The Group's interest rate risk mainly arises from external borrowings and cash and cash equivalents. Borrowings and cash and cash equivalents at variable rates expose the Group to cash flow interest rate risk. The Group's exposure to interest rate risk is currently moderate as more then half of the Group's borrowings mainly (Notes) have fixed interest rates, i.e. the interest expense is not subject to changes in benchmark interest rates. The majority of the remaining debt (mainly Term Loan B) has an interest floor rate with a Euribor floor rate that is above current market conditions. The Group does not use derivative financial instruments to hedge its interest rate risk in respect of borrowings.

At the balance sheet date, the interest profile of the Group's interest-bearing financial assets and liabilities was as follows:

	2016 MEUR
Fixed rate instruments	
Cash and cash equivalents	5.6
Borrowings*	(708.6)
Total fixed rate instruments	**(703.0)**
Variable rate instruments	
Cash and cash equivalents	126.5
Borrowings*	(725.1)
Total variable rate instruments	**(598.6)**

* The amounts presented exclude transaction costs, shareholder loan, bank overdraft and written put option on non-controlling interest.

Fair value sensitivity analysis – fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under the fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss. A change would also not have an impact on equity as the Group does not have any debt-securities classified as available for sale.

Cash flow sensitivity analysis – variable rate instruments

At 31 December 2016, if the interest rates had been 100 basis points lower or higher, with all other variables held constant, the impact on the loss for the period would be:

	2016 MEUR
100 basis points lower*	0.4
100 basis points higher*	(6.4)

* The variable rate instruments concerns mainly Term Loan B with an Euribor floor rate of 1%. For the avoidance of doubt and simplified illustration, the assumption in the sensitivity analysis was that Euribor was at 1% as at 31 December 2016 as well as the fixing of the Term Loan B.

(c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk is managed at Group level. Credit risk arises from cash at banks, cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers primarily through outstanding receivables.

The Group's internal policies require that credit exposures with banks and other financial institutions are regularly measured, actively managed and results reported to senior management.

The Group limits its exposure to credit risk by only holding cash and investing excess cash with counterparties that have high credit ratings. The table below shows the balances for cash and cash equivalents with banks and financial institutions at the balance sheet date:

Cash and cash Equivalents	2016 MEUR
Counterparties external credit rating (Standard & Poors)	
Investment grade A- and above	95.8
Investment grade BBB+, BBB, BBB-	20.6
Non-investment grade BB+ and below	7.2
Not rated	8.5
Total cash and cash equivalents	**132.1**

Credit risks related to trade receivables are systematically analysed, monitored and managed. The Group has policies in place to ensure that sales of products and services on credit are only made to customers with an appropriate credit history. The Group may hold collateral as security. Concentrations of credit risk with respect to trade receivables (MEUR 285.6 as of 31 December 2016) are limited due to the Group's large number of customers, who are internationally dispersed. Trade receivables from any customer (an aviation group) do not exceed 5.2% of the total trade receivables.

The carrying amount of financial assets represents the Group's maximum credit exposure. The maximum exposure to credit risk at the balance sheet date was as follows:

	2016 MEUR
Cash and cash equivalents	132.1
Non-current receivables	56.5
Current receivables	390.5
Total assets	**579.1**

(d) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties to meet obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

All Group companies regularly monitor and manage their liquidity to ensure all obligations are met. According to the Group's investment policy, excess cash, which is regularly monitored by Corporate Treasury, is maintained in highly liquid and highly rated investments. The principal methods of managing the Group's liquidity and investments is the real time reporting of cash and cash equivalents, investments, borrowing commitments and the provision of a monthly detailed cash flow forecast.

For the purposes of repayment of certain liabilities, Swissport Investments S.A., a 100% subsidiary of Swissport Group S.à r.l., issued on 15 December 2015 MEUR 400.0 6.750% Senior Secured Notes due 2021 and MEUR 290.0 9.750% Senior Notes due 2022 which were fully funded and held in escrow until the acquisition date. In addition, Swissport Investments S.A. entered into a MEUR 660.0 Term Loan B Facility due 2022. Swissport International AG entered into a new MCHF 150.0 Revolving Credit Facility (RCF) due 2021 on a senior secured basis which will provide borrowings up to an aggregated amount of MCHF 150.0. As per end of December 2016 an amount of MCHF 110.0 of the RCF has been committed whereby MCHF 42.5 was utilized for standby letters of credit (refer to note 23).

Other Group companies have entered into locally committed and uncommitted facilities for working capital purposes, letter of credit issuances and equipment leasing requirements.

At the balance sheet date, the Group reported its MEUR 660 Term Loan B due 2022 as current liability and was not able to access borrowings under the revolving credit facility, given the circumstances described in note 30. As further outlined in note 30, on the date of approval of these financial statements the Group had MEUR 660 in available cash balances and MEUR 58 for working capital purposes from an equity injection of its parent company (that was completed after the balance sheet date), in addition to the cash flow from operations, to meet its ongoing financial obligations.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of the financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Carrying amount	Contractual cash flows	< 12 months	13 – 24 months	25 – 60 months	> 60 months
	MEUR	MEUR	MEUR	MEUR	MEUR	MEUR
At 31 December 2016						
Borrowings	1,462.1	1,984.2	828.5	117.0	706.1	332.6
Trade and other payables*	274.3	274.3	274.3	-	-	-

* The amounts differ from the carrying amounts presented in the Consolidated balance sheet. Only financial instruments that fall within the scope of "IFRS 7 Financial Instruments: Disclosures" are included in the table above.

The contractual cash flows of the borrowings as at 31 December 2016 is as follows:

2016	<12 months MEUR	13-24 months MEUR	25-60 months MEUR	> 60 months MEUR	Total MEUR
Notes (note 23)	54.3	54.3	547.8	296.8	953.2
Term Loan B (note 23)	701.2	41.3	123.8	4.6	870.9
Bank loans (note 23)	16.6	8.6	26.6	19.5	71.3
Finance lease liabilities	11.2	6.5	6.8	0.2	24.7
Subordinated shareholder loan (note 29)	20.0	-	-	-	20.0
Loans from related parties (note 29)	7.6	-	-	-	7.6
Loans from other third parties	0.6	1.6	1.1	9.7	13.0
Other	17.0	4.7	-	1.8	23.5
Total	**828.5**	**117.0**	**706.1**	**332.6**	**1,984.2**

Given the circumstances disclosed in note 30, the obligation of the Term Loan B is classified as current in this table in line with the presentation on the balance sheet. Nonetheless, interest of the particular periods are presented when they are contractually due.

For financial guarantee contracts, refer to note 28.

4.2. Capital risk management

The Swissport Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, in order to provide medium to long term stable returns for its shareholder and benefits for other stakeholders. In order to optimise a long term capital structure, the Group may issue new shares or sell assets to reduce debt.

By ensuring the Group adheres to the net leverage ratio covenant limit (as set out in the Credit Agreement of 20 January 2016, refer to note 23) under the Group's financing arrangements, management meets the primary capital risk objective. The objective of the management is to make sure that this ratio is below the limit set out by the credit facility which were:

	2016
Covenant leverage ratio	5.99
Covenant leverage ratio limit	7.50

4.3. Fair value estimation

The carrying amount of financial assets and current and non-current liabilities at variable interest rates approximates their fair values. The majority of the financial assets are current. The majority of the liabilities are non-current and at fixed interest rates (mainly the Notes). The fair value of non-current fixed rate interest-bearing liabilities (excluding the Notes) is MEUR 17.9. This is estimated by discounting the future contractual cash flows at the current market interest rate (level 2 of fair value hierarchy, see below). The carrying amount of the Notes (excl. transactions costs) is MEUR 680.5. The fair value of the Notes is estimated to be MEUR 742.6. The fair value of the Notes is determined based on quoted market prices at the balance sheet date, therefore the fair value measurement of the Notes is categorised in level 1, see fair value hierarchy below. For finance leases, the market rate of interest is determined by reference to similar agreements.

Fair value hierarchy

The table below analyses financial assets and liabilities carried at fair value, by the levels in the fair value hierarchy. The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

31 December 2016

	Level 1 MEUR	Level 2 MEUR	Level 3 MEUR	Total MEUR
Available-for-sale financial assets	2.1	0.1	1.9	4.1
Total assets	**2.1**	**0.1**	**1.9**	**4.1**

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if transactions for asset or liability take place with sufficient frequency and volume to provide information on an ongoing basis. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

The fair value of derivative instruments included in this category is determined based on current and available market data. If fair value of financial instruments is not determinable the valuation is at cost (level 3).

5. Accounting estimates and judgements

The preparation of the consolidated financial statements requires management to make assumptions, estimates and judgements that affect the application of accounting policies and reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates may, by definition, not always equate to the actual results. Estimates and assumptions are reviewed on an on-going basis and modified as appropriate in the period in which the estimate or assumption change if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments made by management in the application of IFRS that might have a significant effect on the consolidated financial statements and information about assumptions and estimation uncertainties with a significant risk of materially impacting the carrying amounts of assets and liabilities in the next year are discussed below.

(a) Impairment testing of goodwill, other intangible assets and property, vehicles and equipment

The Group annually tests goodwill and intangible assets with indefinite useful lives for impairment, in accordance with its accounting policy. For the period ended 31 December 2016, goodwill in an amount of MEUR 2,299.8 and intangible assets with indefinite useful lives in an amount of MEUR 324.5 were tested for impairment. No impairment loss was recognised in 2016.

The Group also assesses at each balance sheet date whether there are any indicators that property, vehicles and equipment and intangible assets with finite useful lives are impaired. In such a case, the assets are tested for impairment. As of 31 December 2016, the Group had property, vehicles and equipment with a carrying amount of MEUR 242.6 and intangible assets with definite useful lives with a carrying amount of MEUR 155.5. No impairment was recognised in 2016.

The impairment tests are based on the higher of value in use or fair value less costs of disposal. In the case of the value in use approach, the calculations involve a variety of assumptions such as estimates of future cash flows, estimated growth rates beyond the five-year planning period and determination of appropriate discount rates. The fair value less costs of disposal approach is based on assumptions such as determination of an appropriate multiple as well as identification and quantification of corrections to current results for non-representative circumstances. The future developments of these underlying variables might differ significantly from management's current best estimate. Changes in the underlying business assumptions that may impact the future results and cash flows (such as presence of competitors, the Group's customer base, technological obsolescence etc.) as well as in the underlying market conditions may result in a reduction of the recoverable amounts and a recognition of impairment losses.

(b) Income taxes

The Group is subject to income taxes in numerous jurisdictions. The Group has recognised deferred tax assets of MEUR 26.7 relating to tax losses and deductible temporary differences and deferred tax liabilities of MEUR 71.0 as of 31 December 2016. The Group also has unrecognised deferred tax assets relating to tax losses and deductible temporary differences of MEUR 177.2.

The Group recognises liabilities for uncertain tax positions and potential exposures based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax in the period in which such determination is made (see notes 14 and 18). Changes in tax laws and rates, taxable profit etc. might also have an impact on the amounts recognised as tax assets and liabilities.

(c) Litigations and claims

The current nature of the business exposes the Group to a number of proceedings and civil lawsuits. These procedures take, in some cases, years to be resolved and management seeks advice from legal counsel and makes appropriate assumptions on the timing and estimated amounts of cash outflows of such proceedings. The related provisions for claims against the Group in an amount of MEUR 83.8 are presented in note 24; related contingent liabilities are presented in note 26.

