



Lufthansa Group



Financial Statements 2016

Contents

2	Deutsche Lufthansa AG Balance sheet
3	Deutsche Lufthansa AG Income statement
4	Deutsche Lufthansa AG Statement of changes in non-current assets
5	Deutsche Lufthansa AG Notes to the financial statements
20	Auditors' report
21	Deutsche Lufthansa AG - Supervisory Board and Executive Board
22	Deutsche Lufthansa AG - Other mandates of the Supervisory Board members
23	Deutsche Lufthansa AG - Mandates of the Executive Board members
24	Deutsche Lufthansa AG - Significant equity investments
31	Legal information

The management report for Deutsche Lufthansa AG and the Group management report have been combined and published in the Lufthansa Annual Report 2016. The financial statements and the combined management report and Group management report of Deutsche Lufthansa AG for the financial year 2016 are published in the German Federal Gazette and are also accessible from the internet site of the company registry.

2016 financial statements for Deutsche Lufthansa AG

Deutsche Lufthansa AG

Balance sheet as of 31 December 2016

Assets			
in €m	Notes	31.12.2016	31.12.2015
Intangible assets		339	352
Aircraft		4,933	5,032
Property, plant and other equipment		103	106
Financial investments	4)	14,702	12,911
Non-current assets	3)	20,077	18,401
Inventories	5)	77	88
Trade receivables	6)	448	426
Other receivables and other assets	6)	1,384	1,450
Securities	7)	805	250
Cash and cash equivalents	7)	641	402
Current assets		3,355	2,616
Prepaid expenses	8)	51	45
Deferred tax assets	9)	1,077	1,139
Excess of plan assets over provisions for pensions	10)	489	48
Total assets		25,049	22,249

Shareholders' equity and liabilities			
in €m	Notes	31.12.2016	31.12.2015
Issued capital	11)	1,200	1,189
Capital reserve	12)	223	187
Retained earnings	12)	3,865	2,931
Distributable earnings	30)	234	232
Shareholders' equity		5,522	4,539
Provisions for pensions and similar obligations		2,652	2,460
Tax provisions		275	63
Other provisions		4,416	4,338
Provisions	13)	7,343	6,861
Bonds		1,000	1,750
Liabilities to banks		1,673	954
Payables to affiliated companies		5,447	4,371
Other liabilities		4,059	3,770
Liabilities	14)	12,179	10,845
Deferred income		5	4
Total shareholders' equity and liabilities		25,049	22,249

Deutsche Lufthansa AG

Income statement for the financial year 2016

The new regulations of the German Accounting Directive Implementation Act (BilRUG) on structuring the income statement do not longer provide the former statutory result from ordinary activities. However, to provide a better overview and for greater transparency, this earnings indicator will still be shown as the sum of the result from operating activities and the financial result.

in €m	Notes	2016	2015
Traffic revenue	18)	14,063	15,314
Other revenue	19)	1,146	355
Total revenue		15,209	15,669
Other operating income	20)	1,649	2,582
Cost of materials and services	21)	– 9,780	– 10,393
Staff costs	22)	– 2,855	– 2,827
Depreciation, amortisation and impairment	23)	– 428	– 458
Other operating expenses	24)	– 2,946	– 3,959
Result from operating activities		849	614
Result from equity investments	25)	598	728
Net interest	26)	94	– 1,237
Impairment on investments and current securities	27)	– 26	– 131
Financial result		666	– 640
Result from ordinary activities		1,515	– 26
Current income taxes	28)	– 233	– 34
Deferred income taxes	28)	– 62	1,139
Profit after income taxes		1,220	1,079
Other taxes	28)	– 51	– 45
Net profit for the year		1,169	1,034
Transfers to retained earnings	12)	– 935	– 802
Distributable earnings	30)	234	232

Deutsche Lufthansa AG

Statement of changes in non-current assets for 2016

Amounts in €m	as of 1.1.2016	Additions	Disposals	Reclassifi- cations	as of 31.12.2016	as of 1.1.2016	Accumulated depreciation and amortisation				Carrying amounts	
							Depreciation of fiscal year 2016	Disposals	Write-ups	as of 31.12.2016	as of 31.12.2015	
I. Intangible assets												
1. Purchased concessions, intellectual property and similar rights and assets and licences in such rights and assets	552	6	1	3	560	205	35	0	-	240	320	347
2. Advance payments	20	17	0	-3	34	15	-	-	-	15	19	5
	572	23	1	-	594	220	35	0	-	255	339	352
II. Aircraft												
1. Aircraft and equipment	6,993	437	689	61	6,802	2,860	370	535	-	2,695	4,107	4,133
2. Advance payments and plant under construction	899	122	134	-61	826	-	-	-	-	-	826	899
	7,892	559	823	-	7,628	2,860	370	535	-	2,695	4,933	5,032
III. Property, plant and equipment												
1. Land, leasehold rights and buildings including buildings on third-party land	168	5	2	11	182	111	11	1	-	121	61	57
2. Other equipment, operating and office equipment	145	15	5	1	156	115	12	5	-	122	34	30
3. Advance payments and plant under construction	19	2	1	-12	8	-	-	-	-	-	8	19
	332	22	8	-	346	226	23	6	-	243	103	106
IV. Investments												
1. Shares in affiliated companies	10,304	1,345	189	-	11,460	1,150	12	-	35	1,127	10,333	9,154
2. Loans to affiliated companies	3,506	2,334	1,740	-	4,100	74	14	31	7	50	4,050	3,432
3. Equity investments	229	-	-	-	229	13	-	-	-	13	216	216
4. Loans to companies held as other equity investments	45	-	-	-	45	4	-	-	1	3	42	41
5. Non-current securities	8	-	0	-	8	-	-	-	-	-	8	8
6. Other loans	79	1	33	-	47	26	-	26	-	-	47	53
7. Prefinancing of leasehold	7	-	1	-	6	-	-	-	-	-	6	7
	14,178	3,680	1,963	-	15,895	1,267	26	57	43	1,193	14,702	12,911
Total non-current assets												
	22,974	4,284	2,795	-	24,463	4,573	454	598	43	4,386	20,077	18,401

Notes to the financial statements of Deutsche Lufthansa AG for 2016

1) Application of the German Commercial Code (HGB)

The financial statements of Deutsche Lufthansa AG, Cologne, registered at Cologne District Court under the number HRB 2168, have been prepared in accordance with the German Commercial Code (HGB) and the regulations of the German Accounting Directive Implementation Act (BilRUG) that are applicable for the first time, as well as the supplementary regulations of the German Stock Corporation Act (AktG) and the Articles of Association, and have been audited by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf. In accordance with Section 315a Paragraph 1 HGB, Deutsche Lufthansa AG, the parent of the Deutsche Lufthansa AG Group, prepares consolidated financial statements on the basis of the International Financial Reporting Standards (IFRS). Consolidated financial statements are therefore not drawn up on the basis of the German Commercial Code. The financial year is the calendar year.

The financial statements are published in the electronic Federal Gazette. They are permanently available online at <https://investor-relations.lufthansagroup.com/en/finanzberichte.html>

The income statement has been prepared using the total cost method.

To make the presentation clearer, certain items of the balance sheet and the income statement have been grouped together and are shown and explained separately in the notes. Over and above the statutory classification, the balance sheet item "Aircraft" is listed separately in order to improve the clarity of the financial statement as well as the commonly used result from ordinary activities.

The first-time application of BilRUG in 2016 means that the financial statements are not directly comparable with those for the previous year 2015. Disclosures on items materially affected by these changes are provided in the Notes to the financial statements under the corresponding subsection.

2) Accounting policies

Currency translation In-house conversion rates for foreign currencies are set monthly in advance according to the exchange rates on international markets. These serve as the basis for converting foreign currency items into euros in the month in which entries are made.

Receivables/ liabilities in foreign currencies, cash and provisions are translated at the mean spot rate on the reporting date in accordance with Section 256a HGB. For other non-current receivables/ liabilities in foreign currency, the lower-/ higher-of-cost-or-market principle is observed by comparing the purchase cost with the value on the balance sheet date.

The cost of capital goods purchased in foreign currencies – mainly aircraft invoiced in US dollars – is determined by translation at the exchange rates in effect at the time of payment. Assets for which payments are hedged against exchange rate fluctuations are recognised within the framework of separate valuation units.

Fair value and cash flow hedges of interest rate, exchange rate and fuel price risks are described in Note 17.

Intangible assets Intangible assets are measured at cost and generally amortised over five years or their contractual useful lives, whichever is longer. Internally developed intangible assets are not capitalised. Purchased take-off and landing rights are not amortised.

Property, plant and equipment Scheduled depreciation of property, plant and equipment is based on the purchase and manufacturing costs as well as the asset's useful life. Borrowing costs in close connection with the financing of the purchase or production are not recognised as part of the purchase or manufacturing costs.

Movable assets with a finite useful life and acquisition costs of up to EUR 150 are written-down in full in the year of purchase. Minor assets costing between EUR 151 and EUR 1,000 are pooled in an annual account and depreciated over 5 years.

Aircraft Since 1 January 2013, new commercial aircraft have been depreciated over a period of 20 years to a residual value of five per cent.

Aircraft purchased in used condition are depreciated individually depending on their age at the time of acquisition. Aircraft less than 16 years old at the time of acquisition are depreciated up to an age of 20 years to a residual carrying amount of five per cent. Aircraft more than 16 years old at the time of acquisition are depreciated in full over four years without any residual value.

Other property, plant and equipment Buildings are assigned a useful life of between 20 and 50 years. Buildings and installations on land belonging to third parties are written-down according to the term of the lease or are assigned a shorter useful life. Operating and office equipment is depreciated over three to fourteen years in normal circumstances of usage.

Financial investments Financial investments are shown at cost, adjusted by any necessary impairment charges or write-ups.

Current assets Raw materials, consumables and supplies are valued at cost, with stock risks being accounted for by appropriate mark-downs.

Securities are shown at their purchase price less any necessary impairment charges. Emissions certificates issued free of charge are held at a residual amount; those purchased are held at acquisition costs.

In addition to individual write-downs necessary for known risks applying to other current assets, adequate provision is made for general credit risk by a write-down of each item by a standard amount.

Netting of plan assets and provisions for pensions To meet obligations towards staff resulting from retirement benefits as well as partial retirement agreements, appropriate funds have been invested in insolvency-proof funds and insurance policies, which are not accessible to the Company's other creditors.

Pension assets are measured at fair value using external price information and netted out with the underlying obligations. If there is an excess of obligations over assets, it is recognised in provisions. If the fair value of the pension assets exceeds that of the corresponding obligations, the difference is shown separately as "excess of plan assets over provisions for pensions". If the fair value of the pension assets is higher than their historic acquisition costs, the resulting income may not be distributed as a dividend (Section 268 Paragraph 8 Sentence 3 HGB).

Provisions Pension obligations are calculated using actuarial principles based on the projected unit credit method using the "Actuarial Tables 2005 G" compiled by Prof. Dr Klaus Heubeck. As well as appropriate projected rates of fluctuation and career progress, a salary trend of 2.5 per cent and an unchanged pension trend of between 1 per cent and 2.5 per cent are used, as in the previous year. A different annual pension increase of 1.0 per cent is used for the Company retirement benefits for ground staff and cabin crew based on the agreement reached in 2016, which guarantees this rate to the respective employees.

