

**Luxair**  
G R O U P

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# FOCUSED AND DETERMINED

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**ANNUAL REPORT 2018**



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# BOARD OF DIRECTORS

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## BOARD OF DIRECTORS

### PAUL HELMINGER

Chairman  
of the Board of Directors

### FRANÇOISE THOMA

Vice-Chairman  
of the Board of Directors,  
Chief Executive Officer,  
Banque et Caisse d'Épargne  
de l'État

### MICHEL BIREL

Member  
Deputy Chief Executive Officer,  
Banque et Caisse d'Épargne  
de l'État

\*Until 13 May 2018

### HUGUES DELCOURT

Member  
Chief Executive Officer,  
Chairman of the Executive  
Committee,  
Banque Internationale à  
Luxembourg

\*Until 13 May 2019

### MICHÈLE EISENBARTH

Member  
Ambassador,  
Director of European affairs and  
International economic relations,  
Ministry of Foreign Affairs

\*Until 26 April 2019

### GIOVANNI GIALLOMBARDO

Member  
Member of the Management  
Board, Delfin,  
Member of the Management  
Board, Unicredit Luxembourg

### MARCEL LEYERS

Member  
Chief Executive Officer,  
Chairman of the Executive  
Committee,  
Banque Internationale à  
Luxembourg

\*As from 13 May 2019

### GUY ROSSELJONG

Member  
Deputy Chief Executive Officer  
Banque et Caisse d'Épargne  
de l'État

\*Since 14 May 2018

### JEAN-LOUIS THILL

Member  
Ambassador,  
Director of European affairs and  
International economic relations,  
Ministry of Foreign Affairs

\*Since 26 April 2019

### TOM WEISGERBER

Member  
First Government Advisor,  
Ministry of Mobility  
and Public Works

### HELDER DE OLIVEIRA BORGES

Member  
LuxairGroup personnel  
representative

### PATRICK STREFF

Member  
LuxairGroup personnel  
representative

### MARC ZAFRA

Member  
LuxairGroup personnel  
representative

### MAX NILLES

Government Commissioner  
for Luxair S.A.  
Conseiller, Chargé de Direction  
Ministry of Mobility  
and Public Works

### GWENN VANWEDDINGEN

Secretary of the Board of  
Directors  
of Luxair S.A.  
General Secretary LuxairGroup

## LUXAIR S.A. SHAREHOLDING

The share capital of Luxair S.A. amounts to 13,750,000 EUR and is represented by 110,000 shares held by the shareholders.

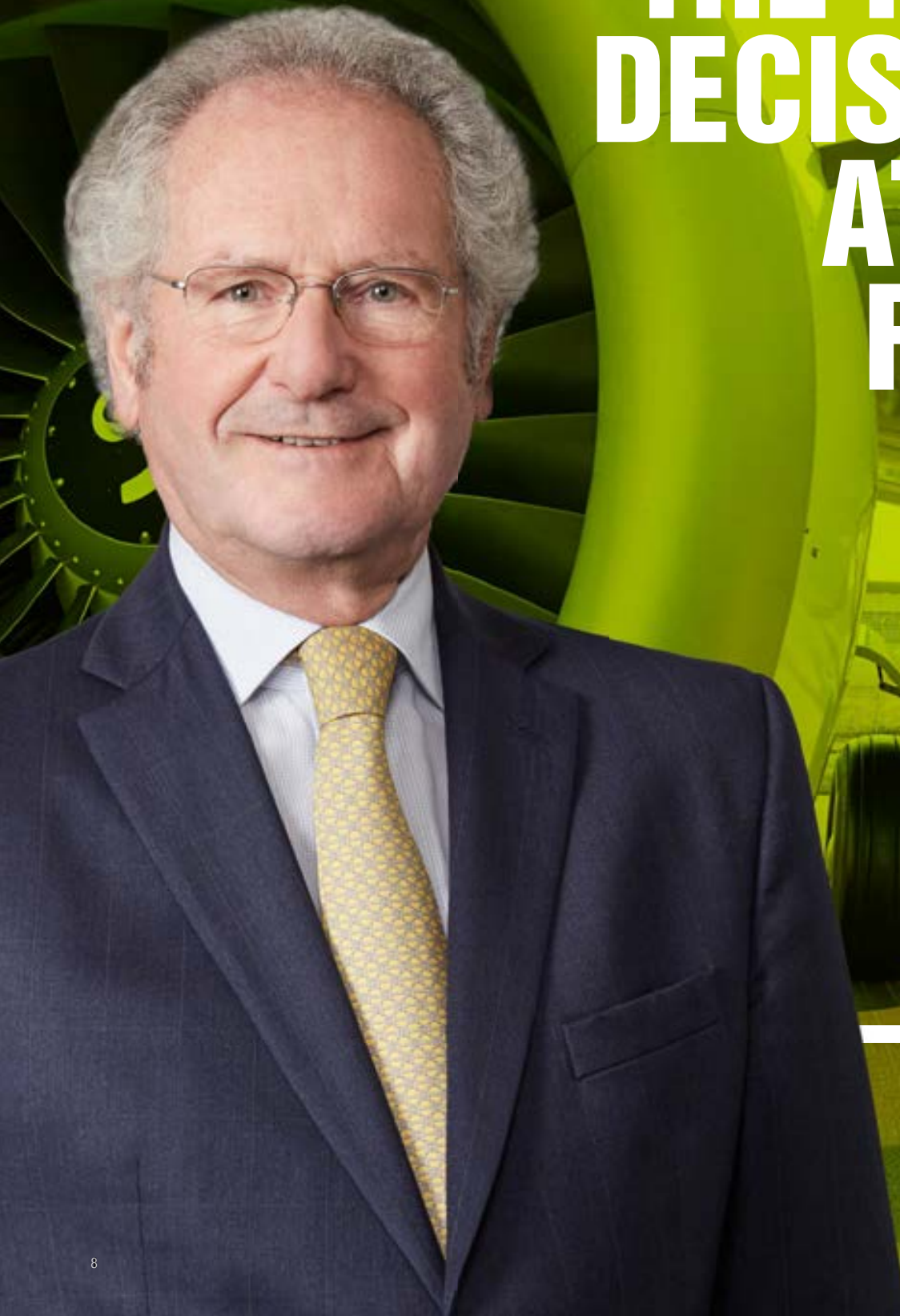
Etat du Grand-Duché de Luxembourg	39.05%
Banque et Caisse d'Épargne de l'État	21.81%
Banque Internationale à Luxembourg	13.14%
Delfin	13%
Luxair	10%
Luxair Finance	2.86%
Others	0.14%

### Main companies in which Luxair holds a participation

Cargolux Airlines International	35.1%
Luxfuel	40%
Euro Moselle Loisirs	35%
Ojectif Lune	35%



# THE RIGHT DECISIONS AT THE RIGHT TIME



Paul Helminger  
Chairman of the Board of Directors

LuxairGroup's development over the last years has been exceptional. Thanks to the strong evolution of all of its Business Units, LuxairGroup not only confirms that it is one of the main actors of the regional economy, it also has proven to be one of its main drivers.

In 2011, Luxair Luxembourg Airlines offered a capacity of 1.971 million seats and had 15 aircraft, compared to 3.068 million seats and 20 aircraft today; yearly passenger numbers grew by 78% between 2011 and 2018. LuxairTours increased its passenger numbers by 53% during the same period, with five more destinations on offer today than 8 years ago. LuxairServices accompanied the steady growth of Lux-Airport, with 1,792,000 passengers handled in 2011 compared to 4,040,000 in 2018. The LuxairCARGO performance speaks for itself: 678,000 tons of air cargo were handled in 2011; in 2018, the annual volume reached 957,000 tons.

This operational development unfortunately was not always in line with the financial results. LuxairGroup nevertheless mostly managed to achieve positive operational earnings and always showed a very sound balance sheet.

This overall performance is outstanding because during the same time period, LuxairGroup had to contend with ever fiercer competition in its home market and has been influenced by the global economic trends. At the end of the day, excellent governance and a strong leadership made it possible to achieve these results: LuxairGroup's development certainly shows that the strategic adaptations LuxairGroup made over the years were the right choices at the right time.

LuxairGroup's business model is complex, in many aspects. First of all, LuxairGroup is a small player in the European airlines industry, but it competes with the big ones. Nevertheless, it has a vital function for the regional economy and fills a niche, as Luxair Luxembourg Airlines guarantees direct operations to the main European business centres and capitals. It's a role that competitors could not take over, since they mainly serve their own hubs and consider Luxembourg as a destination amongst many others.

LuxairTours remains the number one tour operator in the greater region. Its reliability and proximity to its customers, combined with a

permanently reviewed offer of destinations, hotels and products, make it stand out from the others. LuxairTours also initiated a review of its distribution channels, developing its online business and investing in partnerships with travel agencies. LuxairTours thus evolved over the past years to become a steady profit centre of the group.

That reliable profit-maker had traditionally been the air cargo handling unit LuxairCARGO, but the major crises in the world's economy took their toll as declining world trade was generating overcapacities in the market, putting heavy pressure on the margins. LuxairCARGO recovered and has shown record numbers of handled tonnage for the last three years – however, the profitability never improved due to a very sensitive and volatile market which remains unpredictable and dependent on the global economy.

