

# Lufthansa pays back German bailout early

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Germany's government expects to make a profit from its sale of Lufthansa shares bought as part of a pandemic rescue plan.

German airline Lufthansa said on Friday that it had finished repaying a nine-billion-euro (\$10 billion) government bailout that saved it from bankruptcy at the height of pandemic travel curbs.

The repayment of the final tranche was completed "much earlier than

planned", Lufthansa said in a statement, thanks to cost-cutting measures, a capital increase and rising demand for air travel after countries eased their coronavirus restrictions.

The German government is set to sell the stake it took in Lufthansa as part of the rescue deal by October 2023, the group added. The stake has already been lowered from 20 to 14 percent.

Lufthansa CEO Carsten Spohr thanked Chancellor Angela Merkel's government and German taxpayers for helping the group through "the most serious financial crisis in our company's history".

The bailout helped preserve "more than 100,000 jobs", he said.

The government agreed last June to keep Lufthansa flying with credit line, but the group ended up using only around 3.8 billion euros.

Finance Minister Olaf Scholz, poised to replace Merkel as chancellor, welcomed the early repayment and said the [government](#) was likely to make a profit with the sale of its Lufthansa stock.

"Clever politics pays off," he said.

The group—which also includes Swiss, Austrian and Brussels Airlines—is in the midst of a major job-cutting programme which has seen over 30,000 positions shed since the start of the [pandemic](#), out of 140,000 jobs globally.

The company still plans to axe 3,000 more jobs, it said earlier this month.

The group posted an [operating profit](#) of 17 million euros for the third quarter of 2021, returning to the black for the first time since the

pandemic.

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