

STAR ALLIANCE
THE AIRLINE NETWORK FOR EARTH.



Alliance Value Creation

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MAY 2009

The Evolution Of An Idea



PUSH

a vision

Introduction of the
alliance category

Strong marketing spend annually

Difficult to recruit members



PULL

an accepted business model

Corporate accounts, shareholders,
airports, frequent flyers, regulators,
vendors demand & support alliance
integration

Minimal marketing spend

Many candidates

The PULL factor

Multiple stakeholders demand alliance value generation

- corporate accounts *“Give me one simple contract.”*
- frequent flyers *“Give me more lounges and do co-locate.”*
- airports *“Alliance terminals improve my bottom line.”*
- vendors *“Common specs plus large volumes are attractive.”*
- shareholders *“Do retain your alliance membership.”*

The Value Of The Fitness Club



Let your customer experience the benefits of traveling within the world's largest airline network

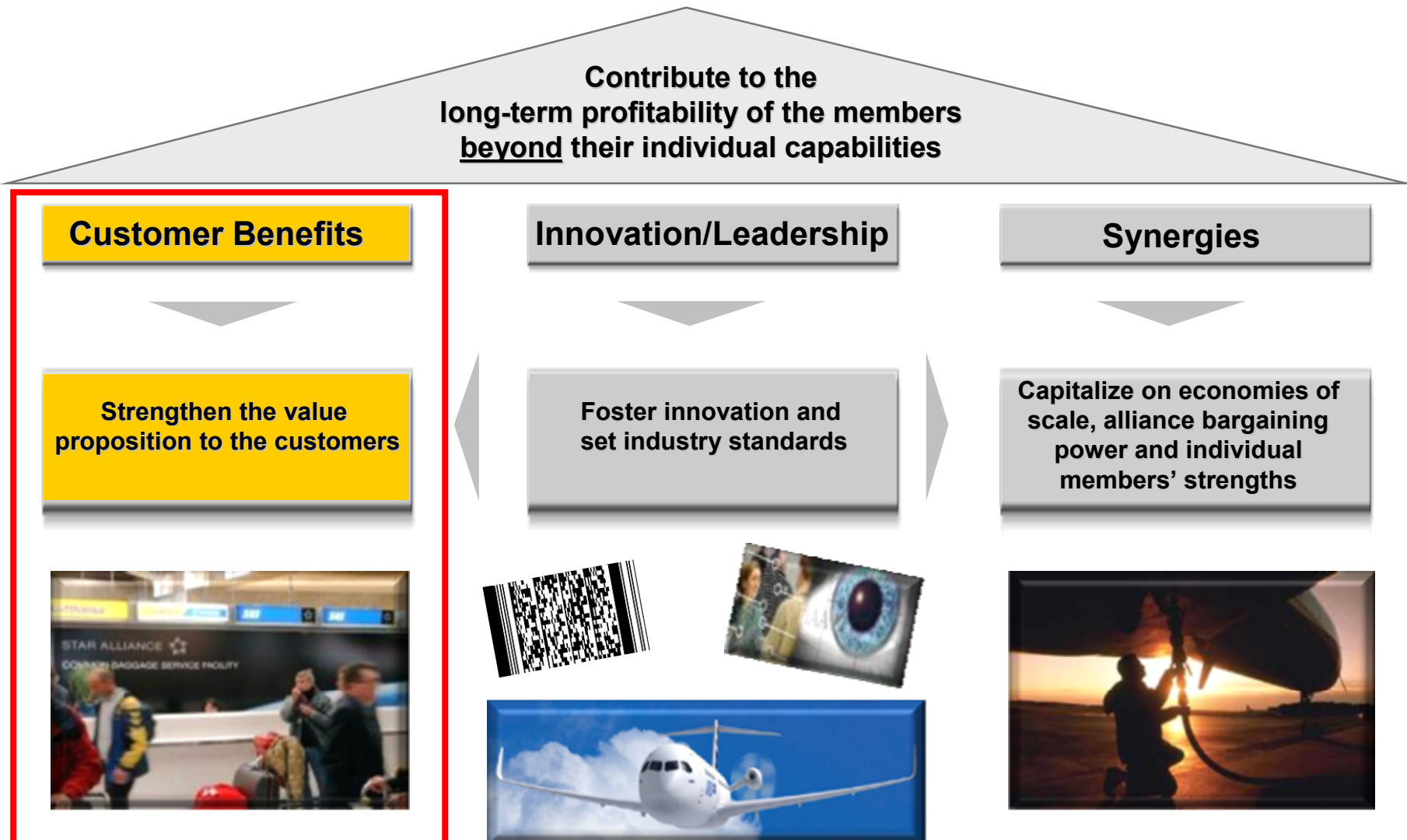


