Lufthansa Group and Singapore Airlines expand collaboration

In a press release earlier this week, the Lufthansa Group announced the expansion of its collaboration with Singapore Airlines.

The new commercial joint venture which was concluded between the Lufthansa Group and Singapore Airlines in November 2015 is bearing its first fruit. Collaboration partners Lufthansa, Singapore Airlines (SIA) and Swiss International Air Lines (Swiss) are expanding their codeshare agreements. As a result, customers of all three airlines are now offered even more destinations and even more connections.

In addition to the Lufthansa Group's Frankfurt hub, SIA's expanded codeshare connections now offer customers more than 20 convenient codeshare routings via the Group's Munich and Zurich hubs to and from various points in Austria, Belgium, Germany and Switzerland.

Lufthansa and Swiss, meanwhile, are adding the following new codeshare connections in Southeast Asia and the Southwest Pacific to their timetables:

Lufthansa from Frankfurt via Singapore now also to:

Indonesia:

Denpasar
Jakarta

Swiss from Zurich via Singapore now also to:

Australia:

Adelaide
Brisbane
Melbourne
Perth
Sydney

Indonesia:

Jakarta

Malaysia:

Kuala Lumpur

New Zealand:

Auckland
Christchurch

Travelers to these destinations can now fly Lufthansa from Frankfurt or Swiss from Zurich to Singapore and then change seamlessly onto their connecting Singapore Airlines flight with a Lufthansa/Swiss flight number. Any registered baggage checked-in in Germany or Switzerland will be checked right through to their final destination. And, as before, travelers can earn and redeem miles with the partner airline concerned under Miles & More and other Star Alliance frequent flyer programmes.

Photograph: *A Lufthansa Boeing 747-8 taxing the Frankfurt international airport. Photographer: Jürgen Mai/Lufthansa*

BA launches trade promotion to celebrate new San Jose route

Ahead of British Airways' launch of flights on May 4 to San Jose in California, one of the world's tech capitals, the airline has launched a trade promotion, according to a BA press release.

To be in with a chance to win a pair of return tickets to the city, agents simply need to book one or more customers to fly with British Airways between London and San Jose, CA between today (April 7) and May 31, for travel in any cabin until December 31.

To enter they can simply enter the code '787OFR' in to the GDS when booking flights between Heathrow and San Jose.

"We're really excited about our new route from Heathrow to San Jose, California. It's a great opportunity to bring together two dynamic cities, renowned for their tech industries and start-ups. Equally, it's an ideal gateway to California and the scenic Pacific Coast Highway, so it's well worth agents offering it to clients as another option in addition to San Francisco, Los Angeles or San Diego," says Stephen Humphreys, British Airways' head of global sales.

The route will be served by the airline's new Boeing 787-9 Dreamliner. As the aircraft is 20ft longer that the 787-8, it is able to offer four cabins: World Traveller (economy), World Traveller Plus (premium economy), Club World (business class) and for the first time on the airline's Dreamliner fleet, a First cabin.

Specially developed for the 787-9, the new First cabin is very private with just eight suits. Each seat has four additional storage areas, including an ottoman, a personal suiter, a locker for small personal effects and a device stowage space complete with charging capability. In-flight entertainment is shown on a 23inch fixed screen and a smart ‘jog-dial’, manages the seat’s recline, headrest and lumbar inflate and a ‘global’ lighting control to set both ambient and reading lighting.

For full details of the promotion and terms and conditions agents can visit batraveltrade.com.

Photograph: *A BA Club World seat. Photo from British Airways.*

SAS from red to black numbers

As the SAS management presented its year-end report for November 2014 to October 2015 on Wednesday, it soon became clear that the group has accomplished many an airline’s dream nowadays, namely turning red numbers into black.

Last year’s income before tax were MSEK -918, whereas this year’s income has grown to MSEK 1,417.

