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Eurowings
- #1 point-to-point airline in home markets
- Top point-to-point airline in Europe
- Partnership model to drive consolidation
- We do things differently
<table>
<thead>
<tr>
<th></th>
<th>Agenda</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Market environment and positioning of Eurowings</td>
</tr>
<tr>
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<td>Commercial strategy</td>
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<td>3</td>
<td>Organizational setup and financials</td>
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<tr>
<td>4</td>
<td>Growth opportunities through innovative Eurowings cooperation model</td>
</tr>
<tr>
<td>5</td>
<td>Summary and next steps</td>
</tr>
</tbody>
</table>
Eurowings builds on the success of Germanwings
Development of Eurowings in three phases

1. New Germanwings
   - Transfer of non-hub traffic from Lufthansa to ‘New Germanwings’ from 2013 (30 aircraft)
   - New fare concept BASIC, SMART, BEST
   - Financial turn-around / break-even in 2015

2. Eurowings Group
   - CR9 conversion to homogenous A320 fleet
   - Greenfield LCC operating platform EW Europe
   - First base outside Germany in VIE
   - Start of long-haul operations
   - EW Group bundling activities for all AOCs
   - Eurowings as lead brand

3. Growth opportunities
   - Organic growth: re-fleeting, additional aircraft and Lufthansa Group internal consolidation
   - External growth option: various alternatives (strategic partnerships and M&A)
   - Innovative cooperation model to foster profitable growth and benefit from consolidation in Europe

---

Eurowings builds on the success of Germanwings
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   - Organic growth: re-fleeting, additional aircraft and Lufthansa Group internal consolidation
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   - Innovative cooperation model to foster profitable growth and benefit from consolidation in Europe
The business model has proven successful
Financial turnaround achieved in 2015

**EBIT development**

- in m EUR
- 2012: > -200 m EUR
- 2013: Break-even
- 2014: Break-even
- 2015: Break-even

**RASK / CASK development**

- in eurocents
- 2013: RASK 10.8, CASK 9.9
- 2014: RASK 10.6, CASK 9.9
- 2015: RASK 10.0, CASK 9.5

**ASK Share:**
- Germanwings / Eurowings 9.9
- Lufthansa Direct Services 10.8
- Lufthansa Direct Services 10.3

---

- Successful turnaround despite increased LCC competition
- CASK improvement overcompensates RASK decline
- Constantly increasing load factor since 2013
Eurowings holds #1 or #2 positions in all relevant German catchments
Strong competitive position in Germany

Eurowings operates from the heart of Europe

- Decentral structure of German market; several large catchments
- Premium position in high-yield markets with high purchasing power
- Shorter average sector length due to central geographic location in Europe

Market shares based on offered outbound seats to Europe 2015; number of short- and long-haul fleet per base and number of destinations as of Jun 2016; *incl. Dortmund
Eurowings leverages legacy advantages at lower cost
Positioning of Eurowings within Lufthansa Group and LCC market

Eurowings within LH Group

Eurowings leverages LH Group advantages...
- LH status & corporate customer base
- Frequent flyer program
- Joint procurement
- Fleet management
- Codesharing
- Lounge access

... while maintaining autonomy
- P2P focus
- Unbundled fares
- Revenue management
- Independent labour agreements
- Non-legacy cost base
- Separate IT system (Navitaire)

Eurowings Positioning within the LCC Segment

Ultra Low Cost
- Single class, maximized seat density
- Aggressive seat pricing, with strong focus on ancillaries
- Focus on leisure travelers
- Mainly secondary and tertiary airports

Traditional Low Cost
- Point-to-point
- High frequency
- Leisure travelers and price sensitive business travelers
- Mainly primary and secondary airports

Modern Low Cost
- Point-to-point and network
- Leisure travelers and price sensitive business travelers
- Premium cabin, compromised seat density
- Frequently primary airports

Eurowings leverages LH Group advantages...
- LH status & corporate customer base
- Frequent flyer program
- Joint procurement
- Fleet management
- Codesharing
- Lounge access

