

CWT info

Eschborn, 29 May 2008

Lufthansa and SWISS raise prices and introduce Preferred Fares program

Two options for CWT customers starting 1 July 2008

Dear Sir or Madam:

Deutsche Lufthansa and SWISS will launch a new fare structure in ticket sales as of 1 July 2008 (see also CWT info from 21 January 2008 and 17 March 2008). As of 1 July 2008, Lufthansa and SWISS will raise their standard fares, offering a Preferred Fares program as an alternative. Travel agencies will have to pass the resulting costs on to their end customers.

CWT customers will in future have **two options**:

1. Decline the Lufthansa and SWISS Preferred Fares program

If a customer decides against the Preferred Fares program, the higher standard fares valid starting 1 July will be booked. Compared to today's fares, the price increase amounts to 15 EUR for a one-way ticket and 30 EUR for a round-trip ticket. The CWT fees will continue to be charged as per contract.

2. Participate in the Lufthansa and SWISS Preferred Fares program, with a CWT Preferred Flat Fee

Only by participating in the Preferred Fares program can customers book flights at the preferred prices (the fares valid today without the price increase). All online fares available today are likewise accessible via the Preferred Fares program. The new flight-booking process for Lufthansa and SWISS involves an additional fee per coupon issued, for a maximum of six coupons, which must ultimately be paid by the end customer. This model entails extra processing and a higher degree of complexity for both the travel agency and the customer.

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CWT has therefore come up with the innovative solution of offering its customers a CWT Preferred Flat Fee. This fee is charged per document, regardless of the number of coupons. The CWT Preferred Flat Fee will be included as a third-party charge in CWT's fees. The flat fee will be 13.10 EUR plus VAT and is thus below the standard fare surcharge on each one-way or round-trip ticket assessed as of 1 July 2008 for those not participating in the Preferred Fares program.

Advantages of the CWT Preferred Flat Fee:

The CWT Preferred Flat Fee reduces complexity, makes the booking process more transparent and helps save money. Cost savings are realized since no extra fees are charged per coupon. In addition, the flat fee makes it easier for our customer support agents to compare fares and calculate the total price. This allows them to help customers faster, saving time, providing greater transparency and lowering processing costs. The CWT Preferred Flat Fee cuts processing time and extra costs to benefit both the customer and CWT.

With these advantages in mind, we recommend that our customers participate in the Preferred Fares program with the CWT Preferred Flat Fee. Should Lufthansa and SWISS decide to reduce their Preferred Fare fee, we will of course adjust our flat fee accordingly. If you have any questions, please ask your CWT contact person.

Yours sincerely,

Your Carlson Wagonlit Travel Team