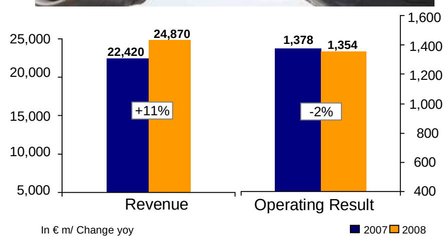
Ladies and Gentlemen,

A great deal has changed since I presented our results for the year 2007 to you just one year ago. The world economy has declined much more sharply than observers had originally expected. For 2009, we must now expect a reduction in the world economic performance and many experts are even talking about the strongest recession since the end of the Second World War – maybe the strongest recession ever since. There is also no end to the negative news from the financial community and the uncertainty on both the credit and the stock markets continues unabated. The major stock indices like the Dow Jones and DAX reflect the general framework conditions and are recording their lowest levels for many years. The recession has led to the oil price declining to around 40 USD a barrel and redirected the focus of the airline industry from compensation for the fuel costs to the declining market dynamics. For 2009, IATA expects the number of passengers to decline for the first time since 2001. The last perceptible decline due to a weakening economy was registered in the aviation industry in 1991. To make a long story short: very turbulent times lie before us. However, in recent years and learning from the crisis in 2001 we have worked particularly strongly on building up flexibility, stability and financial strength for difficult times.

Therefore, we believe we are equipped with the necessary instruments to maintain our course despite these adverse conditions.

Before I say more about that, however, I would first like to present the results of the past financial year 2008 to you in detail. The figures have turned out very positive - although a year ago today many observers would not have believed we were capable of this.

Key figures of the Lufthansa Group 2008



in € m	2008	yoy
Revenue	24,870	+10.9%
- thereof traffic revenue	19,998	+13.8%
Operating result	1,354	-1.7%
Adj. operating margin	6.1%	-0.8P.
EBIT	976	-46.0%
Net profit	599	-63.8%
CVA	654	-57.7%
Operating cash flow	2,473	-13.6%
Capital expenditure	2,154	56.3%
As of December 31	2008	yoy
Net liquidity	125	-83.7%
Equity ratio	30.9%	0.0P.

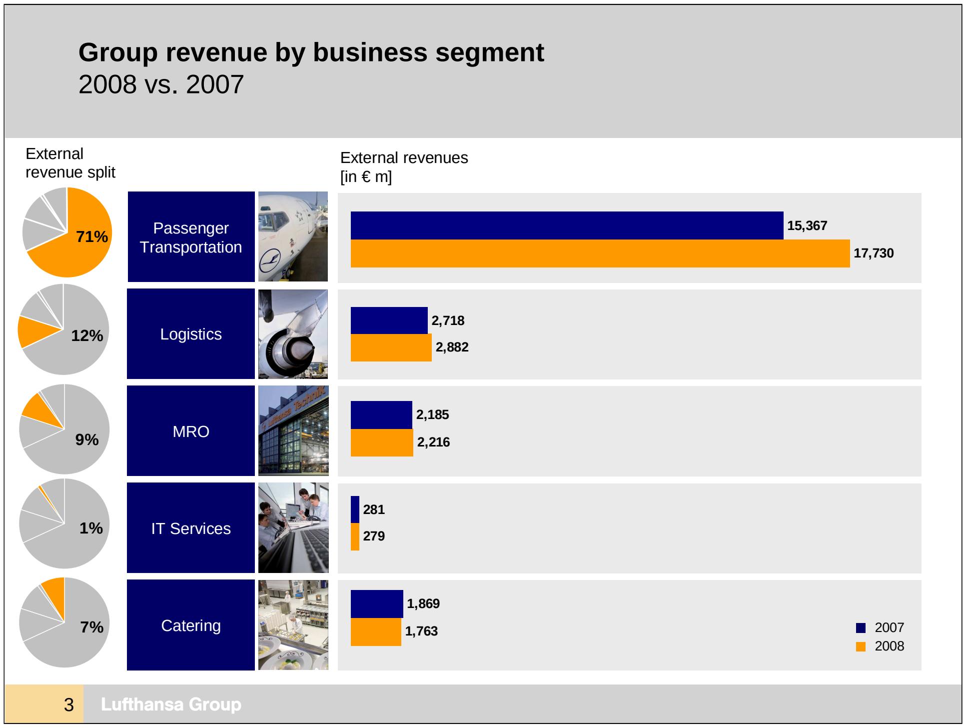
The revenue of the Group increased in 2008 by 10.9 percent to 24.9 bn Euros, the traffic revenue climbed even stronger by 13.8 percent to almost 20 bn Euros.

The operating result declined slightly compared to the previous year by 1.7% to 1.35 bn Euros. One of the main causes was the drastic increase in fuel costs in 2008 as a whole. But we will come back to a detailed analysis of the individual expense items later. At 6.1 percent, the adjusted operating margin was lower than in the previous year but nevertheless remained at a high level. Thus in the last financial year, we probably reached – for the first time - our long-term objective of becoming the most profitable network carrier in the European competition.

EBIT and Group result declined to 976 and 599 m Euros respectively. However, the Group result of the previous year included more than 500 m Euros from the sale of the Thomas Cook AG shares. In addition, the income from subsidiaries, joint ventures and associates was considerably lower in 2008.

The operating cash flow fell by 13.6 percent to 2.5 bn, which can be explained by the lower result of operating activities, and changes in the working capital. The capital expenditures of 2.2 bn Euros could, however, once again be completely financed from the operating cash flow.

Thus, we continue to have a net liquidity (negative net debt position) of 125 m Euros. Our equity ratio remained unchanged - at stable 30.9 percent.



Overall, the Group revenue has developed positively, although the trend was dampened by negative currency effects in some business segments.

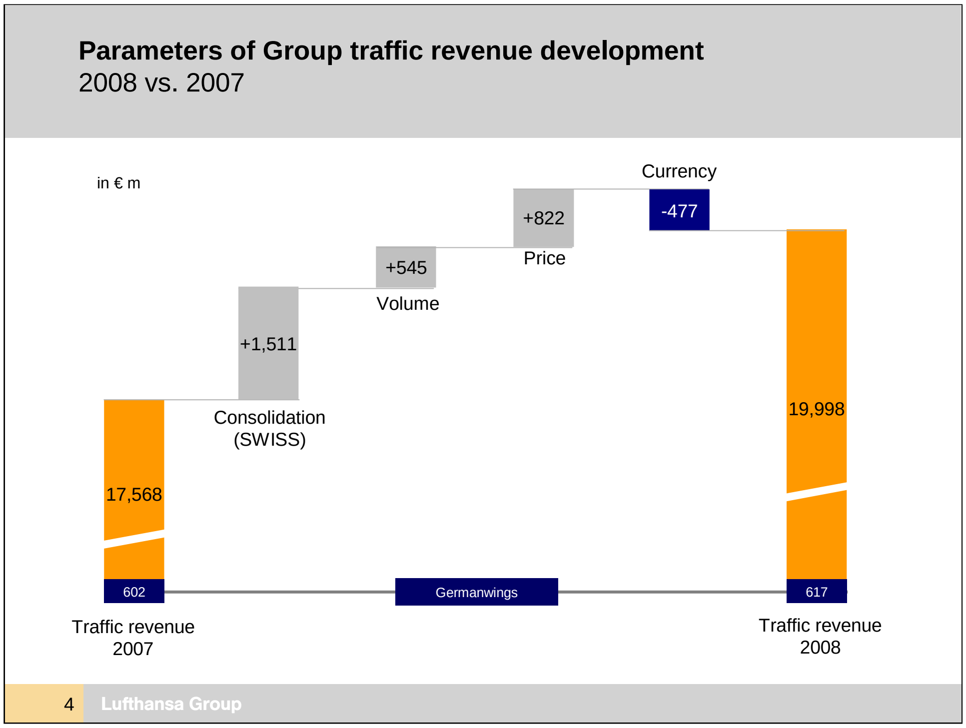
The revenue share of the Passenger Transport segment increased again in 2008, by almost 3 percentage points to 71 percent. The full consolidation of SWISS, the strong traffic performance, despite the decline in demand at the end of the year, and stable average yields, led to an increase of 15.4 percent to 17.7 bn Euros.

In the Logistics segment, revenue increased by 6.0 percent to 2.9 bn Euros, whereby Lufthansa Cargo profited, above all, from higher fuel surcharges.

The revenue of the MRO business segment grew in total by 4.1 percent to 3.7 bn Euros. While the internal business increased by 8.3 percent, external sales suffered due to the weak U.S. dollar. Nevertheless, external revenue still increased further by 1.4 percent to 2.2 bn Euros.

The external revenue of Lufthansa Systems was almost unchanged (-0.7 percent).

The foreign currency fluctuations also had an effect on the revenue in the Catering segment. The weak dollar, the sharp decline in the value of the British Pound and the Korean Won led to lower earnings in Euros. The sales revenues decreased by 3 percent to 2.3 bn Euros.



The full consolidation of SWISS made a major contribution to the increase in the traffic revenues - causing them to rise by 1.5 bn Euros.

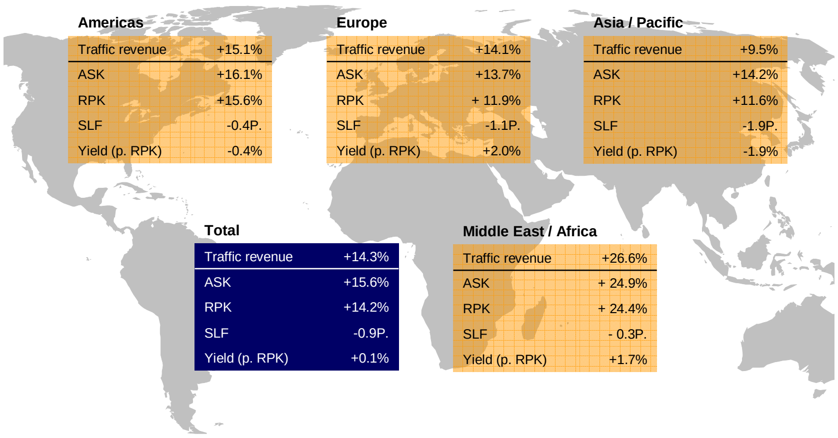
The increased sales also led to a positive volume effect of 545 m Euros. A high product quality, the persisting customer satisfaction, as well as the good passenger mix made it possible for Lufthansa to push through higher prices on the market. The price effect amounted to 822 m Euros. The fuel surcharges.had also a supporting effect here.

