



Q2 2019

Analyst and Investor Conference Call

Ulrik Svensson, CFO and Member of the Executive Board

Frankfurt, 30 July 2019

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Lufthansa Group: Review of First Half Year 2019

Awards confirm strength of brand and product



Business Traveller
AWARDS | 2019

Significant improvement of operational performance

28%

Less cancellations at Network Airlines

23%

Less cancellations at Eurowings

Clear Eurowings turnaround plan in place



- Focus on short-haul
- Transfer of commercial responsibility for long-haul to Network organization
- One AOC in Germany
- Standardized A320 family fleet
- 15% CASK reduction by 2022
- Brussels Airlines positioned independently from Eurowings

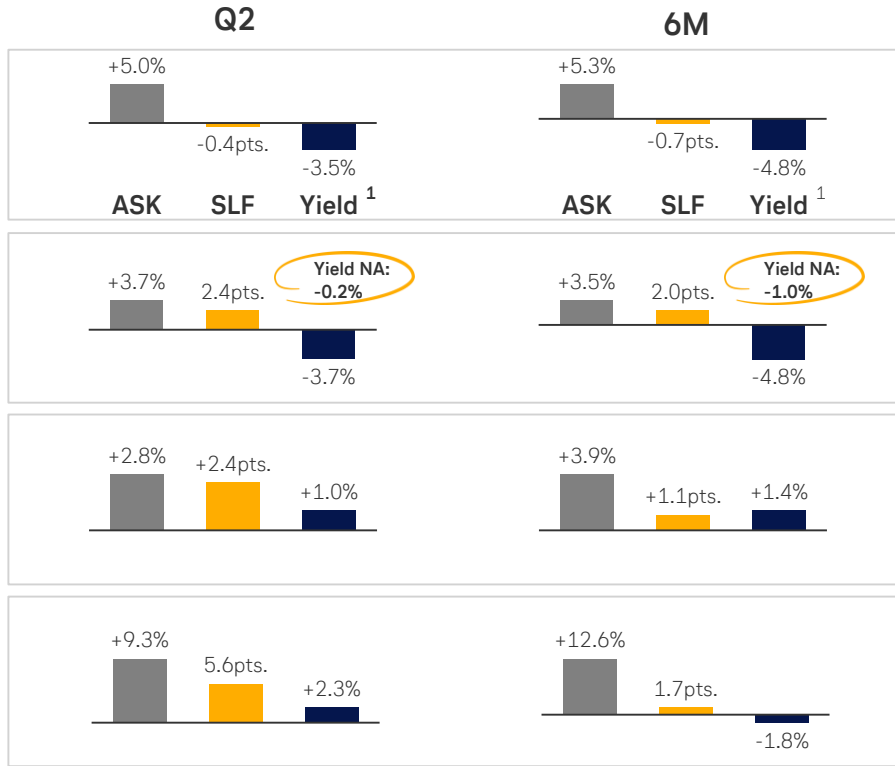
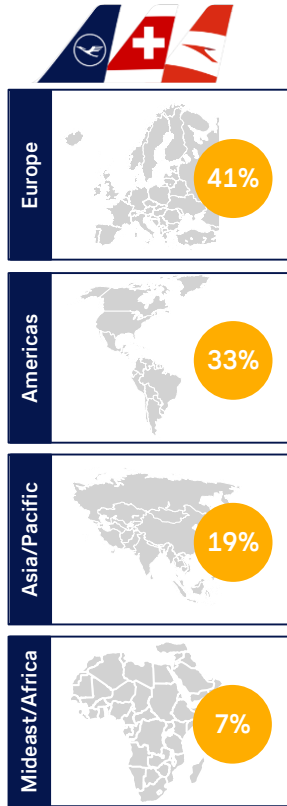
Financial results burdened by market-wide challenges

EUR 418m (-60%)

Adj. EBIT 6M 2019



Network Airlines: Performance differs significantly by geography



¹ Excl. currency

● % of Traffic Revenues as of 6M 19

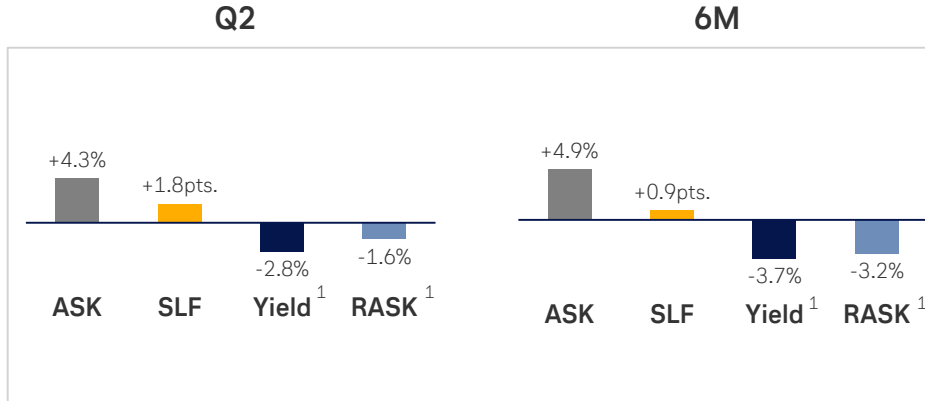
Comments

- Yields in Europe, particularly Germany and Austria, remain under pressure because of market-wide overcapacities, aggressive competition and increasingly price sensitive demand
- Volume-led growth on the Transatlantic route continues, South America remains a drag
- Solid performance on Asian routes
- Mideast / Africa performance improves

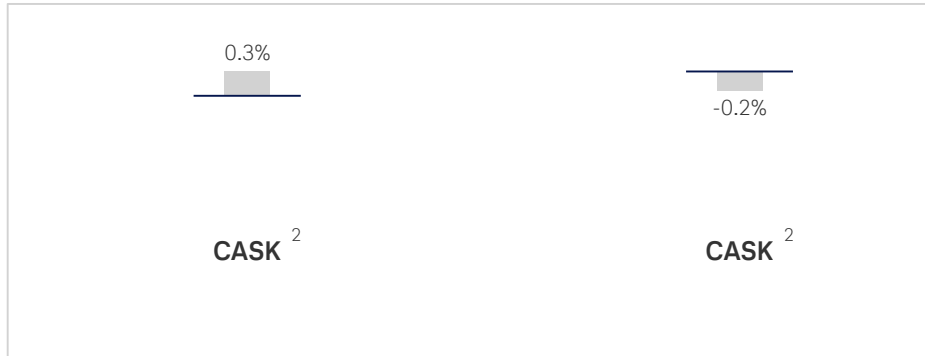
Network Airlines: Volume growth more than offset by lower yields