(d) Insurance and workers compensation provisions

The Group has recognised insurance provisions in relation to aviation liabilities, and workers compensation provisions relating to injuries that occurred on the job. Both the insurance and workers compensation provisions are partially offset by receivables from insurance companies. In some cases the claim amount may take several years to be agreed upon. As such management seeks advice from experts and makes appropriate assumptions on the timing and estimated amounts of cash outflows of such claims. The total related provisions of the Group amount to MEUR 87.1 which are presented in note 24.

(e) Defined benefit pension plans - actuarial valuations

As of 31 December 2016, the Group has recognised a liability for defined benefit plans in the amount of MEUR 262.2 based on actuarial valuations from actuaries. A number of assumptions are made in the calculation of the liability, including discount rate, future salary, pension increases and mortality. A relatively minor change in any of these assumptions can have a significant impact on the carrying amount of the defined benefit obligation. The assumptions used in these calculations are presented in note 19.

(f) Acquisition accounting

Intangible assets acquired in a business combination are required to be recognised separately from goodwill if they are subject to contractual or legal rights or are separately transferable and their fair value can be reliably estimated.

The fair value of acquired intangible assets is based on valuation techniques. The valuation models require input based on assumptions about the future. The management uses its best knowledge to estimate the fair value as of the acquisition date. Intangible assets with finite useful lives are tested for impairment when there is an indication that they might be impaired while intangible assets with indefinite useful lives are tested for impairment annually (see (a) above). The management also made assumptions about the useful life of acquired other intangible assets which might be affected by external factors such as increased competition.

Identifiable contingent liabilities acquired in a business combination are measured initially at their fair values at the acquisition date.

6. Segment information

(a) Description of operating segments

Information about operating segments is reported in a manner consistent with the information needs of the Group Executive Management ("GEM"). As of 31 December 2016 the GEM consisted of eight members including the Group Chief Executive Officer and the Chief Financial Officer. The GEM has been identified as the Group's Chief Operating Decision Maker. Each operating segment engages in business activities from which it earns revenues and incurs expenses. Results of the operating segments are reviewed regularly by the GEM when making decisions about resource allocation between segments and performance assessment is based on the results of the operating segments.

The Group is focused on two areas of activity, Ground Handling and Cargo Handling. Core Ground Handling services include ramp and passenger handling, baggage services, lounge and ticketing supervision, cabin cleaning, de-icing, e-services, passengers with reduced mobility handling and executive aviation. Ground Handling also includes the provision of speciality services which are complementary to the core Ground Handling services. These services include fuelling, aircraft maintenance and aviation security. Cargo Handling services include physical import and export handling of cargo, warehousing and storage of cargo, document handling, trucking and mail handling. The Group's Ground Handling activities are managed and identified as one operating segment. The Group's Cargo Handling activities are also managed and identified as one operating segment. The Group's two operating segments meet the required quantitative thresholds as outlined in IFRS 8, 'Operating Segments,' and are therefore presented as operating segments. The column "Other / Eliminations" consists of head office results and eliminations. It does not contain other segment results.

Therefore, the Group's operating segments are:

- Ground Handling, and
- Cargo Handling.

The accounting policies of the operating segments are the same as applied in these consolidated financial statements. Revenues as presented in the segment information note comprise other operating income.

(b) Segment information

Segment revenue:

The segment revenue information provided to the GEM for the operating segments consist of revenue and other operating income before unallocated other income and reporting adjustments.

Segment revenue for the period from:

	Ground Handling*	Cargo Handling*	Other / Eliminations	Total
	MEUR	MEUR	MEUR	MEUR
4 Nov 2015 to 31 Dec 2016	**2,033.2**	**438.4**	**(2.0)**	**2,469.6**

Both segments were acquired in February 2016.

Reconciliation of segment revenue to the consolidated income statement:

	4 Nov 2015 to 31 Dec 2016
	MEUR
Revenue – for operating segments	2,471.6
Revenue – Other / Eliminations	(2.0)
Revenue and other operating income per consolidated income statement	**2,469.6**
Less other operating income	(84.7)
Revenue per consolidated income statement	**2,384.9**

Segment result:

The GEM assesses the performance of the operating segments based on Swissport EBITDA. Swissport EBITDA is operating profit before acquisition and integration costs, as included in the consolidated income statement, before depreciation, amortisation, restructuring costs, non-cash pension expenses and other long term employee benefits, unallocated other income and reporting adjustments.

Segment result (Swissport EBITDA) for the period from:

	Ground Handling*	Cargo Handling*	Other / Eliminations	Total
	MEUR	MEUR	MEUR	MEUR
4 Nov 2015 to 31 Dec 2016	**157.0**	**46.0**	**(4.3)**	**198.7**

Both segments were acquired in February 2016.

Reconciliation of segment result (Swissport EBITDA) to the consolidated income statement for the period from:

	4 Nov 2015 to 31 Dec 2016 MEUR
Swissport EBITDA – for operating segments	203.0
Swissport EBITDA – other / eliminations	(4.3)
Subtotal	**198.7**
Amortisation of intangible assets	(21.5)
Depreciation of property, vehicles and equipment	(51.3)
Non-cash pension expenses and other long-term employee benefits	(17.9)
Restructuring and onerous contract charge	(11.8)
Unallocated other income and reporting adjustments	(0.3)
Operating profit before acquisition and integration costs	**95.9**
Acquisition costs	(2.6)
Integration costs	(0.3)
Operating profit	**93.0**
Finance expense	(306.8)
Finance income	98.2
Loss before income tax per consolidated income statement	**(115.6)**

Other segment information

Segment depreciation:

Segment depreciation of property, vehicles and equipment for the period from:

	Ground Handling* MEUR	Cargo Handling* MEUR	Other / Eliminations MEUR	Total MEUR
4 Nov 2015 to 31 Dec 2016	**41.7**	**9.4**	**0.2**	**51.3**

**Both segments were acquired in February 2016.*

Reconciliation of segment depreciation of property, vehicles and equipment to the consolidated income statement:

	4 Nov 2015 to 31 Dec 2016 MEUR
Depreciation of property, vehicles and equipment – for operating segments	51.1
Depreciation of property, vehicles and equipment – Other / Eliminations	0.2
Depreciation of property, vehicles and equipment per consolidated income statement	**51.3**

Segment amortisation:

Segment amortisation of intangible assets for the period from:

	Ground Handling*	Cargo Handling*	Other / Eliminations	Total
	MEUR	MEUR	MEUR	MEUR
4 Nov 2015 to 31 Dec 2016	**12.1**	**8.0**	**1.4**	**21.5**

**Both segments were acquired in February 2016.*

Reconciliation of segment amortisation of intangible assets to the consolidated income statement:

	4 Nov 2015 to 31 Dec 2016 MEUR
Amortisation of intangible assets – for operating segments	20.1
Amortisation of intangible assets – Other / Eliminations	1.4
Amortisation of intangible assets per consolidated income statement	**21.5**

(c) Geographical information

The Group operates internationally in the following geographical areas: Europe, Africa, Asia, Middle East, North America, South America, Central America and the Caribbean. Ground handling and cargo services are provided in each of these geographical areas. Segment revenue is based on the geographical location of the service provided, and segment assets are based on the physical location of the assets.

Revenue and non-current assets of the company's country of domicile and individual countries considered material for the period from 4 November 2015 to 31 December 2016 are as follows:

	4 Nov 2015 to 31 Dec 2016	
	Revenue MEUR	Non-current assets MEUR
Luxemburg (country of domicile)	-	-
USA	684.1	755.1
Switzerland	362.9	596.8
UK	329.9	165.4

The non-current assets presented consist of property, vehicles and equipment, goodwill, intangible assets and investments in associates and joint ventures, except assets that are eliminated on a consolidated level.

d) Major customers

The Group's largest customer (an aviation group) accounted for 12.1% of total revenue for the period ended 31 December 2016. 91.6% of the revenue from the Group's major customer is included in Ground Handling and 8.4% in Cargo Handling.

7. Total revenue and other operating income

Revenue:

	4 Nov 2015 to 31 Dec 2016 MEUR
Ground Handling	2,031.2
Cargo Handling	438.4
Total	**2,469.6**

Other operating income:

	4 Nov 2015 to 31 Dec 2016 MEUR
Concession and rental	25.8
Management and trademark fees	1.4
Sale of fuel (excl. into-plane fueling)	4.4
Other services	43.9
Other	9.2
Total	**84.7**

8. Goods and services purchased

	4 Nov 2015 to 31 Dec 2016 MEUR
Purchased Ground Handling services	(85.5)
Purchased Cargo Handling services	(48.6)
Lease expenses and maintenance of equipment	(136.3)
Material	(43.9)
Airport fees	(19.5)
Concession fees	(16.0)
Total	**(349.8)**

9. Personnel expenses

	4 Nov 2015 to 31 Dec 2016 MEUR
Wages and salaries	(1,265.4)
Social security costs	(127.7)
Personnel insurances	(75.4)
Pension costs - defined benefit plans	(14.8)
Contributions and administrative costs paid (note 19)	(19.4)
Non-cash pension gain (note 19)	4.6
Other long-term employee benefits (note 19)	(22.5)
Pension costs - defined contribution plans (note 19)	(15.0)
Staff allowance	(31.8)
Uniforms and protective clothes	(11.2)
Other staff costs	(53.8)
Total	**(1,617.6)**

The average number of employees was approximately 63,000 during the period ended 31 December 2016.

10. Other operating expenses

	4 Nov 2015 to 31 Dec 2016 MEUR
Building occupancy	(144.1)
Information technology	(52.9)
Marketing	(3.0)
Office costs	(11.4)
Third party workforce	(47.9)
Professional fees	(23.1)
Insurances	(20.6)
Impairment of trade receivables	(1.4)
Management fees	(1.5)
Travel costs	(16.6)
Onerous contract charges	(3.9)
Other	(12.2)
Total	**(338.6)**

Fees billed to the Group by the Group auditor KPMG Luxembourg, Société Coopérative, Luxembourg, and other member firms of the KPMG network during the period were as follows (excluding VAT):

	4 Nov 2015 to 31 Dec 2016 MEUR
Audit fees	2.0
Other fees	0.9
Total	**2.9**

The audit and other fees as shown above are included in the line “Professional fees”.

11. Acquisition costs

Acquisition cost of MEUR 2.6 occurred in connection with the acquisition of Aguila 2 S.A.'s shares including Aguila 3 S.A. and its subsidiaries, joint ventures and associates from its former owner PAI Partners (refer to note 27).

12. Finance expense

	4 Nov 2015 to 31 Dec 2016 MEUR
Interest expense	(146.4)
Realised foreign exchange losses	(51.5)
Unrealised foreign exchange losses	(72.8)
Bank charges	(6.2)
Penalty for early termination of financing	(24.0)
Net interest costs of defined benefit plans	(2.5)
Other financial costs	(3.4)
Total	**(306.8)**

Included in the interest expense for the period ended 31 December 2016 is MEUR 6.0 of accrued interest on the notes, MEUR 2.3 of accrued interest on the term loan facility and MEUR 29.7 of capitalised transaction costs related to the MEUR 660 Term Loan B and the Revolving Credit Facility that were fully expensed (refer to note 30). Penalty has been paid due to the early repayment of the bond issued by Aguila 3 S.A. (refer to note 23).

