



## 1st Interim Report January – March 2016

---

✈ Adjusted EBIT up by EUR 114m to EUR –53m / Lower fuel costs and good unit cost development make up for lower unit revenues / Planned capacity growth for 2016 reduced to 6.0 per cent / All operating segments except for Lufthansa Cargo are developing in line with forecasts / Overall forecast confirmed: Adjusted EBIT slightly above the previous year before possible strike costs

# Lufthansa Group overview

Key figures Lufthansa Group		Jan. – March 2016	Jan. – March 2015	Change in %
<b>Revenue and result</b>				
Total revenue	€m	6,916	6,973	-0.8
of which traffic revenue*	€m	5,235	5,447	-3.9
EBIT	€m	-49	-144	66.0
Adjusted EBIT	€m	-53	-167	68.3
EBITDA	€m	343	232	47.8
Net profit/loss for the period	€m	-8	425	
<b>Key balance sheet and cash flow statement figures</b>				
Total assets	€m	33,311	34,165	-2.5
Equity ratio	%	14.5	7.5	7.0 pts
Net indebtedness	€m	2,746	2,890	-5.0
Cash flow from operating activities	€m	1,102	1,394	-20.9
Capital expenditure (gross)	€m	640	815	-21.5
<b>Key profitability and value creation figures</b>				
EBIT margin	%	-0.7	-2.1	1.4 pts
Adjusted EBIT margin	%	-0.8	-2.4	1.6 pts
EBITDA margin	%	5.0	3.3	1.7 pts
<b>Lufthansa share</b>				
Share price at the quarter-end	€	14.21	13.08	8.6
Earnings per share	€	-0.02	0.92	
<b>Traffic figures*</b>				
Passengers	thousands	22,331	21,561	3.6
Available seat-kilometres	millions	62,785	58,918	6.6
Revenue seat-kilometres	millions	47,032	44,691	5.2
Passenger load factor	%	74.9	75.8	-0.9 pts
Available cargo tonne-kilometres	millions	3,425	3,467	-1.2
Revenue cargo tonne-kilometres	millions	2,264	2,414	-6.2
Cargo load factor	%	66.1	69.6	-3.5 pts
Available tonne-kilometres	millions	9,737	9,387	3.7
Revenue tonne-kilometres	millions	6,920	6,808	1.6
Overall load factor	%	71.1	72.5	-1.4
Flights	number	232,437	226,077	2.8
<b>Employees</b>				
Employees as of 31.3.	number	121,894	118,569	2.8

\* Previous year's figures have been adjusted.  
Date of publication: 3 May 2016.

## Contents

### 1 Interim management report

- 1 Course of business
- 1 Significant events
- 1 Financial performance
- 5 Business segments
- 9 Opportunities and risk report
- 9 Supplementary report
- 10 Forecast

### 11 Interim financial statements

- 11 Consolidated income statement
- 11 Statement of comprehensive income
- 12 Consolidated balance sheet
- 14 Consolidated statement of changes  
in shareholders' equity
- 15 Consolidated cash flow statement
- 16 Notes

### 22 Further information

- 22 Declaration by the legal representatives
- 23 Credits/Contact/Financial calendar 2016/2017

## Course of business

### Overall solid performance in first quarter of financial year

- Traffic revenue down, mainly due to pricing, revenue overall stable
- Adjusted EBIT up by 68.3 per cent
- With the exception of the business segment Logistics, the operating segments are developing in line with forecasts
- Earnings increase at the Passenger Airline Group mainly due to lower fuel costs and absence of non-recurring factors from the previous year; unit costs down significantly
- Positive earnings performance at Lufthansa Passenger Airlines, Austrian Airlines and Other

## Significant events

### Deutsche Lufthansa AG and UFO sign arbitration agreement

- Deutsche Lufthansa AG and the UFO flight attendants' union agree in January 2016 to take open collective bargaining topics to arbitration
- Arbitration talks due to last until mid-2016; no industrial action in the meantime
- Agreement on new wage settlement for cabin crew at Lufthansa Passenger Airlines to run until 30 September 2016 reached before arbitration
- Settlement after 1 October 2016, new pay structure, future benefits and other unresolved issues from the framework agreement are the focus of arbitration

### Austrian Airlines renews finance lease at Vienna Airport

- Lease for Austrian Airlines' operational base at Vienna Airport restructured and extended in January 2016
- Book gain raises EBIT and Adjusted EBIT by a mid double-digit million euro figure in the first quarter of 2016 and cuts future annual lease payments

## Financial performance

### Earnings position

#### Revenue and income fall moderately

- Passenger traffic up for the Lufthansa Group
- Cargo traffic declines

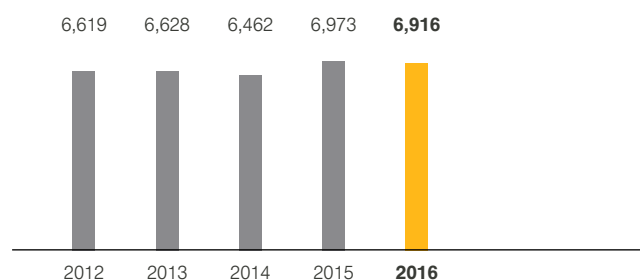
#### Revenue and income

	Jan. – March 2016 in €m	Jan. – March 2015 in €m	Change in %
Traffic revenue*	5,235	5,447	-3.9
Other revenue*	1,681	1,526	10.2
<b>Total revenue</b>	<b>6,916</b>	<b>6,973</b>	<b>-0.8</b>
Changes in inventories and work performed by the entity and capitalised	31	76	-59.2
Other operating income	622	837	-25.7
<b>Total operating income</b>	<b>7,569</b>	<b>7,886</b>	<b>-4.0</b>

\* Previous year's figures have been adjusted.

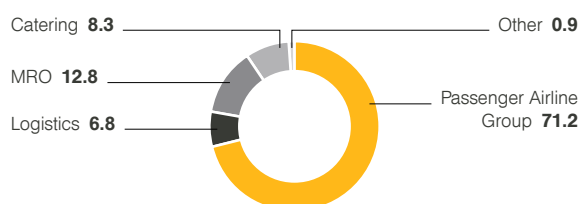
- Traffic revenue down by 3.9 per cent to EUR 5.2bn
- Change stems from lower prices (-7.2 per cent), higher volumes (+3.7 per cent) and negative exchange rate effects (-0.4 per cent)
- Other revenue up by 10.2 per cent to EUR 1.7bn, largely due to volumes

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



- Revenue down overall by 0.8 per cent to EUR 6.9bn
- Other operating income down by 25.7 per cent to EUR 622m, mainly due to lower exchange rate gains
- Total operating income down by 4.0 per cent to EUR 7.6bn

#### External revenue share of the business segments in % (as of 31.3.2016)



#### Expenses reduced slightly

- Operating expenses down by 5.3 per cent to EUR 7.6bn
- Cost of materials and services down by 1.0 per cent to EUR 3.9bn; fuel costs included here down by 18.1 per cent to EUR 1.1bn; change due to lower prices (–25.7 per cent), exchange rate effects (+3.9 per cent) and higher volumes (+3.7 per cent); fees and charges up by 3.1 per cent to EUR 1.3bn, mainly due to volumes; purchased IT services up by 55.6 per cent to EUR 70m, mainly due to the sale of the IT infrastructure to the IBM group in the previous year
- Staff costs up by 1.8 per cent to EUR 2.0bn, average number of employees up by 2.8 per cent to 121,894 mainly driven by Catering segment staff growth; expenses reduced by positive exchange rate effects and lower additions to pensions provisions as a result of interest rates
- Depreciation and amortisation up by 4.8 per cent to EUR 392m; depreciation of aircraft up by 4.7 per cent to EUR 314m, in particular due to new aircraft deliveries
- Other operating expenses down by 25.3 per cent to EUR 1.3bn, in particular due to much lower exchange rate losses (–63.1 per cent)

