



## 1ST INTERIM REPORT **January – March 2018**

Adjusted EBIT improves slightly year on year to EUR 26m | Network Airlines and Lufthansa Cargo with significant margin improvements | Lufthansa German Airlines achieves its best first-quarter margin in ten years | SWISS posts new record result | Eurowings Group result burdened by one-off integration costs | Unit revenues increase, unit costs further decrease | Full-year earnings guidance confirmed



# Lufthansa Group

## KEY FIGURES LUFTHANSA GROUP

|  |           | Jan. – March<br>2018 | Jan. – March<br>2017 | Change<br>in % |
|--|-----------|----------------------|----------------------|----------------|
| <b>Revenue and result</b>                                |           |                      |                      |                |
| Total revenue  | €m        | 7,640                | 7,691                | -0.7           |
| of which traffic revenue                                 | €m        | 5,785                | 5,808                | -0.4           |
| Adjusted EBITDA  | €m        | 471                  | 446                  | 5.6            |
| Adjusted EBIT  | €m        | 26                   | 25                   | 4.0            |
| EBIT   | €m        | 27                   | 16                   | 68.8           |
| Net profit/loss  | €m        | -57                  | -68                  | 16.2           |
| <b>Key balance sheet and cash flow statement figures</b> |           |                      |                      |                |
| Total assets   | €m        | 38,308               | 37,946               | 1.0            |
| Equity ratio   | %         | 22.5                 | 17.9                 | 4.6 pts        |
| Net indebtedness   | €m        | 2,090                | 1,925                | 8.6            |
| Pension provisions                                       | €m        | 5,541                | 8,656                | -36.0          |
| Cash flow from operating activities                      | €m        | 1,625                | 1,648                | -1.4           |
| Capital expenditure (gross) <sup>1)</sup>                | €m        | 714                  | 755                  | -5.4           |
| Free cash flow   | €m        | 790                  | 1,094                | -27.8          |
| <b>Key profitability and value creation figures</b>      |           |                      |                      |                |
| Adjusted EBITDA margin                                   | %         | 6.2                  | 5.8                  | 0.4 pts        |
| Adjusted EBIT margin                                     | %         | 0.3                  | 0.3                  | 0.0 pts        |
| EBIT margin  | %         | 0.4                  | 0.2                  | 0.2 pts        |
| <b>Lufthansa share</b>                                   |           |                      |                      |                |
| Share price at the quarter-end                           | €         | 25.94                | 15.20                | 70.7           |
| Earnings per share                                       | €         | -0.12                | -0.15                | 20.0           |
| <b>Traffic figures<sup>2)</sup></b>                      |           |                      |                      |                |
| Flights  | number    | 267,857              | 246,864              | 8.5            |
| Passengers   | thousands | 28,571               | 25,255               | 13.1           |
| Available seat-kilometres                                | millions  | 74,771               | 68,874               | 8.6            |
| Revenue seat-kilometres                                  | millions  | 58,184               | 52,444               | 10.9           |
| Passenger load factor                                    | %         | 77.8                 | 76.1                 | 1.7 pts        |
| Available cargo tonne-kilometres                         | millions  | 3,767                | 3,558                | 5.9            |
| Revenue cargo tonne-kilometres                           | millions  | 2,621                | 2,499                | 4.9            |
| Cargo load factor  | %         | 69.6                 | 70.2                 | -0.7 pts       |
| <b>Employees</b>   |           |                      |                      |                |
| Employees as of 31.3.                                    | number    | 132,620              | 128,541              | 3.2            |

<sup>1)</sup> Without acquisition of equity investments.

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

Date of publication: 26 April 2018.

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## Course of business

### Lufthansa Group reports solid performance in first quarter of financial year

- Revenue down by 0.7 per cent to EUR 7.6bn due to effects of first-time application of IFRS 15 (Revenue from Contracts with Customers); revenue up by 4.5 per cent on previous year excluding IFRS 15 effects
- Adjusted EBIT up by 4.0 per cent to EUR 26m; EBIT up by 68.8 per cent to EUR 27m
- Positive earnings performance in the segments Network Airlines, Logistics and Catering
- Cash flow from operating activities down by 1.4 per cent to EUR 1,625m; gross capital expenditure (without acquisition of equity investments) down by 5.4 per cent to EUR 714m
- Net debt down on year-end 2017 by 27.5 per cent to EUR 2.1bn

## Significant events

### Lufthansa Group acquires Luftfahrtgesellschaft Walter

- Lufthansa Group acquired all shares in Luftfahrtgesellschaft Walter as of 9 January 2018
- Acquisition based on the agreement signed by Lufthansa Group and Air Berlin group on 13 October 2017
- The purchase price amounts to EUR 24m

### Lufthansa Group and ver.di conclude long-term tariff agreement

- On 7 February 2018, Lufthansa Group and ver.di concluded long-term tariff agreements from 1 January 2018 to 30 September 2020 for the around 28,000 ground staff employed by Lufthansa German Airlines, Lufthansa Cargo, Lufthansa Technik and the LSG group in Germany
- Wage agreement prescribes a total increase in remuneration of 4.9 to 6.1 per cent over the full term; increase depends on Adjusted EBIT margin in the individual segments

### Carsten Spohr confirmed as Chairman of the Executive Board and CEO for another five years

- Supervisory Board of Deutsche Lufthansa AG appointed Carsten Spohr on 14 March 2018 as Chairman of the Executive Board and CEO for five more years until year-end 2023

## Financial performance

- First-time application of the accounting standard IFRS 15 (Revenue from Contracts with Customers) leads to significant changes in the presentation of individual income and expense items in the segments Network Airlines and Eurowings Group; previous year's figures were not adjusted

## EARNINGS POSITION

### REVENUE, INCOME AND EXPENSES

|  | Jan. - March<br>2018<br>in €m | Jan. - March<br>2017<br>in €m | Change<br>in % |
|--|-------------------------------|-------------------------------|----------------|
| Traffic revenue                        | 5,785                         | 5,808                         | -0.4           |
| Other revenue                          | 1,855                         | 1,883                         | -1.5           |
| <b>Total revenue</b>                   | <b>7,640</b>                  | <b>7,691</b>                  | <b>-0.7</b>    |
| Other operating income <sup>1)</sup>   | 400                           | 536                           | -25.4          |
| <b>Total operating income</b>          | <b>8,040</b>                  | <b>8,227</b>                  | <b>-2.3</b>    |
| Cost of materials and services         | 4,083                         | 4,386                         | -6.9           |
| of which fuel                          | 1,221                         | 1,210                         | 0.9            |
| of which fees and charges              | 1,022                         | 1,396                         | -26.8          |
| of which operating lease/charter       | 184                           | 131                           | 40.5           |
| of which external services MRO         | 409                           | 397                           | 3.0            |
| Staff costs <sup>2)</sup>              | 2,104                         | 2,049                         | 2.7            |
| Depreciation <sup>3)</sup>             | 445                           | 421                           | 5.7            |
| Other operating expenses <sup>1)</sup> | 1,385                         | 1,352                         | 2.4            |
| <b>Total operating expenses</b>        | <b>8,017</b>                  | <b>8,208</b>                  | <b>-2.3</b>    |
| Result from equity investments         | 3                             | 6                             | -50.0          |
| <b>Adjusted EBIT</b>                   | <b>26</b>                     | <b>25</b>                     | <b>4.0</b>     |
| Total reconciliation EBIT              | 1                             | -9                            | -111.1         |
| <b>EBIT</b>                            | <b>27</b>                     | <b>16</b>                     | <b>68.8</b>    |

<sup>1)</sup> Without write-backs from fixed assets and book gains/losses.

<sup>2)</sup> Without past service cost/settlements.

<sup>3)</sup> Without impairment loss.

### Revenue and operating income increase excluding IFRS 15 effects

- First-time application of IFRS 15 results in netting of EUR 482m in traffic revenue and passenger-related airport fees previously shown in gross, and reclassification of training and travel management income of EUR 87m from other operating income to revenue

- Traffic revenue up by 7.9 per cent excluding IFRS 15 effects, mainly due to higher transport volumes at lower yields after adjustment due to exchange rate movements
- Other operating revenue declines by 6.1 per cent excluding IFRS 15 effects, mainly due to negative exchange rate effects on revenue in Aviation Services
- Revenue up by 4.5 per cent excluding IFRS 15 effects; total operating income up by 3.6 per cent excluding IFRS 15 effects
- With capacity up by 8.6 per cent, constant currency unit revenues at passenger airlines (RASK<sup>1)</sup>) up by 1.2 per cent excluding IFRS 15 effects

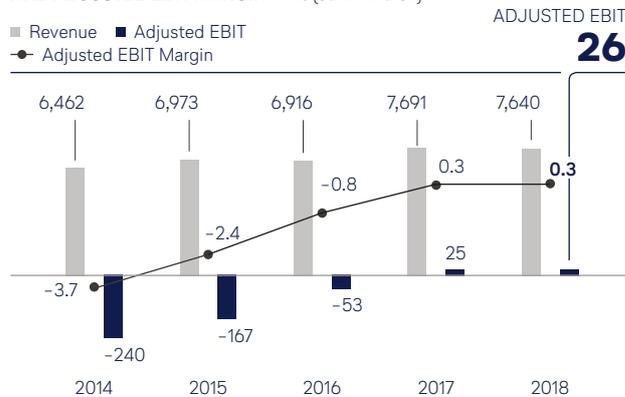
#### Operating expenses also up excluding IFRS 15 effects

- Operating expenses up by total of 3.5 per cent excluding IFRS 15 effects on fees and charges
- Fuel costs up by 0.9 per cent; higher average prices after hedging (+8.9 per cent) and higher volumes (+6.1 per cent) offset by exchange rate effects (-14.1 per cent)
- Increase in fees and charges excluding IFRS 15 effects of 7.7 per cent from higher cargo volume and higher passenger numbers
- Charter and lease expenses up by 40.5 per cent, mainly due to external capacities arising from rapid growth in the Eurowings Group
- Staff costs up by 2.7 per cent; higher number of employees (+3.2 per cent) are partly offset by opposing exchange rate movements
- Aircraft and reserve engines account for EUR 363m of depreciation and amortisation (+7.4 per cent)
- Constant currency unit costs excluding fuel for passenger airlines (CASK<sup>2)</sup>) down by 0.5 per cent excluding IFRS 15 effects

#### Earnings on previous year's level

- Volume-related revenue and expense growth results in stable Adjusted EBIT of EUR 26m (previous year: EUR 25m)
- Exchange rate gains and losses as well as changes in foreign currency effects year on year reduced Adjusted EBIT by EUR 21m.
- Adjusted EBIT margin of 0.3 per cent remains unchanged

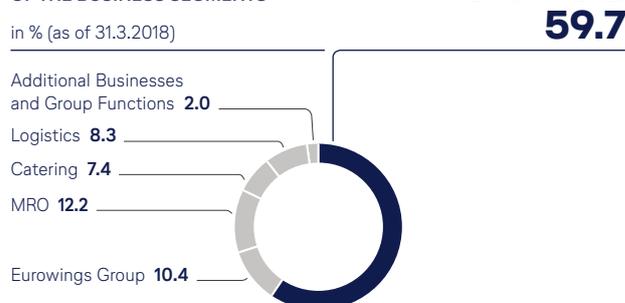
#### DEVELOPMENT REVENUE, ADJUSTED EBIT in €m (Jan. - March) AND ADJUSTED EBIT MARGIN in % (Jan. - March)



#### Net profit up on previous year

- Improved net interest of EUR -41m (EUR +36m) due to non-recurring additional interest on back payments on taxes in connection with audits in the previous year; other financial items down by EUR 31m to EUR -25m, mainly due to positive valuation effects from foreign currency based on US dollar borrowings in the previous year
- Income tax expense (EUR 10m) and earnings attributable to minority interests (EUR 8m) result in a net loss for the period of EUR 57m (previous year: loss of EUR 68m)

#### EXTERNAL REVENUE SHARE OF THE BUSINESS SEGMENTS



<sup>1)</sup> RASK: Total operating income (excluding reconciliation items from Adjusted EBIT), adjusted for income from the write-back of provisions and including all exchange rate gains and losses recognised in other operating income or expenses. Figures from the previous year were adjusted in accordance with the changes due to IFRS 15.