Discounting took place for the first time at the average market interest rate for the past ten years with an assumed term to maturity of 15 years as published by the German Bundesbank. For measurement as of 31 December 2016, the corresponding interest rate is forecast as of 31 December 2016 on the basis of interest rate information published as of 30 November 2016. The rate is 4.01 per cent (previous year: 3.89 per cent; seven-year average rate). The effect of this interest rate change is recognised in interest expense. The difference between the amount of provisions calculated using the ten-year and the seven-year average interest rate as of 31 December 2016 may not be distributed as a dividend. As of 31 December 2016, the seven-year average interest rate used to calculate this difference was 3.24 per cent.

Benefit obligations from retirement benefit commitments that are funded by reinsurance or capital market investments are recognised at the fair value of the

underlying securities, insofar as this amount exceeds the minimum commitment.

The provision for partial retirement agreements is recognised at the amount needed to settle the obligation. This amount is composed of the salary outstanding as of 31 December 2016, which is paid during the early retirement phase, as well as additional employer contributions to statutory pension insurance and superannuation premiums. The provision is calculated making reasonable use of biometric probabilities and a salary trend of 2.5 per cent, as before. It is discounted on the basis of average terms to maturity at a seven-year average interest rate forecast as of 31 December 2016. The rate is 1.81 per cent (previous year: 2.34 per cent).

The other provisions are made for the amount considered necessary to settle the obligations using sound commercial judgement. Provisions with a term to maturity of more than one year are discounted at the average market interest rate for the past seven years corresponding to their remaining term.

Liabilities Liabilities are shown at the amount needed to settle them.

Deferred taxes Deferred taxes are recognised for temporary differences between the carrying amounts of assets, liabilities and deferred expenses in the financial statements for commercial law and tax purposes. Deutsche Lufthansa AG not only recognises differences on items in its own balance sheet, but also for companies in the same income tax group.

Valuation options To improve the presentation of the net assets, financial and earnings position, the option offered by Section 274 Paragraph 1 Sentence 2 HGB of capitalising the net asset of EUR 1.1bn resulting from offsetting deferred tax assets and liabilities has been used since 2015.

To improve the presentation of the earnings position, instruments to hedge the price of future fuel requirements are combined with the hedged items within valuation units in accordance with Section 254 HGB. Possible onerous contracts in the form of a valuation unit are calculated in line with sales markets, so that, according to the principal of loss-fee valuation, no impending losses are recognised, insofar as no loss is incurred from future sales business.

Notes to balance sheet assets

3) Non-current assets

Changes in individual non-current asset items during the financial year 2016 are shown in a separate table.

In addition to the Company's own aircraft listed in the statement of changes in non-current assets and in the balance sheet, further aircraft were chartered, in some cases complete with crews. Deutsche Lufthansa AG has also leased the following aircraft:

Number of leased aircraft		
Aircraft type	31.12.2016	31.12.2015
A319-100	25	30
A320-200	25	43
A321-100	20	20
A321-200	24	24
A330-200	6	2
A330-300	14	8
A340-300	18	18
A340-600	19	19
A380-800	3	3
B737-300	1	8
B737-500	0	6
B747-400	11	9
B747-8	17	17
EMB 190	9	9
EMB 195	14	23
	206	239

In the reporting year, the number of aircraft sold from the various leasing entities was higher than the number of aircraft contributed into these entities.

4) Financial investments

The main indirect and direct equity investments of Deutsche Lufthansa AG can be found in the annexe to the notes, 'List of shareholdings'.

5) Inventories

Inventories		
in €m	31.12.2016	31.12.2015
Raw materials, consumables and supplies	24	23
Emissions certificates	39	51
Finished goods and merchandise	14	14
	77	88

6) Receivables and other assets

Receivables and other assets			
in €m	31.12.2016	of which due after more than one year	31.12.2015
Trade receivables	448	0	426
Receivables from affiliated companies	693	0	820
Receivables from companies held as other investments	5	0	7
Other assets	686	291	623
	1,832	291	1,876

7) Securities and cash items

The balance sheet item "Securities" consists solely of money market funds amounting to EUR 805m. Cash and cash equivalents consist almost entirely of deposits held with banks.

Pledged deposits amounting to EUR 22m and bank balances held in foreign currency of EUR 15m, which are not likely to be transferred in the near future and therefore discounted appropriately, are reported as other assets.

8) Prepaid expenses

This item is composed of prepaid insurance premiums for subsequent years of EUR 18m and a disagio of EUR 7m (previous year: EUR 9m).

9) Deferred tax assets

This item consists of the net asset balance of EUR 1,077m remaining after deferred tax assets and liabilities on temporary differences between carrying amounts for commercial law and tax purposes have been offset. They are made up as follows:

in €m	31.12.2016
Non-current assets	– 38
Inventories, receivables and other assets	65
Provisions	1,026
Liabilities	24
	1,077

Deferred tax assets result primarily from different valuation of pension provisions and similar obligations, of provisions for onerous contracts and of other provisions. Deferred tax liabilities stem particularly from different carrying amounts for aircraft and miscellaneous items of property, plant and equipment.

Deferred taxes are calculated using the combined income tax rate for Deutsche Lufthansa AG's tax group, which is currently 25 per cent. The combined income tax rate comprises corporation tax, trade tax and solidarity surcharge. For temporary differences from limited partnership assets, a different tax rate of 15.825 per cent was used.

10) Excess of plan assets over provisions for pensions

This item consists of the net surplus of EUR 489m from offsetting fund assets against pension obligations.

Notes to balance sheet liabilities and shareholders' equity

11) Issued capital

Issued capital Deutsche Lufthansa AG's issued capital totals EUR 1,200.2m. Issued capital is divided into 468,818,054 registered shares, with each share representing EUR 2.56 of issued capital.

Authorised capital A resolution passed at the Annual General Meeting held on 29 April 2015 authorised the Executive Board until 28 April 2020, subject to approval by the Supervisory Board, to increase the Company's issued capital on one or several occasions by up to EUR 561,160,092 by issuing new registered shares against a contribution in cash or in kind (Authorised Capital A). In certain cases, the shareholders' subscription rights can be excluded with the approval of the Supervisory Board. In order to issue new shares to settle dividend entitlements, the Executive Board of Deutsche Lufthansa AG decided, with the approval of the Supervisory Board, to make use of the authorisation voted at the Annual General Meeting held on 29 April 2015 (Authorised Capital A) and increase the Company's issued capital by EUR 4,120,811.52 by issuing 1,609,692 new registered shares with transfer restrictions and profit entitlement from 1 January 2016. The capital increase was entered in the Commercial Register of Cologne District Court (HRB 2168) on 25 May 2016. As of 31 December 2016, Authorised Capital A amounted to EUR 557,039,280.48.

A resolution passed at the Annual General Meeting held on 29 April 2014 authorised the Executive Board until 28 April 2019, subject to approval by the Supervisory Board, to increase the issued capital by up to EUR 29m, by issuing new registered shares to employees (Authorised Capital B)

against a contribution in cash. Existing shareholders' subscription rights are excluded. In order to issue new shares to employees of Deutsche Lufthansa AG and its affiliated companies, the Executive Board of Deutsche Lufthansa AG decided, with the approval of the Supervisory Board, to make use of the authorisation voted at the Annual General Meeting held on 29 April 2014 (Authorised Capital B) and increase the Company's issued capital by EUR 6,834,206.72 excluding shareholders' subscription rights, by issuing 2,669,612 new registered shares with transfer restrictions and profit entitlement from 1 January 2016 against a contribution in cash. The capital increase was entered in the Commercial Register of Cologne District Court (HRB 2168) on 25 October 2016. As of 31 December 2016, Authorised Capital B amounted to EUR 13,298,593.28.

Contingent capital A resolution passed at the Annual General Meeting held on 28 April 2016 authorised the Executive Board until 27 April 2021, subject to approval by the Supervisory Board, to issue bearer or registered convertible bonds, bond/ warrant packages, profit sharing rights or participating bonds (or combinations of these instruments), on one or several occasions, for a total nominal value of up to EUR 1.5bn, with or without restrictions on maturity. To do so, contingent capital (Contingent Capital II) was created for a contingent capital increase of up to EUR 237,843,840 by issuing up to 92,907,750 new registered shares. The contingent capital increase will only take place insofar as the holders of convertible bonds or warrants from bond/ warrant packages decide to exercise their conversion and/or option rights.

Authorisation to buy back shares A resolution passed at the Annual General Meeting held on 29 April 2015 authorised the Executive Board pursuant to Section 71 Paragraph 1 No. 8 Stock Corporation Act (AktG) to purchase treasury shares until 28 April 2020. The authorisation is limited to 10 per cent of current issued capital, which can be purchased on the stock exchange or by a public purchase offer to all shareholders. The authorisation states that the Executive Board can use the shares, in particular, for the purposes defined in the resolution passed at the Annual General Meeting. According to the resolution of the Annual General Meeting held on 28 April 2016, the Executive Board is also authorised to purchase treasury shares by means of derivatives and to conclude corresponding derivative transactions.

In 2016, Deutsche Lufthansa AG bought back 101,499 of its own shares at an average price of EUR 12.10. This is equivalent to 0.02 per cent of issued capital.

The shares purchased or created by means of capital increase were used as follows:

- 1,806,974 shares were transferred to the staff of Deutsche Lufthansa AG and 40 other affiliated companies as well as equity investments as part of the

profit-sharing scheme for 2015, at a share price of EUR 10.05.

- 941,136 shares were transferred as part of performance-related variable remuneration in 2016 to managers and non-pay-scale employees of Deutsche Lufthansa AG and to 46 further affiliated companies and equity investments at a share price of EUR 11.87.
- 20,218 shares were transferred to Executive Board members at a share price of EUR 11.87 as part of the share programme for 2016.
- 615 shares were transferred for previous years' programmes (performance-related variable remuneration for 2015 to managers, non-pay-scale employees as well as other staff of Deutsche Lufthansa AG and to further affiliated companies and equity investments from profit-sharing for 2014) at a share price of EUR 12.85.
- 1,609,692 shares were transferred to shareholders to settle dividend entitlements for 2015.

2,168 shares were resold at a share price of EUR 12.83.

On the balance sheet date, treasury shares were no longer held.

Shareholder structure

Notifications received in accordance with Section 21 Paragraph 1 Securities Trading Act (WpHG) on changes in voting rights in the share capital held by third parties are disclosed in abbreviated form below. If a notifying party reaches, exceeds or falls below the thresholds defined in Section 21 Paragraph 1 WpHG more than once, only the last notification that the threshold has been reached or exceeded or is no longer reached is disclosed below.

