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BEFORE THE

DEPARTMENT OF TRANSPORTATION

WASHINGTON, D. C.

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Joint Application of

AMERICAN AIRLINES, INC.,
SWISSAIR, SWISS AIR TRANSPORT COMPANY, LTD., and
N.V. SABENA S.A.

under 49 **USC** 41308 **and** 41309 **for approval of and antitrust immunity for agreements**

OST-99-6528-1

JOINT APPLICATION OF AMERICAN AIRLINES, INC., SWISSAIR, SWISS AIR TRANSPORT COMPANY, LTD., AND N.V. SABENA S.A.

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TABLE OF CONTENTS

		Page
I.	INTRODUCTION AND SUMMARY	2
II.	DESCRIPTION OF THE AGREEMENTS	5
III.	THE APPLICABLE LEGAL STANDARD FOR APPROVING AND GRANTING ANTITRUST IMMUNITY TO THE AMERICAN/SWISSAIR/SABENA ALLIANCE	11
IV.	APPROVAL OF THE AMERICAN/SWISSAIR/SABENA AGREEMENTS WILL PROMOTE THE PUBLIC INTEREST	12
	A. Joint Operations Will Enable The Alliance To Offer New And Improved Service	12
	B. The Alliance Will Not Substantially Reduce Or Eliminate Competition in Any Relevant Market	15
	1. Global Competition	15
	2. U.S.-Europe	16
	3. U.S.-Switzerland	18
	4. U.S.-Belgium	19
	5. City-Pair Overlaps	20
V.	APPROVAL AND GRANT OF ANTITRUST IMMUNITY FOR THE ALLIANCE WILL PROMOTE IMPORTANT U.S. AVIATION POLICY GOALS	22
VI.	OTHER APPROVAL ISSUES AND CONDITIONS	24
	A. Computer Reservations Systems	24
	B. Duration Of Approval And Immunity	25
	C. IATA Tariff Coordination	26
	D. Use Of Common Service Name Or Brand	26
	E. O&D Survey Data Reporting Requirement	26
VII.	RESPONSE TO ADDITIONAL INFORMATION REQUIREMENTS	27
CONCLUSION		32

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JOINT APPLICATION OF AMERICAN AIRLINES, INC., SWISSAIR, SWISS AIR TRANSPORT COMPANY, LTD., AND N.V. SABENA S.A.

American Airlines, Inc., Swissair, Swiss Air Transport Company, Ltd., and N.V. Sabena S.A., including their affiliates,[1] hereby jointly apply, under 49 USC 41308 and 41309, for approval of and antitrust immunity for alliance agreements between American and Swissair (Exhibit JA-1) and between American and Sabena (Exhibit JA-2), and for a coordination agreement among American, Swissair, and Sabena (Exhibit JA-3). This request encompasses any and all agreements between and among the joint applicants that implement any part of the attached agreements or are entered into by the joint applicants

[1]The joint applicants request that any order granting immunity make clear that the immunity extends to their corporate "affiliates," as that term is defined in Annex A to the attached alliance agreements. See Order 96-6-33, June 14, 1996, Appendix A, "Grant of Immunity."

pursuant to those agreements. We request that antitrust immunity be effective at the earliest possible date.

I. INTRODUCTION AND SUMMARY

The United States has open skies agreements with Switzerland and with Belgium. By Order 96-6-33, June 14, 1996, the Department granted antitrust immunity to an arrangement involving Delta Air Lines, Inc., Swissair, Sabena, and Austrian Airlines, finding that substantial consumer benefits would result from the creation of competing alliances in the U.S.-Europe and other international markets. The Department has also approved other immunity arrangements between U.S. and European carriers. See Order 93-1-11, January 11, 1993 (Northwest/KLM); Order 96-5-27, May 21, 1996 (United/Lufthansa); and Order 96-11-1, November 1, 1996 (United/Lufthansa/SAS). On May 11, 1999, Northwest, KLM, and Alitalia submitted an immunity application (OST-99-5674) based on the initialed open skies agreement between the U.S. and Italy.

The Delta/Swissair/Sabena/Austrian alliance is drawing to a close. In place of that relationship, Swissair and Sabena are forging an integrated alliance with American that is the subject of this application.[2] Delta has apparent-

[2]The precise date for termination of the Delta/Swissair/Sabena/Austrian alliance is currently being determined. Swissair and Sabena anticipate that the last day of that alliance will fall within the spring/summer 2000 time frame, and will inform the Department of the actual date as soon as it is

ly decided to cooperate with Air France on a transatlantic partnership, and Austrian Airlines has announced its intention to join the United/Lufthansa/SAS alliance in some capacity.

The proposed American/Swissair/Sabena arrangement is pro-competitive and pro-consumer, as it promises substantial new on-line service benefits when the hub-and-spoke systems of the three carriers are combined to form a single, integrated network. American, Swissair, and Sabena will retain their corporate and national identities, but following grant of antitrust immunity will operate as if they were a merged entity with respect to their integrated network.

American, Swissair, and Sabena consider their alliance to be of vital strategic importance as they strive to compete with other transatlantic alliances. Swissair and Sabena consider their entering into a transatlantic alliance with American to be essential to their long-term competitive viability. The U.S.-Switzerland and U.S.-Belgium open skies agreements specifically allow for this kind of airline alliance.

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determined. Whatever the date, the joint applicants plan to begin their integrated-alliance cooperation immediately upon termination of all Swissair/Sabena cooperative ties with Delta. Thus, for Swissair and Sabena the transition from Delta to American is planned to occur with no overlap between the old and new immunized alliances. Non-immunized American/Swissair and American/Sabena codesharing was approved by the Department on November 2, 1999 (OST-99-5944 and OST-99-5943), and implementation will begin on or about November 21, 1999.

The proposed American/Swissair/Sabena alliance, as more fully described below, will involve coordination in such areas as codesharing; frequent flyer programs; global route and schedule planning; sales, advertising, and marketing; pricing, inventory, and yield management; procurement; revenue allocation; ground handling; airport facilities and support services; cargo services; ticketing; and information technologies and distribution systems.

The alliance will significantly improve consumer convenience and choice, produce operating efficiencies and cost savings that will create greater value for passengers and shippers, increase competition in thousands of city-pair markets, and generate economic benefits for communities across the worldwide networks of the three carriers. Improved air services will increase tourism and encourage local economic development, generating growth in employment and tax revenues. The alliance will also benefit the employees and shareholders of each company. American, Swissair, and Sabena employees will benefit from growth opportunities at each of the carriers, and shareholders will enjoy improved returns resulting from synergies, cost efficiencies, and market growth.

The American/Swissair/Sabena agreements are fully consistent with U.S. international aviation policy, which has encouraged global arrangements between U.S. and foreign carriers in order to benefit consumers and enhance competition. See Statement of United States International Air Transportation Policy, 60 Fed. Reg. 21841, May 3, 1995. For all the following reasons, the proposed alliance should be approved on an expedited basis.

II. DESCRIPTION OF THE AGREEMENTS

This joint application concerns three interrelated agreements: a bilateral alliance agreement between American and Swissair (Exhibit JA-1), a bilateral alliance agreement between American and Sabena (Exhibit JA-2), and a trilateral coordination agreement among American, Swissair, and Sabena (Exhibit JA-3). These agreements are comparable to those between and among Delta, Swissair, Sabena, and Austrian Airlines, which were granted antitrust immunity by the Department by Order 96-6-33, in that they provide a contractual framework for cooperation in all of the major functional areas of the airlines' operations. If the American/Swissair/Sabena joint application is approved and antitrust immunity is granted, the joint applicants will then proceed to coordinate and integrate their operations in areas such as scheduling, marketing, pricing, planning, joint services, and related matters.

Notwithstanding such cooperation and joint operations, each airline will retain its separate identity, brand, ownership, and control.[3] The joint application does not involve any exchange of equity or other forms of cross-ownership. Moreover, this alliance is not part of Oneworld, and there are no plans to link the two.

The alliance agreements at issue contemplate the following coordinated activities:

1. Codesharing. Each carrier will codeshare on the U.S.-Switzerland and U.S. -Belgium services operated by the other. In conjunction with those services, the carriers will also codeshare on connecting services that they operate within the United States, Switzerland, and Belgium, and to points in third countries insofar as permitted by applicable air transport agreements. On November 2, 1999, the Department granted broad codesharing authority to American and Swissair (OST-99-5944) and to American and Sabena (OST-99-5943), which the carriers plan to implement on November 21, 1999.

2. Yield management. The carriers will cooperate regarding inventory control and yield management as those functions relate to services provided under their alliance agreements. The carriers will provide each other access to

[3]Swissair's parent, SAirLines, currently owns 49.5% of Sabena.

their respective yield management systems, and will consult closely in the yield management process.

3. Schedules. The carriers will jointly plan their respective schedules for U.S.-Switzerland and U.S.-Belgium service and for related connecting services in order to maximize and optimize feasible routings and service options available to consumers, and to minimize connecting times for the benefit of consumers.

4. Marketing and product. The carriers will jointly and individually market, promote, and advertise the services covered by their alliance agreements. They will harmonize their respective service standards and jointly develop new products, where appropriate. The carriers may seek to use an alliance mark to represent their alliance and frequent flyer program linkage, upon receipt of any governmental authorizations that may be required.

5. Revenue allocation. The carriers will develop a method for allocating revenues derived from the operation of their alliance services, such as revenue sharing or pooling.

6. Pricing. The carriers will cooperate in establishing rates, fares, and pricing strategies for service provided under their alliance agreements.

7. Frequent flyer programs. The carriers will offer reciprocal frequent flyer programs that will allow members of one carrier's frequent flyer program to accrue mileage and redeem awards on the services of the other alliance partners.

8. Sales and expenses. The carriers will jointly determine the most efficient strategies for selling alliance services, coordinating their sales forces, and allocating their sales resources.

9. Airports. The carriers contemplate sharing facilities at the airports they serve insofar as practical.

10. Cargo. The carriers will cooperate in the transportation of cargo between the United States and Switzerland, the United States and Belgium, and in other markets.

11. Cost reduction. The carriers will attempt to coordinate their purchases of goods and services in order to realize cost savings and eliminate redundancies, where possible. They will also coordinate their travel intermediary commission structures and other incentive arrangements as they relate to the services offered under the alliance agreements.

The foregoing areas of coordination will allow American, Swissair, and Sabena to generate significant efficiencies and provide a broader range of enhanced and more competitive on-line services. The joint applicants state that the benefits and efficiencies of their alliance cannot be

achieved to the same degree absent antitrust immunity. Specifically, such benefits will include:

1. Greater choice and ease of connections. By codesharing across each other's networks, American, Swissair, and Sabena will offer the traveling public a greater choice of destinations and competitive routings. American serves 240 points worldwide; Swissair serves 139; and Sabena serves 98 (Exhibits JA-4 and JA-19). Integration of their three networks will create up to 33,600 new on-line markets (Exhibit JA-19).

The Department has recognized that codesharing agreements for beyond and behind points offer superior "seamless service" and provide greater convenience to consumers than standard interline agreements. See Order 96-5-26 (Delta/Swissair/Sabena/Austrian); Order 96-5-12 (United/Lufthansa). customers making a trip involving multiple flights on American, Swissair, and Sabena will enjoy one-stop shopping, using a single ticket, checking through baggage, and obtaining all required boarding passes at the outset of their journey.

In addition, the joint applicants intend to coordinate schedules and, wherever possible, co-locate terminals, to maximize customer convenience and service and improve the connecting process. Similarly, arrival and departure gates will be moved closer together wherever possible, and operations will be transferred from one terminal to another to minimize

walking distances between connecting flights. A broader range of flight times and co-location of facilities are clearly in the interest of consumers, not only to offer greater choice, but also to reduce the inconvenience to customers associated with delays or other disruptions resulting from weather conditions, mechanical problems, or other factors.

2. Reciprocal frequent flyer programs. Customers will also benefit from coordination of the American, Swissair, and Sabena frequent flyer programs. These programs will become fully reciprocal; mileage accrued on one alliance carrier can be used not just for awards on the others, but to achieve a higher tier of membership. In addition, members of the alliance partners' club programs will gain access to additional airport lounges and will receive priority bookings on flights across the alliance network.

3. Availability of lower fares. The American/Swissair/Sabena alliance will generate lower fare opportunities for passengers as a result of coordination of the yield management process, which will enhance the carriers' ability to predict customer demand.

4. Cost benefits and efficiencies. The proposed alliance will produce a range of cost synergies and efficiencies that will result in more efficient, cost-effective operations, and extend benefits to customers in the form of lower

fares and improved services. The primary cost benefits will result from coordination of sales and airport operations, joint promotions and marketing, and joint purchasing. In addition, American, Swissair, and Sabena anticipate significant efficiencies from cooperation in the area of yield management.

5. Quality of service. American, Swissair, and Sabena each has a long-established commitment to innovative and excellent service. Their proposed alliance will facilitate achievement of the highest level of customer service.

III. THE APPLICABLE LEGAL STANDARD FOR APPROVING AND GRANTING ANTITRUST IMMUNITY TO THE AMERICAN/SWISSAIR/SABENA ALLIANCE

In relevant part, the controlling statute provides that the Department "shall approve an agreement...when the Secretary finds it is not adverse to the public interest and is not in violation of this part." 49 USC 41309(b). The Department has discretion to grant antitrust immunity to agreements approved under Section 41309 if it finds that immunity is required by the public interest. 49 USC 41308. The Department's established policy is to grant antitrust immunity with respect to agreements that are found not substantially to reduce or eliminate competition, if the Department concludes that antitrust immunity is required in the public interest and the parties will not proceed with the transaction absent antitrust immunity. See Order 96-6-33, June 14, 1996,

p. 9 (Delta/Swissair/Sabena/Austrian); Order 96-5-27, May 21, 1996, p. 17 (United/Lufthansa); Order 93-1-11, January 11, 1993, p. 11 (Northwest/KLM).

As explained below, the proposed American/Swissair/Sabena alliance clearly meets the public interest test. Since the alliance will not substantially reduce or eliminate competition, but rather will stimulate more vigorous competition and expanded consumer choice, the Department should approve the alliance and grant it antitrust immunity, without which the joint applicants will not proceed.

IV. APPROVAL OF THE AMERICAN/SWISSAIR/SABENA AGREEMENTS WILL PROMOTE THE PUBLIC INTEREST

A. Joint Operations Will Enable The Alliance To Offer New And Improved Services

Section II of this joint application describes the substantial public benefits that will accrue from an integrated alliance among American, Swissair, and Sabena. Those benefits, which closely mirror those achieved by other, previously-immunized transatlantic alliances, include the ability to provide passengers and shippers with greater choice and improved, seamless service throughout an expanded international alliance route network, while also increasing the scope of each carrier's frequent flyer program. In addition, the cost benefits and efficiencies that can be obtained from an inte-

grated alliance operation will be passed on to customers in the form of superior service and lower fares.

There is ample evidence that international alliances generate benefits to consumers. In a speech earlier this year, Charles A. Hunnicutt, former Assistant Secretary for Aviation and International Affairs, stated that "[w]e have found that international alliances enhance, not reduce, competition. We have also determined that they have produced additional valuable public benefits, such as providing millions of consumers and thousands of communities with improved air service and lower fares" (remarks before the World Travel and Tourism Annual Conference, Berlin, Germany, March 8, 1999).

Mr. Hunnicutt specifically noted that "the improved service and competition offered by [transatlantic] alliances have lowered fares in many international aviation markets" (id.). Deputy Secretary Mortimer Downey recently elaborated that "[o]ur studies of the U.S.-North Atlantic aviation market confirm that the existing airline alliances are competing and that their competition is producing substantial public benefits. For example, improved service and competition that alliances offer have resulted in a decline in average fares in U.S.-Europe markets. Since 1996, when a number of open skies agreements went into effect, North Atlantic airline passenger traffic has increased by 8 percent annually" (remarks before

the Global Air & Space '99 Conference, Crystal City, Virginia, May 3, 1999).

The full network benefits of the American/Swissair/Sabena alliance cannot occur absent the Department's grant of antitrust immunity. The Department has acknowledged that, without antitrust immunity, airlines may be prevented from forming alliances which offer significant competitive and efficiency benefits. See Order 96-5-26, p. 26 (Delta/Swissair/Sabena/Austrian) ("the potential antitrust liability for an agreement of this volume may deter the applicants from integrating their services as intended by the alliance agreements unless they have antitrust immunity"); Order 96-5-12, May 9, 1996 (show-cause), p. 26 (United/Lufthansa) (the applicants "could be exposed to liability under the antitrust laws if we did not grant immunity"); GAO Report to Congressional Requesters, April 1995, p. 30 ("the key benefit of immunity...is the protection from legal challenge by other airlines," which allows the participants "to more closely integrate their operations and marketing than they otherwise would for fear of legal reprisal").

Legal, operational, and financial obstacles effectively preclude the formation of integrated international route networks either by merger or by the unilateral expansion of a single carrier's system. See Statement of United States

International Air Transportation Policy, 60 Fed. Reg. 21841, 21842, May 3, 1995. Expansion by alliance remains the only option, and the feasibility of alliance formation is predicated on securing antitrust immunity. American, Swissair, and Sabena submit that the full public benefits offered by their proposed alliance cannot be obtained absent antitrust immunity. The establishment of a fully integrated alliance network depends on the ability of alliance carriers to coordinate prices, routes and schedules, sales and marketing, and inventory, and to develop common strategic and financial objectives in order to compete with other antitrust-immunized international alliances. Such activities inevitably would expose the joint applicants to potential antitrust liability. Therefore, the joint applicants have determined that it is not feasible to proceed with their proposed alliance absent antitrust immunity.

B. The Alliance Will Not Substantially Reduce Or Eliminate Competition In Any Relevant Market

The proposed American/Swissair/Sabena alliance will not substantially reduce or eliminate competition in any relevant market.

1. Global Competition

The proposed alliance will boost competition in the global air transport services market. As the Department has recognized, there exists today "a worldwide aviation market in which travelers have multiple competing options for reaching

destinations over multiple intermediate points." Order 99-4-17, April 22, 1999 (show-cause), p. 15 (American/Lan Chile). The global market is driven by a number of competing global network systems, including "integrated alliances that can offer a multitude of new on-line services to a vast array of city-pair markets, on a global basis" (id.). The addition of American/Swissair/Sabena to the ranks of global immunized alliances -- which include United/Lufthansa/SAS (Exhibit JA-6) and Northwest/KLM/Alitalia[4] (Exhibit JA-7) -- will create additional consumer choice and enhance competition in the international marketplace.

2. U.S.-Europe

The combination of American, Swissair, and Sabena will not substantially reduce competition in the U.S.-Europe market. Indeed, the American/Swissair/Sabena alliance will be far smaller than the existing United/Lufthansa/SAS alliance, and virtually the same size as the prospective Northwest/KLM/Alitalia alliance. As measured by U.S.-Europe origin and destination passenger bookings for the year ended August 31, 1999, the American/Swissair/Sabena alliance would have comprised a market share of 12.0%, compared to 19.2% for United/Lufthansa/SAS, and 11.7% for Northwest/KLM/Alitalia (Exhibit

[4]The addition of Alitalia to the Northwest/KLM immunized alliance is pending (OST-99-5674).

JA-13). By comparison, the Delta/Swissair/Sabena/Austrian immunized alliance accounted for 16.3% of U.S.-Europe passenger bookings, or 36% more than the proposed American/Swissair/Sabena alliance (Exhibit JA-13).

The extent of alliance competition in U.S.-Europe markets is illustrated in Exhibits JA-5, JA-6, JA-7, JA-12, and JA-13. Swissair's leading O&D markets to or from its U.S. gateways naturally include Zurich and Geneva, and Sabena's naturally include Brussels, but each carrier also commands substantial on-line traffic to and from a number of European cities, particularly in Germany and Italy (Exhibits JA-20 and JA-21). The American/Swissair/Sabena alliance will thus be directly competitive with United/Lufthansa/SAS and Northwest/KLM/Alitalia in providing on-line service to and from many beyond-gateway points in Europe.

We also note that the American/Swissair/Sabena presence at Zurich and Brussels, as measured by share of departures to U.S. points, will be comparable to that of the other immunized alliances at their respective European hubs. See Exhibit JA-24. Moreover, the American/Swissair/Sabena presence at Zurich and Brussels will be considerably lower than the existing presence of Delta/Swissair/Sabena/Austrian at those hub airports.

Competition on transatlantic routes is intense, and will remain so as passengers reap the benefits of an ever-increasing range of competitive alternatives, including nonstop and connecting services. The addition of the American/Swissair/Sabena alliance will enhance competition and help foster a dynamic transatlantic market as governmental restrictions on air services continue to ease.

3. U.S.-Switzerland

Nonstop service between the United States and Switzerland (Exhibits JA-9 and JA-10) is presently provided by the following carriers:

Swissair. Between Zurich and Atlanta, Boston, Chicago, Miami, Los Angeles, New York (JFK), Newark, San Francisco, and Washington (Dulles); between Geneva and New York (JFK); and between Basel and Newark.

American. Between Zurich and Chicago.

Delta. Between Zurich and Atlanta and Cincinnati.

Continental. Between Zurich and Newark.

In addition, on-line connecting service between the United States and Switzerland is offered by the United/Lufthansa/SAS alliance, the Northwest/KLM alliance, and a number of European carriers via their European gateways.[5] Moreover,

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[5]As shown by Exhibit JA-14, Air France, Lufthansa, KLM, and British Airways accounted for 25% of U.S.-Switzerland O&D passenger bookings for the year ended August 31, 1999.

under the U.S. -Switzerland open skies agreement, there are unlimited opportunities for additional entry by U.S. carriers from any U.S. point.

Competition in the U.S. -Switzerland market is flourishing, and it will continue to do so following approval of the American/Swissair/Sabena alliance.

4. U.S.-Belgium

Nonstop service between the United States and Belgium (Exhibits JA-9 and JA-10) is presently provided by the following carriers:

Sabena. Between Brussels and Atlanta, Boston, Chicago, Cincinnati, New York (JFK), Newark, and Washington (Dulles).

American. Between Brussels and Chicago.

Delta. Between Brussels and New York (JFK) and Atlanta.

Continental. Between Brussels and Newark.

United. Between Brussels and Washington (Dulles).

Citybird. Between Brussels and Miami.

In addition, on-line connecting service between the United States and Belgium is offered by the United/Lufthansa/SAS alliance, the Northwest/KLM alliance, and a number of

European carriers via their European gateways? Moreover, under the U.S. -Belgium open skies agreement, there are unlimited opportunities for additional entry by U.S. carriers from any U.S. point.

