

EXTRAORDINARY ADMINISTRATION
OF ALITALIA – LINEE AEREE ITALIANE S.p.A. AND ALITALIA EXPRESS S.p.A.

Re: Call for Expressions of Interest (*Bando*) in the context of the procedure for the sale of 46 aircrafts belonging to Alitalia – Linee Aeree Italiane S.p.A. and Alitalia Express S.p.A., all under extraordinary administration.

1. Introduction

Upon application by Alitalia – Linee Aeree Italiane S.p.A. (hereinafter, “**Alitalia**” or the “**Company**”), the President of the Council of Ministers, through his own decree dated 29 August 2008, admitted the above-mentioned Company to the extraordinary administration proceedings referred to under Legislative Decree No. 347 of 23 December 2003, converted into Law No. 39 of 18 February 2004, as subsequently amended and supplemented by Legislative Decree No. 134 of 28 August 2008, converted with amendments by law No. 166 of 27 October 2008, appointing Prof. Avv. Augusto Fantozzi as Extraordinary Commissioner (hereinafter, the “**Extraordinary Commissioner**”).

On 5 September 2008, the Court of Rome declared the Company’s state of insolvency with decision No. 287, appointing Dr. Umberto Gentili as presiding judge.

By a decree dated 15 September 2008, upon the Extraordinary Commissioner’s request, Alitalia Express S.p.A. (hereinafter, “**Alitalia Express**”) was also admitted to extraordinary administration proceedings.

On 19 November 2008, the Extraordinary Commissioner submitted to the Ministry of Economic Development (hereinafter, the “**Ministry**”) a sale program drafted pursuant to art. 27, paragraph 2, letter b-bis) of Legislative Decree No. 270 of 1999, which envisages, *inter alia*, the sale of the aircraft forming the subject matter of this Call for Expressions of Interest (hereinafter, the “**Sale Program**”).

By its own decree issued on 19 November 2008, the Ministry approved the Sale Program and authorized its implementation.

Therefore, the Extraordinary Commissioner intends to commence the sale procedure (hereinafter, the “**Sale Procedure**”) in accordance with the modalities, terms and conditions described in this call for expressions of interest (hereinafter, the “**Call for Expressions of Interest**”) of the following aircraft, as better described in the technical schedules set out under Attachment No. 1 to this Call for Expressions of Interest (hereinafter, the “**Aircraft**”, such term including a reference to both the singular and the plural, as the context may require):

No.	Model	Registration Code	Owner
1.	B767-300ER	I-DEIF	Alitalia
2.	B767-300ER	I-DEIL	Alitalia
3.	MD-80 (141 seats)	I-DAWR	Alitalia
4.	MD-80 (141 seats)	I-DACQ	Alitalia
5.	MD-80 (141 seats)	I-DACW	Alitalia
6.	MD-80 (141 seats)	I-DACX	Alitalia
7.	MD-80 (141 seats)	I-DANM	Alitalia
8.	MD-80 (141 seats)	I-DANP	Alitalia

9.	MD-80 (141 seats)	I-DANV	Alitalia
10.	MD-80 (141 seats)	I-DATA	Alitalia
11.	MD-80 (141 seats)	I-DATO	Alitalia
12.	MD-80 (141 seats)	I-DATB	Alitalia
13.	MD-80 (141 seats)	I-DATD	Alitalia
14.	MD-80 (141 seats)	I-DATF	Alitalia
15.	MD-80 (141 seats)	I-DATH	Alitalia
16.	MD-80 (141 seats)	I-DATJ	Alitalia
17.	MD-80 (141 seats)	I-DATK	Alitalia
18.	MD-80 (141 seats)	I-DATL	Alitalia
19.	MD-80 (141 seats)	I-DATR	Alitalia
20.	MD-82 (164 seats)	I-DAVR	Alitalia
21.	MD-82 (164 seats)	I-DAVV	Alitalia
22.	MD-82 (164 seats)	I-DACP	Alitalia
23.	MD-82 (164 seats)	I-DANL	Alitalia
24.	MD-82 (164 seats)	I-DANR	Alitalia
25.	ERJ-145	I-EXMA	Alitalia
26.	ERJ-145	I-EXME	Alitalia
27.	ERJ-145	I-EXMI	Alitalia
28.	ERJ-145	I-EXMO	Alitalia
29.	ERJ-145	I-EXMU	Alitalia
30.	ERJ-145	I-EXMB	Alitalia
31.	ERJ-145	I-EXMC	Alitalia
32.	ERJ-145	I-EXMD	Alitalia
33.	ERJ-145	I-EXMF	Alitalia
34.	ERJ-145	I-EXMG	Alitalia
35.	ERJ-145	I-EXMH	Alitalia
36.	ERJ-145	I-EXML	Alitalia
37.	ERJ-145	I-EXMM	Alitalia
38.	ERJ-145	I-EXMN	Alitalia
39.	ATR72-210	I-ATRO	Alitalia
40.	ATR72-210	I-ATRQ	Alitalia
41.	ATR72-210	I-ATRR	Alitalia
42.	ATR72-210	I-ATRS	Alitalia
43.	ATR72-500	I-ATLR	Alitalia
44.	ATR72-500	I-ATSM	Alitalia
45.	ATR72-500	I-ATPM	Alitalia
46.	ATR72-500	I-ATMC	Alitalia Express

