

ASIANA AIRLINES and ANA to enter Equity Partnership

- strategic partnership strengthened across the board -

SEOUL, May 30, 2007 At a press conference held in Seoul this morning, ASIANA AIRLINES and ANA (All Nippon Airways) announced a cross-shareholding agreement as part of their strategic alliance to strengthen bilateral ties across the board.

The scope and level of cooperation was agreed by a specially commissioned task force team, following months of preparation that resulted from the signing of a memorandum of understanding by the CEOs of both companies on December 5, 2006.

Speaking at the press conference, ASIANA President Mr. Joo-an Kang said, We are delighted to be here and reveal the next step in our relationship with fellow Star Alliance partner, ANA. What we have announced today will bolster our respective route networks and create synergies for improved profitability and greater customer satisfaction. And the mutual holding of shares in each other's company is a symbol of our commitment to work ever more closely together to the benefit of our passengers.

ANA President and CEO, Mineo Yamamoto, who with Mr. Kang signed the agreement on behalf of both companies, added, ASIANA has been a valued partner of ANA since 1990, and we share similar ideals, histories and service ethos. It is our sincere wish that this new stage in our partnership will serve the needs of customers travelling between both nations and, while bringing commercial advantages to ASIANA and ANA, further the friendly ties between the people of Korea and Japan.

Collaboration will extend to the following areas:

Cross-shareholding

Each company will take a US\$12,000,000 stake in the other.

Code-sharing

One of the first decisions of the task-force team was to implement an extension of the existing ASIANA-ANA code-sharing agreement to all 18 Korea-Japan routes operated

by both companies - 154 flights per week - in February this year. In a further move, from July 1 this year, ANA operated international flights between Narita and Honolulu will begin carrying the ASIANA flight code. The companies first began code-sharing on passenger flights between Seoul and Japan in 2000, and on also on all freighter flights between the two countries in March 2005.

Sales and Marketing

The two companies will begin preparations for a future 'triangle service' between Seoul Gimpo, Tokyo Haneda and Shanghai Hongqiao, to provide added convenience to passengers and contribute to a more active exchange between the three countries. To further increase revenue, ASIANA and ANA also will fortify joint corporate sales efforts and share mid and long term corporate goals.

Operations and Airport Services

Cooperation at the 19 overseas airports served by both ASIANA and ANA to explore avenues to reduce costs and improve airport services. The airlines will also share information on spare parts at major overseas gateways, and create a system to support each other in case operational irregularities or emergencies should arise.

Purchasing

Joint purchasing of fuel in designated regions, and exchange of related information.

In-flight Services

Joint cabin crew training and co-development of in-flight materials and entertainment programmes in both Korean and Japanese.

Human Resources

Exchange of personnel and joint training programs where deemed mutually beneficial.

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