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M.9062 - FORTRESS INVESTMENT GROUP / AIR INVESTMENT VALENCIA / JV

SECTION 1.2

Description of the concentration

The Commission has received a notification of a proposed concentration pursuant to Article 4 of Council Regulation (EC) No 139/2004 (the EUMR). On 19 June 2019, Fortress Investment Group LLC and Air Investment Valencia S.L. notified their intention to acquire joint control over a newly formed full-function joint venture (the JV) within the meaning of Article 3(4) EUMR, in to which the respective businesses of CityJet and Air Nostrum will be transferred. By contributing Air Nostrum to the JV, Air Investment will also contribute Aviatech & Consulting, S.L. and Hibernian Airlines Limited (together with its subsidiaries). The transaction is a concentration within the meaning of Article 3(1) EUMR. This proposed concentration will be effected through an indirect acquisition of shares in the newly created JV by Air Investment Valencia and Triangle Holdings, an entity owned by funds managed by affiliates of Fortress Investment Group LLC.

The areas of activities of the undertakings concerned by the notified concentration are as follows:

(i) **Fortress Investment Group** – Fortress is a global investment management firm based in New York, USA. Fortress manages assets on behalf of over 1,750 institutional clients and private investors worldwide across a range of credit and real estate, private equity and permanent capital investment strategies. Fortress is also the ultimate parent company of Falko Regional Aircraft Limited, a provider of dry lease services to other airlines worldwide, including in Europe. Fortress Investment Group is controlled by SoftBank Group Corp., a listed Japanese holding company. SoftBank Group is headquartered in Tokyo, Japan and is the parent company of a global portfolio of subsidiaries and affiliates involved in advanced telecommunications, internet services, Internet of Things, robotics and clean energy technology providers.

(ii) **Air Investment Valencia** – Air Investment Valencia is a pure holding company based in Valencia, Spain, controlled by Mr. Carlos Bertomeu. Apart from Air Nostrum, Air Investment Valencia controls

- (i) Operador Ferroviario Levante, S.L. and its subsidiary Intermodalidad de Levante (a passenger rail operator),
- (ii) Inversiones Líneas Aéreas Internacionales (a consulting company dedicated to the design, management and control of projects and investments),
- (iii) Saimer Leasing Limited (an aircraft dry lessor and provider of fleet supply services to air operators), and

(iv) Planificación y Soluciones Aéreas and its subsidiary Trabajos Aéreos de Córdoba (companies providing aerial firefighting and fire prevention services). Air Investment Valencia also jointly controls (through Maltair Holding, S.L.) Mediterranean Aviation Operations Company, Ltd (an airline active in the operation of air routes between Europe and Africa, focusing on providing air transportation services to gas and oil companies, corporate clients and humanitarian organizations, mainly through charter flight and wet-lease services).

(iii) **CityJet** – CityJet is a European regional airline based in Dublin, Ireland, operating a fleet of 36 aircraft providing wet and damp lease and ad hoc charter services to other airlines across Europe. CityJet is currently jointly controlled by Fortress Investment Group.

(iv) **Air Nostrum** – Air Nostrum is a regional airline based in Valencia, Spain, operating a fleet of 50 aircraft providing scheduled flight services under a franchise agreement with Iberia, charter services, and wet and damp lease and maintenance services to other airlines. Air Nostrum is currently solely controlled by Air Investment Valencia. Air Nostrum itself controls

- (i) Hibernian Airlines Limited, an airline based in Ireland intended to provide wet lease services to third party airline operators in Northern and Central Europe, and
- (ii) Aviatech & Consulting, S.L., which provides technical office services to Air Nostrum such as flight control and flight operations, but unrelated to crew management, and which is envisaged to also provide legal, financial, IT and consulting services to the rest of the companies of the JV.