

## Management to purchase City Airline from the company founder

### City Airline, based in Gothenburg, is to be sold to four members of its management team

Air traffic throughout much of Europe has been suspended for long periods after Thursday 15 April, following the eruption of a volcano on Iceland. Many European airlines have been hit hard by a considerable loss of income and by extra expenses for accommodation and alternative transport home.

One direct consequence of these events is that the owner of City Airline, Lars Magnusson, has decided to shelve plans for the expansion of the company, including plans for a number of new routes from Göteborg Landvetter Airport during the autumn of 2010.

"The situation with the volcanic eruption on Iceland and the subsequent suspension of air traffic is without precedent in history, and the industry has been hit exceptionally hard. Fortunately, we were able to apply the brakes now, before City Airline had the chance to carry out its heaviest investments in preparation for the planned autumn launch", says Lars Magnusson, founder and previous owner of City Airline.

In association with the decision to shelve the planned expansion of City Airline, Lars Magnusson has decided to sell the company.

"I now realise that the realisation of my vision for City Airline must be postponed. I made it known a year ago that I planned to retire within the year, and my interest in continuing to run the company in its present form is limited. I'm 77 now, and it's time for someone else to take over. I am convinced that the new owners will excel, now that they choose to purchase the company and take it into the future", says Lars Magnusson.

City Airline is being purchased by its current managing director Jimmie Bergqvist and three others from the company management team.

"We understand fully Lars Magnusson's decision to shelve the planned expansion in the current situation. City Airline is, however, a well-established company whose fundamental operations are healthy and robust, and we are looking forward to developing the company in order to become more efficient and more attractive for not only our existing customers but also new ones", says Jimmie Bergqvist.

A new board of directors for City Airline will be announced shortly. It is already clear that Finn Johnsson will continue as chairman of the board.

### For more information, contact:

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**City Airline** was founded in 2001 and is based in Gothenburg, Sweden. City Airline has routes to Manchester, Birmingham, Lyon, Prague, Helsinki, Zürich, Tallinn, Luleå, Sundsvall, Nice, Åre/Östersund, Visby, Palma, Alicante, Rome, Barcelona, Bergen, Riga, Stavanger and Malaga. More information about the company and its activities can be found at [www.cityairline.com](http://www.cityairline.com).