



# Lufthansa Group overview

Key figures Lufthansa Group	Jan. – Sept. 2015	Jan. – Sept. <sup>1)</sup> 2014	Change in %	July – Sept. 2015	July – Sept. <sup>1)</sup> 2014	Change in %	
<b>Revenue and result</b>							
Total revenue	€m	24,304	22,624	7.4	8,939	8,458	5.7
of which traffic revenue	€m	19,387	18,460	5.0	7,264	6,994	3.9
EBIT <sup>1)</sup>	€m	1,663	1,048	58.7	1,200	832	44.2
Adjusted EBIT	€m	1,693	988	71.4	1,225	810	51.2
EBITDA <sup>1)</sup>	€m	2,932	2,111	38.9	1,616	1,199	34.8
Net profit/loss for the period	€m	1,748	482	262.7	794	561	41.5
<b>Key balance sheet and cash flow statement figures</b>							
Total assets	€m	33,159	30,961	7.1	–	–	–
Equity ratio	%	18.6	15.2	3.4 pts	–	–	–
Net indebtedness	€m	2,346	2,262	3.7	–	–	–
Cash flow from operating activities	€m	3,160	2,052	54.0	633	308	105.5
Capital expenditure (gross)	€m	1,931	2,235	–13.6	433	687	–37.0
<b>Key profitability and value creation figures</b>							
EBIT margin	%	6.8	4.6	2.2 pts	13.4	9.8	3.6 pts
Adjusted EBIT margin	%	7.0	4.4	2.6 pts	13.7	9.6	4.1 pts
EBITDA margin	%	12.1	9.3	2.8 pts	18.1	14.2	3.9 pts
<b>Lufthansa share</b>							
Share price at the quarter-end	€	12.43	12.51	–0.6	–	–	–
Earnings per share	€	3.78	1.05	261.3	1.72	1.22	41.0
<b>Traffic figures<sup>2)</sup></b>							
Passengers	thousands	83,017	81,157	2.3	32,093	31,270	2.6
Passenger load factor	%	81.2	80.6	0.6 pts	86.0	85.0	1.0 pts
Freight and mail	thousand tonnes	1,387	1,416	–2.0	459	482	–4.8
Cargo load factor	%	65.8	69.2	–3.4 pts	62.5	67.3	–4.8 pts
Available tonne-kilometres	millions	32,320	31,414	2.9	11,748	11,457	2.5
Revenue tonne-kilometres	millions	24,178	23,751	1.8	9,066	8,944	1.4
Overall load factor	%	74.8	75.6	–0.8 pts	77.2	78.1	–0.9 pts
Flights	number	764,376	762,961	0.2	273,522	271,572	0.7
<b>Employees</b>							
Employees as of 30.9.	number	119,391	119,023	0.3	119,391	119,023	0.3

<sup>1)</sup> Previous year's figures have been adjusted due to the new reporting method.

<sup>2)</sup> Previous year's figures have been adjusted.

Date of publication: 29 October 2015.

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## Ladies and gentlemen,

Half a year has passed since the Lufthansa Group was hit by the worst disaster in the Company's history. None of us will ever forget the accident of flight 4U 9525 on 24 March 2015. In the face of the pain suffered by the families and friends of the victims, we bow our heads in humility and respect. But even after this tragic accident, our flight operations had to continue and the entire aviation group could not stand still. Because after safety, the most important priority of the Lufthansa Group is its own future viability.

In September we hence adopted an extensive reorganisation programme. The organisation will be structured more functionally across all business segments with its commercial, operational and administrative functions integrated more closely together. Management of the network airlines will involve the use of standardised processes in future, so that customers of the Lufthansa Group can be offered a seamless travel experience across hubs and airlines. At the same time, the reorganisation creates an important framework for establishing the new Eurowings as a second brand and positioning it in our home markets as the leading point-to-point airline. The service companies will still actively exploit growth opportunities, particularly in the MRO, Catering and Financial Services segments, and for this reason will continue to be managed autonomously.

The positive economic performance over the first nine months of the current financial year confirms that we are on the right path with our strategy. Despite the still highly volatile market environment and further industrial action by the Vereinigung Cockpit pilots' union, we have achieved a solid improvement in earnings. We have improved the Adjusted EBIT, our main indicator for the operating performance of the Lufthansa Group, by more than 70 per cent to EUR 1.7bn in the first nine months of the financial year.

This significant earnings improvement is owed primarily to the positive performance of the passenger airlines, which increased revenue and earnings significantly. Low fuel costs contributed

significantly to the strong performance, as did product enhancements at Lufthansa Passenger Airlines and a considerable earnings improvement at Germanwings. Lufthansa Technik and LSG Sky Chefs again reported a stable earnings performance, while Lufthansa Cargo's earnings were down as a result of increasing overcapacity in the market.

From today's perspective, we will continue to benefit considerably from lower fuel prices in the next two years. Nonetheless, this cannot and must not take the place of structural improvements to our competitive cost position. The passenger airlines in the Lufthansa Group will therefore continue to concentrate predominantly on improving their margins. Fleet growth here will only be on the agenda again when sustainable structures have been established. Instead, the new Eurowings will be the growth driver in the Lufthansa Group and a key building block for increasing our competitiveness.

Our talks with all collective bargaining partners are also taking place within this context. Our goal is to achieve agreements that ensure the continued viability of our Company. One important element is an agreement on modern – and thereby more affordable for the Company – corporate retirement and transitional benefits.

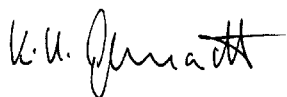
Looking at our current business we are now expecting an Adjusted EBIT of EUR 1.75bn to 1.95bn for the financial year 2015 after a good performance to date, especially in the third quarter. This forecast does not include the cost of possible strikes in the fourth quarter. The drivers and key variables that influence earnings remain above all the oil price and the jet fuel crack, as well as the exchange rate for the euro, primarily against the US dollar and the Swiss franc.

Ladies and gentlemen, this year the Lufthansa Group is expecting to report the best operating result in its history. We are proud of this performance but will not let it distract us from continuing to work hard to ensure the ongoing viability of the world's largest aviation group.

Thank you for your continued trust.



Carsten Spohr  
Chairman of the  
Executive Board and CEO



Karl Ulrich Garnadt  
Member of the Executive Board  
Chief Executive Officer  
Lufthansa German Airlines



Harry Hohmeister  
Member of the Executive Board  
Chief Officer  
Group Airlines, Logistics and IT



Simone Menne  
Member of the Executive Board  
Chief Officer  
Finances and Aviation Services



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

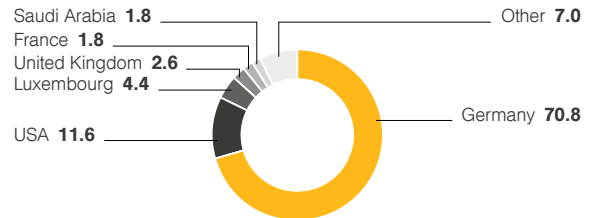
## Lufthansa share

The price of the Lufthansa share went up by 5.4 per cent in the third quarter of 2015. The DAX index fell by 15.5 per cent over the same period. At a price of EUR 12.43 as of 30 September the share was still 10.2 per cent below its value at the beginning of the year, but was able to make up for some of its weak performance in the first half of the year.

At the end of the quarter nine analysts recommended the Lufthansa share as a buy, ten as a hold and ten as a sell. The average target price was at EUR 13.24.

The free float for Lufthansa shares at the end of September 2015 was 100 per cent. 70.8 per cent of Lufthansa shares were held by German investors. The largest single shareholder was again Templeton Global Advisors Limited with 5.00 per cent.

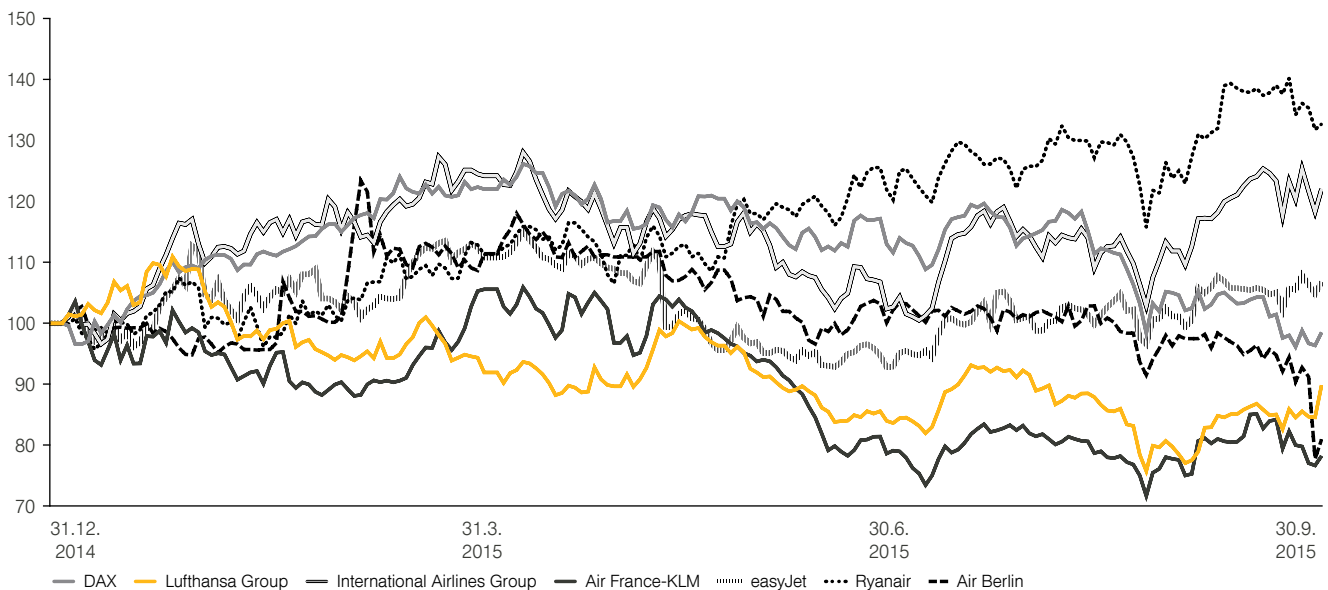
**Shareholder structure by nationality** in % (as of 30.9.2015)



Free float: 100%

Up-to-date information on the shareholder structure is provided regularly on the website [www.lufthansagroup.com/investor-relations](http://www.lufthansagroup.com/investor-relations).

**Performance of the Lufthansa share**, indexed as of 31.12.2014, compared with the DAX and competitors, in %



## Interim management report

### Economic environment and sector performance

#### GDP growth 2015 compared with previous year

in %	Q1	Q2	Q3*	Q4*	Full year*
World	2.7	2.7	2.5	2.4	2.5
Europe	1.7	2.0	1.9	1.7	1.8
Germany	1.1	1.6	2.0	1.9	1.7
North America	2.8	2.6	2.0	2.1	2.4
South America	0.3	0.0	-0.7	-1.0	-0.4
Asia/Pacific	4.4	4.7	4.5	4.5	4.5
China	7.0	7.0	6.1	6.1	6.5
Middle East	2.4	2.3	2.3	2.5	2.4
Africa	3.1	3.0	2.9	2.8	2.9

Source: Global Insight World Overview as of 15.10.2015.

\* Forecast.

**Macroeconomic situation** The global economy grew by 2.5 per cent year on year in the third quarter of 2015. Growth in the same period last year came to 2.7 per cent. Asia/Pacific is the fastest growing region of the world with a growth rate of 4.5 per cent (previous year: 4.4 per cent). In North America, the economy expanded by 2.0 per cent (previous year: 2.9 per cent). Economic performance stabilised in the countries of the European Union and came in at 1.9 per cent in the third quarter of 2015 (previous year: 1.3 per cent). In Latin America, economic output contracted by 0.7 per cent (previous year: +0.8 per cent).

The fuel price is a central factor behind changes in the Lufthansa Group's expenses. To limit the ensuing risks, the Company has a systematic risk management system for fuel with a rule-based hedging strategy with a time horizon of up to 24 months. This means that there are also periods in which fuel hedging does not deliver a positive earnings contribution.

Since the beginning of the year, the oil price has fallen from USD 57.33/barrel to USD 48.37/barrel as of 30 September 2015. The average price in the first three quarters of USD 56.59/barrel was 47.1 per cent down on last year's figure. At the same time, the jet fuel crack (the price difference between crude oil and kerosene) was 7.7 per cent lower than last year. Overall, the average kerosene price decreased year on year by 42.4 per cent. The hedging result in the period under review depressed the result by EUR 679m. Overall, fuel costs went down by 13.2 per cent to EUR 4.5bn in the first nine months.

Compared with the same period last year, the euro fell against the main currencies for the Lufthansa Group. The 17.8 per cent rise in the US dollar had a negative impact on costs. By contrast, the general weakness of the euro had a positive effect on revenue. On average, the euro lost 3.4 per cent against the Japanese yen, 12.8 per cent against the Swiss franc, 16.7 per cent against the Chinese renminbi and 10.4 per cent against the pound sterling. Overall, exchange rate effects reduced EBIT for the first nine months by EUR 176m.

#### Development of crude oil, kerosene and currency

		Minimum	Maximum	Average	30.9.2015
ICE Brent	in USD/bbl	42.69	67.77	56.59	48.37
Kerosene	in USD/t	439.00	641.25	552.51	472.75
USD	1 EUR/USD	1.0492	1.2099	1.1143	1.1153
JPY	1 EUR/JPY	126.4900	144.8000	134.7123	136.1900
CHF	1 EUR/CHF	0.9882	1.2031	1.0618	1.0430
CNY	1 EUR/CNY	6.5664	7.5065	6.9603	6.9128
GBP	1 EUR/GBP	0.6947	0.7860	0.7273	0.7093

The discount rate, which is particularly important for measuring pension obligations, rose from 2.6 per cent at the beginning of the year to 2.9 per cent as of 30 September 2015. Largely due to this measurement effect as of the reporting date, pension provisions fell by 4.8 per cent compared with year-end 2014 to EUR 6.9bn.

**Sector developments** Ongoing global economic growth had a positive impact on demand for air travel. According to the International Air Transport Association (IATA), revenue passenger-kilometres sold worldwide went up year on year by 6.6 per cent in the first eight months of this year. Airlines from the Middle East again saw the fastest growth, selling 12.6 per cent more passenger-kilometres in the first eight months of the year than in the same period a year ago. Airlines from Asia grew by 9.1 per cent and Latin American carriers by 6.4 per cent. European airlines reported growth of 5.3 per cent, while North American carriers grew by 3.8 per cent. The premium segment performed well with worldwide growth of 4.3 per cent.

The global cargo business was again weaker than passenger transport. Revenue tonne-kilometres increased year on year by 2.6 per cent in the first eight months, but differences between regions were even more pronounced than in passenger traffic. Here, too, airlines from the Middle East expanded fastest at 13.4 per cent. Carriers from Asia grew by 3.6 per cent. European airlines were down by 0.4 per cent on last year. Carriers from North America recorded a decrease of 1.5 per cent and Latin American airlines of 6.8 per cent.

The strong performance of the aircraft MRO (maintenance, repair and overhaul) business last year has continued this year, too. In 2014, the market grew by 2.4 per cent. Regional growth was particularly fast in Asia at 4.4 per cent. Slow fleet growth in America meant that demand was below average at 0.2 per cent. Growth in Europe, Africa and Middle East stood at 3.1 per cent, mostly driven by the Middle Eastern growth market.

Demand for in-flight service concepts – such as those offered by LSG Sky Chefs – rose in line with global passenger figures. In terms of the rise in demand, however, there were disparities between individual regions. Depending on their individual business models, airlines also increasingly pursued differentiated in-flight service concepts. These range from in-flight sales programmes aimed at increasing revenue to flexible hybrid solutions and premium offers that burnish their image.

Air France intends to trim its long-haul fleet, cancel routes and reduce the number of staff accordingly in the years ahead after the failure of its negotiations with the pilots' union SNPL on greater productivity. A specific plan for redundancies will now be developed in further talks. However, the Executive Board of Air France did say that this step could still be avoided if constructive negotiations were resumed and results leading to greater profitability for the company could be achieved.

Air France-KLM and China Southern Airlines have entered into a freight partnership. This will provide Air France-KLM's cargo division, Martinair Cargo, with access to the main Australian cities via the freight hub in Guangzhou. It can also use capacities in freighters on routes between Guangzhou and Hanoi or Ho Chi Minh City.

Turkish Airlines and the Polish airline LOT want to set up a strategic partnership. In a letter of intent the two companies agreed to work together in the Turkish and Polish markets and beyond. The partnership may lead to a joint venture in future.

Air Berlin is currently working on a reorganisation concept. Its business model and route network are to be restructured. It is currently uncertain whether the German Federal Department of Transportation will continue to permit the joint marketing of Etihad and Air Berlin flights beyond January 2016, which constitutes the core of the partnership between the two airlines.

Ryanair intends to take an even larger share of the German market and become the number two in Germany in the years ahead, behind Lufthansa Passenger Airlines including Germanwings. In October 2015, the sixth Ryanair base in Germany is due to open in Berlin. Other low-cost airlines have also announced comprehensive growth plans for Germany.

The magazine Australian Business Traveller voted the Star Alliance, the longest existing and largest airline alliance, as the best airline alliance in the world.

