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ACQUISITION OF SIGMA AVIATION

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John Menzies plc, through its subsidiary Menzies Transport Services ("MTS"), has bought a 49% share in Manchester-based airport services operator Sigma Aviation for £0.5m in cash, subject to regulatory approvals.

Sigma Aviation is a leading provider of passenger and ramp-handling services at Manchester Airport. Its key customers include Lufthansa, SAS, Cathay Pacific, Lauda Air, Luxair, Air Canada and Air India for whom it handles over 900,000 passengers and 8,000 flight turnarounds per annum with 162 staff. In addition Sigma has recently won the contract to provide passenger and ramp-handling services to Aer Lingus at Manchester adding a further 200,000 passengers and 1,700 flight turnarounds per annum.

Sigma's other shareholder is Lufthansa Airport and Ground Services ("LAGS"), the global handling company, with whom MTS has a strategic alliance to develop ground handling services in the UK. Following the acquisition Sigma will be renamed GlobeGround Manchester.

David Mackay, Chief Executive of John Menzies, said:

"This is an important development for Menzies Transport Services, which has previously concentrated its activities at Heathrow Airport. The acquisition of a 49% stake in Sigma Aviation, alongside LAGS, is a further significant step in the development of our airport ground handling business and reinforces the Group's position as a major UK airport services operator."

"The partnership of MTS and LAGS is now gaining momentum and we look forward to working closely with LAGS to develop other joint venture handling."