Make use of the synergies created through global collaboration



Take part in innovation in our industry

Star Alliance Strategy



Focusing On The Customer

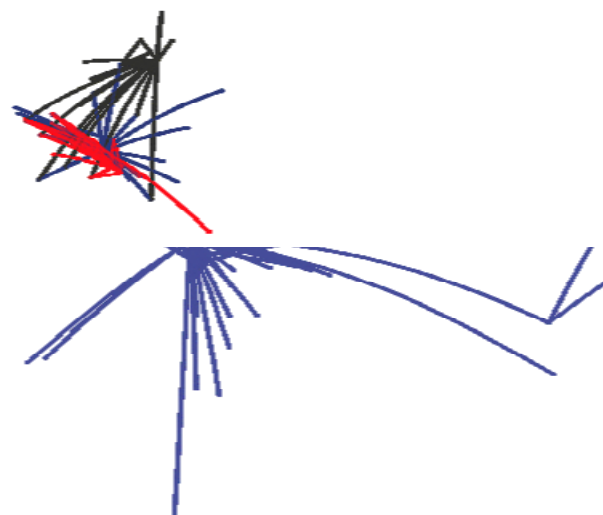
Right from the beginning
three common objectives were established,
which no company could achieve through individual efforts alone:

Global Reach

Worldwide Recognition

Seamless Services

Global Reach - The Most Important Customer Benefit



Network Management Remains Key Value Driver

Star O&D database

Provides members with a robust and inexpensive data source for market planning and strategic analysis

- Industry leading database of historic origin and destination market sizes and revenues
- All members contribute
- 8 years historic data available

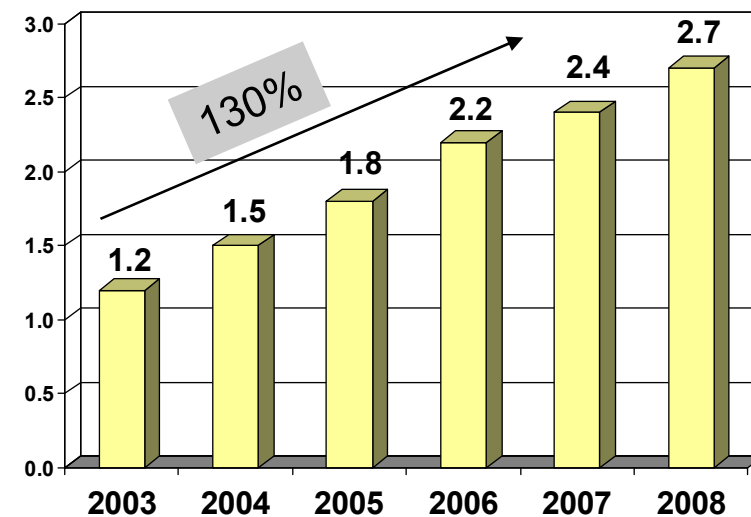


Corporate Sales – The Backbone Of Alliance Revenue Creation

Number of agreements

Global agreements: **~100**

- One contact – one contract
- Growth despite weak dollar and huge importance of US domestic market
- More customers approach alliances for offers

