



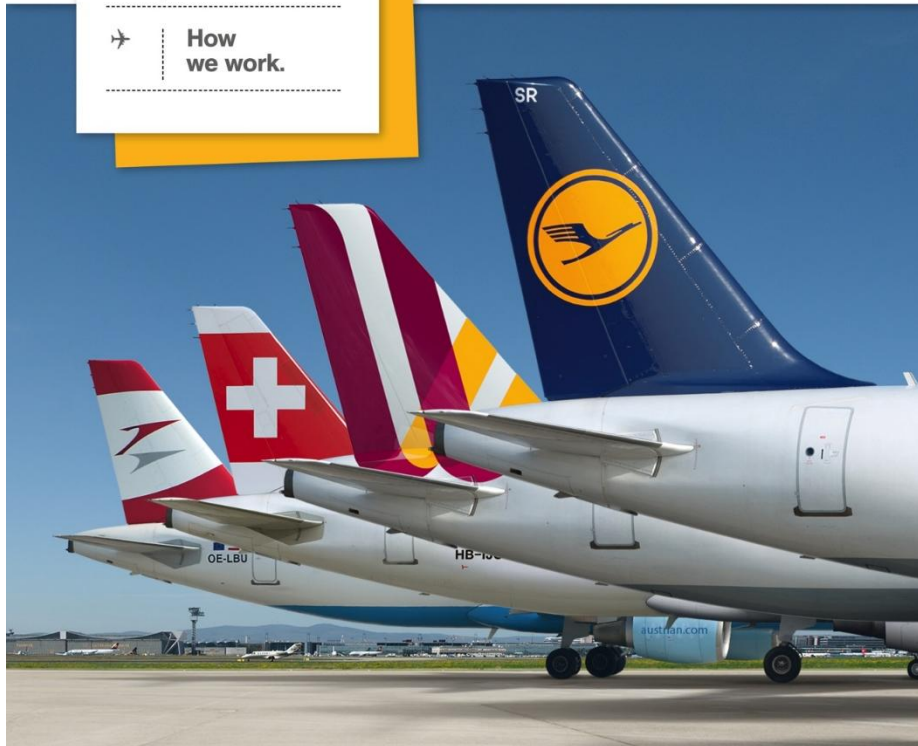
Lufthansa Group

✈ What drives us.

✈ What defines us.

✈ How we work.

Focused on our way.



Q1-Q3 2014 Results Press and Analysts' Conference

Carsten Spohr

Chairman of the Executive Board and CEO

Simone Menne

Member of the Executive Board and CFO

Frankfurt, October 30th 2014

Disclaimer in respect of forward-looking statements

Information published in this presentation concerning 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 nature subject to uncertainties and imponderable risk factors – such as changes in underlying economic conditions – and rest on assumptions that may not occur, or may occur differently, it is possible that the Group's actual results and development may differ materially from the forecasts. Lufthansa makes a point of checking and updating the information it publishes. However, the Company is under no obligation to update forward-looking statements or adapt them to subsequent events or developments. Accordingly, it neither explicitly nor implicitly accepts liability, nor gives any guarantee for the actuality, accuracy or completeness of this data and information.

Carsten Spohr

– Chairman of the Executive Board and CEO –

Lufthansa Group with good nine-months-results

Operating profit forecast 2014 confirmed but outlook for 2015 reduced

in m EUR

	Jan-Sep 2014	vs. previous year
Revenue	22,624	-0.6%
Operating Result	849	+28.1%
Normalized Operating Result	1,004	+16.6%
Net Income	482	+95.1%

- **Lufthansa Group on track to reach operating profit of approx. 1.0 bn EUR in 2014 excl. further strike cost**
Operating profit excl. one-offs expected at 1.3 bn EUR; Cost from all strikes until today (170 m EUR) included
- **Operating profit 2015 outlook reduced to "significantly above the reported 2014 level"**
Weaker economic outlook; no pricing recovery in sight; strong cost inflation especially in pension costs

All segments with positive results in first nine-months
Strong portfolio of profitable businesses

