



Analyst and Investor Conference Call – Q3 2018

Frankfurt, 30 October 2018

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Analyst and Investor Conference Call – Q3 2018

Ulrik Svensson

CFO and Member of the Executive Board

Frankfurt, 30 October 2018

Lufthansa holds up well in increasingly challenging market environment

Air traffic control strikes
and capacity shortages

Growing political
uncertainties

Trade conflicts

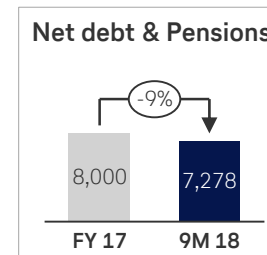
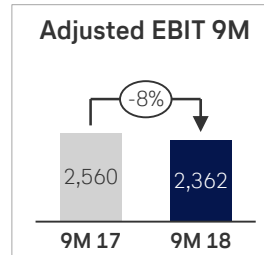
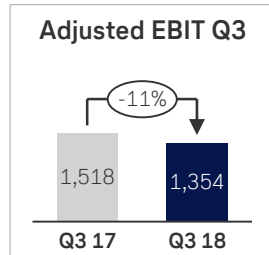
Capacity constraints
at airports

Oil price increase

Flight delays and cancellations

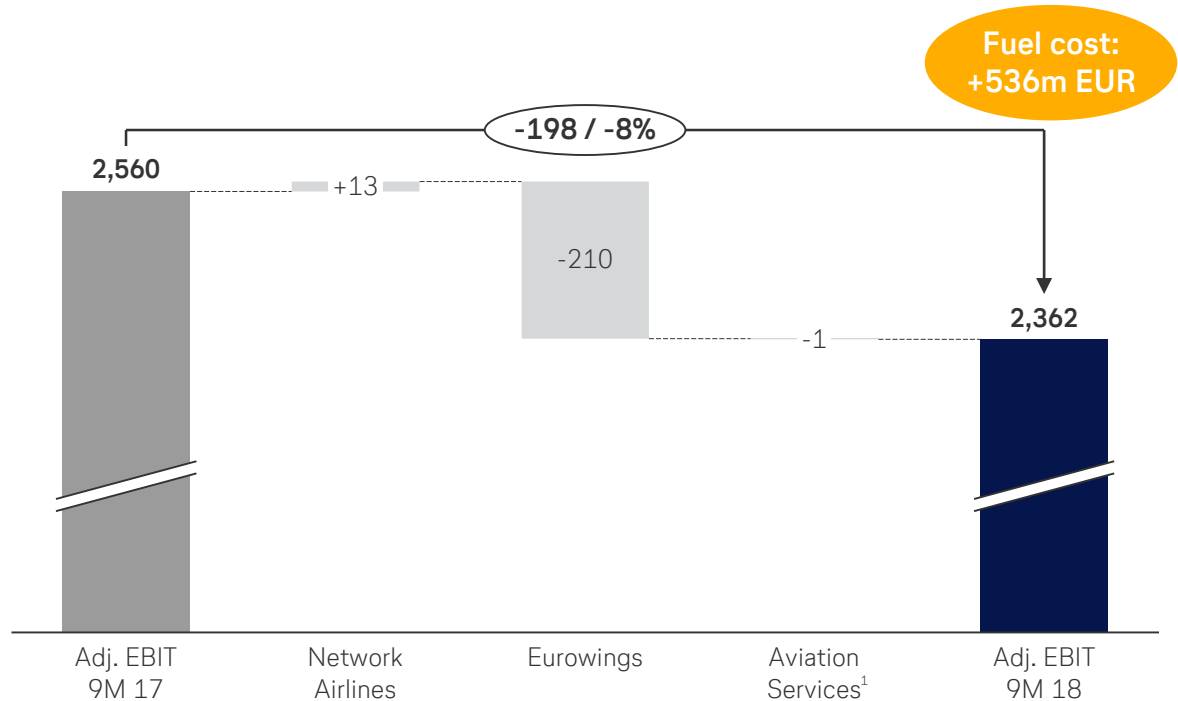


Moderation of global
economic growth outlook



EBIT declines slightly because of one-off related losses at Eurowings

Group Adjusted EBIT 9M 2018



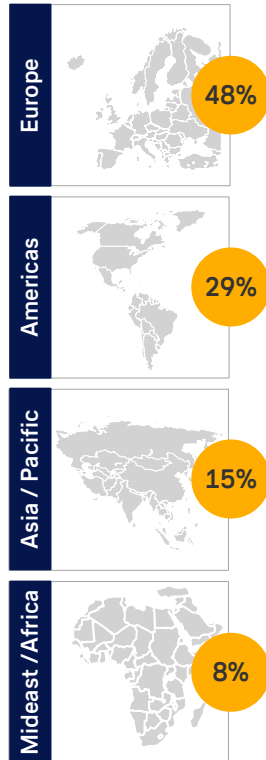
¹ Aviation Services include Logistics, MRO, Catering, Others and Consolidation

Comments

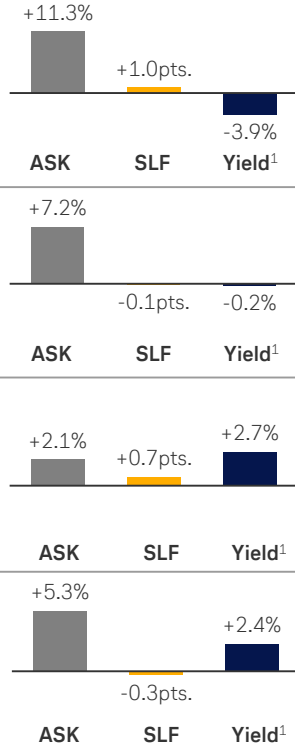
- Group Adjusted EBIT above the previous year level excluding Eurowings which suffers from c. 170m EUR of one-off Air Berlin integration costs
- Network Airlines more than offset fuel headwinds
- Positive performance of Cargo and LSG offset by other businesses in Aviation Services

Strength in long-haul continues

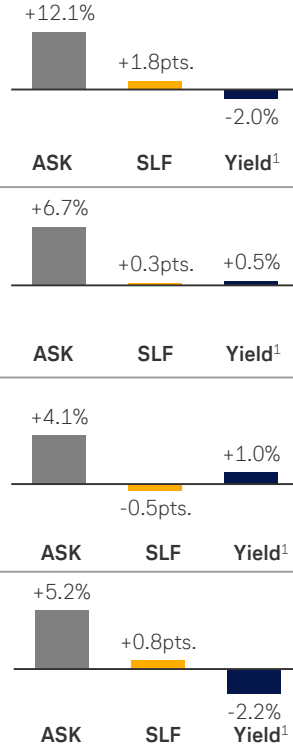
Revenue KPIs



Q3



9M

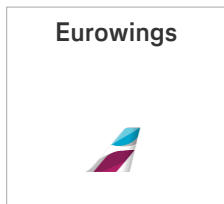
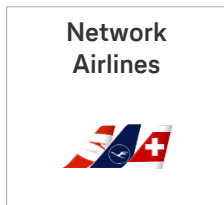


Comments

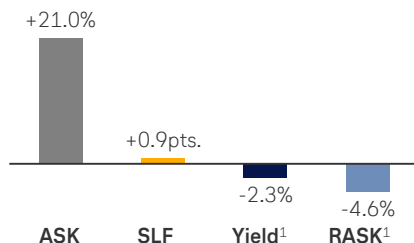
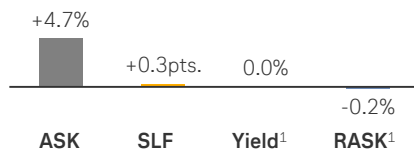
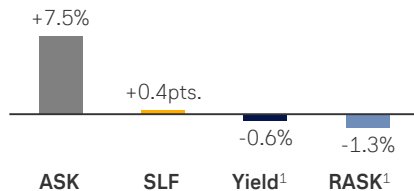
- Significant market share gains in Europe, yield pressure due to tough comparison base, high market-wide capacity-growth and negative mix effect from disproportionate growth of Eurowings
- Americas continue to perform well, yield in key North Atlantic business up 0.7% in Q3 (9M: +1.5%)
- Demand in Asia Pacific strong across the region
- Third quarter yield improvement in Mid-East / Africa driven by African market

