



Shareholder Information November 2013

Ladies and Gentleman,
dear shareholders,

So far, the year 2013 at the Lufthansa Group has been strongly influenced by the structural change which is progressing under the consistent implementation of the SCORE programme. In the first nine months of the year, the Lufthansa Group was able to increase its operating result adjusted for restructuring costs and non-recurring effects.

A major contribution came from the new Germanwings, which started operations on 1 July 2013. The transfer of European routes outside the hubs in Frankfurt and Munich to the new subsidiary had a significantly positive effect towards the end of the third quarter. Passengers have responded very well to the new product and the financial performance is also on target.

Great efforts are still required, however. We have improved our cost structures substantially. Global demand nonetheless continues to vary from one region to another and exchange rates burden our business. We are standing by our goal of achieving an operating result of EUR 2.3bn in 2015. Should further measures be necessary to reach this goal, we will take them.

We invite you to continue with us on this journey.

Kind regards,



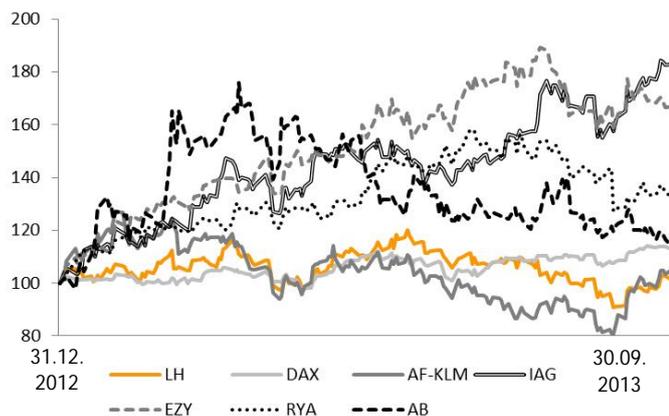
Andreas Hagenbring
Head of Investor Relations,
Deutsche Lufthansa AG

Key figures January to September 2013

		Jan. – Sept. 2013	Jan. – Sept 2012 ¹⁾	Change in %
Revenue and result				
Total revenue	Mio. €	22,768	22,821	-0.2
of which traffic revenue	Mio. €	18,663	18,786	-0.7
Operating result	Mio. €	661	907	-27.1
EBIT	Mio. €	615	972	-36.7
Net profit/loss for the period	Mio. €	247	697	-64.6
Key balance sheet and cash flow statement figures				
Total assets	Mio. €	29,342	29,880	-1.8
Equity ratio	%	19.1	17.1	2.0 pts.
Net indebtedness	Mio. €	1,059	2,043	-48.2
Cash flow from operating activities	Mio. €	3,001	2,428	23.6
Capital expenditure (gross)	Mio. €	1,896	1,878	1.0
Lufthansa share				
Share price at the quarter-end	€	14.42	10.55	36.7
Earnings per share	€	0.54	1.52	-64.4
Traffic figures²⁾				
Passengers	Tsd.	79,774	79,283	0.6
Passenger load factor	%	80.3	79.3	1.0 pts.
Freight and mail	Tsd. t	1,453	1,482	-2.0
Cargo load factor	%	68.4	68.8	-0.4 pts.
Available tonne-kilometres	Mio.	31,100	31,077	0.1
Revenue tonne-kilometres	Mio.	23,376	23,124	1.1
Overall load factor	%	75.2	74.4	0.8 pts.
Flights	number	779,742	812,245	-4.0

1) The comparable figures of last year were adjusted retrospectively due to the application of the amended IAS 19 as of 1 January 2013.
2) Previous year's figures have been adjusted.

Performance of the Lufthansa share, indexed as of 31.12.2012, compared with the DAX and competitors



After rising in the first two quarters by a total of 9.5 per cent, the Lufthansa share lost some of its gains in the third quarter (-7.6 per cent), closing at EUR 14.42, which was slightly higher than at the beginning of the year (+1.2 per cent).