... while maintaining autonomy
- P2P focus
- Unbundled fares
- Revenue management
- Independent labour agreements
- Non-legacy cost base
- Separate IT system (Navitaire)

Eurowings
- Cost Position

Eurowings
- Revenue & Product
Eurowings is able to retain LH Group customers and increase demand
FFP data and travel profile of a frequent traveler

Eurowings’ hybrid role

- Retain loyal Lufthansa Group customer base
- Raise purchase frequency
- Increase demand and tap into new target groups

Frequent flyer program

Passengers with FFP-Membership

- No FFP: 76%
- 24% FFP
- 93% M&M
- 7% Boomerang Club

Average revenue per segment

- Non FFP: 100 €
- Boomerang Club: 96 €
- M&M Member: 112 €
- FTL: 131 €
- SEN: 162 €
- HON: 229 €

Example: flight travel pattern of a Miles&More Gold Status passenger from Hamburg

Number of trips per year

- Lufthansa
- Eurowings
- Other Airlines

FFP = Frequent Flyer Program; M&M = Miles&More; BC = Boomerang Club; FTL = Frequent Traveler (Silver Status); SEN = Senator (Gold Status); HON = Hon Circle Member (Platinum Status)
Eurowings is one of the three pillars of the Lufthansa Group
Stand-alone business within the leading Aviation Group

First choice in aviation

Premium network carrier system

#1 in Europe

Eurowings Group

#1 in home markets*

• À-la-carte-concept
• Point-to-point traffic
• Pan-European

Aviation Services

#1 worldwide

Lufthansa Cargo

Lufthansa Technik

LSG Sky Chefs

Miles & More

and more

* Germany, Austria, Switzerland and Belgium
1 Market environment and positioning of Eurowings

2 Commercial strategy

3 Organizational setup and financials

4 Growth opportunities through innovative Eurowings cooperation model

5 Summary and next steps
Eurowings serves more than 130 destinations
High frequency domestic and European trunks plus attractive leisure routes

- **Non-hub network 2011**
  - Primary European leisure destinations served by **Germanwings**
  - Primary domestic and European trunks served by **Lufthansa**
  - 4U and LH **networks not aligned**

- **Eurowings network 2016**
  - High frequency on domestic and **European trunks** (LON, PAR, MIL, BCN)
  - **Touristic routes** within central Europe (partly seasonal service)
  - **Leisure long-haul routes** with a mix of „city“ and „beach“ destinations

<table>
<thead>
<tr>
<th>LH+4U destinations</th>
<th>~110</th>
</tr>
</thead>
<tbody>
<tr>
<td>LH+4U seats offered</td>
<td>~24m</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EW destinations</th>
<th>~135</th>
</tr>
</thead>
<tbody>
<tr>
<td>EW seats offered</td>
<td>~26m</td>
</tr>
</tbody>
</table>
Eurowings strategy designed to fully exploit strong home market
Domestic route network and KPI benchmark

Domestic network 2016

- High frequency domestic service (e.g. up to 10x daily CGN – TXL)
- On average ~1,000 domestic flights per week
- Domestic services account for ~30% of total capacity

Daily cycles, flight time and RASK 2015

- More daily cycles than competition and shorter average sector length
- Structurally higher unit revenue than competitors plus additional premium
- Potential to increase productivity with broader European P2P network

Source: Airbus; Annual Airline Reports 2015
Network continuously enhanced to optimize schedule and mix
Growth focus on leisure routes

Our new European routes

Edinburgh
United Kingdom

Faro
Portugal

Gran Canaria
Spain

Brindisi
Italy

Varna
Bulgaria

Rhodos
Greece

Antalya
Turkey

14 Expert Session Eurowings I 10.06.2016
Long-haul network serves leisure and selected city destinations
Continuously growing long-haul network

Full charter destinations:
Montego Bay, La Romana, Bridgetown, Salalah
Eurowings serves price as well as value oriented customers
Appealing to business and leisure passenger

