



**Alitalia Board of Directors analyses the economic trend of the first six months.
Positive results considering the critical international scenario.**

Rome, 29 July 2009 – The Board of Directors of Alitalia - Compagnia Aerea Italiana SpA, chaired by Roberto Colaninno, has met today in Rome.

The Board has examined the Groups consolidated economic results for the first six months, from 13 January to 30 June 2009, presented by the CEO Rocco Sabelli.

The trend for the first six months has highlighted revenues of 1.276 billion € 10 million passengers carried and an average load factor of 59%, in line with expectations.

These results have been achieved notwithstanding a negative global market situation, which has reported a decrease of 30% in the first five months of 2009 vs. 2008, with a 40% loss for business travel (IATA data).

In addition to the critical economic climate, the first semester has seen the need to merge completely the Alitalia and Air One reservations portfolios and systems.

In such scenario, Alitalia has recorded a positive load factor trend, which has risen from 51% during the first trimester of 2009 to 65% in the second, with a preliminary forecast of 72% for July.

Also increasing is the market share, measured on the sales made by the trade. Alitalia has reached 50% on the Italian domestic market (sales made in Italy for national and international destinations) and 20% on the international market (sales made abroad towards Italian destinations), with a 7% increase compared to January 2009 and vs. the combined Alitalia and Air One results in 2008.

The net operational result has been of -273 ml. € with a 6% variation vs. the budget forecast (approved by the Board of Directors on 27 February 2009), going from -210 ml. € in the first trimester to -63 ml. € in the second. A further improvement is forecast for the third trimester of the year, based on the positive trend recorded in July (2.2 ml. circa flown passengers forecast) and the reservations portfolio for August and September.

The net financial position, of 770 ml. € is significantly better compared to the forecast, thanks to the effective management of the working capital. The liability on the fleet is of 949 ml. € The cash reserves are 370 ml. € and the liquidity, including unused credit, is of 490 ml. € approximately.

In line with forecast are the indicators of personnel productivity and absenteeism, as proof of the high level of commitment shown by all the Group's employees.

The progress made on the advancement of the partnership with Air France / KLM is positive, both under the industrial synergies profile and the integration of networks, through the implementation of new codeshare agreements on international and intercontinental routes.

The developments on the operational integration between Alitalia and Air One have been presented to the Board; today the companies already share network and commercial strategies; IT infrastructure to handle operations, sales, ticketing and check-in; maintenance; centres for the control of operations and of the proper functioning of the Rome Fiumicino hub; call centres.

The fleet renewal plan will see, by the end of 2013, the introduction of 75 new Airbus aircraft for short-medium haul (6 of which have already been delivered in 2009) and for long-haul; this will significantly improve the quality of the service and a reduction of the impact on the environment.

Such developments, together with the recent agreement signed by Alitalia and Aeroporti di Roma (Rome Airports Authority), will represent an improvement in the service quality standards.

During the second trimester of 2009, the average number of cancelled flights has been less than 1% (which represents less than 5 flights a day of the 700 scheduled ones) with a regularity index of 99% circa. Always in the second trimester, the punctuality on the Milan-Rome route is confirmed at above 80%.

A general scenario of poor punctuality remains on the whole network; in the first semester the average performance was slightly above 70%, still far from the Company goal of 80%, with disruptions encountered at specific national airports.

Influencing this situation is the performance of departures from Rome Fiumicino Airport, which negatively impacts the whole network; in order to improve this, Alitalia has recently commissioned an important integrated project to renew the Rome airport operations logistics, processes and systems.

During the course of meeting, an update was given on the Commissioning Procedure of Alitalia - Linee Aeree Italiane in Extraordinary Administration; the contract for accountancy, finance, IT and personnel services on behalf of Alitalia - Linee Aeree Italiane ceased on 11 July.

The repayments for the acquisition of the assets proceed according to the deadlines and the prices agreed in the lease contract. By 31 July the counter deductions from the Commissioner are expected, in order to reach a mutual agreement by 14 August; failure to do so will lead to a final and irrevocable decision to be taken by an independent auditor by 11 September.

“The results for the first six months – Chairman of Alitalia Roberto Colaninno stated – although slightly lower than forecast, are actually better than expected, considering the actual critical scenario which has affected the aviation sector on a global scale.”

The trend analysis presented to the Board confirms, in accordance with the industrial plan, that break even situation will be reached within three years from start of operation.

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