

Kelsterbach, March 13, 2008

Lufthansa Systems increases revenue and customer proximity

Market responds well to platform strategy – Customers require flexibility in IT costs

Lufthansa Systems today announced record revenues of EUR 679 million for fiscal year 2007, an increase of 4.1 percent. At EUR 281 million, sales to customers outside the Lufthansa Group represent about 41 percent of total revenues. During the same period, the operating result decreased to EUR 23 million as a result of one-off charges for restructuring and discontinuing the FACE project.

"2007 was a successful year for us," said Wolfgang F. W. Gohde, Chairman of the Executive Board and CEO of Lufthansa Systems AG. "Our restructuring program has made us a significantly leaner and more productive organization. Our customer-focused organizational structure and our investments in sales and service management will make us more flexible and efficient in every respect."

At the same time, a number of new contracts with airlines and companies in other industries have created a foundation for solid growth outside the Lufthansa Group. In Asia, the largest growth market, Lufthansa Systems continued to consolidate its position based on contracts with China Southern Airlines and Cathay Pacific. In the Middle East, Etihad Airways opted for the SkyConnect network management solution, and the business relationship with Emirates was also expanded further. Lufthansa Systems signed a groundbreaking agreement for the new AdvancedCargo Suite with America's leading low-fare carrier, Southwest Airlines. In its European home market, the company also consolidated its strong market position, winning distinguished new customers from the key industries of banking, logistics and media, such as DZ BANK, the WAZ Media Group and Deutsche Presse Agentur.

"The year 2007 was also characterized by the continued implementation of our platform strategy," Gohde said. "We are setting new standards in the airline industry with our integrated platforms and are further consolidating our leading position in the airline IT market." These platforms combine applications that are usually separate into a seamless solution, thereby placing information within the context of a particular business process. They are modular in design, so that their functionality can be adjusted to suit the particular requirements of each individual airline. All modules connect seamlessly with each other,

while a standard user interface and a high level of standardization enhance usability and productivity. They offer a range and depth of functionality greater than that of any current competitor product and meet with a positive response in the market.

The most recent examples of such innovative platform solutions are the AdvancedCargo Suite, which combines the core air freight processes (booking, handling and revenue accounting), and EFB NextGen, the next generation electronic flight bag. The first release of a platform for the Integrated Operations Control Center (IOCC) as an airline's main control center is imminent.

Over the next few years, the market for airline IT will grow by an average of 5.2 percent annually. Lufthansa Systems aims for a disproportionate share of this growth in order to attain its long-term goal of securing a 60 percent share of revenues outside the Lufthansa Group. "While we are in an excellent position to achieve this goal, airlines often have a hard time investing in their IT and replacing obsolete systems," Gohde said. Lufthansa Systems is adapting to this situation by expanding its portfolio of ASP solutions and pay-per-use options that provide customers with access to cutting-edge technology and a great degree of cost flexibility without having to make large advance investments.

During the past fiscal year, Lufthansa Systems also enhanced the customer focus of its organizational structure and strengthened sales and service management, for instance by having an on-site presence of Lufthansa Systems staff at the place of business of the company's most important customers. "Combined with our quality management initiative, this has already brought noticeably positive results for us and our customers during the first year," Gohde said. "Our aim is to be a reliable service provider for our customers, a real partner able to provide them with customized solutions because we understand their culture and their needs."

For more information, please contact:

Lufthansa Systems AG
Sandra Hammer
Corporate Communications
Tel.: +49 (0)69 696 90776
Fax: +49 (0)69 696 90777
E-mail: publicrelations@LHsystems.com