### Eurowings customer segments

<table>
<thead>
<tr>
<th>Price-sensitive leisure travelers</th>
<th>Value-conscious business travelers and corporate customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>seeking lowest fares possible</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Upmarket leisure travelers,</td>
<td>LH Groups most loyal customers</td>
</tr>
<tr>
<td>willing to trade up for comfort</td>
<td>traveling on non-hub routes</td>
</tr>
</tbody>
</table>

#### Reason for travelling

<table>
<thead>
<tr>
<th>~75% Leisure/private</th>
<th>~25% Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>12%</td>
<td>12%</td>
</tr>
<tr>
<td>28%</td>
<td>28%</td>
</tr>
<tr>
<td>43%</td>
<td>43%</td>
</tr>
</tbody>
</table>

#### Clusters within B2C segment

- **Minimalistic**
  - Trip duration < 10 days
  - No frills/ancillaries
- **One-time**
  - Trip duration < 7 days
  - Ancillaries during flight booking
- **Recurring**
  - Ø bookings per year > 2
  - Additional ancillary services
- **Long-term**
  - Trip duration >10 days
  - Booking early in advance
- **Frequent**
  - Ø bookings per year >10
  - Additional ancillary services
‘A la carte’ product caters individual customer preferences
Three pre-packaged products complemented by ancillary options

**BASIC**
The budget fare
- Miles
- Hand luggage
- Bookable add-ons

**SMART**
The standard fare
- Preferred seating in the standard category
- 1 bag up to 23 kg
- Hand luggage
- SMART meals (1x hot, 1x cold)
- Beverages
- Lounge access at selected airports for HON, SEN and FTL
- Free booking changes or cancellation with Flex option*
- Miles
- Bookable add-ons

**BEST**
The premium fare
- Premium seat in the exclusive category
- More legroom and generous recline
- 2 bags up to 23 kg each
- 2 items of hand luggage
- À la carte catering
- Security fast lane at selected airports
- Lounge access
- Priority check-in and priority boarding
- On-board entertainment
- Free booking changes or cancellation with Flex option*
- Miles including HON Circle miles

**Customer share***
- BASIC: 55%
- SMART: 40%
- BEST: 5%

*average in Q1 2016; incl. travel agencies
Product follows customer demand: up to 32” seat pitch on short-haul
Biggest section of more legroom seats among competitors

Ancillary Revenue per pax: ~11 EUR

BEST seats
(free middle seat)

More legroom
(rows 1-12)

Standard
Economy

Max \( \sum 180 \text{ seats} \)
Airbus A320

Max \( \sum 150 \text{ seats} \)
Airbus A319
Eurowings offers a state-of-the-art value product on long-haul
High density configuration for competitive low-cost operation

- 3 class high density configuration for competitive low-cost operations with leisure customer focus
- State-of-the-art cabin interior with wireless internet connectivity and HD Entertainment on every seat

Prices to make anyone smile: Dubai for less than 100€.

Ancillary Revenue per pax: ~19 EUR
Comprehensive, cost efficient distribution remains key success factor.

### Sales channel mix

<table>
<thead>
<tr>
<th>Sales channel</th>
<th>Direct Sales</th>
<th>Indirect Sales ticketless</th>
<th>Ticketed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EW.com</td>
<td>Corporate portal</td>
<td>GDS</td>
</tr>
<tr>
<td></td>
<td>Mobile</td>
<td>Direct Connect</td>
<td>GDS light</td>
</tr>
<tr>
<td></td>
<td>Call Center</td>
<td>Tour Operator</td>
<td>Sabre</td>
</tr>
<tr>
<td></td>
<td>Airport Sales</td>
<td>Groups</td>
<td>Travelport</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Infini</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revenue share*</th>
<th>39%</th>
<th>38%**</th>
<th>23%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Channel fee</td>
<td>-</td>
<td>20 EUR / booking</td>
<td>7.5 EUR / segment</td>
</tr>
<tr>
<td>Volume</td>
<td>81% low cost distribution</td>
<td>19%</td>
<td></td>
</tr>
</tbody>
</table>

- Variety of sales channels cover the needs of all customers
- Customer pays additional transaction costs

* Actual Fare+ Fees, w/o VAT , ** incl. Miscellaneous
New ancillary services to be offered in the course of the year
Developing new revenue streams

Protect your price:
Check your preferred flight with family & friends before booking – the prize is safe!