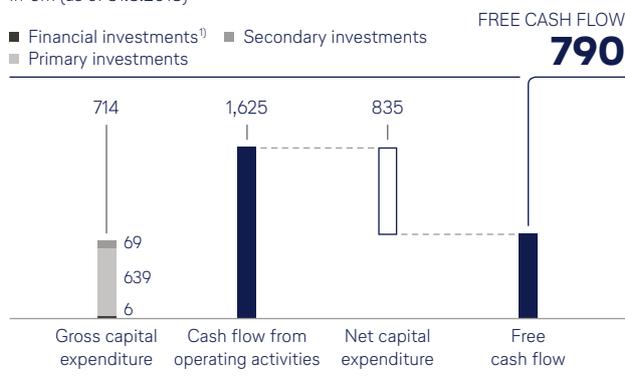
<sup>2)</sup> CASK: Total operating expenses (excluding reconciliation items within Adjusted EBIT) excluding the foreign exchange losses recognised in other operating expenses, adjusted for income from the write-back of provisions.

## FINANCIAL POSITION

- Cash flow from operating activities down by 1.4 per cent to EUR 1,625m; higher pre-tax earnings reduced mainly by cash-effective accounting changes for other assets and liabilities, such as pension provisions
- Free cash flow (cash flow from operating activities less net capital expenditure) down by 27.8 per cent to EUR 790m
- Gross capital expenditure (without acquisition of equity investments) down by EUR 41m to EUR 714m; cash outflows of EUR 19m resulted from the acquisition of equity investments, which is in contrast with the previous year by cash inflows of EUR 198m from acquired cash holdings at Brussels Airlines
- Capital expenditure on aircraft and reserve engines EUR 639m less than last year (EUR 678m); relates mainly to 15 aircraft purchases (including finance leases) and six advance payments
- Cash outflows of EUR 497m due to increase in current securities and funds (previous year: outflow of EUR 1.1bn)
- Net cash outflows from financing activities of EUR -98m mainly relate to scheduled debt repayments
- Adjusted Net Debt/Adjusted EBITDA improves on year-end 2017 by 5.2 per cent to 1.6

### CASH FLOW AND CAPITAL EXPENDITURE

in €m (as of 31.3.2018)



<sup>1)</sup> Without acquisition of equity investments.

## NET ASSETS

- Total assets increase on year-end 2017 by 5.6 per cent to EUR 38.3bn, mostly due to seasonal reasons; proportion of current assets increases to 32.9 per cent due to higher cash holdings and higher working capital
- Proportion of current debt/liabilities increases to 43.4 per cent due to reclassification effects from IFRS 15 on liabilities from customer loyalty programmes (EUR 1.2bn, from non-current to current) and from the seasonal increase in working capital items
- Net debt down on year-end 2017 by 27.5 per cent to EUR 2.1bn; Adjusted Net Debt (sum of adjusted net indebtedness<sup>1)</sup> and pension provisions) down by 4.8 per cent to EUR 7.4bn
- Increase of EUR 474m in non-current assets is mainly the result of investments in aircraft and repairable spare parts and higher deferred tax assets, particularly in connection with neutral valuation effects on pensions, market values and IFRS 15 adjustments
- Increase of EUR 1.6bn in current assets results mainly from cash (current securities and cash-in-hand up by EUR 681m to EUR 4.6bn), which increased due to positive free cash flow, and trade receivables including contract assets that rose by EUR 635m for seasonal/operating reasons
- Shareholders' equity fell on year-end 2017 by a total of 10.4 per cent to EUR 8.6bn due to neutral valuation effects on pensions (EUR 437m) and hedging transactions (EUR 147m) as well as cumulative changes of EUR 318m due to adjustment effects with the first-time application of IFRS 15 and IFRS 9 (Financial Instruments)
- Equity ratio down by 4.0 percentage points to 22.5 per cent
- Pension provisions up by 8.3 per cent to EUR 5.5bn, mainly due to fall in discount rate from 2.0 per cent to 1.9 per cent and negative changes in plan assets

<sup>1)</sup> In order to calculate net indebtedness, 50% of the hybrid bond issued in 2015 (EUR 247m) has been discounted.

- Non-current borrowing down by EUR 229m to EUR 5.9bn, mainly due to reclassifications of maturities
- Liabilities from unused flight documents up by 47.4 per cent to EUR 5.6bn for seasonal reasons
- Amendments in connection with the first-time application of IFRS 15 as of 1 January 2018 result in higher accruals/ deferrals for obligations under customer loyalty programmes and fees and charges received of EUR 413m; IFRS 15 requires separate items for contract liabilities (current/non-current; EUR 2.3bn), which were not previously shown under non-financial liabilities and received advance payments. They include obligations from customer loyalty programmes (EUR 2.1bn in total) and advance payments on contracts

**CALCULATION OF NET INDEBTEDNESS**

|  | <b>31 March<br/>2018</b><br>in €m | 31 Dec.<br>2017<br>in €m | Change<br>in % |
|--|-----------------------------------|--------------------------|----------------|
| Liabilities to banks                     | 2,032                             | 2,044                    | -0.6           |
| Bonds                                    | 1,006                             | 1,005                    | 0.1            |
| Other non-current borrowing              | 3,637                             | 3,765                    | -3.4           |
|  | <b>6,675</b>                      | <b>6,814</b>             | <b>-2.0</b>    |
| Other bank borrowing                     | 44                                | 18                       | 144.4          |
| <b>Group indebtedness</b>                | <b>6,719</b>                      | <b>6,832</b>             | <b>-1.7</b>    |
| Cash and cash equivalents                | 1,558                             | 1,397                    | 11.5           |
| Securities                               | 3,071                             | 2,551                    | 20.4           |
| <b>Net indebtedness</b>                  | <b>2,090</b>                      | <b>2,884</b>             | <b>-27.5</b>   |
| Pension provisions                       | 5,541                             | 5,116                    | 8.3            |
| <b>Net indebtedness<br/>and pensions</b> | <b>7,631</b>                      | <b>8,000</b>             | <b>-4.6</b>    |

**RECONCILIATION OF RESULTS**

| in €m  | <b>Jan. – March 2018</b> |                                 | Jan. – March 2017   |                                 |
|--|--------------------------|---------------------------------|---------------------|---------------------------------|
|  | Income<br>statement      | Reconciliation<br>Adjusted EBIT | Income<br>statement | Reconciliation<br>Adjusted EBIT |
| <b>Total revenue</b>                                       | <b>7,640</b>             | <b>-</b>                        | <b>7,691</b>        | <b>-</b>                        |
| Changes in inventories                                     | 24                       | -                               | 55                  | -                               |
| Other operating income                                     | 381                      | -                               | 506                 | -                               |
| of which book gains  | -                        | -4                              | -                   | -24                             |
| of which write-ups on capital assets                       | -                        | 0*                              | -                   | 0*                              |
| of which badwill   | -                        | 0*                              | -                   | 0*                              |
| <b>Total operating income</b>                              | <b>8,045</b>             | <b>-4</b>                       | <b>8,252</b>        | <b>-24</b>                      |
| Cost of materials and services                             | -4,083                   | -                               | -4,386              | -                               |
| Staff costs  | -2,106                   | -                               | -2,081              | -                               |
| of which past service costs/settlement                     | -                        | 2                               | -                   | 32                              |
| Depreciation   | -446                     | -                               | -422                | -                               |
| of which impairment losses                                 | -                        | 0*                              | -                   | 0*                              |
| Other operating expenses                                   | -1,386                   | -                               | -1,353              | -                               |
| of which impairment losses on assets held for sale         | -                        | 0*                              | -                   | 0*                              |
| of which expenses incurred from book losses                | -                        | 1                               | -                   | 1                               |
| <b>Total operating expenses</b>                            | <b>-8,021</b>            | <b>3</b>                        | <b>-8,242</b>       | <b>33</b>                       |
| <b>Profit/loss from operating activities</b>               | <b>24</b>                | <b>-</b>                        | <b>10</b>           | <b>-</b>                        |
| Result from equity investments                             | 3                        | -                               | 6                   | -                               |
| <b>EBIT</b>  | <b>27</b>                | <b>-</b>                        | <b>16</b>           | <b>-</b>                        |
| Total amount of reconciliation Adjusted EBIT               | -                        | -1                              | -                   | 9                               |
| <b>Adjusted EBIT</b>                                       | <b>-</b>                 | <b>26</b>                       | <b>-</b>            | <b>25</b>                       |
| Write-downs (included in profit from operating activities) | 446                      | -                               | 422                 | -                               |
| Write-downs on assets held for sale                        | -                        | -                               | 0*                  | -                               |
| <b>EBITDA</b>  | <b>473</b>               | <b>-</b>                        | <b>438</b>          | <b>-</b>                        |

\* Rounded below EUR 1m.

## Business segments

### NETWORK AIRLINES BUSINESS SEGMENT

#### KEY FIGURES NETWORK AIRLINES

|  |           | Jan. - March<br>2018 | Jan. - March<br>2017 | Change<br>in % |
|--|-----------|----------------------|----------------------|----------------|
| Revenue  | €m        | 4,728                | 4,929                | -4.1           |
| of which with<br>companies of the<br>Lufthansa Group | €m        | 166                  | 145                  | 14.5           |
| Adjusted EBITDA                                      | €m        | 417                  | 261                  | 59.8           |
| Adjusted EBIT  | €m        | 114                  | -40                  |                |
| EBIT   | €m        | 119                  | -53                  |                |
| Adjusted<br>EBIT margin                              | %         | 2.4                  | -0.8                 | 3.2 pts        |
| Segment capital<br>expenditure                       | €m        | 490                  | 564                  | -13.1          |
| Employees<br>as of 31.3.                             | number    | 51,005               | 49,294               | 3.5            |
| Passengers <sup>1)</sup>                             | thousands | 21,198               | 19,707               | 7.6            |
| Flights <sup>1)</sup>                                | number    | 197,611              | 189,411              | 4.3            |
| Available<br>seat-kilometres <sup>1)</sup>           | millions  | 61,990               | 58,949               | 5.2            |
| Revenue<br>seat-kilometres <sup>1)</sup>             | millions  | 48,202               | 45,107               | 6.9            |
| Passenger<br>load factor                             | %         | 77.8                 | 76.5                 | 1.2 pts        |
| Yields <sup>2)</sup>                                 | € cent    | 8.9                  | 9.2                  | -3.8           |
| Unit revenue<br>(RASK) <sup>2)</sup>                 | € cent    | 7.7                  | 8.0                  | -3.1           |
| Unit cost (CASK) <sup>2)</sup>                       | € cent    | 7.5                  | 8.0                  | -6.2           |

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

<sup>2)</sup> Previous year's figures including IFRS 15 effects.

