



3rd Interim Report January – September 2016

✂ Adjusted EBIT of EUR 1.7bn close to prior-year level / Adjusted unit costs down by 2.1 per cent / Successful steering and capacity measures limit unit revenue decline / Lufthansa Passenger Airlines, Austrian Airlines and Catering segment above prior-year levels / Financial stability further strengthened / Full-year Adjusted EBIT approximately on previous year's level / Successful steering and capacity measures to continue

Lufthansa Group overview

| Key figures Lufthansa Group | Jan. – Sept. 2016 | Jan. – Sept. 2015 | Change in % | July – Sept. 2016 | July – Sept. 2015 | Change in % | |
|--|-------------------|-------------------|-------------|-------------------|-------------------|-------------|----------|
| Revenue and result | | | | | | | |
| Total revenue | €m | 23,870 | 24,304 | -1.8 | 8,828 | 8,939 | -1.2 |
| of which traffic revenue* | €m | 18,674 | 19,486 | -4.2 | 7,037 | 7,305 | -3.7 |
| EBIT | €m | 2,330 | 1,663 | 40.1 | 1,812 | 1,200 | 51.0 |
| Adjusted EBIT | €m | 1,677 | 1,693 | -0.9 | 1,148 | 1,225 | -6.3 |
| EBITDA | €m | 3,634 | 2,931 | 24.0 | 2,273 | 1,615 | 40.7 |
| Net profit/loss for the period | €m | 1,851 | 1,748 | 5.9 | 1,422 | 794 | 79.1 |
| Key balance sheet and cash flow statement figures | | | | | | | |
| Total assets | €m | 34,313 | 33,159 | 3.5 | – | – | – |
| Equity ratio | % | 14.1 | 18.6 | -4.5 pts | – | – | – |
| Net indebtedness | €m | 2,201 | 2,346 | -6.2 | – | – | – |
| Cash flow from operating activities | €m | 3,054 | 3,160 | -3.4 | 879 | 633 | 38.9 |
| Capital expenditure (gross) | €m | 1,634 | 1,931 | -15.4 | 467 | 433 | 7.9 |
| Key profitability and value creation figures | | | | | | | |
| EBIT margin | % | 9.8 | 6.8 | 3.0 pts | 20.5 | 13.4 | 7.1 pts |
| Adjusted EBIT margin | % | 7.0 | 7.0 | 0.0 pts | 13.0 | 13.7 | -0.7 pts |
| EBITDA margin | % | 15.2 | 12.1 | 3.1 pts | 25.7 | 18.1 | 7.6 pts |
| Lufthansa share | | | | | | | |
| Share price at the quarter-end | € | 9.90 | 12.43 | -20.4 | – | – | – |
| Earnings per share | € | 3.98 | 3.78 | 5.3 | 3.06 | 1.72 | 77.9 |
| Traffic figures* | | | | | | | |
| Passengers | thousands | 83,946 | 83,022 | 1.1 | 32,694 | 32,098 | 1.9 |
| Available seat-kilometres | millions | 219,130 | 210,478 | 4.1 | 81,044 | 77,905 | 4.0 |
| Revenue seat-kilometres | millions | 173,864 | 170,831 | 1.8 | 68,397 | 66,973 | 2.1 |
| Passenger load factor | % | 79.3 | 81.2 | -1.8 pts | 84.4 | 86.0 | -1.6 pts |
| Available cargo tonne-kilometres | millions | 11,322 | 11,231 | 0.8 | 4,025 | 3,938 | 2.2 |
| Revenue cargo tonne-kilometres | millions | 7,375 | 7,403 | -0.4 | 2,559 | 2,470 | 3.6 |
| Cargo load factor | % | 65.1 | 65.9 | -0.8 pts | 63.6 | 62.7 | 0.8 pts |
| Total available tonne-kilometres | millions | 33,169 | 30,800 | 7.7 | 12,091 | 11,129 | 8.6 |
| Total revenue tonne-kilometres | millions | 24,458 | 22,973 | 6.5 | 9,279 | 8,542 | 8.6 |
| Overall load factor | % | 73.7 | 74.6 | -0.8 pts | 76.7 | 76.8 | -0.0 pts |
| Flights | number | 786,052 | 764,429 | 2.8 | 283,849 | 273,542 | 3.8 |
| Employees | | | | | | | |
| Employees as of 30.9. | number | 124,192 | 119,391 | 4.0 | 124,192 | 119,391 | 4.0 |

* Previous year's figures have been adjusted.
Date of publication: 2 November 2016.

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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.

