

More mobility for the world



Lufthansa Technik

FRIDAY



\*A5D7CB0Y\*

A04

12/08/2016

#59

COMPANIES HOUSE

## Annual Report 2011





## Lufthansa Technik Group at a glance

(all figures quoted in thousand Euro)	2011	2010
Revenue	4,092,880	4,018,136
Result from operating activities	264,104	299,444
Earnings before tax (EBT)	241,433	282,400
Operating result	257,397	268,232
Investments	138,663	67,478
Depreciation on assets	90,228	93,969
Balance sheet total	3,072,242	3,109,559
Employees (year average)	19,822	20,297
Personnel costs	1,094,781	1,100,599

## Introduction from the Board

Ladies and Gentlemen,

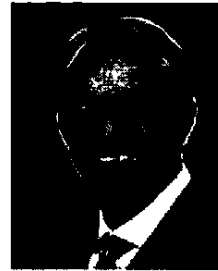
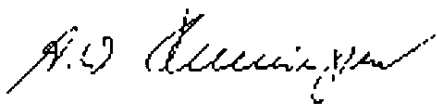
2011 was a year of contrasts for the world's aviation industry. There was growth in passenger numbers, but the demand for air freight declined. Many airlines were unable to translate this passenger growth into stable results. And on the whole, global aviation growth has slowed again as a result of the unrest in the Middle East, the tsunami and atomic disaster in Japan, and the very high price of oil.

At Lufthansa Technik, these factors manifest themselves in a certain reserve among customers when it comes to concluding new contracts. With an annual growth rate of approximately 4 percent, the market in technical services for aviation companies continues to swell, but the decline in revenues in some markets and the valuation of the dollar have both slowed growth in customer business. Then, too, aircraft and engine manufacturers are pushing onto the MRO market in ever greater numbers, and the combination of these new capacities and the improved quality of competitor services has resulted in additional price pressure on the MRO industry.

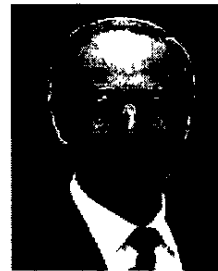
Lufthansa Technik was able to solidify its leading market position through investments in products and in the Group. The technical introduction of the Airbus A380 was a complete success, as was our entry into support for the Boeing 787 with our first major contract for this aircraft. We have concluded the large-scale conversion of Lufthansa's new Europa Cabin, and are ready for the technical support of the new Boeing Jumbo, the 747-8 Intercontinental.

We have also made necessary improvements to our cost position through the continuation of our successful Lean projects and through ESP@LHT – our program for securing sustainable results. In combination with rigorous Group management and an early product introduction of new aircraft types and technologies, Lufthansa Technik will continue to strengthen its favorable market position and solid competitiveness.

August Wilhelm Henningsen



August Wilhelm Henningsen  
Chairman



Dr. Peter Jansen  
Finance



Uwe Mukrasch  
Human Resources & Information Management



Dr. Thomas Sluger,  
Product and Services

## Lufthansa Technik Group

This annual report is intended to reflect the growing importance of Lufthansa Technik AG's global group of companies by presenting financial information for the Lufthansa Technik subgroup. In fiscal year 2011, the basis of consolidation consisted of twenty companies based in Germany and elsewhere in addition to the parent company, Lufthansa Technik AG. In this report, we present the parent company Lufthansa Technik AG as well as those production companies in the global group of companies that are listed here.

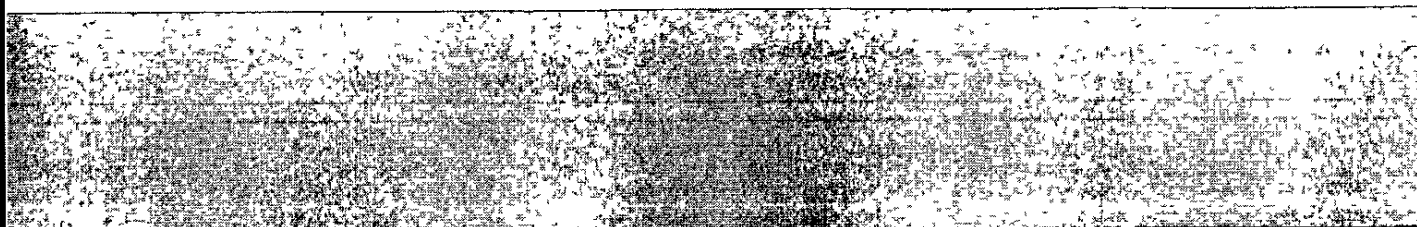
**Lufthansa Technik AG, Hamburg** Established in October 1994 as a subsidiary of Deutsche Lufthansa AG, Lufthansa Technik AG is the parent company of the business segment MRO of Deutsche Lufthansa AG and the global Lufthansa Technik Group, and comprises a total of 54 companies. Lufthansa Technik is the foundation of Deutsche Lufthansa's top-tier technical image and numbers 700 other airlines and operators of commercial aircraft among its customers. Its revenue amounted to EUR 3.5 billion in 2011. The heart of the company, which has 10,500 employees, is the overhaul, development, and logistics center in Hamburg, where technical operations began in 1955 following Lufthansa's reestablishment after the war. Lufthansa Technik AG employs 6,530 people at this site alone; they work primarily on the overhaul of widebody aircraft, the maintenance of engines, components and equipment, the completion of large commercial aircraft, and in the area of research and development. The company's maintenance hub is in Frankfurt and has a staff of 2,780, followed by Munich with 440 employees and Berlin with 420.

**AirLiance Materials, Roselle/Illinois, USA** The main activity of this company, which was established in 1998, is the sale of quality-assured or new spare parts especially for its shareholders Lufthansa Technik, United Airlines, and Air Canada as well as for third-party customers. With an average workforce of 75, the company generated revenue of EUR 77 million in 2011.

**BizJet International Sales & Support Inc., Tulsa/Oklahoma, USA** BizJet is a leading American company in the completion and support of VIP aircraft and larger business jets. BizJet has been part of the Group since 2000, had an average of 283 employees in 2011 and generated revenue of EUR 51 million.

**Hawker Pacific Aerospace, Corp., Sun Valley/California, USA** Established in 1912 and a wholly owned subsidiary of Lufthansa Technik since April 2002, this company offers landing gear overhaul services in Sun Valley/USA. In the year under review, its revenue amounted to EUR 58 million with an average workforce of 293.

**Lufthansa Technik AERO Alzey GmbH, Alzey** For over 20 years, this company has successfully maintained turboprop engines from Pratt & Whitney and CF34 turbofan engines from General Electric. AERO Alzey's revenue was EUR 212 million in the year under review with average employment of 458.



**Lufthansa Technik Airmotive Ireland, Dublin/Ireland** This subsidiary, which became a member of the Lufthansa Technik Group in 1997, specializes in repairing CFM1 and Pratt & Whitney engines. During fiscal year 2011, revenue of EUR 146 million was generated by an average work force of 466.