#### Expenses

	Jan. – March 2016 in €m	Jan. – March 2015 in €m	Change in %
Cost of materials and services	3,936	3,977	–1.0
of which fuel	1,071	1,308	–18.1
of which fees and charges	1,285	1,246	3.1
of which operating lease	15	13	15.4
Staff costs	1,957	1,922	1.8
Depreciation	392	374	4.8
Other operating expenses	1,305	1,746	–25.3
<b>Total operating expenses</b>	<b>7,590</b>	<b>8,019</b>	<b>–5.3</b>

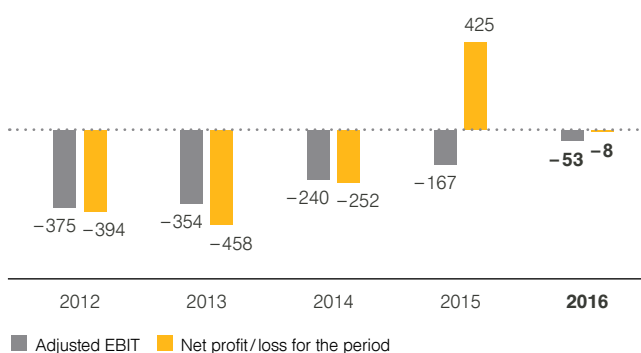
#### Positive earnings performance

- Result from operating activities improves by 84.2 per cent to EUR –21m
- Result from equity investments down by 154.5 per cent to EUR –28m
- EBIT improves by 66.0 per cent to EUR –49m, Adjusted EBIT improves by 68.3 per cent to EUR –53m

#### Reconciliation with net profit / loss for the period

- Positive non-recurring effects in the same quarter of the previous year from the sale of the JetBlue shares (EUR 503m) cause other financial items to fall significantly by 81.7 per cent to EUR 91m
- Result from operating activities (EUR –21m) and financial result (EUR –4m) add up to a loss before income taxes of EUR 25m (previous year: profit of EUR 356m)
- Negative income tax expense (EUR 22m) and earnings attributable to minority interests (EUR 5m) result in a net loss for the period of EUR 8m

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



## Reconciliation of results

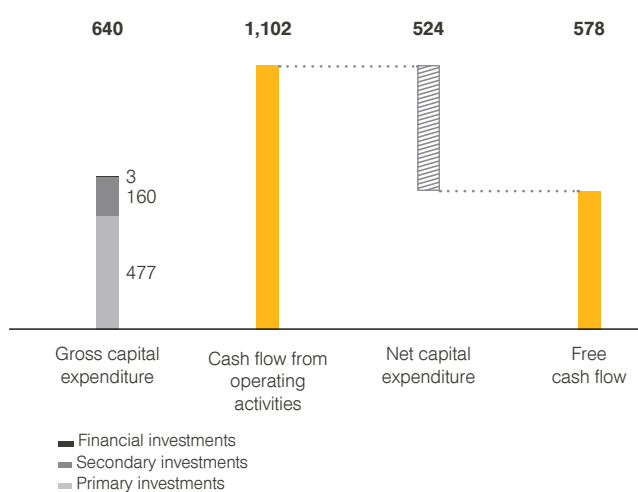
in €m	Jan. – March 2016		Jan. – March 2015	
	Income statement	Reconciliation Adjusted EBIT	Income statement	Reconciliation Adjusted EBIT
<b>Total revenue</b>	<b>6,916</b>	<b>–</b>	<b>6,973</b>	<b>–</b>
Changes in inventories	31	–	76	–
Other operating income	622	–	837	–
of which book gains	–	–6	–	–25
of which write-ups on capital assets	–	0*	–	–3
<b>Total operating income</b>	<b>7,569</b>	<b>–6</b>	<b>7,886</b>	<b>–28</b>
Cost of materials and services	–3,936	–	–3,977	–
Staff costs	–1,957	–	–1,922	–
of which past service costs/settlement	–	0*	–	–
Depreciation	–392	–	–374	–
of which impairment losses	–	1	–	1
Other operating expenses	–1,305	–	–1,746	–
of which impairment losses on assets held for sale	–	0*	–	1
of which expenses incurred from book losses	–	1	–	3
<b>Total operating expenses</b>	<b>–7,590</b>	<b>2</b>	<b>–8,019</b>	<b>5</b>
<b>Profit/loss from operating activities</b>	<b>–21</b>	<b>–</b>	<b>–133</b>	<b>–</b>
Result from equity investments	–28	–	–11	–
<b>EBIT</b>	<b>–49</b>	<b>–</b>	<b>–144</b>	<b>–</b>
Total amount of reconciliation Adjusted EBIT	–	–4	–	–23
<b>Adjusted EBIT</b>	<b>–</b>	<b>–53</b>	<b>–</b>	<b>–167</b>
Write-downs (included in profit from operating activities)	392	–	374	–
Write-downs on financial investments, securities and assets held for sale	0*	–	2	–
<b>EBITDA</b>	<b>343</b>	<b>–</b>	<b>232</b>	<b>–</b>

\* Rounded below EUR 1m.

## Cash flow and capital expenditure

- Cash flow from operating activities down, mainly due to decline in profit/loss before income taxes (EUR –381m), by EUR 292m to EUR 1.1bn
- Adjusting the result for non-cash income and expenses recognised in profit and loss improves cash flow from operating activities by EUR 268m
- Changes in trade working capital resulting from the business performance reduce cash flow from operating activities by EUR 254m; changes in other assets and liabilities not recognised in profit or loss also reduce cash flow from operating activities by EUR 100m

Cash flow and capital expenditure in €m (as of 31.3.2016)



- Gross capital expenditure down by EUR 175m to EUR 640m, of which capital expenditure on aircraft falls by EUR 227m to EUR 477m
- Net capital expenditure down by EUR 338m to EUR 524m
- Cash outflows of EUR 208m from the purchase and sale of non-current securities and funds
- Net cash outflows from investing and cash management activities down by EUR 508m to EUR 732m
- Free cash flow (cash flow from operating activities less net capital expenditure) up by EUR 46m to EUR 578m
- Net cash outflows from financing activities of EUR 260m relate largely to scheduled capital repayments (EUR 204m) and interest payments (EUR 57m)
- Cash and cash equivalents up by EUR 100m in total to EUR 1.1bn since the beginning of the year
- Internal financing ratio up by 1.2 percentage points to 172.2 per cent
- Cash and cash equivalents including current securities up by EUR 234m to EUR 3.3bn

## Assets and financial position

- Total assets up on year-end 2015 by 2.6 per cent to EUR 33.3bn
- Non-current assets up by 1.6 per cent to EUR 23.9bn; aircraft and reserve engines item included here up by 0.7 per cent to EUR 14.7bn
- Derivative financial instruments down by 9.9 per cent to EUR 1.1bn; decline largely due to lower market values of exchange rate hedges
- Deferred tax assets up by 33.5 per cent to EUR 1.6bn, in particular due to significantly higher pension provisions as a result of interest rates
- Current assets up by 5.3 per cent to EUR 9.4bn; receivables included here up by 7.8 per cent to EUR 4.7bn due to seasonal and billing reasons
- Cash and cash equivalents, consisting of current securities and cash-in-hand, up by 9.5 per cent to EUR 3.4bn due to positive free cash flow
- Non-current assets as proportion of total assets down by 0.8 percentage points to 71.7 per cent
- Equity down by 17.6 per cent overall to EUR 4.8bn due to higher valuation of pension provisions, recognised directly in equity, compared with year-end 2015 and despite a net profit close to zero
- Equity ratio down by 3.5 percentage points to 14.5 per cent
- Non-current liabilities and provisions up on year-end 2015 by 7.9 per cent to EUR 15.3bn
- Pension provisions up by 21.9 per cent to EUR 8.1bn, mainly due to fall in discount rate from 2.8 per cent to 2.4 per cent
- Financial liabilities down by 4.9 per cent to EUR 4.8bn due to maturities
- Derivative financial instruments down by 22.1 per cent to EUR 239m, mainly due to lower negative market values of fuel hedges
- Current liabilities and provisions up on year-end 2015 by 6.1 per cent to EUR 13.2bn
- Other provisions down by 6.0 per cent to EUR 1.0bn
- Liabilities from unused flight documents up by 38.6 per cent to EUR 4.0bn, mainly for seasonal and billing reasons

