



NEWS RELEASE

Air Mauritius revises capacity and implements new strategy for long haul flights.

Air Mauritius announced today additional initiatives in order to face the unprecedented crisis confronting all airlines worldwide. The airline industry continues to be affected by the high fuel prices and the softening demand for air travel.

Air Mauritius continues to hedge its fuel requirements as much as possible using available instruments, apply fuel surcharges and has engaged into a fuel management programme with IATA in order to reduce the fuel impact on the airline operating costs.

In line with worldwide airlines' interventions to mitigate the effects of the crisis, Air Mauritius had also revised its capacity growth from 4% to 1% initially and is now applying additional cuts as a result of the softening demand. At this stage the airline has revised its current capacity growth to -1% compared to last year. This revision still provides for over 1.7 million seats for the financial year ending 31st of March 2009 and equally provides sufficient capacity to meet the tourism growth objectives set by the Mauritian authorities.

Prices will also be revised in order to reflect the increasing fuel and non-fuel costs. Over the past years the airline has passed on its efficiency gains to the customer. However it is no longer possible to sustain the current cost level without an increase in price. At this stage price increases have been kept to a minimum and are being applied after careful study, market by market.

The airline has also announced that it will now operate non-stop to all long haul destinations and that all two-destination long haul routes will operate to only one of the two destinations within the forthcoming months.



In that context, we will now operate a direct flight to Melbourne and cease operations to Sydney as from the 1st of September 2008. Capacity to the East Coast of Australia is therefore maintained and passengers from Melbourne will have an improved product. Melbourne will become our hub in the east coast of Australia and our arrangements with Virgin Blue and Qantas will allow passengers from all cities in Queensland, New South Wales (including Sydney) and South Australia to choose one of the many flights available to connect our direct flight from Melbourne. From the 15th of December 2008 to 26th of January 2009 the flight will exceptionally be operated via Sydney in order to meet peak demand.

We will also operate a direct flight to Geneva as from 18th January 2009 and cease operations to Zurich from that date. Capacity on Switzerland is therefore maintained and passengers from Geneva will have an improved product. Passengers from all other points in Switzerland (including Zurich) will have the option to connect daily with our partner Air France flights through hub Charles de Gaulle in Paris or alternatively with our flights from Geneva.

Air Mauritius is confident that the initiatives taken at this stage and in the current context, will allow the airline to mitigate the effects of the unprecedented crisis faced by the airline industry worldwide.

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Air Mauritius is the national carrier of the Republic of Mauritius in the Indian Ocean. Created in 1967, it currently operates a fleet of five A340-300, two A340-300E, two A319-100, one A330-200 and two ATR72-500. Air Mauritius presently flies to twenty seven destinations in Europe, Asia, Australia, Africa and the Indian Ocean.

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