Conference & Roadshow Presentation

June / July 2019
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## Agenda

<table>
<thead>
<tr>
<th></th>
<th>01</th>
<th>Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>02</td>
<td>Q1 2019 Results</td>
<td></td>
</tr>
<tr>
<td>03</td>
<td>Outlook</td>
<td></td>
</tr>
<tr>
<td>04</td>
<td>Appendix</td>
<td></td>
</tr>
</tbody>
</table>
Unique investment case to create value for our shareholders

Best positioned to leverage brand, product and market strength
- Brand and product strength drive sustainably high yields at Network Airlines
- Focus on profitable growth: capacity up c.2% p.a. at Network Airlines, c.1% at Eurowings

In control of major profitability drivers
- Commercial strategy innovation at Network Airlines: 3% RASK contribution by 2022
- Efficiency gains & operations improvements: CASK down 1% to 2% p.a. at Network Airlines
- Eurowings turnaround: CASK down 15% by 2022, break-even 2021, >7% margin long-term

Clear focus on cash flow generation
- Strict ROCE focus will drive improvements over the cycle
- Free cash flow to grow to >EUR 1bn medium-term

Committed to disciplined capital allocation
- Higher returns to shareholders: payout of 20% to 40% of net income
- Disciplined M&A strategy based on clear set of objectives and criteria
Stakeholders:
Group strategy balances the interests of all stakeholders
Balanced approach creates value for all stakeholders

- Strong financial performance & shareholder return
- Investments in own employees & best product
- Customer loyalty & strong revenues
- Customer experience
- Employees
- Customers
- Shareholders

#1
Network Airlines and Eurowings: Two leading airline groups
Lufthansa Group is clear market leader in its home markets

2018 market shares
[by number of passengers]

- **Intra DACHB**: 80%
- **DACHB – EU**: 36% (+4pts. vs. 2016)
- **DACHB – World**: 34% (+4pts. vs. 2016)

**1.** Unrivalled brand strength and yield premium

**2.** Maximum connectivity due to largest destination network and portfolio of attractive slots

**3.** Strong negotiation position with key suppliers and system partners
Lufthansa Group holds attractive market positions in its hubs

Slot allocation at group hubs

Slot share other airlines  Slot share Lufthansa Group

Frankfurt: 67%  33%
Munich: 68%  32%
Zurich: 63%  37%
Vienna: 59%  41%

Expected average growth of runway capacity until 2024: 0-1%
Our two airline groups complement each other

**Network Airlines**

1. Hub and spoke model
2. Premium positioning & product innovator
3. Moderate capacity growth

**Eurowings**

1. Point-to-Point model
2. Value positioning & lower cost
3. Focus on turnaround, renewed growth afterwards
Integrated business model, individual setup where value-creating

Resources
- Capital allocation
- Fleet management, standardization & allocation
- Infrastructure, procurement, fuel

Commercial
- Customer loyalty, product design
- Sales & distribution
- Network & revenue management

Operations
- Lufthansa
- SWISS
- Austrian Airlines
- Eurowings

Full integration

Individual/airline specific
Three strongly positioned brands

Network Airlines

Strong Brands

- Aligned Business Model
- Common Governance
- Joint Steering

Strong Positioning

Customer recognition

- Best Airline in Europe
- Best Business Class in Europe
- #1 most trusted brand (Germany)
- #5 strongest brand value growth (Airlines)

Recent Awards
Multi-Hub strategy generates benefits for customers and flexibility for production

Network Airlines Multi-Hub System

- 549 aircraft
- 19,000 weekly flights
- 273 destinations
- 86 countries
- 104m Passengers in 2018
- 53% transfer share

Commercial Benefits

**Customer**
- Maximum connectivity
- Broad range of choices
- Strong identification with local brand

**Production**
- Increased reliability
- Risk diversification
- Flexible capacity management

Joint commercial steering as key success factor
Joint Ventures expand the Multi-Hub system to a global network

Multi-Hub + JVs form Network of Networks

Joint Ventures
- Joint capacity management
- Joint pricing
- Joint product strategy
- Mutual market access
- Revenue sharing

JV share of long-haul revenues
- 70%

Multi-Hub

Conference & Roadshow Presentation
June / July 2019
Page 14

LUFTHANSA GROUP
Tailored products represent our USP in a “world of commodity“ – monetarization of added value is part of our commercial success.

Robust Ancillary Revenue Growth

Tailored Offers & Services

- Individual food offers
- New variety of seat options
- Innovative retail marketplace
- Dynamic ancillary pricing

<table>
<thead>
<tr>
<th>Year</th>
<th>Flight-related</th>
<th>Non-Flight-related</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>284</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Revenue maximization by bundling the right offers and pricing them according to the customers’ willingness to pay

**Today – Static Branded Fares**

<table>
<thead>
<tr>
<th>Economy Light</th>
<th>Economy Classic</th>
<th>Economy Flex</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 carry-on bag</td>
<td>Seat reservation</td>
<td>Earlier flight</td>
</tr>
<tr>
<td>Snacks &amp; beverages</td>
<td>1 checked bag</td>
<td>Priority flight</td>
</tr>
<tr>
<td></td>
<td>1 carry-on bag</td>
<td>Priority boarding</td>
</tr>
<tr>
<td></td>
<td>Snacks &amp; beverages</td>
<td>Seat reservation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 checked bag</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 carry-on bag</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Snacks &amp; beverages</td>
</tr>
<tr>
<td>Rebooking</td>
<td>Rebooking</td>
<td>Rebooking</td>
</tr>
<tr>
<td>Refund</td>
<td>Refund</td>
<td>Refund</td>
</tr>
</tbody>
</table>

**Future – Need based bundles & upselling structure**

<table>
<thead>
<tr>
<th>Efficiency Bundles</th>
<th>BASE</th>
<th>Efficiency Package</th>
<th>BASE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>100</td>
<td>+50</td>
<td>150</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Efficiency Package Plus</td>
<td>+70</td>
</tr>
<tr>
<td>Family Bundles</td>
<td>BASE</td>
<td>Family Package</td>
<td>BASE</td>
</tr>
<tr>
<td></td>
<td>100</td>
<td>+30</td>
<td>130</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Family Package Plus</td>
<td>+60</td>
</tr>
<tr>
<td>Traveler Bundles</td>
<td>BASE</td>
<td>Traveler Package</td>
<td>BASE</td>
</tr>
<tr>
<td></td>
<td>100</td>
<td>+10</td>
<td>110</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Traveler Package Plus</td>
<td>+30</td>
</tr>
</tbody>
</table>
We are building the foundation for a truly customer-centric retailing model