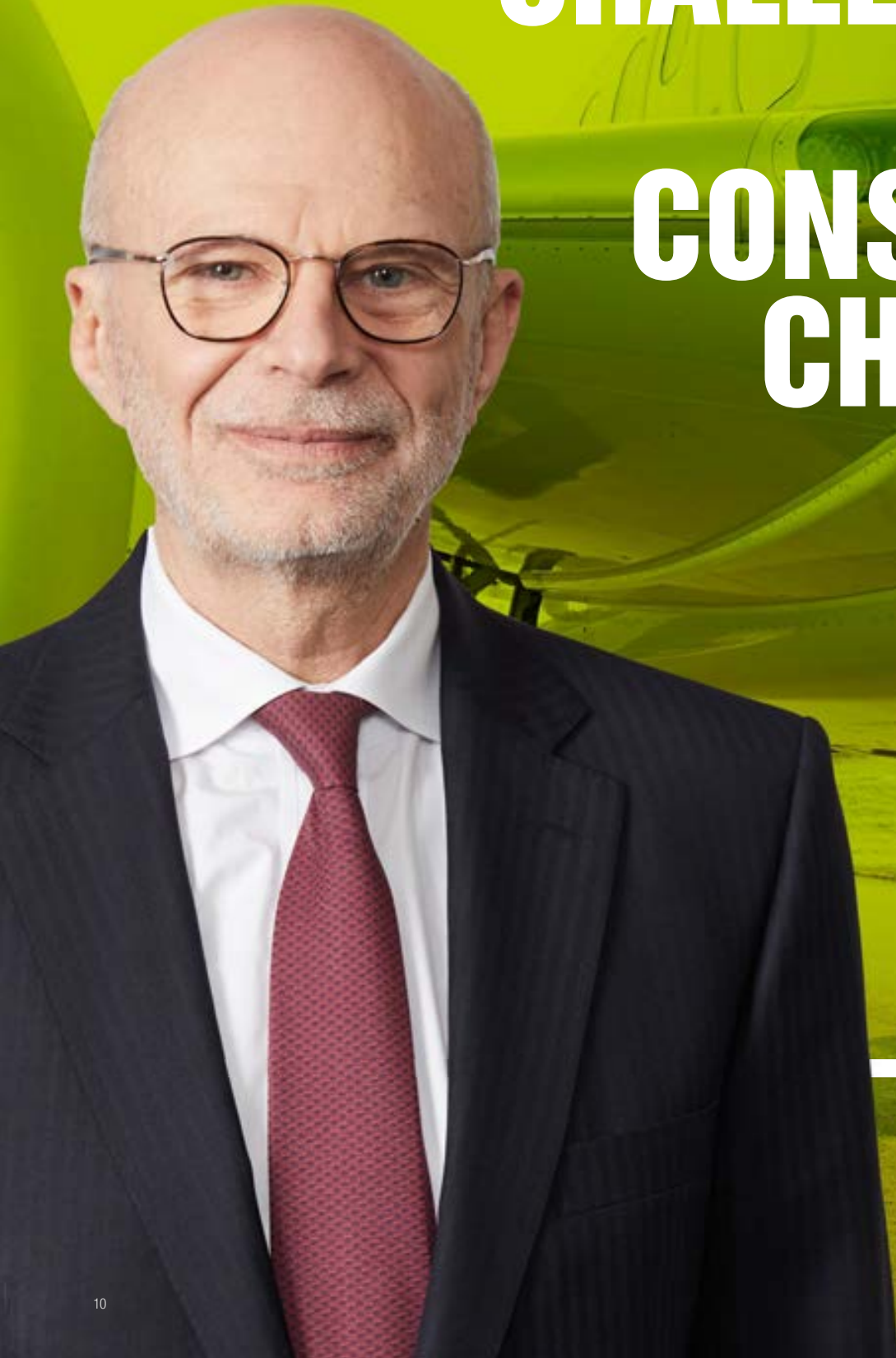
Last but not least, LuxairServices, the passenger and ground handling business unit of LuxairGroup successfully dealt with the outstanding growth of lux-Airport. LuxairServices succeeded in developing its operations by convincing the airport's customers with the excellence and quality of its service.

In summary, all four LuxairGroup business units are performing well, despite their competitive environment. Although the airline business is and always will be LuxairGroup's core business, it is the combination of diverse airline related activities that allow LuxairGroup to withstand the economic and competitive pressure, operational as well as financial. LuxairGroup is proud of its performance and proud of its role as a major actor - and driver - in the regional economy. This role also includes a social responsibility that LuxairGroup always assumed, guaranteeing employment for its almost 3,000 staff as well as for the over 3,000 indirect jobs which depend on its activities and the airport, on top of its role as a key pillar of the economic development and growth for the Greater Region.

In a world that is continually accelerating, where innovation and flexibility are key to a sustainable future, LuxairGroup will continue doing big things, by taking the right decisions at the right time – just as it always has!



# CHALLENGED BY CONSTANT CHANGE



Adrien Ney  
President, Chief Executive Officer

2018 was once again a challenging year for LuxairGroup and its main activities Airline, Tour Operating, Airport Services and Cargo Handling. Three constants have paced our businesses over the last years: the perpetual need for change and innovation, an unpredictable future and a challenging environment. In other words, all of our activities were under constant pressure.

The aviation industry has recently undergone a huge transformation, marked by numerous airlines disappearing or being taken over by big groups, leading to a consolidation in a market now dominated by only a handful of players. Nonetheless LuxairGroup, largely thanks to the diversity of its activities, remains as one of the last independent regional airlines in Europe.

One has to consider that the investment and the sheer effort to keep up with the competition and assure the necessary growth are proportionally larger for a regional player like LuxairGroup. Thus, the challenge for LuxairGroup is to manage this perpetual evolution, particularly, but not only, when it comes to digitalisation, which revolutionised the service industry. LuxairGroup therefore launched a huge programme to ensure that our company was and always will be state-of-the art in its operations and in customer service.

Our goal is to offer at least the same level of quality as the big players, who have much greater leverage in technological, financial and human resources at their disposal. Over the last couple of years, we have launched new websites and introduced personalised services at all levels, always with customer care as the main driver for innovation. Our customers should rest assured that they are in excellent hands, in any situation.

But the digital transformation not only concerns the passenger, it is valid for all our businesses and also means reviewing internal processes, introducing new technologies in the everyday workflows and acting more quickly to increase productivity.

To meet these challenges our workforce undergoes permanent change management. And thanks to our dedicated staff, we successfully keep on surmounting the pressure.

In 2018, we did so with success: despite difficult circumstances, the fiscal year shows an operational benefit of nearly one million Euro, and the net result at group level amounts to 12.5 million Euro.

The airline side of our business experienced an 11% growth in passenger numbers and our service quality was rewarded with the Trip Advisor's "Travellers' Choice Award" for airlines in 2018.

The tour operator business – LuxairTours – saw an increase of 9% in passengers and remains the leading package holiday provider in the Greater Region. LuxairTours also broke new ground with the successful launch of a new destination in the Middle East, Ras Al Khaimah.

LuxairCARGO, the air cargo handling unit, showed a slow growth of 2% in line with the global economy, nevertheless realising another record year in handled tonnage while broadening its customer base.

Our Airport Services unit benefited from Lux-Airport's steady growth to reach a record number of 4.04 million passengers serviced while constantly maintaining LuxairGroup's high standards in terms of quality, safety, security and comfort of people and goods.

The outlook, however, remains uncertain, mainly for reasons beyond our control. Upcoming international trade conflicts, the Brexit uncertainty and political instability all influence the world economy. The air cargo business already noticed a slowdown in international trade during the last semester of 2018, and this trend continued in 2019. Volatile fuel prices affect the airline business, which is also subject to a notable increase of severe disruptions due to strikes or adverse weather conditions. As for the Tour Operator, the situation remains fragile as the current growth largely comes from destinations which are still recovering from political upheavals of the recent past.

No matter the weather or the economic, political or social climate, LuxairGroup needs to maintain continued growth in all its activities in order to fight stiff competition and assure a sustainable future.

Looking back over the last decade, I remain confident that we will succeed. Dealing with constant change and adapting to new situations has become the norm for us since 2006. Our almost 3,000 dedicated staff members have already proven it in the past, and I have no doubt that their ability to adapt quickly, to think outside of the box, and to move forward with enthusiasm and dedication will keep the company going strong in the future!

