

## **Lufthansa Technik and MTU Aero Engines launch MRO joint venture EME Aero**

- **The JV company will be based in Poland**
- **Capacity to be over 400 shop visits of geared turbofan engines per year**

Munich, December 5, 2017 – Lufthansa Technik and MTU Aero Engines have set up a joint venture for the maintenance, repair and overhaul (MRO) of geared turbofan engines, with each of the partners holding a stake of 50 percent in the new company. The name of the new JV is Engine Maintenance Europe, or EME Aero for short. The contract, which followed up on an agreement on the general principles of the cooperation signed in February 2017, was finalized by the two companies on December 4.

EME Aero sp. z o.o. will be based in Poland and will have a workforce of 800 employees in the future. The two parties to the joint venture will invest a total amount of around 150 million euros by 2020. The company will be headed up by project manager Derrick Siebert (CEO) from Lufthansa Technik and by Dr. Uwe Zachau (COO), his counterpart at MTU Aero Engines. The facility is slated to be up and running in 2020. The planned annual capacity is over 400 shop visits of PW1000G-series geared turbofans, which power the Airbus A320neo family of aircraft and other airliners. The two joint venture partners MTU and Lufthansa Technik have raised their forecast for the number of employees and the annual shop visits over the past few months.

Says Derrick Siebert: “With this project we have taken the big challenge to get EME Aero up and running in a short time. Without our combined project team, unifying the strengths of both stakeholders, it would not have been possible to achieve this milestone on schedule. For us it is a tremendous motivation to push this project of providing maintenance for an entirely new generation of commercial engines in Europe to a successful start.” Uwe Zachau adds: “The launch of the company marks a key milestone for us. Over the coming two years, we’ll have to tackle an ambitious ramp-up plan for our joint shop. We are very confident that with our excellent team, made up of colleagues from both shareholders, we’ll successfully solve this challenge.”

MTU Aero Engines has already gained very positive experience with setting up a company in Poland. MTU Aero Engines Polska, a subsidiary of MTU Aero Engines, opened shop in 2009. In 2013, work on an expansion of the facility commenced. MTU’s Polish facility, based in Rzeszów, carries out development and production activities and is responsible for the assembly of the low-pressure turbine for PW1000G-series engines, a capability it added to its portfolio in early 2015.



**Lufthansa Technik**

For Lufthansa Technik, the new JV is the second big move in stepping up its activities in Poland: In September 2017, the foundation stone was laid in Środa Śląska for its joint venture company with engine manufacturer GE Aviation that will overhaul GEnx-2B engines and, later on, GE9X engines. Lufthansa Technik has many years of experience maintaining Pratt & Whitney engines. In July 2016, Lufthansa Technik became a member of the MRO network for the U.S. engine maker's geared turbofan (GTF). The network offers the full range of MRO services for PW1000G engines. This additional business has no impact on the workload at Lufthansa Technik's existing facilities.

Lufthansa Technik and MTU have been partnering in a 50-50 joint venture in Malaysia since 2003. Airfoil Services Sdn. Bhd. (ASSB) near Kuala Lumpur specializes in the repair of low-pressure turbine and high-pressure compressor airfoils.

**About Lufthansa Technik:**

With some 35 subsidiaries and affiliates, the Lufthansa Technik Group is one of the leading providers of technical aircraft services in the world. Certified internationally as maintenance, production and design organization, the company has a workforce of more than 25,000 employees. Lufthansa Technik's portfolio covers the entire range of services for commercial and VIP/special mission aircraft, engines, components and landing gear in the areas of digital fleet support, maintenance, repair, overhaul, modification, completion and conversion as well as the manufacture of innovative cabin products.

**About MTU Aero Engines**

MTU Aero Engines AG is Germany's leading engine manufacturer. Some 30 percent of today's active aircraft in service worldwide have MTU components on board. In the commercial maintenance sector the company ranks among the top 5 service providers for commercial aircraft engines and industrial gas turbines. The activities are combined under the roof of MTU Maintenance. MTU operates a network of locations around the globe. In fiscal 2016, the company had a workforce of some 9,000 employees and posted consolidated sales of approximately 4.7 billion euros.

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