

Star Alliance

Strategic Alliances in Aviation



April 2009

Why Airline Alliances?

- More than a decade ago global travel was complex and inconvenient
- Connections were uncoordinated, problematic and time consuming
- Frequent Flyer Benefits, including lounge access, did not extend beyond individual airline offerings



A Global Solution

- In 1997 Air Canada, Lufthansa, SAS, Thai Airways International and United responded to these needs.
- Together they established Star Alliance – the first global airline alliance.
- More than a decade later the vision then continues to drive us today.
- "To be the leading global airline alliance for the high value international traveller."



A Global Solution

Star Alliance is the leading and the largest global alliance offering

- 21 quality airlines
- a comprehensive global network
- top flight products and services delivered with a cultural flair
- a wide range of frequent flyer travel benefits



Alliance Benefits

The alliance delivers benefits for our airline's customers ...

... as well as for the bottom line of our member airlines

Focusing On The Customer

Right from the beginning three common objectives were established, which no company could achieve through individual efforts alone:

Global Reach

Worldwide Recognition

Seamless Services

The Alliance Business

Customer Benefits

- Worldwide network
- Frequent Flyer Projects
- Corporate Product
- Fare Products
- Airport Terminals
- Quality Assurance



Innovation/Leadership

- Common IT Platform
- E-Ticket Standard
- Fleet Coordination



Synergies

- Joint Facilities
- IT Standards
- Procurement



The Strength Of The Star Alliance Network

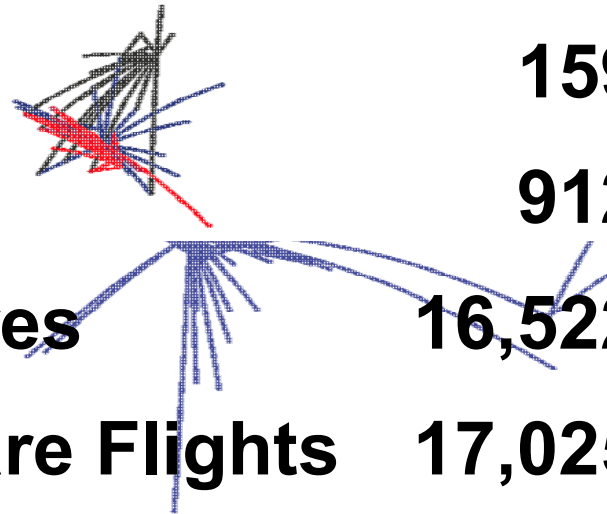


Countries 159




Airports 912

Daily Departures 16,522

Daily Codeshare Flights 17,025

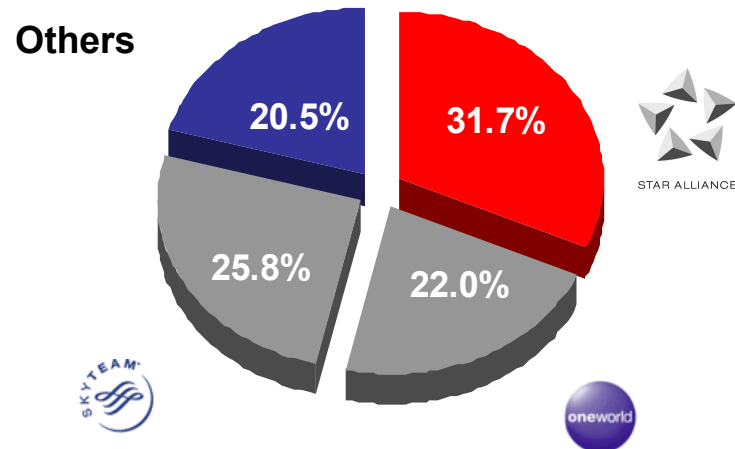


Alliance members as 11 July 2008

		
<p> Air Canada Air China Air New Zealand ANA Asiana Airlines Austrian bmi Egyptair LOT Polish Airlines Lufthansa Scandinavian Airlines Shanghai Airlines Singapore Airlines South African Airways Spanair SWISS TAP Portugal THAI Turkish Airlines United US Airways </p> <p> Regional Members: Adria Airways Blue 1 Croatia Airlines </p>	<p> American Airlines British Airways Cathay Pacific Dragonair Finnair Iberia JAL LAN Malev Qantas Royal Jordanian </p> <p> Associate Members: Air Nostrum AmericanConnection American Eagle Comair Jetconnect LAN Argentina LAN Ecuador LAN Express LAN Peru QantasLink Sun-Air </p>	<p> Aeroflot Aeromexico Air France - KLM Alitalia China Southern Continental CSA Czech Airlines Delta Air Lines Korean Air Lines Northwest </p> <p> Associate Members: Air Europa COPA Airlines Kenya Airways </p>

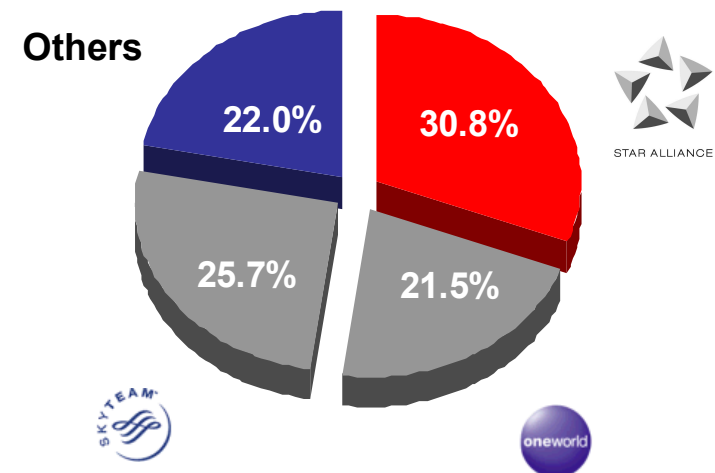
Alliance market shares as of 11 July 2008