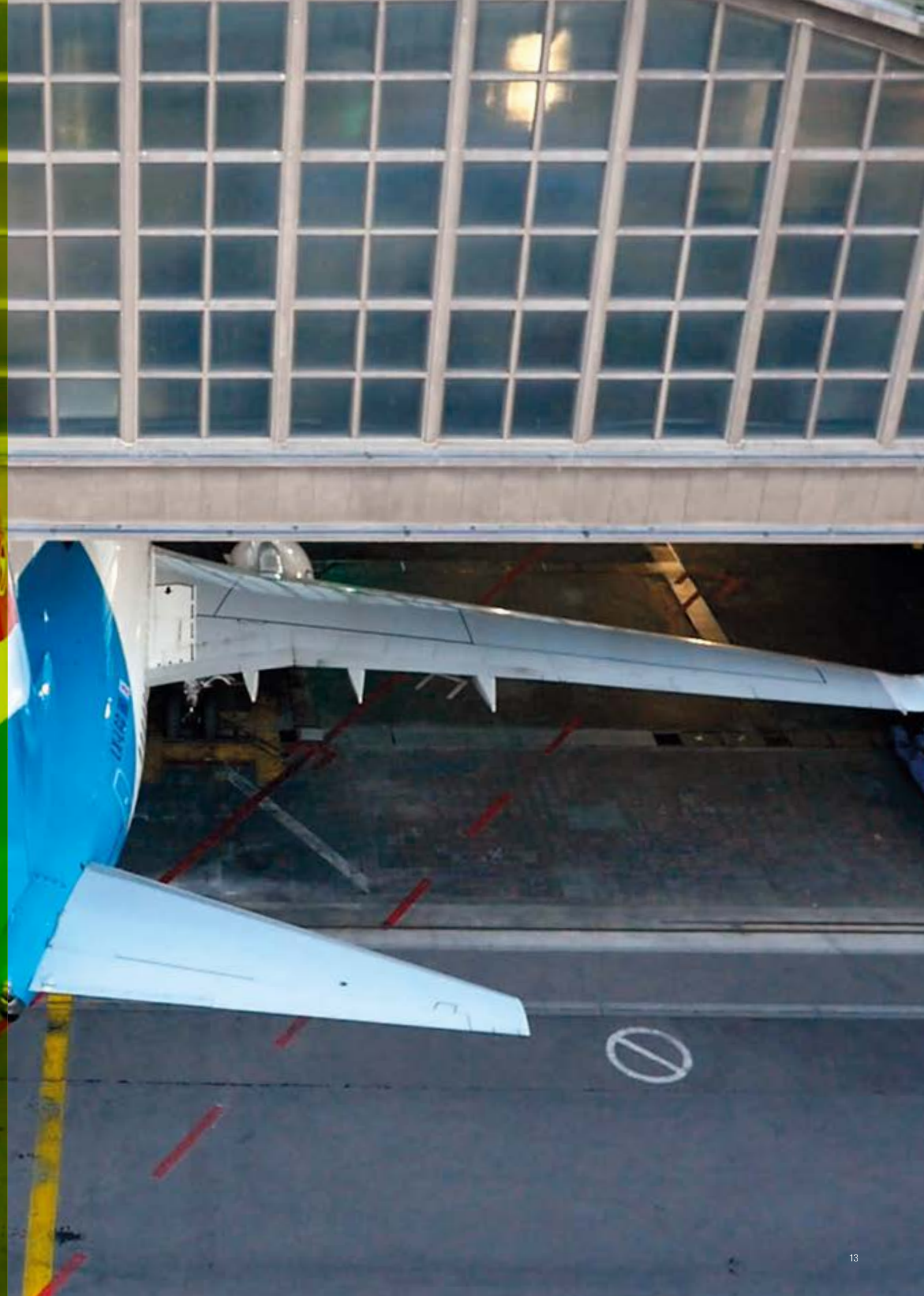


LUXAIR LUXEMBOURG AIRLINES

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# THE REGION'S BEST CHOICE

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**DISCOVER MORE**

## THE AERIAL VIEW

Depending on your vantage point, 2018 was a very difficult year, or quite a successful one. In fact, the wider view suggests both are true. Although continually facing tough competition, new challenges like increasing digitalisation, and factors beyond its control like increased fuel prices, Luxair Luxembourg Airlines saw a 6% growth in passenger traffic departing from Luxembourg in 2018. This is the same growth rate experienced in 2017 and in line with 2018 industry averages for European traffic. Overall passenger development showed an even stronger growth, at 11 percent, which is nearly double 2017's 6% increase. This favourable outcome was in part due to a new route connecting Saarbrücken to the German capital three times a day.

Luxair Luxembourg Airlines again aimed to stimulate interest in "entry fare" offers or promotions, which represented 65% of the "point-to-point" tickets sold. The seat load factor remained unchanged at 64% for the combined fleet. Although currently stable, the number of High Yield passengers has steadily declined over the past decade.

But looking at it from a different angle, this positive increase in turnover must be weighed against the effect of a 34% hike in fuel prices in 2018, which negatively impacted the airline's net profitability. Profitability is always at risk from external factors over which the company has no control. The 2018 financial result was impacted by an increasing number of strikes, adverse weather conditions and unexpected runway closures. Regardless, Luxair customers know that they can expect excellent service even if unexpected disruptions arise. In fact, a special team has been set up to keep things running smoothly if any disturbances in normal operations occur, and they'll soon be supported by new technology designed to improve process efficiency for irregularity handling.

In 2018, Luxair's Airline Safety Manager again received worldwide recognition, receiving for the second time the award for excellence from the European Regions Airline Association. Luxair and its clients benefit from this experience and commitment. This kind of acknowledgement from the airline industry itself gives Luxair Luxembourg Airlines crew and passengers even greater confidence and assurance.

## A GLANCE FORWARD

Recent growth predictions at a European and global level do not look very promising. A large number of uncertainties, such as Brexit, growing populism in several countries, trade conflicts between major powers, low visibility on raw materials and geopolitical tensions, impact customer confidence.

The Luxair Luxembourg Airlines fleet will grow in 2019. One Boeing 737-700 was delivered in March and another will be delivered in May 2019. The addition of these two aircraft will increase the fleet up to 4 Boeing 737-700s, 4 Boeing 737-800s and 11 Bombardier Q400s.

And the long-term view? In the coming years, Luxair Luxembourg Airlines will continue to strengthen its role as a regional player, aiming to be the region's best choice. The airline will continue to offer the best quality at the best price and to insist on the highest standards in every area from safety to customer service.



### "BOBBY" – NEW DIGITAL ASSISTANT

In 2018, Luxair became the first Luxembourgish company to launch a digital assistant on Facebook Messenger. "Bobby" provides real-time dialogue with customers, using artificial intelligence to detect customer requests via Facebook Messenger.



### SEAT SELECTION AND SMART UPGRADES



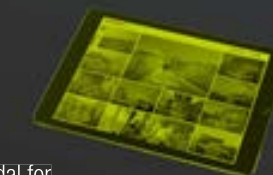
A more customer friendly seat selection introduced in 2018 gives passengers the option of selecting their favourite seat and of bidding on a Smart Upgrade during the booking procedure for an additional fee, if available on their flight.

### TRAVELLERS' CHOICE AWARD FOR AIRLINES



High praise from the people who matter most – the passengers! The world's largest travel site, TripAdvisor, awarded Luxair Luxembourg Airlines the "Travellers' Choice Award for Airlines 2018". This award is based on millions of traveller reviews and truly reflects passengers' satisfaction.

### SILVER MEDAL – TRAVELBLOG.EU



Luxair's travel blog took the silver medal for Best of Content by accBelgium in 2018. It features great photos and daily articles on city destinations, written by local insiders, and gives readers the urge to book their flights, pack their bags and go!



LUXAIRTOURS

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# EXPERIENCED AND RELIABLE

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**DISCOVER MORE**

## OVERVIEW

2018 was a Golden Anniversary for LuxairTours, which took its first group of clients to Palma de Mallorca on 1<sup>st</sup> May 1968. LuxairTours celebrated this 50th anniversary with its clients throughout the entire year, offering them many special offers and advantages.

After some challenging years in a fragile geopolitical context, the number of passengers increased by 9%. Passengers showed renewed confidence in previously popular destinations that had fallen out of favour due to political unrest, and the number of people who booked LuxairTours holidays to Tunisia, Egypt and Turkey grew significantly. The number of package trips, including special offers, also steadily grew with an increase of 11%, while the increase in sales of “flight only” seats slowed down.

LuxairTours remains a very strong regional player, with many customers coming from France, Germany and Belgium as well as from the Grand Duchy. The total number of passengers, including both LuxairTours and charter passengers, rose by 8% compared to 2017. LuxairTours flights saw 76.8% occupancy rate, up from 74.5% in 2017. These positive trends helped LuxairTours to finish the year strong, with an increase in turnover of 12%, compared to 2017.

## STRATEGIC PARTNERSHIP

The French market has grown significantly over the past years and still has growth potential. The Objectif Lune network is made up of some 40 Prêt à Partir agencies, and investing in it means strengthening our presence on the French market, particularly in the greater region and in eastern France. By joining forces with this valuable ally, LuxairTours has the opportunity to broaden its catchment area and to stay as close as possible to customers.

## ZOOM FORWARD

LuxairTours is optimistic that the experience and know-how it has gained the last 50 years has prepared it to meet whatever challenges come in the future.

Clients want to get a fresh perspective on things, experience, discover and enjoy, and they want to do this with the greatest ease, the most pleasure and the best value for money. To make things even easier for our customers, a revised website will be launched in 2019, with improved search results and booking flow. It will be easier to use on mobile devices and is intuitive and user-friendly. Booking confirmations will be exclusively sent in digital form, and the confirmation will be easy to read with clear, compact travel details combined with pictograms.

## ISO 9001:2015

After a successful audit in September 2018, the European Society for Certification of Management Systems (ESCEM) renewed the ISO 9001:2015 for LuxairTours. This certification is the result of strong commitment by all the audited departments and of our unwavering dedication to customer service.



## #SPOTTED BY TRAVELLERS!

A new Luxair platform allows travellers to publish their favourite photos from their favourite LuxairTours vacation! These attractive photos and enticing descriptions posted on [www.luxairspottedbytravellers.lu](http://www.luxairspottedbytravellers.lu) inspire the community to book a flight and pack their bags!

## SET YOUR SIGHTS ON NEW SITES!

For many years, the Cape Verdean Islands were the farthest destination operated by LuxairTours. Until 2018, that is, when LuxairTours became the only tour operator in Western Europe to provide direct flight service to Ras Al Khaimah, the most northern of the 7 United Arab Emirates.





LUXAIRSERVICES

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# SPECIALISED AND FLEXIBLE

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**DISCOVER MORE**

## ZOOM OUT

A glance back at 2018 shows that the frequentation of the airport at Findel grew by 12% to reach 4,04 million passengers, while the number of commercial aircraft movements increased by 9%. This surpassed the growth in traffic observed throughout Europe. LuxairServices, the sole active handling agent, assisted all aircraft and passengers in transit. Turnover increased by 11% compared to 2017.