Revenue KPIs



Cost KPIs



¹ Excl. currency ² Excl. currency, excl. fuel

Comments

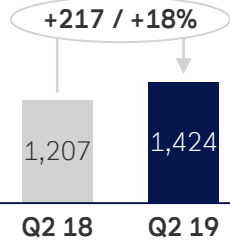
- Unit revenue performance affected by demand becoming more price sensitive
- Higher MRO expenses related to engine maintenance offset benefit from lower irregularity costs in the second quarter

Network Airlines: Profits hit by lower unit revenues and higher fuel costs

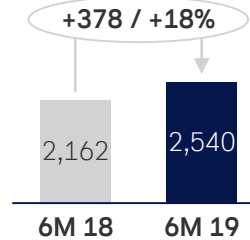


Fuel cost

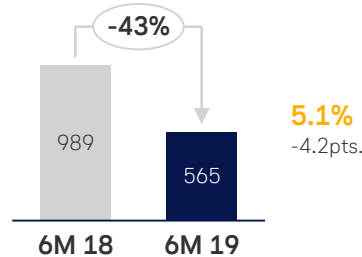
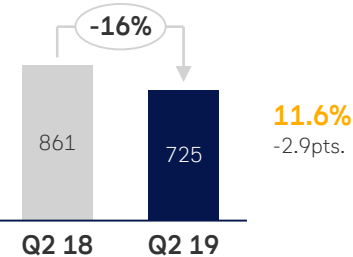
Q2



6M



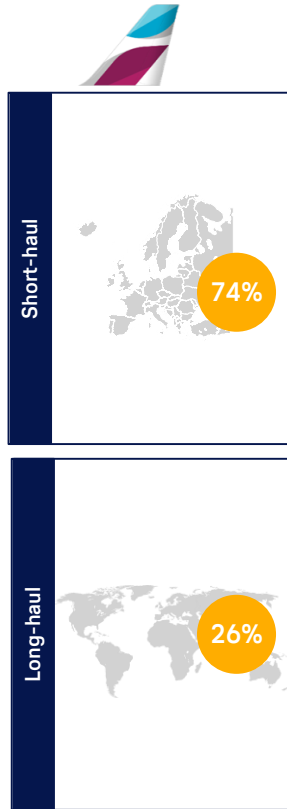
Adjusted EBIT / Margin



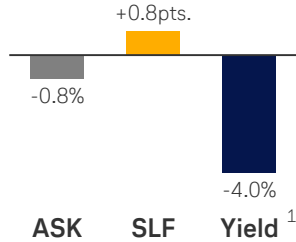
Comments

- Substantial fuel cost increase cannot be passed on to customers
- Operating profit declines at all Network Airlines

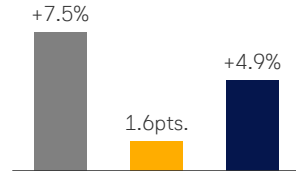
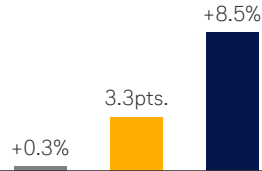
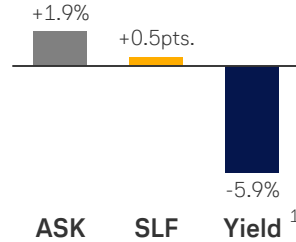
Eurowings: Short-haul yields challenged by market pressures



Q2



6M



Comments

- Short haul continues to suffer from tough market conditions in domestic and European business
- Long-haul performance remains below expectations despite improvements

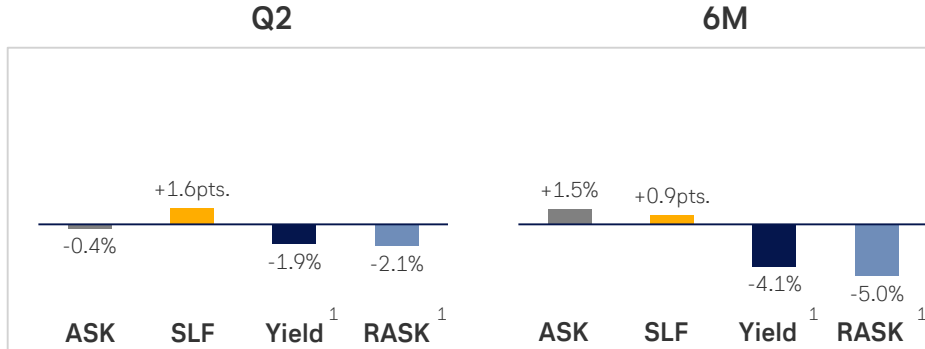
¹ Excl. currency

● % of Traffic Revenues as of 6M 19

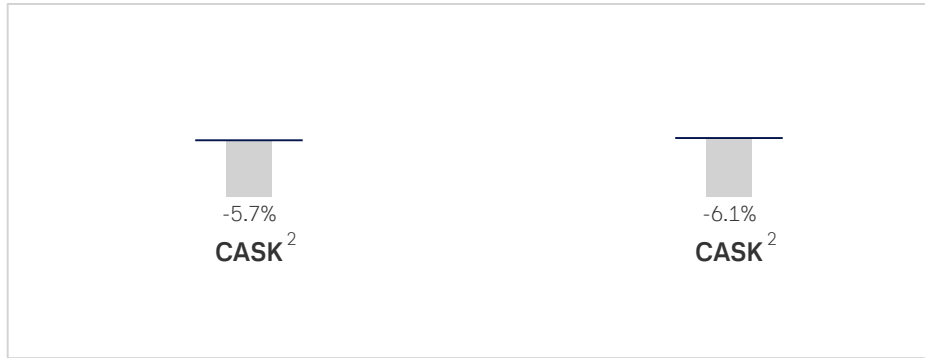
Eurowings: Unit cost reduction partly offsets revenue pressures



Revenue KPIs



Cost KPIs



¹ Excl. currency ² Excl. currency, excl. fuel

Comments

- Second quarter unit revenue performance supported by positive mix effect from lower growth in long haul
- CASK down due to non-recurrence of prior year integration costs and lower irregularity costs

