

Annual General Meeting
Speech by the Chairman of the Executive Board and CEO of Deutsche Lufthansa AG
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Report on the 2015 Business Year
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I. Welcome / Review of 2015

Dear Shareholders,
Ladies and Gentlemen,

A very good morning to all of you here in Hamburg and to anyone watching on the Internet: I bid you a warm welcome to the 63rd Annual General Meeting of Deutsche Lufthansa AG. We will be reviewing the past business year today and I will also be giving you a progress report on our reorganization measures, as well as letting you know what we have planned for the future. Of course we will also be providing you with an outlook for the development of our business in 2016.

Let us however start with 2015. How can one describe a year that was so infinitely sad? One that was the most emotionally challenging and difficult years in the history of our company, but also one of Lufthansa's most successful years financially.

Any review of 2015 will always first bring back the memories of the Germanwings catastrophe. The one-year anniversary of the terrible tragedy was only a couple weeks ago on 24 March. We held memorial services for the loved ones of the victims in Marseille and Le Vernet. The untold suffering and grief of the victims' families and friends is still ever present one year after the tragedy and they continue to have our deepest sympathies. We were once again reminded of the magnitude of the responsibility that we bear every day for 300,000 passengers and crew, and of how important it is that we continue to never make compromises when it comes to safety. We were there for the families and friends of the victims from the very start and will

also be there in the future. We tried to help where we could by providing them with psychological help and setting up trust accounts and aid funds. We are building memorials and will continue to be there for the victims' families and friends far beyond the anniversary of the tragedy.

We have worked with the German government on new legislation to improve the already high safety standards in German aviation. The new laws were passed by the German Bundestag two weeks ago and include measures, such as unannounced testing for drugs, pharmaceuticals and alcohol, or an aero-medical database.

Ladies and Gentlemen,

It was not easy to return to day-to-day operations after 24 March 2015. The tragedy has changed us; it made us as the Lufthansa family humbler, but also stronger. Stronger also to deal with competition that grows increasingly hard-fought and that is often anything but fair.

Ladies and Gentlemen,

After safety, our highest corporate goal is and remains safeguarding our future. We have taken a large step forward in this regard and stood our ground in a highly challenging environment, all while implementing important changes. All of this can also be seen in the key figures for the 2015 business year.

II. Balance Sheet / Key Figures 2015

Despite all the challenges that we encountered, we have achieved our aims and kept our word to you, our dear shareholders.

1. We have fulfilled our forecast for the year and recorded one of the best results in the history of the company.
2. We have improved the financial stability of the Lufthansa Group: Our liquidity has increased, our net indebtedness has decreased and our free cash flow has risen significantly.
3. We are also once again in a position to pay you, our shareholders, a dividend and that makes us particularly happy.

The Supervisory and Executive Board will be proposing the payment of a dividend of

EUR 0.50 per share to today's Annual General Meeting. That is equivalent to a total payout of 232 million euros and a dividend yield of about 3.5% based on yesterday's closing price. That means Lufthansa has paid out about 25% of market capitalization to its shareholders since 2008, which represents the highest figure in comparison to the other listed European Airlines. It is our aim to also be able to continue paying you, our shareholders, a dividend during the coming years.

For the first time, this year, you will also have the option to exchange your dividend payouts for shares. We would be very pleased to see you make use of this opportunity and thus show us that you believe in the future of your company.

The Lufthansa share has been listed at the Frankfurt Stock Exchange without interruption for 50 years. Since our last Annual General Meeting last year our share price has increased by about 14% as of yesterday's closing price. During this same period, the DAX has lost 10%. A total of 45% of the Lufthansa stock is currently held by private shareholders and a very pleasing number of our staff are also shareholders: three out of five Lufthansa employees in Germany own shares in the company. We view this as a particular expression of commitment and solidarity through an embodied ownership culture.

Let us however now get to the key figures behind this development:

We recorded revenue of 32 billion euros and our adjusted EBIT, the key performance indicator for economic success, stands at 1.8 billion euros. That is equivalent to a significant increase of almost 650 million euros compared to the previous year.

The Group result rose very substantially to 1.7 billion euros, whereby a positive one-off effect of 500 million euros played a major role. However, even without this effect, the result would still have increased by over one billion euros.

The development of our equity ratio is also pleasing. It stood at 18% at the close of the year. As a result, our economic ratings are also more stable and our "Investment Grade Rating" has been confirmed.

We are pleased that all of our business segments once again made positive contributions to the result.

That is why I would like to take this opportunity to thank all 120,000 staff of the Lufthansa Group. During a very difficult year, you have shown, both in the air and

on the ground, the feats that we at Lufthansa are capable of achieving. Thank you for your outstanding efforts during the very difficult and emotional last year.

