



Destination	Time
SHAPING	
THE FUTURE	
TOGETHER	
1 st QUARTER	2 0 1 3

Press and Analysts' Conference

Simone Menne, Member of the Executive Board and CFO
Frankfurt, 2 May 2013

Disclaimer in respect of forward-looking statements

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Overview

➤ **Operating segments improve their results**

Particular improvement in the core business segment Passenger Airline Group

➤ **Restructuring costs have adverse effect on results**

Operating result depressed by one-time effects from SCORE

➤ **SCORE develops as anticipated**

Key decisions made in Q1; implementation of further measures is proceeding as planned

➤ **Current trading is developing soundly as expected**

Volumes and yields are solid, strict capacity management will continue, load factor increases, fuel cost forecast lowered

➤ **Outlook for 2013 unchanged: operating result higher than previous year's reported figure**

Q1 2013 at a glance

Key figures for the Lufthansa Group

<i>Lufthansa Group (in EUR m)</i>	Q1 2013	Q1 2012	vs. PY
Total revenue	6,628	6,619	+0.1%
<i>of which traffic revenue</i>	5,337	5,349	-0.2%
Operating result	-359	-359	+0.0%
Adjusted operating margin*	-5.2%	-5.2%	+0.0 pts.
EBITDA	-3	76	-
Net profit/loss for the period	-459	-394	-16.5%

Cash flow from operating activities	976	833	+17.2%
Free cash flow	463	540	-14.3%

	31.3.2013	31.12.2012	
Equity ratio	15.4%	16.9%	-1.5 pts.
Net debt	1,702	1,953	-12.9%

Market capitalization	7,010	6,550	+7.0%
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* incl. income from the write-back of provisions.
 Previous year's figures adjusted due to changes in pension accounting (IAS 19 new).

Q1 results are influenced by extraordinary factors

One-off effects and restatement

- **Previous year's figures restated in accordance with IAS 19 (pensions)**

Operating result for last year's quarter restated from EUR -381m to EUR -359m.

Operating staff costs reduced by EUR 22m as unrecognised actuarial losses are not amortized any longer

- **SCORE restructuring costs of EUR 64m in Q1 2013**

Of which EUR 47m in staff costs and EUR 17 m in other operating expenses

Costs development is marked by restructuring costs

Revenue and cost positions

Lufthansa Group (in EUR m)	Q1 2013	Notes	vs. PY	vs. PY
Total revenue	6,628		+0.1%	9
Other operating income and changes in inventories	575		+2.5%	14
Total operating income	7,203	incl. 245 (+38) in op. exchange rate gains ←	+0.3%	23
Operating expenses	-7,667	incl. 64 in restructuring costs ←	+1.7%	129
Operating expenses excl. fuel expenses	-6,007		+1.6%	93
Cost of materials and services	-4,102		-1.6%	68
Fuel expenses	-1,660		+2.2%	36
Fees and charges	-1,174		-2.2%	-26
Staff costs	-1,787	incl. 47 restructuring costs incl. increase of 33 in service costs ←	+4.3%	74
Depreciation and amortisation	-490	incl. 75 (+30) in impairments, non-operating ←	+5.8%	27
Other operating expenses	-1,288	incl. 17 restructuring costs incl. 245 (+69) in op. exchange rate losses ←	+8.1%	96

Previous year's figures adjusted due to changes in pension accounting (IAS 19 new).