Unit revenues at Passenger Airlines up in the first nine months

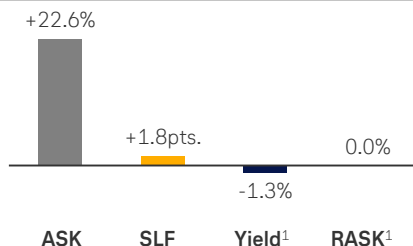
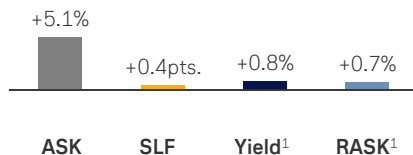
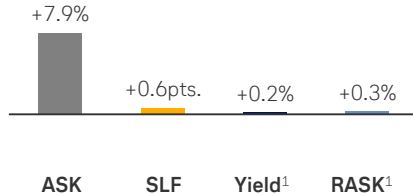
Revenue KPIs



Q3



9M



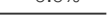








Comments

- Prior year comparison base has become more difficult due to effects of Air Berlin insolvency
- Strong long-haul performance offset by yield decrease in short-haul at Network Airlines
- Tough comparison base and strong growth in long-haul impact Eurowings yield and RASK

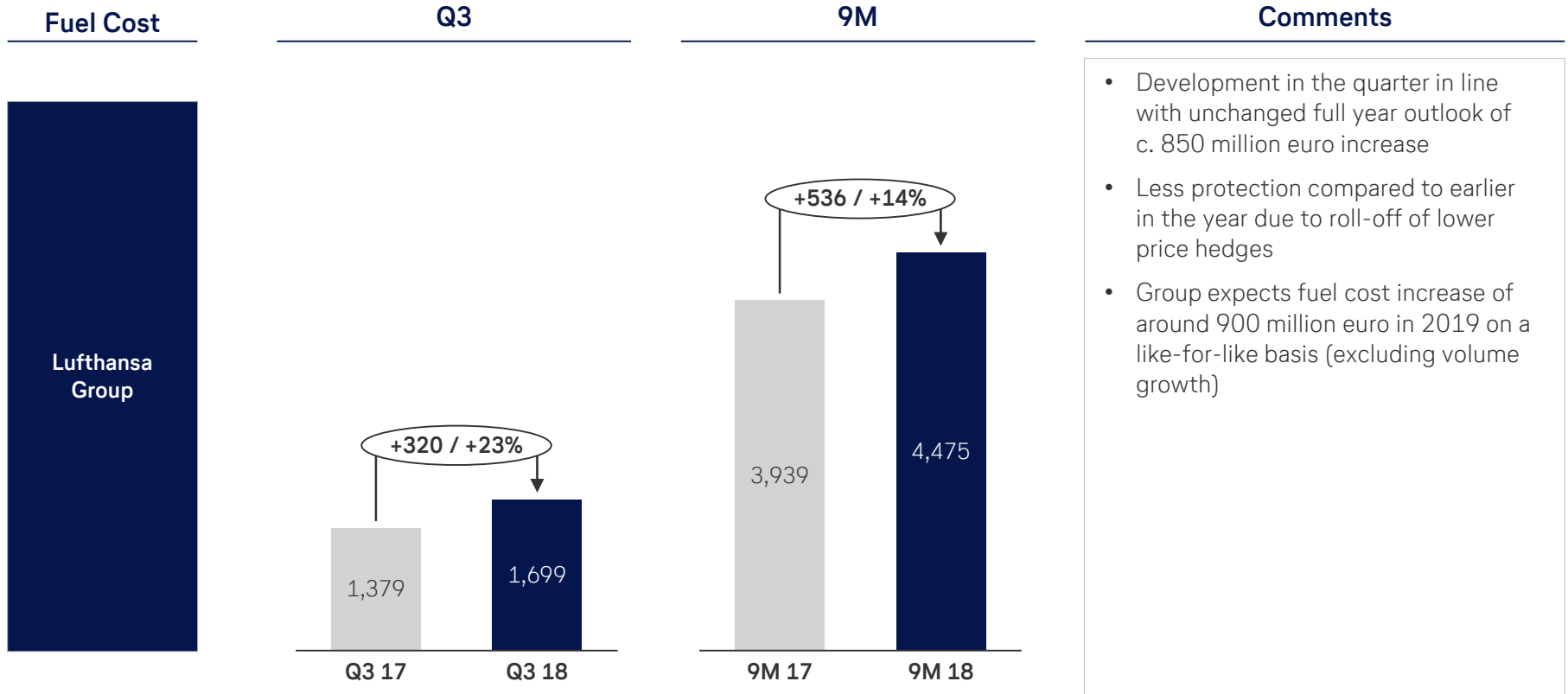
¹ Excl. currency

Irregularity costs and one-offs mask better underlying performance

Cost KPIs	Q3	9M	Comments
Passenger Airlines 	CASK¹ +1.2% 	CASK¹ -0.0% 	<ul style="list-style-type: none"> Higher irregularity costs and increase of MRO expenses impact Passenger Airlines CASK in Q3, irregularity and MRO cost growth expected to moderate in the fourth quarter Group-wide irregularity costs because of flight cancellations and delays following industry-wide disruptions more than double to c. 350 million euro year-to-date Integration cost of former Air Berlin aircraft at Eurowings amounts to c. 170 million euros in the first nine months
Network Airlines 	+1.2% 	-1.0% 	
Eurowings 	+2.0% 	+5.9% 	

¹ Excl. currency

Fuel cost increase accelerates markedly compared to first half year



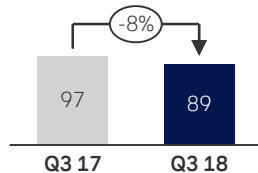
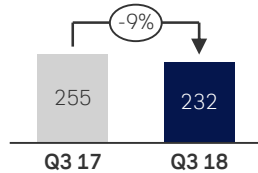
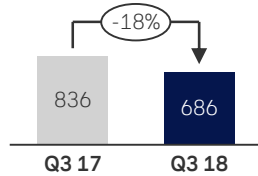
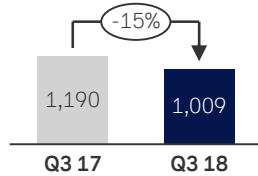
Network Airlines offset rising fuel costs in the first nine months

Adjusted EBIT

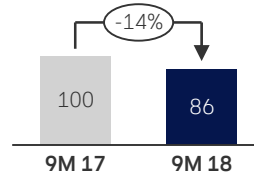
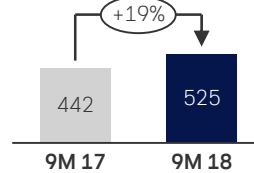
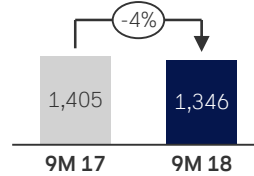
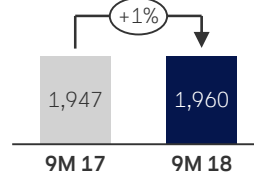
Network
Airlines



Q3



9M

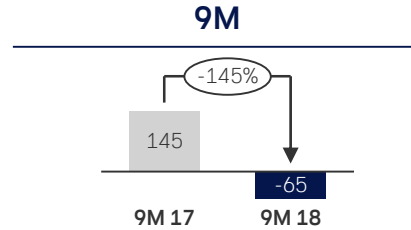
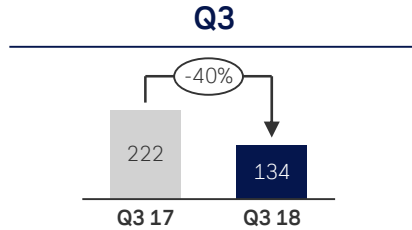
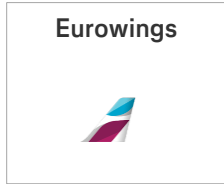