Lufthansa Group

849 m€ ↗

Passenger
Airline Group

473 m€ ↘



MRO

335 m€ ↗

 Lufthansa
Technik

Catering

66 m€ ↗



Logistics

51 m€ ↗



IT

21 m€ ↗



Our Way Forward: Group Setup 2020

Focus on profitability improvement for hub airlines, growth in other businesses

Lufthansa Aviation Group - Key Advantages

Integrated Value Chain

Financial Stability

Strong Brand Family

Favoured Employer

Deep Customer Insights

Natural Hedging

Hubs



	2013	2020
Revenue Share	70%	60%
Profit Margin	3% ¹⁾	↓



Improve Profit

Point-to-Point



	2013	2020
Revenue Share	6%	↑
Profit Margin	-	↑



Redesign & Grow

Aviation Services



	2013	2020
Revenue Share	24%	↓
Profit Margin	7% ¹⁾	↓



Sustain Margin & Grow

¹⁾ excl. germanwings and consolidation effects

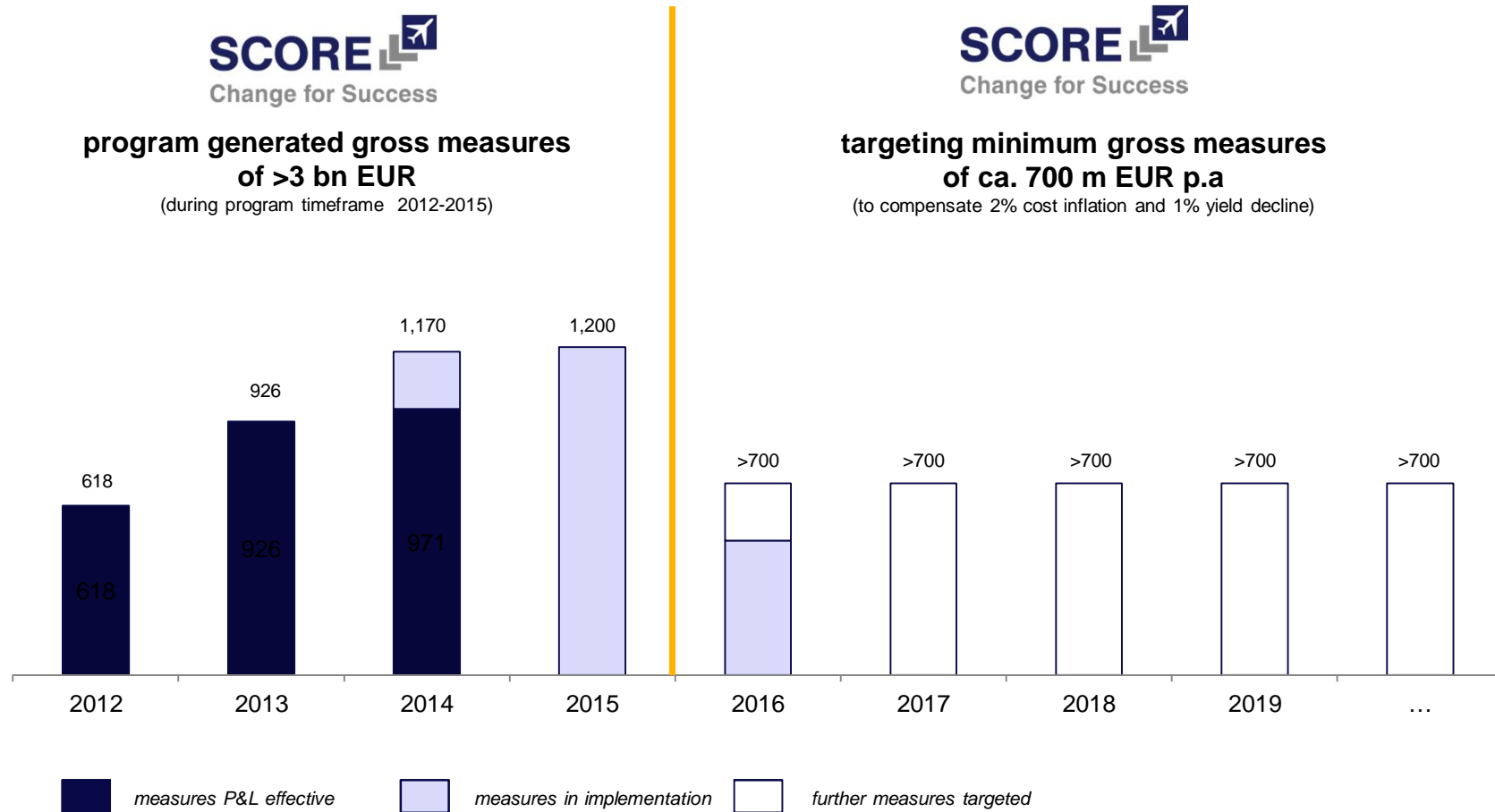
Our Way Forward: Seven areas of action

Lufthansa Group is tackling the challenges ahead



Lufthansa Group is constantly improving efficiency

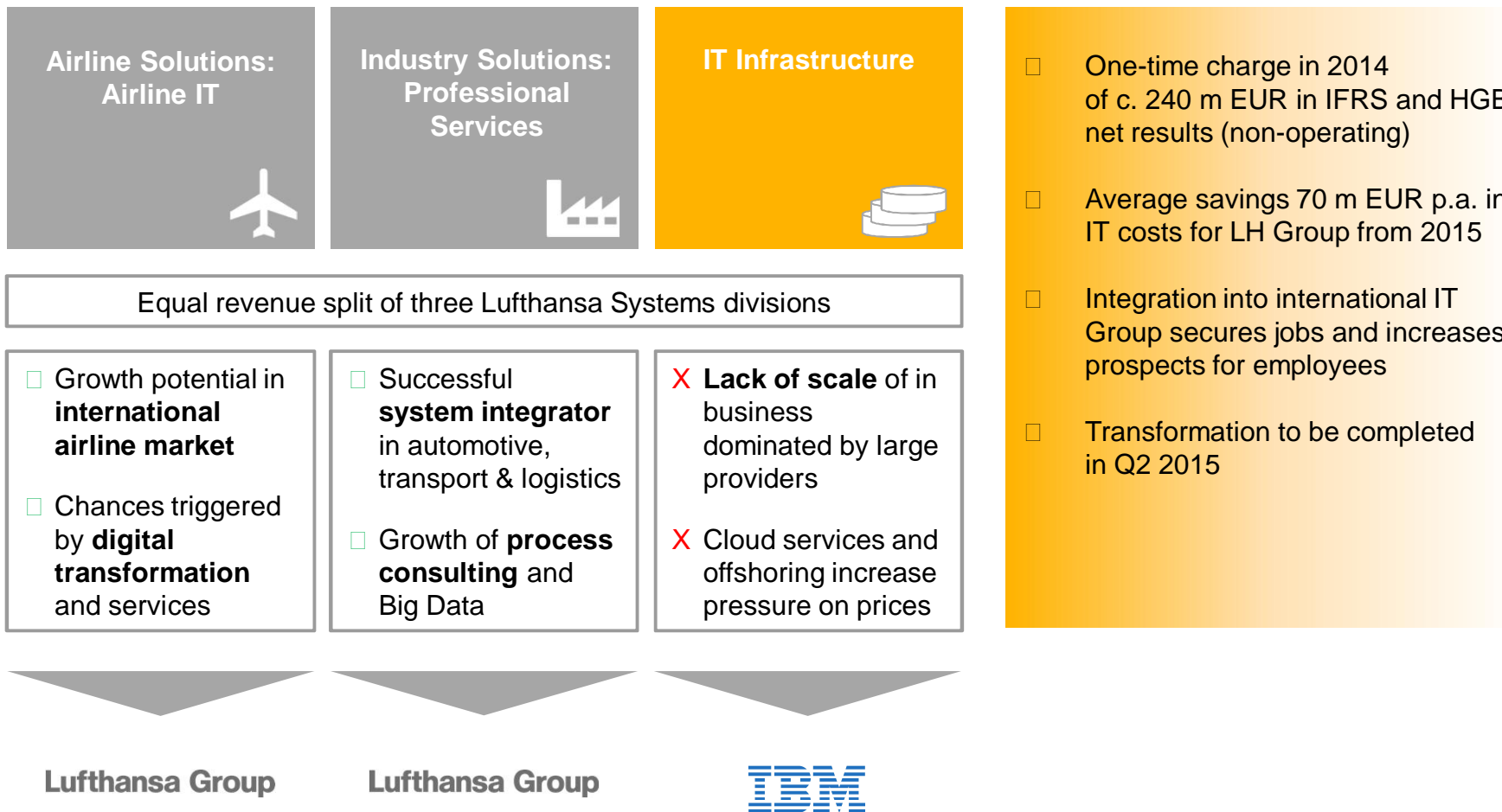
SCORE approach to be continued beyond 2015



Status: October 2014

The Group's portfolio is being constantly optimized

Outsourcing of IT Infrastructure to IBM



Good progress is being made with labour partners

Agreements with VC and Aeropers remain open issues

Lufthansa

Preliminary agreement with cabin personnel

- 20% costs for 14 Lufthansa A340s
- move from DB to DC pension scheme

Open agreement with pilot union (VC)



New CLA to be negotiated with pilot unions

- Pilot union IPG agreed on new CLA effective since July 2014
- Aeropers rejected new CLA; SWISS cancelled existing agreement per Nov 16