New Smart bundle differentiation:
Re-allocated & optimized bundle products differentiated between markets

Bid for BEST:
Submit a bid for an upgrade from SMART to the premium BEST fare

Eurowings Holidays:
Online integration of packaged holidays with tour operator Tropo

Private seat:
Need some private space? Book a free seat next to you

Best price guarantee on eurowings.com:
Strengthening of direct sales
Internet connectivity on board of the entire Eurowings fleet
Continuous product improvements

Inflight entertainment on your own smartphone, tablet or laptop via WiFi on board of the entire short-haul fleet

Selection of movies, music and games for all travelers

On board internet connectivity (starting winter 2016/17)
Eurowings is successfully building a modern, innovative brand
Quality image and a leading presence in social media

Eurowings clear #1 in Facebook likes compared to competitors.¹

¹ In terms of engagement rate ((Likes + comments + shares) / total Likes) ² Shortest response time among German competitors (AB, X3, DE) ³ Local Likes in Germany among LCC competitors (EW, FR, AB & EZY)
Brand recognition increased significantly supported by TV-spots
Market research about brand recognition in Germany and Austria

Brand recognition\(^1\) & willingness to book\(^2\)

<table>
<thead>
<tr>
<th></th>
<th>Germany</th>
<th>Austria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand recognition</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feb-15</td>
<td>68%</td>
<td>44%</td>
</tr>
<tr>
<td>Feb-16</td>
<td>87%</td>
<td>74%</td>
</tr>
<tr>
<td>Feb-15</td>
<td>72%</td>
<td>64%</td>
</tr>
<tr>
<td>Feb-16</td>
<td>82%</td>
<td>81%</td>
</tr>
</tbody>
</table>

Willingness to book

<table>
<thead>
<tr>
<th></th>
<th>Germany</th>
<th>Austria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb-15</td>
<td>31%</td>
<td>26%</td>
</tr>
<tr>
<td>Feb-16</td>
<td>6%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Advertisement recognition\(^1\)

<table>
<thead>
<tr>
<th></th>
<th>Germany</th>
<th>Austria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertisement recognition</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feb-15</td>
<td>6%</td>
<td>2%</td>
</tr>
<tr>
<td>Feb-16</td>
<td>26%</td>
<td>31%</td>
</tr>
</tbody>
</table>

- Brand recognition of Eurowings brand has increased significantly in Germany and Austria
- Effect on willingness to book a flight in line with brand perception
- Conversion rate increased (7% \(\rightarrow\) 13%)

Source: Online survey via INNOFACT

\(^1\)supported recognition \(^2\) booking of a short-haul flight
Eurowings stands for quality and value for money

Eurowings brand values

- **Quality**
  - impressively professional
- **CLEVER**
  - Surprising
  - Charmingly humorous
  - Inspiring
  - Intelligent
- **CARING**
  - Friendly
  - Interested
  - Concerned
  - Warm-hearted
- **CONFIDENT**
  - Professional
  - Attractive
  - Charismatic
  - Relevant
- **CASUAL**
  - Open
  - Uncomplicated
  - Approachable
  - Cool
- **Innovation**
  - consistently simple
- **Enthusiasm**
  - keenly committed
<table>
<thead>
<tr>
<th></th>
<th>Section Title</th>
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</table>
Lean organisational set-up provides for efficient overhead structure
Bundling of commercial and administrative functions for multiple AOCs