Comments

- Nine months Adjusted EBIT up despite fuel, irregularity and MRO cost increases
- Expected moderation of irregularity and MRO cost growth will benefit profit performance in the fourth quarter
- Results benefit from long-term labor agreements reached last year

Eurowings results distorted by one-off effects of Air Berlin insolvency

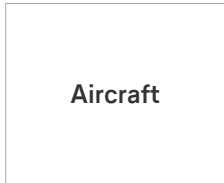
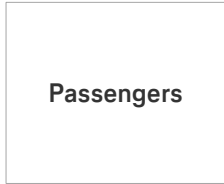
Adjusted EBIT



Comments

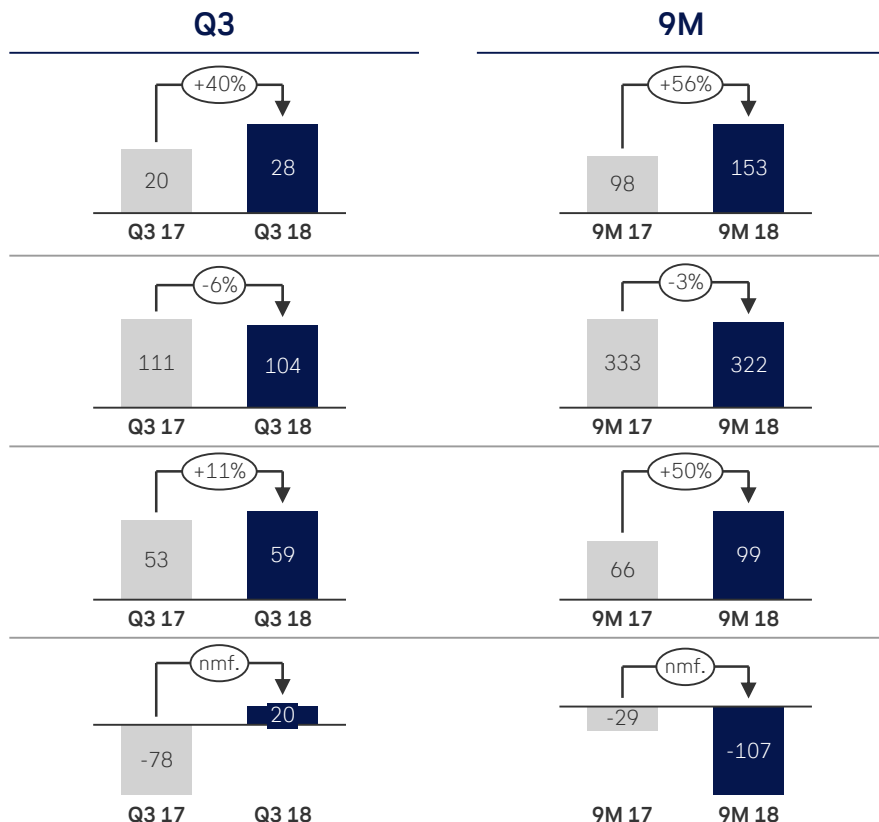
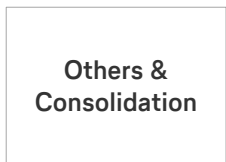
- Air Berlin aircraft integration and ramp-up of long-haul operations weigh on profits
- Integration of former Air Berlin aircraft completed in September
- Non-recurrence of 170 million euro of integration costs and reduction of operational complexity will drive return to profits in 2019

Operational KPIs



Lufthansa Cargo and LSG Group lead profit growth in Aviation Services

Adjusted EBIT

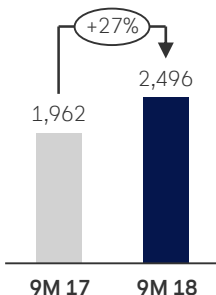


Comments

- Ongoing good demand supports continuously high yields at Lufthansa Cargo
- Cost inflation in spare parts and short-term additions of external capacity impact profitability of Lufthansa Technik
- Result in Others & Consolidation increases primarily due to timing effects in intra-Group transactions, primarily related to MRO; year-to-date performance still below prior year

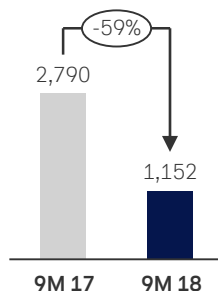
Balance sheet strengthened further

Gross Investments¹



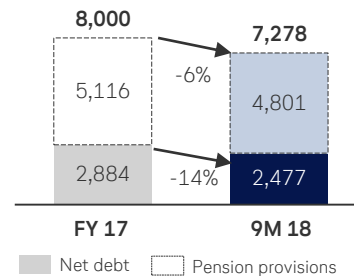
- Majority of investments (2.2bn EUR) relates to new aircraft to modernize the fleet

Free Cash Flow



- Decline mainly due to higher investments and cash taxes

Net Debt / Pension Provisions



- Net debt declines mainly due to the seasonality of the business, pension provisions down mainly because of 0.1pp discount rate increase to 2.1%
- Adjusted net debt/Adjusted EBITDA improves by 0.2x from 1.7x to 1.5x

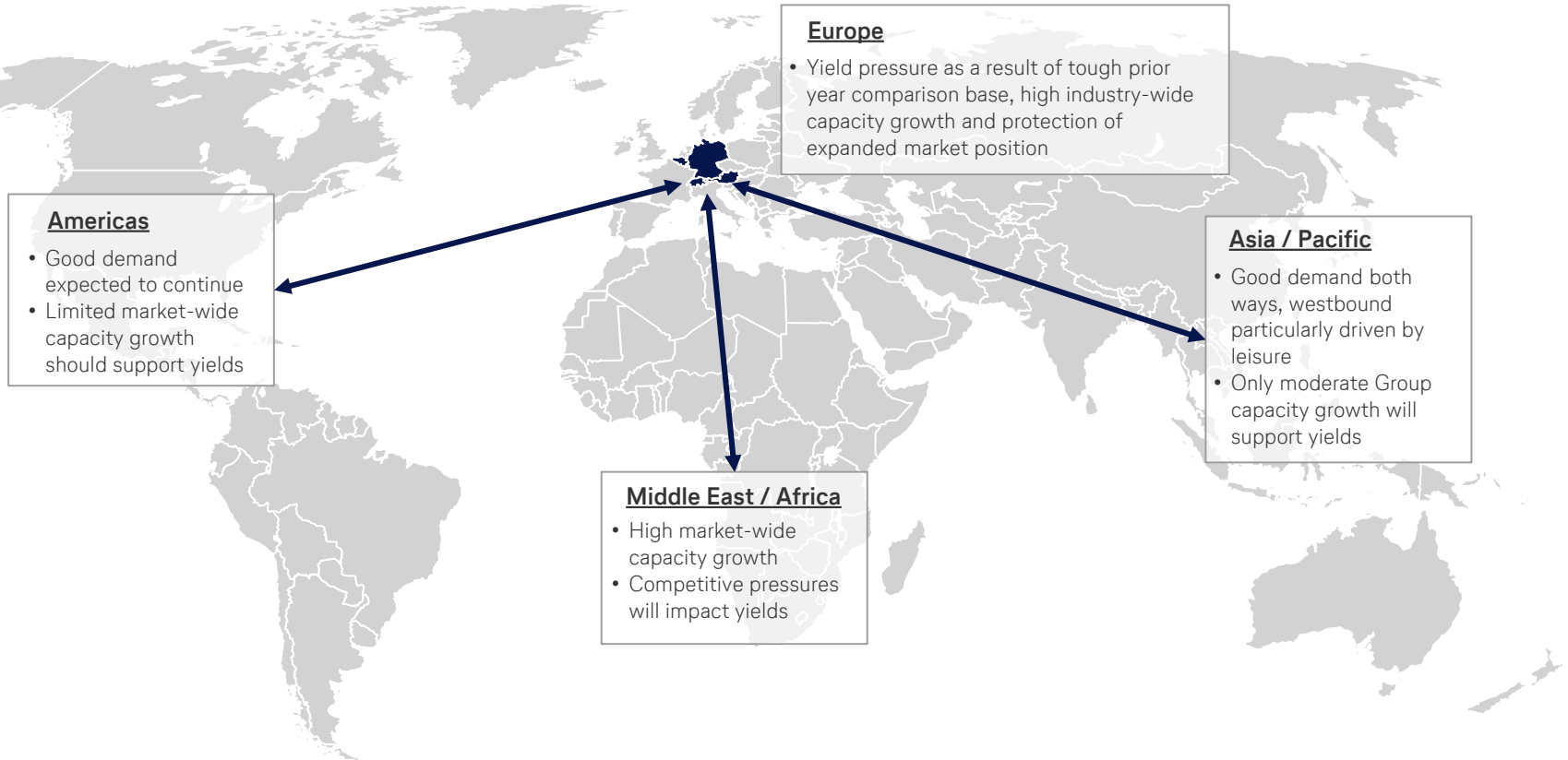
¹ Excluding cash-outs from equity investments