Available Seat Kilometers



	Star	oneworld	Skyteam
ASK (bil)	1280.5	891.1	1042.9

Revenue Passenger Kilometers

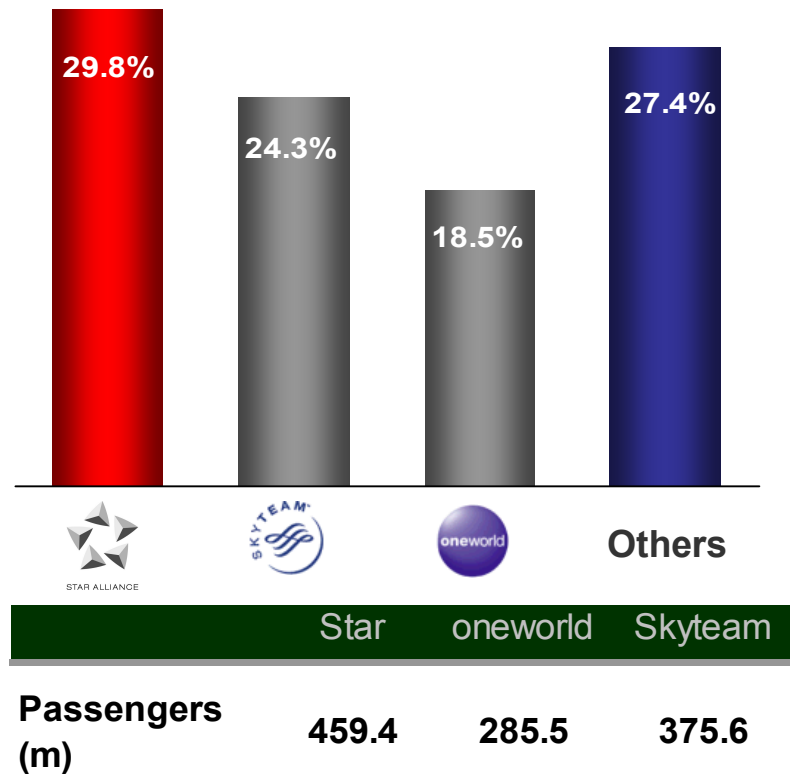


	Star	oneworld	Skyteam
RPK (bil)	980.8	684.8	818.9

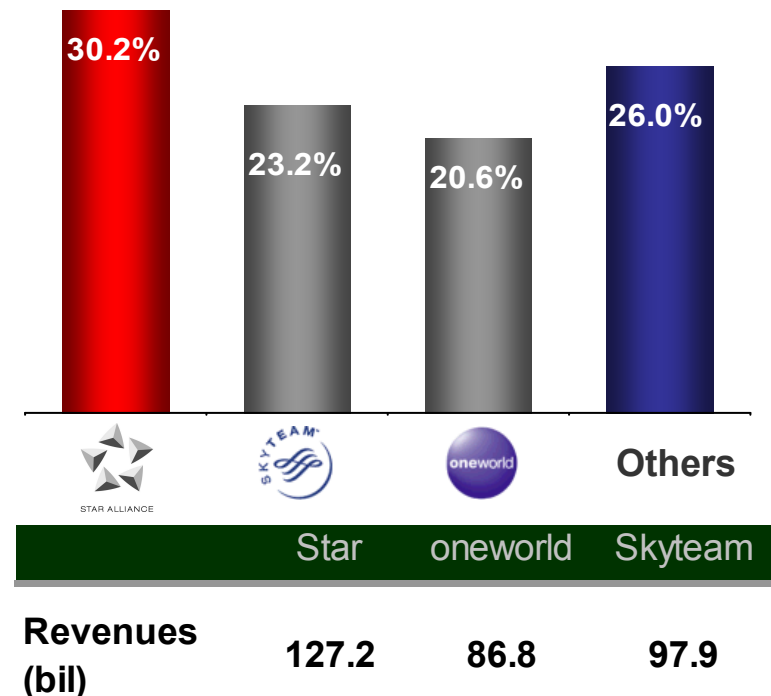
Source: IATA WATS published 2007. UPS & FedEx not included.

Alliance market shares as of 11 July 2008

Global Passenger Shares



Operating Revenue Shares



Source: IATA WATS published 2007. UPS & FedEx not included. Revenues are stated in USD.

Further growth

- Air India



- Brussels Airlines



- Continental



- TAM



Global Network: The Most Important Customer Benefit



Once Air India, Brussels Airlines, Continental Airlines and TAM are onboard 25 Star Alliance member carriers will offer more than 20,000 daily flights to over 1,000 destinations in 170 countries.

Global Reach – Alliance Sales Strength

Through global presence

Through innovative initiatives