Cash generation remains strong

Cash flow statement

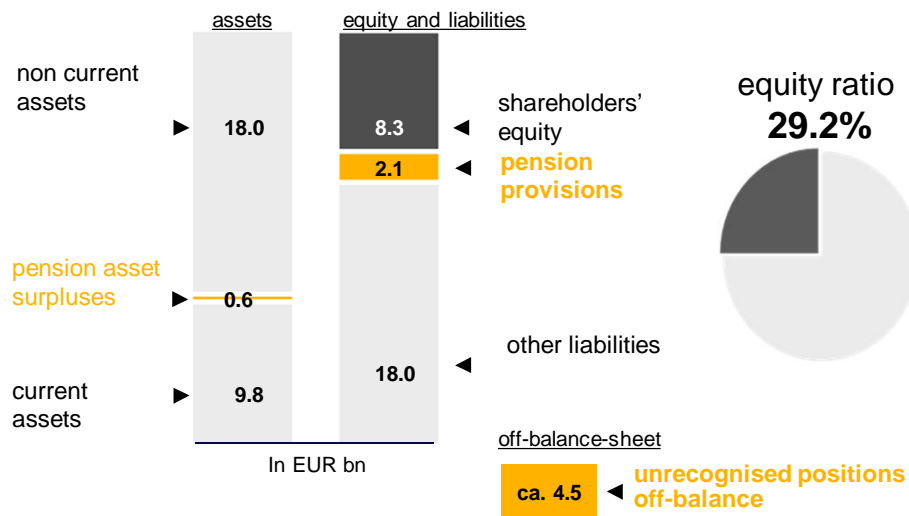
in EUR m	Q1 2013	vs. PY
EBT (earnings before income taxes)	-580	-86
Depreciation and amortisation (incl. d&a for non-current assets)	506	+18
Net proceeds from disposal of non-current assets	-1	+3
Result from equity investments	4	-19
Net interest	83	-14
Income tax payments/reimbursements	-19	-6
Non-cash changes in measurement of financial derivatives	29	+14
Change in working capital	954	+178
Cash flow from continuing operating activities	976	+88
Cash flow from discontinued operating activities	0	+55
Cash flow from operating activities	976	+143
Capital expenditure (net)	-513	-220
Free cash flow	463	-77
Cash and cash equivalents as of 31.3.2013	1,596	+681
Liquidity reserves (non-current securities)	3,579	+326
Total Group liquidity	5,175	+1,007

Previous year's figures adjusted due to changes in pension accounting (IAS 19 new).

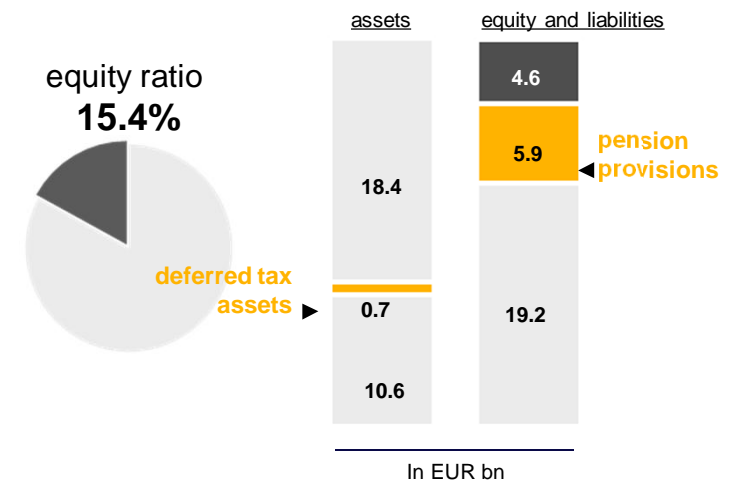
As expected, IAS 19 results in a clear shift on the balance sheet

Implementation of IAS 19

Balance sheet as of 31.12.2012 (prior to new accounting)



Balance sheet as of 31.3.2013 (based on new accounting)



Impact on balance sheet and p&l

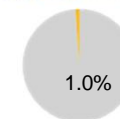
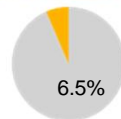
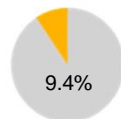
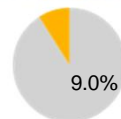
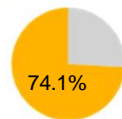
- **Balance sheet:** Pension provisions in the balance sheet increase by approx. EUR 3.8bn; shareholders' equity reduces strongly.
- **Cash flow:** IAS 19 does not lead to higher annual pension fund allocations; financing plan remains unchanged.
- **P&L staff costs:** No amortisation of off-balance-sheet pension provisions; but offset in 2013 due to lower interest rates that cause increase service costs
- **P&L interest result:** Interest result declines as interest rate for pension assets lowered (from 5.2% to 3.5%) under IAS 19 new; At the same time, interest expense is also reduced as rates lowered due to general decline in market rates (4.5% to 3.5%).