Lufthansa Group confirms financial outlook

		9M	Forecast	Δ	Previous forecast
Passenger Airlines	Capacity Growth (ASK, organic and inorganic)	+7.9%	c. +8%	⇒	c. +8%
	Unit Revenue (RASK, ex. currency)	+0.3%	slightly positive	⇒	slightly positive
	Unit Cost (CASK, ex. currency, ex. fuel)	0.0%	c. -1%	⇒	c. -1%
	Fuel (compared to previous year)	+536 m EUR	additional cost of c. 850m EUR	⇒	additional cost of c. 850m EUR
Aviation Services ¹	Adjusted EBIT	467 m EUR (-0%)	slightly below previous year	⇒	slightly below previous year
Group Adjusted EBIT		2,362 m EUR (-8%)	slightly below previous year	⇒	slightly below previous year

¹ Aviation Services include Logistics, MRO, Catering, Others and Consolidation

Confident outlook above all for long-haul





LUFTHANSA GROUP



Analyst and Investor Conference Call – Q3 2018

Carsten Spohr

CEO and Chairman of the Executive Board

Frankfurt, 30 October 2018

Second best 9M result of Group history despite challenging environment



LH Group Adjusted EBIT: 2.4bn EUR

- Second best nine months result in Group history despite fuel cost increase and flight schedule disruptions



Network Airlines: Result above previous year

- Fuel cost increase fully compensated



Eurowings: Market position significantly improved

- Established position as #3 P2P Airline in Europe. Integration costs burden results



Aviation Services: Stable contribution to results

- Particularly Lufthansa Cargo with good demand and result development



Flight schedule disruptions: Punctuality clearly impaired: -7pts.

- Irregularity costs more than doubled in the first nine months

Lufthansa starts operational excellence initiative and reduces growth



18,000
cancelled flights

1.7m Passengers
affected by cancellations

70% punctuality
(-7pts. vs. previous year)



Capacity growth for Summer 2019 reduced to 3.8%

Allocation of growth to hubs as a function of quality and cost



Additional spare aircraft

Additional A320ceo orders

Additional Staff: 600

Customer communication

Eurowings: Market position significantly improved

Strong growth and integration phase

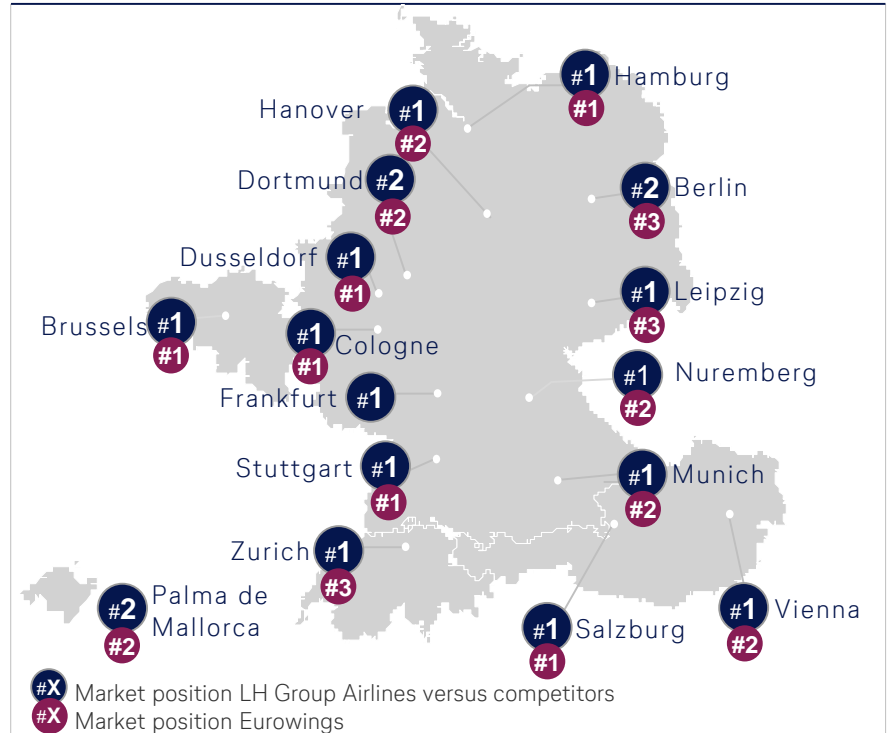


~2x

- Market consolidation around Air Berlin insolvency
- Sustainable strengthening of market position
- One-off cost of 170m EUR for integration of former Air Berlin aircraft and operational irregularities

Focus now: Optimization & profit turnaround

LH Group position in home markets D-A-CH-B





LUFTHANSA GROUP



Analyst and Investor Conference Call – Q3 2018

Frankfurt, 30 October 2018

Appendix

- supplementary information-

Operating profit and loss statement

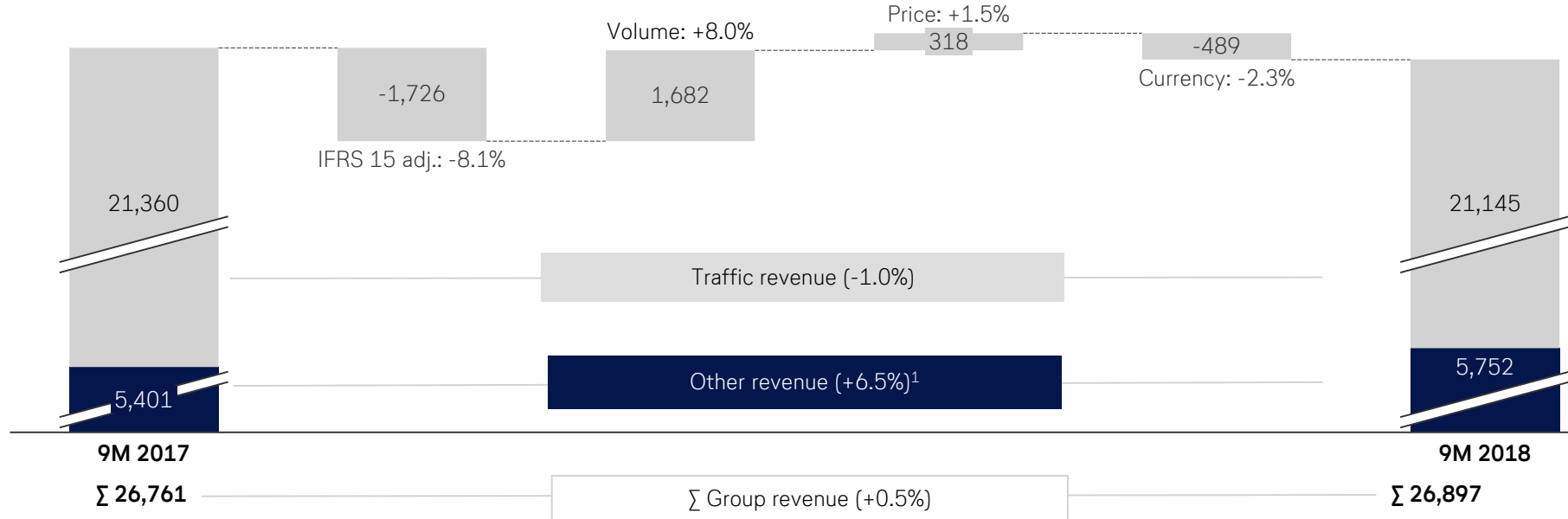
Lufthansa Group (in m EUR)	Q3 '18	vs. Q3 '17
Total revenue	9,959	+1.5%
Other operating income	395	-31.1%
Total operating income	10,354	-1.2%
Operating expenses	9,093	+0.2%
Non-fuel operating expenses	7,394	-3.9%
Cost of materials and services	5,083	+2.5%
Fuel expenses	1,699	+23.2%
Fees and charges	1,207	-30.4%
Staff costs	2,190	+1.3%
Depreciation	478	-20.3%
Other operating expenses	1,342	-0.7%
Result from equity investments	90	-8
EBIT	1,351	-53
Adjustments	+3	-111
Adjusted EBIT	1,354	-164