Austrian

Agreement with flight crews

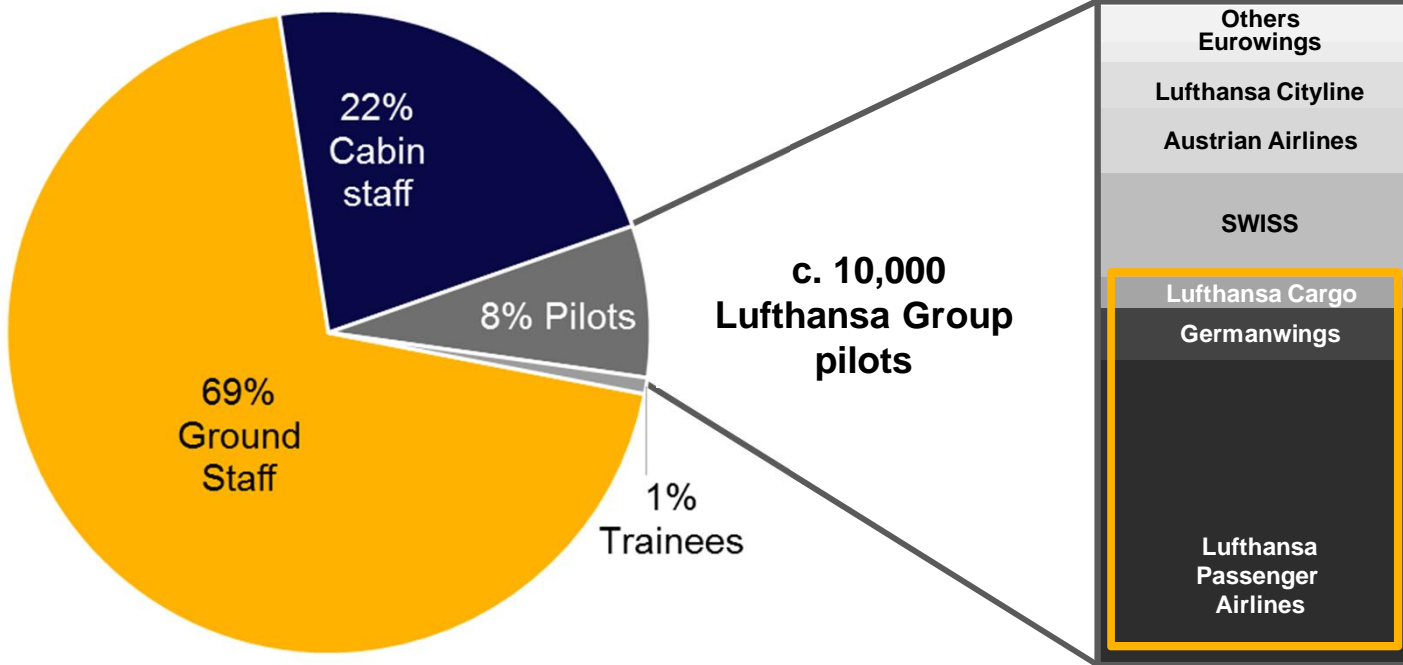
- New terms effective as of Dec 2014
- Reduced salary levels vs. today
- Productivity increased
- Employees move to "new" Austrian: Reintegration of operations from Tyrolean Airways into legal unit Austrian Airlines AG as of March 2015
- Legal stability: withdrawal of lawsuits from union and workers' councils
- One-time payments for staff leaving the company
- No further negative p&l impact after Q3 2014

subject to signing
on 31 Oct 2014

Lufthansa Group is responsible for about 120,000 employees

Any labour agreement must be fair and sustainable for everyone

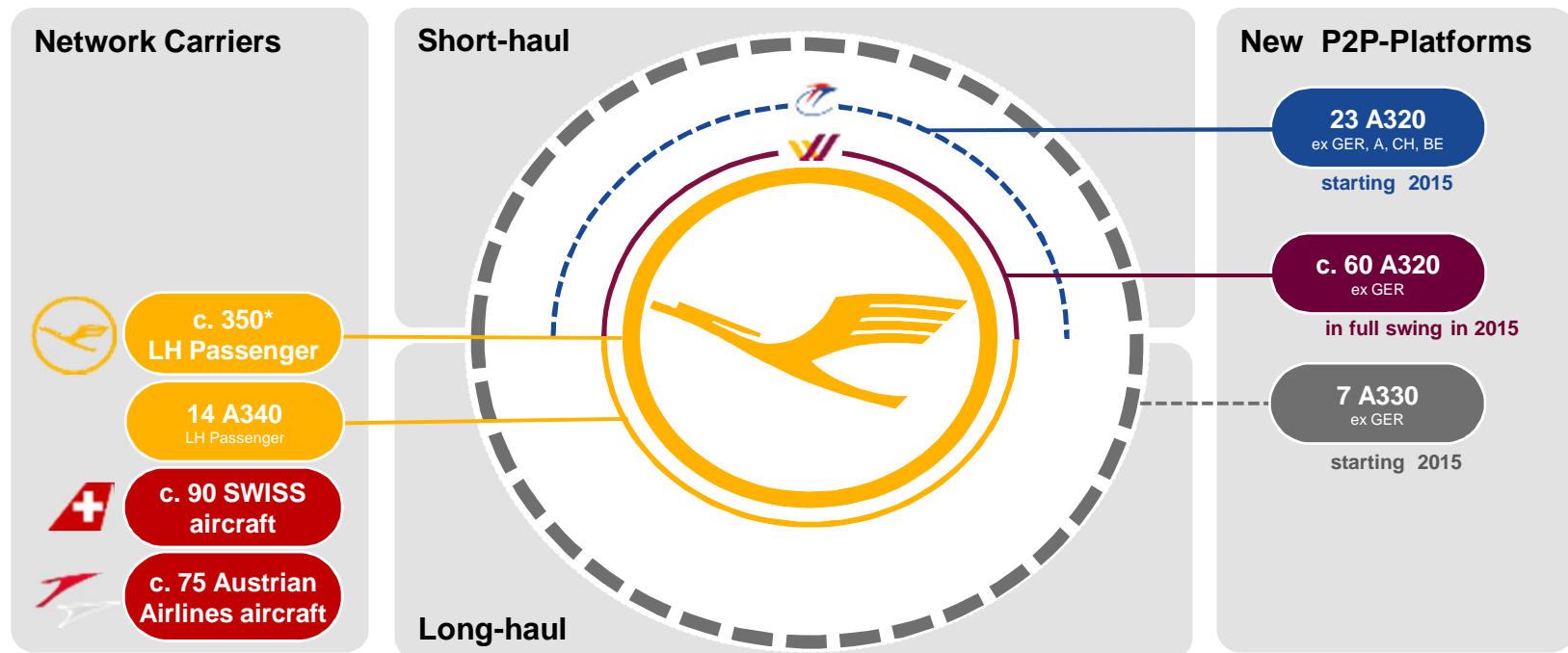
c. 120,000 employees
Lufthansa Group



thereof **c. 5,400 mainline pilots**
under "Konzerntarifvertrag"

New concepts for growth

Growth focus is on low cost platform with focus on P2P-leisure
>100 aircraft or one sixth of Group fleet on lower unit costs platforms



* Lufthansa Passenger Airlines incl. regional partners, excl. germanwings, eurowings

We want to be the #1 choice for customers

Strong investments and accelerated roll-out of new products



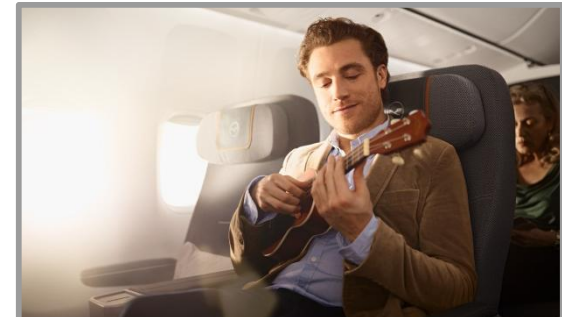
New First Class:

- Passenger satisfaction at 98%
- 75 % of retrofit completed
- Completion June 2015



New Business Class:

- New full flat seat
- 50% of 7.000 seats replaced
- Completion August 2015



New Premium Economy Class:

- More exclusivity & delight
- More personal space
- 3.600 seats until October 2015

5 Star Service in addition to hardware upgrades:

- Upgrade in food & beverage on board and on ground
- New transfer & arrival services in Frankfurt and Munich
- New lounges in London and Newark



Full flat Business Class seats now standard in the Lufthansa Group



Summary

- **Lufthansa Group on track to reach full year operating profit of approx. 1.0 bn EUR in 2014 excl. further strike cost**
Operating profit excl. one-offs expected at 1.3 bn EUR; Cost from all strikes until today (170 m EUR) included in forecast

- **Operating profit outlook 2015 reduced to "significantly above the reported 2014 level"**
Weaker economic outlook; no pricing recovery in sight; strong cost inflation especially in pension costs

- **Gross improvement measures under SCORE are being implemented successfully**
Weakening market conditions prevent better progress