Other key figures are (last year’s figures in parentheses):

Income before tax and nonrecurring items: MSEK 1,174 (-697)
Revenue: MSEK 39,650 (38,006)
Unit revenue (PASK) increased 3.8% [1]
Unit cost (CASK) increased 3.3% [2]
EBIT margin: 5.6% (0.4%)
Net income for the period: MSEK 956 (-719)
Earnings per common share: SEK 1.84 (-3.03)

Mr. Rickard Gustafson, SAS' president and CEO (photo from SAS)

“SAS reported positive income before tax and nonrecurring items of MSEK 1,174 for the 2014/2015 fiscal year. This was a significant year-on-year improvement, primarily driven by our commercial successes, cost measures and, in the fourth quarter, by lower jetfuel costs. During the year, we have implemented extensive improvements aimed at frequent travelers and these have delivered clear results. However, the unit cost after adjustments for currency and jet fuel increased during the year, which is unsatisfactory. We now need to work even more intensively with implementation of the continued cost measures to improve our long-term competitiveness”, says Rickard Gustafson, SAS President and CEO, continuing:

“Altogether, the product enhancements and the implemented cost measures have created new preconditions enabling us to open new long-haul routes to Los Angeles, Miami and Boston next year. We know that competition will intensify moving forward, but given our improved financial position, our focused enhancement initiatives and our customers' positive response, we have an excellent starting position. We are continuing our dedicated efforts to make life easier for our frequent travelers with time-saving and smooth journeys to sought-after destinations”.

Top photo: *A Boeing 737 SAS aircraft (photograph from the SAS Group).*

[Special charter for the Magna Carta]

Hereford Cathedral's 1217 Magna Carta, which has been on a global tour, touched down back at Heathrow with British Airways last Monday, according to a British Airways press release.

To celebrate 800 years since the charter was first sealed, one of only 24 original versions has been globe-trotting with the airline and the GREAT Britain Campaign, racking up an impressive 37,000 miles in less than three months.

The Magna Carta embarked on its world tour on September 21 when it flew in First with British Airways to New York.

Since then it has been viewed by thousands of people in Luxembourg, China, Singapore and Malta before its final stop in Lisbon.

The Magna Carta established the principle that everybody, including the sovereign, was subject to the law. It is today recognised by thousands of people across the world as a symbol of democracy.

Captain Neil Hunter, who operated the flight from Lisbon to Heathrow, said "Flying the Magna Carta home from its global tour was a real honour. Its influence has already travelled the world, but this is the first time it has physically flown quite so far."

The document tops the list of unusual and unexpected items that the airline has been entrusted with flying around the world. Previously British Airways has flown:

The Olympic Flame

As official sponsor of the 2012 London Olympic Games, British Airways flew the Olympic Flame from Athens to London on board flight 'BA2012' a specially chartered, gold-liveried aircraft. The Flame travelled in a ceremonial lantern secured in a specially designed cradle firmly fixed to its seat on the plane.

12 endangered San Salvador Iguanas

British Airways flew 12 endangered San Salvador Rock iguanas back to their home in the Bahamas. The iguanas play a critical role in the local ecosystem and are vital to maintaining biological diversity in the rural communities they inhabit. The delicate cargo had special dispensation to fly in the cabin for the flight and were carefully looked after by British Airways pilots and crew.

The Rugby World Cup Trophy

Hosts England unfortunately had an early exit at this years' Rugby World Cup, but back in 2003 the England Rugby team returned victorious from Australia. As champions they travelled back home on a British Airways flight from Sydney to London, with the Webb Ellis Trophy in a seat of its very own.

A lost cuckoo

An endangered cuckoo who missed her summer migration due to injury, was given a helping hand with her journey by British Airways. The injured cuckoo was found in a garden in Surrey and was unable to fly after being attacked by other birds. After a period of recovery at the Wildlife Aid Foundation's (WAF) veterinary hospital in Leatherhead, British Airways flew her to Italy so she could catch up with the rest of the cuckoos on their summer migration down to South Africa.

Not-so-Slow Loris

British Airways flew a rare Bengal Slow Loris from the Maldives where it was confiscated during a drugs raid by local police, to the UK to start a new life in a rescue centre dedicated to conserving endangered animals. The VIP (very important primate) flew at speeds of over 500 mph on his way from the Maldives to London, for once not such a Slow Loris.

