



TAM AIRLINES TO JOIN STAR ALLIANCE

Brazilian carrier will open Latin American market for Star Alliance

São Paulo, BRAZIL– October 7th, 2008 – The Chief Executive Board (CEB) of Star Alliance has unanimously voted to accept Brazilian carrier TAM Airlines, the largest carrier in South America, as a future member.

“Thanks to TAM, Latin America will no longer be a white spot but rather a hot spot on our world map,” said Jaan Albrecht, CEO of Star Alliance, at the official joining announcement in São Paulo. “We are very proud having TAM as a future member; their decision to join Star Alliance clearly reflects the ongoing importance of alliances today,” continued Albrecht.

“This is a very important step forward for TAM, as through our alliance membership we will gain further international brand recognition”, said Captain David Barioni Neto, CEO of TAM. “Joining Star Alliance will further bolster our three strategic pillars: Excellence in Services, Technical and Operational Excellence and Excellence in Management,” he continued.

Brazil, as the continent’s economic powerhouse, is the largest and most important market for business and leisure travel in Latin America. With a market share of 20 per cent (73.9 per cent among Brazilian carriers), TAM has the largest portion of international travel to and from Brazil and is also the largest network operator on the continent. This clearly fits Star Alliance’s strategy of maintaining its status as the leading alliance for the high-value international traveller. Jaan Albrecht: “We are talking about a country and a region of the world which cannot be ignored – as a global airline alliance we need to be present where it counts. TAM will make us the leading alliance in terms of capacity offered within Brazil and Latin America,” Albrecht added.

With 116 aircraft, TAM currently flies to 42 domestic and 16 international destinations thereby operating the largest as well as one of the youngest fleets – the average aircraft age is 5.9 years – of all Latin American airlines.

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TAM already has codeshare agreements with Star Alliance member carriers Air Canada, Lufthansa, TAP Portugal and United and will add 36 new destinations to the Star Alliance network. Once TAM completes their integration process – which is expected to take from 12 to 18 months – the Star Alliance network will expand to over 1,000 destinations in 170 countries and offer more than 20,000 daily departures.* This will further solidify Star Alliance as a frontrunner in the alliance world.

At the same time, customers will enjoy more benefits. “TAM passengers are set to experience a whole new world of Star Alliance customer benefits while alliance customers can look forward to both an ideal network in Brazil and Latin America and excellent service on board and on the ground,” Albrecht emphasised.

Paulo Castello Branco, TAM’s Vice President Commercial and Planning, added: “By working together the Star Alliance member carriers, TAM will be able to offer its customers more choice of destinations with better connectivity”.

After the joining announcement, the integration process will be underway. Experts from TAM, mentoring carrier United and Star Alliance will team up to make the Brazilian carrier comply with alliance membership requirements. This includes, for example, compatibility with StarNet, Star Alliance’s IT backbone, common guidelines for passenger handling and FFP collection and redemption.

Note to Editors:

Photos of the joining announcement will shortly be available in the press room on www.staralliance.com.

* Figures are based on the current 21 member carriers including current figures for future members Air India, Continental Airlines and TAM.

About Star Alliance:

The Star Alliance network was established in 1997 as the first truly global airline alliance to offer customers worldwide reach and a smooth travel experience. Star Alliance received the Air Transport World Market Leadership Award in 2008 and was voted Best Airline Alliance by Business Traveller Magazine in 2003, 2006, 2007 and 2008 and by Skytrax in 2003, 2005 and 2007. The members are 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, Turkish Airlines, THAI, United and US Airways. Regional member carriers Adria Airways (Slovenia), Blue1 (Finland) and Croatia Airlines enhance the global network. Air India, Continental Airlines and TAM have been announced as future members. Overall, the Star Alliance network offers more than 18,100 daily flights to 975 destinations in 162 countries.

About TAM:

TAM (www.tam.com.br) has been the domestic market leader in Brazil since July 2003 and closed August 2008 with a 54.2% market share. The company flies to 42 destinations in Brazil. Through business agreements signed with regional companies, it reaches 79 different destinations in the country. TAM's market share among Brazilian companies that operates international flights stood at 73.9% in August 2008. Operations abroad include direct flights to 16 destinations in the United States, Europe and South America: New York and Miami (USA), Paris (France), London (UK), Milan (Italy), Frankfurt (Germany), Madrid (Spain), Buenos Aires and Bariloche (Argentina), Cochabamba and Santa Cruz de la Sierra (Bolivia), Santiago (Chile), Asunción and Ciudad del Este (Paraguay), Montevideo (Uruguay) and Caracas (Venezuela). In addition, the company has codeshare agreements with seat sharing in flights of international carriers, allowing passengers to travel to another 64 destinations in the United States, Europe and South America. TAM was a pioneer launching its Programa Fidelidade, the first frequent flyer program in Brazil. The company has now over 5 million frequent flyer members and has distributed more than 5.9 million tickets through mileage redemption.

For further information please contact:

Star Alliance Press Office
Tel: +49 69 96375 183
Fax: +49 69 96375 683
Email: mediarelations@staralliance.com
www.staralliance.com

TAM Corporate Communications
Tel: +55 11 5582 8795 / 8167 / 8153 / 8260
Email: tamimprensa@tam.com.br
www.tam.com.br
www.taminforma.com.br

MVL Comunicação
Tel : +55 11 3594 0302 / 0303 / 0304 / 0305 / 0306
Fax: +55 11 3594-0399
Out of office hours: 55 11 9323 3702
Email : equietam@mvl.com.br