- **Structural changes and growth focus on Service Companies and new airline platforms (WINGS)**
By 2020 the revenue share of Service Companies and low-cost platforms is to grow to 40%

- **Focus for the network airlines is on continuously reducing cost base and strong invest in product quality**
Growth of Passenger Airlines in current cost structures only with aircraft size not in fleet

Simone Menne

– Member of the Executive Board and CFO –

Overview Financials

- **Lufthansa Group on track to reach full year operating profit of approx. 1.0 bn EUR in 2014 excl. further strike cost**
Operating profit excl. one-offs expected at 1.3 bn EUR; cost from all strikes until today (170 m EUR) included in forecast

- **First nine months 2014 operating profit improved to 849 m EUR (+28%) or 1,004 m EUR excl. one-offs (+17%)**
Improvement driven by lower unit costs, lower depreciation and lower one-off costs but impacted by pilot strike (105 m EUR)

- **Third quarter 2014 operating profit improved to 735 m EUR (+25%) or 785 m EUR excl. one-offs (+9%)**
Strong quarterly results driven by lower one-off costs but impacted by pilot strike (35 m EUR)

- **Good cost performance in passenger business but revenue softness continued**
Unit costs reduced by 2.9% while unit revenues declined by 2.6% in third quarter

- **Outlook on booking volumes good but yield pressure continues, strike risks remain**
Fuel cost forecast stable at 6.7 bn EUR as weak Euro offsets lower oil price benefit

- **Operating profit outlook 2015 reduced to "significantly above the reported 2014 level"**
Weaker economic outlook; no pricing recovery in sight; strong cost inflation especially in pension costs

9M and Q3 2014 at a glance

Key figures for the Lufthansa Group

Lufthansa Group (in m EUR)	9M 2014	9M 2013	vs. PY
Total revenue	22,624	22,767	-0.6%
of which traffic revenue	18,460	18,664	-1.1%
Operating result	849	663	+28.1%
One-off items*	155	198	--
Normalized operating result	1,004	861	+16.6%
Net income	482	247	+95.1%

	Q3 2014	Q3 2013	vs. PY
	8,458	8,303	+1.9%
	6,994	6,884	+1.6%
	735	590	+24.6%
	50	127	--
	785	717	+9.5%
	561	450	+24.7%

	9M 2014	9M 2013	vs. PY
Operating cash flow	2,052	3,006	-16.8%
Net invest	1,823	1,448	+25.9%
Free cash flow	229	1,558	-85.3%

	9M 2014	FY 2013	vs. Year-end
Equity ratio	15.2%	21.0%	-5.8pts.
Net financial debt (excl. pensions)	2,262	1,695	+33.5%
Pension provisions	7,397	4,718	+56.8%

* adjusted for one-off items in m EUR:
 9M 2013: 168 / 30; Q3 2013: 97 / 30 restructuring / project costs
 9M 2014: 30 / 125; Q3 2014: 0 / 50 restructuring / project costs

Passenger Airline KPIs	9M 2014	Q3 2014
No. of flights	-2.2%	-2.2%
ASK (capacity)	+2.2%	+4.0%
RPK (volume)	+2.6%	+5.0%
SLF (load factor)	+0.3P.	+0.8pts.
Yield ex. currency	-3.6%	-3.6%
RASK (unit revenue)	-3.2%	-2.6%
CASK** (unit costs)	-4.4%	-2.9%

** adjusted for one-off items in m EUR in (passenger airlines):
 9M 2013: 102 / 30; Q3 2013: 91 / 30 restructuring / project costs
 9M 2014: 22 / 125; Q3 2014: 0 / 50 restructuring / project costs

Operating expenses grew less than revenue in Q3, stable in 9M

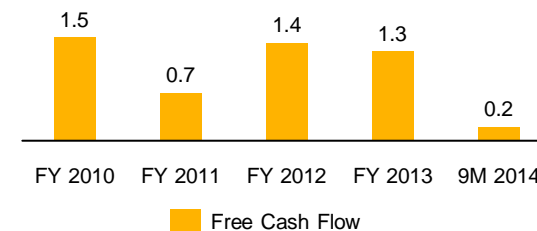
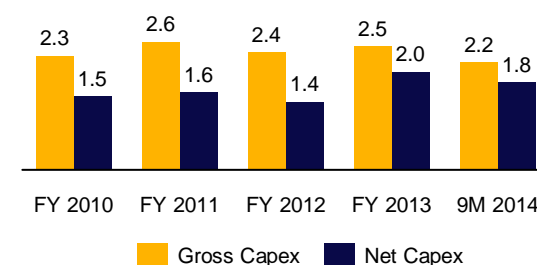
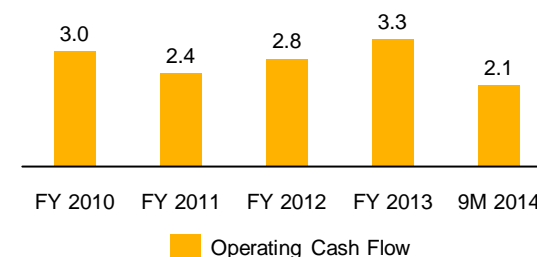
Operating costs and revenues

Lufthansa Group (in m EUR)	9M 2014	vs. PY		Q3 2014	vs. PY	
Total revenue	22,624	-0.6%		8,458	+1.9%	
Other operating income	1,348	-4.0%		496	+15.1%	
Total operating income	23,972	-0.8%		8,954	+2.5%	
Operating expenses	23,123	-1.6%		8,219	+0.9%	
Non-fuel operating expenses	17,943	-0.6%	-0.4% excl. one-offs +1.0% excl. one-offs & D&A	6,282	+1.4%	+2.7% excl. one-offs +4.2% excl. one-offs & D&A
Cost of materials and services	13,002	-2.3%		4,738	-0.3%	
Fuel expenses	5,180	-4.9%		1,937	-0.5%	
Fees and charges	3,978	+1.4%		1,460	+3.7%	
Staff costs	5,455	-0.3%	+2.0% excl. one-offs	1,809	-2.8%	+2.5% excl. one-offs
Scheduled depreciation	1,047	-17.5%	+3.0% excl. D&A change	360	-16.3%	+4.9% excl. D&A change
Other operating expenses	3,619	+4.5%		1,312	+19.3%	
Operating result	849	+28.1%	+16.6% excl. one-offs	735	+24.6%	+9.5% excl. one-offs

Cash flow reduced due to working capital and higher investments

Cash flow statement

Group Cash Flow Statement in m EUR	9M 2014	vs. PY
EBT (earnings before income taxes)	634	+275
Depreciation & amortisation (incl. D&A for non-current assets)	1,064	-368
Net proceeds from disposal of non-current assets	-24	-24
Result from equity investments	-94	+7
Net interest	210	-47
Income tax payments/reimbursements	-215	-138
Non-cash changes in measurement of financial derivatives	139	+70
Change in working capital	338	-729
Operating cash flow	2,052	-954
Capital expenditure (net)	-1,823	-375
Free cash flow	229	-1,329
Cash and cash equivalents as of 30.09.2014*	819	-756
Current securities	2,711	-1,109
Total Group liquidity*	3,530	-1,865

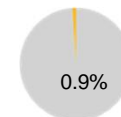
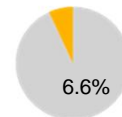
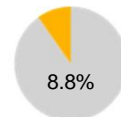
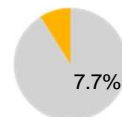
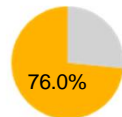


* Excluding fixed-term deposits with terms of three to twelve months (115 m EUR)