**Lufthansa Technik Budapest** offers overhaul and maintenance services for Boeing 737 Classic and Next Generation aircraft as well as the Airbus A320 family. Founded in 2000 as a joint venture with Budapest Airport Plc, which holds a share of 15%, Lufthansa Technik Budapest produced revenue of EUR 29 million in 2011 with an average workforce of 374.

**Technik Landing Gear Services UK, London, United Kingdom**, specializes in the maintenance, repair, and overhaul of landing gear. The company was formed from the English location of Hawker Pacific Aerospace and renamed in March 2011. It had revenue in 2011 of EUR 33 million with an average of 249 employees.

**Lufthansa Technik Logistik GmbH, Hamburg** This logistics subsidiary has been an independent entity since 1998, and specializes in logistical services such as procurement, warehousing, and transportation of materials. The company generated revenue of EUR 201 million in 2011 and had an annual average of 632 employees.

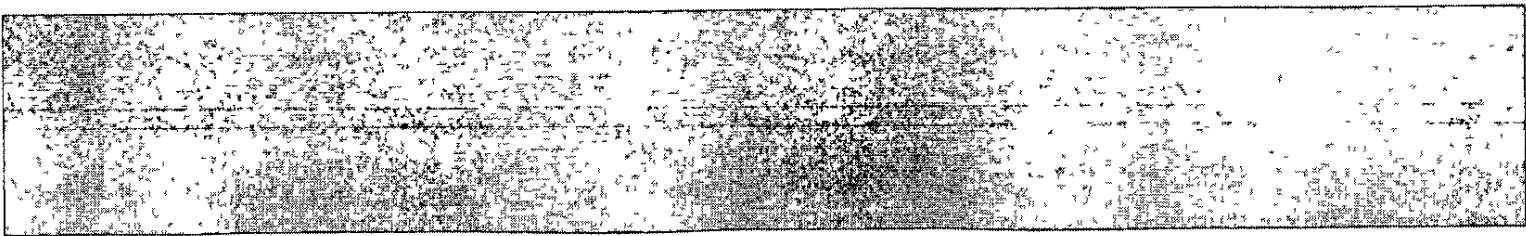
**Lufthansa Technik Maintenance International GmbH, Frankfurt** This company, which was formed by merging Condor Cargo Technik and parts of the maintenance division of Lufthansa Technik, has been the competence center for maintenance services for non-Lufthansa customers since the beginning of 2009. In its third fiscal year it generated revenue of EUR 124 million with an average of 812 employees.

**Lufthansa Technik Malta** is a joint venture with Air Malta, which holds a share of 8%. The company has been offering maintenance and overhaul services since 2002 on the island of Malta, focusing on Boeing 737 and Airbus A320, A330 and A340 aircraft. An average workforce of 571 produced EUR 45 million in revenue in the year under review.

**Lufthansa Technik Philippines Inc., Manila/Philippines** Established in 1999 as a joint venture with Macro Asia, this company overhauls aircraft, engines, and components for the fleets of Philippine Airlines and other customers. Revenue of EUR 107 million was generated in 2011 by an average workforce of 2,535.

**Lufthansa Technik Switzerland, Basel/Switzerland**, has been a member of the Lufthansa Technik Group since 2008. As the former technology division of SWISS at Basel/Mulhouse airport, it supports regional aircraft of SWISS and other customers as well as larger VIP aircraft, in particular from the Boeing 737 and Airbus A320 families. In the year under review, it produced EUR 96 million in revenue with 400 employees.

**Shannon Aerospace Ltd., Shannon/Ireland** The maintenance portfolio of Shannon Aerospace, founded in 1992, focuses on overhauling short-range aircraft for European customers. In 2011 the company generated revenue of EUR 57 million and had an average workforce of 586.



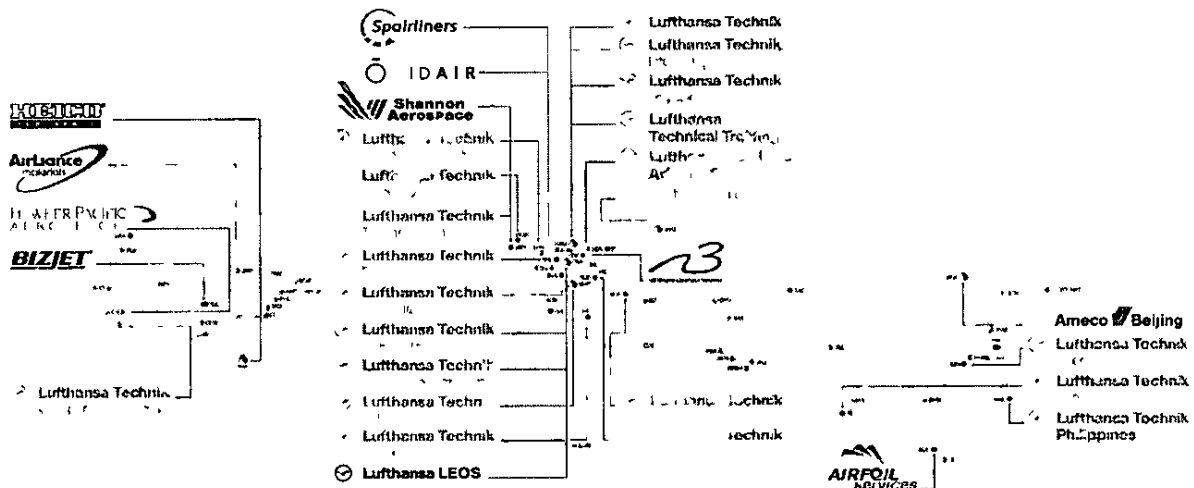
# Management Report of the Lufthansa Technik Group 2011

- Lufthansa Technik shares in market growth with modern portfolio
- Operating result of prior year nearly equaled despite exceptional charges
- Rigorous implementation of cost and efficiency management continues
- Lufthansa Technik has prepared early for work on new aircraft types

## Business and strategy

### Leading MRO provider

Lufthansa Technik is the world's leading manufacturer-independent provider of maintenance, repair and overhaul (MRO) services for commercial aircraft. 32 technical maintenance organizations around the world belong to the Lufthansa Technik Group, and the corporation has direct and indirect equity investments in 54 companies.



