



Shareholder information on the annual results for 2015

Key figures Lufthansa Group		2015	2014	Change in %
Revenue and result				
Total revenue	€m	32,056	30,011	6.8
of which traffic revenue	€m	25,322	24,388	3.8
EBIT ¹⁾	€m	1,676	1,000	67.6
Adjusted EBIT	€m	1,817	1,171	55.2
EBITDA ¹⁾	€m	3,395	2,530	34.2
Net profit/loss	€m	1,698	55	2,987.3
Key balance sheet and cash flow statement figures				
Total assets	€m	32,462	30,474	6.5
Equity ratio	%	18.0	13.2	4.8 pts
Net indebtedness	€m	3,347	3,418	-2.1
Cash flow from operating activities	€m	3,393	1,977	71.6
Capital expenditure (gross)	€m	2,569	2,777	-7.5
Key profitability and value creation figures				
EBIT margin	%	5.2	3.3	1.9 pts
Adjusted EBIT margin	%	5.7	3.9	1.8 pts
EBITDA margin ¹⁾	%	10.6	8.4	2.2 pts
EACC	€m	323	-223	
ROCE	%	7.7	4.6	3.1 pts
Lufthansa share				
Share price at year-end	€	14.57	13.83	5.3
Earnings per share	€	3.67	0.12	2,958.3
Proposed dividend per share	€	0.50	-	
Traffic figures²⁾				
Passengers	thousands	107,679	105,991	1.6
Freight and mail	thousand tonnes	1,864	1,924	-3.1
Passenger load factor	%	80.4	80.1	0.3 pts
Cargo load factor	%	66.3	69.9	-3.6 pts
Flights	number	1,003,660	1,001,961	0.2
Employees				
Average number of employees	number	119,559	118,973	0.5
Employees as of 31.12.	number	120,652	118,781	1.6

¹⁾ Previous year's figures have been adjusted due to the new reporting method.

²⁾ Previous year's figures have been adjusted.

Date of publication: 17 March 2016.

Course of business Earnings performance in the financial year 2015 was pleasing. The low oil price made a major contribution to the good result for the Passenger Airline Group and for the Lufthansa Group as a whole. Other key drivers were the renewal of the premium products, earnings improvements at Germanwings and consistent capacity discipline at the hub airlines. In spite of the most difficult and protracted collective bargaining in our Company's history, the Lufthansa Group was therefore able to report one of its best results. All of the Group companies contributed to achieving a total Adjusted EBIT of EUR 1.8bn. The Company's financial stability has increased significantly. However, the significant fall in unit revenues at constant currency at the airlines, and further increasing unit costs adjusted for fuel and currency affects, show clearly that structural measures are necessary to stabilise the higher year-on-year earnings.

Revenue and income Operating income in the financial year 2015 increased year on year by EUR 3.0bn, or 9.3 per cent, to EUR 35.1bn. Revenue went up by 6.8 per cent overall to EUR 32.1bn.

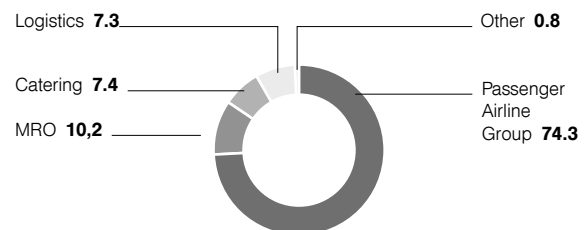
Traffic revenue for the Group rose by 3.8 per cent to EUR 25.3bn. Positive exchange rate effects (+ 5.9 per cent) and higher sales (+ 2.0 per cent) increased income, while a 4.1 per cent fall in prices (including fuel surcharge and air traffic tax) had the opposite effect.

Other revenue is mainly generated by the MRO and Catering segments and, to a lesser extent, by the Passenger Airline Group, Logistics and Other segments. It increased by EUR 1.1bn, or 19.8 per cent overall, to EUR 6.7bn in the reporting year.

The Group's external revenue rose by 6.8 per cent to EUR 32.1bn. The Passenger Airline Group segment's share of total revenue decreased to 74.3 per cent (-1.1 percentage points). The Logistics segment accounted for 7.3 per cent of total revenue, Lufthansa Technik for 10.2 per cent, Catering for 7.4 per cent and Other for 0.8 per cent.

Other operating income increased by EUR 942m to EUR 2.8bn. This stems mainly from higher exchange rate gains (EUR +793m), offset by correspondingly higher exchange rate losses in other operating expenses.

Business segments' share of Group revenue in %



Expenses Operating expenses climbed year on year by 7.4 per cent to EUR 33.5bn.

In 2015, the cost of materials and services rose by 2.1 per cent, to EUR 17.7bn. Within the cost of materials and services, fuel costs decreased by 14.3 per cent to EUR 5.8bn. The average price for kerosene, including fuel hedging, was USD 703.97/tonne in 2015. Fuel prices declined by 36.2 per cent after hedging, but this was partly offset by the rise in the US dollar (+ 20.1 per cent) and higher volumes (+ 1.8 per cent). Fuel costs included a negative result of price hedging of EUR 988m (previous year: EUR 149m). Expenses for other raw materials, consumables and supplies were up by 18.0 per cent at EUR 3.2bn.

Expenses

	2015 in €m	2014 in €m	Change in %
Cost of materials and services	17,640	17,283	2.1
of which fuel	5,784	6,751	-14.3
Staff costs	8,075	7,335	10.1
Depreciation	1,715	1,528	12.2
Other operating expenses	6,106	5,088	20.0
Total operating expenses	33,536	31,234	7.4

Fees and charges went up by 7.3 per cent overall to EUR 5.7bn. Staff costs increased by 10.1 per cent in the reporting period to EUR 8.1bn. Depreciation and amortisation rose by 12.2 per cent overall to EUR 1.7bn. Other operating expenses increased year on year by 20.0 per cent to EUR 6.1bn.