Operating segments improve results; segment Others burdened

Overview Group segments



Share of LH Group's external revenue



in EUR m	Passenger Airline Group	Logistics	MRO	Catering	IT Services	Other & consolidation
Revenue vs. PY	5,069 +0.6%	599 -9.5%	994 -3.1%	569 +0.2%	150 +2.7%	-753 -8.5%
Operating result vs. PY	-363 +15.0%	27 +35.0%	81 +24.6%	3 +250%	3 -25.0%	-110 -533%

Σ operating segments:
EUR +95m year on year

EUR -95m year on year
(of which -64m restructuring costs,
-31m from exchange rate gains/losses)

Lufthansa

SWISS

Austrian

in EUR m	Lufthansa Passenger Airlines	SWISS	Austrian Airlines
Total revenue vs. PY	3,672 +0.7%	987 +2.1%	426 -3.4%
Operating result vs. PY	-292 +20.9%	-16 -433.3%	-56 +16.4%

Previous year's figures adjusted due to changes in pension accounting (IAS 19 new).

Positive yield development in Q1 despite negative currency effects

Capacity and yield development Passenger Airline Group

All Regions	Q1 2013
ASK	-2.7%
RPK	-0.1%
PLF	+1.9 pts.
Yield	+0.9%
Yield excl. currency	+1.4%
No. of flights	-6.2%

Europe	Q1 2013
ASK	-5.2%
RPK	-0.6%
PLF	+3.2 pts.
Yield	+2.9%

Asia/Pacific	Q1 2013
ASK	-5.3%
RPK	-4.9%
PLF	+0.4 pts.
Yield	-4.7%

Americas	Q1 2013
ASK	+4.1%
RPK	+6.0%
PLF	+1.5 pts.
Yield	+3.1%

Mid East/Africa	Q1 2013
ASK	-7.2%
RPK	-4.6%
PLF	+2.0 pts.
Yield	-1.7%

Lufthansa continues its restrictive capacity path in 2013

Capacity forecast

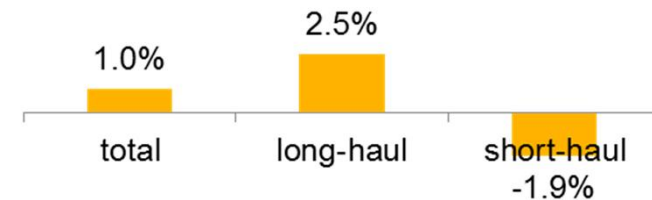
Passenger Business – Current Trading

- Capacity growth only driven by long-haul capacity, in particular due to larger aircraft and increase in Economy vs. Business Class capacity
- Forward bookings show rather positive trend in booking volumes
- Increase in load factor continues due to restrictive capacity
- Diverse yield development continues
 - Europe: positive development
 - Long-haul: yield remains diluted due to temporarily enlarged Economy Class
 - Americas: positive development, Asia-Pacific and MidEast-Africa weaker

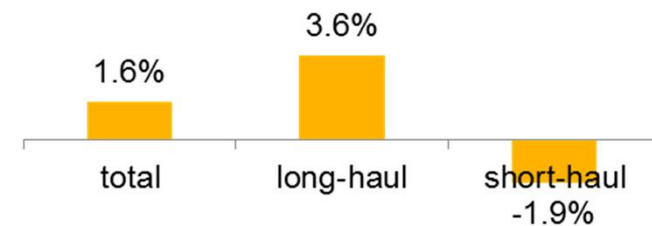
Cargo – Current Trading

- Market recovery anticipated in second half of the year
- Visibility remains limited
- Capacity estimate for full year 2013 now 0% vs. PY

Capacity outlook for full year 2013 Passenger Airline Group [ASK]