Profit increase driven by lower one-off costs and depreciation effect

Segment Overview 9M

Share of LH Group's external revenue



9M 2014 vs. 9M 2013 in EUR m	Passenger Airline Group	Logistics	MRO	Catering	IT Services	Others & Consolidation
Revenue vs. PY in%	17,694 -1.1%	1,767 -1.9%	3,200 +2.9%	1,960 +3.8%	483 +2.3%	-2,480 -3.5%
Operating result vs. PY in m EUR	473 -41	51 +6	335 +3	66 +3	21 +4	-97 +211

**+54 m EUR
excl. one-offs**

**incl. +267 m EUR
from lower D&A**

**+73 m EUR
excl. one-offs**

in EUR m	Lufthansa Passenger Airlines	SWISS	Austrian Airlines
Total revenue vs. PY	12,989 -1.2%	3,190 -0.4%	1,574 -0.2%
Operating result vs. PY	260 -56	217 +35	-7 -26

**+39 m EUR
excl. one-offs**

Record volumes but pricing remained weak in passenger business

Operating KPIs of Passenger Airline Group

Total	9M '14	Q3 '14
Number of flights	-2.2%	-2.2%
ASK	+2.2%	+4.0%
RPK	+2.6%	+5.0%
SLF	+0.3pts.	+0.8pts.

Europe	9M '14	Q3 '14
ASK	+1.1%	+0.3%
RPK	+2.3%	+2.6%
SLF	+0.8pts.	+1.8pts.
Yield	-2.7%	-0.7%
Yield ex currency	-2.3%	-1.1%
RASK	-1.6%	+1.6%
RASK ex currency	-1.2%	+1.2%

Asia/Pacific	9M '14	Q3 '14
ASK	+1.7%	+4.0%
RPK	+2.4%	+4.8%
SLF	+0.6pts.	+0.7pts.
Yield	-4.5%	-3.8%
Yield ex currency	-2.8%	-4.2%
RASK	-3.8%	-3.1%
RASK ex currency	-2.1%	-3.5%

Yield	-3.6%	-3.6%
Yield ex currency	-2.7%	-3.9%
RASK	-3.2%	-2.6%
CASK* incl. fuel	-4.4%	-2.9%
RASK ex currency	-2.3%	-2.9%
CASK* ex currency ex fuel	-3.4%	-4.1%



America	9M '14	Q3 '14
ASK	+6.5%	+10.9%
RPK	+4.7%	+9.1%
SLF	-1.5pts.	-1.4pts.
Yield	-4.0%	-6.0%
Yield ex currency	-2.7%	-5.9%
RASK	-5.7%	-7.6%
RASK ex currency	-3.5%	-7.5%

Mid East / Africa	9M '14	Q3 '14
ASK	-7.5%	-6.5%
RPK	-3.6%	-1.7%
SLF	+3.1pts.	+3.9pts.
Yield	-3.7%	-4.6%
Yield ex currency	-2.4%	-5.1%
RASK	+0.3%	+0.2%
RASK ex currency	+1.6%	-0.4%

*adjusted for one-off items

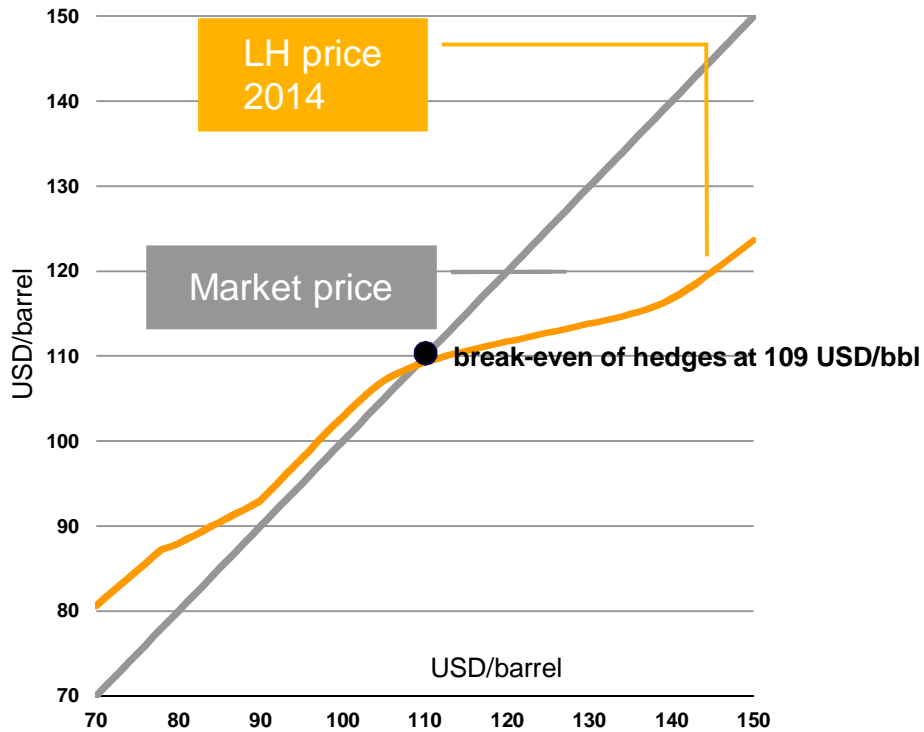
Operating trading assumptions and unit cost target unchanged

Trading assumptions FY 2014

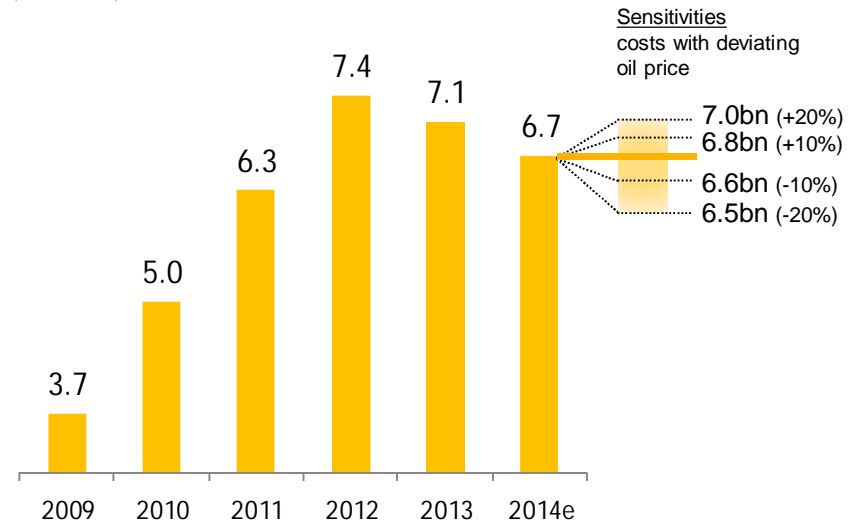
	Full Year 2014 assumptions	Explanation
Fleet Size (no. of aircraft)	overall stable	Fleet rollover: Phase-out of small, non-efficient aircraft
Capacity (ASK)	 c. +3%	Capacity growth mainly achieved through more seats per aircraft / flight. Capacity reductions in winter schedule of 5 short-haul and 3 long-haul aircraft.
Volume (RPK)	above capacity growth	
Load Factor (SLF)	slightly up	
Pricing (Yield)	negative	
Unit Revenue (RASK ex currency)	negative	Unchanged volatility from short-term bookings
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	c. -2%	Reduction of freighter fleet by two MD 11 aircraft

Fuel cost forecast unchanged at 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	79%	65%

as of 24 October 2014
 Brent forward 87 USD/barrel
 EUR/USD 1.27 (forward)