## Course of business

The Lufthansa Group achieved a good performance in the first nine months of the financial year. Revenue went up significantly year on year, primarily due to exchange rate movements. Adjusted EBIT increased substantially. This improvement was due in particular to the positive performance of the airlines in the Passenger Airline Group. This in turn stemmed largely from low fuel costs and the strong performance of traffic revenue caused by exchange rate movements. Other drivers of the positive business performance were the completion of the new First Class and Business Class seat installation programme at Lufthansa Passenger Airlines and a significant earnings improvement at Germanwings. Lufthansa Cargo has suffered the effects of increasing overcapacity in the market in recent months and saw a fall in earnings in the reporting period. Lufthansa Technik and LSG Sky Chefs, by contrast, were able to achieve solid earnings improvements in the first nine months of the year.

**Significant events** Half a year after the tragic accident involving Germanwings flight 4U 9525, the Lufthansa Group is still assisting the relatives of victims and coordinating the clean-up operation at the site of the accident. A plaque commemorating the victims was unveiled in front of the Germanwings headquarters in Cologne. Mr Carsten Spohr, Chairman of the Executive Board and CEO of the Lufthansa Group, and Mr Thomas Winkelmann, Spokesman for the Management Board of Germanwings, laid a wreath at the accident site in Le Vernet, France, accompanied by Mr Jürgen Jennerke, Chairman of the Lufthansa Group Works Council, and Mr Nicoley Baubles, Chairman of the UFO flight attendants' union.

After a strike by the Vereinigung Cockpit pilots' union (VC) on 9 September 2015 affecting all short-haul routes at Lufthansa Passenger Airlines and Germanwings, which followed a strike on long-haul flights by Lufthansa Passenger Airlines and Lufthansa Cargo the day before, the Higher Labour Court issued a temporary injunction on the same day, banning this strike with immediate effect. The Higher Labour Court described the strike by VC as "clearly unlawful". It ruled that the strike by VC was not only aimed at influencing a new agreement on transitional benefits but that at least one of its main objectives was to prevent the development and implementation of the Wings concept. However, the establishment of Eurowings as a new company and its expansion were "not amenable to strikes in support of collective bargaining". The Lufthansa Group and the trade union ver.di are trying to reach a wage settlement for some 30,000 ground staff at the Group in Germany by the end of November 2015. For the financial year 2015, the Lufthansa Group has proposed a one-off payment for the ground staff covered by collective bargaining. The collective bargaining partners also want to agree on a sustainable system for company retirement benefits. Negotiations on salary increases are intended to take place on this basis in 2016. On 30 June 2015, the flight attendants' union UFO (Unabhängige Flugbegleiter Organisation) cancelled the strike that had been announced for 1 July 2015. Lufthansa made UFO a new offer on 30 June 2015. Lufthansa and the union then continued their negotiations regarding numerous issues.

On 16 September 2015, the Supervisory Board of the Lufthansa Group approved the reorganisation of the Group adopted by the Executive Board. Across all business segments the organisation is to be structured more functionally, and its commercial, operational and administrative functions are to be integrated more closely together. Management of the network airlines will involve the use of standardised processes in future, so that customers of the Lufthansa Group can be offered a seamless travel experience across hubs and airlines. At the same time, the reorganisation creates an important framework for establishing the new Eurowings as a second brand and positioning it in the home markets of the Lufthansa Group as the leading point-to-point airline in the market. The service companies will still actively exploit growth opportunities, particularly in the MRO, Catering and Financial Services segments, and for this reason will continue to be managed autonomously.

The wide-ranging cabin renewal programme at Lufthansa Passenger Airlines was completed in September. Now the airline only uses aircraft with the latest cabin interiors in its scheduled services. Over the past three years 106 long-haul aircraft from Lufthansa Passenger Airlines have been fitted with an updated cabin and new seats in Business and Economy Class. The new First Class cabin has also been installed in 76 aircraft. The retrofit of Premium Economy Class is to be completed on all 106 Lufthansa long-haul aircraft in the fourth quarter.

Progress is continuing on the development and implementation of new direct booking channels as part of the modernisation of the Lufthansa Group's sales structures. Since 1 September 2015, the costs of booking via global distribution systems (GDSs) have been allocated transparently and fairly. A "distribution cost charge" (DCC) of EUR 16.00 is applied for every ticket issued via a GDS. Customers of the Lufthansa Group can still buy their tickets without this new charge, however, by booking directly via the airlines' websites, via the service centres or at airport ticket desks. Travel agencies and corporate customers can use an online portal as an alternative booking channel.

**Staff and management** On 16 September 2015, the Supervisory Board of Deutsche Lufthansa AG confirmed a new division of responsibilities for the Executive Board. Mr Carsten Spohr, Mr Karl Ulrich Garnadt, Mr Harry Hohmeister, Ms Simone Menne and Dr Bettina Volkens will remain as Executive Board members. At the same meeting, the Supervisory Board appointed Mr Harry Hohmeister and Dr Bettina Volkens each to the Executive Board for another five years and also appointed Dr Bettina Volkens as Chief Officer Corporate Human Resources. Mr Carsten Spohr will continue to chair the Executive Board. As of 1 January 2016, Mr Harry Hohmeister will be functionally responsible for the commercial management of the Lufthansa Group's hubs and its premium airlines Lufthansa Passenger Airlines, SWISS and Austrian Airlines. Point-to-point traffic and responsibility for the Eurowings group will be assigned to the new Eurowings and Aviation Services function, to be led by Mr Karl Ulrich Garnadt. Ms Simone Menne will continue to head the Finance function, which will now also include Group IT. Responsibility for the HR and Legal function will remain with Dr Bettina Volkens.

As part of the reorganisation it was also decided to dissolve the Passenger Airlines Board as the management board for Lufthansa Passenger Airlines. Lufthansa Passenger Airlines is to be managed each by a hub manager in Frankfurt and Munich, with the Executive Board members holding functional responsibility in their respective roles. The reorganisation is aimed at aligning the structure of the organisation more closely with the relevant functions. In this context, the number of management levels below the Executive Board is to be reduced from four to three. Altogether the number of management positions is to be cut by around 15 per cent. Implementation of the reorganisation will start on 1 January 2016 and enable cost and revenue synergies, which are intended to deliver an earnings contribution of around EUR 500m a year upon full implementation in 2019.

Further information about the reorganisation is available from the website [www.lufthansagroup.com/investor-relations](http://www.lufthansagroup.com/investor-relations).

#### **Changes in reporting standards and in the group of consolidated companies**

There have been no significant changes to the group of consolidated companies since this time last year. The individual changes compared with year-end 2014 and 30 September 2014 are shown in the table on [p. 30](#). These changes had no significant effect on the consolidated balance sheet and income statement in comparison with the same period last year.

The standards and interpretations mandatory for the first time as of 1 January 2015 also did not have a significant effect on the net assets, financial and earnings position. More information can be found in the Notes [starting on p. 30](#).

IT Services ceased to be an independent strategic operating segment of the Lufthansa Group as of the start of 2015 following the division of the restructured Lufthansa Systems AG into Airline Solutions, Industry Solutions and IT Infrastructure units, the conversion into a limited partnership, or "GmbH & Co. KG" and the agreed sale of IT Infrastructure to IBM. For further information, we refer to the modified segment reporting in the Notes [starting on p. 35](#).

Last year, the Lufthansa Group decided to replace CVA as the key performance indicator for value-based management with effect from the financial year 2015. After evaluating various alternatives, the Executive Board of Deutsche Lufthansa AG decided to replace CVA with earnings after cost of capital (EACC) and return on capital employed (ROCE), which are intended to make the value-based management of the Company even more explicit. For more information we refer to [p. 30 et seq.](#) of the Annual Report 2014. EACC is an absolute measure of value added and is calculated on the basis of earnings before interest and taxes (EBIT) in a given reporting period. From 2015 onwards, the main earnings metric for the Company's forecasts is Adjusted EBIT. EBIT is adjusted for the measurement and disposal of non-current assets and the measurement of pension provisions and impairments.

The new management and earnings indicators will also have an impact on the structure of the earnings position and the corresponding statements relating to it. General comments on earnings and expenses in the reporting period are now based on EBIT and are followed by an explanation of the reconciliation with Adjusted EBIT. In the course of this transition, the following changes will be made to the presentation of the income statement in order to make the main earnings indicators easier to understand. The result of equity investments has been shown as part of EBIT since the start of the year. Profits and losses from the measurement and realisation of financial liabilities were previously recognised in the operating result. They are now shown in other financial items and thus share a single line item with the associated interest rate and exchange rate hedges. Impairment losses on financial investments were previously recognised in other financial items. As of the financial year 2015, they will be shown in the operating result along with impairment losses on other assets. Gains and losses on the disposal of current financial investments were previously shown in other operating income and will be recognised in net interest from 2015. The figures for last year have been adjusted in accordance with the new presentation system.

## Earnings position

### Traffic figures of the Lufthansa Group's airlines\*

		Jan. – Sept. 2015	Jan. – Sept. 2014	Change in %
Passengers carried	thousands	83,017	81,157	2.3
Available seat-kilometres	millions	210,477	204,391	3.0
Revenue seat-kilometres	millions	170,824	164,833	3.6
Passenger load factor	%	81.2	80.6	0.6 pts
Freight/mail	thousand tonnes	1,387	1,416	-2.0
Available cargo tonne-kilometres	millions	11,241	10,916	3.0
Revenue cargo tonne-kilometres	millions	7,398	7,553	-2.0
Cargo load factor	%	65.8	69.2	-3.4 pts
Total available tonne-kilometres	millions	32,320	31,414	2.9
Total revenue tonne-kilometres	millions	24,178	23,751	1.8
Overall load factor	%	74.8	75.6	-0.8 pts
Flights	number	764,376	762,961	0.2

\* Previous year's figures have been adjusted.

**Revenue and income** The airlines in the Lufthansa Group reported higher passenger traffic in the first nine months of 2015 compared with a year ago. Capacity and sales in the passenger business were up by 3.0 per cent and 3.6 respectively. 83.0 million passengers were transported, 2.3 per cent more than in the same period a year ago. Freight traffic saw a decline, by contrast. Transport of freight and mail fell by 2.0 per cent to 1.4 million tonnes. The individual performance data for the separate segments is presented in the respective chapters.

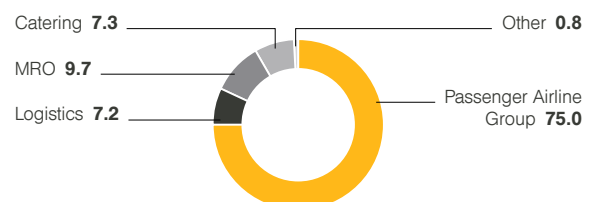
### Revenue and income

	Jan. – Sept. 2015 in €m	Jan. – Sept. 2014 in €m	Change in %
Traffic revenue	19,387	18,460	5.0
Other revenue	4,917	4,164	18.1
<b>Total revenue</b>	<b>24,304</b>	<b>22,624</b>	<b>7.4</b>
Changes in inventories and work performed by the entity and capitalised	155	156	-0.6
Other operating income	2,029	1,320	53.7
<b>Total operating income</b>	<b>26,488</b>	<b>24,100</b>	<b>9.9</b>

Traffic revenue for the Group rose by 5.0 per cent to EUR 19.4bn. This positive performance was due to a 3.0 per cent volume improvement and above all to positive exchange rate movements (+6.4 per cent). Lower prices (-4.4 per cent) reduced revenue, however. The Passenger Airline Group accounted for EUR 17.4bn (+5.8 per cent) of traffic revenue and the Logistics segment for EUR 1.7bn (-0.8 per cent).

At EUR 4.9bn, other revenue was 18.1 per cent up on last year, also partly due to exchange rate movements. Of the total, the MRO segment generated EUR 2.4bn (+19.1 per cent), Catering EUR 1.8bn (+18.7 per cent) and Other EUR 199m (-1.0 per cent). The companies in the Passenger Airline Group and Logistics segment contributed EUR 583m (+20.2 per cent) to other revenue.

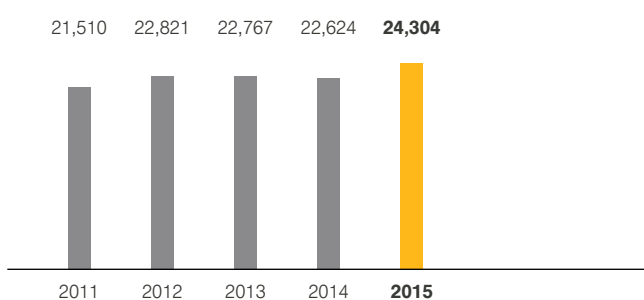
### External revenue share of the business segments in % (as of 30.9.2015)





Overall, Group revenue rose by 7.4 per cent to EUR 24.3bn. Positive exchange rate movements accounted for EUR 1.6bn or 7.0 per cent of the increase. The development of revenue over the last five years is shown in the chart below. The Passenger Airline Group's share of total revenue fell in the first nine months to 75.0 per cent (–1.0 percentage points). The distribution of revenue by segment and region is shown in the segment reporting [starting on p. 35](#).

#### Revenue development in €m (Jan. – Sept.)



Other operating income went up by EUR 709m to EUR 2.0bn. This stems mostly from higher exchange rate gains (EUR +645m), offset by correspondingly higher exchange rate losses in other operating expenses. Book gains on the disposal of non-current assets also increased by EUR 24m to EUR 56m. They include book gains of EUR 8m on the sale of the JetBlue shares and income of EUR 43m from earn-out payments in connection with the contract signed last year for the sale of former Lufthansa Systems AG's IT Infrastructure division. Income from write-backs on provisions was up by EUR 18m. The other individual items did not vary significantly compared with the same period last year.

Total operating income therefore rose by EUR 2.4bn or 9.9 per cent to EUR 26.5bn.

**Expenses** Compared with the same period last year, operating expenses climbed by EUR 1.8bn (+7.8 per cent) to a total of EUR 24.9bn. The cost of materials and services at the Lufthansa Group increased by 2.3 per cent to EUR 13.3bn. Within the cost of materials and services, fuel costs sank by 13.2 per cent to EUR 4.5bn. Fuel prices declined by 37.7 per cent after hedging, but this was partly offset by the rise in the US dollar (+21.8 per cent) and higher volumes (+2.7 per cent).

Expenses for other raw materials, consumables and supplies were up by 15.2 per cent to EUR 2.3bn, largely as a result of volume and exchange rate-related increases in the MRO and Catering segments.

#### Expenses

	Jan. – Sept. 2015 in €m	Jan. – Sept. 2014 in €m	Change in %
Cost of materials and services	13,303	13,002	2.3
of which fuel	4,494	5,180	–13.2
of which fees and charges	4,315	3,978	8.5
of which operating lease	36	40	–10.0
Staff costs	5,902	5,455	8.2
Depreciation	1,265	1,062	19.1
Other operating expenses	4,471	3,627	23.3
<b>Total operating expenses</b>	<b>24,941</b>	<b>23,146</b>	<b>7.8</b>

Fees and charges went up altogether by 8.5 per cent to EUR 4.3bn. Volumes, prices and exchange rate movements all contributed to the rise. Specifically, air traffic control charges rose by 9.6 per cent, take-off and landing fees by 12.0 per cent, handling charges by 8.4 per cent and security fees by 19.0 per cent. Expenses for the air traffic tax amounted to EUR 275m, 2.2 per cent above the figure for last year. Other purchased services were up by 18.8 per cent at EUR 2.2bn, particularly due to higher MRO services (+21.4 per cent).

Staff costs increased by 8.2 per cent to EUR 5.9bn. The average number of employees was almost unchanged at 119,155, with costs rising largely due to exchange rate movements and higher additions to pension provisions following the reduction in the discount rate from 3.75 per cent to 2.60 per cent.

Depreciation and amortisation climbed by 19.1 per cent to EUR 1.3bn. Depreciation of aircraft was up by 14.0 per cent to EUR 929m, primarily due to the new aircraft delivered last year. Impairment losses of EUR 112m were also recognised as of 30 September 2015 (previous year period: EUR 15m). EUR 65m of the total was recognised on existing investments in connection with the project costs for a possible new freight centre at Frankfurt Airport. Given the limit imposed on capital expenditure, a decision was taken to postpone the possible construction project for at least two years. This decision reduced the value of the investments that had already been made. Other impairment losses related to loans (EUR 16m), devaluation of LSG Belgium N.V. (EUR 12m), caused by structural changes in production, and two Boeing 747-400s and eleven B737s held for sale (EUR 12m). Capitalised planning costs for an abandoned construction project were also impaired and written down (EUR 7m). Other operating expenses included a further EUR 3m in impairment losses on assets held for sale.

Other operating expenses went up by EUR 844m to EUR 4.5bn. A significant rise in exchange rate losses (EUR +649m) was the main driver. Indirect staff costs also increased (EUR +37m), as did legal, audit and consultancy costs (EUR +37m) and the costs of computerised distribution systems (EUR +43m). The individual other items did not vary significantly compared with last year.

**Earnings development** The result from operating activities increased by EUR 593m to EUR 1.5bn in the reporting period.

The result from equity investments was up by EUR 22m to EUR 116m year on year. Net interest also improved to EUR –124m, mainly thanks to lower interest expenses (previous year: EUR –189m).

