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Herbert Kainzlsperger

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To

The Lufthansa Group,
Frankfurt am Main

Comments on the use of funds in 2018 from a shareholder perspective

Dear employees of the LH Group, dear
LH Executive Board members,
Dear LH Supervisory Board
members, fellow shareholders,

The Lufthansa Group reported the second-best earnings in its history in 2018. This is down to all of your efforts, and I congratulate you. All the shareholders are very grateful for your successful work.

In a good, successful company, however, these earnings are shared fairly, 50:50 between the company and its shareholders. If this were the case, the price of the Lufthansa share would now shoot up to around EUR 50 because a PE ratio of 10 or 11 is normal for successful airlines (e.g. DELTA or SOUTHWEST).

But, strangely, the share price remains at EUR 22.50. So, what's going on here? In the opinion of the shareholders, the reason is that the company itself and the shareholders together only receive 18% of the dividend, and the remaining 82% have gone to patch holes in the pension provisions, which have gone up by around 15%. The substantial amount of EUR 1.7 billion therefore does not benefit the company itself.

Despite such ambitious objectives as "Striving for Excellence", the Executive Board and Supervisory Board are not willing to acknowledge that this is a case for restructuring. I believe that they must urgently bring the pension provisions into line with those of the competitors mentioned above. Because they have not done so to date, I believe that they have not fulfilled their obligations. So, please show the Executive Board and the Supervisory Board the "yellow card" by refusing to discharge them of responsibility. You can also resist further spending on consumption by rejecting the planned increase in Executive Board salaries.

I am happy to explain the insufficient involvement of LH shareholders to you. Airlines are uncertain dividend stocks by nature. Simply to make up for this fact, the normal dividend payment should be higher than average. But with LH this is certainly not the case. Out of the last seven years, there were two in which no dividend was paid at all. Over this period, the dividends represented an average return of 2.35% on the RISK CAPITAL provided by the shareholders.

You cannot find shareholders at that price! As a direct consequence, a large group of return-driven shareholders cashed in their stakes at a price of EUR 30 and invested in firms earning twice as much or even more. So the share price fell instead of going up as it should in view of the strong earnings.

Please treat the shareholders on the **same** basis as the company in future, and make the contribution to pension provisions entirely from equity investments. We all look forward to the resulting boom in the share price.

Dear fellow shareholders:

I ask you URGENTLY to support this appeal and to give (at least) a threefold NO to the proposals to discharge the Executive Board and Supervisory Board and the salary increase for the Executive Board.

Please support this new "Striving for Excellence".

Yours sincerely,

A handwritten signature in blue ink that reads "H. Kainzlsperger". The signature is written in a cursive, flowing style.

Herbert Kainzlsperger