



PRESS RELEASE

East Meadow, NY, December 9, 2019

Lufthansa Group and gategroup conclude purchase agreement

- **gategroup acquires the European business of LSG and enters long-term catering partnership with the Lufthansa Group**
- **Purchase agreement extends to LSG's European catering operations, lounge business, Evertaste, SPIRIANT and Ringeltaube**
- **Partners to establish joint venture companies in Frankfurt and Munich**
- **Long-term catering agreements for Frankfurt, Munich and Zurich hubs**

The Lufthansa Group and gategroup concluded a purchase agreement for the European business of the LSG Group. The parties have agreed not to divulge the financial details of the transaction. The sale is also subject to the approval of the relevant competition authorities.

In addition to the LSG Group's European catering operations, the purchase agreement extends to its lounge business, retail convenience food specialist Evertaste, the SPIRIANT equipment business and the retail outlets and operations of the Ringeltaube brand.

The businesses concerned currently employ some 7,100 personnel and generated revenues of around EUR 1.1 billion last year – about a third of the LSG Group's total revenue volume. The transaction will not have any major impact on the EBIT or the net profit of the Lufthansa Group for 2019 or 2020.

“In gategroup we have found a new owner for LSG's European business which has catering as its core activity,” says Carsten Spohr, Chairman of the Executive Board & Chief Executive Officer of Deutsche Lufthansa AG. “This gives the European part of LSG far better future investment prospects and further development opportunities.”

“At the same time,” Spohr continues, “this transaction marks the beginning of a long-term partnership between gategroup and the Lufthansa Group which will focus on catering our premium airlines at our Frankfurt, Munich and Zurich hubs. This ensures a high level of job security at these locations and our customers can continue to expect the highest quality of gastronomic experience on board.”

One part of the purchase agreement which was signed today consists of a long-term contract for gategroup to cater flights at the Lufthansa Group's Frankfurt, Munich and Zurich hubs. For the Frankfurt and Munich operations which provide catering for Lufthansa flights, Lufthansa will retain a minority shareholding in a new joint venture company. The arrangement will ensure a smooth and seamless handover of the businesses concerned, along with a successful start to the new collaboration.

The sale of the remaining part of the LSG Group should be initiated early next year.

"We have demonstrated in the past that we can successfully integrate new companies. By combining the competencies of LSG and gategroup, we can offer a unique passenger experience based on culinary excellence and innovation. With the creation of a new Lufthansa-dedicated culinary studio and think tank, we will continue to develop our unique offering for passengers together with Lufthansa," says Xavier Rossinyol, CEO gategroup. "This will firmly anchor an innovative, premium in-flight service for Lufthansa."

gategroup and the LSG Group in brief

gategroup is the global leader in airline catering, inflight sales and hospitality products and services. gategroup provides passengers with superior culinary and retail experiences, leveraging innovation and advanced technology solutions. Headquartered in Zurich, Switzerland, gategroup delivers operational excellence through the most extensive catering network in the aviation industry, serving more than 700 million passengers a year from over 200 operating units in over 60 countries and territories throughout every continent. In 2018 gategroup and its 43,000 employees worldwide generated CHF 4.9 billion in revenues. For further information please visit www.gategroup.com

The LSG Group is one of the world's leading providers of end-to-end onboard products and services for the travel industry. The group maintains a strong portfolio of independent specialist brands: LSG Sky Chefs (airline and rail catering, including lounges), Retail inMotion (inflight sales), SPIRIANT (onboard equipment design and procurement) and Evertaste (convenience food).

The LSG Group is headquartered in Neu-Isenburg near Frankfurt, Germany. In 2018, its 35,500 employees produced 719 million meals and achieved consolidated revenues of EUR 3.2 billion. The LSG Group can also draw on an extensive network of joint ventures and partnerships around the globe which generate non-consolidated annual revenues of a further EUR 1.4 billion. For further information please visit www.lsg-group.com

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December 9, 2019

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Media Relations

Deutsche Lufthansa AG
Corporate Communications, The Americas
Tal Muscal / Christina Semmel
Tel: +1 516-296-9474
americaspr@dlh.de/ Follow us on Twitter: @lufthansaNews