9M '18	vs. 9M '17
26,897	+0.5%
1,269	-27.4%
28,166	-1.2%
25,938	-1.0%
21,463	-3.6%
13,847	-2.7%
4,475	+13.6%
3,373	-29.6%
6,529	+1.1%
1,376	-5.8%
4,186	+2.9%
133	-7
2,361	-74
+1	-124
2,362	-198

- Excluding IFRS 15, "Total operating income" would have increased by 6.0% versus Q3 '17 (+4.9% vs. 9M '17)
- Excluding IFRS 15, "Fees and charges" would have increased by 7.4% versus Q3 '17 (+6.5% vs. 9M '17)

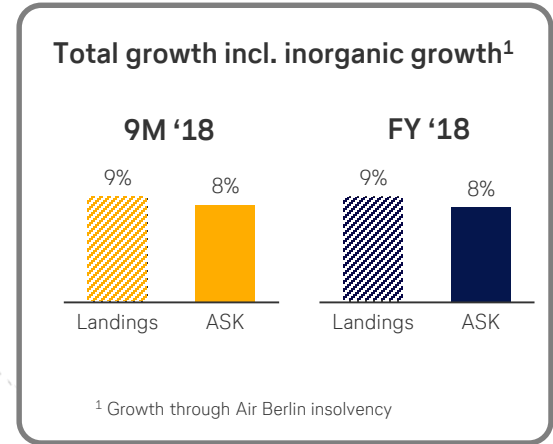
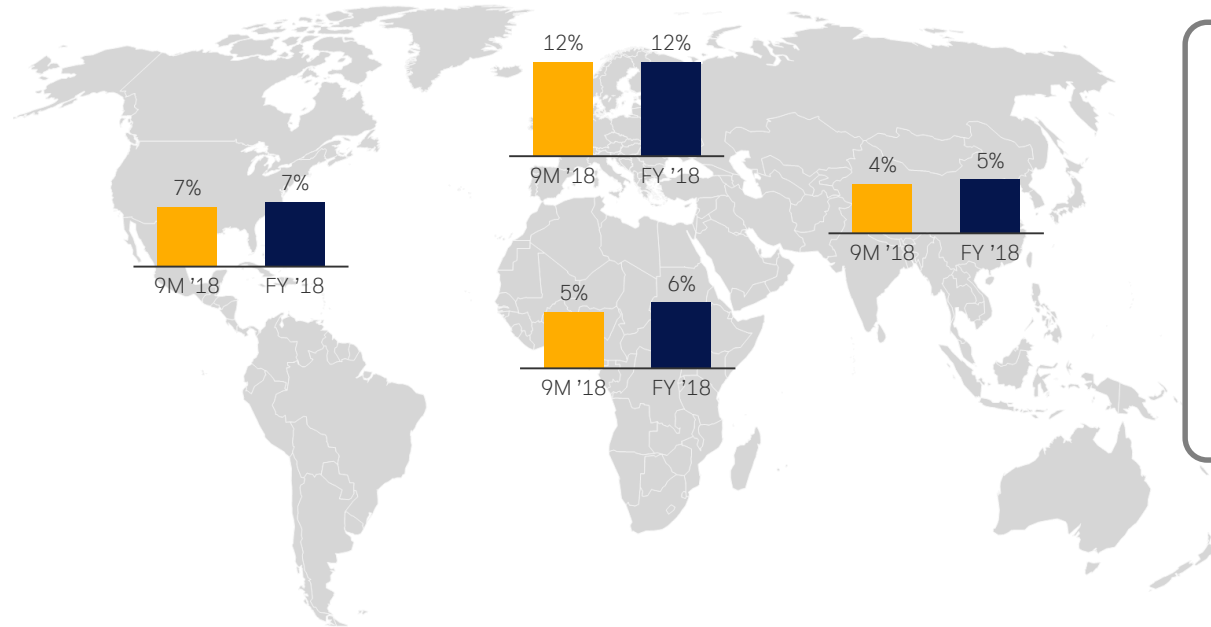
Group revenue bridge

in m EUR



¹ Including positive 270m EUR IFRS 15 effect from reclassification of LAT and AirPlus commissions from other operating income into other revenue

Capacity growth at Passenger Airlines



Status: October 2018

All capacity plans indicative and subject to change

Operating KPIs of Passenger Airlines by region

Total	Q3 '18	9M '18
Number of flights	+9.1%	+8.7%
ASK	+7.5%	+7.9%
RPK	+8.0%	+8.7%
SLF	+0.4pts.	+0.6pts.

Yield	-1.0%	-2.1%
Yield ex currency	-0.6%	+0.2%
RASK	-1.3%	-2.1%
RASK ex currency	-1.3%	+0.3%
CASK incl. fuel	+3.9%	-0.5%
CASK ex currency ex fuel	+1.2%	-0.0%

Europe	Q3 '18	9M '18
ASK	+11.3%	+12.1%
RPK	+12.7%	+14.7%
SLF	+1.0pts.	+1.8pts.
Yield	-4.3%	-3.4%
Yield ex currency	-3.9%	-2.0%

Americas	Q3 '18	9M '18
ASK	+7.2%	+6.7%
RPK	+7.0%	+7.0%
SLF	-0.1pts.	+0.3%
Yield	-0.1%	-2.8%
Yield ex currency	-0.2%	+0.5%

North America	+0.7%	+1.5%
South America	-3.9%	-1.8%

Asia/ Pacific	Q3 '18	9M '18
ASK	+2.1%	+4.1%
RPK	+2.9%	+3.5%
SLF	-0.7pts.	-0.5pts.
Yield	+1.9%	-1.8%
Yield ex currency	+2.7%	+1.0%

Middle East/ Africa	Q3 '18	9M '18
ASK	+5.3%	+5.2%
RPK	+4.8%	+6.2%
SLF	-0.3pts.	+0.8pts.
Yield	+1.3%	-5.0%
Yield ex currency	+2.4%	-2.2%

2018 regional yield¹ development by quarter

	Q1	Q2	Q3	Q4	H1	9M	FY
Europe	+0.1%	-1.6%	-3.9%		-0.9%	-2.0%	
Americas	-1.6%	+3.0%	-0.2%		+1.0%	+0.5%	
<i>Thereof North America</i>	-0.8%	+3.9%	+0.7%		+1.9%	+1.5%	
<i>Thereof South America</i>	-0.7%	-0.2%	-3.9%		-0.6%	-1.8%	
Asia Pacific	-0.3%	+0.1%	+2.7%		-0.1%	+1.0%	
Middle East & Africa	-6.0%	-3.8%	+2.4%		-5.0%	-2.2%	
Total	+0.5%	+1.1%	-0.6%		+0.7%	+0.2%	