### Calculation of net indebtedness

	31 March 2016 in €m	31 Dec. 2015 in €m	Change in %
Liabilities to banks	1,054	1,079	-2.3
Bonds	1,759	1,749	0.6
Other non-current borrowing	3,267	3,542	-7.8
	<b>6,080</b>	<b>6,370</b>	<b>-4.6</b>
Other bank borrowing	53	70	-24.3
<b>Group indebtedness</b>	<b>6,133</b>	<b>6,440</b>	<b>-4.8</b>
Cash and cash equivalents	1,208	1,099	9.9
Securities	2,179	1,994	9.3
<b>Net indebtedness</b>	<b>2,746</b>	<b>3,347</b>	<b>-18.0</b>
Pension provisions	8,076	6,626	21.9
<b>Net indebtedness and pensions</b>	<b>10,822</b>	<b>9,973</b>	<b>8.5</b>

- Net debt down on year-end 2015 by 18.0 per cent to EUR 2.7bn
- Debt repayment ratio down by 2.5 percentage points to 28.2 per cent

## Business segments

### Passenger Airline Group business segment

#### Key figures Passenger Airline Group

		Jan. – March 2016	Jan. – March 2015	Change in %
Revenue	€m	5,072	5,157	-1.6
of which with companies of the Lufthansa Group	€m	151	161	-6.2
EBIT	€m	-65	-253	74.3
Adjusted EBIT	€m	-67	-254	73.6
EBITDA	€m	255	53	381.1
Segment capital expenditure*	€m	585	717	-18.4
Employees as of 31.3.	number	55,765	55,154	1.1
Passengers*	thousands	22,331	21,561	3.6
Flights*	number	230,348	223,745	3.0
Available seat-kilometres	millions	62,785	58,918	6.6
Revenue seat-kilometres*	millions	47,032	44,691	5.2
Passenger load factor	%	74.9	75.8	-0.9 pts.
Yields	€ cent	9.9	10.6	-6.3
Unit revenue (RASK)	€ cent	7.4	8.0	-7.5
Unit cost (CASK)	€ cent	8.6	9.9	-13.0

\* Previous year's figures have been adjusted.

#### Revenue and earnings development

- Eurowings to report separately from financial year 2016 as an independent business entity within the Passenger Airline Group; previous year's figures, also for Lufthansa Passenger Airlines, adjusted accordingly
- Traffic revenue down by 1.4 per cent to EUR 4.7bn due to lower prices (-6.1 per cent), higher traffic (+5.2 per cent) and negative exchange rates (-0.5 per cent)
- Other operating income down by 29.5 per cent overall to EUR 318m, mainly due to lower exchange rate gains (-57.3 per cent)
- Operating expenses down by 7.3 per cent to EUR 5.4bn
- Cost of materials and services down by 5.7 per cent to EUR 3.2bn, largely due to lower fuel prices and costs (-16.8 per cent)
- Staff costs up by 2.1 per cent to EUR 1.1bn, with number of employees up by 1.1 per cent
- Depreciation up by 4.6 per cent to EUR 320m
- Other operating expenses down by 26.6 per cent in total to EUR 742m, in particular due to lower exchange rate losses (-79.4 per cent)
- EBIT improves by 74.3 per cent to EUR -65m, Adjusted EBIT up by 73.6 per cent to EUR -67m
- Segment capital expenditure down by 18.4 per cent to EUR 585m; use primarily for new aircraft

#### Course of business and operating performance

- Traffic figures adversely affected by increasingly short-term bookings and weaker demand in the non-premium segment, particularly as a result of geopolitical uncertainties
- Development of the performance figures in line with forecast, however
- Main drivers for the decline in yields are a fall in the South America traffic region (-23.8 per cent) and the disproportionate growth of Eurowings

#### Development of 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. – March 2016	Change in %	Jan. – March 2016	Change in %	Jan. – March 2016	Change in %	Jan. – March 2016	Change in %	Jan. – March 2016	Change in pts
Europe	2,083	-0.8	17,553	3.0	19,717	3.6	13,452	2.5	68.2	-0.8
America	1,391	-0.3	2,236	8.8	22,077	12.5	17,132	9.1	77.6	-2.4
Asia/Pacific	815	-3.7	1,485	2.9	14,872	4.9	11,863	3.7	79.8	-0.9
Middle East/ Africa	384	-3.6	1,057	3.0	6,120	0.4	4,586	3.6	74.9	2.2
<b>Total</b>	<b>4,673</b>	<b>-1.4</b>	<b>22,331</b>	<b>3.6</b>	<b>62,785</b>	<b>6.6</b>	<b>47,032</b>	<b>5.2</b>	<b>74.9</b>	<b>-0.9</b>

## Lufthansa Passenger Airlines



### Key figures Lufthansa Passenger Airlines<sup>1)</sup>

		Jan. – March 2016	Jan. – March <sup>2)</sup> 2015	Change in %
Revenue	€m	3,350	3,402	-1.5
of which traffic revenue	€m	3,067	3,111	-1.4
EBIT	€m	70	-183	
Adjusted EBIT	€m	60	-184	
EBITDA	€m	287	20	1,335.0
Employees as of 31.3.	number	37,184	37,260	-0.2
Passengers	thousands	13,277	12,875	3.1
Flights	number	126,188	123,677	2.0
Available seat-kilometres	millions	41,531	39,463	5.2
Revenue seat-kilometres	millions	31,224	29,967	4.2
Passenger load factor	%	75.2	75.9	-0.7 pts.
Yields	€ cent	9.8	10.4	-5.4

<sup>1)</sup> Including regional partners.

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

- Services for customers further expanded; Signature Service on all long-haul routes since March
- Positive result in traditionally weak first quarter
- Revenue down by 1.5 per cent to EUR 3.4bn
- Operating expenses down by 10.3 per cent to EUR 3.5bn
- Fuel costs down by 17.7 per cent to EUR 679m
- Absence of strike costs (EUR 42m) and impact made on earnings by currency restrictions in Venezuela (EUR 60m) in the previous year
- Depreciation and amortisation up by 7.4 per cent to EUR 218m, mainly due to new aircraft deliveries
- Fees and charges up by 3.3 per cent to EUR 717m due to greater volumes
- EBIT improves by EUR 253m to EUR 70m, Adjusted EBIT up by EUR 244m to EUR 60m

## SWISS



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

		Jan. – March 2016	Jan. – March 2015	Change in %
Revenue	€m	984	1,055	-6.7
of which traffic revenue	€m	866	928	-6.7
EBIT	€m	23	51	-54.9
Adjusted EBIT	€m	23	51	-54.9
EBITDA	€m	86	117	-26.5
Employees as of 31.3.	number	9,211	8,751	5.3
Passengers <sup>2)</sup>	thousands	3,698	3,719	-0.6
Flights	number	38,905	37,675	3.3
Available seat-kilometres	millions	11,658	11,420	2.1
Revenue seat-kilometres <sup>2)</sup>	millions	8,848	9,001	-1.7
Passenger load factor	%	75.9	78.8	-2.9 pts.
Yields	€ cent	9.8	10.3	-5.1

<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.

- Thomas Klühr new CEO since 1 February 2016
- First Boeing 777-300ER in service
- Income and expenses affected by strength of Swiss franc against other currencies
- Revenue down by 6.7 per cent to EUR 984m due to prices and volumes
- Operating expenses down by 8.7 per cent to EUR 1.0bn, primarily due to lower fuel costs and efficiency gains
- EBIT and Adjusted EBIT both down by 54.9 per cent to EUR 23m, largely due to negative exchange rate effects
- Effect of Swiss central bank's decoupling of the Swiss franc from the euro in 2015 partly offset by hedging



## Austrian Airlines

Key figures Austrian Airlines<sup>1)</sup>

		Jan. – March 2016	Jan. – March 2015	Change in %
Revenue	€m	400	390	2.6
of which traffic revenue	€m	364	362	0.6
EBIT	€m	-29	-53	45.3
Adjusted EBIT	€m	-30	-53	43.4
EBITDA	€m	-2	-27	92.6
Employees as of 31.3.	number	6,149	6,021	2.1
Passengers <sup>2)</sup>	thousands	2,053	1,979	3.7
Flights	number	28,909	27,507	5.1
Available seat-kilometres	millions	4,926	4,548	8.3
Revenue seat-kilometres <sup>2)</sup>	millions	3,506	3,327	5.4
Passenger load factor	%	71.2	73.2	-2.0 pts.
Yields	€ cent	10.4	10.9	-4.6

<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.