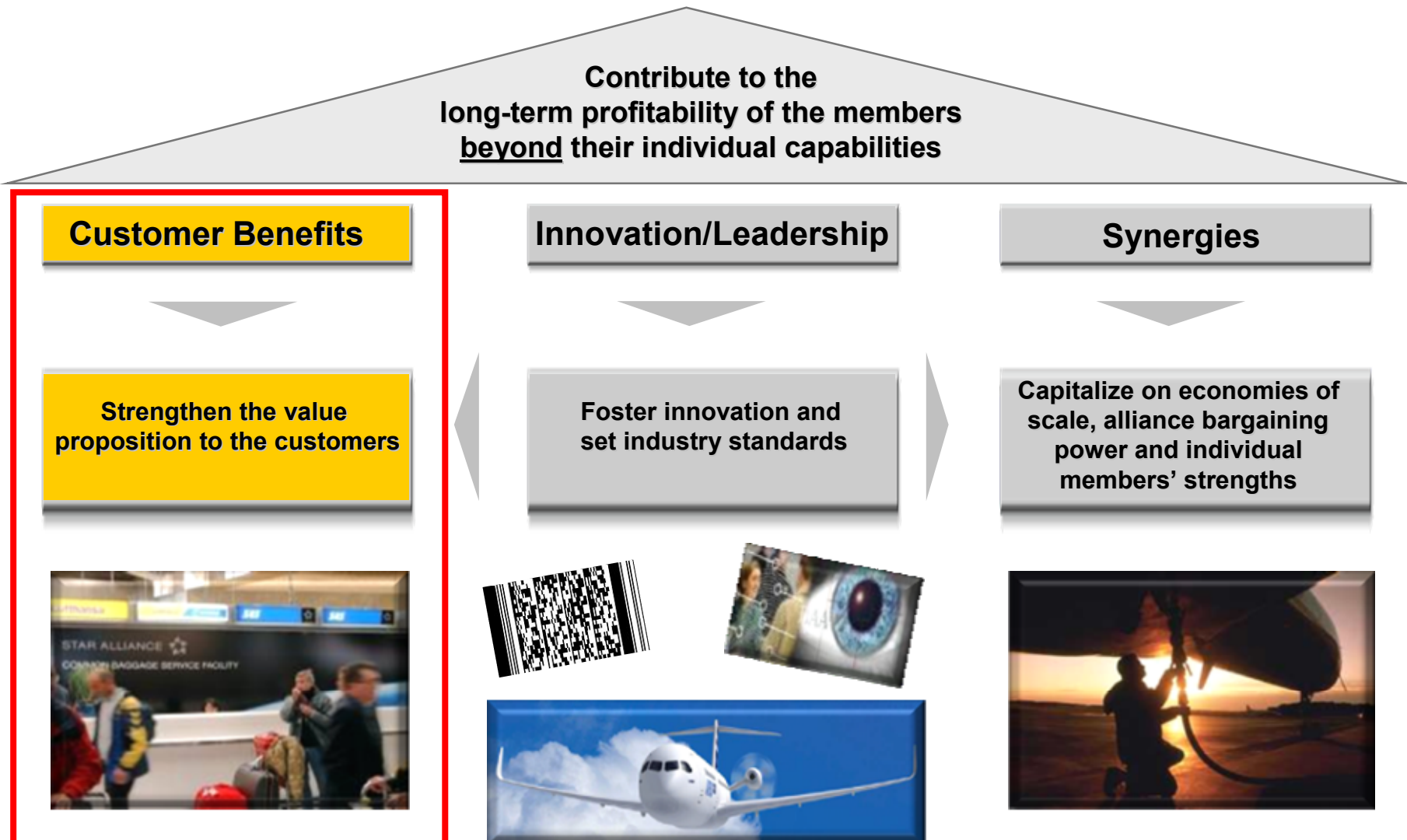


2008: **2.7 BEUR**

Increase year over year: **12.5%**

Revenue development

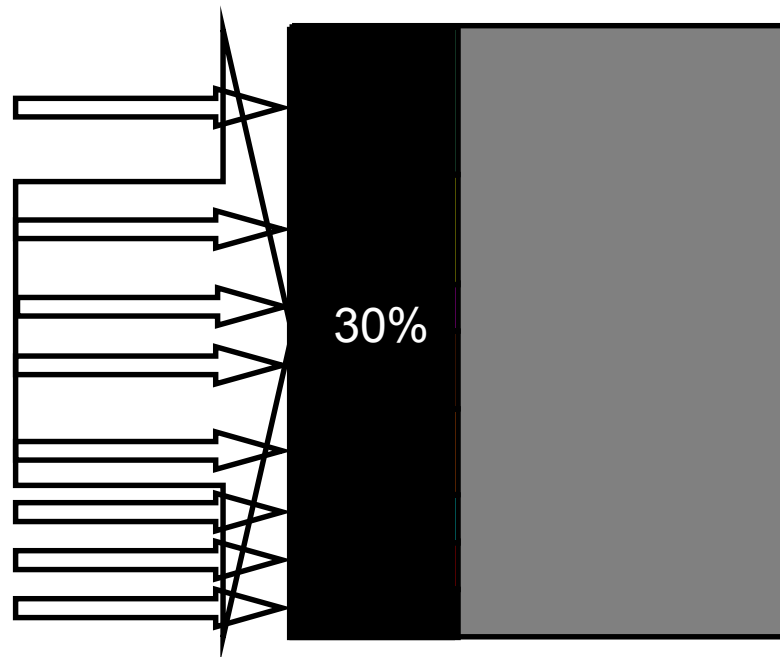
Star Alliance Strategy



Size Does Matter!

Size helps to make our industry partners consider new approaches

Dealing with „monopolistic“ business partners



Principles - Joint Sourcing Projects

- Fuel
- Advertising media spend
- Network bandwidth
- Telecommunications
- Aircraft parts
- In-flight service material
- Tyres



Priority Baggage Tags

Just a simple example:

- 14 participating carriers:
- Total annual spend reduction:
600TUSD to 90TUSD
- Individual carriers save up to 90% per tag



Airport Cooperation: Rollout Of Successful Models At More Stations

9 Star Alliance Connection Centers (SCC)

Support seamless transfers between member carriers

Total savings: **17.1MEUR** (2008)



Joint Ground Handling

Increased collaboration in Europe results in savings of **7.53MEUR** over 3 years



Auto Document Check: Launched As Industry First

First fully-integrated automated document verification system

Key enabler for international kiosk and web check-in

Functionality superior to any product on the market today

Benefits:

- Reduces immigration fines
- Reduces check-in times
- Reduces delays caused by offloading passengers without valid documents
- Improves the passengers' travel experience
- Completes the check-in process at the first point of contact

