

## **Adria Airways and Croatia Airlines receive approval to join Star Alliance as Regional Members**

September 9, 2004 – Star Alliance, the airline network for Earth", will further enhance the quality of its network by adding two regional members, Adria Airways and Croatia Airlines. Upon joining, with their respective hubs in Ljubljana and Zagreb, both carriers will improve the Star Alliance network offering to and from south–eastern Europe. It will also further strengthen the alliance's role as the leading airline alliance to the new EU member countries. Star Alliance already offers more than 1750 weekly flights to 21 destinations in the ten countries which joined the EU in May of this year.

In order to become a regional member, aside from meeting certain requirements, carriers must be sponsored by and have close ties to an existing member to achieve a quick and easy integration. The sponsoring airline will represent the regional member within the alliance. In the case of Adria Airways and Croatia Airlines, their long–standing partner Lufthansa will assume this role. To the customer, the Regional member carriers offer the same advantages as the other Star Alliance members, including frequent flyer benefits, lounge access or through check–in.

Once Adria Airways, Blue1 and Croatia Airlines are onboard our regional member concept will extend network reach and customer benefits to important and growing regional markets , said Jaan Albrecht, Star Alliance CEO.

We have always enjoyed a very successful and long–standing relationship in a variety of business fields with both Adria Airways and Croatia Airlines and we have no doubt that this will continue within the Star Alliance framework, said Wolfgang Mayrhuber, Chairman of the Executive Board of Deutsche Lufthansa AG.

When TAP Air Portugal joins next year, in addition to the Iberian peninsula, south–eastern Europe will also be more closely linked with Star Alliance's global route network which is good news for travellers in these expanding markets.

Adria Airways, the Slovenian national airline, has a wealth of experience spanning 43 years in charter and scheduled air traffic. The Adria story dates back to 1961, when it was founded as a charter company. In the eighties the airline started serving scheduled routes, and became a member of IATA (the International Air Transport Association). Today the majority of Adria's business is in scheduled flights, of which 180 per week link Ljubljana with more than 20 mainly European destinations.

"We are proud to have received the approval to become a regional member of the most important strategic airline alliance

and we believe that this will strengthen Adria's position as a reliable and a high level service airline," said Dr. Branko Lucovnik, Adria Airways President.

Croatia Airlines, the national carrier of Croatia, has been operating under its present name since 1990. Again, its business focus is scheduled traffic, with its fleet of eleven aircraft, currently serving 26 European destinations with 430 weekly flights.

We are proud to have received approval become a regional member of the Star Alliance network, said Ivan Miaeti, Croatia Airlines President & CEO. We believe that Croatia Airlines integration into this leading association of airlines will contribute to further development of the Star Alliance network as well as an even better recognition of our company on the European market.

Based on 2003 IATA statistics, one in every four global passengers flew with a Star Alliance member carrier, while in terms of revenue passenger kilometres the alliance members attained a 25.4 percent global market share. With the inclusion of the regional member carriers and the planned integration of South Africa Airways and TAP Air Portugal in 2005, these figures are set to grow. Projections show, that Star Alliance will achieve 25.7 percent global market share in terms of passengers and 26.8 percent in terms of revenue passenger kilometres, hence continuing its course of offering more flights to more destinations than any other airline alliance.

Star Alliance was established in 1997 as the first truly global airline alliance to offer customers global reach and a smooth travel experience. The members are Air Canada, Air New Zealand, ANA, Asiana Airlines, Austrian, bmi, LOT Polish Airlines, Lufthansa, Scandinavian Airlines, Singapore Airlines, Spanair, Thai Airways International, United, US Airways and VARIG Brazilian Airlines. The member carriers offer more than 14,000 daily flights, serving 755 destinations in 132 countries.