



## News

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Hamburg, 5 May 2017

### **Lufthansa presents another excellent result at its annual general meeting and looks toward a digital future**

- **Carsten Spohr: “Lufthansa Group is on its way forward.”**
- **Strategic reorientation of the group is showing results**
- **Modernization and digitalization are being promoted rigorously**

“The figures are good: we are presenting one of the best results in Lufthansa history again this year. Our strategic reorientation is picking up steam and we have resolved the major labour disputes. Lufthansa Group is on its way forward,” says Carsten Spohr, Chairman of the Executive Board of Deutsche Lufthansa AG.

#### **Executive Board and Supervisory Board recommend dividend of 50 cents per share**

In 2016, the Lufthansa Group generated an Adjusted EBIT of 1.75 billion euros and a consolidated result of 1.8 billion euros, with sales of 31.7 billion euros. The free cash-flow was up by 36.5 percent compared to the previous year, in part due to delays in aircraft delivery. With a minus of 19 percent, net indebtedness was significantly decreased. And measured in EACC (Earnings after Capital Cost), the Lufthansa Group created 817 million euros worth of lasting value in the past fiscal year.

For these reasons, the Executive Board and the Advisory Board have recommended a dividend of 50 euro-cents per share again this year. This translates to a payout of 234 million euros and a dividend yield of 4.1 percent, relative to the year-end closing price of Lufthansa shares. Just as in the previous year, the shareholders are being offered the choice of receiving their dividends in the form of shares. “The capital market also appreciates our success: In the last twelve months Lufthansa shares raised by 28 percent,” Spohr emphasizes.

#### **Strategic reorientation is showing results**

The strategic reorientation has made additional progress. There have been important successes in all three strategic pillars – network airlines, point-to-point airlines and aviation services. The company has achieved a very good result again in 2016 and welcomed 110 million passengers on board – a new record.

The network airlines with their premium positioning have played a major part in this. Products and services have been improved thanks to massive investments and have been very well received by our customers. At the same time, the biggest fleet overhaul in the

history of the company, updated collective bargaining agreements and standardized processes made it possible for our airlines to reduce their costs. The further expansion of joint ventures and cooperations ensure profitability and market share on long-haul routes and further improve the choices available to customers. 70 percent of our long-haul revenue is generated in joint ventures.

Eurowings remains the growth engine of the Lufthansa Group and will be taking off and landing at twelve bases this year, with 160 aircraft. This has made Eurowings the third-largest airline in European point-to-point traffic in a very short time.

The service companies are leaders in their respective markets. With profitable growth, they are a stable counterbalance to the airlines, allowing the group to achieve its best results since 2008 in Q1 2017, in spite of weaker results for the network airlines.

We are consistently promoting digitalization in all three business areas of the Group. For example: By the end of this year, 180 short- and medium-haul aircraft will have broadband internet access. Lufthansa Technik is currently working on a 'digital twin' – fully reproducing an aircraft in the maintenance systems. "Digitalization is one of our keys to the future. Our goal is an integrated mobility concept that is tailored to the particular wishes of our customers. By 2020 we will have invested 500 million euros into the creation and development of personalized digital products for the airlines," Spohr says.

### **Outlook for 2017**

In the current fiscal year, the Lufthansa Group expects a result slightly below the performance of 2016, in part due to uncertain geopolitical developments and rising fuel prices. This puts the focus on cost-cutting measures – in addition to profitable growth. "Our goal is not only to allow the Lufthansa Group to compete more successfully, but also to shape the future of the airline industry and expand our leading role," Spohr says.

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