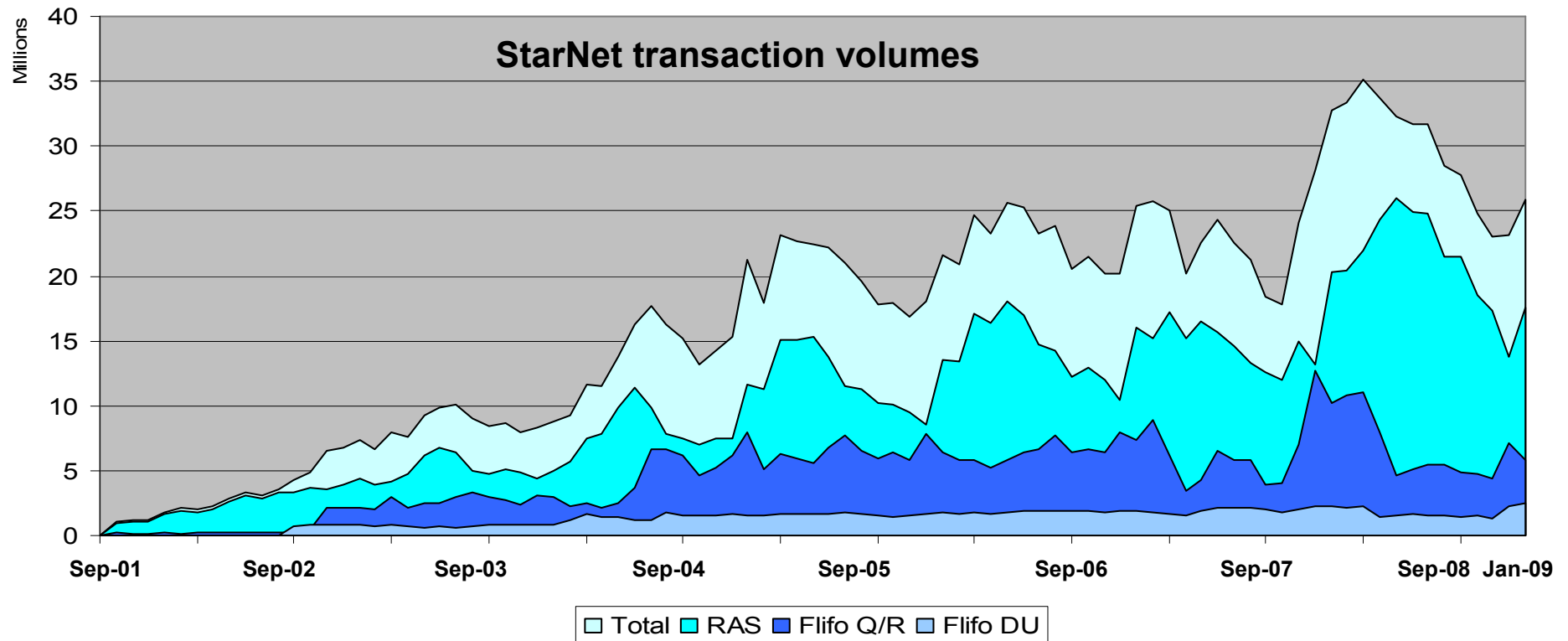


Status:

Successfully launched by SQ (> 10.000 transactions per day)
































TG and NH to implement in 2009, with UA and BD to follow

StarNet: A Stable IT Infrastructure



- Continuous increase in monthly transaction volumes, reaching 35 million

Common IT Platform: More Members Migrated, More Members Joined

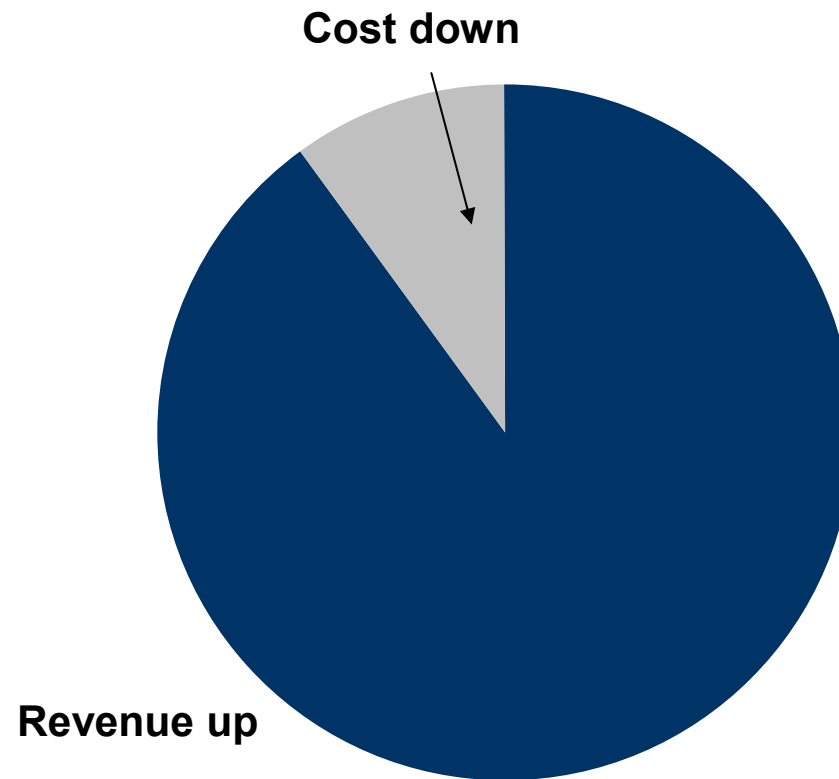
	2007	2008	2009	2010	2011	2012	2013
Reservation	 Lufthansa	 Spanair		 UNITED	 Scandinavian Airlines	 SINGAPORE AIRLINES	
	 Austrian			 TAP PORTUGAL	 Blue		
	 SOUTH AFRICAN AIRWAYS						
	 EGYPTAIR						
	 CROATIA AIRLINES						
	 ADRIA						
Inventory	 SOUTH AFRICAN AIRWAYS	 Lufthansa		 UNITED	 Scandinavian Airlines	 SINGAPORE AIRLINES	
	 EGYPTAIR	 Austrian		 TAP PORTUGAL	 Blue		
		 CROATIA AIRLINES					
		 ADRIA					
		 Spanair					
Departure Control				 TAP PORTUGAL	 Lufthansa		 SINGAPORE AIRLINES
				 SOUTH AFRICAN AIRWAYS	 UNITED		
					 Scandinavian Airlines		
					 Blue		