Course of business

Good performance in the first nine months of the financial year

- Revenue down by 1.8 per cent, in particular due to lower traffic revenue at the airlines
- Adjusted EBIT down by 0.9 per cent to EUR 1.7bn; EBIT improved by an above-average 40.1 per cent to EUR 2.3bn following the collective agreement with the UFO flight attendants' union
- Positive earnings development in the Passenger Airline Group, Catering and Other segments
- Earnings increase at the Passenger Airline Group mainly influenced by lower fuel costs, falling unit costs and absence of negative one-off-effects from the previous year
- MRO segment developing in line with the forecast
- Logistics segment down significantly on the previous year

Significant events

Letter of intent on wet-lease partnership signed between Eurowings, Austrian Airlines and Air Berlin

- Wet-lease of up to 40 aircraft operated by the Air Berlin Group
- Agreement scheduled to be implemented with the summer flight timetable in March 2017; intended term of six years
- Aircraft to be stationed at seven German airports, in Vienna and in Palma de Mallorca
- Negotiation of details, board approvals and review by the competition authorities still outstanding

Supervisory Board approves full acquisition of Brussels Airlines

- Approval to exercise the call option for the remaining 55 per cent of the shares in the parent company, SN Airholding
- Full acquisition intended for early 2017, depending on the support of key stakeholders

Commercial joint venture signed with Air China

- Closer cooperation and strengthening of competitive position in China
- Numerous benefits for customers, code-sharing connections, flight timetable coordination and common fares through the joint venture

Long-term collective agreement reached between Lufthansa Passenger Airlines and the UFO flight attendants' union

- Wage settlement runs until 30 June 2019 and collective agreements on retirement and transitional benefits until 2023
- Full exit from defined-benefit pension system and improved productivity lead to significant reductions in pension liabilities and cost savings from 2017

Ulrik Svensson new CFO from 1 January 2017

- Simone Menne, member of the Executive Board and CFO, left the Company at her own request as of 31 August 2016
- Ulrik Svensson, currently CEO of Melker Schörling AB and former CFO of Swiss International Airlines, appointed as successor for the period from 1 January 2017 to 31 December 2019

Financial performance

Earnings position

Traffic revenue down by 4.2 per cent

- Higher capacity (+4.1 per cent) and sales (+2.1 per cent) in the Lufthansa Group's passenger business
- Higher capacity (+0.8 per cent) and lower sales (–0.4 per cent) in the cargo business

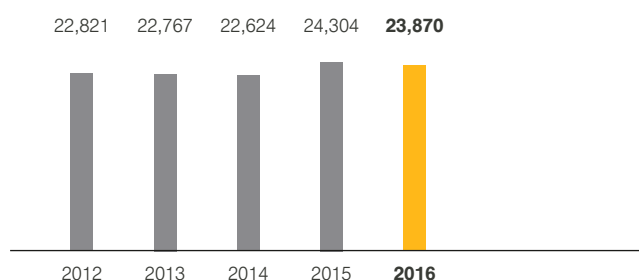
Revenue and income

| | Jan. – Sept. 2016 in €m | Jan. – Sept. 2015 in €m | Change in % |
|---|----------------------------|----------------------------|----------------|
| Traffic revenue* | 18,674 | 19,486 | –4.2 |
| Other revenue* | 5,196 | 4,818 | 7.8 |
| Total revenue | 23,870 | 24,304 | –1.8 |
| Changes in inventories and work performed by the entity and capitalised | 67 | 155 | –56.8 |
| Other operating income | 1,574 | 2,029 | –22.4 |
| Total operating income | 25,511 | 26,488 | –3.7 |

* Previous year's figures have been adjusted.

- Traffic revenue down by 4.2 per cent to EUR 18.7bn
- Change due to lower yields (–4.9 per cent), higher volumes (+1.6 per cent) and negative exchange rate effects (–0.9 per cent)

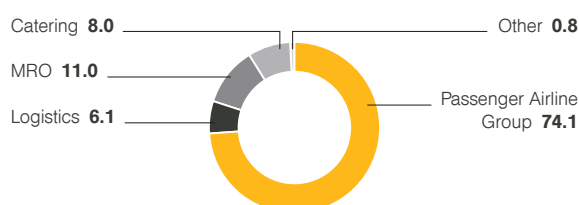
Revenue development in €m (Jan. – Sept.)