- Re-fleeting from Fokker to Embraer aircraft successfully started
- Revenue up by 2.6 per cent to EUR 400m
- Operating expenses increase, in part due to exchange rates, by 2.9 per cent to EUR 494m
- Fuel costs down by 13.0 per cent to EUR 80m
- MRO costs up by 3.3 per cent to EUR 31m
- Positive one-off effect in the mid double-digit million euro range in the first quarter of 2016 and future annual savings thanks to new, long-term lease at Vienna Airport
- EBIT improves by 45.3 per cent to EUR -29m, Adjusted EBIT up by 43.4 per cent to EUR -30m

## Eurowings



## Key figures Eurowings\*

		Jan. – March 2016	Jan. – March 2015	Change in %
Revenue	€m	377	338	11.5
of which traffic revenue	€m	376	338	11.2
EBIT	€m	-86	-53	-62.3
Adjusted EBIT	€m	-86	-53	-62.3
EBITDA	€m	-73	-41	-78.0
Employees as of 31.3.	number	3,221	3,122	3.2
Passengers	thousands	3,303	2,986	10.5
Flights	number	36,346	34,886	4.1
Available seat-kilometres	millions	4,670	3,485	34.0
Revenue seat-kilometres	millions	3,454	2,396	44.1
Passenger load factor	%	74.0	68.7	5.3 pts.
Yields	€ cent	10.9	14.1	-22.8

\* Further information on Eurowings can be found at [www.eurowings.com](http://www.eurowings.com).

- New long-haul destinations start with high load factor
- Yields down by 22.8 per cent, largely due to the start of new long-haul flights
- Revenue up by 11.5 per cent to EUR 377m
- Operating expenses up by 15.3 per cent to EUR 481m, mainly due to volumes and one-off costs
- Fuel costs up by 3.2 per cent to EUR 64m
- EBIT and Adjusted EBIT both down by 62.3 per cent to EUR -86m
- Results affected by high project costs

## Logistics business segment

### Key figures Logistics

		Jan. – March 2016	Jan. – March 2015	Change in %
Revenue	€m	480	614	-21.8
of which with companies of the Lufthansa Group	€m	7	7	0.0
EBIT	€m	-19	52	
Adjusted EBIT	€m	-19	52	
EBITDA	€m	2	70	-97.1
Segment capital expenditure*	€m	6	65	-90.8
Employees as of 31.3.	number	4,543	4,665	-2.6
Available cargo tonne-kilometres*	millions	2,838	2,884	-1.6
Revenue cargo tonne-kilometres*	millions	1,918	2,015	-4.8
Cargo load factor*	%	67.6	69.9	-2.3 pts.

\* Previous year's figures have been adjusted.

- Significant decline in performance figures, in particular due to severe overcapacities in the market and weak demand
- Steps taken to safeguard earnings in view of the challenging market situation in addition to the strategic cost programme
- Sale of freight capacities started on Eurowings long-haul flights
- Revenue down by 21.8 per cent to EUR 480m, largely due to pricing
- Other operating income down by 60.6 per cent to EUR 13m due to exchange rates
- Total operating income down by 23.8 per cent to EUR 493m
- Operating expenses down by 13.5 per cent to EUR 519m due to exchange rates and fuel prices
- EBIT and Adjusted EBIT both down by EUR 71m to EUR -19m
- Segment capital expenditure down by 90.8 per cent to EUR 6m following aircraft purchases in the previous year

## MRO business segment

### Key figures MRO

		Jan. – March 2016	Jan. – March 2015	Change in %
Revenue	€m	1,290	1,249	3.3
of which with companies of the Lufthansa Group	€m	406	481	-15.6
EBIT	€m	87	106	-17.9
Adjusted EBIT	€m	87	106	-17.9
EBITDA	€m	113	131	-13.7
Segment capital expenditure	€m	35	19	84.2
Employees as of 31.3.	number	20,574	19,972	3.0

- New customer contracts signed with total volume of EUR 620m
- Number of aircraft serviced under exclusive contracts up on year-end 2015 by 4.0 per cent to 3,827
- Revenue up by 3.3 per cent to EUR 1.3bn; volume-related increase more than makes up for falling prices due to persistently tough competition
- Other operating income down by 43.2 per cent to EUR 46m
- Total operating income up by 0.5 per cent to EUR 1.3bn
- Operating expenses up by 2.2 per cent to EUR 1.3bn due to higher expenses for product developments, growth projects and expansion of group structure
- EBIT and Adjusted EBIT down by 17.9 per cent to EUR 87m due to increased expenses and absence of non-recurring factors from the previous year
- Segment capital expenditure up by 84.2 per cent to EUR 35m

### Development of traffic regions

#### Lufthansa Cargo

	Net traffic revenue in €m external revenue		Available cargo tonne-kilometres in millions		Revenue cargo tonne-kilometres in millions		Cargo load factor in %	
	Jan. – March 2016	Change in %	Jan. – March 2016	Change in %	Jan. – March 2016	Change in %	Jan. – March 2016	Change in pts
Europe	42	-17.6	158	2.3	80	0.8	50.5	-0.8
America	193	-25.2	1,275	-1.1	838	-8.6	65.7	-5.4
Asia/Pacific	182	-20.2	1,098	-3.4	848	-1.1	77.2	1.8
Middle East/Africa	44	-21.4	307	1.4	152	-5.9	49.5	-3.8
<b>Total</b>	<b>461</b>	<b>-22.3</b>	<b>2,838</b>	<b>-1.6</b>	<b>1,918</b>	<b>-4.8</b>	<b>67.6</b>	<b>-2.3</b>

## Catering business segment

### Key figures Catering

		Jan. – March 2016	Jan. – March 2015	Change in %
Revenue	€m	719	672	7.0
of which with companies of the Lufthansa Group	€m	146	138	5.8
EBIT	€m	0*	-1	100.0
Adjusted EBIT	€m	-4	-3	-33.3
EBITDA	€m	18	15	20.0
Segment capital expenditure	€m	13	15	-13.3
Employees as of 31.3.	number	35,120	32,490	8.1

\* Rounded below EUR 1m.

- Full takeover of Retail inMotion / Media inMotion completed
- Transformation of business model launched successfully
- Revenue up by 7.0 per cent to EUR 719m due to volumes and despite negative exchange rate effects
- Other operating income down by 8.7 per cent to EUR 21m
- Total operating income up by 6.5 per cent to EUR 740m
- Operating expenses up by 6.8 per cent to EUR 740m, mainly due to volumes
- EBIT improves by EUR 1m to EUR 0m, Adjusted EBIT down by EUR 1m to EUR -4m
- Segment capital expenditure down by 13.3 per cent to EUR 13m

## Other

### Other

		Jan. – March 2016	Jan. – March 2015	Change in %
Revenue	€m	104	152	-31.6
of which with companies of the Lufthansa Group	€m	39	84	-53.6
EBIT	€m	-37	-81	54.3
Adjusted EBIT	€m	-37	-93	60.2
EBITDA	€m	5	-70	-
Segment capital expenditure	€m	5	5	0.0
Employees as of 31.3.	number	5,892	6,288	-6.3

- Other operating income down by 29.8 per cent to EUR 545m
- Operating expenses down by 32.2 per cent to EUR 583m
- EBIT improves by 54.3 per cent to EUR -37m
- Adjusted EBIT improves by 60.2 per cent to EUR -37m
- Exchange rate gains improve earnings for Group functions

## Opportunities and risk report

- Opportunities and risks for the Group have not materialised or developed significantly compared with the detailed description in the Annual Report 2015
- The management of the Lufthansa Group does not consider that the continued existence of the Company to be at risk

## Supplementary report

### Deutsche Lufthansa AG secures long-term funding

- Two borrower's note loans issued on 6 April for a total of EUR 475m; maturities of four and five-and-a-half years

## Forecast

After a solid performance in the first quarter, the Lufthansa Group is still expecting revenue and Adjusted EBIT to be slightly higher in financial year 2016 as compared with the previous year.