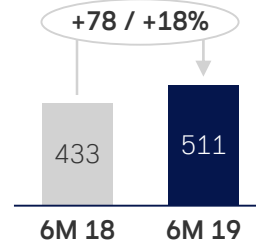
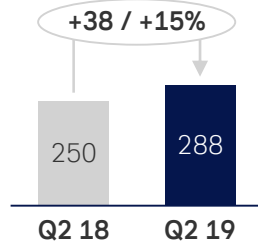
Eurowings: Adjusted EBIT below prior year levels



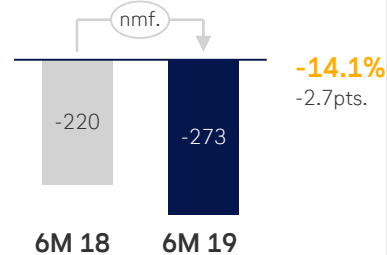
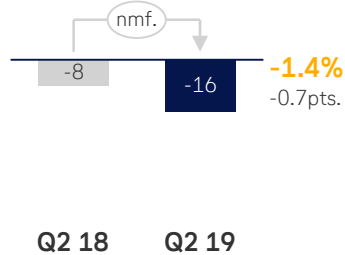
Fuel cost

Q2

6M



Adjusted EBIT / Margin

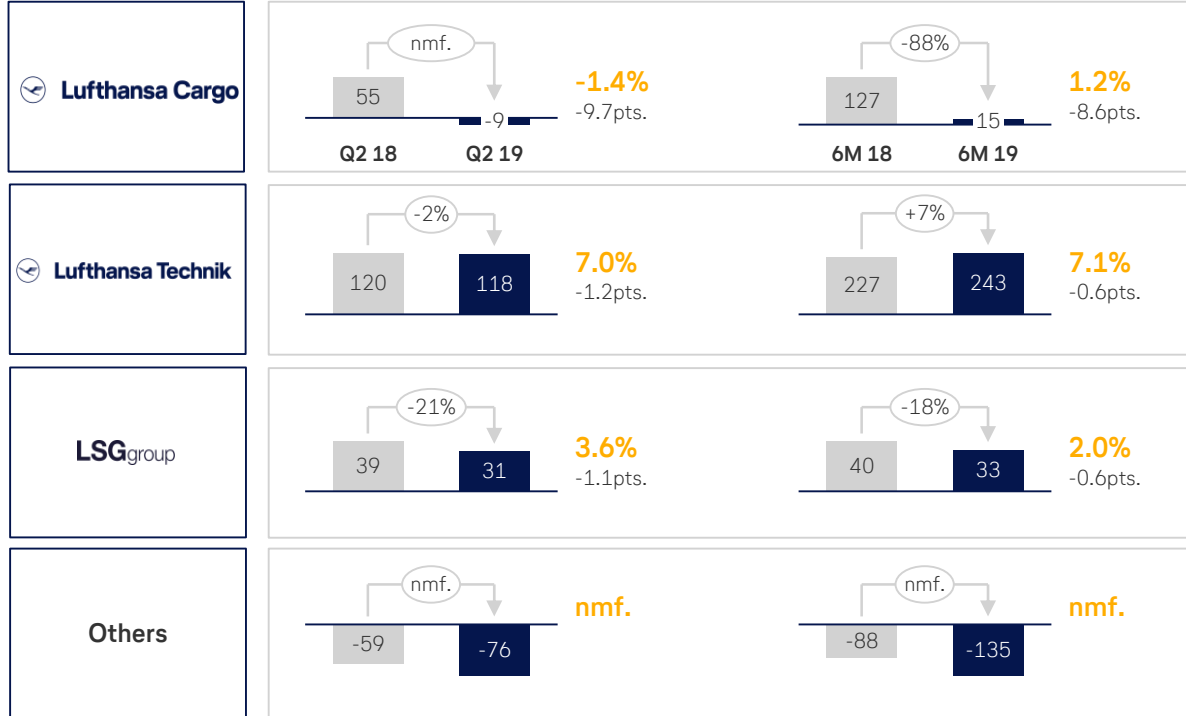


Comments

- Fuel costs increase as expected
- Profits continue to be under significant pressure

Weakness of global air cargo market affects Logistics business

Adjusted EBIT / Margin

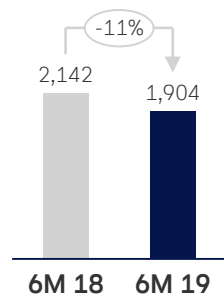


Comments

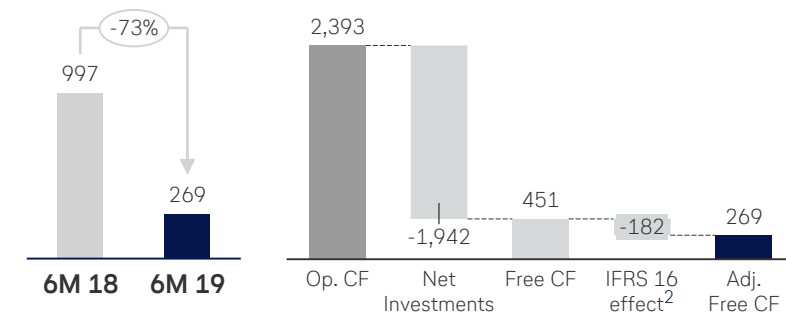
- Weakness on routes to Asia burdens profits at Lufthansa Cargo
- Strong performance of engine maintenance business drives profit increase at Lufthansa Technik
- Transformation of European business weighs on LSG profits
- Higher IT investments reduce operating result of Other Businesses

First-time application of IFRS 16 distorts balance sheet presentation

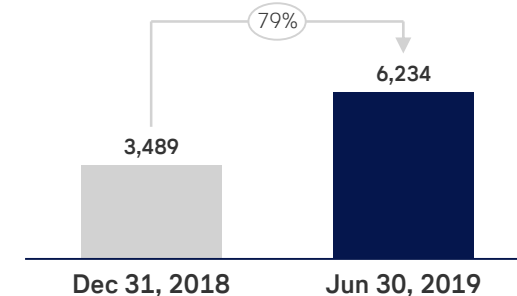
Gross Investments¹



Adjusted Free Cash Flow



Net Debt



- Decrease due to less aircraft purchases

- Free cash flow declines mainly because of profit decrease and higher tax payments

- Increase largely driven by IFRS 16 effect of 2.3bn EUR
- Adj. net debt (including pensions) / Adj. EBITDA increases by 0.9 to 2.7x