13. Finance income

	4 Nov 2015 to 31 Dec 2016 MEUR
Interest income	2.9
Realised foreign exchange gains	7.2
Unrealised foreign exchange gains	83.8
Proceed from early termination of financing	4.1
Other financial income	0.2
Total	**98.2**

14. Income taxes

Income / (expense) in the year

	4 Nov 2015 to 31 Dec 2016 MEUR
Current tax expense	**(23.5)**
Origination and reversal of temporary differences	(1.2)
(Release) of previously unrecognised tax losses	(0.1)
Deferred tax expenses (note 18)	**(1.3)**
Total	**(24.8)**

The tax on the Group's (loss) before income tax differs from the theoretical amount that would arise using the statutory tax rate applicable to losses / profits of the consolidated companies as follows:

	4 Nov 2015 to 31 Dec 2016 MEUR
(Loss) / profit before income tax	(115.6)
Tax income calculated at the Group's tax rate of 25.73%	29.7
(Expenses) not deductible for tax purposes	(6.2)
(Release) of tax assets on prior period tax losses	(2.3)
Current period tax losses for which no deferred tax asset was recognised	(45.5)
Effect of different local tax rates and change in tax rate	2.0
Effect of prior year income tax adjustments	(0.4)
Withholding taxes	(2.1)
Income taxes	**(24.8)**

The Group's tax rate of 25.73% reflects the weighted average tax rate applicable to results of the consolidated companies.

The tax (expense) / credit relating to components of the other comprehensive income is as follows:

	4 Nov 2015 to 31 Dec 2016		
	Before tax MEUR	Tax (expense) / credit MEUR	After tax MEUR
Available-for-sale financial assets	(0.1)	-	(0.1)
Actuarial gains / (losses)	(5.7)	(8.4)	(14.1)
Currency translation differences	(24.3)	-	(24.3)
Other comprehensive income	**(30.1)**	**(8.4)**	**(38.5)**
Deferred tax		**(8.4)**	

For details on deferred taxes see note 18.

15. Property, vehicles and equipment

	Property & leasehold improvements	Vehicles, equipment & advance payments	Total
Cost:	**MEUR**	**MEUR**	**MEUR**
At 4 November 2015	-	-	-
Acquisitions through business combinations (Note 27)	41.0	214.8	255.8
Additions	3.3	71.4	74.7
Disposals	(3.8)	(23.4)	(27.2)
Reclassifications	1.0	(1.1)	(0.1)
Currency translation differences	(0.6)	13.9	13.3
At 31 December 2016	**40.9**	**275.6**	**316.5**
Depreciation:			
At 4 November 2015	-	-	-
Depreciation charge	4.6	46.6	51.2
Disposals	(2.3)	(15.8)	(18.1)
Currency translation differences	0.3	9.5	9.8
At 31 December 2016	**2.6**	**40.3**	**42.9**
Total carrying amount:			
At 4 November 2015	-	-	-
At 31 December 2016	38.3	204.3	242.6
Carrying amount, assets under finances leases:			
At 4 November 2015	-	-	-
At 31 December 2016	-	31.0	31.0

For vehicles and equipment pledged as security refer to note 23.

During the period ended 31 December 2016 the Group acquired property, vehicles and equipment with an aggregate cost of MEUR 74.7 of which MEUR 6.4 was acquired by means of finance leases.

The Group leases various vehicles and other operating equipment under non-cancellable finance lease agreements. The lease terms are mainly between 3 and 7 years.

16. Goodwill and other intangible assets

Goodwill:

Cost:	Goodwill MEUR
At 4 November 2015	-
Acquisitions through business combinations (Note 27)	2,299.3
Currency translation differences	0.5
At 31 December 2016	**2,299.8**
Total carrying amount:	
At 4 November 2015	-
At 31 December 2016	2,299.8

Goodwill of MEUR 2,299.3 was recognized on Swissport Group's acquisition of Aguila 2 S.A.'s from PAI Partner, refer to note 27.

Other intangible assets:

Cost:	Swissport Brand MEUR	Customer portfolios MEUR	Licensing agreements MEUR	Other MEUR	Total other intangible assets MEUR
At 4 November 2015	-	-	-	-	-
Acquisitions through business combinations (note 27)	317.7	96.0	42.6	23.9	480.2
Additions	-	-	-	12.3	12.3
Reclassification	-	-	-	(1.2)	(1.2)
Currency translation differences	6.8	1.1	1.3	2.1	11.3
At 31 December 2016	**324.5**	**97.1**	**43.9**	**37.1**	**502.6**
Amortisation:					
At 4 November 2015	-	-	-	-	-
Amortisation charge	-	12.6	4.1	4.5	21.2
Currency translation differences	-	0.8	0.4	0.2	1.4
At 31 December 2016	**-**	**13.4**	**4.5**	**4.7**	**22.6**
Total carrying amount:					
At 4 November 2015	-	-	-	-	-
At 31 December 2016	324.5	83.7	39.4	32.4	480.0

The acquired Swissport brand, identified as part of the acquisition accounting on Swissport Group acquisition of the Aguila 2 S.A. in February 2016, has an indefinite useful life. The Swissport brand is regarded as having an indefinite useful life as there is no foreseeable limit to the period over which the brand is expected to generate net cash inflows for the Group, there are no technical, technological, commercial or other types of obsolescence and the Group operates in a stable industry. For the brand pledged as security, refer to note 23.

Acquired customer portfolios and licensing agreements, identified as part of the acquisition accounting on Swissport Group acquisition of the Aguila 2 S.A. in February 2016 have definite useful lives.

The main components of "Other" as at 31 December 2016 are the service concession agreements of Swissport Cargo Services Israel (SCS Israel) of MEUR 4.7 (locally pledged as security, refer to note 23), Swissport Kenya Ltd of MEUR 3.9 and Swissport Tanzania Ltd of MEUR 11.4. IFRIC 12 Service Concession Arrangements is applied by the Group for these service concession arrangements, as further described below.

A service concession arrangement exists between SCS Israel with Israel airport authority. Under this service concession arrangement, SCS Israel built a cargo terminal that was transferred to the airport authority upon completion of construction. In exchange, the authority granted SCS Israel a 20 year concession to operate the same cargo terminal. The authority is to repay SCS Israel part of this investment and SCS Israel is to pay an annual concession fee to the authority. The receivable is linked to the Israeli Consumer Price Index and adjusted on a regular basis. The intangible asset is amortised on a straight-line basis over the 20 year concession period until 2026 and the receivable is offset annually with the concession fee payable. The amortisation charge for the period ended 31 December 2016 was MEUR 0.4.

A service concession arrangement exists between Swissport Kenya Ltd with Kenya airport authority. Under this service concession arrangement, Swissport Kenya Ltd built a cargo terminal that was transferred to the airport authority upon completion construction. In exchange, the authority granted Swissport Kenya Ltd a 20 year concession to operate the same cargo terminal. The intangible asset is amortised on a straight-line basis over the 20 year concession period until 2029. The amortisation charge for the period ended 31 December 2016 was MEUR 0.4.

A service concession arrangement exists between Swissport Tanzania Ltd with Tanzania airport authority. Under this service concession arrangement, Swissport Tanzania Ltd built a cargo terminal which will be transferred to the airport authority upon ending of this service concession agreement. In exchange, the authority granted Swissport Tanzania Ltd a 12 year concession to operate the same cargo terminal. The intangible asset is amortised on a straight-line basis over the 12 year concession period until 2028. The amortisation charge for the period ended 31 December 2016 was MEUR 0.5.

Impairment testing of goodwill and intangible assets with indefinite useful lives

Goodwill is tested for impairment on an operating segment level, which reflects the lowest level at which goodwill is monitored for internal management purposes.

For the goodwill allocated to Ground Handling MEUR (1,773.0), the impairment test was based on a fair value less costs of disposal calculation. This calculation used the current year normalised EBITDA (normalised for market entry Saudi Arabia) multiplied by an adequate market multiple derived from quoted peer companies.

For the goodwill allocated to Cargo Handling (MEUR 526.8), the impairment test was based on a value-in-use calculation. This calculation used pre-tax cash flow projections based on business plans approved by the Board covering a five-year period (2017 – 2021). Cash flows beyond the five-year period were extrapolated using the estimated growth rates stated below. The growth rates did not exceed the long-term inflation forecast of the countries in which the cash generating units operate. Future cash flows were discounted based on the weighted average cost of capital (WACC). Risks that are specific to the cash generating units tested for impairment were included in the future cash flows. The key assumptions used were a weighted growth rates beyond the five-year period reflecting the weighted inflation expectations and a pre-tax discount rate:

	2016		
	Multiple	**Weighted average estimated growth rate beyond five year period**	**Pre-tax discount rate**
Ground Handling	Market multiple derived from quoted peer companies.	n.a.	n.a.
Cargo Handling	n.a.	3.1%	9.1%

The goodwill impairment testing was performed on an operating segment level. All recoverable amounts exceeded their carrying amounts and consequently no impairment of goodwill was recognised in the period ended 31 December 2016. Given the sensitivities of some key variables, there is a risk that an adverse future change of such key variables may eliminate the excess and may lead to an impairment loss.

The Swissport brand is tested for impairment at Group level. The carrying amount of the Swissport brand as of 31 December 2016 is MEUR 324.5 which is implicitly covered in the headroom between the carrying amount and the recoverable amount identified when testing the goodwill for impairment on an operating segment level (see above).

17. Investments in associates and joint ventures

For a list of the Group's equity accounted investees refer to note 31. All of the Group's equity accounted investees provide services to the airline industry.

	2016 MEUR
Investments in joint ventures	14.8
Investments in associates	21.1
Balance at 31 December	**35.9**

(a) Joint ventures

The Group has interests in a number of individually immaterial joint ventures. The following table details, in aggregate, the carrying amount, share of results and other comprehensive income of these joint ventures.

	MEUR
At 4 November 2015	-
Acquisitions through business combinations (Note 27)	14.4
Share of results	0.3
Currency translation differences	0.1
At 31 December 2016	**14.8**

(b) Associates

The Group has interests in a number of individually immaterial associates. The following table details, in aggregate, the carrying amount, share of results and other comprehensive income of these associates.

	MEUR
At 4 November 2015	-
Acquisitions through business combinations (Note 27)	20.6
Share of results	0.4
Currency translation differences	0.1
At 31 December 2016	**21.1**

At the balance sheet date, contingent liabilities of the Group's associates and joint ventures amounted to MEUR 0.2.

18. Deferred taxes

The movements in deferred tax assets and liabilities during the period ended 31 December 2016 are as follows:

(i) Deferred tax (expense) recognised in the income statement

	2016 MEUR
Deferred tax assets (debited) to the income statement	(7.6)
Deferred tax liabilities credited to the income statement	6.3
Movements in deferred tax assets/liabilities recognised in the income statement	**(1.3)**

(ii) Deferred tax recognised in other comprehensive income

A deferred tax expense in the amount of MEUR 8.0 was recognised in other comprehensive income.

(iii) Deferred tax assets

	2016 MEUR
At 4 November 2015	**-**
Acquisitions through business combinations (note 27)	53.6
(Credited) to the income statement	(7.6)
(Credited) to other comprehensive income	(9.4)
Currency translation differences	0.7
Gross deferred tax assets as at 31 December	**37.3**
Set-off with deferred tax liabilities	(10.6)
Net deferred tax assets as at 31 December	**26.7**

The balance relates to:

	2016 MEUR
Tax losses and tax credits	33.3
Property, vehicles and equipment	0.8
Receivables, payables and provisions	16.2
Intangible assets	1.9
Employee benefit obligations	13.5
Set-off with deferred tax liabilities	(39.0)
At 31 December	**26.7**

The Group has deferred tax assets amounting to MEUR 26.7 mainly arising from temporary differences in receivables, payables, provisions, employee benefit obligations and tax losses brought forward. Deferred tax assets are recognised for tax losses carried forward to the extent that realisation through future taxable profits is probable. The recovery of these recognised tax losses prior to their expiry is dependent upon the relevant companies earning sufficient future profits. Management believes that the recognised deferred tax assets are fully recoverable based on its forecasts of future results. An unexpected loss or reduction of profits would require a reassessment of the recoverability of deferred tax assets.