The main influences on earnings remain 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 at the Passenger Airline Group and the course of collective bargaining at Lufthansa Passenger Airlines. Overall risks from underlying macroeconomic and geopolitical developments remain unchanged and represent an uncertainty for the development of revenue and earnings, especially for the Passenger Airline Group.

Restructuring activities are likely to adversely affect the earnings of individual segments and the entire Lufthansa Group. Total costs of some EUR 100m are currently expected, in particular at Lufthansa Passenger Airlines, LSG Sky Chefs and in the Group functions. These costs are included in the forecast.

This earnings forecast does not include negative impacts from possible strikes.

Significant changes to the forecast for the business segments and the operating performance indicators for the Passenger Airline Group as compared with the Annual Report 2015 are marked with a \* in the following tables.

### Lufthansa Group and operating segments earnings forecast 2016

	Revenue		Adjusted EBIT	
	Revenue 2015 in €m	Forecast for 2016	Adjusted EBIT 2015 in €m	Forecast for 2016
Lufthansa Passenger Airlines	17,944		970	slightly above previous year
SWISS	4,542		429	slightly below previous year
Austrian Airlines	2,102		52	significantly above previous year
Eurowings				slightly negative result
Reconciliation	-89		54	
Passenger Airline Group	24,499	slightly above previous year	1,505	slightly above previous year
Logistics	2,355	slightly below previous year	74	significantly below previous year*
MRO	5,099	slightly above previous year	454	significantly below previous year
Catering	3,022	slightly above previous year	99	slightly below previous year
Other	484		-370	significantly above previous year
Internal revenue/Reconciliation	-3,403		55	
<b>Lufthansa Group</b>	<b>32,056</b>	<b>slightly above previous year</b>	<b>1,817</b>	<b>slightly above previous year</b>

\* Forecast has been adjusted compared with the Annual Report 2015.

### Forecast performance indicators Passenger Airline Group

	Values 2015	Forecast for 2016
<b>Number of flights</b>	+0.2%	+2.1%*
<b>Capacity (ASK)</b>	+2.2%	+6.0%*
<b>Sales (RPK)</b>	+2.7%	in line with capacity
<b>Passenger load factor (SLF)</b>	+0.3 pts	stable
<b>Pricing (Yields)<sup>2)</sup></b>	-3.5%	significantly negative
<b>Unit revenue (RASK)<sup>2)</sup></b>	-3.0%	significantly negative
<b>Unit costs (CASK, excluding fuel)<sup>2)</sup></b>	+2.4%	negative

\* Forecast has been adjusted compared with the Annual Report 2015.

<sup>1)</sup> At constant currency.

## Consolidated income statement

January– March 2016

in €m	Jan. – March 2016	Jan. – March 2015*
Traffic revenue	5,235	5,447
Other revenue	1,681	1,526
<b>Total revenue</b>	<b>6,916</b>	<b>6,973</b>
Changes in inventories and work performed by entity and capitalised	31	76
Other operating income	622	837
Cost of materials and services	–3,936	–3,977
Staff costs	–1,957	–1,922
Depreciation, amortisation and impairment	–392	–374
Other operating expenses	–1,305	–1,746
<b>Profit/loss from operating activities</b>	<b>–21</b>	<b>–133</b>
Result of equity investments accounted for using the equity method	–31	–13
Result of other equity investments	3	2
Interest income	9	94
Interest expenses	–76	–92
Other financial items	91	498
<b>Financial result</b>	<b>–4</b>	<b>489</b>
<b>Profit/loss before income taxes</b>	<b>–25</b>	<b>356</b>
Income taxes	22	75
<b>Profit/loss after income taxes</b>	<b>–3</b>	<b>431</b>
Profit/loss attributable to minority interests	–5	–6
<b>Net profit/loss attributable to shareholders of Deutsche Lufthansa AG</b>	<b>–8</b>	<b>425</b>
<b>Basic/diluted earnings per share in €</b>	<b>–0.02</b>	<b>0.92</b>

\* Previous year's figures have been adjusted.

## Statement of comprehensive income

January– March 2016

in €m	Jan. – March 2016	Jan. – March 2015
<b>Profit/loss after income taxes</b>	<b>–3</b>	<b>431</b>
<b>Other comprehensive income</b>		
<b>Other comprehensive income with subsequent reclassification to the income statement</b>		
Differences from currency translation	–54	333
Subsequent measurement of available-for-sale financial assets	1	–520
Subsequent measurement of cash flow hedges	48	527
Other comprehensive income from investments accounted for using the equity method	–3	–
Other expenses and income recognised directly in equity	–2	7
Income taxes on items in other comprehensive income	–5	–129
<b>Other comprehensive income without subsequent reclassification to the income statement</b>		
Revaluation of defined-benefit pension plans	–1,355	–2,877
Revaluation of defined-benefit pension plans with groups of disposal	–	–19
Income taxes on items in other comprehensive income	351	800
<b>Other comprehensive income after income taxes</b>	<b>–1,019</b>	<b>–1,878</b>
<b>Total comprehensive income</b>	<b>–1,022</b>	<b>–1,447</b>
Comprehensive income attributable to minority interests	–3	–13
<b>Comprehensive income attributable to shareholders of Deutsche Lufthansa AG</b>	<b>–1,025</b>	<b>–1,460</b>

## Consolidated balance sheet

as of 31 March 2016

<b>Assets</b>			
in €m	<b>31.3.2016</b>	31.12.2015	31.3.2015
Intangible assets with an indefinite useful life*	1,255	1,235	1,261
Other intangible assets	438	422	409
Aircraft and reserve engines	14,697	14,591	14,321
Repairable spare parts for aircraft	1,367	1,388	1,192
Property, plant and other equipment	2,191	2,173	2,153
Investments accounted for using the equity method	502	520	469
Other equity investments	181	201	165
Non-current securities	14	15	20
Loans and receivables	506	516	519
Derivative financial instruments	1,112	1,234	1,486
Deferred charges and prepaid expenses	15	12	12
Effective income tax receivables	19	19	32
Deferred tax assets	1,602	1,200	2,278
<b>Non-current assets</b>	<b>23,899</b>	<b>23,526</b>	<b>24,317</b>
Inventories	750	761	709
Trade receivables and other receivables	4,732	4,389	4,843
Derivative financial instruments	293	440	801
Deferred charges and prepaid expenses	184	158	163
Effective income tax receivables	61	85	107
Securities	2,179	1,994	2,216
Cash and cash equivalents	1,208	1,099	917
Assets held for sale	5	10	92
<b>Current assets</b>	<b>9,412</b>	<b>8,936</b>	<b>9,848</b>
<b>Total assets</b>	<b>33,311</b>	<b>32,462</b>	<b>34,165</b>

\* Including goodwill.