¹ Excluding cash-outs from equity investments

² Amortization of operating lease obligations shown in financing cash flow


Lufthansa Group confirms financial outlook as presented in June

Passenger Airlines		
	Network Airlines	Eurowings
Capacity Growth (ASK)	c. +4%	c. -1%
Unit Revenue (RASK, at constant currency)	Down low single-digit	Down mid single-digit
Unit Cost (CASK, at c. currency, excl. fuel)	0% to -1%	-6% to -8%
Fuel (year-on-year change)	+500m EUR	+50m EUR
Adjusted EBIT Margin	7.0% to 9.0%	-4.0% to -6.0%

Non-PAX				
	Logistics	MRO	Catering	Others
Revenue growth	stable	up mid single-digit	stable	
Adjusted EBIT margin	3% to 5%	7% to 8%	2% to 4%	
Adjusted EBIT (year-on-year change)				-50m EUR

Lufthansa Group	
Revenue growth	up low single-digit
Adj. EBIT margin	5.5% to 6.5%

Lufthansa Group remains focused on long-term profitable growth



Market environment
remains challenging

Group has
responded quickly
to changing market
conditions

Focus on long-term
drivers of profits
and cash flow

Appendix

- supplementary information-

Financial guidance FY 2019 / 2018 Base

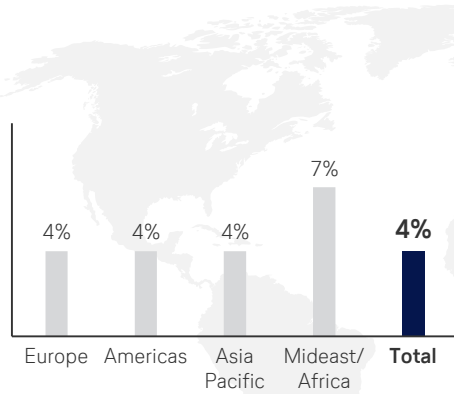
Passenger Airlines		
	Network Airlines	Eurowings
ASK	284,741m	64,748m
RASK	8.1 Ct.	6.8 Ct.
CASK	5.6 Ct.	5.7 Ct.
Fuel cost	4,713m EUR	973m EUR
Adjusted EBIT margin	10.7%	-5.5%

Non-PAX				
	Logistics	MRO	Catering	Others
Revenue	2,713m EUR	5,918m EUR	3,217m EUR	
Adj. EBIT margin	9.9%	7.2%	3.6%	
Adj. EBIT				-189m EUR

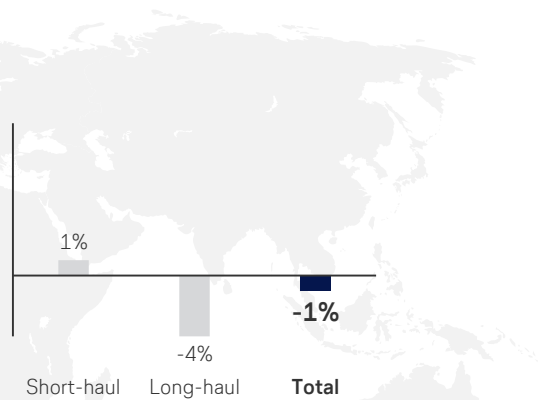
Lufthansa Group	
Revenue	35,844m EUR
Adj. EBIT margin	7.9%

Planned capacity growth for full year 2019

Network Airlines



Eurowings



Comments

- Moderate growth in Summer schedule at Network Airlines
- Eurowings to exit long-haul
- Domestic and North Atlantic routes grow slightly at Eurowings

Status: October 2018; All capacity plans indicative and subject to change

Group P&L

Lufthansa Group (in m EUR)	Q2 '19	vs. Q2 '18
Total revenue	9,633	+4%
Other operating income	586	+2%
Total operating income	10,219	+4%
Operating expenses	9,541	+7%
Non-fuel operating expenses	7,739	+5%
Cost of materials and services	5,185	+11%
Fuel expenses	1,802	+16%
Fees and charges	1,174	+3%
Staff costs	2,279	+2%
Depreciation	662	+24%
Other operating expenses	1,415	-3%
Result from equity investments	83	+108%
EBIT	761	-24%
Adjustments	-7	+250%
Adjusted EBIT	754	-25%
Adjustment EBIT Margin	7.8%	-3.0pts.

6M '19	vs. 6M '18
17,523	+3%
1,114	+2%
18,637	+3%
18,308	+8%
15,083	+6%
9,738	+11%
3,225	+16%
2,219	+2%
4,520	+4%
1,329	+24%
2,721	-4%
88	+105%
417	-60%
1	-150%
418	-60%
2.4%	-3.8pts.

Adoption of IFRS 16

Context

- New accounting standard **IFRS 16 is applicable from 2019 onwards**
- **Lease liabilities must be recognized** in the financial accounts at the present value of the contractually agreed lease payments for leases with a term of more than twelve months

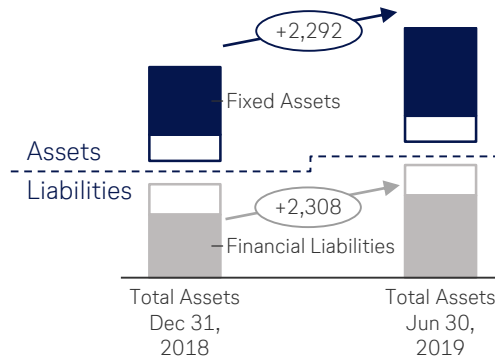
Effect on Lufthansa Group

Effect on Profit & Loss:

EBITDA	+207
./. Depreciation	-191
EBIT	+16
./. Interests costs and FX valuation	
EBT	-11

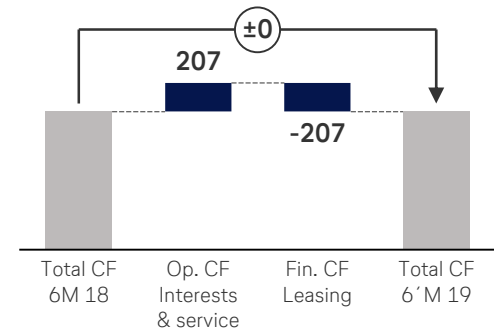
Adjusted EBIT Margin: + 0.1pts

Effect on Balance Sheet:



Equity Ratio: -1.2pts // Leverage: +0.4x

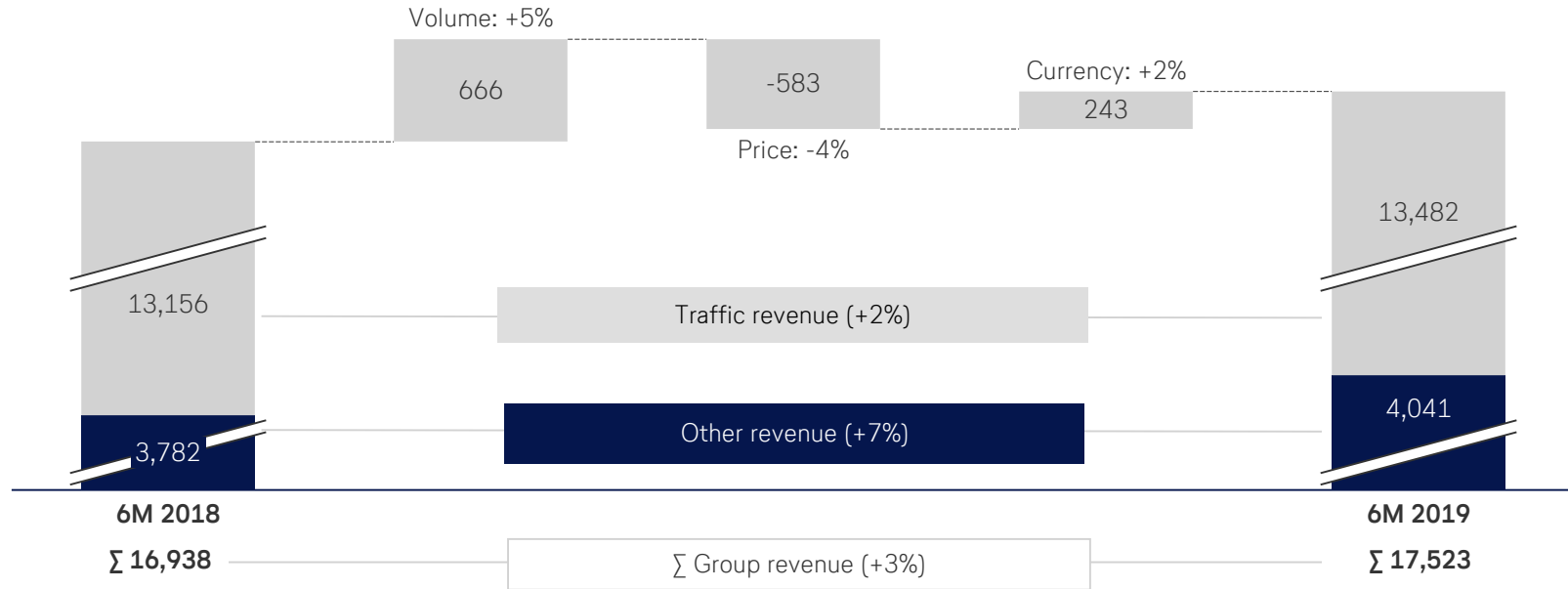
Effect on Cash Flow:



Impact on Group Adjusted EBIT expected to amount to ca. +25m EUR in full year 2019

Group revenue bridge

in m EUR



Operating KPIs of Network Airlines by region

Total	Q2 '19	6M '19
Number of flights	+3.1%	+3.5%
ASK	+4.3%	+4.9%
RPK	+6.6%	+6.1%
SLF	+1.8pts.	+0.9pts.

Yield	-0.8%	-1.7%
Yield ex currency	-2.8%	-3.7%
RASK	+1.1%	-0.8%
RASK ex currency	-1.6%	-3.2%
CASK excl. fuel	+2.2%	+1.5%
CASK ex currency ex fuel	+0.3%	-0.2%

Europe	Q2 '19	6M '19
ASK	+5.0%	+5.3%
RPK	+4.5%	+4.3%
SLF	-0.4pts.	-0.7pts.
Yield	-2.5%	-3.7%
Yield ex currency	-3.5%	-4.8%

Americas	Q2 '19	6M '19
ASK	+3.7%	+3.5%
RPK	+6.6%	+6.0%
SLF	+2.4pts.	+2.0pts.
Yield	-0.5%	-1.6%
Yield ex currency	-3.7%	-4.8%

North America	-0.2%	-1.0%
South America	-20.1%	-19.5%

Asia / Pacific	Q2 '19	6M '19
ASK	+2.8%	+3.9%
RPK	+5.8%	+5.3%
SLF	+2.4pts.	+1.1pts.
Yield	+3.1%	+3.3%
Yield ex currency	+1.0%	+1.4%

Middle East / Africa	Q2 '19	6M '19
ASK	+9.3%	+12.6%
RPK	+17.5%	+15.0%
SLF	+5.6pts.	+1.7pts.
Yield	+5.3%	+0.7%
Yield ex currency	+2.3%	-1.8%

Operating KPIs of Eurowings by region

Total	Q2 '19	6M '19
Number of flights	-0.9%	+0.6%
ASK	-0.4%	+3.8%
RPK	+1.5%	+5.0%
SLF	+1.6pts.	+0.9pts.

Yield	-1.3%	-3.6%
Yield ex currency	-1.9%	-4.1%
RASK	0.0%	-2.8%
RASK ex currency	-2.1%	-5.0%
CASK excl. fuel	-3.5%	-4.3%
CASK ex currency ex fuel	-5.7%	-6.1%

Short-haul	Q2 '19	6M '19
ASK	-0.8%	+1.9%
RPK	+0.2%	+2.5%
SLF	+0.8pts.	+0.5pts.
Yield	-3.6%	-5.4%
Yield ex currency	-4.0%	-5.9%

Long-haul	Q2 '19	6M '19
ASK	+0.3%	+7.5%
RPK	+4.6%	+9.6%
SLF	+3.3pts.	+1.6pts.
Yield	+9.4%	+5.5%
Yield ex currency	+8.5%	+4.9%