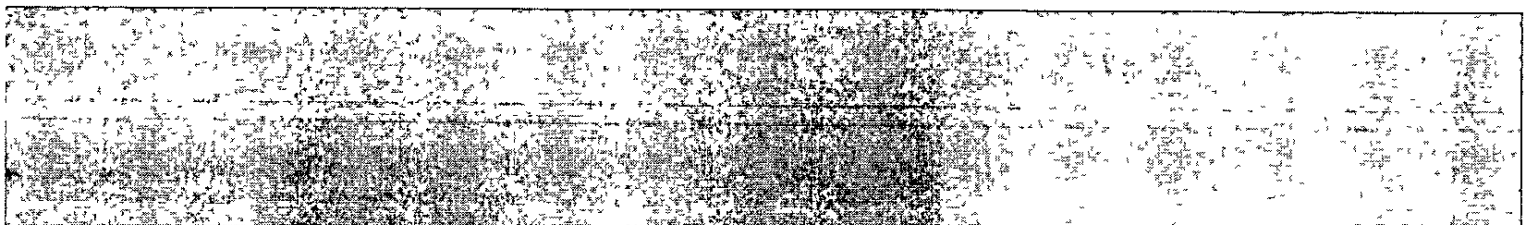
● Lufthansa Technik operations  
● Lufthansa Technik stations  
● Lufthansa Technik sales offices  
Status: December 31, 2011

LTQ



The product and service portfolio of Lufthansa Technik is bundled in six product divisions: Maintenance, Base Maintenance, Engines, Components, Landing Gear and VIP Aircraft (completion and maintenance). The spectrum encompasses products and product combinations with a variety of structures – from the repair of single devices to the fully integrated supply of entire fleets. These Total Support services guarantee customers comprehensive care that extends all the way to complete fleet management, and are the products most frequently requested by Lufthansa Technik customers. In addition, Lufthansa Technik develops products and services for new aircraft types and thus enables airlines to introduce these types into scheduled service. After successfully rolling out various technical services for the Airbus A380, for example in maintenance and component support, Lufthansa Technik was able to conclude important contracts in 2011 for the completion and maintenance of the new Boeing 787 and 747-8I aircraft types.

Hamburg, Germany is the site of Lufthansa Technik's headquarters and its most important location. The maintenance operation there includes aircraft overhaul services, cabin completion for VIP aircraft, engine and component maintenance, the logistics center, and the design and production facility. The largest maintenance stations are in Frankfurt and Munich, additional stations are located at all larger German airports and approximately fifty other locations worldwide. The company's market presence in Germany is also being expanded through the current construction of a hangar for aircraft maintenance at the new Berlin Brandenburg International Airport, which is scheduled to open in 2012.



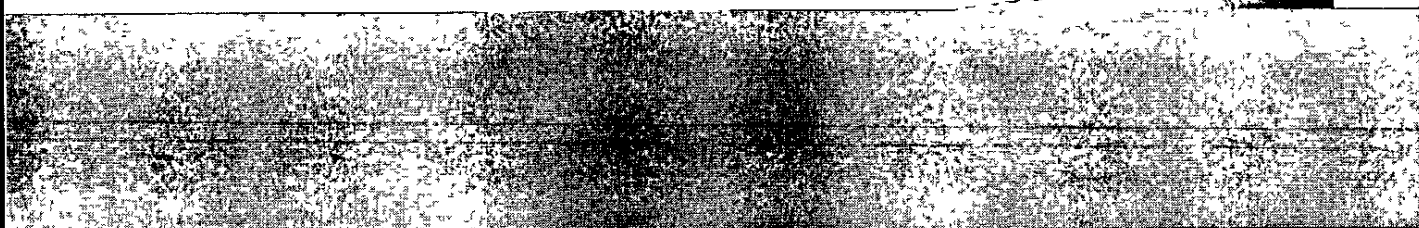
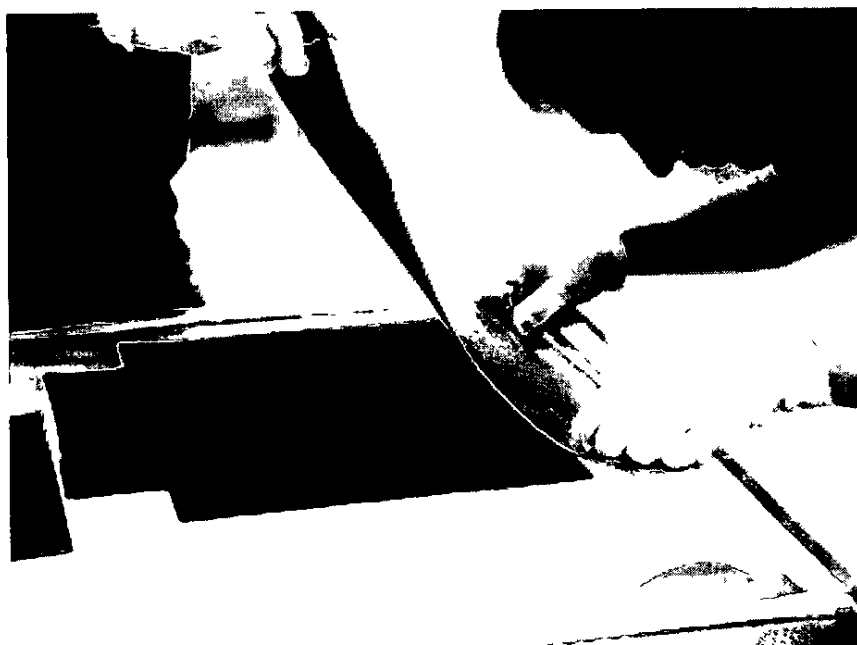


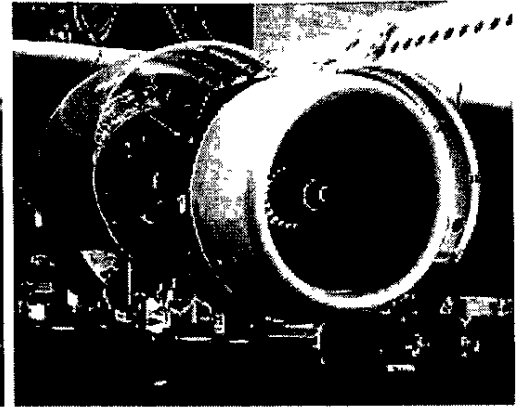
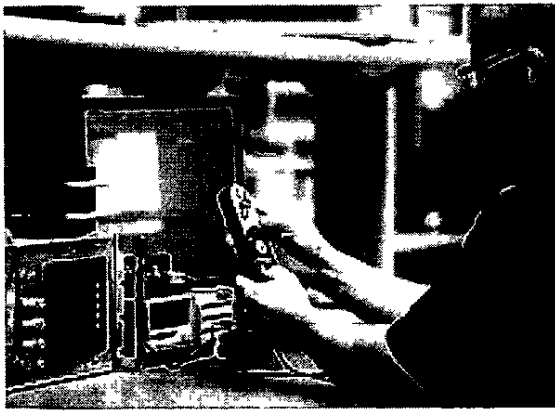
Lufthansa Technik has an international network, which it uses to provide services for its customers wherever their operations are located. However, the Group's expansion also has the goal of increasing its presence in growth markets such as Asia and South America as well as improving its competitiveness through the establishment and expansion of operations at cost-effective locations. Thus, in 2011 Lufthansa Technik decided to expand its sites in Bulgaria (Lufthansa Technik Sofia) and in the Philippines (Lufthansa Technik Philippines).

#### **Numerous product introductions**

During the year under review, Lufthansa Technik focused intensively on measures for accommodating new aircraft types. The company has won its first customer – Japan Airlines – for component support for the Boeing 787, and preparations are underway in maintenance for the introduction of the Boeing 747-8I at the member airlines that make up Lufthansa Passage. Beginning in 2012, Lufthansa Technik will also be handling VIP conversions of this aircraft, two important new contracts to this effect were signed in 2011. The introduction of numerous new widebody aircraft types has significantly increased demand for the initial cabin completion of VIP planes, and Lufthansa Technik has decided to expand its capacity for this service.

