



Shareholder Information November 2015

**Ladies and Gentlemen,
dear shareholders,**

More than half a year has passed since the Lufthansa Group has experienced the worst disaster in the Company's history. None of us will ever forget the accident of flight 4U 9525 on 24 March 2015. In the face of the pain suffered by the families and friends of the victims, we bow our heads in humility and respect.

But even after this tragic accident, our flight operations had to continue and the entire aviation group could not stand still. Because after safety, the most important priority of the Lufthansa Group is its own future viability.

In September we hence adopted an extensive reorganization programme. The organization will be structured more functionally across all business segments with its commercial, operational and administrative functions integrated more closely together. The reorganization also creates an important framework for establishing the new Eurowings as a second brand and positioning it in our home markets as the leading point-to-point airline. We are delighted to introduce our second brand to you in this issue.

Meanwhile the economic performance was strong. The Lufthansa Group was able to increase the Adjusted EBIT, the main indicator for the operating performance, by around 70 per cent to a new optimum value.

Thank you for your continued trust.

Kind regards,



Andreas Hagenbring
Head of Investor Relations,
Deutsche Lufthansa AG

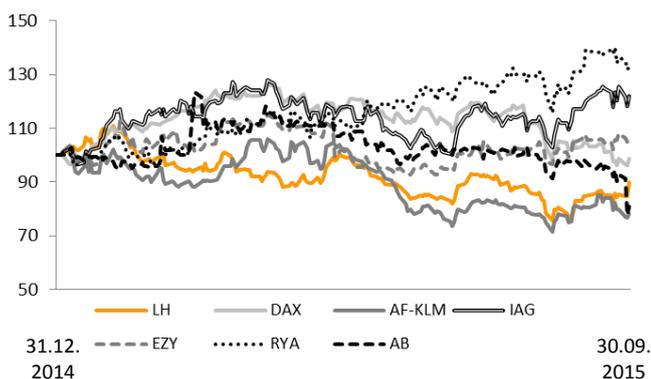
Key figures January – September 2015

		Jan. – Sep. 2015	Jan. – Sep. 2014 ¹⁾	Change in %
Revenue and result				
Total revenue	€m	24,304	22,624	7.4
of which traffic revenue	€m	19,387	18,460	5.0
EBIT ¹⁾	€m	1,663	1,048	58.7
Adjusted EBIT	€m	1,693	988	71.4
EBITDA ¹⁾	€m	2,932	2,111	38.9
Net profit/loss for the period	€m	1,748	482	262.7
Key balance sheet and cash flow statement figures				
Total assets	€m	33,159	30,961	7.1
Equity ratio	%	18.6	15.2	3.4P.
Net indebtedness	€m	2,346	2,262	3.7
Cash flow from operating activities	€m	3,160	2,052	54.0
Capital expenditure (gross)	€m	1,931	2,235	- 13.6
Lufthansa share				
Share price at the quarter-end	€	12.43	12.51	- 0.6
Earnings per share	€	3.78	1.05	261.3
Traffic figures²⁾				
Passengers	thousands	83,017	81,157	2.3
Available seat-kilometres	millions	210,477	204,391	3.0
Revenue seat-kilometres	millions	170,824	164,833	3.6
Passenger load factor	%	81.2	80.6	0.6 pts.
Freight and mail	thousand tonnes	1,387	1,416	- 2.0
Available tonne-kilometres	millions	32,320	31,414	2.9
Revenue tonne-kilometres	millions	24,178	23,751	1.8
Cargo load factor	%	65.8	69.2	- 3.4 pts.
Overall load factor	%	74.8	75.6	- 0.8 pts.
Flights	number	764,376	762,961	0.2

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

²⁾ Previous year's figures have been adjusted.

Performance of the Lufthansa share, indexed as of 31.12.2014, compared with the DAX and competitors in % (excluding dividend)



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

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

The third interim report as well as the related presentation of the board are available on the website <http://www.lufthansagroup.com/investor-relations>.