Exemplary calculation of operational airline KPIs

Quarterly Data.xls ¹

	FY 2018 (restated)										LUFTHANSA GROUP																									
Profile and Loss	NETWORK AIRLINES					LOGISTICS					CATYING					OTHER																				
	2019	2017	2016	2015	2014	2019	2017	2016	2015	2014	2019	2017	2016	2015	2014	2019	2017	2016	2015	2014																
Revenue	23,600	24,230	23,630	22,220	22,220	2,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820																
Cost of Sales	(10,700)	(10,700)	(10,700)	(10,700)	(10,700)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)																
Profit Before Tax	12,900	13,530	12,930	11,520	11,520	1,820	1,820	1,820	1,820	1,820	1,820	1,820	1,820	1,820	1,820	1,820	1,820	1,820	1,820	1,820																
Tax Expense	(2,210)	(2,210)	(2,210)	(2,210)	(2,210)	(2,210)	(2,210)	(2,210)	(2,210)	(2,210)	(2,210)	(2,210)	(2,210)	(2,210)	(2,210)	(2,210)	(2,210)	(2,210)	(2,210)	(2,210)																
Profit After Tax	10,690	11,320	10,720	9,310	9,310	(390)	(390)	(390)	(390)	(390)	(390)	(390)	(390)	(390)	(390)	(390)	(390)	(390)	(390)	(390)																
Other Operating Income	600	600	600	600	600	57	57	57	57	57	57	57	57	57	57	57	57	57	57	57																
Other Operating Expenses	(44)	(44)	(44)	(44)	(44)	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27																
General & Admin	330	330	330	330	330	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10																
Total Operating Income	11,016	11,916	11,916	10,283	10,283	2,779	2,779	2,779	2,779	2,779	2,779	2,779	2,779	2,779	2,779	2,779	2,779	2,779	2,779	2,779																
Interest Costs	(1,248)	(1,247)	(1,247)	(1,247)	(1,247)	(1,722)	(1,722)	(1,722)	(1,722)	(1,722)	(1,284)	(1,284)	(1,284)	(1,284)	(1,284)	(1,284)	(1,284)	(1,284)	(1,284)	(1,284)																
Finance & Charges	(2,248)	(2,137)	(2,137)	(2,137)	(2,137)	(292)	(292)	(292)	(292)	(292)	(306)	(306)	(306)	(306)	(306)	(306)	(306)	(306)	(306)	(306)																
Operating Income After Tax	7,520	8,532	8,532	6,804	6,804	(215)	(215)	(215)	(215)	(215)	(816)	(816)	(816)	(816)	(816)	(816)	(816)	(816)	(816)	(816)																
Other Income Costs	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)																
Share of Associates	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)																
Other Operating Expenses	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)																
Operating Expenses	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)																
Operating Profit	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)																
Operating Expenses	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)																
Operating Profit	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)																
Operating Expenses	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)																
Operating Profit	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)																
Operating Expenses	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)																
Operating Profit	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)																
Operating Expenses	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)																
Operating Profit	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)																
Operating Expenses	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)																
Operating Profit	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)																
Operating Expenses	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)																
Operating Profit	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)																
Operating Expenses	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)																
Operating Profit	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)																
Operating Expenses	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)																
Operating Profit	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)																
Operating Expenses	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)																
Operating Profit	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)																
Operating Expenses	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)																
Operating Profit	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)																
Operating Expenses	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)																
Operating Profit	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)																
Operating Expenses	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)																
Operating Profit	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)																
Operating Expenses	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)																
Operating Profit	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)																
Operating Expenses	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)																
Operating Profit	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)																
Operating Expenses	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)																
Operating Profit	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)																
Operating Expenses	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)																
Operating Profit	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)																
Operating Expenses	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)																
Operating Profit	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)																
Operating Expenses	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)																
Operating Profit	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)																
Operating Expenses	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)																
Operating Profit	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)</																		

Network Airlines, FY 2018

Yield

(1) Traffic revenues	20,877
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(2) RPK ²	231,952
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Yield: $(1) / (2) * 100$ 9.0

RISK

(1) Total revenues	22,719
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(2) Other Op. Income	699
----------------------	-----

(3) Reversal of provisions 94

(4) FX losses	-316
---------------	------

= (5) Basis for RASK **(1)+(2)-(3)+(4)** 23,008

(6) ASK ³	284,741
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RASK: $(5) / (6) * 100$ **8.1**

CASK

(1) Operating expenses	-21,024
------------------------	---------

(2) Reversal of provisions 94

(3) FX losses	-316
---------------	------

= (4) Basis for CASK (1) + (2) - (3) -20,614

(5) ASK ³	284,741
----------------------	---------

CASK: $-(4) / (5) * 100$ 7.2

Traffic Figures ¹

LUFTHANSA GROUP
Investor Relations

LUFTHANSA GROUP
Investor Relations

LUFTHANSA GROUP
Investor Relations

Investor Info December 2018

Network Airlines & Cargo¹⁾

		2018	2017	2016/2015	2014
Passenger	Passenger in 2018	12,227	12,294	12,027	11,754
	Passenger in 2017	12,227	12,294	12,027	11,754
	Passenger in 2016	12,227	12,294	12,027	11,754
	Passenger in 2015	12,227	12,294	12,027	11,754
Cargo	Cargo in 2018	12,227	12,294	12,027	11,754
	Cargo in 2017	12,227	12,294	12,027	11,754
	Cargo in 2016	12,227	12,294	12,027	11,754
	Cargo in 2015	12,227	12,294	12,027	11,754
Cargo (in 100,000 kg)	Cargo in 2018	12,227	12,294	12,027	11,754
	Cargo in 2017	12,227	12,294	12,027	11,754
	Cargo in 2016	12,227	12,294	12,027	11,754
	Cargo in 2015	12,227	12,294	12,027	11,754
Passenger in 2018	Passenger in 2018	12,227	12,294	12,027	11,754
	Passenger in 2017	12,227	12,294	12,027	11,754
	Passenger in 2016	12,227	12,294	12,027	11,754
	Passenger in 2015	12,227	12,294	12,027	11,754
Cargo in 2018	Cargo in 2018	12,227	12,294	12,027	11,754
	Cargo in 2017	12,227	12,294	12,027	11,754
	Cargo in 2016	12,227	12,294	12,027	11,754
	Cargo in 2015	12,227	12,294	12,027	11,754
Cargo (in 100,000 kg)	Cargo in 2018	12,227	12,294	12,027	11,754
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	Cargo in 2016	12,227	12,294	12,027	11,754
	Cargo in 2015	12,227	12,294	12,027	11,754
Passenger in 2018	Passenger in 2018	12,227	12,294	12,027	11,754
	Passenger in 2017	12,227	12,294	12,027	11,754
	Passenger in 2016	12,227	12,294	12,027	11,754
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Cargo in 2018	Cargo in 2018	12,227	12,294	12,027	11,754
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	Cargo in 2015	12,227	12,294	12,027	11,754
Cargo (in 100,000 kg)	Cargo in 2018	12,227	12,294	12,027	11,754
	Cargo in 2017	12,227	12,294	12,027	11,754
	Cargo in 2016	12,227	12,294	12,027	11,754
	Cargo in 2015	12,227	12,294	12,027	11,754

¹⁾ The data is based on the operating results of the Lufthansa Group, which are not audited. The data is based on the operating results of the Lufthansa Group, which are not audited.