Profit guidance for 2014 unchanged

Operating profit expected at around 1 billion Euros

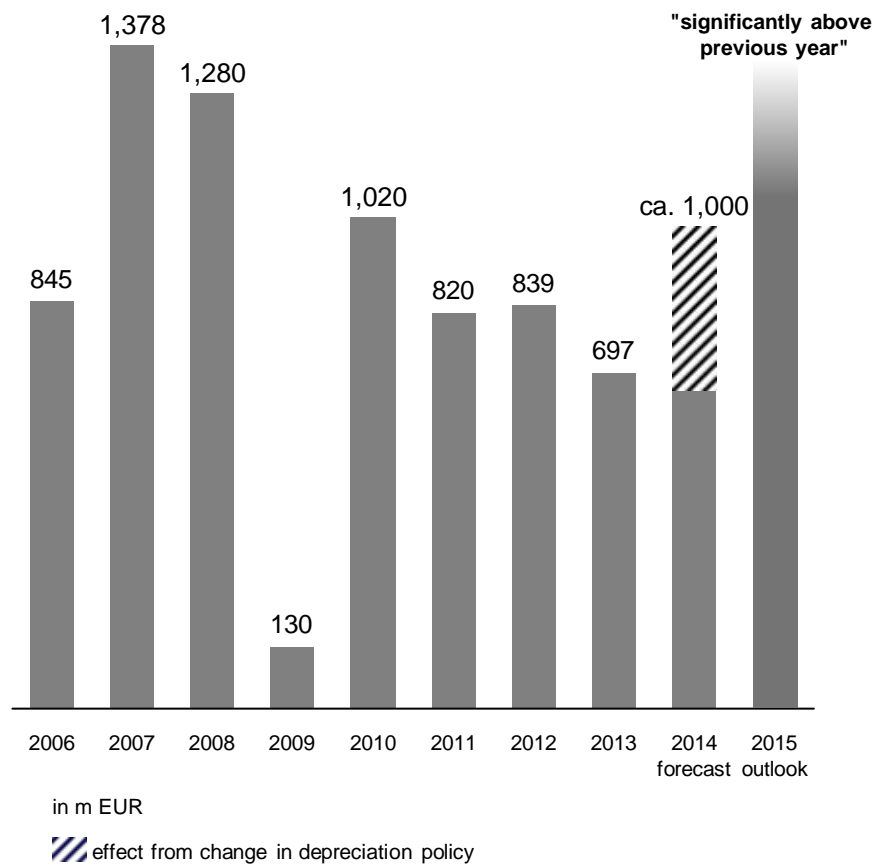
Segment	Result 2013 (m EUR)	Forecast for 2014
Lufthansa Passenger Airlines	265	on par with previous year
SWISS	226	significantly above previous year
Austrian Airlines	25	below previous year, but positive
Consolidation	-21	
Passenger Airline Group	495	slightly above previous year
Logistics	77	above previous year
MRO	404	significantly above 2012 level (328 m EUR)
Catering	105	on par with previous year
IT Services	36	slightly below previous year
Others	-378	significant improvement due to lower restructuring costs
Internal Result / Consolidation	-42	
LH Group (reported)	697	approx. 1,000
Restructuring costs	245	80
Project costs Lufthansa Passenger Airlines	100	200
LH Group (normalised)	1,042	approx. 1,300

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

Operating profit outlook of around 1 bn EUR confirmed

New operating profit outlook "significantly above previous year"

Lufthansa Group Reported Operating result
Actual and Forecast



Financial Year 2014

- Operating profit expected at ca. 1.0 bn EUR
- Operating profit excl. one-offs at ca. 1.3 bn EUR
- Forecast includes strike impacts until October, excludes strike costs for rest of year

Financial Year 2015

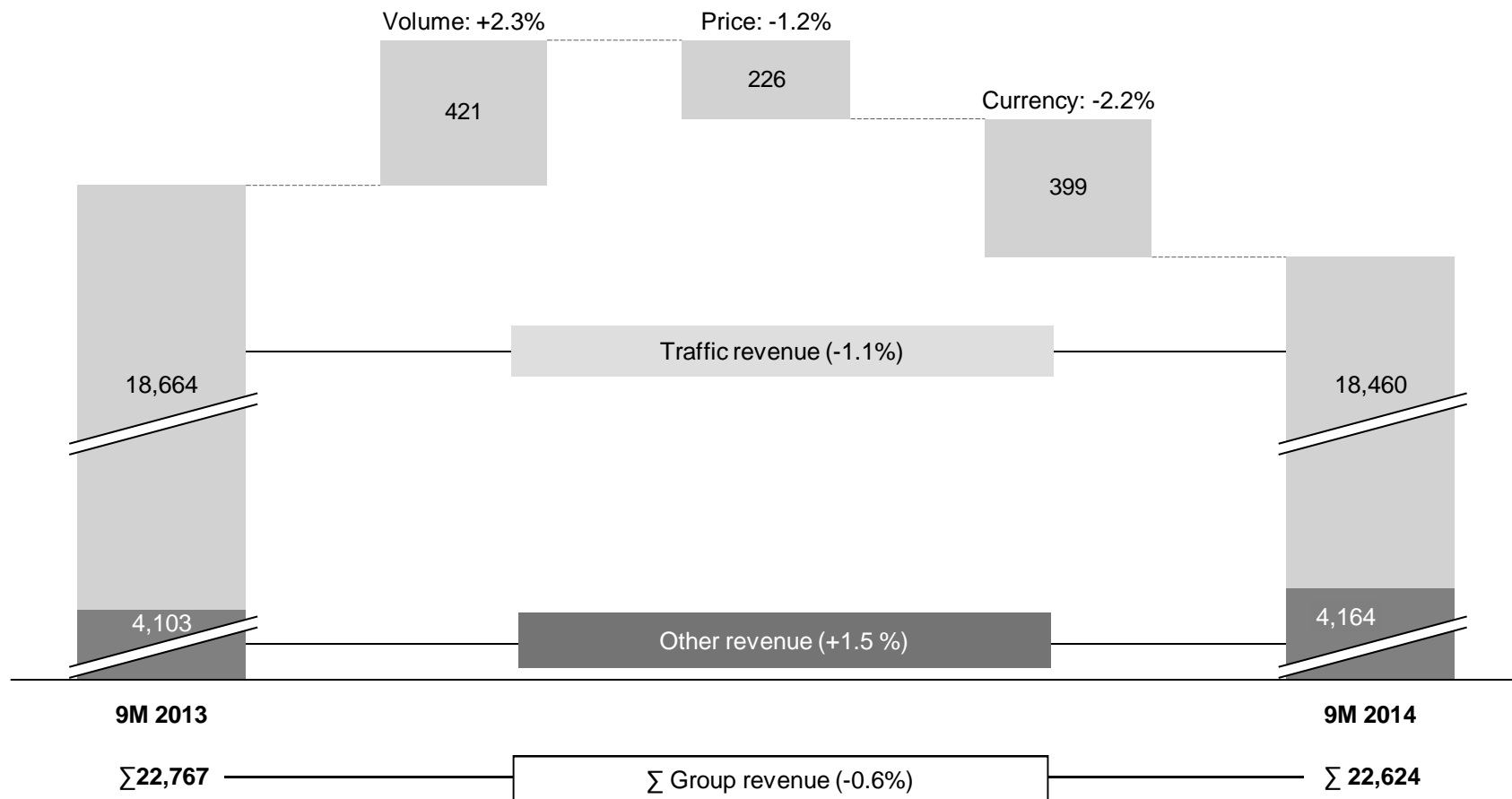
- Operating profit outlook reduced to **"significantly above previous year"**
- Driven by weak revenue environment due to
 - darkening economic outlook;
 - expected weaker pricing
 - inflation of pension cost
- Profit increase in 2015 vs. 2014 to be achieved from airlines and Aviation Services.

