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Dear Valued Customer

Airlink update

Airlink has been through a traumatic experience since the Durban accident on 24 September that sadly took the life of one of our employees. This accident was not caused by the aircraft or by the engine that failed on take-off at the most critical phase of the flight, but by the human factor where crew did not comply with procedures during the emergency. This non compliance is deeply regretted by Airlink especially so as Airlink had practised standards of excellence in the process of pilot recruitment, training and proficiency testing. The event has highlighted the need to improve our already stringent human characteristics evaluation system and to intensify the practical training program as regards cockpit resource management (CRM), both of which have already been implemented.

A string of unrelated events followed this 24 September accident, including:

A runway excursion at Port Elizabeth on 18 November where no-one was hurt and there was no damage to property. This incident resulted from a fault to the steering cable causing inadequate authority over the steering system. The fault could not be detected during normal maintenance inspections and had not been detected while in service prior to this incident. Airlink's pilots did a remarkable job in successfully aborting the take off in the circumstances. The root cause of the fault has been identified and a fleet check has been performed to ensure that there is no further manifestation.

The George aquaplaning accident on 7 December where thankfully the only injury was sustained by the co-pilot who suffered a sprained ankle but where the aircraft was seriously damaged. This incident remains under investigation by the Civil Aviation Authority's Accident and Incident Investigation Division (AIID), and Airlink will continue assisting the AIID as far as possible in its quest to understand the cause of this accident. However, from the facts available to Airlink extracted from the aircraft's flight data recorder, it would appear that the landing accorded with Airlink's specific wet runway operations procedure and the aircrafts systems all functioned normally. The AIID's investigation will focus on the runway surface conditions.



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Airlink's operational safety was audited by the SACAA during December. While Airlink's Flight Operations department was given a clean bill of health, there were some observations and recommendations of areas where improvements could be made. Airlink responded immediately by adopting and implementing the recommendations which have resulted in performance enhancements. The CAA audit unexpectedly revealed a number of non-compliances within the administrative aspects of Airlink's maintenance department. This department had previously been given zero findings status by both the CAA and by IATA's IOSA program. The findings were immediately addressed by Airlink and in some instances where the correction entailed a continuing process; a corrective action plan was submitted by Airlink and approved by the CAA on 22 December. As it stands, the corrective action plan has been fully implemented.

A benign aborted takeoff event at Nelspruit on 23 December was of serious concern to the CAA as it appeared that the engine failure that led to this event was similar to the engine seal plate failure associated with the Durban accident. Normally this benign event would not have attracted any attention. However, in the circumstances the CAA responded by immediately grounding the Jetstream fleet. On analysis of the failed engine it was established that it was not related to the seal plate after all. The engine manufacturer Honeywell was called in to assess the engine failures and to recommend corrective interventions required to ensure the engines serviceability. Honeywell has established the root cause of the seal plate failure and has committed to install a fix.

Importantly, engine design targets in flight shut down (IFSD) rates of no more than 1:100,000 engine flight hours. Airlink's Jetstream engines have flown over 820,000 engine flight hours since the aircraft was introduced into service in March 1995. Since then Airlink has recorded seven IFSD events for varying reasons including ruptured oil cooler and a failed fuel control unit. Thus the performance of Airlink's Honeywell engines is the rate of 0.85 IFSD events per 100,000 engine flight hours, which betters the engine design target. Furthermore, in comparison with the criteria for Extended Range Twin Engine Operations (ETOPS) 180 minute concession, being a demonstrated rate of no more than 2 IFSD events per 100,000 engine flight hours, the actual Airlink experience is some 235% better. Having regard to the harsh operating environment Airlink's Jetstreams have been subjected to during their life including; short runways, extreme temperature and hot and high airports, this is an excellent achievement. It is worthy of mention that some 7,000,000 passengers have travelled safely to their destinations on Airlink's Jetstreams to date.

Since the grounding Airlink has worked continuously and closely with the CAA in a rigorous process of recertification of Airlink's Jetstreams. The CAA's requirements were extraordinary in the circumstances of the string of events since 24 September. The integrity of Airlink's Maintenance Management System (MMS) was tested to ensure that all maintenance actions required in terms of the manufacturers maintenance requirements were included in the planning system and had been carried out on the aircraft through its history, that all airworthiness directives and service bulletins had been correctly embodied, that all certified maintenance requirements had been included and that all serialised components are correct and correlated between the aircraft and the MMS. The upshot of this process is that the integrity of Airlink's aircraft and systems has been re-confirmed and our Jetstream 4100's have been returned to the skies.

As a parallel initiative Airlink engaged the services of Captain Scully Levin, retired SAA Chief Training Captain, to review our flight operational systems and standards. Consistent with the CAA's audit report, Captain Levin's review revealed no operational safety shortcomings. Captain Levin did however identify some areas where improvements could be made (which he hastened to state would be the case in every airline) – his recommendations have inter alia led to enhancements to; the flight operational management structure, CRM training, and the standardisation of radio-telephony and passenger address techniques. Captain Levin added that he would not hesitate to fly his family on Airlink at any time. A similar initiative is planned for the maintenance department in the near future.

Airlink has restructured its business as a consequence of the recent events. The objective has been simplification and streamlining in order to improve; service delivery in the key areas of punctuality and reliability, and system

robustness while deriving greater efficiency. Many positive changes have featured in the restructuring including all jet servicing of certain routes, the addition of four Embraer ERJ135LR regional jets in support of improved services, and the availability of more support and backup aircraft in order to improve fleet dispatch reliability. Unfortunately, as with any change, there have also been some negatives in the form of network and schedule cutbacks, which Airlink has done its best to minimise.

While every effort has been taken by Airlink to provide the best possible levels of service, given that aircraft are complex machines, there will be normal manifestations of defects which may result in delays and disruptions from time to time. However, safety will never be compromised. Airlink strives to minimise delays caused by defects to less than 1% of our departures, and to keep our punctuality performance above 90% of our 3,300 flights monthly running on time. And in Airlink's pursuit to uphold the highest possible standards of safety, our pilots remain encouraged to make use of standard safety protocols such as "air turn backs" and "aborted take offs" for precautionary considerations as well as "go-around" when landing conditions are not quite right.

It will take several weeks for the new Airlink schedule to be fully implemented, and for our business to be stabilised and normalised. But once accomplished, Airlink will be much stronger and with improved service delivery.

I would like to take this opportunity to thank our customers for your patience and for your loyalty and understanding over the past months. Many of you have suffered inconvenience as a result of our schedule disruptions, for which I once again apologise.

Thank you for your continued support. We aim to have Airlink returned to business as usual with its integrity and dignity restored, as soon as possible.

Yours Faithfully



Rodger Foster
Chief Executive and Managing Director