Some 2,264,808 passengers were served meals skilfully prepared by Luxair Catering service in 2018, which represents a 6% increase from 2017. Luxair Catering provides catering services not only for Luxair and LuxairTours passengers, but also for other client airlines. The turnover from business with third party companies increased by 4%.

## LOOK AHEAD

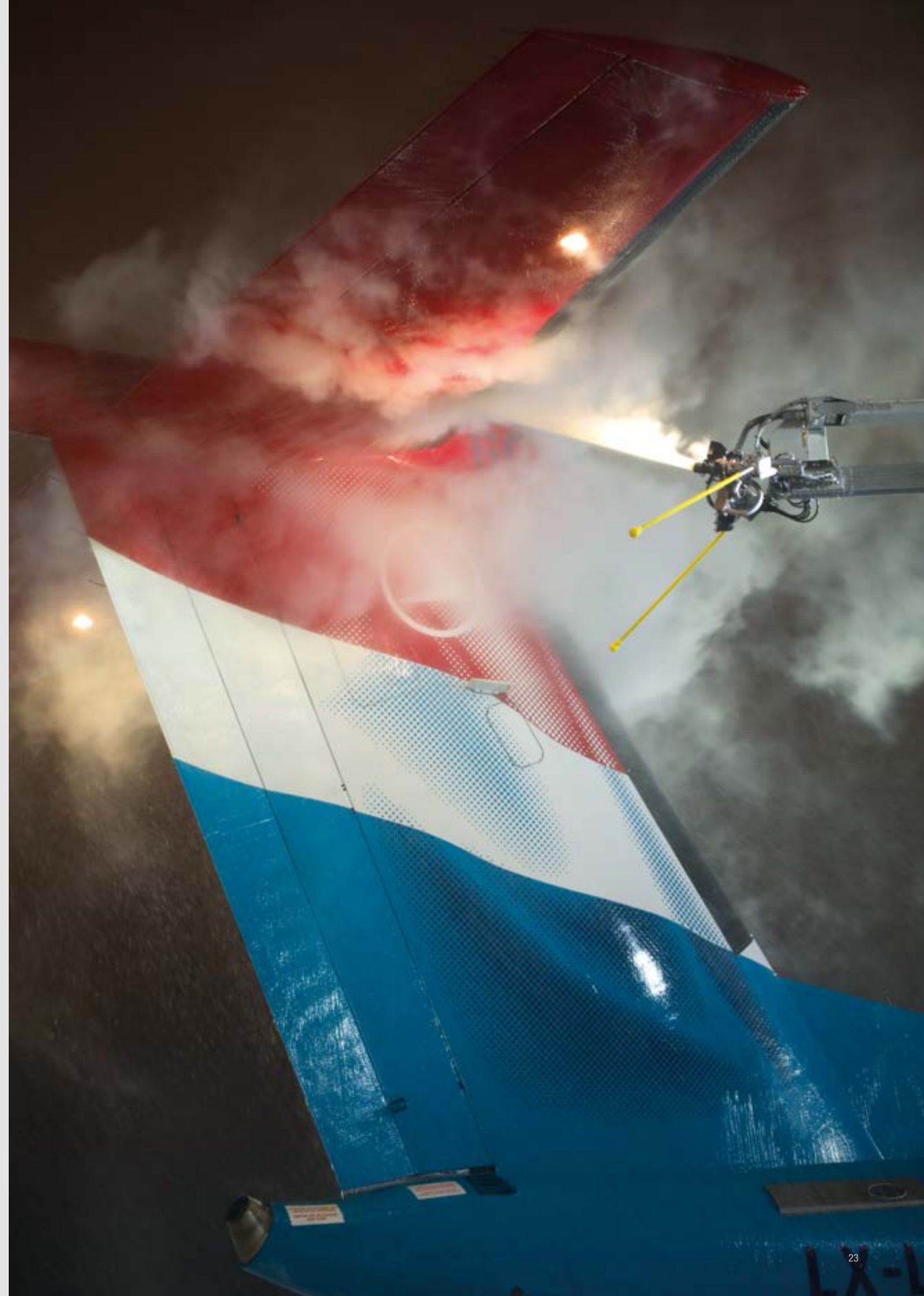
LuxairServices keeps up and even ahead of the latest technology, putting it to use in its customers' best interests. 2019 will see the launch of GroundStar Real Time, a tool already in use at 170 airports worldwide which assists in the real-time daily planning of all ground activities to guarantee optimal service. GroundStar is a comprehensive software suite for optimising aviation processes and helps ensure that the right resources are available at the right place and in the right time. Its use will help LuxairServices to run their operations even more smoothly, improving punctuality and increasing passenger satisfaction.

Another initiative, "Putting Passengers First", is being introduced to make use of new technology to improve process efficiency for irregularity handling. This project will provide personalised communication with passengers, make it possible to make virtual payments, improve the rebooking process for passengers, reduce operations costs and provide better customer service.



## CLOSE UP ON CATERING

Luxair passengers have come to expect being served something that pleases the eyes as well as the palette, and their expectations are being met if not exceeded. Quality ingredients – locally sourced and mostly organic – are expertly prepared in Luxair kitchens located at Luxembourg airport. Luxair's chefs, bakers, pastry chefs and other catering professionals are all specially trained in airline catering. The future of food has strong connections with the past -with an emphasis on home-made food, made with the best quality, locally sourced, fresh ingredients. LuxairServices is justly proud of its food, and proud of working closely with local partners.





LUXAIRCARGO

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# A RECOGNISED PARTNER

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**DISCOVER MORE**

## **WIDE ANGLE VIEW**

After an increase of 9% in cargo transport on average observed globally in 2017, the growth clearly started slowing down in the second half of 2018 and the year ended with a more moderate rate of growth of 3.5%. In contrast to the last few years, LuxairCARGO did not outperform the global average but was at 2%, far from the 14% growth rate it achieved in 2017. After a significant increase of frequencies and volumes of some clients in 2017, LuxairCARGO's rate of growth has slowed down.

Nonetheless, the volume handled by LuxairCARGO grew by 2% from 940,000 tonnes to 957,000 tonnes in 2018. The volume handled at the Pharma & Healthcare Center grew by 20% compared to 2017, for a total of 37,000. This growing segment of the cargo business is projected to remain strong in the future.

The number of trucks loaded and unloaded grew by 1% in 2018, for a total of 125,944 movements. Digital innovation helped make it easier to coordinate air to ground transfers and continued ground transport.

The number of rotations remained stable at 6,600 units and the year closed with an increase in turnover of 6%. After a strong rebound in 2017, however, profits diminished in 2018. This weakened performance is explained largely by uncertainties in volatile volume previsions and the resulting increase in personnel costs. The growth in the second half of the year was well below what had been forecasted, and profitability was consequently negatively impacted.

## **LOOKING AHEAD**

Early in 2019, a cargo connection between Luxembourg and the city of Wuhan in China was established. LuxairCARGO will handle cargo transported by Uni-Top Airlines, a major Chinese freight airline. This is building on another new connection with China since 2018, when China Southern started weekly flights to Luxembourg.

