



Scandinavian Airlines System
Denmark Norway Sweden
SAS Corporate Communications
SE-195 87 Stockholm, Sweden
Telephone: +46-8-797 0000
Fax: +46-8-797 1515

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STAR ALLIANCE SAVING CUSTOMERS \$100 MILLION ANNUALLY

New University of Illinois study credits Star Alliance with saving customers 100 million USD annually as a result of the combination of code-sharing and anti-trust immunity that some members of Star Alliance currently hold.

The study, based on international fare data compiled by the United States Department of Transportation during the third quarter of 1999, found that customers flying itineraries involving two allied carriers benefited from lower fares. In the specific case of itineraries involving two allied airlines that both code-share and hold U.S anti-trust immunity, the result was fares that on average were 27 % lower than fares where inter-airline (interline) pricing methods were employed.

The July 2000 study, prepared by University of Illinois economist Jan K. Brueckner, also predicted that if anti-trust immunity were extended in the future to airlines within Star Alliance that do not currently have it, an additional \$20 million in annual savings would be generated for passengers making two-carrier trips on airlines within Star Alliance.

Welcoming the results of the study, Vagn Sørensen Senior Vice President Business System Divisions SAS, said.

- These results clearly demonstrate that in addition to all of the seamless service benefits that customers of Star Alliance have enjoyed for the past three years, the anti-trust immunity held by members of Star Alliance is resulting in significantly lower air fares.
- From its inception, Star Alliance has been about providing customers with access to the world through a travel experience that is as seamless as flying on just one airline. The July 2000 study shows that when the seamless standard is allowed to be extended to pricing, the flying public saves tens of millions of dollars every year.

Current members of Star alliance are: SAS, Air Canada, Air New Zealand, All Nippon Airways, Ansett Australia, Austrian Airlines Group (Austrian Airlines, Lauda Air and Tyrolean Airways), British Midland, Lufthansa, Mexicana Airlines, Singapore Airlines, Thai Airways International, United Airlines and VARIG-Brazilian Airlines.

Complete copies of the report can be obtained at www.brueckner-report.com

For further information please contact:

Vagn Sørensen, Senior Vice President, Business System Divisions, SAS

Phone: +46 8 797 14 61

Mobile: +46 70 997 14 61

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