## Nachricht

Frankfurt, 15 February 2017

## Lufthansa adopts mediation recommendation and approves compensation measures

- Mediation result increases cockpit remuneration costs in the Group tariff agreement by around €85 million annually
- Additional costs will be compensated by operating 40 aircraft outside the group tariff agreement
- Talks with Vereinigung Cockpit on all ongoing open tariff-related topics will be continued in order to reach alternative cost reductions within the framework of an overall solution

Lufthansa accepted the mediation recommendation of Dr. Gunter Pleuger today. His recommendation contains the following key points:

- A pay increase for the 5,400 pilots in the Group tariff agreement of Lufthansa, Lufthansa Cargo and Germanwings in four stages amounting to a total of around 8.7 percent
- With retroactive effect as of 1 January 2016, a raise in monthly income of 2.0 percent and as of 1 January 2017 of 2.3 percent
- As of 1 January 2018, an increase of 2.4 percent and a further 2.0 percent as of 1 January 2019
- An additional one-off payment amounting to a total of approximately €30 million, which is expected to total around €5,000 to €6,000 per full-time employee
- The term of the remuneration agreements will last to end of 2019

Implementing the mediation recommendation regarding the collective remuneration agreement will result in increased cockpit costs of around €85 million a year. In order to compensate for these additional costs, 40 aircraft will be operated outside the Group tariff agreement, in contrast to previous fleet planning. Details on the design of a new platform for the operation of these aircraft will be finalized in the coming weeks. The job prospects of ground and cabin personnel will not be affected by this step.

"We welcome Dr. Gunter Pleuger's mediation recommendation and would like to thank him for his commitment and support in finding a solution," says Dr. Bettina Volkens, Chief Human Resources Officer at Deutsche Lufthansa AG. "However, implementing the mediation recommendation will generate additional cockpit remuneration costs, even though we started with the aim of lowering costs in the cockpit of Lufthansa and thus able to grow again. Without any compensation in other collective agreements, we must, therefore, take the path of changing our fleet planning. At the same time, we are continuing to work hard to find ways to reduce costs with our collective bargaining partner in order to achieve our growth potential in the Group tariff agreement, too."

Deutsche Lufthansa AG Media Relations T +49 69 696-2999 <u>http://www.lufthansagroup.com/presse/</u> Follow us on Twitter: @lufthansaNews