As is the case with Switzerland, competition in the U.S.-Belgium market is flourishing, and it will continue to do so following approval of the American/Swissair/Sabena alliance.

5. City-Pair Overlaps

In prior applications for antitrust immunity, the Department has considered the potential loss of competition in city-pairs in which both (or all) alliance carriers operate aircraft on a nonstop basis. The American/Swissair/Sabena alliance has only two overlapping nonstop city-pairs: Chicago-Zurich and Chicago-Brussels (Exhibit JA-11). Despite these overlaps, the American/Swissair/Sabena alliance will be disciplined by a number of competitive factors.

First, under the U.S. -Switzerland and U.S.-Belgium open skies agreements, the Chicago-Zurich and Chicago-Brussels markets are subject to nonstop entry at any time by any interested U.S. carrier. United operates a large hub at Chicago,

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[6]As shown by Exhibit JA-15, Air France, Lufthansa, KLM, and British Airways accounted for 14.8% of U.S.-Belgium O&D passenger bookings for the year ended August 31, 1999.

and there are no barriers to its entry in both city-pairs if it chooses to do so.

Moreover, ample one-stop, on-line connecting service is operated by a number of carriers between Chicago and both Zurich and Brussels. Chicago-Zurich O&D passengers can travel on Delta via its Atlanta and Cincinnati hubs; on Continental via its Newark hub, and on a number of European carriers via their European hubs. Similarly, Chicago-Brussels O&D passengers can travel on Delta via its New York (JFK) and Atlanta hubs; on Continental via its Newark hub; on United via its Washington (Dulles) hub; and on a number of European carriers via their European hubs.

Indeed, while Swissair and American account for some 78.2% of Chicago-Zurich O&D passenger bookings (Exhibit JA-16), and Sabena and American account for some 77.9% of Chicago-Brussels O&D passenger bookings (Exhibit JA-17), more than 20% of the bookings in each market entail on-line connecting routings on other carriers that do not operate nonstop service.

In addition, the large majority of the traffic on American's and Swissair's Chicago-Zurich flights, as well as on American's and Sabena's Chicago-Brussels flights, is flow traffic. As shown by Exhibit JA-18, American's local on-board Chicago-Zurich traffic comprises just 17.9% of total bookings, and Swissair's, about 32.0%; the balance of the on-board book-

ings are flow passengers. Similarly, American's local on-board Chicago-Brussels traffic comprises 25.6% of total bookings, and Sabena's, 26.2%; the balance of the on-board bookings are flow passengers. The American/Swissair/Sabena alliance will face strong competition for flow traffic by Delta at Atlanta and New York (JFK), by Continental at Newark, by United at Washington (Dulles), and so on.

Accordingly, the American/Swissair/Sabena alliance will not substantially reduce or eliminate competition in any relevant market. Competition will remain vigorous in the global market, in the U.S.-Europe market, in country-pair markets, and in city-pair markets.

V. APPROVAL AND GRANT OF ANTITRUST IMMUNITY FOR THE ALLIANCE WILL PROMOTE IMPORTANT U.S. AVIATION POLICY GOALS

The past several years have witnessed a remarkable expansion of airline service to and from the United States. Much of this growth has resulted from the Clinton Administration's initiatives, including the April 1995 Statement of International Air Transportation Policy, which have generated more than 30 open skies bilateral agreements between the U.S. and major trading partners in Europe, Asia, and the Americas. The Department has described open skies as "a critical element of our international aviation policy.... Open skies agreements

assure the most liberal operating environment for air services/ Order 99-4-17, p. 19.

The Department has recognized that the progress of its open skies policy and the development of a series of competing international alliance networks are inextricably linked. Thus, in effect, the cultivation of such alliances has become a U.S. aviation policy objective. The Department recently found that "one of the major public benefits resulting from our success in signing open skies aviation agreements around the globe is the creation of new competitive airline alliances that we are now seeing to provide global aviation services. Markets in Asia, Europe, and North America are now an integral part of existing competing airline networks" (Order 99-4-17, pp. 20-21). The Department stated that "competition between and among these global alliances is likely to play a critically important role in ensuring that consumers... have multiple competing options to travel where they wish as inexpensively and conveniently as possible" (id.).

By this application, American, Swissair, and Sabena propose to add another alliance to the global scene, providing additional travel options to consumers and disciplining the alliances already in place.

Failure to approve and grant antitrust immunity to the joint applicants would have significant negative consequences, not only in terms of relations between the United States and Switzerland and the United States and Belgium, but of U.S. international aviation policy in Europe. When the Department approved and immunized the Northwest/KLM alliance in 1993, it clearly was sensitive to the inevitable intersection between an open skies agreement with a foreign country and granting antitrust immunity to a U.S. carrier forming an alliance with a carrier of that country. Indeed, the Department stated that "denial of antitrust immunity would contravene the spirit of the accord and be counterproductive to the United States' relations with the Netherlands" (Order 93-1-11, p. 12). Today, the substance of the U.S. open skies policy as well as the spirit of the U.S. -Switzerland and U.S.-Belgium open skies agreements provide equally compelling support for the Department's approval of and grant of antitrust immunity to the American/Swissair/Sabena arrangements.

VI. OTHER APPROVAL ISSUES AND CONDITIONS

A. Computer Reservations Systems

The grant of antitrust immunity here should also cover the coordination of (1) the presentation and sale of the carriers' airline services in computer reservations systems, and (2) the operations of their respective international

reservations systems. In the Northwest/KLM approval, the Department determined that, while the coordination of CRS activities arguably could reduce competition, that concern was not so significant as to outweigh the justification for granting antitrust immunity. The same conclusion applies with equal force in this proceeding. See Order 93-1-11, pp. 15-16. We recognize, however, that the immunity will not extend to the joint applicants' management of any interest they may have in individual CRSs. See Order 98-10-20, October 20, 1999, p. 18 (American/Lan Chile).

B. Duration Of Approval And Immunity

The joint applicants request that the Department approve and grant antitrust immunity to their alliance for a 10-year term, consistent with Section 6 of the attached alliances agreements. However, we recognize that the Department has approved similar alliances for five-year terms. See Northwest/KLM (Order 93-1-11); United/Lufthansa (Order 96-5-27); Delta/Swissair/Sabena/Austrian (Order 96-6-33); American/Canadian (Order 96-7-21, July 15, 1996); United/Lufthansa/SAS (Order 96-11-1). Therefore, if the Department is not inclined to grant a 10-year term here, the joint applicants would accept a five-year term.

C. IATA Tariff Coordination

In conjunction with the Department's approval and grant of antitrust immunity to their alliance, American, Swissair, and Sabena are prepared to consent to the imposition of the now-standard condition prohibiting participation in certain IATA tariff coordination activities. See Order 96-6-33, p. 17; Order 96-11-1, p. 19; Order 99-4-17, p. 22.

D. Use Of Common Service Name Or Brand

The joint applicants are prepared to accept a condition equivalent to that imposed on other immunized alliances; if they choose to operate under a common name or brand, they will seek separate approval from the Department prior to such operations.

E. O&D Survey Data Reporting Requirement

The joint applicants are also prepared to accept a condition whereby Swissair and Sabena may be required to report full-itinerary Origin-Destination Survey data of airline passenger traffic for all passenger itineraries containing a U.S. point, with the understanding that such data will be handled on a confidential basis by the Department. The joint applicants will accept such a data reporting condition if it is consistent with that imposed on other immunized alliances.

VII. RESPONSE TO ADDITIONAL INFORMATION REQUIREMENTS

In order to expedite the Department's review of the American/Swissair/Sabena application, we are providing the following information, modeled after the evidence request in the Northwest/KLM/Alitalia antitrust immunity proceeding, Order 99-5-10, May 21, 1999.

(A) Provide all joint applicants' corporate documents (in English or with English translations) dated within the last two years that address competition in the U.S.-transatlantic markets.

The requested documents will be submitted separately by American, Swissair, and Sabena, accompanied by motions for confidential treatment under 14 CFR 302.39.

(B) Provide all joint applicants' studies, surveys, analyses, and reports (in English or with English translations) dated within the last two years, which were prepared by or for any officer(s) or director(s) (or, individuals(s) exercising similar functions) for the purpose of evaluating or analyzing the proposed enhanced alliance with respect to market shares, competition, competitors, markets, potential for traffic growth or expansion into geographic markets, and indicate (if not contained in the document itself) the date of preparation, the name and title of each individual who prepared each such document.

The requested documents will be submitted separately by American, Swissair, and Sabena, accompanied by motions for confidential treatment under 14 CFR 302.39.

(C) Provide Origin & Destination (O&D) traffic for the most recent 12-month period available for Swissair's and Sabena's top 100 markets with a U.S. gateway city as a passenger origin or destination point.

This information is attached in Exhibits JA-20 and JA-21.

(D) In addition to the information requested in the preceding item, provide an analysis of the effect on international competition of the proposed closer arrangements among the joint applicants. Specifically, address the competitive effect in city-pair markets where Swissair and/or Sabena now compete with American.

The requested competitive analysis is provided in Section IV.B, above.

(E) Describe the extent to which airport facilities, including gates and slots, are available to U.S. flag carriers who want to begin or increase service to Swiss cities served by Swissair, and Belgian cities served by Sabena.

While there exists some congestion at Zurich and Brussels airports during certain peak hours, Swissair and Sabena believe that no U.S. -flag carrier wishing to launch transatlantic service to Switzerland or Belgium (or to increase existing service) has ever not been able to do so because of slot restrictions or any other airport facility limitations. Of course, as is true at any major international airport, a slot may not be available initially at the precise time requested (a situation that affects homeland and foreign carriers alike).

Most recently, authorities at Zurich airport accommodated all requests for 1999 winter season slots, and were able to accommodate all summer season 2000 slot requests presented at the recently-concluded IATA slot conference in Montreal (although not necessarily at the precise time requested in each case).[7] The situation at Brussels is comparable. Authorities

[7]At Geneva, where aircraft movements peak in the winter due to ski traffic, all winter 1999 and summer 2000 slot requests were accommodated. Capacity exists to accommodate additional operations at or very near the times requested.

there accommodated all slot requests for winter 1999, and virtually all summer 1999 slot requests.

Moreover, Zurich airport authorities have approved construction of a third new terminal which is expected to be in operation by the end of 2002, and which will result in a 35% capacity increase in passenger facilities, gates, and stands. Overall, it is expected that slots will gradually increase over the next few years at both Zurich and Brussels by use of improved technology and optimization of ATC procedures.

(F) Discuss significant service and equipment changes anticipated by the joint applicants, and the integration of American's domestic route system with the international route systems of Swissair and Sabena.

At the present time, American, Swissair, and Sabena do not anticipate any significant service or equipment changes as a result of their proposed alliance. The parties may make both service and equipment changes in the future for commercial or economic reasons, or to the extent that regulatory requirements necessitate such changes. The joint applicants anticipate the integration of their route systems through code-sharing, schedule adjustments, relocation of terminal facilities, and other measures, as discussed above in Section II.

(G) Describe any effect of granting the application on Civil Reserve Air Fleet (CRAF) commitments of American.

The American/Swissair/Sabena alliance will have no impact on American's CRAF commitments.

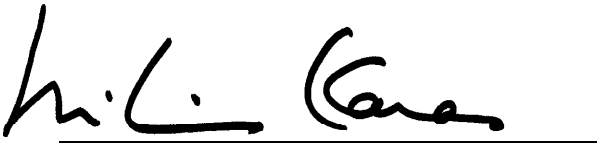
(H) Discuss any labor effects of the proposed alliance, and whether, how, and to what extent employees of the applicant airlines will be integrated. In particular, state whether the transaction or a similar type of transaction has been the subject of recent collective bargaining discussions between American and its unions. Provide a discussion of whether both union and non-union employees adversely affected by the alliance would be compensated or otherwise protected.

American believes that the transaction raises no significant labor issues. American, Swissair, and Sabena will remain independent. No significant impact on unionized employees is anticipated under the agreement. American, Swissair, and Sabena believe that the long-term impact of the transaction will be positive for all existing employees and for new job creation.

CONCLUSION

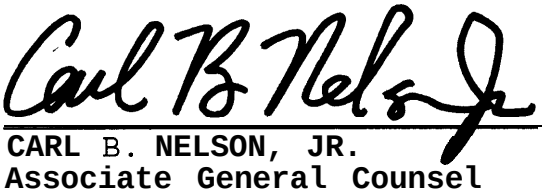
For the foregoing reasons, American, Swissair, and Sabena urge the Department to approve their alliance arrangements under 49 USC 41309, and to grant antitrust immunity under 49 USC 41308. The alliance proposed here is far smaller than the Delta/Swissair/Sabena/Austrian alliance the Department immunized in 1996, and should be approved on an expedited basis.

Respectfully submitted,



WILLIAM KARAS
BENJAMIN R. ACHENBACH

Attorneys for Swissair and Sabena



CARL B. NELSON, JR.
Associate General Counsel
American Airlines, Inc.

November 19, 1999

EXHIBITS

INDEX OF EXHIBITS

Exhibit

American/Swissair Alliance Agreement JA-1

American/Sabena Alliance Agreement JA-2

American/Swissair/Sabena Coordination Agreement JA-3

American/Swissair/Sabena Global Network JA-4

American/Swissair/Sabena Nonstop Routes Between U.S. and Europe JA-5

United/Lufthansa/SAS Nonstop Routes Between U.S. and Europe JA-6

Northwest/KLM/Alitalia Nonstop Routes Between U.S. and Europe JA-7

Other Carrier Nonstop Routes Between U.S. and Europe JA-8

American/Swissair/Sabena Nonstop Routes Between U.S. and Switzerland and U.S. and Belgium JA-9

Other Carrier Nonstop Routes Between U.S. and Switzerland and U.S. and Belgium JA-10

Overlap Nonstop Routes Between American and Swissair/Sabena JA-11

Top 25 European Airports Ranked by Total Originating Passenger Bookings JA-12

U.S.-Europe Origin and Destination Passenger Bookings by Carrier and Immunized Alliance JA-13

U.S.-Switzerland Origin and Destination Passenger Bookings by Carrier JA-14

U.S.-Belgium Origin and Destination Passenger Bookings by Carrier JA-15

Chicago-Zurich Origin and Destination Passenger Bookings by Carrier JA-16

Chicago-Brussels Origin and Destination Passenger Bookings by Carrier JA-17

Local-Onboard vs. Flow-Onboard Passenger Bookings on Overlap Routes JA-18

Summary of New On-Line Airports and City-Pairs for American, Swissair, and Sabena JA-19

Top 100 Swissair Origin and Destination Markets to and from U.S. JA-20

Top 100 Sabena Origin and Destination Markets to and from U.S. JA-21

Top 25 Swissair Origin and Destination Markets with a U.S. Endpoint by Carrier with Greater than 10% Share JA-22

Top 25 Sabena Origin and Destination Markets with a U.S. Endpoint by Carrier with Greater than 10% Share JA-23

Share of Departures to U.S. at European Hub Airports by Immunized Alliance JA-24

ALLIANCE AGREEMENT

This Alliance Agreement (this "Agreement") is made and entered into as of November 18, 1999, by and between Swissair, Swiss Air Transport Company, Ltd., a corporation formed under the laws of Switzerland, and American Airlines, Inc., a Delaware corporation.

RECITALS

WHEREAS, Swissair and American each provide air transportation services and seek to attain the highest standards of quality service and value for the benefit of the traveling public;

WHEREAS, Swissair and American desire to offer customers a wider choice of air transportation options at competitive prices, to optimize the use of aircraft capacity and ground facilities, and to provide coordinated scheduling and seamless coordinated services for international travelers in order to increase the use of those services by the traveling and shipping public; and

WHEREAS, Swissair and American intend to implement and perform the activities contemplated by this Agreement in conformity with applicable laws and regulations and to seek Antitrust Immunity, without which the Parties will not proceed with certain activities hereby contemplated.

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. DEFINITIONS

1.1. Terms with their initial letters capitalized (or otherwise defined) will have the meanings ascribed to them in Annex A, or where otherwise defined in this Agreement.

2. SCOPE

2.1. Subject to the terms and conditions of this Agreement, American and Swissair desire (a) to compete effectively on a worldwide basis; and (b) to establish marketing and operational synergies worldwide.

2.2. In this regard, the Parties shall:

(a) codeshare on (i) flights operated by each other between gateway points in the United States and Switzerland, (ii) flights operated by American between U.S. gateway points and selected other U.S. points, (iii) flights operated by Swissair between Swiss gateway points and selected other

points in Switzerland, and (iv) flights via and to points in third countries, including points beyond the United States and Switzerland;

(b) coordinate their respective frequent flyer programs so that passengers will be able to accrue mileage and redeem travel awards in either Party's program for all flights operated by either Party;

(c) cooperate in marketing, selling and providing cargo transportation in the U.S. - Switzerland market and other markets; and

(d) consult as necessary from time to time during the term hereof and may reach agreement on matters including, but not limited to, the following:

(i) marketing and advertising of the activities contemplated in this Agreement to promote, among other things, American and Swissair as a seamless transportation system;

(ii) cooperating in the sale and distribution of passenger and cargo services;

(iii) coordinating flight schedules in selected markets;

(iv) cooperating in pricing strategies and coordinating fares (including fare categories) and rates;

(v) cooperating in the control of inventories and yield management functions relating to the Codeshared Flights;

(vi) cooperating in determining travel agency commission levels and override and incentive programs;

(vii) harmonizing service and product standards in order to provide a seamless product to Codeshared Passengers;

(viii) reducing costs and redundancies through coordinated or joint purchase of goods and services from third party suppliers and vendors;

(ix) cooperating on the methodology for the allocation of revenue from Codeshared Flights, including, if mutually agreed, the pooling or sharing of revenue; and

(x) participating in any other joint and coordinated activities as may be agreed between the Parties in connection with the activities contemplated herein.

3. GOVERNMENTAL APPROVALS AND ANTITRUST IMMUNITY

3.1. Each Party will cooperate fully with the other and will use its commercially reasonable efforts to apply for and obtain, in a timely manner, all

Governmental Approvals required in connection with the transactions contemplated in this Agreement. The Parties acknowledge that certain of the transactions contemplated in this Agreement are subject to the jurisdiction of and review by Competent Authorities, including, without limitation, the U.S. Department of Transportation ("U.S. DOT"), and require Governmental Approvals, in the absence of which the transactions requiring such Governmental Approvals will not be implemented.

3.2. The Parties will, after the execution of this Agreement, prepare and file with the U.S. DOT a joint application for Antitrust Immunity. In the event that Antitrust Immunity is not granted (or is granted subject to limitations, restrictions or conditions that are not reasonably acceptable to both Parties), the Parties will not implement those transactions or activities contemplated by this Agreement with respect to which the Parties believe Antitrust Immunity is required.

4. CONFIDENTIALITY

4.1. Except as expressly agreed between the Parties, neither Party may sell, transfer, publish, disclose, display or otherwise make available the Confidential Information of the other Party, or of both Parties to any third party (including Affiliates of the Party so restricted), except as may be required by Applicable Law (including requirement by oral questions, interrogatories, subpoenas, civil investigative demands or similar processes), in which case the Party from whom disclosure is sought (the "Disclosing Party") will promptly notify the other Party (the "Affected Party"). To the extent that the Affected Party objects to the disclosure of its Confidential Information, the Disclosing Party will (at the Affected Party's expense) use all reasonable efforts (i) to resist making any disclosure of such Confidential Information, (ii) to limit the amount of such Confidential Information to be disclosed, and (iii) to obtain a protective order or other appropriate relief to minimize the further dissemination of any Confidential Information to be disclosed. In addition, neither Party will disclose the Confidential Information received to any of its Representatives except on a need-to-know basis for the purposes of implementing and administering this Agreement; provided, however, that prior to any such disclosure, the Disclosing Party will inform all such Representatives of the confidential nature of the information, and that it is subject to this non-disclosure obligation, and will further instruct such Representatives to treat such information confidentially. American and Swissair each agrees to be responsible for any breach of the provisions set forth in this Section 4 by its respective Representatives. Furthermore, neither Party will use the Confidential Information of the other Party for any purpose other than as expressly agreed between the Parties. The initial public announcement relating to this Agreement and the transactions contemplated herein will be made jointly by the senior executives of American and Swissair in a mutually agreed format. Such announcement will be prepared jointly and will be made as soon as practicable.

4.2. Each Party acknowledges and agrees that the Party disclosing its Confidential Information pursuant to this Agreement will have no adequate

remedy at law if there is a breach or threatened breach of this Section 4 and, accordingly, the Affected Party will be entitled to an injunction or other equitable or similar preventative relief available under the laws of any jurisdiction against the other Party or its Representatives for such breach or threatened breach. Nothing herein will be construed as a waiver of any other legal or equitable remedies which may be available to the Affected Party in the event of a breach or threatened breach of this Section 4 and the Affected Party may pursue any other such remedy, including the recovery of damages.

4.3. The restrictions and obligations of a Party receiving Confidential Information and the rights of an Affected Party under this Section 4 will survive the termination of this Agreement for a period of five (5) years.

5. TERM

5.1. This Agreement will be effective as of the date first written above and will continue in effect until terminated under one of the provisions of Section 6 or Section 12.5.

6. TERMINATION

6.1. This Agreement may be terminated prior to its expiration in the following manner:

(a) at any time by mutual agreement of the Parties;

(b) at any time after the tenth (10th) anniversary of the Implementation Date by either Party upon providing at least 180 days' prior written notice to the other Party, such notice to be served no earlier than the end of the 1 14th full calendar month following the Implementation Date;

(c) if the U.S. DOT issues a final order denying the Parties' joint application for Antitrust Immunity, or prohibits the cooperation under this Agreement, or grants the application but with limitations, conditions or restrictions that are different than what was requested by the Parties and are reasonably unacceptable to either Party, or if, as of the first anniversary of the Effective Date, the U.S. DOT has not issued a final order on the joint application, the Parties will meet within thirty (30) days after the issuance of such U.S. DOT order or the first anniversary of the Effective Date, whichever is applicable, in order to agree on a resolution of the matter.

6.2. Actions upon Termination

(a) Upon any termination pursuant to this Agreement:

(i) Each Party agrees to use all reasonable efforts to minimize the cost of termination for the other Party and to minimize customer confusion and other potential adverse effects of the termination.