Photo: *BA crew members with the 800-year-old Magna Carta on board. Photograph from British Airways*

Star Aliance launches connecting partner model

Star Alliance is set to expand its network reach with the launch of its Connecting Partner Model. Under this new concept, routes operated by "low-cost" and "hybrid" airlines will be able to connect to the Alliance network. This will allow customers of Star Alliance member carriers to select from an even wider choice of destinations and flights, according to a Star Alliance press release.

"With this innovative concept, we are breaking new ground. We see a definite trend of convergence between the 'traditional full service' and 'low-cost' business models in the airline industry," says Mark Schwab, CEO Star Alliance. "At the same time, our customers are telling us that they need access to markets where we do not yet provide ideal coverage. In many cases network carriers are not in a position to fill this gap and hence working with future Connecting Partners will allow us to provide an extended network to our travellers.”

Connecting Partners will be carefully assessed for their fit into the existing Star Alliance network. While these selected airlines need to comply and adhere to the high operating standard required by the Alliance, they will not become a member of the Alliance itself.

Customers travelling on an itinerary which includes a transfer between a Star Alliance member airline and a Connecting Partner will be offered Alliance benefits such as passenger and baggage through check-in. Moreover, Star Alliance Gold Card holders will enjoy a tailored set of privileges in line with the different product offerings of the individual Connecting Partner.

Connecting Partners will enter into bilateral commercial agreements with selected Star Alliance member airlines, which may include additional Frequent Flyer Programme based privileges.

Innovative and multi-award winning South African low-cost airline Mango has been selected as the first airline with which Star Alliance will be implementing the new concept.

“We are delighted to be working with Mango as we marry traditional and low-cost or hybrid airlines for the first time in our Alliance’s history. The airline’s innovative and progressive style makes it an ideal candidate for launching our new Connecting Partner concept. We aim to have first customers using this new offer as of the third quarter of 2016,” adds Schwab.

Mango’s first flight took to the skies on November 15th, 2006. Since then, the airline has grown its fleet from four to 10 Boeing 737-800 aircraft, operating between South Africa’s key domestic points as well as between Johannesburg and Zanzibar. The carrier remains the only African airline to offer on-board

Wi-Fi. In addition, Mango has been recognised for its Customer Service Excellence by various awards, including the World Travel Awards and Skytrax.

“Innovation and a relentless pursuit of excellence are the cornerstones of Mango and fundamental to our culture as a business,” says Mango CEO Nico Bezuidenhout. Mango celebrates a decade in aviation next year and the carrier has recently become the largest low-cost airline in South Africa by passenger volume. “Participation in the development of, and ultimately becoming the launch Star Alliance Connecting Partner airline, wedges-in with our medium to long term business objectives,” he adds.

Bezuidenhout says that while the Connecting Partner product flies in the face of convention, the common ground for the concept relates directly to the bottom line. “Becoming a Connecting Partner will give any low-cost or hybrid airline a competitive advantage that immediately grows market share while creating greater choice for travellers,” he says.

Photo: *A mid-air Star Alliance (Continental Airlines) Boeing 777-224ER. Photo from Wikimedia Commons, licenced under Creative Commons.*

[‘Norwegian UK’ set to take-off as airline is granted UK Air Operating License]

New ‘Norwegian UK’ subsidiary will open the door for further UK expansion and potential new routes to Asia, South America and South Africa, the airline states in a recent press

release.

Norwegian, Europe’s third largest low-cost airline, has been granted a UK Operating License opening up bilateral traffic rights to a series of potential new markets including Asia, South America and South Africa as the airline continues its huge growth in the UK.

The company has grown to become the third-largest airline at Gatwick and also operates from Manchester, Birmingham, and Edinburgh. Over the last 12 months, Norwegian has flown 3.9 million UK passengers to 34 global destinations, including the UK’s only low-cost direct flights to America.