Traditional Static Offering

- Fixed booking classes & limited offer portfolio
- Outdated distribution technology & inferior product placement
- 26 booking classes clustered with 41k O&Ds

Future Dynamic Offering

- Efficient capacity utilization & distribution
- Tailored offers for customers & trade partners
- Individual O&D price steering

<table>
<thead>
<tr>
<th>First</th>
<th>Business</th>
<th>Economy</th>
</tr>
</thead>
<tbody>
<tr>
<td>WFFDE</td>
<td>BFFDE</td>
<td>QRLCDE</td>
</tr>
<tr>
<td></td>
<td>MFFDE</td>
<td>WLRCDE</td>
</tr>
<tr>
<td></td>
<td></td>
<td>LLNDE</td>
</tr>
<tr>
<td></td>
<td></td>
<td>KLNNDE</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Price</th>
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</thead>
<tbody>
<tr>
<td>670€</td>
</tr>
<tr>
<td>580€</td>
</tr>
<tr>
<td>529€</td>
</tr>
<tr>
<td>465€</td>
</tr>
<tr>
<td>325€</td>
</tr>
<tr>
<td>235€</td>
</tr>
</tbody>
</table>
Customer access and Multi-Channel push are key to our distribution strategy

Growing Direct Distribution Share
[by number of bookings]

- 2015: 30%
- 2018: 45%
- 2019: >50%

Modern Retail Capabilities
- Offer and order control
- Product placement
- Dynamic cross- and upsell

Multi-Channel Reach & Interaction
- Direct customer access
- Own platform & digital players
- Chatbot, voice interaction, social selling

Direct Distribution: Own platform & NDC
Indirect Distribution: GDS
Our airlines’ premium positioning generates industry-leading yields

Long term unit revenue development

Revenue share of premium classes

RASK [in EUR Cent]

Network Airlines  AF/KLM  IAG
6.6  7.5  8.1

Network Airlines Total  Market
-8pts.  -23pts.

+8pts.
Flexible commercial integration models allow quick reaction to market dynamics

**Capacity Growth Rate**

Own platform (existing segments)

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>10%</td>
</tr>
<tr>
<td>2019</td>
<td>7.5% - 5-25%</td>
</tr>
<tr>
<td>2029</td>
<td>5.6% - 0-15%</td>
</tr>
<tr>
<td></td>
<td>7.6% - 6-8%</td>
</tr>
<tr>
<td></td>
<td>8.2% - 5-7%</td>
</tr>
</tbody>
</table>

**Integration Models**

- Focused growth ex hubs
- White label platform(s)
- Secondary platform(s)

3rd party platforms (new regions)

- Capacity provider
- Commercial integration
- Joint Venture
- M&A

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¹ CAGR 2014 - 2019 EU - World, Source: Flash
² ASK growth 2019 - 2029 based on fleet orders, Source CAPA
M&A strategy is based on clear objectives and criteria

- Complementary to regional footprint
- Meaningful size
- Revenue and cost synergy potential
- ROCE accretive
- Maintain investment grade rating
- Competitive cost base which can be further leveraged in other parts of the Group
Network Airlines and Eurowings: Two leading airline groups

Network Airlines

- #1 in Europe
- Customers
- Employees

Eurowings

- #1 in home markets
- Customers
- Employees

Logistics

- #1 in Europe
- Lufthansa Cargo

Aviation Services

- #1 worldwide
- Lufthansa Technik
- LSG Group
- and other companies

Cost Focus & Operational Quality
Eurowings at a glance:
Leading point-to-point airline in home markets

<table>
<thead>
<tr>
<th>Key facts Eurowings short-haul 2019</th>
<th>Our ambition</th>
</tr>
</thead>
<tbody>
<tr>
<td>442 Routes</td>
<td>Focus on <strong>point-to-point short-haul</strong></td>
</tr>
<tr>
<td>140 Destinations</td>
<td>Strengthen number one position in home markets and achieve a <strong>sustainably positive EBIT margin</strong></td>
</tr>
<tr>
<td>&gt;27 m Customers</td>
<td>Complement Lufthansa Network Airlines for <strong>joint market approach and value creation</strong></td>
</tr>
<tr>
<td>13 Bases</td>
<td></td>
</tr>
<tr>
<td>139 Aircraft</td>
<td></td>
</tr>
<tr>
<td>&gt;35 NPS</td>
<td></td>
</tr>
</tbody>
</table>

Note: Eurowings short-haul excluding Brussels Airlines
Clear number one in prime European point-to-point markets

Market Share 2019

DUS

37

38%

14%

Eurowings operative fleet

HAM

14

31%

26%

CGN

19

47%

9%

Market leader
in core home bases

High-value catchments, e.g.
purchasing power,
corporate accounts

Note: Capacity data based on full year 2019,
inbound & outbound seats intra EU
Eurowings achieves significant yield premium

Significant **yield premium** despite strong competition

Current **competitive environment** increases pressure on **fares**

**Growth of ancillaries** to largely offset potential future yield declines

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1. Exact fare and ancillary split not available for Lauda;
2. Net revenues without fees and taxes; annual reports of respective airline: EW Jan-Dec18, FR/OE Apr-Mar19, U2 Oct17-Sep18 (GBP/EUR 1,15), W6 Apr-Mar19;
Focus on simplicity: How we manage the turnaround

Our focus 2019-2022

Business model adjustment and dimensioning

- Exit long-haul business and focus on short-haul only
- Re-focus short-haul network

Structural cost improvement

- Reduce to one AOC in Germany
- Increase productivity
- Modernize and harmonize fleet
- Decrease overhead costs

Digital and ancillary push

- Eurowings Digital
  - Enhance ancillary portfolio
  - Improve digital sales channels
Exit long-haul business:
Eurowings will focus on short-haul only