Analysts believe that the share price still has upside potential. At the end of the quarter, 19 out of 31 analysts recommended the Lufthansa share as a buy. The average target price was EUR 17.32.

Analysts justified their positive opinion with the increasing consolidation of the European airline industry, the performance of the Lufthansa Group and the expected earnings increase from the SCORE programme.

In addition to road shows and conferences for institutional and private investors, information about planned activities and the progress achieved with SCORE was made available at two extra investor events. The presentations and recordings of both events are available from the Investor Relations website at www.lufthansagroup.com/investor-relations.



Economic Development

The very different pace of economic development in the various regions of the world and the volatility of exchange rates both negatively affected the Lufthansa Group's result for the first nine months of the year. A more positive impact on earnings was achieved through the lower fuel consumption resulting from fewer flights as well as a lower fuel price.

All business segments in the Lufthansa Group generated an operating profit in the first three quarters, but their performance differed. The Passenger Airline Group, Lufthansa Cargo and LSG SkyChefs segments performed partly significantly less well than last year, partly due to non-recurring effects, whereas the MRO and IT Services segments increased their operating profit, substantially in some cases, and so stabilised the operating result of the Lufthansa Group.

In early September 2013, the Executive Board of Deutsche Lufthansa AG announced a restructuring of the company pension schemes in place at Lufthansa Group companies based in Germany. Rising life expectancy and historically low interest rates have resulted in a sharp rise in pension obligations, and make this step necessary in order to keep offering secure and attractive retirement benefits in the long term. The agreements on retirement and transitional benefits were terminated with effect from year-end 2013 as a formal condition for beginning new talks with the collective bargaining partners on the future structure of retirement benefits. These talks have now begun. The agreement on retirement benefits for the existing workforce will remain in effect until a new agreement is signed.

Christoph Franz, the Chairman of the Executive Board and CEO of Deutsche Lufthansa AG, informed the Supervisory Board in mid-September 2013 that he would not be available to renew his contract after 31 May 2014. The Supervisory Board has not yet nominated a successor.

Outlook

The Lufthansa Group's performance in the first nine months of 2013 was satisfactory. The operating result was down on the same period last year, but this still represented a significant improvement if adjusted for one-off effects, in particular from restructuring Austrian Airlines and the sale of British Midland International (bmi) in the previous year.

The implementation of the activities as part of the SCORE programme is developing according to plan. However, the Lufthansa Group expects that it will come with non-recurring expenses of EUR 300m for the full year.

Varying regional development poses risks for the performance of the Passenger Airline Group. Strict capacity management is therefore to be continued and should again boost load factors. Average yields are expected to remain under pressure, especially due to adverse exchange rates.

Demand in the fourth quarter will also be decisive for the earnings performance at Lufthansa Cargo. Contrary to expectations, the market here has still not recovered. For the service companies, there are signs of a stable performance, with developments at Lufthansa Technik predicted to be positive.

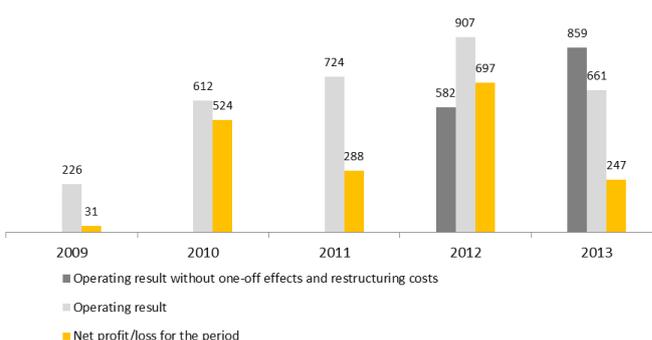
For the full year 2013, the Lufthansa Group therefore now anticipates revenue to be on a par with last year. The forecast for the operating result is confirmed and narrowed to a range of EUR 600m to EUR 700m. Included in this amount are the non-recurring expenses of around EUR 300m mentioned above. After adjustment for non-recurring expenses, the result is therefore expected to be between EUR 900m and EUR 1.0bn.