- On 22 August 2014, Templeton Growth Fund, Inc., Maryland, USA, notified us that its voting rights in Deutsche Lufthansa AG exceeded the threshold of 3 per cent on 21 August 2014 and came to 3.12 per cent on this date (14,402,091 voting shares).
- On 14 January 2015, Templeton Investment Counsel, LLC, Wilmington, Delaware, USA, notified us that its voting rights in Deutsche Lufthansa AG exceeded the threshold of 3 per cent on 13 January 2015 and came to 3.02 per cent on this date (13,996,622 voting shares). 3.02 per cent (13,996,622 voting shares) were attributable to Templeton Investment Counsel, LLC in accordance with Section 22 WpHG.
- On 29 June 2016, Templeton Global Advisors Limited, Nassau, Bahamas, notified us that its voting rights in Deutsche Lufthansa AG exceeded the threshold of 10 per cent on 23 June 2016 and came to 10.08 per cent on this date (46,982,911 voting shares). 10.08 per cent (46,982,911 voting shares) were attributable to Templeton Global Advisors Limited in accordance with Section 22 WpHG.
- On 1 November 2016, Templeton Global Advisors Limited, Nassau, Bahamas, notified us that its voting rights in Deutsche Lufthansa AG fell below the threshold of 10 per cent on 25 October 2016 and came to 9.95 per cent on this date (46,669,813 voting shares). 9.95 per cent (46,669,813 voting shares) were attributable to Templeton Global Advisors Limited in accordance with Section 22 WpHG.
- On 30 May 2016, Deutsche Asset & Wealth Management Investment GmbH, Frankfurt, Germany, notified us that its voting rights in Deutsche Lufthansa AG fell below the threshold of 3 per cent on 19 May 2016 and came to 2.9 per cent on this date (13,471,331 voting shares). 2.9 per cent (13,471,331 voting shares) were attributable to Deutsche Asset & Wealth Management Investment GmbH in accordance with Section 22 WpHG.
- On 10 May 2016, BlackRock, Inc., Wilmington, Delaware, USA, notified us that its voting rights in Deutsche Lufthansa AG exceeded the threshold of 3 per cent on 29 April 2016 and came to 3.17 per cent on this date (14,710,696 voting shares). 3.17 per cent (14,710,696 voting shares) are attributable to BlackRock, Inc. in accordance with Section 22 WpHG.
- On 12 May 2016, BlackRock, Inc., Wilmington, Delaware, USA, notified us that its voting rights in Deutsche Lufthansa AG fell below the threshold of 3 per cent on 5 May 2016 and on this date came to 2.72 per cent (12,635,038 voting shares). 2.72 per cent (12,635,038 voting shares) are attributable to BlackRock, Inc. in accordance with Section 22 WpHG.
- On 29 June 2016, Franklin Templeton Investment Funds, Luxembourg, notified us that its voting rights in Deutsche Lufthansa AG exceeded the threshold of 3 per cent on 23 June 2016 and came to 3.03 per cent on this date (14,114,701 voting shares). 3.03 per cent (14,114,701 voting shares) are attributable to Franklin Templeton Investment Funds directly in accordance with Section 21 WpHG.
- On 14 November 2016, Franklin Templeton Investment Funds, Luxembourg, notified us that its voting rights in Deutsche Lufthansa AG fell below the threshold of 3 per cent on 8 November 2016 and came to 2.96 per cent on this date (13,861,910 voting shares). 2.96 per cent (13,861,910 voting shares) are attributable to Franklin Templeton Investment Funds directly in accordance with Section 21 WpHG.
- On 29 June 2016, Franklin Templeton International Services S.à.r.l., Luxembourg, notified us that its voting rights in Deutsche Lufthansa AG exceeded the threshold of 3 per cent on 23 June 2016 and came to 3.03 per cent on this date (14,114,701 voting shares). 3.03 per cent (14,114,701 voting shares) are attributable to Franklin

Templeton International Services S.à.r.l. in accordance with Section 22 WpHG.

- On 14 November 2016, Franklin Templeton International Services S.à.r.l., Luxembourg, notified us that its voting rights in Deutsche Lufthansa AG fell below the threshold of 3 per cent on 8 November 2016 and came to 2.96 per cent on this date (13,861,910 voting shares). 2.96 per cent (13,861,910 voting shares) are attributable to Franklin Templeton International Services S.à.r.l. in accordance with Section 22 WpHG.

12) Reserves

The capital reserve contains the premiums resulting from capital increases and the proceeds from the issue of debt securities for conversion options to acquire Company shares. In 2016, share premiums of EUR 20.0m from a capital increase for employee shares and of EUR 15.1m from a capital increase in kind for the pro rata dividend claim were added.

The statutory reserve contained in retained earnings is unchanged at EUR 26m; other reserves consist of other retained earnings solely. An amount of EUR 3.6bn may not be distributed as dividends. This is made up of EUR 1.5bn from the fair value measurement of assets (amount exceeding the initial purchase price), EUR 1.1bn from the recognition of deferred tax assets for temporary differences between the carrying amounts for commercial law and tax purposes as well as the difference of EUR 1bn between the application of ten- and seven-year average interest rates to discount the pension obligations. There are sufficient free retained earnings to cover the amount which may not be distributed. EUR 935m have been transferred to retained earnings.

13) Provisions

Provisions		
in €m	31.12.2016	31.12.2015
Provisions for pensions and similar obligations	2,652	2,460
Tax provisions	275	63
Obligations in respect of unused flight documents	1,787	1,708
Other provisions	2,629	2,630
	7,343	6,861

A Company pension scheme exists for staff working in Germany and staff seconded abroad. Benefit obligations are mainly funded by means of contributions to an external trust fund to which access is restricted.

There are also obligations from the conversion of salary components which are funded by assets held in insurance policies.

The actuarial obligations are netted with the corresponding assets measured at fair value as of 31 December 2016 to obtain the carrying amount for the

balance sheet. The acquisition costs of the fund assets were EUR 5,2bn as of 31 December 2016. Their fair value as of the same date was EUR 6,7bn.

The actuarial amount required to settle the obligation is recognised at EUR 8,9bn as of 31 December 2016.

On 2 August 2016, the new Company retirement benefit plan for ground staff employed in Germany – the core elements of which had already been agreed in 2015 – in the form of a defined-contribution benefit commitment was established. For employees recruited before 1 January 2016, the entitlements acquired until 31 December 2015 are maintained. For service periods starting from 1 January 2016, employees can reach the same level of benefits by making contributions from their own pocket. For staff recruited from 1 January 2016, the contributions to the new model will be invested on the capital market. When the employee reaches retirement age, the entire account balance is converted into an annuity on the basis of the applicable BilMoG interest rate, while maintaining the contributions that were originally made. All current annuities are increased by 1.0 per cent per annum.

In summer 2016, an agreement was reached with the flight attendants' union UFO on the core elements of future Company retirement and transitional benefits for cabin crew staff. Allocations were adjusted following the switch to a defined-contribution system, which increased the amount of the obligation. This was offset by a reduction in the pension trend from 1.5 to 1.0 per cent for this group of employees. In addition, the previous entitlements to transitional benefits were replaced by an initial contribution into the new capital-market-based benefits system. Altogether, the rearrangement of pension benefits for cabin crew employees and the related offsetting effects led to a minor relief of the net income in 2016.

Accrued interest expenses on provisions of EUR 335m were offset by income of EUR 146m from revaluing the obligation with a higher discount rate than in the previous year. The resulting interest expense of EUR 189m from the measurement of pension obligations was offset against income of EUR 335m from the market valuation of pension fund assets. The change from a seven-year average interest rate to a ten-year average for calculating the settlement amounts resulted in a difference of EUR 1bn as of 31 December 2016, which is not available for distribution.

Obligations regarding partial retirement agreements are recognised in other provisions. Obligations of EUR 88m are netted with assets with a fair value of EUR 50m. The acquisition costs of the fund assets are EUR 39m. Net income of EUR 1.5m from fund assets was offset against expenses of EUR 1.2m in accrued interest on the provision.

Other provisions mainly include amounts accrued for purchased services, for onerous contracts, for maintenance, for restructuring, for profit-sharing and for commissions.

14) Liabilities

Liabilities					
in €m	Due within one year	Due within more than one year	Due in more than five years	Total 31.12.2016	Total 31.12.2015
Bonds	-	1,000	-	1,000	1,750
Liabilities to banks	340	1,137	196	1,673	954
Advance payments for orders	0	-	-	0	0
Trade payables	428	-	-	428	362
Payables to affiliated companies	5,443	4	-	5,447	4,371
Payables to companies held as other equity investments	6	-	-	6	13
Other liabilities	473	1,515	1,637	3,625	3,395
- of which for taxes	(57)	-	-	(57)	(50)
- of which relating to social security obligations	(5)	-	-	(5)	(5)
	6,690	3,656	1,833	12,179	10,845

EUR 102m of the liabilities to banks are secured by aircraft.
Of the other liabilities, obligations arising from finance leases
totalling EUR 3.0bn are secured by the aircraft concerned.

15) Contingent liabilities

Contingent liabilities		
in €m	31.12.2016	31.12.2015
Relating to guarantees, bills of exchange and cheque guarantees	1,066	1,012
- of which from affiliated companies	(161)	(174)
Relating to warranties	702	586
- of which from affiliated companies	(114)	(113)
- of which from associated companies	(1)	–
Relating to the provision of collateral for third-party liabilities	25	25

The amounts reported as contingent liabilities relating to guarantees include EUR 904m in co-debtors' guarantees given in favour of North American fuelling and handling companies. There was no requirement to recognise these guarantee obligations as a liability, because the fuelling and handling companies are expected to be able to meet the underlying liabilities and a claim is therefore unlikely. Furthermore, this amount is matched by compensatory claims against the other co-debtors amounting to EUR 879m. These amounts are in some cases preliminary as current financial statements from some counterparties are not available yet.

EUR 415m of the contingent liabilities relating to warranties refer to co-debtors' guarantees in favour of the Terminal One Group Association, L.P. joint venture at New York's JFK Airport. No provision was recognised, as a claim is not considered likely. It can be assumed that the company will be able to meet its obligations itself. The obligations relating to warranties are matched by compensatory claims against the other co-debtors amounting to EUR 311m.

16) Other financial obligations

Order commitments for capital expenditure Order commitments for capital expenditure on tangible assets came to EUR 13.5bn as of 31 December 2016. The resulting payment obligations will fall due as follows: EUR 7.7bn in the years 2017 to 2021, and EUR 5.8bn in the years 2022 to 2025.

Obligations to acquire company shares and to contribute capital to investee companies totalling EUR 235k existed as of the balance sheet date. There are also loan commitments of EUR 1,169m, of which EUR 1,114m are to affiliated companies and EUR 55m to associated companies.

Obligations under rental agreements The Company administers its business almost exclusively in rented premises. Rental agreements generally run for up to ten years. Facilities at Frankfurt and Munich airports are rented for longer periods, in some cases for up to 30 years, and are partly prefunded by Lufthansa. Annual rental payments amount to around EUR 171m.

Costs under long-term operating leases with terms up to 2022 came to EUR 833m in the financial year 2016.

Expenses for operating leases were mainly payable to affiliated companies; only EUR 13.0m related to an external lessor (previous year: EUR 1.1m).

Obligations under long-term maintenance contracts

Long-term maintenance contracts signed as of the reporting date with durations up to 2030 gave rise to expenses of EUR 164m in the financial year. Of the corresponding payment obligations, EUR 827m falls due in the years 2017 to 2021, and EUR 1.4bn in the years 2022 to 2030.

17) Hedging policy and financial derivatives

As an international airline, Deutsche Lufthansa AG is exposed to the risk of changes in exchange rates, interest rates and fuel priced in US dollars.