Refined long-haul strategy

Transfer commercial responsibility for long-haul business to Network Airlines

- Increase connectivity and benefit from synergies in sales, distribution and IT
- Start in Frankfurt and Munich: winter flight schedule 2019/2020

Realignment of Brussels Airlines

- Discontinue integration into Eurowings
- Closer embedding into Network Airlines as a whole
- Define turnaround plan for Brussels Airlines

Way forward

- Focus Eurowings on short-haul business only
- Develop detailed plan for realignment of Brussels Airlines – until end of Q3 2019
- Present turnaround plan for Brussels Airlines – end of Q3 2019
## Re-focus short-haul network:
Focus network on profitable core and strict capacity discipline

### Refocus network

<table>
<thead>
<tr>
<th>Strategic core markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grow in <strong>core markets</strong> via productivity and/or aircraft, e.g. DUS, STR, CGN, HAM</td>
</tr>
<tr>
<td>Defend position in <strong>strategic markets</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop <strong>profitable markets/routes</strong></td>
</tr>
<tr>
<td>Review <strong>network portfolio</strong></td>
</tr>
<tr>
<td>Close unprofitable smaller bases</td>
</tr>
<tr>
<td>Discontinue unprofitable routes</td>
</tr>
</tbody>
</table>

### Restrict growth

Apply capacity discipline: 1% ASK CAGR growth
- Grow moderately in coming years
- Adapt growth per market in line with local needs

### ASK development

- **CAGR**:
  - 2015-2016: +19%
  - 2016-2017: +1%
  - 2017-2019: +1%

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*Conference & Roadshow Presentation*
*June / July 2019*
*Page 28*
One AOC in Germany:
Reduce complexity and enable higher productivity

2018: 4 AOCs

- Multi-AOC structure: Four own short-haul narrow body AOCs in Germany

2019 transition: 2 AOCs

- One AOC per base implemented in DUS and TXL
- Transfer of Eurowings Europe base in MUC to a German AOC
- Sale of LGW and wetlease-back with turboprop operation

Way forward

- One AOC in Germany – implementation starting immediately
Increase productivity:
Improve crew productivity to competitive level until 2022

**Situation today:**
- Low crew productivity and high complexity, e.g.
- Pilots with Lufthansa contracts ("CLA") and crew redundancies
- No consistent home base principle: Increased crew proceedings
- Multi-AOC structure: Higher standby quota

**Target**
Block hours (BH) per crew p.a.

<table>
<thead>
<tr>
<th>Year</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>530</td>
</tr>
<tr>
<td>2022</td>
<td>750</td>
</tr>
</tbody>
</table>

**Way forward**
- Transfer of “CLA” pilots to Lufthansa
- Reduce crew redundancies
- Reduce proceedings from inefficient stationing by strict "home base" principle
- Increase days of duty and daily flight hours
- Implement via natural fluctuation and social plans, if needed

**Impact (CASK)**
2019-2022 -€0.20cts.

Note: Cockpit and cabin crew
Increase productivity:
Improve aircraft productivity up to 15 percent

**Aircraft productivity ambition**

**Situation today:**
- Heterogeneous fleet configuration with several sub-fleets
- 11 years average fleet age, with high age spread of 25 years
- Complex maintenance home base structure leading to inefficiencies in planning and execution

**Target**

<table>
<thead>
<tr>
<th>Aircraft productivity (asset)</th>
<th>2019e</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>BH / A/C p.a.</td>
<td>~3,000</td>
<td>&gt;3,300</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Short-haul fleet size</th>
<th>2019</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aircraft reduction ≠ capacity reduction</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Way forward**

- Reduce number of reserves and transitions – start in Q4 2019
- Increase gauge size by 15-20%
- Increase aircraft productivity of asset fleet by 10-15% and program fleet by 5-10%
- Implement new maintenance concept – start in Q4 2019

**Impact (CASK)**

2019-2022

Note: Aircraft productivity target of 3,600 BH / A/C p.a for program fleet
## Modernize fleet:
Return wetleases and roll-over oldest aircraft

<table>
<thead>
<tr>
<th>Fleet roll-over plan</th>
<th>Way forward</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Phase out 70-seat turboprops</strong></td>
<td>- Phase-out of 9 oldest/most expensive A320 aircraft – to be completed in 2019</td>
</tr>
<tr>
<td>▪ Return Dash 8 wetleases</td>
<td>- Return wetleases – started in 2019</td>
</tr>
<tr>
<td>▪ Increase gauge size to lower unit cost</td>
<td>- End turboprop wetlease – beginning of 2021</td>
</tr>
<tr>
<td><strong>Reduce narrow body wetleases</strong></td>
<td>- Phase-in A320neo – 4 in 2021 and 16 in 2022</td>
</tr>
<tr>
<td>▪ Substitute by own Eurowings operated aircraft</td>
<td>- Impact (CASK) 2019-2022 -€0.30cts.</td>
</tr>
<tr>
<td>▪ Future focus for wetleases: Summer only</td>
<td></td>
</tr>
<tr>
<td><strong>Roll-over of oldest own aircraft</strong></td>
<td></td>
</tr>
<tr>
<td>▪ Today, oldest aircraft with 28 years</td>
<td></td>
</tr>
<tr>
<td>▪ Substitute by A320neo from Lufthansa Group order book</td>
<td></td>
</tr>
</tbody>
</table>
Overhead cost:
Focus on simplicity will decrease overhead cost significantly

Towards competitive overhead costs

Complexity reflected in overhead costs

Cost increase due to
- Expansion into long-haul business
- Air Berlin integration
- Multi-AOC setup
- Usage of external labor force

Eurowings overhead cost: Planned development

- >30%

Developed target cost via benchmarks with LCC competitors
- Right-size overhead cost to new market focus and size of production
- Remove complexity and non-value added activities
- Standardize processes and increase level of automation
- Optimize internal vs. external staff cost

Way forward

- Apply target costing based on benchmarks – completed
- Initiate codetermination process – start in Q3 2019
- Reduce external labor force – until 1st half of 2020

Impact (CASK) 2019-2022
- €0.15cts.
Eurowings Digital: Push all digital sales channels and ancillary revenues

New services and partners along customer journey

- New catering concept: Full Buy-on-Board since June 2019¹
- Focus on entire travel chain and become a leading travel companion
- Leverage and unlock ancillary revenues
- Boost sales in all direct channels
- Personalize and automate services

Way forward

- Leverage Eurowings Digital – since 2018
- Extend ancillary pipeline: new services, categories, partners – since 2019
- Launch digital self-service features to lower costs – in 2019

¹ Except for business class

Ancillary revenue per passenger

Table:

<table>
<thead>
<tr>
<th>Year</th>
<th>Ancillary Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td></td>
</tr>
<tr>
<td>2019e</td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td></td>
</tr>
</tbody>
</table>

Expansion across journey
Eurowings short-haul CASK: 15% reduction until 2022

CASK in €cts.