As exchange rates remain highly volatile, the forecast is still subject to uncertainty, however. In addition to general market developments, the development of fuel costs and exchange rates will be decisive.

**Revenue and operating result by business segment
(Jan. – Sept. 2013)**

	Revenue in €m	Change compared with previous year in %	Operating result in €m	Change compared with previous year in %
Passenger Airline Group	17,892	0.2	497	-19.2
Logistics	1,801	-10.2	43	-35.8
MRO	3,109	3.6	332	43.7
Catering	1,889	-0.4	63	-16.0
IT Services	472	5.4	17	30.8

Operating result and net profit/loss for the period in €m (Jan. - Sept)





Comprehensive Fleet Modernization

The Passenger Airline Group has taken important steps for the future structure of its fleet in 2013. Following the recommendation of the Executive Board of Deutsche Lufthansa AG, the Supervisory Board approved the purchase of a total of 59 new technology aircraft for the Lufthansa Group at its meeting on 18 September 2013. 34 Boeing 777-9Xs and 25 Airbus A350-900s are to join the Lufthansa Group's long-haul fleet. With deliveries scheduled from 2016 to 2025, they will replace older Boeing 747-400 and Airbus A340-300 aircraft.

This most recent order by the Lufthansa Group represents an investment of EUR 14bn at list prices, making it the largest single investment in German industrial history. This investment in new technology, efficiency and customer comfort is another step in the ongoing fleet modernisation of the airlines in the Lufthansa Group, supplementing, among other things, the order placed back in June for 100 aircraft from the Airbus A320 family for the short and medium-haul segment at Lufthansa Passenger Airlines, which are also to be delivered in the period up to 2025.

In the next few years, SWISS is expecting the delivery of 30 Bombardier C-Series aircraft, six Boeing 777-300ERs, one A330-300 and one A321. Following the order placed in March, this means that the Lufthansa Group now has 295 new aircraft on order, with a list price of EUR 36bn. All planes are due for delivery by 2025.

The aim of the fleet orders is to invest in the latest technology and to reduce the range of aircraft models and the complexity of the fleet in the Passenger Airline Group segment. The new aircraft are more fuel-efficient and have lower CO₂ and noise emissions. The 59 new aircraft will consume an average of just 2.9 litres of kerosene per passenger and 100 kilometres. This constitutes a reduction of some 25 per cent compared with the current aircraft and will have a positive impact on the Group's carbon footprint. Unit costs will fall by around 20 per cent compared with the previous models.

Passenger comfort will also benefit from this extensive modernization. The two long-haul models have even wider cabins than the Airbus A340, which opens up new completion options for improving in-flight comfort.

Another important aspect of the new aircraft is their impact on job security. At Lufthansa Passenger Airlines alone, every aircraft will safeguard around 220 jobs directly. Around half of these are in the cockpit and the cabin. The remainder will be in the areas of passenger services, catering, overhaul and maintenance as well as, proportionally, in sales, marketing and controlling. For 59 aircraft, this therefore adds up to some 13,000 jobs in the Lufthansa Group which are directly attributable to the order. And then there are another 90 jobs per aircraft at airports, air traffic control, manufacturers, freight forwarders and other system partners.



Questions & Answers

What steps is Lufthansa Passenger Airlines taking to sustainably reduce the cost of flight operations?

Specifically, this is about cutting unit costs. These are the costs per seat per kilometre. Using larger aircraft enables more passengers to be carried per flight. Fuel and staff costs, fees, charges and insurance premiums, for example, are spread across a larger number of passengers. For the achieved unit cost advantages to have a positive impact on the result, the load factor of the planes has to remain stable or improve. A higher load factor reduces the costs per passenger and increases revenue at the same time. In view of these effects, Lufthansa Passenger Airlines is currently speeding up the replacement of older aircraft with newer ones that have more seats.

