

Lufthansa Technik and MTU Aero Engines agree on concluding a joint maintenance company

- **Joint venture to become operational in 2020**
- **Over 300 geared turbofan engine shop visits planned every year**

Berlin, February 21, 2017 – Lufthansa Technik and MTU Aero Engines are planning to set up a joint venture company for the maintenance, repair and overhaul (MRO) of geared turbofan (GTF) engines, with each of the partners holding a 50-percent stake. An agreement to this effect was signed by the two companies in Berlin on February 20, after the feasibility of such a joint venture had been examined over the past few months. Subject to different approvals (e.g. by the relevant antitrust authorities) both parties act on the assumption of the joint venture foundation within the second half of 2017.

According to the plans, the new facility will be up and running by 2020 and have a workforce of over 500 employees. By 2020, a total amount of around 150 million euros will be invested into the new location. In terms of annual capacity, the facility will be designed to accommodate over 300 shop visits of PW1000G-family GTF engines for the Airbus A320neo family of jetliners and other aircraft. The search for a globally competitive location in or outside Europe will be completed within a few months' time.

Dr. Johannes Bussmann, Chairman of the Executive Board of Lufthansa Technik AG, said: "We are pleased to have found a strong partner in MTU with whom we can steer our joint company to success. For Lufthansa Technik, this move marks another important step in strengthening and expanding its partnerships with reputable engine manufacturers."

Michael Schreyögg, Chief Program Officer of MTU Aero Engines AG, commented: "With the new joint venture, MTU is continuing its successful partnership strategy. Lufthansa Technik is the ideal partner for us in this endeavor. By setting up a joint facility, capital investments can be shared and opportunities for synergy and scale generated for both companies. Our objective is to build the most efficient MRO shop for GTF engines around."

Lufthansa Technik has been maintaining various Pratt & Whitney engine types for decades. Back in July 2016, Lufthansa Technik became a member of the aftersales service network for the U.S. company's GTF engines. The network offers the whole range of MRO services for PW1000G engines. This additional business has no impact on the workloads at Lufthansa Technik's existing locations.

MTU Aero Engines is a partner of Pratt & Whitney in the PW1000G programs; the engines have been selected as the propulsion systems for new aircraft programs launched by five different aircraft manufacturers. To date, airlines around the world have ordered more than



Lufthansa Technik

8,000 of the engines incorporating geared turbofan technology to modernize their fleets. Over the coming decade, the high-volume engine program will contribute substantially to MTU Maintenance's revenues. Thanks to MTU's broad engine portfolio of other engines, its existing facilities will have a sufficient workload also in the years to come.

Lufthansa Technik and MTU have been partnering in a successful, 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

The Lufthansa Technik Group, with more than 30 subsidiaries and associates and over 25,000 employees worldwide, is one of the leading providers of technical services for the aviation industry. Its portfolio encompasses the entire spectrum of services for commercial aircraft: maintenance, repair, overhaul, modification and conversion, engines and components.

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 2015, the company had a workforce of some 9,000 employees and posted consolidated sales of approximately 4.4 billion euros.

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For a full collection of press releases and photos, go to <http://www.lufthansa-technik.com>

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