- Fleet renewal continues at all airlines
- Customer services expanded further
- Traffic revenue down by 4.6 per cent to EUR 4.3bn; traffic revenue up year on year by 3.5 per cent excluding IFRS 15 effects; higher volumes (+6.9 per cent) offset by lower yields due to exchange rates
- Revenue down by 4.1 per cent to EUR 4.7bn; revenue up year on year by 3.3 per cent excluding IFRS 15 effects

- Constant currency unit revenues up by 1.5 per cent due to higher load factors and positive pricing effects
- Operating expenses amount to EUR 4.8bn; on previous year's level excluding IFRS 15 effects
- Constant currency unit costs excluding fuel down by 1.9 per cent
- Fuel costs down by 3.5 per cent to EUR 955m, despite higher average prices, after adjustment for exchange rates; MRO expenses down by 10.3 per cent to EUR 452m, mainly due to events
- Staff costs up by 1.7 per cent to EUR 990m; number of employees up by 3.5 per cent, which is partly offset by lower pension expenses due to new plans in Germany
- Adjusted EBIT improves by EUR 154m to EUR 114m; EBIT improves by EUR 172m to EUR 119m
- Adjusted EBIT margin improves by 3.2 percentage points to 2.4 per cent
- Segment capital expenditure down by 13.1 per cent to EUR 490m, which is primarily for new aircraft

### Lufthansa German Airlines



#### KEY FIGURES LUFTHANSA GERMAN AIRLINES<sup>1)</sup>

|  |           | Jan. - March<br>2018 | Jan. - March<br>2017 | Change<br>in % |
|--|-----------|----------------------|----------------------|----------------|
| Revenue                                    | €m        | 3,340                | 3,482                | -4.1           |
| Adjusted EBITDA                            | €m        | 285                  | 190                  | 50.0           |
| Adjusted EBIT                              | €m        | 83                   | -12                  |                |
| EBIT                                       | €m        | 87                   | -34                  |                |
| Employees<br>as of 31.3.                   | number    | 34,283               | 33,210               | 3.2            |
| Passengers                                 | thousands | 14,757               | 13,711               | 7.6            |
| Flights                                    | number    | 131,063              | 123,579              | 6.1            |
| Available<br>seat-kilometres <sup>2)</sup> | millions  | 43,373               | 41,238               | 5.2            |
| Revenue<br>seat-kilometres                 | millions  | 33,914               | 31,842               | 6.5            |
| Passenger<br>load factor                   | %         | 78.2                 | 77.2                 | 1.0 pts        |

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

<sup>2)</sup> Previous year's figure has been adjusted.

#### TRENDS IN TRAFFIC REGIONS

##### Network Airlines

|                        | Net traffic revenue<br>external revenue |                              | Number of<br>passengers              |                | Available<br>seat-kilometres        |                | Revenue<br>seat-kilometres          |                | Passenger<br>load factor     |                  |
|------------------------|---|------------------------------|--------------------------------------|----------------|-------------------------------------|----------------|-------------------------------------|----------------|------------------------------|------------------|
|                        | Jan. - March<br>2018<br>in €m           | Change <sup>1)</sup><br>in % | Jan. - March<br>2018<br>in thousands | Change<br>in % | Jan. - March<br>2018<br>in millions | Change<br>in % | Jan. - March<br>2018<br>in millions | Change<br>in % | Jan. - March<br>2018<br>in % | Change<br>in pts |
| Europe                 | 1,783                                   | 7.5                          | 16,154                               | 8.4            | 17,542                              | 8.1            | 12,412                              | 8.9            | 70.8                         | 0.5              |
| America                | 1,353                                   | 1.7                          | 2,330                                | 5.9            | 22,866                              | 4.0            | 18,082                              | 6.8            | 79.1                         | 2.1              |
| Asia/Pacific           | 796                                     | 0.8                          | 1,581                                | 4.9            | 15,342                              | 5.2            | 12,742                              | 5.3            | 83.1                         | 0.1              |
| Middle East/<br>Africa | 344                                     | -2.1                         | 1,133                                | 3.6            | 6,239                               | 1.6            | 4,965                               | 6.0            | 79.6                         | 3.3              |
| <b>Total</b>           | <b>4,276</b>                            | <b>3.5</b>                   | <b>21,198</b>                        | <b>7.6</b>     | <b>61,990</b>                       | <b>5.2</b>     | <b>48,202</b>                       | <b>6.9</b>     | <b>77.8</b>                  | <b>1.2</b>       |

<sup>1)</sup> IFRS 15 restatement in 2018.

- 100-year anniversary of the Lufthansa crane: new, updated brand image presented on 7 February 2018; first aircraft in new livery underway; further product and service improvements
- Seventh Airbus A350 in service in Munich
- First of a total of five A380s based in Munich

- Revenue down by 4.1 per cent to EUR 3.3bn, primarily due to application of IFRS 15; revenue was 4.0 per cent up on the year excluding IFRS 15 effects due to volumes
- Operating expenses down by 7.2 per cent to EUR 3.4bn
- Fees and charges down by 34.6 per cent to EUR 471m, particularly because of application of IFRS 15; fuel costs down by 3.5 per cent to EUR 669m
- Adjusted EBIT improves by EUR 95m to EUR 83m; EBIT improves by EUR 121m to EUR 87m

## SWISS



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

|   |           | Jan. - March 2018 | Jan. - March 2017 | Change in % |
|---|-----------|-------------------|-------------------|-------------|
| Revenue                                 | €m        | 1,061             | 1,061             | 0.0         |
| Adjusted EBITDA                         | €m        | 168               | 104               | 61.5        |
| Adjusted EBIT                           | €m        | 99                | 35                | 182.9       |
| EBIT                                    | €m        | 99                | 37                | 167.6       |
| Employees as of 31.3.                   | number    | 9,633             | 9,499             | 1.4         |
| Passengers <sup>2)</sup>                | thousands | 4,106             | 3,950             | 4.0         |
| Flights <sup>2)</sup>                   | number    | 37,370            | 38,082            | -1.9        |
| Available seat-kilometres <sup>2)</sup> | millions  | 13,478            | 12,711            | 6.0         |
| Revenue seat-kilometres <sup>2)</sup>   | millions  | 10,556            | 9,849             | 7.2         |
| Passenger load factor <sup>2)</sup>     | %         | 78.3              | 77.5              | 0.8 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.

- Last two of a total of ten Boeing 777s and two from a total of 20 Bombardier CS300s entered into service
- New first-class lounge opened at Zurich Airport
- Revenue unchanged year on year at EUR 1.1bn; revenue up by 0.8 per cent on the previous year excluding IFRS 15 effects due to exchange rates
- Operating expenses down by 5.4 per cent to EUR 1.0bn

- MRO expenses down by 36.6 per cent to EUR 45m; fees and charges down by 13.4 per cent to EUR 194m, particularly because of application of IFRS 15 and also due to exchange rates
- Adjusted EBIT up by 182.9 per cent to EUR 99m; EBIT up by 167.6 per cent to EUR 99m

## Austrian Airlines



### KEY FIGURES AUSTRIAN AIRLINES<sup>1)</sup>

|                                       |           | Jan. - March 2018 | Jan. - March 2017 | Change in % |
|---------------------------------------|-----------|-------------------|-------------------|-------------|
| Revenue                               | €m        | 396               | 440               | -10.0       |
| Adjusted EBITDA                       | €m        | -35               | -29               | -20.7       |
| Adjusted EBIT                         | €m        | -67               | -59               | -13.6       |
| EBIT                                  | €m        | -67               | -55               | -21.8       |
| Employees as of 31.3.                 | number    | 7,089             | 6,585             | 7.7         |
| Passengers                            | thousands | 2,481             | 2,189             | 13.3        |
| Flights                               | number    | 31,280            | 29,808            | 4.9         |
| Available seat-kilometres             | millions  | 5,230             | 5,087             | 2.8         |
| Revenue seat-kilometres <sup>2)</sup> | millions  | 3,800             | 3,483             | 9.1         |
| Passenger load factor                 | %         | 72.7              | 68.5              | 4.2 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 figure has been adjusted.

- Premium Economy introduced on all long-haul routes; new travel class offers additional services, more leg-room and a larger baggage allowance
- New lounges opened at Vienna Airport
- Revenue down by 10.0 per cent to EUR 396m, primarily due to application of IFRS 15; revenue 6.8 per cent up on previous year excluding IFRS 15 effects
- Operating expenses down by 8.4 per cent to EUR 482m
- Fees and charges down by 40.1 per cent to EUR 85m, mainly because of application of IFRS 15; MRO costs down by 35.0 per cent to EUR 39m
- Adjusted EBIT down by 13.6 per cent to EUR -67m; EBIT down by 21.8 per cent to EUR -67m; development mainly due to costs of staff meetings and warning strikes in March, weak demand in the Middle East and tightened competitive conditions at Vienna Airport

## EUROWINGS GROUP BUSINESS SEGMENT



### KEY FIGURES EUROWINGS GROUP

|  |           | Jan. - March 2018 | Jan. - March 2017 | Change in % |
|--|-----------|-------------------|-------------------|-------------|
| Revenue  | €m        | 793               | 683               | 16.1        |
| of which with companies of the Lufthansa Group | €m        | -2                | -                 |             |
| Adjusted EBITDA                                | €m        | -138              | -89               | -55.1       |
| Adjusted EBIT                                  | €m        | -203              | -132              | -53.8       |
| EBIT   | €m        | -204              | -133              | -53.4       |
| Adjusted EBIT margin                           | %         | -25.6             | -19.3             | -6.3 pts    |
| Segment capital expenditure                    | €m        | 177               | 121               | 46.3        |
| Employees as of 31.3.                          | number    | 9,273             | 7,048             | 31.6        |
| Passengers                                     | thousands | 7,374             | 5,548             | 32.9        |
| Flights  | number    | 67,877            | 55,169            | 23.0        |
| Available seat-kilometres                      | millions  | 12,781            | 9,925             | 28.8        |
| Revenue seat-kilometres                        | millions  | 9,982             | 7,337             | 36.0        |
| Passenger load factor                          | %         | 78.1              | 73.9              | 4.2 pts     |
| Yields <sup>1)</sup>                           | € cent    | 7.7               | 7.7               | -0.2        |
| Unit revenue (RASK) <sup>1)</sup>              | € cent    | 6.4               | 6.2               | 3.0         |
| Unit cost (CASK) <sup>1)</sup>                 | € cent    | 7.9               | 7.5               | 5.5         |

<sup>1)</sup> Previous year's figures including IFRS 15 effects.