¹ Constant currency

Exemplary calculation of operational airline KPIs

Quarterly Data.xls ¹[illegible]

Network Airlines, Q3 2018

Yield	(1) Traffic revenues	5,954
	(2) RPK ²	67,154
	Yield: (1) / (2) * 100	8.9
RASK	(1) Total revenues	6,426
	(2) Other Op. Income	172
	(3) Reversal of provisions	19
	(4) FX losses	-84
	= (5) Basis for RASK (1)+(2)-(3)+(4)	6,495
	(6) ASK ³	78,340
	RASK: (5) / (6) * 100	8.3
CASK	(1) Operating expenses	-5,600
	(2) Reversal of provisions	19
	(3) FX losses	-84
	= (4) Basis for CASK (1) + (2) - (3)	-5,497
	(5) ASK ³	78,340
	CASK: -(4) / (5) * 100	7.0

Traffic Figures ¹

Lufthansa Group
Annual Report 2018

Investor Info June 2018

Lufthansa Group

	2018	2017	2016	2015
Employees 1 2018	120,239	121,726	122,817	123,715
Employees at year-end 2018	120,239	121,726	122,817	123,715
Employees at year-end 2017	121,726	122,817	123,715	124,600
Employees at year-end 2016	122,817	123,715	124,600	125,485
Employees at year-end 2015	123,715	124,600	125,485	126,370
Employees at year-end 2014	124,600	125,485	126,370	127,255
Employees at year-end 2013	125,485	126,370	127,255	128,140
Employees at year-end 2012	126,370	127,255	128,140	129,025
Employees at year-end 2011	127,255	128,140	129,025	129,910
Employees at year-end 2010	128,140	129,025	129,910	130,795
Employees at year-end 2009	129,025	129,910	130,795	131,680
Employees at year-end 2008	129,910	130,795	131,680	132,565
Employees at year-end 2007	130,795	131,680	132,565	133,450
Employees at year-end 2006	131,680	132,565	133,450	134,335
Employees at year-end 2005	132,565	133,450	134,335	135,220
Employees at year-end 2004	133,450	134,335	135,220	136,105
Employees at year-end 2003	134,335	135,220	136,105	136,990
Employees at year-end 2002	135,220	136,105	136,990	137,875
Employees at year-end 2001	136,105	136,990	137,875	138,760
Employees at year-end 2000	136,990	137,875	138,760	139,645
Employees at year-end 1999	137,875	138,760	139,645	140,530
Employees at year-end 1998	138,760	139,645	140,530	141,415
Employees at year-end 1997	139,645	140,530	141,415	142,300
Employees at year-end 1996	140,530	141,415	142,300	143,185
Employees at year-end 1995	141,415	142,300	143,185	144,070
Employees at year-end 1994	142,300	143,185	144,070	144,955
Employees at year-end 1993	143,185	144,070	144,955	145,840
Employees at year-end 1992	144,070	144,955	145,840	146,725
Employees at year-end 1991	144,955	145,840	146,725	147,610
Employees at year-end 1990	145,840	146,725	147,610	148,495
Employees at year-end 1989	146,725	147,610	148,495	149,380
Employees at year-end 1988	147,610	148,495	149,380	150,265
Employees at year-end 1987	148,495	149,380	150,265	151,150
Employees at year-end 1986	149,380	150,265	151,150	152,035
Employees at year-end 1985	150,265	151,150	152,035	152,920
Employees at year-end 1984	151,150	152,035	152,920	153,805
Employees at year-end 1983	152,035	152,920	153,805	154,690
Employees at year-end 1982	152,920	153,805	154,690	155,575
Employees at year-end 1981	153,805	154,690	155,575	156,460
Employees at year-end 1980	154,690	155,575	156,460	157,345
Employees at year-end 1979	155,575	156,460	157,345	158,230
Employees at year-end 1978	156,460	157,345	158,230	159,115
Employees at year-end 1977	157,345	158,230	159,115	160,000
Employees at year-end 1976	158,230	159,115	160,000	160,885
Employees at year-end 1975	159,115	160,000	160,885	161,770
Employees at year-end 1974	160,000	160,885	161,770	162,655
Employees at year-end 1973	160,885	161,770	162,655	163,540
Employees at year-end 1972	161,770	162,655	163,540	164,425
Employees at year-end 1971	162,655	163,540	164,425	165,310
Employees at year-end 1970	163,540	164,425	165,310	166,195
Employees at year-end 1969	164,425	165,310	166,195	167,080
Employees at year-end 1968	165,310	166,195	167,080	167,965
Employees at year-end 1967	166,195	167,080	167,965	168,850
Employees at year-end 1966	167,080	167,965	168,850	169,735
Employees at year-end 1965	168,850	169,735	170,620	171,505
Employees at year-end 1964	169,735	170,620	171,505	172,390
Employees at year-end 1963	170,620	171,505	172,390	173,275
Employees at year-end 1962	171,505	172,390	173,275	174,160
Employees at year-end 1961	172,390	173,275	174,160	175,045
Employees at year-end 1960	173,275	174,160	175,045	175,930
Employees at year-end 1959	174,160	175,045	175,930	176,815
Employees at year-end 1958	175,045	175,930	176,815	177,700
Employees at year-end 1957	175,930	176,815	177,700	178,585
Employees at year-end 1956	176,815	177,700	178,585	179,470
Employees at year-end 1955	177,700	178,585	179,470	180,355
Employees at year-end 1954	178,585	179,470	180,355	181,240
Employees at year-end 1953	179,470	180,355	181,240	182,125
Employees at year-end 1952	180,355	181,240	182,125	183,010
Employees at year-end 1951	181,240	182,125	183,010	183,895
Employees at year-end 1950	182,125	183,010	183,895	184,780
Employees at year-end 1949	183,010	183,895	184,780	185,665
Employees at year-end 1948	183,895	184,780	185,665	186,550
Employees at year-end 1947	184,780	185,665	186,550	187,435
Employees at year-end 1946	185,665	186,550	187,435	188,320
Employees at year-end 1945	186,550	187,435	188,320	189,205
Employees at year-end 1944	187,435	188,320	189,205	190,090
Employees at year-end 1943	188,320	189,205	190,090	190,975
Employees at year-end 1942	189,205	190,090	190,975	191,860
Employees at year-end 1941	190,090	190,975	191,860	192,745
Employees at year-end 1940	190,975	191,860	192,745	193,630
Employees at year-end 1939	191,860	192,745	193,630	194,515
Employees at year-end 1938	192,745	193,630	194,515	195,400
Employees at year-end 1937	193,630	194,515	195,400	196,285
Employees at year-end 1936	194,515	195,400	196,285	197,170
Employees at year-end 1935	195,400	196,285	197,170	198,055
Employees at year-end 1934	196,285	197,170	198,055	198,940
Employees at year-end 1933	197,170	198,055	198,940	199,825
Employees at year-end 1932	198,055	198,940	199,825	200,710
Employees at year-end 1931	198,940	199,825	200,710	201,595
Employees at year-end 1930	199,825	200,710	201,595	202,480
Employees at year-end 1929	200,710	201,595	202,480	203,365
Employees at year-end 1928	201,595	202,480	203,365	204,250
Employees at year-end 1927	202,480	203,365	204,250	205,135
Employees at year-end 1926	203,365	204,250	205,135	206,020
Employees at year-end 1925	204,250	205,135	206,020	206,905
Employees at year-end 1924	205,135	206,020	206,905	207,790
Employees at year-end 1923	206,020	206,905	207,790	208,675
Employees at year-end 1922	206,905	207,790	208,675	209,560
Employees at year-end 1921	207,790	208,675	209,560	210,445
Employees at year-end 1920	208,675	209,560	210,445	211,330
Employees at year-end 1919	209,560	210,445	211,330	212,215
Employees at year-end 1918	210,445	211,330	212,215	213,100
Employees at year-end 1917	211,330	212,215	213,100	213,985
Employees at year-end 1916	212,215	213,100	213,985	214,870
Employees at year-end 1915	213,100	213,985	214,870	215,755
Employees at year-end 1914	213,985	214,870	215,755	216,640
Employees at year-end 1913	214,870	215,755	216,640	217,525
Employees at year-end 1912	215,755	216,640	217,525	218,410
Employees at year-end 1911	216,640	217,525	218,410	219,295
Employees at year-end 1910	217,525	218,410	219,295	220,180
Employees at year-end 1909	218,410	219,295	220,180	221,065
Employees at year-end 1908	219,295	220,180	221,065	221,950
Employees at year-end 1907	220,180	221,065	221,950	222,835
Employees at year-end 1906	221,065	221,950	222,835	223,720
Employees at year-end 1905	221,950	222,835	223,720	224,605
Employees at year-end 1904	222,835	223,720	224,605	225,490
Employees at year-end 1903	223,720	224,605	225,490	226,375
Employees at year-end 1902	224,605	225,490	226,375	227,260
Employees at year-end 1901	225,490	226,375	227,260	228,145
Employees at year-end 1900	226,375	227,260	228,145	229,030
Employees at year-end 1899	227,260	228,145	229,030	229,915
Employees at year-end 1898	228,145	229,030	229,915	230,800
Employees at year-end 1897	229,030	229,915	230,800	231,685
Employees at year-end 1896	229,915	230,800	231,685	232,570
Employees at year-end 1895	230,800	231,685	232,570	233,455
Employees at year-end 1894	231,685	232,570	233,455	234,340
Employees at year-end 1893	232,570	233,455	234,340	235,225
Employees at year-end 1892	233,455	234,340	235,225	236,110
Employees at year-end 1891	234,340	235,225	236,110	236,995
Employees at year-end 1890	235,225	236,110	236,995	237,880
Employees at year-end 1889	236,110	236,995	237,880	238,765
Employees at year-end 1888	236,995	237,880	238,765	239,650
Employees at year-end 1887	237,880	238,765	239,650	240,535
Employees at year-end 1886	238,765	239,650	240,535	241,420
Employees at year-end 1885	239,650	240,535	241,420	242,305
Employees at year-end 1884	240,535	241,420	242,305	243,190
Employees at year-end 1883	241,420	242,305	243,190	244,075
Employees at year-end 1882	242,305	243,190	244,075	244,960
Employees at year-end 1881	243,190	244,075	244,960	245,845
Employees at year-end 1880	244,075	244,960	245,845	246,730
Employees at year-end 1879	244,960	245,845	246,730	247,615
Employees at year-end 1878	245,845	246,730	247,615	248,500
Employees at year-end 1877	246,730	247,615	248,500	249,385
Employees at year-end 1876	247,615	248,500	249,385	250,270
Employees at year-end 1875	248,500	249,385	250,270	251,155
Employees at year-end 1874	249,385	250,270	251,155	252,040
Employees at year-end 1873	250,270	251,155	252,040	252,925
Employees at year-end 1872	251,155	252,040	252,925	253,810
Employees at year-end 1871	252,040	252,925	253,810	254,695
Employees at year-end 1870	252,925	253,810	254,695	255,580
Employees at year-end 1869	253,810	254,695	255,580	256,465
Employees at year-end 1868	254,695	255,580	256,465	257,350
Employees at year-end 1867	255,580	256,465	257,350	258,235
Employees at year-end 1866	256,465	257,350	258,235	259,120
Employees at year-end 1865	257,350	258,235	259,120	260,005
Employees at year-end 1864	258,235	259,120	260,005	260,890
Employees at year-end 1863	259,120	260,005	260,890	261,775
Employees at year-end 1862	260,005	260,890	261,775	262,660
Employees at year-end 1861	260,890	261,775	262,660	263,545
Employees at year-end 1860	261,775	262,660	263,545	264,430
Employees at year-end 1859	262,660	263,545	264,430	265,315
Employees at year-end 1858	263,545	264,430	265,315	266,200
Employees at year-end 1857	264,430	265,315	266,200	267,085
Employees at year-end 1856	265,315	266,200	267,085	267,970
Employees at year-end 1855	266,200	267,085	267,970	268,855
Employees at year-end 1854	267,085	267,970	268,855	269,740
Employees at year-end 1853	267,970	268,855	269,740	270,625
Employees at year-end 1852	268,855	269,740	270,625	271,510
Employees at year-end 1851	269,740	270,625	271,510	272,395
Employees at year-end 1850	270,625	271,510	272,395	273,280
Employees at year-end 1849	271,510	272,395	273,280	274,165
Employees at year-end 1848	272,395	273,280	274,165	275,050
Employees at year-end 1847	273,280	274,165	275,050	275,935
Employees at year-end 1846	274,165	275,050	275,935	276,820
Employees at year-end 1845	275,050	275,935	276,820	277,705
Employees at year-end 1844	275,935	276,820	277,705	278,590
Employees at year-end 1843	276,820	277,705	278,590	279,475
Employees at year-end 1842	277,705	278,590	279,475	280,360
Employees at year-end 1841	278,590	279,475	280,360	281,245
Employees at year-end 1840	279,475	280,360	281,245	282,130
Employees at year-end 1839	280,360	281,245	282,130	283,015
Employees at year-end 1838	281,245	282,130	283,015	283,900
Employees at year-end 1837	282,130	283,015	283,900	284,785
Employees at year-end 1836	283,015	283,900	284,785	285,