The sale of the Aircraft will be carried out, in principle, by lots to be comprised as follows (hereinafter the “**Lots**” and each individually a “**Lot**”):

Lot No. 1			
No.	Model	Registration Code	Owner
1.	B767-300ER	I-DEIF	Alitalia
2.	B767-300ER	I-DEIL	Alitalia

Lot No. 2

No.	Model	Registration Code	Owner
1.	MD-80 (141 seats)	I-DAWR	Alitalia

Lot No. 3

No.	Model	Registration Code	Owner
1.	MD-80 (141 seats)	I-DATL	Alitalia
2.	MD-80 (141 seats)	I-DANP	Alitalia
3.	MD-80 (141 seats)	I-DATA	Alitalia
4.	MD-80 (141 seats)	I-DATF	Alitalia
5.	MD-82 (164 seats)	I-DAVR	Alitalia
6.	MD-82 (164 seats)	I-DACP	Alitalia
7.	MD-82 (164 seats)	I-DANR	Alitalia

Lot No. 4

No.	Model	Registration Code	Owner
1.	MD-80 (141 seats)	I-DACQ	Alitalia
2.	MD-80 (141 seats)	I-DACX	Alitalia
3.	MD-80 (141 seats)	I-DANM	Alitalia
4.	MD-80 (141 seats)	I-DATD	Alitalia
5.	MD-80 (141 seats)	I-DATH	Alitalia
6.	MD-80 (141 seats)	I-DATJ	Alitalia
7.	MD-82 (164 seats)	I-DANL	Alitalia

Lot No. 5

No.	Model	Registration Code	Owner
1.	MD-80 (141 seats)	I-DACW	Alitalia
2.	MD-80 (141 seats)	I-DANV	Alitalia
3.	MD-80 (141 seats)	I-DATO	Alitalia
4.	MD-80 (141 seats)	I-DATB	Alitalia
5.	MD-80 (141 seats)	I-DATK	Alitalia
6.	MD-80 (141 seats)	I-DATR	Alitalia
7.	MD-82 (164 seats)	I-DAVV	Alitalia

Lot No. 6

No.	Model	Registration Code	Owner
1.	ERJ-145	I-EXMA	Alitalia
2.	ERJ-145	I-EXME	Alitalia
3.	ERJ-145	I-EXMI	Alitalia
4.	ERJ-145	I-EXMO	Alitalia
5.	ERJ-145	I-EXMU	Alitalia
6.	ERJ-145	I-EXMB	Alitalia
7.	ERJ-145	I-EXMC	Alitalia
8.	ERJ-145	I-EXMD	Alitalia
9.	ERJ-145	I-EXMF	Alitalia
10.	ERJ-145	I-EXMG	Alitalia
11.	ERJ-145	I-EXMH	Alitalia
12.	ERJ-145	I-EXML	Alitalia
13.	ERJ-145	I-EXMM	Alitalia
14.	ERJ-145	I-EXMN	Alitalia

Lot No. 7

No.	Model	Registration Code	Owner
1.	ATR72-210	I-ATRO	Alitalia
2.	ATR72-210	I-ATRQ	Alitalia
3.	ATR72-210	I-ATRR	Alitalia
4.	ATR72-210	I-ATRS	Alitalia

Lot No. 8

No.	Model	Registration Code	Owner
1.	ATR72-500	I-ATLR	Alitalia
2.	ATR72-500	I-ATSM	Alitalia
3.	ATR72-500	I-ATPM	Alitalia
4.	ATR72-500	I-ATMC	Alitalia Express

Parties interested in the purchase of the Aircraft (hereinafter, the “**Interested Parties**”) may express their interest in purchasing one or more Lots.

The Interested Parties are also entitled to express their interest in purchasing individual Aircraft included within a given Lot or in different Lots, and the Extraordinary Commissioner reserves the right to consider offers for individual aircraft in its own discretion, in accordance with the criterion of maximization of proceeds, and without prejudice in any case to the severability of offers. In particular, in the event that offers are submitted for more than one Lot and/or individual aircraft, the same will be severable, as the Extraordinary Commissioner shall be entitled to adjudicate the same in whole or in part, with respect to individual Lots and/or aircraft.