- The segment Point-to-Point renamed as Eurowings Group to reflect its role as fastest-growing airline in the Lufthansa Group
- Expansion of fleet and route networks continues; 185 aircraft currently in service
- Significant capacity growth continues; further expansion of capacity planned for the summer flight timetable 2018
- Strongest growth in Düsseldorf, Germany's largest catchment area, with additional short- and long-haul routes

- Traffic revenue up by 15.9 per cent to EUR 764m, mainly due to volumes and despite application of IFRS 15; traffic revenue up by 34.0 per cent on previous year excluding IFRS 15 effects
- Revenue up by 16.1 per cent to EUR 793m; revenue up year on year by 33.5 per cent excluding IFRS 15 effects
- Constant currency unit revenues up by 3.5 per cent, mainly due to volumes
- Operating expenses up by 24.1 per cent to EUR 1.0bn
- Constant currency unit costs excluding fuel rose 7.6 per cent, mainly due to significant one-off expenses related to the integration of additional capacities after the insolvency of Air Berlin
- Leasing expenses up by 78.8 per cent to EUR 93m; MRO costs up by 50.7 per cent to EUR 110m
- Adjusted EBIT down by 53.8 per cent to EUR -203m; EBIT down by 53.4 per cent to EUR -204m

## LOGISTICS BUSINESS SEGMENT

### KEY FIGURES LOGISTICS

|  |          | Jan. - March 2018 | Jan. - March 2017 | Change in % |
|--|----------|-------------------|-------------------|-------------|
| Revenue  | €m       | 641               | 569               | 12.7        |
| of which with companies of the Lufthansa Group | €m       | 8                 | 7                 | 14.3        |
| Adjusted EBITDA                                | €m       | 86                | 53                | 62.3        |
| Adjusted EBIT                                  | €m       | 65                | 33                | 97.0        |
| EBIT   | €m       | 65                | 33                | 97.0        |
| Adjusted EBIT margin                           | %        | 10.1              | 5.8               | 4.3 pts     |
| Segment capital expenditure                    | €m       | 4                 | 6                 | -33.3       |
| Employees as of 31.3.                          | number   | 4,356             | 4,500             | -3.2        |
| Available cargo tonne-kilometres               | millions | 3,104             | 2,920             | 6.3         |
| Revenue cargo tonne-kilometres <sup>1)</sup>   | millions | 2,142             | 2,047             | 4.6         |
| Cargo load factor                              | %        | 69.0              | 70.1              | -1.1 pts    |

<sup>1)</sup> Previous year's figure has been adjusted.

### TRENDS IN TRAFFIC REGIONS

Eurowings Group

|              | Net traffic revenue external revenue |                           | Number of passengers           |             | Available seat-kilometres     |             | Revenue seat-kilometres       |             | Passenger load factor  |               |
|--------------|--------------------------------------|---------------------------|--------------------------------|-------------|-------------------------------|-------------|-------------------------------|-------------|------------------------|---------------|
|              | Jan. - March 2018 in €m              | Change <sup>1)</sup> in % | Jan. - March 2018 in thousands | Change in % | Jan. - March 2018 in millions | Change in % | Jan. - March 2018 in millions | Change in % | Jan. - March 2018 in % | Change in pts |
| Short-haul   | 559                                  | 34.7                      | 6,660                          | 33.5        | 7,930                         | 31.7        | 5,920                         | 44.4        | 74.7                   | 6.5           |
| Long-haul    | 205                                  | 32.0                      | 714                            | 27.2        | 4,852                         | 24.3        | 4,062                         | 25.5        | 83.7                   | 0.8           |
| <b>Total</b> | <b>764</b>                           | <b>34.0</b>               | <b>7,374</b>                   | <b>32.9</b> | <b>12,781</b>                 | <b>28.8</b> | <b>9,982</b>                  | <b>36.0</b> | <b>78.1</b>            | <b>4.2</b>    |

<sup>1)</sup> IFRS 15 restatement in 2018.

**TRENDS IN TRAFFIC REGIONS**

Lufthansa Cargo

|                    | Net traffic revenue<br>external revenue |                | Available<br>cargo-tonne-kilometers |                | Revenue<br>cargo tonne-kilometres   |                | Cargo load factor            |                  |
|--------------------|---|----------------|-------------------------------------|----------------|-------------------------------------|----------------|------------------------------|------------------|
|                    | Jan. - March<br>2018<br>in €m           | Change<br>in % | Jan. - March<br>2018<br>in millions | Change<br>in % | Jan. - March<br>2018<br>in millions | Change<br>in % | Jan. - March<br>2018<br>in % | Change<br>in pts |
| Europe             | 48                                      | 4.3            | 163                                 | 4.5            | 79                                  | -2.3           | 48.2                         | -3.3             |
| America            | 257                                     | 13.7           | 1,387                               | 6.4            | 948                                 | 6.1            | 68.4                         | -0.2             |
| Asia/Pacific       | 257                                     | 17.9           | 1,275                               | 9.7            | 983                                 | 5.3            | 77.1                         | -3.2             |
| Middle East/Africa | 40                                      | -9.1           | 278                                 | -6.7           | 132                                 | -5.9           | 47.5                         | 0.4              |
| <b>Total</b>       | <b>602</b>                              | <b>12.7</b>    | <b>3,104</b>                        | <b>6.3</b>     | <b>2,142</b>                        | <b>4.6</b>     | <b>69.0</b>                  | <b>-1.1</b>      |

- Strategic cost-cutting programme still being pursued and successful
- Digitalisation projects progressing
- Revenue up by 12.7 per cent to EUR 641m, largely due to pricing
- Total operating income up by 11.8 per cent to EUR 653m
- Total operating expenses up by 6.8 per cent to EUR 593m, primarily due to an increase in the cost of materials and services
- Adjusted EBIT and EBIT both up by 97.0 per cent to EUR 65m; mainly driven by good revenue growth
- Segment capital expenditure down by 33.3 per cent to EUR 4m
- New client contracts signed with a total volume of EUR 456m for 2018 and subsequent years
- Number of aircraft serviced under exclusive contracts up on year-end 2017 by 2.2 per cent to 4,656
- Revenue down by 1.9 per cent to EUR 1.4bn due to volumes and exchange rates
- Total operating income down by 2.9 per cent to EUR 1.5bn
- Operating expenses down by 0.9 per cent to EUR 1.4bn due to volumes and exchange rates
- Adjusted EBIT down by 24.8 per cent to EUR 103m; EBIT down by 25.4 per cent to EUR 103m; main drivers are lower capacity use in the engine division and weaker US dollar compared with last year
- Segment capital expenditure down by 27.7 per cent to EUR 34m

**MRO BUSINESS SEGMENT****KEY FIGURES MRO**

|  |        | Jan. - March<br>2018 | Jan. - March<br>2017 | Change<br>in % |
|--|--------|----------------------|----------------------|----------------|
| Revenue  | €m     | 1,428                | 1,455                | -1.9           |
| of which with<br>companies of the<br>Lufthansa Group | €m     | 501                  | 477                  | 5.0            |
| Adjusted EBITDA                                      | €m     | 132                  | 165                  | -20.0          |
| Adjusted EBIT  | €m     | 103                  | 137                  | -24.8          |
| EBIT   | €m     | 103                  | 138                  | -25.4          |
| Adjusted<br>EBIT margin                              | %      | 7.2                  | 9.4                  | -2.2 pts       |
| Segment capital<br>expenditure                       | €m     | 34                   | 47                   | -27.7          |
| Employees<br>as of 31.3.                             | number | 21,867               | 21,051               | 3.9            |

**CATERING BUSINESS SEGMENT****KEY FIGURES CATERING**

|  |        | Jan. - March<br>2018 | Jan. - March<br>2017 | Change<br>in % |
|--|--------|----------------------|----------------------|----------------|
| Revenue  | €m     | 722                  | 769                  | -6.1           |
| of which with<br>companies of the<br>Lufthansa Group | €m     | 155                  | 149                  | 4.0            |
| Adjusted EBITDA                                      | €m     | 16                   | 14                   | 14.3           |
| Adjusted EBIT  | €m     | 1                    | -2                   |                |
| EBIT   | €m     | 1                    | -2                   |                |
| Adjusted<br>EBIT margin                              | %      | 0.1                  | -0.3                 | 0.4 pts        |
| Segment capital<br>expenditure                       | €m     | 10                   | 13                   | -23.1          |
| Employees<br>as of 31.3.                             | number | 34,950               | 35,482               | -1.5           |

- Transformation continues: Construction starts on two regional production plants in the Czech Republic and the west of Germany to centralise European production and logistics processes
- Important catering contracts extended with United Airlines and American Airlines
- Revenue down by 6.1 per cent to EUR 722m, largely due to exchange rates
- Total operating income down by 5.8 per cent to EUR 735m
- Operating expenses down by 6.3 per cent to EUR 735m, mainly due to exchange rates
- Adjusted EBIT and EBIT both improve by EUR 3m to EUR 1m; mainly driven by lower transformation costs in Europe
- Segment capital expenditure down by 23.1 per cent to EUR 10m

## ADDITIONAL BUSINESSES AND GROUP FUNCTIONS

### KEY FIGURES ADDITIONAL BUSINESSES AND GROUP FUNCTIONS

|  |        | Jan. - March 2018 | Jan. - March 2017 | Change in % |
|--|--------|-------------------|-------------------|-------------|
| Revenue  | €m     | 244               | 107               | 128.0       |
| of which with companies of the Lufthansa Group | €m     | 88                | 43                | 104.7       |
| Adjusted EBITDA <sup>1)</sup>                  | €m     | -11               | 7                 |             |
| Adjusted EBIT                                  | €m     | -25               | -6                | -316.7      |
| EBIT   | €m     | -26               | 0*                |             |
| Segment capital expenditure                    | €m     | 11                | 5                 | 120.0       |
| Employees as of 31.3.                          | number | 11,169            | 11,166            | 0.0         |

\* Rounded below EUR 1m.

<sup>1)</sup> Previous year's figure has been adjusted.

- Operating income down by 2.1 per cent to EUR 664m, mainly due to exchange rates
- Operating expenses up by 0.9 per cent to EUR 690m, mainly due to exchange rates
- Adjusted EBIT down by EUR 19m to EUR -25m; EBIT down by EUR 26m to EUR -26m

## Opportunities and risk report

There have been no significant changes in the opportunities and risks for the Group described in detail in the Annual Report 2017.

## Forecast

After a solid performance in the first quarter, the Lufthansa Group is still expecting revenue excluding IFRS 15 effects to be significantly higher and Adjusted EBIT to be slightly lower in financial year 2018 as compared with the previous year. There have been no significant changes in the main earnings variables and parameters since the forecast was published in the Annual Report 2017. The Lufthansa Group's expected fuel expenses are now EUR 600m higher than in the previous year, however.

There have been no changes in the forecasts for the individual segments compared with the information in the Annual Report 2017.

In the forecast for the cumulative operating performance indicators in the segments Network Airlines and Eurowings Group, compared with the information in the Annual Report 2017, only anticipated organic capacity growth has declined to 6 per cent. The expectation is that the other operating performance indicators will evolve in line with the existing forecast.

