



Memorandum

To: IATA Agents

From: IATA, Senior Vice President IDFS, Tom Murphy

Date: 2 September 2008

Subject: Alitalia – (AZ 055)

Alitalia filed for bankruptcy protection with the Italian Court on 29 August 2008. The purpose of that filing is to provide protection for the company from its creditors, while it reorganises.

IATA's position is to do whatever we can to support our Member Airlines, which are undergoing a restructuring process, whilst also protecting the interests of our other Members, IATA Agents and the traveling public.

During the last few days we have been working very closely with Alitalia's Senior Management and the Extraordinary Administrator and I am pleased to advise that we have reached an agreement whereby the Extraordinary Administrator has signed a contract with IATA to assume the BSP and CASS Agreements and has provided IATA with a security deposit.

The security deposit will be held centrally by IATA, and will be used in the event Alitalia's refunds exceed sales and such shortfall is not recovered locally. While we do not expect to have to use these funds, the existence of such a security deposit should serve to reassure you that your interests are being addressed.

As far as BSP and CASS processing is concerned, it is "business as usual," with no disruption to data processing, remittances or settlements.

If you have any further questions, please contact your local IATA office.

We will keep you informed of any changes to the situation.

Best regards,

Tom Murphy