<table>
<thead>
<tr>
<th></th>
<th>CASK 2018</th>
<th>CASK 2019e</th>
<th>CASK target 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher productivity</td>
<td>6.60</td>
<td>6.10</td>
<td>5.20</td>
</tr>
<tr>
<td>Fleet modernization</td>
<td>0.30</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overhead cost</td>
<td>0.15</td>
<td>0.15</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td>0.50</td>
</tr>
</tbody>
</table>

2019 development
- Short-term turnaround measures
- Elimination of integration cost
- €50M investment into operational stability

Higher productivity
- One AOC in Germany
- Productivity increase
- Right-sizing short-haul

Fleet harmonization
- Pure Airbus operations
- Reduced wetleases
- Fleet roll-over
- Reduction of reserve A/C

Overhead cost
- Lean organization
- Process automation

Other, e.g.
- Sales channel shift
- Further product alignment

Note: Short-haul CASK excluding fuel
## Overview turnaround plan

<table>
<thead>
<tr>
<th>Business model adjustment and dimensioning</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exit long-haul business</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Re-focus short-haul network</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Structural cost improvement</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduce to one AOC in Germany</td>
<td></td>
<td></td>
<td></td>
<td>2022</td>
</tr>
<tr>
<td>Improve productivity</td>
<td></td>
<td></td>
<td></td>
<td>2022</td>
</tr>
<tr>
<td>Modernize and harmonize fleet</td>
<td></td>
<td></td>
<td>2020</td>
<td>2022</td>
</tr>
<tr>
<td>Decrease overhead costs</td>
<td></td>
<td></td>
<td>2020</td>
<td>2022</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Digital and ancillary push</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve digital sales channels and enhance ancillary portfolio</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Logistics & Aviation Services:
Every business must contribute to sustainable and profitable growth
Non-passerger businesses must offer high level of synergies

<table>
<thead>
<tr>
<th></th>
<th>Lufthansa Cargo</th>
<th>Lufthansa Technik</th>
<th>LSG group</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Leading <strong>market position</strong></td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>2</td>
<td>Structurally <strong>growing market</strong></td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>3</td>
<td>High level of <strong>synergies</strong> with core business</td>
<td>✔</td>
<td>✔</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2018 Revenues (in bn EUR)</th>
<th>2018 Adj. EBIT margin</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2.7</td>
<td>9.9%</td>
</tr>
<tr>
<td></td>
<td>5.9</td>
<td>7.2%</td>
</tr>
<tr>
<td></td>
<td>3.2</td>
<td>3.6%</td>
</tr>
</tbody>
</table>
Lufthansa Group has initiated a process to divest LSG group

1. **Leading market position**
   - 2nd largest provider of airline catering globally

2. **Structurally growing market**
   - Average market growth of c. 3%
   - Growing importance of food & beverages: key differentiator in long haul

3. **Synergies with core business**
   - Limited synergies
   - Limited capex resources of Lufthansa Group

**Decision for Divestment**
- Decision driven by lack of synergies and our desire to focus even more on our core airline business
- Divestiture as a whole or in parts possible
- Divestiture will consider future catering supply of Group airlines

**Strategic focus**

---

Conference & Roadshow Presentation
June / July 2019
Page 39
Cost Focus & Operational Quality: The foundation of value creation
Lufthansa Group is reducing unit costs for the fourth year in a row

### Labor Agreements
- Productivity and cost improvements in cockpit and cabin

### Re-Organization
- Implementation of matrix organization
- Reduction of management levels

### Fleet modernization
- Fleet roll-over

### Infrastructure
- New agreements with major system partners
- Closer cooperation

### CASK Reductions

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>[Group airlines CASK excl. fuel, at constant currency; yoy]</td>
<td>-2.5%</td>
<td>-1.8%</td>
<td>-1.7%</td>
<td></td>
</tr>
</tbody>
</table>
Full pipeline of measures to further improve unit costs

**Eurowings Turnaround**
- Reduction of operational complexity – one AOC in Germany
- Improvement of aircraft and crew productivity

**Optimization of MRO Costs**
- Shift of Line Maintenance from Lufthansa Technik to Lufthansa Airlines
- Increasing digitalization

**Fleet and Standardization**
- Harmonization of long-haul fleet
- Group-wide standardization of A320 family aircraft

**Ops Standardization**
- Group-wide harmonization of operations across airlines

**Staff Productivity Gains**
- More efficient crew staffing and rotation planning

**Procurement**
- Professionalization of procurement activities

Network Airlines target to reduce unit costs by 1-2% p.a.
Eurowings aims at a total reduction of 15% until 2022
Operational excellence measures will improve performance and reduce irregularity costs

1. More than 400 measures initiated to improve operations quality

2. Group targets to reduce irregularity costs (EUR 518 million in 2018)

3. Process changes will sustainably improve our operations

- 10-15% reduction of turnaround time
- 5.5 mio. minutes = 10 years process time
- +15% faster boarding by new processes
- +20k more first wave flights on time
- 37 reserve A/C
- 200 additional mechanics
- Improved customer information

Conference & Roadshow Presentation
June / July 2019
Page 43
Operational performance is increasingly dependent on the quality of our system partners.
We will reach a new level of operational excellence by digitizing and harmonizing operations steering & planning processes.

Operative Decision Support
Use of Artificial Intelligence to enhance planning processes and implement predictive steering.

State-of-the-art core systems
Modernization and standardization of core systems.

Harmonization of processes & organization
Harmonization of Group standards for processes, data and KPIs.