## Consolidated income statement

### January – March 2018

| CONSOLIDATED INCOME STATEMENT  |                      |                      |
|--|----------------------|----------------------|
| in €m  | Jan. – March<br>2018 | Jan. – March<br>2017 |
| Traffic revenue  | 5,785                | 5,808                |
| Other revenue  | 1,855                | 1,883                |
| <b>Total revenue</b>   | <b>7,640</b>         | <b>7,691</b>         |
| Changes in inventories and work performed by entity and capitalised          | 24                   | 55                   |
| Other operating income   | 381                  | 506                  |
| Cost of materials and services   | -4,083               | -4,386               |
| Staff costs  | -2,106               | -2,081               |
| Depreciation, amortisation and impairment                                    | -446                 | -422                 |
| Other operating expenses   | -1,386               | -1,353               |
| <b>Profit/loss from operating activities</b>                                 | <b>24</b>            | <b>10</b>            |
| Result of equity investments accounted for using the equity method           | 1                    | 5                    |
| Result of other equity investments   | 2                    | 1                    |
| Interest income  | 9                    | 17                   |
| Interest expenses  | -50                  | -94                  |
| Other financial items  | -25                  | 6                    |
| <b>Financial result</b>  | <b>-63</b>           | <b>-65</b>           |
| <b>Profit/loss before income taxes</b>                                       | <b>-39</b>           | <b>-55</b>           |
| Income taxes   | -10                  | -4                   |
| <b>Profit/loss after income taxes</b>  | <b>-49</b>           | <b>-59</b>           |
| Profit/loss attributable to minority interests                               | -8                   | -9                   |
| <b>Net profit/loss attributable to shareholders of Deutsche Lufthansa AG</b> | <b>-57</b>           | <b>-68</b>           |
| <b>Basic/diluted earnings per share in €</b>                                 | <b>-0.12</b>         | <b>-0.15</b>         |

## Statement of comprehensive income

### January – March 2018

| STATEMENT OF COMPREHENSIVE INCOME   |                      |                      |
|---|----------------------|----------------------|
| in €m   | Jan. – March<br>2018 | Jan. – March<br>2017 |
| <b>Profit/loss after income taxes</b>   | <b>-49</b>           | <b>-59</b>           |
| <b>Other comprehensive income</b>   |                      |                      |
| <b>Other comprehensive income with subsequent reclassification to the income statement</b>    |                      |                      |
| Differences from currency translation   | -32                  | -9                   |
| Subsequent measurement of available-for-sale financial assets                                 | -6                   | 56                   |
| Subsequent measurement of cash flow hedges  | -188                 | -333                 |
| Other comprehensive income from investments accounted for using the equity method             | 1                    | 2                    |
| Other expenses and income recognised directly in equity                                       | 1                    | -4                   |
| Income taxes on items in other comprehensive income   | 47                   | 69                   |
| <b>Other comprehensive income without subsequent reclassification to the income statement</b> |                      |                      |
| Revaluation of defined-benefit pension plans  | -520                 | -129                 |
| Income taxes on items in other comprehensive income   | 83                   | 76                   |
| <b>Other comprehensive income after income taxes</b>  | <b>-614</b>          | <b>-272</b>          |
| <b>Total comprehensive income</b>   | <b>-663</b>          | <b>-331</b>          |
| Comprehensive income attributable to minority interests                                       | -6                   | -11                  |
| <b>Comprehensive income attributable to shareholders of Deutsche Lufthansa AG</b>             | <b>-669</b>          | <b>-342</b>          |

## Consolidated balance sheet as of 31 March 2018

| <b>CONSOLIDATED BALANCE SHEET - ASSETS</b>                     |                  |               |               |
|--|------------------|---------------|---------------|
| in €m  | <b>31.3.2018</b> | 31.12.2017    | 31.3.2017     |
| Intangible assets with an indefinite useful life <sup>1)</sup> | 1,362            | 1,343         | 1,379         |
| Other intangible assets  | 481              | 492           | 518           |
| Aircraft and reserve engines                                   | 16,214           | 15,959        | 15,382        |
| Repairable spare parts for aircraft                            | 1,885            | 1,758         | 1,715         |
| Property, plant and other equipment                            | 2,170            | 2,186         | 2,199         |
| Investments accounted for using the equity method              | 579              | 585           | 519           |
| Other equity investments                                       | 233              | 221           | 211           |
| Non-current securities   | 34               | 32            | 25            |
| Loans and receivables  | 473              | 475           | 508           |
| Derivative financial instruments                               | 424              | 642           | 1,318         |
| Deferred charges and prepaid expenses                          | 9                | 9             | 12            |
| Effective income tax receivables                               | 15               | 12            | 6             |
| Deferred tax assets  | 1,832            | 1,523         | 1,672         |
| <b>Non-current assets</b>                                      | <b>25,711</b>    | <b>25,237</b> | <b>25,464</b> |
| Inventories  | 882              | 907           | 857           |
| Contract assets <sup>2)</sup>                                  | 227              | -             | -             |
| Trade receivables and other receivables                        | 5,889            | 5,314         | 5,490         |
| Derivative financial instruments                               | 645              | 600           | 362           |
| Deferred charges and prepaid expenses                          | 251              | 197           | 213           |
| Effective income tax receivables                               | 68               | 58            | 38            |
| Securities   | 3,071            | 2,551         | 3,732         |
| Cash and cash equivalents                                      | 1,558            | 1,397         | 1,657         |
| Assets held for sale   | 6                | 6             | 133           |
| <b>Current assets</b>  | <b>12,597</b>    | <b>11,030</b> | <b>12,482</b> |
| <b>Total assets</b>  | <b>38,308</b>    | <b>36,267</b> | <b>37,946</b> |

<sup>1)</sup> Including goodwill.

<sup>2)</sup> Recognition will occur separately for the first time from the 2018 financial year in accordance with IFRS 15.

**CONSOLIDATED BALANCE SHEET – SHAREHOLDERS' EQUITY AND LIABILITIES**

| in €m  | 31.3.2018     | 31.12.2017    | 31.3.2017     |
|--|---------------|---------------|---------------|
| Issued capital   | 1,206         | 1,206         | 1,200         |
| Capital reserve  | 263           | 263           | 222           |
| Retained earnings  | 5,840         | 4,141         | 3,272         |
| Other neutral reserves   | 1,256         | 1,521         | 2,092         |
| Net profit/loss  | -57           | 2,364         | -68           |
| <b>Equity attributable to shareholders of Deutsche Lufthansa AG</b>            | <b>8,508</b>  | <b>9,495</b>  | <b>6,718</b>  |
| Minority interests   | 96            | 103           | 92            |
| <b>Shareholders' equity</b>  | <b>8,604</b>  | <b>9,598</b>  | <b>6,810</b>  |
| Pension provisions   | 5,541         | 5,116         | 8,656         |
| Other provisions   | 643           | 601           | 594           |
| Borrowings   | 5,913         | 6,142         | 6,482         |
| Contract liabilities <sup>1)</sup>   | 43            | -             | -             |
| Other financial liabilities  | 125           | 243           | 125           |
| Advance payments received, deferred income and other non-financial liabilities | 55            | 1,289         | 1,271         |
| Derivative financial instruments   | 253           | 190           | 56            |
| Deferred tax liabilities   | 491           | 449           | 456           |
| <b>Non-current provisions and liabilities</b>                                  | <b>13,064</b> | <b>14,030</b> | <b>17,640</b> |
| Other provisions   | 872           | 990           | 990           |
| Borrowings   | 762           | 672           | 801           |
| Trade payables and other financial liabilities                                 | 5,749         | 5,250         | 5,133         |
| Contract liabilities from unused flight documents                              | 5,560         | 3,773         | 4,922         |
| Other contract liabilities <sup>1)</sup>                                       | 2,278         | -             | -             |
| Advance payments received, deferred income and other non-financial liabilities | 421           | 992           | 972           |
| Derivative financial instruments   | 164           | 124           | 220           |
| Effective income tax obligations   | 834           | 838           | 458           |
| <b>Current provisions and liabilities</b>                                      | <b>16,640</b> | <b>12,639</b> | <b>13,496</b> |
| <b>Total shareholders' equity and liabilities</b>                              | <b>38,308</b> | <b>36,267</b> | <b>37,946</b> |

<sup>1)</sup> Recognition will occur separately for the first time from the 2018 financial year in accordance with IFRS 15.

## Consolidated statement of changes in shareholders' equity as of 31 March 2018

### CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

|  | 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 31.12.2016</b>  | <b>1,200</b>   | <b>222</b>      | <b>1,081</b>                                    | <b>670</b>           | <b>236</b>   | <b>326</b>             | <b>2,313</b>                 | <b>1,549</b>      | <b>1,776</b>    | <b>7,060</b>   | <b>89</b>          | <b>7,149</b>               |
| Capital increases/reductions   | -              | -               | -   | -                    | -  | -                      | -                            | -                 | -               | -  | -                  | -                          |
| Reclassifications  | -              | -               | -   | -                    | -  | -                      | -                            | 1,776             | -1,776          | -  | -                  | -                          |
| Dividends to Lufthansa shareholders/<br>minority interests                                 | -              | -               | -   | -                    | -  | -                      | -                            | -                 | -               | -  | -8                 | -8                         |
| Transactions with minority interests   | -              | -               | -   | -                    | -  | -                      | -                            | -                 | -               | -  | -                  | -                          |
| Consolidated net profit/loss attributable to Lufthansa shareholders/<br>minority interests | -              | -               | -   | -                    | -  | -                      | -                            | -                 | -68             | -68  | 9                  | -59                        |
| Other expenses and income recognised directly in equity                                    | -              | -               | -208  | -9                   | -  | -4                     | -221                         | -53               | -               | -274   | 2                  | -272                       |
| <b>As of 31.3.2017</b>   | <b>1,200</b>   | <b>222</b>      | <b>873</b>                                      | <b>661</b>           | <b>236</b>   | <b>322</b>             | <b>2,092</b>                 | <b>3,272</b>      | <b>-68</b>      | <b>6,718</b>   | <b>92</b>          | <b>6,810</b>               |
| <b>As of 31.12.2017</b>  | <b>1,206</b>   | <b>263</b>      | <b>693</b>                                      | <b>266</b>           | <b>236</b>   | <b>326</b>             | <b>1,521</b>                 | <b>4,141</b>      | <b>2,364</b>    | <b>9,495</b>   | <b>103</b>         | <b>9,598</b>               |
| Restatement IFRS 9   | -              | -               | -90   | -                    | -  | -                      | -90                          | 82                | -               | -8   | -                  | -8                         |
| Restatement IFRS 15  | -              | -               | -   | -                    | -  | -                      | -                            | -310              | -               | -310   | -                  | -310                       |
| <b>Adjusted as of 1.1.2018</b>   | <b>1,206</b>   | <b>263</b>      | <b>603</b>                                      | <b>266</b>           | <b>236</b>   | <b>326</b>             | <b>1,431</b>                 | <b>3,913</b>      | <b>2,364</b>    | <b>9,177</b>   | <b>103</b>         | <b>9,280</b>               |
| Capital increases/reductions   | -              | -               | -   | -                    | -  | -                      | -                            | -                 | -               | -  | -                  | -                          |
| Reclassifications  | -              | -               | -   | -                    | -  | -                      | -                            | 2,364             | -2,364          | -  | -                  | -                          |
| Dividends to Lufthansa shareholders/<br>minority interests                                 | -              | -               | -   | -                    | -  | -                      | -                            | -                 | -               | -  | -13                | -13                        |
| Transactions with minority interests   | -              | -               | -   | -                    | -  | -                      | -                            | -                 | -               | -  | -                  | -                          |
| Consolidated net profit/loss attributable to Lufthansa shareholders/<br>minority interests | -              | -               | -   | -                    | -  | -                      | -                            | -                 | -57             | -57  | 8                  | -49                        |
| Other expenses and income recognised directly in equity                                    | -              | -               | -147  | -32                  | -  | 4                      | -175                         | -437              | -               | -612   | -2                 | -614                       |
| <b>As of 31.3.2018</b>   | <b>1,206</b>   | <b>263</b>      | <b>456</b>                                      | <b>234</b>           | <b>236</b>   | <b>330</b>             | <b>1,256</b>                 | <b>5,840</b>      | <b>-57</b>      | <b>8,508</b>   | <b>96</b>          | <b>8,604</b>               |