Appendix
– Financial Figures 9M & Q3 2014 –

Group Revenue

9M 2014 vs. 9M 2013

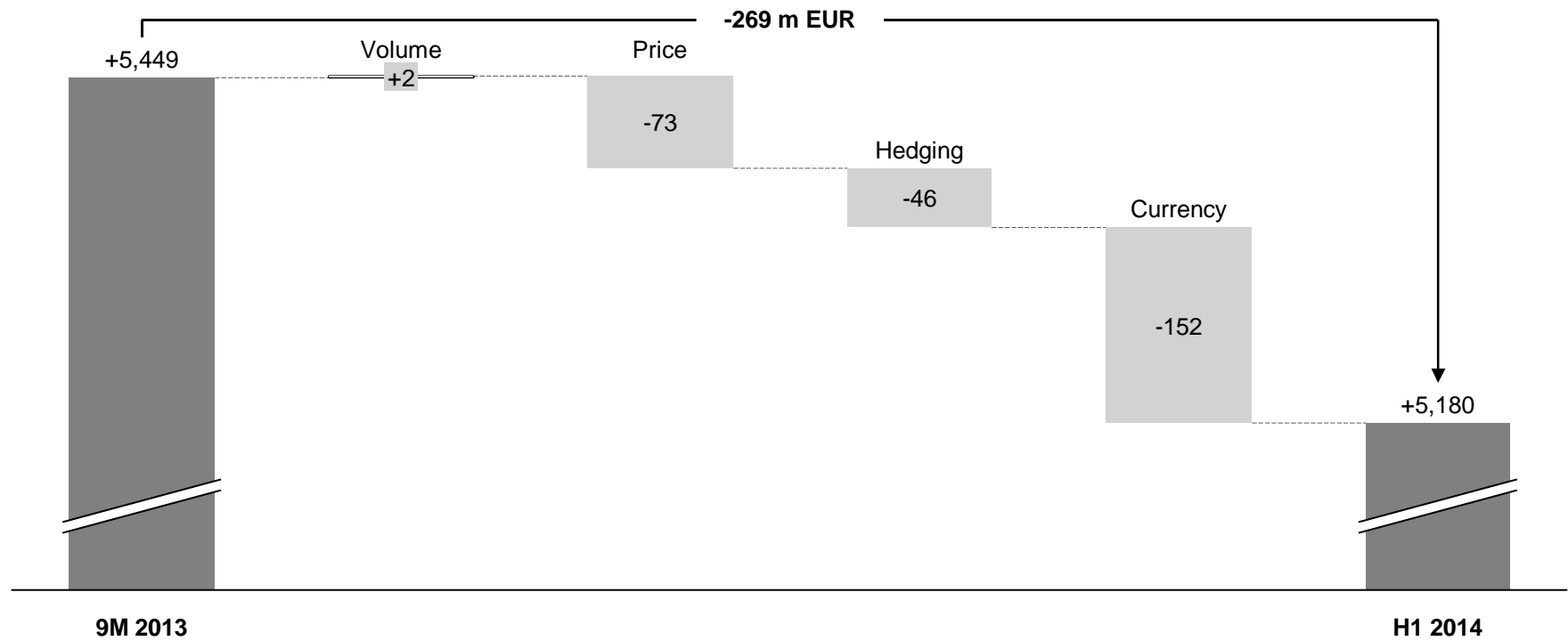
in m EUR



Fuel Cost

9M 2014 vs. 9M 2013

in m EUR



Operating Result

9M 2014 vs. 9M 2013

in m EUR	9M 2014	9M 2013	vs. PY
Profit from operating activities	889	584	+305
Net book gains / losses on assets and financial investments	-82	-10	-72
<i>- thereof aircraft disposals</i>	-14	-9	-5
Reversal of provisions	-80	-75	-5
Past service costs	0	-2	2
Valuation from non-current borrowings	106	7	+99
Impairments	16	159	-143
Operating result	849	663	+186
One-offs (restructuring and project costs)	155	198	-43
Normalized operating result	1,004	861	+136

* excluding one-off effects

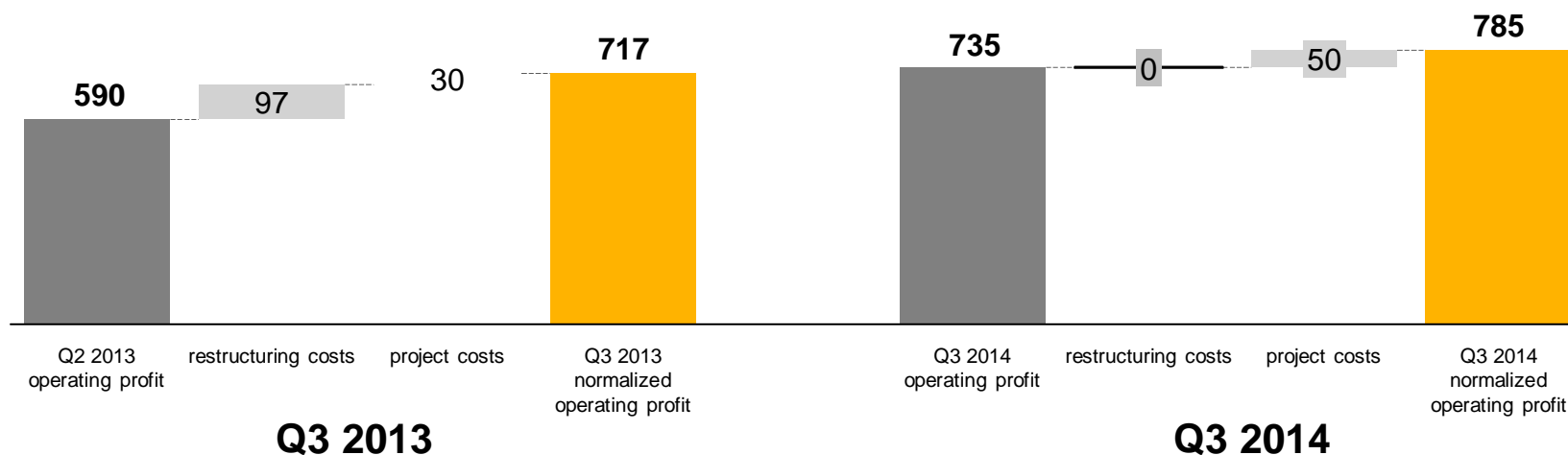
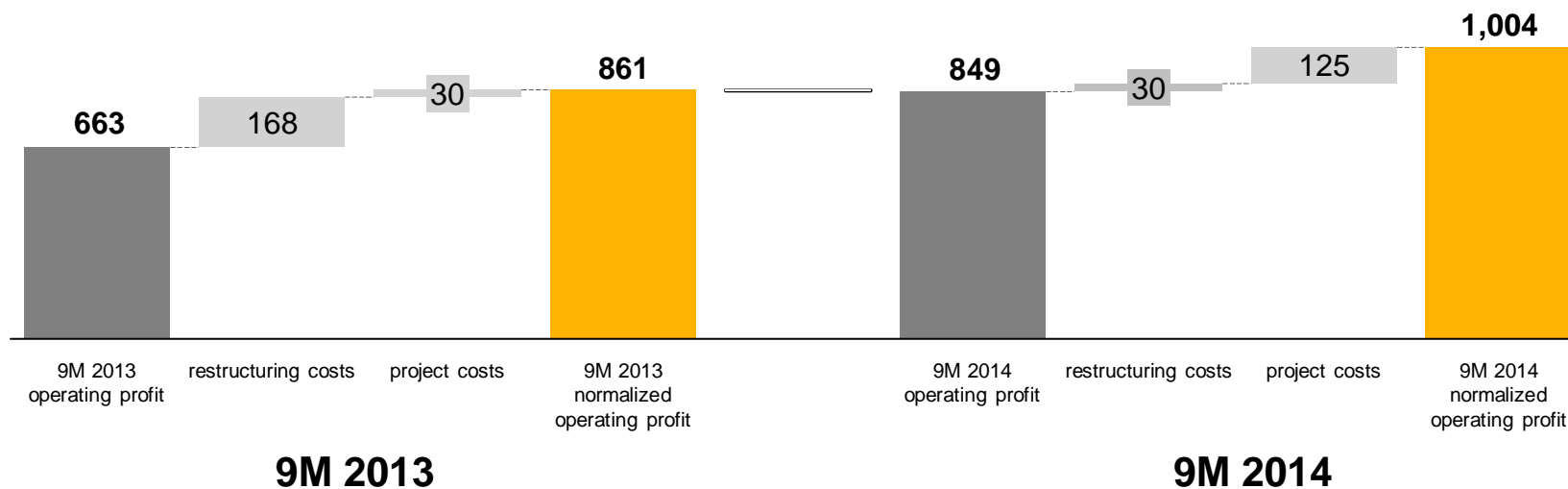
Earnings figures