New levels of productivity, higher customer satisfaction and improved steering decisions.
Agenda

01 Strategy

02 Q1 2019 Results

03 Outlook

04 Appendix
Group EBIT declines because of excess supply in Europe and fuel headwinds.

- Long-haul
- Unit cost reduction
- MRO

Group Adjusted EBIT

Q1 18

-388

52

Q1 19

-336

- Unit revenues
- Fuel cost
- Logistics
Network Airlines: Long-haul partly offsets yield pressures in Europe

<table>
<thead>
<tr>
<th>Region</th>
<th>Q1 ASK</th>
<th>Q1 SLF</th>
<th>Q1 Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>+5.7%</td>
<td>-1.1pts.</td>
<td>-6.5%</td>
</tr>
<tr>
<td>Americas</td>
<td>+3.2%</td>
<td>1.5pts.</td>
<td>Yield NA: -1.9%</td>
</tr>
<tr>
<td>Asia/Pacific</td>
<td>+5.1%</td>
<td>-0.4pts.</td>
<td>+1.9%</td>
</tr>
<tr>
<td>Middle East/Africa</td>
<td>+15.7%</td>
<td>-2.0pts.</td>
<td>-6.0%</td>
</tr>
</tbody>
</table>

Comments

- Yields in Europe remain under pressure due to high market-wide capacity growth and the Group’s response to increased competition
- Growth in North America volume-led; South America down due to weak Brazilian market
- Strong performance in Asia driven by Japanese market
Network Airlines: Volumes ups, yields down

Comments

- Volume growth and stable loads reflect ongoing solid customer demand
- High levels of price sensitivity in Europe, in particular in Vienna
- CASK reduction driven by fleet modernization and productivity improvements

Revenue KPIs

- ASK: +5.6%
- SLF: -0.1 pts.
- Yield: -5.0%
- RASK: -5.2%

Cost KPIs

- CASK: -0.8%

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

Conference & Roadshow Presentation
June / July 2019
Page 49
Network Airlines: Profits hit by lower unit revenues and higher fuel costs

Comments

- Fuel costs increase due to US dollar strength, volume growth and the expiry of low price hedges
- Lufthansa German Airlines and Austrian Airlines record negative operating profits
- Swiss remains profitable also in the first quarter
Eurowings: Short-haul yields challenged by market-wide excess capacity

**Comments**

- Results in short-haul impacted by intense competition in European market caused by oversupply.
- Tough comparison base due to prior year capacity gap caused by Air Berlin market exit.
- Long-haul remains below expectations.

**Graph**

- **Short-haul**
  - ASK: +5.9%
  - SLF: +0.3pts.
  - Yield: -8.8%
  - 69% of Traffic Revenues as of Q1 19

- **Long-haul**
  - ASK: +15.6%
  - SLF: -0.4pts.
  - Yield: +1.4%
  - 31% of Traffic Revenues as of Q1 19

1 Excl. currency

% of Traffic Revenues as of Q1 19

Conference & Roadshow Presentation
June / July 2019
Page 51
Eurowings: Unit cost reduction partly offsets revenue pressures

- **Comments**
  - Capacity growth still elevated as ex-Air Berlin aircraft not fully operational yet in prior year quarter
  - CASK reduction due to the non-recurrence of prior year costs for the integration of former Air Berlin aircraft
  - Measures to improve aircraft and crew productivity expected to drive cost efficiency improvements over the further course of the year

---

### Revenue KPIs

- **ASK**: +9.6%
- **SLF**: +0.2 pts.
- **Yield**: -7.0%
- **RASK**: -8.5%

### Cost KPIs

- **CASK**: -7.2%

---

1. Excl. currency
2. Excl. currency, excl. fuel
Eurowings: Adjusted EBIT below prior year levels

- Fuel costs increase as expected
- Unit revenue declines outweigh the benefit from cost reductions
- Eurowings results below prior year in seasonally loss-making quarter
Logistics decline offsets result improvement at MRO and Catering

<table>
<thead>
<tr>
<th>Adjusted EBIT / Margin</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lufthansa Cargo</strong></td>
<td></td>
</tr>
<tr>
<td>Q1 18: 72</td>
<td>Q1 19: 24</td>
</tr>
<tr>
<td>-67%</td>
<td>3.9%</td>
</tr>
<tr>
<td>-7.3pts.</td>
<td></td>
</tr>
<tr>
<td><strong>Lufthansa Technik</strong></td>
<td></td>
</tr>
<tr>
<td>Q1 18: 107</td>
<td>Q1 19: 125</td>
</tr>
<tr>
<td>+17%</td>
<td>7.2%</td>
</tr>
<tr>
<td>-0.1pts.</td>
<td></td>
</tr>
<tr>
<td><strong>LSG group</strong></td>
<td></td>
</tr>
<tr>
<td>Q1 18: 1</td>
<td>Q1 19: 2</td>
</tr>
<tr>
<td>100%</td>
<td>0.3%</td>
</tr>
<tr>
<td>+0.2pts.</td>
<td></td>
</tr>
<tr>
<td><strong>Others</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-29</td>
</tr>
<tr>
<td></td>
<td>-59</td>
</tr>
</tbody>
</table>

Comments

- Market-wide declines on routes between Europe and Asia depress Cargo results
- Improving performance in engine maintenance division drives MRO profits
- Improvements in North American and European businesses supports performance of LSG
- IT investments increase costs in the “Others” segment
First-time application of IFRS 16 distorts balance sheet presentation

- Increase entirely due to prepayments for aircraft to be delivered until 2027
- Free cash flow declines because of profit decrease, higher investments and increase of tax payments
- Tax payments primarily related to profit increases in prior year periods

Net debt stable at 3,474m EUR excluding IFRS 16 effect
- Adj. net debt (including pensions) / Adj. EBITDA increases by 0.6 to 2.4x, almost entirely driven by first-time application of IFRS 16

---

1 Excluding cash-outs from equity investments
2 Amortization of operating lease obligations shown in financing cash flow

---

Conference & Roadshow Presentation
June / July 2019
Page 55
Agenda

01  Strategy

02  Q1 2019 Results

03  Outlook

04  Appendix
### 2019 financial guidance adjusted

#### Passenger Airlines

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

#### Non-PAX

<table>
<thead>
<tr>
<th></th>
<th>Logistics</th>
<th>MRO</th>
<th>Catering</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue growth</strong></td>
<td>stable</td>
<td>up mid-single digit</td>
<td>stable</td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted EBIT margin</strong></td>
<td>3% to 5%</td>
<td>7% to 8%</td>
<td>2% to 4%</td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted EBIT (year-on-year change)</strong></td>
<td></td>
<td></td>
<td></td>
<td>-50m EUR</td>
</tr>
</tbody>
</table>