Through market leading products for

- Business Travellers
- Corporate Customers
- Meeting Organizers
- Global Leisure Travellers



12 global fare & discount products

- Round the World Fare
- Circle Fares
- Airpasses
- Conventions Plus



Recently launched Fare Products & Tools

Star Alliance China Airpass

- launched after Air China and Shanghai Airlines join in December 2007
- choice of more than 70 destinations in China
- available as round-trip, circle or open-jaw ticket in conjunction with international travel to China on any Star Alliance member carriers



Online Fare Products Calculator

- now available on www.staralliance.com
- allows customers to build a valid itinerary online, 24 hours a day, 365 days a year
- Ticketing via airline or travel agent

Corporate Travel product for global organisations

One point of contact, one agreement

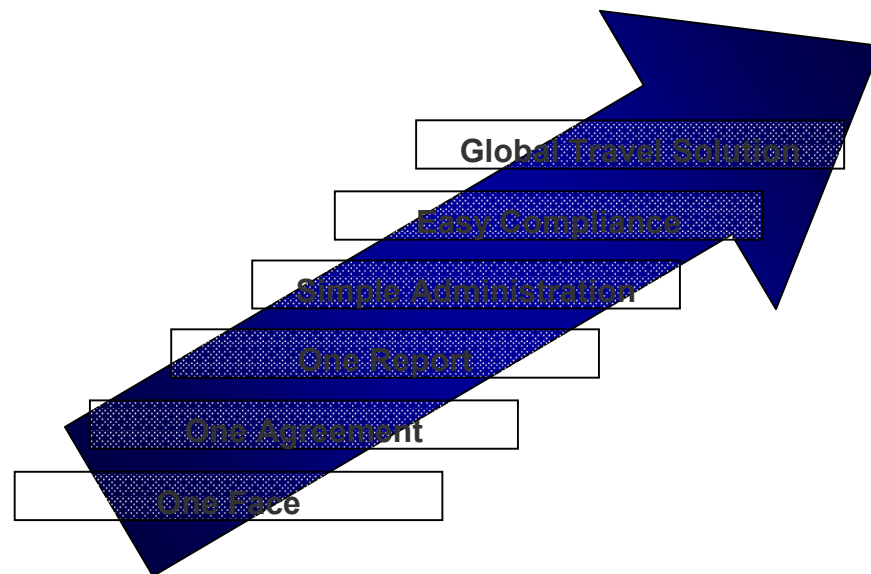
Easier to manage global corporate accounts