The Interested Parties must undertake to refrain from using the distinctive marks/logos owned by Alitalia and Alitalia Express for commercial purposes and to replace the livery of the aircraft immediately following the execution of the sale agreement and, in any case, before the aircraft leave the territory of Italy, at their own expense and under their own responsibility.

In consideration of the foregoing, set out below are the modalities, terms and conditions applicable to the first phases of the Sale procedure, which consist of **(i)** the submission of expressions of interest (hereinafter, the “**Expressions of Interest**” and, each individually, an “**Expression of Interest**”) and **(ii)** the execution of the due diligence review (hereinafter, the “**Due Diligence**”).

2. INVITATION TO EXPRESS INTEREST – MODALITIES, TERMS AND CONDITIONS FOR THE EXPRESSION OF INTEREST

Interested Parties are invited to submit an Expression of Interest in accordance with the modalities, terms and conditions set out below and drafted substantially in the form of the model set out under Attachment No. 2 to this Call for Expressions of Interest.

The Expression of Interest may be submitted by Italian or foreign entities.

The Expression of Interest may also be formulated by entities linked by permanent or temporary agreements of association (hereinafter, a “**Grouping**”).

Expressions of Interest will not be taken into consideration if:

- They are received from parties which, as of the date of submission of the Expression of Interest, are subject to winding-up proceedings, insolvency proceedings or any type of proceeding which, under Italian or foreign law, denotes a state of insolvency, cessation of business activities or under administration;
- They are submitted on behalf of an entity to be nominated or with respect to whom the interested party or the Grouping is not clearly identifiable;
- They are drafted in a language other than Italian or English;
- They are not prepared in accordance with the provisions set out in this Call for Expressions of Interest.

Expressions of Interest must be received by 12:00 noon (CET) on 29 January 2009, via letter or fax, accompanied by a copy of the documents indicated below, setting out in the heading and in the address the wording “Expression of Interest – Alitalia Procedure – Sale of Aircraft” (“*Manifestazione di Interesse – Procedura Alitalia – Vendita Aeromobili*”), to:

Alitalia Linee Aeree Italiane S.p.A. in a.s.

Alitalia Express S.p.A. in a.s.

c/o Viale Alessandro Marchetti No. 111

00148 Rome

For the attention of the Extraordinary Commissioner

The Expression of Interest must be signed by the legal representative of the interested party. If interest is expressed by a Grouping, the Expression of Interest must be signed by the legal representatives of all of the companies comprising the Grouping.

The Expression of Interest must include the following information:

- Name, address, telephone number, fax and e-mail address of the Interested Party(ies) or, in the case of a Grouping, of the individual companies comprising the same and of the person delegated and authorized to correspond with the sellers;
- The Lot or Lots, or the single or multiple Aircraft with respect to which the party intends to express its interest;
- Brief description of the business activities carried out by the party submitting the Expression of Interest. In the case of a Grouping, such description must be provided by the individual companies comprising the Grouping;

- Illustration of the main economic and financial data for the last three years (where applicable also on a consolidated basis) of the party submitting the Expression of Interest or, in the case of Grouping, of the individual companies comprising the same;
- Declaration that the party presenting the Expression of Interest or, in the case of a Grouping, the companies comprising the same, are not subject to any insolvency proceeding applicable under Italian law or the law of the foreign country of origin.

The Expression of Interest must be accompanied by a copy of this Call for Expressions of Interest, initialed on each page and signed in full at the end of the document by the interested party or by the legal representatives of the individual companies comprising the Grouping, for full and unconditional acceptance of all of the terms and conditions set out herein.

Following the verification of the Expressions of Interest received, the Extraordinary Commissioner will send to all of the parties admitted to the subsequent phases of the Sale Procedure (hereinafter, the “**Admitted Parties**”) a notice of admission (hereinafter, the “**Notice of Admission**”) indicating the period of time granted to them for the completion of the Due Diligence. In any case, (i) the Due Diligence will be allowed to be conducted for a period of not less than 20 days and (ii) an interval of at least 7 days between the conclusion of the Due Diligence and the deadline for the submission of the binding offer will be guaranteed.

3. DUE DILIGENCE

The Notice of Admission will also set out the modalities and the timetable for the Due Diligence to be conducted by the Admitted Parties.

In any case, the execution of the Due Diligence will be subject to the signature for full acceptance of the Due Diligence rules (hereinafter, the “**Due Diligence Rules**”) and the confidentiality agreement (hereinafter, the “**Confidentiality Agreement**”).

4. SUBSEQUENT PHASE OF THE SALE PROCEDURE

Following the Due Diligence, an additional notice will be sent to the Admitted Parties, setting out the terms, modalities and conditions for the submission of a binding offer.