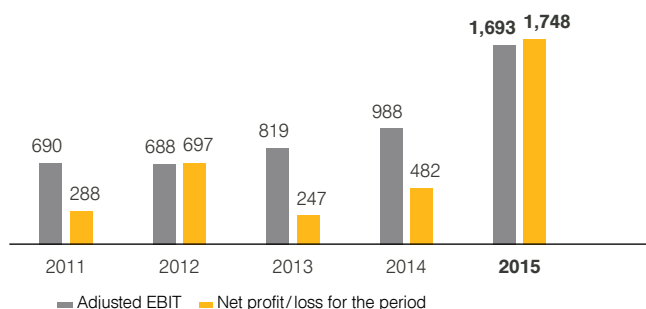
The result from other financial items went up to EUR 456m (previous year period: EUR –225m). EUR 503m stemmed from the realisation of increases in the value of JetBlue shares, which had previously been recognised without effect on profit and loss, and EUR 61m from higher market values of derivative instruments classified as held for trading under IAS 39. By contrast, the measurement of financial debts in a foreign currency reduced earnings by EUR 108m.

Earnings before interest and taxes (EBIT) reflect the changes in the operating result and the result from equity investments and came to EUR 1.7bn at the end of the first nine months (previous year: EUR 1.0bn). Adjusting for the earnings impact of pension changes, book gains or losses on asset disposal and impairments did not result in any major changes in the calculation of Adjusted EBIT, which also came to EUR 1.7bn (previous year: EUR 1.0bn).

## Reconciliation of results

in €m	Jan. – Sept. 2015		Jan. – Sept. 2014	
	Income statement	Reconciliation Adjusted EBIT	Income statement	Reconciliation Adjusted EBIT
<b>Total revenue</b>	<b>24,304</b>	–	<b>22,624</b>	–
Changes in inventories	155	–	156	–
Other operating income	2,029	–	1,320	–
of which book gains	–	–56	–	–32
of which write-ups on capital assets	–	–7	–	–36
<b>Total operating income</b>	<b>26,488</b>	<b>–63</b>	<b>24,100</b>	<b>–68</b>
Cost of materials and services	–13,303	–	–13,002	–
Staff costs	–5,902	–	–5,455	–
of which past service costs/settlement	–	–32	–	–15
Depreciation	–1,265	–	–1,062	–
of which impairment losses	–	112	–	15
Other operating expenses	–4,471	–	–3,627	–
of which impairment losses on assets held for sale	–	3	–	0*
of which expenses incurred from book losses	–	10	–	8
<b>Total operating expenses</b>	<b>–24,941</b>	<b>93</b>	<b>–23,146</b>	<b>8</b>
<b>Profit/loss from operating activities</b>	<b>1,547</b>	–	<b>954</b>	–
Result from equity investments	116	–	94	–
<b>EBIT</b>	<b>1,663</b>	–	<b>1,048</b>	–
Total amount of reconciliation Adjusted EBIT	–	<b>30</b>	–	<b>–60</b>
<b>Adjusted EBIT</b>	–	<b>1,693</b>	–	<b>988</b>
Write-downs (included in profit from operating activities)	1,265	–	1,062	–
Write-downs on financial investments, securities and assets held for sale	4	–	1	–
<b>EBITDA</b>	<b>2,932</b>	–	<b>2,111</b>	–

\* Rounded below EUR 1m.

**Adjusted EBIT and net profit/loss for the period** in €m (Jan. – Sept.)

Earnings before taxes (EBT) rose by EUR 1.4bn to EUR 2.0bn. Taking tax-free income into account, particularly in connection with the disposal of the JetBlue shares, income tax payments reduced earnings by EUR 227m (previous year: EUR 136m). Deducting minority interests of EUR 20m (previous year: EUR 16m) resulted in a net profit for the period of EUR 1.7bn (previous year: EUR 482m). Earnings per share increased from EUR 1.05 to EUR 3.78 compared with the same period last year.

**Cash flow and capital expenditure**

The Group generated a cash flow from operating activities of EUR 3.2bn by the end of September 2015. This was EUR 1.1bn more than last year. Starting from an increase of EUR 1.4bn in profit before income taxes, the elimination of non-cash depreciation and amortisation and of cash flows attributable to investing or financing activities increased cash flow from operating activities by EUR 113m. Adjusting the net profit for the valuation of financial instruments, which is recognised in profit and loss but not in the cash flow statement – in particular the earnings from the disposal of the JetBlue shares – results in a significant year-on-year reduction of EUR 703m in the reconciliation with cash flow from operating activities. Compared with last year, changes in working capital (EUR +330m) had a positive impact on cash flow from operating activities in the current financial year.

Gross capital expenditure of EUR 1.9bn in the first nine months of 2015 was 13.6 per cent down on last year. EUR 1.6bn was spent on a total of 18 aircraft, namely two Airbus A380s, four Boeing 747-8s, one B777F, five A320-200s and two A321-200s. Two A320s and two A319s were reclassified from operating leases to finance leases following contract renewals. This capital expenditure also includes aircraft overhauls and down payments. An additional EUR 203m was invested in other property, plant and equipment. Intangible assets accounted for EUR 64m of the remaining capital

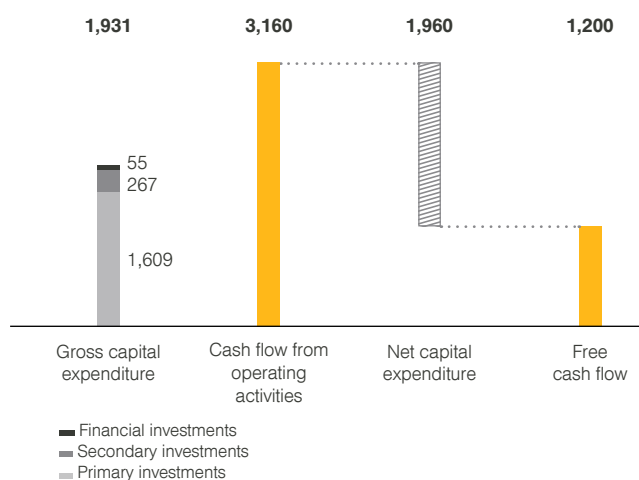
expenditure. Financial investments of EUR 54m related almost solely to loans and investments in non-current securities. Additions to and disposals of repairable spare parts for aircraft resulted in net payments of EUR 257m.

The funding requirement was partly covered by interest and dividend income (EUR 239m in total) and by proceeds of EUR 75m from the disposal of assets – mostly aircraft. The purchase and sale of current securities and funds resulted in a net cash outflow of EUR 1.1bn. A total of EUR 3.1bn in net cash was therefore used for capital expenditure and cash management activities (previous year: EUR 1.5bn).

Free cash flow, defined as cash flow from operating activities less net capital expenditure, came to EUR 1.2bn and was therefore EUR 1.0bn higher than last year.

The balance of all financing activities was a net cash outflow of EUR 83m. New borrowing (EUR 700m) was offset by scheduled capital repayments (EUR 565m), interest payments (EUR 209m) and dividend distributions to minority shareholders (EUR 9m). New borrowing of EUR 494m consisted of a hybrid bond issued in August 2015.

Cash and cash equivalents rose as a result by EUR 7m to EUR 835m. This includes an increase of EUR 15m in cash and cash equivalents due to exchange rate movements. The internal financing ratio was 163.6 per cent (previous year: 91.8 per cent). Overall, cash including current securities at the end of the third quarter climbed to EUR 3.8bn (previous year: EUR 3.5bn). The detailed cash flow statement can be found on [p. 29](#).

**Cash flow and capital expenditure** in €m (as of 30.9.2015)

## Assets and financial position

Total assets went up significantly at the end of the third quarter of 2015 by EUR 2.7bn or 8.8 per cent compared to the end of 2014. Non-current assets were up by EUR 786m and current assets increased by EUR 1.9bn.

Within non-current assets, the item aircraft and reserve engines rose by EUR 901m to EUR 14.5bn. Repairable spare parts for aircraft increased by EUR 230m to EUR 1.3bn. The decline of EUR 613m in the item "Other equity investments" is almost entirely due to the disposal of virtually all the JetBlue shares previously held by the Lufthansa Group. In 2012, Lufthansa issued a convertible bond based on the shares it held in JetBlue Airways Corporation (carrying amount as of 31 December 2014: EUR 610m). With effect from 26 March 2015, 99.99 per cent of the bondholders accepted an offer to exercise their conversion rights early. Delivering the corresponding shares to the holders of the convertible bond extinguished the liabilities from the bond and the attached conversion option.

The higher market values of exchange rate hedges following the US dollar's rise against the euro were responsible for EUR 494m of the significant increase of EUR 549m in derivative financial

instruments. Claims related to deferred tax assets decreased by EUR 401m, due to the substantial profit before income taxes and also to a reduction in pension provisions, which in turn was mainly the result of an increase in the discount rate from 2.6 per cent to 2.9 per cent.

Within current assets, receivables rose by EUR 697m to EUR 4.7bn. In addition to seasonal and billing reasons, the main factor behind the rise in this item was the recognition of anticipated claims totalling EUR 277m (USD 300m) against insurers in connection with the accident involving the Germanwings aircraft on 24 March 2015. These insurance claims are based on an initial estimate from the leading insurer and cover all third-party liability claims resulting from the aircraft disaster, such as salvage and clean-up operations at the site of the accident, counselling and transport costs, claims for damages and the insurance value of the lost aircraft. EUR 14m of the insurance claims had already been settled as of 30 September 2015. The initially recognised total insurance claims of EUR 277m – less the insurance value of the aircraft involved of EUR 6m – are offset by a corresponding amount of provisions for the obligations expected as a result of the accident. The estimate of obligations as of 30 September 2015 is based on information from the insurance syndicate, which as an experienced expert in such matters has

### Group fleet – Number of commercial aircraft

Lufthansa Passenger Airlines inclusive Germanwings and regional airlines (LH), SWISS (LX), Austrian Airlines (OS) and Lufthansa Cargo (LCAG) as of 30.09.2015

Manufacturer/type	LH	LX	OS	LCAG	Group fleet	of which finance lease	of which operating lease	Change as of 31.12.14	Change as of 30.9.14
Airbus A319	73	5	7		85	12	4	–	–
Airbus A320	76	28	16		120	19	1	+4	+5
Airbus A321	64	8	6		78	2		+2	+2
Airbus A330	19	16			35	1		–	–
Airbus A340	42	15			57	3	3	–	–1
Airbus A380	14				14			+2	+2
Boeing 737	19				19			–3	–4
Boeing 747	34				34			+2	–
Boeing 767			6		6	2		–	–
Boeing 777			5	5	10	1		+1	+1
Boeing MD-11F				16	16			–	–
Bombardier CRJ	37				37			–9	–11
Bombardier Q Series			18		18			–	+1
Avro RJ		17			17		6	–3	–3
Embraer	42		1		43			–	–
Fokker F70			6		6			–1	–1
Fokker F100			15		15			–	–
<b>Total aircraft</b>	<b>420</b>	<b>89</b>	<b>80</b>	<b>21</b>	<b>610</b>	<b>40</b>	<b>14</b>	<b>–5</b>	<b>–9</b>

reserved a total of EUR 277m (USD 300m) for the aircraft accident. By the end of the third quarter, the Lufthansa Group had paid EUR 7m in immediate assistance to relatives of the passengers. Wreckage removal and other insured costs of EUR 21m have also been incurred to date. Provisions for obligations of EUR 243m were therefore still outstanding as of 30 September 2015.

The increase in current financial derivatives (EUR +42m) stems mainly from higher market values of exchange rate and interest rate hedges. Cash and cash equivalents, consisting of current securities, bank balances and cash-in-hand, went up by EUR 1.1bn to EUR 3.9bn because free cash flow was positive. The proportion of non-current assets in the balance sheet total declined from 72.9 per cent at year-end 2014 to 69.4 per cent currently.

Shareholders' equity (including minority interests) climbed by EUR 2.2bn to EUR 6.2bn as of the end of the third quarter. In addition to a positive after-tax result of EUR 1.8bn, EUR 419m of the increase is due to the drop in pension provisions, which is recognised directly in equity. Positive effects from currency translation (EUR +194m) also caused shareholders' equity to rise. The market value reserve for financial instruments saw a significant decrease of EUR 491m from the disposal of the JetBlue shares, which was offset in particular by an increase in the market values of derivative financial instruments (EUR +329m). With total assets growing by 8.8 per cent, the equity ratio went up from 13.2 per cent as of year-end 2014 to 18.6 per cent.

Non-current liabilities and provisions fell by EUR 1.4bn to EUR 14.1bn, while current borrowing was stepped up by EUR 1.9bn to EUR 12.9bn. Within non-current liabilities, pension provisions went down by EUR 345m to EUR 6.9bn, mainly due to an increase in the discount rate from 2.6 per cent to 2.9 per cent. Financial liabilities dropped by EUR 633m. New borrowing by means of a hybrid bond issued for EUR 494m was offset by the early redemption of the convertible bond on the JetBlue shares and reclassifications to current financial liabilities for maturity reasons (thereof EUR 750m from a euro bond due in July 2016). The decline in derivative financial instruments (EUR –480m) resulted primarily from lower negative market values of exchange rate hedges as well as from the disposal of the conversion option for the JetBlue shares.

Within current liabilities and provisions, other provisions rose by EUR 36m. An increase in outstanding obligations in connection with the Germanwings accident (EUR 243m) was offset by lower provisions for the contract signed last year for the sale of the IT Infrastructure segment of former Lufthansa Systems AG and payments as part of the SCORE programme. Higher current financial liabilities (EUR +845m) were mainly due to reclassifications for maturity reasons. Trade payables and other financial liabilities climbed (EUR +291m) – largely for seasonal and billing reasons – as did liabilities from unused flight documents (EUR +651bn). The negative market values of derivative financial instruments went up by EUR 208m, primarily from fuel and exchange rate hedging.

Net indebtedness came to EUR 2.3bn as of 30 September 2015 (year-end 2014: EUR 3.4bn). The debt repayment ratio, i.e. the adjusted cash flow from operating activities in relation to net indebtedness including pension provisions, came to 32.7 per cent (previous year: 22.8 per cent) and thereby moved significantly closer to the minimum value of 35 per cent set by the Lufthansa Group. The target rate of 45 per cent remains unchanged.

#### Calculation of net indebtedness

	30 Sept. 2015 in €m	31 Dec. 2014 in €m	Change in %
Liabilities to banks	1,093	1,057	3.4
Bonds	1,746	1,468	18.9
Other non-current borrowing	3,331	3,433	-3.0
	<b>6,170</b>	<b>5,958</b>	<b>3.6</b>
Other bank borrowing	57	198	-71.2
<b>Group indebtedness</b>	<b>6,227</b>	<b>6,156</b>	<b>1.2</b>
Cash and cash equivalents	919	953	-3.6
Securities	2,962	1,785	65.9
<b>Net indebtedness</b>	<b>2,346</b>	<b>3,418</b>	<b>-31.4</b>
Pension provisions	6,886	7,231	-4.8
<b>Net indebtedness and pensions</b>	<b>9,232</b>	<b>10,649</b>	<b>-13.3</b>

## Passenger Airline Group business segment

Key figures Passenger Airline Group							of which Lufthansa Passenger Airlines <sup>3)</sup>			
		Jan. – Sept. 2015	Jan. – Sept. 2014	Change in %	July – Sept. 2015	July – Sept. 2014	Change in %	Jan. – Sept. 2015	Jan. – Sept. 2014	Change in %
Revenue	€m	18,739	17,694	5.9	7,097	6,737	5.3	13,754	12,991	5.9
of which with companies of the Lufthansa Group	€m	513	497	3.2	176	179	-1.7			
EBIT	€m	1,357	582	133.2	1,080	616	75.3	834	340	145.3
Adjusted EBIT	€m	1,350	549	145.9	1,101	608	81.1	853	320	166.6
EBITDA <sup>1)</sup>	€m	2,329	1,443	61.4	1,418	914	55.1	1,535	952	61.2
Segment capital expenditure	€m	1,709	1,808	-5.5	370	575	-35.7			
Employees as of 30.9.	number	54,945	55,400	-0.8	54,945	55,400	-0.8	40,324	40,530	-0.5
Passengers <sup>2)</sup>	thousands	83,017	81,157	2.3	32,093	31,270	2.6	61,238	59,326	3.2
Flights <sup>2)</sup>	number	757,533	755,711	0.2	271,212	269,224	0.7	534,799	533,793	0.2
Available seat-kilometres <sup>2)</sup>	millions	210,477	204,391	3.0	77,905	76,046	2.4	156,070	151,065	3.3
Revenue seat-kilometres <sup>2)</sup>	millions	170,824	164,833	3.6	66,967	64,618	3.6	126,321	120,888	4.5
Passenger load factor <sup>2)</sup>	%	81.2	80.6	0.6 pts	86.0	85.0	1.0 pts	80.9	80.0	0.9 pts
Yields	€ Cent	10.2	10.0	2.1	9.9	9.7	1.6	–	–	–
Unit revenue (RASK)	€ Cent	8.2	8.0	2.8	8.5	8.3	2.8	–	–	–
Unit cost (CASK)	€ Cent	8.8	8.7	0.3	8.1	8.4	-3.3	–	–	–

<sup>1)</sup> Before profit/loss transfer from other companies.

<sup>2)</sup> Previous year's figures have been adjusted.

<sup>3)</sup> Including Germanwings and regional partners.