These positive effects were reduced by negative currency influences amounting to 477 m Euros.

Overall, traffic revenue increased by 13.8 percent to 20 bn Euros.

Development by traffic regions
Lufthansa Passenger Airlines and SWISS*

2008 vs. 2007



Americas

Traffic revenue	+15.1%
ASK	+16.1%
RPK	+15.6%
SLF	-0.4P.
Yield (p. RPK)	-0.4%

Europe

Traffic revenue	+14.1%
ASK	+13.7%
RPK	+ 11.9%
SLF	-1.1P.
Yield (p. RPK)	+2.0%

Asia / Pacific

Traffic revenue	+9.5%
ASK	+14.2%
RPK	+11.6%
SLF	-1.9P.
Yield (p. RPK)	-1.9%

Total

Traffic revenue	+14.3%
ASK	+15.6%
RPK	+14.2%
SLF	-0.9P.
Yield (p. RPK)	+0.1%

Middle East / Africa

Traffic revenue	+26.6%
ASK	+ 24.9%
RPK	+ 24.4%
SLF	- 0.3P.
Yield (p. RPK)	+1.7%

** Lufthansa, regional partners and – since July 1, 2007 – SWISS*

5 Lufthansa Group

A detailed look at the traffic regions shows that all regions have contributed to the strong increase in traffic revenue.

The group transported 70.5 m passengers in the full year. This figure includes 13.5 m passengers of SWISS. The traffic revenue increased in total by 14.3 percent - without SWISS, it would still have increased by 4.2 percent.

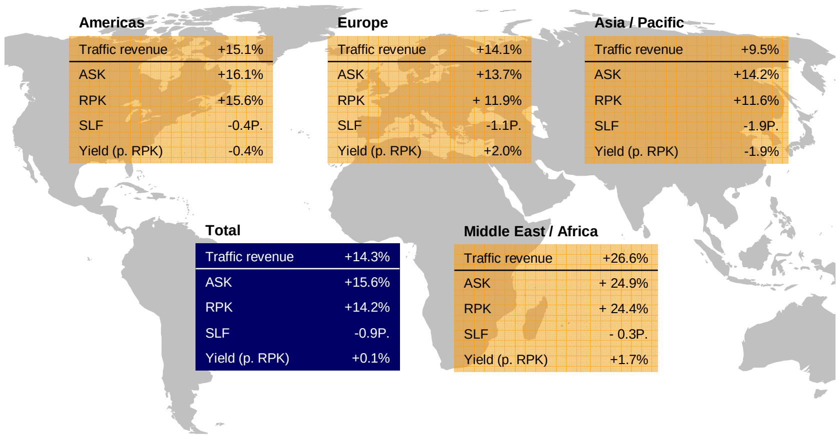
The positive trend is, first of all, thanks to the higher numbers of passengers. The development of average yields, however, also contributed. Despite the higher capacity the average yield remained constant with +0.1 percent. The fuel surcharges had a positive effect of +3.8 percent on the yield. The foreign currency fluctuations, however, led to a negative currency effect of -2.3 percent.

The average yields in the European home market increased over-proportionately by 2.2 percent. The traffic revenue climbed at 14.1 percent, thus stronger than capacity. A contribution to the positive yield development was not at least the fact that Lufthansa responded very quickly at the end of the year to weakness in demand and considerably reduced its capacities.

In the Americas traffic region, the 16.1 percent higher capacity was almost completely absorbed by the market. The traffic revenue rose by 15.1 percent. The stationing of 3 long-haul aircraft in Düsseldorf was largely responsible for the additional capacity. That the expanded offer met with the corresponding demand is confirmed by the seat load factor only diminishing slightly by 0.4 percentage points, as well as the almost stable average yields. The strong position of Lufthansa across the North Atlantic will be further supported by the close cooperation and the planned admission of Continental Airlines to the Star Alliance in 2009.

Development by traffic regions
Lufthansa Passenger Airlines and SWISS*

2008 vs. 2007



Americas

Americas	
Traffic revenue	+15.1%
ASK	+16.1%
RPK	+15.6%
SLF	-0.4P.
Yield (p. RPK)	-0.4%

Europe

Europe	
Traffic revenue	+14.1%
ASK	+13.7%
RPK	+ 11.9%
SLF	-1.1P.
Yield (p. RPK)	+2.0%

Asia / Pacific

Asia / Pacific	
Traffic revenue	+9.5%
ASK	+14.2%
RPK	+11.6%
SLF	-1.9P.
Yield (p. RPK)	-1.9%

Total

Total	
Traffic revenue	+14.3%
ASK	+15.6%
RPK	+14.2%
SLF	-0.9P.
Yield (p. RPK)	+0.1%

Middle East / Africa

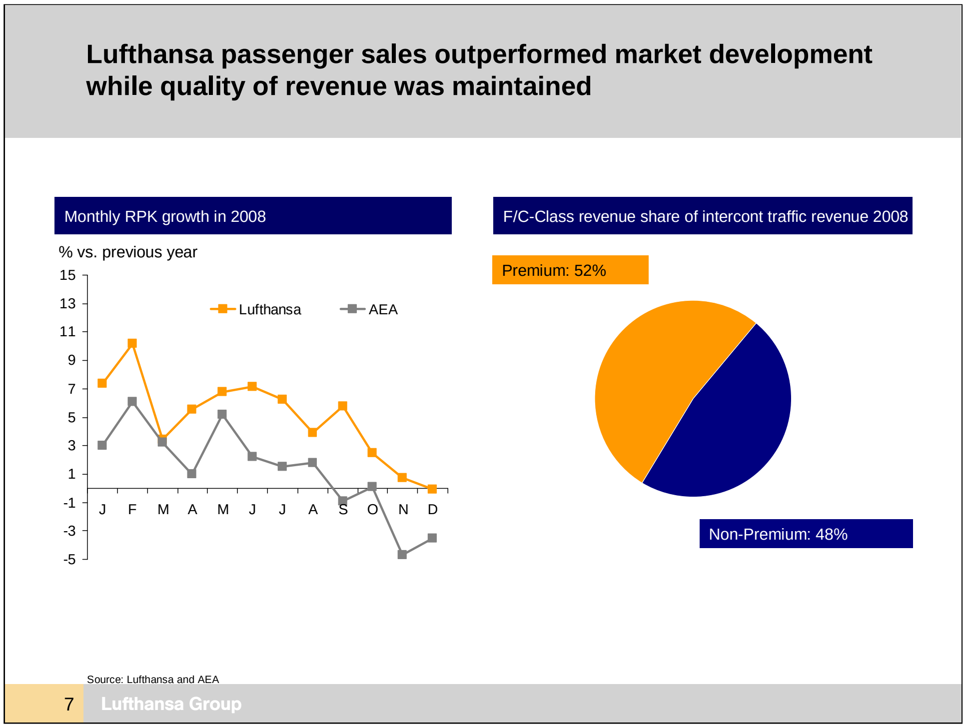
Middle East / Africa	
Traffic revenue	+26.6%
ASK	+ 24.9%
RPK	+ 24.4%
SLF	- 0.3P.
Yield (p. RPK)	+1.7%

** Lufthansa, regional partners and – since July 1, 2007 – SWISS*

6 Lufthansa Group

Sales to Asia, however, developed below average. The reasons were lower economic growth, particularly in China, as well as unforeseen events like the earthquake in China, the Tibet debate in Germany or visa restrictions in the run-up to the Olympic Games. The utilization of capacity declined by 1.9 percentage points as a result, however, at 83.0 percent it nevertheless remained at a very high level. Despite these developments, Lufthansa achieved 9.5 percent higher traffic revenues in the region.

The Middle East / Africa region was characterized by the greatest growth dynamics and the most stable trend in passenger traffic. IATA reports sales growth of
7 percent for 2008. Lufthansa has participated in this growth and strengthened its position in the region. The increase of 24.9 percent in the offer was almost completely taken up and the traffic revenue climbed by 26.6 percent. The extension of the route network, particularly to oil destinations in West Africa, as well as the improved flight schedule made a significant improvement in average yields of 1.7 percent possible. Without currency fluctuations, the yields would have been a further 3.7 percent higher.

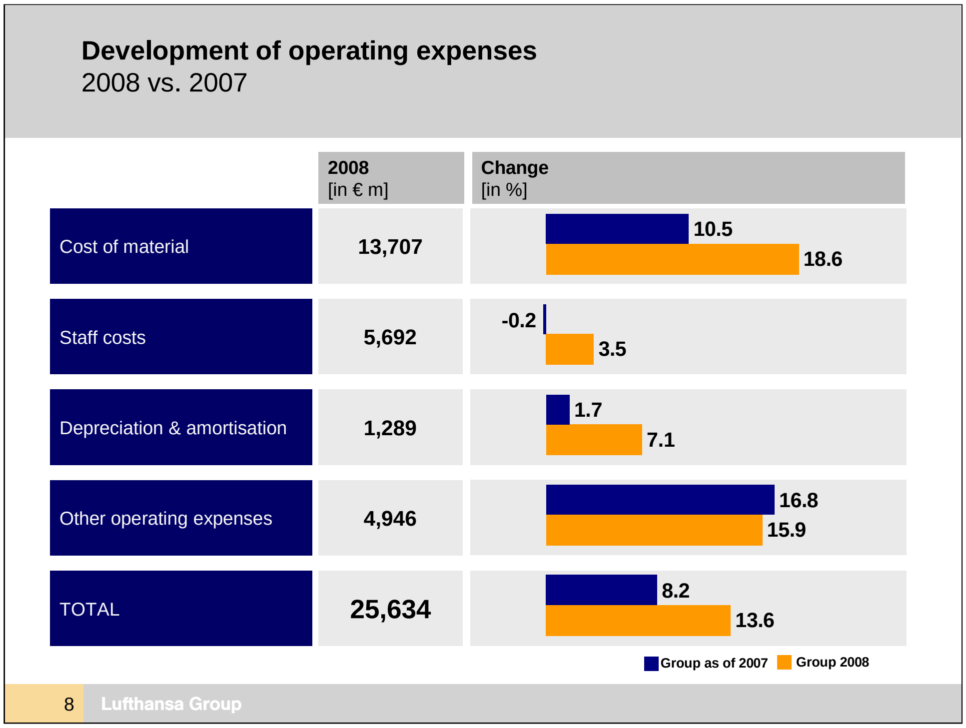


However, not only in absolute terms, but also in comparison with our competitors, 2008 was also a successful sales year. In all months, Lufthansa's sales developed considerably stronger than the total European market. Thus the market position could be further reinforced and the market share improved.