#### Lufthansa Group

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue growth</strong></td>
<td>up low-single digit</td>
</tr>
<tr>
<td><strong>Adj. EBIT margin</strong></td>
<td>5.5% to 6.5%</td>
</tr>
</tbody>
</table>
Fuel cost outlook 2019 slightly improved

**Fuel cost**

<table>
<thead>
<tr>
<th>FY 18</th>
<th>FY 19e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hedging level</td>
<td>79%</td>
</tr>
<tr>
<td>Volume [m tons]</td>
<td>10.8</td>
</tr>
<tr>
<td>LH Jet fuel price[^1] (USD/t)</td>
<td>6.66</td>
</tr>
<tr>
<td>Brent price (USD/bbl)[^3]</td>
<td>72</td>
</tr>
</tbody>
</table>

**Quarterly fuel cost**

<table>
<thead>
<tr>
<th>Q1 18</th>
<th>Q1 19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hedging level</td>
<td>80%</td>
</tr>
<tr>
<td>Volume [m tons]</td>
<td>2.3</td>
</tr>
<tr>
<td>LH Jet fuel price[^1] (USD/t)</td>
<td>641</td>
</tr>
<tr>
<td>EUR/USD</td>
<td>1.23</td>
</tr>
<tr>
<td>Brent price (USD/bbl)[^3]</td>
<td>67</td>
</tr>
</tbody>
</table>

**Sensitivity to Brent and currency**

<table>
<thead>
<tr>
<th>FY 19</th>
<th>Average Brent rest of year (USD/bbl)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.05</td>
<td>1.07</td>
</tr>
<tr>
<td>1,350</td>
<td>1,250</td>
</tr>
<tr>
<td>1,200</td>
<td>1,100</td>
</tr>
<tr>
<td>800</td>
<td>700</td>
</tr>
<tr>
<td>600</td>
<td>500</td>
</tr>
<tr>
<td>400</td>
<td>350</td>
</tr>
<tr>
<td>300</td>
<td>200</td>
</tr>
</tbody>
</table>

**Average EUR / USD rest of year**

<table>
<thead>
<tr>
<th>FY 19</th>
<th>1.05</th>
<th>1.07</th>
<th>1.09</th>
<th>1.11</th>
<th>1.13</th>
<th>1.15</th>
<th>1.17</th>
<th>1.19</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1</td>
<td>6.6</td>
<td>+550</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.2</td>
<td>1.4</td>
<td>+200</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.6</td>
<td>1.8</td>
<td>+250</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.7</td>
<td>1.8</td>
<td>+100</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As of 31 May 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

**Conference & Roadshow Presentation**
June / July 2019
Page 59
Higher investments will drive structural improvement of Group profitability

Investments by area 2018
[in bn EUR]

- Gross Investments: 3.8
- Aircraft, engines and cabin: 3.3
- Other (incl. digital): 0.5

Investments 2014 – 2018
[in bn EUR]

- 2014: 2.8
- 2015: 2.6
- 2016: 2.2
- 2017: 3.5
- 2018: 3.8

- Step up of investments partly due to accounting change
- Investments expected to amount to c. 3.6bn EUR in 2019, similar level in 2020
- Increase in 2021 due to fleet modernization
Group targets to increase free cash flow

- Group generated average FCF of more than 800m EUR in the past five years
- ROCE-accretive investments will improve Group profitability and cash flow going forward

Group confident to achieve > 1bn EUR of free cash flow in the medium-term
We are committed to generate attractive shareholder returns

Dividend per share / dividend payout

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend per share (EUR)</th>
<th>Dividend payout as a percentage of net income</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>0.50</td>
<td>0%</td>
</tr>
<tr>
<td>2015</td>
<td>0.50</td>
<td>14%</td>
</tr>
<tr>
<td>2016</td>
<td>0.50</td>
<td>13%</td>
</tr>
<tr>
<td>2017</td>
<td>0.80</td>
<td>16%</td>
</tr>
<tr>
<td>2018</td>
<td>0.80</td>
<td>18%</td>
</tr>
</tbody>
</table>

- **New dividend policy lifts payout to between 20% and 40% of net income**
- **Replaces previous policy of payout of 10% to 25% of consolidated EBIT**
- **New policy aims at dividend continuity**

* Adjusted for one-time gains and losses
<table>
<thead>
<tr>
<th></th>
<th>Agenda</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Strategy</td>
</tr>
<tr>
<td>02</td>
<td>Q1 2019 Results</td>
</tr>
<tr>
<td>03</td>
<td>Outlook</td>
</tr>
<tr>
<td>04</td>
<td>Appendix</td>
</tr>
</tbody>
</table>
- This page has intentionally been left blank -
## Group P&L

### Lufthansa Group (in m EUR)

<table>
<thead>
<tr>
<th></th>
<th>Q1 '19</th>
<th>vs. Q1 '18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenue</td>
<td>7,890</td>
<td>+3%</td>
</tr>
<tr>
<td>Other operating income</td>
<td>528</td>
<td>+2%</td>
</tr>
<tr>
<td>Total operating income</td>
<td>8,418</td>
<td>+3%</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>8,767</td>
<td>+8%</td>
</tr>
<tr>
<td>Non-fuel operating expenses</td>
<td>7,344</td>
<td>+7%</td>
</tr>
<tr>
<td>Cost of materials and services</td>
<td>4,553</td>
<td>+11%</td>
</tr>
<tr>
<td>Fuel expenses</td>
<td>1,423</td>
<td>+17%</td>
</tr>
<tr>
<td>Fees and charges</td>
<td>1,045</td>
<td>+2%</td>
</tr>
<tr>
<td>Staff costs</td>
<td>2,241</td>
<td>+6%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>667</td>
<td>+25%</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>1,306</td>
<td>-6%</td>
</tr>
<tr>
<td>Result from equity investments</td>
<td>5</td>
<td>+67%</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td><strong>-344</strong></td>
<td><strong>nmf.</strong></td>
</tr>
<tr>
<td>Adjustments</td>
<td>8</td>
<td>nmf.</td>
</tr>
<tr>
<td><strong>Adjusted EBIT</strong></td>
<td><strong>-336</strong></td>
<td><strong>nmf.</strong></td>
</tr>
<tr>
<td>Adjustment EBIT Margin</td>
<td>-4.3%</td>
<td>-5.0pts.</td>
</tr>
</tbody>
</table>
Group revenue bridge