Excerpts²⁾

		2018	2017	2016/2015	2014
Passenger	Passenger in 2018	12,227	12,294	12,027	11,754
	Passenger in 2017	12,227	12,294	12,027	11,754
	Passenger in 2016	12,227	12,294	12,027	11,754
	Passenger in 2015	12,227	12,294	12,027	11,754
Cargo	Cargo in 2018	12,227	12,294	12,027	11,754
	Cargo in 2017	12,227	12,294	12,027	11,754
	Cargo in 2016	12,227	12,294	12,027	11,754
	Cargo in 2015	12,227	12,294	12,027	11,754
Cargo (in 100,000 kg)	Cargo in 2018	12,227	12,294	12,027	11,754
	Cargo in 2017	12,227	12,294	12,027	11,754
	Cargo in 2016	12,227	12,294	12,027	11,754
	Cargo in 2015	12,227	12,294	12,027	11,754

Additional references

Company	
Shareholder	2018/2017/2016/2015

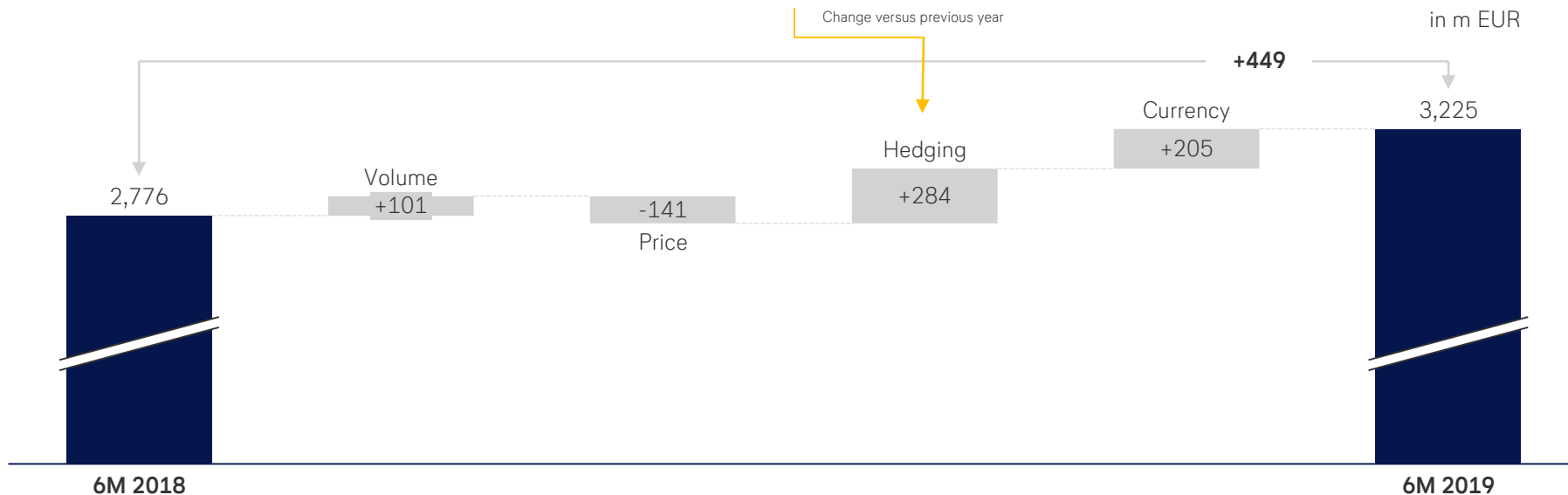
Investor Relations | Lufthansa Group | 2018/2017/2016/2015

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Fuel cost bridge

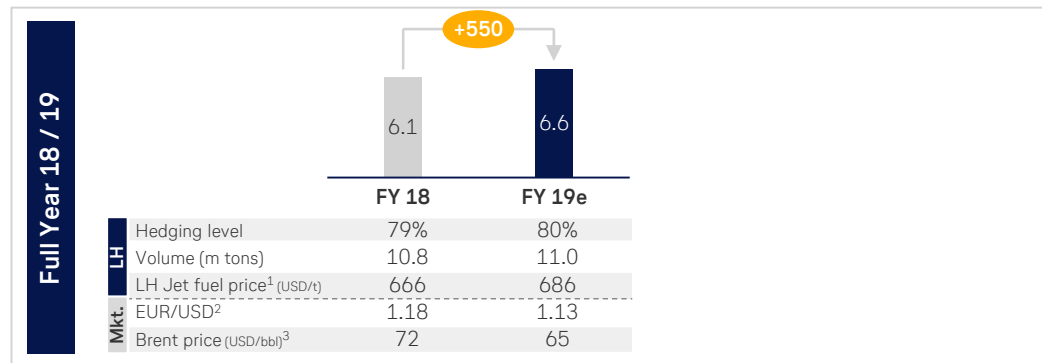
Hedging result by quarter (in m EUR)

	Q1	Q2	Q3	Q4	FY (YTD)
2018	107	229			336
2019	17	35			52

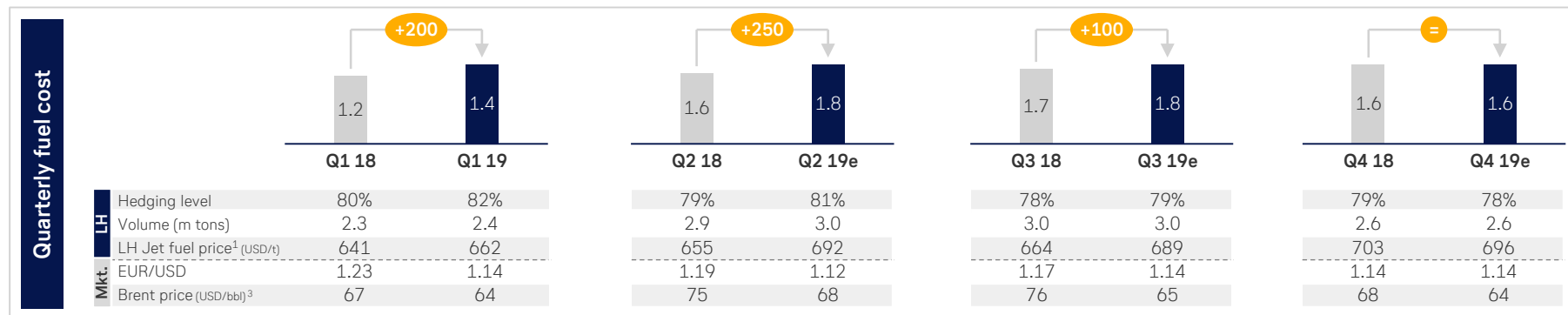
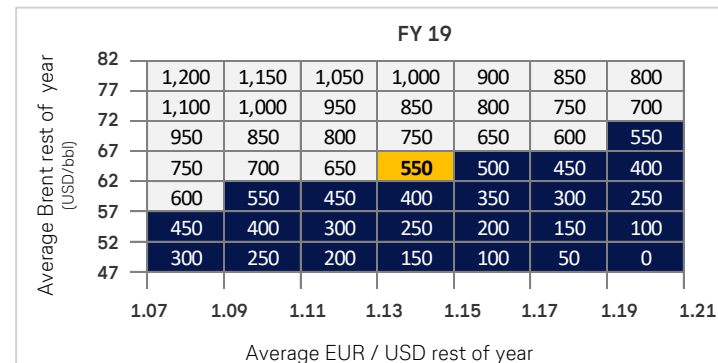