- More automation of administrative functions
- Real-time tracking and reporting



Competitive offers

2.7 billion euro sales in 2008



Worldwide Recognition - Star Alliance Status Benefits

Gold Status offers



- access to 805 airport lounges worldwide
- priority check-in
- priority airport stand-by
- priority boarding
- priority reservations wait listing
- priority baggage handling
- extra baggage allowance

Silver Status offers



- priority airport standby
- priority reservations wait listing



Worldwide Recognition – FFP Top On The Customer Wish List

Accumulate and redeem miles or points on any other member airline

- These count towards their **tier status**
- Status customers have access to **priority travel benefits** across the alliance network

Investment into **technology** linking established systems

- Simplified mileage accounting
- Easy booking of redemption seats
- Star Alliance Upgrade Awards



Redemption & Availability & Sell

Redemption Availability & Sell (RAS) allows member carrier employees to

- Check award availability

- Access award itineraries


- Book Star Alliance award travel

- Shorter calls/better service

...on any member carrier

Star Alliance Upgrade Awards

- The only alliance to offer an online upgrade redemption option across the network
- Currently offered by Air China (PhoenixMiles), Air New Zealand (Airpoints), ANA (ANA Mileage Club), Austrian (Miles & More), Asiana Airlines (Asiana Club), LOT Polish Airlines (Miles & More), Lufthansa (Miles & More), SAS Scandinavian Airlines (EuroBonus), Shanghai Airlines (Crane Club), Singapore Airlines (KrisFlyer), SWISS (Miles & More), TAP (Victoria), Turkish Airlines (Miles & Smiles), THAI (Royal Orchid Plus) and United (Mileage Plus).



CONGRATULATIONS!

We are happy to offer you the service you said you wanted most: **Star Alliance Upgrade Awards**.

It allows you to use your miles to upgrade and travel in added comfort on other Star Alliance carriers. Ten of our airlines already offer this product, the rest will follow soon.

Delivering you another alliance first in airline travel – now that's something worth celebrating!

To find out how you can upgrade on your next flight, visit us at www.staralliance.com/upgrades

- AIR CANADA
- AIR NEW ZEALAND
- ANA
- ASIANA AIRLINES
- AUSTRIAN
- LOT POLISH AIRLINES
- LUFTHANSA
- SCANDINAVIAN AIRLINES
- SHANGHAI AIRLINES
- SINGAPORE AIRLINES
- SWISS
- TAP AIR PORTUGAL
- THAI
- UNITED
- ONE WORLD

Information correct as at date of publication. Currently available to the member airlines of the Star Alliance. Not available to the member airlines of the One World and oneworld networks.

STAR ALLIANCE
THE AIRLINE NETWORK FOR EARTH

Seamless Service - Some Of Our Projects

Convenient co-location of airlines in key airports

One self-service kiosk for many airlines

Star Alliance connection centres support seamless transfers

Common baggage service facilities

Common lounges



Collocation: More projects completed

MuoR BCN

Continued collocation effort in new south terminal.
AENA target for opening date remains APR2009.