We are not, however, losing sight of long-term value creation. Therefore, even with strong growth in our offer, we continue to believe that profitability must take precedence over pure size.

Therefore, we are focusing particularly on maintaining or increasing our share of high-quality premium customers, which we succeeded in doing once again in 2008. The revenue structure was very solid with premium passengers accounting for 52% of total long-haul traffic revenue.

However, we are not closing our eyes to the current developments and are adapting our offer very flexibly to the declining premium demand and the changing patterns of travel behaviour, through a re-configuration of our fleet.



Let’s now take a look at the developments on the cost side.

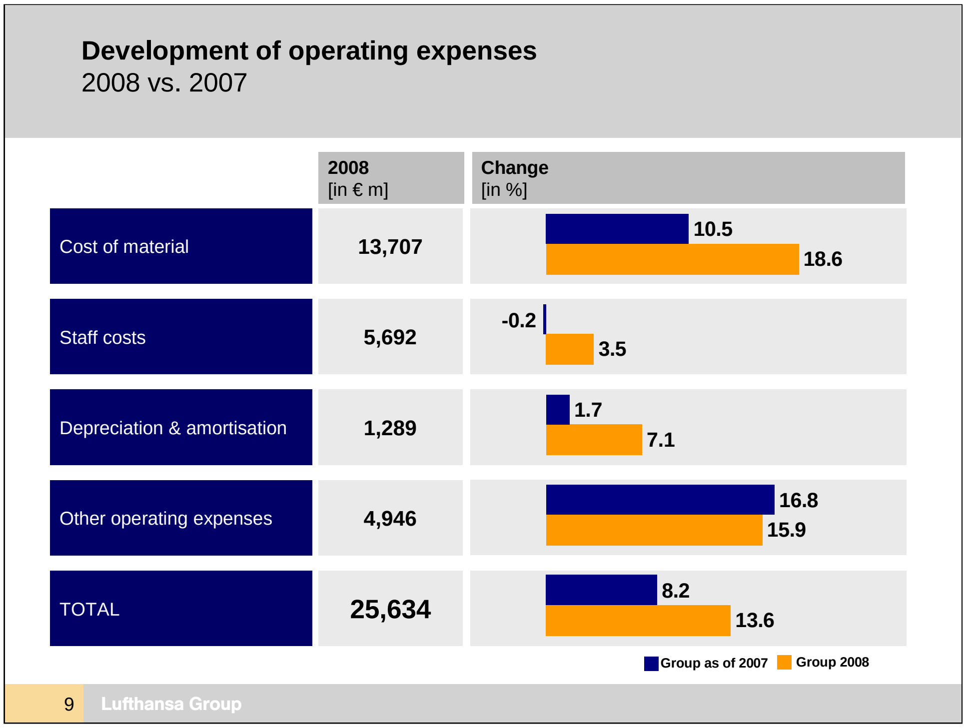
The operating expenses have increased slightly more than the operating income. Above all, the increase reflects the full consolidation of SWISS and the high fuel prices. Overall, there was an increase of 13.6 percent. Adjusted for the consolidation of SWISS in the first half of 2008, total expenses were still 8.2 percent up on the previous year.

The cost of materials showed the greatest change. It increased by 18.6 percent or 10.5 percent adjusted to allow for the SWISS effect.

With a figure of 5.4 bn Euros, fuel is far and away the biggest item within the cost of materials and registered an increase of almost 40%. I will present a detailed analysis of the fuel costs to you in a moment.

In contrast, the fees and charges developed more satisfactorily. They increased by 10.2 percent in sum, which essentially resulted from the consolidation of SWISS. On a comparable basis, the fees and charges only increased by 1.5 percent – largely due to air traffic fees. A positive effect resulted particularly from the renegotiations with the airports about the landing fees, which reduced by 3.7 percent for the Group.

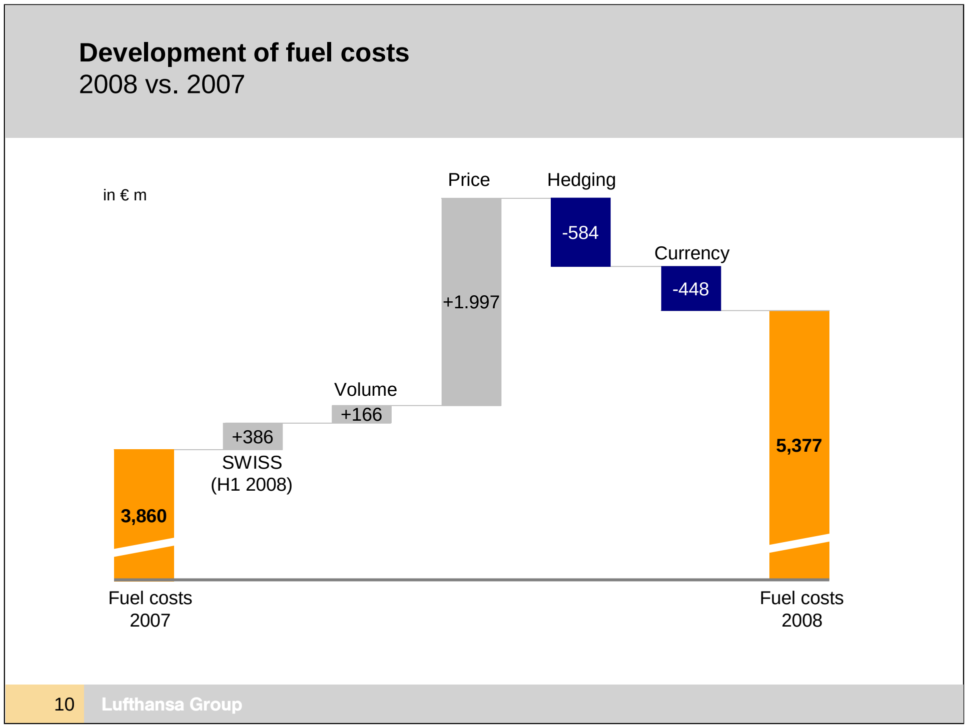
Staff costs also developed positively. Although the average number of employees rose by 3.6 percent even without inclusion of SWISS, Lufthansa was in a position to lower its staff costs by 0.2 percent. Reduced staff costs in the Catering segment, lower additions to pension provisions as well as lower profit-share payments played a part in reducing expenditure.



The trend in depreciations was moderate. Through the inclusion of SWISS, the depreciation volume increased to 1.3 bn Euros or by 7.1 percent. Adjusted to allow for consolidation, however, there was an increase of 1.7 percent only. In 2008, Lufthansa continued to invest in a modern, efficient fleet. The new aircraft increased the scheduled depreciations of aircraft by 55 m Euros to 1 bn Euros. Impairment losses declined by 29 m Euros to 15 m Euros.

The higher other operating expenses of 15.9 percent are explained mainly by an increase of 461 m Euro resulting from currency translation of receivables and liabilities as well as realized foreign currency hedging transactions. Thus they exceeded the corresponding gains in the other operating income of 383 m Euro.

However, despite the higher total operating expenses, the average costs of production improved. The unit costs adjusted for fuel and currency effects of Lufthansa Passenger Airlines reduced by 1.3 percent.



But now to the detailed analysis of the fuel costs:

The expenditure on kerosene amounted to 5.4 bn Euros in the full year. This represents an increase of about 1.5 bn Euros or 39.3 percent. The fuel bill thus made up about 40% of the total cost of materials or 20% of the total operating expenses.

The increased volume resulting from the consolidation of SWISS increased the cost position by 386 m Euros. The volume effect adjusted for the consolidation was moderate at 166 m Euros.

The strongest driver, however, was the hike in the oil price. This alone led to an increase of 2 bn Euros.

Our systematic hedging reduced the dramatic increase by 584 m Euros. In addition, the devaluation of the Dollar led to further relief of 448 m Euros. The hedging transactions and the currency effect therefore compensated for about half of the increase in prices.

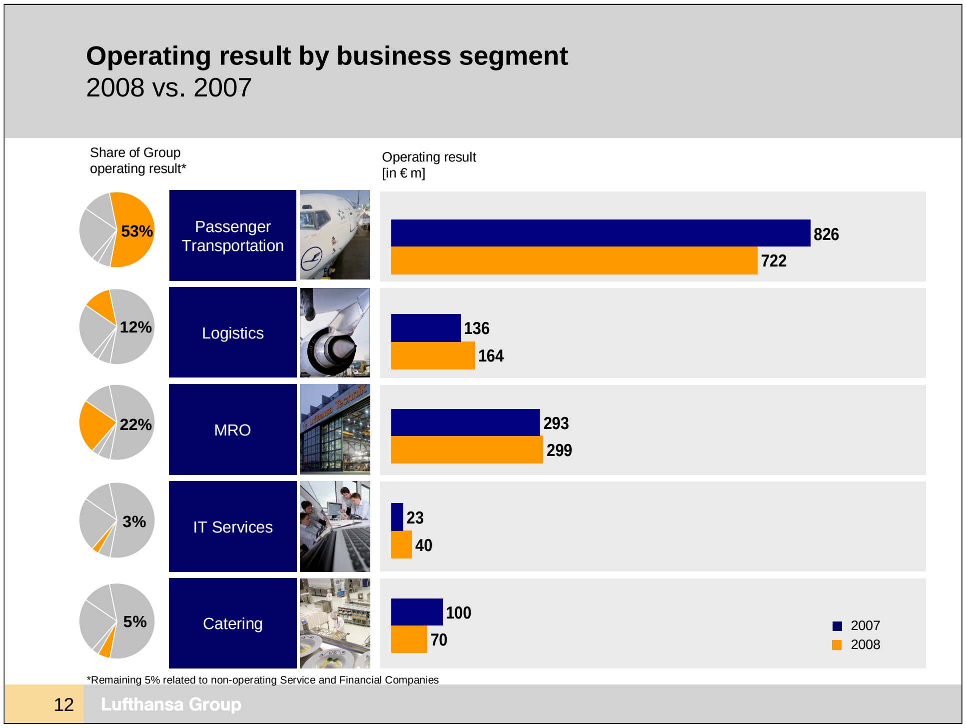
Operating result
2008 vs. 2007

in € m	2008	2007	Change
Result from operating activities	**+1,383**	**+1,586**	**-203**
Net book result assets/fin. investments	+71	-19	+90
- thereof aircraft disposals	-3	-9	+6
Valuation from non-current borrowings	+52	-70	+122
Past service costs	-10	0	-10
Impairment	+15	+44	-29
Income from reversal of provisions	-157	-163	+6
Operating result	**+ 1,354**	**+ 1,378**	**-24**
Adjusted operating margin	**6.1%**	**6.9%**	**-0.8PP**

As a result of the increased expenses, the profit from operating activities declined by 203 m Euros to 1.4 bn Euros.