**Business and strategy** The Passenger Airline Group segment comprises Lufthansa Passenger Airlines (including Germanwings), SWISS and Austrian Airlines. Brussels Airlines and SunExpress are other strategic equity investments that complete the portfolio. The financial investment in JetBlue ended on 26 March 2015 when the holders of a convertible bond for common shares in JetBlue Airways Corporation exercised their conversion right in advance.

The airline group generates considerable synergies by coordinating its activities, and this is intended to be enhanced even further by aligning the structure of the Group more closely with the relevant functions. With the multi-hub strategy, the Passenger Airline Group offers passengers a comprehensive flight timetable combined with the greatest level of travel flexibility. Via its international hubs in Frankfurt, Munich, Zurich and Vienna, the airline group served a global route network of 297 destinations in 89 countries in its summer flight timetable 2015.

**Markets and competition** In Europe, the big network carriers Lufthansa Group, Air France-KLM and the IAG airlines together with the major low-cost carriers Ryanair and easyJet only hold a market share of around 42 per cent. In recent years, the network carriers have completely withdrawn from decentralised routes outside their hubs. Point-to-point airlines like Germanwings/ Eurowings are nevertheless still an integral part of the traditional airline groups.

They compete directly with low-cost carriers such as easyJet and Ryanair outside the hubs. In recent months there has been an increasing trend for low-cost carriers to try to establish a presence at primary airports and hubs too, in order to gain access to higher-value customer groups. Competition and convergence between the systems will therefore continue to intensify in the future.

Profitability on long-haul routes continues to be under pressure, particularly between Europe and Asia, by the aggressive expansion of state-owned airlines from the Gulf and Bosphorus regions and the resulting overcapacities. The Passenger Airline Group is addressing these trends with a wide range of measures.

As part of the strategic programme "7to1 – Our Way Forward" the management of the network airlines will involve the use of standardised processes in future, so that customers of the Lufthansa Group are offered a consistent travel experience across all hubs and airlines. At the same time, an important framework is being created for establishing the new Eurowings as a second European brand and positioning it in the home markets of the Lufthansa Group as the leading point-to-point airline in the market.

The airlines in the Lufthansa Group are also modernising their sales structures. In recent weeks great progress has been made on developing partnerships with various sales partners. One important element here is the continued refinement and implementation

of new, direct booking channels. Since 1 September 2015 the costs of booking via global distribution systems (GDSs) have been allocated transparently and fairly. A "distribution cost charge" (DCC) of EUR 16.00 is applied for every ticket issued via a GDS. Customers of the Lufthansa Group can still buy their tickets without this new charge by booking directly via the airlines' websites, via the service centres or at airport ticket desks. Travel agencies and corporate customers can use an online portal as an alternative booking channel. Negotiations are currently underway with technology partners on setting up more advanced solutions to make bookings via direct sales channels even more attractive and more convenient for users in future.

The Lufthansa Group has introduced a new pricing concept for flight tickets in Europe for Lufthansa Passenger Airlines, SWISS and Austrian Airlines. The new Economy Class fare categories "Light", "Classic" and "Flex" apply to European routes from 1 October 2015 and comprise packages of options and services at different prices. They enable passengers to book services within Economy Class according to their individual wishes. Furthermore, customers can supplement their chosen fare by booking additional service options. The main differences between the fare options are the opportunity of reserving a seat in advance, rebooking and cancellation options and the free baggage allowance.

In its winter flight timetable 2015/2016 respectively from 1 November 2015 Eurowings is offering a wide range of flights to 105 destinations in 31 countries, partly together with Germanwings. In November 2015 the new Eurowings is to start its first long-haul flights from Cologne with Airbus A330-200 aircraft. The first out of a total of six long-haul destinations will be Varadero in Cuba. Other destinations include Phuket and Bangkok in Thailand, Dubai in the United Arab Emirates and Puerto Plata and Punta Cana in the Dominican Republic.

**Course of business and operating performance** In the first nine months of the 2015 financial year the airlines within the Group could take advantage in particular of the lower oil price compared

with last year and were all able to improve their results. Lufthansa Passenger Airlines, SWISS and Austrian Airlines reported significant improvements in Adjusted EBIT of EUR 533m, EUR 163m and EUR 68m respectively. Including the equity investments in Brussels Airlines and SunExpress, Adjusted EBIT for the Passenger Airline Group climbed by EUR 801m.

The number of passengers flying with airlines of the Passenger Airline Group increased year on year by 2.3 percent to 83.0 million in the first nine months of 2015. The number of flights rose slightly by 0.2 per cent. Available seat-kilometres were up by 3.0 per cent, mostly due to the use of larger aircraft. Revenue seat-kilometres increased by 3.6 per cent on last year. The passenger load factor climbed to 81.2 per cent (+0.6 percentage points).

Yields rose by 2.1 per cent, primarily as a result of exchange rate movements. Traffic revenue was up by 5.8 per cent.

Sales, traffic revenue and yields increased in almost all traffic regions. Sales in the Europe traffic region were 1.6 per cent higher than last year. Yields fell by 0.4 per cent. Traffic revenue went up by 1.2 per cent. Sales in the Americas region rose by 4.8 per cent. In combination with higher yields (+8.0 per cent), mostly due to exchange rate movements, this lifted traffic revenue by 13.2 per cent. In the Asia/Pacific region, sales climbed year on year by 5.6 per cent. Traffic revenue increased by 8.0 per cent as a result. Yields were 2.2 per cent higher, largely due to exchange rate movements. In the Middle East/Africa region, sales rose by 1.1 per cent. Traffic revenue went up year on year by 1.7 per cent due to a 0.7 per cent increase in yields, which in turn was primarily attributable to exchange rate movements.

**Revenue and earnings development** Based on a 3.0 per cent improvement in traffic (measured in available passenger-kilometres), the business segment saw an increase of 3.6 per cent in sales in the first nine months of the financial year. Exchange rate movements were positive (+6.4 per cent) and pricing was negative (-4.2 per cent), taking traffic revenue up overall by 5.8 per cent to EUR 17.4bn.

#### Trends in traffic regions\*

Passenger Airline Group

	Net traffic revenue in €m external revenue		Number of passengers in thousands		Available seat-kilometres in millions		Revenue seat-kilometres in millions		Passenger load factor in %	
	Jan. – Sept. 2015	Change in %	Jan. – Sept. 2015	Change in %	Jan. – Sept. 2015	Change in %	Jan. – Sept. 2015	Change in %	Jan. – Sept. 2015	Change in pts
Europe	7,797	1.2	66,263	1.8	70,932	0.2	54,832	1.6	77.3	1.1
America	5,258	13.2	8,126	4.5	72,174	4.9	61,025	4.8	84.6	-0.1
Asia/Pacific	3,059	8.0	5,111	5.7	49,109	4.7	40,979	5.6	83.4	0.7
Middle East/ Africa	1,246	1.7	3,517	2.2	18,262	2.2	13,988	1.1	76.6	-0.8
<b>Total</b>	<b>17,360</b>	<b>5.8</b>	<b>83,017</b>	<b>2.3</b>	<b>210,477</b>	<b>3.0</b>	<b>170,824</b>	<b>3.6</b>	<b>81.2</b>	<b>0.6</b>

\* Including Germanwings.

Other operating income went up by EUR 294m to EUR 1.0bn. The increase was almost exclusively due to higher exchange rate gains (EUR +310m), whereas write-ups on non-current assets fell by EUR 29m. Income from write-backs on provisions was up by EUR 22m. Total operating income was 7.3 per cent higher at EUR 19.8bn.

Operating expenses climbed year on year by 3.3 per cent to EUR 18.5bn. The cost of materials and services rose only marginally by 0.7 per cent to EUR 11.5bn. While fuel costs sank by 12.1 per cent, mainly due to lower prices, fees and charges went up by 8.4 per cent overall. These include higher air traffic control charges (+9.5 per cent), take-off and landing charges (+12.4 per cent), handling charges (+8.0 per cent) and security fees (+19.0 per cent). The main reason for the increase in other purchased services (+12.9 per cent) was higher expenses for external MRO services (+14.0 per cent).

Staff costs went up by 8.0 per cent to EUR 3.4bn as a result of exchange rate movements and higher additions to pension provisions, despite a 1.0 per cent decline in the average number of employees.

Depreciation and amortisation climbed by 12.9 per cent to EUR 971m, primarily due to the new aircraft delivered last year.

Other operating expenses rose by EUR 151m to EUR 2.5bn overall. The increase is almost solely due to higher exchange rate losses (EUR +145m) and higher indirect staff costs (EUR +24m), offset in part by lower expenses for advertising and sales promotion (EUR -21m).

The improvement in the result from equity investments to EUR 67m (previous year: EUR 38m) stems mainly from earnings contributions from SunExpress (EUR 40m; previous year: EUR 27m) and SN Airholding (EUR 20m; previous year: EUR -4m).

Altogether this resulted in EBIT of EUR 1.4bn (previous year: EUR 582m). Adjusting for the earnings impact of pension changes, book gains or losses on asset disposal and impairments resulted in an Adjusted EBIT of EUR 1.4bn too (previous year: EUR 549m).

Segment capital expenditure of EUR 1.7bn was 5.5 per cent lower than last year and was mainly incurred for new aeroplanes. As part of the ongoing fleet modernisation, the Passenger Airline Group took delivery of 13 new aircraft in the first nine months. Detailed explanations can be found [starting on p. 35](#).

## Lufthansa Passenger Airlines



Lufthansa Passenger Airlines (including Germanwings) is the biggest organisational unit in the Lufthansa Group by revenue. Lufthansa Passenger Airlines offers its customers a premium product at the hubs in Frankfurt and Munich. Germanwings will continue to operate point-to-point traffic in Germany and Europe independently until November 2015. Thereafter, Eurowings will take over commercial responsibility, including the flights operated by Germanwings on behalf of Eurowings. The 2015 summer flight timetable included a total of 258 destinations in 80 countries.

Lufthansa Passenger Airlines has successfully completed the biggest cabin renewal programme in its history. All the airlines' aircraft are now fitted with the latest cabins. Over the past three years 106 long-haul aircraft from Lufthansa Passenger Airlines have been fitted with an updated cabin and new seats in Business and Economy Class. The new First Class cabin has also been installed in 76 aircraft. The installation of Premium Economy Class is to be completed on all 106 Lufthansa long-haul routes aircraft in the fourth quarter. This year Lufthansa Passenger Airlines has already won a large number of important awards, most recently at the World Travel Awards, where it was voted "Europe's Leading Airline" and, for the lounges at Frankfurt Airport, "Europe's Leading Airline Lounge".

Lufthansa Passenger Airlines will be the first network carrier in Europe to offer internet connections on board short and medium-haul flights. The first aircraft are to be equipped with the new technology in early summer 2016. The expansion of the leisure travel segment is also progressing. Lufthansa Passenger Airlines launched a long-haul flight programme tailored specifically to leisure travellers at the end of September 2015. The first route to Tampa, Florida, commenced on 25 September 2015, with three travel classes, and more destinations are to follow in the months ahead. Furthermore, the new Eurowings is set for take-off in the low-cost long-haul flight segment. In November 2015 flights will begin to Varadero in Cuba, the first of six long-haul destinations in the winter flight timetable 2015/2016. Eurowings is building on the strategy of its sister airline Germanwings, which is positioned as an innovative, high-quality, low-cost airline. Eurowings' network of short and long-haul routes is to be expanded gradually. In July 2015 a framework agreement was signed with the co-determination committees to terminate in-house handling at the decentralised German stations. Negotiations on balancing local interests and on severance packages are taking place and have already been completed for Hanover and Bremen. The other stations are due to follow by mid-December 2015.



In early September 2015, the Vereinigung Cockpit pilots' union called two one-day strikes by pilots. 1,144 flights and 180,000 passengers were affected by the strike. On the second day, the Higher Labour Court banned the strike as unlawful. Despite early rebookings, a special flight timetable and an extensive information policy, these strikes again reduced earnings. Together with the pilots' strikes initiated by the Vereinigung Cockpit pilots' union at various Group companies in the first half of the year, the costs of the strikes in the first nine months of 2015 came to a total of EUR 130m.

Activities to improve earnings are continuously being identified and implemented as part of the strategic programme "7to1 – Our Way Forward". Particularly important projects include the introduction of Premium Economy Class and withdrawal from the 70-seater segment. Lufthansa Passenger Airlines increased traffic significantly year on year in the first nine months of the financial year. Passenger numbers were up year on year by 3.2 per cent, available seat-kilometres by 3.3 per cent and revenue seat-kilometres by 4.5 per cent. The passenger load factor rose by 0.9 percentage points to 80.9 per cent at roughly the same number of flights (+0.2 per cent). In combination with higher yields (+0.9 per cent), this produced higher traffic revenue (+5.4 per cent).

Lufthansa Passenger Airlines generated revenue of EUR 13.8bn in the first nine months. This represents a rise of 5.9 per cent compared with last year, largely due to exchange rates. Other operating income climbed significantly by 24.9 per cent. The increase was mainly due to higher exchange rate gains. Total income went up by 6.7 per cent to EUR 14.5bn.

Operating expenses rose year on year by 3.1 per cent to EUR 13.7bn. Fuel costs fell significantly due to market prices. The strong US dollar continued to have a counteractive effect, as did higher MRO expenses for the new cabins, the price and volume-related increase in fees and charges, and higher depreciation and amortisation, primarily as a result of new aircraft. Staff costs were also well up on last year, mainly due to provisions for closing the decentralised stations and increased retirement benefits.

Currency controls in Venezuela, which severely restrict the transfer of hard currency from ticket sales, again burdened earnings, as they did last year. Capacity and sales measures were introduced to keep foreign currency reserves in Venezuela as low as possible. The hard currency situation also deteriorated in other oil-exporting countries as a result of the low oil price. Here, too, Lufthansa Passenger Airlines expects to see an increase in blocked bank balances in the future, albeit at a much lower level than in Venezuela.

EBIT went up significantly year on year from EUR 340m to EUR 834m. Adjusted EBIT for the first nine months of this year came to EUR 853m (previous year: EUR 320m). In the third quarter of 2015 Germanwings reported its first positive cumulative EBIT since taking over decentralised traffic from Lufthansa (in mid-2013).

## SWISS



### SWISS<sup>1)</sup>

		Jan. – Sept. 2015	Jan. – Sept. 2014	Change in %
Revenue	€m	3,459	3,190	8.4
EBIT	€m	407	211	92.9
Adjusted EBIT	€m	375	212	76.9
EBITDA	€m	599	384	56.0
Employees as of 30.9.	number	8,705	8,682	0.3
Passengers	thousands	13,424	13,169	1.9
Flights	number	125,978	124,611	1.1
Available seat-kilometres <sup>2)</sup>	millions	36,561	35,558	2.8
Revenue seat-kilometres	millions	30,448	29,753	2.3
Passenger load factor	%	83.3	83.7	-0.4 pts

<sup>1)</sup> Including Edelweiss Air.

Further information on SWISS can be found at [www.swiss.com](http://www.swiss.com).

<sup>2)</sup> Previous year's figures have been adjusted.

SWISS is the national airline of Switzerland and, with its sister company Edelweiss Air, serves a global route network from Zurich and Geneva. The 2015 summer flight timetable comprised 137 destinations in 53 countries. The airlines stand for traditional Swiss values and are committed to outstanding product and service quality.

SWISS continues to operate in a challenging environment. Low-cost airlines and carriers from the Gulf region ensure that competition remains tough. The decision taken by the Swiss central bank in January 2015 to unpeg the Swiss franc from the euro put SWISS under even more pressure and is still having a negative effect on income. On the other hand, there is a positive impact of the low oil price. In the first nine months the low fuel prices more than made up for the burden caused by the exchange rate. Exchange rate hedges also had a positive effect.

SWISS is continuing to drive the SCORE programme forward successfully in 2015 as part of the strategic programme "7to1 – Our Way Forward". Since 2012, it has initiated a total of 370 activities, of which 169 have been implemented to date. They include improving fuel efficiency and adapting the company's market presence in Geneva.

As part of the reorganisation of the Lufthansa Group announced in September 2015, Mr Thomas Klühr was appointed to succeed Mr Harry Hohmeister as CEO of SWISS. He will take over his new position on 1 February 2016.

SWISS is the launch customer for the Bombardier C Series, and in June 2015 the airline presented details of its future aircraft type for short and medium-haul routes. The attractive cabin layout and innovative seats were presented when a test plane paid a brief visit to Zurich. SWISS is expecting to take delivery of the first aircraft in mid-2016. It has ordered 30 aircraft of this type in total.

In July 2015, SWISS presented the cabin product and route network of its new flagship Boeing 777-300ER (Extended Range). A total of nine B777-300ERs with three travel classes are to be integrated into its fleet from early 2016.

For the fifth time in a row SWISS took first place at the World Travel Awards 2015 in the category "Europe's Leading Airline Business Class". The award covers both short and long-haul routes.

In the first nine months of the year, 13.4 million passengers around the world flew with SWISS. Available seat-kilometres were up year on year by 2.8 per cent and revenue seat-kilometres rose by 2.3 per cent. The passenger load factor went down by 0.4 percentage points.

SWISS reported an increase in revenue to EUR 3.5bn (+8.4 per cent) in the first nine months, largely due to exchange rate movements. EBIT climbed from EUR 211m to EUR 407m, this essentially as a result of lower fuel costs. Adjusted EBIT came to EUR 375m (previous year: EUR 212m). The difference between EBIT and Adjusted EBIT at SWISS resulted from changes to the pension fund plans as part of the newly agreed collective agreements for cockpit and cabin crews and the ensuing lower expenses.