Exchange rate hedges As of 31 December 2016, the following exposures existed from transactions to hedge exchange rate movements:

Currencies				
Volume (in m)	Type of derivative		Average exchange rate in €	Maturities up to
AED	10	Forward sale	0.2592	2017
AUD	206	Forward sale	0.6550	2018
CAD	295	Forward sale	0.6750	2018
CHF	1,279	Forward sale	1.0671	2022
CNY	4,013	Forward sale	0.1302	2018
CZK	1,951	Forward sale	0.0371	2018
DKK	18	Forward sale	0.1345	2017
GBP	290	Forward sale	1.2433	2018
HKD	1,412	Forward sale	0.1144	2018
HUF	18,726	Forward sale	0.0032	2018
INR	12,063	Forward sale	0.0130	2017
JPY	43,491	Forward sale	0.0081	2018
KRW	111,181	Forward sale	0.0008	2017
MXN	54	Forward sale	0.0463	2017
NOK	1,114	Forward sale	0.1070	2018
NZD	90	Forward sale	0.6017	2018
PHP	1,112	Forward purchase	0.0186	2017
PLN	691	Forward sale	0.2259	2018
SEK	2,687	Forward sale	0.1060	2018
SGD	121	Forward sale	0.6372	2018
THB	799	Forward sale	0.0255	2017
USD	10,213	Forward purchase	0.7733	2025
ZAR	1,252	Forward sale	0.0581	2018

In addition, the following exchange rate hedges have been concluded with Group companies:

Currencies				
Volume (in m)	Type of derivative	Average exchange rate in €	Maturities up to	
AED	10 Forward purchase	0.2592	2017	
AUD	103 Forward purchase	0.6535	2018	
CAD	91 Forward purchase	0.6780	2018	
CHF	680 Forward purchase	0.9386	2022	
CNY	1,492 Forward purchase	0.1294	2018	
CZK	1,030 Forward purchase	0.0371	2018	
DKK	143 Forward purchase	0.1335	2018	
GBP	86 Forward purchase	1.2378	2018	
HKD	895 Forward purchase	0.1137	2018	
HUF	2,813 Forward purchase	0.0032	2018	
INR	5,158 Forward purchase	0.0129	2017	
JPY	14,670 Forward purchase	0.0080	2018	
KRW	19,375 Forward purchase	0.0008	2017	
MXN	54 Forward purchase	0.0463	2017	
NOK	270 Forward purchase	0.1069	2018	
NZD	22 Forward purchase	0.6076	2018	
PHP	1,112 Forward sale	0.0184	2017	
PLN	3 Forward purchase	0.2495	2018	
SEK	810 Forward purchase	0.1054	2018	
SGD	51 Forward purchase	0.6353	2018	
THB	768 Forward purchase	0.0254	2017	
USD	2,411 Forward sale	0.8604	2022	
ZAR	661 Forward purchase	0.0579	2018	

The hedging policy to limit exchange rate risks is implemented within the framework of the Lufthansa Group's systematic financial management. There is no autonomous hedging policy at the level of the legal entity Deutsche Lufthansa AG. Valuation units within the meaning of Section 254 HGB are therefore only formed to the extent that exchange rate hedges are matched by opposing derivatives transactions in the same currency and with the same maturity. As of 31 December 2016, provisions for onerous contracts of EUR 32m have been recognised for impending losses under further exchange rate hedges. As of the reporting date, the forward transactions have a market value of EUR 1,058m.

Forward currency transactions and swaps are valued individually at their respective forward curve and discounted to the reporting date based on the corresponding interest rate curve. The market prices of currency options are calculated using recognised option pricing models.

Exchange rate hedges				
Currency	Type of derivative	Year of maturity	Volume in m Pending transactions	Hedged risk
AED	Forward sale	2017	10	10
AUD	Forward sale	2017 2018	74 29	74 29
CAD	Forward sale	2017 2018	114 24	114 24
CHF	Forward sale	2017 2018	755 162	755 162
CNY	Forward sale	2017 2018	1,170 346	1,170 346
CZK	Forward sale	2017 2018	810 308	810 308
DKK	Forward purchase	2017	20	20
GBP	Forward sale	2017 2018	113 23	113 23
HKD	Forward sale	2017 2018	718 256	718 256
HUF	Forward sale	2017 2018	10,157 3,320	10,157 3,320
INR	Forward sale	2017	5,254	5,254
JPY	Forward sale	2017 2018	12,617 3,609	12,617 3,609
KRW	Forward sale	2017	19,375	19,375
MXN	Forward sale	2017	54	54
NOK	Forward sale	2017 2018	237 78	237 78
NZD	Forward sale	2017 2018	18 6	18 6
PHP	Forward sale	2017	1,112	1,112
PLN	Forward sale	2017 2018	132 44	132 44
SEK	Forward sale	2017 2018	664 280	664 280
SGD	Forward sale	2017 2018	38 14	38 14
THB	Forward sale	2017	778	778
USD	Forward purchase	2017 2018 2019	1,653 355 0	1,653 355 0
ZAR	Forward sale	2017 2018	464 197	464 197

Hedged capital expenditure Exchange rate hedges are combined with expected aircraft deliveries to form valuation units for the purpose of hedging the risk of price increases due to exchange rate movements. Aircraft purchases are now only hedged by means of forward transactions. Based on currently available information, the exposure for capital expenditure at year-end 2016, the relevant hedging volume and the effects of the hedges on the acquisition costs of the hedged investments are as follows:

Hedged capital expenditure				
Financial year in m	Exposure in USD	Hedging volume in USD	Market values in €	Hedge ratio
2017	78	48	7	62%
2018	896	686	81	77%
2019	1,241	589	99	47%
2020	1,593	1,000	156	63%
2021	1,703	977	143	57%
2022	1,751	1,530	216	87%
2023	1,588	1,386	181	87%
2024	1,317	996	121	76%
2025	578	354	39	61%
Total	10,745	7,566	1,043	70%

Interest rate hedges Suitable interest rate swaps and combined interest rate/ currency swaps are arranged with external counterparties to hedge interest rate risks on balance sheet bonds, loans and leasing liabilities. These are summarised within valuation units. Hedged items and hedges have identical maturities, up to 2027 at the latest. As the reciprocal cash flows balance each other out, the interest rate swaps are not presented in the balance sheet. As of 31 December 2016, provisions for onerous contracts of EUR 5m are recognised for impending losses regarding interest rate hedges with no hedged items.

Furthermore, Deutsche Lufthansa AG and its subsidiaries have arranged combined interest rate/ currency swaps that are matched by interest rate/ currency swaps of the same type, volume and maturity with external third parties. These are summarised within valuation units, too. Hedged items and hedges have identical maturities, up to 2028 at the latest. The hedged cash flows balance each other fully, so that the valuation units are fully effective. As of 31 December 2016, provisions for onerous contracts of EUR 5m are recognised for impending losses regarding other internal interest rate hedges which were concluded additionally.

Interest rate hedges				
31.12.2016 in €m	Volume of hedged item	Market value	Maturities up to	Carrying amounts of other provisions
External hedges with hedged item	3,184	305	2027	–
External hedges without hedged item	354	0	2020	5
External hedges for subsidiaries	543	1	2028	–
Internal hedges with subsidiaries	336	5	2031	5

The fair values of interest rate derivatives correspond to their respective market values, which are measured using appropriate mathematical methods, such as discounting future cash flows. Discounting takes market standard interest rates

and the residual term of the respective instruments into account.

Fuel hedging As of 31 December 2016, exposure to fuel prices was as follows:

Fuel price exposure			
		2017	2018
Fuel requirement	in thousand t	5,594	5,596
Hedging instruments	in thousand t	4,501	1,740
Hedge ratio	in %	80%	31%

For the financial year 2016, there are no hedges for the price difference between gas oil and crude oil and between kerosene and crude oil as of the balance sheet date.

Suitable forward transactions, spread options as well as combinations of hedging instruments are arranged with external counterparties to hedge price risks from future fuel requirements. They have been combined with the hedged items within valuation units to improve presentation of the earnings position.

Fuel price hedges				
31.12.2016 in €m	Volume of hedged items in thousand t	Market value	Maturities up to	Carrying amounts of other assets
Spread options for fuel hedging	2,486	75	2018	35
Commodities swaps	208	13	2018	–
Hedging combinations for fuel hedging	3,547	99	2018	50

The market prices of options used to hedge fuel prices are determined using acknowledged option pricing models. The market values correspond to the price at which an independent third party would assume the rights and/ or obligations from the financial instrument.

Financial instruments held as financial investments

The fair values of financial instruments held as financial investments were above the carrying amounts as of 31 December 2016.

Balance sheet items		
in €m	Market values 31.12.2016	Carrying amounts 31.12.2016
Shares in affiliated companies	1,784	1,784
Loans to affiliated companies	222	205
Other loans	47	47

Shares in affiliated companies relate to an equity investment of 100 per cent in the Lufthansa SICAV-FIS fund, Belgium. This is an equity investment in a foreign investment vehicle within the meaning of Section 1 Paragraphs 1 & 2 of the German Investment Code

(KAGB). The dividend distribution in the financial year came to EUR 26m. It can be returned on a daily basis without any restriction. The investment serves to hold a strategic minimum liquidity.

Notes to the income statement

18) Traffic revenue

Traffic revenue by traffic region		
in €m	2016	2015
Europe	5,428	5,685
North America	3,883	4,119
Asia/ Pacific	2,678	3,059
South America	1,037	1,246
Africa	496	583
Middle East	541	621
	14,063	15,314

Traffic revenue by sector		
in €m	2016	2015
Scheduled	13,576	14,764
Charter	487	550
	14,063	15,314

Revenue can only be compared with the previous year to a limited extent due to the changes required by BilRUG. If the new regulations had been applied to the previous year's figures, traffic revenue for 2015 would have been EUR 15,080m.

19) Other revenue

Other revenue by sector		
in €m	2016	2015
Rent for land/ buildings	49	
Aircraft on operating leases	155	
Services rendered	144	
Staff secondment	64	
Travel services (commissions/ fees)	513	183
Ground services/ in-flight sales	162	160
Other	59	12
	1,146	355

87 per cent of other revenue was generated in Europe (previous year: 71 per cent).

A number of items reported as other operating income until 2015 have now been allocated to other revenue following the switch to the new definition of revenue in BilRUG. If the new BilRUG regulations had been applied to the previous year's figures, other revenue for 2015 would have been EUR 823m.

20) Other operating income

Other operating income		
in €m	2016	2015
Proceeds on the disposal of non-current assets	11	12
Exchange rate gains from foreign currency translation	1,095	1,675
Write-backs of provisions	269	146
Services rendered for Group companies		140
Income from staff secondment		61
Compensation received for damages	15	8
Rental income		46
Income from aircraft on operating leases		165
Earnings from write-backs on assets	54	6
Other operating income	205	323
	1,649	2,582

The write-backs of provisions include write-backs of pension provisions of EUR 101m in connection with the switch to the new retirement benefits model for cabin crew employees.

A number of items reported as other operating income until 2015 have now been allocated to other revenue following the switch to the new definition of revenue in BilRUG. A comparison with total other operating income for the previous year is therefore only possible to a limited extent.

21) Cost of materials and services

Cost of materials and services		
in €m	2016	2015
Aircraft fuel and lubricants	2,847	3,176
Other costs of raw materials, consumables and supplies and goods purchased	72	63
Cost of services purchased	6,861	7,154
	9,780	10,393

22) Staff costs

Staff costs		
in €m	2016	2015
Wages and salaries	2,272	2,280
Social security, retirement pensions and benefit contributions	583	547
- of which for retirement pensions	(287)	(250)
	2,855	2,827

Average number of employees		
	2016	2015
Flight staff	23,341	22,562
Ground staff	12,299	12,873
Trainees	63	82
	35,703	35,517

23) Depreciation, amortisation and impairment

Depreciation, amortisation and impairment of intangible assets, aircraft as well as property, plant and equipment are detailed in the statement of changes in non-current assets. Extraordinary depreciations of EUR 396k were recognised in the financial year. Total depreciation and amortisation in 2016 shown in the statement of changes in non-current assets includes amortisation of financial investments.