The Group has unrecognised tax losses and tax credits to carry forward and associated unrecognised deferred tax assets, which expire as follows:

	Unrecognised tax losses & tax credits	Unrecognised deferred tax assets
	2016	2016
	MEUR	MEUR
in 1 year	0.9	0.3
in 2 years	5.3	1.3
in 3 years	13.5	2.8
in 4 years	7.0	1.5
in 5 years	5.4	1.2
in 6 years	217.5	44.8
in 7+ years	122.6	26.6
no statutory expiry date	359.4	98.7
Total	**731.6**	**177.2**

In addition, the Group has unrecognised deferred tax assets arising from deductible temporary differences of MEUR 26.0.

(iv) Deferred tax liabilities

	2016
	MEUR
At 4 November 2015	**-**
Acquisitions through business combinations (note 27)	87.1
(Credited) to the income statement	(6.4)
(Debited) to other comprehensive income	(0.2)
Currency translation differences	1.1
Gross deferred tax liabilities as at 31 December	**81.6**
Set-off with deferred tax assets	(10.6)
Net deferred tax liabilities as at 31 December	**71.0**

The balance relates to:

	2016
	MEUR
Property, vehicles and equipment	8.4
Intangible assets	72.9
Receivables, payables and provisions	11.2
Borrowings	17.5
Set-off with deferred tax assets	(39.0)
At 31 December	**71.0**

The Group also does not recognise deferred tax liabilities of MEUR 0.3 in respect of withholding and other taxes that would be payable on the unremitted earnings of certain subsidiaries, as the parent is able to control the timing of the reversal of the temporary difference and such amounts are considered to be permanently reinvested.

The above balances relate to a number of different tax jurisdictions and there is no further right to offset these deferred tax assets and deferred tax liabilities.

19. Post-employment and other long-term employee benefits

Non-current employee benefit obligations:			**2016**
			MEUR
Personalvorsorge Swissport (PVS)	**(a)**	(iii)	114.5
Servisair Pension Plan (SPP)	**(a)**	(iii)	67.7
Defined benefit plans - Others	**(a)**	(iii)	21.1
Swiss bridging pension obligation	**(b)**	(i)	34.6
Total defined benefit plans			**237.9**
Swiss night-shift obligation	**(c)**		7.1
Jubilee provision	**(d)**		7.0
Other long-term employee benefits	**(e)**		22.1
Total other long-term employee benefits			**36.2**
Defined contribution plans			0.8
Total defined contribution plans			**0.8**
Total non-current employee benefit obligations			**274.9**

Income statement charge:			**2016**
			MEUR
Defined benefit plan – Personalvorsorge Swissport (PVS)	**(a)**	(iv)	9.6
Defined benefit plan – Servisair Pension Plan (SPP)	**(a)**	(iv)	0.5
Defined benefit plans – Others	**(a)**	(iv)	2.6
Swiss bridging pension	**(b)**	(ii)	2.1
Total defined benefit plans charge (excluding interests)			**14.8**
Swiss night-shift			(0.5)
Jubilee provision			0.1
Other long-term employee benefits	**(e)**		22.9
Total other long-term employee benefits expense			**22.5**
Defined contribution plans (Note 9)			15.0
Total defined contribution plans charge			**15.0**
Total			**52.3**

(a) Defined benefit plans

The Group has different, funded and unfunded, defined benefit plans. The most significant plans are in Switzerland, Personalvorsorge Swissport (PVS), and in the United Kingdom (UK), Servisair Pension Plan (SPP). As of 31 December 2016, the plans for PVS and SPP account for 90.7% of the Group's total defined benefit obligation and for 90.9% of all plan assets. None of the other plans (aggregated in "Others") are significant from a Group perspective.

Personalvorsorge Swissport (PVS)

The Group has an independent pension plan in Switzerland established as a foundation, Personalvorsorge Swissport (PVS), covering the following Swiss entities: Swissport International AG, Swissport Baggage Sorting AG, PrivatPort S.A., Careport AG, GVAssistance AG and Swissport Group Services GmbH. Under Swiss law the plan is considered a defined contribution plan; however, because of inherent legal guarantees it is considered a defined benefit plan under IAS 19 and therefore an independent actuarial valuation has been performed using the projected unit credit method.

The objective of the foundation is to provide an occupational pension scheme against the financial consequences of old age, death or disability within the framework of the Swiss Federal Law on the Occupational Old Age, Survivors' and Disability Benefit Plan (BVG) and its implementation provisions for the employees of the affiliated companies and their relatives and / or survivors. It provides in all cases the minimum benefits prescribed by law based on the insuree's total savings capital for which the employer and the employees pay contributions to the pension plan.

The PVS pension plan is managed by a Board of Trustees that consist of six members, of an equal number of employer's and employees' representatives. The Board of Trustees provides insurees with a set of regulations regarding benefits payable by the Trust, its organisation, management and financing as well as its auditing and control. These regulations need to be submitted to pension fund supervisory authorities and specify the relationship of the foundation to its affiliated companies and its insurees.

In case of underfunding, based on BVG regulations, the Board of Trustees shall take measures to restore the scheme to financial stability. These measures may include the following: reduce benefits, levy restructuring contributions from employer and employees, temporarily rescind any pension increases and apply a lower interest rate. The provisional funding level based on BVG regulations as per 31 December 2016 is 116.6%.

The actuarial risks are borne by the pension plan that has a legal structure of a foundation and are regularly assessed by the Board of Trustees. These risks consist of demographic risks such as longevity risk and financial risks such as the discount rate, future increases in salaries / wages, and the return on plan assets.

The Board of Trustees is responsible for the investment of the plan assets. All investment decisions made by the Board of Trustees need to be within the guidelines set out in a long term investment strategy 'Strategic Asset Allocation'. The Strategic Asset Allocation is based on legal requirements, expected future contributions and expected future obligations and is reassessed at least every 5 year, the last assessment was in 2016.

Servisair Pension Plan (SPP)

In the UK, the Group operates a defined benefit pension scheme known as the Servisair Pension Plan (SPP) which provides benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final year leading up to retirement (or earlier withdrawal or death). No other post-retirement benefits are provided. The SPP was closed to future accrual of benefits on 5 April 2012.

The Group operates the SPP under the UK regulatory framework. Benefits are paid to members from trustee-administered funds, which are responsible for ensuring that the SPP is sufficiently funded to meet current and future benefit payments. Plan assets are held in trusts separate from the Group. If investment experience is worse than expected, the Group's obligations are increased.

The nature of the relationship between the Group and the trustees is also governed by UK regulations. The trustees must agree a funding plan with the sponsoring company such that any funding shortfall is expected to be met by additional contributions and investment outperformance. In order to assess the level of contributions required, triennial valuations are carried out with the plan's obligations measured using prudent assumptions (relative to those used to measure accounting liabilities).

The trustees' other duties include managing the investment of SPP assets, administration of SPP benefits and exercising of discretionary powers. The Group works closely with the trustees to manage the SPP.

The SPP, in common with the majority of such plans in the UK, have a number of areas of risk.

The risks are considered from both a funding perspective, which drives the cash commitments of the Group, and from an accounting perspective, i.e. the extent to which such risks affect the amounts recorded in the Group's financial statements. The risks consist of demographic risks such as longevity risk and financial risks such as the discount rate, inflation risk and the return on plan assets.

The defined benefit obligation is calculated using a discount rate set with reference to corporate bond yields using the projected unit credit method.

The SPP holds a large proportion of its assets in equity instruments and other return-seeking assets. The returns on such assets tend to be volatile and are not correlated to government bonds. This means that the funding level is likely to be volatile in the short term, potentially resulting in short-term cash requirements and an increase in the net defined benefit liability recorded on the balance sheet.

However, the Group believes that equity instruments offer the best returns over the long term with an acceptable level of risk and hence holds a significant proportion. The Group also believes that equities are appropriate to the duration of the SPP liabilities. Further, the SPP assets are well-diversified by investing in a range of asset classes, including property and corporate bonds.

Although investment decisions are the responsibility of the trustees, the Group takes an active interest to ensure that pension plan risks are managed efficiently and takes an active role in managing the ongoing liabilities in the SPP.

Others

This category includes several defined benefit plans including the following:

- AFS Aviation Fuel Services GmbH, unfunded, Germany
- Checkport Schweiz AG, Kloten, funded, Switzerland
- Cargo Service Center (UK) Limited Pension and Life Assurance Scheme, funded, UK
- Swissport (Legacy) Pension Scheme, funded, UK
- Swissport Tanzania Limited Employee's Gratuity Arrangement, unfunded, Tanzania
- Swissport France Holding SAS, unfunded, France
- Swissport Executive Aviation SAS, unfunded, France
- Swissport Cargo Services France S.A.R.L., unfunded, France
- Pensionseinrichtung der Swissair AG, unfunded, Germany
- Swissport Belgium NV, funded, Belgium
- Swissport Belgium Cleaning NV, funded, Belgium
- Swissport Cargo Services, funded, Belgium
- Swissport Korea Ltd., funded, Republic of Korea
- Swissport Aviation Services de México, S.A. de C.V., unfunded, Mexico
- AGN Aviation Services, S.A. de C.V, unfunded, Mexico
- Cargo Service Center de México, S.A. de C.V., unfunded, Mexico

These defined benefit plans consist of plans that provide benefits on retirement, leaving service or death or plans that provide retirement lump sum gratuity to employees who retire after having completed a certain period of services. These plans are exposed to similar risks as described above under the two major plans.

(i) Defined benefit obligation

	2016			
	PVS MEUR	SPP MEUR	Others MEUR	Total MEUR
Defined benefit obligation at 4 November 2015	-	-	-	-
Acquisitions through business combinations (Note 27)	835.3	162.8	99.0	1,097.1
Service cost:				
Current service cost	25.2	-	2.6	27.8
Past service cost	(15.6)	-	-	(15.6)
Interest cost	6.2	5.3	3.1	14.6
Cash flows:				
Benefit payments from plan	(24.3)	(3.7)	(2.7)	(30.7)
Employee contributions	10.7	-	0.6	11.3
Insurance premiums for risk benefits	-	-	(0.1)	(0.1)
Remeasurements:				
Effect of changes				
- in demographic assumptions	2.9	(1.8)	(1.5)	(0.4)
- in financial assumptions	(6.8)	50.1	15.6	58.9
Effect of experience adjustments	(0.8)	2.8	(0.4)	1.6
Foreign exchange	25.8	(20.8)	(8.3)	(3.3)
Defined benefit obligation at the end of the period	**858.6**	**194.7**	**107.9**	**1,161.2**

The weighted average duration for the PVS plan is 17 years and 21 years for the SPP plan. The weighted average duration for the other plans varies up to a maximum of 22 years. As at 20.06.2016 the conversionrate for the PVS plan has changed and resulted in past service cost of 15.6 MEUR.