<table>
<thead>
<tr>
<th>AOC</th>
<th>Eurowings Aviation GmbH</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Eurowings Germany</td>
</tr>
<tr>
<td>2</td>
<td>Eurowings Europe</td>
</tr>
<tr>
<td>3</td>
<td>Germanwings</td>
</tr>
<tr>
<td>4</td>
<td>Sun Express Germany</td>
</tr>
<tr>
<td>...</td>
<td>tbd</td>
</tr>
</tbody>
</table>

**Administration & commercial departments**
- Bundled management structures
- Coordination of Eurowings Group AOCs
- Headquarters in Cologne

**AOC:** Air Operator Certificate

- EW branding
- EW flight no.
- CR9 / A320 fleet
- Short-haul

- EW branding
- EW flight no.
- A320 fleet
- Short-haul

- 4U branding
- 4U flight no.
- A319/320 fleet
- Short-haul

- EW branding
- EW flight no.
- A330-200 fleet
- Long-haul

- tbd.
- tbd.

**Lean organisational set-up**

- Expert Session Eurowings
- 10.06.2016

- Administration & commercial departments
  - Bundled management structures
  - Coordination of Eurowings Group AOCs
  - Headquarters in Cologne

**Eurowings Group AOCs**

- Eurowings
- Germanwings
- Sun Express

**Fleet configurations**

- CR9 / A320 fleet
- A320 fleet
- A319/320 fleet
- A330-200 fleet

**Fleet types**

- Short-haul
- Long-haul

**TBD**
Current results are still burdened but positive underlying performance
Adj. EBIT Q1 2016 and trading assumptions 2016

<table>
<thead>
<tr>
<th>Adj. EBIT development Q1 16</th>
<th>Trading assumptions FY 16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>in m EUR</strong></td>
<td><strong>Q1 2016</strong></td>
</tr>
<tr>
<td>Revenue</td>
<td>377</td>
</tr>
<tr>
<td>Adj. EBIT</td>
<td>-86</td>
</tr>
<tr>
<td>thereof one-off costs (project and irregularity costs on long-haul)</td>
<td>c. 20</td>
</tr>
</tbody>
</table>

- First quarter was burdened by **project costs** and **irregularities** on long-haul operations
- **Positive contribution** of long-haul operations excl. irregs already in first quarter

<table>
<thead>
<tr>
<th>KPI</th>
<th>FY16 assumptions</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Flights (Landings)</td>
<td>c. +5%</td>
<td>Short-haul growth of c. 4% and new long-haul operations</td>
</tr>
<tr>
<td>Capacity (ASK)</td>
<td>+25-30%</td>
<td>Short-haul growth of c. 8% and new long-haul operations</td>
</tr>
<tr>
<td>Load Factor (SLF)</td>
<td>slight increase</td>
<td>Measures to reduce seasonality; successful long-haul operations</td>
</tr>
<tr>
<td>Pricing (Yield ex currency)</td>
<td>clearly negative</td>
<td>Structural decline from increased long-haul operations; increasing competition in home markets</td>
</tr>
<tr>
<td>Unit Revenue (RASK ex currency)</td>
<td>clearly negative</td>
<td></td>
</tr>
<tr>
<td>Unit Costs (CASK ex fuel ex currency)</td>
<td>c. -10%</td>
<td>Reflecting CR9 to A320; long-haul growth; platform-shift</td>
</tr>
</tbody>
</table>
Eurowings with clear path to lower unit costs
Main drivers are up-gauging, crew costs and long-haul capacity increase

CASK development*

CASK* in eurocents / ASK

<table>
<thead>
<tr>
<th>Category</th>
<th>2015</th>
<th>Plan 2016</th>
<th>Plan 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overhead &amp; Misc.</td>
<td>0.6</td>
<td>0.6</td>
<td></td>
</tr>
<tr>
<td>Product</td>
<td>0.6</td>
<td>7.2</td>
<td></td>
</tr>
<tr>
<td>ACMI</td>
<td>2.8</td>
<td>5.8</td>
<td></td>
</tr>
<tr>
<td>Fees &amp; Charges</td>
<td>4.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

