



# LUFTHANSA TECHNIK AND GE HAVE CHOSEN POLAND AS THE LOCATION FOR THEIR NEW INVESTMENT

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-XEOS, a joint venture of GE Aviation and Lufthansa Technik, will build a state-of-the-art aircraft engine service centre.

-Valued at apx. EUR250 mln. the investment will boost the economic development of the region and create about 500 jobs.

-The location of the new investment was announced on Monday, 5th December 2016, during the joint press conference by Bill Millhaem, Senior Executive at GE Aviation and Bernhard Krueger-Sprengel, Head of Engine Services at Lufthansa Technik, in the presence of Mateusz Morawiecki, Deputy Prime Minister and Minister of Development and Finance.

-The investment will be based in the Legnica Special Economic Zone in Sroda Slaska.

**Bernhard Krueger-Sprengel, Senior Vice President Engine Services at Lufthansa Technik: For decades, Lufthansa Technik has been known for top quality in the maintenance, repair, and overhaul business of engines, as well as aircraft structures and components. The**

**establishment of the XEOS engine shop with our partner GE is a major milestone in LHT's growth strategy. The facility announced today will create hundreds of technical and high-level jobs for in Poland in a further evolving aviation industry. A sustainable approach has always been part of our company strategy and, therefore, we will of course take care that international environmental and social compliance standards will also be implemented at the new facility.**

Bill Millhaem, Senior Executive at GE Aviation: We, together with our partner, and the support of the Polish government and local authorities, are elighted to announce our latest investment in Poland. The facility is designed to be a world-class aircraft engine service centre focused on the maintenance, repair and overhaul of GE's technologically advanced next-generation engines. We look forward to the investment and contributing to the economic development in the region and the entire country.

Mateusz Morawiecki, Deputy Prime Minister, Minister of Development and Finance: Selection of Sroda Slaska as the location for the joint investment of GE and Lufthansa Technik proves once again that our country is open and ready for new, technologically advanced projects. This investment will significantly strengthen the sector which thanks to our world-class specialists in aviation engineering has already become our Polish specialty.

Selection of Poland complimented by highly-skilled specialists and a well-developed infrastructure The memorandum of understanding regarding the construction of a new, state-of-the-art engine overhaul facility for GE engines operated by Lufthansa and other airline and cargo carriers was signed during the Paris Air Show in June 2015 by the representatives of both companies: GE Aviation President and Chief Executive Officer David Joyce and Lufthansa Technik AG CEO Dr. Johannes Bussmann. The next step was to find the best location for this technologically advanced project. Various locations in many countries across a few continents were rigorously analyzed in a lengthy and intensive selection process. In the end, the Legnica Special Economic Zone (LSEZ) was selected thanks to its development potential, economic competitiveness and government support. Moreover, the availability of a highly-skilled workforce was a key factor in that decision. Polish specialists thrive on professional challenges, are open to new technologies, flexible in the dynamic labour market and ready to build up their skills.

Having developed a business-friendly environment for new investments over last several years, Poland has built its competitive edge and proved to be the best location for this project specifically compared to an alternative location outside the EU. The LSEZ was in particular put forward as the most suitable region by virtue of both its highly-skilled and versatile workforce and its infrastructure. That includes a favorable location and well-developed road network that result in the investment becoming operational faster. Thus, it will bring tangible benefits to the stakeholders sooner. Poland also has a connection to the project due to the fact that the core of the engines to be serviced in the factory was designed by Polish engineers at the Engineering Design Center (EDC) in Warsaw.

Thanks to an effective cooperation between business, the government and the local authorities, the construction of a modern service centre in the Legnica Special Economic Zone has been announced today.

Upon finalizing certain agreements between Lufthansa Technik and GE, which the parties expect to complete during the first quarter of 2017, the cornerstone is expected to be laid in March 2017, with the factory becoming operational in September 2018. The project will bring long-term development perspectives. An intensive cooperation is planned with the Wroclaw Institute of

Technology and the local technical schools to educate a new generation of brilliant specialists.

### Servicing the latest aircraft engines

The centre will mainly service GENx-2B engines and will be capable of servicing the new GE9X model, which is currently in development, by 2021. Close to 500 GENx-2B engines are in service with 18 operators around the world and the fleet has accumulated 5 million flight hours with outstanding performance. Compared to GE's CF6 engine, the GENx engine offers up to 15 percent better fuel consumption, which translates to 15 percent less CO<sub>2</sub>.

GE9X engines, expected to enter service in 2020, are the most technologically advanced aircraft engines in their class. Although the engine certification is scheduled for 2018, almost 700 GE9X engines have been ordered by customers around the world. GE9X engines are the next step on the way to improved efficiency, lower fuel consumption and lower greenhouse gas emissions.

The complex will be built in two phases. The first two years will mainly see the construction of office, service and operational buildings. The framework will emerge relatively quickly, followed by more time-consuming internal and finishing works. Over 200 people, ranging from engineers to clerical staff and labourers, will be employed at the start of the operation.

Depending on the future business development a further expansion is planned including the possible construction of a cutting-edge test chamber for aircraft engines. After the realization of this expansion stage XEOS will offer up to 500 jobs.

An opportunity for local communities The development of such a large and technologically advanced investment will bring a range of opportunities to the local communities in the LSEZ. Not only will the project bring jobs for around 500 people, but it will also act as a catalyst to associated businesses. The capital invested in the service centre will find its way to both household and community budgets and from there to new cultural and other public facilities, recreational grounds and the local infrastructure.

Environmental protection issues are of the top priority across Europe, and the new investment in LSEZ has been planned and developed in compliance with this approach. The investors have gone to great lengths to ensure the designed solutions meet all environmental standards. The technologies used are a prime example of 21st century infrastructure: quiet, low emissions, environmentally friendly and safe for the local communities. Today, business means more than return on investment. It's also the concern about the welfare and health of the future generations.

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