(ii) Each Party will, within ninety (90) days of termination, either deliver to the other Party, or destroy, all of such other Party's Confidential Information then in its possession (including all copies thereof, other than copies of this Agreement) and will purge all such Confidential Information encoded or stored, on magnetic or other electronic media or processors; provided that, each Party may retain such Confidential Information as may be required for its continued performance under any agreement implementing the activities or transactions contemplated by this Agreement which has not been so terminated or as specifically permitted in this Agreement or in the relevant related agreement. Notwithstanding the foregoing provisions of this Section 6.2(a)(ii), if it is not feasible for a Party (after the Party has made all reasonable efforts) to deliver or destroy any portion of the other Party's Confidential Information because of non-segregable melding of Confidential Information of both Parties and because the delivery or destruction of such Confidential Information would cause a material disruption to that Party's operations, then the Party will not be obligated to deliver or destroy such Confidential Information, provided that, it will notify and identify to the other Party (with as much specificity as is reasonably possible) the Confidential Information which is incapable of being delivered or destroyed.

(b) Either Party may pursue all other rights and remedies available to it for any breach by the other Party of any provision of this Agreement.

7. ALLIANCE COMMITTEE

7.1. Within thirty (30) days after the date of this Agreement, American and Swissair will create an alliance committee for the purpose of implementing the transactions contemplated herein (the "Committee"). American and Swissair will each designate two (2) management representatives to the Committee and each will have the right to replace its designees at any time, in each case by written notice to the other. The Committee will endeavor to meet quarterly (in person or by telephone) at a mutually agreed time and location and will endeavor to meet at such additional times as it determines are necessary or appropriate for the performance of its responsibilities hereunder, or as reasonably requested by either of the Parties. Each meeting will be conducted in accordance with an agenda. Either Party may place an item on the agenda of any such meeting of the Committee. From time to time, as the Committee deems appropriate, the Committee may establish and oversee working groups, which will be responsible for executing certain aspects of the responsibilities described below. These working groups will be composed of members in equal number from each of American and Swissair (unless otherwise agreed), and will meet as frequently as necessary to accomplish their assigned responsibilities.

7.2. The Committee will oversee (a) the planning and implementation of the cooperation between American and Swissair contemplated hereby; (b) the ongoing management of the transactions and relationships contemplated

herein; and (c) the resolution (in accordance with Section 8) of any Disputes (defined in Section 8.2) arising hereunder. The Committee will, as part of its responsibilities, monitor customer service, marketing harmonization, systems development, performance of the Codeshared Flights, marketing approach, techniques, shared usage of facilities, frequent flyer arrangements, and all other aspects of the alliance contemplated hereby, including the implementation and operation of, and compliance with, this Agreement. The Committee will consider ways to improve the performance and efficiency of the joint services to reduce costs and to increase the benefits afforded by the cooperative relationship. The Committee will endeavor to establish satisfactory means of addressing changed market conditions that have a material effect on either Party or on the ability of the Parties jointly to achieve the objectives of this Agreement. In performing its responsibilities, the Committee will be mindful of, and will comply with, all Applicable Laws.

7.3. The Committee will, from time to time, upon the reasonable request of either American or Swissair, and in any event not less often than once every six (6) months, endeavor to prepare a written report to the management of American and Swissair summarizing the status of the transactions and relationships contemplated hereby and setting forth the Committee's recommendations, if any, with respect to such transactions and relationships and such additional joint activities as the Committee believes may be beneficial for American and Swissair.

8. GOVERNING LAW AND DISPUTE RESOLUTION

8.1. THIS AGREEMENT AND EACH AGREEMENT ANCILLARY HERETO ARE GOVERNED BY AND WILL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO ITS CONFLICT OF LAWS PRINCIPLES) INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED THEREIN.

8.2. Except as otherwise expressly provided in Section 8.3, any controversy, dispute, difference, disagreement or claim between the Parties arising under or relating to this Agreement, including any question concerning the validity, termination, interpretation, performance, operation, enforcement or breach of this Agreement (each, a "Dispute"), must first be referred by either Party to the Committee for resolution. If the Committee is unable to resolve the Dispute within ten (10) days after the Dispute is referred to it, unless extended by mutual consent of the Parties, the Dispute must then be referred by each Party to its respective chief executive officer (each, a "CEO") for resolution within ten (10) Business Days after the date of the referral, unless extended by mutual consent of the Parties. It will be sufficient for the purposes of referrals under this Section 8.2 that a Party send notice of the Dispute to one of its own members of the Committee, or its own CEO, as the case may be, in each case, with a copy to the other Party in the manner specified in Section 9 for the giving of notice.

8.3. Any Dispute not resolved after referral to the Committee and CEOs of the Parties, as required in Section 8.2, may then be referred to arbitration, as provided in Section 8.4. Each of Swissair and American irrevocably submits to the exclusive jurisdiction of such arbitration and expressly and irrevocably waives its right to bring suit against the other Party in any court of law except for the limited purposes of enforcing an arbitral award obtained in respect of a Dispute, or for obtaining any injunctive, temporary or preventative order or similar order available to it under the laws of any jurisdiction for a breach or threatened breach by the other Party of this Agreement which threatens irreparable damage. Each Party, to the fullest extent it may effectively do so under Applicable Law, irrevocably waives and agrees not to assert, by way of motion, as a defense or otherwise, any claim that it is not subject to arbitration.

8.4. All disputes arising out of or in connection with this Agreement shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce (the "Rules") by a panel of arbitrators appointed in accordance with such Rules. The arbitration panel shall consist of one (1) arbitrator who is knowledgeable about the legal, marketing and other business aspects of the airline industry, and fluent in the English language. The arbitration proceedings shall take place in New York, New York, and shall be conducted in English.

8.5. Without prejudice to the provisions of Sections 8.3 and 8.6(b), each Party irrevocably submits to the nonexclusive jurisdiction of the United States District Court for the Southern District of New York and of any State Court sitting in the State of New York (the "Courts") for purposes of enforcing any arbitral award, or for other legal proceedings arising out of this Agreement, or any transactions contemplated hereby.

8.6. Each Party, to the fullest extent it may effectively do so under Applicable Law, irrevocably waives and agrees not to assert, by way of motion, as a defense or otherwise:

(a) any claim that it is not subject to the jurisdiction of the Courts and any objection that it may have as to venue or inconvenient forum with respect to claims or actions brought in any such Court; and

(b) any right of application or appeal to any court (in the U.S. or in any other jurisdiction) in connection with any question of law arising in the course of arbitration proceedings or out of any decision or award by the arbitrators.

9. NOTICES

9.1. Unless otherwise expressly set forth in this Agreement, all notices, reports, invoices and other communications required or permitted hereunder to be given to or made upon any Party hereto will be in writing, and will be considered as properly given if addressed as provided below and either (a) delivered in person; (b) sent by an express courier delivery service which provides signed acknowledgments of receipt; or (c) transmitted by facsimile

(upon receipt by sender thereof of evidence that a complete transmission of such copy was made to the recipient thereof) and, if sent by facsimile, confirmed by (i) telephone call contemporaneously made to the individual designated as the one to receive such notice, or (ii) dispatching a hard copy of such notice by mail (postage prepaid) or either of the methods set forth in (a) or (b) and will be effective upon receipt. For the purposes of giving notice, the addresses of the Parties are as set forth below, provided, however, that either Party will have the right to change its address for notice to any other location by giving at least five (5) days' prior written notice to the other Party in the manner set forth above.

If to Swissair:
Swissair, Swiss Air Transport Company, Ltd.
P.O. Box
CH-8058 Zurich Airport
Switzerland
Attn: EVP Alliances Qualiflyer Group / North Atlantic
Phone: 011-41-1-812-4024 Fax: 011-41-1-812-9029

If to American:
American Airlines, Inc.
4333 Amon Carter Blvd., MD 5635
Fort Worth, Texas 76155
Attn: Vice President - International Affairs
Phone: 1-817-967-3185 Fax: 1-817-967-3179

10. REPRESENTATIONS AND WARRANTIES

10.1. Each of Swissair and American hereby represents and warrants to the other as follows:

(a) It is a duly incorporated and validly existing corporation, in good standing under the laws of its jurisdiction of incorporation; is an air carrier duly authorized to act as such by the government of its country of incorporation; and has the requisite corporate power and authority to enter into and perform its obligations under this Agreement. The execution, delivery and performance of this Agreement by it have been duly authorized by all necessary corporate action. This Agreement has been duly executed and delivered by it, and, assuming due authorization, execution and delivery by the other Party hereto, this Agreement constitutes its legal, valid and binding obligation, enforceable against it in accordance with each of its terms, except to the extent that enforceability may be limited or modified by the effect of bankruptcy, insolvency or other similar laws affecting creditors' rights generally and the application of general principles of equity and public policy.

(b) The execution, delivery or performance by it of this Agreement shall not: (i) contravene, conflict with or cause a default under (A) any applicable law, rule or regulation binding on it (assuming the Governmental Approvals have been obtained), or (B) any provision of its charter, certificate of

incorporation, bylaws or other documents of corporate governance; or (ii) contravene or cause a breach or violation of any agreement or instrument to which it is a party or by which it is bound, except where such conflict, contravention or breach would not have a material adverse effect on it and its Affiliates taken as a whole or on its ability to perform this Agreement.

(c) The execution, delivery and performance by it of this Agreement does not require the consent or approval of, the giving of notice to, the registration with, the recording or filing of any documents with, or the taking of any other action in respect of any Competent Authority (other than the Governmental Approvals), any trustee or holder of any of its indebtedness or obligations, any stockholder or any other person or entity, except where failure to obtain or take such action would not have a material adverse effect on it or a material adverse effect on the transactions contemplated in this Agreement.

10.2. Each of the foregoing representations and warranties shall survive the execution and delivery of this Agreement and any expiration or termination thereof.

11. INDEMNIFICATION

11.1. Each Party will indemnify and hold harmless the other Party and Affiliates, Representatives and agents of the other Party from and against all Damages directly or indirectly incurred by the other Party that arise out of or in connection with any default or breach hereunder by the indemnifying Party.

11.2. A Party (the **"Indemnified Party")** entitled to indemnification from the other Party under the terms of this Agreement (the **"Indemnifying Party")** shall provide the Indemnifying Party with written notice (an **"Indemnification Notice")** of any third party claim which the Indemnified Party believes gives rise to a claim for indemnity against the Indemnifying Party, and the Indemnifying Party shall be entitled, at its own cost and expense and by its own legal advisors, to control the defense of or to settle any such third party claim. If the Indemnifying Party fails to take any action against the third party claim that is the subject of an Indemnification Notice within thirty (30) days of receiving such notice, or otherwise contests its obligation to indemnify the Indemnified Party in connection therewith, the Indemnified Party may, upon providing written notice to the Indemnifying Party, pay, compromise or defend such third party claim for the account, and at the expense, of the Indemnifying Party. Except as otherwise set forth in this Section 11.2, the Indemnified Party shall not enter into any settlement or other compromise or consent to a judgment with respect to a third party claim to which the Indemnifying Party has an indemnity obligation without the prior written consent of the Indemnifying Party.

11.3. Each Indemnified Party shall have the right, but not the duty, to participate in the defense of any claim or litigation with attorneys of its own choosing and at its own cost, without relieving the Indemnifying Party of any obligations hereunder. The Indemnifying Party shall have the right to elect to settle any such claim or demand, for monetary damages only, subject to the consent of

the Indemnified Party; provided, however, if the Indemnified Party fails to give such consent within twenty (20) days of being requested to do so, the Indemnified Party shall assume the defense of such claim or demand and, regardless of the outcome of such matter, the Indemnifying Party's liability hereunder shall be limited to the amount of any such proposed settlement. In the event the Indemnifying Party assumes the defense of a claim or demand, the Indemnified Party shall have the right to assume control of the defense of any claim or demand from the Indemnifying Party at any time and to elect to settle such claim or demand; provided, however, the Indemnifying Party shall have no indemnification obligations with respect to such claim, demand or settlement except for the costs and expenses of the Indemnified Party incurred prior to the assumption of the defense of the claim or demand by the Indemnified Party.

11.4. Each Party further agrees to indemnify, defend and hold harmless the other from and against any and all taxes or assessments, as the case may be, levied upon or advanced by the Indemnified Party but that ultimately the Indemnifying Party would be responsible for paying and resulting from any transaction or activity contemplated by this Agreement.

11.5. The rights and obligations of the Parties under this Section 11 shall survive the termination or expiration of this Agreement.

12. MISCELLANEOUS

12.1. Amendment; Waiver - This Agreement may be amended only by a written instrument signed by both Parties. No failure to exercise and no delay in exercising, on the part of any Party, any right, remedy, power or privilege hereunder, will operate as a waiver thereof, nor will any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law. The failure of any Party to insist upon a strict performance of any of the terms or provisions of this Agreement, or to exercise any option, right or remedy herein contained, will not be construed as a waiver or as a relinquishment for the future of such term, provision, option, right or remedy, but the same will continue and remain in full force and effect. No waiver by any Party of any term or provision of this Agreement will be deemed to have been made unless expressed in writing and signed by such Party.

12.2. Assignment - Neither Party may assign or transfer or permit the assignment or transfer of this Agreement without the prior written consent of the other Party.

12.3. Expenses - Each Party will, whether or not the transactions contemplated hereby are consummated, bear its own attorneys', accountants' and other fees, costs and expenses incurred in connection with the negotiation,

execution and performance of this Agreement and any of the activities or transactions contemplated hereby.

12.4. Independent Contractor - Each Party is an independent contractor. Nothing in this Agreement is intended or will be construed to create or establish any agency relationship (except to the extent a Party is expressly in writing designated to serve as agent for the other Party), partnership, joint venture or fiduciary relationship between the Parties. Neither Party hereto, nor any of its Affiliates, has any authority to act for or to incur any obligations on behalf of or in the name of the other Party hereto or any of its Affiliates. Both Parties will remain entirely separate corporate entities, and unless otherwise expressly provided herein, will retain independent decision-making and managerial authority regarding all matters.

12.5. Severability - If either Party receives from a Competent Authority notice to the effect that any part of this Agreement contravenes any applicable Governmental Approval and cannot qualify for any applicable clearance or exemption, or if any part of this Agreement is, or will become, or will be declared illegal, invalid or unenforceable in any jurisdiction for any reason (including both by reason of the provisions of any legislation and also by reason of any decision of any Competent Authority, either having jurisdiction over this Agreement or over any Party), such part will be severed from this Agreement in the jurisdiction in question and such contravention, illegality, invalidity or unenforceability will not in any way whatsoever prejudice or affect the remaining parts of this Agreement, which will continue in full force and effect; provided, always, that if, in the reasonable opinion of any Party, any such severance materially affects the commercial basis of this Agreement, such Party will so inform the other Party (the “Severance Notice”), whereupon the Parties will negotiate to agree upon an amendment to this Agreement, in order to maintain the balance of the commercial interests of the Parties. If, however, such negotiations are not successfully concluded within ninety (90) days from the date of the receipt of the Severance Notice by a Party, either Party may terminate this Agreement by giving at least thirty (30) days’ prior written notice to the other Party. Termination pursuant to this Section 12.5 shall take effect no earlier than one hundred and twenty (120) days after receipt of the Severance Notice by a Party.

12.6. Third Parties - This Agreement is binding upon and inures to the benefit of the Parties and their successors and permitted assigns. All rights, remedies and obligations of the Parties hereunder will accrue and apply solely to such Parties and their successors and assigns and there is no intent to benefit any third parties.

12.7. Cooperation - Each Party will cooperate fully with the other, and will use all reasonable efforts to obtain all Governmental Approvals, including using all appropriate and reasonable means to address any judicial or administrative appeals of and to defend against any lawsuits or other legal proceedings which challenge any such Government Approvals.

12.8. Compliance with Laws - Each Party will comply with all applicable laws, rules and regulations of Competent Authorities with respect to this Agreement and

its performance or its obligations hereunder. Each Party will, at its expense, obtain and maintain the governmental authorizations, licenses, approvals, registrations, and renewals thereof that may be required of it under applicable laws, rules and regulations of Competent Authorities (including Government Approvals) in order to execute or perform this Agreement.

12.9. Further Assurances - Each Party will do and perform such further acts and execute and deliver such further instruments and documents at such Party's expense, as may be required by applicable laws, rules or regulations of Competent Authorities or as may be reasonably requested by the other Patty to carry out and effectuate the purposes of this Agreement.

12.10. Other

(a) Unless otherwise specified in this Agreement, all references in this Agreement to "herein", "hereof", "hereto", "hereby", and "hereunder" will be deemed references to this Agreement as a whole and not to any particular section, subsection, paragraph, sentence or clause of this Agreement. Unless otherwise specified in this Agreement, references herein to "including" or "include" will mean "including without limitation" or "include without limitation," respectively.

(b) References herein to the termination of this Agreement (or words of similar import) will mean the termination of this Agreement by exercise of termination rights.

(c) All Annexes to this Agreement are incorporated herein and made a part hereof for all purposes.

(d) The captions appearing in this Agreement have been inserted as a matter of convenience and in no way define, limit or enlarge the scope of this Agreement or any of the provisions hereof.

(e) This Agreement is the product of negotiations between Swissair and American, and will be construed as if jointly prepared and drafted by them, and no provision hereof will be construed for or against any Party by reason of ambiguity in language, rules of construction against the drafting Party, or similar doctrine.

(f) Although translations of this Agreement may be made into French, German or any other language for the convenience of the Parties, the English version will govern for all purposes of the interpretation and performance of this Agreement.

(g) This Agreement may be executed by one or both of the Parties on any number of separate counterparts and all of which taken together will constitute one and the same instrument. Execution may be effected by delivery of facsimiles of signature pages (and the Parties will follow such delivery by prompt delivery of originals of such pages).

(h) This Agreement represents the entire agreement of the Parties with respect to its subject matter and, as of the date first written above, terminates and supersedes any prior or contemporaneous agreements, discussions, undertakings and understandings, whether written or oral, expressed or implied, between the Parties with respect to the same subject.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the date first above written-

Swissair, Swiss Air Transport Company, Ltd.

By: _____
Name: Jeffrey G. Katz
Title: President and Chief Executive Officer

By: _____
Name: Michael Eggenschwiler
Title: Executive Vice President

American Airlines, Inc.

By: _____
Name: Arnold J. Grossman
Title: Vice President-International Affairs

Attachment:

Annex A - Definitions

ANNEX A

DEFINITIONS

As used in this Agreement, terms with their initial letters capitalized (or otherwise defined) in the headings, recitals, or elsewhere in this Agreement, will have their respective assigned meanings, and the following terms with their initial letters capitalized (or otherwise defined), will have the meanings ascribed below (references herein to sections will refer to sections of the main text of the Agreement, unless otherwise noted):

"Affiliate" means, with respect to any person or entity, any other person or entity directly or indirectly controlling, controlled by, or under common control with, such person or entity. For purposes of this definition, "control" (including "controlled by" and "under common control with") means the power, directly or indirectly, to direct or cause the direction of the management and policies of such person or entity, whether through the ownership of voting securities, by contract or otherwise.

"Airline" refers to either American or Swissair, individually, and each may collectively be referred to as the "Airlines".

"American" means American Airlines, Inc., a Delaware corporation and its affiliates: American Eagle Airlines, Inc., a Delaware corporation, and Executive Airlines, Inc., a Delaware corporation.

"Antitrust Immunity" means the approval, exemption, and immunization of the Parties, pursuant to 49 U.S.C. sections 41308 and 41309, from the application of all United States antitrust laws, as defined therein, for all transactions and activities contemplated in this Agreement.

"Applicable Law" means all applicable laws of any jurisdiction including securities laws, tax laws, tariff and trade laws, ordinances, judgments, decrees, injunctions, writs, and orders or like actions of any Competent Authority and the rules, regulations, orders or like actions of any Competent Authority and the interpretations, licenses and permits of any Competent Authority.

"Business Day" means any day other than a Saturday, Sunday or other day on which banking institutions in New York, New York, or Zurich, Switzerland, are required by law, regulation or executive order to be closed.

"Claims" means any claim, suit, action or proceeding (including post-judgment and appellate proceedings or proceedings that are incidental to the successful establishment of the right of indemnification hereunder).

"Codeshared Flights" means those certain flights of each Party (as determined by the Parties from time to time) on which the designator code of the other Party is placed.

"Codeshared Passenger" means a passenger traveling on a Marketing Carrier Ticket.

"Competent Authorities" means any supranational, national, federal, state, county, local or municipal government body, bureau, commission, board, board of arbitration,

instrumentality, authority, agency, court, department, minister, ministry, official or public or statutory person (whether autonomous or not) having jurisdiction over this Agreement or either Party.

"Conditions of Carriage" means those tariffs and rules of carriage of a Party that govern the transport of passengers traveling on tickets showing such Party's code in the carrier code box of the flight coupon.

"Confidential Information" means (a) all confidential or proprietary information of a Party, including, without limitation, trade secrets, information concerning past, present and future research, development, business activities and affairs, finances, properties, methods of operation, processes and systems, customer lists, customer information (such as passenger name record or "PNR" data) and computer procedures and access codes; and (b) the terms and conditions of this Agreement and any reports, invoices or other communications between the Parties given in connection with the negotiation or performance of this Agreement; and (c) excludes (i) information already in a Party's possession prior to its disclosure by the other Party; (ii) information obtained from a third person or entity that is not prohibited from transmitting such information to the receiving Party as a result of a contractual, legal or fiduciary obligation to the Party whose information is being disclosed; (iii) information that is or becomes generally available to the public, other than as a result of disclosure by a Party in violation of this Agreement; or (iv) information that has been or is independently acquired or developed by a Party, or its Affiliate, without violating any of its obligations under this Agreement.

"Damages" means all claims, suits, causes of action, penalties, liabilities, judgments, fines, losses and expenses of any nature or kind whatsoever under the laws of any jurisdiction (whether arising in tort, contract, under the Warsaw Convention and related instrument, or otherwise), including reasonable costs and expenses of investigating, preparing or defending any claim, suit, action or proceeding (including post-judgment and appellate proceedings or proceedings that are incidental to the successful establishment of a right of indemnification), such as reasonable attorneys' fees and fees for expert witnesses, consultants and litigation support services, but not including internal expenses of the indemnified Party, such as employee salaries and the costs of cooperating in the investigation, preparation or defense of claims.

"Effective Date" means the date of this Agreement.

"Governmental Approvals" means all orders, permits, licenses, registrations, waivers, authorizations, exemptions, confirmations and approvals, including, without limitation, Antitrust Immunity, of any Competent Authorities which are necessary or are reasonably considered by either Party to be material and appropriate to be obtained in connection with this Agreement and the transactions contemplated hereby.