## Austrian Airlines



### Austrian Airlines<sup>1)</sup>

		Jan. – Sept. 2015	Jan. – Sept. 2014	Change in %
Revenue	€m	1,591	1,574	1.1
EBIT	€m	61	-4	-
Adjusted EBIT	€m	61	-7	-
EBITDA	€m	142	74	91.9
Employees as of 30.9.	number	5,916	6,188	-4.4
Passengers	thousands	8,356	8,663	-3.5
Flights	number	96,756	97,307	-0.6
Available seat-kilometres	millions	17,846	17,768	0.4
Revenue seat-kilometres <sup>2)</sup>	millions	14,055	14,192	-1.0
Passenger load factor	%	78.8	79.9	-1.1 pts

<sup>1)</sup> Further information on Austrian Airlines can be found at [www.austrian.com](http://www.austrian.com).

<sup>2)</sup> Previous year's figures have been adjusted.

Austrian Airlines is Austria's largest airline, operating a global route network to 119 destinations in 51 countries with its own fleet of 80 aircraft. The attractive geographic position of its home base in Vienna, situated in the heart of Europe, makes it an ideal hub between East and West.

Tyrolean Airways Luftfahrzeuge Technik GmbH was set up as a separate company in March 2015. The company specialises in the maintenance of Bombardier Dash 8-aircraft.

Flight operations at the Austrian Airlines Group were pooled at Austrian Airlines by merging Tyrolean Airways Tiroler Luftfahrt GmbH with Austrian Airlines AG as of 1 April 2015.

Austrian Airlines is addressing the difficult competitive situation at its Vienna hub with ongoing capacity management and the new fare structure for European traffic. As of 1 October 2015, it offers passengers greater freedom to book additional options and services.

Austrian Airlines is to include Shanghai again as a destination in its long-haul programme from April 2016. It will be a second destination in China alongside Beijing.

Preparations to incorporate 17 Embraer jets into the fleet had a slight adverse effect on the frequency of flight services this summer. Austrian Airlines responded by leasing external capacity, which largely stabilised operations.

In the first nine months of the year, 8.4 million passengers flew with Austrian Airlines (-3.5 per cent). Capacity was at the same level as last year (+0.4 per cent). The crises in the Middle East, Russia and Ukraine caused demand to fall, however, taking sales down by 1.0 per cent. The passenger load factor came to 78.8 per cent (-1.1 percentage points) between January and September. Significantly higher revenue quality offset the decline in passenger numbers.

At EUR 1.6bn, Austrian Airlines' revenue between January and the end of September 2015 was up 1.1 per cent on last year. Total income rose by 3.4 per cent to EUR 1.7bn. Expenses of EUR 1.6bn were slightly below last year's (-0.5 per cent). Lower fuel costs were offset by higher MRO expenses and additional costs due to the stronger US dollar. EBIT for the first nine months totalled EUR 61m, an improvement of EUR 65m on last year. Adjusted EBIT for the first nine months came to EUR 61m (EUR +68m).

## Logistics business segment

### Key figures Logistics

		Jan. – Sept. 2015	Jan. – Sept. 2014	Change in %	July – Sept. 2015	July – Sept. 2014	Change in %
Revenue	€m	1,763	1,767	-0.2	556	606	-8.3
of which with companies of the Lufthansa Group	€m	19	19	-	6	6	-
EBIT	€m	-38	69	-	-22	24	-
Adjusted EBIT	€m	35	69	-49.3	-15	26	-
EBITDA*	€m	94	115	-18.3	6	40	-85.0
Segment capital expenditure	€m	106	184	-42.4	10	33	-69.7
Employees as of 30.9.	number	4,639	4,675	-0.8	4,639	4,675	-0.8
Freight and mail	thousand tonnes	1,216	1,227	-0.9	400	418	-4.3
Available cargo tonne-kilometres	millions	9,460	9,184	3.0	3,334	3,250	2.6
Revenue cargo tonne-kilometres	millions	6,229	6,344	-1.8	2,081	2,180	-4.5
Cargo load factor	%	65.8	69.1	-3.2 pts	62.4	67.1	-4.7 pts

\* Before profit/loss transfer from other companies.

**Business and strategy** Lufthansa Cargo AG is the logistics specialist within the Lufthansa Group. In addition to Lufthansa Cargo, the Logistics segment includes the airfreight container specialist Jettainer Group and the equity investment in the cargo airline AeroLogic GmbH. Lufthansa Cargo also has equity investments in various handling companies. Lufthansa Cargo markets capacities on its own freighters and chartered cargo aircraft along with belly capacities on passenger planes operated by Lufthansa Passenger Airlines and Austrian Airlines.

**Markets and competition** The slight upturn towards the end of 2014 initially continued into 2015. Demand on global airfreight markets picked up in the first quarter of 2015, but lost momentum in the second and third quarters. Competition on global airfreight markets remains intense. Airlines from the Middle East and Turkey especially are increasing their freight capacities, particularly due to their many new passenger aircraft. Faced with these market conditions, Lufthansa Cargo focuses on the highest quality and flexible capacity management.

Some airlines altered their pricing models at the beginning of the year, taking the first step towards all-in rates that no longer show the fuel surcharge separately. After careful analysis Lufthansa Cargo also decided to change its pricing model. From the winter flight timetable 2015/2016 onwards Lufthansa Cargo will only charge two price components: a net rate and an adjusted "airfreight surcharge". This means that the various surcharges for fuel and security will no longer apply. The new airfreight surcharge will be much lower than the total surcharges levied at present. Net rates will be adjusted accordingly, so there will be no changes to the total rates as a result of altering the price structure. The new price structure will be less complex and should prevent negative base rates, for example.

**Course of business and operating performance** Lufthansa Cargo provides its customers with a high-frequency range of flights which includes connections to more than 300 destinations in some 100 countries. In view of the still difficult economic conditions Lufthansa Cargo will nonetheless trim its fleet slightly. In addition to the five Boeing 777 freighters, the number of MD-11s flying in the Lufthansa Cargo route network is to be reduced from 14 to twelve.

The fifth B777F joined the fleet in February. This freighter stands out for its low fuel consumption, great range and top liability. The company has now successfully integrated all five of its B777F aircraft into the fleet.

In April 2015, the decision on the construction of the LCCneo logistics centre was postponed by at least two years. Steps are now being reviewed as a result to improve the efficiency of the existing freight centre.

Progress is being made on implementing a new IT infrastructure for freight handling. The biggest IT project in the company's history is to be completed by the end of the year.

The new partnership with All Nippon Airways (ANA) from Japan has been operating successfully since December 2014. Capacities on the partnership routes are marketed jointly by both partners, which enables them to present customers with more attractive and more flexible offers. This partnership has already proved its worth after just a few months.

Lufthansa Cargo is pursuing the SCORE programme with undiminished vigour in 2015 as part of the strategic programme "7to1 – Our Way Forward". The company has also adopted a new cost-cutting programme. Annual operating expenses, mainly staff costs, are to be reduced by at least EUR 40m by 2018.

Sales and freight volumes at Lufthansa Cargo declined in the first nine months of the financial year compared with the same period last year. Cargo tonnage decreased slightly by 0.9 per cent. Available tonne-kilometres increased by 3.0 per cent, of which 5.0 per cent was in belly capacities of passenger aircraft and 0.9 per cent was in freighters. Cargo tonne-kilometres fell by 1.8 per cent, however, so the cargo load factor declined year on year by 3.2 percentage points.

Freight volumes in the Americas traffic region went up year on year by 1.4 per cent. Available tonne-kilometres rose by 4.6 per cent and cargo tonne-kilometres only dropped slightly by 0.2 per cent. The load factor decreased by 3.1 percentage points as a result. Growth on North Atlantic routes was mainly generated by increasing freighter capacities. Strong growth in freight capacities of passenger aircraft on South Atlantic routes was offset by a reduction in freighter capacities. Freight volumes in the Asia/Pacific region were down year on year (–1.4 per cent). Capacity was increased by 2.0 per cent but cargo tonne-kilometres fell by 3.3 per cent, trimming the cargo load factor by 4.1 percentage points. In Middle East/Africa, cargo tonne-kilometres were up only marginally by 0.2 per cent on the same period last year. Capacity was expanded by 0.3 per cent, whereas cargo tonne-kilometres sank by 1.5 percentage points. The load factor decreased by 1.0 percentage points as a result. Freight volumes within Europe declined by 3.0 per cent. Available tonne-kilometres rose by 1.4 per cent but cargo tonne-kilometres fell by 3.1 per cent, causing the load factor in this traffic region to drop by 2.2 percentage points compared with the same period last year.

**Revenue and earnings development** Revenue at Lufthansa Cargo in the first nine months of the 2015 financial year was roughly on par with last year at EUR 1.8bn (–0.2 per cent). Other revenue went up to EUR 50m (+25.0 per cent), mainly thanks to higher handling income. Other operating income was down by 47.5 per cent year on year to EUR 32m, largely as a result of lower exchange rate gains. Total operating income dropped to EUR 1.8bn (–1.8 per cent).

Operating expenses climbed year on year by 4.6 per cent to EUR 1.9bn, also partly due to exchange rates. The cost of materials and services fell by 5.1 per cent to EUR 1.2bn. Within this item, the cost of fuel decreased to EUR 243m (–28.3 per cent), primarily as a result of lower prices. MRO expenses were up by 6.5 per cent to EUR 98m, mainly due to more maintenance inspections. Charter expenses declined slightly by 0.8 per cent to EUR 514m, while fees and charges increased by 11.4 per cent to EUR 224m, in particular as a result of exchange rates.

Staff costs rose year on year by 6.9 per cent to EUR 310m. The increase stems mainly from the effects of currency and wage settlements, as well as higher service costs for pension obligations. The companies in the Logistics segment had an average of 4,654 employees in the reporting period. Depreciation and amortisation went up by EUR 86m to EUR 132m. In addition to depreciation on the new B777F aircraft, this amount also includes impairment losses totalling EUR 73m on project costs in connection with the postponement of the new freight terminal (LCCneo) and on planning costs for the construction of an administration centre.

Other operating expenses rose to EUR 221m (+22.1 per cent), mainly due to higher exchange rate losses.

The result from equity investments was up by EUR 8m to EUR 21m, largely thanks to positive earnings contributions from subsidiaries accounted for using the equity method.

Impairment losses cut EBIT for the Logistics segment to EUR –38m in the first three quarters of 2015 (previous year: EUR 69m). Adjusted EBIT came to EUR 35m (previous year: EUR 69m).

Capital expenditure decreased by 42.4 per cent to EUR 106m in the reporting period (previous year: EUR 184m), primarily due to lower down payments and final payments in connection with the purchase of the B777F aircraft.

## Trends in traffic regions

Lufthansa Cargo

	Net traffic revenue in €m external revenue		Freight/mail in thousand tonnes		Available cargo tonne- kilometres in millions		Revenue cargo tonne- kilometres in millions		Cargo load factor in %	
	Jan. – Sept. 2015	Change in %	Jan. – Sept. 2015	Change in %	Jan. – Sept. 2015	Change in %	Jan. – Sept. 2015	Change in %	Jan. – Sept. 2015	Change in pts
Europe	148	–3.3	396	–3.0	516	1.4	244	–3.1	47.2	–2.2
America	723	3.7	382	1.4	4,355	4.6	2,778	–0.2	63.8	–3.1
Asia/Pacific	680	–4.2	342	–1.4	3,727	2.0	2,746	–3.3	73.7	–4.1
Middle East/ Africa	150	–3.2	96	0.2	862	0.3	461	–1.5	53.5	–1.0
<b>Total</b>	<b>1,701</b>	<b>–0.8</b>	<b>1,216</b>	<b>–0.9</b>	<b>9,460</b>	<b>3.0</b>	<b>6,229</b>	<b>–1.8</b>	<b>65.8</b>	<b>–3.2</b>

## MRO business segment

### Key figures MRO

		Jan. – Sept. 2015	Jan. – Sept. 2014	Change in %	July – Sept. 2015	July – Sept. 2014	Change in %
Revenue	€m	3,723	3,200	16.3	1,167	1,112	4.9
of which with companies of the Lufthansa Group	€m	1,361	1,216	11.9	398	436	-8.7
EBIT	€m	399	375	6.4	131	136	-3.7
Adjusted EBIT	€m	398	348	14.4	130	121	7.4
EBITDA*	€m	474	443	7.0	156	159	-1.9
Segment capital expenditure	€m	74	83	-10.8	32	19	68.4
Employees as of 30.9.	number	20,397	20,003	2.0	20,397	20,003	2.0

\* Before profit/loss transfer from other companies.

**Business and strategy** Lufthansa Technik is the world's leading independent provider of maintenance, repair and overhaul services (MRO) for civilian commercial aircraft. The Lufthansa Technik group includes 31 technical maintenance operations around the world with a total of around 20,000 employees. The company also holds direct and indirect stakes in 53 companies.

The primary strategic goal of Lufthansa Technik still is to achieve profitable growth by expanding its international presence and developing innovative new products and technologies. One important step in this direction was the opening on schedule of a new aircraft overhaul facility in Puerto Rico.

Lufthansa Technik Philippines, part of the Lufthansa Technik development unit, was authorised to develop minor modifications itself in the third quarter of 2015, which will further increase the efficiency of processing customer orders.

Lufthansa Bombardier Aviation Services and OHS Aviation Services are expanding the international scope of their partnership in business jet cabins and will be offering more joint services in future.

**Markets and competition** Thirteen airlines with a total of 43 aircraft have ceased operations since the beginning of the year, while 18 start-ups with 39 aircraft commenced operations. The finances of many airlines remain tight and MRO capacities continue to grow, which means that pricing pressure in the MRO business is still high. Lufthansa Technik's main competitors are original equipment manufacturers (OEMs) of aircrafts, engines and components, the MRO divisions of other airlines as well as independent providers.

**Course of business and operating performance** In the first nine months of 2015, Lufthansa Technik won 16 new customers and signed 214 contracts with a volume of EUR 2.0bn for 2015 and the following years. The number of aircraft serviced under exclusive contracts went up slightly to 3,652 in the reporting period.

They include a contract with the private Spanish airline Air Europa Lineas Aéreas S.A.U. Lufthansa Technik will supply the airline's fleet of up to 22 Boeing 787s with components on a long-term basis. This makes the airline the first B787 customer for Lufthansa Technik in Europe. The contract takes effect in March 2016 when the first B787s are delivered.

As part of the strategic programme "7to1 – Our Way Forward", Lufthansa Technik remains committed to developing systematic measures initiated under SCORE for ensuring the future viability of the company and a sustainable increase in earnings. As in the previous year, these measures will make a significant contribution to the company's operating result. The company is also already looking at developing additional measures to boost growth, productivity and efficiency for subsequent years.

**Revenue and earnings development** Revenue went up by 16.3 per cent to EUR 3.7bn in the reporting period, mainly due to exchange rates. Revenue with Group companies improved by 11.9 per cent to EUR 1.4bn, while external revenue increased to EUR 2.4bn (+19.1 per cent). Other operating income of EUR 207m was the same as last year.

Operating expenses came to EUR 3.5bn and were higher than last year (+16.5 per cent) by a similar margin to revenue. The cost of materials and services rose significantly by 21.1 per cent to EUR 1.9bn, and staff costs were also up on last year (+6.5 per cent).

Lufthansa Technik generated EBIT of EUR 399m in the reporting period, which was an increase on last year (EUR 375m). Adjusted EBIT of EUR 398m was also higher than in the same period last year (EUR 348m).

Segment capital expenditure stood at EUR 74m (EUR -9m).

## Catering business segment

### Key figures Catering

		Jan. – Sept. 2015	Jan. – Sept. 2014	Change in %	July – Sept. 2015	July – Sept. 2014	Change in %
Revenue	€m	2,258	1,960	15.2	810	723	12.0
of which with companies of the Lufthansa Group	€m	485	466	4.1	176	172	2.3
EBIT	€m	69	56	23.2	53	47	12.8
Adjusted EBIT	€m	76	57	33.3	50	48	4.2
EBITDA*	€m	130	104	25.0	70	64	9.4
Segment capital expenditure	€m	70	87	-19.5	32	39	-17.9
Employees as of 30.9.	number	33,623	32,693	2.8	33,623	32,693	2.8

\* Before profit/loss transfer from other companies.

**Business and strategy** The LSG Sky Chefs group is made up of 155 companies. In its core business segment of airline catering the group is present at 210 airports in 50 countries, making it a global market leader. It aims to achieve further growth in the areas of in-flight sales programmes, in-flight service equipment, equipment logistics and airport lounges. In recent years, its strategic positioning has been expanded to include service concepts for rail operators and supplies to retailers.

**Markets and competition** Rising global passenger figures are only partially reflected in higher demand for in-flight services. This is due to changes in the disproportionate growth of low-cost airlines and the decision by network carriers to switch their service concepts. Overcapacities in the mature European catering markets and intense competition among airlines also contribute to severe pricing pressure and competition in airline catering.

**Course of business and operating performance** LSG Sky Chefs has taken a wide range of steps to adapt to its customers' changed demands. Pooling management responsibility for Europe has made customer service much more consistent. The service portfolio is being upgraded with the systematic addition of competences in in-flight sales concepts, consumer research, retail expertise as well as technological and logistical know-how. Merging all these activities enables the company to master the ongoing transformation of its markets.