BCN

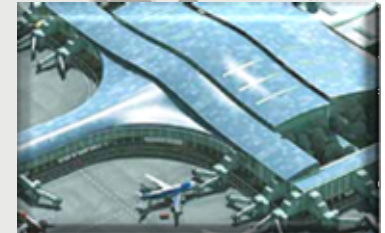
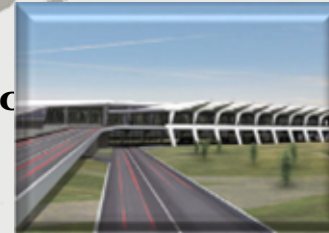
One carrier (OZ) relocated its facilities
JN08, now collocated with other
er carriers

terminal (T3) collocation
project for opening in 1Q 2010

2015

2008

Singapore
2008



Star Alliance Lounges

In operation:

Los Angeles Tom Bradley International Terminal and
Nagoya (Japan)

Opened in 2008:

London – Heathrow Terminal 1

Opened on 4 July 2008

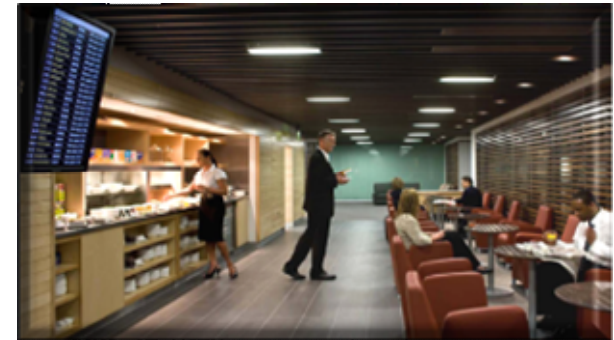
Paris – Charles de Gaulle Terminal 1

Opened on 28 November 2008

Cairo – EGYPTAIR Lounge under Star Alliance Lounge Concept

Part of new Cairo Terminal 3

Planned to open in 2nd quarter 2009



Airport Cooperation: Rollout Of Successful Models At More Stations

9 Star Alliance Connection Centers (SCC)

Support seamless transfers between member carriers

Total savings: **13.5MEUR** (OCT08)

Latest SCC opened on 11NOV08 in Charlotte (CLT)



Focus on Baggage

7.4% reduction in Star-to-Star baggage mishandling achieved as of OCT08

Reported savings of **1.8MEUR** (JUL08)



Star Alliance Airport Teams (SAT)

Required at all stations with five or more members online

Now active at 68 stations, and growing



Synergies At Work

Umbrella agreements for alliance-wide sourcing

- Fuel
- Advertising media spend
- Network bandwidth, telecommunications
- Aircraft parts
- Economy class seats
- In-flight service material
- Tyres

Joint development uses members' resources efficiently

- Members' infrastructure and applications available for bilateral and common use

Shared facilities improve utilisation

- Airport infrastructure



Our Alliance Drives Standardisation And Innovation

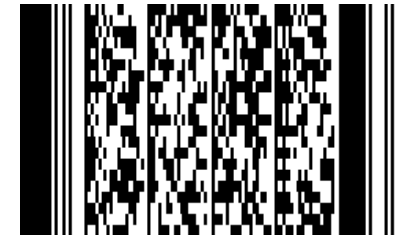
Automated travel document check at first point of check in