## Consolidated cash flow statement

### January – March 2018

| CONSOLIDATED CASH FLOW STATEMENT   |                      |                      |
|--|----------------------|----------------------|
| in €m  | Jan. – March<br>2018 | Jan. – March<br>2017 |
| <b>Cash and cash equivalents 1.1.</b>  | <b>1,218</b>         | <b>1,138</b>         |
| Net profit/loss before income taxes  | -39                  | -55                  |
| Depreciation, amortisation and impairment losses on non-current assets (net of reversals)                  | 446                  | 421                  |
| Depreciation, amortisation and impairment losses on current assets (net of reversals)                      | 16                   | 7                    |
| Net proceeds on disposal of non-current assets   | -3                   | -23                  |
| Result of equity investments   | -3                   | -6                   |
| Net interest   | 41                   | 77                   |
| Income tax payments/reimbursements   | -45                  | -27                  |
| Significant non-cash-relevant expenses/income  | 14                   | -12                  |
| Change in trade working capital  | 1,390                | 1,154                |
| Change in other assets/shareholders' equity and liabilities  | -192                 | 112                  |
| <b>Cash flow from operating activities</b>   | <b>1,625</b>         | <b>1,648</b>         |
| Capital expenditure for property, plant and equipment and intangible assets                                | -708                 | -747                 |
| Capital expenditure for financial investments  | -6                   | -8                   |
| Additions/loss to repairable spare parts for aircraft  | -147                 | -110                 |
| Proceeds from disposal of non-consolidated equity investments  | 1                    | 0*                   |
| Proceeds from disposal of consolidated equity investments  | -                    | 0*                   |
| Cash outflows for acquisitions of non-consolidated equity investments                                      | -7                   | 0*                   |
| Cash outflows for acquisitions of consolidated equity investments  | -12                  | 198                  |
| Proceeds from disposal of intangible assets, property, plant and equipment and other financial investments | 19                   | 53                   |
| Interest income  | 13                   | 57                   |
| Dividends received   | 12                   | 3                    |
| <b>Net cash from/used in investing activities</b>  | <b>-835</b>          | <b>-554</b>          |
| Purchase of securities/fund investments  | -837                 | -1,083               |
| Disposal of securities/fund investments  | 340                  | 27                   |
| <b>Net cash from/used in investing and cash management activities</b>                                      | <b>-1,332</b>        | <b>-1,610</b>        |
| Capital increase   | -                    | -                    |
| Transactions by minority interests   | -                    | -                    |
| Non-current borrowing  | 75                   | 693                  |
| Repayment of non-current borrowing   | -136                 | -262                 |
| Dividends paid   | -13                  | -8                   |
| Interest paid  | -24                  | -71                  |
| <b>Net cash from/used in financing activities</b>  | <b>-98</b>           | <b>352</b>           |
| <b>Net increase/decrease in cash and cash equivalents</b>  | <b>195</b>           | <b>390</b>           |
| Changes due to currency translation differences  | -12                  | 5                    |
| <b>Cash and cash equivalents 31.3.<sup>1)</sup></b>  | <b>1,401</b>         | <b>1,533</b>         |
| Securities   | 3,071                | 3,732                |
| <b>Liquidity</b>   | <b>4,472</b>         | <b>5,265</b>         |
| Net increase/decrease in liquidity   | 703                  | 1,446                |

\* Rounded below EUR 1m.

<sup>1)</sup> Excluding fixed-term deposit with terms of three to twelve months (2018: EUR 157m, 2017: EUR 124m).

## 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 2018 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 2018 have been applied. The interim financial statements as of 31 March 2018 have been prepared using the same accounting policies as those on which the preceding consolidated financial statements as of 31 December 2017 were based. The standards and interpretations mandatory from 1 January 2018 onwards, particularly IFRS 9, Financial Instruments, and IFRS 15, Revenue from Contracts with Customers, had the following effects on the Group's net assets, financial and earnings position.

#### IFRS 15

Based on the modified retrospective method, the cumulative effects of the changes were recognised in retained earnings as of 1 January 2018. The following table summarises the effects of transition to IFRS 15 on retained earnings at 1 January 2018:

| <b>RETAINED EARNINGS</b>                |   |
|---|---|
| in €m                                   | Effect of adopting IFRS 15<br>at 1 January 2018 |
| Shift in timing of recognition for fees | 29  |
| Customer loyalty programmes             | 385   |
| Related taxes                           | -104  |
| <b>Effect at 1 January 2018</b>         | <b>310</b>                                      |

Contractual items that have not been performed in full are to be presented in the balance sheet as contract assets or liabilities (current and non-current, in each case). Obligations in respect of unused flight documents are still presented separately. Otherwise, the presentation mainly concerns obligations from work in progress in connection with longer-term production and service contracts and obligations under customer loyalty programmes. Obligations from customer loyalty programmes have previously been recognised under non-financial liabilities and deferrals and accruals (non-current and current). Since the timing of the fulfilment of these obligations is beyond the control of the Company, they are all presented as current, in accordance with IFRS 15. As a result, as of 1 January 2018, there is a reclassification of debts amounting to EUR 1.2bn from non-current to current.

From 2018 onwards, for ticket revenue, the airport fees received and the corresponding airport invoices will no longer be recognised in the income statement. Applied to the first quarter 2018, this approach reduced revenue and expenses by EUR 482m. Otherwise, there are no material differences between revenue recognition under IFRS 15 and revenue recognition under IAS 11 or IAS 18. Also, in connection with IFRS 15, income from training and travel management was reclassified from other operating income to revenue. This had the effect of increasing revenue in the first quarter 2018 by EUR 87m. In the prior-year period, EUR 85m was shown under other operating income.

## IFRS 9

In accordance with the transitional provisions of IFRS 9, Financial Instruments, the Lufthansa Group has not adjusted the figures for the previous year and recognised the cumulative transitional effects as of 1 January 2018 in retained earnings.

In the phase I (“classification”), the transition of share items held as securities from the IAS 39 category “available for sale” (AfS) to the IFRS 9 category “fair value through profit or loss” (FVTPL) only leads to a transfer within reserves, between the cumulative market value reserve and retained earnings. Another transfer effect is caused due to the reclassification of a share item from AfS to fair value without effect on profit and loss (without recycling). Debt instruments are still generally classified as at fair value without effect on profit and loss. There are no reclassification effects in phase I for loans and receivables, either, since they are still held at amortised cost.

As part of phase II (“impairment rules”), the initial application of the expected loss model in line with IFRS 9 led to an additional need to recognise an impairment of EUR 8m (after tax), which was recognised in equity without effect on profit or loss as of 1 January 2018. The effects from this on income in the first quarter 2018 were immaterial.

For fuel hedging transactions, the Group uses the component approach for fuel hedging, with crude oil as the designated component and regular rebalancing. This leads to a reduction in volatility in the income statement from changes in the market value of derivatives. Accounting for the time values of options without effect on profit and loss under IFRS 9 means that the changes in time value previously recognised through profit or loss as of year-end 2017 were transferred within equity to the market value reserve as of 1 January 2018. In this context, changes in time value of EUR 20m were recognised in reserves in the first quarter 2018.

## CHANGES IN THE GROUP OF CONSOLIDATED COMPANIES

With effect from 9 January 2018, Lufthansa Commercial Holding GmbH acquired all the shares in Luftfahrtgesellschaft Walter mbH. The acquisition is based on the purchase agreement signed by Lufthansa Group and the Air Berlin group on 13 October 2017. The purchase price is EUR 24m. Within the Eurowings Group segment, the company will act as a platform with its own air operator certificate and provide services to the Eurowings Group on the basis of wet-lease agreements for 20 Bombardier DH-8 Q400s and 13 Airbus A320/319s on current plans; 23 aircraft were in service as of late March. The company operates without its own fleet and does not operate solely within the Eurowings Group. At the time of initial consolidation, it had gross assets of EUR 19m and net assets of EUR 1m. The difference of EUR 23m resulting from the purchase price allocation was classified in full as goodwill, given the peculiarities of the acquired business operations, and assigned to the Eurowings Group. Since it only provides services within the Group, the effects on Group earnings are immaterial.

The other changes to the group of consolidated companies had no significant effects on the Group’s net assets, financial and earnings position.

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

### ASSETS HELD FOR SALE

| in €m                        | 31.3.2018 | 31.12.2017 | 31.3.2017 |
|------------------------------|-----------|------------|-----------|
| <b>Assets</b>                |           |            |           |
| Aircraft and reserve engines | -         | -          | 128       |
| Financial assets             | -         | -          | -         |
| Other assets                 | 6         | 6          | 5         |

In the following tables, revenue is disaggregated by primary geographical markets and the Group's major operating areas.

#### TRAFFIC REVENUE BY AREA OF OPERATIONS

|                           | 2018                | Europe <sup>1)</sup> | North America <sup>1)</sup> | Central and South America <sup>1)</sup> | Asia/Pacific <sup>1)</sup> | Middle East <sup>1)</sup> | Africa <sup>1)</sup> | 2017 <sup>2)</sup>  |
|---------------------------|---------------------|----------------------|-----------------------------|---|----------------------------|---------------------------|----------------------|---------------------|
| in €m                     |                     |                      |                             |   |                            |                           |                      |                     |
| Network Airlines          | 4,394 <sup>3)</sup> | 3,038                | 686                         | 103                                     | 404                        | 111                       | 52                   | 4,595 <sup>3)</sup> |
| Lufthansa German Airlines | 3,016               |                      |                             |   |                            |                           |                      | 3,183               |
| SWISS                     | 1,030 <sup>3)</sup> |                      |                             |   |                            |                           |                      | 1,019 <sup>3)</sup> |
| Austrian Airlines         | 348                 |                      |                             |   |                            |                           |                      | 393                 |
| Eurowings Group           | 789 <sup>3)</sup>   | 717                  | 25                          | 1                                       | 10                         | 5                         | 31                   | 679 <sup>3)</sup>   |
| Logistics                 | 602                 | 329                  | 61                          | 24                                      | 168                        | 6                         | 14                   | 534                 |
| <b>Total</b>              | <b>5,785</b>        |                      |                             |   |                            |                           |                      | <b>5,808</b>        |

<sup>1)</sup> Traffic revenue is allocated according to the original location of sale.

<sup>2)</sup> Application of the modified retrospective approach; revenue measured for 2017 according to IAS 11 and IAS 18.

<sup>3)</sup> Disclosure of traffic revenue, including belly revenue; this is reported in the segment reporting in the reconciliation column.