Benefits:

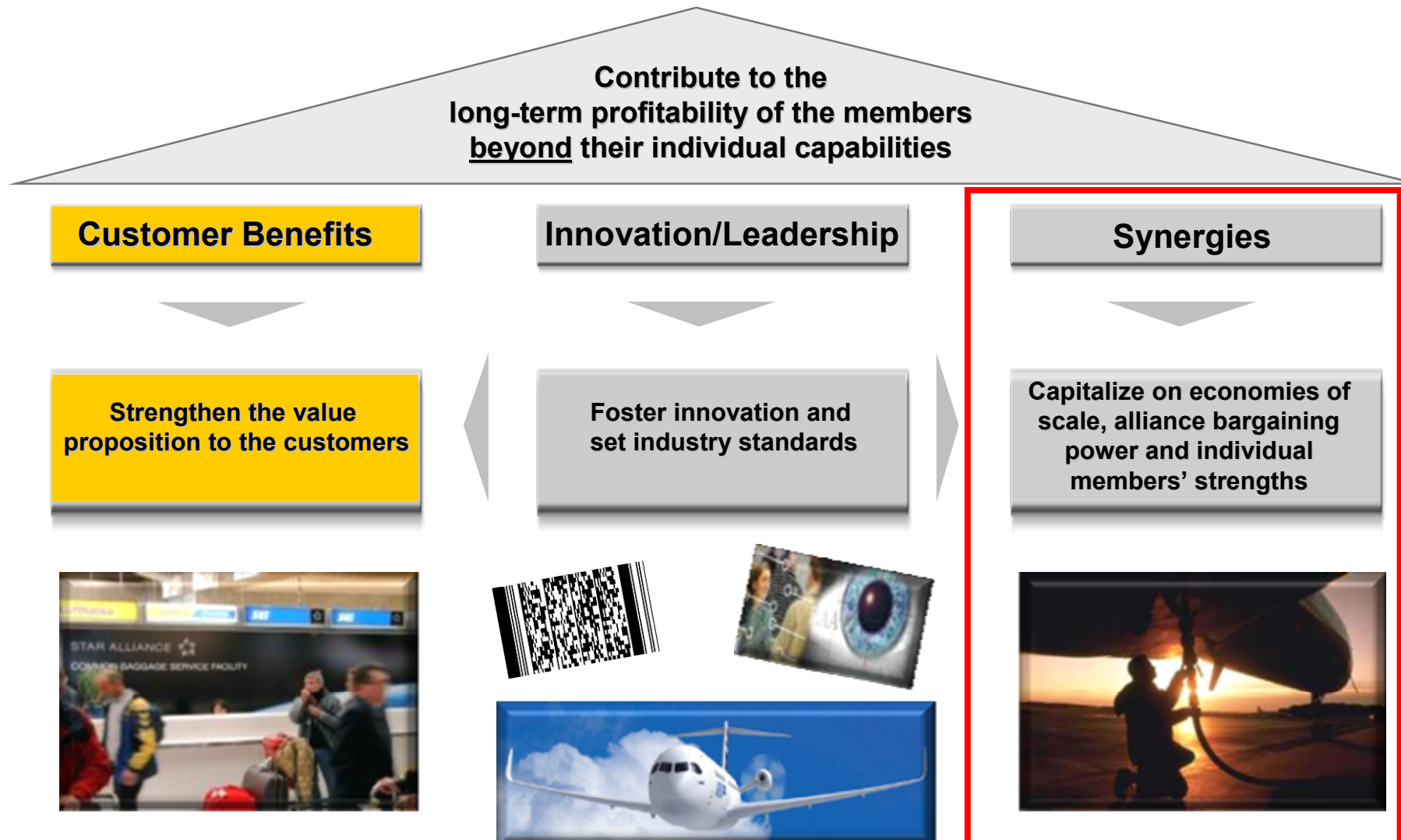
- Improved information sharing
- Enhanced customer service
- Simplified co-location

Synergies: Launched Serious Attempt To Generate More Value

Economic Contribution to Members



Star Alliance Strategy



Fleet Coordination: Manufacturers Listen To Collective Needs

Airbus - as well as Boeing – are seriously responding to findings of the Star Alliance joint evaluation teams