How is Lufthansa Passenger Airlines covering its current staffing needs?

Next year, Lufthansa Passenger Airlines is planning to recruit flight attendants on fixed-term contracts to cover the increased staffing requirements in the summer months. The new annual working hours model was created as part of collective bargaining with the flight attendants' trade union (UFO) in 2012 in order to compensate for seasonal fluctuations.

Lufthansa especially wants to address people starting to work, seasonal workers or students who want to work as flight attendants for a limited period of time. Flight attendants in the annual working hours model will receive a fixed-term contract for two years but will only be deployed for six months of the year between March and October.

Flight attendants in the annual working hours model will receive the same training as all other flight attendants. After completing their training, they will be employed on the basis of a 50-per-cent part-time contract. Salaries and social security contributions are paid for the full twelve-months period.

Corporate Responsibility

Lufthansa Passenger Airlines to make majority of short-haul aircraft quieter

Lufthansa Passenger Airlines is an active proponent of noise reduction and is investing in the modification of 157 aircraft of its Airbus A320 family. The manufacturer, Airbus, has developed vortex generators especially for these aircraft. These are based on research carried out by the Lufthansa Group and the German Aerospace Center. Flyover measurements showed that the vortex generators eliminate unpleasant noise and therefore reduce the total noise generated by the approaching plane by up to two decibels. They can be fitted both to aircraft already in service as well as to the new Airbus A319, A320 and A321 models, which are still to be delivered. The modification of the existing fleet is to start in early 2014. All new deliveries of the A320 and A321 for Lufthansa will be fitted as standard with the vortex generators in future.

Lufthansa LEOS signs development agreement for e-tractor

Representatives from Lufthansa Technik subsidiary Lufthansa LEOS and the Swedish company Kalmar Motor AB, recently signed an agreement to develop a hybrid-electric aircraft tractor without towbar. Lufthansa LEOS intends to use the vehicle in the future for repositioning planes and for towing heavy long-haul aircraft for maintenance over distances of up to seven kilometres. The so-called e-tractor is the world's only aircraft tractor within this power class and can move aircraft with a maximum take-off weight of up to 600 tonnes. Lufthansa LEOS is to receive the first prototype by the end of 2014. In the medium term, the e-tractor is intended to replace the diesel-operated towbar tractors currently in use.

More details on different aspects of Lufthansa's corporate responsibility can be found at www.lufthansagroup.com/responsibility. You can also download or order Balance, our current sustainability report, there.

Contact

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Disclaimer in respect of forward-looking statements

Information published in this Shareholder Information with regard to the future development of the Lufthansa Group and its subsidiaries consists purely of forecasts and assessments and not of definitive historical facts. Its purpose is exclusively informational and is identified by the use of such terms as 'believe', 'expect', 'forecast', 'intend', 'project', 'plan', 'estimate', 'assume' and 'endeavour'. These forward-looking statements are based on all discernible information, facts and expectations available at the time. They can, therefore, only claim validity up to the date of their publication.

Since forward-looking statements are by their nature subject to uncertainties and imponderable risk factors – such as changes in underlying economic conditions – and rest on assumptions that may not, or divergently occur, it is possible that the Group's actual results and development may differ materially from those implied by the forecasts. Lufthansa makes a point of checking and updating the information it publishes. It cannot, however, assume any obligation 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 or completeness of this data and information.

Financial Calendar

13.03.2014 Release of Annual Report 2013
29.04.2014 Annual General Meeting, Hamburg
06.05.2014 Release of 1st Interim Report for 2014
31.07.2014 Release of 2nd Interim Report for 2014 2014
30.10.2014 Release of 3rd Interim Report for 2014

The next Shareholder Information will be published in August 2014.

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