-28%

Competitive cost base, in particular on shorter average sector length

* According to current planning; CASK excl. fuel/ETS, currency and project costs; ACMI = Aircraft, Crew, Maintenance and Insurance

**Eurowings**
Action on manageable cost items to strengthen competitiveness
Cost optimization focus and main levers

**New organizational set-up**
- Bundling of planning and administrative functions and realization of scale effects by offering these services to several operating platforms
- Focused standardization of all business processes

**Fleet streamlining**
- Upgauging of CR9 to Airbus A320 fleet
- Cost efficient operation of homogeneous A320 family fleet

**Competitive tariff structures**

<table>
<thead>
<tr>
<th>Cockpit costs per block hour</th>
</tr>
</thead>
<tbody>
<tr>
<td>LH</td>
</tr>
<tr>
<td>4U</td>
</tr>
<tr>
<td>EW</td>
</tr>
</tbody>
</table>

-20% -23%

**Provider Management**
- Agreement on new catering contract
- Negotiation with airports and handling provider to further reduce costs
Fleet growth and transfer of assets to most competitive platforms
Development of fleet allocation until 2020*

* According to current planning
More potential for profit improvement identified
Cyclical business and productivity level offer opportunities for improvement

Revenue and Adj. EBIT 2015

Revenue and Adjusted EBIT in m EUR

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Revenue</th>
<th>Adjusted EBIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>338</td>
<td>-53</td>
</tr>
<tr>
<td>Q2</td>
<td>516</td>
<td>31</td>
</tr>
<tr>
<td>Q3</td>
<td>599</td>
<td>82</td>
</tr>
<tr>
<td>Q4</td>
<td>456</td>
<td>-22</td>
</tr>
<tr>
<td>FY</td>
<td>1,909</td>
<td>2%</td>
</tr>
</tbody>
</table>

Margin: -16% 6% 14% -5% 2%

Seat load factor

Seat load factor in %

Average daily block hours

Average block hours / aircraft / day

Levers for further improvement
- Network and flight plan optimization
- Finalization of pilot training
- Competitive labour agreements
- Start-up Eurowings Europe

Challenge of seasonality and productivity to be tackled with different levers, e.g. changes in network and labour agreements
EBIT improvement driven by CASK reduction and lower project costs
Project costs and EBIT development

Development of Adj. EBIT and project cost*

in m EUR

<table>
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<tr>
<th>Year</th>
<th>Project Costs</th>
<th>Adj. EBIT</th>
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<tr>
<td>2015</td>
<td>23</td>
<td>23</td>
</tr>
<tr>
<td>2016</td>
<td>39</td>
<td>39</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td>23</td>
</tr>
</tbody>
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Further reduction of project costs in following years

CASK reduction and lower project cost will lead to structural earnings improvement

* According to current planning
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Consolidation in Europe will happen
Eurowings well prepared to actively benefit from consolidation

### USA
**Market Share (ASK)**

- AS: 22%
- WN: 12%
- CO: 8%
- US: 18%
- NW: 17%
- DL: 17%
- UA: 21%
- AA: 18%
- AA/US: 24%
- Others: 11%

**>120 Airlines**
USA 20 years ago

**~50 Airlines**

- 20 years ago more than 120 airlines operated in the US
- Today around 50 airlines operate in the US
- Four major airlines control the market

### Europe

- Top European LCCs **primarily focusing on organic growth**
- Government shareholders only gradually selling shares
- Bilateral **traffic rights** (outside EU) at risk in case of cross national M&A in Europe
- **Insolvency law** makes M&A less attractive than in the US (Chapter 11)

- Eurowings cooperation model enhances ability to actively shape European consolidation
- WingsConnect enables alignment and cost efficiency without requiring majority shareholding
Various options for external growth
A broad set of growth options are being pursued

**Growth options**

1. Growth from within Lufthansa Group
   - Consolidation within LH Group
   - Focus on point-to-point

2. Partnerships and M&A
   - Leading, cost-efficient point-to-point airlines in Europe
   - Small to medium size airlines in competitive market environments