With new aircraft on order that will more than quadruple its current long-haul fleet, Norwegian is planning further expansion in key markets, particularly the UK. Norwegian has now obtained a UK Operating License following a detailed application process with the Civil Aviation Authority. The UK license will help Norwegian access bilateral traffic rights, opening the door to new UK routes to a series of potential new markets in the future including Asia, South America and South Africa.

Norwegian plans to begin operating under the new license as ‘Norwegian UK’ in the first quarter of 2016 and will be located at Gatwick where the airline already has ten aircraft and more than 400 crew and pilots based. Norwegian’s new routes and UK expansion plans are expected to help create several hundred jobs within Norwegian in the coming years, along with many more in the wider travel and tourism industry.

“The British market continues to play a major role in Norwegian’s growth. Securing a UK Operating License is great news and an important step to get a stronger foothold in the UK as we plan for further expansion, new routes and new jobs,” Norwegian CEO Bjorn Kjos remarks.

“With nearly 4 million passengers in the UK over the last 12 months, passengers are voting with their feet for the quality, affordable travel we offer. We are changing the face of low-cost travel by offering free on-board WiFi, state-of-the-art new aircraft and the UK's only direct low-cost flights to America. With the door now unlocked for new routes and further growth, we look forward to offering UK passengers a range of exciting new destinations in the future," Managing Director of Norwegian UK, Asgeir Nyseth, says.

News of the UK Operating Licence follows a series of recent route launches as Norwegian continues its huge UK growth. Earlier this month Norwegian launched its 5th transatlantic route from Gatwick with the UK's only direct route to Puerto Rico offering passengers low-cost travel to the Caribbean for the first time. Also this month, two new routes were added at Birmingham Airport helping make Norwegian the fastest growing airline at Birmingham in 2015.

How Norwegian has grown in the UK:

April 2013: Norwegian establishes its first UK base at London Gatwick. More than 400 long-haul and short-haul crew and pilots are now based at the airport

July 2014: Norwegian introduces the UK's first low-cost, long-haul flights to the U.S. Flights from Gatwick to New York, Los Angeles, Orlando and Fort Lauderdale cost from £149

Summer 2015: Norwegian sees its busiest ever summer in the UK with over one million passengers between June and September and over 500 flights per week to and from UK airports

September 2015: in the 12 months from October 2014 to September 2015 a total of 3,931,803 passengers flew with Norwegian to and from UK airports

October 2015: in Norwegian's third quarter results, the airline's strongest growth in terms of passenger numbers was at Gatwick. Norwegian also announced an order for 19 new

Dreamliner aircraft, the single largest order in Europe which will help quadruple Norwegian's long-haul fleet

November 2015: Norwegian launches the UK's only direct route to Puerto Rico. The new route from Gatwick will offer UK passengers low-cost travel to the Caribbean for the first time

November 2015: Further expansion at Birmingham and Edinburgh Airports with new flights to the Canary Islands. At Birmingham in particular, Norwegian has launched 5 new routes in less than a year making it one of the airport's fastest growing airlines

First Quarter 2016: 'Norwegian UK' expected to begin operating from existing Gatwick base
May 2016: Boston will be added to Norwegian's low-cost long-haul network, becoming the fifth US destination served from the UK
2017: Norwegian will be the European launch customer of new generation Boeing 737 MAX8 aircraft making it possible to connect smaller cities in the UK with destinations in the U.S.

Photo: *Norwegian aircraft on the runway. Photographer: Hans Olav Nyborg, Norwegian.*

Norwegian's sales team takes off in pursuit of UK growth

Norwegian, Europe's third largest low-cost carrier, this week announced the appointment of Dominic Tucker as Head of Sales UK who joins Mitchell Hawes, Sales Manager UK&I to bolster the fast-growing airline's sales capacity and cement its growth in the UK, according to a company press release.

Tucker and Hawes bring over 30 years' combined sales experience to strengthen the awareness of Norwegian's expansive UK network which now serves 34 destinations worldwide from London, Birmingham, Manchester and Edinburgh.

The new UK-based sales team will focus on communicating the benefits for passengers flying business and leisure with Norwegian – including free Wi-Fi, a generous loyalty programme and a range of flexible fares to primary airports across Europe.

