



## **SOUTHERN AIR ENHANCES CAPITAL STRUCTURE; POSITIONS FOR GROWTH**

FLORENCE, KY – March 9, 2015 – Southern Air Holdings, Inc. (“SAHI”) has completed a debt-to-equity exchange that eliminates all of the company’s long-term debt, enabling SAHI to significantly enhance its strategic position and growth plans.

The consensual secured debt-to-preferred equity exchange satisfies approximately \$90 million in senior secured term debt by issuing to its former term lenders a new class of preferred stock and warrants. The newly issued preferred stock is non-voting and non-convertible, and provides for an annual stated yield accruing in kind (not in cash), and a liquidation preference over common shares. The exchange transaction was approved by the United States Department of Transportation and by 100% of the participating term loan lenders. In addition to the debt-for-preferred equity exchange, SAHI’s lenders agreed to renew and increase to \$20 million a working capital line of credit in favor of various SAHI affiliates.

This transaction strengthens SAHI’s strategic position and plans for growth of its air cargo business managed by SAHI’s subsidiary, Worldwide Air Logistics Group, Inc. (“Worldwide”).

“The completion of this debt-for-equity exchange sets a new stage for growth in our air cargo platforms,” said SAHI and Worldwide CEO Dan McHugh. “Southern Air now has a clean balance sheet and no long term debt. With positive cash flow, we are poised to grow our existing 777 and 737 programs with global logistics leader DHL Express and other global customers, and in view of the closing of our acquisition of 767 carrier Florida West International Airways (Florida West), Worldwide is strengthening and expanding its highly reliable, cost efficient and customer-oriented ACMI, CMI and other air cargo services.” Worldwide recently announced its plans to acquire Miami-based Florida West, a U.S all cargo carrier operating 767 aircraft.

McHugh added, “Our lenders’ willingness to convert all of their term debt to preferred equity demonstrates a firm commitment to SAHI’s management vision, strategic positioning and growth plans, and we greatly appreciate their support in this debt conversion process.”

SAHI was advised in the transaction by the investment banking firm Imperial Capital and the law firm Berger Singerman.



### **About Worldwide Air Logistics Group:**

Worldwide Air Logistics Group, Inc. is established to become the leading provider of safe, reliable, cost-efficient, domestic and international ACMI and CMI air cargo services through its

separate operating subsidiaries, Southern Air Inc. (operating 777F and 737-400 aircraft) and, subject to regulatory approvals and closing of its acquisition, Florida West International Airways, Inc. (operating 767-300 aircraft). Worldwide will offer customers highly reliable and efficient air cargo business platforms with a strong record of performance excellence and safety. Customers served have included DHL Express, LAN Cargo, the US Military/Department of Defense and other major global air cargo carriers. For more information on Worldwide Air Logistics Group, visit: <http://www.walginc.com/>.

## ***SOUTHERN AIR***

### **About Southern Air:**

With its comprehensive, reliable and responsible customer approach, Southern Air serves the world's largest intercontinental air cargo carriers, integrators and freight forwarders. Southern Air is the first wide-body ACMI operator in the world to operate the fuel-efficient Boeing 777 freighter and currently operates four such aircraft on an around-the-world basis for the leading global express delivery provider DHL. Southern Air also operates five Boeing 737 aircraft for DHL, flying key routes to support DHL's North American air networks. Southern Air is the premier provider of safe, fuel-efficient, domestic and intercontinental ACMI/CMI services. Southern Air and its experienced team of aviation professionals deliver high quality services to global customers, meeting and exceeding their air cargo needs. For more information, please visit: [www.southernair.com](http://www.southernair.com).

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