9M 2014 vs. 9M 2013

in m EUR	9M 2014	9M 2013	vs. PY
Profit from operating activities	889	584	+52.2%
Income from subsidiaries, joint ventures and associates	94	101	-6.9%
Other financial items	-139	-69	-101.4%
<i>- thereof changes in time value of hedge options</i>	-104	-6	n.m.
EBIT	844	616	+37.0%
Net interest	-210	-257	+18.3%
Income taxes	-136	-101	+34.7%
Minority interests	-16	-11	+45.5%
Net profit (diluted)	482	247	+95.1%
Earnings per share (in EUR)	1.05	0.54	+94.4%

Excluding one-off items operating profit shows improvement

Normalized operating results for 9M and Q3



Operating Results and one-off factors

Quarterly operating results 2013-2014

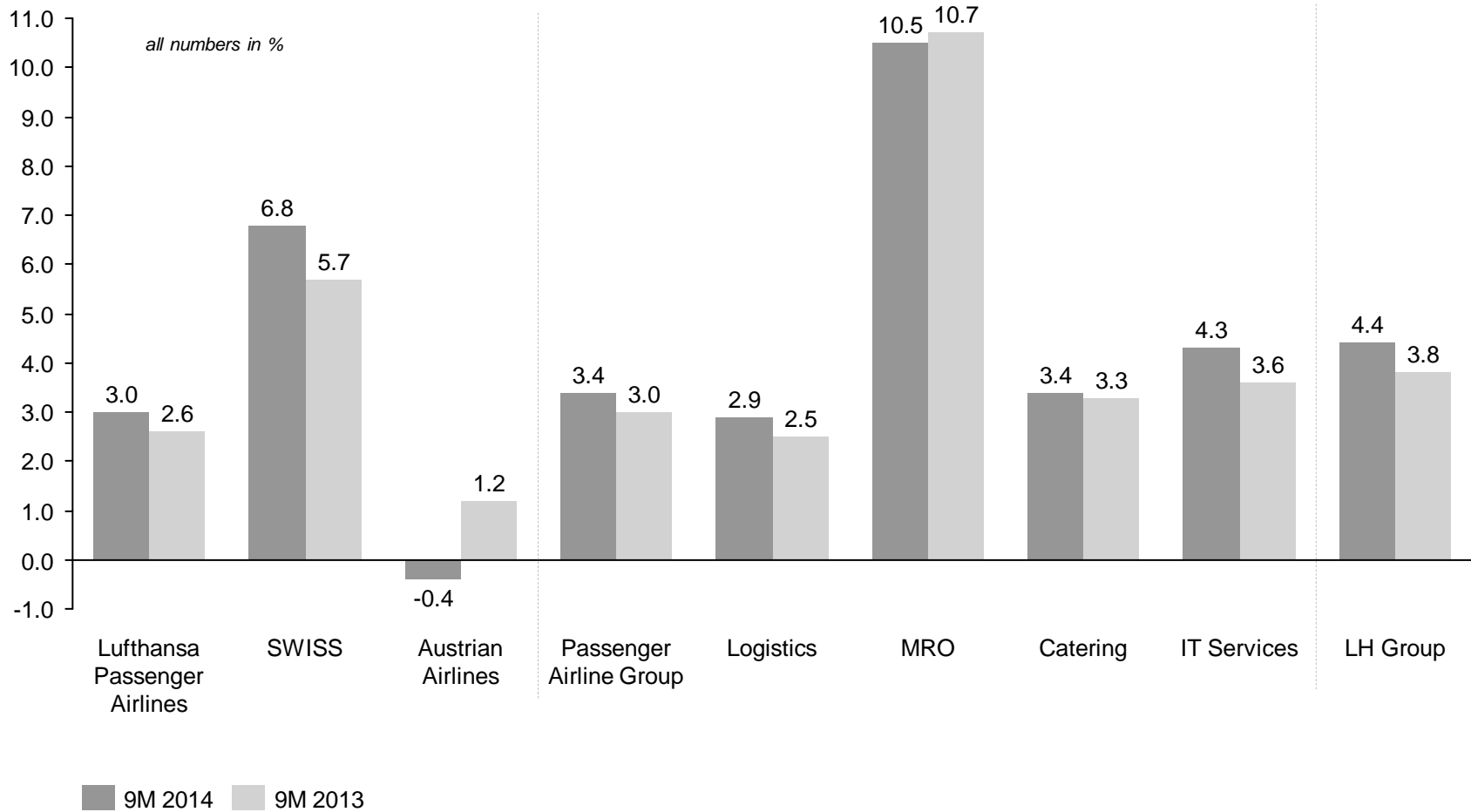
<i>in m EUR</i>	Q1	Q2	Q3	Q4	6M	9M	Full Year
Reported operating result 2013	-359	432*	590*	36	73*	663*	699*
<i>incl. SCORE restructuring costs</i>	-64	-7	-97	-77	-71	-168	-245
<i>incl. Project costs</i>	0	0	-30	-70	0	-30	-100
Normalized operating result 2013	-295	439*	717*	183	144*	861*	1,044*
Reported operating result 2014	-245	359	735		114	849	
<i>incl. SCORE restructuring costs</i>	-20	-10	0		-30	-30	
<i>incl. Project costs</i>	-35	-40	-50		-75	-125	
Normalized operating result 2014	-190	409	785		219	1,004	
<i>incl. depreciation policy change effect</i>	83	86	91		169	260	
<i>incl. strike impacts</i>	-10	-60	-35	-65**	-70	-105	-170**
<i>incl. Venezuelan cash write-offs</i>	-38	-23	+7		-61	-54	

* Restatement due to IFRS11: Aerologic GmbH has been proportionately consolidated as a joint operation since 1 January 2014

** as of October 30, 2014

Operating margins (normalized*)

9M 2014 vs. 9M 2013



* excluding one-off effects