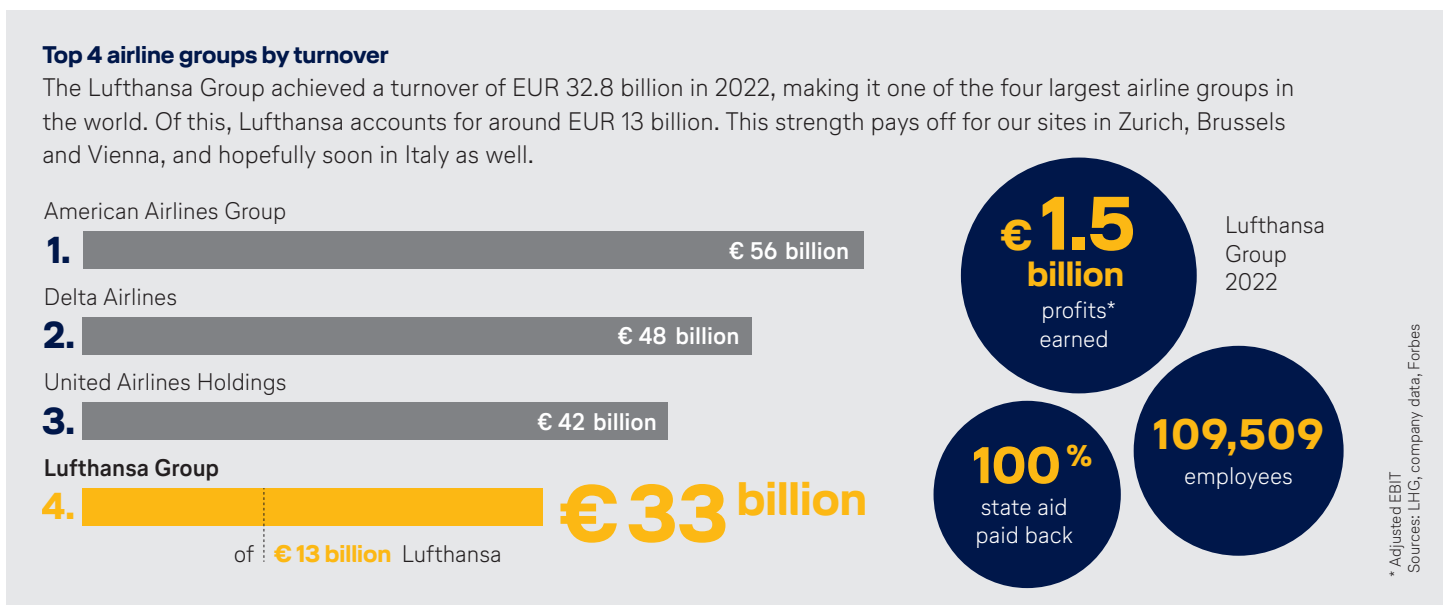


Lufthansa and ITA

WIN-WIN FOR GERMANY AND ITALY

The Lufthansa Group is seeking to acquire a stake in ITA Airways. Another airline, yet another hub – a good idea? Yes! Italy will benefit from having access to a strong airline with good international connections if the synergies of the LHG Family are utilised.



Traditionally, Italy has always appealed strongly to private travellers from all over the world. At the same time, its strongly export-oriented economy makes it an important business travel destination. This is why the Italian airline, which has undergone far-reaching restructuring and operates from its hub in Rome, is an excellent fit for the Lufthansa Airline Group’s route network. Italy is already the most important market for the Lufthansa Group after the four home markets and the USA.

At the end of January, Lufthansa and the Italian Ministry of Economy and Finance (MEF) signed a letter of intent for Lufthansa to acquire shares in ITA Airways. Since then, negotiations have been underway regarding the possible form of the stake, the commercial and operational integration of ITA into the Lufthansa Group and the synergies that will result from this.

Size: a key factor of going global

Sceptics fear too much complexity in another investment/ acquisition. However, Lufthansa has already demonstrated how this can be successfully implemented for both sides with the acquisitions of SWISS, Edelweiss, Austrian Airlines, Brussels Airlines and Air Dolomiti. To be globally successful

as an aviation company, size is crucial. With a total of eleven airlines, the Lufthansa Group is the fourth largest airline group in the world in terms of revenue – behind the three major American airline groups. Lufthansa Airline alone isn’t even in the top ten of international competitors. That is why our airlines in Austria, Belgium and Switzerland strengthen Lufthansa and vice versa. From the perspective of the individual countries, it is important both economically and in terms of industrial policy to be a strong part of this air transport network.