Above and beyond this, innovative new products are currently being developed. Examples include products for reducing the weight of aircraft and thus improving their profitability, or the successfully introduced Cyclean Engine Wash, which reduces aircraft fuel consumption.





## Markets and competitors

### MRO continues to grow

The continued recovery of global air traffic during the first half of the year also resulted in an increase in the world's demand for technical aircraft services. The total market in technical services for commercial aircraft grew by approximately 4 percent in 2011 compared with 2010. Lufthansa Technik's portfolio covers about 80 percent of this market's volume. The company considers it particularly important to be present in the markets with the greatest growth dynamic – Asia and South America – and to continue to grow successfully in these regions. With its extensive product spectrum and worldwide presence, Lufthansa Technik was roughly able to maintain its position in fiscal year 2011 as the world's market leader, with a market share of 14 percent.

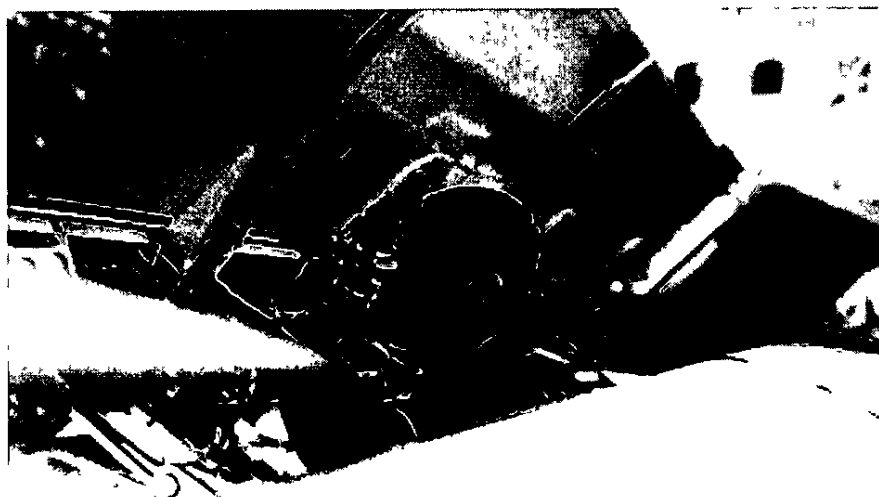
Among the company's most important competitors are original equipment manufacturers (OEMs) of aircraft, aircraft engines and components, such as Airbus, GE and Rockwell Collins, MRO operations owned by other airlines, such as Air France-KLM, and other independent providers of MRO services (ST AERO, for example, or SR Technics). OEMs in particular are crowding onto the MRO market, and are increasingly joined by smaller, independent companies that concentrate on the provision of components and engines, and purchase repair services on an as-needed basis. This capital-intensive production model enables rapid entry into the market, and leads to the presence of new competitors. Yet developments such as these result overall in a much larger offering of MRO services, which increases both price pressures and the competition for new contracts. Lufthansa Technik will continue to strengthen its product differentiation features, such as quality, turnaround time and adherence to schedules, develop innovative products, and optimize both Group management and its cost position. Against this backdrop, in June 2011 Lufthansa Technik launched the ESP@LHT program in order to secure sustainable results and ensure the competitiveness of Lufthansa Technik as an MRO. The program contains measures for both cost control and sales improvements in order to stabilize the earnings situation.

## Sales and customers

### Increased business in Asia

Lufthansa Technik has more than 770 customers around the world, primarily airlines and aircraft leasing companies, but also operators of VIP jets and public authorities. The most important sales market for Lufthansa Technik continues to be Europe, including the CIS states, with a revenue share in 2011 of approximately 70 percent. The share generated in the USA was 10 percent. Owing to political unrest in the Middle East and North Africa, the share of revenue generated in this region sank dramatically to 7 percent. In Asia, on the other hand, it was 13 percent, and the numerous new contracts concluded in this region mean that this share will continue to increase in the years to come. In addition, a strengthened regional commitment in Asia, including the expansion of Lufthansa Technik Shenzhen and the establishment of a material warehouse in Singapore, will ensure solid participation for Lufthansa Technik in the growth of the Asian MRO market.

The company sells most of its products and services through a central sales organization that is represented by regional sales offices at all important locations. This structure is augmented by decentralized sales activities for specific products with some regional focal points. Both key account management and customer service activities are undertaken decentrally, in part with further regional differentiation. Intensive customer contact is ensured through regular meetings with customers, a modern customer portal with a host of information and order options, and a variety of print media. All these activities have contributed to a situation in which the company's largest and most important customers have maintained a wide variety of in-depth contracts with Lufthansa Technik for many years now.





## Business development

### Important contracts for new aircraft types in component and VIP areas

During the year under review, Lufthansa Technik was able to reach a result nearly equaling that of the previous year despite exceptional charges attributable to individual long-running customer contracts. This was due in part to the ESP@LHT program's early stabilization measures, whose introduction helped business operations develop very positively in some areas.

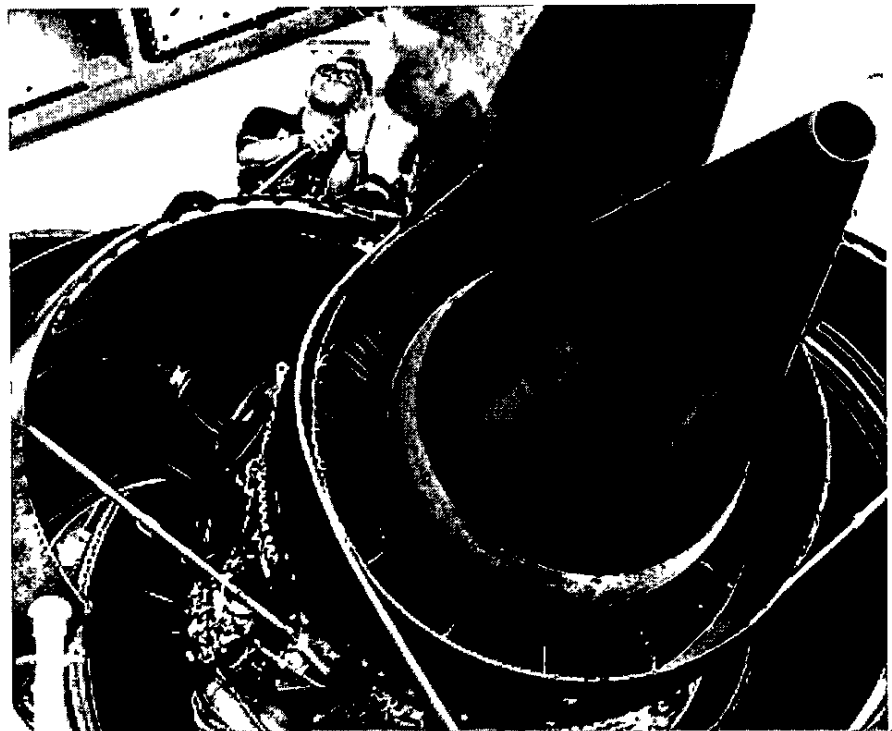
On the whole, for the year 2011 the company recorded 45 new customers and 466 new contracts with a total volume of EUR 506 million. 70 additional aircraft (+ 3.4 percent) were acquired for MRO services, bringing the total fleet under Lufthansa Technik's care to 2,125 planes. However, this overall positive development was dampened by a significant decline in revenue from North Africa and the Middle East.