No Executive Board can manage a leadership task of this magnitude and difficulty on its own, which is why I would also like to take this opportunity to thank our senior management for their efforts during these most challenging of times. Allow me to therefore welcome the Chairmen and CEOs of our companies and the Managers of our hubs sitting here in the front row.

Ladies and Gentlemen,

The good result of the Lufthansa Group was for the most part earned by our passenger airlines. They recorded an adjusted EBIT of about 1.5 billion euros.

Lufthansa Passenger Airlines more than doubled its result, in spite of the strikes. Including Eurowings, it stood at 970 million euros.

SWISS was able to improve its result, which was already at a high level, by over 50% to 429 million euros.

Austrian Airlines also significantly improved its result, earning 52 million euros.

I would also like to give a special mention to the Eurowings/Germanwings Group, which recorded an adjusted EBIT of 38 million euros. Our colleagues have succeeded in flying our point-to-point connections, the direct services beyond our hubs, into the profit zone for the first time in many years. That is especially pleasing as it was an extremely difficult year for Germanwings in particular.

However, it was not only the airlines, our service companies also recorded good results in 2015.

The result at Lufthansa Cargo was below that of the previous year due to pricing pressure caused by overcapacities. Our cargo airline nevertheless contributed 74 million euros of profit to the Group's good result.

Lufthansa Technik improved the previous year's result by almost 20%. Revenue growth of 18% saw the company record an adjusted EBIT of 454 million euros, a truly outstanding result.

LSG SkyChefs also increased revenue and result significantly, contributing 99 million euros of profit to the Group result.

Both companies remain on course for further growth.

The good result for the 2015 business year had three key earnings drivers that I

would like to explicitly address:

1. The low fuel prices: these made a very significant contribution to the pleasing development.
2. Our strict capacity management: we operated with 15 aircraft less than the year before. Altogether we deployed 25 aircraft less than what we had originally planned four years ago.
3. The investments in our premium products: in 2015 we completed the most extensive cabin modernization programme in the history of our industry to date. During the past four years we have replaced 40,000 seats in all classes for our customers on the long-haul routes. Our cabins now offer a uniform, highly modern standard across the entire fleet. In addition, we have successfully introduced a new class in the form of our Premium Economy Class. We already recorded 5% higher yields than planned here in the first year.

A total of 108 million passengers flew with our airlines last year, which represents a new record. It shows that our investments are paying off. Capacity utilization has also risen continuously at all of our airlines over the past five years. The combined average seat load factor for all the airlines stood at over 80%.

Ladies and Gentlemen,

The year 2015 also included the longest pay disputes in the history of our company. We know that we have annoyed and disappointed our customers. We were unable to get 950,000 passengers to their destinations on time or at all. I would therefore like to take the opportunity today to again apologize for any inconveniences that might have been caused. Every single one of the altogether 15 strike days was one too many. The cost of the strikes at 230 million euros was huge too and we were also afflicted by their severity – emotionally as well.

However, it is normal that we encounter resistance as we push forward the reorganization of Lufthansa to make our company ready for the future. Yes, it was painful that our customers had to endure days without Lufthansa last year; however, it would be far more painful if our customers one day had to do without Lufthansa altogether. And that is why safeguarding the future of our company remains our

highest priority after safety at the Executive Board. Our actions in 2015 were motivated by this highest of priorities and that will not change in the future.

I would also like to take this opportunity to make one thing perfectly clear:

All the inconveniences for our customers and unnecessary costs for the company aside, workers' rights, and thus the right to strike, are part of our democratic system and that is something that we here in Germany are rightly very proud of.

We take pride in standing our ground as a German company in hard-fought international competition, which is unfortunately carried out neither in fair conditions nor under equal social conditions; and we intend to carry on succeeding here in the future. Our staff, ladies and gentlemen, are and remain part of the solution and are not part of the problem.

III. Strategic Development

Our aims and objectives remain unchanged: we are working to safeguard the future of your company, my dear shareholders. We want to be your no. 1, but also the first choice for our customers, employees and partners. Last year we presented you our three strategic pillars. They are the foundations for a viable Lufthansa that is equipped for the future. We are changing, taking action and striking out in a new direction.

We must continue to consistently develop these three pillars to safeguard the future of the company. The Network Airlines, which connect our dense route network to our hubs, are and remain our largest and strongest pillar. They consist of Lufthansa Passenger Airlines, SWISS and Austrian Airlines.

The new operational alignment of our network airlines lays the foundations to link commercial, operational and administrative functions more closely together, and improve functionality significantly. We have been implementing the new organization since January and expect to leverage annual synergy effects of 500 million euros from 2019 onwards as a result of the completed reorganization. At the same time we are also improving the travel experience for our customers.