Earnings Development Adjusted EBIT was used as main metric for the first time in 2015: it went up on a like-for-like basis by EUR 646m to EUR 1.8bn. One major reason for this earnings improvement were low fuel costs. All the business segments made positive earnings contributions to the Group's comprehensive income.

The IFRS result from operating activities rose year on year by EUR 676m to EUR 1.6bn. The financial result increased among others due to non-recurring factors by EUR 1.2bn to EUR 471m. The profit from operating activities and the financial result added up to a profit before income taxes of EUR 2.0bn, compared with EUR 180m in the previous year. Deducting income taxes of EUR 304m (previous year: EUR 105m) and earnings attributable to minority interests of EUR 24m (previous year: EUR 20m), the net profit for the period attributable to the shareholders of Deutsche Lufthansa AG was EUR 1.7bn (previous year: EUR 55m). Earnings per share amount to EUR 3.67 (previous year: EUR 0.12).

External revenue and Adjusted EBIT by segment 2015

	External revenue in €m	Year on year change in %	Adjusted EBIT in €m	Year on year change in %
Passenger Airline Group	23,821	5.2	1,505	114.7
Logistics	2,331	-3.3	74	-39.8
MRO	3,256	21.8	454	19.5
Catering	2,386	18.0	99	12.5
Other	262	-3.0	-370	-219.0

Dividend The Lufthansa Group's dividend policy provides for a dividend ratio of between 10 and 25 per cent of EBIT, as long as a dividend payment is covered by the net profit for the year as shown in the individual financial statements for Deutsche Lufthansa AG drawn up according to the commercial law provisions, and if there are no other opposing considerations.

The individual financial statements present a net profit for the financial year 2015 of EUR 1.0bn. Following the transfer of EUR 802m to retained earnings, distributable profit comes to EUR 232m.

The Executive Board and Supervisory Board will therefore submit a proposal at the Annual General Meeting on 28 April 2016 to distribute this profit to shareholders by paying a dividend of EUR 0.50 per share. For the first time, shareholders have the option of receiving this dividend in the form of shares.

Capital Expenditure, Cashflow, Assets and Financial Position At EUR 2.6bn, capital expenditure for the Group was 7.5 per cent down on the previous year. Primary investment in down payments and final payments for aircraft, aircraft overhauls and equipment fell by 12.7 per cent.

The Lufthansa Group's cash flow from operating activities came to EUR 3.4bn in the reporting year, which is EUR 1.4bn or 71.6 per cent higher than the previous year's figure. After deducting net cash used for investing activities, free cash flow for the financial year 2015 was positive at EUR 834m (previous year: negative free cash flow of EUR 297m).

The Group's total assets rose by EUR 2.0bn to EUR 32.5bn at the end of the year. Non-current assets were up by EUR 1.3bn, and current assets by EUR 689m.

Within non-current assets, the aircraft and reserve engines item increased by EUR 1.0bn to EUR 14.6bn, largely due to additions in the current financial year. Within current assets, receivables rose by EUR 394m to EUR 4.4bn.

Equity (including minority interests) went up year on year by EUR 1.8bn, or 45.0 per cent, to EUR 5.8bn. The equity ratio went up from 13.2 per cent to 18.0 per cent.

Outlook Lufthansa Group In spite of the challenging market and the highly volatile operating environment, the Executive Board of Deutsche Lufthansa AG remains optimistic regarding the development of the Lufthansa Group and its companies.

The Executive Board believes that the broad diversification of the Lufthansa Group puts it in a good position to meet the present and future demands of the market. Diversification of the network airlines, point-to-point airlines and service companies is just as important in this context as the solid financial profile of the Lufthansa Group.

Stabilising the result at least at the increased level of the previous year is vitally important. This is the fundamental condition for the Lufthansa Group's sustainable development, not least due to persistent cost pressure and shifting competitive structures.

Based on the market price for crude oil and the US dollar exchange rate as of 29 February 2016, the Lufthansa Group expects a year-on-year decline in fuel costs of around EUR 1.0bn.

At the same time, however, a further reduction in yields is expected, particularly in the home markets. Viewed in isolation, a change in yields of one per cent has an earnings impact of more than EUR 200m. Significant savings from lower fuel costs will therefore probably be largely offset by significantly lower yields at the airlines and lower earnings in the other business segments. Lower exchange-rate-adjusted unit costs and the absence of non-recurring expenses from the previous year will help to increase Adjusted EBIT overall for the Lufthansa Group in the new financial year.

Based on these assumptions and from a current perspective, the Lufthansa Group expects revenue and Adjusted EBIT for 2016 to be slightly higher than last year.

The main influences on earnings remain the oil price and changes in the jet fuel crack, the euro exchange rate, especially against the US dollar and the Swiss franc, the yields at the Passenger Airline Group and the course of collective bargaining at Lufthansa Passenger Airlines. Overall risks from underlying macroeconomic and geopolitical developments have increased in recent months and represent an uncertainty for the development of revenue and earnings, especially for the Passenger Airline Group.

Restructuring activities are likely to adversely affect the earnings of individual segments and the entire Lufthansa Group. At the time that the forecast is made, total costs of some EUR 100m, in particular at Lufthansa Passenger Airlines, LSG Sky Chefs and in the central Group functions, are expected. This earnings forecast does not include negative impacts from possible strikes.

Extract from the Annual Report for 2015. For the complete Annual Report please visit our website at www.lufthansagroup.com/investor-relations or order the printed version via internet service or by fax +49 (0) 69696 – 9 09 90. The printed version will be available from mid-April 2016.