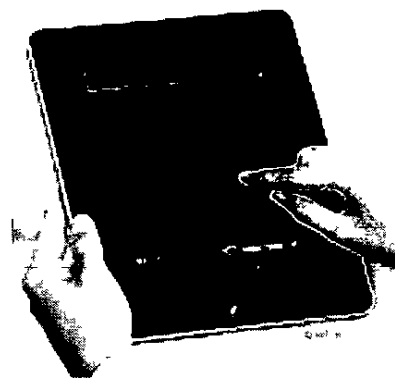
During the year under review, Lufthansa Technik delivered the second Airbus A340 and four Bombardier Global 5000s for the fleet of the German Federal Ministry of Defence, bringing the federal fleet renewal program in this segment to a close.



The installation of the new Europa Cabin for the company's largest customer, Lufthansa Passage, is nearly concluded, and other product innovations, such as Business and First Class conversions or FlyNet ("Internet on board") installations are currently being implemented. Lufthansa Technik also succeeded in winning two large orders for the VIP cabin completion of Boeing 747-8I aircraft. With these orders, nearly all of the company's capacity for completing widebody aircraft is firmly under contract until the end of 2013. In addition to the component contract to supply Japan Airlines' entire fleet of Boeing 787s, the company also won a number of other important projects, such as the Total Technical Support contract with Nok Air for the maintenance and overhaul of its fleet of Boeing 737NGs or the Total Component Support contracts with Peach Aviation, LAN Airlines, Asiana Airlines, Aeroflot and Air New Zealand. Lufthansa Technik concluded a Total Technical Support contract with Meridiana Fly for the maintenance and overhaul of its entire fleet, and signed a contract with Qantas Airways for the overhaul of its A330 engines.

Other customers, such as Aegean, Ethiopian Airlines and Travel Service, extended their engine contracts. Moreover, Germanwings and Lufthansa Technik have signed an extensive cooperation agreement governing technical services for the airline's entire fleet of Airbus A319 aircraft, and thus greatly expanded their existing cooperation. In addition to expanding its maintenance and overhaul capacities at the airport in Sofia, Lufthansa Technik Sofia was also able to conclude important contracts.





## Revenue and profits

### Slight revenue growth of 1.9 percent

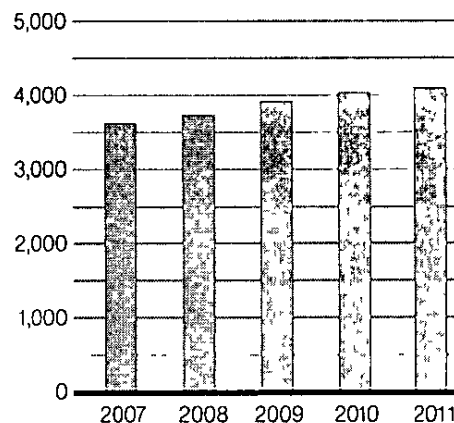
In comparison with the previous year, income from Group companies grew in 2011 by a total of 8.7 percent to EUR 18 billion, for the most part as a result of increased aircraft modification projects such as the installation of the new Europa Cabin and the new First Class for Lufthansa Passage, but also from new contracts with various Group companies. External revenue, in contrast, sank by 2.9 percent to EUR 2.3 billion. Revenue growth in component maintenance was more than offset through lower utilization by North African customers, reduced customer business in the company's subsidiaries and in the engine area, and the adverse development of the dollar. Overall, sales revenue grew by 1.9 percent to a total of EUR 4.1 billion, with external business accounting for a share of more than 56 percent.

Other operating income grew by EUR 21 million to EUR 232 million, primarily through exchange rate movements related to the reporting date. Lufthansa Technik generated a total operating income of EUR 4.3 billion (+ 2.3 percent).

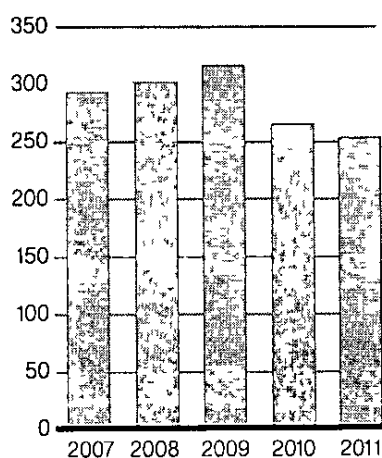
### Operating expenses climb by 2.7 percent

Operating expenses rose by 2.7 percent to EUR 4.1 billion in line with revenue developments. This figure includes a rise of 3.3 percent for materials and external services (EUR 2.1 billion), attributable mostly to ground maintenance events and increased material requirements for engine maintenance.

Revenue development  
Lufthansa Technik Group  
(in EUR million)



Operating results  
Lufthansa Technik group  
(in EUR million)



Personnel costs dropped slightly to EUR 11 billion (- 0.5 percent) in 2011 despite higher pension provisions. 19,822 people were employed on average in the technology business segment in 2011 – a decline of 475 compared with the previous year. This change reflects more than 220 employees who moved from semi-retirement to full retirement, yet also includes the more than 200 temporary workers who were taken on as permanent employees and approximately 200 young people who began professional training programs at Lufthansa Technik. Beyond this, the number of employees was reduced in particular in those operations – such as Lufthansa Technik Switzerland or Shannon Aerospace – that are currently carrying out or have recently concluded restructuring programs to secure their long-term competitiveness. Compared with last year, depreciation, amortization and impairment losses fell by EUR 4 million to EUR 90 million. Other operating expenses, on the other hand, climbed by 70 percent to EUR 759 million, in particular owing to provisions for long-running contracts.

#### **Very positive result from the year before nearly equaled**

The 2011 operating result of EUR 257 million nearly equaled the very positive result of EUR 268 million from the 2010 fiscal year.

#### **Significant growth in investments**

Investments rose to EUR 139 million compared with the previous year (EUR 67 million). Important investments included the purchase of spare engines for Lufthansa Technik Airmotive Ireland Leasing, and the acquisitions of a Pratt & Whitney license for Lufthansa Technik AERO Alzey and a Hamilton Sundstrand license for Lufthansa Technik. Shareholder equity in the amount of EUR 75 million was made available to Lufthansa Technik Milan, Lufthansa Technik Services India and the new joint venture with Panasonic.

#### **Contribution to earnings continues to be solid**

In the past Lufthansa Technik has always succeeded in achieving revenue growth and stably high operating profits despite changing conditions. The 2009 result set the most recent record, but in fiscal years 2010 and 2011 as well, the technology business segment made an important contribution to Group net profits at Lufthansa despite the heavy burden created by some long-running contracts.