As you know, our key profit indicator is the operating result. In order to make the economic performance comparable with other financial years, the profit from operating activities is adjusted for non-operating, aperiodic and other one-off effects. Overall, 29 m Euros net income were eliminated for the financial year. There were no unusual features in this connection.

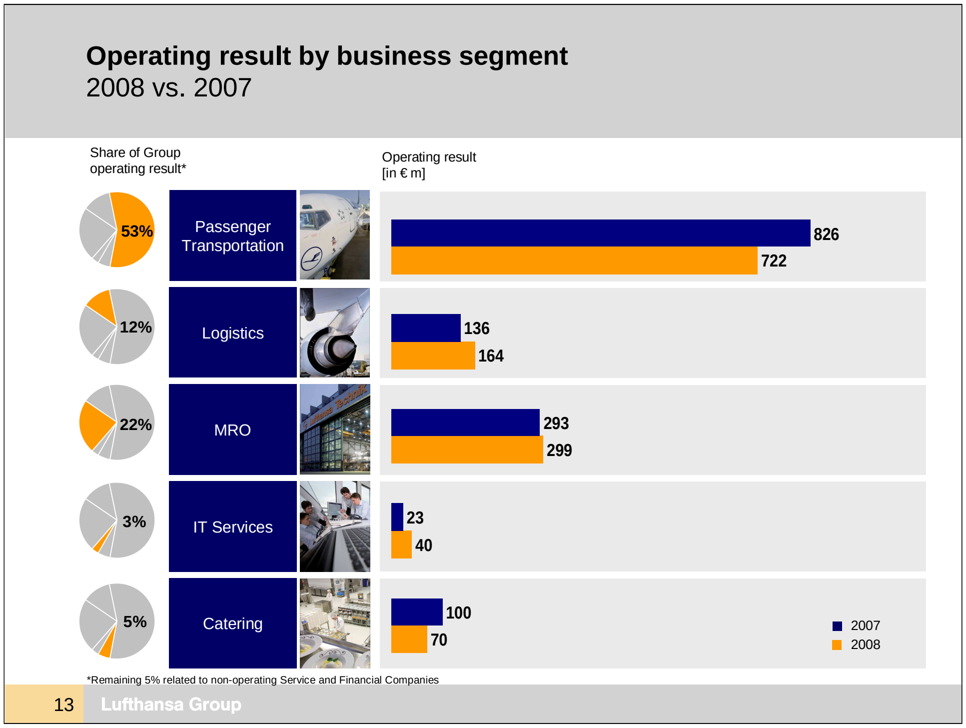
In total, the operating result was slightly below the previous year’s figure by 24 m Euros. On the basis of the higher revenue, the adjusted operating margin declined by 0.8 percentage points. However, it remained very stable, especially in comparison with our competitors, at 6.1 percent.



All business segments made a contribution to this stable trend in 2008. As you can see, the breakdown of results is much more balanced than that of revenues. The Passenger transportation segment has a share of 53% in the "bottom line". The second-largest contribution to the result was made by the MRO segment which, with a share of revenues of under 10%, accounted for about 22% of the Group operating result.

Despite the leap in costs, thanks to the growth in all traffic regions, constant average yields as well as the integration of SWISS, the passenger transportation segment was once again able to deliver a strong operating profit of 722 m Euros. Of this total, 314 m Euros were accounted for by SWISS. Nevertheless, it must be expected that the weakness in demand from the end of last year will continue over much of the current year. We are, therefore, bracing ourselves for a decline in sales and profit for 2009.

The intensive competition, a shrinking market as a whole, as well as the effects of the recession since the second half of the year characterized the trend in the Logistics segment. Thanks to a successful first half of the year Lufthansa Cargo managed to increase the operating result by a fifth to 164 m Euros. The recession expected for 2009 in the major industrial nations as well as the significantly weakened economic growth in Asia will have their effects throughout the industry. The reduced export trade had caused demand to collapse by 20% at the start of the year. Lufthansa Cargo has immediately initiated capacity measures, nevertheless it must reckon with a noticeable decline in revenue and a significantly worse operating result.



The MRO segment has once more improved its operating result. It increased slightly by 2 percent to 299 m Euros, whereby the adjusted operating margin remained at a constant high level. As the global downturn typically has a delayed effect on the MRO market, we still expect stable to rising revenues in the current year. The increased competition as well as the increasing pressure on prices and costs for the airlines, however, means that we expect a slight decline in the operating result.

The IT Services and Catering segments once again made substantial contributions to the result in 2008. Lufthansa Systems clearly improved its operating result compared to the previous year, which was burdened by one–off effects, to 40 m Euros. The Catering segment, however, registered a fall in its profit, which was largely explained by unfavourable exchange rate effects. Both business segments expect declining operating results in the current financial year.

EBIT and EBITDA
2008 vs. 2007

in € m	2008	2007	Change
Result from operating activities	**+1,383**	**+1,586**	**-13%**
Income from subsidiaries, joint ventures and associates	+20	+354	-94%
Other financial items	- 427	-133	-221%
EBIT	**+976**	**+ 1,807**	**-46%**
Depreciation, amortisation and impairment	+1,289	+1,204	+7%
Write-downs of financial items	+156	+12	+1200%
EBITDA	**+2,421**	**+3,023**	**-20%**

Let us now take a look at the indicators EBIT and EBITDA

The EBIT declined in 2008 by 46% to 976 m Euros. The EBITDA fell by 20% to 2.4 bn Euros.

The main reason for the fall was the substantially lower income from subsidiaries, joint ventures and associates as well as impairment losses within the other financial items.

The result from subsidiaries, joint ventures and associates is at much lower level, because in the previous year it contained 180 m Euros from the at-equity consolidation of SWISS in the first half of 2007, as well as 82 m Euros of dividends and income from the repurchase of own shares through the WAM Acquisition S.A. Furthermore, the income also deteriorated through the significantly reduced at-equity result of British Midland.

The decline in other financial items by 294 m Euros contains, in particular, the 113 m Euros impairment losses for the JetBlue shares in the first half-year due to the fallen share price and the US Dollar weakness. The following recovery of the share price and with that the value of our stake by 114 m Euros was recognised in the equity not affecting income according to IFRS.

The bankruptcy of Lehman Brothers also had a negative effect on the item. A full write-down of positive market values amounted to 76 m Euros for existing fuel, interest and currency hedges, since these can no longer be realized. Thanks to the fallen oil price these losses could be compensated for by respective deals on the spot market.

Net result of the Group
2008 vs. 2007

in €m	2008	2007	Change
EBIT	**+976**	**+1,807**	**-46%**
Interest result	-172	-194	+11%
Income taxes	-195	- 356	+45%
Result of discontinued operations (Leisure travel)	-	+ 503	-
Result attributable to minorities	-10	-105	+91%
Net result	**+599**	**+1,655**	**-64%**

15 Lufthansa Group

Finally let us take a look at the development of the net result for the Group:

The main reason for the improvement in the interest income by 10% is our progressed funding of the pension liabilities. For this reason, the current interest charges in connection with this, have been reduced.

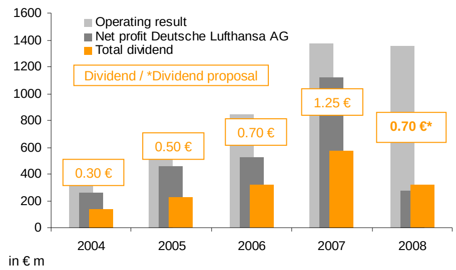
The income taxes were reduced to 195 m Euros, which corresponds to a tax ratio of 24.3 percent.

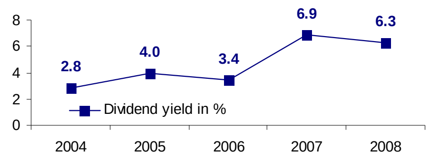
The Group result of the previous year also contained book gains from the sale of the Thomas Cook shares amounting to 503 m Euros.

Below the line, the net result for the Group at 599 m Euros was 64 percent below the previous year's figure.

€ 0.70 dividend proposal follows dividend policy and takes financial market uncertainties into account

Development of dividend and dividend yield





Our dividend policy

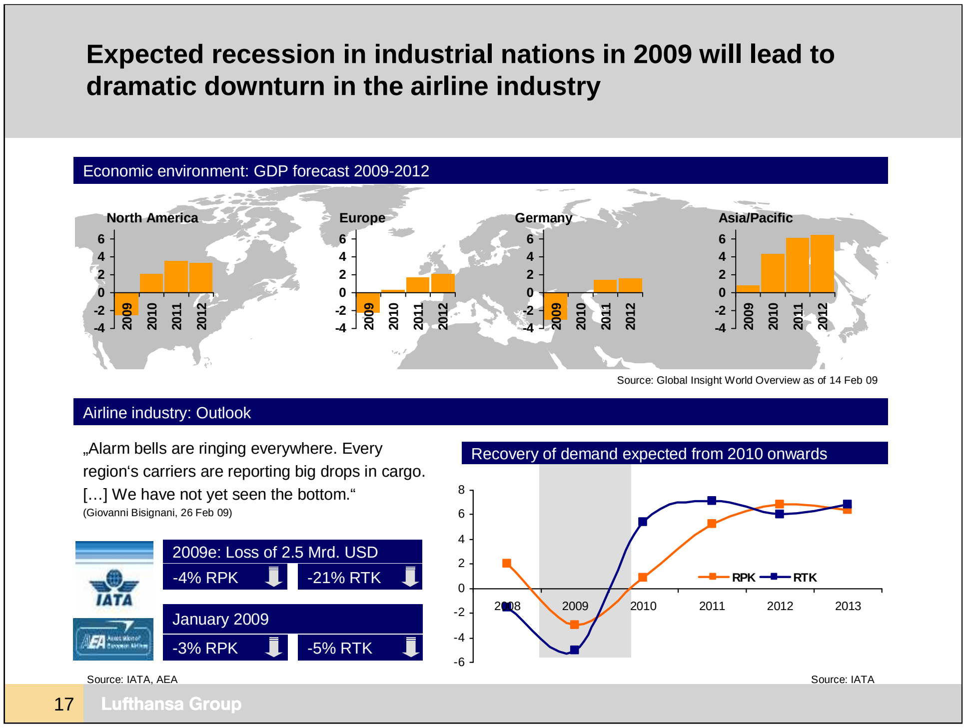
1. Dividend is determined by operating performance
2. Net profit of Deutsche Lufthansa AG and Group must allow for dividend payment
3. In this framework we seek continuity
4. Additional payments could result from extraordinary income, provided capital structure targets are met and no value-creating investment alternatives exist

+ Consideration of financial market uncertainties

I think you will all agree with me when I say that we can also be satisfied with these results - particularly in an environment like this, which already demanded a great deal of us in 2008, and which has even greater challenges in store for us in 2009.