¹ Available on www.investor-relations.lufthansagroup.com, ² RPK: Revenue Passenger Kilometers, ³ ASK: Available Seat Kilometers

Fuel cost bridge

Hedging result by quarter (in m EUR)

in m EUR

	Q1	Q2	Q3	Q4	FY (YTD)
2017	-30	-63	-30		-123
2018	107	229	245		581

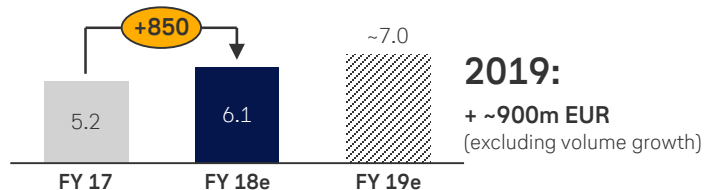
Change versus previous year



Fuel cost outlook and sensitivity

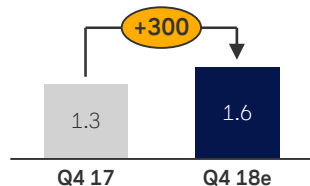
Fuel cost

Full Year 17 / 18 / 19



LH	Hedging level	78%	78%	62%
	Volume (m tons)	10.2	10.9	nd ⁴
Mkt.	LH Jet fuel price ¹ (USD/t)	578	663	752
	EUR/USD ²	1.13	1.19	1.18
	Brent forward (USD/bbl) ³	55	75	80

Q4 2018



LH	Hedging level	78%	77%
	Volume (m tons)	2.5	2.7
Mkt.	LH Jet fuel price ¹ (USD/t)	608	693
	EUR/USD	1.18	1.18
	Brent forward (USD/bbl) ³	62	82

As of 30 Sep 2018

¹ incl. fuel hedging and into-plane charge

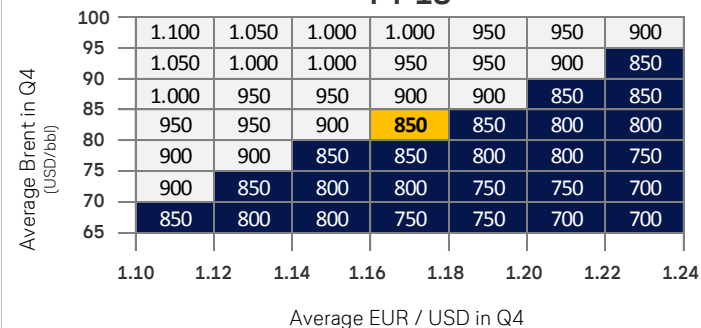
² 2017: average of realized FX rates; 2018: average of realized FX rates for 9M and spot as of 30 Sep for Q4; 2019: spot as of 30 Sep