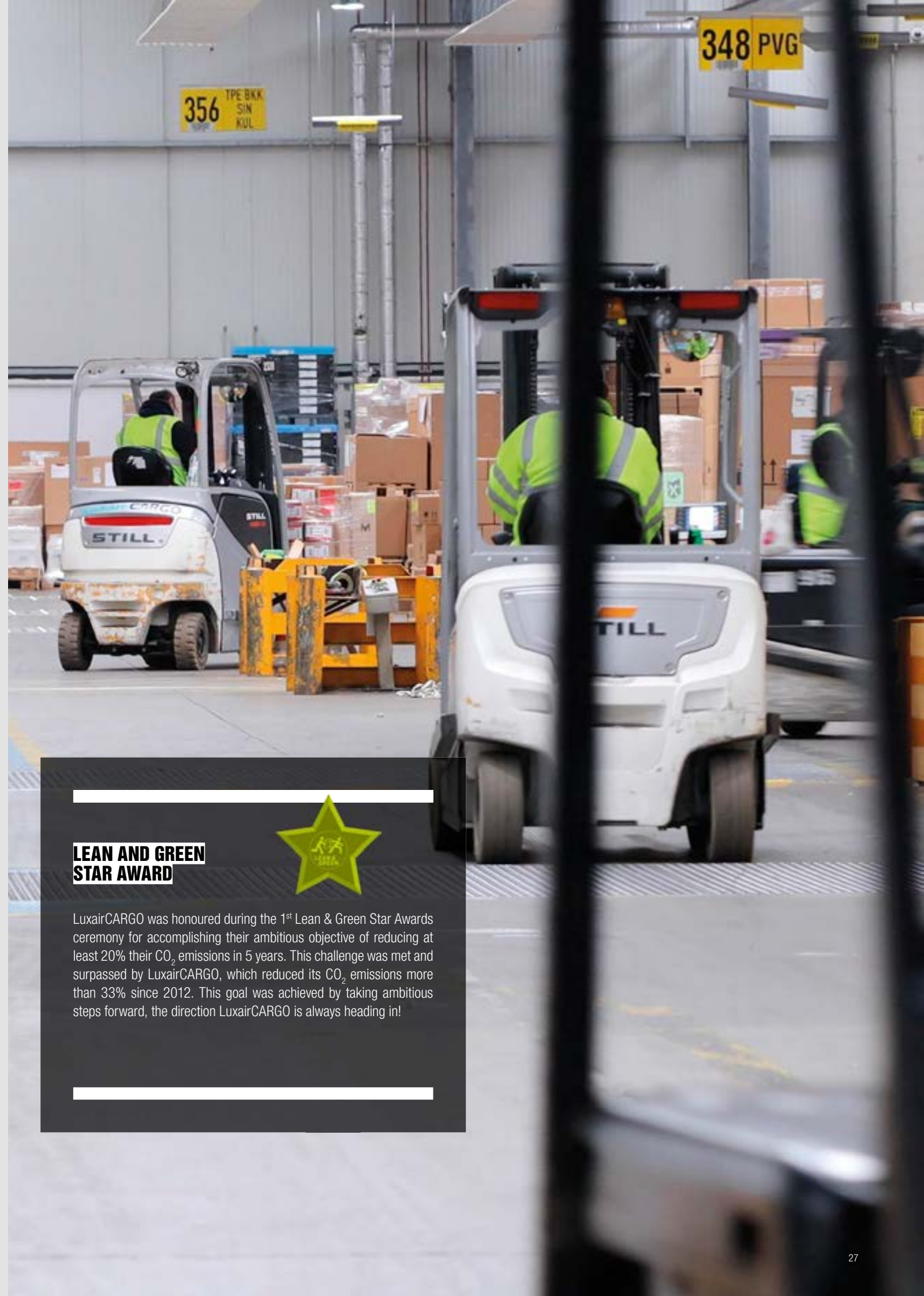
## **E-CMR**

LuxairCARGO became the first company to implement the usage of digital transportation documents in Luxembourg. CMRs are transports' documents used to inform about the nature of the goods transported. More than being environmentally friendly, e-CMR would allow to save 1.8 billion euros in Europe, which is why its use is destined to become widespread!

## **LEAN AND GREEN STAR AWARD**



LuxairCARGO was honoured during the 1<sup>st</sup> Lean & Green Star Awards ceremony for accomplishing their ambitious objective of reducing at least 20% their CO<sub>2</sub> emissions in 5 years. This challenge was met and surpassed by LuxairCARGO, which reduced its CO<sub>2</sub> emissions more than 33% since 2012. This goal was achieved by taking ambitious steps forward, the direction LuxairCARGO is always heading in!





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# PERFORMANCE AT A GLANCE

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## PERFORMANCE AT A GLANCE

FLIGHTS  
**+6%**

PASSENGERS  
**+8%**

### LUXAIRTOURS

5,369 flights have been operated on behalf of LuxairTours and 698,163 passengers were transported (+8% compared to 2017). LuxairTours flight occupancy rates increased slightly from 74.5% in 2017 to 76.8% in 2018.

### LUXAIRTOURS' TOP 3

Canary Islands  
Continental Spain & Portugal  
Balearic Islands

### LUXAIR LUXEMBOURG AIRLINES FLEET

#### BOMBARDIER Q-400

December 2016	10	2	4
December 2017	11	2	4
December 2018	<b>11</b>	<b>2**</b>	<b>4</b>

#### BOEING 737-700

#### BOEING 737-800

**+10% PASSENGERS**

The total number of passengers transported by Luxair\*\*\* in 2018 is 2,132,426 which represents a 10% increase compared to 2017.

**+13% FLIGHTS**

Luxair operated 32,231 flights\*\*\* compared to 28,592 the previous year.

### GREATER REGION PLAYER

The geographic distribution of LuxairTours sales has remained relatively stable:

- » France 28%
- » Luxembourg 25%
- » Germany 13%\*
- » Belgium 8%

### TOP LUXAIR DESTINATIONS 2018

1. London City
2. Paris
3. Vienna
4. Munich
5. Copenhagen

### AT A GLANCE

	2018	2017	2016
Passengers Luxair****	<b>2,132,426</b>	1,933,340	1,837,456
Revenue Passengers-km (RPK) (mio)****	<b>2,372</b>	2,150	2,049
Load Factor	<b>72.60%</b>	71.60%	71.60%
Number of meals served (catering)	<b>2,264,808</b>	2,138,558	2,006,008
Number of passengers assisted at Luxembourg airport	<b>4,040,000</b>	3,600,000	3,000,000
Number of block hours (for entire Luxair fleet)	<b>57,535</b>	51,052	49,091
Freight handled (tons)	<b>957,000</b>	940,000	822,196
Personnel (on average)	<b>2,828</b>	2,658	2,527

### LUXAIRCARGO

Record volumes handled by LuxairCARGO reached 957,000 tons compared to 940,000 in 2017. The number of aircraft movements remained stable: 6,600.

\*based on sales points and excluding grouped seat reservations and ad hoc charter

\*\* +2 in the first half year 2019

\*\*\* including regular, leisure and ad hoc charter flights

\*\*\*\* the total includes charter flights operated by Luxair Luxembourg Airlines



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# EXECUTIVE COMMITTEE

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## EXECUTIVE COMMITTEE

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### EXECUTIVE MEMBERS

#### **ADRIEN NEY**

President,  
Chief Executive Officer

#### **MARTIN ISLER**

Executive-Vice President  
Airline, Airport Services

\*Until 30 June 2019

#### **LAURENT JOSSART**

Executive Vice-President Cargo Handling

\*Until 30 June 2019

Executive Vice-President Airline

\*As from 01 July 2019

#### **ALBERTO KUNKEL**

Executive Vice-President  
Tour Operating

#### **MARC SCHROEDER**

Executive Vice-President  
Finance

#### **JEAN-PAUL GIGLEUX**

Executive Vice-President  
Cargo Handling, Airport Services  
and Ground Equipment

\*As from 01 July 2019

### GENERAL SECRETARY

#### **GWENN VANWEDDINGEN**

Vice-President  
Legal Affairs

### PERMANENT GUESTS

#### **MARC GERGES**

Vice-President  
Marketing & Corporate Communication

\*Until 30 June 2019

#### **DOMINIQUE HEMMER**

Vice-President  
Human Resources

#### **JEAN-LOUIS WILLEMS**

Vice-President  
IT Services & Solutions

\*Until 18 February 2019

#### **YANNICK KIRSCHHOFFER**

Head of IT services & solutions

\*Since 26 February 2019

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# FINANCIAL REVIEW

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## CONSOLIDATED ASSETS

Consolidated assets LuxairGroup (expressed in euros)	2018	2017
<b>A. Subscribed capital unpaid</b>	<b>0</b>	<b>0</b>
I. Subscribed capital not called	0	0
II. Subscribed capital called but not paid	0	0
Goodwill of first consolidation	0	0
<b>B. Formation expenses</b>	<b>0</b>	<b>0</b>
<b>C. Fixed assets</b>	<b>537,974,281</b>	<b>505,607,888</b>
I. Intangible assets	500	500
1. Costs of research and development	0	0
2. Concessions, patents, licences and similar rights and assets if they were trade marks	500	500
a. acquired for valuable consideration and need not to be shown under C.I.3	500	500
b. created by the undertaking itself	0	0
3. Goodwill, to the extent that it was acquired for valuable consideration	0	0
4. Payments on account and intangible fixed assets under development	0	0
II. Tangible assets	254,221,998	291,139,786
1. Land and buildings	34,559,073	38,454,829
2. Plant and machinery	206,520,055	243,344,461
3. Other fixtures and fittings, tools and equipment	9,754,238	8,735,522
4. Payments on account and tangible assets in course of construction	3,388,632	604,974
III. Financial assets	283,751,783	214,467,602
1. Shares in affiliated undertakings	0	0
2. Loans to affiliated undertakings	0	0
3. Shares in undertakings with which the company is linked by virtue of participating interests	274,801,546	214,099,347
4. Loans to undertakings with which the company is linked by virtue of participating interests	8,578,162	0
5. Investments held as fixed assets	137,791	137,791
6. Loans and claims held as fixed assets	234,284	230,464

<b>D. Current assets</b>	<b>284,631,635</b>	<b>263,370,026</b>
I. Stocks	1,283,478	1,097,104
1. Raw materials and consumables	778,960	653,659
2. Work and contracts in progress	0	0
3. Finished goods and goods for resale	504,518	443,445
4. Payments on account	0	0
II. Debtors	45,636,066	47,624,433
1. Trade debtors	28,422,966	23,305,374
a. becoming due and payable after less than one year	28,422,966	23,305,374
b. becoming due and payable after more than one year	0	0
2. Amounts owned by affiliated undertakings	0	0
a. becoming due and payable after less than one year	0	0
b. becoming due and payable after more than one year	0	0
3. Amounts owned by affiliated undertakings with which the company is linked by virtue of participating interests	7,140,796	13,851,424
a. becoming due and payable after less than one year	7,140,796	13,851,424
b. becoming due and payable after more than one year	0	0
4. Other debtors	10,072,304	10,467,635
a. becoming due and payable after less than one year	10,072,304	10,467,635
b. becoming due and payable after more than one year	0	0
III. Securities and other financial instruments	62,725,650	58,829,122
1. Shares in affiliated undertakings and in undertakings with which the company is linked by virtue of participating interests	0	0
2. Own shares or own corporate units	4,713,596	4,713,596
3. Other investments	58,012,054	54,115,526
IV. Chash at bank and in hand	174,986,441	155,819,367
<b>E. Prepayments</b>	<b>5,212,558</b>	<b>7,100,375</b>
<b>Total (Assets)</b>	<b>827,818,474</b>	<b>776,078,289</b>