(ii) Fair value of plan assets

	2016			
	PVS MEUR	SPP MEUR	Others MEUR	Total MEUR
Defined benefit obligation at 4 November 2015	-	-	-	-
Acquisitions through business combinations (Note 27)	682.9	123.0	81.6	887.5
Interest income	5.5	4.1	2.5	12.1
Cash flows:				
Employer contributions	14.1	5.4	3.6	23.1
Employee contributions	10.7	-	0.6	11.3
Benefit payments from plan	(24.3)	(3.7)	(2.7)	(30.7)
Insurance premiums for risk benefits	-	-	(0.1)	(0.1)
Administrative expenses and taxes	-	(0.5)	-	(0.5)
Remeasurements:				
Return on plan assets (excluding interest income)	32.5	12.6	8.5	53.6
Foreign exchange	22.7	(13.9)	(7.2)	1.6
Fair value of plan assets at the end of the period	**744.1**	**127.0**	**86.8**	**957.9**

(iii) Amounts recognised in the balance sheet

	2016			
	PVS	SPP	Others	Total
	MEUR	MEUR	MEUR	MEUR
Defined benefit obligation	858.6	194.7	107.9	1,161.2
Fair value of plan assets	(744.1)	(127.0)	(86.8)	(957.9)
Net obligation	**114.5**	**67.7**	**21.1**	**203.3**

(iv) Components of defined benefit cost

	2016			
	PVS	SPP	Others	Total
	MEUR	MEUR	MEUR	MEUR
Service cost:				
Current service cost	25.2	-	2.6	27.8
Past service cost	(15.6)	-	-	(15.6)
Total service cost	**9.6**	**-**	**2.6**	**12.2**
Administrative expenses and taxes	**-**	**0.5**	**-**	**0.5**
Net interest cost:				
Interest expense in defined benefit obligation	6.2	5.3	3.1	14.6
Interest (income) on plan assets	(5.5)	(4.1)	(2.5)	(12.1)
Total net interest cost / (income)	**0.7**	**1.2**	**0.6**	**2.5**
Defined benefit cost included in the income statement	**10.3**	**1.7**	**3.2**	**15.2**
Remeasurements (recognised in other comprehensive income (OCI)):				
Effect of changes				
- in demographic assumptions	2.9	(1.8)	(1.5)	(0.4)
- in financial assumptions	(6.8)	50.1	15.6	58.9
Effect of experience adjustments	(0.8)	2.8	(0.4)	1.6
Return on plan assets (excluding interest income)	(32.5)	(12.6)	(8.5)	(53.6)
Total remeasurements included in OCI	**(37.2)**	**38.5**	**5.2**	**6.5**
Defined benefit cost recognised in the income statement and OCI	**(26.9)**	**40.2**	**8.4**	**21.7**

(v) Net defined benefit liability / (asset) reconciliation

	2016			
	PVS	SPP	Others	Total
	MEUR	MEUR	MEUR	MEUR
Net defined benefit liability at 4 November 2015	-	-	-	-
Acquisitions through business combinations (Note 27)	152.4	39.8	17.4	209.6
Defined benefit cost included in the income statement	10.3	1.2	3.2	14.7
Total remeasurements included in OCI	(37.2)	38.5	5.2	6.5
Cash flows:				
Employer contributions	(14.1)	(5.4)	(3.6)	(23.1)
Administrative expenses and taxes	-	0.5	-	0.5
Foreign exchange	3.1	(6.9)	(1.1)	(4.9)
Net defined benefit liability at the end of year	**114.5**	**67.7**	**21.1**	**203.3**

(vi) Assumptions and other information

The principal actuarial assumptions used were:

	2016		
	PVS	SPP	Others*
Discount rate	0.6%	2.7%	7.5%
Future salary increase	1.5%	Not applicable	2.4%
Future pension increase	0.0%	2.3%	2.6%
Mortality table	BVG 2015, GT	S2PA 110% CMI_2015 [1.25%]	various

*Expressed as weighted averages.

Assumptions regarding future mortality are set based on actuarial advice. These assumptions translate into an average life expectancy in years for a pensioner retiring at age 65:

	2016	
	PVS	SPP
Retiring at the end of the reporting period:		
- Male	21.6	21.4
- Female	24.1	23.4
Retiring 20 years after the end of the reporting period:		
- Male	23.3	23.1
- Female	25.7	25.3

(vii) Sensitivity analysis as at 31 December 2016

The discount rate, future salary increase and future pension increase were identified as significant actuarial assumptions for the PVS plan and the SPP plan. A change in one of these assumptions by +0.25% or -0.25% (with all other assumptions remaining constant) would have the following impact on the defined benefit obligation at the end of the reporting period.

PVS

	2016 Defined benefit obligation	
	0.25% increase	0.25% decrease
Discount rate	-2.64%	2.83%
Future salary increase	0.03%	-0.04%
Future pension increase	3.23%	Not applicable

SPP

	2016 Defined benefit obligation	
	0.25% increase	0.25% decrease
Discount rate	-5.15%	5.15%
Future pension increase	3.95%	-3.95%

The above sensitivity calculations are based on one assumption changing while the others remain unchanged. In practice, however, there are certain correlations between the individual assumptions. The same method was used to calculate the sensitivities and the defined benefit obligation at the balance sheet date.

(viii) Plan assets

Plan assets comprises:	**2016 MEUR**
Cash	29.0
Mortgages	23.4
Bonds	311.4
Equities	296.5
Real estate	242.9
Assets held by insurance company	20.7
Alternative investments	34.0
Total	**957.9**

Most of the equity, debt securities and assets held by insurance company have a quoted market price in an active market. Real estate, mortgages and alternative investments, which include hedge fund usually, do not have a quoted market price.

(ix) Funding

The expected contributions to be paid during the period ended 31 December 2017 in respect of the Group's defined benefit pension plans are MEUR 31.8.

(b) Swiss bridging pension obligation

As described in more detail in the accounting policy 3.14, this liability relates to the additional pension paid to pensioners of the Personalvorsorge Swissport (PVS) during the period before they are eligible to receive the State pension.

The main risks in relation to the bridging pensions consist of a financial risk (discount rate).

As required by IAS 19, the obligation has been measured at present value using the projected unit credit method and the movements in the balance are:

(i) Change in defined benefit obligation

	2016 MEUR
Defined benefit obligation at 4 November 2015	-
Acquisitions through business combinations (Note 27)	35.3
Service cost:	
Current service cost	2.1
Interest cost	0.3
Cash flows:	
Benefit payments from employer	(2.2)
Remeasurements:	
Effect of changes in demographic assumptions	0.2
Effect of changes in financial assumptions	(0.3)
Effect of experience adjustments	(0.7)
Foreign exchange	(0.1)
Defined benefit obligation at the end of the period	**34.6**

(ii) Components of defined benefit cost

	2016 MEUR
Service cost:	
Current service cost	2.1
Total service cost	**2.1**
Net interest cost:	
Interest expense in defined benefit obligation	0.3
Total net interest cost	**0.3**
Defined benefit cost included in the income statement	**2.4**
Remeasurements (recognised in other comprehensive income (OCI)):	
Effect of changes in demographic assumptions	0.2
Effect of changes in financial assumptions	(0.3)
Effect of experience adjustments	(0.7)
Total remeasurements included in OCI	**(0.8)**
Total defined benefit cost recognised in the income statement and OCI	**1.6**

(iii) Principal assumptions

	2016
Discount rate	0.60%
Rate of increase in social security pension (AHV)	1.00%
Current maximum AHV Pension (CHF)	28,200

(iv) Sensitivity analysis as at 31 December 2016

The discount rate was identified as a significant actuarial assumption for the bridging pension plan. A change in this assumption by +0.25% or -0.25% would have the following impact on the defined benefit obligation at the end of the reporting period.

	2016 Defined benefit obligation	
	0.25% increase	0.25% decrease
Discount rate	- 1.63%	0.68%

(v) Maturity analysis of benefit payments

At 31 December 2016	MCHF
Year 2017	2.8
Year 2018	3.2
Year 2019	2.6
Year 2020	2.7
Year 2021	2.8
Year 2022 - 2026	10.9

(c) Swiss night-shift obligations

As described in more detail in the accounting policy, this liability relates to the obligation in Switzerland to provide benefits to night shift workers.

(d) Jubilee Provision

As described in more detail in the accounting policy 3.14, this liability relates to the constructive obligation of some Group companies to pay long-service awards to employees on completion of a predetermined number of service years.

(e) Other Long-Term Employee Benefits

Includes a Long Term Incentive Plan ("LTIP") that the Company entered into as from March 1, 2016 in order to reward key employees of the Group for their contributions towards creating company value over the long-term.

20. Prepayments, trade and other receivables

Non-current prepayments and receivables:	2016 MEUR
Loans to related parties (note 29)	0.9
Receivables from airport authorities (service concession)	10.2
Expected reimbursements from insurance companies	35.8
Capitalised transaction costs	0.5
Other receivables	9.6
Total	**57.0**

Current trade and other receivables:	2016 MEUR
Trade receivables from third parties	279.9
Trade receivables from related parties (note 29)	7.1
Less: Impairment allowance	(1.4)
Subtotal	**285.6**
Non-income tax receivables	24.5
Prepayments	42.4
Expected reimbursements from insurance companies	18.3
Restricted cash (note 21)	49.9
Accrued balances	16.6
Other receivables from third parties	35.5
Current loan to related parties (note 29)	1.2
Total	**474.0**

Trade receivables - neither past due nor impaired:

The credit quality of trade receivables that are neither past due nor impaired can be assessed by reference to historical information about counterparty default risk. Based on experience, more than 99% of the balances with customers that are neither past due nor impaired were fully recovered.

Trade receivables - past due, but not impaired:

Generally, trade receivables that are less than three months past due are not considered impaired unless there is reliable information on financial difficulties. The carrying amounts of trade receivables that are past due, but not impaired, are as follows:

	2016 MEUR
Up to 3 months	70.0
3 to 6 months	7.3
Over 6 months	7.5
Total	**84.8**

Trade receivables - impaired and allowance recognised:

The impairment allowance represents the Group's best estimate of incurred losses in respect of trade receivables. The allowance consists of a specific loss component that relates to individually significant exposures and a collective loss component based on historical experience. As of 31 December 2016, an allowance of MEUR 1.4 had been recognised. An higher allowance was not recognised as it was assessed that a portion of these receivables is expected to be recovered.

The ageing of the impaired receivables is as follows:

	2016 MEUR
Up to 6 months	1.4
Total	**1.4**

Movements in the Group allowance for impairment of trade receivables were as follows:

	2016 MEUR
At 4 November 2015	-
Provisions made	(1.4)
At 31 December	**(1.4)**

The recognition of allowances for impaired trade receivables and any subsequent recoveries of balances previously impaired are included in 'other operating expenses' in the consolidated income statement. Amounts charged to the allowance account are written off against the receivable when there is no expectation of recovering additional cash.

The non-current receivables and other current receivables are not impaired and not overdue.

For pledged assets, refer to note 23.

21. Cash and cash equivalents

	2016 MEUR
Cash at bank and on hand	126.5
Short term bank deposits	55.5
Total cash and cash equivalents in current assets	**182.0**
of which is restricted (note 20)	(49.9)
Unrestricted cash and cash equivalents	**132.1**

Cash in the amount of MEUR 49.9 is restricted and presented as current trade and other receivables. Restricted cash mainly comprises cash deposits for existing bank guarantees and certain labour guarantee cash deposits. The remaining part of restricted cash comprises principally short-term bank deposits that the Group is required to have by major suppliers, usually airports, to maintain in lieu of bank guarantees.