"Implementation Date" means the date of the first Codeshared Flight.

"Marketing Carrier Ticket" means a ticket issued by the marketing carrier, operating carrier or a third party that contains at least one flight coupon showing the marketing carrier's code in the carrier code box of the flight coupon.

"Party or Parties" means either or both of American and Swissair, as the context requires.

"Representatives" means a Party's directors, officers, employees, or professional advisors.

"Swissair" means Swissair, Swiss Air Transport Company, Ltd., and its affiliate Crossair AG, each a corporation formed under the laws of Switzerland.

ALLIANCE AGREEMENT

This Alliance Agreement (this "Agreement") is made and entered into as of November 18, 1999, by and between N.V. Sabena S.A., a corporation formed under the laws of Belgium, and American Airlines, Inc., a Delaware corporation.

RECITALS

WHEREAS, Sabena and American each provide air transportation services and seek to attain the highest standards of quality service and value for the benefit of the traveling public;

WHEREAS, Sabena and American desire to offer customers a wider choice of air transportation options at competitive prices, to optimize the use of aircraft capacity and ground facilities, and to provide coordinated scheduling and seamless coordinated services for international travelers in order to increase the use of those services by the traveling and shipping public; and

WHEREAS, Sabena and American intend to implement and perform the activities contemplated by this Agreement in conformity with applicable laws and regulations and to seek Antitrust Immunity, without which the Parties will not proceed with certain activities hereby contemplated.

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. DEFINITIONS

1.1. Terms with their initial letters capitalized (or otherwise defined) will have the meanings ascribed to them in Annex A, or where otherwise defined in this Agreement.

2. SCOPE

2.1. Subject to the terms and conditions of this Agreement, American and Sabena desire (a) to compete effectively on a worldwide basis; and (b) to establish marketing and operational synergies worldwide.

2.2. In this regard, the Parties shall:

(a) codeshare on (i) flights operated by each other between gateway points in the United States and Belgium, (ii) flights operated by American between U.S. gateway points and selected other U.S. points, (iii) flights operated by Sabena between Belgian gateway points and selected other points in

Belgium, and (iv) flights via and to points in third countries, including points beyond the United States and Belgium;

(b) coordinate their respective frequent flyer programs so that passengers will be able to accrue mileage and redeem travel awards in either Party's program for all flights operated by either Party;

(c) cooperate in marketing, selling and providing cargo transportation in the U.S. – Belgium market and other markets; and

(d) consult as necessary from time to time during the term hereof and may reach agreement on matters including, but not limited to, the following:

(i) marketing and advertising of the activities contemplated in this Agreement to promote, among other things, American and Sabena as a seamless transportation system;

(ii) cooperating in the sale and distribution of passenger and cargo services;

(iii) coordinating flight schedules in selected markets;

(iv) cooperating in pricing strategies and coordinating fares (including fare categories) and rates;

(v) cooperating in the control of inventories and yield management functions relating to the Codeshared Flights;

(vi) cooperating in determining travel agency commission levels and override and incentive programs;

(vii) harmonizing service and product standards in order to provide a seamless product to Codeshared Passengers;

(viii) reducing costs and redundancies through coordinated or joint purchase of goods and services from third party suppliers and vendors;

(ix) cooperating on the methodology for the allocation of revenue from Codeshared Flights, including, if mutually agreed, the pooling or sharing of revenue; and

(x) participating in any other joint and coordinated activities as may be agreed between the Parties in connection with the activities contemplated herein.

3. GOVERNMENTAL APPROVALS AND ANTITRUST IMMUNITY

3.1. Each Party will cooperate fully with the other and will use its commercially reasonable efforts to apply for and obtain, in a timely manner, all Governmental Approvals required in connection with the transactions contemplated in this Agreement. The Parties acknowledge that certain of the transactions contemplated in this Agreement are subject to the jurisdiction of and review by Competent Authorities, including, without limitation, the U.S. Department of Transportation ("U.S. DOT"), and require Governmental Approvals, in the absence of which the transactions requiring such Governmental Approvals will not be implemented.

3.2. The Parties will, after the execution of this Agreement, prepare and file with the U.S. DOT a joint application for Antitrust Immunity. In the event that Antitrust Immunity is not granted (or is granted subject to limitations, restrictions or conditions that are not reasonably acceptable to both Parties), the Parties will not implement those transactions or activities contemplated by this Agreement with respect to which the Parties believe Antitrust Immunity is required.

4. CONFIDENTIALITY

4.1. Except as expressly agreed between the Parties, neither Party may sell, transfer, publish, disclose, display or otherwise make available the Confidential Information of the other Party, or of both Parties to any third party (including Affiliates of the Party so restricted), except as may be required by Applicable Law (including requirement by oral questions, interrogatories, subpoenas, civil investigative demands or similar processes), in which case the Party from whom disclosure is sought (the "Disclosing Party") will promptly notify the other Party (the "Affected Party"). To the extent that the Affected Party objects to the disclosure of its Confidential Information, the Disclosing Party will (at the Affected Party's expense) use all reasonable efforts (i) to resist making any disclosure of such Confidential Information, (ii) to limit the amount of such Confidential Information to be disclosed, and (iii) to obtain a protective order or other appropriate relief to minimize the further dissemination of any Confidential Information to be disclosed. In addition, neither Party will disclose the Confidential Information received to any of its Representatives except on a need-to-know basis for the purposes of implementing and administering this Agreement; provided, however, that prior to any such disclosure, the Disclosing Party will inform all such Representatives of the confidential nature of the information, and that it is subject to this non-disclosure obligation, and will further instruct such Representatives to treat such information confidentially. American and Sabena each agrees to be responsible for any breach of the provisions set forth in this Section 4 by its respective Representatives. Furthermore, neither Party will use the Confidential Information of the other Party for any purpose other than as expressly agreed between the Parties. The initial public announcement relating to this Agreement and the transactions contemplated herein will be made jointly by the senior executives of American and Sabena

in a mutually agreed format. Such announcement will be prepared jointly and will be made as soon as practicable.

4.2. Each Party acknowledges and agrees that the Party disclosing its Confidential Information pursuant to this Agreement will have no adequate remedy at law if there is a breach or threatened breach of this Section 4 and, accordingly, the Affected Party will be entitled to an injunction or other equitable or similar preventative relief available under the laws of any jurisdiction against the other Party or its Representatives for such breach or threatened breach. Nothing herein will be construed as a waiver of any other legal or equitable remedies which may be available to the Affected Party in the event of a breach or threatened breach of this Section 4 and the Affected Party may pursue any other such remedy, including the recovery of damages.

4.3. The restrictions and obligations of a Party receiving Confidential Information and the rights of an Affected Party under this Section 4 will survive the termination of this Agreement for a period of five (5) years.

5. TERM

5.1. This Agreement will be effective as of the date first written above and will continue in effect until terminated under one of the provisions of Section 6 or Section 12.5.

6. TERMINATION

6.1. This Agreement may be terminated prior to its expiration in the following manner:

(a) at any time by mutual agreement of the Parties;

(b) at any time after the tenth (10th) anniversary of the Implementation Date by either Party upon providing at least 180 days' prior written notice to the other Party, such notice to be served no earlier than the end of the 1 14th full calendar month following the Implementation Date;

(c) if the U.S. DOT issues a final order denying the Parties' joint application for Antitrust Immunity, or prohibits the cooperation under this Agreement, or grants the application but with limitations, conditions or restrictions that are different than what was requested by the Parties and are reasonably unacceptable to either Party, or if, as of the first anniversary of the Effective Date, the U.S. DOT has not issued a final order on the joint application, the Parties will meet within thirty (30) days after the issuance of such U.S. DOT order or the first anniversary of the Effective Date, whichever is applicable, in order to agree on a resolution of the matter.

6.2. Actions upon Termination

(a) Upon any termination pursuant to this Agreement:

(i) Each Party agrees to use all reasonable efforts to minimize the cost of termination for the other Party and to minimize customer confusion and other potential adverse effects of the termination.

(ii) Each Party will, within ninety (90) days of termination, either deliver to the other Party, or destroy, all of such other Party's Confidential Information then in its possession (including all copies thereof, other than copies of this Agreement) and will purge all such Confidential Information encoded or stored, on magnetic or other electronic media or processors; provided that, each Party may retain such Confidential Information as may be required for its continued performance under any agreement implementing the activities or transactions contemplated by this Agreement which has not been so terminated or as specifically permitted in this Agreement or in the relevant related agreement. Notwithstanding the foregoing provisions of this Section 6.2(a)(ii), if it is not feasible for a Party (after the Party has made all reasonable efforts) to deliver or destroy any portion of the other Party's Confidential Information because of non-segregable melding of Confidential Information of both Parties and because the delivery or destruction of such Confidential Information would cause a material disruption to that Party's operations, then the Party will not be obligated to deliver or destroy such Confidential Information, provided that, it will notify and identify to the other Party (with as much specificity as is reasonably possible) the Confidential Information which is incapable of being delivered or destroyed.

(b) Either Party may pursue all other rights and remedies available to it for any breach by the other Party of any provision of this Agreement.

7. ALLIANCE COMMITTEE

7.1. Within thirty (30) days after the date of this Agreement, American and Sabena will create an alliance committee for the purpose of implementing the transactions contemplated herein (the "Committee"). American and Sabena will each designate two (2) management representatives to the Committee and each will have the right to replace its designees at any time, in each case by written notice to the other. The Committee will endeavor to meet quarterly (in person or by telephone) at a mutually agreed time and location and will endeavor to meet at such additional times as it determines are necessary or appropriate for the performance of its responsibilities hereunder, or as reasonably requested by either of the Parties. Each meeting will be conducted in accordance with an agenda. Either Party may place an item on the agenda of any such meeting of the Committee. From time to time, as the Committee deems appropriate, the Committee may establish and oversee working groups, which will be responsible for executing certain aspects of the responsibilities described below. These working groups will be composed of

members in equal number from each of American and Sabena (unless otherwise agreed), and will meet as frequently as necessary to accomplish their assigned responsibilities.

7.2. The Committee will oversee (a) the planning and implementation of the cooperation between American and Sabena contemplated hereby; (b) the ongoing management of the transactions and relationships contemplated herein; and (c) the resolution (in accordance with Section 8) of any Disputes (defined in Section 8.2) arising hereunder. The Committee will, as part of its responsibilities, monitor customer service, marketing harmonization, systems development, performance of the Codeshared Flights, marketing approach, techniques, shared usage of facilities, frequent flyer arrangements, and all other aspects of the alliance contemplated hereby, including the implementation and operation of, and compliance with, this Agreement. The Committee will consider ways to improve the performance and efficiency of the joint services to reduce costs and to increase the benefits afforded by the cooperative relationship. The Committee will endeavor to establish satisfactory means of addressing changed market conditions that have a material effect on either Party or on the ability of the Parties jointly to achieve the objectives of this Agreement. In performing its responsibilities, the Committee will be mindful of, and will comply with, all Applicable Laws.

7.3. The Committee will, from time to time, upon the reasonable request of either American or Sabena, and in any event not less often than once every six (6) months, endeavor to prepare a written report to the management of American and Sabena summarizing the status of the transactions and relationships contemplated hereby and setting forth the Committee's recommendations, if any, with respect to such transactions and relationships and such additional joint activities as the Committee believes may be beneficial for American and Sabena.

8. GOVERNING LAW AND DISPUTE RESOLUTION

8.1. THIS AGREEMENT AND EACH AGREEMENT ANCILLARY HERETO ARE GOVERNED BY AND WILL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO ITS CONFLICT OF LAWS PRINCIPLES) INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED THEREIN.

8.2. Except as otherwise expressly provided in Section 8.3, any controversy, dispute, difference, disagreement or claim between the Parties arising under or relating to this Agreement, including any question concerning the validity, termination, interpretation, performance, operation, enforcement or breach of this Agreement (each, a "Dispute"), must first be referred by either Party to the Committee for resolution. If the Committee is unable to resolve the Dispute within ten (10) days after the Dispute is referred to it, unless extended by mutual consent of the Parties, the Dispute must then be referred by each Party to its respective chief executive officer (each, a "CEO") for resolution within ten (10) Business Days after the date of the referral, unless

extended by mutual consent of the Parties. It will be sufficient for the purposes of referrals under this Section 8.2 that a Party send notice of the Dispute to one of its own members of the Committee, or its own CEO, as the case may be, in each case, with a copy to the other Party in the manner specified in Section 9 for the giving of notice.

8.3. Any Dispute not resolved after referral to the Committee and CEOs of the Parties, as required in Section 8.2, may then be referred to arbitration, as provided in Section 8.4. Each of Sabena and American irrevocably submits to the exclusive jurisdiction of such arbitration and expressly and irrevocably waives its right to bring suit against the other Party in any court of law except for the limited purposes of enforcing an arbitral award obtained in respect of a Dispute, or for obtaining any injunctive, temporary or preventative order or similar order available to it under the laws of any jurisdiction for a breach or threatened breach by the other Party of this Agreement which threatens irreparable damage. Each Party, to the fullest extent it may effectively do so under Applicable Law, irrevocably waives and agrees not to assert, by way of motion, as a defense or otherwise, any claim that it is not subject to arbitration.

8.4. All disputes arising out of or in connection with this Agreement shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce (the "Rules") by a panel of arbitrators appointed in accordance with such Rules. The arbitration panel shall consist of one (1) arbitrator who is knowledgeable about the legal, marketing and other business aspects of the airline industry, and fluent in the English language. The arbitration proceedings shall take place in New York, New York, and shall be conducted in English.

8.5. Without prejudice to the provisions of Sections 8.3 and 8.6(b), each Party irrevocably submits to the nonexclusive jurisdiction of the United States District Court for the Southern District of New York and of any State Court sitting in the State of New York (the "Courts") for purposes of enforcing any arbitral award, or for other legal proceedings arising out of this Agreement, or any transactions contemplated hereby.

8.6. Each Party, to the fullest extent it may effectively do so under Applicable Law, irrevocably waives and agrees not to assert, by way of motion, as a defense or otherwise:

(a) any claim that it is not subject to the jurisdiction of the Courts and any objection that it may have as to venue or inconvenient forum with respect to claims or actions brought in any such Court; and

(b) any right of application or appeal to any court (in the U.S. or in any other jurisdiction) in connection with any question of law arising in the course of arbitration proceedings or out of any decision or award by the arbitrators.

9. NOTICES

9.1. Unless otherwise expressly set forth in this Agreement, all notices, reports, invoices and other communications required or permitted hereunder to be given to or made upon any Party hereto will be in writing, and will be considered as properly given if addressed as provided below and either (a) delivered in person; (b) sent by an express courier delivery service which provides signed acknowledgments of receipt; or (c) transmitted by facsimile (upon receipt by sender thereof of evidence that a complete transmission of such copy was made to the recipient thereof) and, if sent by facsimile, confirmed by (i) telephone call contemporaneously made to the individual designated as the one to receive such notice, or (ii) dispatching a hard copy of such notice by mail (postage prepaid) or either of the methods set forth in (a) or (b) and will be effective upon receipt. For the purposes of giving notice, the addresses of the Parties are as set forth below, provided, however, that either Party will have the right to change its address for notice to any other location by giving at least five (5) days' prior written notice to the other Party in the manner set forth above.

If to Sabena:
N.V. Sabena S.A.
Avenue Mounierlaan 2
1200 Brussels, Belgium
Attn: Secretary General
Phone: 01 1-32-2-723-8500 Fax: 01 1-32-2-723-8094

If to American:
American Airlines, Inc.
4333 Amon Carter Blvd., MD 5635
Fort Worth, Texas 76155
Attn: Vice President - International Affairs
Phone: 1-817-967-3185 Fax: 1-817-967-3179

10. REPRESENTATIONS AND WARRANTIES

10.1. Each of Sabena and American hereby represents and warrants to the other as follows:

(a) It is a duly incorporated and validly existing corporation, in good standing under the laws of its jurisdiction of incorporation; is an air carrier duly authorized to act as such by the government of its country of incorporation; and has the requisite corporate power and authority to enter into and perform its obligations under this Agreement. The execution, delivery and performance of this Agreement by it have been duly authorized by all necessary corporate action. This Agreement has been duly executed and delivered by it, and, assuming due authorization, execution and delivery by the other Party hereto, this Agreement constitutes its legal, valid and binding obligation, enforceable against it in accordance with each of its terms, except to the extent that enforceability may be limited or modified by the effect of bankruptcy, insolvency or other similar laws affecting creditors'

rights generally and the application of general principles of equity and public policy.

(b) The execution, delivery or performance by it of this Agreement shall not: (i) contravene, conflict with or cause a default under (A) any applicable law, rule or regulation binding on it (assuming the Governmental Approvals have been obtained), or (B) any provision of its charter, certificate of incorporation, bylaws or other documents of corporate governance; or (ii) contravene or cause a breach or violation of any agreement or instrument to which it is a party or by which it is bound, except where such conflict, contravention or breach would not have a material adverse effect on it and its Affiliates taken as a whole or on its ability to perform this Agreement.

(c) The execution, delivery and performance by it of this Agreement does not require the consent or approval of, the giving of notice to, the registration with, the recording or filing of any documents with, or the taking of any other action in respect of any Competent Authority (other than the Governmental Approvals), any trustee or holder of any of its indebtedness or obligations, any stockholder or any other person or entity, except where failure to obtain or take such action would not have a material adverse effect on it or a material adverse effect on the transactions contemplated in this Agreement.

10.2. Each of the foregoing representations and warranties shall survive the execution and delivery of this Agreement and any expiration or termination thereof.

11. INDEMNIFICATION

11.1. Each Party will indemnify and hold harmless the other Party and Affiliates, Representatives and agents of the other Party from and against all Damages directly or indirectly incurred by the other Party that arise out of or in connection with any default or breach hereunder by the indemnifying Party.

11.2. A Party (the **"Indemnified Party")** entitled to indemnification from the other Party under the terms of this Agreement (the **"Indemnifying Party")** shall provide the Indemnifying Party with written notice (an **"Indemnification Notice")** of any third party claim which the Indemnified Party believes gives rise to a claim for indemnity against the Indemnifying Party, and the Indemnifying Party shall be entitled, at its own cost and expense and by its own legal advisors, to control the defense of or to settle any such third party claim. If the Indemnifying Party fails to take any action against the third party claim that is the subject of an Indemnification Notice within thirty (30) days of receiving such notice, or otherwise contests its obligation to indemnify the Indemnified Party in connection therewith, the Indemnified Party may, upon providing written notice to the Indemnifying Party, pay, compromise or defend such third party claim for the account, and at the expense, of the Indemnifying Party. Except as otherwise set forth in this Section 11.2, the Indemnified Party shall not enter into any settlement or other compromise or consent to a judgment with respect to a third party claim to which the

Indemnifying Party has an indemnity obligation without the prior written consent of the Indemnifying Party.

11.3. Each Indemnified Party shall have the right, but not the duty, to participate in the defense of any claim or litigation with attorneys of its own choosing and at its own cost, without relieving the Indemnifying Party of any obligations hereunder. The Indemnifying Party shall have the right to elect to settle any such claim or demand, for monetary damages only, subject to the consent of the Indemnified Party; provided, however, if the Indemnified Party fails to give such consent within twenty (20) days of being requested to do so, the Indemnified Party shall assume the defense of such claim or demand and, regardless of the outcome of such matter, the Indemnifying Party's liability hereunder shall be limited to the amount of any such proposed settlement. In the event the Indemnifying Party assumes the defense of a claim or demand, the Indemnified Party shall have the right to assume control of the defense of any claim or demand from the Indemnifying Party at any time and to elect to settle such claim or demand; provided, however, the Indemnifying Party shall have no indemnification obligations with respect to such claim, demand or settlement except for the costs and expenses of the Indemnified Party incurred prior to the assumption of the defense of the claim or demand by the Indemnified Party.

11.4. Each Party further agrees to indemnify, defend and hold harmless the other from and against any and all taxes or assessments, as the case may be, levied upon or advanced by the Indemnified Party but that ultimately the Indemnifying Party would be responsible for paying and resulting from any transaction or activity contemplated by this Agreement.

11.5. The rights and obligations of the Parties under this Section 11 shall survive the termination or expiration of this Agreement.

12. MISCELLANEOUS

12.1. Amendment; Waiver - This Agreement may be amended only by a written instrument signed by both Parties. No failure to exercise and no delay in exercising, on the part of any Party, any right, remedy, power or privilege hereunder, will operate as a waiver thereof, nor will any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law. The failure of any Party to insist upon a strict performance of any of the terms or provisions of this Agreement, or to exercise any option, right or remedy herein contained, will not be construed as a waiver or as a relinquishment for the future of such term, provision, option, right or remedy, but the same will continue and remain in full force and effect. No waiver by any Party of any term or provision of this Agreement will be deemed to have been made unless expressed in writing and signed by such Party.

12.2. Assignment - Neither Party may assign or transfer or permit the assignment or transfer of this Agreement without the prior written consent of the other Party.

12.3. Expenses - Each Party will, whether or not the transactions contemplated hereby are consummated, bear its own attorneys', accountants' and other fees, costs and expenses incurred in connection with the negotiation, execution and performance of this Agreement and any of the activities or transactions contemplated hereby.

12.4. Independent Contractor - Each Party is an independent contractor. Nothing in this Agreement is intended or will be construed to create or establish any agency relationship (except to the extent a Party is expressly in writing designated to serve as agent for the other Party), partnership, joint venture or fiduciary relationship between the Parties. Neither Party hereto, nor any of its Affiliates, has any authority to act for or to incur any obligations on behalf of or in the name of the other Party hereto or any of its Affiliates. Both Parties will remain entirely separate corporate entities, and unless otherwise expressly provided herein, will retain independent decision-making and managerial authority regarding all matters.

12.5. Severability - If either Party receives from a Competent Authority notice to the effect that any part of this Agreement contravenes any applicable Governmental Approval and cannot qualify for any applicable clearance or exemption, or if any part of this Agreement is, or will become, or will be declared illegal, invalid or unenforceable in any jurisdiction for any reason (including both by reason of the provisions of any legislation and also by reason of any decision of any Competent Authority, either having jurisdiction over this Agreement or over any Party), such part will be severed from this Agreement in the jurisdiction in question and such contravention, illegality, invalidity or unenforceability will not in any way whatsoever prejudice or affect the remaining parts of this Agreement, which will continue in full force and effect; provided, always, that if, in the reasonable opinion of any Party, any such severance materially affects the commercial basis of this Agreement, such Party will so inform the other Party (the "Severance Notice"), whereupon the Parties will negotiate to agree upon an amendment to this Agreement, in order to maintain the balance of the commercial interests of the Parties. If, however, such negotiations are not successfully concluded within ninety (90) days from the date of the receipt of the Severance Notice by a Party, either Party may terminate this Agreement by giving at least thirty (30) days' prior written notice to the other Party. Termination pursuant to this Section 12.5 shall take effect no earlier than one hundred and twenty (120) days after receipt of the Severance Notice by a Party.