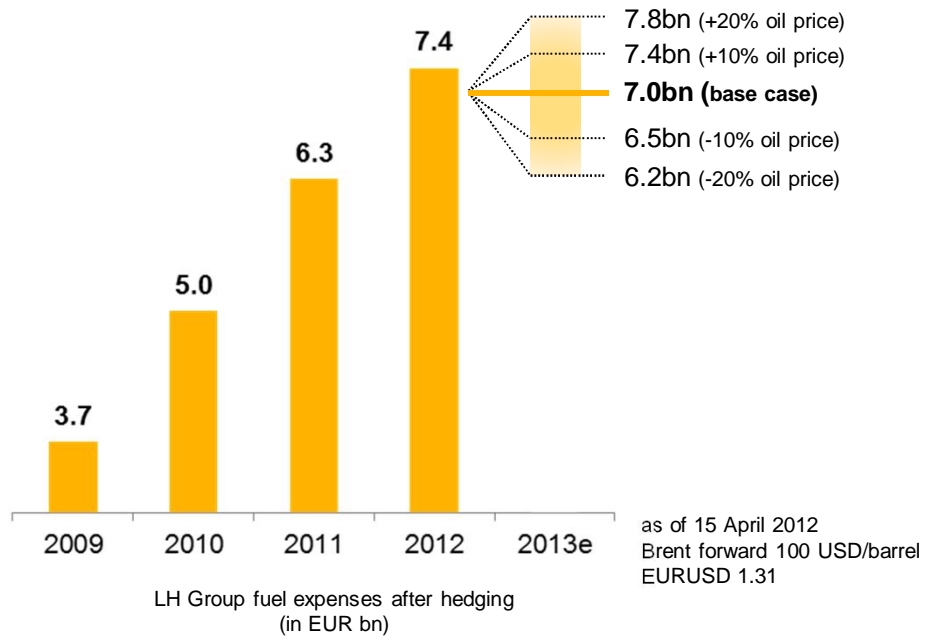
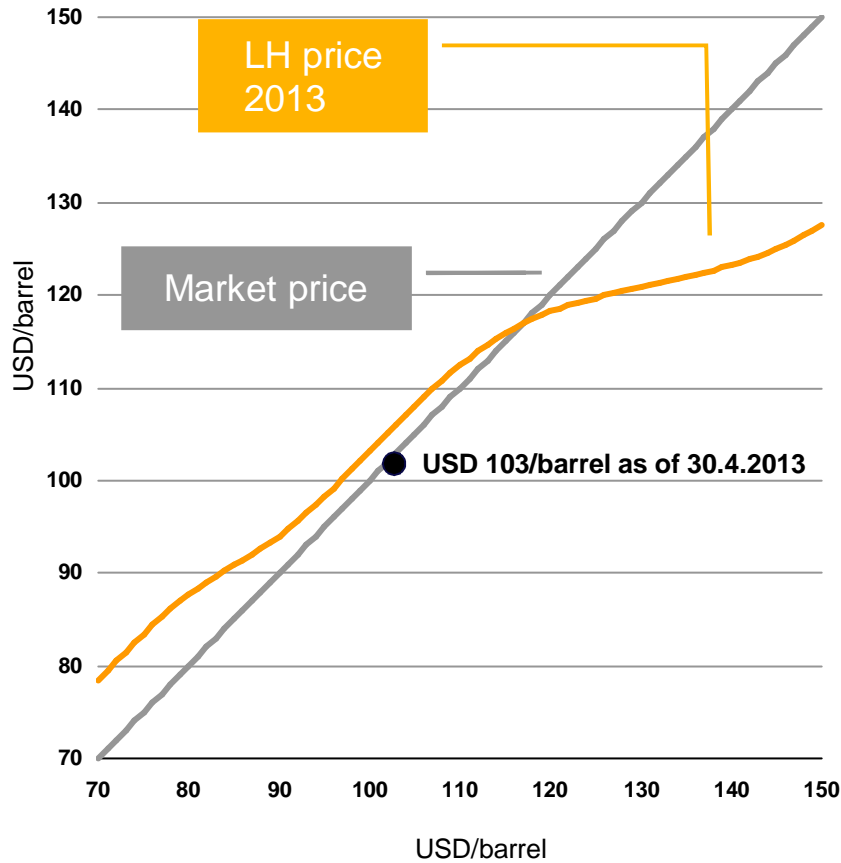


