



ETIHAD AVIATION GROUP BOARD APPROVES JOINT VENTURE TO CREATE MAJOR EUROPEAN LEISURE AIRLINE GROUP

News / Airlines



The Etihad Aviation Group (EAG) Board has approved plans to create a new European leisure airline group in a joint venture with TUI AG, with a fleet of around 60 aircraft, offering 15 million seats capacity per year, focused on point-to-point flying to connect key European tourist markets. The transaction is subject to approvals by aviation regulatory bodies and anti-trust authorities.

The planned transaction includes an agreement for EAG's subsidiary Etihad Investment Holding Company LLC (Etihad) to acquire the 49.8 percent share indirectly held by airberlin in its subsidiary airline NIKI Luftfahrt GmbH. At closing of the transaction, Etihad will immediately contribute the share in NIKI to the new European leisure airline group and will not effectively control, or become a majority owner of NIKI. TUI will contribute its subsidiary TUIfly GmbH to the joint venture, including the 14 aircraft currently operated by TUIfly for airberlin under a wet-lease agreement.

This follows approval on Wednesday, November 23, 2016 by TUI AG's Supervisory Board.

TUI AG will hold 24.8 percent of shares in the joint venture company, with Etihad holding a 25 percent stake. The remaining 50.2 percent will continue to be held by the existing private foundation NIKI Privatstiftung.

The new leisure airline group, headquartered in Vienna, is scheduled to begin operations in April 2017, the start of the summer season, serving a broad network of destinations from Germany, Austria and Switzerland (Hanover, Berlin, Düsseldorf, Cologne, Frankfurt, Stuttgart, Munich, Nuremberg, Baden-Baden, Hamburg, Basel and Vienna). Key markets will include the Balearics, Canaries, mainland Spain and Greece.

The joint venture will be supported by the expertise of Etihad Aviation Group, the fastest-growing aviation group in the world, and TUI Group, the world's leading tourism business with a strong focus on hotels and cruises. It will be able to leverage synergies and economies of scale accessible through Etihad Airways Partners and the TUI Group to ensure a lean overhead structure and competitive production cost.

Further details regarding the future joint venture will be jointly presented by Etihad and TUI after successful completion of the negotiations.

See original image

Image not found or type unknown

05 DECEMBER 2016

ARTICLE LINK:

<https://to.50skyshades.com/news/airlines/etihad-aviation-group-board-approves-joint-venture-to-create-major-european-leisure-airline-group>