



THE NEW ALITALIA THE STRATEGIC PLAN FOR THE NEW ALITALIA UNVEILED

Rome, 20th January 2015 – The strategy for the new Alitalia was unveiled today, with an unequivocal commitment by the new executive team and strategic investors to reinvent the airline.

Alitalia will introduce new routes, new product and service standards, a new cost management strategy and new branding, as the foundations to build a premium global airline representing the best of Italy.

The new Alitalia commenced operations on 1 January 2015, following the completion of equity investments by Etihad Airways and Alitalia's existing shareholders. The new company's Board meeting yesterday ratified the business strategy, which was outlined today by Luca di Montezemolo, Chairman of Alitalia, Silvano Cassano, Chief Executive Officer of Alitalia, and James Hogan, President and Chief Executive Officer of Etihad Aviation Group and Vice Chairman of Alitalia.

Luca di Montezemolo said: "The energies, passion and expertise I have experienced at Alitalia in recent weeks do not leave any doubt that the airline we're unveiling today will become once again a premium Italian airline recognised worldwide. This is why I believe the people in Alitalia are a pillar of the history we're about to write.

"Our priority is to put the customer at the centre of everything we do. And to do that, we will change many things, starting with the way we work. We need to work as one united team to achieve this great common goal.

"The revitalised Alitalia we envision and have started building, will be an asset to this country, and a driver to support the growth of our tourism and our business."

James Hogan said Alitalia's future will rely on major change throughout the organisation.

"In a market still beset by the continuing Eurozone crisis, anything other than rapid, decisive change is simply not an option.

"This is the right strategy, with the right management team to lead it.

"But there should be no doubts at all: we have made a commercial investment that must deliver a commercial return.

"We've invested in the new Alitalia because we believe it can flourish again. It will only succeed if there is 100 per cent support from everyone. The coming months and next few years will not be easy, but if everyone pulls together as one team, Alitalia can grow again."

Mr Hogan said that Alitalia's major investors had set a clear deadline for the airline to deliver profitability by 2017.

Outlining the airline's new strategy, Mr Cassano said: "The new Alitalia strategy is serious, it is exciting and it is commercial. It is a strategy for success – if everybody delivers.

"It is serious because it has been developed over months by an executive team and a set of partners that share extensive and in-depth industry expertise.

"It is exciting because of the vision and ambition that we have for the brand and for the business. This is the chance to create a new Alitalia, one which Italy can truly feel proud of.

"And it is commercial because that is the only way this can work. Every single employee at Alitalia has to get into a commercial mindset, one in which the basis of every decision is: Does this add value to our customer? Does it add value to our company? And does it help us to deliver a financial return?

"We need to create a performance-based, customer-focused culture which results in a sustainably profitable airline, one which can grow over the long term.

"The investment we have received from our shareholders gives us the opportunity to do that."

Mr Cassano added: "A successful Alitalia means jobs, it means trade and it means tourism. It means a major impact on the Italian economy."

The key elements of the new business strategy include:

Network

- A new three-hub strategy in Italy. Milan Malpensa will increase long-haul services, while Milan Linate will increase connectivity with partner airline hubs. Rome Fiumicino will grow long-haul flying and continue to expand short and medium haul flying to maintain relevance to the Italian market.
- Schedules across the network will be optimised to allow better connectivity, as well as increased codesharing with existing and new partners.
- **New routes from Rome** include **Berlin, Dusseldorf, San Francisco, Mexico City, Santiago (Chile), Beijing** and **Seoul**, with increased flights to **New York, Chicago, Rio de Janeiro and Abu Dhabi**.
- Alitalia will also add 13 weekly flights from Milan Malpensa, with daily services to Abu Dhabi, four flights a week to Shanghai, and additional flights to Tokyo.
- There will also be increased connectivity with Etihad Airways' hub in Abu Dhabi, with daily services from Venice, Milan, Bologna and Catania, as well as additional flights from Rome, all allowing onward connections to the Middle East, Africa, the Indian subcontinent, Southeast Asia, China and Australia.
- Venice will be the only Italian airport, in addition to Rome Fiumicino and Milan Malpensa, from which Alitalia will operate services to Abu Dhabi with long-haul aircraft.

Cooperation

While exploring further opportunities to deepen the relationships with Skyteam members and in particular Air France/KLM and Delta, there will be a major new partnership with airberlin & NIKI, as well as increased connectivity with Etihad Airways. There are also plans to work more deeply with Air Serbia and Etihad Regional. These partnerships will increase customer choice across many markets.

Fleet

Alitalia and Etihad Airways and its partners are exploring opportunities to improve jointly fleet efficiency. For example, Alitalia is in the process of relocating 14 Airbus A320s to airberlin, and looking into options with Etihad Airways to acquire additional wide-body aircraft for Alitalia. Alitalia will also have opportunities to receive aircraft from Etihad Airways' existing fleet orderbook.

Guest Services

A new customer-first culture, with new product and service standards across the airline. A new Customer Excellence Training Academy will deliver skills to all customer-facing staff, while customers will experience traditional Italian hospitality, new food service options, new-look lounges in Rome, Milan Malpensa and Milan Linate.

Brand

Alitalia will launch a new brand and visual identity, covering aircraft, uniforms and all other customer touch-points. While the name will remain unchanged, the new branding will seek to capture and embody the essence of Italy.

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