Norwegian is also working to increase awareness of its low-cost, long-haul services on the airline's brand new B787-8 Dreamliners, the only carrier to offer low-cost travel from the UK to the US. Tucker and Hawes will also be tasked with promoting the carrier's long-haul premium cabin, targeting UK business travellers who will benefit from new daily services from London to New York and Los Angeles from October 2015.

Tucker joins Norwegian from British Airways where he spent 14 years in a number of commercial roles including revenue management, alliance sales and account management. He also worked in consumer sales, growing revenue for the airline's long-haul and short-haul operations. Meanwhile, Hawes has an extensive travel background having worked for Norwegian for over five years and previously worked in similar roles at Middle East Airlines, GF and TV-am. He was also a travel consultant at the BBC.

Lars Sande, SVP of Sales and Distribution at Norwegian said: "This is an exciting time for Norwegian as the UK is a strategically important market for our international expansion. As we introduce new routes and state-of-the art aircraft, this is the right time to enhance our sales presence in the UK. Dominic and Mitchell understand the complexities of the UK travel market and have close working relationships with trade partners and tourist boards in order to create mutual sales opportunities.

“Their comprehensive industry knowledge will prove invaluable for Norwegian as they will continuously engage with partners across all segments to maximise lucrative opportunities. I am delighted to have our strong sales team in place so that we can ensure Norwegian is the UK travellers’ airline of choice.”

Stephen Cooper also joins Norwegian as Partner Account Manager UK who will grow the number of UK-based partner companies for Norwegian’s popular loyalty programme, Norwegian Reward. Cooper will be based in London after he was appointed from Avios where he worked as a Senior Partner Manager. The 3.4 million members of Norwegian Reward can earn CashPoints on all flights, hotel bookings, car rentals and more, which can help reduce the cost of future flights, seat reservations or checked baggage.

Tucker is married with a young son while Hawes has two young children and a wife who works in the FMCG industry, which to his benefit, satisfies his guilty pleasure of an occasional glass of wine.

Photo: *Norwegian aircraft on the runway. Photographer: Hans Olav Nyborg, Norwegian.*

SAS and Apollo sign SEK 900 mill agreement

SAS and Apollo are extending their cooperation on charter flights and have signed an agreement for the 2016 summer season worth around MSEK 900. As a result, SAS will be flying Apollo’s customers from 18 locations in Sweden, Norway, and Denmark to 28 destinations across Europe, according to a press release issued by the SAS Group.

SAS and Apollo have been in partnership for about 15 years and once again Apollo has chosen SAS as its partner for a large proportion of its charter flights from Scandinavia during the 2016 summer season.

“We are very pleased that Apollo has once again chosen SAS as its flight partner. With our large fleet, we offer a good, reliable product that our nearly 30 million customers benefit from each year. We look forward to continuing to welcome Apollo’s customers on board our aircraft next year,” says Annelie Nässén, Vice President Global Sales, SAS.

Apollo has chosen SAS as their main external flight partner to complement their own airline, Novair. Thanks to SAS’s flexible fleet, Apollo is able to offer direct flights both from major cities and from regional airports in Sweden, Norway, and Denmark.

“We have enjoyed a long and successful cooperation with SAS and we know that they deliver a high-quality product with good punctuality, which is important in our offer to Apollo’s customers. Our partnership with SAS also gives us a great deal of flexibility, which is something we value highly,” says Leif Vase Larsen, CEO of Apollo Travel Group.

The agreement between SAS and Apollo covers flights from 18 cities in Scandinavia to 28 destinations in Europe.

Photo: *A Boeing 737 SAS aircraft (photograph from the SAS Group).*

Lufthansa Group to be reorganized to enhance synergies and strengthen customer focus

Supervisory Board gives green light to new group alignment and new division of business on Executive Board / Harry Hohmeister and Dr. Bettina Volkens reappointed as Executive Board members for five further years / product enhancements reap rewards: group airlines report record load factors and very positive business trends for the summer months, according to a group press release.

