CONTRACT FOR THE PURCHASE OF PARTS OF AIR BERLIN GROUP SIGNED

News / Airlines, Finance



- **Lufthansa Group acquires NIKI and Luftfahrtgesellschaft Walter**
- **Purchase is subject to approval by the competition authorities**
- **Purchasing price of approximately 210 million euros agreed on**

After intense negotiations over the past few weeks, Deutsche Lufthansa AG and the Air Berlin Group have signed a contract today regarding the purchase of NIKI Luftfahrt GmbH (NIKI) and Luftfahrtgesellschaft Walter mbH (LGW).

These two carriers are projected to increase the capacity of the operational fleet at Eurowings as follows:

LGW with 870 employees, as well as 17 Bombardier Dash 8 Q400 and 13 Airbus A320 aircraft
NIKI with 830 employees, as well as 20 Airbus A320 type aircraft

This means that the wet-lease operation that is currently still provided for Eurowings by Air Berlin Group will be taken over by Eurowings' own operational fleet. Eurowings also plans to acquire additional aircraft on the market and hire 1,300 more employees.

Eurowings remains the fastest-growing airline in Europe

"Our strategic modernization initiatives have paid off. We have regained the capacity to invest and

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grow, in order to play an active role in the consolidation of the European airline market with Eurowings. As the fastest-growing airline in Europe, Eurowings can now expand the range of services it offers customers," says Carsten Spohr, Chairman of the Board of Directors at Deutsche Lufthansa AG.

Eurowings expands its market position in Germany and Europe

The fleet marketed by Eurowings (program fleet) is projected to grow from 160 to 210 aircraft with the finalization of the transaction and purchase of additional aircraft, with 189 short- and medium-haul aircraft and 21 long-haul aircraft, making Eurowings the third-largest in European point-to-point traffic. The number of flight operations will grow to a total of eight, including the aircraft operated by TUIfly and Sun Express on a wet-lease basis. With its platform concept, Eurowings is oriented towards the integration of flight operations and is predestined to actively advance the consolidation of the European aviation market.

At the same time, the number of employees is expected to grow from currently around 7,000 to roughly 10,000. Eurowings has approximately 50 new short-haul and medium-haul connections planned for the summer of 2018 and – not related to the transaction with Air Berlin – additional long-haul connections in North Rhine-Westphalia, Berlin and Munich. The airline will be growing particularly strongly at these locations. Eurowings is anticipating a total of 80,000 additional flights and 12 million additional passengers per year. This would increase the point-to-point traffic sales volume of the Lufthansa Group by up to 40 percent. Eurowings is expanding its competitive position in the German and European market with this. It will be able to produce at competitive costs with the acquired capacity and generate positive profit contributions as soon as the integration is complete.

The finalization of the transaction is subject to approval by the relevant committees and the competition authorities. Lufthansa expects the transaction to be finalized by the end of the year.

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