Capacity outlook for summer 2013 Passenger Airline Group [ASK]



Fuel cost for 2013 now expected at EUR 7.0 bn




Fuel forecast and sensitivities



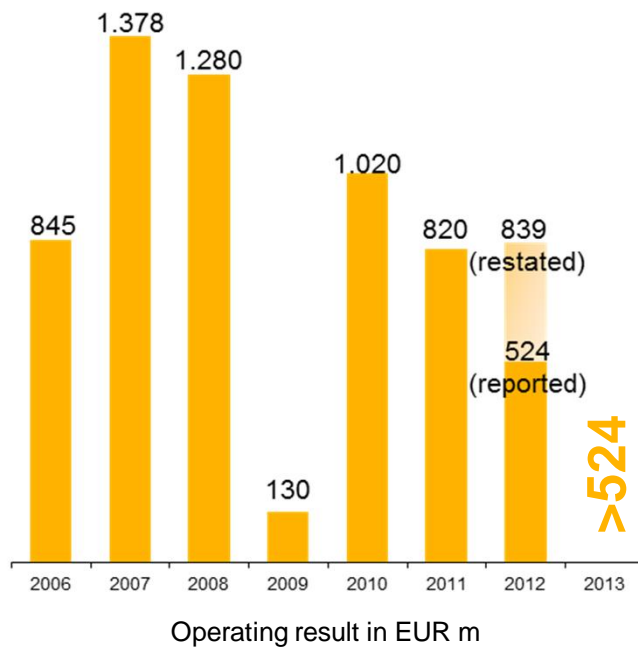
Outlook for business segments is unchanged

Outlook Segments



	Passenger Airline Group	Logistics	MRO	Catering	IT Services
Outlook	<p>↑</p> <p><i>unchanged: moderate increase in revenue and operating profit; absolute level depends on macroeconomic, fuel price and exchange rate developments.</i></p>	<p>↑</p> <p><i>unchanged: operating profit in the three-digit million euro range. An increase on the previous year's result is anticipated.</i></p>	<p>→</p> <p><i>unchanged: expectations of stable earnings development</i></p> <p></p>	<p>↑</p> <p><i>new: moderate increase in revenue.</i></p> <p><i>unchanged: year-on-year increase in operating profit.</i></p> <p></p>	<p>↑</p> <p><i>new: moderate revenue growth.</i></p> <p><i>unchanged: further increase in profitability.</i></p> <p></p>
			Lufthansa Passenger Airlines	SWISS	Austrian Airlines
Outlook			<p>↑</p> <p><i>unchanged: higher revenue and improvement in the operating result in spite of volatile external cost factors. Absolute level will depend to a great extent on fuel costs and exchange rates</i></p>	<p>→</p> <p><i>unchanged: operating result roughly on a par with last year. In addition to fuel prices, an important factor affecting business performance remains the Swiss franc.</i></p>	<p>↑</p> <p><i>unchanged: consolidating the successfully initiated turnaround and thereby achieving an operating profit.</i></p>

Group Outlook unchanged: operating profit higher than last year's Outlook for the Group



Outlook 2013

- Revenue above previous year
- Operating profit 2013 higher than reported operating profit for 2012
- SCORE activities should make a substantial gross contribution to earnings in 2013
- Operating result will be significantly impacted by SCORE restructuring costs and project costs
- SCORE restructuring costs similar to previous year
- In 2013, the larger part of the operating result for the year will be generated by the airlines, i.e. the Passenger Airline Group and Lufthansa Cargo

Save the date!