Reorganization details: commercial management of the network carriers from a single Executive Board position / new Group Executive Board position of Eurowings and Aviation Services focusing on growth markets / numerous changes to management functions / reduction of management levels from four to three to reduce complexity and increase decision-making speed / reorganization should add around EUR 500 million to annual earnings once fully implemented.

As part of its ‘7 to 1: Our Way Forward’ program, the Lufthansa Group is to adopt a new organizational structure with effect from 1 January 2016 to strengthen its position as a leading aviation group. The new organization will enable the Group’s member airlines and service companies to align structures and processes even more consistently to the needs of their customer groups. The new alignment will also raise the Lufthansa Group’s overall efficiency, reduce complexity and increase decision-making speeds.

The restructuring will further give the group organization a more functional alignment and thrust and more closely intermesh the Group’s commercial, operational and administrative functions throughout all its business segments. This will include managing the Group’s network carriers using aligned processes, to offer customers a consistent and integrated travel experience throughout all its premium airlines and their operating hubs.

At the same time, the new alignment of the Lufthansa Group will lay vital foundations on which to establish and develop the new Eurowings as a secondary European brand and position it as a market-leading point-to-point airline in the Group’s home markets. The Group is also strengthening its service companies, which are leading in their respective global markets, by enabling them to actively exploit further growth opportunities in the cargo, catering and financial services fields.

“We are making good progress in all seven fields of action of our ‘7 to 1: Our Way Forward’ program,” confirms Carsten Spohr, CEO and Chairman of the Executive Board of Deutsche Lufthansa AG. “The new alignment of the Lufthansa Group that we have today resolved to adopt will strengthen our airlines and our service companies. And our customers will feel the tangible benefits of this, because a process-oriented organization will be focused even more closely than before on their specific needs. Our new group organization should make us more efficient and more responsive, too; and this in turn should sustainably strengthen the position of the Lufthansa Group in its various markets and business segments.”

This further refinement of the Group’s organizational structure will entail changes in the division of duties on the Executive Board. The team of Board members with Carsten Spohr, Karl Ulrich Garnadt, Harry Hohmeister, Simone Menne and Dr. Bettina Volkens will remain unchanged. But its members will have the following duties from 1 January 2016 onwards:

Chairman & CEO: Carsten Spohr

Hub Management: Harry Hohmeister

The commercial management of the Lufthansa Group’s hubs and premium airlines Lufthansa, SWISS and Austrian Airlines will be entrusted to Harry Hohmeister, who was also reappointed to the Executive Board for a further five years by the Supervisory Board today.

Eurowings and Aviation Services: Karl Ulrich Garnadt
The Group’s point-to-point air services, along with overall responsibility for the Eurowings Group, will be in the hands of a new Group Executive Board position which will be assumed by Karl Ulrich Garnadt. Mr. Garnadt will also be responsible for the development of further airlines and service companies.

Finance: Simone Menne
Group finances will continue to be entrusted to Simone Menne. Ms. Menne also assumes responsibility for the Group’s IT in the new organization.

Human Resources & Legal: Dr. Bettina Volkens
The Group’s HR and legal affairs remain the responsibility of Dr. Bettina Volkens, who was also reappointed to the Group Executive Board for a further five years by the Supervisory Board today.

The Lufthansa German Airlines Board which currently serves as the overall management of Lufthansa German Airlines will not be retained in the new group structure.

The office of Group Chairman & CEO Carsten Spohr will also be supplemented by Dr. Detlef Kayser, currently a partner at management consultants McKinsey, with effect from 1 January 2016. Dr. Kayser will serve as Executive Vice President Strategy & Fleet, in which capacity he will also bear overall responsibility for the ‘7 to 1: Our Way Forward’ program.

The new Hub Management position is designed to ensure the more aligned and process-oriented commercial management of the

Group’s premium airlines. More specifically, commercial functions such as Network & Fleet Planning, Product and Distribution should in future be more closely coordinated among all the Group’s network airlines and hubs, under the overall functional charge of Harry Hohmeister.