LSG Sky Chefs opened a new plant in Tampa and began construction on a production facility in Santiago de Chile. In Lithuania, LSG Sky Chefs withdrew from the declining airline catering market, however.

The company has also renewed and won important catering contracts with airlines. They include the contract renewal with Delta Airlines at its Detroit hub, the expansion of the relationship with Air New Zealand and the addition of international routes to the

supply contract with Azul Airlines. In early October, LSG Sky Chefs Lounge GmbH took charge of the Lufthansa lounges at New York JFK Airport and from spring 2016 will also operate the Lufthansa First Class Lounges at the satellite terminal in Munich. In its retail business, LSG Sky Chefs expanded its business relationship with Starbucks to Chile and China. In the future it will also supply more than 1,000 outlets of the US retail chain Circle K in the USA.

Projects launched as part of the strategic programme "7to1 – Our Way Forward" are being implemented consistently.

**Revenue and earnings development** Revenue in the Catering segment developed well in almost all regions in the first nine months of 2015 and rose year on year by 15.2 per cent to EUR 2.3bn overall, largely due to exchange rate movements. Changes in the group of consolidated companies contributed EUR 11m to the revenue growth. External revenue increased by 18.7 per cent, and internal revenue by 4.1 per cent.

Other income was up by EUR 12m on the year to EUR 48m. This is primarily attributable to higher exchange rate gains. Total operating income improved by EUR 310m to EUR 2.3bn.

Total operating expenses of EUR 2.2bn were 15.5 per cent up on last year. The cost of materials and staff costs rose by 13.0 per cent to EUR 974m and 17.2 per cent to EUR 826m respectively, driven both by higher volumes and exchange rates. Depreciation and amortisation increased by EUR 12m on last year to EUR 60m, mainly due to impairment losses on non-current assets. Other operating expenses also climbed to EUR 388m (+17.2 per cent) due to volumes and exchange rates.

The result from equity investments of EUR 10.6m was higher than last year (EUR 6.2m). EBIT rose by EUR 13m to EUR 69m. Adjusted EBIT came to EUR 76m (previous year: EUR 57m), which was higher than EBIT due to an impairment charge. Segment capital expenditure was EUR 17m down on last year at EUR 70m.

## Other

### Other

		Jan. – Sept. 2015	Jan. – Sept. 2014	Change in %	July – Sept. 2015	July – Sept. 2014	Change in %
Revenue	€m	373	478	-22.0	111	161	-31.1
of which with companies of the Lufthansa Group	€m	174	277	-37.2	46	88	-47.7
EBIT	€m	-150	-43	-248.8	-50	-10	-400.0
Adjusted EBIT	€m	-191	-44	-334.1	-51	-11	-363.6
EBITDA*	€m	-122	-3	-3,966.7	-42	3	-
Segment capital expenditure	€m	10	21	-52.4	2	9	-77.8
Employees as of 30.9.	number	5,787	6,252	-7.4	5,787	6,252	-7.4

\* Before profit/loss transfer from other companies.

The segment Other comprises the remaining Service and Financial Companies of the Lufthansa Group. They include AirPlus, the companies from the former IT Services segment that are still in the Lufthansa Group, other individual companies and the Group functions.

**Companies' performance** AirPlus is one of the leading world-wide providers of solutions for paying for and analysing business travel. Business travel growth remained stable worldwide in the third quarter of 2015. AirPlus customers spent 9.6 per cent more on business travel in the first nine months than in the same period a year ago. The "flight" category is crucial for the international performance. Here, companies booked 4.5 per cent more business flights, spending an additional 8.4 per cent.

EBIT in the reporting period was 51.6 per cent up on last year at EUR 47.0m. The reasons for this were the increased billing volume as well as positive exchange rate effects. Adjusted EBIT also came to EUR 47.0m.

The successor companies of what was the IT Services business segment now operate within various different segments. At Lufthansa Systems, the development of applications to optimise business processes for its more than 300 airline customers was the main focus, alongside consultancy and services related to digital transformation. Competences in the area of data analytics (big data), which are increasingly important in the airline market, were pooled in ZeroG GmbH, a wholly owned subsidiary of Lufthansa Systems. Another focus was on the enhancement of the WiFi platform BoardConnect. In addition to a partnership for in-flight connectivity, a new version named BoardConnect Portable will be directed at new target groups in low-cost operations and so increase market share.

Lufthansa Industry Solutions significantly increased its volume of new business in the first nine months of the financial year. Big data is one of the most vital aspects of the digital transformation for the IT service provider's customers. Lufthansa Industry Solutions has therefore set up the Data Insight Lab where experts for business analysis, data science and data architecture work together. They support customers from various sectors to generate added value from structuring and analysing their data.

Including all of their equity investments, the successor companies to Lufthansa Systems generated EBIT of EUR 62m in the reporting period, which is EUR 36m higher than last year. This significant increase in EBIT is largely attributable to a purchase price adjustment connected to the sale of the Infrastructure segment of what was Lufthansa Systems AG to the IBM Group. Adjusted EBIT came to EUR 21m (previous year: EUR 26m).

Total operating income for the Group functions was up by 89.4 per cent year on year at EUR 949m. Operating expenses climbed to EUR 1.2bn (+95.3 per cent). EBIT came to EUR -285m (previous year: EUR -131m) and Adjusted EBIT to EUR -285m (previous year: EUR -131m). The lower earnings stem mainly from higher exchange rate losses compared with last year.

**Revenue and earnings development** For the entire Other segment, the reporting period was again defined by exchange rate losses, which are allocated to this segment. Total income rose to EUR 1.9bn (previous year: EUR 1.4bn), while operating expenses increased to EUR 2.0bn (previous year: EUR 1.5bn). The increase in both income and expenses is due to much higher exchange rate gains and losses. EBIT came to EUR -150m (previous year: EUR -43m) and Adjusted EBIT to EUR -191m (previous year: EUR -44m).

## Risk and opportunities report

The Lufthansa Group is exposed to macroeconomic, sector-specific and entrepreneurial risks and opportunities. Continuously updated management systems identify risks and opportunities early and manage them. For further information on the risk and opportunity management system and the Lufthansa Group's risk and opportunity situation, please see the "Annual Report 2014" starting on p. 100.

Geopolitical uncertainty in connection with the Ukraine conflict and various conflicts in the Middle East, the effects of the European debt crisis and uncertainties surrounding China's economic development could have an adverse effect on global economic growth and so on the revenue of individual companies.

The economic development of many oil-importing countries is benefiting from the current low oil prices. A return to previous higher levels would have a negative impact on growth.

The measurement of pension provisions is still highly volatile. Increasing the discount rate used for the measurement of pension obligations has reduced the amount of provisions over the course of 2015. However, sustainable, long-term reductions also depend on new benefit models, which are the subject of ongoing collective bargaining.

Investigations by the public authorities into the accident involving the Germanwings plane on 24 March 2015 are still under way at least in Germany, France and Spain. It is therefore still unclear whether any criminal charges will be made there or in the USA.

Even after the latest decision by the Hessian Higher Labour Court on possible reasons for a strike there is still a high risk of industrial action in Germany, because the many outstanding wage settlements offer opportunities for more strikes. Talks with the unions are very difficult, especially as far as retirement and transitional benefits are concerned. In addition to the damage it does to the Lufthansa Group's reputation as a dependable service provider, industrial action also entails the risk of considerable revenue losses and additional strike-related costs.

Taking all known circumstances into account, no risks have currently been identified which either singly or as a whole could jeopardise the continued existence of the Lufthansa Group.

## Supplementary report

Since 30 September 2015, no events of particular importance have occurred that would be expected to have a significant influence on the net assets, financial and earnings position which have not already been reported.

## Forecast

### GDP development

in %	2015*	2016*	2017*	2018*	2019*
World	2.5	3.0	3.3	3.3	3.4
Europe	1.8	1.9	2.1	2.0	1.9
Germany	1.7	2.1	2.0	1.6	1.5
North America	2.4	2.8	2.9	2.6	2.5
South America	-0.4	0.3	1.9	2.5	3.0
Asia/Pacific	4.5	4.7	4.9	5.1	5.3
China	6.5	6.3	6.5	6.5	6.7
Middle East	2.4	3.1	3.8	4.5	4.8
Africa	2.9	3.3	4.2	4.7	4.7

Source: Global Insight World Overview as of 15.10.2015.

\* Forecast.

**Macroeconomic outlook** After expanding by 2.7 per cent in 2014, the global economy is forecast to grow by 2.5 per cent in the 2015 financial year. The reason for this slightly slower growth is the weaker performance of developing and emerging economies, which the economies of North America and Europe are unable to fully compensate for with their flat developments. Overall, the global economy is considered to be stable, however. Asia/Pacific remains the fastest growing region of the world with an expected growth rate of 4.5 per cent, followed by Africa with 2.9 per cent. Growth of 2.4 per cent is forecast for North America, whereas South America is predicted to contract by 0.4 per cent.

The economy of the European Union is expected to grow by 1.8 per cent in 2015. Ireland (6.1 per cent), Spain (3.2 per cent) and Sweden (3.0 per cent) are currently forecast to be among the fastest growing countries in the European Union. Growth of 1.7 per cent is predicted for Germany. Greece and Finland are the only two countries in the European Union where negative growth of -1.3 per cent and -0.1 per cent respectively are projected for 2015.

Futures rates indicate the expectation that oil prices will rise slightly. Overall, oil prices are likely to remain exposed to geopolitical developments, however. Volatile kerosene prices should therefore also be expected for the remainder of the year 2015.



The euro exchange rate probably continues to be determined by central banks' measures. The euro is expected to stay weak overall until the end of the year. If key interest rates increase in the USA, as expected, the US dollar is likely to strengthen. The performance of the Chinese renminbi depends to a large extent on economic developments in China. Opinions currently diverge on the future performance of the Chinese economy. For the other relevant currencies the consensus view of analysts is that rates will stay roughly the same. Minor fluctuations around the current exchange rate are predicted for the Swiss franc.

**Sector outlook** Taking forecasts for global economic growth into account, the IATA predicts growth in revenue passenger-kilometres of 6.7 per cent for 2015 (previous year: 6.0 per cent), which will result in different growth rates for the individual regions. The industry association is forecasting the fastest growth in the Middle East (12.9 per cent), followed by Asia/Pacific (8.1 per cent), Europe (6.8 per cent), Latin America (5.1 per cent) and North America (3.0 per cent).

**Outlook for the Lufthansa Group** In the first nine months of the financial year, the Lufthansa Group delivered a very good earnings performance compared with the same period last year, in an environment dominated by great volatility. This strong earnings performance was largely driven by Lufthansa Passenger Airlines. Lufthansa Technik and LSG Sky Chefs also increased their earnings significantly. Only Lufthansa Cargo reported weaker earnings than in the same period last year. The Other segment also saw a significant downturn in earnings.

The airlines in the Lufthansa Group benefited considerably from the significantly lower fuel costs. These more than offset the adverse exchange rate movements. Particularly important were the positive effect of completing the installation of the new First and Business Class at Lufthansa Passenger Airlines, which has already led to a noticeable increase in revenue on some routes, and the significant earnings improvement at Germanwings. The earnings performance at Lufthansa Passenger Airlines (including Germanwings) would have been even better without the widespread strikes at Lufthansa Passenger Airlines and Lufthansa Cargo and the losses caused by the depreciation of the Venezuelan bolivar.

The Lufthansa Group's performance in the first nine months was within the operating and financial forecast from the beginning of the year.

### Performance of the Passenger Airline Group to weaken towards year-end

Demand for the Passenger Airline Group will continue to vary from region to region. The same applies to yields. After a very strong performance in the third quarter, unit revenues are now expected to fall again significantly year on year. It will become increasingly challenging to achieve a relative year-on-year improvement in the key performance indicators at year-end 2015, also because the comparable base last year was strong.

### Forecast performance indicators Passenger Airline Group

	Forecast for 2015
<b>Flights</b> (Number)	slight increase
<b>Capacity</b> (ASK)	approx. +3%
<b>Sales</b> (RPK)	above capacity growth
<b>Passenger load factor</b> (SLF)	slight increase
<b>Pricing</b> (Yields)	significantly negative*
<b>Unit revenue</b> (RASK)	significantly negative*
<b>Unit costs</b> (CASK, excluding fuel)	slightly reduced*

\* At constant currency.

For the full year, Lufthansa Passenger Airlines still expects earnings to go up significantly. At the present time, however, it is to be assumed that the record results in the third quarter cannot be maintained until the end of the year. The very positive summer trends had already lost momentum in September. Strikes by various groups of employees remain possible and would reduce earnings further. At present, however, it is not feasible to predict their possible effects on earnings with any degree of accuracy, so they are not included in the forecast.

SWISS still expects its Adjusted EBIT to be significantly higher than last year. The strong Swiss franc will continue to have an adverse impact on income. However, the forecast is supported by the lasting effect of the strategic programme "7to1 – Our Way Forward" and the favourable impact of the low oil price.

Austrian Airlines is expecting its successful restructuring programme to improve earnings in 2015. The significant adjustments to its capacity and marketing activities will contribute to strengthen its yields. Austrian Airlines is still predicting a significant increase in Adjusted EBIT for 2015.

The earnings improvement for the individual airlines will be determined very largely by the difference between savings from lower fuel costs and declining yields adjusted for currency effects. All airlines in the Passenger Airline Group are able to adjust their capacities to lasting changes in demand. Volatile oil prices, exchange rate risks, changes in capacity and in pricing on the market, and strike risks will ultimately determine the level of earnings. The assumptions made in the Annual Report 2014 for the operating performance of the Passenger Airline Group continue to apply virtually unchanged. The only adjustment here has been a slight increase in the number of flights. The predicted slight decrease in unit costs will probably only be achievable if there are no further strikes in the remainder of the year.

**Remaining business segments expect earnings performance to vary widely**

On the basis of its business performance in the second and third quarters and the continuing sluggish pace of world trade, Lufthansa Cargo is still assuming that its Adjusted EBIT for 2015 will be down significantly on last year. EBIT will be reduced further as a result of impairment losses. Revenue is also not expected to match last year's figure.

Lufthansa Technik is predicting its Adjusted EBIT for 2015 to be significantly higher than last year, despite increased expenses for innovative product developments, growth projects and expanding the airline group structure. Revenue growth is forecast to be in line with the market.

LSG Sky Chefs is still expecting revenue and Adjusted EBIT for the full year 2015 to be significantly up on last year. The ongoing programmes to increase efficiency and changes to the business model, especially in the European and North American markets, should make a major contribution to boosting earnings in the medium and long term.

**Lufthansa Group now expects Adjusted EBIT of EUR 1.75bn to EUR 1.95bn** After a strong performance, especially in the third quarter, the Lufthansa Group is now anticipating an Adjusted EBIT of EUR 1.75bn to EUR 1.95bn for the financial year 2015. It is likely that earnings in the fourth quarter will be depressed by restructuring costs. These costs are already included in the above forecast, however. By contrast, the forecast does not include the cost of any strikes in the fourth quarter.

The drivers and main influences on earnings will be the oil price and changes in the jet fuel crack, the euro exchange rate, especially against the US dollar and the Swiss franc, the yields of the Passenger Airline Group and the course of collective bargaining at Lufthansa Passenger Airlines in Germany. For Lufthansa Passenger Airlines, there is the additional earnings risk of further changes in customer demand.

**Lufthansa Group and operating segments earnings forecast 2015**

	Revenue		Adjusted EBIT	
	Revenue 2014 in €m	Forecast for 2015	Adjusted EBIT 2014 in €m	Forecast for 2015
Lufthansa Passenger Airlines	17,098		399	significantly above previous year
SWISS	4,241		278	significantly above previous year
Austrian Airlines	2,069		9	significantly above previous year
Reconciliation	-88		15	
Passenger Airline Group	23,320	significantly above previous year	701	significantly above previous year
Logistics	2,435	slightly below previous year	123	significantly below previous year
MRO	4,337	significantly above previous year	380	significantly above previous year
Catering	2,633	significantly above previous year	88	significantly above previous year
IT Services	646	dissolution of business segment	44	dissolution of business segment
Other	0		-161	significantly below previous year
Internal revenue / Reconciliation	-3,360		-4	
<b>Lufthansa Group</b>	<b>30,011</b>	<b>significantly above previous year</b>	<b>1,171</b>	<b>1,750 to 1,950</b>

**Consolidated income statement** January – September 2015

in €m	Jan. – Sept. 2015	Jan. – Sept. 2014*	July – Sept. 2015	July – Sept. 2014*
Traffic revenue	19,387	18,460	7,264	6,994
Other revenue	4,917	4,164	1,675	1,464
<b>Total revenue</b>	<b>24,304</b>	<b>22,624</b>	<b>8,939</b>	<b>8,458</b>
Changes in inventories and work performed by entity and capitalised	155	156	56	74
Other operating income	2,029	1,320	529	456
Cost of materials and services	-13,303	-13,002	-4,659	-4,738
Staff costs	-5,902	-5,455	-1,979	-1,809
Depreciation, amortisation and impairment	-1,265	-1,062	-414	-367
Other operating expenses	-4,471	-3,627	-1,355	-1,314
<b>Profit/ loss from operating activities</b>	<b>1,547</b>	<b>954</b>	<b>1,117</b>	<b>760</b>
Result of equity investments accounted for using the equity method	108	71	93	66
Result of other equity investments	8	23	-10	6
Interest income	129	121	12	30
Interest expenses	-253	-310	-82	-97
Other financial items	456	-225	-116	-72
<b>Financial result</b>	<b>448</b>	<b>-320</b>	<b>-103</b>	<b>-67</b>
<b>Profit/ loss before income taxes</b>	<b>1,995</b>	<b>634</b>	<b>1,014</b>	<b>693</b>
Income taxes	-227	-136	-214	-125
<b>Profit/ loss after income taxes</b>	<b>1,768</b>	<b>498</b>	<b>800</b>	<b>568</b>
Profit/loss attributable to minority interests	-20	-16	-6	-7
<b>Net profit/ loss attributable to shareholders of Deutsche Lufthansa AG</b>	<b>1,748</b>	<b>482</b>	<b>794</b>	<b>561</b>
<b>Basic/ diluted earnings per share in €</b>	<b>3.78</b>	<b>1.05</b>	<b>1.72</b>	<b>1.22</b>

\* Previous year's figures have been adjusted due to the new presentation of disclosure.