Economic development

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

Significant events

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

After a strike by the Vereinigung Cockpit pilots' union (VC) on 9 September 2015 affecting all short-haul routes at Lufthansa Passenger Airlines and Germanwings, which followed a strike on long-haul flights by Lufthansa Passenger Airlines and Lufthansa Cargo the day before, the Higher Labour Court issued a temporary injunction on the same day, banning this strike with immediate effect. The Higher Labour Court described the strike by VC as "clearly unlawful". It ruled that the strike by VC was not only aimed at influencing a new agreement on transitional benefits but that at least one of its main objectives was to prevent the development and implementation of the Wings concept were "not amenable to strikes in support of collective bargaining".

Outlook

In the first nine months of the financial year, the Lufthansa Group delivered a good earnings performance compared to the same period last year, in an environment dominated by great volatility.

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

On the basis of its business performance in the second and third quarters and the continuing sluggish pace of world trade, Lufthansa Cargo is still expecting its Adjusted EBIT for 2015 to be down significantly on last year. Lufthansa Technik is predicting its Adjusted EBIT for 2015 to be significantly higher than last year, despite increased expenses for innovative product developments, growth projects and expanding the group structure. LSG Sky Chefs is still expecting revenue and Adjusted EBIT for the full year 2015 to be significantly up on last year.

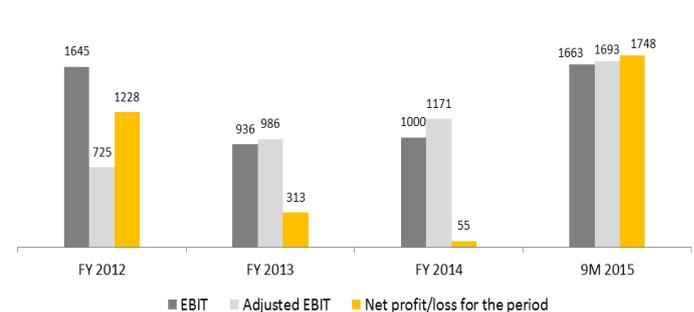
The Lufthansa Group is now anticipating an Adjusted EBIT of EUR 1.75bn to EUR 1.95bn for the financial year 2015. The forecast does not include the cost of any strikes in the fourth quarter.

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

Revenue and Adjusted EBIT by business segment (Jan. – Sep. 2015)

	Revenue in €m	Change compared with previous year in %	Adjusted EBIT in € m	Change compared with previous year in %
Passenger Airline Group	18,739	5.9	1,350	145.9
Logistics	1,763	- 0.2	35	- 49.3
MRO	3,723	16.3	398	14.4
Catering	2,258	15.2	76	33.3
Other	373	- 22.0	- 191	- 334.1

Development EBIT, Adjusted EBIT and Net profit/loss for the period in €m





New Eurowings

From 2016 onwards the new organizational structure of the Lufthansa Group rests on three strong pillars: the premium hub airlines, our second brand Eurowings for point-to-point flights, and aviation services.

The Lufthansa Group has been facing fierce competition from the rapidly-growing low-cost carriers in the point-to-point travel segment for several years now. The New Eurowings is the response of the Lufthansa Group to meet this major challenge in an even more effective manner.

The new Eurowings is further developing the business concept that has already proven successful with the Lufthansa Group subsidiary Germanwings. All non-hub flights of Lufthansa Passenger Airline were finally transferred to Germanwings at the beginning of January 2015.

After the first nine months of 2015, Germanwings reported its first positive cumulative EBIT since taking over the non-hub traffic from Lufthansa Passenger Airline (in mid-2013).

In an initial step, the two already-existing airlines Germanwings and Eurowings continue to perform their flight operations with their current networks and crews, under the umbrella of the new Wings-Holding. In future, Germanwings will be merchandized through Eurowings. From Mid-January 2016, all Eurowings and Germanwings flights are bookable via www.eurowings.com. Aircraft operating under a Germanwings flight number will continue to fly in their Germanwings lacquering and served by Germanwings crews. The IATA code "4U" will be preserved. All economic and contractual responsibilities, however, are assumed by Eurowings since November 2015.

For the new European operations the present Eurowings fleet, which consisted of 23 Bombardier CRJ900 jets, will be replaced by modern Airbus A320s until March 2017. This will then give the airline a standardized fleet along with the further cost benefits that will derive from these aircraft's fuel-efficient credentials.