Shareholders' equity and liabilities			
in €m	31.3.2016	31.12.2015	31.3.2015
Issued capital	1,189	1,189	1,185
Capital reserve	187	187	170
Retained earnings	2,306	1,612	-804
Other neutral reserves	1,069	1,082	1,532
Net profit/loss	-8	1,698	425
<b>Equity attributable to shareholders of Deutsche Lufthansa AG</b>	<b>4,743</b>	<b>5,768</b>	<b>2,508</b>
Minority interests	76	77	71
<b>Shareholders' equity</b>	<b>4,819</b>	<b>5,845</b>	<b>2,579</b>
Pension provisions	8,076	6,626	10,211
Other provisions	508	526	621
Borrowings	4,784	5,031	5,347
Other financial liabilities	124	121	125
Advance payments received, deferred income and other non-financial liabilities	1,211	1,223	1,195
Derivative financial instruments	239	307	388
Deferred tax liabilities	357	346	288
<b>Non-current provisions and liabilities</b>	<b>15,299</b>	<b>14,180</b>	<b>18,175</b>
Other provisions	1,011	1,075	1,063
Borrowings	1,296	1,339	627
Trade payables and other financial liabilities	4,852	4,847	5,043
Liabilities from unused flight documents	4,020	2,901	4,209
Advance payments received, deferred income and other non-financial liabilities	946	918	1,022
Derivative financial instruments	957	1,221	1,197
Effective income tax obligations	111	136	190
Liabilities related to assets held for sale	-	-	60
<b>Current provisions and liabilities</b>	<b>13,193</b>	<b>12,437</b>	<b>13,411</b>
<b>Total shareholders' equity and liabilities</b>	<b>33,311</b>	<b>32,462</b>	<b>34,165</b>

## Consolidated statement of changes in shareholders' equity

as of 31 March 2016

	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 31.12.2014</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	–	–	–	–	–	–	–	–	–	–	–4	–4
Transactions with minority interests	–	–	–	–	–	–	–	–	–	–	–1	–1
Consolidated net profit/loss attributable to Lufthansa shareholders/ minority interests	–	–	–	–	–	–	–	–	425	425	6	431
Other expenses and income recognised directly in equity	–	–	–122	333	–	–	211	–2,096	–	–1,885	7	–1,878
<b>As of 31.3.2015</b>	<b>1,185</b>	<b>170</b>	<b>285</b>	<b>697</b>	<b>236</b>	<b>314</b>	<b>1,532</b>	<b>–804</b>	<b>425</b>	<b>2,508</b>	<b>71</b>	<b>2,579</b>
<b>As of 31.12.2015</b>	<b>1,189</b>	<b>187</b>	<b>–76</b>	<b>604</b>	<b>236</b>	<b>318</b>	<b>1,082</b>	<b>1,612</b>	<b>1,698</b>	<b>5,768</b>	<b>77</b>	<b>5,845</b>
Capital increases/reductions	–	–	–	–	–	–	–	–	–	–	1	1
Reclassifications	–	–	–	–	–	–	–	1,698	–1,698	–	–	–
Dividends to Lufthansa shareholders/ minority interests	–	–	–	–	–	–	–	–	–	–	–5	–5
Transactions with minority interests	–	–	–	–	–	–	–	–	–	–	–	–
Consolidated net profit/loss attributable to Lufthansa shareholders/ minority interests	–	–	–	–	–	–	–	–	–8	–8	5	–3
Other expenses and income recognised directly in equity	–	–	44	–54	–	–3	–13	–1,004	–	–1,017	–2	–1,019
<b>As of 31.3.2016</b>	<b>1,189</b>	<b>187</b>	<b>–32</b>	<b>550</b>	<b>236</b>	<b>315</b>	<b>1,069</b>	<b>2,306</b>	<b>–8</b>	<b>4,743</b>	<b>76</b>	<b>4,819</b>



## Interim financial statements

Consolidated statement of changes  
in shareholders' equity  
Consolidated cash flow statement

# Consolidated cash flow statement

January – March 2016

in €m	Jan. – March 2016	Jan. – March 2015
<b>Cash and cash equivalents 1.1.</b>	<b>996</b>	<b>828</b>
Net profit/loss before income taxes	–25	356
Depreciation, amortisation and impairment losses on non-current assets (net of reversals)	392	373
Depreciation, amortisation and impairment losses on current assets (net of reversals)	25	22
Net proceeds on disposal of non-current assets	–5	–22
Result of equity investments	28	11
Net interest	67	–2
Income tax payments/reimbursements	–15	–65
Significant non-cash-relevant expenses/income	–123	–391
Change in trade working capital	740	994
Change in other assets/shareholders' equity and liabilities	18	118
<b>Cash flow from operating activities</b>	<b>1,102</b>	<b>1,394</b>
Capital expenditure for property, plant and equipment and intangible assets	–637	–776
Capital expenditure for financial investments	–1	–39
Additions/loss to repairable spare parts for aircraft	–8	–108
Proceeds from disposal of non-consolidated equity investments	0*	0*
Proceeds from disposal of consolidated equity investments	0*	–90
Cash outflows for acquisitions of non-consolidated equity investments	–2	–
Cash outflows for acquisitions of consolidated equity investments	–	–
Proceeds from disposal of intangible assets, property, plant and equipment and other financial investments	64	21
Interest income	57	124
Dividends received	3	6
<b>Net cash from / used in investing activities</b>	<b>–524</b>	<b>–862</b>
Purchase of securities/fund investments	–276	–406
Disposal of securities/fund investments	68	28
<b>Net cash from / used in investing and cash management activities</b>	<b>–732</b>	<b>–1,240</b>
Capital increase	–	–
Transactions by minority interests	1	–
Non-current borrowing	5	182
Repayment of non-current borrowing	–204	–318
Dividends paid	–5	–4
Interest paid	–57	–58
<b>Net cash from / used in financing activities</b>	<b>–260</b>	<b>–198</b>
<b>Net increase / decrease in cash and cash equivalents</b>	<b>110</b>	<b>–44</b>
Changes due to currency translation differences	–10	41
<b>Cash and cash equivalents 31.3.<sup>1)</sup></b>	<b>1,096</b>	<b>825</b>
Securities	2,179	2,216
<b>Liquidity</b>	<b>3,275</b>	<b>3,041</b>
Net increase / decrease in total liquidity	285	428

\* Rounded below EUR 1m.

<sup>1)</sup> Excluding fixed-term deposits with terms of three to twelve months (2016: EUR 112m, 2015: EUR 92m).

# 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 31 March 2016 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 2016 have been applied. The interim financial statements as of 31 March 2016 have been prepared using the same accounting policies as those on which the preceding consolidated financial statements as of 31 December 2015 were based. The standards and interpretations mandatory for the first time as of 1 January 2016 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 1.4.2015 to 31.3.2016

Name, registered office	Additions	Disposals	Reason
<b>Passenger Airline Group segment</b>			
Eurowings Aviation GmbH, Cologne	17.7.15		Established
Eurowings Europe GmbH, Vienna Airport, Austria	3.9.15		Established
LHAMIP LIMITED, Dublin, Ireland	1.12.15		Consolidated for the first time
ORIX Himalia Corporation Ltd., Tokyo, Japan	15.12.15		Established
ORIX Miranda Corporation Ltd., Tokyo, Japan	15.12.15		Established
Yamasa Aircraft LH12 Kumiai Ltd., Okayama, Japan	15.12.15		Established
LHAMIW LIMITED, Dublin, Ireland	1.2.16		Consolidated for the first time
Lufthansa Asset Management Leasing GmbH, Frankfurt/Main	10.3.16		Established
Tyrolean Airways Tiroler Luftfahrt GmbH, Innsbruck, Austria		1.4.15	Merger
ULH Altair Ltd., Tokyo, Japan		25.6.15	Liquidation
TraviAustria GmbH, Vienna, Austria		22.10.15	Sale
Lufthansa Leasing Austria GmbH & Co. OG Nr. 9, Salzburg, Austria		14.11.15	Merger
Lufthansa Leasing Austria GmbH & Co. OG Nr. 1, Salzburg, Austria		1.12.15	Merger
Raffles Leasing Ltd., Hamilton, Bermuda		30.12.15	Liquidation
Syracuse Ltd., Hamilton, Bermuda		30.12.15	Liquidation
<b>Logistics segment</b>			
LHAMIC LIMITED, Dublin, Ireland	31.7.15		Consolidated for the first time
Lufthansa Leasing GmbH & Co. Echo-Zulu oHG, Grünwald		28.12.15	Merger
<b>Catering segment</b>			
Retail inMotion Limited, Dublin, Ireland	5.2.16		Acquisition of shares
MIM IFE Limited, Dublin, Ireland	5.2.16		Acquisition
Material Marketing Solutions Limited, West Drayton, UK		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>			
LHAMIH LIMITED, Dublin, Ireland	31.7.15		Consolidated for the first time
INF Services GmbH & Co. KG, Kelsterbach		1.4.15	Sale

There have been no significant changes to the group of consolidated companies since this time last year. The individual changes compared with year-end 2015 and 31 March 2015 are shown in the table on p. 16. These changes had no significant effect on the consolidated balance sheet and income statement in comparison with the same period last year.