As a result of this development, Harry Hohmeister will be stepping down as CEO of Swiss International Air Lines (SWISS) on 1 January 2016. In view of this, the SWISS Board of Directors appointed Thomas Klühr, currently Head of Hub Munich & Finance on the Lufthansa German Airlines Board, as the new SWISS CEO. Mr. Klühr should assume his new Zurich-based duties, succeeding Harry Hohmeister, on 1 February 2016.

Within Hub Management, Jens Bischof will take over as Chief Commercial Officer (CCO) and assume commercial responsibility for Lufthansa’s home Frankfurt hub. Mr. Bischof will also bear global responsibility for the worldwide distribution of all three network carrier. Steffen Harbarth will assume commercial responsibility and CCO for Lufthansa’s Munich hub, along with process responsibility for the marketing of all three network airlines, in which capacity he will also be responsible for further developing the Lufthansa brand. Mr. Harbarth is currently Head of Sales for Lufthansa Group Airlines in the Asia-Pacific region.

Dr. Andreas Otto, CCO at Austrian Airlines, will assume commercial responsibility for the Vienna Hub and take over the process responsibility for the product management of Lufthansa’s Hub Carrier. Markus Binkert, CCO of Swiss International Airlines, will be in charge of the commercial steering in Zurich and the process ”Distribution and Revenue Management” – also for all network Airlines of the Lufthansa Group.

The Eurowings Group will be developed as independently as possible, to ensure its strategic and operational flexibility in the particular markets it serves. A new Executive Board will also be established to provide overall management of the Eurowings Group. This body, which will assume its new duties on 1 November, will feature the divisions of ‘Commercial’, ‘Operations’ and ‘Finance’, which Oliver Wagner, Michael Knitter and Dr. Jörg Beissel are being respectively proposed to head to the relevant supervisory Board. The Eurowings Group will also be joined by Dr. Max Kownatzki, former Chief Strategist of the Australia-based Jetstar Group, who will be in charge of Business Development for the Eurowings Group’s point-to-point services.

Lufthansa Cargo and the global market-leading Lufthansa Technik and LSG Sky Chefs service companies will continue to be independently managed, to ensure that they remain as customer-focused as possible within their specific markets. To the same end, the new Lufthansa Group structure will also continue to provide these companies with the degrees of entrepreneurial freedom they need to achieve the further growth desired and further extend their leading market positions. The new group structure envisages functional management at their interfaces with the Group’s airlines and for their financial and personnel processes.

The present four management levels below the Group Executive Board will be reduced to three in the new group organization. This will enable decisions to be taken more quickly, while simultaneously expanding the decision-making scope of individual management members. The adoption of the new group organization is expected to reduce the overall number of management positions by around 15 %. The new organization will gradually be adopted from 1 January 2016 onwards.

The business goal of the realignment of the Lufthansa Group is to add some EUR 500 million a year to the Group’s earnings results, through the cost and revenue synergies that the new organization should provide once it is fully adopted.

In addition to submitting its group reorganization proposals, the Lufthansa Group Executive Board also reported to the Supervisory Board today on the conclusion of the most comprehensive cabin refurbishment program in Lufthansa's history. From this week onwards, every Lufthansa aircraft in line service on the company's short-haul and long-haul networks will feature the latest cabin interiors. Over the past three years 106 Lufthansa long-haul aircraft have been fitted with state-of-the-art new Business and Economy Class cabins and seats. And 76 aircraft have been provided with a new First Class cabin, too. The program to install the new Premium Economy Class – which has proved extremely popular with customers – will also be completed on all 106 Lufthansa long-haul aircraft by this autumn. Elsewhere, SWISS, Austrian Airlines and Brussels Airlines have also been investing substantially in advanced aircraft and cabin interiors.