As in the previous years, we want to share our profit on an appropriate scale with our shareholders. At the same time, however, we must also take the strained global economic situation and the uncertainties on the finance markets into account. With our dividend proposal of 70 cents per share we attempt to do justice to both the claim of our dividend policy and the investment programme that lies before of us. With a dividend yield of 6.3 percent related to the closing share price in 2008 or 8,5% based on yesterday's closing price, we are – once again – among the leaders in the DAX this year. And in comparison with the industry, Lufthansa stands out positively once again: none of our main rivals will this year distribute anything like as much to its shareholders as we do – if at all.

In other words, Lufthansa also impressively underlines its reliability and continuity here!

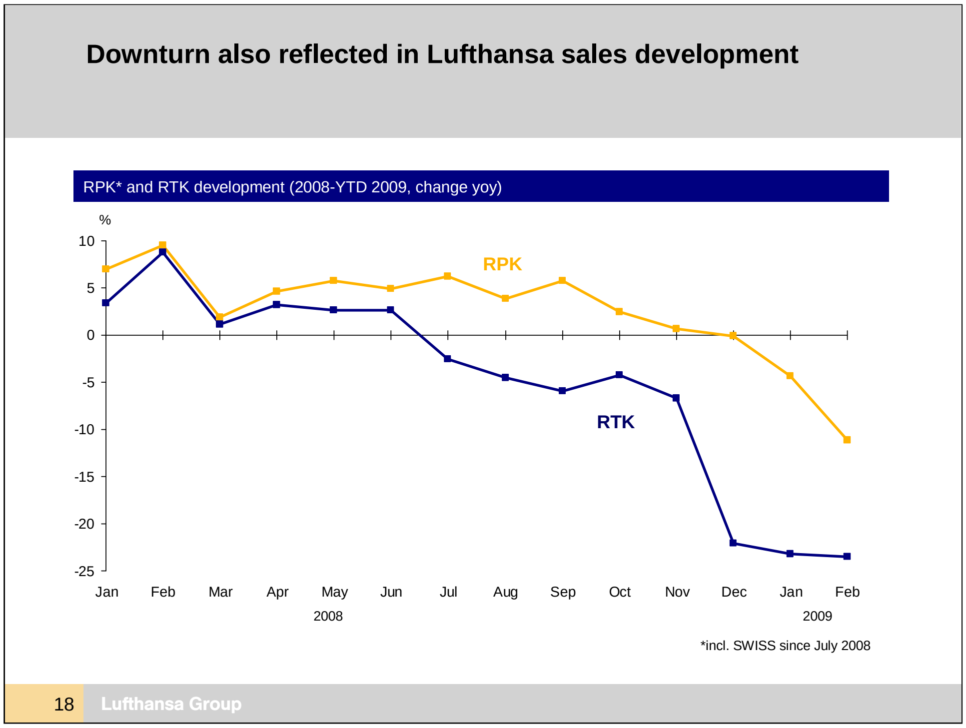


After this look back, let us now take a look into the future.

Mr Mayrhuber has already just said it: in the long term aviation is a growth industry. Mobility will remain a basic need of a globalizing world and will help the industry to achieve above-average rates of growth in the upswing. At the moment, however, the world is looking quite different, all of us see ourselves confronted with extremely difficult general conditions.

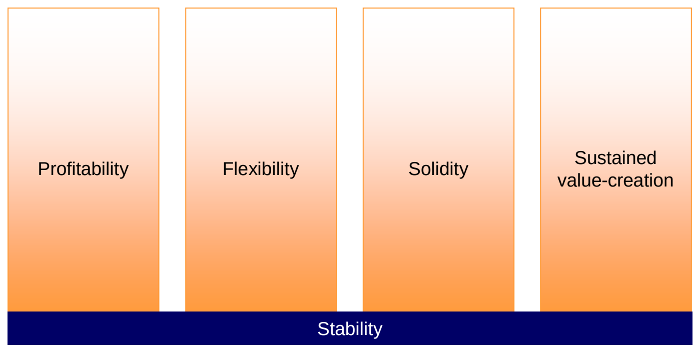
On the macro level only for Asia is a minimal level of economic growth expected this year, which will, however, stay well below the level which we have been used to see in recent years. In all other regions we currently must come to terms with the fact that the recession, which has been evident everywhere at the latest since the fourth quarter of last year, will continue to be with us for the rest of the year.

It does not look better - quite the reverse in fact – in the microcosm of the aviation industry. In the fourth quarter of 2008 alone, the international airlines flew in a loss of
4 bn U.S. dollars – just as much as in the three preceding quarters together. And the situation has only intensified since then. The relief on the cost side as a result of the lower oil price, must be balanced against a decline in demand, the like of which we have never seen before. In the freight area, the demand has collapsed even more since December and also in the passenger segment in the first few months of this year one could see a further weakening. I share the opinion of IATA that we have not yet reached the bottom of the trough and, therefore, I think that the current forecasts are likely to prove too optimistic. At the same time, however, I am also convinced of the medium-term growth prospects for the industry just mentioned.



When looking at the trend in our performance data it turns out that, in both the passenger business and in the cargo area, we too had to accept a steady decline in demand from the middle of last year, which increased even more strongly at the beginning of this year.

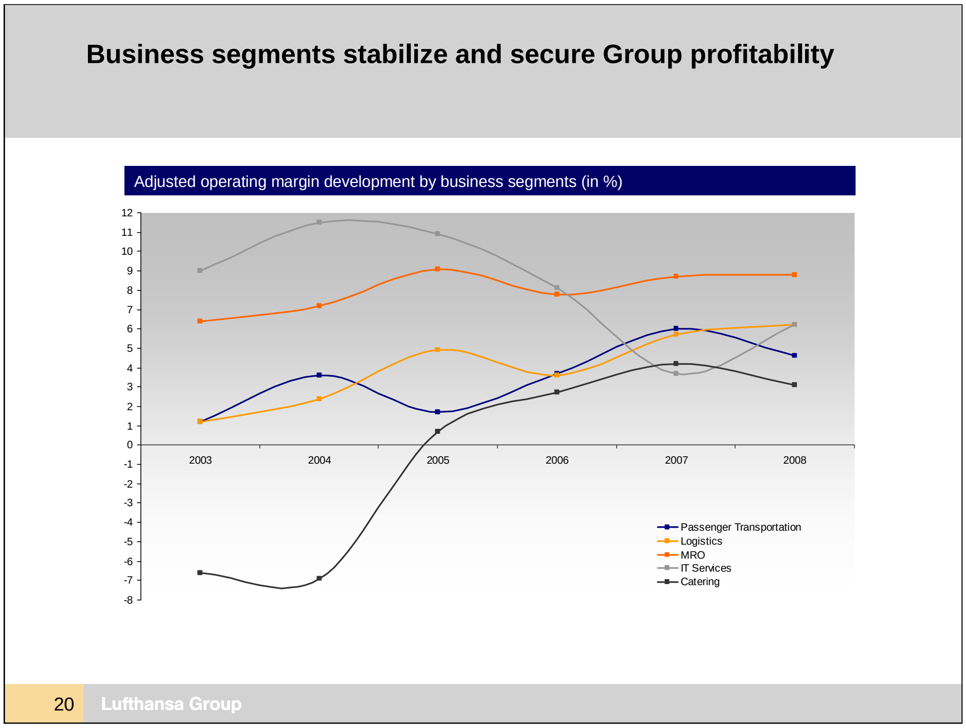
Lufthansa has the ability to react flexibly to the market environment, its financial solidity provides stability



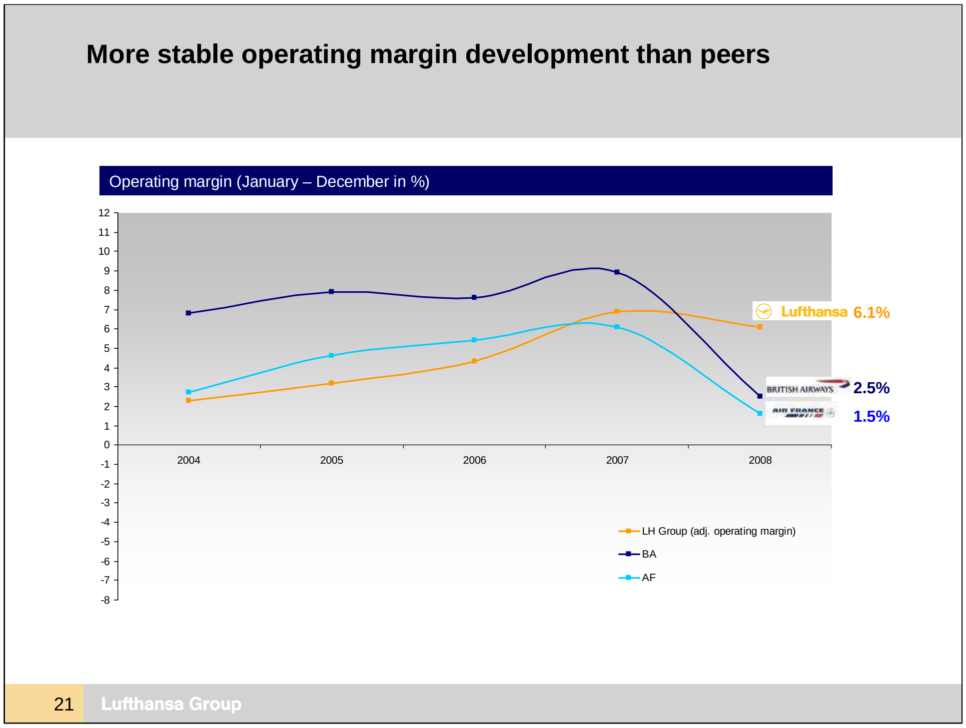
One can certainly be surprised by the drastic nature of this downturn, but not that it has happened at all. Because turbulences have always been a regular part of our business. We have therefore in recent years attached particular importance to lay the foundations that enable us to manoeuvre safely through such periods and to emerge as the winners from dynamic industry and market developments.