Capital markets event on SCORE program in early June

➤ **What?**

- Backgrounds and update on the Group's profit enhancement program
- Presentation followed by Q&A session

➤ **Who?**

- | | |
|------------------------------|---------------------|
| ➤ CEO of Lufthansa Group | Dr. Christoph Franz |
| ➤ SCORE program leader | Josef Bogdanski |
| ➤ SCORE program leader | Dr. Jörg Beissel |
| ➤ Head of Investor Relations | Andreas Hagenbring |

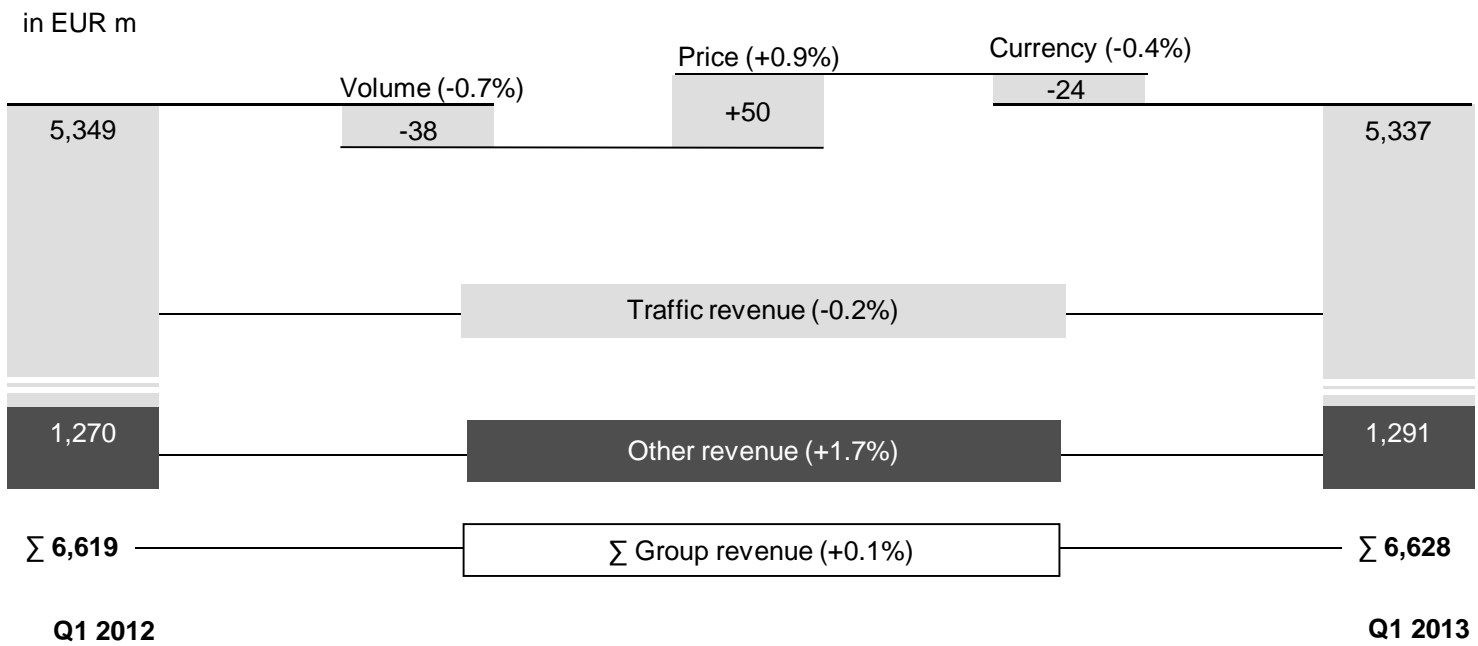
➤ **When?**

- Frankfurt: June 6th, 9.30am-12.30pm CET (hosted by Deutsche Bank), in German language
- London: June 7th, 9.30am-12.30pm UK time (hosted by Credit Suisse), in English language

Appendix
– Financial Figures Q1 2013 –

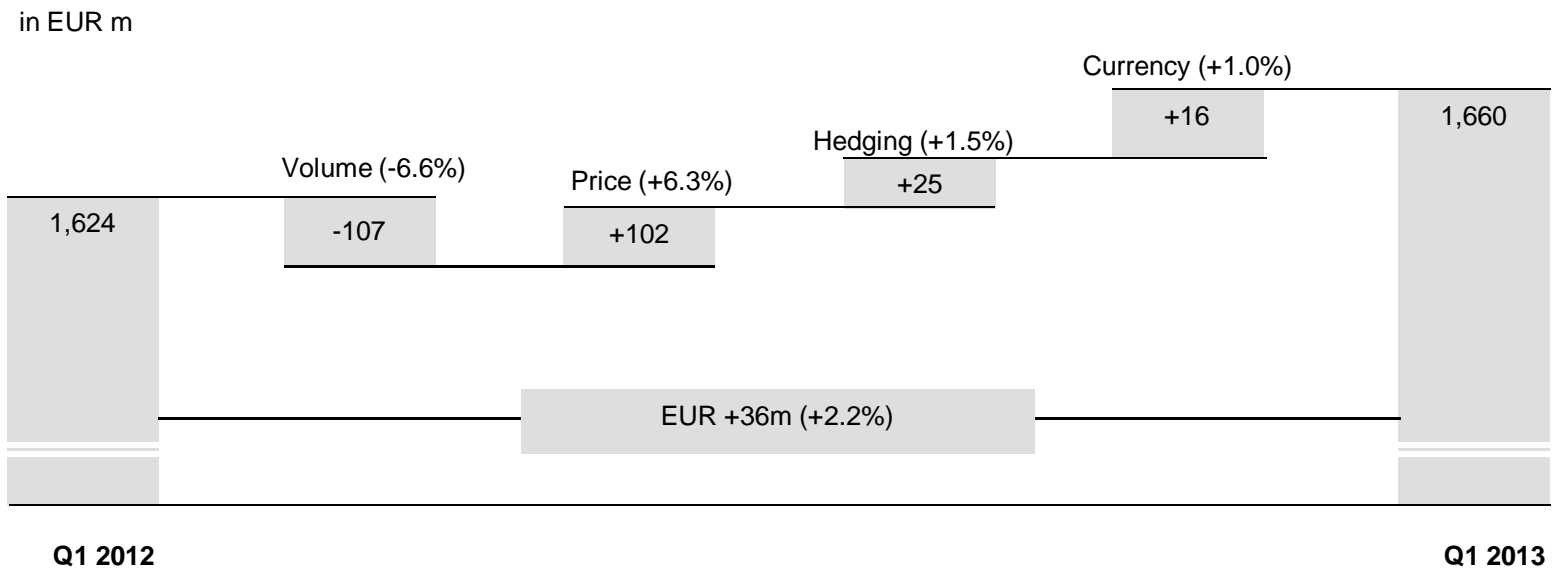
Group Revenue

Q1 2013 vs. Q1 2012



Fuel Costs

Q1 2013 vs. Q1 2012



Operating Result

Q1 2013 vs. Q1 2012

in EUR m	Q1 2013	Q1 2012	YOY change
Result from operating activities	-464	-358	-106
Book gains/losses, non-current assets, financial assets	-6	-12	+6
<i>- of which disposals of aircraft</i>	-5	-7	+2
Measurement of non-current borrowing	45	-32	+77
Past service costs	0	0	0
Impairment losses	80	55	+25
Write-back of provisions	-14	-12	-2
Operating result	-359	-359	0
Adjusted operating margin*	-5.2%	-5.2%	0.0 pts

* Adjusted operating margin = (operating result + write-back of provisions) / revenue

Previous year's figures adjusted due to changes in pension accounting (IAS 19 new).

Earnings Figures

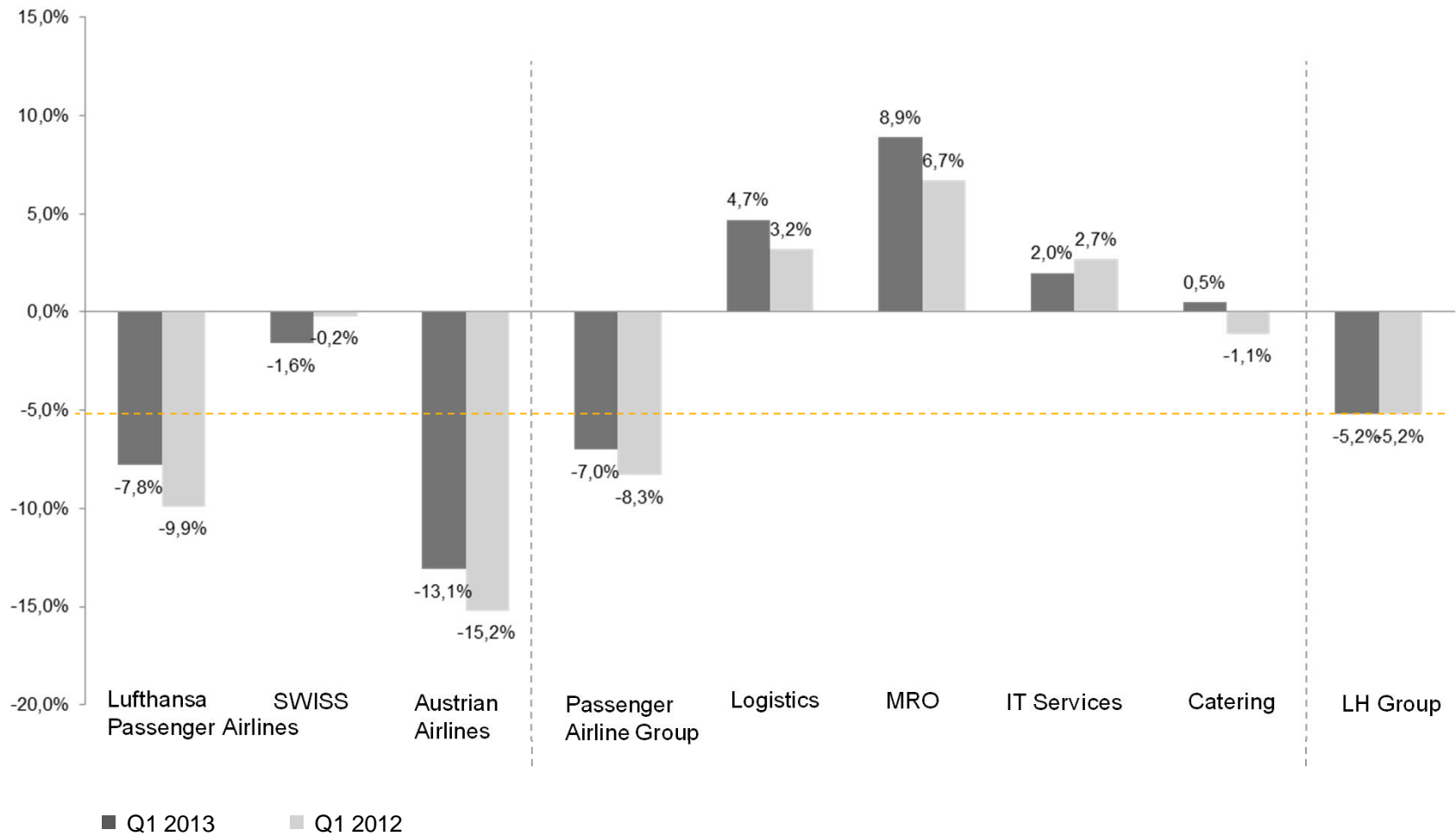
Q1 2013 vs. Q1 2012

in EUR m	Q1 2013	Q1 2012	vs. PY
Result from operating activities	-464	-358	-106
Result from equity investments	-4	-23	+19
Other financial items	-29	-16	-13
- of which changes in the time value of options for hedging purposes	-47	53	-100
EBIT	-497	-397	-100
Net interest	-83	-97	+14
Income taxes	125	101	+24
Profit/loss from continuing operations	-455	-393	-62
Result from discontinued operations (bmi)	0	2	-2
Profit/loss attributable to minority interests	-4	-3	-1
Net profit/loss for the period	-459	-394	-65
Earnings per share (in EUR)	-1.00	-0.86	-0.14

Previous year's figures adjusted due to changes in pension accounting (IAS 19 new).

Adj. operating margin per airline and business segment in Q1 2013

Q1 2013 vs. Q1 2012



Previous year's figures adjusted due to changes in pension accounting (IAS 19 new).