For pledged cash and cash equivalents, refer to note 23.

22. Equity

(a) Share capital

As at 31 December 2016, the fully paid subscribed capital, amounting to EUR 1,472,255,258.0, is represented by 1,472,255,258 shares with a par value of one Euro each. The Class A Shares, the Class B Shares, the Class C Shares, the Class D Shares, the Class E Shares, the Class F Shares, the Class G Shares, the Class H Shares, the Class I Shares and the Class J Shares are collectively referred to as the "Preference Shares", each being a "Preference Share". The Ordinary Shares and the Preference Shares are collectively referred to as the "Shares", each being a "Share" (refer to note 29).

The authorised capital amounts to EUR 1,472,255,258.0.

	Shares
	MEUR
Ordinary Shares	12,000
Class A Shares	147,224,326
Class B Shares	147,224,326
Class C Shares	147,224,326
Class D Shares	147,224,326
Class E Shares	147,224,326
Class F Shares	147,224,326
Class H Shares	147,224,326
Class G Shares	147,224,326
Class I Shares	147,224,325
Class J Shares	147,224,325
As at 31 December 2016	1,472,255,258

(b) Share premium

As at 31 December 2016, there is a share premium for a total amount of EUR 36,376,088.50. On 23 December 2016 HNA Aviation (Hong Kong) Ground Handling Holdings Co., Limited, the parent company of Swissport Group S.à r.l. has contributed this amount in order to be allocated to the equity reserve account into share premium of Swissport Group S.à r.l..

(c) Movements in share capital and share premium

	Share capital	Share premium	Total
	MEUR	MEUR	MEUR
At 4 November 2015	**0.0**	**-**	**0.0**
Issue of share capital and share premium	1,472.3	36.4	1,508.7
At 31 December 2016	**1,472.3**	**36.4**	**1,508.7**

(d) Nature and purposes of reserves

Fair value reserve

This reserve records fair value changes on available-for-sale financial assets.

Currency translation reserve

This reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations and foreign exchange differences on loans in substance forming part of the net investments in foreign operations.

(e) Dividends

The Company did not pay a dividend during the period ended 31 December 2016. Individual Group companies paid dividends to non-controlling interests in the period ended 31 December 2016.

23. Borrowings

Current	2016 MEUR
Term Loan B	660.0
Bank loans	13.5
Subordinated shareholder loan (note 29)	20.0
Loans from related parties (note 29)	7.6
Finance lease liabilities	10.1
Other	17.2
Total	**728.4**

Non-current	2016 MEUR
Notes	656.4
Bank loans	47.5
Loans from other third parties	10.6
Finance lease liabilities	12.7
Other	6.5
Total	**733.7**

The Notes are listed on the Euro MTF market of the Luxembourg Stock Exchange. The carrying amounts of the Notes is presented net of the directly attributable transaction costs incurred in connection with the issuance. Given the circumstances outlined below and in note 30, the MEUR 660 Term Loan B due 2022 is presented as current borrowings and at its principal value.

As per 31 December 2016 the Group has the following Notes outstanding:

Notes	Issue Date	Principal	Currency	Issue price in %	Interest rate in %	Maturity date
Senior Secured Notes	15.12.2015	400.0	MEUR	100.00%	6.750%	15.12.2021
Senior Notes	15.12.2015	280.5	MEUR	100.00%	9.750%	15.12.2022

	Senior Secured Note	Senior Notes
At 4 November 2015	-	-
Issued	400.0	290.0
Buyback	-	(9.5)
At 31 December 2016	**400.0**	**280.5**

For the purposes of repayment of certain liabilities, Swissport Investments S.A., a 100% subsidiary of Swissport Group S.à r.l., issued on 15 December 2015 MEUR 400.0 6.750% Senior Secured Notes due 2021 and MEUR 290.0 9.750% Senior Notes due 2022 which were fully funded and held in escrow until the acquisition date.

The bonds issued by Aguila 3 S.A. (MUSD 945.0 and MCHF 350.0; translated at transaction date to MEUR 1,165.0) and the Super Senior Revolving Credit Facility were fully repaid on 10 February 2016. The pledges for the old secured debts were released and new pledges and guarantees have been established on the transaction date 10 February 2016 or shortly hereafter for the duration of the new secured debts.

In addition, Swissport Investments S.A. entered into a MEUR 660.0 Term Loan B Facility due 2022. Swissport International AG entered into a new MCHF 150.0 Revolving Credit Facility (RCF) due 2021 on a senior secured basis which will provide borrowings up to an aggregated amount of MCHF 150.0. As per end of December 2016 an amount of MCHF 110.0 of the RCF has been committed whereby MCHF 42.5 was utilized for standby letters of credit.

Swissport Group recently became aware of defaults arising out of a technical breach of the lien covenant provisions contained in the senior secured credit agreement dated 20 January 2016 (the “Credit Facility”). The technical breach was uncovered as part of discussions between the Swissport Group and HNA Group regarding an equity injection from HNA Group intended to enable certain improvements to Swissport’s capital structure. The defaults were caused by pledges granted over the shares of Swissport Group S.à r.l, Swissport Investments S.A. and Aguila 2 S.A. as security for a debt facility entered into by a subsidiary of HNA Group Co. Ltd. prior to the completion of the acquisition of Swissport by the HNA Group. This subsidiary of the HNA Group Co. Ltd is a parent company of the Swissport Group. The pledged shares are not shares used as collateral intended to secure the Credit Facility or its senior secured high yield bonds. Pending resolution of the events of default, the Group is not able to access borrowings under the revolving credit facility under the Credit Facility documents (refer to note 30).

Under the Credit Agreement at 20 January 2016, the Group is subject to a financial covenant being the net leverage ratio test against a maximum threshold. The covenant is only reported to the creditors if a certain amount of the RCF is being utilized. At the end of the year the Company has met the leverage ratio as defined in the super senior revolving credit facility agreement and the Group did not meet the reporting threshold.

The Group is required to provide an unaudited consolidated balance sheet, income statements and cash flow statement on a quarterly basis as well as an annual audited consolidated balance sheet, income statements and cash flow statement to the Administrative Agent and/or Trustee.

The assets pledged at the end of the reporting periods are as follows:

	2016 **MEUR**
Cash and cash equivalents	68.0
Trade and other receivables	245.0
Swissport Brand	324.5
Vehicles and equipment	145.2
Total	**782.7**

The above figures also include assets pledged locally outside of the notes, term loan and credit facility. Intercompany receivables and shareholdings in certain Group companies are also pledged but not presented above as they are eliminated on a consolidated level.

Finance lease liabilities are payable as follows:

2016	**Future minimum lease payments** **MEUR**	**Interest** **MEUR**	**Present value of minimum lease payments** **MEUR**
- within 1 year	10.9	0.8	10.1
- between 1 and 5 years	13.3	0.8	12.5
- after 5 years	0.2	0.0	0.2
Total	**24.4**	**1.6**	**22.8**

The maturity profile of non-current borrowings is as follows:

	13-24 months	25-60 months	> 60 months	Total
2016	**MEUR**	**MEUR**	**MEUR**	**MEUR**
Notes	-	385.8	270.6	656.4
Bank loans	6.2	22.9	18.4	47.5
Finance lease liabilities	6.0	6.5	0.2	12.7
Loans from other third parties	1.2	-	9.4	10.6
Other	4.7	-	1.8	6.5
Total	**18.1**	**415.2**	**300.4**	**733.7**

The weighted average effective interest rates on borrowings at the balance sheet date were as follows:

	2016
Notes	7.99%
Bank loans	6.16%
Finance lease liabilities	5.55%

24. Provisions

	Claims	Onerous contracts	Workers Compens.	Insurance provision	Other provision	Total
	MEUR	**MEUR**	**MEUR**	**MEUR**	**MEUR**	**MEUR**
At 4 November 2015	-	-	-	-	-	-
Acquisitions through business combinations (note 27)	75.1	10.5	51.5	23.9	12.1	**173.1**
Provisions made	5.6	1.3	14.2	3.6	4.3	**29.0**
Provisions used	(9.5)	(3.1)	(15.4)	2.2	(1.3)	**(27.1)**
Reversal of amounts no longer required	-	(0.9)	4.7	-	(0.5)	**3.3**
Currency exchange differences	12.6	(0.3)	1.5	0.9	(0.7)	**14.0**
At 31 December 2016	**83.8**	**7.5**	**56.5**	**30.6**	**13.9**	**192.3**

Analysed between:	**2016**
	MEUR
Current	56.1
Non-current	136.2
Total	**192.3**

The provisions of the Group consist of the following:

Claims

The balance of the provision relates to various claims that have been incurred in the ordinary course of business.

The Group has provisions of MEUR 83.8 predominantly in connection with labour related claims (mainly in Brazil). The final outcome of these issues may differ from management's expectations giving rise to an additional provisions or a reversal of already recognised provisions. No specific timing for the resolution of these claims is known as it depends on actions of the courts.

Onerous contracts

The onerous contracts provision mainly covered the future losses in relation to operating lease contracts, where the expected benefits to be received were not expected to cover the unavoidable costs in entities domiciled in the United Kingdom and United States. The operational lease contracts cannot be terminated prior to the expiration date. The expiration date varies between 2018 and 2020.

Workers Compensation

Workers compensation provision represent provisions for claims in the US in relation to injuries that occurred on the job. These provisions are partially offset by a receivable of MEUR 24.2 from an insurance company, which is included in other receivables. It is estimated that the majority of the claim liability will be paid out in seven to ten years.

Insurance provision

Insurance provisions represent provisions for claims in relation to aviation liabilities. These provisions are partially offset by receivables of MEUR 29.9 from insurance companies, which are included in other receivables. The liabilities are expected to be paid within three years from the moment of the incident.

Other provisions

During the year, provisions of MEUR 4.3 were made mainly to cover costs associated with employee termination benefits and refurbishing of buildings. In addition to these two provisions, the year end balance of the other provisions relates to a variety of other matters where the Group anticipates an outflow of resources at some point in the future. The majority of the remaining provisions can be attributed to provisions for customs fines and to other labour related provisions.

25. Trade and other payables

	2016 MEUR
Trade payables to third parties	113.9
Trade payables to related parties (note 29)	2.9
Tax payables	25.3
Guarantees	1.9
Advanced payments received	6.9
Other payables to third parties	36.6
Other payables to related parties (note 29)	2.9
Interest accruals - third parties	0.3
Interest accruals - Notes	2.3
Interest accruals - Term Loan B	6.0
Payroll related accruals	126.6
Purchase related and other accruals	107.5
Total	**433.1**

26. Contingent liabilities

Bank guarantees

As at 31 December 2016 the Group had contingent liabilities in respect of bank guarantees, arising in the ordinary course of business and provided to third parties by the Group's banks, amounting to MEUR 69.5. The guarantees represent contingent liabilities that will crystallize to the extent that the guarantees are drawn and the bank enforces its right to recover the amount drawn from the Group.

Legal matters

The Group and some of its subsidiaries are party to a number of proceedings and civil lawsuits in which the Group and some of its subsidiaries are defendants. There are various cases outstanding and provisions have been made where the Group expects an outflow to result from such proceedings (see note 24). It is possible that these provisions will prove to be inadequate, but the Group is not aware of any case where amounts not provided for could be material.

There are no other matters from which it is anticipated that a material liability could arise.