³ 2017: average of realized Brent price; 2018: average of realized Brent price for 9M and forward as of 30 Sep for Q4; 2019: forward as of 30 Sep

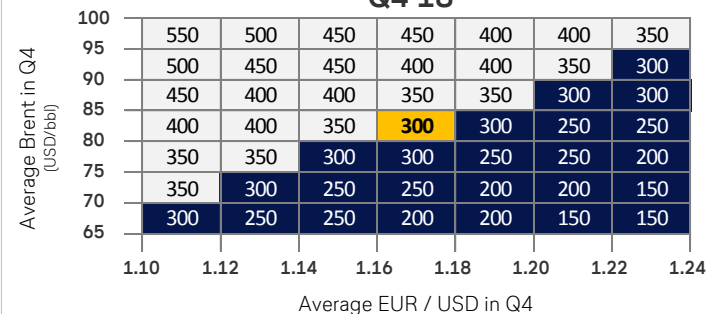
⁴ calculation based on an unchanged volume assumption

Sensitivity to Brent and currency

FY 18



Q4 18



LUFTHANSA GROUP

Fuel and foreign exchange hedging strategy

Hedging Strategy

Aim of hedging strategy

- Lufthansa's hedging strategy is designed to reduce volatility
- No intention to outperform the market
- Rolling approach up to 24 months going forward

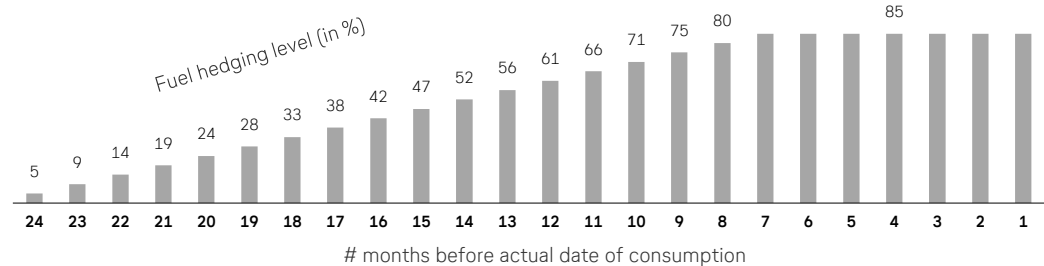
Fuel Hedging

- Hedging level is increased month-by-month until up to 85% is hedged
- Mostly options, not fixed contracts, to still benefit from falling oil prices

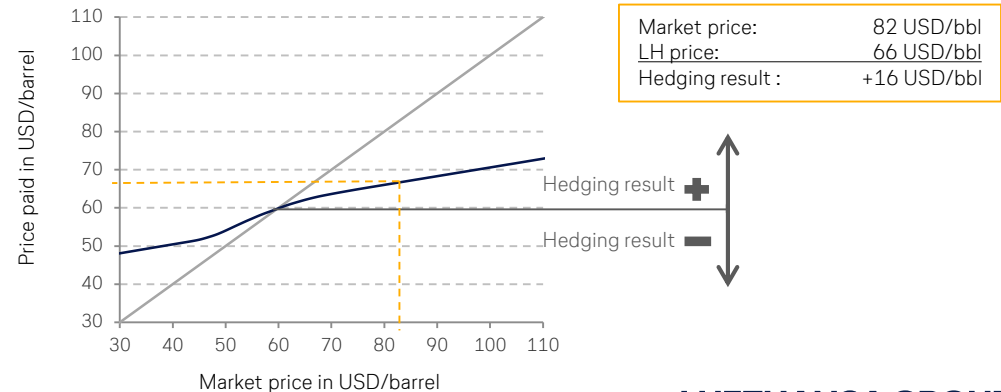
FX Hedging

- Hedging of net FX exposure per currency, level is increased every two or six months until 80% for next 24 months is hedged
- Use of forward contracts

Fuel Hedging Approach

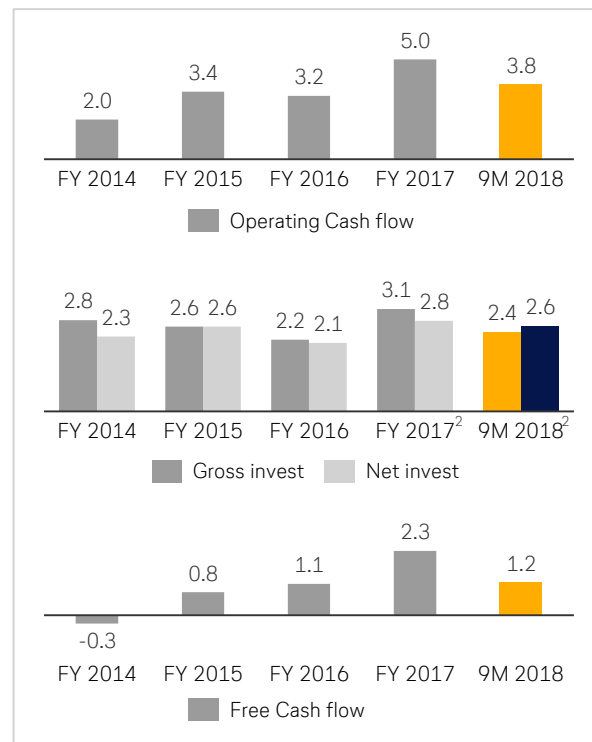


Fuel price curve remainder of 2018



Cash flow statement

Lufthansa Group (in m EUR)	9M '18	vs. 9M '17
EBT (earnings before income taxes)	2,266	-84
Depreciation & amortization (incl. non-current assets)	1,393	-56
Net proceeds from disposal of non-current assets	-1	+33
Result of equity investments	-133	+7
Net interest	120	-81
Income tax payments/reimbursements	-502	-323
Significant non-cash-relevant expenses / income	-157	-18
Change in trade working capital	947	+351
Change in other assets / liabilities	-162	-517
Operating cash flow	3,771	-688
Capital expenditure (net)	-2,619	-950
Free cash flow	1,152	-1,638
Cash and cash equivalents as of 30.09.18 ¹	1,261	-40
Current securities	2,681	-2,261
Total Group liquidity	3,942	-2,301



¹ Excluding fixed-term deposits with terms from three to twelve months (2018: 248m EUR, 2017: 201m EUR)

² Excl. cash-outs from equity

Group Adjusted EBIT expected to be “slightly below previous year”

Segment	Adj. EBIT 2017 (m EUR)	Adj. EBIT Forecast for 2018
Lufthansa German Airlines	1,627	slightly below previous year
SWISS	542	above previous year
Austrian Airlines	94	below previous year
Network Airlines	2,263	slightly below previous year
Eurowings	94	negative
Logistics	242	broadly stable
MRO	415	broadly stable
Catering	66	significantly above previous year
Other	-130	below previous year
Internal Revenue / Reconciliation	23	
Lufthansa Group	2,973	slightly below previous year

Multi-Year financial overview

Lufthansa Group (in m EUR)	2014	2015	2016	2017
Operating KPIs				
RASK ex currency	-2.5%	-3.0%	-5.9%	+1.9%
CASK ex currency, ex fuel	-2.6%	+2.4%	-6.1%	-0.4%
Profit & Loss				
Revenues	30,011	32,056	31,660	35,579
Fuel Cost	6,751	5,784	4,885	5,232
Adjusted EBIT	1,171	1,817	1,752	2,973
Adjusted EBIT Margin	3.9%	5.7%	5.5%	8.4%
Balance Sheet				
Total Assets	30,474	32,462	34,697	36,267
Net Financial Debt and Pension Liabilities	10,649	9,973	11,065	8,000
ROCE	4.6%	7.7%	9.0%	12.8%
Cash Flow statement				
Operating Cash Flow	1,977	3,393	3,246	5,035
Capital expenditure (net)	2,274	2,559	2,108	2,782
Free Cash Flow	-297	834	1,138	2,253