

1. Company Profile

1.1 Aviation is our business

Lufthansa Consulting is an aviation and management consulting company which is dedicated to assist international clients from the aviation sector and related industries to successfully meet the challenges of the future. Since 1988 the company has provided services and solutions to the air transportation industry worldwide and is an independent subsidiary of the Lufthansa Aviation Group (Deutsche Lufthansa AG). Lufthansa Consulting is in the unique position of offering comprehensive consultancy and expertise to aviation specific client groups: air carriers, airport authorities, governments, investors, financial institutions, manufacturers, other industries and service related entities.

Our industry focus originates from our parent organization, one of the world's leading aviation Groups and founder member of the international airline network StarAlliance. We identify improvement potentials quickly and offer customized consulting solutions including know-how transfer and implementation, applying the diversified experience of the entire Lufthansa Group. Our clients benefit from customized business solutions designed by consultants with a global understanding of the industry and in-depth knowledge of factors which are critical for success. We know the aviation business!

Our experts have extensive industry experience and apply highly developed methods and skills to achieve innovative and durable solutions. In addition, they have access to sophisticated databases containing valuable data and information about markets, processes and technologies. These resources are continuously developed to meet the dynamically changing requirements of our aviation clients.

We constantly develop innovative approaches to improve the quality and extend the range of our consulting services and methods, especially in the organizational and technical aspects of the airline and airport sector.

Lufthansa Consulting maintains contact with leading German universities and other academic institutions to enrich practical experience with current results from research and development.

As part of the development strategy to expand our worldwide activities Lufthansa Consulting has established local sales offices dedicated to specific regions. Proximity to our clients promotes a better understanding of the regional challenges and issues, enabling us to recognize opportunities and focus our solutions towards specific regional requirements.

1.2 Company Structure

Our organizational structure mirrors key elements of the commercial aviation industry: Airports, Air Cargo, Airline Operations, Maintenance and Engineering, Strategy and Network Management, Airline Restructuring and Commercial. The consulting experts are grouped into functional and industry competence centers, which combine to provide and develop tailored solutions and innovative services. The competence centers work in close cooperation with our international sales teams to manage and coordinate all project and product related activities. The sales teams focus on business development and projects in the regions Americas, Asia/Pacific, Europe, Middle East/Africa and Russia/CIS.

1.3 Expertise, Services and Products

Lufthansa Consulting offers a wide range of services and expertise for the client groups: airlines, airports and aviation authorities as well as related industries including ground handling companies, manufacturers and financial institutions.

Airline Operations

Operational efficiency is a critical factor for an airline's economic viability. Lufthansa Consulting offers its clients a wide range of services with the emphasis on safety, efficiency, regulatory compliance and crisis response management, in particular focusing on interfaces between airlines, airports and Air Navigation Service Providers (ANSP's). We offer process design and improvements alongside cost potential analysis and implementation for Flight Operations, Flight Training, and Flight Support Functions with implementation training.

For governments and aviation authorities, we provide comprehensive support for adopting European Joint Aviation Requirements and modern Quality Management Systems. Our services include the reorganization of an airline's operations division, aviation authorities or air traffic service providers. The review and development of regulations, standards and procedures, in compliance with international and national regulatory requirements, is part of the overall analysis and implementation process.

Maintenance and Engineering

All airlines are subject to a set of stringent rules and regulations for engineering and maintenance. By effectively managing integrated workflow procedures and standards which are essential for maintenance organizations, Lufthansa Consulting helps its clients structure their organizational processes, add necessary structures and use leading-edge technology. By way

of a detailed assessment report of processes showing areas in need of improvement or restructuring, we work closely with our clients to find and implement solutions according to the applicable regulations, such as JAR, EASA or ISO9000 standards.

Improvement of entire operational nets, such as the daily communication between airlines, airports, air traffic management and ground service providers opens potentials for significant efficiency enhancements.

Air Cargo

Lufthansa Consulting offers a tried-and-tested, comprehensive service portfolio of air cargo services to airlines, airports, cargo handlers and investors with services ranging from strategy development and feasibility studies to the planning and implementation of air cargo terminals. Our clients benefit from our vast experience in air cargo projects of all sizes worldwide, many of which have included implementation. This differentiates us from most strategy consultants. In the competitive environment we support our clients to develop perspectives and channel investments to deliver the greatest value for their business. Lufthansa Consulting assists clients in achieving sustainable competitive advantages through effective cargo and logistics processes that meet each client's very specific needs.