27. Business combinations

Acquisitions:

(a) Creation of the Swissport Group

Swissport Investments S.A., a company fully owned by Swissport Group S.à r.l. and ultimately owned by HNA Group, acquired 100 percent of Aguila 2 S.A.'s shares including Aguila 3 S.A. and its subsidiaries, joint ventures and associates (Aguila 3 Group) from PAI Partners for a consideration of MEUR 1,319.0 on 10 February 2016. Acquisition costs of MEUR 2.6 arose in connection with this acquisition. The acquisition costs are presented separately on the income statement.

Details of the purchase consideration, the net identifiable assets acquired and goodwill are as follows:

Consideration transferred:	**MEUR**
Cash paid	1,319.0
Total consideration transferred	**1,319.0**
Fair value of assets / (liabilities):	
Cash and cash equivalents	99.0
Trade and other receivables	480.4
Property, vehicles and equipment	255.8
Intangible assets	480.2
Deferred tax assets	53.6
Investment in associates and joint ventures	35.0
Inventories	11.0
Borrowings	(1,383.5)
Trade and other payables	(457.5)
Provisions	(173.1)
Employee benefit obligations	(262.1)
Deferred tax liabilities	(87.1)
Fair value of net identifiable assets, including non-controlling interest	**(948.3)**
Non-controlling interest	(32.0)
Fair value of net identifiable assets, excluding non-controlling interest	**(980.3)**
Goodwill	**2,299.3**
Cash flow from acquisition:	
Cash paid to former shareholder	(1,319.0)
Acquired cash and cash equivalents	99.0
Net cash outflow*	**(1,220.0)**

*In addition the Group spent MEUR 0.5 for other minor acquisitions that resulted in a goodwill of MEUR 0.5.

Goodwill

Goodwill of MEUR 2,299.3 arose on this acquisition because certain intangible assets did not meet the IFRS 3 criteria for recognition as intangible assets at the date of acquisition, refer to note 5 (f). These assets are mainly management expertise and workforce. None of the goodwill recognised is expected to be deductible for tax purposes.

Acquired intangible assets

The intangible assets recognised separately from goodwill of MEUR 480.2 consisting of the Swissport brand (MEUR 317.7), licensing agreements (MEUR 42.6) and customer portfolios (MEUR 96.0).

Acquired receivables

The trade and other receivables comprise gross contractual amounts due of MEUR 527.5 consisting mainly of trade receivables of MEUR 299.3. The residual amount concerns the other receivables. From the total trade and other receivables gross contractual amount, total amount expected to be uncollectible at the acquisition date for the total trade and other receivables amounts MEUR 47.1 (consisting mainly of trade receivables of MEUR 34.9).

Revenue and profit contribution

The Aguila 3 Group contributed revenue of MEUR 2,469.6 and a loss of MEUR 26.6 to the consolidated revenue and loss from date of acquisition to 31 December 2016. If the Aguila 3 Group had been consolidated as of 1 January 2016, the Company would have contributed revenue of MEUR 2,681.7 and a loss of MEUR 41.8 to the consolidated revenue and loss for the period ended 31 December 2016.

Acquired contingent liabilities - Bank guarantees

Acquired of contingent liabilities in respect of bank guarantees, arising in the ordinary course of business and provided to third parties by the Group's banks, amounting to MEUR 90.1. The guarantees represent contingent liabilities that will crystallize to the extent that the guarantees are drawn and the bank enforces its right to recover the amount drawn from the Group. No liability has been recognized at acquisition date.

Acquired contingent liabilities - Legal matters

The Group recognized contingent liabilities for pending proceedings and civil lawsuits in which the Group and some of its subsidiaries are defendants at fair values. There are various cases outstanding and provisions have been made where the Group expects an outflow to result from such proceedings (see note 24).

28. Commitments

Capital commitments

Capital expenditures contracted for:	**2016 MEUR**
Property, vehicles and equipment	15.2
Total	**15.2**

Operating lease commitments

The Group has entered into commercial leases on certain buildings, vehicles and other operating equipment. The lease terms are mainly between 1 and 15 years. Escalation clauses and renewal options are included in some of the leases. Operating lease rentals for buildings of MEUR 111.0 and leases of vehicles and equipment amounting to MEUR 41.4 are included in the consolidated income statement in 'other operating expenses' and 'goods and services purchased', respectively.

The non-cancellable operating lease payments are due:	**2016 MEUR**
- within 1 year	125.7
- between 1 and 5 years	172.3
- after 5 years	31.1
Total	**329.1**

29. Related party transactions

As of 31 December 2016, Swissport Group S.à r.l. ("the Company") is 100% owned by HNA Aviation (Hong Kong) Ground Handling Holdings Co., Ltd. ("HNA Aviation", a global enterprise based in Hong Kong, China); refer to the note 27 Business combinations on the change of ultimate ownership to HNA Group which occurred on February 10, 2016.

HNA Aviation is the sole holder of the Company's share capital, initially consisting of 12,000 ordinary shares, 50 "Class A Shares", 50 "Class B Shares", 50 "Class C Shares", 50 "Class D Shares", 50 "Class E Shares", 50 "Class F Shares", 50 "Class G Shares", 50 "Class H Shares", 50 "Class I Shares" and 50 "Class J Shares".

In February 2016 HNA Aviation converted receivables equivalent to MEUR 1,472.2 against Swissport Group S.à r.l. into additional 147,224,276 new "Class A Shares", 147,224,276 new "Class B Shares", 147,224,276 new "Class C Shares", 147,224,276 new "Class D Shares", 147,224'276 new "Class E Shares", 147,224,276 new "Class F Shares", 147,224,276 new "Class G Shares", 147,224,276 new "Class H Shares", 147,224,275 new "Class I Shares" and 147,224,275 new "Class J Shares" with a par value of one Euro each.

The Group has not entered into any additional material transactions with related parties other than set out below. Furthermore, during the period ended December 2016, no manager had a personal interest in any transaction of significance for the business of the Group.

Managers' remuneration

The Company's managers are:

Dr. Thomas Staehelin	Chairman (from 21.04.2017, member since 06.02.2017)
Mr. Maksud Ahmadkhanov	Member
Mr. Eric Born	Member (from 06.02.2017)
Mrs. Agnes Csorgo	Member (until 30.06.2016)
Mr. Bo Cui	Member (until 06.02.2017)
Mr. Rui Li	Member (until 06.02.2017)
Mr. Daoqi Liu	Member (until 06.02.2017)
Mr. Peng Liu	Member (from 06.02.2017)
Mr. Loïc Marion	Member (from 30.06.2016)
Mr. Olivier Richaud	Member

During the period, the Company's managers received MEUR 0.1 for their services as managers. Those managers who have executive positions with the Group received salaries and other benefits, which are disclosed below under Executive Management remuneration.

Executive Management remuneration

The Group's Executive Management members are:

Mr. Eric Born	President and CEO
Mr. Juan José Andres Alvez	Member (until 22.05.2016)
Dr. Christian Göseke	Member (from 23.05.2016)
Mr. Alvaro Gómez-Reino	Member (until 22.05.2016)
Mr. Andreas Hugener	Member (from 01.02.2017)
Mr. Philipp Joeinig	Member (until 22.05.2016)
Mr. Nils Pries Knudsen	Member
Mr. Peng Liu	Member (from 15.08.2016)
Mr. Peter Moser	Member (until 01.02.2017)
Mr. Joe Phelan	Member
Dr. Johannes C. Spindler	Member
Mr. Luzius Wirth	Member

The compensation paid or payable to Executive Management for employee services during the year is shown below:

	2016 MEUR
Short-term employee benefits (including bonus)	6.0
Post-employment benefits (pension contributions)	0.5
Total	**6.5**

Transactions and balances arising from sales / purchases of services during the period ended and as of 31 December 2016:

4 Nov 2015 - 31 Dec 2016	HNA Group (ultimate owner) MEUR	HNA Group Subsidiaries MEUR	Companies where HNA holds a significant interest MEUR	Associates MEUR	Joint Ventures MEUR	Share of other partners of joint operations MEUR	TOTAL MEUR
Transactions:							
Revenues	-	10.8	19.4	-	-	-	30.2
Management and trademark fees	-	-	-	-	0.3	-	0.3
Salary Recharges	-	-	-	-	3.4	-	3.4
Interest earned	-	-	-	0.0	0.1	-	0.1
Total	**-**	**10.8**	**19.4**	**0.0**	**3.8**	**-**	**34.0**
Assets:							
Non-current loan	-	-	-	0.9	-	-	0.9
Current loan	-	-	-	-	1.2		1.2
Trade receivable	-	2.3	3.0	0.8	1.0	-	7.1
Total	**-**	**2.3**	**3.0**	**1.7**	**2.2**	**-**	**9.2**
Liabilities:							
Current loan	20.0	-	-	-	7.6	-	27.6
Trade payable	-	0.0	-	1.8	1.1	-	2.9
Other payables	-	-	-	-	-	-	-
Total	**20.0**	**0.0**	**-**	**1.8**	**8.7**	**-**	**30.5**

The shareholder loan is subordinated. Related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

30. Events occurring after the reporting period

As presented in note 23, Swissport Group recently became aware of defaults arising out of a technical breach of the lien covenant provisions contained in the senior secured credit agreement dated 20 January 2016 (the "Credit Facility"). The technical breach was uncovered as part of discussions between the Swissport Group and HNA Group regarding an equity injection from HNA Group intended to enable certain improvements to Swissport's capital structure. The defaults were caused by pledges granted over the shares of Swissport Group S.à r.l, Swissport Investments S.A. and Aguila 2 S.A. as security for a debt facility entered into by a subsidiary of HNA Group Co. Ltd. prior to the completion of the acquisition of Swissport by the HNA Group. This subsidiary of the HNA Group Co. Ltd is a parent company of the Swissport Group. The pledged shares are not shares used as collateral intended to secure the Credit Facility or its senior secured high yield bonds. Pending resolution of the events of default, the Group is not able to access borrowings under the revolving credit facility under the Credit Facility documents.

As a consequence of the defaults under the Credit Facility, which incurred prior to the balance sheet date and that still exist on the date of approval of these consolidated financial statements, the MEUR 660 Term Loan B, due 2022, is presented in current borrowings on the balance sheet (see note 23) and the capitalised transaction costs related to the MEUR 660 Term Loan B and the Revolving Credit Facility were fully expensed, which resulted in additional finance expense of MEUR 29.7 (see note 12).

At the end of April 2017, the Swissport Group was funded by HNA Group via equity injection with MEUR 660 in available cash balances, and MEUR 58 of cash for working capital purposes, in addition to cash flow from operations. As a result of this strong liquidity position, the events of default are not expected to impact on Swissport's day-to-day operations or its ability to meet its ongoing financial obligations.

On 3 May 2017, Swissport Group notified its lender group under the Credit Facility and the holders of its Luxembourg-listed MEUR 400 senior secured high yield bonds and MEUR 280.5 senior unsecured high yield bonds of the existence of these events of default under the Credit Facility documents and the default under its bond indentures. At the date of the approval of these consolidated financial statements, Swissport was working with its creditors as well as independent financial and legal advisors to resolve the issues related to the events of default under the Credit Facility.

The Swissport Group delayed publication of its full year 2016 audited consolidated financial statements to properly reflect the impact of the subsequent events. Due to the inability to publish these financial statements no later than 120 days after the close of the prior fiscal year, the Group has also incurred a default of the financial reporting covenants included in its bond indentures and has notified the bond trustee accordingly.

This default of the financial reporting covenants has not resulted in adjustments to the consolidated financial statements and the default will be cured with the publication of these financial statements to the notes holders within the applicable remedy time period.