**Statement of comprehensive income** January – September 2015

in €m	Jan. – Sept. 2015	Jan. – Sept. 2014	July – Sept. 2015	July – Sept. 2014
<b>Profit/loss after income taxes</b>	<b>1,768</b>	<b>498</b>	<b>800</b>	<b>568</b>
<b>Other comprehensive income</b>				
<b>Other comprehensive income with subsequent reclassification to the income statement</b>				
Differences from currency translation	194	67	-93	57
Subsequent measurement of available-for-sale financial assets	-554	87	-6	18
Subsequent measurement of cash flow hedges	440	76	-131	126
Other comprehensive income from investments accounted for using the equity method	4	4	-2	4
Other expenses and income recognised directly in equity	0*	7	-4	5
Income taxes on items in other comprehensive income	-110	-23	20	-40
<b>Other comprehensive income without subsequent reclassification to the income statement</b>				
Revaluation of defined-benefit pension plans	611	-2,519	-200	-1,302
Income taxes on items in other comprehensive income	-192	632	17	325
<b>Other comprehensive income after income taxes</b>	<b>393</b>	<b>-1,669</b>	<b>-399</b>	<b>-807</b>
<b>Total comprehensive income</b>	<b>2,161</b>	<b>-1,171</b>	<b>401</b>	<b>-239</b>
Comprehensive income attributable to minority interests	-20	-19	-2	-10
<b>Comprehensive income attributable to shareholders of Deutsche Lufthansa AG</b>	<b>2,141</b>	<b>-1,190</b>	<b>399</b>	<b>-249</b>

\* Rounded below EUR 1m.

## Consolidated balance sheet

as of 30 September 2015

<b>Assets</b>			
in €m	<b>30.9.2015</b>	31.12.2014	30.9.2014
Intangible assets with an indefinite useful life*	1,229	1,197	1,205
Other intangible assets	399	390	389
Aircraft and reserve engines	14,473	13,572	13,461
Repairable spare parts for aircraft	1,313	1,083	1,041
Property, plant and other equipment	2,080	2,109	2,107
Investments accounted for using the equity method	526	445	459
Other equity investments	163	776	560
Non-current securities	29	10	20
Loans and receivables	520	515	457
Derivative financial instruments	1,148	599	352
Deferred charges and prepaid expenses	12	11	17
Effective income tax receivables	33	31	32
Deferred tax assets	1,088	1,489	1,276
<b>Non-current assets</b>	<b>23,013</b>	<b>22,227</b>	<b>21,376</b>
Inventories	732	700	668
Trade receivables and other receivables	4,692	3,995	4,570
Derivative financial instruments	498	456	354
Deferred charges and prepaid expenses	163	147	162
Effective income tax receivables	147	122	114
Securities	2,962	1,785	2,711
Cash and cash equivalents	919	953	934
Assets held for sale	33	89	72
<b>Current assets</b>	<b>10,146</b>	<b>8,247</b>	<b>9,585</b>
<b>Total assets</b>	<b>33,159</b>	<b>30,474</b>	<b>30,961</b>

\* Including goodwill.

Shareholders' equity and liabilities			
in €m	30.9.2015	31.12.2014	30.9.2014
Issued capital	1,185	1,185	1,180
Capital reserve*	170	170	886
Retained earnings*	1,711	1,237	730
Other neutral reserves	1,295	1,321	1,381
Net profit/loss	1,748	55	482
<b>Equity attributable to shareholders of Deutsche Lufthansa AG</b>	<b>6,109</b>	<b>3,968</b>	<b>4,659</b>
Minority interests	73	63	60
<b>Shareholders' equity</b>	<b>6,182</b>	<b>4,031</b>	<b>4,719</b>
Pension provisions	6,886	7,231	7,397
Other provisions	570	601	592
Borrowings	4,731	5,364	5,192
Other financial liabilities	90	136	146
Advance payments received, deferred income and other non-financial liabilities	1,268	1,179	1,199
Derivative financial instruments	239	719	353
Deferred tax liabilities	331	239	207
<b>Non-current provisions and liabilities</b>	<b>14,115</b>	<b>15,469</b>	<b>15,086</b>
Other provisions	989	953	779
Borrowings	1,439	594	666
Trade payables and other financial liabilities	4,926	4,635	5,202
Liabilities from unused flight documents	3,499	2,848	3,164
Advance payments received, deferred income and other non-financial liabilities	913	924	948
Derivative financial instruments	974	766	196
Effective income tax obligations	120	228	201
Liabilities related to assets held for sale	2	26	-
<b>Current provisions and liabilities</b>	<b>12,862</b>	<b>10,974</b>	<b>11,156</b>
<b>Total shareholders' equity and liabilities</b>	<b>33,159</b>	<b>30,474</b>	<b>30,961</b>

\* Previous year's figures have been adjusted.

## Consolidated statement of changes in shareholders' equity

as of 30 September 2015

	Issued capital	Capital reserve*	Fair value measurement of financial instruments	Currency differences	Revaluation reserve (due to business combinations)	Other neutral reserves	Total other neutral reserves	Retained earnings*	Net profit/loss	Equity attributable to shareholders of Deutsche Lufthansa AG	Minority interests	Total shareholders' equity
in €m												
<b>As of 31.12.2013</b>	<b>1,180</b>	<b>886</b>	<b>332</b>	<b>270</b>	<b>236</b>	<b>328</b>	<b>1,166</b>	<b>2,511</b>	<b>313</b>	<b>6,056</b>	<b>52</b>	<b>6108</b>
Capital increases/reductions	–	–	–	–	–	–	–	–	–	–	–	–
Reclassifications	–	–	–	–	–	–	–	106	–106	–	–	–
Dividends to Lufthansa shareholders/ minority interests	–	–	–	–	–	–	–	–	–207	–207	–12	–219
Transactions with minority interests	–	–	–	–	–	–	–	–	–	–	1	1
Consolidated net profit/loss attributable to Lufthansa shareholders/ minority interests	–	–	–	–	–	–	–	–	482	482	16	498
Other expenses and income recognised directly in equity	–	–	140	67	–	8	215	–1,887	–	–1,672	3	–1,669
<b>As of 30.09.2014</b>	<b>1,180</b>	<b>886</b>	<b>472</b>	<b>337</b>	<b>236</b>	<b>336</b>	<b>1,381</b>	<b>730</b>	<b>482</b>	<b>4,659</b>	<b>60</b>	<b>4,719</b>
<b>As of 31.12.2014</b>	<b>1,185</b>	<b>170</b>	<b>407</b>	<b>364</b>	<b>236</b>	<b>314</b>	<b>1,321</b>	<b>1,237</b>	<b>55</b>	<b>3,968</b>	<b>63</b>	<b>4,031</b>
Capital increases/reductions	–	–	–	–	–	–	–	–	–	–	–	–
Reclassifications	–	–	–	–	–	–	–	55	–55	–	–	–
Dividends to Lufthansa shareholders/ minority interests	–	–	–	–	–	–	–	–	–	–	–9	–9
Transactions with minority interests	–	–	–	–	–	–	–	–	–	–	–1	–1
Consolidated net profit/loss attributable to Lufthansa shareholders/ minority interests	–	–	–	–	–	–	–	–	1,748	1,748	20	1,768
Other expenses and income recognised directly in equity	–	–	–224	194	–	4	–26	419	–	393	–	393
<b>As of 30.09.2015</b>	<b>1,185</b>	<b>170</b>	<b>183</b>	<b>558</b>	<b>236</b>	<b>318</b>	<b>1,295</b>	<b>1,711</b>	<b>1,748</b>	<b>6,109</b>	<b>73</b>	<b>6,182</b>

\* Previous year's figures have been adjusted.

**Consolidated cash flow statement**

January – September 2015

in €m	Jan. – Sept. 2015	Jan. – Sept. 2014	July – Sept. 2015	July – Sept. 2014
<b>Cash and cash equivalents 1.1.</b>	<b>828</b>	<b>1,407</b>	<b>1,123</b>	<b>830</b>
Net profit/loss before income taxes	1,995	634	1,014	693
Depreciation, amortisation and impairment losses on non-current assets (net of reversals)	1,244	1,055	397	366
Depreciation, amortisation and impairment losses on current assets (net of reversals)	42	9	2	-19
Net proceeds on disposal of non-current assets	-46	-24	0	1
Result of equity investments	-116	-94	-83	-72
Net interest	124	189	70	67
Income tax payments/reimbursements	-208	-215	-69	-109
Measurement of financial derivatives through profit or loss	-564	139	104	-6
Change in working capital <sup>1)</sup>	689	359	-802	-613
<b>Cash flow from operating activities</b>	<b>3,160</b>	<b>2,052</b>	<b>633</b>	<b>308</b>
Capital expenditure for property, plant and equipment and intangible assets	-1,876	-2,173	-429	-679
Capital expenditure for financial investments	-53	-49	-4	-3
Additions/loss to repairable spare parts for aircraft	-257	-81	-72	-30
Proceeds from disposal of non-consolidated equity investments	0*	47	0*	0*
Proceeds from disposal of consolidated equity investments	-86	0*	-2	0*
Cash outflows for acquisitions of non-consolidated equity investments	-1	-8	0*	-4
Cash outflows for acquisitions of consolidated equity investments	-1	-5	0*	-1
Proceeds from disposal of intangible assets, property, plant and equipment and other financial investments	75	128	19	24
Interest income	203	224	43	58
Dividends received	36	94	-8	10
<b>Net cash from/used in investing activities</b>	<b>-1,960</b>	<b>-1,823</b>	<b>-453</b>	<b>-625</b>
Purchase of securities/fund investments	-1,211	-694	-719	-142
Disposal of securities/fund investments	86	1,062	19	148
<b>Net cash from/used in investing and cash management activities</b>	<b>-3,085</b>	<b>-1,455</b>	<b>-1,153</b>	<b>-619</b>
Capital increase	-	-	-	-
Non-current borrowing	700	783	499	635
Repayment of non-current borrowing	-565	-1,419	-131	-191
Dividends paid	-9	-219	-2	-6
Interest paid	-209	-336	-115	-145
<b>Net cash from/used in financing activities</b>	<b>-83</b>	<b>-1,191</b>	<b>251</b>	<b>293</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>-8</b>	<b>-594</b>	<b>-269</b>	<b>-18</b>
Changes due to currency translation differences	15	6	-19	7
<b>Cash and cash equivalents 30.9.<sup>2)</sup></b>	<b>835</b>	<b>819</b>	<b>835</b>	<b>819</b>
Securities	2,962	2,711	2,962	2,711
<b>Liquidity</b>	<b>3,797</b>	<b>3,530</b>	<b>3,797</b>	<b>3,530</b>
Net increase/decrease in total liquidity	1,184	-1,023	414	-77

\* Rounded below EUR 1m.

<sup>1)</sup> Working capital consists of inventories, receivables, liabilities and provisions.<sup>2)</sup> Excluding fixed-term deposits with terms of three to twelve months (2015: EUR 84m, 2014: EUR 115m).

The cash flow statement shows how cash and cash equivalents at the Lufthansa Group have changed over the reporting period. In accordance with IAS 7, cash flows are divided into cash flows from operating activities, from investing activities and from financing activities. The cash and cash equivalents shown in the cash flow statement comprise the balance sheet items bank balances and cash-in-hand excluding fixed-term deposits with terms of three to twelve months. The amount of liquidity in the broader sense is reached by adding short-term securities.

# Notes

## 1) Standards applied and changes in the group of consolidated companies

The consolidated financial statements of Deutsche Lufthansa AG and its subsidiaries have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), taking account of interpretations by the IFRS Interpretations Committee (IFRIC) as applicable in the European Union (EU). This interim report as of 30 September 2015 has been prepared in condensed form in accordance with IAS 34.

In preparing the interim financial statements the standards and interpretations applicable as of 1 January 2015 have been applied. The interim financial statements as of 30 September 2015 have been prepared using the same accounting policies as those on which the preceding consolidated financial statements as of 31 December 2014 were based. The standards and interpretations mandatory for the first time as of 1 January 2015 did not have a significant effect on the Group's net assets, financial and earnings position. The changes to the group of consolidated companies also had no significant effects on the Group's net assets, financial and earnings position.

### Changes in the group of consolidated companies in the period 1.10.2014 to 30.9.2015

Name, registered office	Additions	Disposals	Reason
<b>Passenger Airline Group segment</b>			
Lufthansa Leasing Austria GmbH & Co. OG Nr. 27, Salzburg, Austria	7.10.14		Established
Muller Leasing Co., Ltd., Tokyo, Japan	19.12.14		Established
SMFL Y Lease, Tokyo, Japan	19.12.14		Established
Lahm Leasing Co., Ltd., Tokyo, Japan	19.12.14		Established
Hummels Leasing Co., Ltd., Tokyo, Japan	19.12.14		Established
Mitsubishi UFJ Lease & Finance Ltd., Tokyo, Japan	29.1.15		Established
IBJ Leasing, Ltd., Tokyo, Japan	29.1.15		Established
NTT Finance, Ltd., Tokyo, Japan	29.1.15		Established
Lufthansa Leasing Austria GmbH & Co. OG Nr. 30, Salzburg, Austria	26.2.15		Established
Lufthansa Leasing Austria GmbH & Co. OG Nr. 29, Salzburg, Austria	26.2.15		Established
Tyrolean Airways Luftfahrzeuge Technik GmbH, Vienna, Austria	1.3.15		Consolidated for the first time
Lufthansa Leasing Austria GmbH & Co. OG Nr. 11, Salzburg, Austria		11.12.14	Merger
AUA 2006 MSN 263 Ltd., George Town, Grand Cayman, Cayman Islands		15.12.14	Liquidation
Lufthansa Leasing GmbH & Co. Foc-Golf oHG, Grünwald		1.1.15	Merger
Lufthansa Leasing Austria GmbH & Co. OG Nr. 8, Salzburg, Austria		20.2.15	Merger
Tyrolean Airways Tiroler Luftfahrt GmbH, Innsbruck, Austria		1.4.15	Merger
<b>Logistics segment</b>			
Jettainer Americas, Inc., Wilmington, USA	1.10.14		Consolidated for the first time
LHAMIC LIMITED, Dublin, Ireland	31.7.15		Consolidated for the first time
<b>MRO business segment</b>			
Lufthansa Technik Puerto Rico LLC, San Juan, Puerto Rico	1.1.15		Consolidated for the first time
<b>Catering segment</b>			
LSG Linearis S.A.S., Paris, France	15.10.14		Established
LSG Sky Chefs Kenya Limited, Nairobi, Kenya	1.11.14		Established
Material Marketing Solutions Limited, West Drayton, Great Britain		20.5.15	Liquidation
UAB Airo Catering Services Lietuva, Vilnius, Lithuania		21.7.15	Sale
LSG Sky Chefs Nürnberg GmbH, Neu-Isenburg		1.9.15	Merger
<b>Other</b>			
LSY GmbH, Kelsterbach	18.11.14		Established
Lufthansa Industry Solutions GmbH & Co. KG, Kelsterbach	16.12.14		Established
INF Services GmbH & Co. KG, Kelsterbach	16.12.14		Established
Lufthansa Systems GmbH & Co. KG, Raunheim	17.12.14		Established
LHAMIH LIMITED, Dublin, Ireland	31.7.15		Consolidated for the first time
Lufthansa Systems GmbH & Co. KG, Kelsterbach		19.3.15	Spin-off
INF Services GmbH & Co. KG, Kelsterbach		1.4.15	Sale



## 2) Notes to the income statement, balance sheet, cash flow statement and segment reporting

<b>Assets held for sale</b>			
in €m	<b>30.9.2015</b>	31.12.2014	30.9.2014
<b>Assets</b>			
Aircraft and reserve engines	19	54	61
Financial assets	–	–	–
Other assets	14	35	11
<b>Equity / liabilities associated with assets held for sale</b>			
Equity	–	–	–
Liabilities	2	26	–

Detailed comments on the income statement, the balance sheet, the cash flow statement and the segment reporting can also be found in the management report on [p. 3–24](#).

### 3) Seasonality

The Group's business is mainly exposed to seasonal effects via the Passenger Airline Group segment. As such, revenue in the first and fourth quarters is generally lower as people travel less, while higher revenue and operating profits are normally earned in the second and third quarters.