Fuel cost outlook 2019

Fuel cost



Sensitivity to Brent and currency



As of 30 June 2019

1 Blend of hedged and unhedged price for total annual volume, including into-plane charge, based on current crack spread; 2 average of actual/forward rates; 3 average of actual/forward Brent price

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

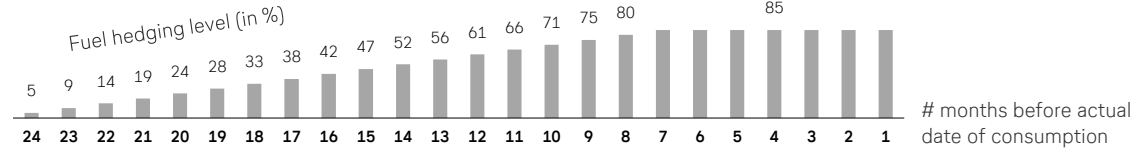
Fuel Hedging

- 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

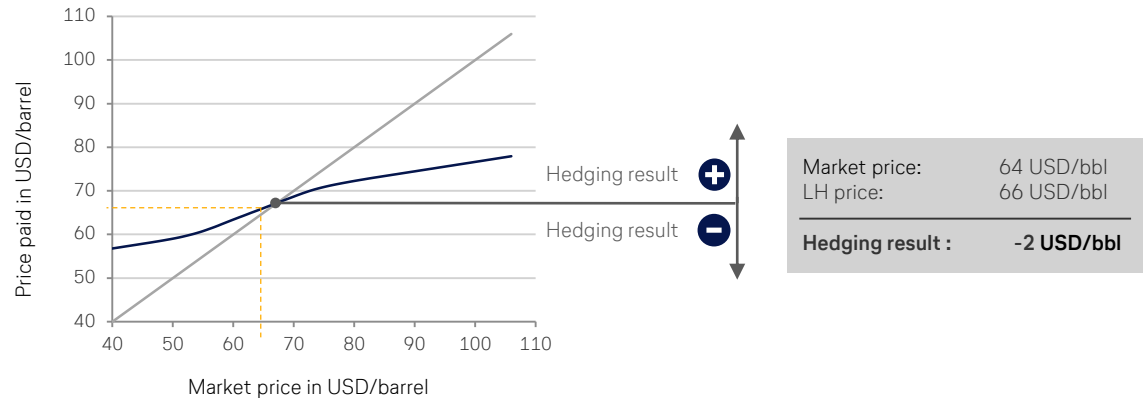
FX Hedging

- 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 2019



Cash flow statement

Lufthansa Group (in m EUR)	6M '19	vs. 6M '18
EBT (earnings before income taxes)	112	-887
Depreciation & amortization (incl. non-current assets)	1,348	+271 ¹
Net proceeds from disposal of non-current assets	14	+16
Result of equity investments	-88	-45
Net interest	228	+143 ²
Income tax payments/reimbursements	-560	-468 ³
Significant non-cash-relevant expenses / income	9	+120 ⁴
Change in trade working capital	1,452	-158 ⁵
Change in other assets / liabilities	-122	+168 ⁶
Operating cash flow	2,393	-840
Capital expenditure (net)	-1,942	-314
Free cash flow	451	-526
Adjusted Free cash flow	269	-728
Cash and cash equivalents as of 30.06.19 ¹	1,000	-286
Current securities	2,406	-164
Total Group liquidity	3,406	-450

¹ Excluding fixed-term deposits with terms from three to twelve months (2019: 2m EUR, 2018: 157m EUR); ² Excl. cash-outs from equity investments
2018 reported figures including effects from the capitalization of engine overhaul, 2017 restated for better comparability

¹ Largely due to IFRS 16

² “Correction” of EBT for non-cash effect in interest result related to tax provision

³ Includes c. 350m EUR related to 2017 and 2018, when profits exceeded levels assumed for prepayments

⁴ Largely “correction” of EBT for non-cash effect in financial result related to valuation of derivatives

⁵ Largely negative year-on-year effect in unfown flight documents

⁶ Various smaller effects

Multi-Year financial overview

Lufthansa Group (in m EUR, as reported)	2014	2015	2016	2017	2018
Operating KPIs					
RASK ex currency	-2.5%	-3.0%	-5.9%	+1.9%	-0.5%
CASK ex currency, ex fuel	-2.6%	+2.4%	-6.1%	-0.4%	-1.7%
Profit & Loss					
Revenues	30,011	32,056	31,660	35,579	35,844
Fuel Cost	6,751	5,784	4,885	5,232	6,087
Adjusted EBIT	1,171	1,817	1,752	2,969	2,836
Adjusted EBIT Margin	3.9%	5.7%	5.5%	8.3%	7.9%
Balance Sheet					
Total Assets	30,474	32,462	34,697	35,778	38,213
Net Financial Debt and Pension Liabilities	10,649	9,973	11,065	8,000	9,354
ROCE	4.6%	7.7%	9.0%	13.2%	11.1%
Cash Flow statement					
Operating Cash Flow	1,977	3,393	3,246	5,368	4,109
Capital expenditure (net)	2,274	2,559	2,108	3,251	3,859
Free Cash Flow	-297	834	1,138	2,117	250

2018 reported figures including effects from the capitalization of engine overhaul, 2017 restated for better comparability