## CONSOLIDATED LIABILITIES

Consolidated liabilities LuxairGroup (expressed in euros)	2018	2017
<b>A. Capital and reserves</b>	<b>464,339,630</b>	<b>400,880,577</b>
I. Subscribed capital	13,750,000	13,750,000
II. Shared premium and similar premiums	0	0
III. Revaluation reserves	0	0
IV. Reserves	419,090,744	360,694,868
1. Legal reserve	1,375,000	1,375,000
2. Reserve for own shares	4,713,596	4,713,596
3. Reserve provided for by the articles of association	0	0
4. Other reserves	310,142,194	305,542,195
a. other available reserves	233,012,994	233,012,994
b. other non available reserves	77,129,200	72,529,200
5. Consolidated reserve	93,908,771	40,112,894
6. Negative goodwill	8,951,183	8,951,183
V. Profit or loss brought forward	15,830,158	13,807,426
VI. Result for the financial year	56,621,391	44,138,999
VII. Interim dividends	0	0
VIII. Investment sbsides	0	0
IX. Currency translation reserve	-40,952,663	-31,510,716
<b>B. Provisions</b>	<b>134,949,211</b>	<b>134,576,422</b>
1. Provisions for pensions and similar obligations	2,088,390	2,187,841
2. Provisions for taxation	0	0
3. Other provisions	132,860,821	132,388,581
<b>C. Non subordinated debts</b>	<b>197,455,309</b>	<b>210,480,431</b>
1. Debenture loans	0	0
a. Convertible loans	0	0
i. becoming due and payable after less than one year	0	0
ii. becoming due and payable after more than one year	0	0
b. Non convertible loans	0	0

i. becoming due and payable after less than one year	0	0
ii. becoming due and payable after more than one year	0	0
2. Amounts owned to credit institutions	107,975,209	132,515,936
a. becoming due and payable after less than one year	22,547,345	24,540,727
b. becoming due and payable after more than one year	85,427,864	107,975,209
3. Payments received on account of orders in so far they are not shown separately as deductible from stocks	0	0
a. becoming due and payable after less than one year	0	0
b. becoming due and payable after more than one year	0	0
4. Trade creditors	62,619,759	56,275,645
a. becoming due and payable after less than one year	62,619,759	56,275,645
b. becoming due and payable after more than one year	0	0
5. Bills of exchange payable	0	0
a. becoming due and payable after less than one year	0	0
b. becoming due and payable after more than one year	0	0
6. Amounts owned to affiliated undertakings	0	0
a. becoming due and payable after less than one year	0	0
b. becoming due and payable after more than one year	0	0
7. Amounts owned to undertakings with which the company is linked by virtue of participating interests	36,944	57,938
a. becoming due and payable after less than one year	36,944	57,938
b. becoming due and payable after more than one year	0	0
8. Other creditors	26,823,397	21,630,912
a. Tax	9,396,238	8,789,357
b. Social security	5,842,510	5,505,064
c. Other debts	11,584,649	7,336,491
i. becoming due and payable after less than one year	11,584,649	7,336,491
ii. becoming due and payable after more than one year	0	0
<b>D. Deferred income</b>	<b>31,074,324</b>	<b>30,140,859</b>
<b>Total (Liabilities)</b>	<b>827,818,474</b>	<b>776,078,289</b>



## CONSOLIDATED INCOME STATEMENT

Consolidated income statement (expressed in euros)		2018	2017
1,	Net turnover	592,722,418	535,396,481
2,	Change in inventories of finished goods and of work and contracts in progress	0	0
3,	Fixed assets under development	0	0
4,	Other operating income	35,976,971	39,113,849
5,	Raw materials and consumables and other operating charges	392,801,780	348,804,599
a,	Raw materials and consumables	52,585,768	42,017,699
b,	Other operating charges	340,216,012	306,786,900
6,	Staff costs	186,681,875	175,647,530
a,	Wages and salaries	159,686,459	150,299,650
b,	Social security costs	23,007,255	21,282,080
	i) Social security costs related to pensions	12,417,080	11,371,627
	ii) Other social security costs	10,590,175	9,910,453
c,	Other staff costs	3,988,161	4,065,800
7,	Value adjustments	46,159,722	48,319,993
a,	on formation expenses and on tangible and intangible fixed assets	46,020,967	47,258,406
b,	on elements of current assets	138,755	1,061,587
8,	Other operating charges	602,211	504,804
9,	Income from financial fixed assets	0	0
a,	derived from affiliated undertakings	0	0
b,	other income from participating interests	0	0
10,	Income from financial current assets	43,091	3,909
a,	derived from affiliated undertakings	0	0
b,	other income	43,091	3,909
11,	Other income and other financial income	7,020,908	8,991,329
a,	derived from affiliated undertakings	0	0
b,	other interest receivable and similar income	7,020,908	8,991,329
12,	Share of corporate losses in equity	51,826,134	38,878,519
13,	Value adjustments and fair value adjustments on financial fixed assets	0	0
14,	Interest payable and similar charges	4,054,982	4,650,570
a,	concerning affiliated undertaking	0	0
b,	other interests and similar charges	4,054,982	4,650,570
15,	Tax on profit or loss	350,448	913,422
16,	Profit before tax	56,938,504	43,543,168
17,	Other taxes not included in the previous caption	317,113	-595,830
18,	Profit for the financial year	56,621,391	44,138,999

## FINANCIAL PERFORMANCE AT A GLANCE

Financial Summary (company accounts, not consolidated)	2018	2017	2016
Turnover (million €)	592.694	535.368	497.877
Operating result (million €)	0.764	2.043	-1.057
Net result (million €)	12.454	9.458	4.406
Net profit ratio	2.10%	1.77%	0.88%
Balance sheet total (million €)	583.411	565.219	559.858
Capital & reserves (million €)	358.265	348.646	339.188
Capital & reserves / Balance sheet total	61%	62%	61%
Return of equity	3.48%	2.71%	1.30%



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# CORPORATE SOCIAL RESPONSI- BILITY

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## CORPORATE SOCIAL RESPONSIBILITY

### THROUGH OTHER'S EYES

LuxairGroup is a service provider, and the people we serve are our raison d'être. We are in the business of helping people to reach their destinations, to grow their business, to enrich their lives. And to do that in the easiest, safest, most comfortable and enjoyable way possible. LuxairGroup makes the most of new technology and is necessarily reliant and unquestionable proud of its performant machines, from its fleet of perfectly maintained aircraft to all the forklifts, service vehicles and security procedures that are part and parcel of running an airline, tour operator and cargo handler. But our company isn't about machines, it's about people. LuxairGroup is one of the region's largest employers, responsible for the livelihoods of its approximate 3,000 employees and an equal number of people whose jobs are indirectly linked to our business.

These people are dependent on the company's continued and sustainable success. Their hopes and dreams of building a good life for themselves and their families are built on the plans and achievements of the Group. The company is also dependent on its people. Without their skills, talents, creative thinking and dedication, there would be no LuxairGroup.

The company repays that debt with more than wages. LuxairGroup provides a work environment where people are valued and can grow. Where they know they are protected, nurtured and appreciated. LuxairGroup communicates well and builds together. Information is shared, passion is shared, and actions are taken to strengthen team spirit and cohesion. It's a continual, on-going effort, a flow of energy and intention. In today's world of fast circulating information, global connectivity, social media and smartphones, information is shared quickly and communication has to be adapted to new channels and audiences. LuxairGroup offers its staff various means of communication, making it possible for each colleague to be informed quickly and efficiently. A new centralised communication tool has been set up in all the strategic places within the Group, making all different types of internal information easily accessible. The communication

strategy has been revised and adapted in line with current business priorities but also in synch with consumer needs and expectations: quicker, more visual, to the point, higher frequency. The use of flash codes has been developed, allowing direct access to different topics, documents, videos...not only does this help our team to stay connected and informed, it has another benefit – it considerably reduces paper waste!

Different internal channels of communication keep employees up to date with the latest news and company figures, but also with information about employee activities like Luxair's participation in the ING Night Marathon under the motto 'In Good Company', the annual Staff Day held in September, and the Group's football club, FC Luxair. LuxairGroup social media has been adapted, combining job opportunities and corporate information with passionate, caring and responsible media footage. Social media allows us to share our knowledge and passion with clients and visitors, and also to zoom in on the efforts and engagement of our staff.

LuxairGroup cares for its employees in other ways too. New initiatives to combat absenteeism, for example, are not so much checking up on employees but reaching out to them. Frequent absenteeism can take a big toll on a company's welfare, but it can be a result of job-dissatisfaction, depression or burn-out as well as illness. Looking for the source of the problem and working to find solutions helps keep both the employees and the company in good health.

### THE RIGHT PERSPECTIVE

LuxairGroup is one of the Greater Region's largest employers, and helps keep the economy strong. As the Group grows, it is able to offer more permanent positions in its different business activities, but it gives to the community in other ways too than just as an economic driver.

Each April, for example, Luxair cabin crew collect donations on board to support the Red Cross. Funds raised get to support, amongst other welfare causes, social grocery stores. Luxair's digital transformation is also visible here, making it easier than ever for passengers to contribute to this worthy cause by just scanning a code and securely sending their donations online.

As well as working to combat hunger and poverty, LuxairGroup works toward stopping the sexual exploitation of children by supporting the local chapter of the non-profit global network End Child Prostitution and Trafficking (ECPAT). ECPAT focuses on halting the sexual exploitation of children in a travel and tourism context, which is particularly relevant to LuxairGroup's values and interests, and it also actively works to halt the sexual exploitation of children in general and the sexual exploitation of children online.