**Partnership criteria**

- **Cost efficiency/ LCC DNA**
  - CASK
  - Labour productivity
  - Aircraft utilization

- **Market positioning**
  - Attractive catchments (size and spend)
  - Market leader in relevant segment
  - Pan-European footprint

- **Customers**
  - Yield and ancillary revenue potential
  - Value/ quality LCC product
  - Accretive demand, different customer segments

- **Reliability**
  - Operational stability
  - Safety
  - Quality as bedrock

- **Feasibility**
  - Availability (legal, organizational)
  - Investment/ price
  - Ease of implementation
  - Cultural fit (e.g. brand, growth ambition)

---

* Home markets = Germany, Austria, Switzerland, Belgium
The Eurowings cooperation model
Attractive partnering options are offered at different levels of integration

Wet lease and WingsConnect partnerships

1. **Wet lease**
   - **“Subcontractor”**
     - Fixed ACMI(O) rate per flight hour
     - Quick ramp-up
     - Test phase & intro into model

2. **WingsConnect**
   - **“AOC Partner”**
     - Centralization of services in AMC
     - Incentivized to drive cost efficiency
     - AOC keeps revenue minus fees to AMC

3. **WingsConnect**
   - **“Eurowings Shareholder”**
     - Equity involvement in AMC
     - Shapes industry
     - P&L based on service fee revenue

---

**Airline Management Company (AMC)**
(Eurowings Aviation)

- **Steering and services**
  - Strategic goals
  - Brand & business model
  - Bundling of resources

- **Flight ops & local services**
  - Execution of growth ambitions
  - Operations and product quality
  - Local air traffic rights

---

**Eurowings airline partners**
Eurowings offers a consistent customer experience
Eurowings provides a one-shop travel offer

Plan & book
- One website
  - Marketing
  - Communication
  - Website eurwoings.com
  - Booking process
- ...  

Day of travel...
- One service experience
  - Check-In & bag check
  - Information
  - Services
  - Flight status
- ...

On board...
- One product
  - In-flight product
  - Seat & services
  - Crew: Eurowings uniform and training standards
- ...

One consistent customer experience
A triple win for customers, airline partners and Eurowings itself

Overview of benefits

Customer
- Enhanced, pan-European network
- Consistent service and product
- Eurowings brand

Airline partner
- Securing market shares against competition
- Network profitability
- Pan-European brand
- Synergy effects
- Return on investment
- Ensuring future sustainability

Eurowings
- Network expansion
- Synergies via scale
- Efficiency gains
- Increasing return on capital
- Impact on market adjustments
1 Market environment and positioning of Eurowings

2 Commercial strategy

3 Organizational setup and financials

4 Growth opportunities through innovative Eurowings cooperation model

5 Summary and next steps
Eurowings is on track to become a top European point-to-point airline

Overview of major milestones

1. New Germanwings
   - Align Point-to-Point network and transfer non-hub traffic from Lufthansa
   - Offer a product that meets individual customer preferences on price and comfort
   - Turn heavily loss making non hub traffic into a profitable business unit

2. Eurowings Group
   - Set-up of lean organization with bundled management
   - Ensure homogenous short- and long-haul fleet
   - Strengthen Eurowings quality LCC brand and customer relationship
   - Continuous control cost
   - Launch new product choices and tap into new revenue streams

3. Growth opportunities
   - Pursue organic growth and Lufthansa Group internal consolidation
   - Use external consolidation opportunities with innovative cooperation model
   - Build one of the top Point-to-Point airlines in Europe
Deutsche Lufthansa AG
Investor Relations / FRA IR
Lufthansa Aviation Center
Airportring
D-60546 Frankfurt

Andreas Hagenbring, Head of IR
Phone: +49 (0) 69 696 28000
Fax: +49 (0) 69 696 90990
E-mail: investor.relations@dlh.de

Visit our webpage: lufthansa-group.com/investor-relations