



PRESS RELEASE

ELFAA: Cash handouts to Spanair are flagrant breaches of EU law

15 November 2011, Brussels – The European Low Fares Airline Association (ELFAA) is forced to condemn once again the latest round of cash handouts to ailing airline Spanair, by the regional government and City Council of Barcelona - this time to the tune of € 25 million.

“This latest injection to keep Spanair afloat is not only a waste of valuable public funds, it is also a flagrant breach of European legislation with respect to competition and state aid,” said ELFAA Secretary General John Hanlon.

The future of Spanair appears to depend on a partial take-over by Qatar Airways, although this has so far failed to materialise. In the interim the airline continues to rely on public money, with an estimate that – to date - €120 million has been poured in with no obvious benefit to the taxpayer and to the detriment of free and fair competition.

“ELFAA is currently preparing a formal submission to the European Commission regarding these huge amounts of state aid, and we hope and expect the Commission will take the necessary action,” continued Mr Hanlon.

Barcelona is in the fortunate position of enjoying a vibrant and competitive marketplace for air travel. With Spain on the edge of an economic and financial precipice, it seems doubly unjust to the Spanish people that their own public money is being ploughed into failed business models, which deserve to be put out of their misery.

Background on this press release:

This is not the first time that ELFAA has been moved to contact the European Commission regarding Spanair. In November 2010 ELFAA wrote a complaint to the European Commission calling on it to carry out an urgent and full investigation into the decision by Catalonia’s Generalitat Executive Council (Cabinet) to authorise the Public Infrastructures Corporation (CIMALSA) to take a €20 million stake in the airline. This made the Generalitat the airline’s main shareholder and ensured that Spanair became a state-controlled company in all but name.

In stark contrast to Spanair, ELFAA member airline vueling is already offering hub connections and transfers at Barcelona to and from other international airlines. This has been funded from vueling’s own resources, with no support from the state.

**Notes to the editor:**

ELFAA represents the fastest-growing European airline sector. Its members carry over 180 million passengers a year and account for over 43% of scheduled intra-European traffic.

Today, ELFAA comprises 9 airline members which include: easyJet, Flybe, Jet2.com, Norwegian, Ryanair, SverigeFlyg, transavia.com, vueling and Wizz Air.

ELFAA's primary objective is to ensure that European policy and legislation promote free and equal competition to enable the continued growth and development of low fares into the future, thereby allowing a greater number of people to travel by air.

For further information, please contact:

ELFAA Press Office - Grayling

T. +32 (0) 2 50 49 001

E. press@elfaa.com

Register at www.elfaa.com

To receive ELFAA press releases and newsletters as they become available