12.6. Third Parties - This Agreement is binding upon and inures to the benefit of the Parties and their successors and permitted assigns. All rights, remedies and obligations of the Parties hereunder will accrue and apply solely to such Parties and their successors and assigns and there is no intent to benefit any third parties.

12.7. Cooperation - Each Party will cooperate fully with the other, and will use all reasonable efforts to obtain all Governmental Approvals, including using all appropriate and reasonable means to address any judicial or administrative appeals of and to defend against any lawsuits or other legal proceedings which challenge any such Government Approvals.

12.8. Compliance with Laws - Each Party will comply with all applicable laws, rules and regulations of Competent Authorities with respect to this Agreement and its performance or its obligations hereunder. Each Party will, at its expense, obtain and maintain the governmental authorizations, licenses, approvals, registrations, and renewals thereof that may be required of it under applicable laws, rules and regulations of Competent Authorities (including Government Approvals) in order to execute or perform this Agreement.

12.9. Further Assurances - Each Party will do and perform such further acts and execute and deliver such further instruments and documents at such Party's expense, as may be required by applicable laws, rules or regulations of Competent Authorities or as may be reasonably requested by the other Party to carry out and effectuate the purposes of this Agreement.

12.10. Other

(a) Unless otherwise specified in this Agreement, all references in this Agreement to "herein", "hereof", "hereto", "hereby", and "hereunder" will be deemed references to this Agreement as a whole and not to any particular section, subsection, paragraph, sentence or clause of this Agreement. Unless otherwise specified in this Agreement, references herein to "including" or "include" will mean "including without limitation" or "include without limitation," respectively.

(b) References herein to the termination of this Agreement (or words of similar import) will mean the termination of this Agreement by exercise of termination rights.

(c) All Annexes to this Agreement are incorporated herein and made a part hereof for all purposes.

(d) The captions appearing in this Agreement have been inserted as a matter of convenience and in no way define, limit or enlarge the scope of this Agreement or any of the provisions hereof.

(e) This Agreement is the product of negotiations between Sabena and American, and will be construed as if jointly prepared and drafted by them, and no provision hereof will be construed for or against any Party by reason of ambiguity in language, rules of construction against the drafting Party, or similar doctrine.

(f) Although translations of this Agreement may be made into French, Dutch or any other language for the convenience of the Parties, the English version will govern for all purposes of the interpretation and performance of this Agreement.

(g) This Agreement may be executed by one or both of the Parties on any number of separate counterparts and all of which taken together will constitute one and the same instrument. Execution may be effected by delivery of facsimiles of signature pages (and the Parties will follow such delivery by prompt delivery of originals of such pages).

(h) This Agreement represents the entire agreement of the Parties with respect to its subject matter and, as of the date first written above, terminates and supersedes any prior or contemporaneous agreements, discussions, undertakings and understandings, whether written or oral, expressed or implied, between the Parties with respect to the same subject.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the date first above written.

N.V. Sabena S.A.

By: _____
Name: Paul Reutlinger
Title: President and
Chief Executive Officer

By: _____
Name: Patrick du Bois
Title: Executive Vice President and
Secretary General

American Airlines, Inc.

By: _____
Name: Arnold J. Grossman
Title: Vice President-International Affairs

Attachment:

Annex A - Definitions

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the date first above written.

N.V. Sabena S.A.

By: _____
Name: Paul Reutlinger
Title: President and
Chief Executive Officer

By: _____
Name: Patrick du Bois
Title: Executive Vice President and
Secretary General

American Airlines, Inc.

By: _____
Name: Arnold J. Grossman
Title: Vice President-International Affairs

Attachment:

Annex A - Definitions

ANNEX A

DEFINITIONS

As used in this Agreement, terms with their initial letters capitalized (or otherwise defined) in the headings, recitals, or elsewhere in this Agreement, will have their respective assigned meanings, and the following terms with their initial letters capitalized (or otherwise defined), will have the meanings ascribed below (references herein to sections will refer to sections of the main text of the Agreement, unless otherwise noted):

"Affiliate" means, with respect to any person or entity, any other person or entity directly or indirectly controlling, controlled by, or under common control with, such person or entity. For purposes of this definition, "control" (including "controlled by" and "under common control with") means the power, directly or indirectly, to direct or cause the direction of the management and policies of such person or entity, whether through the ownership of voting securities, by contract or otherwise.

"Airline" refers to either American or Sabena, individually, and each may collectively be referred to as the "Airlines".

"American" means American Airlines, Inc., a Delaware corporation and its affiliates: American Eagle Airlines, Inc., a Delaware corporation, and Executive Airlines, Inc., a Delaware corporation.

"Antitrust Immunity" means the approval, exemption, and immunization of the Parties, pursuant to 49 U.S.C. sections 41308 and 41309, from the application of all United States antitrust laws, as defined therein, for all transactions and activities contemplated in this Agreement.

"Applicable Law" means all applicable laws of any jurisdiction including securities laws, tax laws, tariff and trade laws, ordinances, judgments, decrees, injunctions, writs, and orders or like actions of any Competent Authority and the rules, regulations, orders or like actions of any Competent Authority and the interpretations, licenses and permits of any Competent Authority.

"Business Day" means any day other than a Saturday, Sunday or other day on which banking institutions in New York, New York, or Brussels, Belgium, are required by law, regulation or executive order to be closed.

"Claims" means any claim, suit, action or proceeding (including post-judgment and appellate proceedings or proceedings that are incidental to the successful establishment of the right of indemnification hereunder).

"Codeshared Flights" means those certain flights of each Party (as determined by the Parties from time to time) on which the designator code of the other Party is placed.

"Codeshared Passenger" means a passenger traveling on a Marketing Carrier Ticket.

"Competent Authorities" means any supranational, national, federal, state, county, local or municipal government body, bureau, commission, board, board of arbitration,

instrumentality, authority, agency, court, department, minister, ministry, official or public or statutory person (whether autonomous or not) having jurisdiction over this Agreement or either Party.

"Conditions of Carriage" means those tariffs and rules of carriage of a Party that govern the transport of passengers traveling on tickets showing such Party's code in the carrier code box of the flight coupon.

"Confidential Information" means (a) all confidential or proprietary information of a Party, including, without limitation, trade secrets, information concerning past, present and future research, development, business activities and affairs, finances, properties, methods of operation, processes and systems, customer lists, customer information (such as passenger name record or "PNR" data) and computer procedures and access codes; and (b) the terms and conditions of this Agreement and any reports, invoices or other communications between the Parties given in connection with the negotiation or performance of this Agreement; and (c) excludes (i) information already in a Party's possession prior to its disclosure by the other Party; (ii) information obtained from a third person or entity that is not prohibited from transmitting such information to the receiving Party as a result of a contractual, legal or fiduciary obligation to the Party whose information is being disclosed; (iii) information that is or becomes generally available to the public, other than as a result of disclosure by a Party in violation of this Agreement; or (iv) information that has been or is independently acquired or developed by a Party, or its Affiliate, without violating any of its obligations under this Agreement.

"Damages" means all claims, suits, causes of action, penalties, liabilities, judgments, fines, losses and expenses of any nature or kind whatsoever under the laws of any jurisdiction (whether arising in tort, contract, under the Warsaw Convention and related instrument, or otherwise), including reasonable costs and expenses of investigating, preparing or defending any claim, suit, action or proceeding (including post-judgment and appellate proceedings or proceedings that are incidental to the successful establishment of a right of indemnification), such as reasonable attorneys' fees and fees for expert witnesses, consultants and litigation support services, but not including internal expenses of the indemnified Party, such as employee salaries and the costs of cooperating in the investigation, preparation or defense of claims.

"Effective Date" means the date of this Agreement.

"Governmental Approvals" means all orders, permits, licenses, registrations, waivers, authorizations, exemptions, confirmations and approvals, including, without limitation, Antitrust Immunity, of any Competent Authorities which are necessary, or are reasonably considered by either Party to be material and appropriate to be obtained in connection with this Agreement and the transactions contemplated hereby.

"Implementation Date" means the date of the first Codeshared Flight.

"Marketing Carrier Ticket" means a ticket issued by the marketing carrier, operating carrier or a third party that contains at least one flight coupon showing the marketing carrier's code in the carrier code box of the flight coupon.

"Party or Parties" means either or both of American and Sabena, as the context requires.

"Representatives" means a Party's directors, officers, employees, or professional advisors.

"Sabena" means N.V. Sabena S.A., a corporation formed under the laws of Belgium.

COORDINATION AGREEMENT

This Coordination Agreement dated as of November 18, 1999 (the "Agreement") is made by and among AMERICAN AIRLINES, INC. ("American"), a Delaware corporation, SWISSAIR, SWISS AIR TRANSPORT COMPANY, LTD. ("Swissair"), a Swiss corporation, and N.V. SABENA S.A. ("Sabena"), a Belgian corporation (collectively, the "Parties").

W I T N E S S E T H

WHEREAS, American has entered into an Alliance Agreement with Swissair and an Alliance Agreement with Sabena, each of even date herewith (together, the "Alliance Agreements");

WHEREAS, each Alliance Agreement provides for commercial cooperation between American and the European airline signatory thereto, as described in such agreement; and

WHEREAS, the Parties view each Alliance Agreement as complementary to the other and wish to coordinate their respective activities under each Agreement with a view toward maximizing efficiencies overall.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the Parties agree as follows:

1. The Parties periodically shall meet (in person or by other means of communication, and with such frequency as they may agree) to:

1.1 exchange information regarding the activities undertaken, or planned to be undertaken, pursuant to the Alliance Agreements (or either of them) and to any agreement(s) ancillary thereto;

1.2 discuss the manner in which activities under one Alliance Agreement relate, or should relate, to activities under the other Alliance Agreement;

1.3 make recommendations regarding any coordination of activities between the Alliance Agreements that seems desirable and likely to achieve additional efficiencies from the enhancement of commercial cooperation and integration among the Parties; and

1.4 enter into agreements regarding coordination of activities among any or all of the Parties that further the cooperation and integration of their airline systems.

2. Any combination of the Parties may engage in conduct described in paragraph 1, it being understood, however, that nothing in this Agreement addresses or limits the ability of American and the European airline signatory to an Alliance Agreement to discuss and agree on matters within the purview of that Alliance Agreement.

3. The Parties shall not carry out this Agreement in a jurisdiction unless and until the Agreement is in compliance with all necessary government laws, regulations and requirements of that jurisdiction, including the securing of any governmental approvals.

4. This Agreement shall terminate upon termination of either Alliance Agreement.

5. This Agreement shall be governed by the laws of New York, without reference to the choice of law provisions thereof.

6. This Agreement may be executed in one or more counterparts all of which taken together will constitute one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the duly authorized representatives of the parties have executed this Agreement as of the date! first above written.

Swissair, Swiss Air Transport Company, Ltd.

By: _____
Name: Jeffrey G. Katz
Title: President and Chief Executive Officer

By: _____
Name: Michael Eggenschwiler
Title: Executive Vice President

American Airlines, Inc.

By: _____
Name: Arnold G. Grossman
Title: Vice P & i d & - International Affairs

N.V. Sabena S.A.

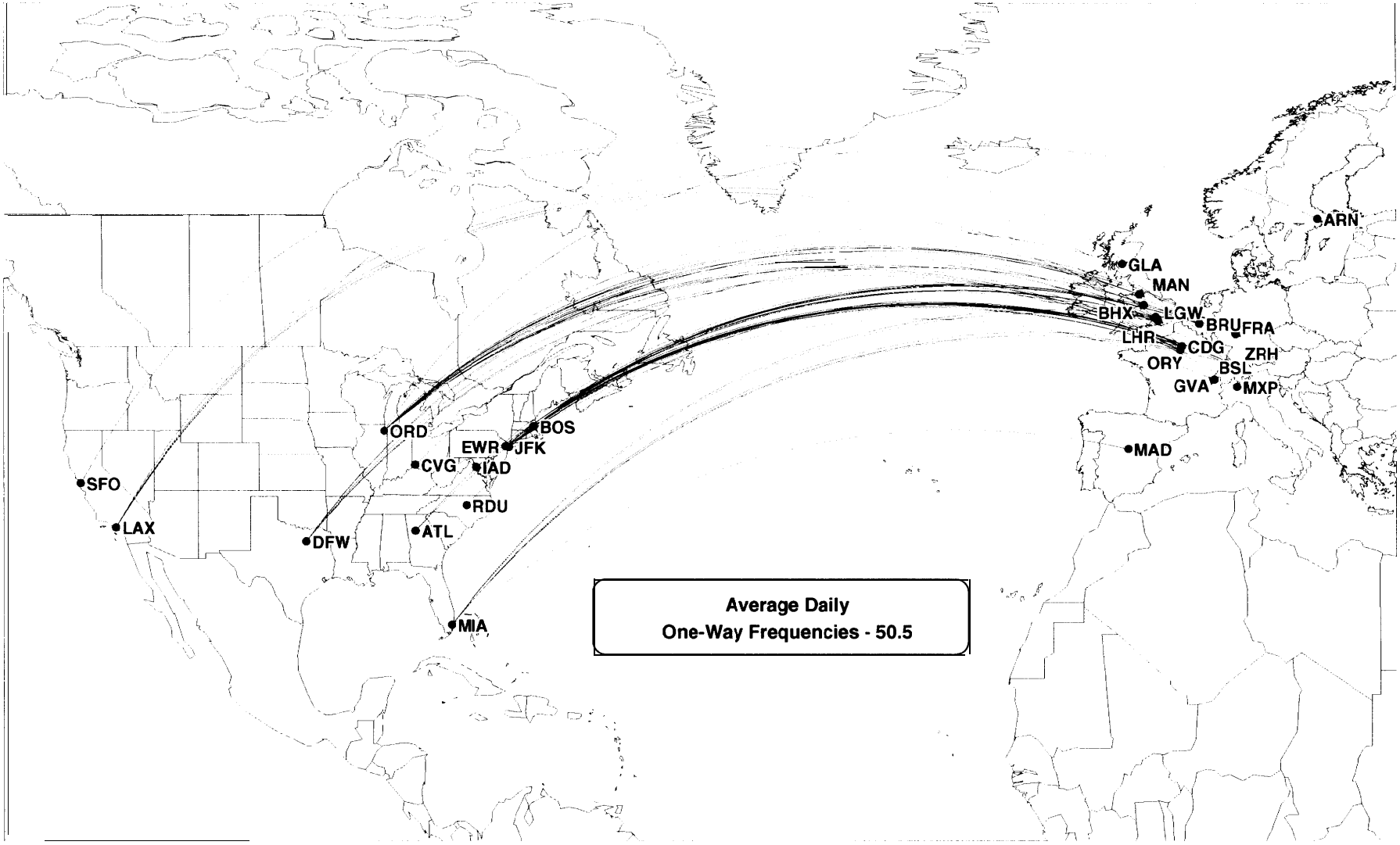
By: _____
Name : Paul Reutlinger
Title: President and Chief Executive Officer

By: _____
Name: Patrick du Bois
Title: Executive Vice President and Secretary General

American/Swissair/Sabena Global Network
November 1999

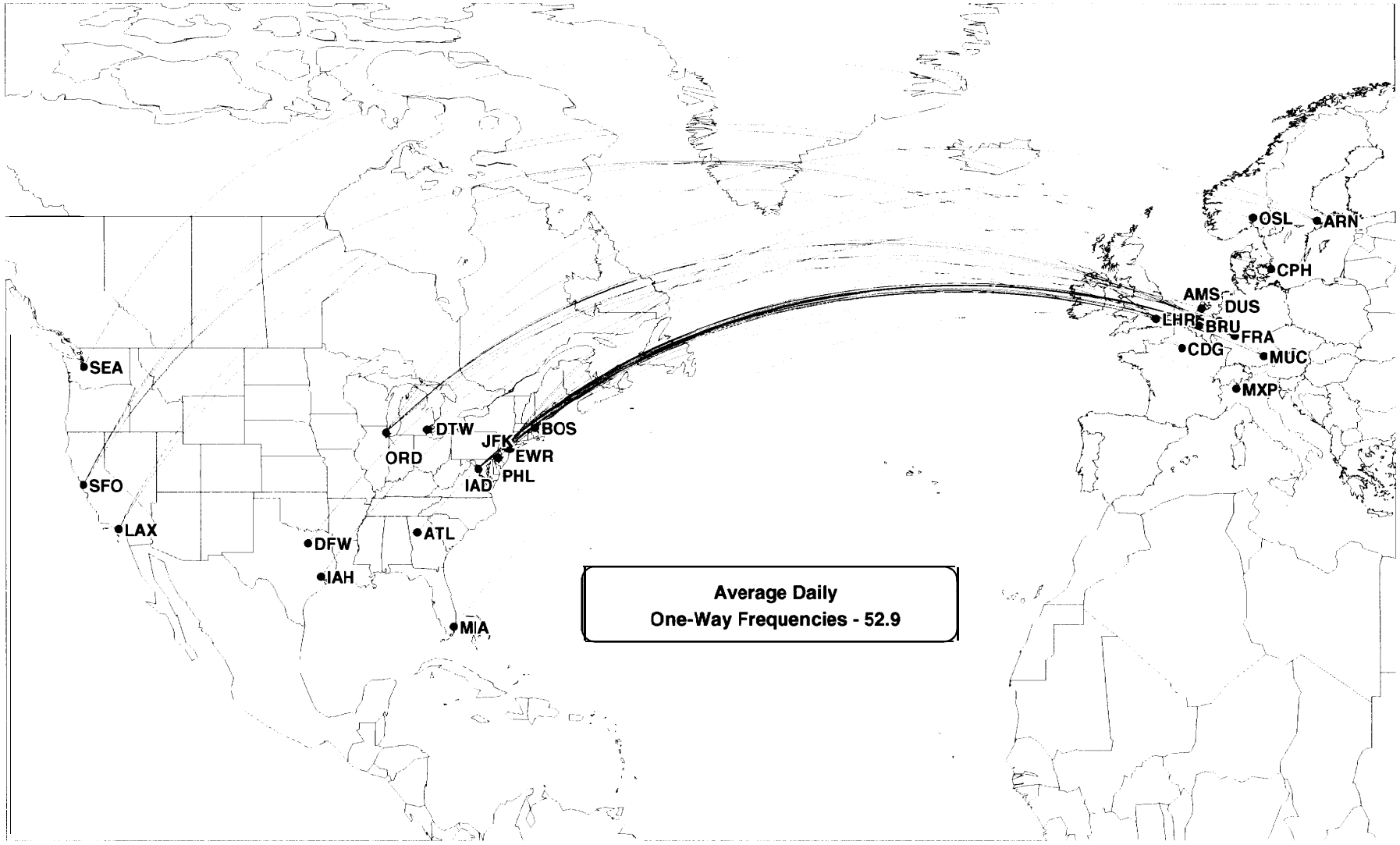
Source: Official Airline Guide
November 1999
as of November 8, 1999

American/Swissair/Sabena Nonstop Routes Between U.S. and Europe
Year 1999



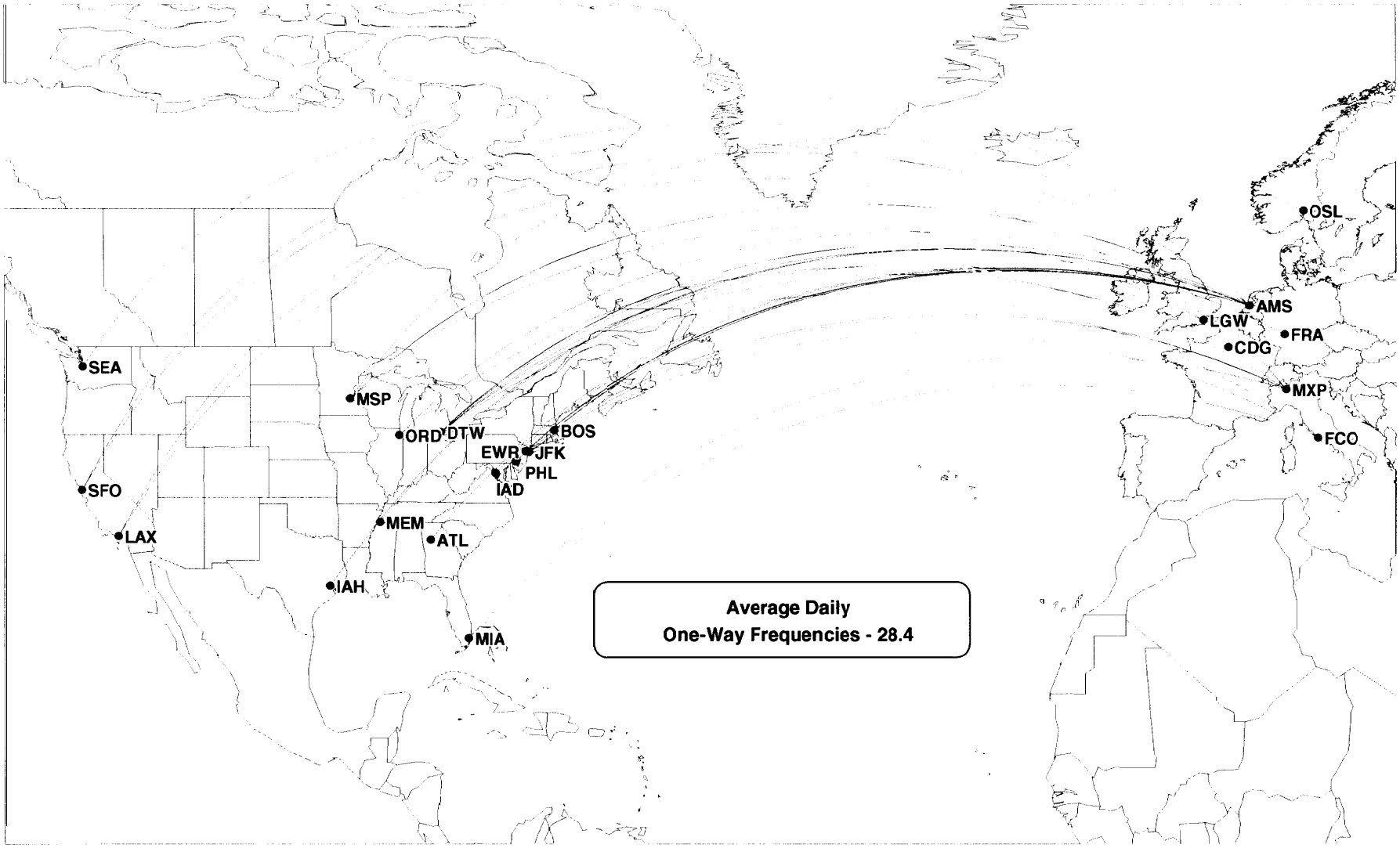
Source: Official Airline Guide
Calendar year 1999
as of October 16, 1999