24) Other operating expenses

Other operating expenses		
in €m	2016	2015
Sales commission paid to agencies	222	243
Rental and maintenance expenses*	181	235
Expenses for computerised distribution systems	263	251
Impairment charges/ depreciation and amortisation of current assets	17	17
Courses/ training for flight staff	87	84
Advertising and sales promotions	203	196
Exchange rate losses from foreign currency translation	839	1,792
Payment system expenses (especially credit card commission payments)	155	172
Insurance for flight operations	23	21
Travel expenses	236	248
Auditing, consulting and legal expenses	108	84
Other operating expenses	612	616
	2,946	3,959

* Comparison with the previous year is only possible to a limited extent due to the first-time application of BilRUG.

25) Result from equity investments

Result from equity investments		
in €m	2016	2015
Income from profit transfer agreements	374	217
Expenses from loss transfer agreements	267	297
Income from equity investments	491	808
- of which from affiliated companies	(488)	(803)
	598	728

Income/ expenses from profit and loss transfer agreements are shown including tax contributions. Income from equity investments consists primarily of the dividends from AirTrust AG, the Lufthansa SICAV-FIS fund and the accrued dividends from the Austrian leasing entities for the financial year 2016 due to aligning the timing of profit recognition.

26) Net interest

Net interest				
in €m	2016	of which affiliated companies	2015	of which affiliated companies
Income from other securities and non-current financial loans	61	57	67	60
Other interest and similar income	78	10	112	10
Interest and similar expenses	- 45	- 9	- 1,416	- 14
- of which accrued interest	(- 207)	-	(- 1,229)	-
- of which from market valuation of pension fund assets	(336)	-	(19)	-
	94	58	- 1,237	57

The significant decline in accrued interest expenses results from the change from a seven-year to a ten-year average interest rate used for discounting pension provisions. The positive change in the market valuation of pension fund assets also improves the net interest result.

27) Impairment on investments and current securities

Impairment losses of EUR 26m were recognised on investments. This related to impairment losses on the carrying amount for Lufthansa CityLine GmbH (EUR 12m) and a write-down on the loan to Lufthansa Super Star gGmbH (EUR 14m).

28) Taxes

Taxes		
in €m	2016	2015
Income taxes	295	- 1,105
- of which deferred income taxes	(62)	(- 1,139)
Other taxes	51	45
	326	- 1,060

Income taxes and other taxes also include net items from previous years of EUR 79m.

Following the application of BilRUG, the balance of income and expenses for the air traffic tax is reported as other taxes for the first time. This does not materially affect the comparison with the "Other taxes" item in the previous year, however.

29) Supervisory Board and Executive Board

The members of the Supervisory Board and the Executive Board are listed on p. 21.

The principles of the remuneration system and the amount of remuneration paid to the individual Executive Board and Supervisory Board members are shown and explained in detail in the remuneration report. The remuneration report forms part of the combined management report.

Executive Board Remuneration for the Executive Board members active in the reporting year is as follows:

Total remuneration of Executive Board members		
in € thousands	2016	2015
Basic salary	4,544	4,228
Other	500	422
One-year variable remuneration	2,747	2,261
Long-term variable remuneration	545	400
Share programme ¹	2,053	2,294
Total remuneration	10,389	9,605
Staff costs of pension commitments	2,253	1,985

¹ Fair value at the time the options are granted

The Executive Board's remuneration consists of the following components:

- **Fixed annual salary** Basic remuneration, paid monthly as a salary.
- **Variable annual remuneration** The variable remuneration is based on the EBIT margin for the Lufthansa Group. 75 per cent of this bonus is multiplied by an individual performance factor and paid the following year and therefore on an annual basis. The remaining 25 per cent is carried forward for another two years. At the end of the assessment period, which runs for three years in total, the amount carried forward is multiplied by a factor of between 0 and 2 (bonus/ malus factor). 70 per cent of this factor depends on the EACC achieved over the three-year period and 30 per cent depends on sustainability parameters such as environmental protection, customer satisfaction and staff commitment.
- **Share-based remuneration** Executive Board members are also required to participate in the share programmes for managers (with their own parameters which are structured differently from those of the general managers' programme). The programmes are scheduled to run for four years. These arrangements ensure that the variable remuneration components are essentially based on performance over several years.
- **Bonus** In years with poor results due to extraordinary exogenous factors, the Supervisory Board may award Executive Board members an appropriate additional bonus.

- **Other benefits** Other benefits include, in particular, the non-cash benefit of using company cars, the discount granted in connection with share programmes, benefits from concessionary travel in accordance with the relevant IATA regulations as well as attendance fees and daily allowances for work on the supervisory boards of affiliated companies.

In addition to the provision for the one-year variable remuneration of EUR 2,747k (previous year: EUR 2,261k), provisions totalling EUR 1,419k (previous year: EUR 1,274k) were recognised for the future payment of long-term variable remuneration for the Executive Board members active as of 31 December 2016.

Executive Board members hold the following shares in the current share programmes:

	2016	2015	2014	2013
Carsten Spohr	15,120	13,365	15,255	8,370
Karl-Ulrich Garnadt	10,080	8,910	10,170	–
Harry Hohmeister	10,080	8,910	10,170	8,370
Simone Menne	–	–	–	–
Dr Bettina Volkens	10,080	8,910	10,170	8,370

Expenses of EUR 615k for share-based remuneration were recognised for current share programmes. This represents the fair value of the options granted during the year and changes in the value of options granted in prior years.

Current payments to former members of the Executive Board and their surviving dependants came to EUR 5.7m (previous year: EUR 5.9m). This includes payments by subsidiaries as well as benefits in kind and concessionary travel.

Pension obligations toward former Executive Board members and their surviving dependants amount to EUR 63.7m (previous year: EUR 63.4m).

Supervisory Board Fixed remuneration for the Supervisory Board came to EUR 2,170k for the financial year 2016 (previous year: EUR 2,152k). Other remuneration, mainly attendance fees, amounted to EUR 111k (previous year: EUR 110k).

Moreover, the Deutsche Lufthansa AG Supervisory Board members were paid EUR 17k (previous year: EUR 59k) for work on supervisory boards of Group companies. In addition to their Supervisory Board remuneration, employee representatives on the Supervisory Board received compensation for their work in the form of wages and salaries including pension entitlements amounting to EUR 0.9m in total (previous year: EUR 1.3m).

In the reporting year, as in the previous year, no loans or advance payments were made to members of the Executive Board or Supervisory Board.

30) Proposal on the appropriation of the distributable profit

It is proposed to use the distributable profit for the year of EUR 234m to pay a dividend of EUR 0.50 per share.

31) Events after the balance sheet date

With effect from 9 January 2017 Deutsche Lufthansa AG acquired the remaining 55 per cent of the shares in SN Airholding SA/N.V., and is therefore the sole shareholder of the Brussels Airlines Group. The acquisition is based on the purchase and option agreement dating from 2008. The option was exercised on the basis of a new agreement between the previous shareholders and Lufthansa, dated 15 December 2016, which set the strike price for the remaining shares at EUR 2.6m. Brussels Airlines will be fully consolidated in the new Point-to-Point segment.

On 30 January 2017, the German Federal Cartel Office unconditionally approved the wet lease of 38 aircraft agreed between the Lufthansa Group and Air Berlin. In the course of the transaction, the Lufthansa Group will acquire or lease up to 25 A320s from Air Berlin's lessors and will, in turn, itself lease them to Air Berlin for operation at market prices. This is intended to achieve sustainable cost reductions as part of the agreement.

On 15 February 2017, the Lufthansa Group and the pilots' union Vereinigung Cockpit accepted the arbitration proposal concerning the wage agreement. This includes a pay increase of around 8.7 per cent for the 5,400 pilots in the Group wage agreement as well as a one-off payment totalling some EUR 30m. The wage agreements shall run from May 2012 until the end of 2019. The outcome of the arbitration means an increase in remuneration costs for cockpit staff of around EUR 85m per year. Talks with the pilots' union are to be continued in order to make alternative cost reductions as part of an overall solution. Should a solution not be reached, 40 new aircraft will be staffed by crew not covered by the Group wage agreement – contrary to current fleet planning – in order to compensate for the additional costs.

Up until the end of February 2017, further details on the new system of benefits were set out in the course of concluding collective bargaining for the Lufthansa Passenger Airlines cabin crew and in subsequent talks. It is thereby still assumed that the finalisation of the new regulations will be completed by the end of the first quarter of 2017.

32) Declaration of compliance in accordance with Section 161 German Stock Corporation Act (AktG)

The declaration of compliance with the German Corporate Governance Code required by Section 161 of the German Stock Corporation Act (AktG) was issued by the Executive Board and Supervisory Board, and made public permanently as part of the declaration on corporate governance in line with Section 289a HGB on the Company's website at <https://investor-relations.lufthansagroup.com/en/corporate-governance/corporate-governance-declaration-section-289a-hgb/declaration-of-compliance-section-161-aktg.html>

33) Auditors' fees

Auditors' fees recognised in the financial year 2016 in accordance with Section 319 Paragraph 1 HGB are made up as follows:

Auditors' fees	
in €m	2016
Audit services	3.0
Other certification services	0.3
Tax advisory services	1.3
Other services	0.1
	4.7

Declaration by the legal representatives

We declare that, to the best of our knowledge and according to the applicable accounting standards, the financial statements give a true and fair view of the net assets, the financial and earnings positions of the Company, and that the management report, which has been combined with the Group management report, includes a fair view of the course of business, including the business result, and the situation of the Company, and suitably presents the principal opportunities and risks to its future development.

Cologne, 6 March 2017

Deutsche Lufthansa Aktiengesellschaft

Executive Board

Auditors' report

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report, which is combined with the Group management report, of the Deutsche Lufthansa AG, Cologne, for the business year from 1 January to 31 December 2016. The maintenance of the books and records and the preparation of the annual financial statements and combined management report in accordance with German commercial law and supplementary provisions of the articles of incorporation are the responsibility of the Company's Board of Managing Directors. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the combined management report based on our audit.

