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**M.7333 - ALITALIA / ETIHAD**

**SECTION 1.2**

**Description of the concentration**

1. The notification concerns a proposed concentration by which the undertaking Alitalia Compagnia Aerea Italiana SPA (“**Alitalia**”) and Etihad Airways PJSC (“**Etihad**”) acquire, within the meaning of Article 3(1)(b) of Council Regulation (EC) No139/2004 joint control of **New Alitalia**, a newly incorporated subsidiary of Alitalia which will receive its operating business as a going concern, by way of subscription of shares.
2. New Alitalia will be a NewCo set up with a view to implementing the Proposed Transaction. Since it does not yet exist, it cannot be considered as an undertaking concerned (see para. 139 of the Consolidated Jurisdictional Notice). New Alitalia will receive Alitalia operating business as a going concern. Its description therefore corresponds to the description of Alitalia, save that Air One will not be transferred to it (although Alitalia will take over some of its routes prior to the contribution to New Alitalia).
3. As part of the same transaction, Etihad will also acquire a majority of the shares in Alitalia Loyalty S.p.A. (“**Alitalia Loyalty**”), which is a separate legal entity fully dedicated to the operation and development of Alitalia's frequent flyer (customer loyalty) programme named “MilleMiglia Programme” from New Alitalia. Etihad will acquire 75% and New Alitalia will retain 25% of the shares respectively, with Etihad having sole control over Alitalia Loyalty.
4. The business activities of the undertakings concerned:
  - a. Alitalia: domestic and international air transport
  - b. Alitalia Loyalty: management of the frequent flyer programme of Alitalia; and
  - c. Etihad: international air transport.