Then again the unit costs at our network airlines unfortunately did not develop as planned last year. We must and will continue to work on improving our profitability in all areas. That is why increasing efficiency, reducing costs and consistent cost

management are fixed components in all our planning.

The costs nevertheless remain far too high, especially at Lufthansa Passenger Airlines. In order to get our costs down to a competitive level, we will require, among other things, competitive collective wage agreements. We have successfully concluded collective wage agreements with our staff on the ground and in all the other airlines of the Group. Our aim for 2016 is to now conclude collective wage agreements for the cockpit and cabin staff at Lufthansa Passenger Airlines that will allow us the opportunity to once again record growth. After all, Lufthansa Passenger Airlines is and remains the de facto and emotional core of our Group. That is why we have been struggling for so long and so hard to reach an acceptable solution. The feedback from our customers and our record capacity utilization prove to us that Lufthansa Passenger Airlines is competitive when it comes to quality; now it must also become competitive from the cost perspective.

As a German company however, we cannot win the global competition for the lowest costs; we are fully aware of that. However, we can and must win the competition for quality and premium customers. We therefore secure the high revenue quality in this segment, for example, through new and improved products at all of our airlines, as well as investments on the ground. Last week we opened the new satellite building at Terminal 2 with our partner Munich Airport; it represents a quantum leap in terms of quality on the ground.

We will however also ensure a continuous flow of revenue through the density and quality of our global network. The best example of this is our commercial joint venture with Singapore Airlines. It will lend us wings in the important South East Asia market and we expect annual growth rates of almost 10% on our Europe–Singapore routes alone during the coming years. In addition, we also have a joint venture in planning with Air China. However, the focus of our intercontinental business and our most important market remain the North Atlantic routes.

We at Lufthansa have already been living the “Open Sky” agreement between the United States and the EU for 14 years. It has proven itself to us as a successful driver for investments and new jobs on both sides of the Atlantic. The best example of this is our successful joint venture with our North American Star Alliance partner

United Airlines. It is on the basis of this experience that we also support TTIP, the Transatlantic Trade and Investment Partnership, which the EU and United States have been negotiating for almost three years. It is our opinion that it will bring with it many positive changes for world trade.

The second pillar of the Lufthansa Group is currently also being expanded. In addition to the classic network airlines, we will continue establishing Eurowings as our secondary brand for point-to-point traffic. We are already the no. 1 in this segment in our home markets of Germany, Austria, Switzerland. The development of bookings on the long-haul routes in particular is very pleasing. The load factor during the first three months of the year stood at 94%. In addition, the punctuality ratings at Eurowings are now also excellent. Eurowings is currently flying to 122 European and 14 intercontinental destinations from various different bases.

We also intend to continue recording profitable growth with our third pillar, our Aviation Services. Lufthansa Cargo, Europe's leading cargo airline is currently expanding its portfolio, among other things, with a close, new partnership with United Airlines. In addition, the company will also be taking over the airfreight activities of the Eurowings Group. Our global market leader Lufthansa Technik today already services and maintains every ninth commercial aircraft in the world. Its 800 customers worldwide consist of mainly airlines, but also VIP jet operators and government aircraft. The annual growth rate for MRO services has been about 15% since 2012.

LSG SkyChefs, the world's largest aviation catering company, prepares 1.5 million meals a day. Every third meal served on board an aircraft comes from our kitchens. Our catering company is expanding its global presence, continuously extending its product portfolio and developing new customer groups outside the airline industry.

In concluding, it is safe to say that the foundations of our company have become more stable. Our "7to1 – Our Way Forward" programme remains the basis for the development of the Lufthansa Group. Its seven fields of action play a major role in determining our strategic agenda across all three pillars of our company and we implement the corresponding measures to the letter.

As already mentioned, our activities focus continuously (and successfully) on the field

of action “Customer Orientation and Quality Improvement”; however, today, I would like to briefly address two other focus areas in 2016:

Firstly, the field of action “Innovation and Digitalization”

We are currently working on developing innovative solutions in all of our business segments. First and foremost they are for the benefit of our customers, but we would also like to secure our digital industry leadership.

One innovation, for example, is our new sales and distribution strategy. Our aim is to significantly increase the percentage of our online bookings channels and strengthen our digital connection to the customer. Our customers now only pay for the services that they actually use. As a result of our new strategy, we have been able to increase our online own sales by 12%.

In addition, we can now offer our customers tailored products – along the entire travel chain. The customers can book the add-on services directly through us – all from a single source: for example, transportation offers at their destinations, hotel offers, theatre tickets and even online grocery shopping on their return flights. As of 2018 we expect additional annual revenue of 300 million euros from these services alone.