#### OTHER OPERATING REVENUE BY AREA OF OPERATIONS

|   | 2018         | Europe | North America | Central and South America | Asia/Pacific | Middle East | Africa | 2017 <sup>1)</sup> |
|---|--------------|--------|---------------|---------------------------|--------------|-------------|--------|--------------------|
| in €m                                     |              |        |               |                           |              |             |        |                    |
| MRO                                       | 927          | 420    | 230           | 36                        | 168          | 35          | 38     | 978                |
| MRO services                              | 842          |        |               |                           |              |             |        | 885                |
| Other operating revenue                   | 85           |        |               |                           |              |             |        | 93                 |
| Catering                                  | 567          | 99     | 272           | 40                        | 133          | 14          | 9      | 620                |
| Catering services                         | 488          |        |               |                           |              |             |        | 551                |
| Revenue from in-flight sales              | 28           |        |               |                           |              |             |        | 16                 |
| Other services                            | 51           |        |               |                           |              |             |        | 53                 |
| Network Airlines                          | 167          | 134    | 13            | 2                         | 13           | 3           | 2      | 190                |
| Eurowings Group                           | 8            | 5      | 1             | -                         | -            | -           | 2      | 4                  |
| Logistics                                 | 30           | 16     | 12            | -                         | -            | 2           | -      | 27                 |
| Additional Businesses and Group Functions | 156          | 120    | 11            | 3                         | 16           | 4           | 2      | 64                 |
| IT services                               | 70           |        |               |                           |              |             |        | 64                 |
| Travel management                         | 68           |        |               |                           |              |             |        | -                  |
| Other                                     | 18           |        |               |                           |              |             |        | -                  |
| <b>Total</b>                              | <b>1,855</b> |        |               |                           |              |             |        | <b>1,883</b>       |

<sup>1)</sup> Application of the modified retrospective approach; revenue measured for 2017 according to IAS 11 and IAS 18.

Detailed comments on the income statement, the statement of financial positions, the cash flow statement and the segment reporting can also be found in the [interim management report, p. 1 – 9](#).

### 3 Seasonality

The Group's business activities are mainly exposed to seasonal effects via the Network Airlines and Eurowings Group segments. As such, revenue in the first and fourth quarters is generally lower, since 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

| CONTINGENT LIABILITIES                                   |              |              |
|--|--------------|--------------|
| in €m  | 31.3.2018    | 31.12.2017   |
| From guarantees, bills of exchange and cheque guarantees | 851          | 881          |
| From warranty contracts                                  | 327          | 354          |
| From providing collateral for third-party liabilities    | 39           | 39           |
|  | <b>1,217</b> | <b>1,274</b> |

Provisions for other contingent liabilities were not made because it was not sufficiently probable that they would be drawn down. The potential financial effect of these provisions on the result would have been EUR 81m in total (as of 31.12.2017: EUR 80m).

At the end of March 2018, there were order commitments of EUR 12.1bn for capital expenditure on property, plant and equipment, including repairable spare parts, and for intangible assets. As of 31 December 2017, the order commitments came to EUR 13.0bn.

Contracts for the sale of aircraft signed as of 31 December 2017 yielded profits and cash receipts of less than EUR 1m by 31 March 2018.

### 5 Financial instruments and financial liabilities

#### FINANCIAL INSTRUMENTS

The following table shows financial assets and liabilities held at fair value by level in the 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.

As of 31 March 2018, the fair value hierarchy for assets and liabilities held at fair value was as follows:

#### ASSETS AS OF 31.3.2018

| 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  | -            | 12           | -        | 12           |
| Securities  | 1,469        | 3            | -        | 1,472        |
| <b>Total financial assets through profit and loss</b>   | <b>1,469</b> | <b>15</b>    | <b>-</b> | <b>1,484</b> |
| <b>Derivative financial instruments which are an effective part of a hedging relationship</b> | <b>-</b>     | <b>1,053</b> | <b>-</b> | <b>1,053</b> |
| <b>Financial assets at fair value without effect on profit and loss</b>                       | <b>12</b>    | <b>1,511</b> | <b>-</b> | <b>1,523</b> |
| <b>Total assets</b>   | <b>1,481</b> | <b>2,579</b> | <b>-</b> | <b>4,060</b> |

#### LIABILITIES AS OF 31.3.2018

| in €m  | Level 1  | Level 2    | Level 3  | Total      |
|--|----------|------------|----------|------------|
| Derivative financial instruments at fair value through profit or loss                  | -        | 13         | -        | 13         |
| Derivative financial instruments which are an effective part of a hedging relationship | -        | 400        | -        | 400        |
| <b>Total liabilities</b>   | <b>-</b> | <b>413</b> | <b>-</b> | <b>413</b> |

As of 31 December 2017, the fair value hierarchy for assets and liabilities held at fair value was as follows:

| <b>ASSETS AS OF 31.12.2017</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  | -          | 131          | -        | 131          |
| Securities  | -          | -            | -        | -            |
| <b>Total financial assets through profit and loss</b>   | <b>-</b>   | <b>131</b>   | <b>-</b> | <b>131</b>   |
| <b>Derivative financial instruments which are an effective part of a hedging relationship</b> |            |              |          |              |
|   | -          | 1,110        | -        | 1,110        |
| <b>Financial assets at fair value without effect on profit and loss</b>                       | <b>410</b> | <b>2,173</b> | <b>-</b> | <b>2,583</b> |
| <b>Total assets</b>   | <b>410</b> | <b>3,414</b> | <b>-</b> | <b>3,824</b> |

| <b>LIABILITIES AS OF 31.12.2017</b>  |          |            |          |              |
|--|----------|------------|----------|--------------|
| in €m  | Level 1  | Level 2    | Level 3  | <b>Total</b> |
| Derivative financial instruments at fair value through profit or loss                  | -        | 123        | -        | 123          |
| Derivative financial instruments which are an effective part of a hedging relationship | -        | 191        | -        | 191          |
| <b>Total liabilities</b>   | <b>-</b> | <b>314</b> | <b>-</b> | <b>314</b>   |

Since the start of the year, the simplified evidence of effectiveness required by IFRS 9 means that cross currency swaps used to hedge foreign currency liabilities are now designated as a hedging instrument. The cross currency swaps are designated both as fair value hedges and as cash flow hedges. This reduces both the market value of, and the earnings item pertaining to, stand-alone derivatives and the exchange rate effect of financial liabilities, which is offset by the opposing exchange rate effect of the cross currency swaps used to hedge them.

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 also 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                               | 31.3.2018       |              | 31.12.2017      |              |
|-------------------------------------|-----------------|--------------|-----------------|--------------|
|                                     | Carrying amount | Market value | Carrying amount | Market value |
| Bonds                               | 1,006           | 1,055        | 1,005           | 1,063        |
| Liabilities to banks                | 2,032           | 2,096        | 2,044           | 2,113        |
| Leasing liabilities and other loans | 3,637           | 3,583        | 3,765           | 3,722        |
| <b>Total</b>                        | <b>6,675</b>    | <b>6,734</b> | <b>6,814</b>    | <b>6,898</b> |

## 6 Earnings per share

|                                   |    | 31.3.2018    | 31.3.2017    |
|-----------------------------------|----|--------------|--------------|
| <b>Basic earnings per share</b>   | €  | <b>-0.12</b> | <b>-0.15</b> |
| Consolidated net profit/loss      | €m | -57          | -68          |
| Weighted average number of shares |    | 471,259,542  | 468,817,760  |
| <b>Diluted earnings per share</b> | €  | <b>-0.12</b> | <b>-0.15</b> |
| Consolidated net profit/loss      | €m | -57          | -68          |
| Weighted average number of shares |    | 471,259,542  | 468,817,760  |

## 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 held on 29 April 2015 authorised the Executive Board pursuant to Section 71 Paragraph 1 No. 8 Stock Corporation Act (AktG) to purchase treasury shares until 28 April 2020. The authorisation is limited to 10 per cent of current issued capital. 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.

A resolution passed at the Annual General Meeting on 29 April 2015 authorised the Executive Board until 28 April 2020, subject to approval by the Supervisory Board, to increase the Company's issued capital by up to EUR 561,160,092 by issuing new registered shares on one or more occasions for payment in cash or in kind (Authorised Capital A). In certain cases, the shareholders' subscription rights can be excluded with the approval of the Supervisory Board.

**B Segment reporting**

Segment reporting has now also been adjusted in line with the internal management reporting, which now focuses more on the performance indicator Adjusted EBIT. The individual expense and income categories no longer include the reconciliation items (especially impairment losses and pension

measurement effects). The resulting performance indicator is therefore Adjusted EBIT. The reconciliation items and the resulting EBIT are then shown as additional information. The previous year's figures are presented accordingly.

There have been no changes in the segmentation compared with the financial statements as of 31 December 2017.

**SEGMENT INFORMATION FOR THE REPORTING SEGMENTS** January - March 2018

| in €m  | Network Airlines | Eurowings Group | Logistics  | MRO          | Catering   | Total reportable operating segments | Additional Businesses and Group Functions | Reconciliation | Group        |
|--|------------------|-----------------|------------|--------------|------------|-------------------------------------|---|----------------|--------------|
| External revenue   | 4,562            | 795             | 633        | 927          | 567        | 7,484                               | 156                                       | -              | 7,640        |
| of which traffic revenue   | 4,276            | 764             | 602        | -            | -          | 5,642                               | -   | 143            | 5,785        |
| Inter-segment revenue  | 166              | -2              | 8          | 501          | 155        | 828                                 | 88  | -916           | -            |
| <b>Total revenue</b>   | <b>4,728</b>     | <b>793</b>      | <b>641</b> | <b>1,428</b> | <b>722</b> | <b>8,312</b>                        | <b>244</b>                                | <b>-916</b>    | <b>7,640</b> |
| Other operating income   | 160              | 56              | 12         | 58           | 13         | 299                                 | 420                                       | -319           | 400          |
| <b>Total operating income</b>  | <b>4,888</b>     | <b>849</b>      | <b>653</b> | <b>1,486</b> | <b>735</b> | <b>8,611</b>                        | <b>664</b>                                | <b>-1,235</b>  | <b>8,040</b> |
| <b>Operating expenses</b>  | <b>4,779</b>     | <b>1,039</b>    | <b>593</b> | <b>1,385</b> | <b>735</b> | <b>8,531</b>                        | <b>690</b>                                | <b>-1,204</b>  | <b>8,017</b> |
| of which cost of materials   | 2,635            | 681             | 412        | 804          | 306        | 4,838                               | 56  | -811           | 4,083        |
| of which staff costs   | 990              | 139             | 102        | 350          | 283        | 1,864                               | 241                                       | -1             | 2,104        |
| of which depreciation and amortisation                               | 303              | 65              | 21         | 29           | 15         | 433                                 | 14  | -2             | 445          |
| of which other operating expenses                                    | 851              | 154             | 58         | 202          | 131        | 1,396                               | 379                                       | -390           | 1,385        |
| <b>Results of equity investments</b>                                 | <b>5</b>         | <b>-13</b>      | <b>5</b>   | <b>2</b>     | <b>1</b>   | <b>0*</b>                           | <b>1</b>                                  | <b>2</b>       | <b>3</b>     |
| of which result of investments accounted for using the equity method | 4                | -13             | 5          | 2            | 1          | -1                                  | -   | 2              | 1            |
| <b>Adjusted EBIT</b>   | <b>114</b>       | <b>-203</b>     | <b>65</b>  | <b>103</b>   | <b>1</b>   | <b>80</b>                           | <b>-25</b>                                | <b>-29</b>     | <b>26</b>    |
| <b>of which reconciliation items</b>                                 |                  |                 |            |              |            |                                     |   |                |              |
| Impairment losses/gains  | -1               | -1              | -          | -            | -          | -2                                  | 1   | 1              | 0*           |
| Effects from pension provisions                                      | -                | 2               | -          | -            | -          | 2                                   | -   | -              | 2            |
| Results of disposal of assets  | -4               | 0*              | 0*         | 0*           | 0*         | -4                                  | -   | 1              | -3           |
| <b>EBIT<sup>1)</sup></b>   | <b>119</b>       | <b>-204</b>     | <b>65</b>  | <b>103</b>   | <b>1</b>   | <b>84</b>                           | <b>-26</b>                                | <b>-31</b>     | <b>27</b>    |
| Total adjustments  |                  |                 |            |              |            |                                     |   |                | -1           |
| Other financial result   |                  |                 |            |              |            |                                     |   |                | -66          |
| Profit/loss before income taxes                                      |                  |                 |            |              |            |                                     |   |                | -39          |
| Capital employed at end of period <sup>2)</sup>                      | 8,399            | 1,806           | 1,063      | 4,639        | 1,250      | 17,157                              | 3,326                                     | -448           | 20,035       |
| of which from investments accounted for using the equity method      | 54               | 115             | 54         | 243          | 127        | 593                                 | 6   | -20            | 579          |
| Segment capital expenditure  | 490              | 177             | 4          | 34           | 10         | 715                                 | 11  | 7              | 733          |
| of which from investments accounted for using the equity method      | -                | -               | -          | 7            | -          | 7                                   | -   | -              | 7            |
| Number of employees at end of period                                 | 51,005           | 9,273           | 4,356      | 21,867       | 34,950     | 121,451                             | 11,169                                    | -              | 132,620      |