In addition, in April 2017, the parent company of the Swissport Group converted its subordinated shareholder loan of MEUR 20 to equity, which further increased the Group's equity position. This did not lead to an adjustment of these consolidated financial statements.

No other significant events that would require an adjustment or disclosure in the consolidated financial statements occurred between 31 December 2016 and 30 May 2017, the date of approval of the consolidated financial statements by the Board of Managers.

31. Swissport Group Companies

The Group interest is 100% of the ordinary share capital, unless otherwise stated. The entities included in these consolidated financial statements are:

Fully consolidated entities		Interest where not 100% 2016	Country of operation
Luxembourg			
Swissport Group S.a r.l.	(a)		Luxembourg
Swisport Investments S.A.	(a)		Luxembourg
Swissport Group (US)	(a)		Luxembourg
Aguila 2 S.A.	(a)		Luxembourg
Aguila 3 S.A.			Luxembourg
Swissport Cargo Services Luxembourg S.A.		75.0%	Luxembourg
Switzerland			
Aguila Bid AG			Switzerland
Swissport International AG			Switzerland
Swissport Baggage Sorting AG			Switzerland
Swissport Group Services GmbH			Switzerland
Checkport Schweiz AG		85.0%	Switzerland
PrivatPort S.A.		51.0%	Switzerland
Careport AG		66.8%	Switzerland
GVAssistance AG		70.0%	Switzerland
Other European Countries			
Swissport Cargo Services Austria GmbH			Austria
Swissport Cargo Services Graz GmbH	(a)	51.0%	Austria
AFS Aviation Fuel Services Austria GmbH		33.3%	Austria
Swissport Cargo Services Belgium N.V.			Belgium
Swissport Belgium N.V.			Belgium
Swissport Belgium Cleaning N.V.			Belgium
Swissport Bulgaria AD		51.0%	Bulgaria
Swissport G.A.P. Vassilopoulos (Cyprus) Ltd.		51.0%	Cyprus
Swissport Cyprus Ltd.	(c)	38.2%	Cyprus
Swissport Denmark AS			Denmark
Swissport Finland OY			Finland
Swissport France Holding SAS			France
Swissport Cargo Services France Sarl			France
Swissport Executive Aviation SAS		51.0%	France
AFS Aviation Fuel Services GmbH	(b)	66.7%	Germany
Swissport Berlin GmbH		65.0%	Germany
Swissport Germany Holding GmbH	(b)		Germany
Swissport Cargo Services Deutschland GmbH	(b)		Germany
Swissport Losch GmbH & Co. OHG	(b)	55.0%	Germany
Swissport Losch Services GmbH & Co. KG	(b)	55.0%	Germany
Swissport Losch Operations Verwaltungsgesellschaft mbH	(b)	55.0%	Germany
Swissport Losch Services Verwaltungsgesellschaft GmbH	(b)	55.0%	Germany
Swissport Losch München GmbH & Co. KG	(b)	55.0%	Germany
PrivatPort München GmbH & Co. KG	(b)	55.0%	Germany
Flightcare Multiservices Ireland Limited			Republic of Ireland
Knights Cleaning Services Ltd			Republic of Ireland
Swissport Ireland Ltd			Republic of Ireland

Fully consolidated entities (continued)		Interest where not 100% 2016	Country of operation
Swissport Kazakhstan LLP			Kazakhstan
Swissport Holding B.V.			Netherlands
Swissport Nederland B.V.			Netherlands
Swissport Cargo Services The Netherlands B.V.			Netherlands
Swissport Amsterdam B.V. (formerly Servisair Amsterdam B.V.)			Netherlands
Servisair Holdings B.V.		100.0%	Netherlands
Skylink Handling Services B.V	(a)	100.0%	Netherlands
Cargo Service Center East Africa B.V.			Netherlands
Swissport Poland Ltd.			Poland
Swissport Portugal S.A.			Portugal
Servisair Portugal Unipessoal Lda			Portugal
Swissport Spain Aviation Services S.L.			Spain
Swissport Holding Spain S.L.			Spain
Swissport Handling S.A.			Spain
Swissport Spain S.A.			Spain
Servisair Iberica S.A.			Spain
Swissport Fuelling Ltd.			United Kingdom
Swissport Cargo Services UK Ltd.			United Kingdom
Swissport UK Holding Ltd.			United Kingdom
Swissport Stansted Ltd.			United Kingdom
Swissport Limited			United Kingdom
Swissport Fuelling Services UK Limited			United Kingdom
Flightcare Multiservices UK Limited			United Kingdom
Swissport GB Limited			United Kingdom
Servisair Group Limited			United Kingdom
Servisair Holdings Limited			United Kingdom
Swissport Jersey Ltd.			United Kingdom
Swissport Guernsey Ltd.			United Kingdom
North America			
Swissport Canada Handling Inc.			Canada
Swissport Canada Inc.			Canada
Swissport Canada Deicing Inc.			Canada
Swissport Canada Fuel Services Inc.			Canada
Swissport North America Holdings Inc.			USA
Swissport North America Inc.			USA
Swissport Cargo Holdings Inc.			USA
Swissport Cargo Services L.P.			USA
Swissport Holdings Inc.			USA
Swissport Lounge LLC			USA
BWID LLC			USA
Dapsco Inc.			USA
Swissport USA Inc.			USA
Swissport Cargo Services Inc.			USA
Swissport Fueling Inc.			USA

Fully consolidated entities (continued)		**Interest where not 100%** **2016**	**Country of operation**
Other Countries continued			
Swissport Fueling of Nevada Inc.			USA
Swissport SA LLC			USA
Servisair Americas LLC			USA
Swissport SA USA LLC			USA
Servisair Leasing Corporation			USA
Swissport SA Fuel Services LLC			USA
Servisair Fuel Leasing Corporation			USA
Hallmark Aviation Services L.P.		51.0%	USA
SPA Swissport Algerie Ltd.		51.0%	Algeria
Swissport Argentina S.A.			Argentina
Swissport Brazil Ltda.			Brazil
Cargo Service Center Brazil S.A.T.A Ltda.			Brazil
Camport PLC	(c)	46.8%	Cameroon
Swissport Chile SA			Chile
Interairport Services Swissport S.A.		51.0%	Costa Rica
Aerocargo B.V.			Curacao
Cargo Services Center International N.V.			Curacao
Swissport Curacao N.V.			Curacao
Swissport Cargo Services Israel Ltd.		51.0%	Israel
Swissport Ghana	(d)	50.0%	Ghana
Swissport Kenya Limited			Kenya
Swissport Korea Ltd.		59.0%	Republic of Korea
Swissport Japan Ltd.		51.0%	Japan
Swissport Maroc SA		85.0%	Morocco
Swissport Executive Aviation Maroc Sàrl	(a)	85.0%	Morocco
AGN Aviation Services, S.A. de C.V.		51.0%	Mexico
CREA Recursos Humanos, S.A. de C.V.		51.0%	Mexico
Swissport Mexico Holding, S. de R.L. de C.V.			Mexico
Cargo Service Center de Mexico S.A. de C.V.			Mexico
Swissport Aviation Services de Mexico S.A. de C.V.			Mexico
Checkport Security Nigeria Limited	(c)	43.4%	Nigeria
Swissport Oman LLC	(a)	70.0%	Oman
Swissport Peru S.A.C.			Peru
Swissport Saudi Arabia Ltd.			Saudi Arabia
Peruvian Investments 2008 PTE. Ltd.			Singapore
Swissport South Africa (PTY) Ltd.		51.0%	South Africa
Checkport South Africa (PTY) Ltd.	(c)	43.4%	South Africa
Swissport Tanzania Ltd.		51.0%	Tanzania
Swissport Zanzibar Company Limited		65.0%	Tanzania
Swissport Trinidad and Tobago Limited			Trinidad & Tobago
Swissport Cargo Services Venezuela S.A.		88.0%	Venezuela
Tramitaven C.A.		60.0%	Venezuela

Equity accounted entities		Interest where not 100% 2016	Country of operation
Flughafen Graz Boden-Services GmbH		37.0%	Austria
S&L Airport Services Ltd.		19.1%	Cyprus
Compania de Economia Mixta Servicios Aeroportuarios del Ecuador - Quito		30.0%	Ecuador
Swissport Dominicana S.A.		34.0%	Dominican Republic
AFC Aviation Fuel Company OHG		50.0%	Germany
N*ICE Aircraft Services & Support GmbH		48.0%	Germany
Quality Airport Services Israel Ltd.		50.0%	Israel
Air Ghana Perishable Cargo Center Limited		50.0%	Ghana
GlobeGround Romania SRL		25.0%	Romania
Bucharest International Cargo Centre SA		25.8%	Romania
ZAO Cargo Terminal Pulkovo		40.0%	Russia
Bradford Swissport Limited		50.0%	United Kingdom
Swissport ALD Limited		51.0%	United Kingdom
Heathrow Cargo Handling Ltd		50.0%	United Kingdom
Inactive entities		**Interest where not 100% 2016**	**Country of operation**
Swissport Austria GmbH			Austria
Swissport Middle East Holding Inc.		51.0%	Cayman Islands
Carribbean Jets			Dominican Republic
Swissport Middle East Services FZCO			Dubai
Swissport Deutschland GmbH			Germany
Swissport Ground Handling GmbH			Germany
Swissport Services GmbH			Germany
Swissport Travel Center GmbH			Germany
Checkport Ghana	(c)	43.4%	Ghana
Swissport GBH Honduras S.A.	(c)	41.0%	Honduras
Servisair Nominees Services Limited			Republic of Ireland
Trading Spaces Limited			Republic of Ireland
Shamrock Logistics Limited			Republic of Ireland
Swissport Cargo Services Italy S.R.L.			Italy
Checkport Nederland B.V.			Netherlands
Swissport Mexico Participation II B.V.			Netherlands
Smart Handling B.V.			Netherlands
Servisair Assistance Piste Orly		liquidated	France
Swissport Latinamerica S.A.			Panama
Swissport Singapore Pte Ltd.			Singapore
Swissport Fueling AG			Switzerland
Servisair PLS Ltd.			Turks and Caicos Islands
Servisair TCI Ltd.			Turks and Caicos Islands
Shamrock Logistics Limited			United Kingdom
Servisair (Contract Handling) Limited			United Kingdom
Swissport Pension (Scotland) Limited			United Kingdom
GlobeGround (UK) Limited			United Kingdom
GlobeGround Heathrow Limited			United Kingdom
Globeground Manchester Limited			United Kingdom
Airway Handling Limited			United Kingdom

Inactive entities (continued)		**Interest where not 100%**	**Country of operation**
		2016	
Tri-Star Acquisition Corporation			USA
GlobeGround Services Inc.			USA
Servisair Venezuela CA			Venezuela
Servisair Inmobiliaria CA (Venezuela)			Venezuela
Swissport Uruguay S.A.			Uruguay

Additional information on the Group's interests:

(a) The entity was founded or acquired during the period that ended 31 December 2016 outside of the acquisition of Aguila 2 SA (note 27).

(b) These entities are being consolidated within the consolidated Group financial statements. Therefore it is not necessary that they produce a local consolidated financial statement.

(c) Indirect shareholding: Entity controlled by a controlled intermediate subsidiary, for which the intermediate subsidiary holds more than 50%.

(d) Controlled by shareholder agreement.

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€410,000,000 5.25% Senior Secured Notes due 2024

€250,000,000 9.00% Senior Notes due 2025

OFFERING MEMORANDUM

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