As part of the strategic reorganisation of the Group, Eurowings will report separately as an independent business entity within the Passenger Airline Group as of the financial year 2016. The previous year's figures – including for Lufthansa Passenger Airlines – have been adjusted accordingly.

In the course of revising the definition of other revenue in flight operations, certain other revenue that is closely related to flight services has been reclassified within revenue from other revenue to traffic revenue as of 1 January 2016. The previous year's figures, including the information on yields, have been adjusted accordingly; traffic revenue for the first quarter of 2015 was shown EUR 28m higher and other revenue as EUR 28m lower.

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

<b>Assets held for sale</b>			
in €m	31.3.2016	31.12.2015	31.3.2015
<b>Assets</b>			
Aircraft and reserve engines	–	5	42
Financial assets	–	–	–
Other assets	5	5	50
<b>Equity / liabilities associated with assets held for sale</b>			
Equity	–	–	–
Liabilities	–	–	60

Detailed comments on the income statement, the balance sheet, the cash flow statement and the segment reporting can also be found in the interim Group management report on p. 1–10.

## 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	31.3.2016	31.12.2015
From guarantees, bills of exchange and cheque guarantees	832	843
From warranty contracts	704	872
From providing collateral for third-party liabilities	41	47
	<b>1,577</b>	<b>1,762</b>

Provisions 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 52m (as of 31.12.15: EUR 51m).

At the end of March 2016, there were order commitments of EUR 15.8bn for capital expenditure on property, plant and equipment and intangible assets. As of 31 December 2015, the order commitments came to EUR 16.5bn.

## Deutsche Lufthansa AG secures long-term funding

- Two borrower's note loans issued on 6 April for a total of EUR 475m; maturities of four and five-and-a-half years

## 5) Financial instruments and financial liabilities

### Financial instruments

The following tables show 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 31.3.2016

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	-	241	-	241
<b>Total financial assets through profit and loss</b>	-	<b>241</b>	-	<b>241</b>
<b>Derivative financial instruments which are an effective part of a hedging relationship</b>	-	<b>1,164</b>	-	<b>1,164</b>
<b>Available-for-sale financial assets</b>				
Equity instruments	231	89	24	344
Debt instruments	-	1,866	-	1,866
<b>Total available-for-sale financial assets</b>	<b>231</b>	<b>1,955</b>	<b>24</b>	<b>2,210</b>
<b>Total assets</b>	<b>231</b>	<b>3,360</b>	<b>24</b>	<b>3,615</b>

### Liabilities 31.3.2016

in €m	Level 1	Level 2	Level 3	Total
Derivative financial instruments at fair value through profit or loss	-	74	-	74
Derivative financial instruments which are an effective part of a hedging relationship	-	1,122	-	1,122
<b>Total liabilities</b>	-	<b>1,196</b>	-	<b>1,196</b>

As of 31 December 2015, the fair value hierarchy for assets and liabilities held at fair value was as follows:

### Assets 31.12.2015

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	-	259	-	259
<b>Total financial assets through profit and loss</b>	-	<b>259</b>	-	<b>259</b>
<b>Derivative financial instruments which are an effective part of a hedging relationship</b>	-	<b>1,415</b>	-	<b>1,415</b>
<b>Available-for-sale financial assets</b>				
Equity instruments	238	51	24	313
Debt instruments	-	1,714	-	1,714
<b>Total available-for-sale financial assets</b>	<b>238</b>	<b>1,765</b>	<b>24</b>	<b>2,027</b>
<b>Total assets</b>	<b>238</b>	<b>3,439</b>	<b>24</b>	<b>3,701</b>

### Liabilities 31.12.2015

in €m	Level 1	Level 2	Level 3	Total
Derivative financial instruments at fair value through profit or loss	-	85	-	85
Derivative financial instruments which are an effective part of a hedging relationship	-	1,443	-	1,443
<b>Total liabilities</b>	-	<b>1,528</b>	-	<b>1,528</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 financial liability 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	31.3.2016		31.12.2015	
	Carrying amount	Market value	Carrying amount	Market value
Bonds	1,759	1,793	1,749	1,789
Liabilities to banks	1,054	1,071	1,079	1,095
Leasing liabilities and other loans	3,267	3,414	3,542	3,663
	<b>6,080</b>	<b>6,278</b>	<b>6,370</b>	<b>6,547</b>

### 6) Earnings per share

		31.3.2016	31.3.2015
<b>Basic earnings per share</b>	€	<b>-0.02</b>	<b>0.92</b>
Consolidated net profit/loss	€m	-8	425
Weighted average number of shares		462,772,161	462,772,266
<b>Diluted earnings per share</b>	€	<b>-0.02</b>	<b>0.92</b>
Consolidated net profit/loss	€m	-8	425
Weighted average number of shares		462,772,161	462,772,266

### 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.

A resolution passed at the Annual General Meeting authorised the Executive Board pursuant to Section 71 Paragraph 1 No. 8 Stock Corporation Act (AktG) to purchase treasury shares until 29 April 2019. The authorisation is limited to 10 per cent of current issued capital. According to the resolution of the Annual General Meeting held on 29 April 2015, the Executive Board is also authorised to purchase treasury shares by means of derivatives and to conclude corresponding derivative transactions.

## 8) Segment reporting

### Segment information by operating segment January – March 2016

	Passenger Airline Group	Logistics	MRO	Catering	Total reportable operating segments	Other	Reconciliation	Group
in €m								
External revenue	4,921	473	884	573	6,851	65	–	6,916
of which traffic revenue	4,673	461	–	–	5,134	–	101	5,235
Inter-segment revenue	151	7	406	146	710	39	–749	–
<b>Total revenue</b>	<b>5,072</b>	<b>480</b>	<b>1,290</b>	<b>719</b>	<b>7,561</b>	<b>104</b>	<b>–749</b>	<b>6,916</b>
Other operating income	318	13	46	21	398	441	–186	653
<b>Total operating income</b>	<b>5,390</b>	<b>493</b>	<b>1,336</b>	<b>740</b>	<b>7,959</b>	<b>545</b>	<b>–935</b>	<b>7,569</b>
<b>Operating expenses</b>	<b>5,417</b>	<b>519</b>	<b>1,252</b>	<b>740</b>	<b>7,928</b>	<b>583</b>	<b>–921</b>	<b>7,590</b>
of which cost of materials and services	3,238	330	717	308	4,593	44	–701	3,936
of which staff costs	1,117	101	322	289	1,829	131	–3	1,957
of which depreciation and amortisation	320	21	26	18	385	8	–1	392
of which other operating expenses	742	67	187	125	1,121	400	–216	1,305
<b>Results of equity investments</b>	<b>–38</b>	<b>7</b>	<b>3</b>	<b>0</b>	<b>–28</b>	<b>1</b>	<b>–1</b>	<b>–28</b>
of which result of investments accounted for using the equity method	–38	6	3	–1	–30	–	–1	–31
<b>EBIT</b>	<b>–65</b>	<b>–19</b>	<b>87</b>	<b>0</b>	<b>3</b>	<b>–37</b>	<b>–15</b>	<b>–49</b>
<b>of which reconciliation items</b>								
Impairment losses / gains	–	–	–	–	–	–	–1	–1
Past service costs / settlement	–	–	–	–	–	–	–	–
Results of disposal of assets	2	0*	0*	4	6	0*	–1	5
<b>Adjusted EBIT<sup>1)</sup></b>	<b>–67</b>	<b>–19</b>	<b>87</b>	<b>–4</b>	<b>–3</b>	<b>–37</b>	<b>–13</b>	<b>–53</b>
Total adjustments								4
Other financial result								24
Profit/loss before income taxes								–25
Capital employed <sup>2)</sup>	11,449	733	3,449	1,325	16,956	1,340	136	18,432
of which from investments accounted for using the equity method	114	60	205	117	496	6	–	502
Segment capital expenditure <sup>3)</sup>	585	6	35	13	639	5	–4	640
of which from investments accounted for using the equity method	–	–	–	–	–	–	–	–
Number of employees at end of period	55,765	4,543	20,574	35,120	116,002	5,892	–	121,894

\* Rounded below EUR 1m.

