

bmi to take over UK Flights

British Midland plc announced in February that it has acquired control of the Heathrow-based BA franchise airline British Mediterranean (BMED). British Midland is the group holding company of bmi and has subscribed to approximately £30 million of new shares in BMED.

bmi's chairman Sir Michael Bishop, chief executive officer Nigel Turner and deputy chief executive officer Tim Bye were appointed to the BMED board with immediate effect. David Richardson retained his position as chief executive reporting directly to Nigel Turner. All existing non-executive directors of BMED resigned their positions.

Nigel Turner, chief executive officer of the bmi group, said: "Bringing BMED into the bmi group creates a business with a turnover in excess of £1 billion with substantial growth opportunities. The acquisition enables the bmi group to accelerate its strategy of expansion into medium-haul markets. BMED operates to 17 destinations in 16 countries and has no overlap with any current bmi route. Many of these destinations have restricted access to the market due to existing bi-lateral agreements. Synergies include BMED's Heathrow base and the fact that it operates IAE engined Airbus A320 and 321 aircraft in a two class configuration.

"BMED has a first class workforce and they will be welcomed into the bmi group and we look forward to working with them to rebuild the business after some difficult times over the past few months. In the short term we plan for the business to continue to operate as it does today with no immediate changes to network or structure."

An agreement has been reached with British Airways that will see the franchise agreement and any other commercial agreements that exist with them continuing for a transitional period until the end of the summer 2007 timetable.

bmi group

- the bmi group operates a fleet of 28 Airbus (bmi), 16 Embraers (bmi regional) and 19 Boeing 737s (bmibaby) and has 4,229 employees (as at Jan07)
- In its most recent financial results (2005) the bmi group reported a turnover of £869 million, with 10.5 million passengers carried

bmi

- bmi is the second largest airline at London Heathrow, one of the world's busiest and best connected airports. Across its full mainline and regional network, bmi operates nearly 1,700 flights a week to: Aberdeen; Alicante; Amsterdam;

Antigua; Barbados; Belfast City; Brussels; Chicago; Copenhagen; Dublin; Durham Tees Valley; East Midlands; Edinburgh; Esbjerg; Glasgow; Groningen; Hanover; Inverness; Jeddah; Jersey; Kristiansand; Las Vegas; Leeds Bradford; London Heathrow; Lyon; Manchester; Moscow Domodedovo; Naples; Nice; Norwich; Palma Mallorca; Paris Charles de Gaulle (until 26 February); Riyadh; Venice; Zurich.

- bmi is a member of Star Alliance, established in 1997 as the first truly global airline alliance to offer customers worldwide reach and a smooth travel experience. Star Alliance was voted Best Airline Alliance by Business Traveller Magazine in 2003 and 2006 and by Skytrax in 2003 and 2005. The members are Air Canada, Air New Zealand, ANA, Asiana Airlines, Austrian, bmi, LOT Polish Airlines, Lufthansa, Scandinavian Airlines, Singapore Airlines, South African Airways, Spanair, SWISS, TAP Portugal, THAI, United and US Airways. Regional member carriers Adria Airways (Slovenia), Blue1 (Finland) and Croatia Airlines enhance the global network. Air China, Shanghai Airlines and Turkish Airlines have been accepted as future members and are expected to join Star Alliance soon. Overall, the Star Alliance network offers more than 16,000 daily flights to 855 destinations in 155 countries.