

# New focus for Lufthansa in 2015

For the airline, the focus in 2015 will be on the 'New Lufthansa Premium Quality'...



- New European and intercontinental flight products under the "Eurowings" brand, and lease-in of up to seven Airbus A330-300s
- Letter of Intent with SunExpress for Eurowings long-haul routes
- Further structural development of Group airlines' worldwide distribution
- Key financial indicator of "earnings after cost of capital" to replace "cash value added"



Business Class.

2015 should bring increasingly good news for customers and passengers of the Lufthansa Group, according to the plans of the Deutsche Lufthansa AG Executive Board. For the Group's member airlines, fleet renewals and the completion of a number of major refurbishment projects should provide state-of-the-art aircraft cabins and five-star in-flight travel comfort. The first quarter of 2015 will see Lufthansa German Airlines conclude the installation of its new First Class throughout its long-haul fleet; the second quarter will witness the completion of the new Business Class installation program; and the third quarter will see the new Premium Economy available on all of Lufthansa's intercontinental aircraft. All the new long-haul aircraft of which Lufthansa will take delivery next year will have all the new cabins already installed. And the modernisation of the long-haul fleet will be further pursued in 2015 with the arrival of two more Airbus A380s and four new Boeing 747-8s. Also slated for delivery next year are a further Boeing 777F for Lufthansa Cargo and ten short- and medium-haul aircraft of the Airbus A320 family.



Premium Economy.

"2015 will be the year of 'Lufthansa Premium Quality'," said Carsten Spohr, Chair & CEO of the Deutsche Lufthansa AG Executive Board, on the occasion of the meeting of the company's Supervisory Board today. "Whichever cabin they travel in, our in-flight guests will be able to see and feel that Lufthansa is a premium-service airline which is one of the leaders in the field by any global benchmark. We will also be moving the entire Lufthansa Group further forward with our '7 to 1' program," Spohr continued. "And we presented the progress we have made in our various action areas here to our Supervisory Board today. As well as promoting innovation, it's enhancing our quality and our efficiency that are particular focuses for us in all our concepts for new and further growth. And these enhancements will open up new opportunities for us in growth markets."

## 'New Growth Concepts' action area

The Supervisory Board gave the formal go-ahead to the 'Wings' concept presented by the Executive Board at its meeting today, and approved the lease of up to seven Airbus A330-200 aircraft for the new low-cost operation's intercontinental routes.

The Supervisory Board further approved the development of the 'Eurowings' concept, under which - within an umbrella framework - the Lufthansa Group's Eurowings and Germanwings airlines, along with further flight operations in Europe, should acquire new customers by offering quality products at attractive prices in the form of low-cost short- and long-haul travel services from the end of 2015 onwards.



The First Class lounge at Frankfurt

The new products, which will be primarily aimed at the private travel sector, will help the airlines of the Lufthansa Group secure their strong positions in their home markets of Germany, Austria, Switzerland and Belgium in the point-to-point travel segment, too, in the longer term.

"The 'New Eurowings' is our response to one of the major challenges confronting Europe's airline industry," Spohr explains: "For several years now we've been facing fierce competition from the rapidly-growing low-cost carriers in the point-to-point travel segment, not only in Germany but throughout Europe, too. And we are sure to see this competition extend more and more to the long-haul travel segment in the years ahead. Our 'New Eurowings' is our innovative response, which will enable us to fashion our own markets here."

"Innovative concepts with substantially lower costs combined with the strengths, skills and expertise of the Lufthansa Group that's our recipe for success," Spohr continues. "And our new 'New Eurowings' product will offer both outstanding value for money and the strongest quality, reliability and safety credentials."

The 'New Eurowings' concept follows the successful transfer of Lufthansa's non-hub routes to Lufthansa Group subsidiary Germanwings. The program of transferring all Lufthansa routes not serving its Frankfurt and Munich hubs should be completed in early January 2015.

## New aircraft

In an initial step, the two already-existing airlines Germanwings and Eurowings will continue to perform their flight operations with their current networks and crews, under the umbrella of the new concept. For the new European operations the present Eurowings fleet, which consists of 23 Bombardier CRJ900 jets, will be replaced with up to 23 Airbus A320s between February 2015 and March 2017. Ten new A320s have been ordered to this end, while up to 13 further A320s will be reassigned to Eurowings from existing orders held by the Lufthansa Group. This will give the 'New Eurowings' a standardised fleet of Airbus A320 aircraft by the end of 2017, along with the further cost benefits that will derive from these advanced aircraft's fuel-efficient credentials. Further routes will also be added to the Eurowings network, operated from a new Eurowings base outside Germany, in the course of 2015.

In addition to its European network, the 'New Eurowings' will also begin to add long-haul services to its low-fare product range from the end of 2015 onwards, in collaboration with German-Turkish airline SunExpress. To this end, a Letter of Intent has been signed with SunExpress, a joint-venture company of Lufthansa and Turkish Airlines, under which the intercontinental services to be offered under the Eurowings brand will be flown under the air operator certificate (AOC) of SunExpress Deutschland and with SunExpress Deutschland cockpit and cabin crews. The first intercontinental destination to be served will include points in Florida, Southern Africa and the Indian Ocean. The new flights will initially be operated by

a fleet of three Airbus A330-200 aircraft each offering 310 seats. The Eurowings long-haul fleet should then be gradually expanded to up to seven A330-200s over the next few years.

As with the already-successful Germanwings concept, the new Eurowings long-haul products aim to offer customers a choice of 'Best', 'Basic' and 'Smart' fares. Home base for the new long-haul fleet will initially be Cologne/Bonn Airport; and Cologne will also be the home of the Wings carriers' commercial management operations.

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