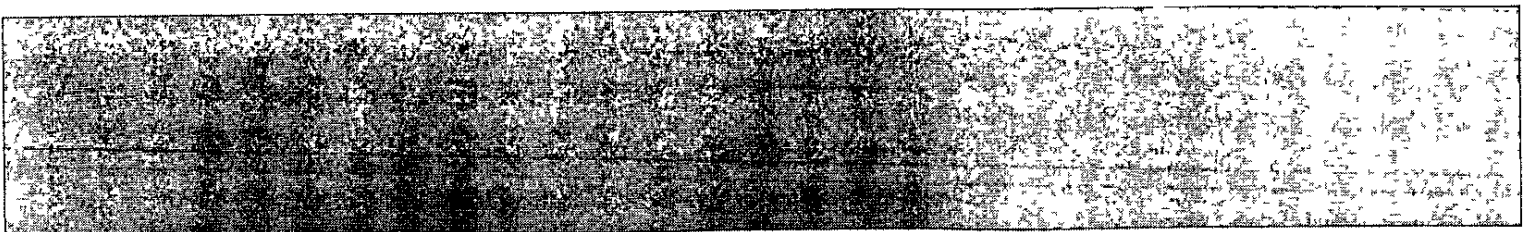
## Forecast

### Slight growth in the MRO industry

Owing to the growth in aircraft fleets around the world, the MRO industry expects medium-term growth of approximately 4 percent per year. Lufthansa Technik's portfolio will enjoy even higher growth through its concentration on modern aircraft types. However, this increase in demand will be met by a significantly higher availability of services, and in this environment only MRO operations with competitive cost positions and high-value, innovative product portfolios will continue to grow profitably. In addition, there is the short-term risk that the worsening economic situation around the world will also have an effect on the demand for MRO services.

Lufthansa Technik will continue to drive forward both product optimizations and innovations and the rigorous cost and efficiency management measures in its ESP@LHT program for securing sustainable results. As part of this program, material and project costs in particular are being reduced, while at the same time a sales offensive has begun with the goal of enhancing revenue. The company's early product introduction of the new Boeing 787 and 747-8 aircraft types will contribute to a positive development, as will a Group management strategy that continues to expand the company's presence at the best locations and rigorously restructures critical ones.

On the basis of current economic forecasts, Lufthansa Technik expects that during fiscal years 2012 and 2013 revenues will rise moderately and operating results will increase once again.





# Lufthansa Technik Group

## Balance sheet as of December 31, 2011

<b>Assets</b>	<b>December 31, 2011</b>	<b>December 31, 2010</b>
(all figures in EUR thousand)		
Intangible assets	32,925	19,489
Property, plant and equipment	886,553	858,922
Repairable aircraft parts	755,864	739,993
Equity-accounted financial assets	112,419	98,348
Other financial assets	29,480	44,977
Receivables and other assets	61,367	38,839
<b>Non-current assets</b>	<b>1,878,608</b>	<b>1,800,567</b>
Inventories	386,817	400,274
Receivables and other assets	793,714	880,377
Securities	530	703
Cash and cash equivalents	5,896	27,639
Assets held for sale	6,676	0
<b>Current assets</b>	<b>1,193,633</b>	<b>1,308,992</b>
	<b>3,072,242</b>	<b>3,109,559</b>

<b>Shareholders' equity and liabilities</b>	<b>December 31, 2011</b>	<b>December 31, 2010</b>
(all figures in EUR thousand)		
<b>Shareholders' equity</b>	<b>908,106</b>	<b>820,530</b>
Provisions	217,993	295,699
Financial liabilities	37,604	27,178
Liabilities	844,717	718,392
<b>Non-current provisions and liabilities</b>	<b>1,100,315</b>	<b>1,041,269</b>
Provisions	284,530	273,563
Financial liabilities	5,361	67,799
Liabilities	773,930	906,397
<b>Current provisions and liabilities</b>	<b>1,063,821</b>	<b>1,247,760</b>
	<b>3,072,242</b>	<b>3,109,559</b>

# Lufthansa Technik Group

## Income statement

### for fiscal year 2011

	2011	2010
(all figures in EUR thousand)		
1 Revenue	4,092,880	4,018,136
2 Other operating income	231,889	210,546
<b>Total operating revenue</b>	<b>4,324,769</b>	<b>4,228,682</b>
1 Personnel costs	1,094,781	1,100,599
2 Cost of materials	2,123,421	2,055,870
3 Depreciation, amortization and impairment losses	90,228	93,969
4 Other costs	758,942	710,013
<b>Total costs</b>	<b>4,067,372</b>	<b>3,960,450</b>
<b>Operating profit</b>	<b>257,397</b>	<b>268,232</b>
1 Net effect from the disposal of/reversal of impairment losses on financial assets	3,079	18,850
2 Other income from the reversal of provisions	26,138	31,092
3 Other income	1,918	1,141
4 Other costs	24,430	19,872
<b>Earnings before interest and tax (EBIT)</b>	<b>264,104</b>	<b>299,444</b>
1 Income from equity investments	18,576	18,717
2 Net interest costs	-24,827	-27,838
3 Impairment losses on financial assets	16,420	7,923
<b>Net finance costs</b>	<b>-22,670</b>	<b>-17,044</b>
<b>Earnings before tax (EBT)</b>	<b>241,433</b>	<b>282,400</b>

# Notes to the consolidated financial statements as of December 31, 2011

## I Accounting policies

### 1. Use of IFRSs

In addition to preparing single-entity financial statements in accordance with the Handelsgesetzbuch (German Commercial Code, HGB), or regional GAAP, Lufthansa Technik AG and its subsidiaries also prepare financial statements in accordance with the International Financial Reporting Standards (IFRSs) to facilitate consolidation. These IFRS single-entity financial statements form the basis for the consolidated financial statements presented here for Lufthansa Technik AG and its subsidiaries. These statements have been included in the audit of the consolidated financial statements of Deutsche Lufthansa AG. The auditors have issued the respective inter-office opinions.

The use of IFRSs enhances the international comparability of the annual financial statements. The standards in effect as of January 1, 2011 have also been applied.

The IFRS financial statements contain the following accounting policies in variance with German law: Translation of foreign currency denominated receivables and liabilities at the closing rate, recognition of internally produced intangible assets, pro-rata recognition of revenue from long-term customer contracts (percentage-of-completion method), recognition at present value of noncurrent provisions and liabilities on which interest is paid above or below market rates, derecognition of other provisions if the probability of use is less than 50 percent, recognition of deferred taxes in accordance with the asset and liability method, recognition of the asset and of the remaining liability under finance leases in accordance with the allocation criteria of IAS 17, and measurement of pension provisions using the projected unit credit method. Due to the existence of a Group-wide hedging policy, the provisions of IAS 39 have only been applied to a limited extent in the IFRS financial statements of Lufthansa Technik AG.