LuxairGroup signed the ECPAT Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism and is committed to upholding it in its daily operations by:

- establishing an ethical policy regarding the commercial sexual exploitation of children
- training personnel in the country of origin and travel destinations
- introducing a clause in contracts with suppliers, stating the common repudiation of commercial sexual exploitation
- providing appropriate and sufficient information to customers
- providing information to key persons at the destinations
- reporting annually

LuxairGroup takes this commitment seriously and teaches its employees how to help prevent these forms of child abuse and how to react if they spot suspicious behaviour. Train the trainer sessions are held for animation coaches and destination managers so that they can give their teams the knowledge and tools they need to remain alert and to respond if necessary.

ECPAT Luxembourg activities are published on LuxairGroup's intranet site and employees are encouraged to participate on a voluntary basis. In addition, ECPAT's awareness campaigns and other activities are regularly promoted in Luxair's in-flight magazine Flydoscope and also as part of the in-flight information shown on all flights with screens. For a couple of years now, the Code of Conduct's logo has appeared in LuxairTours' main travel brochure as well.

LuxairGroup's voluntary commitments go beyond working to eradicate the trafficking and sexual exploitation of children, it also works to help end all forms of human slavery and trafficking by keeping procedures up to date, using the very best practices of other companies of our industry and reinforcing their implementation in the partnerships we support. The principles of the Universal Declaration of Human Rights guide LuxairGroup in its everyday operations, and it adheres to the United Nations' Global Compact initiative.

LuxairGroup promotes high ethical standards and requires its stakeholders (employees at all levels, directors, officers, interns, agents, contractors, subcontractors, external consultants, third party representatives, suppliers and business partners) to act with integrity in all business relationships.

But we don't just hold others to high standards, we live up to them ourselves. Social responsibility starts at home. LuxairGroup has a zero-tolerance policy for harassment and is an equal opportunity employer. We do not clip anyone's wings: we provide the air under them to help people soar.



## CORPORATE SOCIAL RESPONSIBILITY

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### THE LIVESTOCK PERSPECTIVE

It could sometimes be said of LuxairCARGO that it's a real zoo, but that would not be a reflection of its pristine upkeep, that would be literal. Lions, hippos, rhinos, bears, flamingos and alpacas have all come through Luxembourg and have been given exceptional care. Many types of domesticated creatures have also flown in, including some 2,600 horses, 500 dogs and 2,500 pigs as well as hamsters, day-old chicks, ponies, birds and fish, among others.

LuxairCARGO doesn't see this menagerie as cargo, it sees these living creatures as special guests and makes every effort to make them as comfortable and relaxed as possible. LuxairCARGO's Animal and Groom Stations are clean, spacious, and heated, and the animals are treated with respect and care. Stations are located near the loading and unloading area so that animals do not have to cover much ground after already covering so much air distance. Substantial investments have been made to keep animals healthy and happy, like for the new pig station that will be ready mid-May 2019 and meet the latest and most stringent specifications. Three permanent staff members and two support members take care of the animals, and there is a veterinary located in the building. This fisheye lens is a clear one – LuxairCARGO is completely transparent about the care and service it offers these VIP guests.

Because this precious cargo comes from all over the world, including from areas where people have a different understanding of animals and animal treatment. LuxairGroup works hard to raise awareness about the illegal trafficking of wildlife. It is a signatory of the declaration to reduce the illegal trafficking of wildlife and a member of the International Air Transport Association and works hand in hand with enforcement authorities, reporting any suspicious shipments. Illegal trade of ivory, rhino horn, reptiles, exotic animals and animal products continues to threaten animals, people and the environment. If these products didn't find unscrupulous buyers, the trade would shut down. Education is the best tool to combat illegal trade, but another is making sure that sellers cannot get these illegal goods to their potential buyers.

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### THE LANDSCAPE SHOT

Flying people and goods across the globe is not a low-carbon business. LuxairGroup does everything possible to reduce its carbon footprint and to operate in the most sustainable, environmentally-friendly way possible. Every company, community and individual has their part to play and is responsible for tackling the global problem of climate change, and there is no one solution - there are thousands of them.

LuxairGroup's trademark colour is blue. Blue like the sky, blue like the planet. But the company's thinking is green. That's reflected in countless ways, from its use of electric, zero-emission vehicles to its changing its lightbulbs to LEDs. LuxairGroup also takes issues like food waste, the reduction of plastics or recycling seriously and implements policies that make it easier for the company and its employees to contribute to safeguarding the planet's welfare.

The Group's headquarters in Munsbach reflects the company's green thinking too – it's a blend of modern design and materials and natural elements with lots of wood, natural light and a green courtyard. Its rooftop garden has even been given nature's stamp of approval – a thriving community of bees!





## LUXAIRGROUP PRIORITIES

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### OUR CUSTOMERS' PERSPECTIVE

Like most customer-oriented businesses, LuxairGroup exists to serve people. Unlike most other businesses, people trust us with their safety and welfare and the safety of their valuable goods. Safety and trust are non-negotiables; they are both built into everything LuxairGroup does and the foundation on which everything else is built. On top of this comes quality service, offering our customers a positive experience, the perks, the little touches. We see things from our customers' perspective - how easy is it to book a flight, to upgrade? How is the wait at the airport, the lounges and gate areas? Are there phone chargers, are connections easy, are flights on time? By looking through their eyes, we see how to meet their needs and exceed them.

### OUR STAFF'S VIEW

Just as LuxairGroup would not exist without its satisfied customers, neither would it exist without a strong team of competent, experienced and loyal employees. It is good business sense to try to see things from everyone's angle, from the most senior pilot to the most recent hire in the cargo warehouse. Do they feel satisfied with their work? Do they have opportunities to grow? Are they able to enjoy a good work/life balance? Do they feel like part of a supportive team? Having strong and open lines of communication helps us all to see things from other people's points of views. Ideas are born, improvements are made, people are heard and valued. LuxairGroup is made up of individuals who are competent and capable, but together, they're an unstoppable team.

### ZOOMING OUT TO OUR REGION

Zoom in on LuxairGroup, then slowly zoom out. That's similar to how LuxairGroup's success spreads out to others across the region. For every LuxairGroup employee - and we are 3,000 strong - someone else's livelihood depends on our success. From the server in the airport cafe and the receptionist at an airport hotel to street maintenance crews keeping connecting routes in good shape and the employees of rental car companies. And then there are all the professionals who depend on LuxairGroup for all their business trips and cargo deliveries, and the families who depend on us to help them stay in touch with relatives and to discover new horizons.

### THE BIG PICTURE

LuxairGroup pays attention to details, but no business today can lose sight of the big picture - taking care of our only home, the Earth we live on. Every business, every individual must take some responsibility for the planet's welfare and strive to work and live in a more sustainable way. The very nature of an air and cargo business means that we leave a carbon footprint, but LuxairGroup tries to tread lightly where it can. Our commitment shows in the details - like LuxairCARGO's cutting their electricity usage in half in 2018, and like new communication tools and e-ticketing options that reduce paper usage - and those details add up. LuxairGroup is continually up-close and focused on minute details, while at the same time keeping a very broad perspective - acting locally, thinking globally.





## LUXAIRGROUP SUPPORTS THE UN GLOBAL COMPACT

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By publishing this report, LuxairGroup would like to officially renew its support for the following ten principles in the Global Compact, relating to human rights, labour rights, the environment and anti-corruption:

### HUMAN RIGHTS

- 01** Businesses should support and respect the protection of internationally proclaimed human rights in their sphere of influence; and
- 02** Make sure they are not complicit in human rights abuses.

### LABOUR RIGHTS

- 03** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
  - 04** The elimination of all forms of forced and compulsory labour;
  - 05** The effective abolition of child labour; and
  - 06** The elimination of discrimination in respect of employment and occupation.
- 

### ENVIRONMENT

- 07** Businesses should support a precautionary approach to environmental challenges;
- 08** Undertake initiatives to promote greater environmental responsibility; and
- 09** Encourage the development and diffusion of environmentally friendly technologies.

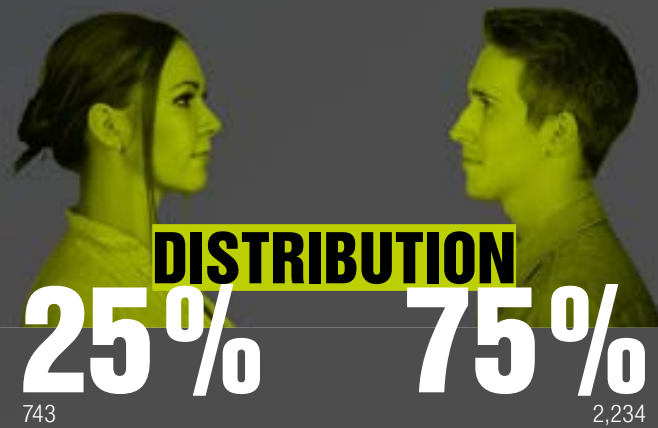
### ANTI-CORRUPTION

- 10** Businesses should work against corruption in all its forms, including extortion and bribery.