The stability which characterizes us, not only in times like these, is based

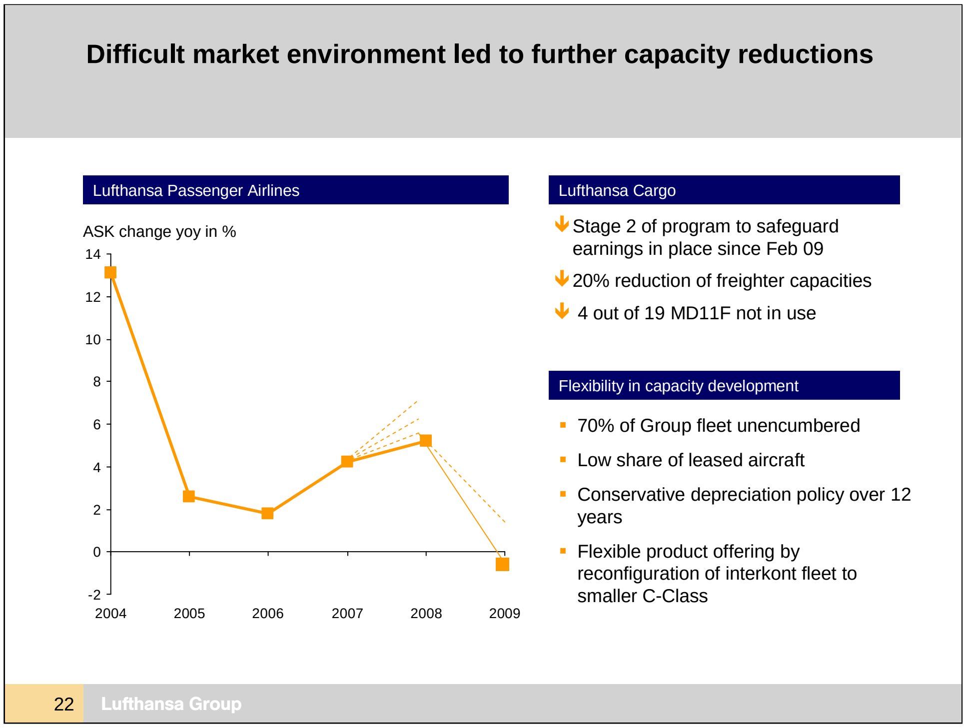
- on a continuous optimization of the revenue and cost situation to secure ourearning power;
- on the ability to respond quickly and adequately enough to a change of the environment;
- on our solid financial base and.
- on the aim to create sustainable value in the interests of all stakeholders.



A major contribution to the stabilization of the Group's profitability as a whole in this environment is made by our portfolio of business segments. Thanks to the different cycles in the individual segments, they decisively support the sustainable development of the Group. Equally decisive, however, is the fact that all business segments in themselves have a significantly lower volatility today than they had a few years ago. Through the combination of these two factors – which is a direct result of our strategic orientation and our profitability claim in all parts of the company – even in stormy times, Lufthansa can keep on track better than the competition.



That this is not only so in theory, becomes clear when taking a look at the trend in the operating margins of Lufthansa, Air France and British Airways. For the first time we have achieved our goal of taking the leading position among the European network carriers in 2008 and we are well-prepared and determined not to give up this pole position in the future.

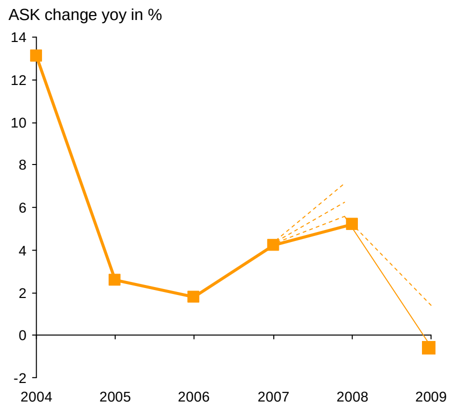


Decisive in this connection will be, among other things, that as in the past we continue to align our offer consistently on demand. Thanks to the largely unencumbered fleet, the low leasing share and our conservative depreciation policy, we have the necessary flexibility for this. Last year we already closely followed the market trends and adapted our capacities correspondingly in the course of the year in several stages. While we started into the year assuming capacity growth for Lufthansa Passenger Airlines of 7.1 percent in 2008, the figure finally only reached 4.9 percent.

And again in 2009 we will continue to apply our demand-oriented capacity planning. In this connection, our measures go far beyond the mere cutting of certain routes or frequencies. In response to the above-average decline in the premium demand, we have decided for example, to adapt our offer within the aircraft on certain intercontinental routes. What we have long been doing in our European network with the help of so-called "Moveable Cabin Dividers", is being put into practice in our long-haul fleet through a reconfiguration of some aircraft. For example, in part of our 747 fleet we have reduced the size of the Business Class for the benefit of a larger Economy Class. This measure has inevitably led to a slight increase in the seat kilometres offered - more than 6 percent per aircraft and flight operated. At the same time it secures better utilization on the corresponding flights and with it higher profitability.

Difficult market environment led to further capacity reductions

Lufthansa Passenger Airlines



Lufthansa Cargo

- Stage 2 of program to safeguard earnings in place since Feb 09
- 20% reduction of freighter capacities
- 4 out of 19 MD11F not in use

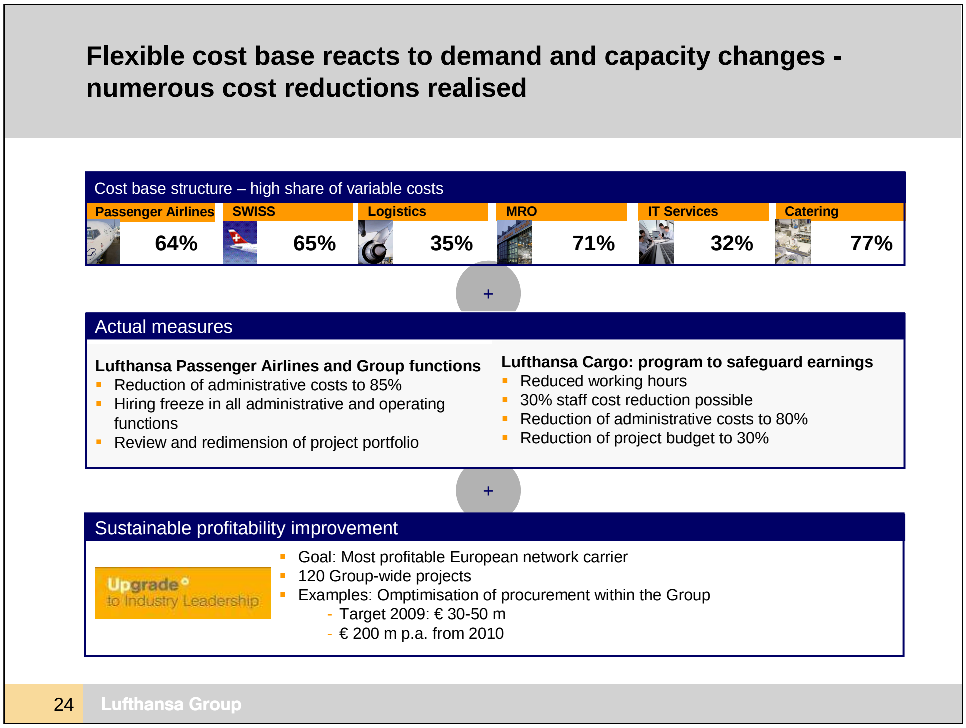
Flexibility in capacity development

- 70% of Group fleet unencumbered
- Low share of leased aircraft
- Conservative depreciation policy over 12 years
- Flexible product offering by reconfiguration of interkont fleet to smaller C-Class

This must be remembered when looking at our planned capacities for 2009. Our present plans call for a cut in the capacity of Lufthansa of about 0.5 percent for the current year. Besides the effect just mentioned, our new direct offer from Italy is also reflected in this development. It was well accepted during the first few weeks, so that after only a short time, we have increased the frequencies on some routes and included some inner-Italian flights in the programme. Without this "Lufthansa Italia effect" our capacities would actually decline by about 1.4 percent. Including SWISS, the capacity reduction is circa 0.2 percent.

Adjusting the capacity according to demand, however, also means for us in this environment, taking advantage of the market opportunities offered. This applies to Lufthansa Passenger Airlines and our Cargo business.

Thus, Lufthansa Cargo has responded to the drastic decline in demand on the one side with a considerable reduction in capacity – through the gradual grounding of four of the 19 aircraft in the MD11 fleet, as well as a significant reduction in the cooperation with World Airways, it was possible to reduce the offered freighter capacities by 20 percent. On the other hand, it has taken advantage of the gap in the market caused by the withdrawal of Alitalia from Milan and is now flying twice a week from Northern Italy to the USA.



But the adjustment of the capacities must also be followed by adjustments to the cost basis.

In recent years, we have worked hard to increase the share of the variable costs at Group level and in all business segments. We have also succeeded. In particular, thanks to more flexible working time models, in many areas today we can respond much better than in the past to utilization peaks or to periods with lower levels of utilization, without incurring additional costs or idle time costs.

At this occasion it needs to be mentioned that the softening of the rules and conditions initiated by the German government with regard to introducing short-time working were especially helpful.

But these adjustments can only be a first step when faced with such a drastic change in the general conditions. We have therefore, initiated additional result safeguarding programmes in the Group and in all business segments. At Lufthansa Passenger Airlines and at Group level we already started a 250 m Euro package of measures in summer 2008. This year the measures initiated will be intensified and extended.