<sup>1)</sup> For detailed reconciliation from EBIT to Adjusted EBIT, please see page 3 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 – March 2015

in €m	Passenger Airline Group	Logistics	MRO	Catering	Total reportable operating segments	Other	Reconciliation	Group
External revenue	4,996	607	768	534	6,905	68	–	6,973
of which traffic revenue <sup>4)</sup>	4,739	593	–	–	5,332	–	115	5,447
Inter-segment revenue	161	7	481	138	787	84	–871	–
<b>Total revenue</b>	<b>5,157</b>	<b>614</b>	<b>1,249</b>	<b>672</b>	<b>7,692</b>	<b>152</b>	<b>–871</b>	<b>6,973</b>
Other operating income	451	33	81	23	588	624	–299	913
<b>Total operating income</b>	<b>5,608</b>	<b>647</b>	<b>1,330</b>	<b>695</b>	<b>8,280</b>	<b>776</b>	<b>–1,170</b>	<b>7,886</b>
<b>Operating expenses</b>	<b>5,843</b>	<b>600</b>	<b>1,225</b>	<b>693</b>	<b>8,361</b>	<b>860</b>	<b>–1,202</b>	<b>8,019</b>
of which cost of materials and services	3,432	386	627	290	4,735	47	–805	3,977
of which staff costs	1,094	103	324	265	1,786	137	–1	1,922
of which depreciation and amortisation	306	18	25	16	365	9	–	374
of which other operating expenses	1,011	93	249	122	1,475	667	–396	1,746
<b>Results of equity investments</b>	<b>–18</b>	<b>5</b>	<b>1</b>	<b>–3</b>	<b>–15</b>	<b>3</b>	<b>1</b>	<b>–11</b>
of which result of investments accounted for using the equity method	–17	5	1	–3	–14	0	1	–13
<b>EBIT</b>	<b>–253</b>	<b>52</b>	<b>106</b>	<b>–1</b>	<b>–96</b>	<b>–81</b>	<b>33</b>	<b>–144</b>
<b>of which reconciliation items</b>								
Impairment losses / gains	1	–	–	2	3	–3	1	1
Past service costs / settlement	–	–	–	–	–	–	–	–
Results of disposal of assets	0*	0*	0*	0*	0*	15	7	22
<b>Adjusted EBIT<sup>1)</sup></b>	<b>–254</b>	<b>52</b>	<b>106</b>	<b>–3</b>	<b>–99</b>	<b>–93</b>	<b>25</b>	<b>–167</b>
Total adjustments								23
Other financial result								500
Profit/loss before income taxes								356
Capital employed <sup>2)</sup>	10,103	1,219	3,107	1,348	15,777	1,042	–1,961	14,858
of which from investments accounted for using the equity method	74	60	202	127	463	6	0	469
Segment capital expenditure <sup>3) 4)</sup>	717	65	19	15	816	5	–6	815
of which from investments accounted for using the equity method	–	–	–	–	–	–	–	–
Number of employees at end of period	55,154	4,665	19,972	32,490	112,281	6,288	–	118,569

\* Rounded below EUR 1m.

<sup>1)</sup> For detailed reconciliation from EBIT to Adjusted EBIT, please see page 3 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.

<sup>4)</sup> Previous year's figures have been adjusted.

### Figures by region January – March 2016

in €m	Europe	thereof Germany	North America	thereof USA	Central and South America	Asia/Pacific	Middle East	Africa	Total
Traffic revenue*	3,531	1,636	792	722	131	553	141	87	5,235
Other operating revenue	648	218	480	363	72	329	86	66	1,681
<b>Total revenue</b>	<b>4,179</b>	<b>1,854</b>	<b>1,272</b>	<b>1,085</b>	<b>203</b>	<b>882</b>	<b>227</b>	<b>153</b>	<b>6,916</b>

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

### Figures by region January – March 2015<sup>1)</sup>

in €m	Europe	thereof Germany	North America	thereof USA	Central and South America	Asia/Pacific	Middle East	Africa	Total
Traffic revenue <sup>2)</sup>	3,581	1,613	807	733	187	631	158	83	5,447
Other operating revenue	601	253	386	296	78	305	80	76	1,526
<b>Total revenue</b>	<b>4,182</b>	<b>1,866</b>	<b>1,193</b>	<b>1,029</b>	<b>265</b>	<b>936</b>	<b>238</b>	<b>159</b>	<b>6,973</b>

<sup>1)</sup> Previous year's figures have been adjusted.

<sup>2)</sup> Traffic revenue is allocated according to the original location of sale.

### 9) Related party disclosures

As stated in "Note 44" to the consolidated financial statements from p. 179 in the Annual Report 2015, 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. 96 and in "Note 45" from p. 181 of the 2015 consolidated financial statements also still exist unchanged, but are not of material significance for the Group.

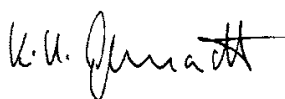
### Declaration by the legal representatives

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, 2 May 2016



Carsten Spohr  
Chairman of the  
Executive Board and CEO



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



Harry Hohmeister  
Member of the Executive Board  
Hub Management



Simone Menne  
Member of the Executive Board  
and Chief Financial Officer



Dr Bettina Volkens  
Member of the Executive Board  
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

### Editorial staff

Andreas Hagenbring (Editor)  
Anne Katrin Brodowski  
Patrick Winter

### Concept, design and realisation

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

ISSN 1616-0258

## Contact

### Andreas Hagenbring

+49 69 696–28001

### Frédéric Depeille

+49 69 696–28013

### Patricia Minogue

+49 69 696–28003

Deutsche Lufthansa AG  
Investor Relations  
LAC, Airportring  
60546 Frankfurt am Main  
Germany  
Phone: +49 69 696–28001  
Fax: +49 69 696–90990  
E-Mail: [investor.relations@dlh.de](mailto:investor.relations@dlh.de)

The Lufthansa 1st Interim Report is a translation of the original German Lufthansa Zwischenbericht 1/2016. Please note that only the German version is legally binding.

You can order the Annual Report in German or English via our website – [www.lufthansagroup.com/investor-relations](http://www.lufthansagroup.com/investor-relations) – or from the address above.

The latest financial information on the internet:  
[www.lufthansagroup.com/investor-relations](http://www.lufthansagroup.com/investor-relations)

## Financial calendar 2016/2017

### 2016

- 2 Aug.** Release of Interim Report  
January – June 2016
- 2 Nov.** Release of Interim Report  
January – September 2016

### 2017

- 16 March** Release of Annual Report 2016
- 27 April** Release of Interim Report January – March 2017
- 5 May** Annual General Meeting in Hamburg
- 2 Aug.** Release of Interim Report January – June 2017
- 25 Oct.** Release of Interim Report  
January – September 2017

### Disclaimer in respect of forward-looking statements

Information published in the 1st Interim Report 2016, with regard to the future development of the Lufthansa Group and its subsidiaries consists purely of forecasts and assessments and not of definitive facts. Its purpose is exclusively informational, and can be identified by the use of such cautionary terms as “believe”, “expect”, “forecast”, “intend”, “project”, “plan”, “estimate”, “anticipate”, “can”, “could”, “should” or “endeavour”. These forward-looking statements are based on discernible information, facts and expectations available at the time that the statements were made. They are therefore subject to a number of risks, uncertainties and factors, including, but not limited to, those described in disclosures, in particular in the Opportunities and risk report in the Annual Report. Should one or more of these risks occur, or should the underlying expectations or assumptions fail to materialise, this could have a significant effect (either positive or negative) on the actual results.

It is possible that the Group’s actual results and development may differ materially from the results forecast in the forward-looking statements. Lufthansa does not assume any obligation, nor does it intend, to adapt forward-looking statements to accommodate events or developments that may occur at some later date. Accordingly, it neither expressly nor conclusively accepts liability, nor gives any guarantee, for the actuality, accuracy and completeness of this data and information.