In addition to its European network, the new Eurowings also begins to add long-haul services to its low-fare product range. From the winter flight plan 2015/16 onwards, the new route network will include Dubai, the Thai cities of Bangkok and Phuket, as well as the Caribbean destinations of Varadero, Bridgetown and Punta Cana. Montego Bay and La Romana are served as full charter flights. The inaugural long-haul flight started successfully on 2 November 2015 to Varadero on Cuba. The new long-haul services will be operated with Airbus A330-200 aircraft. The Eurowings long-haul fleet will be expanded to seven Airbus A330s until 2017.

As with the already-successful Germanwings concept, the new Eurowings long-haul products will offer customers a choice of 'Best', 'Basic' and 'Smart' fares. Home base for the new long-haul fleet will initially be Cologne/Bonn Airport; and Cologne will also be the home of the Wings carriers' commercial management operations.

A first operating base outside Germany was founded in Austria. Eurowings will offer European services from and to the capital city of Vienna using Airbus A320 equipment. Eurowings took up flight operations from Vienna on 10 November 2015. The airline offers direct flights from the Austrian capital to Barcelona, London-Stansted and Palma de Mallorca for a start.



Questions & Answers

What is the reorganization of the Lufthansa Group aiming at?

The Lufthansa Group is to adopt a new organizational structure with effect from 1 January 2016 to strengthen its position as a leading aviation group.

The restructuring will further give the group organization a more functional alignment and thrust. It will align the Group's commercial, operational and administrative functions throughout all its business segments. This will include managing the Group's network carriers using standard processes, to offer customers a consistent and integrated travel experience throughout all its premium airlines and their operating hubs. At the same time, the new alignment of the Lufthansa Group will lay vital foundations on which to establish and develop the new Eurowings as a second European brand and position it as a market-leading point-to-point airline in the Group's home markets. The Group is also strengthening its service companies, which are leading in their respective global markets, by enabling them to actively exploit further growth opportunities in the cargo, catering and financial services fields. The reorganization is to contribute 500m EUR annually to operating income.

How is the new distribution strategy of the Lufthansa Group going on?

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

Corporate Responsibility

Airlines of the Lufthansa Group are leaders in sustainability

The airlines Lufthansa, Swiss and Austrian Airlines have been named as three of the most sustainable airlines by consumers in Germany. This is the result of the representative survey "Mit gutem Gewissen" (with a clear conscience) carried out by the economic magazine Focus Money together with Deutschland Test and the analysis company ServiceValue. Those surveyed rated Lufthansa as the brand with the highest level of responsibility in the "Airlines" category, thus rating it the most sustainable airline. Alongside Lufthansa, the Group airlines Swiss (2nd place) and Austrian Airlines (3rd place) were awarded a gold rating for particularly responsible conduct in the areas of ecology, economy and social issues. The latest survey results acknowledge the commitment of the Lufthansa Group towards operating with responsibility in all areas, and honour the target-oriented investments of the airline group with regard to sustainable corporate governance. Already in early 2015, the Lufthansa Group received the renowned award "Eco-Airline of the Year" by the US trade journal Air Transport World for the second time.

Low emission ground services: „Green Gate“ at Frankfurt Airport opened

The E-PORT AN initiative partners; Fraport AG, Lufthansa Group, the State of Hesse and the Rhine-Main model electro-mobility region, opened the first "Green Gate" at Frankfurt Airport. At Lufthansa Gate A15 passengers can now find information about the numerous electric mobility projects at Germany's largest airport. As an important project component, the "Green Gate" presents aircraft ground services which in the future can be largely carried out with electric vehicles. The partners present their activities using models, information panels and animations, including solar-powered passenger airstairs, electric conveyor belt vehicles, hybrid aircraft tugs and electric pallet trucks.

More details on different aspects of the Lufthansa Group's corporate responsibility can be found at

www.lufthansagroup.com/responsibility.

Contact

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If you have any questions please do not hesitate to contact us by telephone **+49 69 696-28008** or by email at investor.relations@dlh.de.

Disclaimer in respect of forward-looking statements

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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. The Lufthansa Group 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

17.03.2016	Release of Annual Report 2015
28.04.2016	Annual General Meeting in Hamburg
03.05.2016	Release of 1st Interim Report for 2016
02.08.2016	Release of 2nd Interim Report for 2016
02.11.2016	Release of 3rd Interim Report for 2016

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