Flexible cost base reacts to demand and capacity changes - numerous cost reductions realised

Cost base structure – high share of variable costs

Passenger Airlines	SWISS	Logistics	MRO	IT Services	Catering
64%	65%	35%	71%	32%	77%

+

Actual measures

Lufthansa Passenger Airlines and Group functions
- Reduction of administrative costs to 85%
- Hiring freeze in all administrative and operating functions
- Review and redimension of project portfolio

Lufthansa Cargo: program to safeguard earnings
- Reduced working hours
- 30% staff cost reduction possible
- Reduction of administrative costs to 80%
- Reduction of project budget to 30%

+

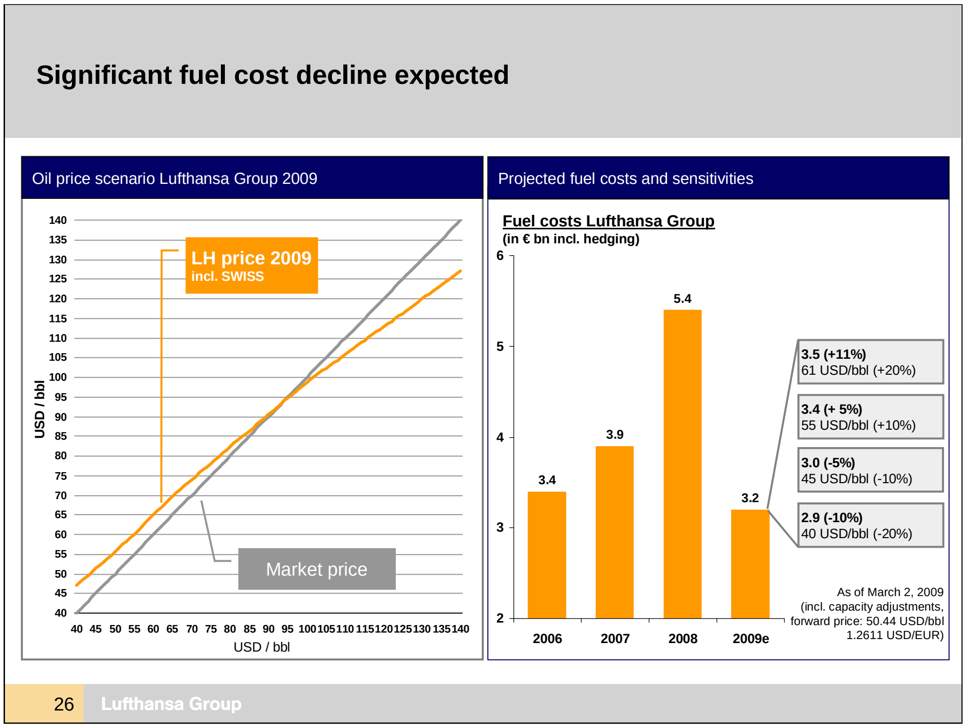
Sustainable profitability improvement

Upgrade to Industry Leadership

- Goal: Most profitable European network carrier
- 120 Group-wide projects
- Examples: Omptimisation of procurement within the Group
  - Target 2009: € 30-50 m
  - € 200 m p.a. from 2010

In addition to the capacity adjustments already mentioned, Lufthansa Cargo has also started extensive activities in response to the already observed and expected sales revenue losses. Besides the announcement of short-time working for 2,600 employees, among other things, they include the reduction of costs of materials to 80 percent of the previous year's level and the examination of the project portfolio with the aim of reducing the originally planned budget by 70 percent. Overall, Lufthansa Cargo expects these measures to save a three-digit million sum.

In order that optimization is not only short-term, but that profitability is sustainably strengthened, the projects of our Group initiative “Upgrade to Industry Leadership” continue undiminished. The project portfolio meanwhile covers over 100 projects, from which we can now register the first concrete results.

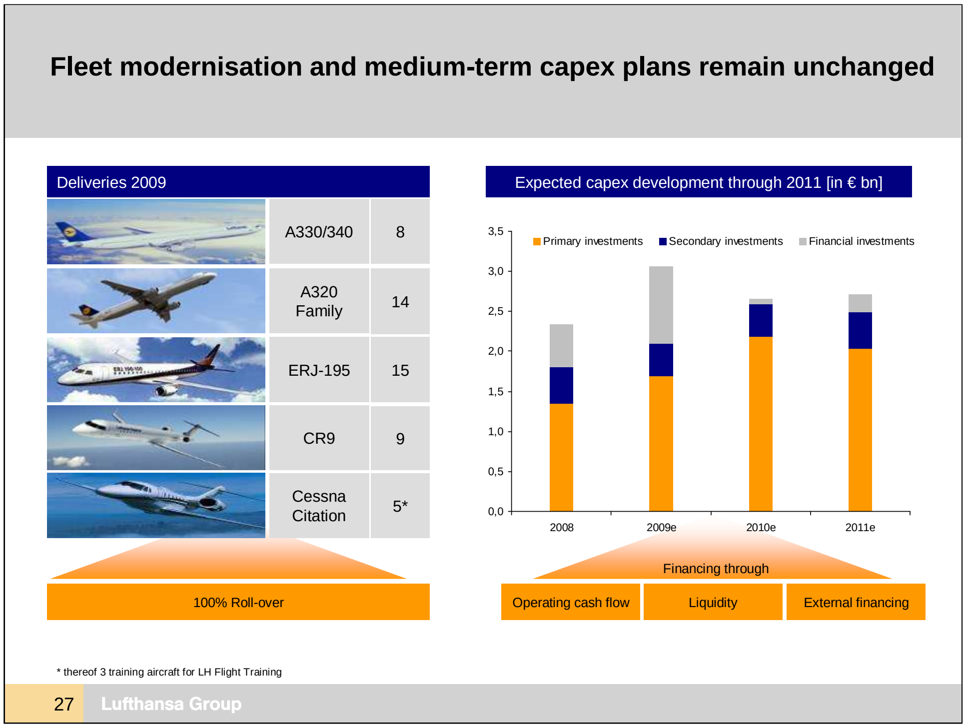


I mentioned it just a moment ago – our fuel costs have also increased sharply in 2008 and today represent around one-fifth of our total operating expenses. Here as well, our long-term and structural methodology has once again paid off.

In addition to a less sharp increase of fuel costs in the first six months, it led to the fact that in the second half-year we profited much more from the drastic fall in the oil price. Of course, here the failure of several contracts with Lehman Brothers, which were disadvantageous to us, helped us. The main reason, however, is our systematic approach, which exclusively aims to reduce the volatility of the oil price and diminish its influence on our profitability. I believe that last year is the best proof for the benefits of our strategy to focus on minimizing risks.

Once again in the current year our hedging strategy will have an effect on our results. Although we pay a little more than the market rate, we will continue to benefit to a great extent from the low oil price level. With a current price of about 45 dollars per barrel, for example, we pay a premium of about 10 percent only.

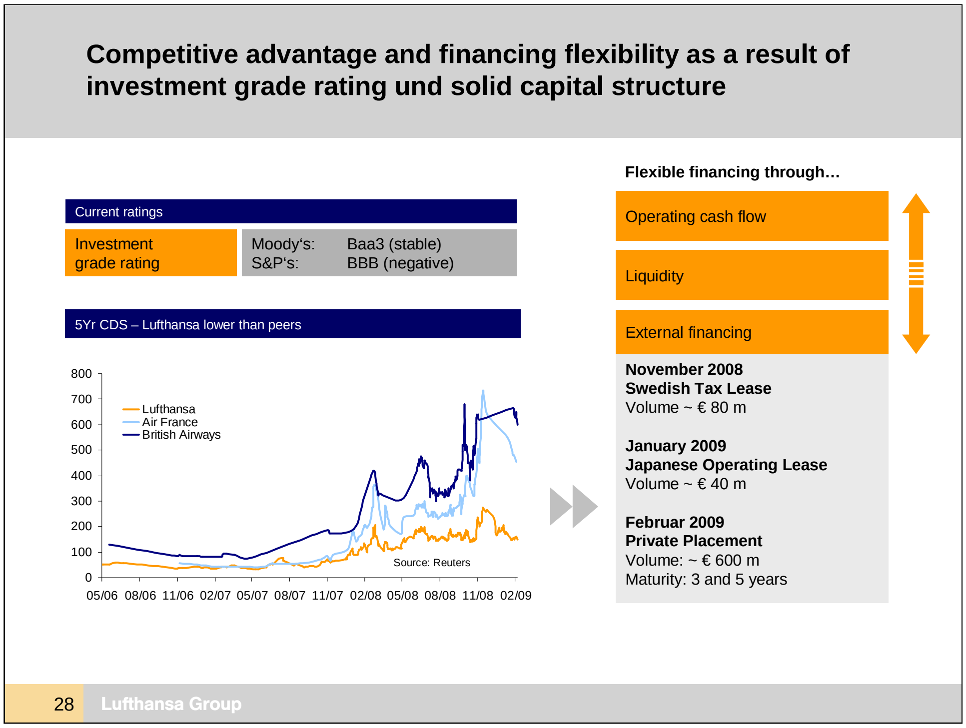
For the current year for which we have hedged for 65 percent, based on an oil forward rate of 50.44 USD per barrel and an exchange rate of 1.26 Dollars per Euro, we currently expect fuel costs of 3.2 bn Euros. This represents a considerable relief of almost 2.2 bn compared with the previous year. I must warn you, however, not to overestimate this. Because there are good reasons for this reduction: the low oil price reflects the drastic fall in demand due to the negative economic activity all over the world, which simultaneously, however, also has, and will continue to have, a significant effect on our traffic performance.



Continuity and sustainability also play an important role in our medium-term investment planning.

However, also in the current challenging environment, we will adhere to our investment planning, because there are good reasons for the investment programme. We currently expect total capital expenditure for 2009 of about 3 bn Euros. Roundabout half of this sum will again be spent for aircraft and spare parts. Unlike the situation in October, we now only expect the addition of 51 aircraft in the current year. The reduced number in comparison with October, reflects a further delay in the delivery of the first two A380s. Instead of December 2009, we now only expect the first two aircraft at the beginning of 2010. This has no effects on our operating plans, since the two aircraft were only intended to go into service with the start of the summer flight schedule 2010. The relatively large share of the financial investments reflects the planned take-overs of Austrian Airlines and British Midland as well as the acquisition of 45 percent of Brussels Airlines.