Operating income down by 3.7 per cent

- Other revenue up by 7.8 per cent to EUR 5.2bn, largely due to volumes
- Revenue down overall by 1.8 per cent to EUR 23.9bn
- Other operating income down by 22.4 per cent to EUR 1.6bn, mainly due to lower exchange rate gains (– 40.7 per cent)
- Total operating income down by 3.7 per cent to EUR 25.5bn

External revenue share of the business segments in % (as of 30.9.2016)



Expenses down by 6.7 per cent partly due to non-recurring effects

- Cost of materials and services down by 3.3 per cent to EUR 12.9bn; fuel costs included here down by 17.8 per cent to EUR 3.7bn; change due to lower prices (–20.2 per cent), exchange rate effects (+0.5 per cent) and higher volumes (+1.9 per cent); fees and charges up by 1.3 per cent to EUR 4.4bn; charter expenses up by 41.0 per cent to EUR 244m; purchased IT services up by 7.9 per cent to EUR 206m, mainly due to the sale of the IT Infrastructure unit to the IBM group in the previous year
- Staff costs down by 11.5 per cent to EUR 5.2bn; average number of employees up by 3.2 per cent to 122,956, mainly due to growth in the Catering segment; one-off reduction of EUR 713m in past service costs due to change in retirement and transitional benefits for cabin staff at Lufthansa Passenger Airlines from a defined-benefit to a defined-contribution pension system; positive exchange rate effects and lower additions to pension provisions due to changes in interest rates also reduce the expenses
- Depreciation and amortisation up by 1.4 per cent to EUR 1.3bn; depreciation of aircraft up by 2.4 per cent to EUR 951m, in particular due to new aircraft deliveries
- Other operating expenses down by 12.9 per cent to EUR 3.9bn, in particular due to much lower exchange rate losses (–52.2 per cent)
- Operating expenses down overall by 6.7 per cent to EUR 23.3bn

Expenses

| | Jan. – Sept. 2016 in €m | Jan. – Sept. 2015 in €m | Change in €m |
|---------------------------------|----------------------------|----------------------------|-----------------|
| Cost of materials and services | 12,869 | 13,303 | –3.3 |
| of which fuel | 3,696 | 4,494 | –17.8 |
| of which fees and charges | 4,373 | 4,315 | 1.3 |
| of which operating lease | 43 | 36 | 19.4 |
| Staff costs | 5,221 | 5,902 | –11.5 |
| Depreciation | 1,283 | 1,265 | 1.4 |
| Other operating expenses | 3,896 | 4,471 | –12.9 |
| Total operating expenses | 23,269 | 24,941 | –6.7 |

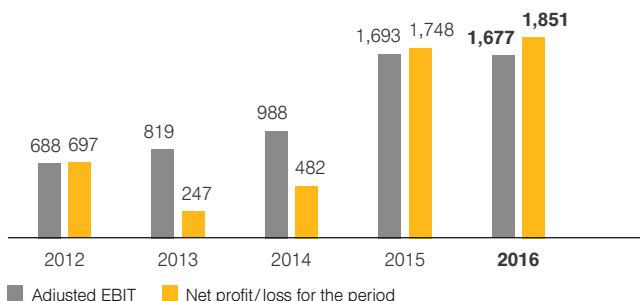
EBIT up by 40.1 per cent, Adjusted EBIT down by 0.9 per cent

- Result from operating activities up by 44.9 per cent to EUR 2.2bn due, in particular, to the positive effects of the collective agreement
- Result from equity investments down by 24.1 per cent to EUR 88m, in particular due to SunExpress and Brussels Airlines
- EBIT up by 40.1 per cent to EUR 2.3bn; after adjustment for the positive effects of the collective agreement, Adjusted EBIT down by 0.9 per cent to EUR 1.7bn

Net profit for the period up by 5.9 per cent

- Positive non-recurring effects in the same quarter of the previous year from the sale of the JetBlue shares (EUR 503m) cause other financial items to fall significantly by 64.0 per cent to EUR 164m
- Result from operating activities (EUR 2.2bn) and financial result (EUR 61m) add up to a profit before income taxes of EUR 2.3bn (previous year: profit of EUR 2.0bn)
- Income tax expense (EUR 434m) and earnings attributable to minority interests (EUR 18m) result in a net profit for the period of EUR 1.9bn (previous year: EUR 1.7bn)
- Earnings per share amount to EUR 3.98 (previous year: EUR 3.78)

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



Reconciliation of results

| in €m | Jan. – Sept. 2016 | | Jan. – Sept. 2015 | |
|---|-------------------|------------------------------|-------------------|------------------------------|
| | Income statement | Reconciliation Adjusted EBIT | Income statement | Reconciliation Adjusted EBIT |
| Total revenue | 23,870 | – | 24,304 | – |
| Changes in inventories | 67 | – | 155 | – |
| Other operating income | 1,574 | – | 2,029 | – |
| of which book gains | | –57 | | –56 |
| of which write-ups on capital assets | | 0* | | –7 |
| of which badwill | | –3 | | – |
| Total operating income | 25,511 | –60 | 26,488 | –63 |
| Cost of materials and services | –12,869 | – | –13,303 | – |
| Staff costs | –5,221 | – | –5,902 | – |
| of which past service costs/settlement | | –721 | | –32 |
| Depreciation | –1,283 | | –1,265 | |
| of which impairment losses | | 98 | | 112 |
| Other operating expenses | –3,896 | | –4,471 | |
| of which impairment losses on assets held for sale | | 22 | | 3 |
| of which expenses incurred from book losses | | 8 | | 10 |
| Total operating expenses | –23,269 | –593 | –24,941 | 93 |
| Profit/loss from operating activities | 2,242 | – | 1,547 | – |
| Result from equity investments | 88 | – | 116 | – |
| EBIT | 2,330 | – | 1,663 | – |
| Total amount of reconciliation Adjusted EBIT | | –653 | | 30 |
| Adjusted EBIT | 1,677 | 1,677 | 1,693 | 1,693 |
| Write-downs (included in profit from operating activities) | 1,283 | – | 1,265 | – |
| Write-downs on financial investments, securities and assets held for sale | 21 | – | 3 | – |
| EBITDA | 3,634 | – | 2,931 | – |