United/Lufthansa/SAS Nonstop Routes Between U.S. and Europe
Year 1999



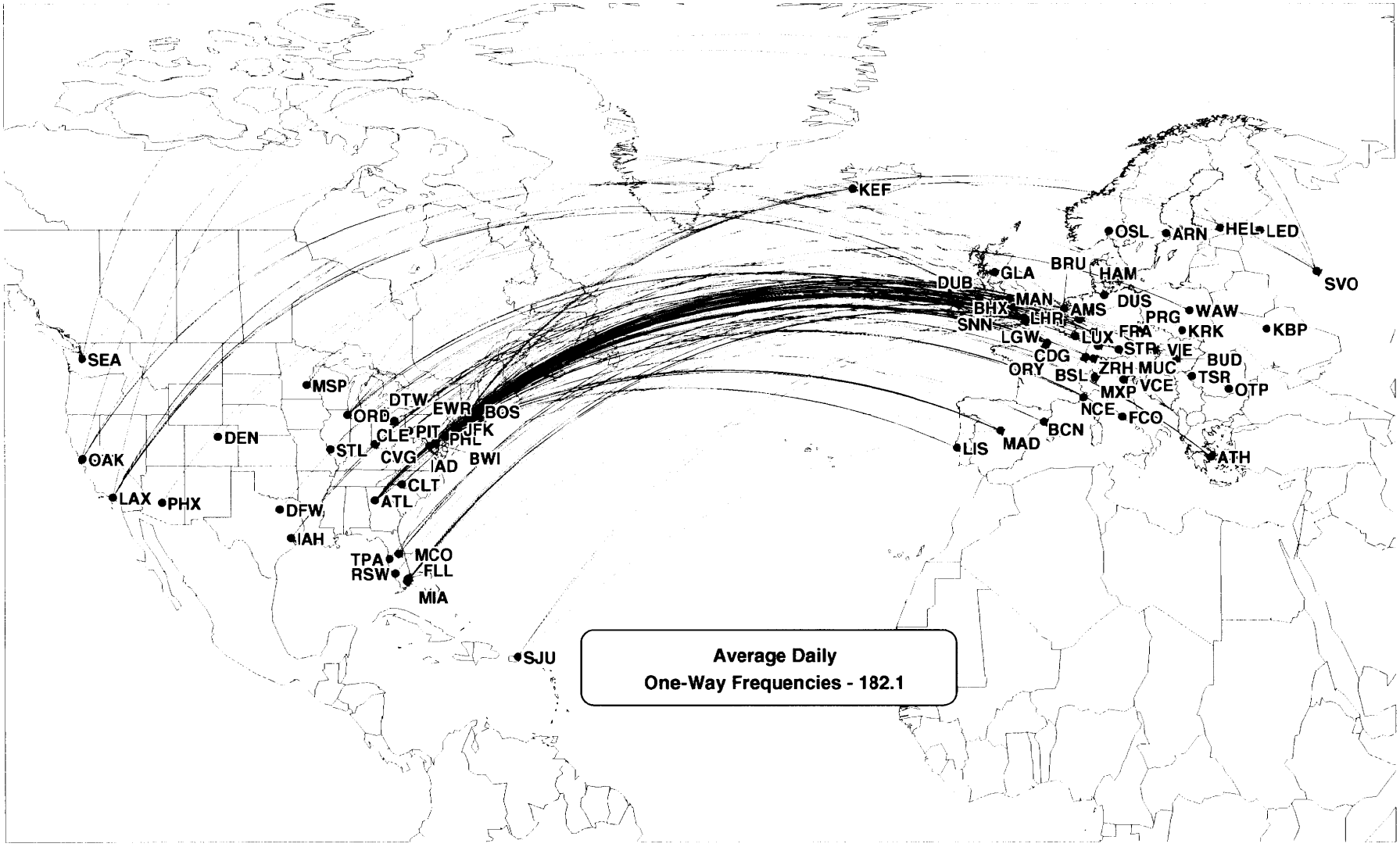
Source: Official Airline Guide
Calendar year 1999
as of October 16, 1999

Northwest/KLM/Alitalia Nonstop Routes Between U.S. and Europe
Year 1999



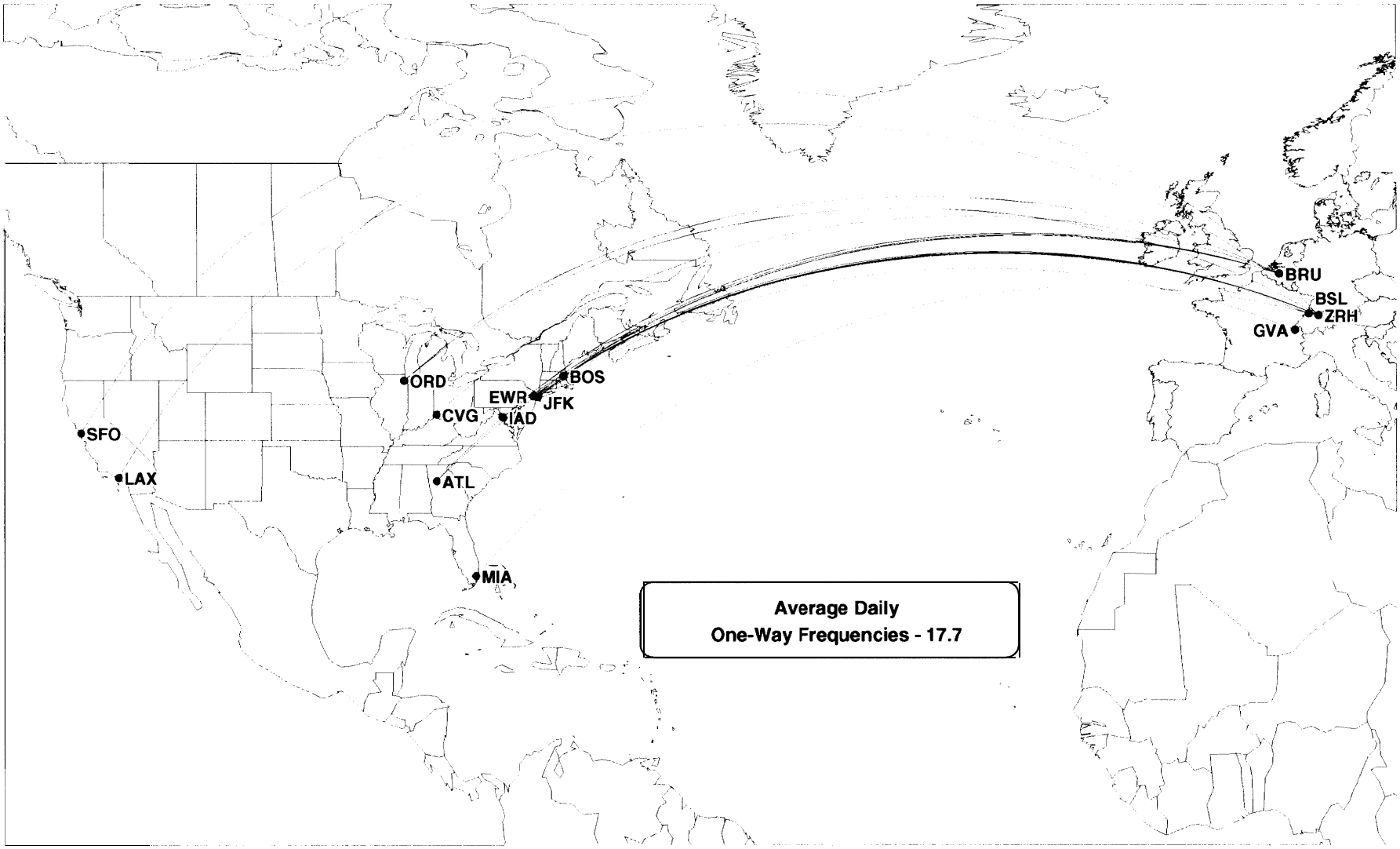
Source: Official Airline Guide
Calendar year 1999
as of October 16, 1999

Other Carrier Nonstop Routes Between U.S. and Europe
Year 1999



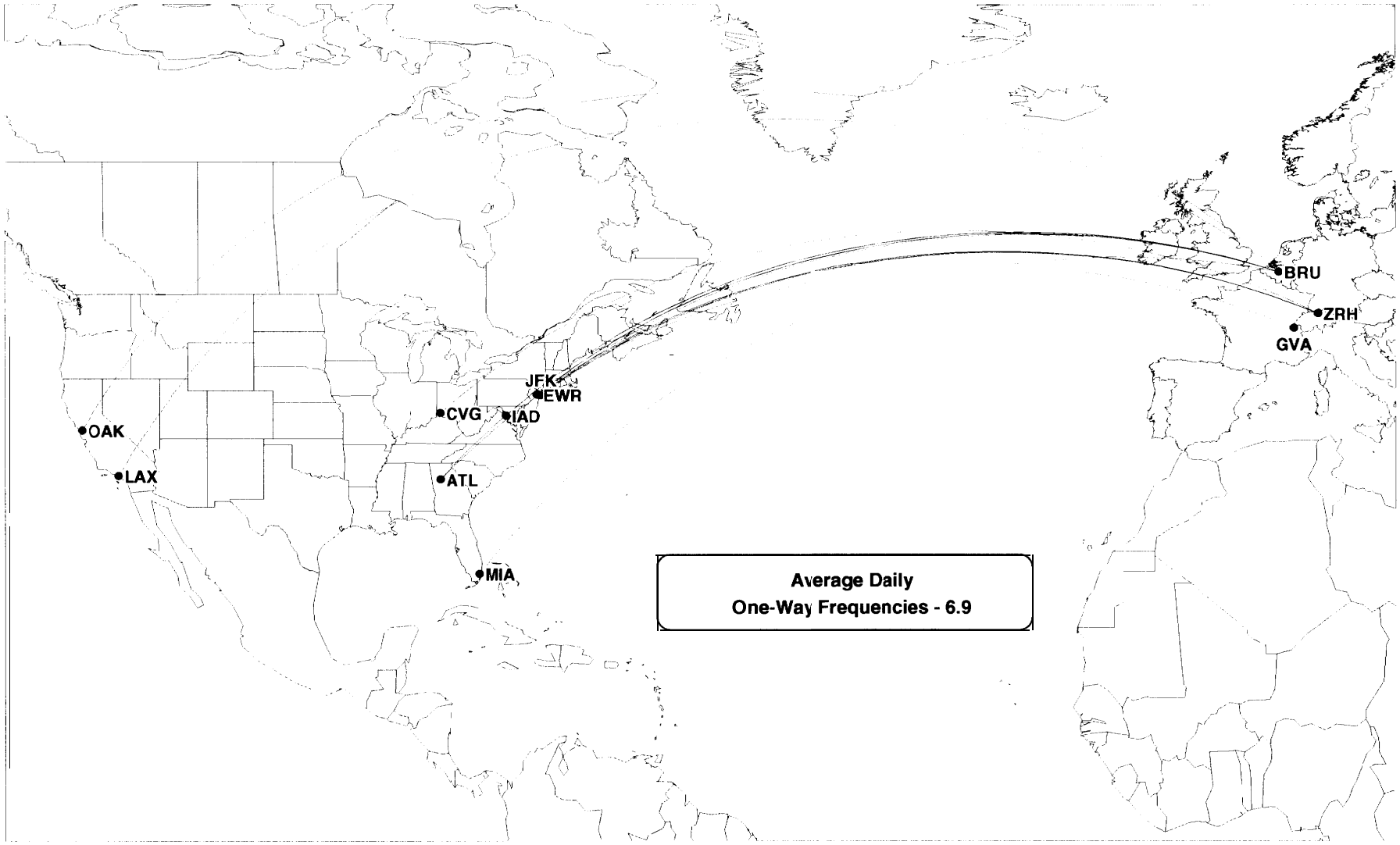
Source: Official Airline Guide
Calendar year 1999
as of October 16, 1999

American/Swissair/Sabena Nonstop Routes Between U.S. and Switzerland, and U.S. and Belgium
November 1999



Source: Official Airline Guide
November 1999
as of November 8, 1999

Other Carrier Nonstop Routes Between U.S. and Switzerland and U.S. and Belgium
November 1999

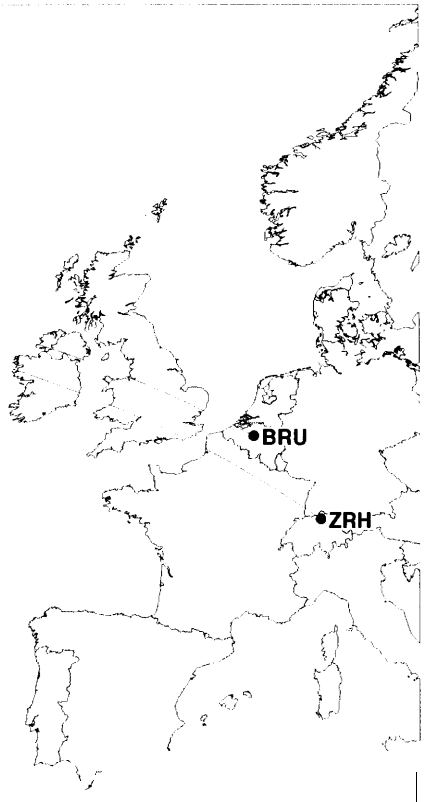


Source: Official Airline Guide
November 1999
as of November 8, 1999

Overlap Nonstop Routes Between American and Swissair/Sabena
November 1999

Operated by American and Sabena

Operated by American and Swissair



Source: Official Airline Guide
November 1999
as of November 8, 1999

Top 25 European Airports Ranked by Total Originating Passenger Bookings
12 Months Ending August 1999

Rank	Origin Station	Passenger Bookings	% Share	Home Carrier Alliance AA/SR/SN	NW/KL/AZ 1/	UA/LH/SK
1	London-Heathrow	17,918,983	8.0%			
2	Paris-Charles de Gaulle	10,658,690	4.8%			
3	Frankfurt	8,775,267	3.9%			X
4	Paris-Orly	7,415,720	3.3%			
5	Amsterdam	6,939,065	3.1%		X	
6	Madrid	6,582,715	3.0%			
7	Rome-Fiumicino	6,567,411	2.9%		X	
8	Munich	5,874,325	2.6%			X
9	London-Gatwick	5,147,365	2.3%			
10	Barcelona	4,741,332	2.1%			
11	**BRUSSELS**	**4,444,735**	**2.0%**	X		
12	Stockholm	4,155,187	1.9%			X
13	Dusseldorf	4,120,287	1.8%			X
14	Athens	3,998,246	1.8%			
15	**ZURICH**	**3,880,383**	**1.7%**	X		
16	Dublin	3,546,860	1.6%			
17	Berlin-Tegel	3,499,684	1.6%			X
18	Milan-Linate	3,388,117	1.5%			
19	Hamburg	3,195,229	1.4%			X
20	Manchester	3,054,294	1.4%			
21	Milan-Malpensa	3,038,482	1.4%			
22	Copenhagen	2,986,676	1.3%			X
23	Oslo	2,844,379	1.3%			X
24	Lisbon	2,650,927	1.2%			
25	Nice	2,565,618	1.2%			
	Other	90,747,238	40.7%			
	TOTAL	**222,737,215**	**100.0%**			

1/ Alitalia immunity pending (OST-99-5674)

Source: MIDT Interline Connections
September 1998 to August 1999
as of October 30, 1999

Top 25 European Airports Ranked by Originating Passenger Bookings to U.S.
12 Months Ending August 1999

Rank	Origin Station	Passenger Bookings	% Share	Home Carrier Alliance AA/SR/SN	NW/KL/AZ 1/	UA/LH/SK
1	London-Heathrow	2,956,402	15.6%			
2	Frankfurt	1,531,775	8.1%			X
3	London-Gatwick	1,472,519	7.8%			
4	Paris-Charles de Gaulle	1,464,914	7.7%			
5	Amsterdam	882,787	4.7%		X	
6	Rome-Fiumicino	596,542	3.2%		X	
7	Munich	568,105	3.0%			X
8	**ZURICH**	**470,615**	**2.5%**	X		
9	Madrid	469,633	2.5%			
10	Manchester	436,225	2.3%			
11	**BRUSSELS**	**388,441**	**2.1%**	**X**		
12	Dublin	387,213	2.0%			
13	Milan-Malpensa	353,223	1.9%		**X**	
14	Dusseldorf	345,068	1.8%			X
15	Athens	331,034	1.7%			
16	Hamburg	258,715	1.4%			X
17	Stuttgart	255,629	1.4%			X
18	Paris-Orly	246,942	1.3%			
19	Stockholm	245,246	1.3%			X
20	Shannon	234,913	1.2%			
21	Barcelona	234,077	1.2%			
22	Vienna	227,238	1.2%			
23	Berlin-Tegel	219,556	1.2%			X
24	Warsaw	209,062	1.1%			
25	**GENEVA**	**189,556**	**1.0%**	X		
	Other	3,955,331	20.9%			
	TOTAL	**18,930,761**	**100.0%**			

1/ Alitalia immunity pending (OST-99-5674)

Source: MIDT Interline Connections
September 1998 to August 1999
as of October 30, 1999

U.S.-Europe Origin and Destination Passenger Bookings by Carrier and Immunized Alliance
12 Months Ending August 1999

Carrier	Passenger Bookings	%Share
British Airways	5,570,583	14.7%
Delta	4,344,546	11.5%
United	3,702,842	9.8%
Lufthansa	2,977,259	7.9%
American	2,920,198	7.7%
Continental	2,439,178	6.4%
KLM	2,032,508	5.4%
Air France	1,948,113	5.1%
Virgin Atlantic	1,616,310	4.3%
Northwest	1,436,788	3.8%
US Airways	1,068,779	2.8%
Swissair	1,042,412	2.8%
Alitalia	950,917	2.5%
Aer Lingus	735,248	1.9%
TWA	604,737	1.6%
SAS	567,394	1.5%
Sabena	566,905	1.5%
Iberia	408,144	1.1%
All Other Carriers	2,875,129	7.6%
Total	**37,830,643**	100.0%

Immunized Alliance	Passenger Bookings	%Share
United/Lufthansa/SAS	7,247,495	19.2%
Delta/Swissair/Sabena/Austrian 1/	6,168,485	16.3%
American/Swissair/Sabena	4,529,515	12.0%
Northwest/KLM/Alitalia 2/	4,420,213	11.7%

1/ Delta/Swissair/Sabena/Austrian alliance due to terminate spring/summer 2000

2/ Alitalia immunity pending (OST-99-5674)

Source: MIDT Interline Connections
September 1998 to August 1999
as of October 30, 1999

U.S.-Switzerland Origin and Destination Passenger Bookings by Carrier
12 Months Ending August 1999

Carrier	Passenger Bookings	% Share
Swissair	689,836	46.6%
American	76,959	5.2%
Sabena	7,098	0.5%
AA/SR/SN Alliance	**773,893**	**52.3%**
Delta	193,692	13.1%
British Airways	137,245	9.3%
Lufthansa	113,811	7.7%
KLM	71,044	4.8%
Air France	47,250	3.2%
Continental	37,225	2.5%
United	31,346	2.1%
Northwest	28,514	1.9%
Other	46,273	3.1%
Total	**1,480,293**	**100.0%**

Source: MIDT Interline Connections
September 1998 to August 1999
as of October 30, 1999

U.S.-Belgium Origin and Destination Passenger Bookings by Carrier
12 Months Ending August 1999

Carrier	Passenger Bookings	% Share
Sabena	241,717	30.9%
American	74,453	9.5%
Swissair	2,701	0.3%
AA/SR/SN Alliance	**318,871**	**40.8%**
Delta	148,475	19.0%
United	121,334	15.5%
British Airways	59,860	7.7%
Continental	40,276	5.2%
KLM	29,383	3.8%
Air France	14,338	1.8%
Lufthansa	11,566	1.5%
Citybird	10,333	1.3%
Northwest	9,326	1.2%
Other	17,557	2.2%
Total	**781,319**	**100.0%**

Source: MIDT Interline Connections
September 1998 to August 1999
as of October 30, 1999

Chicago-Zurich Origin and Destination
Passenger Bookings by Carrier
12 Months Ending August 1999

Carrier	Passenger Bookings	% Share
Swissair	33,293	55.4%
American	13,733	22.8%
Delta	3,002	5.0%
Lufthansa	2,556	4.3%
British Airways	1,859	3.1%
United	1,212	2.0%
KLM	1,084	1.8%
Air France	978	1.6%
Air Canada	688	1.1%
Other	1,696	2.8%
Total	**60,101**	**100.0%**

Source: MIDT Interline Connections
September 1998 to August 1999
as of October 30, 1999

Chicago-Brussels Origin and Destination
Passenger Bookings by Carrier
12 Months Ending August 1999

Carrier	Passenger Bookings	% Share
Sabena	21,405	41.0%
American	19,246	36.9%
Delta	3,274	6.3%
United	2,793	5.4%
British Airways	1,597	3.1%
KLM	913	1.7%
Aer Lingus	582	1.1%
Lufthansa	558	1.1%
Continental	514	1.0%
Other	1,296	2.5%
Total	**52,178**	**100.0%**

Source: MIDT Interline Connections
September 1998 to August 1999
as of October 30, 1999

Local-Onboard vs. Flow-Onboard
Passenger Bookings on Overlap Routes
12 Months Ending August 1999

Onboard Passenger Bookings

Citv-Pair	Carrier	Total	Local	%Share	Flow	% Share
Chicago-Zurich	American	75,209	13,448	17.9%	61,761	82.1%
	Swissair	102,126	32,707	32.0%	69,419	68.0%
Chicago-Brussels	American	73,279	18,778	25.6%	54,501	74.4%
	Sabena	79,542	20,856	26.2%	58,686	73.8%

Source: MIDT Interline Connections
September 1998 to August 1999
as of October 30, 1999

