

Press Release 16/97
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VARIG Brazilian Airlines Joins Star Alliance™ Network

Global network expands to South America as momentum builds

Rio de Janeiro, October 22, 1997 - Air Canada, Lufthansa German Airlines, SAS - Scandinavian Airlines System, Thai Airways International and United Airlines today welcome VARIG Brazilian Airlines to the Star Alliance family.

With flights to every major destination in South America, VARIG opens up an entire continent to Star Alliance customers, providing increased global recognition and a wide range of other benefits.

Beginning October 26, VARIG frequent flyers will be able to accumulate and redeem mileage points whenever they fly on any scheduled flight operated by any Star Alliance airline. Likewise, members of any Star Alliance frequent flyer program will be able to accumulate and redeem mileage points on all scheduled flights operated by VARIG. Mileage points accumulated on Star Alliance flights qualify toward elite-level status in the frequent flyer program of a traveler's choice.

Qualified passengers will now enjoy access to over 185 Star Alliance airport lounges around the world. With the addition of VARIG today, no other airline or airline group offers the scope of elite-level mileage benefits or lounge access available to Star Alliance customers.

VARIG will participate in the introduction of further customer benefits, including simplified ticketing and reservations, more convenient connections and through check-in, and better baggage and ground services.

R. Lamar Durrett, President and Chief Executive Officer of Air Canada; Gerald Greenwald, Chairman and Chief Executive Officer of United Airlines; Jan Stenberg, President and Chief Executive Officer of SAS; Thamnoon Wanglee, President of THAI; and Jürgen Weber, Chairman and Chief Executive Officer of Lufthansa, said in a joint statement, "VARIG is Latin America's oldest and best known airline, and flies to every major destination in South America. We are delighted that VARIG is joining the Star Alliance network. Today, we are delivering a continent to our customers."

Fernando Pinto, President and Chief Executive Officer of VARIG, said, "VARIG customers will enjoy enormous benefits now that we have joined Star Alliance. I have been very impressed with the progress that the Star Alliance airlines have made so far in building this network. I have witnessed these five airlines working closely together to put customers first. On behalf of everyone at VARIG, I am pleased to add our name to the list of quality airlines that make up the Star Alliance network."

VARIG Brazilian Airlines is the largest airline in Latin America, serving every major city on the continent, as well as major capital cities on four others. Total revenue for VARIG in 1996 was US\$3.4 billion. VARIG has 18,100 employees and serves 24 countries. VARIG transports 9.7 million passengers annually, with 390 daily departures to 122 cities, on 82 aircraft.

With the addition of VARIG, the six Star Alliance airlines now employ more than 230,000 people and serve 642 destinations around the world. Total revenue for the six Star Alliance airlines in 1996 was \$45.7 billion. The Star Alliance airlines transport 184 million passengers annually, with 6692 daily departures on 1446 aircraft.

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