## 2. Basis of consolidation

In 2011, the following twenty companies based in Germany and elsewhere were included in the basis of consolidation in addition to the parent company, Lufthansa Technik AG

Companies	Interest (%)
Lufthansa Technik Airmotive Ireland Holdings Limited, Dublin, Ireland	100
Lufthansa Technik Airmotive Ireland Limited, Dublin, Ireland	100
Lufthansa Technik Airmotive Ireland (Leasing) Limited, Dublin, Ireland	100
Lufthansa Technik AERO Alzey GmbH, Alzey, Germany	100
Lufthansa Technik North America Holding, Corp., Wilmington, Delaware, USA	100
BizJet International Sales & Support, Inc., Tulsa, Oklahoma, USA	100
Lufthansa Technik Immobilien- und Verwaltungsgesellschaft mbH, Hamburg, Germany	100
Hamburger Gesellschaft für Flughafenanlagen mbH, Hamburg, Germany	100
Lufthansa Technik Objekt- und Verwaltungsgesellschaft mbH, Hamburg, Germany	100
Hawker Pacific Aerospace, Corp., Sun Valley, California, USA	100
Lufthansa Technik Landing Gear Services UK Hayes, United Kingdom	100*)
Shannon Aerospace Ltd., Shannon, Ireland	100
Lufthansa Technik Logistik GmbH, Hamburg, Germany	100
Lufthansa Technik Switzerland GmbH, Basel, Switzerland	100
Lufthansa Technik Maintenance International GmbH, Frankfurt am Main, Germany	100
JASEN Grundstücksgesellschaft mbH & Co KG, Grunwald, Germany	100
Lufthansa Technik Malta Limited, Malta	92
Lufthansa Technik Budapest Kft, Budapest, Hungary	85
Lufthansa Technik Philippines, Inc., Manila, Philippines	51
AirLiance Materials LLC, Roselle, Illinois, USA	50,2

\*) previously Hawker Pacific Aerospace Ltd Hayes United Kingdom

### 3. Consolidated financial statements

Lufthansa Technik AG is exempt from the obligation to prepare its own consolidated financial statements or Group management report. It is included in the consolidated financial statements of Deutsche Lufthansa AG. The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRSs), and are filed with the Cologne Local Court under reference HRB 2168.

## II. Notes to the balance sheet

### 4. Equity-accounted financial assets

(in EUR thousand)	Dec 31, 2011	Dec 31, 2010
Shares in joint ventures	35,047	28,226
Shares in associated companies	77,372	70,122
<b>Total</b>	<b>112,419</b>	<b>98,348</b>

### 5. Other financial assets

(in EUR thousand)	Dec 31, 2011	Dec 31, 2010
Shares in affiliated companies	20,689	18,847
Loans to affiliated companies	4,199	5,566
Associates and joint ventures	3,575	12,019
Loans to associates and joint ventures	0	7,486
Other loans	1,017	1,059
<b>Total</b>	<b>29,480</b>	<b>44,977</b>

### 6. Non-current receivables and other assets

(in EUR thousand)	Dec 31, 2011	Dec 31, 2010
Other receivables due after one year	3,388	3,285
Expected income from the reversal of provisions due after one year	0	1,798
Other receivables from affiliated companies due after one year	12	14
Deferred tax assets	57,967	33,742
<b>Total</b>	<b>61,367</b>	<b>38,839</b>

**7. Inventories**

(in EUR thousand)	Dec 31, 2011	Dec 31, 2010
Spare parts for aircraft	378,174	379,846
Raw materials and consumables	1,225	9,546
Unfinished goods, work in progress	7,418	10,868
Advance payments made	0	14
<b>Total</b>	<b>386,817</b>	<b>400,274</b>

**8. Current receivables and other assets**

(in EUR thousand)	Dec 31, 2011	Dec 31, 2010
Trade accounts receivable	483,364	380,736
Trade accounts receivable from affiliated companies	206,228	242,777
Receivables from associates and joint ventures	8,542	6,851
Other assets	95,580	250,013
<b>Total</b>	<b>793,714</b>	<b>880,377</b>

**9. Shareholders' equity**

The capital stock of Lufthansa Technik AG amounts to EUR 220 million, divided into 44,000,000 no-par-value shares. Deutsche Lufthansa Aktiengesellschaft is the sole shareholder.

**10 Non-current provisions**

(in EUR thousand)	Dec 31, 2011	Dec 31, 2010
Provision for pensions and similar obligations	49,547	176,191
Other non-current provisions	168,446	119,508
<b>Total</b>	<b>217,993</b>	<b>295,699</b>

**11. Financial liabilities**

Financial liabilities relate to non-current liabilities to banks.

**12. Non-current liabilities**

(in EUR thousand)	Dec 31, 2011	Dec 31, 2010
Liabilities to affiliated companies	816,839	685,654
Other non-current liabilities	23,057	26,770
Advance payments received	3,513	5,911
Provisions for deferred taxes	1,308	57
<b>Total</b>	<b>844,717</b>	<b>718,392</b>

**13. Current provisions**

(in EUR thousand)	Dec 31, 2011	Dec 31, 2010
Provisions for other personnel costs	11,773	11,114
Other current provisions	272,757	262,449
<b>Total</b>	<b>284,530</b>	<b>273,563</b>

**14. Current liabilities**

(in EUR thousand)	Dec 31, 2011	Dec 31, 2010
Trade accounts payable	219,776	202,412
Liabilities to affiliated companies	12,102	15,391
Liabilities to associates and joint ventures	7,204	9,027
Advance payments received and deferred income	205,093	270,339
Other liabilities	327,917	407,520
Provisions for taxes on income	1,838	1,708
<b>Total</b>	<b>773,930</b>	<b>906,397</b>

**III. Notes to the income statement****15. Revenue**

Revenue is broken down as follows

(in EUR thousand)	2011	2010
Group companies	1,787,739	1,645,551
Non-Group companies	2,305,141	2,372,585
<b>Total</b>	<b>4,092,880</b>	<b>4,018,136</b>

**16. Other operating income**

(in EUR thousand)	2011	2010
Currency translation differences	61,191	29,030
Miscellaneous other operating income	170,698	181,516
<b>Total</b>	<b>231,889</b>	<b>210,546</b>

**17. Other operating expenses**

(in EUR thousand)	2011	2010
Personnel costs	1,094,781	1,100,599
Cost of materials	2,123,421	2,055,870
Depreciation, amortization and impairment losses	90,228	93,969
Miscellaneous other operating expenses	758,942	710,013
<b>Total</b>	<b>4,067,372</b>	<b>3,960,450</b>

**18. Other non-operating income and expenses**

Other non-operating income declined owing to reduced reversals of provisions and write-ups. Other non-operating expenses reflect primarily the closing date measurement of financial liabilities.