Summary of New On-Line Airports and City-Pairs for American, Swissair, and Sabena

Carrier	Current On-Line Airports Served
Total American	240
Total Swissair	139
Total Sabena	98
American Only	212
Swissair Only	60
Sabena Only	28
American and Swissair Only	10
American and Sabena Only	1
Swissair and Sabena Only	52
American, Swissair, and Sabena	17
AA/SR/SN Alliance (unduplicated airports)	380

Carrier	New On-Line Airports Served	New On-Line City-Pairs Served
American connecting on Swissair and Sabena	140	33,600
Swissair connecting on American and Sabena	241	33,499
Sabena connecting on American and Swissair	282	27,636

Source: MIDT Interline Connections
September 1998 to August 1999
as of October 30, 1999

Summary of New On-Line Airports and City-Pairs for American, Swissair, and Sabena

Airports Served by American

Airport	Airport
Abilene, TX	Curacao, Netherlands Antililles
Acapulco, Mexico	Dallas/Fort Worth, TX
Albany, NY	Dallas-Love Field, TX
Albuquerque, NM	Dayton, OH
Alexandria, LA	Denver, CO
Amarillo, TX	Des Moines, IA
Anchorage, AK	Detroit, MI
Anguilla, West Indies	Dominica, West Indies
Antigua, West Indies	Dubuque, IA
Aruba, Aruba	Duluth, MN
Asuncion, Paraguay	El Paso, TX
Atlanta, GA	Evansville, IN
Austin, TX	Fayetteville, AR
Bakersfield, CA	Fort de France, Martinique
Baltimore, MD	Fort Lauderdale, FL
Bangor, ME	Fort Myers, FL
Barbados, Barbados	Fort Smith, AR
Barranquilla, Colombia	Fort Wayne, IN
Baton Rouge, LA	Frankfurt, Germany
Beaumont/Port Arthur, TX	Freeport, Bahamas
Belize City, Belize	Fresno, CA
Belo Horizonte, Brazil	George Town, Bahamas
Bermuda, Bermuda	Glasgow, United Kingdom
Birmingham, AL	Governor's Harbour, Bahamas
Birmingham, United Kingdom	Grand Cayman, Cayman Islands
Bloomington, IL	Grand Rapids, MI
Bogota, Colombia	Green Bay, WI
Boston, MA	Greensboro, NC
Brussels, Belgium	Greenville/Spartanburg, SC
Buenos Aires, Argentina	Grenada, Windward Islands
Buffalo, NY	Guadalajara, Mexico
Burbank, CA	Guatemala City, Guatemala
Burlington, VT	Guayaquil, Ecuador
Calgary, Canada	Halifax, Canada
Cali, Colombia	Harlingen, TX
Cancun, Mexico	Harrisburg, PA
Caracas, Venezuela	Hartford, CT
Casa de Campo, Dominican Republic	Honolulu, HI
Cedar Rapids/Iowa City, IA	Houston-Hobby, TX
Champaign, IL	Houston-Intercontinental, TX
Charlotte, NC	Huntsville, AL
Chicago-Midway, IL	Indianapolis, IN
Chicago-O'Hare, IL	Islip, NY
Cincinnati, OH	Jackson, MS
Cleveland, OH	Jacksonville, FL
College Station, TX	Kahului, HI
Colorado Springs, CO	Kalamazoo, MI
Columbus, OH	Kansas City, MO
Corpus Christi, TX	Key West, FL

Source: Official Airline Guide
as of November 3, 1999

Summary of New On-Line Airports and City-Pairs for American, Swissair, and Sabena

Airports Served by **American**

Airport	Airport
Killeen, TX	New York-LaGuardia, NY
Kingston, Jamaica	Newark, NJ
Knoxville, TN	Newburgh, NY
La Crosse, WI	Norfolk, VA
Lafayette, LA	Oakland, CA
Lake Charles, LA	Oklahoma City, OK
Lansing, MI	Omaha, NE
Laredo, TX	Ontario, CA
La Paz, Bolivia	Orange County, CA
Las Vegas, NV	Orlando, FL
Lawton, OK	Osaka, Japan
Leon, Mexico	Ottawa, Canada
Lima, Peru	Palm Springs, CA
Little Rock, AR	Panama City, Panama
London-Gatwick, United Kingdom	Paris-Charles de Gaulle, France
London-Heathrow, United Kingdom	Peoria, IL
Long Beach, CA	Philadelphia, PA
Longview, TX	Phoenix, AZ
Los Angeles, CA	Pittsburgh, PA
Los Cabos, Mexico	Pointe-A-Pitre, Guadaloupe
Louisville, KY	Ponce, Puerto Rico
Lubbock, TX	Port au Prince, Haiti
Madison, WI	Port of Spain, Trinidad
Madrid, Spain	Portland, ME
Managua, Nicaragua	Portland, OR
Manchester, United Kingdom	Presque Isle, ME
Manchester, NH	Providence, RI
Marathon, FL	Providenciales, Turks & Caicos
Marsh Harbour, Bahamas	Puerto Plata, Dominican Republic
Mayaguez, Puerto Rico	Puerto Vallarta, Mexico
McAllen, TX	Punta Cana, Dominican Republic
Memphis, TN	Quebec City, Canada
Mexico City, Mexico	Quito, Ecuador
Miami, FL	Raleigh/Durham, NC
Midland-Odessa, TX	Reno, NV
Milan-Malpensa, Italy	Richmond, VA
Milwaukee, WI	Rio de Janeiro, Brazil
Minneapolis/St. Paul, MN	Rochester, MN
Montego Bay, Jamaica	Rochester, NY
Monterey, CA	Sacramento, CA
Monterrey, Mexico	Salt Lake City, UT
Montevideo, Uruguay	San Angelo, TX
Montgomery, AL	San Antonio, TX
Montreal, Canada	San Diego, CA
Naples, FL	San Francisco, CA
Nashville, TN	San Jose, CA
Nassau, Bahamas	San Jose, Costa Rica
New Orleans, LA	San Juan, Puerto Rico
New York-Kennedy, NY	San Luis Obispo, CA

Source: Official Airline Guide
as of November 3, 1999

Summary of New On-Line Airports and City-Pairs for American, Swissair, and Sabena

Airports Sewed by American

Airport	Airport
San Pedro Sula, Honduras	
San Salvador, El Salvador	
Santa Barbara, CA	
Santa Cruz, CA	
Santiago, Chile	
Santiago, Dominican Republic	
Santo Domingo, Dominican Republic	
Sao Paolo, Brazil	
Sarasota, FL	
Seattle, WA	
Shreveport, IA	
South Bend, IN	
Springfield, IL	
Springfield, MO	
St. Croix, Virgin Islands	
St. Kitts, Leeward Islands	
St. Louis, MO	
St. Lucia, West Indies	
St. Maarten, Netherlands Antilles	
St. Thomas, Virgin Islands	
St. Vincent, Windward Islands	
Stockholm, Sweden	
Syracuse, NY	
Tampa, FL	
Tegucigalpa, Honduras	
Texarkana, AR	
Tobago, Trinidad	
Tokyo, Japan	
Toledo, OH	
Toronto, Canada	
Tortola, British Virgin Islands	
Traverse City, MI	
Tucson, AZ	
Tulsa, OK	
Tyler, TX	
Vancouver, Canada	
Waco, TX	
Washington-Dulles, DC	
Washington-National, DC	
West Palm Beach, FL	
White Plains, NY	
Wichita Falls, TX	
Wichita, KS	
Zurich, Switzerland	

Source: Official Airline Guide
as of November 3, 1999

Summary of New On-Line Airports and City-Pairs for American, Swissair, and Sabena

Airports Served by Swissair

Airport	Airport
Abidjan, Cote D'Ivoire	Hanover, Germany
Abu Dhabi, UAE	Helsinki, Finland
Accra, Ghana	Ho Chi Minh City, Vietnam
Amsterdam, Netherlands	Hong Kong, China
Ankara, Turkey	Istanbul, Turkey
Athens, Greece	Izmir, Turkey
Atlanta, GA	Jakarta, Indonesia
Baku, Azerbaijan	Jeddah, Saudi Arabia
Bangkok, Thailand	Johannesburg, South Africa
Barcelona, Spain	Karachi, Pakistan
Basel/Mulhouse, Switzerland	Kiev-Borispol, Ukraine
Beijing, China	Kinshasa, Congo
Beirut, Lebanon	Klagenfurt, Austria
Belgrade, Yugoslavia	Krakow, Poland
Benghazi, Libya	Lagos, Nigeria
Berlin-Tempelhof, Germany	Larnaca, Cyprus
Berne, Switzerland	Leipzig, Germany
Birmingham, United Kingdom	Libreville, Gabon
Bologna, Italy	Linz, Austria
Bordeaux, France	Lisbon, Portugal
Boston, MA	Ljubljana, Slovenia
Bremen, Germany	London-City, United Kingdom
Brussels, Belgium	London-Heathrow, United Kingdom
Bucharest, Romania	Los Angeles, CA
Budapest, Hungary	Lugano, Switzerland
Buenos Aires, Argentina	Luxembourg, Luxembourg
Cairo, Egypt	Lyon, France
Cape Town, South Africa	Madrid, Spain
Casablanca, Morocco	Malabo, Equatorial Guinea
Chicago-O'Hare, IL	Malaga, Spain
Cologne, Germany	Malta
Copenhagen, Denmark	Manchester, United Kingdom
Dar es Salaam, Tanzania	Manila, Philippines
Delhi, India	Marseille, France
Douala, Cameroon	Miami, FL
Dresden, Germany	Milan-Malpensa, Italy
Dubai, UAE	Montreal, Canada
Dublin, Ireland	Moscow, Russia
Dusseldorf, Germany	Muenster, Germany
Edinburgh, United Kingdom	Mumbai, India
Frankfurt, Germany	Munich, Germany
Friedrichshafen, Germany	Muscat, Oman
Geneva, Switzerland	Nairobi, Kenya
Genoa, Italy	New York-Kennedy, NY
Glasgow, United Kingdom	Newark, NJ
Gothenburg, Sweden	Nice, France
Graz, Austria	Nuremburg, Germany
Guernsey, United Kingdom	Osaka, Japan
Hamburg, Germany	Oslo, Norway

Source: Official Airline Guide
as of November 3, 1999

Summary of New On-Line Airports and City-Pairs for American, Swissair, and Sabena

Airports Served by Swissair

Airport	Airport
Palma de Mallorca, Spain	
Paris-Charles de Gaulle, France	
Porto, Portugal	
Prague, Czech Republic	
Rio de Janeiro, Brazil	
Riyadh, Saudi Arabia	
Rome-Fiumicino, Italy	
Salzburg, Austria	
San Francisco, CA	
Santiago, Chile	
Sao Paolo, Brazil	
Sarajevo, Bosnia Herzegovina	
Seville, Spain	
Shanghai, China	
Singapore, Singapore	
Skopje, Macedonia	
Sofia, Bulgaria	
St. Petersburg, Russia	
Stockholm, Sweden	
Stuttgart, Germany	
Taipei, Taiwan	
Tbilisi, Georgia	
Tehran, Iran	
Tel Aviv, Israel	
Thessaloniki, Greece	
Tirana, Albania	
Tokyo, Japan	
Toulouse, France	
Tripoli, Libya	
Tunis, Tunisia	
Turin, Italy	
Vaasa, Finland	
Valencia, Spain	
Venice, Italy	
Vienna, Austria	
Warsaw, Poland	
Washington-Dulles, DC	
Yauonde, Cameroon	
Yerevan, Armenia	
Zagreb, Croatia	
Zurich, Switzerland	

Source: Official Airline Guide
as of November 3, 1999

Summary of New On-Line Airports and City-Pairs for American, Sabena, and Swissair

Airports Sewed by Sabena

Airport	Airport
Abidjan, Cote D'Ivoire	Leeds, United Kingdom
Amsterdam, Netherlands	Linz, Austria
Antwerp, Belgium	Lisbon, Portugal
Athens, Greece	Ljubljana, Slovenia
Atlanta, GA	tome, Togo
Bamako, Mali	London-City, United Kingdom
Banjul, Gambia	Luanda, Angola
Beirut, Lebanon	Luxembourg, Luxembourg
Belfast, United Kindgom	Lyon, France
Berlin-Tempelhof, Germany	Madrid, Spain
Bilbao, Spain	Malaga, Spain
Billund, Denmark	Manchester, United Kingdom
Birmingham, United Kingdom	Marseille, France
Bologna, Italy	Milan-Linate, Italy
Bordeaux, France	Milan-Malpensa, Italy
Boston, MA	Montreal, Canada
Bremen, Germany	Moscow, Russia
Bristol, United Kingdom	Munich, Germany
Brussels, Belgium	Nairobi, Kenya
Budapest, Hungary	Nantes, France
Casablanca, Morocco	Naples, Italy
Catania, Italy	New York-Kennedy, NY
Chennai, India	Newark, NJ
Chicago-O'Hare, IL	Newcastle, United Kingdom
Cincinnati, OH	Nice, France
Conakry, Guinea	Nuremburg, Germany
Copenhagen, Denmark	Oslo, Norway
Cotonou, Benin	Ouagadougou, Burkina Faso
Dakar, Senegal	Palma de Mallorca, Spain
Douala, Cameroon	Paris-Charles de Gaulle, France
Dublin, Ireland	Paris-Orly, France
Dusseldorf, Germany	Porto, Portugal
Edinburgh, United Kingdom	Prague, Czech Republic
Entebbe, Uganda	Salzburg, Austria
Faro, Portugal	Seville, Spain
Florence, Italy	Stockholm, Sweden
Frankfurt, Germany	Strasbourg, France
Geneva, Switzerland	Stuttgart, Germany
Glasgow, United Kingdom	Tel Aviv, Israel
Gothenburg, Sweden	Tokyo, Japan
Hamburg, Germany	Toulouse, France
Hanover, Germany	Turin, Italy
Helsinki, Finland	Valencia, Spain
Ilha do Sal, Cape Verde	Venice, Italy
Istanbul, Turkey	Verona, Italy
Johannesburg, South Africa	Vienna, Austria
Kigali, Rwanda	Warsaw, Poland
Kinshasa, Congo	Washington-Dulles, DC
Lagos, Nigeria	Yaounde, Cameroon

Source: Official Airline Guide
as of November 3, 1999

Top 100 Swissair Origin and Destination Markets to and from U.S.
12 Months Ending August 1999

Rank	U.S. Gateway	Non-US. Endpoint	Passenger Bookings
1	New York-Kennedy	Zurich	98,531
2	New York-Kennedy	Geneva	59,635
3	Newark	Zurich	46,194
4	Boston	Zurich	40,391
5	Newark	Basel/Mulhouse	30,629
6	Atlanta	Zurich	17,888
7	Boston	Geneva	8,803
8	Boston	Athens	7,521
9	Los Angeles	Geneva	7,458
10	Boston	Tel Aviv	7,224
11	New York-Kennedy	Paris-Charles de Gaulle	5,595
12	Washington-Dulles	Geneva	5,572
13	New York-Kennedy	Basel/Mulhouse	5,144
14	New York-Kennedy	Bombay	4,527
15	Chicago-OHare	Athens	4,505
16	New York-Kennedy	Athens	4,411
17	New York-Kennedy	New Delhi	4,359
18	Newark	Geneva	4,295
19	San Francisco	Basel/Mulhouse	3,739
20	Boston	Munich	3,504
21	Boston	Basel/Mulhouse	3,413
22	Boston	New Delhi	3,380
23	Boston	Rome-Fiumicino	3,328
24	Boston	Istanbul	3,294
25	Atlanta	Tel Aviv	3,181
26	Los Angeles	Basel/Mulhouse	3,142
27	Boston	Bombay	3,071
28	Chicago-OHare	Rome-Fiumicino	2,938
29	Los Angeles	Budapest	2,772
30	Boston	Vienna	2,581
31	Atlanta	Geneva	2,434
32	Washington-Dulles	Athens	2,406
33	New York-Kennedy	Cairo	2,349
34	Boston	Stuttgart	2,284
35	Newark	Tirana	2,234
36	Washington-Dulles	New Delhi	2,190
37	Chicago-OHare	Bombay	2,170
38	New York-Kennedy	Rome-Fiumicino	2,134
39	Washington-Dulles	Bombay	2,029
40	New York-Kennedy	Barcelona	2,017
41	New York-Kennedy	Dusseldorf	2,011
42	Washington-Dulles	Basel/Mulhouse	1,908
43	Boston	Milan-Malpensa	1,898
44	Washington-Dulles	Budapest	1,868
45	Chicago-OHare	Basel/Mulhouse	1,815
46	Washington-Dulles	Rome-Fiumicino	1,794
47	Atlanta	Bombay	1,764
48	New York-Kennedy	Frankfurt	1,739
49	Washington-Dulles	Ankara	1,709
50	Boston	Nice	1,692

Source: MIDT interline Connections
September 1998 to August 1999
as of November 11, 1999

Top 100 Swissair Origin and Destination Markets *to* and from U.S.
12 Months Ending August 1999

Rank	U.S. Gateway	Non-U.S. Endpoint	Passenger Bookings
51	Washington-Dulles	Cairo	1,679
52	Newark	Rome-Fiumicino	1,626
53	New York-Kennedy	Budapest	1,619
54	Boston	Milan-Linate	1,600
55	Newark	Barcelona	1,588
56	Newark	Milan-Malpensa	1,563
57	San Francisco	P&is-Charles de Gaulle	1,538
58	Newark	Skopje	1,518
59	Boston	Paris-Charles de Gaulle	1,505
60	Los Angeles	Paris-Charles de Gaulle	1,479
61	Atlanta	Athens	1,463
62	Chicago-OHare	Budapest	1,445
63	Newark	Lugano	1,443
64	Boston	Madrid	1,421
65	Newark	Prague	1,415
66	Los Angeles	Athens	1,376
67	Atlanta	Basel/Mulhouse	1,360
68	Atlanta	Rome-Fiumicino	1,326
69	Boston	Lyon	1,299
70	Newark	Budapest	1,255
71	Boston	Berlin-Tegel	1,212
72	Boston	Moscow	1,204
73	Atlanta	New Delhi	1,198
74	New York-Kennedy	Accra	1,165
75	Newark	Belgrade	1,157
76	Chicago-OHare	New Delhi	1,124
77	Newark	Athens	1,123
78	Boston	Prague	1,114
79	Newark	Paris-Charles de Gaulle	1,107
80	Boston	Barcelona	1,072
81	Chicago-OHare	Barcelona	1,038
82	New York-Kennedy	Belgrade	1,036
83	Newark	Berlin-Tegel	1,033
84	Washington-D&s	Paris-Charles de Gaulle	1,031
85	Boston	Budapest	1,030
86	Atlanta	Milan-Malpensa	1,010
87	New York-Kennedy	Abidjan	996
88	San Francisco	Rome-Fiumicino	987
89	Los Angeles	Dusseldorf	969
90	Washington-Dulles	Abidjan	955
91	Boston	Innsbruck	952
92	Boston	Tirana	949
93	New York-Kennedy	Genoa	942
94	Chicago-OHare	Paris-Charles de Gaulle	938
95	San Francisco	Frankfurt	924
96	Los Angeles	Rome-Fiumicino	903
97	Boston	Turin	889
98	San Francisco	Dusseldorf	871
99	Boston	Dusseldorf	855
100	Newark	Nice	841

Source: MIDT Interline Connections
September 1998 to August 1999
as of November 11, 1999

Top 100 Sabena Origin and Destination Markets to and from U.S.
12 Months Ending August 1999

Rank	U.S. Gateway	Non-US. Endpoint	Passenger Bookings
1	New York-Kennedy	Brussels	62,477
2	Newark	Brussels	38,478
3	Boston	Brussels	26,415
4	Chicago-OHare	Brussels	21,405
5	Atlanta	Brussels	13,221
6	Cincinnati	Brussels	11,998
7	New York-Kennedy	Florence	6,072
8	New York-Kennedy	Berlin-Tempelhof	5,597
9	Newark	Dusseldorf	5,315
10	Chicago-OHare	Tel Aviv	4,739
11	New York-Kennedy	Hamburg	3,905
12	New York-Kennedy	Tel Aviv	3,397
13	Miami	Brussels	3,365
14	Newark	Paris-Charles de Gaulle	3,275
15	Boston	Florence	3,185
16	Newark	Munich	3,170
17	Newark	Stuttgart	3,098
18	Newark	Frankfurt	3,003
19	New York-Kennedy	Dusseldorf	2,920
20	New York-Kennedy	Rome-Fiumicino	2,915
21	Chicago-OHare	Rome-Fiumicino	2,868
22	Boston	Dusseldorf	2,767
23	Boston	Rome-Fiumicino	2,748
24	Newark	Hamburg	2,723
25	New York-Kennedy	Marseille	2,703
26	Newark	Berlin-Tempelhof	2,624
27	Newark	Florence	2,488
28	New York-Kennedy	Venice	2,485
29	New York-Kennedy	Lisbon	2,352
30	Newark	Lyon	2,332
31	Chicago-OHare	Munich	2,307
32	New York-Kennedy	Milan-Linate	2,292
33	Boston	Munich	2,214
34	New York-Kennedy	Naples	2,200
35	New York-Kennedy	Munich	2,173
36	New York-Kennedy	Hanover	2,151
37	Boston	Paris-Charles de Gaulle	2,140
38	Chicago-OHare	Stuttgart	2,108
39	New York-Kennedy	Athens	2,032
40	New York-Kennedy	Bologna	2,015
41	Chicago-OHare	Dusseldorf	2,010
42	Newark	Barcelona	2,009
43	Chicago-OHare	Paris-Charles de Gaulle	1,956
44	Newark	Rome-Fiumicino	1,954
45	Boston	Naples	1,933
46	Newark	Marseille	1,925
47	New York-Kennedy	Lagos	1,872
48	New York-Kennedy	Lyon	1,868
49	New York-Kennedy	Paris-Charles de Gaulle	1,819
50	New York-Kennedy	Conakry	1,754

Source: MIDT Interline Connections
September 1998 *to* August 1999
as of *November* 11, 1999

Top 100 Sabena Origin and Destination Markets to and from U.S.
12 Months Ending August 1999

Rank	U.S. Gateway	Non-U.S. Endpoint	Bookings
51	New York-Kennedy	Barcelona	1,736
52	New York-Kennedy	Stuttgart	1,736
53	Boston	Hamburg	1,714
54	New York-Kennedy	Paris-Orly	1,702
55	Chicago-OHare	Hamburg	1,681
56	Newark	Hanover	1,670
57	New York-Kennedy	Istanbul	1,664
58	New York-Kennedy	Bordeaux	1,643
59	Boston	Marseille	1,633
60	Boston	Berlin-Tempelhof	1,623
61	Newark	Amsterdam	1,622
62	Boston	Venice	1,601
63	New York-Kennedy	Nice	1,601
64	Boston	Amsterdam	1,599
65	Chicago-OHare	Budapest	1,554
66	New York-Kennedy	Amsterdam	1,553
67	Boston	Stuttgart	1,550
68	Chicago-OHare	Florence	1,550
69	New York-Kennedy	Frankfurt	1,530
70	Chicago-OHare	Lagos	1,455
71	Newark	Lisbon	1,441
72	Chicago-Of-fare	Berlin-Tempelhof	1,417
73	Cincinnati	Rome-Fiumicino	1,391
74	Atlanta	Rome-Fiumicino	1,388
75	New York-Kennedy	Nantes	1,292
76	Chicago-OHare	Madrid	1,273
77	Newark	Lagos	1,251
78	Chicago-OHare	Amsterdam	1,220
79	Newark	Bologna	1,211
80	New York-Kennedy	Turin	1,211
81	Newark	Madrid	1,203
82	Atlanta	Tel Aviv	1,201
83	Boston	Madrid	1,176
84	Boston	Milan-Linate	1,170
85	Boston	Geneva	1,157
86	Chicago-OHare	Frankfurt	1,156
87	Chicago-OHare	Hanover	1,145
88	Chicago-OHare	Barcelona	1,120
89	Boston	Nice	1,112
90	Atlanta	Florence	1,111
91	Boston	Lisbon	1,099
92	Newark	Milan-Linate	1,091
93	Cincinnati	Paris-Charles de Gaulle	1,090
94	New York-Kennedy	Toulouse	1,089
95	Newark	Naples	1,070
96	Atlanta	Lagos	1,058
97	Newark	Nairobi	1,055
98	Boston	Barcelona	1,044
99	Newark	Venice	1,035
100	Boston	Tel Aviv	1,020

Source: MIDT Interline Connections
September 1998 to August 1999
as of November 11, 1999

Top 25 Swissair Origin and Destination Markets with a U.S. Endpoint by Carrier with Greater than a 10% Share 12 Months Ending August 1999

Rank	Origin	Destination	Alliance/Carrier	Passenger Bookings	Share	Passenger Bookings	Share
1	New York-Kennedy	Zurich	AA/SR/SN Alliance			99,922	68.2%
			Swissair	98,751	67.4%		
			American	763	0.5%		
			Sabena	408	0.3%		
			Delta			16,064	11.0%
			Other			30,526	20.8%
			Total			146,512	100.0%
2	New York-Kennedy	Geneva	AA/SR/SN Alliance			60,900	58.8%
			Swissair	59,635	57.5%		
			American	808	0.8%		
			Sabena	457	0.4%		
			Delta			14,225	13.7%
			British Airways			11,122	10.7%
			Other			17,402	16.8%
			Total			103,649	100.0%
3	Newark	Zurich	AA/SR/SN Alliance			47,090	63.5%
			Swissair	46,194	62.3%		
			American	532	0.7%		
			Sabena	364	0.5%		
			Continental			11,479	15.5%
			Other			15,573	21.0%
			Total			74,142	100.0%
4	Los Angeles	Zurich	AA/SR/SN Alliance			51,202	59.4%
			Swissair	44,999	52.2%		
			American	6,168	7.2%		
			Sabena	35	0.0%		
			Other			34,954	40.6%
			Total			86,156	100.0%
5	Boston	Zurich	AA/SR/SN Alliance			41,701	73.7%
			Swissair	40,391	71.4%		
			American	974	1.7%		
			Sabena	336	0.6%		
			Other			14,878	26.3%
			Total			56,579	100.0%
6	San Francisco	Zurich	AA/SR/SN Alliance			42,310	57.6%
			Swissair	38,409	52.3%		
			American	3,895	5.3%		
			Sabena	6	0.0%		
			Other			31,137	42.4%
			Total			73,447	100.0%
7	Chicago	Zurich	AA/SR/SN Alliance			47,381	78.8%
			Swissair	33,293	55.4%		
			American	13,733	22.8%		
			Sabena	355	0.6%		
			Other			12,720	21.2%
			Total			60,101	100.0%
8	Newark	Basel Mulhouse	AA/SR/SN Alliance			30,876	76.7%
			Swissair	30,629	76.1%		
			Sabena	171	0.4%		
			American	76	0.2%		
			Other			9,394	23.3%
			Total			40,270	100.0%

Source: MIDT interline Connections
September 1998 to August 1999
as of October 30, 1999

Top 25 Swissair Origin and Destination Markets with a U.S. Endpoint by Carrier with Greater than a 10% Share
12 Months Ending August 1999

Rank	Origin	Destination	Alliance/Carrier	Passenger Bookings	Share	Passenger Bookings	Share
9	Washington-Dulles	Zurich	AA/SR/SN Alliance			20,111	60.0%
			Swissair	20,100	59.9%		
			Sabena	6	0.0%		
			American	5	0.0%		
			Delta			5,357	16.0%
			Other			8,072	24.1%
			Total			33,540	100.0%
10	Atlanta	Zurich	AA/SR/SN Alliance			18,234	57.9%
			Swissair	17,888	56.8%		
			American	202	0.6%		
			Sabena	144	0.5%		
			Delta			10,339	32.9%
			Other			2,893	9.2%
			Total			31,466	100.0%
11	Orlando	Zurich	AA/SR/SN Alliance			17,342	58.3%
			Swissair	15,609	52.5%		
			American	1,716	5.8%		
			Sabena	17	0.1%		
			Delta			5,627	18.9%
			British Airways			3,203	10.8%
			Other			3,582	12.0%
			Total			29,754	100.0%
12	Miami	Zurich	AA/SR/SN Alliance			15,027	31.4%
			Swissair	10,144	21.2%		
			American	4,867	10.2%		
			Sabena	16	0.0%		
			Lufthansa			10,059	21.0%
			British Airways			8,764	18.3%
			Other			13,940	29.2%
			Total			47,790	100.0%
13	Boston	Geneva	AA/SR/SN Alliance			10,474	47.0%
			Swissair	8,803	39.5%		
			Sabena	1,157	5.2%		
			American	514	2.3%		
			British Airways			3,753	16.8%
			Lufthansa			2,587	11.6%
			Other			5,483	24.6%
			Total			22,297	100.0%
14	Boston	Athens	Olympic			17,246	35.0%
			AA/SR/SNAlliance			8,916	18.1%
			Swissair	7,521	15.3%		
			American	1,040	2.1%		
			Sabena	355	0.7%		
			Lufthansa			7,251	14.7%
			Other			15,826	32.1%
			Total			49,239	100.0%

Source: MIDT Interline Connections
September 1998 to August 1999
as of October 30, 1999

Top 25 Swissair Origin and Destination Markets with a U.S. Endpoint by Carrier with Greater than a 10% Share
12 Months Ending August 1999

Rank	Origin	Destination	Alliance/Carrier	Passenger Bookings	Share	Passenger Bookings	Share
15	Los Angeles	Geneva	AA/SR/SN Alliance			7,905	29.7%
			Swissair	7,458	28.0%		
			American	402	1.5%		
			Sabena	45	0.2%		
			British Airways			6,059	22.8%
			Lufthansa			3,378	12.7%
			Air France			3,092	11.6%
			KLM			2,996	11.3%
			Other			3,183	12.0%
			Total			26,613	100.0%
16	Boston	Tel Aviv	AA/SR/SN Alliance			10,173	21.5%
			Swissair	7,224	15.3%		
			Sabena	1,020	2.2%		
			American	1,929	4.1%		
			British Airways			9,267	19.6%
			El Al			9,124	19.3%
			Other			18,665	39.5%
			Total			47,229	100.0%
17	Fort Myers	Zurich	AA/SR/SN Alliance			7,251	69.1%
			Swissair	7,156	68.2%		
			American	85	0.8%		
			Sabena	10	0.1%		
			Delta			2,724	25.9%
			Other			523	5.0%
			Total			10,498	100.0%
18	New York-Kennedy	Tel Aviv	Tower			245,021	40.7%
			El Al			174,430	28.9%
			TWA			86,228	14.3%
			AA/SR/SN Affiance			14,997	2.5%
			Swissair	7,113	1.2%		
			American	4,487	0.7%		
			Sabena	3,397	0.6%		
			Other			81,971	13.6%
			Total			602,647	100.0%
19	Las Vegas	Zurich	AA/SR/SN Alliance			9,007	66.0%
			Swissair	6,672	48.9%		
			American	2,328	17.1%		
			Sabena	7	0.1%		
			Delta			2,010	14.7%
			Other			2,632	19.3%
			Total			13,649	100.0%
20	Denver	Zurich	AA/SR/SN Alliance			8,095	52.0%
			Swissair	6,401	41.1%		
			American	1,683	10.8%		
			Sabena	11	0.1%		
			Delta			2,492	16.0%
			Other			4,982	32.0%
			Total			15,569	100.0%

Source: MIDT interline Connections
September 1998 to August 1999
as of October 30, 1999

Top 25 Swissair Origin and Destination Markets with a U.S. Endpoint by Carrier with Greater than a 10% Share
12 Months Ending August 1999

Rank	Origin	Destination	Alliance/Carrier	Passenger Bookings	Share	Passenger Bookings	Share
21	Tampa	Zurich	AA/SR/SN Alliance			7,004	53.8%
			Swissair	6,123	47.0%		
			American	881	6.8%		
			Sabena	12	0.1%		
			Delta			3,471	26.7%
			Other			2,546	19.6%
			Total			13,021	100.0%
22	San Diego	Zurich	AA/SR/SN Alliance			8,571	55.1%
			Swissair	5,965	38.4%		
			American	2,588	16.7%		
			Sabena	18	0.1%		
			British Airways			2,376	15.3%
			Delta			2,325	15.0%
			Other			2,271	14.6%
			Total			15,543	100.0%
23	New York-Kennedy	Paris-Charles de Gaulle	Air France			224,584	45.7%
			Delta			87,681	17.9%
			Tower Air			62,688	12.8%
			TWA			53,733	10.9%
			AA/SR/SN Alliance			8,565	1.7%
			Swissair	5,595	1.1%		
			Sabena	1,819	0.4%		
			American 1/	1,151	0.2%		
			Other			53,686	10.9%
			Total			490,937	100.0%
24	Washington-Dulles	Geneva	AA/SR/SN Alliance			5,595	23.8%
			Swissair	5,572	23.7%		
			American	12	0.1%		
			Sabena	11	0.0%		
			United			3,615	15.4%
			Lufthansa			3,509	15.0%
			British Airways			3,457	14.7%
			Delta			3,117	13.3%
			Air France			2,385	10.2%
			Other			1,787	7.6%
			Total			23,465	100.0%
25	San Francisco	Geneva	AA/SR/SN Alliance			5,366	22.7%
			Swissair	5,263	22.3%		
			American	78	0.3%		
			Sabena	25	0.1%		
			British Airways			4,773	20.2%
			Lufthansa			4,031	17.1%
			Air France			2,737	11.6%
			KLM			2,422	10.3%
			United			2,418	10.2%
			Other			1,875	7.9%
			Total			23,622	100.0%

1/ American shifted Paris operations from Orly to Charles de Gaulle in October 1999.

Source: MIDT Interline Connections
September 1998 to August 1999
as of October 30, 1999

Top 25 Sabena Origin and Destination Markets with a U.S. Endpoint by Carrier with Greater than a 10% Share
12 Months Ending August 1999

Rank	Origin	Destination	Alliance/Carrier	Passenger Bookings	Share	Passenger Bookings	Share
1	New York-Kennedy	Brussels	AA/SR/SNAlliance			64,361	52.4%
			Sabena	62,477	50.9%		
			American	1,424	1.2%		
			Swissair	460	0.4%		
			Delta			30,196	24.6%
			other			28,200	23.0%
			Total			**122,757**	**100.0%**
2	Newark	Brussels	AA/SR/SNAlliance			39,634	53.7%
			Sabena	38,478	52.1%		
			American	806	1.1%		
			Swissair	350	0.5%		
			Continental			16,567	22.4%
			Delta			8,395	11.4%
			Other			9,271	12.6%
			TOW			**73,867**	**100.0%**
3	Boston	Brussels	AA/SR/SNAlliance			28,106	65.0%
			Sabena	26,415	61.1%		
			American	1,371	3.2%		
			Swissair	320	0.7%		
			Delta			6,702	15.5%
			Other			8,428	19.5%
			Total			**43,236**	**100.0%**
4	Chicago	Brussels	AA/SR/SNAlliance			40,745	78.1%
			Sabena	21,405	41.0%		
			American	19,246	36.9%		
			Swissair	94	0.2%		
			other			11,433	21.9%
			Total			**52,178**	**100.0%**
5	Atlanta	Brussels	Delta			16,548	47.4%
			AA/SR/SN Alliance			13,649	39.1%
			Sabena	13,221	37.9%		
			American	383	1.1%		
			Swissair	45	0.1%		
			Other			4,724	13.5%
			Total			**34,921**	**100.0%**
6	Cincinnati	Brussels	AA/SR/SNAlliance			13,037	55.1%
			Sabena	11,998	50.7%		
			American	1,030	4.4%		
			Swissair	9	0.0%		
			Delta			9,955	42.1%
			Other			680	2.9%
			Total			**23,672**	**100.0%**
7	Orlando	Brussels	AA/SR/SN Alliance			7,581	36.4%
			Sabena	6,231	29.9%		
			American	1,335	6.4%		
			Swissair	15	0.1%		
			Delta			5,356	25.7%
			United			3,285	15.8%
			Other			4,589	22.1%
			Total			**20,811**	**100.0%**

Source: MIDT Interline Connections
September 1998 to August 1999
as of October 30, 1999

Top 25 Sabena Origin and Destination Markets with a U.S. Endpoint by Carrier with Greater than a 10% Share 12 Months Ending August 1999

Rank	Origin	Destination	Alliance/Carrier	Passenger Bookings	Share	Passenger Bookings	Share
8	New York-Kennedy	Florence	Alitalia			10,367	34.1%
			Air France			7,119	23.4%
			AA/SR/SN Alliance			6,237	20.5%
			Sabena	6,072	20.0%		
			American	115	0.4%		
			Swissair	50	0.2%		
			other			6,676	22.0%
			Total			30,399	100.0%
9	New York-Kennedy	Berlin-Tempelhof	Delta			6,599	53.5%
			AA/SR/SN Alliance			5,713	46.3%
			Sabena	5,597	45.4%		
			Swissair	113	0.9%		
			American	3	0.0%		
			other			18	0.1%
			Total			12,330	100.0%
10	Newark	Dusseldorf	Lufthansa			70,148	46.7%
			Continental			56,826	37.8%
			AA/SR/SNAlliance			6,364	4.2%
			Sabena	5,315	3.5%		
			Swissair	789	0.5%		
			American	260	0.2%		
			Other			16,949	11.3%
			Total			150,287	100.0%
11	Chicago	Tel Aviv	El A!			37,203	46.4%
			AA/SR/SNAlliance			10,396	13.0%
			Sabena	4,739	5.9%		
			Swissair	3,705	4.6%		
			American	1,952	2.4%		
			Lufthansa			9,890	12.3%
			other			22,699	28.3%
			Total			80,188	100.0%
12	San Francisco	Brussels	United			13,204	35.7%
			AA/SR/SNAlliance			7,833	21.2%
			Sabena	3,988	10.8%		
			American	3,345	9.0%		
			Swissair	500	1.4%		
			British Airways			5,280	14.3%
			Other			10,698	28.9%
			Total			37,015	100.0%
13	New York-Kennedy	Hamburg	Lufthansa			18,507	27.3%
			British Airways			10,064	14.9%
			Air France			8,131	12.0%
			Delta			7,767	11.5%
			Icelandair			7,295	10.8%
			AA/SR/SNAlliance			6,112	9.0%
			Sabena	3,905	5.8%		
			American	1,252	1.8%		
			Swissair	955	1.4%		
			other				0.0%
			Total			67,753	100.0%
14	Los Angeles	Brussels	AA/SR/SNAlliance			9,854	22.8%
			American	5,903	13.7%		
			Sabena	3,632	8.4%		
			Swissair	319	0.7%		
			United			8,649	20.0%
			British Airways			6,205	14.4%
			Citybird			4,601	10.6%
			Other			13,926	32.2%
			Total			43,235	100.0%

Source: MIDT Interline Connections
September 1998 to August 1999
as of October 30, 1999

Top 25 Sabena Origin and Destination Markets with a U.S. Endpoint by Carrier with Greater than a 10% Share
12 Months Ending August 1999

Rank	Origin	Destination	Alliance/Carrier	Passenger Bookings	share	Passenger Bookings	Share
15	New York-Kennedy	Tel Aviv	Tower			245,021	40.7%
			El Al			174,430	28.9%
			TWA			86,228	14.3%
			AA/SR/SN Alliance			14,997	2.5%
			Swissair	7,113	1.2%		
			American	4,487	0.7%		
			Sabena	3,397	0.6%		
			Other			81,971	13.6%
			Total			602,647	100.0%
16	Miami	Brussels	AA/SR/SN Alliance			6,900	25.3%
			American	3,516	12.9%		
			Sabena	3,365	12.4%		
			Swissair	19	0.1%		
			British Airways			3,801	14.0%
			Citybird			3,443	12.6%
			United			3,246	11.9%
			other			9,843	36.1%
			TOW			27,233	100.0%
17	Newark	Paris-Charles de Gaulle	Continental			123,981	47.0%
			Air France			105,194	39.9%
			AA/SR/SN Alliance			4,495	1.7%
			Sabena	3,275	1.2%		
			Swissair	1,107	0.4%		
			American 1/	113	0.0%		
			Other			30,257	11.5%
			Total			263,927	100.0%
la	Boston	Florence	Alitalia			3,736	31.7%
			AA/SR/SN Alliance			3,324	28.2%
			Sabena	3,185	27.0%		
			American	128	1.1%		
			Swissair	11	0.1%		
			Lufthansa			1,822	15.4%
			Air France			1,789	15.2%
			Other			1,133	9.6%
			Total			11,804	100.0%
19	Newark	Munich	Lufthansa			65,220	71.7%
			AA/SR/SN Alliance			3,962	4.4%
			Sabena	3,170	3.5%		
			Swissair	616	0.7%		
			American	176	0.2%		
			Other			21,736	23.9%
			Total			90,918	100.0%
20	Newark	Stuttgart	Lufthansa			5,723	29.4%
			AA/SR/SN Alliance			3,495	17.9%
			Sabena	3,098	15.9%		
			Swissair	272	1.4%		
			American	125	0.6%		
			British Airways			2,150	11.0%
			Other			8,109	41.6%
			TOW			19,477	100.0%
21	Newark	Frankfurt	Continental			56,825	41.6%
			Lufthansa			53,211	39.0%
			AA/SR/SN Alliance			4,564	3.3%
			Sabena	3,003	2.2%		
			American	905	0.7%		
			Swissair	656	0.5%		
			Other			21,893	16.0%
			Total			136,493	100.0%

Source: MIDT Interline Connections
September 1998 to August 1999
as of October 30, 1999

Top 25 Sabena Origin and Destination Markets with a U.S. Endpoint by Carrier with Greater than a 10% Share 12 Months Ending August 1999

Rank	Origin	Destination	Alliance/Carrier	Passenger Bookings	Share	Passenger Bookings	Share
22	New York-Kennedy	Dusseldorf	British Airways			12,346	27.3%
			Lufthansa			6,053	13.4%
			Delta			5,504	12.2%
			Air France			5,238	11.6%
			AA/SR/SN Alliance			4,931	10.9%
			Sabena	2,920	6.5%		
			Swissair	2,011	4.5%		
			other			11,100	24.6%
			TOW			45,172	100.0%
23	New York-Kennedy	Rome-Fiumicino	Alitalia			115,918	42.3%
			Delta			49,396	18.0%
			TWA			48,614	17.8%
			AA/SR/SN Alliance			6,253	2.3%
			Sabena	2,915	1.1%		
			Swissair	2,134	0.8%		
			American	1,204	0.4%		
			other			53,560	19.6%
			Total			273,741	100.0%
24	Chicago	Rome-Fiumicino	Alitalia			16,188	25.1%
			British Airways			9,793	15.2%
			Lufthansa			7,862	12.2%
			AA/SR/SN Alliance			7,695	11.9%
			Swissair	2,938	4.6%		
			Sabena	2,868	4.4%		
			American	1,889	2.9%		
			Other			22,975	35.6%
			Total			64,513	100.0%
25	Boston	Dusseldorf	Lufthansa			6,699	26.7%
			British Airways			4,575	18.3%
			AA/SR/SN Alliance			4,170	16.7%
			Sabena	2,767	11.0%		
			Swissair	855	3.4%		
			American	548	2.2%		
			Continental			2,652	10.6%
			Other			9,599	38.3%
			Total			25,043	100.0%

1/ American shifted Paris operations from Orly to Charles de Gaulle on October 1, 1999.

Source: MIDT Interline Connections
September 1998 to August 1999
as of October 30, 1999

Share of Departures to U.S. at European Hub Airports by Immunized Alliance
12 Months Ending August 1999

Immunized Alliance 1/	Hub Airport	% Share of Departures to U.S.
United/Lufthansa/SAS 2/	Copenhagen	100.0%
	Frankfurt	60.0%
Northwest/KLM/Alitalia 3/	Amsterdam	70.5%
	Milan-Malpensa	47.2%
	Rome-Fiumicino	26.7%
American/Swissair/Sabena 4/	Zurich	79.4%
	Brussels	61.6%
Delta/Swissair/Sabena/Austrian 5/	Zurich	86.1%
	Brussels	71.1%
	Vienna	98.1%

1/ Mainline carriers, and majority owned subsidiaries only

2/ Includes Lufthansa Cityline and Condor Flugdienst

3/ Includes Transavia, KLM UK, KLM Cityhopper, Eurofly, Alitalia Express. Alitalia immunity pending (OST-99-5674)

4/ Includes Sobelair, Crossair, Balair

5/ Includes Sobelair, Crossair, Balair, Tyrollean, Austrian Air Transport. Delta/Swissair/Sabena/Austrian alliance due to terminate spring/summer 2000

Source: Official Airline Guide
September 1998 to August 1999
as of November 12, 1999

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document by first-class mail on all persons named on the attached service list.

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November 19, 1999

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