- Industry-first product rolled out



Worldwide standards defined and implemented

- Interline e-Ticket
- 2D Bar Code on boarding passes
- Electronic Flight Bag



Biometrics / RFID

- Joint feasibility assessment



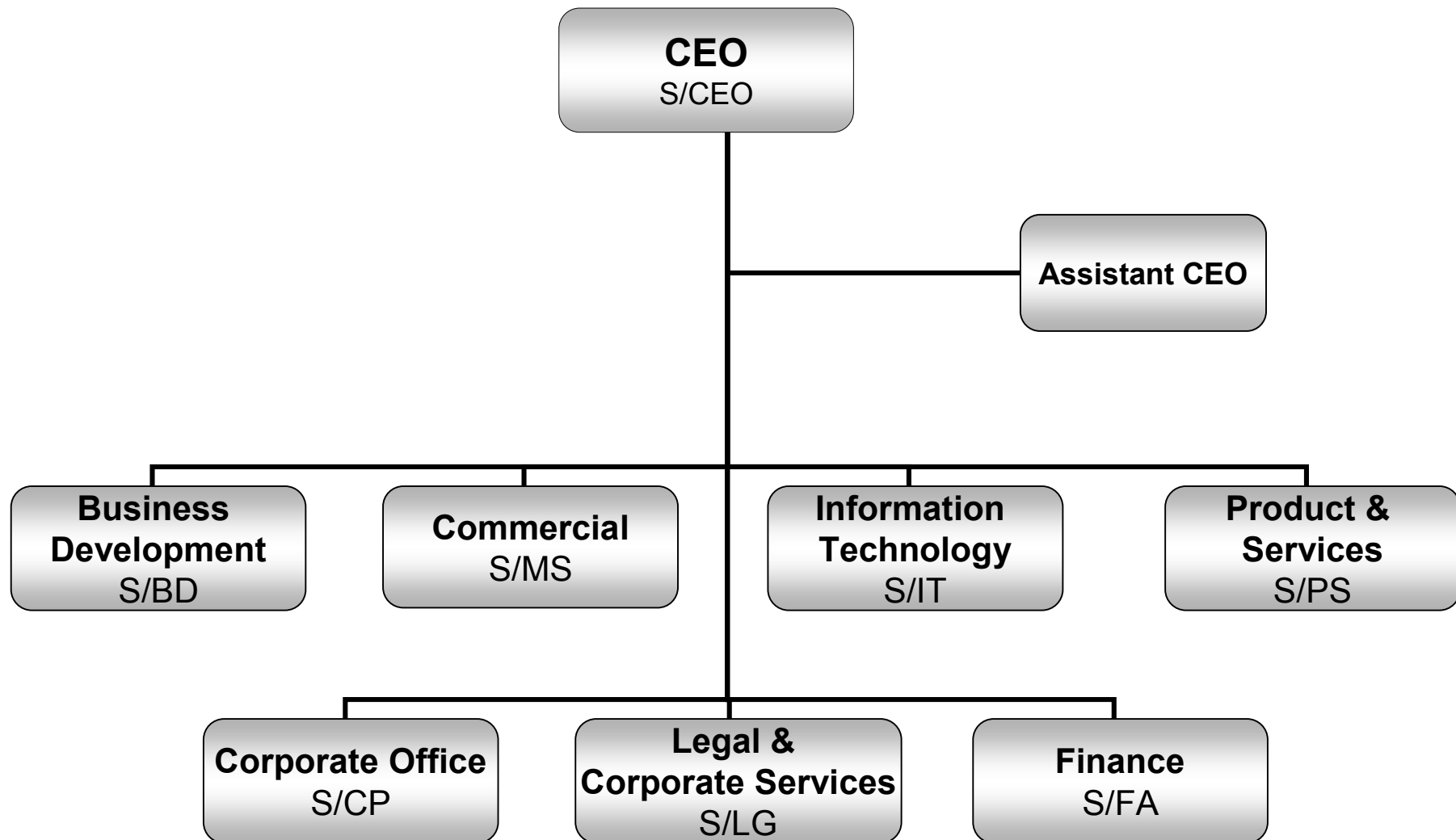
Star Alliance Services GmbH

Star Alliance Services GmbH

- A company jointly owned by the member airlines
- Around 70 people from more than 20 nations
- Managing a portfolio of Alliance Products and Services
- Using a single agreed process

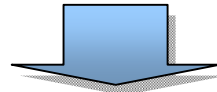


Star Alliance Service GmbH Organisation 2008

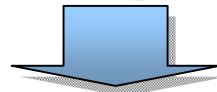


Structure of Decision Making

Chief Executive Board



Alliance Management Board



Sounding Boards



Advisory Groups

Star Alliance Services GmbH

The Way We Work

Star Alliance's dedicated organisation works closely with airline experts to add value to customers via:

- developing new products and services
- improving and building facilities at key hubs
- fine-tuning connection processes
- enhancing schedule coordination
- spreading valuable skills, training and operating efficiencies
- integrating new carriers



Mission and Vision

Star Alliance was founded with clear objectives in mind

Vision ***“to be the leading global airline alliance
for the high value international traveler”***

Mission ***“to contribute to the long-term profitability of its
members beyond their individual capabilities”***

The Star Alliance Vision and Mission is further supported by the GmbH
Mission Statement

***Executing leadership in managing a portfolio of
alliance products and services using an agreed process***



Thank You !