We conducted our audit of the annual financial statements in accordance with § (Article) 317 HGB ("Handelsgesetzbuch": "German Commercial Code") and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with (German) principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the combined management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the Company's Board of Managing Directors, as well as evaluating the overall presentation of the annual financial statements and combined management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the findings of our audit, the annual financial statements comply with the legal requirements and supplementary provisions of the articles of incorporation and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with (German) principles of proper accounting. The combined management report is consistent with the annual financial statements, complies with legal requirements, as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Düsseldorf, 6 March 2017

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Petra Justenhoven
Wirtschaftsprüferin (German Public Auditor)

Dr. Bernd Riese
Wirtschaftsprüfer (German Public Auditor)

Supervisory Board and Executive Board

Supervisory Board

Dr Wolfgang Röller
Former Chairman of the
Supervisory Board
Deutsche Lufthansa AG
Honorary Chairman

**Dipl.-Ing. Dr-Ing. E.h.
Jürgen Weber**
Former Chairman of the
Supervisory Board
Deutsche Lufthansa AG
Honorary Chairman

Voting members

Wolfgang Mayrhuber
Former Chairman of the
Executive Board
Deutsche Lufthansa AG
Chairman

Christine Behle
Member of the National
Executive Board of ver.di
Employee representative
Deputy Chairwoman

Nicoley Baublies
Purser and Member of the Executive
Board of the trade union UFO e.V.
Employee representative

Dr Werner Brandt
Former member of the
Executive Board
SAP SE

Jörg Cebulla
Flight captain
Employee representative

Herbert Hainer
Former Chairman of the
Executive Board
adidas AG

Dr h.c. Robert Kimmitt
Senior International Counsel
Wilmer Cutler Pickering Hale
and Dorr LLP, USA

Dr Karl-Ludwig Kley
Chairman of the Supervisory Board
E.ON SE

Martin Koehler
Independent management consultant
and former head of the Aviation
Competence Centre at the
Boston Consulting Group

Doris Krüger
Senior Director Future Innovation
Strategy, Lufthansa Group
Employee representative

Dr Nicola Leibinger-Kammüller
Managing partner and
Chair of Management Board,
TRUMPF GmbH + Co. KG
(until 28 April 2016)

Eckhard Lieb
Training coordinator
Employee representative

Jan-Willem Marquardt
Flight captain and member of the
Vereinigung Cockpit pilots' union
Employee representative

Martina Merz
Former CEO Chassis Brakes
International, Netherlands
(since 28 April 2016)

Ralf Müller
State certified technician
Employee representative

Monika Ribar
President of Board of Directors (VRP),
Schweizerische Bundesbahnen
SBB AG, Switzerland

Andreas Strache
Flight manager
Employee representative

Stephan Sturm
Chairman of the Executive Board
Fresenius Management SE

Christina Weber
Administrative staff member
Employee representative

Birgit Weinreich
Flight attendant
Employee representative

Matthias Wissmann
President of the
German Automotive Industry
Federation (VDA)

Executive Board

Carsten Spohr
Chairman of the Executive Board and
CEO

Karl Ulrich Garnadt
Member of the Executive Board
Eurowings and Aviation Services

Harry Hohmeister
Member of the Executive Board
Hub Management

Simone Menne
Member of the Executive Board
Finances
(until 31 August 2016)

Ulrik Svensson
Member of the Executive Board
Finances
(since 1 January 2017)

Dr Bettina Volkens
Member of the Executive Board
Corporate Human Resources and
Legal Affairs

Other mandates of the Supervisory Board members of Deutsche Lufthansa AG

As of 31 December 2016. For members who left the Supervisory Board in the course of the financial year, the information applies as of the date of their departure.

Wolfgang Mayrhuber

- a) Infineon Technologies AG (Chairman)
Münchener Rückversicherungs-Gesellschaft AG
(until 31 December 2016)
- b) HEICO Corporation, USA

Christine Behle

- a) Bochum-Gelsenkirchener Straßenbahnen AG
BREMER LAGERHAUS-GESELLSCHAFT
-Aktiengesellschaft von 1877- (Deputy Chairwoman)
Hapag-Lloyd AG (Deputy Chairwoman)

Dr Werner Brandt

- a) innogy SE (Chairman)
OSRAM Licht AG
ProSiebenSat.1 Media SE (Chairman)
RWE AG (Chairman)

Herbert Hainer

- a) Allianz Deutschland AG
FC Bayern München AG (Deputy Chairman)
- b) Accenture plc, Ireland

Dr Karl-Ludwig Kley

- a) BMW AG (Deputy Chairman)
E.ON SE (Chairman)
- b) Verizon Communications Inc., USA

Martin Koehler

- a) Delton AG
- b) American Funds Investment-Fonds,
Managed by the Capital Group, USA
Enfold Inc., USA
FlixBus GmbH

Dr Nicola Leibinger-Kammüller

(as of date of departure from Supervisory Board
on 28 April 2016)

- a) Axel Springer SE
Siemens AG
Voith GmbH

Eckhard Lieb

- b) Albatros Versicherungsdienste GmbH

Martina Merz (since 28 April 2016)

- b) AB Volvo, Sweden (Board of Directors)
NV Bekaert SA, Belgium (Board of Directors)
SAF-HOLLAND S.A., Luxembourg
(Board of Directors, Deputy Chairwoman)

Ralf Müller

- a) Lufthansa Cargo AG

Monika Ribar

- b) Chain IQ Group AG, Switzerland
Schweizerische Bundesbahnen SBB AG, Switzerland
(President of the Board of Directors, VRP)
Sika AG, Switzerland

Stephan Sturm

- a) Fresenius Kabi AG (Chairman)
Fresenius Medical Care Management AG
(Chairman)
- b) VAMED AG, Austria (Deputy Chairman)

Christina Weber

- b) LSG Lufthansa Service Holding AG

- a) Membership of supervisory boards required by law
- b) Membership of comparable supervisory bodies at companies in Germany and abroad

Mandates of the Executive Board members of Deutsche Lufthansa AG

As of 31 December 2016. For members who left the Executive Board in the course of the financial year, the information applies as of the date of their departure.

Carsten Spohr

- a) Lufthansa Technik AG* (Chairman)
ThyssenKrupp AG
- b) Dr. August Oetker KG

Karl Ulrich Garnadt

- a) Eurowings GmbH* (Chairman)
Germanwings GmbH* (Chairman)
LSG Lufthansa Service Holding AG*
Lufthansa CityLine GmbH* (Chairman)
Lufthansa Flight Training GmbH* (Chairman)
- b) Air Dolomiti S.p.A. Linee Aeree Regionali Europee,
Italy (Board of Directors)
Aircraft Maintenance and Engineering Corp.,
(AMECO), China
Austrian Airlines AG, Austria (Deputy Chairman)
Edelweiss Air AG, Switzerland (Chairman)
Günes Ekspres Havacilik A.S. (SunExpress), Turkey
(Deputy Chairman)
Miles & More GmbH
ÖLH Österreichische Luftverkehrs-Holding GmbH,
Austria (Deputy Chairman)
SN Airholding SA/N.V., Belgium

Harry Hohmeister

- a) Lufthansa Cargo AG* (Chairman)
- b) Austrian Airlines AG, Austria (Chairman)
Günes Ekspres Havacilik A.S. (SunExpress), Turkey
SN Airholding SA/N.V., Belgium
Swiss International Air Lines AG, Switzerland

Simone Menne (as of date of departure from Executive Board on 31 August 2016)

- a) BMW AG
Delvag Luftfahrtversicherungs-AG* (Chairwoman)
Deutsche Post AG
LSG Lufthansa Service Holding AG* (Chairwoman)
Lufthansa Cargo AG*
Lufthansa Technik AG*
- b) FWB Frankfurter Wertpapierbörse
(Börsenrat)
Miles & More GmbH
(Chairwoman of the Advisory Board)

Ulrik Svensson (as of date of appointment in Executive Board on 1 January 2017)

- a) LSG Lufthansa Service Holding AG*
Lufthansa Cargo AG*
Lufthansa Technik AG*

Dr Bettina Volkens

- a) LSG Lufthansa Service Holding AG*

- a) Membership of supervisory boards required by law
- b) Membership of comparable supervisory bodies at companies in
Germany and abroad
- * Group mandate in accordance with Section 100 Paragraph 2 Sentence
2 AktG

Annexe to the notes

List of shareholdings

Significant equity investments	Stake in %	Result after taxes in €m*	Shareholders' equity in €m*
Aerococina S.A. de C.V., Mexico City, Mexico	52	2	11
Aerologic GmbH, Leipzig	50	6	33
Air Dolomiti S.p.A. Linee Aeree Regionali Europee, Dossobuono di Villafranca (Verona), Italy	100	3	20
Aircraft Maintenance and Engineering Corp., Beijing, China	25	1 ²	242 ²
AIRO Catering Services – Ukraine, Boryspil, Ukraine	100	-- ^{2,3}	-- ³
AIRO Catering Services Eesti OÜ, Tallinn, Estonia	100	-- ³	1
Airo Catering Services Latvija SIA, Marupe, Latvia	100	-- ³	– 1
AIRO Catering Services Sweden AB, Stockholm-Arlanda, Sweden	100	-- ³	11
AirPlus Air Travel Card Vertriebsgesellschaft mbH, Vienna, Austria	100	2	15
AirPlus Holding GmbH, Vienna, Austria	100	2	6
AirPlus International AG, Kloten, Switzerland	100	3	26
AirPlus International Limited, London, United Kingdom	100	4	20
AirPlus International S.r.l., Bologna, Italy	100	4	19
AirPlus International Inc., Springfield, USA	100	1	16
AirPlus Payment Management Co. Ltd., Shanghai, China	100	2	34
AirTrust AG, Zug, Switzerland	100	113	98
Alpha LSG Limited, Manchester, United Kingdom	50	– 7 ²	14 ²
Arlington Services Mexico S.A. de C.V., Mexico City, Mexico	100	-- ³	14
Arlington Services Panama S.A., Panama City, Panama	100	-- ³	10
Arlington Services Inc., Wilmington, USA	100	1	105
AUA Beteiligungen Gesellschaft m.b.H., Vienna Airport, Austria	100	1	11
Austrian Airlines AG, Vienna Airport, Austria	100	88	229
Austrian Airlines Lease and Finance Company Ltd., Guernsey, United Kingdom	100	28	81
AVIAPIT-SOCHI OOO, Sochi, Russia	100	-- ³	6
Bahia Catering Ltda., São Cristóvão (Salvador), Brazil	100	-- ³	3
Belém Serviços de Bordo Ltda., Belém, Brazil	70	-- ³	-- ³
BizJet International Sales & Support Inc., Tulsa, USA	100	– 13	– 3
Capital Gain International (1986) Ltd., Hong Kong, China	100	-- ³	3
Cater Suprimento de Refeicoes Ltda., Rio de Janeiro, Brazil	100	2	– 6
Caterair Servicos de Bordo e Hotelaria Ltda., Rio de Janeiro, Brazil	100	-- ³	6
CateringPor – Catering de Portugal S.A., Lisbon, Portugal	49	1 ²	7 ²

