ALITALIA CEO RESIGNS MONTHS INTO RESTRUCTURING

News / Airlines, Personalities

Silvano Cassano, chief executive of **Alitalia,** has **resigned** with immediate effect after less than a year in the job.

Alitalia last year picked Cassano as **CEO** of the new company formed when Etihad agreed to buy a 49 percent stake in the Italian airline as part of a EUR€1.76 billion (USD$2 billion) rescue plan.

Cassano, 58, is leaving for personal reasons and his duties will be shared between other executives until a replacement is found, Alitalia said, with a spokesman adding that Cassano's departure was unrelated to the airline's financial performance.

Hours after announcing Cassano's departure, Alitalia reported a net loss of EUR€130 million (USD$148 million) in the first half of 2015, which it said was better than it had budgeted for.

It said the loss had increased by EUR€30 million in the second quarter from the first and had been affected by a fire in May at Rome's Fiumicino airport, which had cost it EUR€80 million.

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Alitalia has been loss-making for years but after the tie-up with Etihad it forecast a return to profitability by 2017, a target it confirmed on Friday.

However, a change at the helm so early into its latest restructuring does not bode well for the company's recovery path, said Andrea Giuricin, a transport analyst at Milan's Bicocca university.

"The airline has done poorly in the first three months of the year, which are usually the most difficult, and the second and third quarter are also likely to have been very weak after Vueling, Ryanair and easyJet have added a number of flights from Rome's Fiumicino airport," he said before the first-half results were released.

Low-cost airlines have added more than 200 weekly flights from Fiumicino during the summer season, he added.

The tie-up with Etihad is expected to bring Alitalia money to invest in more profitable long-haul routes and make it less reliant on domestic and regional services, where it has struggled to compete against budget carriers and high-speed trains.

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