\* Rounded below EUR 1m.

<sup>1)</sup> For detailed reconciliation from EBIT to Adjusted EBIT see p. 4 in 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).

SEGMENT INFORMATION FOR THE REPORTING SEGMENTS January - March 2017

|  | Network<br>Airlines | Eurowings<br>Group | Logistics  | MRO          | Catering   | Total<br>reportable<br>operating<br>segments | Additional<br>Businesses<br>and Group<br>Functions | Recon-<br>ciliation | Group        |
|--|---------------------|--------------------|------------|--------------|------------|--|--|---------------------|--------------|
| in €m  |                     |                    |            |              |            |  |  |                     |              |
| External revenue   | 4,784               | 683                | 562        | 978          | 620        | 7,627  | 64   | -                   | 7,691        |
| of which traffic revenue   | 4,482               | 659                | 534        | -            | -          | 5,675  | -  | 133                 | 5,808        |
| Inter-segment revenue  | 145                 | 0*                 | 7          | 477          | 149        | 778  | 43   | -821                |              |
| <b>Total revenue</b>   | <b>4,929</b>        | <b>683</b>         | <b>569</b> | <b>1,455</b> | <b>769</b> | <b>8,405</b>                                 | <b>107</b>   | <b>-821</b>         | <b>7,691</b> |
| Other operating income   | 175                 | 29                 | 15         | 76           | 11         | 306  | 571  | -341                | 536          |
| <b>Total operating income</b>  | <b>5,104</b>        | <b>712</b>         | <b>584</b> | <b>1,531</b> | <b>780</b> | <b>8,711</b>                                 | <b>678</b>   | <b>-1,162</b>       | <b>8,227</b> |
| <b>Operating expenses</b>  | <b>5,147</b>        | <b>837</b>         | <b>555</b> | <b>1,398</b> | <b>784</b> | <b>8,721</b>                                 | <b>684</b>   | <b>-1,197</b>       | <b>8,208</b> |
| of which cost of materials   | 3,055               | 565                | 369        | 814          | 330        | 5,133  | 53   | -800                | 4,386        |
| of which staff costs   | 973                 | 114                | 102        | 332          | 306        | 1,827  | 224  | -2                  | 2,049        |
| of which depreciation<br>and amortisation                                  | 301                 | 43                 | 20         | 28           | 16         | 408  | 13   | 0                   | 421          |
| of which other<br>operating expenses                                       | 818                 | 115                | 64         | 224          | 132        | 1,353  | 394  | -395                | 1,352        |
| <b>Results of equity investments</b>                                       | <b>3</b>            | <b>-7</b>          | <b>4</b>   | <b>4</b>     | <b>2</b>   | <b>6</b>                                     | <b>0*</b>  | <b>0*</b>           | <b>6</b>     |
| of which result of investments<br>accounted for using<br>the equity method | 2                   | -7                 | 4          | 4            | 2          | 5  | -  | -                   | 5            |
| <b>Adjusted EBIT</b>   | <b>-40</b>          | <b>-132</b>        | <b>33</b>  | <b>137</b>   | <b>-2</b>  | <b>-4</b>                                    | <b>-6</b>  | <b>35</b>           | <b>25</b>    |
| <b>of which reconciliation items</b>                                       |                     |                    |            |              |            |  |  |                     |              |
| Impairment losses/gains  | -1                  | 1                  | -          | -1           | -          | -1   | -1   | 2                   | 0*           |
| Effects from<br>pension provisions   | 32                  | -                  | -          | -            | -          | 32   | -  | -                   | 32           |
| Results of disposal<br>of assets   | -18                 | -                  | -          | -            | -          | -18  | -5   | -                   | -23          |
| <b>EBIT<sup>1)</sup></b>   | <b>-53</b>          | <b>-133</b>        | <b>33</b>  | <b>138</b>   | <b>-2</b>  | <b>-17</b>                                   | <b>0*</b>  | <b>33</b>           | <b>16</b>    |
| Total adjustments  |                     |                    |            |              |            |  |  |                     | 9            |
| Other financial result   |                     |                    |            |              |            |  |  |                     | -71          |
| Profit/loss before<br>income taxes   |                     |                    |            |              |            |  |  |                     | -55          |
| Capital employed<br>at the end of period <sup>2)</sup>                     | 9,446               | 1,504              | 1,052      | 4,017        | 1,369      | 17,388                                       | 3,841  | -132                | 21,097       |
| of which from investments<br>accounted for using<br>the equity method      | 14                  | 92                 | 55         | 218          | 132        | 511  | 6  | 2                   | 519          |
| Segment capital<br>expenditure   | 564                 | 121                | 6          | 47           | 13         | 751  | 5  | -199                | 557          |
| of which from investments<br>accounted for using<br>the equity method      | -                   | -                  | -          | -            | -          | -  | -  | -                   | -            |
| Number of employees<br>at end of period                                    | 49,294              | 7,048              | 4,500      | 21,051       | 35,482     | 117,375                                      | 11,166   | -                   | 128,541      |

\* Rounded below EUR 1m.

<sup>1)</sup> For detailed reconciliation from EBIT to Adjusted EBIT see p. 4 in 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).

**FIGURES BY REGION** January - March 2018

| in €m                         | Europe       | thereof<br>Germany | North<br>America | thereof<br>USA | Central<br>and South<br>America | Asia/Pacific | Middle East | Africa     | <b>Total</b> |
|-------------------------------|--------------|--------------------|------------------|----------------|---------------------------------|--------------|-------------|------------|--------------|
| Traffic revenue <sup>1)</sup> | 4,084        | 1,902              | 772              | 699            | 128                             | 582          | 122         | 97         | 5,785        |
| Other operating revenue       | 809          | 280                | 534              | 438            | 78                              | 328          | 55          | 51         | 1,855        |
| <b>Total revenue</b>          | <b>4,893</b> | <b>2,182</b>       | <b>1,306</b>     | <b>1,137</b>   | <b>206</b>                      | <b>910</b>   | <b>177</b>  | <b>148</b> | <b>7,640</b> |

<sup>1)</sup> Allocated according to the original location of sale.

**FIGURES BY REGION** January - March 2017

| in €m                         | Europe       | thereof<br>Germany | North<br>America | thereof<br>USA | Central<br>and South<br>America | Asia/Pacific | Middle East | Africa     | <b>Total</b> |
|-------------------------------|--------------|--------------------|------------------|----------------|---------------------------------|--------------|-------------|------------|--------------|
| Traffic revenue <sup>1)</sup> | 3,950        | 1,775              | 881              | 805            | 125                             | 607          | 144         | 101        | 5,808        |
| Other operating revenue       | 725          | 199                | 527              | 436            | 77                              | 406          | 98          | 50         | 1,883        |
| <b>Total revenue</b>          | <b>4,675</b> | <b>1,974</b>       | <b>1,408</b>     | <b>1,241</b>   | <b>202</b>                      | <b>1,013</b> | <b>242</b>  | <b>151</b> | <b>7,691</b> |

<sup>1)</sup> Allocated according to the original location of sale.

## 9 Related party disclosures

As stated in [Note 46 to the consolidated financial statements in the Annual Report 2017, p.177 ff.](#), the segments in the Lufthansa Group render numerous services to affiliated companies 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 of the Annual Report 2017, p. 87 ff.](#), and in [Note 47, p. 180, of the 2017 consolidated financial statements](#) also still exist unchanged, but are not of material significance for the Group.

## 10 Published standards that have not yet been applied

IFRS 16, Leases, must be applied from 1 January 2019. The Lufthansa Group has decided to apply the modified retroactive approach. In the modified retroactive approach, the comparable figures for the previous year are not adjusted and all adjustment effects as of 1 January 2019 are therefore to be presented as adjustments to retained earnings. The Lufthansa Group has also decided to recognise right-of-use assets pertaining to lease liabilities upon initial application, identical to the corresponding lease liabilities. This will therefore not have any impact on equity as of the effective date. The Lufthansa Group has set up a Group-wide project to implement the new leasing standard. One important change identified to date is that the Group will recognise new assets and liabilities for its operating leases. These right-of-use assets will mainly consist of buildings and, to a lesser extent, of leased aircraft (7 per cent of the Group fleet are on operating leases as of 31 March 2018). It is still too early to reliably quantify the concrete impact this will have on the consolidated financial statements.

## 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.

Frankfurt, 24 April 2018  
Executive Board



Carsten Spohr  
Chairman of the  
Executive Board and CEO



Thorsten Dirks  
Member of the Executive Board  
Eurowings and Aviation Services



Harry Hohmeister  
Member of the Executive Board  
Hub Management



Ulrik Svensson  
Member of the Executive Board  
Chief Financial Officer



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

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

## Financial calendar 2018/2019

### 2018

- 8 May** Annual General Meeting
- 31 July** Release of Interim Report  
January – June 2018
- 30 Oct.** Release of Interim Report  
January – September 2018

### 2019

- 14 March** Release of Annual Report 2018
- 30 April** Release of Interim Report  
January – March 2019
- 7 May** Annual General Meeting
- 30 July** Release of Interim Report  
January – June 2019
- 6 Nov.** Release of Interim Report  
January – September 2019

#### Disclaimer in respect of forward-looking statements

Information published in the 1st Interim Report 2018, 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.

#### Note

Unless stated otherwise, all change figures refer to the corresponding period from the previous year. Due to rounding, some of the figures may not add up precisely to the stated totals, and percentages may not precisely reflect the absolute figures.

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