Our Lufthansa Innovation Hub in Berlin has seen us move closer to the pioneers and entrepreneurs of the start-up scene. Our colleagues there are developing digital services for our customers and new business models.

Lufthansa Technik is another forerunner when it comes to innovations. The company is where we develop technical innovations, for example, a special surface for aircraft that resembles shark skin, allowing for less flow resistance and saving us kerosene.

Our engineers there are also working on other digital innovations. One of these will allow aircraft parts to conduct self-diagnoses, meaning that they will not only report defects, but also provide early warnings and the probable cause of the error.

Lufthansa Cargo is also a digital pioneer in its industry. It has just completed the introduction of a new global IT system for its freight handling. By the year 2020, Lufthansa Cargo plans to be digitally connected with all the participants in the transport chain, from booking to delivery.

Secondly, the field of action “Continuous Efficiency Improvement”

Our aim here is to annually improve efficiency by at least 700 million euros. Three examples:

- We are optimizing our administrative processes in all business segments. To

do so we have launched a project that aims to reduce 15% of the administrative staff in the Group.

- We are negotiating with external partners on the reduction of fees and charges: The successfully concluded negotiations with DFS (German Air Navigation Services) will allow us to save between 20 and 30 million euros in 2016 at Lufthansa Passenger Airlines alone.
- We are also improving our efficiency by continuously modernizing our fleet, which brings me to the outlook for 2016.

IV. A Look at 2016

We also have many other things planned in addition to the activities that I have mentioned:

We will proceed with the continuous modernization of the fleet:

- Between 2016 and 2025, the Lufthansa Group fleet will be receiving a total of 250 new aircraft, of which 52 this year alone. We will be receiving a new aircraft every week. Some have already been delivered.
- Our first two A320neo are already in operation; we expect another three by the end of the year. These aircraft will see us once again set new standards in terms of environmental efficiency.
- The same applies for the new Airbus A350 model, which will replace our A340 and be deployed at Lufthansa Passenger Airlines. The first of the altogether 25 ordered aircraft will be delivered in November.
- Or the modernization of the SWISS fleet with 9 new Boeing 777-300 for the long-haul routes. The first “triple seven” has been in operation since January.
- SWISS will also be receiving the new Bombardier C-Series for the short and medium-haul routes during the second quarter.

We will continue to invest in service and product improvements.

- This year we will also begin with the installation of on board Internet on short-haul routes. We will be improving our entertainment programme and increasingly offering magazines as electronic versions.
- We are also continuing to work on the development of a common booking platform for our network airlines: airline.com.

In addition to other topics, we would also like to continue working on the improved cooperation with our staff.

- We want to resolve the open pay disputes and would like to continue working on a new culture of dialogue with our staff. During times of restructuring in particular, it is important that we build confidence and strengthen cooperation among the employees themselves.
- Our staff should of course also benefit: We will be employing 4,000 new staff this year, as well as training apprentices in over 30 professions. The 130,000 applications that we receive every year are evidence that we can choose from the very best.

The changes will keep coming, both in the industry and at Lufthansa. We have set the right course and remain optimistic. The current successes are confirmation that we should continue to consistently maintain the course that we have set to develop our company.

Ladies and Gentlemen,

The changes that we have introduced and the positive outlook for the air transport industry lead us to expect a positive development of business in 2016. We have had a good start into the new year, also thanks to the continuingly low fuel prices. We therefore expect to record a result in 2016 that will be slightly above the one of the previous year.

V. Closing Remarks

Ladies and Gentlemen,

All the progress, success and good results that we recorded last year will however always be overshadowed by the tragedy in the French Alps.

The confidence and support that we received from so many sides during the last year were thus hugely important to us. I would therefore like to take the opportunity today to again express my thanks to the officials in politics.

- I would like to send a special thank you to our German Government with Federal Chancellor Merkel at its helm. It meant very much to us that Chancellor Merkel visited us in Frankfurt on the occasion of the 60th anniversary of the founding of Lufthansa; as did her gesture of solidarity, by christening the first Lufthansa aircraft to be named "Deutschland".

- I would also like to thank all the members of the Supervisory Board for their continued backing and support during the very difficult last year.
- Last but not least, we would like to express our sincere thanks to our customers and partners, and to you, our shareholders.

They all stood by us with their loyalty during a very difficult 2015.

Ladies and Gentlemen,

“Consistently safeguarding the future” is the title of our Annual Report for 2015 and it must remain our company’s highest priority after safety, if we intend to remain first choice in the future for you, our shareholders, and for our customers and staff.

I ask you to accompany us on our journey, we merit your trust!

Thank you for your time.