Volume: +5.0%

Price: -5.7%

Currency: +1.9%

Traffic revenue (+1.2%)

Other revenue (+9.6%)

∑ Group revenue (+3.3%)

Q1 2018
∑ 7,640

Q1 2019
∑ 7,890

294
-332
110

5,785

1,855

2,033

5,857

in m EUR
Fuel cost bridge

Hedging result by quarter (in m EUR)

<table>
<thead>
<tr>
<th></th>
<th>Q1 2018</th>
<th>Q2 2018</th>
<th>Q3 2018</th>
<th>Q4 2018</th>
<th>FY (YTD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>107</td>
<td>107</td>
<td></td>
<td></td>
<td>107</td>
</tr>
<tr>
<td>2019</td>
<td>17</td>
<td></td>
<td></td>
<td></td>
<td>17</td>
</tr>
</tbody>
</table>

Change versus previous year

Volume: +57
Price: -48
Hedging: +90
Currency: +103

+202 in m EUR
## Operating KPIs of Network Airlines by region

<table>
<thead>
<tr>
<th>Total</th>
<th>Q1 ’19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of flights</td>
<td>+3.9%</td>
</tr>
<tr>
<td>ASK</td>
<td>+5.6%</td>
</tr>
<tr>
<td>RPK</td>
<td>+5.5%</td>
</tr>
<tr>
<td>SLF</td>
<td>-0.1pts.</td>
</tr>
<tr>
<td>Yield</td>
<td>-3.0%</td>
</tr>
<tr>
<td>Yield ex currency</td>
<td>-5.0%</td>
</tr>
<tr>
<td>RASK</td>
<td>-3.2%</td>
</tr>
<tr>
<td>RASK ex currency</td>
<td>-5.2%</td>
</tr>
<tr>
<td>CASK excl. fuel</td>
<td>+0.7%</td>
</tr>
<tr>
<td>CASK ex currency ex fuel</td>
<td>-0.8%</td>
</tr>
</tbody>
</table>

### Europe | Q1 ’19

- ASK: +5.7%
- RPK: +4.1%
- SLF: -1.1pts.
- Yield: -5.3%
- Yield ex currency: -6.5%

### Americas | Q1 ’19

- ASK: +3.2%
- RPK: +5.2%
- SLF: +1.5pts.
- Yield: -2.9%
- Yield ex currency: -6.1%

### Asia / Pacific | Q1 ’19

- ASK: +5.1%
- RPK: +4.6%
- SLF: -0.4pts.
- Yield: +3.6%
- Yield ex currency: +1.9%

### Middle East / Africa | Q1 ’19

- ASK: +15.7%
- RPK: +12.8%
- SLF: -2.0pts.
- Yield: -4.0%
- Yield ex currency: -6.0%

North America: -1.9%
South America: -18.7%
## Operating KPIs of Eurowings by region

### Total | Q1 '19
---|---
Number of flights | +2.5%
ASK | +9.6%
RPK | +9.9%
SLF | +0.2pts.
Yield | -6.5%
Yield ex currency | -7.0%
RASK | -6.1%
RASK ex currency | -8.5%
CASK excl. fuel | -5.9%
CASK ex currency ex fuel | -7.2%

### Short-haul | Q1 '19
---|---
ASK | +5.9%
RPK | +6.4%
SLF | +0.3pts.
Yield | -8.3%
Yield ex currency | -8.8%

### Long-haul | Q1 '19
---|---
ASK | +15.6%
RPK | +15.0%
SLF | -0.4pts.
Yield | +1.8%
Yield ex currency | +1.4%
Lufthansa Group has access to attractive financing options

**Sustainable free cash flow & high liquidity**

**Free cash flow generation**

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Cash Flow</th>
<th>Free Cash Flow</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>2.8</td>
<td>1.4</td>
</tr>
<tr>
<td>2013</td>
<td>3.3</td>
<td>1.3</td>
</tr>
<tr>
<td>2014</td>
<td>2.0</td>
<td>0.8</td>
</tr>
<tr>
<td>2015</td>
<td>3.4</td>
<td>1.1</td>
</tr>
<tr>
<td>2016</td>
<td>3.2</td>
<td>2.1</td>
</tr>
<tr>
<td>2017</td>
<td>5.4</td>
<td>4.1</td>
</tr>
<tr>
<td>2018</td>
<td>0.3</td>
<td>0.2</td>
</tr>
<tr>
<td>Q1 19</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Financial strength**

**Full Investment Grade Rating**
- Standard & Poor’s (BBB, stable outlook) - Apr. 19
- Moody’s (Baa3, stable outlook) - Sep. 18
- Scope (BBB, Stable outlook) - Jun. 19

**Unburdened fleet**
- 94% of fleet owned vs. 6% leased
- ~75% of fleet financially unencumbered (not used as security for financing transactions)

**Attractive Debt Financing**
- 14 JOLCOs² for aircraft financing: 2 in Dec 2018: 244m EUR; 5 in Jan 2019: 210m EUR; 7 in Apr 2019: 487m EUR
- Apr 2019: 800m EUR unsecured “Schuldscheindarlehen” (fix / floating) with maturities of 3 and five years

---

1. Adj. Free Cash Flow: Incl. amortization of operating lease obligations shown in financing cash flow (IFRS 16)
2. Japanese Operating Leases with Call Option

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Conference & Roadshow Presentation
June / July 2019
Page 70
Pension system change to reduce pension deficit and volatility

Pension obligations

### Pension systematic

- **Flexible funding model**
  - No mandatory funding
- **Change of accounting standard** (IAS19R) and **decreasing discount rate** has lead to strongly increasing liabilities since 2012
- **Current sensitivity** (based on FY18 assumptions): increase in discount rate of 50bps decreases obligation by c. 1.8bn EUR
- **Change of pension system** from defined benefit to defined contribution model for German ground staff (new entrants) and cabin crews achieved
- **Agreement with pilots’ union**: reduction of transitional payment period and pension change from DB to DC significantly reduced pension deficit