Airline Strategy

The purpose of strategy is to position airlines, airports and their associated infrastructure so that they achieve a sustainable competitive advantage within their specific operating environment. Lufthansa Consulting offers management support for the development or redevelopment of airlines' and airports' business activities in revenue enhancement, organizational planning issues or strategic marketing programs.

Lufthansa Consulting provides aviation clients with a clear and precise strategy. This is based on a thorough understanding of potential customer values, how markets will develop, how the competition is evolving and how these elements will impact the future. Our industry experience spans a variety of aircraft manufacturers, start-up airlines and aircraft operators, including charter and regional airlines, governments and airline alliances.

Network Management

Coordinating customer preferences for hundreds or even thousands of true O&Ds, while at the same time maximizing aircraft utilization and matching aircraft capacity with demand is extremely complex - and as yet, no software alone can handle this task satisfactorily.

The Network Management team at Lufthansa Consulting has precisely this expertise. We have also developed our own specialist software - COMPASS

- to provide ideal support for such projects. Our services cover the entire network management process including the core functions Network Planning, Network Monitoring and Controlling with specific training in all areas.

Airline Restructuring

Airline restructuring is one of the most challenging and complex fields in airline consulting, since it potentially involves every single link in an airline's value chain from financial management and ground operations to strategy and network development. Lufthansa Consulting takes a methodological approach to achieve improvements in the short term to help prevent or recover from a crisis, in the medium term to reinvigorate employees and customers, and in the long term to drive sustainable competitiveness and maintain customer loyalty. Restructuring can be the first step towards preparing an airline for a forthcoming privatization and transforming it into an attractive investment for potential investors.

Commercial

Our extensive aviation marketing management portfolio includes the analysis of specific aviation markets and segments, which is crucial for identifying measures for performance improvement. We have developed tried-and-tested marketing approaches to optimize commercial revenues and reposition airports and airlines in today's market environment and the market of the future. Lufthansa Consulting's services range from specifically designed forecasting methodology to the analysis and simulation of changes in the air transportation market environment (deregulation, liberalization and globalization). Our specialized marketing mix approaches, e. g. for distribution channel management and aviation product management, ensure the appropriate and consistent market positioning of aviation enterprises and all the products in their portfolio.

Airport Consulting

Lufthansa Consulting's airport experts assist airport operators, governments, investors and financial institutions. We support airport operators in improving their revenue streams by increasing and optimizing their traffic base in terms of passenger and cargo volumes and aircraft mix. Our understanding of airline network planning patterns helps our airport clients to capture and develop profitable traffic flows. We support airport stakeholders in airport expansion projects and are recognized advisors in airport privatization projects for the public sector as well as for investor groups and consortia.

Lufthansa Consulting's airport consultancy portfolio provides the services Airport Development, Airport Economics & Strategy, Airport Operations & Management, and Airport Privatization & Commercialization. Each group has its own specific services and methods to advise and support clients in achieving their goals.

1.4 Facts and Figures

Headquarters	<p>Lufthansa Consulting GmbH Von-Gablenz-Str. 2-6 50679 Cologne Germany</p> <p>Phone: + 49-221-826 - 0 Fax: + 49-221-826 – 8260 E-Mail: mail@lhconsulting.com URL: www.lhconsulting.com</p>		
Executive Management	<p>Werner Schuessler <i>Managing Director</i></p>		
Corporate Form	<p>Private Limited Company Independent subsidiary of Lufthansa German Airlines</p>		
Branch Offices	<p>Lufthansa Consulting GmbH MAC/Main Airport Center Unterschweinstiege 2 - 14 Building A, 1st floor 60549 Frankfurt/M. Germany</p> <p>Phone: +49 (0)69-696 20845 Fax: +49 (0)69-696 20830 E-mail: mail@lhconsulting.com</p>		
Regional Offices	<p>Dubai, Frankfurt, Miami, Moscow, Singapore</p>		
Staff	<p>c. 90</p>		
Turnover	2007	€ 15,5 m	US\$ 22,6 m
	2006	€ 13,2 m	US\$ 17,4 m
	2005	€ 15,6 m	US\$ 18,5 m