As you know, all transactions are still subject to anti-trust approval and other preconditions. No further transactions are currently planned.

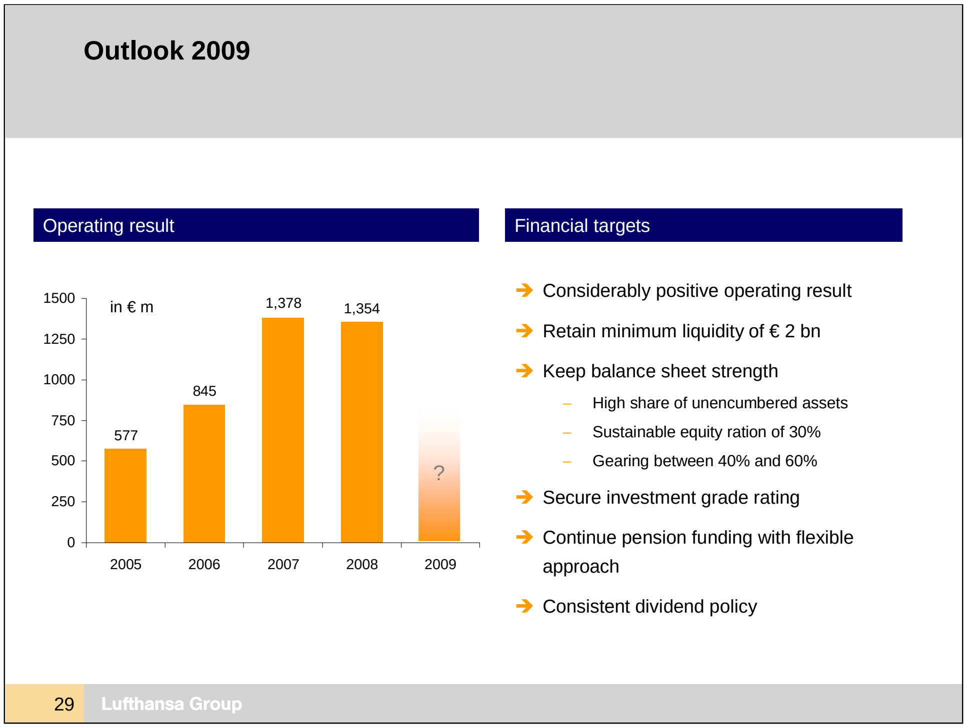


A major support in the current environment is our strong financial structure. Even though, unlike previous years, we will probably be unable to pay for our investments completely from the operating cash flow this year, thanks to our financial solidity further financing alternatives are available to us. At the moment, we have gross liquidity of around 4 bn Euros.

In these uncertain times, new funds from the financial markets can never be taken for granted by anybody and are certainly not available on favourable terms. Therefore, beside a solid capital structure, the retention of the Investment Grade Rating represents an important cornerstone of our finance strategy. The result of this consistent approach is easier refinancing on the financial markets on considerably better terms compared to those of our competitors. Currently we are the only European airline with an Investment Grade Rating.

In this connection, the fact that at a time of financial crisis and following various leasing transactions at the end of last year, in February we were also able to conclude a private placement, speaks for itself. The scale and the terms negotiated impressively underline our credit standing and with that the flexibility of our financing capabilities once again: whereas in the beginning we had aimed at a volume of approx. 300 m Euros, in the end the sum amounted to 600 m Euros – at very attractive terms.

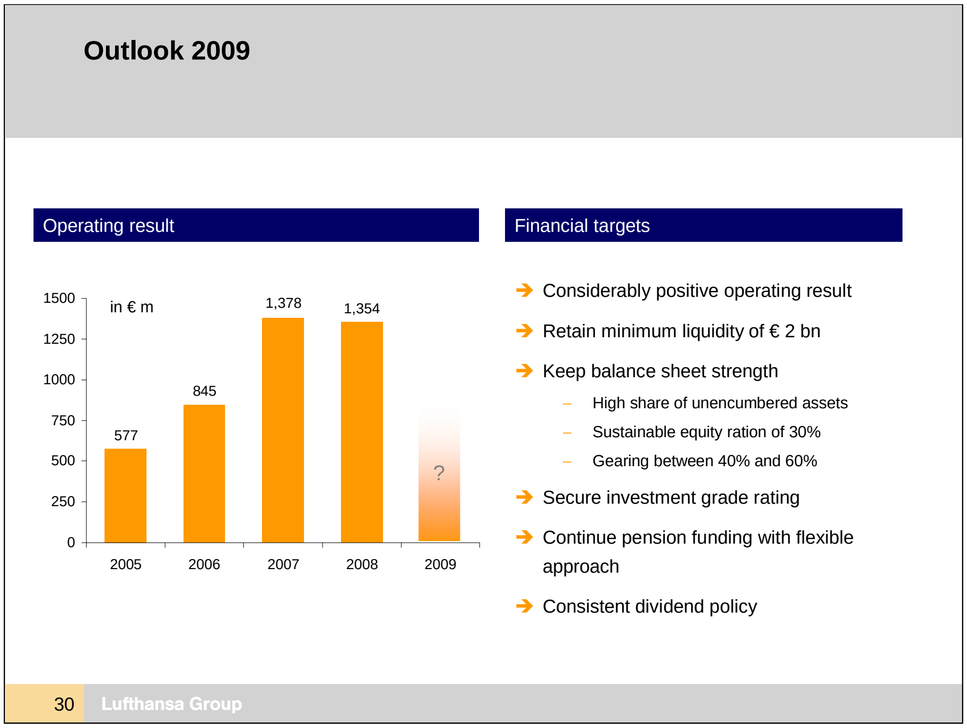
As you can see - we are making provisions and are not only operatively but also financially flexible enough to stay on course even in more turbulent times.



To ensure that this remains so, in future too we will continue to attach great importance to a solid balance sheet. A challenging environment is not an excuse, on the contrary, for us it is a sign that we cannot afford to relax, but rather must strengthen our efforts even more.

Our further objectives are also unchanged:

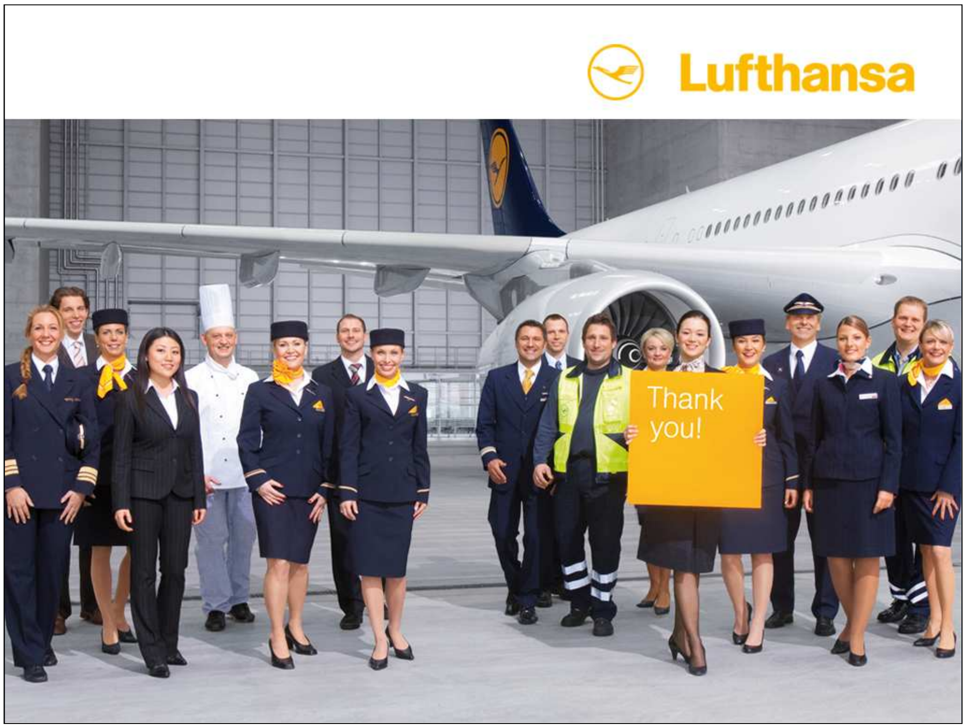
- We want to be able to call upon a strategic minimum liquidity of 2 bn Euros at all times.
- In addition, we want to secure our Investment Grade Rating and
- We want to continue the funding of our pension liabilities, whereby here – as with the unchanged dividend policy – of course, we will keep an eye on developments in the financial markets and – if necessary - react flexibly to any changes.



These developments on the financial markets, and above all, also the duration of the current global economic downturn are - for you as well as for me - still completely unclear. I would be delighted to believe optimistic forecasts which assume a revival in the second half of the year. Unfortunately, I lack the arguments and corresponding fundamental data for these prospects. In such a scenario I would describe it as almost irresponsible today if I were to give you a detailed estimate of the precise operating development of Lufthansa.

I am certain of one thing, however: we are well-prepared for the storms which still await us and in 2009 we will once again make a clear operating profit. The actual level of it depends on many factors about which, today, we only can guess. First and foremost the development of demand within the next few months. As soon as our onboard radar provides a clearer picture, we will, of course, put it on this projector and share it with you.

Thank you for your kind attention!


Lufthansa
Thank you!

Save the Date!

Lufthansa
Investor Day 2009

Date
Thursday, 25 June 2009

Location
Lufthansa
Training & Conference Center
Seeheim (near Frankfurt)

Disclaimer in respect of forward-looking statements

Information published in this presentation with regard to the future development of the Lufthansa Group and its subsidiaries consists purely of forecasts and assessments and not of definitive historical facts. These forward-looking statements are based on all discernible information, facts and expectations available at the time. They can, therefore, only claim validity up to the date of their publication. Since forward-looking statements are by their very nature subject to uncertainties and imponderable risk factors – such as changes in underlying economic conditions – and rest on assumptions that may not or divergently occur, it is possible that the Group's actual results and development may differ materially from those implied by the forecasts. Lufthansa makes a point of checking and updating the information it publishes. It cannot, however, assume any obligation to adapt forward-looking statements to accommodate events or developments that may occur at some later date. It neither expressly nor conclusively accepts liability, nor gives any guarantee, for the actuality, accuracy and completeness of this data and information.