### Development of discount rate and pension deficit

#### Discount rate

<table>
<thead>
<tr>
<th>Year</th>
<th>Discount Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>4.3%</td>
</tr>
<tr>
<td>2006</td>
<td>4.5%</td>
</tr>
<tr>
<td>2007</td>
<td>5.5%</td>
</tr>
<tr>
<td>2008</td>
<td>6.0%</td>
</tr>
<tr>
<td>2009</td>
<td>5.5%</td>
</tr>
<tr>
<td>2010</td>
<td>5.0%</td>
</tr>
<tr>
<td>2011</td>
<td>4.5%</td>
</tr>
<tr>
<td>2012</td>
<td>3.5%</td>
</tr>
<tr>
<td>2013</td>
<td>3.8%</td>
</tr>
<tr>
<td>2014</td>
<td>2.8%</td>
</tr>
<tr>
<td>2015</td>
<td>2.1%</td>
</tr>
<tr>
<td>2016</td>
<td>2.0%</td>
</tr>
<tr>
<td>2017</td>
<td>2.0%</td>
</tr>
<tr>
<td>2018</td>
<td>1.8%</td>
</tr>
<tr>
<td>Q1 19</td>
<td></td>
</tr>
</tbody>
</table>

#### Pension provisions

<table>
<thead>
<tr>
<th>Year</th>
<th>Pension Provisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>4.0</td>
</tr>
<tr>
<td>2006</td>
<td>3.8</td>
</tr>
<tr>
<td>2007</td>
<td>2.5</td>
</tr>
<tr>
<td>2008</td>
<td>2.4</td>
</tr>
<tr>
<td>2009</td>
<td>2.7</td>
</tr>
<tr>
<td>2010</td>
<td>2.6</td>
</tr>
<tr>
<td>2011</td>
<td>2.2</td>
</tr>
<tr>
<td>2012</td>
<td>5.8</td>
</tr>
<tr>
<td>2013</td>
<td>4.7</td>
</tr>
<tr>
<td>2014</td>
<td>7.2</td>
</tr>
<tr>
<td>2015</td>
<td>6.6</td>
</tr>
<tr>
<td>2016</td>
<td>8.4</td>
</tr>
<tr>
<td>2017</td>
<td>5.1</td>
</tr>
<tr>
<td>2018</td>
<td>5.9</td>
</tr>
<tr>
<td>Q1 19</td>
<td>6.2</td>
</tr>
</tbody>
</table>

1 For German and Austrian pensions; based on AA-rated European corporate bonds; 2 restated figures
Lufthansa Group (in m EUR)

<table>
<thead>
<tr>
<th></th>
<th>Q1 '19</th>
<th>vs. Q1 '18</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBT (earnings before income taxes)</td>
<td>412</td>
<td>-398</td>
</tr>
<tr>
<td>Depreciation &amp; amortization (incl. non-current assets)</td>
<td>669</td>
<td>+122</td>
</tr>
<tr>
<td>Net proceeds from disposal of non-current assets</td>
<td>18</td>
<td>-21</td>
</tr>
<tr>
<td>Result of equity investments</td>
<td>-5</td>
<td>-2</td>
</tr>
<tr>
<td>Net interest</td>
<td>44</td>
<td>+3</td>
</tr>
<tr>
<td>Income tax payments/reimbursements</td>
<td>-377</td>
<td>-332</td>
</tr>
<tr>
<td>Significant non-cash-relevant expenses / income</td>
<td>-1</td>
<td>-15</td>
</tr>
<tr>
<td>Change in trade working capital</td>
<td>1,481</td>
<td>+91</td>
</tr>
<tr>
<td>Change in other assets / liabilities</td>
<td>141</td>
<td>+331</td>
</tr>
<tr>
<td><strong>Operating cash flow</strong></td>
<td>1,558</td>
<td>-179</td>
</tr>
<tr>
<td>Capital expenditure (net)</td>
<td>-1,279</td>
<td>-332</td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td>279</td>
<td>-511</td>
</tr>
<tr>
<td><strong>Adjusted Free cash flow</strong></td>
<td>178</td>
<td>-622</td>
</tr>
<tr>
<td>Cash and cash equivalents as of 31.03.19(^1)</td>
<td>1,240</td>
<td>-161</td>
</tr>
<tr>
<td>Current securities</td>
<td>2,078</td>
<td>-993</td>
</tr>
<tr>
<td><strong>Total Group liquidity</strong></td>
<td>3,318</td>
<td>-1,154</td>
</tr>
</tbody>
</table>

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.
Multi-Year financial overview

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

2018 reported figures including effects from the capitalization of engine overhaul, 2017 restated for better comparability.
Exemplary calculation of operational airline KPIs

Quarterly Data.xls

Network Airlines, FY 2018

Yield

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

RASK

(1) Total revenues 22,719
(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
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 Available on www.investor-relations.lufthansa-group.com, 2 RPK: Revenue Passenger Kilometers, 3 ASK: Available Seat Kilometers

Conference & Roadshow Presentation
June / July 2019
Page 74
Adoption of IFRS 16

- 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

**Impact on Lufthansa Group**

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

**Effect on Profit & Loss:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>+103</td>
</tr>
<tr>
<td>./. Depreciation</td>
<td>-95</td>
</tr>
<tr>
<td>EBIT</td>
<td>+8</td>
</tr>
<tr>
<td>./. Interests costs and FX valuation</td>
<td></td>
</tr>
<tr>
<td>EBT</td>
<td>-10</td>
</tr>
</tbody>
</table>

**Adjusted EBIT Margin**: + 0.1pts

**Effect on Balance Sheet:**

- **Total Assets**
  - Fixed Assets: +2,343
  - Financial Liabilities: +2,356

- **Total CF**
  - Q1 18
  - Op. CF
  - Interests & service
  - Fin. CF Leasing
  - Total CF Q1 19

**Equity Ratio**: -1.3pts // **Leverage**: +0.5x

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

**Conference & Roadshow Presentation**

June / July 2019
Page 75
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