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M.11071 - DEUTSCHE LUFTHANSA / MEF/ ITA

SECTION 1.2

Description of the concentration

This notification concerns the following undertakings:

- **Deutsche Lufthansa AG (DLH)**, Germany, a publicly traded company listed on the German Stock Exchanges and the holding company of the Lufthansa Group.

DLH is one of the major airlines in Europe and its air transport business includes, inter alia, Lufthansa Passenger Airlines, Swiss International Airlines Ltd, Brussels Airlines S.A./N.V., Austrian Airlines AG, Air Dolomiti L.A.R.E. S.p.A., Eurowings GmbH, Eurowings Discover GmbH, Edelweiss Air AG and its joint venture with Türk Hava Yolları A. O. (Turkish Airlines), Güneş Ekspres Havacılık A.Ş (“SunExpress”). It operates hubs in Frankfurt, Munich, Brussels, Zurich and Vienna.

- **Italia Trasporto Aereo S.p.A. (ITA)**, Italy, a fully state-owned company whose shares are currently 100% owned by the Italian Ministry of Economy and Finance (**MEF**).

ITA is mainly active in the field of passenger air transport services on domestic and international routes. ITA started to operate in October 2021.

DLH acquires within the meaning of Article 3(1), point (b) of the Merger Regulation control over ITA from MEF.

The concentration is accomplished by means of acquiring by DLH of a minority stake with additional governance rights in ITA from MEF.

Following the process of privatization of ITA, DLH has entered into an agreement to make a capital injection into ITA which will issue new shares to be held by DLH. The initial shares to be held by DLH will amount to 41% upon closing of the Proposed Transaction. The Parties have agreed on mutual options to be exercised at a later stage to sell the remaining shares to DLH as well. The Italian State intends to exit the capital in the medium term.

The activities of DLH and ITA mainly overlap with respect to the provision of air passenger transport services. Due to ITA’s limited presence outside Italy, the Proposed Transaction only gives rise to a small number of direct/direct short-haul overlaps on routes from Rome and Milan to cities in Germany, Belgium and Switzerland. There are also direct/indirect overlaps on medium and long-haul routes from Italy and Switzerland to America, Africa and Asia.

The Proposed Transaction would also give rise to a marginal horizontal overlap on the market for air cargo transport where both Parties are active and technical potential vertical links in relation to further services (among others MRO and ground handling) where only DLH has activities.

Pursuant to the Proposed Transaction, and as stipulated by the DPCM, DLH and ITA intend to develop ITA's current flight programme to ameliorate the customer offer particularly from and to Italy, and to enhance connectivity within the Common Market.

The business activities of the undertakings concerned are:

- a) for DLH: passengers air transport services, air cargo transport, MRO services, ground handling, cargo handling and flight training services.
- b) for ITA: passengers air transport services, air cargo transport.