5. REQUESTS FOR CLARIFICATIONS AND/OR EXPLANATIONS FROM THE OFFEROR

The Extraordinary Commissioner reserves the right to request Interested Parties to provide clarifications and/or explanations on the contents of the Expression of Interest.

Such clarifications must be provided in writing and in accordance with the modalities and timetable indicated in the request.

6. REQUESTS FOR CLARIFICATIONS

For clarifications and/or information on this Call for Expressions of Interest, Interested Parties may request the same by sending a specific request by and no later than 12:00 noon on 15 January 2009, exclusively via e-mail, to the following address: procedura@it.rothschild.com, indicating as the subject matter “clarifications on the procedure for the sale of the aircraft” (“*chiarimenti su procedura di vendita aeromobili*”).

The Extraordinary Commissioner (or such other party as may be delegated by the latter), with the assistance of its advisors, shall send the requested clarifications and/or information to all of the requesting parties by and no later than 6:00 pm on 22 January 2009, and will publish the answers to

the requests for clarification received on a dedicated section of the Company's website, provided that this would not prejudice the confidentiality afforded to the offerors.

7. FURTHER PROVISIONS

All determinations pertaining to this Call for Expressions of Interest, the Sale Procedure and the consequent execution of the sale agreement are conditioned upon and, in any case, subject to, the powers of authorization resting with the Ministry of Economic Development, as well as the Supervisory Committee's prior opinion.

The publication of this Call for Expressions of Interest and the receipt of the Expressions of Interest do not give rise to any obligation or undertaking on the part of the Extraordinary Commissioner to proceed with the sale to the Interested Parties nor, for such parties, to any right to receive any performance whatsoever from the companies and/or the Extraordinary Commissioner.

The Extraordinary Commissioner shall be under no liability in connection with the truthfulness, accuracy or completeness of the information and/or the documentation provided.

With reference to the purchase of the Aircraft, it should be noted that with, the sole exception of the warranty of free and clear title and possession, the Extraordinary Commissioner shall not provide any further representations and/or warranties in connection with the purchase and sale of the Aircraft, any defects in the same, including latent defects, or absence of qualities of the Aircraft. The purchase of the Aircraft will take place on an "as is" basis, in their current factual and legal state, which is presumed to have been "seen and accepted" (*"visti e piaciuti"*) by the purchaser.

The Extraordinary Commissioner reserves the right to withdraw at any time from the Sale Procedure, and to suspend, interrupt or amend the terms and/or conditions of the same or to assume undertakings vis-à-vis other parties. Even in such cases, the Interested Parties may not raise any claims for compensation, indemnity or claims of any other nature against the Extraordinary Commissioner.

The advisors of the Extraordinary Commissioner assume no obligation to the Interested Parties who, by signing this Call for Expressions of Interest, declare that they expressly release such advisors from any liability whatsoever and waive the right to raise any claim that they would be otherwise entitled to raise in connection with the activities carried out by the same in favor of the Extraordinary Commissioner.

This Call for Expressions of Interest does not constitute an offer to the public pursuant to art. 1336 of the Italian Civil Code.

Each Interested party shall bear the costs related to its own research and assessments on the Assets, including any expenses due to its lawyers and consultants, as well as any other cost related to the analysis of the transaction.

The processing of data sent by Interested Parties shall be in accordance with the provisions of Legislative Decree No. 196 of 30 June 2003. Under such provisions, the processing of personal data will be carried out in such a manner as to ensure the full protection of the rights and confidentiality of the Interested Parties; the processing of the data is aimed at verifying the eligibility of the parties to participate in this sale, as well as the correct execution of the same. The holders of the data processing (*"titolari del trattamento"*) will be Alitalia and Alitalia Express, against whom the interested party may enforce the rights referred to under art. 7 of Legislative Decree No. 196 of 30 June 2003.

This Call for Expressions of Interest and the provisions of the same are governed by Italian law.

The Court of Rome shall have exclusive jurisdiction over any dispute that may arise in connection with this Call for Expressions of Interest.

This Call for Expressions of Interest is published in the Italian language, in summary form in a national daily newspaper and in its entirety on the websites of the Extraordinary Administration Procedure of Alitalia www.alitaliaamministrazionestraordinaria.com and www.alitaliaamministrazionestraordinaria.it. This Call for Expressions of Interest is also published in the English language in summary form in one international daily newspaper and in one magazine specialized in the sector, and also in its entirety on the above-mentioned websites, provided however that the Italian version shall be deemed the only official version of this Call for Expressions of Interest and shall prevail over the English version for all legal purposes.

Rome, 23 December 2008

The Extraordinary Commissioner

Prof. Avv. Augusto Fantozzi

Attachment No. 1
Technical Schedules on the Aircraft

Attachment No. 2
Expression of Interest