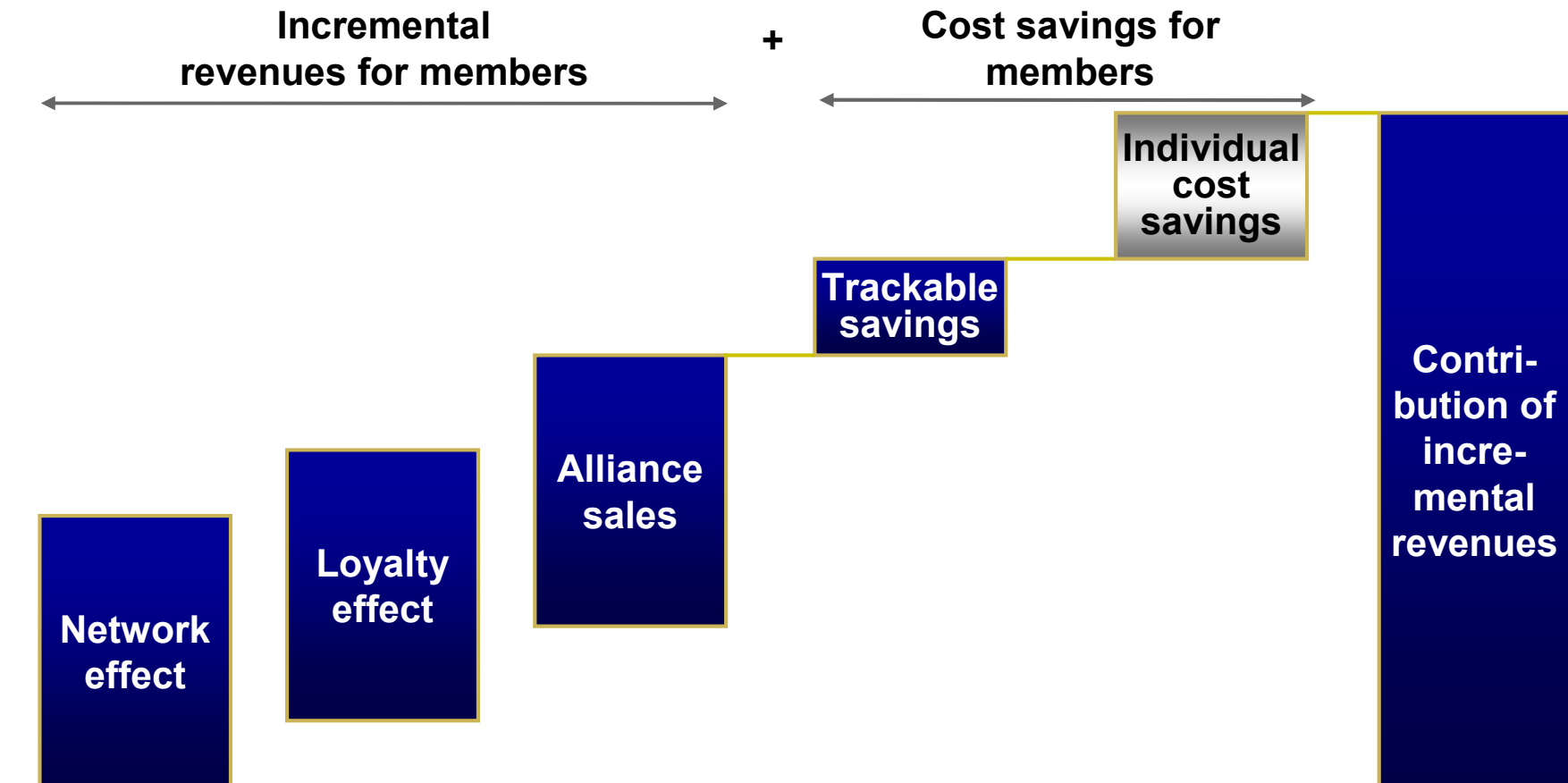
- Boeing: Accepted joint specification as starting point for all new 787 programs involving Star carriers
- Airbus: Adjusted the A350XWB design following continued Star analysis