## PEOPLE WHO MAKE UP LUXAIRGROUP



12%	Management	88%
49%	Flight crew	51%
22%	Ground staff	78%
21%	Interns	79%
38%	Apprentices	62%



Permanent contracts	2,701
Fixed-term contracts	249
Apprenticeships	14
Internships	13
<b>Total</b>	<b>2,977</b>



Parental leave	152
Part-time parental leave	52
Maternity leave	61
Unpaid leave	27
<b>Effectice total</b>	<b>292</b>

## LEAVING AND JOINING THE COMPANY

	Hirings	Departures
Internships	196	189
Fixed-term / seasonal contracts	347	195
Permanent contracts	85	81
Apprenticeships	7	1
<b>Total</b>	<b>635</b>	<b>466</b>

## NATIONALITIES

LUX	29.7%
FR	27.2%
PT	21.0%
GER	8.8%
BE	4.5%
OTHER	8.8%

**29,7%**

**59.1%**

## COUNTRY OF RESIDENCE

LUX	59.1%
FR	25.4%
GER	11.6%
BE	3.5%
OTHER	0.4%

## AVERAGE AGE

Age		
<20	0.4%	13
20-24	6.9%	206
25-29	10.1%	300
30-34	11.4%	340
35-39	15.0%	448
40-44	18.4%	547
45-49	18.6%	555
50-54	12.9%	383
55-59	5.5%	163
60-64	0.7%	20
65-69	0.1%	2

## SENIORITY

Years		
0-4	1,027	34.5%
5-9	251	8.4%
10-14	501	16.8%
15-19	575	19.3%
20-24	389	13.1%
25-29	129	4.3%
30-34	83	2.8%
35-39	20	0.7%
40+	2	0.1%



## KEY PERFORMANCE INDICATORS

Corporate Governance	2018	2017	Progression
Voluntary commitments to general CSR-related schemes	2	2	-
Environmental programs	4	4	

Company values and a principle-based approach to doing business are essential for corporate sustainability. By adhering on a voluntary basis and by reporting annually on their process to several social initiatives such as the United Nations Global Compact's 10 ethical principles and the Code, LuxairGroup formally commits to these principles. Early in 2019, the LuxairGroup's Executive Committee also approved the "Modern Slavery Statement". We are committed to developing and promoting responsible and ethical policies within all the territories where we conduct our activities. LuxairGroup promotes high ethical standards and requires its stakeholders (employees at all levels, directors, officers, interns, agents, contractors, subcontractors, external consultants, third party representatives, suppliers and business partners) to act with integrity in all business relationships.

LuxairGroup also signed a Code of Conduct for Suppliers, which outlines our company commitment to conduct its business activities ethically as well as in compliance with applicable laws and regulations.

LuxairGroup has continually improved its environmental efforts in the different programmes it adheres to, including MyEnergy, SuperDrecksKëscht®, our in-house Environmental Charter or Lean&Green. LuxairCARGO greatly exceeded its goal of reducing its CO<sub>2</sub> emissions by 20% over 5 years by achieving a reduction of more than 33% since 2012, for which it was honoured by the Minister for Sustainable Development and Infrastructure. Actions that made reaching this goal possible included modernising the cold production, replacing the former hall lighting with LEDs and ceasing the activity of cogeneration.

Environmental management	2018	2017	Progression
Fuel consumption for ground vehicles (in liters)	936,279	887,493	+ 5.50%
Waste produced by the company (in tons)	2,847	2,745	+ 3.72%
Energy consumption (in kWh)	14,436,880	14,817,946	- 2.57%
Water consumption (in m <sup>3</sup> )	60,110	67,888	- 11.46%
CO <sub>2</sub> Emissions in (in kg)	254,310,080	227,693,600	+ 11.69%

LuxairGroup continued to be active in environmental management. The indicators show that consumption was not reduced in every area but nevertheless overall usage of resources remains in line with the increase in production. With great effort, we have been able to decrease the use of energy by 2.57% and reduce water consumption

by 11.46%, and in 2018, LuxairCARGO impressively cut its electric consumption by replacing all 450 lights in the main hall and the canopy with LEDs. By the end of 2019, the entire CargoCenter will be lit by LEDs.

Social commitments	2018	2017	Progression
Number of partnerships established with non-governmental organisations	4	4	-

LuxairGroup has continued developing its relation and actions with four partner NGOs, namely Croix-Rouge (The Red Cross), Caritas, Stëmm vun der Strooss and ECPAT Luxembourg. In addition to lending these NGOs financial and logistic support, LuxairGroup helped raise

their visibility. By using new social media concepts and modern media solutions, more people were able to find out about the important work these organisations are doing and to join LuxairGroup in lending them their support.

Human Resources Management	2018	2017	Progression
Number of work-related accidents, resulting in days off work, medical treatment, professional illnesses, total or partial disability or death	217	212	+ 2.35%
Average number of hours of training per staff member	40.75	41.57	- 1.97%
Percentage of female staff members holding a top management position	8%	9%	- 11.11%
Percentage of female staff members holding a managerial position	14%	13%	+ 7.69%
Number of staff members with disabilities	15	9	+ 66.67%
Number of people, whose jobs have been adapted due to a particular situation (e.g. health...)	112	107	+ 4.67%
Percentage of disabled members of staff or having been re-assigned or reclassified compared to the total number of active staff members	4%	4%	+ 4.21%
Percentage of staff members living in Luxembourg	59%	60%	- 1.67%

LuxairGroup is very diverse. The Group's four different business activities, approximately 250 job classifications and nearly 3,000 employees who represent more than 25 different nationalities make it a very multicultural company. This diversity is our difference and our strength. In a very volatile environment, LuxairCARGO again registered record volumes in 2018 and was able to maintain its work accident ratio at a stable level despite a significant increase of workforce and workload. In this business sector, that is a huge accomplishment and something to be justifiably proud of.

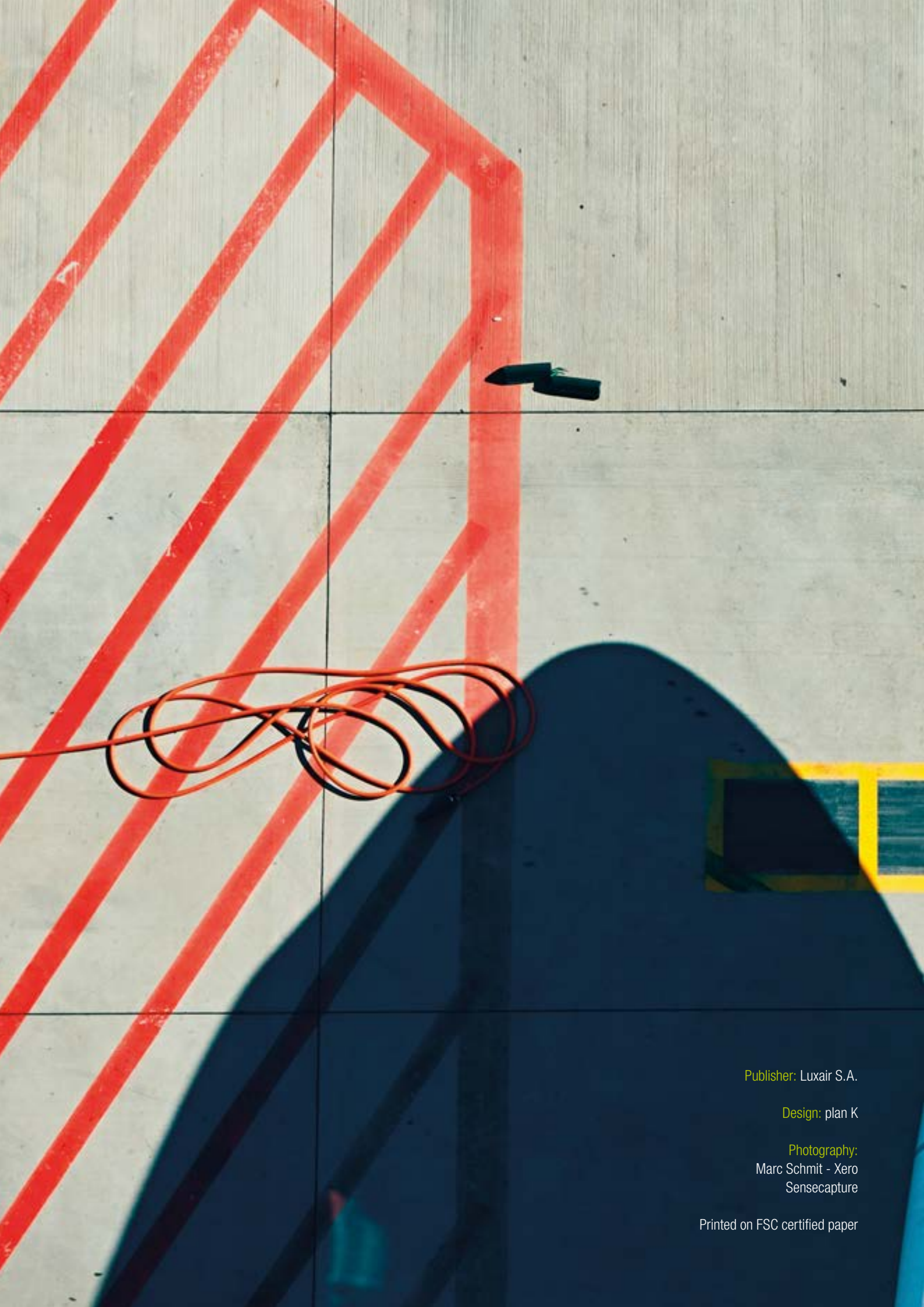
LuxairGroup cares about its employees and their wellbeing. Causes of absenteeism are being identified in order to help our employees when possible. In order to prevent accidents, "life lines" have been installed that more securely harness employees who have to work at heights.

LuxairGroup has also adopted a zero-tolerance approach to any form of harassment and actively promotes inclusion at the workplace for all LuxairGroup employees.









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