### 4) Contingencies and events after the balance sheet date

<b>Contingent liabilities</b>		
in €m	<b>30.9.2015</b>	31.12.2014
From guarantees, bills of exchange and cheque guarantees	927	889
From warranty contracts	1,103	1,046
From providing collateral for third-party liabilities	44	47
Legal risks	51	66
Other contingent liabilities	3	55
	<b>2,128</b>	<b>2,103</b>

Several provisions for legal risks and for other contingent liabilities were not made because an outflow of resources was not sufficiently probable. The potential financial effect of these provisions on the result would have been EUR 51m (as of 31.12.2014: EUR 66m) and EUR 3m (as of 31.12.2014: EUR 55m) respectively.

Contracts signed at the end of 2014 for the sale of nine Canadair Regional Jet 700s resulted in cash inflows until 30 September 2015 of EUR 40m.

Signed contracts for the sale of two further Canadair Regional Jet 700s are expected to lead to cash inflows of EUR 9m by the end of 2015.

At the end of September 2015, there were order commitments of EUR 17.2bn for capital expenditure on property, plant and equipment and intangible assets. As of 31 December 2014, the order commitments came to EUR 16.5bn.

Since 30 September 2015, no events of particular importance have occurred that would be expected to have a significant influence on the net assets, financial and earnings position which have not already been reported.

## 5) Financial instruments and financial liabilities

### Financial instruments

The following table shows financial assets and liabilities held at fair value by level of fair value hierarchy. The levels are defined as follows:

**Level 1:** Financial instruments traded on active markets, the quoted prices for which are taken for measurement unchanged.

**Level 2:** Measurement is made by means of valuation methods with parameters derived directly or indirectly from observable market data.

**Level 3:** Measurement is made by means of valuation methods with parameters not based exclusively on observable market data.

### Assets 30.9.2015

in €m	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit and loss</b>				
Financial derivatives classified as held for trading	–	262	–	262
<b>Total financial assets through profit and loss</b>	<b>–</b>	<b>262</b>	<b>–</b>	<b>262</b>
<b>Derivative financial instruments which are an effective part of a hedging relationship</b>				
	–	1,384	–	1,384
<b>Available-for-sale financial assets</b>				
Equity instruments	234	61	–	295
Debt instruments	–	2,672	–	2,672
<b>Total available-for-sale financial assets</b>	<b>234</b>	<b>2,733</b>	<b>–</b>	<b>2,967</b>
<b>Total assets</b>	<b>234</b>	<b>4,379</b>	<b>–</b>	<b>4,613</b>

### Liabilities 30.9.2015

in €m	Level 1	Level 2	Level 3	Total
Derivative financial instruments at fair value through profit or loss	–	154	–	154
Derivative financial instruments which are an effective part of a hedging relationship	–	1,059	–	1,059
<b>Total liabilities</b>	<b>–</b>	<b>1,213</b>	<b>–</b>	<b>1,213</b>

As of 31 December 2014, the fair value hierarchy for assets and liabilities held at fair value was as follows:

<b>Assets 31.12.2014</b>				
in €m	Level 1	Level 2	Level 3	<b>Total</b>
<b>Financial assets at fair value through profit and loss</b>				
Financial derivatives classified as held for trading	–	204	–	204
<b>Total financial assets through profit and loss</b>	<b>–</b>	<b>204</b>	<b>–</b>	<b>204</b>
<b>Derivative financial instruments which are an effective part of a hedging relationship</b>				
	–	851	–	851
<b>Available-for-sale financial assets</b>				
Equity instruments	847	58	–	905
Debt instruments	–	1,494	–	1,494
<b>Total available-for-sale financial assets</b>	<b>847</b>	<b>1,552</b>	<b>–</b>	<b>2,399</b>
<b>Total assets</b>	<b>847</b>	<b>2,607</b>	<b>–</b>	<b>3,454</b>

<b>Liabilities 31.12.2014</b>				
in €m	Level 1	Level 2	Level 3	<b>Total</b>
Derivative financial instruments at fair value through profit or loss	–	517	–	517
Derivative financial instruments which are an effective part of a hedging relationship	–	968	–	968
<b>Total liabilities</b>	<b>–</b>	<b>1,485</b>	<b>–</b>	<b>1,485</b>

The fair values of interest rate derivatives correspond to their respective market values, which are measured using appropriate mathematical methods, such as discounting expected future cash flows. Discounting takes market standard interest rates and the residual term of the respective instruments into account. Forward currency transactions and swaps are individually discounted to the balance sheet date based on their respective futures rates and the appropriate interest rate curve. The market prices of currency options and the options used to hedge fuel prices are determined using acknowledged option pricing models.

The fair values of debt instruments correspond to their respective market values, which are measured using appropriate mathematical methods, such as discounting expected future cash flows. Discounting takes market standard interest rates and the residual term of the respective instruments into account.

The carrying amount for cash, trade receivables and other receivables, trade payables and other liabilities is assumed to be a realistic estimate of fair value.

### Financial liabilities

The following table shows the carrying amounts and market values for individual classes of financial liabilities. Market values for bonds are equal to the listed prices. The market values for other types of borrowing have been calculated using the applicable interest rates for the remaining term to maturity and repayment structures at the balance sheet date based on available market information (Reuters).

### Financial liabilities

in €m	30.9.2015		31.12.2014	
	Carrying amount	Market value	Carrying amount	Market value
Bonds	1,746	1,781	1,468	1,535
Liabilities to banks	1,092	1,099	1,057	1,061
Leasing liabilities and other loans	3,332	3,506	3,433	3,584
	<b>6,170</b>	<b>6,386</b>	<b>5,958</b>	<b>6,180</b>

### 6) Earnings per share

		30.9.2015	30.9.2014
<b>Basic earnings per share</b>	€	<b>3.78</b>	<b>1.05</b>
Consolidated net profit/loss	€m	1,748	482
Weighted average number of shares		462,772,266	461,074,941
<b>Diluted earnings per share</b>	€	<b>3.78</b>	<b>1.05</b>
Consolidated net profit/loss	€m	1,748	482
+ interest expenses on the convertible bonds	€m	0	0
- current and deferred taxes	€m	0	0
Adjusted net profit/loss for the period	€m	1,748	482
Weighted average number of shares		462,772,266	461,074,941

### 7) Issued capital

A resolution passed at the Annual General Meeting on 29 April 2014 authorised the Executive Board until 28 April 2019, subject to approval by the Supervisory Board, to increase the Company's issued capital by up to EUR 29,000,000, by issuing new registered shares to employees (Authorised Capital B) for payment in cash. Existing shareholders' subscription rights are excluded.

**8) Segment reporting**

Compared with the 2014 consolidated financial statements, the segment reporting has been adjusted with regard to the Group-wide introduction of new performance indicators. Instead of the previously used “operating result” and “segment result” indicators, “EBIT” (profit/loss from operating activities plus result from equity investments) and “adjusted EBIT” (EBIT adjusted for defined results of valuation and disposal) shall be used. As an asset-based indicator, “capital employed” (total assets adjusted primarily for non-interest-bearing liabilities) will now be used instead of the previous metrics “segment assets” and “segment liabilities”.

Due to the disposal of its “IT Infrastructure” unit, the previous “IT Services” segment has not been presented as a separately reported operating segment since the beginning of the financial year. The remaining IT functions have been transferred to “Service and Financial Functions” and are presented as part of the “Other” segment.

The figures for the previous year have been presented and/or adjusted accordingly.

**Segment information by operating segment January – September 2015**

	Passenger Airline Group	Logistics	MRO	Catering	Total reportable operating segments	Other	Reconciliation	Group
in €m								
External revenue	18,226	1,744	2,362	1,773	24,105	199	–	24,304
of which traffic revenue	17,360	1,701	–	–	19,061	–	326	19,387
Inter-segment revenue	513	19	1,361	485	2,378	174	–2,552	–
<b>Total revenue</b>	<b>18,739</b>	<b>1,763</b>	<b>3,723</b>	<b>2,258</b>	<b>26,483</b>	<b>373</b>	<b>–2,552</b>	<b>24,304</b>
Other operating income	1,011	32	207	48	1,298	1,490	–604	2,184
<b>Total operating income</b>	<b>19,750</b>	<b>1,795</b>	<b>3,930</b>	<b>2,306</b>	<b>27,781</b>	<b>1,863</b>	<b>–3,156</b>	<b>26,488</b>
<b>Operating expenses</b>	<b>18,460</b>	<b>1,854</b>	<b>3,543</b>	<b>2,248</b>	<b>26,105</b>	<b>2,018</b>	<b>–3,182</b>	<b>24,941</b>
of which cost of materials and services	11,546	1,191	1,897	974	15,608	119	–2,424	13,303
of which staff costs	3,428	310	960	826	5,524	385	–7	5,902
of which depreciation and amortisation	971	132	75	60	1,238	26	1	1,265
of which other operating expenses	2,515	221	611	388	3,735	1,488	–752	4,471
<b>Results of equity investments</b>	<b>67</b>	<b>21</b>	<b>12</b>	<b>11</b>	<b>111</b>	<b>5</b>	<b>–</b>	<b>116</b>
of which result of investments accounted for using the equity method	69	18	11	10	108	–	–	108
<b>EBIT</b>	<b>1,357</b>	<b>–38</b>	<b>399</b>	<b>69</b>	<b>1,787</b>	<b>–150</b>	<b>26</b>	<b>1,663</b>
<b>of which reconciliation items</b>								
Impairment losses/gains	–26	–73	1	–6	–104	–2	–2	–108
Past service costs/settlement	32	–	–	–	32	–	–	32
Results of disposal of assets	1	0*	0*	–1	0*	43	3	46
<b>Adjusted EBIT<sup>1)</sup></b>	<b>1,350</b>	<b>35</b>	<b>398</b>	<b>76</b>	<b>1,859</b>	<b>–191</b>	<b>25</b>	<b>1,693</b>
Total adjustments								–30
Other financial result								332
Profit/loss before income taxes								1,995
Capital employed <sup>2)</sup>	11,319	1,150	3,197	1,308	16,974	1,022	1,001	18,997
of which from investments accounted for using the equity method	138	52	200	131	521	6	–1	526
Segment capital expenditure <sup>3)</sup>	1,709	106	74	70	1,959	10	–38	1,931
of which from investments accounted for using the equity method	–	–	–	–	–	–	–	–
Number of employees at end of period	54,945	4,639	20,397	33,623	113,604	5,787	–	119,391

\* Rounded below EUR 1m.

<sup>1)</sup> For detailed reconciliation from Adjusted EBIT to EBIT, please see page 8 of the interim Group management report.

<sup>2)</sup> The capital employed results from total assets adjusted for non-operating items (deferred taxes, positive market values, derivatives) less non-interest bearing liabilities (including trade payables and liabilities from unused flight documents).

<sup>3)</sup> Capital expenditure for intangible assets, property, plant and equipment, and investments accounted for using the equity method. Under the heading “Group” all investments are shown.

**Segment information by operating segment** January – September 2014

in €m	Passenger Airline Group	Logistics	MRO	Catering	Total reportable operating segments	Other	Reconciliation	Group
External revenue	17,197	1,748	1,984	1,494	22,423	201	–	22,624
of which traffic revenue	16,405	1,715	–	–	18,120	–	340	18,460
Inter-segment revenue	497	19	1,216	466	2,198	277	–2,475	–
<b>Total revenue</b>	<b>17,694</b>	<b>1,767</b>	<b>3,200</b>	<b>1,960</b>	<b>24,621</b>	<b>478</b>	<b>–2,475</b>	<b>22,624</b>
Other operating income	717	61	203	36	1,017	908	–449	1,476
<b>Total operating income</b>	<b>18,411</b>	<b>1,828</b>	<b>3,403</b>	<b>1,996</b>	<b>25,638</b>	<b>1,386</b>	<b>–2,924</b>	<b>24,100</b>
<b>Operating expenses</b>	<b>17,868</b>	<b>1,772</b>	<b>3,042</b>	<b>1,946</b>	<b>24,628</b>	<b>1,451</b>	<b>–2,933</b>	<b>23,146</b>
of which cost of materials and services	11,470	1,255	1,567	862	15,154	153	–2,305	13,002
of which staff costs	3,174	290	901	705	5,070	390	–5	5,455
of which depreciation and amortisation	860	46	68	48	1,022	40	–	1,062
of which other operating expenses	2,364	181	506	331	3,382	868	–623	3,627
<b>Results of equity investments</b>	<b>39</b>	<b>13</b>	<b>14</b>	<b>6</b>	<b>72</b>	<b>22</b>	<b>0*</b>	<b>94</b>
of which result of investments accounted for using the equity method	43	11	12	5	71	–	–	71
<b>EBIT</b>	<b>582</b>	<b>69</b>	<b>375</b>	<b>56</b>	<b>1,082</b>	<b>–43</b>	<b>9</b>	<b>1,048</b>
<b>of which reconciliation items</b>								
Impairment losses/gains	15	–	5	–	20	–	1	21
Past service costs/settlement	–	–	15	–	15	–	–	15
Results of disposal of assets	18	–	7	–1	24	1	–1	24
<b>Adjusted EBIT<sup>1)</sup></b>	<b>549</b>	<b>69</b>	<b>348</b>	<b>57</b>	<b>1,023</b>	<b>–44</b>	<b>9</b>	<b>988</b>
Total adjustments								60
Other financial result								–414
Profit/loss before income taxes								634
Capital employed <sup>2)</sup>	10,319	1,197	2,844	1,259	15,619	1,422	684	17,725
of which from investments accounted for using the equity method	112	44	177	119	452	6	1	459
Segment capital expenditure <sup>3)</sup>	1,808	184	83	87	2,162	21	52	2,235
of which from investments accounted for using the equity method	–	–	1	–	1	–	–	1
Number of employees at end of period	55,400	4,675	20,003	32,693	112,771	6,252	–	119,023

\* Rounded below EUR 1m.

<sup>1)</sup> For detailed reconciliation from Adjusted EBIT to EBIT, please see page 8 of the interim Group management report.

<sup>2)</sup> The capital employed results from total assets adjusted for non-operating items (deferred taxes, positive market values, derivatives) less non-interest bearing liabilities (including trade payables and liabilities from unused flight documents).

<sup>3)</sup> Capital expenditure for intangible assets, property, plant and equipment, and investments accounted for using the equity method. Under the heading "Group" all investments are shown.

**Figures by region** January – September 2015

in €m	Europe	thereof Germany	North America	thereof USA	Central and South America	Asia/Pacific	Middle East	Africa	Total
Traffic revenue*	12,032	5,554	3,389	2,877	630	2,469	569	298	19,387
Other operating revenue	1,949	765	1,344	1,045	253	903	237	231	4,917
<b>Total revenue</b>	<b>13,981</b>	<b>6,319</b>	<b>4,733</b>	<b>3,922</b>	<b>883</b>	<b>3,372</b>	<b>806</b>	<b>529</b>	<b>24,304</b>

\* Traffic revenue is allocated according to the original location of sale.

**Figures by region** January – September 2014

in €m	Europe	thereof Germany	North America	thereof USA	Central and South America	Asia/Pacific	Middle East	Africa	Total
Traffic revenue*	11,999	5,405	2,766	2,486	607	2,291	516	281	18,460
Other operating revenue	1,817	631	1,035	841	138	742	255	177	4,164
<b>Total revenue</b>	<b>13,816</b>	<b>6,036</b>	<b>3,801</b>	<b>3,327</b>	<b>745</b>	<b>3,033</b>	<b>771</b>	<b>458</b>	<b>22,624</b>

\* Traffic revenue is allocated according to the original location of sale.

**9) Related party disclosures**

As stated in "Note 43" to the consolidated financial statements for 2014 from p. 217, the operating segments in the Lufthansa Group render numerous services to related parties within the scope of their ordinary business activities and also receive services from them. These extensive supply and service relationships take place unchanged on the basis of market prices. There have been no significant changes in comparison with the balance sheet date. The contractual relationships with the group of related parties described in the "Remuneration report" from p. 132 and in "Note 44" from p. 219 of the 2014 consolidated financial statements also still exist unchanged, but are not of material significance for the Group.

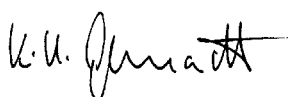
**Declaration by the legal representatives**

We declare that to the best of our knowledge and according to the applicable accounting standards for interim reporting, the consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

The Executive Board, 28 October 2015



Carsten Spohr  
Chairman of the  
Executive Board and CEO



Karl Ulrich Garnadt  
Member of the Executive Board  
Chief Executive Officer  
Lufthansa German Airlines



Harry Hohmeister  
Member of the Executive Board  
Chief Officer  
Group Airlines, Logistics and IT



Simone Menne  
Member of the Executive Board  
Chief Officer  
Finances and Aviation Services



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

## Credits

### Published by

Deutsche Lufthansa AG  
Von-Gablenz-Str. 2–6  
50679 Cologne  
Germany

Entered in the Commercial  
Register of Cologne  
District Court under HRB 2168

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HGB Hamburger Geschäftsberichte  
GmbH & Co. KG, Hamburg, Germany

ISSN 1616-0231

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The Lufthansa 3rd Interim Report is a translation of the original German Lufthansa Zwischenbericht 3/2015. Please note that only the German version is legally binding.

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## Financial calendar 2016

- 17 March** Press Conference and Analysts' Conference on 2015 results
- 28 April** Annual General Meeting in Hamburg
- 3 May** Release of Interim Report January – March 2016
- 2 Aug.** Release of Interim Report January – June 2016
- 2 Nov.** Release of Interim Report January – September 2016

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