Next generation aircraft create chance for further alliance standardisation

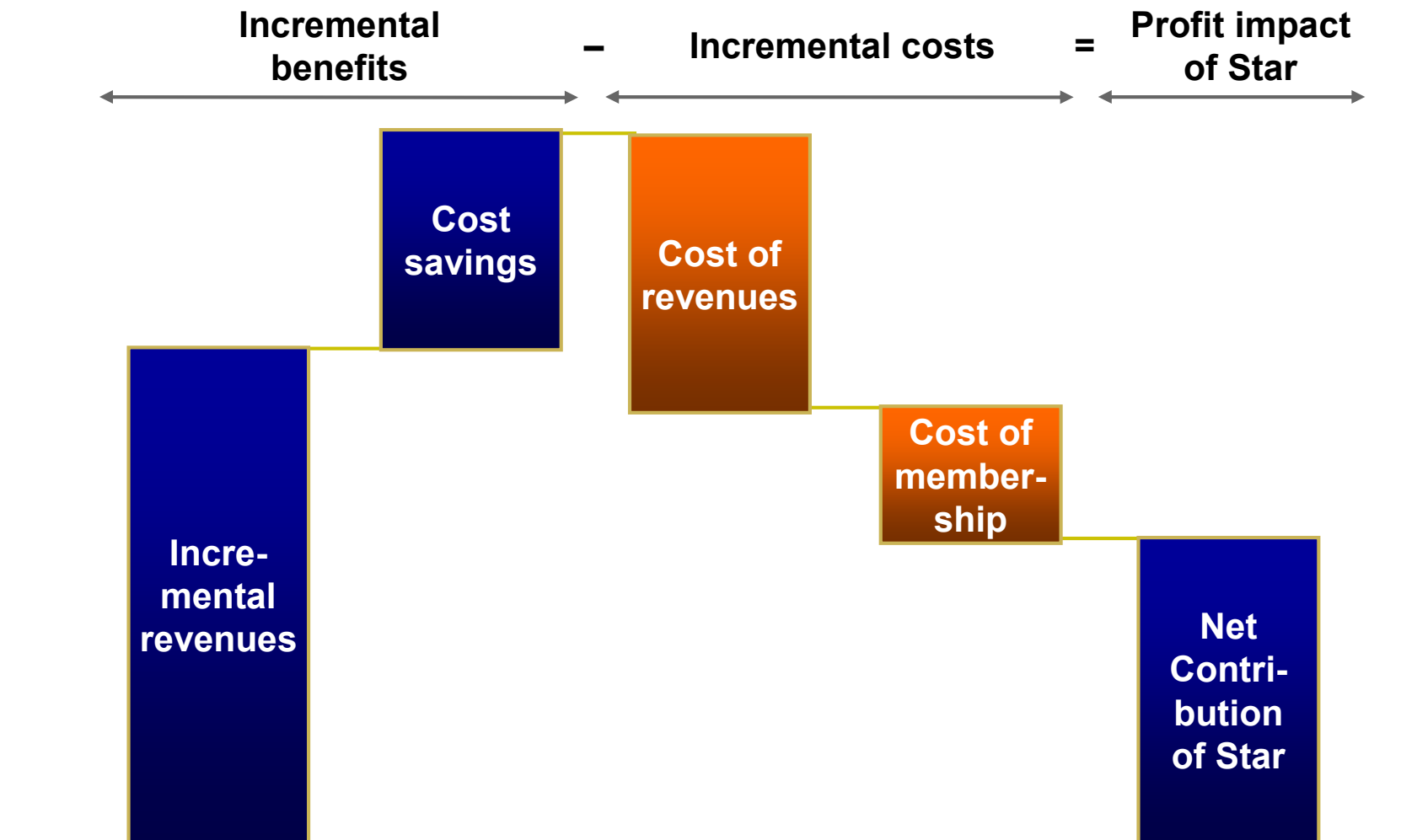
- Bombardier C-series
- Mitsubishi MRJ
- Airbus A30X
- Boeing 737RS



Our Value Estimation – Economic Contribution



Incremental Benefits Come at a Cost



The Value Of The Fitness Club



Many fitness machines available



Alliance participation voluntary
and sizeable to own interest



In today's tough environment
an ideal way of

- generating revenue
- saving money
- sharing/gaining experience



THANK YOU!