**19. Net finance costs**

(in EUR thousand)	2011	2010
Income from profit and loss transfer agreements	1,429	1,490
Income from other associates and joint ventures	18,056	17,679
Expenses from loss transfers	909	452
Income from long-term loans	733	880
Other interest and similar income	5,285	7,539
Interest and similar expenses	30,844	36,257
Impairment losses on financial assets	16,420	7,923
<b>Total</b>	<b>-22,670</b>	<b>-17,044</b>



#### IV. General notes to the financial statements

##### 20. Number of employees

Number of employees In the year under review, the Lufthansa Technik Group had an average of 19,822 employees (previous year 20,297 employees)

##### 21. Supervisory Board and Executive Board

The members of the Lufthansa Technik AG Supervisory and Executive Boards are listed on page 25

Hamburg, February 15, 2012

##### **Lufthansa Technik Aktiengesellschaft**

Executive Board

A-W Henningsen    Dr P Jansen    Dr T Stuger    U Mukrasch

# Supervisory Board and Executive Board

## Supervisory Board

Stephan Gemkow  
Chief Officer Finance and Aviation  
Services of Deutsche Lufthansa AG  
Chairman

Dietmar Stretz  
Head of the Transportation Division,  
Multi-service trade union ver di,  
Hamburg region  
Employee representative  
Deputy Chairman

Hauke Brockmann  
Member of the Hamburg Works  
Council  
Employee representative

Cornelia Dorries  
Secretary of trade union ver di  
Employee representative

Dr Christoph Franz  
Chairman of the Executive Board,  
Deutsche Lufthansa AG

Anka Hatzel  
Officer, Process and  
Quality Management  
Employee representative

Li Hai  
President & CEO  
China Aviation Supplies Import and  
Export Group Corporation, Beijing

Anke Heß  
Aircraft electronic technician  
Employee representative

Prof Dr Jochem Heizmann  
Member of the Executive Board,  
Volkswagen AG

Dr Peter Klaus  
Member of the Executive Board,  
KfW Bank Group  
(retired since May 1, 2007)

Wolfgang Mayrhuber  
To Dec 2010 Chairman of  
the Executive Board  
Deutsche Lufthansa AG

Bernard Meyer  
Managing Partner  
MEYER WERFT GmbH

Jobst D Siemer  
Chairman of the Supervisory Board  
ExxonMobil Central Europe  
Holding GmbH

Siegfried Trissler  
Aircraft mechanic  
Employee representative

Burkhard Walter  
Industrial clerk  
Employee representative

Dipl.-Ing Wolfgang Weynell  
Head of division,  
Employee representative  
of executive managers

## Executive Board

August Wilhelm Henningsen  
Chairman

Dr Peter Jansen  
Finance

Uwe Mukrasch  
Human Resources and Information  
Management

Dr Thomas Stuger  
Product and Services

## **Imprint**

Lufthansa Technik AG  
Weg beim Jäger 193  
22335 Hamburg, Germany  
Phone +49(40) 50 70-36 67  
Telefax +49(40) 50 70-85 34  
e-mail [press.pr@lht.dlh.de](mailto:press.pr@lht.dlh.de)  
Internet [www.lufthansa-technik.com](http://www.lufthansa-technik.com)

## **Editorial**

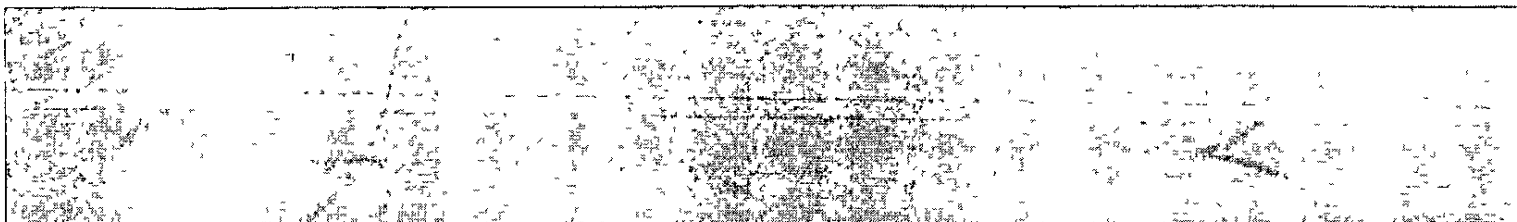
Bernd Habbel, Corporate Communications, Lufthansa Technik AG

## **Design/Production.**

Jespersen Werbeagentur, Hamburg

## **Photograph credits:**

Sonja Bruggemann, Gregor Schlager



[www.lufthansa-technik.com](http://www.lufthansa-technik.com)

# OS AA01

## Statement of details of parent law and other information for an overseas company



Companies House

☒ **What this form is for**  
You may use this form to  
accompany your accounts  
disclosed under parent law

☒ **What this form is NOT**  
You cannot use this form  
an alteration of manner  
with accounting requirements

### Part 1 Corporate company name

Corporate name of  
overseas company ①

LUFTHANSA TECHNIK AG

UK establishment  
number

B R 0 1 5 2 5 4

→ **Filling in this form**  
Please complete in typescript or in  
bold black capitals

All fields are mandatory unless  
specified or indicated by \*

① This is the name of the company in  
its home state

### Part 2 Statement of details of parent law and other information for an overseas company

#### A1 Legislation

Please give the legislation under which the accounts have been prepared and,  
if applicable, the legislation under which the accounts have been audited

Legislation ②

German Commercial code (HGB)

② This means the relevant rules or  
legislation which regulates the  
preparation and, if applicable, the  
audit of accounts

#### A2 Accounting principles

Accounts

Have the accounts been prepared in accordance with a set of generally accepted  
accounting principles?

Please tick the appropriate box

☐ **No** Go to **Section A3**

☒ **Yes** Please enter the name of the organisation or other  
body which issued those principles below, and then go to **Section A3**

① Please insert the name of the  
appropriate accounting organisation  
or body

Name of organisation  
or body ①

International Financial Reporting Standards (IFRS)

#### A3 Accounts

Accounts

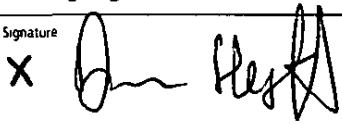
Have the accounts been audited? Please tick the appropriate box

☒ **No** Go to **Section A5**

☐ **Yes** Go to **Section A4**

# OS AA01

## Statement of details of parent law and other information for an overseas company

<b>A4 Audited accounts</b>		
Audited accounts	Have the accounts been audited in accordance with a set of generally accepted auditing standards? Please tick the appropriate box <input checked="" type="checkbox"/> No Go to Part 3 'Signature' <input type="checkbox"/> Yes Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature'	<b>1</b> Please insert the name of the appropriate accounting organisation or body
Name of organisation or body <b>1</b>		
<b>A5 Unaudited accounts</b>		
Unaudited accounts	Is the company required to have its accounts audited? Please tick the appropriate box <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	
<b>Part 3 Signature</b>		
Signature	I am signing this form on behalf of the overseas company	
	Signature  X	
This form may be signed by Director, Secretary, Permanent representative		

# OS AA01

## Statement of details of parent law and other information for an overseas company



### Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name

Company name

Address

Post town

County/Region

Postcode

Country

DX

Telephone



### Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register
- ☐ You have completed all sections of the form, if appropriate
- ☐ You have signed the form



### Important information

Please note that all this information will appear on the public record



### Where to send

You may return this form to any Companies House address

#### England and Wales

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ  
DX 33050 Cardiff

#### Scotland

The Registrar of Companies, Companies House,  
Fourth floor, Edinburgh Quay 2,  
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF  
DX ED235 Edinburgh 1  
or LP - 4 Edinburgh 2 (Legal Post)

#### Northern Ireland

The Registrar of Companies, Companies House,  
Second Floor, The Linenhall, 32-38 Linenhall Street,  
Belfast, Northern Ireland, BT2 8BG  
DX 481 N R Belfast 1



### Further information

For further information, please see the guidance notes on the website at [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk)