



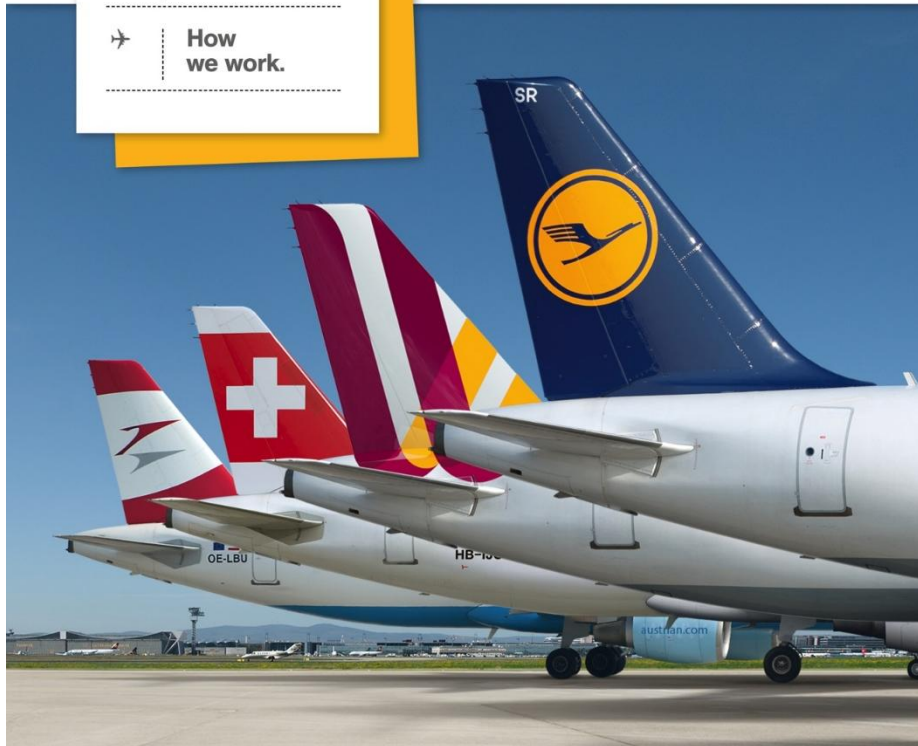
Lufthansa Group

✈ What drives us.

✈ What defines us.

✈ How we work.

Focused on our way.



Q1 2014 Results Press and Analysts' Conference

Simone Menne

Member of the Executive Board and CFO

Frankfurt, May 6th 2014

Disclaimer in respect of forward-looking statements

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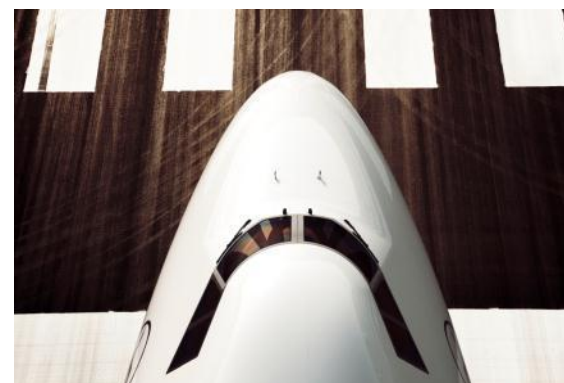
Overview

- **Lufthansa Group made slight profit improvement in the first quarter 2014 vs. first quarter 2013**
Operating result was -245 m EUR on reported level, and -190 m EUR excluding one-off factors ("normalized")
- **Reported operating profit includes 55 m EUR one-off costs; new depreciation policy resulted in 83 m EUR benefit**
One-offs included 20 m EUR restructuring costs for SCORE and 35 m EUR project costs for product upgrades
- **Profit improvement driven by good MRO performance and lower depreciation in passenger business**
Benefits from lower restructuring costs visible particularly in segment "Others"
- **Unit cost reduction on track; weaker revenue environment**
Constant currency reduction of 3.7% in unit cost (CASK) and 1.7% in unit revenue (RASK) in the first quarter
- **Full year operating profit expected at 1.3 to 1.5 bn EUR reported and 1.7 to 1.9 bn EUR excl. one-offs (normalized)**
Strike impact estimated at ca. 70 m EUR; fuel cost forecast reduced by 100 m EUR to 6.7 bn EUR

Q1 2014 at a glance

Key figures for the Lufthansa Group

Lufthansa Group (in m EUR)	Q1 2014	Q1 2013	vs. PY
Total revenue	6,462	6,628	-2.5%
of which traffic revenue	5,161	5,338	-3.3%
Operating result	-245	-359	+31.8%
One-off items*	55	64	-14.1%
Normalized operating result	-190	-295	+35.6%
Net income	-252	-458	+45.0%



	Q1 2014	Q1 2013	vs. PY
Operating cash flow	855	979	-12.7%
Net invest	660	513	+28.7%
Free cash flow	195	466	-58.2%

	Q1 2014	FY 2013	vs. Year-end
Equity ratio	17.9%	21.0%	-3.1pts.
Net debt (excl. pensions)	1,639	1,695	-3.3%

Passenger Airline KPIs	Q1 2014
No. of flights	-1.2%
ASK (capacity)	+0.4%
RPK (volume)	-0.3%
SLF (load factor)	-0.5pts.
Yield ex. currency	-1.0%
RASK (unit revenue)	-3.9%
CASK** (unit costs)	-6.1%

* adjusted for one-off items:

Q1 2013: 64 m EUR restructuring costs

Q1 2014: 20 m EUR restructuring costs, 35 m EUR project costs

** adjusted for one-off items (at passenger business):

Q1 2013: 9 m EUR restructuring costs

Q1 2014: 14 m EUR restructuring costs, 35 m EUR project costs

Good underlying cost control plus lower fuel costs and depreciation

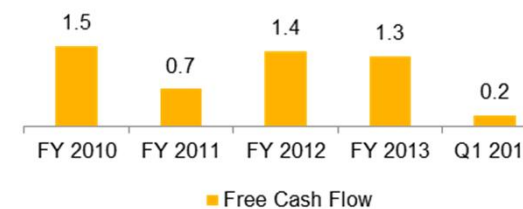
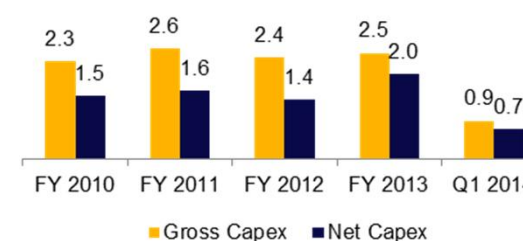
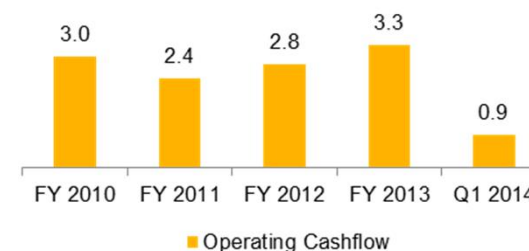
Operating costs and revenues

Lufthansa Group (in m EUR)	Q1 2014	vs. PY	vs. PY	
Total revenue	6,462	-2.5%	-166	
Other operating income	480	-11.8%	-64	
Total operating income	6,942	-3.2%	-230	
Operating expenses	-7,187	-4.6%	-344	
Non-fuel operating expenses	-5,670	-3.2%	-187	-3.1% excl. one-offs -1.6% excl. one-offs and D&A benefit
Cost of materials and services	-3,933	-4.0%	-166	
Fuel expenses	-1,517	-9.4%	-157	
Fees and charges	-1,168	-0.8%	-9	
Staff costs	-1,798	+0.6%	10	+2.1% excl. one-offs
Scheduled depreciation	-337	-19.0%	-79	-83 m EUR due to new D&A policy
Other operating expenses	-1,119	-8.9%	-109	
Operating result	-245	+31.8%	114	+35.6% excl. one-offs

Positive free cash flow despite higher investments in the first quarter

Cash flow statement

Group Cash Flow Statement in m EUR	Q1 2014	vs. PY
EBT (earnings before income taxes)	-307	+272
Depreciation & amortisation (incl. D&A for non-current assets)	353	-153
Net proceeds from disposal of non-current assets	-10	-9
Result from equity investments	8	+4
Net interest	75	-8
Income tax payments/reimbursements	-66	-47
Non-cash changes in measurement of financial derivatives	41	+12
Change in working capital	761	-195
Operating cash flow	855	-124
Capital expenditure (net)	-660	-147
Free cash flow	195	-271
Cash and cash equivalents as of 31.03.2014*	857	-695
Current securities	2,817	-329
Total Group liquidity*	3,674	-1,024

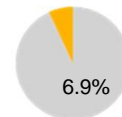
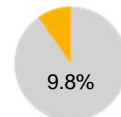
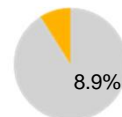
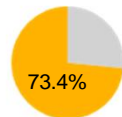


* Including fixed-term deposits with terms of three to twelve months (95 m EUR)

MRO and passenger business as drivers of profit improvement

Segment overview

Share of LH Group's external revenue



FY 2013 vs. FY 2012 in EUR m	Passenger Airline Group	Logistics	MRO	Catering	IT Services	Others & Consolidation
Revenue vs. PY in%	4,900 -3.3%	583 -2.8%	1,053 +5.9%	581 +2.1%	158 +5.3%	-813 -7.8%
Operating result vs. PY in m EUR	-332 +31	21 -7	97 +16	-4 -7	5 +2	-32 +79

**+66 m EUR
excl. one-offs**

**+86 m EUR
from lower D&A**

**+35 m EUR
excl. one-offs**

in EUR m	Lufthansa Passenger Airlines	SWISS	Austrian Airlines
Total revenue vs. PY	3,557 -3.1%	958 -2.9%	403 -5.8%
Operating result vs. PY	-286 +6	6 +22	-54 +2

**+41 m EUR
excl. one-offs**

Strong unit cost reductions but soft pricing in Q1

Operating KPIs of Passenger Airline Group

Total	Q1 2014
Number of flights	-1.2%
ASK	+0.4%
RPK	-0.3%
SLF	-0.5pts.

Yield	-3.2%
Yield ex currency	-1.0%
RASK	-3.9%
CASK* incl. fuel	-6.1%
RASK ex currency	-1.7%
CASK* ex currency ex fuel	-3.7%

profitability growth: widened spread of unit revenues versus unit costs

Europe	Q1 2014
ASK	+2.8%
RPK	+1.6%
SLF	-0.8pts.
Yield	-4.8%
Yield ex currency	-3.6%
RASK	-5.9%
RASK ex currency	-4.7%

Americas	Q1 2014
ASK	+1.7%
RPK	-0.8%
SLF	-2.0pts.
Yield	-2.3%
Yield ex currency	-0.3%
RASK	-4.7%
RASK ex currency	-2.7%



Asia/Pacific	Q1 2014
ASK	-1.3%
RPK	-0.0%
SLF	+1.0pts.
Yield	-2.7%
Yield ex currency	+2.2%
RASK	-1.4%
RASK ex currency	+3.5%

Mid East / Africa	Q1 2014
ASK	-6.5%
RPK	-5.0%
SLF	+1.2pts.
Yield	-2.8%
Yield ex currency	-0.4%
RASK	-1.3%
RASK ex currency	+1.1%

*adjusted for one-off items

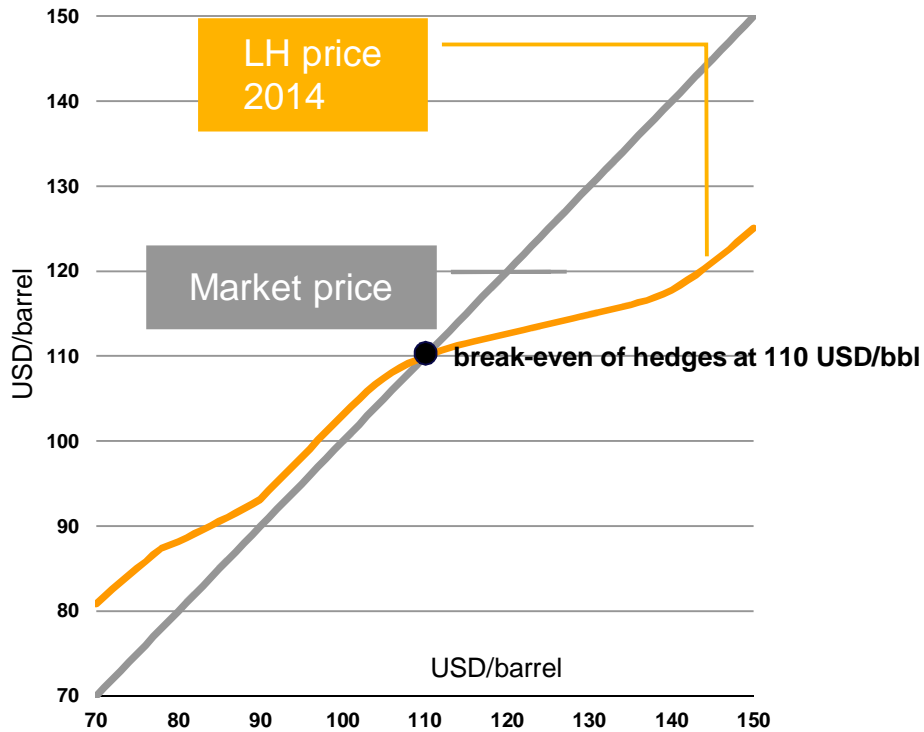
Trading expectations broadly unchanged but revenue risk increased

Trading assumptions FY 2014

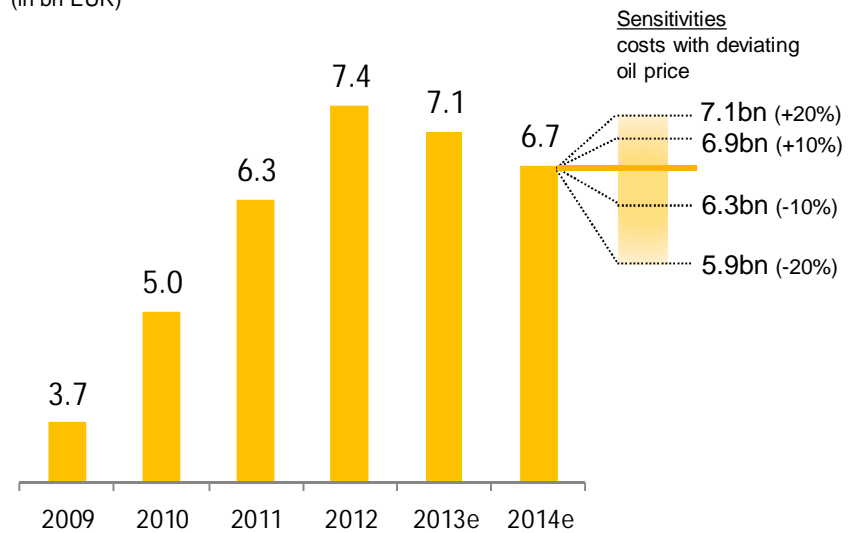
	Full Year 2014 assumptions	Explanation
Fleet Size (no. of aircraft)	overall stable	Fleet rollover: Phase-out of small, non-efficient aircraft
Capacity (ASK)	 c. +4%	Capacity growth mainly achieved through more seats per aircraft / flight. Forecast reduced from 5% due to pilot strike at LHP. Trim of winter capacity under review
Volume (RPK)	above capacity growth	
Load Factor (SLF)	slightly up	
Pricing (Yield)	negative	
Unit Revenue (RASK ex currency)	slightly negative	Forward booking volatility has increased.
Unit Costs (CASK ex currency, ex fuel)	c. -4% 	Drivers: More capacity (ASK) at stable fleet and SCORE measures; -2pts. from new depreciation policy
Cargo Capacity	flat	Forecast reduced from 1%

Full year fuel costs reduced by 100 m EUR to now 6.7 bn EUR

Fuel forecast and sensitivities



Lufthansa Group fuel expenses after hedging (in bn EUR)



	FY 2014	FY 2015
Current fuel hedging levels	78%	39%

as of 25 April 2014
 Brent forward 108 USD/barrel
 EUR/USD 1.38

Lufthansa Group operating profit 2014 expected at 1.3 to 1.5 bn EUR Unchanged outlook for LH Group and business segments

Segment	Result 2013 (m EUR)	Forecast for 2014
Lufthansa Passenger Airlines	265	significantly above previous year, but diluted by project costs
SWISS	226	significantly above previous year
Austrian Airlines	25	significantly above previous year
Consolidation	-21	
Passenger Airline Group	495	950 – 1,100 m EUR (incl. 300 m EUR project costs at LHP)
Logistics	77	significantly above previous year, at least on previous year's level
MRO	404	on par with 2012 (328 m EUR)
Catering	105	slightly above previous year
IT Services	36	slightly above previous year
Others	-378	significant improvements due to lower restructuring costs
Internal Result / Consolidation	-42	
LH Group (reported)	697	1,300 – 1,500*
Restructuring costs	245	80
Project costs Lufthansa Passenger Airlines	100	300
LH Group (normalised)	1,042	1,680 – 1,880*

*incl. 340 m EUR lower depreciation for aircraft and engines

Update on Strategic Developments

Save the date for July 10 for CEO presentation

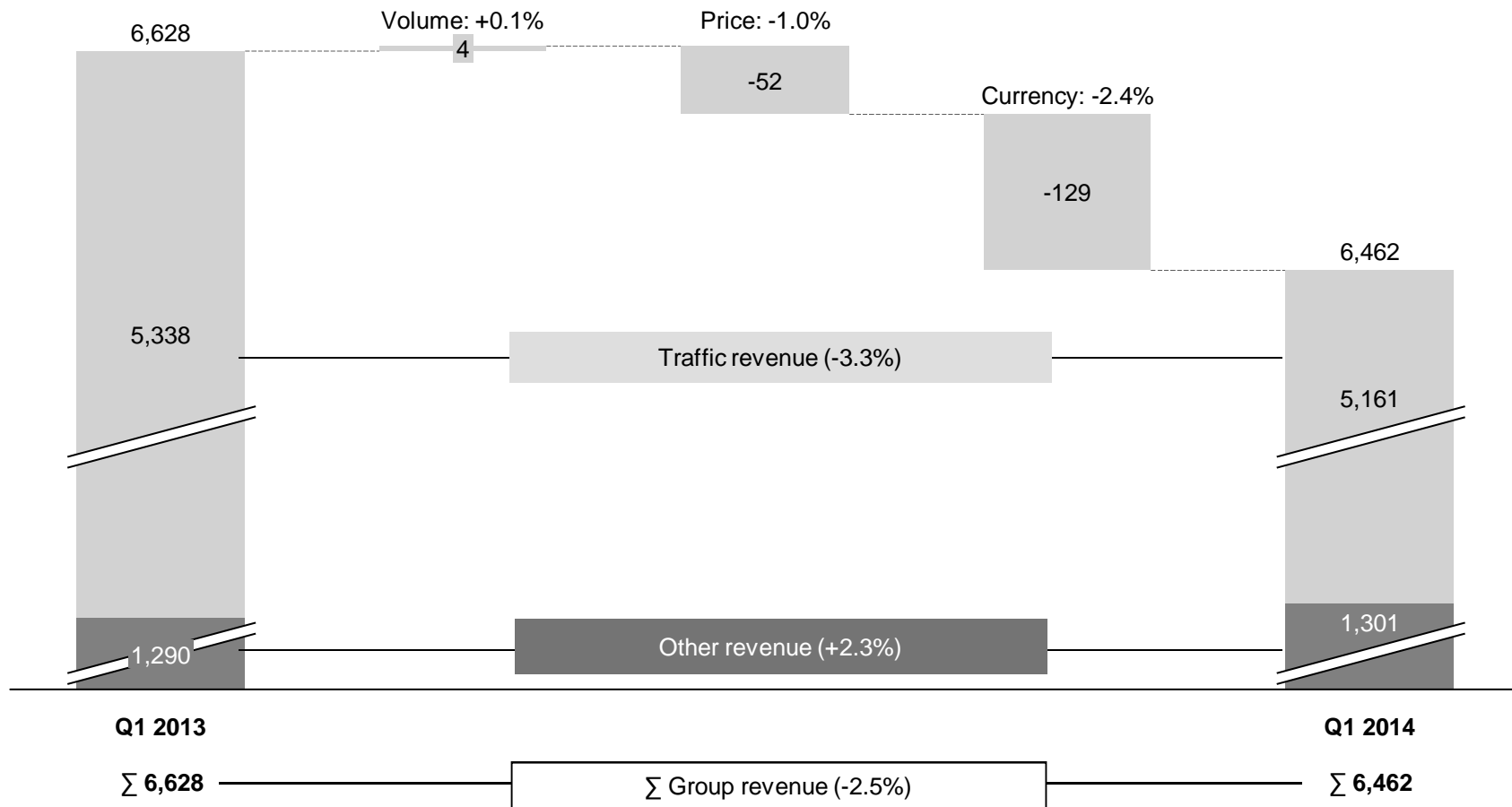
- **Pilot negotiations: Constructive talks have been resumed with pilot union *Vereinigung Cockpit***
Further talks scheduled
- **Transfer of non-hub traffic to Germanwings is in full swing and to be concluded early next year**
Transfer at largest base in Dusseldorf has started in April; Germanwings to be in fully converted by beginning of 2015
- **Legal carve-out of Miles & More bonus program has been approved by the Annual General Meeting**
Carve-out lays foundation for further revenue and profit growth of the company
- **Save the date: CEO presentation on July 10**
Details yet to be communicated

Appendix
– Financial Figures Q1 2014 –

Group Revenue

Q1 2014 vs. Q1 2013

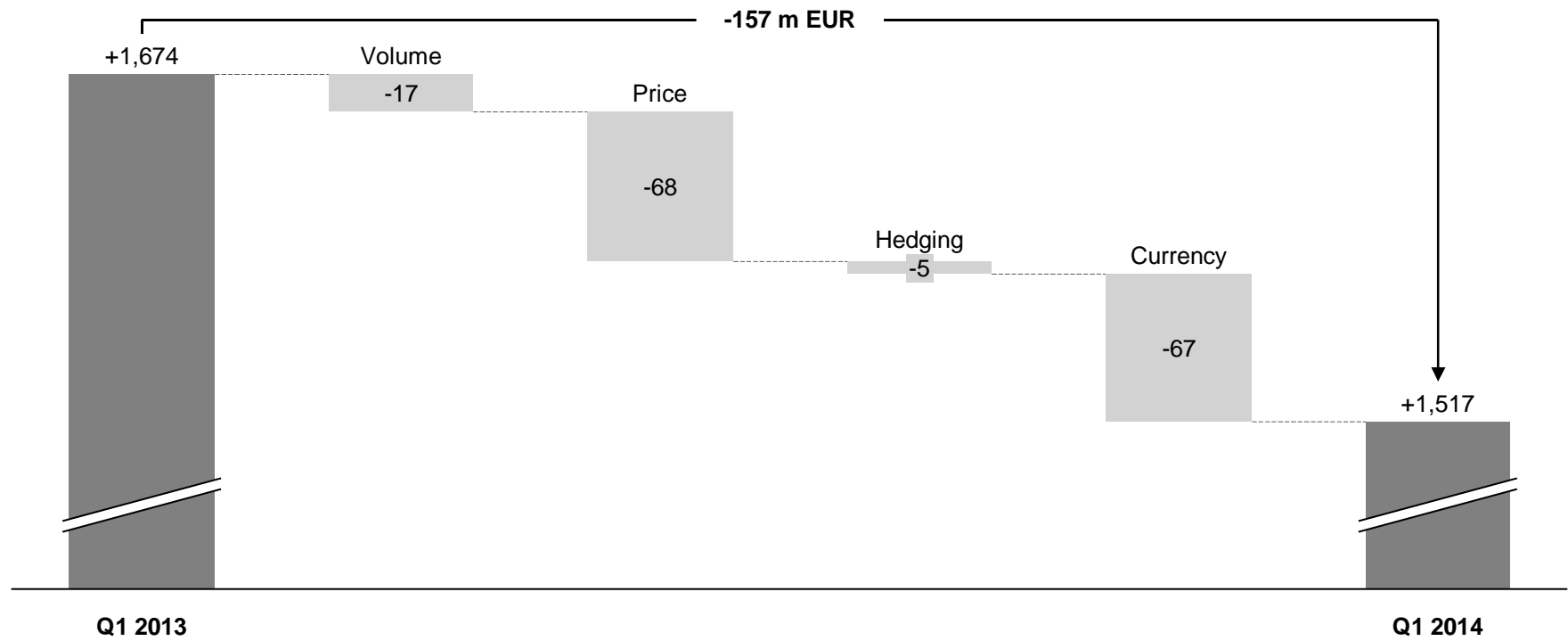
in m EUR



Fuel Cost

Q1 2014 vs. Q1 2013

in m EUR



Operating Result

Q1 2014 vs. Q1 2013

in m EUR	Q1 2014	Q1 2013	vs. PY
Profit from operating activities	-183	-463	+60.5%
Net book gains / losses on assets and financial investments	-39	-7	--
<i>- thereof aircraft disposals</i>	-4	-5	+20.0%
Reversal of provisions	-20	-14	-42.9%
Past service costs	0	0	--
Valuation from non-current borrowings	-6	45	-113.3%
Impairments	3	80	-96.3%
Operating result	-245	-359	+31.8%
Operating margin (reported)	-3.8%	-5.4%	+1.6pts.
Operating margin (normalized*)	-2.9%	-4.5%	+1.5pts.

* excluding one-off effects

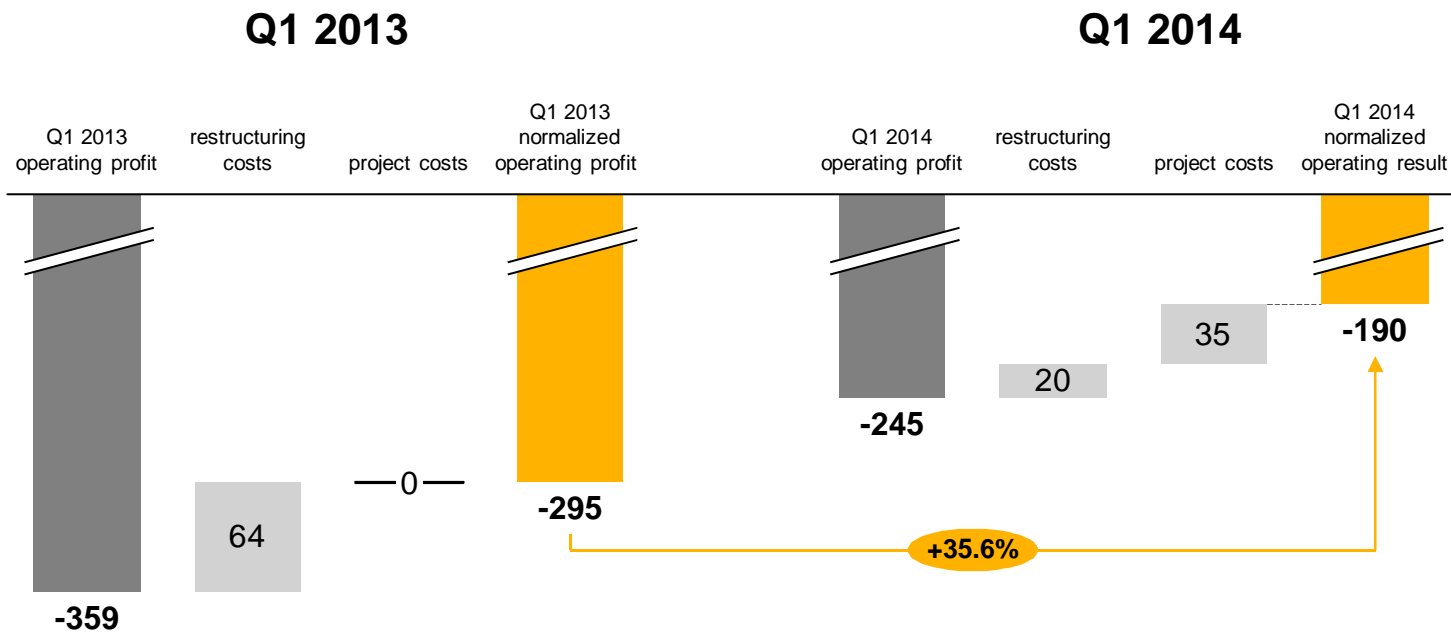
Earnings figures

Q1 2014 vs. Q1 2013

in m EUR	Q1 2014	Q1 2013	vs. PY
Profit from operating activities	-183	-463	+60.5%
Income from subsidiaries, joint ventures and associates	-8	-4	-100.0%
Other financial items	-41	-29	-41.4%
<i>- thereof changes in time value of hedge options</i>	-3	-50	+94.0%
EBIT	-232	-496	+53.2%
Net interest	-75	-83	+9.6%
Income taxes	59	125	+52.8%
Profit / loss from continuing operations	-248	-454	+56.4%
Minority interests	-4	-4	0.0%
Net profit	-252	-458	+56.4%
Earnings per share (in EUR)	-0.55	-1.00	+45.0%

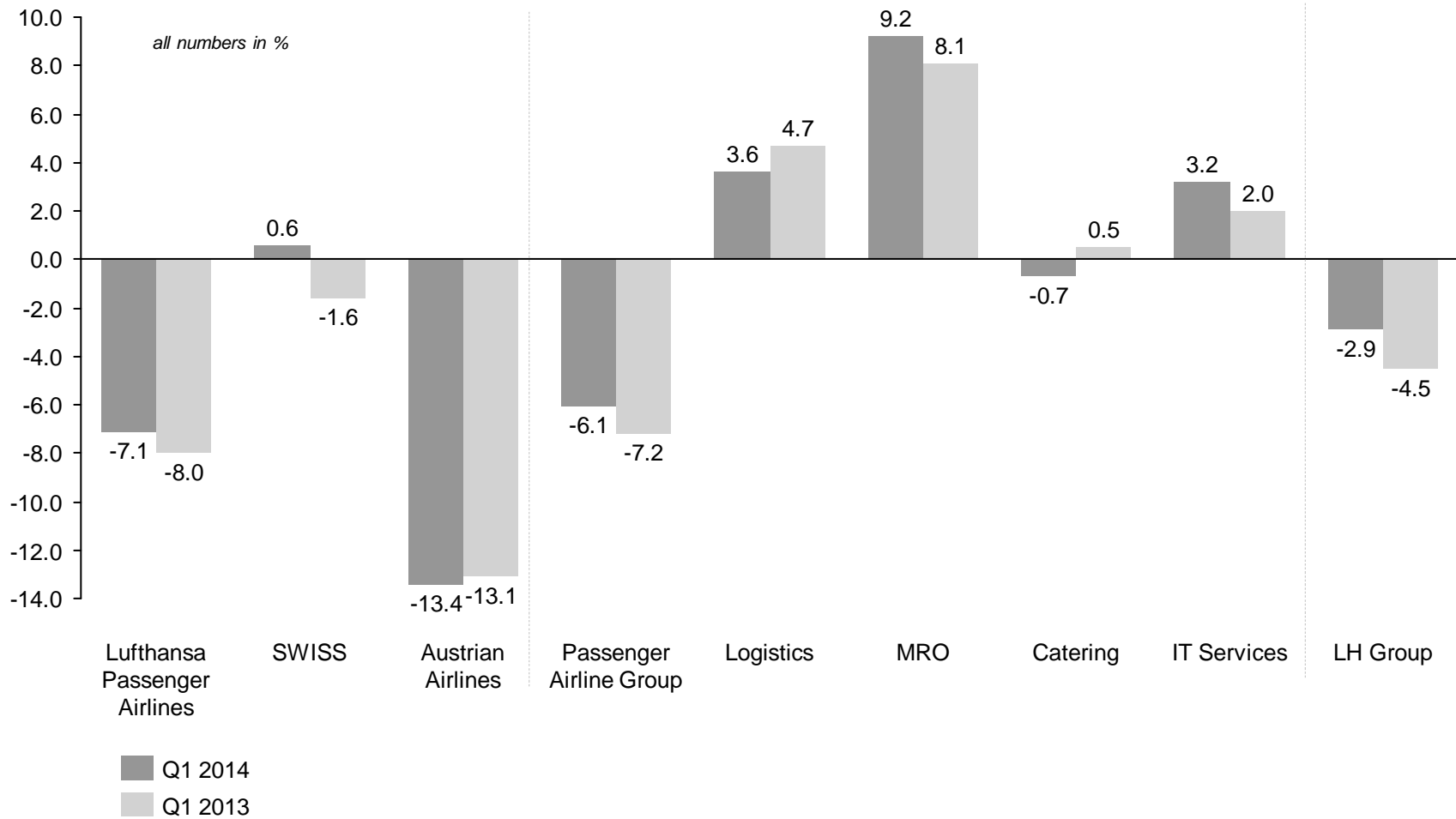
Excluding one-off items operating profit shows clear improvement

Normalized operating results for Q1



Operating margins (normalized*)

Q1 2014 vs. Q1 2013



* excluding one-off effects