Significant equity investments (cont'd)	Stake in %	Result after taxes in €m*	Shareholders' equity in €m*
Charm Food Service Co. Ltd., Incheon, South Korea	80	1	3
CLS Catering Services Ltd., Vancouver, Canada	70	4	22
Comercializadora de Servicios Limitada, Santiago de Chile, Chile	100	-- ³	-- ³
Comisariato de Baja California S.A. de C.V., Tijuana, Mexico	51	-- ³	1
Comisariatos Gotre S.A. de C.V., Tijuana, Mexico	51	-- ³	1
Common Ground BER GmbH, Frankfurt / Main	100	-- ¹	-- ¹
Common Ground BRE GmbH, Frankfurt / Main	100	-- ¹	-- ¹
Common Ground CGN GmbH, Frankfurt / Main	100	-- ¹	-- ¹
Common Ground DUS GmbH, Frankfurt / Main	100	-- ¹	-- ¹
Common Ground HAJ GmbH, Frankfurt / Main	100	-- ¹	-- ¹
Common Ground HAM GmbH, Frankfurt / Main	100	-- ¹	-- ¹
Common Ground NUE GmbH, Frankfurt / Main	100	-- ¹	-- ¹
Common Ground STR GmbH, Frankfurt / Main	100	-- ¹	-- ¹
Constance Food Group Inc., New York, USA	100	4	36
Cosmo Enterprise Co. Ltd., Narita City, Japan	20	-- ¹	-- ¹
Delvag Versicherungs-AG, Cologne	100	8 ⁹	50 ⁹
Diners Club Spain S.A., Madrid, Spain	25	2 ²	13 ²
Edelweiss Air AG, Kloten, Switzerland	100	16	63
Eurowings Aviation GmbH, Cologne	100	- 3	1
Eurowings Europe GmbH, Vienna Airport, Austria	100	- 3	- 3
Eurowings GmbH, Düsseldorf	100	- 37	38
Fortaleza Serviços de Bordo Ltda., Fortaleza, Brazil	70	-- ³	-- ³
Gansu HNA LSG Sky Chefs Co. Ltd., Lanzhou, China	49	1 ²	3 ²
Germanwings GmbH, Cologne	100	3	18
Global Brand Management AG, Basel, Switzerland	100	40	390
Günes Ekspres Havacilik Anonim Sirketi (SunExpress), Antalya, Turkey	50	- 31	154
Hamburger Gesellschaft für Flughafenanlagen mbH, Hamburg	100	9	195
Hawker Pacific Aerospace, Sun Valley, USA	100	- 11	36
HEICO Aerospace Holdings Corp., Florida 33021, USA	20	39 ²	273 ²
Hongkong Beijing Air Catering Ltd., Hong Kong, China	45	11 ²	93 ²
Hongkong Shanghai Air Catering Ltd., Hong Kong, China	45	9 ²	83 ²
Inflight Catering Services Limited, Dar es Salaam, Tanzania	62	1	4
Inflight Catering (Pty) Ltd., Johannesburg, South Africa	100	-- ¹	-- ¹
Inflite Holdings (Cayman) Ltd., Grand Cayman, Cayman Islands	49	8	34
Inflite Holdings (St. Lucia) Ltd., Castries, St. Lucia	49	9	23
International Food Services Ltd., Hong Kong, China	100	-- ³	4
Inversiones Turísticas Aeropuerto Panama S.A., Panama City, Panama	100	-- ¹	-- ¹
JASEN Grundstücksgesellschaft mbH & Co. oHG, Grünwald	100	2	26
Jettainer Americas Inc., Wilmington, USA	100	1	4
Jettainer GmbH, Raunheim	100	2	5
LeaseAir GmbH & Co. Verkehrsflugzeuge V KG, Dortmund	100	4	26
LHAMIC LIMITED, Dublin, Ireland	100	16	588
LHAMIH LIMITED, Dublin, Ireland	100	220	4,224

Significant equity investments (cont'd)	Stake in %	Result after taxes in €m*	Shareholders' equity in €m*
LHAMIP LIMITED, Dublin, Ireland	100	28	912
LHAMIS LIMITED, Dublin, Ireland	100	-- ¹	-- ¹
LHAMIW LIMITED, Dublin, Ireland	100	4	484
LHBD Holding Limited, London, United Kingdom	100	-- ³	-- ³
LSG Asia GmbH, Neu-Isenburg	100	26	-- ³
LSG Catering (Thailand) Ltd., Bangkok, Thailand	100	2	2
LSG Catering China Ltd., Hong Kong, China	100	- 1	- 4
LSG Catering Guam Inc., Guam, USA	100	-- ³	- 1
LSG Catering Hong Kong Ltd., Hong Kong, China	100	8	100
LSG Catering Saipan Inc., Saipan, Micronesia	100	-- ¹	-- ³
LSG France SAS, Paris, France	100	-- ³	2
LSG Holding Asia Ltd., Hong Kong, China	87	4	18
LSG Linearis SAS, Paris, France	100	-- ³	1
LSG Lufthansa Service - Sky Chefs do Brasil Catering Refeições Ltda., São Paulo, Brazil	100	8	- 23
LSG Lufthansa Service Asia Ltd., Hong Kong, China	100	5	34
LSG Lufthansa Service Cape Town (Pty) Ltd., Cape Town, South Africa	100	-- ¹	-- ³
LSG Lufthansa Service Catering- und Dienstleistungsgesellschaft mbH, Neu-Isenburg	100	1	1
LSG Lufthansa Service Enterprises Ltd., Hong Kong, China	100	-- ³	2
LSG Lufthansa Service Europa/Afrika GmbH, Neu-Isenburg	100	- 21	150
LSG Lufthansa Service Guam Inc., Guam, USA	100	2	13
LSG Lufthansa Service Holding AG, Neu-Isenburg	100	- 75	684
LSG Lufthansa Service Hong Kong Ltd., Hong Kong, China	48	11	25
LSG Lufthansa Service Saipan Inc., Saipan, Micronesia	100	1	14
LSG Sky Chefs - First Catering Schweiz AG, Bassersdorf, Switzerland	60	-- ³	- 1
LSG Sky Chefs (India) Private Ltd., Mumbai, India	100	-- ³	6
LSG Sky Chefs (Qingdao) Co. Ltd., Laixi City, China	100	-- ³	-- ³
LSG Sky Chefs (Thailand) Ltd., Bangkok, Thailand	100	3	12
LSG Sky Chefs Argentina S.A., Buenos Aires, Argentina	100	4	8
LSG Sky Chefs Belgium N.V., Zaventem, Belgium	100	- 14	8
LSG Sky Chefs Berlin GmbH, Neu-Isenburg	100	-- ³	1
LSG Sky Chefs Bremen GmbH, Neu-Isenburg	100	- 1	- 2
LSG Sky Chefs Brussels International BVBA, Zaventem, Belgium	100	-- ³	- 4
LSG Sky Chefs Czechia spol. s.r.o., Bor, Czech Republic	100	-- ¹	-- ³
LSG Sky Chefs Danmark A/S, Dragør, Denmark	100	5	1
LSG Sky Chefs de Venezuela C.A., Caracas, Venezuela	100	-- ³	-- ³
LSG Sky Chefs Düsseldorf GmbH, Neu-Isenburg	100	- 1	- 3
LSG Sky Chefs Europe GmbH, Neu-Isenburg	100	-- ³	-- ³
LSG Sky Chefs Finland Oy, Vantaa, Finland	0 ⁵	1	5
LSG Sky Chefs Frankfurt International GmbH, Neu-Isenburg	100	- 30	- 13
LSG Sky Chefs Frankfurt ZD GmbH, Neu-Isenburg	100	- 7	- 17
LSG Sky Chefs Hamburg GmbH, Neu-Isenburg	100	- 4	- 15
LSG Sky Chefs Havacilik Hizmetleri A.S., Sefaköy-Istanbul, Turkey	100	- 10	- 3
LSG Sky Chefs Heathrow Limited i.L., Sidcup, United Kingdom	100	-- ^{2.3}	-- ³

Significant equity investments (cont'd)	Stake in %	Result after taxes in €m*	Shareholders' equity in €m*
LSG Sky Chefs Istanbul Catering Hizmetleri A.S., Istanbul, Turkey	100 ⁶	-- ³	10
LSG Sky Chefs Kenya Limited, Nairobi, Kenya	50	-- ³	3
LSG Sky Chefs Köln GmbH, Neu-Isenburg	100	-- ³	4
LSG Sky Chefs Korea Co Ltd., Incheon, South Korea	80	29	115
LSG Sky Chefs Leipzig GmbH, Neu-Isenburg	100	-- ³	1
LSG Sky Chefs Lounge GmbH, Neu-Isenburg	100	-- ³	-- ³
LSG Sky Chefs Malmö AB, Stockholm, Sweden	100	- 5	- 3
LSG Sky Chefs München GmbH, Neu-Isenburg	100	-- ³	- 12
LSG Sky Chefs New Zealand Limited, Auckland, New Zealand	100	2	28
LSG Sky Chefs Norge AS, Gardermoen, Norway	100	- 3	- 1
LSG Sky Chefs North America Solutions Inc., Wilmington, USA	100	- 5	- 2
LSG Sky Chefs Objekt- und Verwaltungsgesellschaft mbH, Neu-Isenburg	100	4	110
LSG Sky Chefs Retail GmbH, Neu-Isenburg	100	2	4
LSG Sky Chefs Rus, Moscow, Russia	100	1	-- ³
LSG Sky Chefs S.p.A., Fiumicino (Rome), Italy	100	6	32
LSG Sky Chefs Schweiz AG, Bassersdorf, Switzerland	100	-- ³	4
LSG Sky Chefs Solutions Asia Limited, Hong Kong, China	100	-- ³	2
LSG Sky Chefs South Africa (Proprietary) Ltd., Johannesburg, South Africa	100	- 1	2
LSG Sky Chefs Spain S.A., Madrid, Spain	100	2	-- ³
LSG Sky Chefs Stuttgart GmbH, Neu-Isenburg	100	- 1	- 3
LSG Sky Chefs Supply Chain Solutions Inc., Wilmington, USA	100	- 2	- 11
LSG Sky Chefs Sverige AB, Stockholm, Sweden	100	- 4	-- ³
LSG Sky Chefs TAAG Angola S.A., Luanda, Angola	40	-- ³	6
LSG Sky Chefs UK Limited, West Drayton, United Kingdom	100	-- ³	2
LSG Sky Chefs USA Inc., Wilmington, USA	100	-- ³	471
LSG Sky Chefs Verwaltungsgesellschaft mbH, Neu-Isenburg	100	- 6	79
LSG South America GmbH, Neu-Isenburg	100	6	3
LSG/Sky Chefs Europe Holdings Ltd., West Drayton, United Kingdom	100	- 5	34
LSG-Food & Nonfood Handel GmbH, Neu-Isenburg	100	-- ³	-- ³
LSG-Sky Food GmbH, Alzey	100	4	-- ³
LSY GmbH, Norderstedt	100	- 1	518
Lufthansa AirPlus Servicekarten GmbH, Neu-Isenburg	100	49	68
Lufthansa Asset Management GmbH, Frankfurt / Main	100	5	4,007
Lufthansa Asset Management Leasing GmbH, Frankfurt / Main	100	-- ³	-- ³
Lufthansa Aviation Training GmbH, Hallbergmoos	100	-- ¹	-- ¹
Lufthansa Bombardier Aviation Services GmbH, Schönefeld	51	3 ²	6 ²
Lufthansa Cargo AG, Frankfurt / Main	100	- 71	217
Lufthansa CityLine GmbH, Munich Airport	100	- 34	- 2
Lufthansa Commercial Holding GmbH, Cologne	100	71	5,343
Lufthansa Flight Training Berlin GmbH, Berlin	100	2	8
Lufthansa Flight Training GmbH, Frankfurt / Main	100	27	17
Lufthansa Global Business Services GmbH, Frankfurt / Main	100	3	- 12
Lufthansa Industry Solutions AS GmbH, Norderstedt	100	7	11

