



**Ministry of Land,
Infrastructure and Transport**

23th. JULY

**Briefing by MOLIT
Deputy Minister for Aviation Policy,
Mr. Sang-do KIM, regarding Jeju Air's official
announcement on the termination of the M&A deal
with Eastar Jet**

- ☐ In order to build a stronger foundation for the growth of Korea's aviation industry through raising competition in the sector, the Ministry of Land, Infrastructure and Transport (MOLIT) has been actively supporting the M&A process between Jeju Air and Eastar Jet by taking various measures such as facilitating the merger review process and making arrangements for the acquisition financing.

- ☐ Despite such effort, however, Jeju Air notified Eastar Holdings yesterday of its decision to terminate the contract. It is regrettable to see the final negotiations for the M&A of the two companies, which have continued since December last year, fall apart.
- ☐ The breakdown of the M&A deal would leave Eastar Jet in a situation where normalization of management is highly uncertain. This, in turn, may lead to negative repercussions in the aviation industry such as massive layoffs. Therefore, MOLIT calls for measures to alleviate such uncertainties among the Eastar Jet employees as well as the aviation sector, such as accelerating review and implementation of alternative solutions (Plan B).
- ☐ In close consultation with relevant Ministries, MOLIT will continue to monitor and support Eastar Jet in taking the Plan B, and strive to minimize damages to the employees by providing them with substitute payments to compensate for their unpaid wages.

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