"The modernization of our aircraft fleets and their cabins is being well received by our customers," says Carsten Spohr. "We have seen record load factors and record results for July and August. The unit revenues continue to be above the level of the second quarter. We are hence optimistic to compensate the strike costs of the first three quarters and still achieve our full year guidance of more than EUR 1.5 billion comfortably. Having brought our fleets and our cabins up to the latest standards," he continues, "we now want to realign our organization and our processes, to make the Lufthansa Group a success for our customers, our employees and our shareholders and, in the process, make it even more successful and sustainably viable, too, for the years ahead. All of our businesses and airlines have chances to expand as long as the parameters for profitable growth are given."

Photo: *A Lufthansa Boeing 747-8 taxing the Frankfurt international airport. Photographer: Jürgen Mai/Lufthansa*

[Norwegian reports strong improvement in earnings and record high load factor]

Yesterday Norwegian (NAS) reported its second quarter results for 2015. The pre-tax result (EBT) was MNOK 456, an improvement of MNOK 593 from the previous year. The load factor for this period was 85 percent with strong progress in all of Norwegian's markets. This also applies to the long-haul operation, where the load factor was over 90 percent and the passenger number has more than doubled since the same period last year, a press release issued by the airline states.

The load factor for the second quarter was 85 percent, up five percentage points from the same quarter last year. Norwegian's long-haul operation had an even higher load factor of 91 percent. During the second quarter, the airline carried 324,000 passengers on its long-haul network. This means that passenger figures for the long-haul operation has more than doubled since the same period last year, where the passenger number was 139,000. Norwegian currently operates 434 routes in Europe, USA and Asia – 21 of which are long-haul routes. All in all, Norwegian has 28 long-haul destinations for sale, with more to come within just a few weeks, including London Gatwick – Boston.

During the second quarter, Norwegian took delivery of a new 787 Dreamliner and two Boeing 737-800 aircraft. Today, Norwegian has a long-haul fleet of eight Dreamliner aircraft. Four more Dreamliners will be added to the fleet next year; all of which will be a bigger version of the ones Norwegian operates today.

Solid growth in all markets

Seven million passengers chose to travel with Norwegian in the second quarter – an increase of nine percent. Norwegian’s strongest growth in terms of passenger numbers was at London Gatwick, with Oslo Airport as a close runner up. The Spanish airports are also experiencing a solid rise in number of Norwegian-passengers. During this quarter, Norwegian has launched domestic routes in Spain, new routes to the Caribbean, as well as new routes between the Caribbean and the cities of Boston, New York and Washington DC.

Despite a weak Norwegian krone, the unit costs are down, ensuring the company’s competitiveness in the future. The fuel prices have decreased, which more than outweighs the effects of a weak Norwegian krone. New aircraft consume considerably less fuel than older aircraft, which gives Norwegian a significant competitive advantage. Norwegian boasts one of the world’s youngest aircraft fleets with an average age of just four years.

During the second quarter, Norwegian’s total revenue was almost BNOK 5.9, up 16 percent from the same quarter last year. Norwegian’s long-haul routes had a revenue growth of 60 percent. Norwegian’s production growth (ASK) for this quarter was 8 percent, while the company’s traffic growth (RPK) was 15 percent, which reflects that each of Norwegian’s passengers on average flies significantly longer than they did before. In addition, more and more passengers are purchasing optional extras on board.

Norwegian named the world’s best low cost long haul airline

CEO of Norwegian Air Shuttle, Mr Bjørn Kjos, explaining the challenges of the airline industry. (Photo credit: Wikipedia)

“It has been a good quarter for Norwegian with a positive growth throughout our route network, particularly on our long-haul network. We fill the seats on our aircraft, we continue to launch new and exciting destinations and, not least, we have received fantastic feedback from our customers in the form of two SkyTrax awards,” Norwegian’s CEO, Bjørn Kjos, says.

In June, Norwegian was voted *Best Low-Cost Airline in Europe* for the third year running, as well the *World’s Best Low-Cost Long-Haul Airline* for the first time, only two years after launching its long-haul service. Skytrax World Airline Awards is the most prestigious and recognized accolade in the airline industry. Travellers from over 160 countries take part each year in the world’s largest airline passenger satisfaction survey to decide the award winners.

Top photo: *Norwegian machine on the runway. Photograpger: Hans Olav Nyborg, Norwegian.*