Significant equity investments (cont'd)	Stake in %	Result after taxes in €m*	Shareholders' equity in €m*
Lufthansa Industry Solutions BS GmbH, Raunheim	100	5	– 1
Lufthansa Industry Solutions GmbH & Co. KG., Norderstedt	100	2	28
Lufthansa Leasing Austria 1. Beteiligungs GmbH, Salzburg, Austria	100	4	4
Lufthansa Leasing Austria GmbH & Co. OG Nr. 4, Salzburg, Austria	100	20	22
Lufthansa Leasing Austria GmbH & Co. OG Nr. 6, Salzburg, Austria	100	3	0
Lufthansa Leasing Austria GmbH & Co. OG Nr. 10, Salzburg, Austria	100	37	46
Lufthansa Leasing Austria GmbH & Co. OG Nr. 12, Salzburg, Austria	100	26	33
Lufthansa Leasing Austria GmbH & Co. OG Nr. 14, Salzburg, Austria	100	42	57
Lufthansa Leasing Austria GmbH & Co. OG Nr. 15, Salzburg, Austria	100	16	27
Lufthansa Leasing Austria GmbH & Co. OG Nr. 16, Salzburg, Austria	100	10	30
Lufthansa Leasing Austria GmbH & Co. OG Nr. 17, Salzburg, Austria	100	11	14
Lufthansa Leasing Austria GmbH & Co. OG Nr. 18, Salzburg, Austria	100	7	14
Lufthansa Leasing Austria GmbH & Co. OG Nr. 19, Salzburg, Austria	100	5	8
Lufthansa Leasing Austria GmbH & Co. OG Nr. 20, Salzburg, Austria	100	11	15
Lufthansa Leasing Austria GmbH & Co. OG Nr. 21, Salzburg, Austria	100	16	34
Lufthansa Leasing Austria GmbH & Co. OG Nr. 22, Salzburg, Austria	100	34	175
Lufthansa Leasing Austria GmbH & Co. OG Nr. 23, Salzburg, Austria	100	48	255
Lufthansa Leasing Austria GmbH & Co. OG Nr. 24, Salzburg, Austria	100	3	90
Lufthansa Leasing Austria GmbH & Co. OG Nr. 25, Salzburg, Austria	100	22	152
Lufthansa Leasing Austria GmbH & Co. OG Nr. 26, Salzburg, Austria	100	5	266
Lufthansa Leasing Austria GmbH & Co. OG Nr. 27, Salzburg, Austria	100	5	43
Lufthansa Leasing Austria GmbH & Co. OG Nr. 28, Salzburg, Austria	100	18	298
Lufthansa Leasing Austria GmbH & Co. OG Nr. 29, Salzburg, Austria	100	– 11	81
Lufthansa Leasing Austria GmbH & Co. OG Nr. 30, Salzburg, Austria	100	– 9	31
Lufthansa Leasing Austria GmbH & Co. OG Nr. 31, Salzburg, Austria	100	1	28
Lufthansa Leasing Austria GmbH & Co. OG Nr. 32, Salzburg, Austria	100	-- ³	-- ³
Lufthansa Leasing Austria GmbH & Co. OG Nr. 33, Salzburg, Austria	100	-- ³	-- ³
Lufthansa Leasing Austria GmbH & Co. OG Nr. 50, Salzburg, Austria	100	– 4	67
Lufthansa Malta Aircraft Leasing Ltd., St. Julian's, Malta	100	139	3,206
Lufthansa Malta Blues LP, St. Julian's, Malta	100	-- ³	62
Lufthansa Malta Corporate Finance Ltd., St. Julian's, Malta	100	3	618
Lufthansa Malta Finance Holding Ltd., St. Julian's, Malta	100	5	623
Lufthansa Malta Finance Ltd., St. Julian's, Malta	100	37	141
Lufthansa Malta Holding Ltd., St. Julian's, Malta	100	– 81	1,894
Lufthansa Malta Working Capital Solutions Limited, St. Julian's, Malta	100	-- ³	-- ³
Lufthansa Process Management GmbH, Neu-Isenburg	100	1	– 1
Lufthansa Seeheim GmbH, Seeheim-Jugenheim	100	-- ³	3
Lufthansa SICAV-FIS-Fonds, Saint-Josse-ten-Noode, Belgium	100	-- ¹	-- ¹
Lufthansa Systems Americas Inc., Irving, USA	100	1	3
Lufthansa Systems GmbH & Co. KG, Raunheim	100	8	– 26
Lufthansa Technik AERO Alzey GmbH, Alzey	100	28	21
Lufthansa Technik AG, Hamburg	100	195	372
Lufthansa Technik Airmotive Ireland Holdings Ltd. Co., Dublin, Ireland	100	-- ³	174

Significant equity investments (cont'd)	Stake in %	Result after taxes in €m*	Shareholders' equity in €m*
Lufthansa Technik Airmotive Ireland Leasing Ltd. Co., Dublin, Ireland	100	36	154
Lufthansa Technik Airmotive Ireland Ltd. Co., Dublin, Ireland	100	-- ³	– 6
Lufthansa Technik Budapest Repülögép Nagyjavító Kft., Budapest, Hungary	100	1	9
Lufthansa Technik Component Services LLC, Tulsa, USA	100	2	8
Lufthansa Technik Immobilien- und Verwaltungsgesellschaft mbH, Hamburg	100	– 1	35
Lufthansa Technik Landing Gear Services UK Ltd., Kestrel Way, Hayes, United Kingdom	100	– 1	3
Lufthansa Technik Logistik GmbH, Hamburg	100	3	– 7
Lufthansa Technik Logistik Services GmbH, Hamburg	100	5	-- ³
Lufthansa Technik Maintenance International GmbH, Frankfurt / Main	100	– 7	– 19
Lufthansa Technik Malta Limited, Luqa, Malta	92	2	-- ³
Lufthansa Technik North America Holding Corp., Tulsa, USA	100	4	221
Lufthansa Technik Objekt- und Verwaltungsgesellschaft mbH, Hamburg	100	7	127
Lufthansa Technik Philippines Inc., Manila, Philippines	51	19	59
Lufthansa Technik Puerto Rico LLC, San Juan, Puerto Rico	100	1	8
Lufthansa Technik Shannon Limited Co., Claire, Ireland	100	1	32
Lufthansa Technik Sofia OOD, Sofia, Bulgaria	75	2	14
MARDU Grundstücks-Verwaltungsgesellschaft mbH & Co. oHG, Grünwald	100	12	171
Miles & More GmbH, Neu-Isenburg	100	56	21
MIM IFE Limited, Dublin, Ireland	100	– 1	2
MUSA Grundstücks-Verwaltungsgesellschaft mbH & Co. oHG, Grünwald	100	4	39
Myanmar LSG Lufthansa Service Ltd., Yangon, Myanmar	100	2	6
N3 Engine Overhaul Services GmbH & Co. KG, Arnstadt	50	10 ²	60 ²
Nanjing Lukou International Airport LSG Catering Co. Ltd., Nanjing, China	40	1 ²	10 ²
Natal Catering Ltda., Natal, Brazil	70	-- ³	-- ³
Oakfield Farms Solutions Europe Ltd., West Drayton, United Kingdom	51	1	2
Oakfield Farms Solutions L.L.C., Wilmington, Delaware, USA	100	5	13
ÖLB Österreichische Luftverkehrs-Beteiligungs GmbH, Vienna Airport, Austria	100	-- ³	– 3
ÖLH Österreichische Luftverkehrs-Holding GmbH, Vienna Airport, Austria	100 ⁷	14	176
ÖLP Österreichische Luftverkehrs-Privatstiftung, Vienna Airport, Austria	0 ⁸	-- ³	-- ³
Quinto Grundstücksgesellschaft mbH & Co. oHG, Grünwald	100	3	83
Retail in Motion (International) Limited, Dublin, Ireland	100	-- ³	-- ³
Retail in Motion Limited, Dublin, Ireland	100	1	43
SC International Services Inc., Wilmington, USA	100	9	453
SCIS Air Security Corporation, Wilmington, USA	100	10	5
ServCater Internacional Ltda., Guarulhos, Brazil	90	2	– 18
Shanghai Pudong International Airport Cargo Terminal Co. Ltd., Shanghai, China	29	62 ²	168 ²
Siam Flight Services Ltd., Bangkok, Thailand	49	2	4
Silver Wings Bulgaria OOD, Sofia, Bulgaria	29 ⁴	1	6
Sky Chefs Argentina Inc., Wilmington, USA	100	-- ³	-- ³
Sky Chefs Chile SpA, Santiago de Chile, Chile	100	– 2	19
Sky Chefs De Mexico S.A. de C.V., Mexico City, Mexico	51	2	9
Sky Chefs de Panama S.A., Panama City, Panama	100	6	28
Sky Chefs Things Remembered Services Limited, Lagos, Nigeria	51	– 2	-- ³

Significant equity investments (cont'd)	Stake in %	Result after taxes in €m*	Shareholders' equity in €m*
Sky Chefs Inc., Wilmington, USA	100	4	– 308
SkylogistiX GmbH, Neu-Isenburg	51	1	1
SN Airholding SA/N.V., Brussels, Belgium	45	7	– 22
Spairliners GmbH, Hamburg	50	4 ²	62 ²
Spiriant Asia Pacific Limited, Hong Kong, China	100	-- ³	1
Spiriant Bahrain Limited W.L.L., Manama, Bahrain	60	-- ³	-- ³
Spiriant GmbH, Neu-Isenburg	100	8	5
Starfood Antalya Gıda Sanayi ve Ticaret A.Ş., Istanbul, Turkey	49	-- ^{2,3}	-- ^{2,3}
Starfood Finland Oy, Vantaa, Finland	100	-- ³	1
Starfood S.r.l., Fiumicino, Italy	100	-- ³	3
Supply Chain S.à.r.l., Senningerberg, Luxembourg	100	4	6
Swiss Aviation Software AG, Basel, Switzerland	100	7	14
Swiss Aviation Training AG, Kloten, Switzerland	100	7	43
Swiss Global Air Lines AG, Basel, Switzerland	100	0	-- ³
Swiss International Air Lines AG, Basel, Switzerland	100	246	1,470
Terminal 2 Gesellschaft mbH & Co. oHG, Freising	40	32	29
TGV DLH, Düsseldorf	100	15	1,780
time:matters GmbH, Neu-Isenburg	100	3	1
time:matters Holding GmbH, Neu-Isenburg	100	3	72
time:matters Spare Parts Logistics GmbH, Neu-Isenburg	100	-- ³	-- ³
Tolmachevo Catering OOO, Novosibirsk, Russia	26	-- ^{2,3}	1 ²
Tyrolean Airways Luftfahrzeuge Technik GmbH, Innsbruck, Austria	100	-- ³	5
Wenzhou Longwan International Airport LSG Sky Chefs Co Ltd., Wenzhou City, China	40	-- ¹	-- ¹
Western Aire Chef Inc., Wilmington, USA	100	2	21
XEOS Sp.z.o.o., Warsaw, Poland	51	-- ¹	-- ¹
Xian Eastern Air Catering Co. Ltd., Xian, China	30	2 ²	7 ²
Yunnan Eastern Air Catering Co. Ltd., Kunming, China	25	1 ²	10 ²
ZAO Aeromar, Moscow region, Russia	49	12 ²	44 ²
ZAO AeroMEAL, Yemelyanovo, Russia	100	-- ³	1

* IFRS disclosures

¹ No figures available² Local GAAP 2015³ < EUR 500k⁴ A further 28.75 per cent of the equity stake and voting rights are attributed via a call option.⁵ 100 per cent of the equity stake and voting rights are attributed via a call option.⁶ 33.34 per cent of the equity stake and 50.01 per cent of voting rights are attributed via a call option.⁷ 50.20 per cent of equity and voting rights come from ÖLP.⁸ Control of ÖLP comes from the majority of voting rights on the board of directors⁹ German local GAAP (HGB)

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