Independent airlines benefit from group synergies

With the route network of the individual airlines and the five hubs in Frankfurt and Munich as well as Vienna, Zurich and Brussels, the Lufthansa Group has built up a domestic market across Central Europe and offers a wide range of international flights. The advantage: a high degree of flexibility in route control and less dependence on individual locations. Crucial to the success of this multi-brand strategy is that each brand stands on its own and has a unique profile. Each Group airline is led by a local management, that appeals to customers in the local markets with its Airline’s individual identity and brand.

Each airline thus plays its own role within the Lufthansa Group. As premium carriers with many destinations served with high frequency, Lufthansa and SWISS offer the highest degree of connectivity compared to other European airlines. Austria's national carrier Austrian Airlines connects the country with the rest of Europe and the world. The core market of Brussels Airlines is Africa, with flights to 17 sub-Saharan destinations. The recipe for success of the airlines based in Vienna and Brussels is a combination of a high-quality offering and low costs, which enables them to

compete also with low-cost carriers in their home markets. Lufthansa CityLine serves feeder routes to Frankfurt and Munich as well as shorter European routes. Eurowings is the Lufthansa Group's value carrier and one of Europe's largest leisure airlines. Eurowings Discover strengthens Lufthansa's position in the tourism market. Edelweiss supports the services offered at the Zurich hub. Air Dolomiti serves the northern Italian market via its Munich hub. As an integrated member of the LHG Family, ITA will provide Italy with a range of international connections.

2022: An overview of the airlines in the Lufthansa Group

The Lufthansa Group has extensive experience with restructuring airlines: SWISS was taken over in 2007, Austrian Airlines in 2009 and Brussels Airlines in 2016.

Lufthansa

34,408* | **51.8 million***
employees | passengers

With "Allegris" and **planned investments of EUR 2.5 billion up to 2025**, Lufthansa has launched the largest product and service initiative in its history. || **27,000 new seats** are being installed in Lufthansa aircraft across all classes. || In addition, Lufthansa is also pushing ahead with digitalisation, see the new app, which gives **travellers more autonomy when rebooking flights**. || In 2023 alone, the Lufthansa Group **will receive a new aircraft every two weeks** – and the Lufthansa airline will also benefit from this.

Eurowings discover.

The leisure airline Eurowings Discover offers flights from Frankfurt and Munich to **more than 50 destinations in 20 countries**. || In 2023, the airline will continue to drive the digitalisation of their customer experience. Together with LHT and LG, the airline is to equip a test aircraft with the **latest entertainment and connectivity technology**.

Brussels

brussels AIRLINES  **3,235** | **6.8 million**
employees | passengers

On 1 January 2023, Brussels Airlines became the first airline to transport **sustainable fuel through the NATO pipeline** to directly supply Brussels Airport. || The airline will grow by ten percent this summer **and will hire hundreds of new employees**.

Eurowings  **4,415** | **17.0 million**
employees | passengers

By summer 2023, Eurowings will have doubled the number of **flights they offer from Berlin's capital airport**. || With **140 destinations in 37 countries**, the airline is back at pre-Covid levels. || Eurowings is planning a **sales partnership** with the Spanish airline Volotea and is expanding its pan-European flight offering significantly.

Munich

Vienna

SWISS  **9,045** | **15.1 million**
employees | passengers

Following the world's first flight using **Aeroshark technology** in 2022, SWISS is now equipping their entire Boeing 777 fleet with Aeroshark technology/with it, which will **reduce their CO₂ emissions per aircraft by hundreds of tonnes** per year. || In the next 12 months, SWISS plans to launch flights using **solar kerosene supplied by Synhelion** – also the first company worldwide to do so.

Austrian  **5,659** | **11.1 million**
employees | passengers

The Austrian fleet is currently growing by **four new A320neos from 61 to 65 aircraft**. || The A320neo emits up to **20 percent less CO₂** and is **50 percent quieter**.

* incl. regional partners and Eurowings Discover