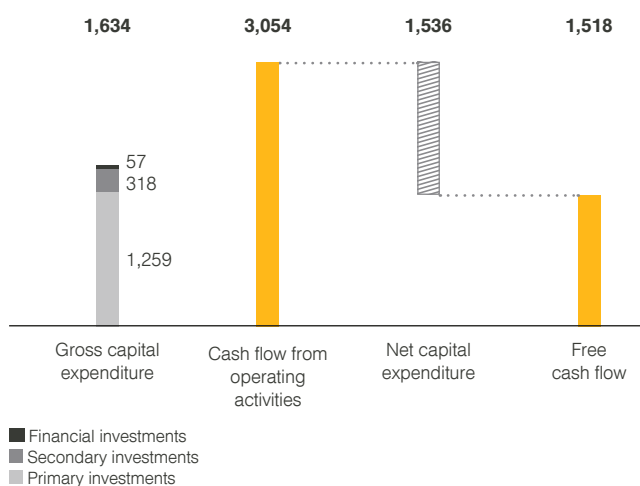
* Rounded below EUR 1m.

Cash flow and capital expenditure

Cash flow from operating activities down by EUR 106m

- On the basis of an increase in profit before income taxes of EUR 308m, cash flow from operating activities was down by EUR 106m to EUR 3.1bn
- Adjusting the result for significant non-cash expenses and income recognised in profit and loss burden cash flow from operating activities with EUR 484m; this includes income of EUR 721m from non-cash past service expenses recognised in profit and loss, in particular from changing the system of retirement and transitional benefits for cabin staff at Lufthansa Passenger Airlines
- Changes in trade working capital due to the business performance improved cash flow from operating activities by EUR 219m; changes in other assets and liabilities not recognised in profit or loss reduced cash flow from operating activities by EUR 425m

Cash flow and capital expenditure in €m (as of 30.9.2016)



**Capital expenditure down by EUR 297m;
free cash flow up by EUR 318m**

- Gross capital expenditure down by EUR 297m to EUR 1.6bn; capital expenditure on aircraft down by EUR 350m to EUR 1.3bn
- Net capital expenditure down by EUR 424m to EUR 1.5bn
- Cash outflows of EUR 381m from the purchase and sale of non-current securities and funds
- Net cash outflows from investing and cash management activities down by EUR 1.2bn to EUR 1.9bn
- Free cash flow up by EUR 318m to EUR 1.5bn
- Net cash outflows from financing activities of EUR 958m include new borrowing of EUR 847m (of which EUR 475m from two borrower's note loans), scheduled capital repayments (EUR 1.4bn, of which EUR 750m for redemption of euro bonds), interest payments (EUR 208m) and dividend payments (EUR 222m)

Liquidity down by EUR 307m

- Cash and cash equivalents up by EUR 167m in total to EUR 1.2bn since the beginning of the year
- Internal financing ratio up by 23.3 percentage points to 186.9 per cent
- Cash and cash equivalents including current securities down by EUR 307m to EUR 3.5bn

Assets and financial position

- Total assets up on year-end 2015 by 5.7 per cent to EUR 34.3bn

Non-current assets up by 3.2 per cent

- Non-current assets up by 3.2 per cent to EUR 24.3bn; aircraft and reserve engines item included here up by 0.4 per cent to EUR 14.7bn
- Repairable spare parts for aircraft up by 9.9 per cent to EUR 1.5bn
- Derivative financial instruments down by 10.1 per cent to EUR 1.1bn; decline largely due to lower market values of exchange rate hedges
- Deferred tax assets up by 54.3 per cent to EUR 1.9bn, in particular due to significantly higher pension provisions as a result of interest rates
- Non-current assets as proportion of total assets down by 1.7 percentage points to 70.8 per cent

Current assets up by 12.2 per cent

- Current assets up by 12.2 per cent to EUR 10.0bn; receivables included here up by 13.4 per cent to EUR 5.0bn for seasonal and billing reasons
- Derivative financial instruments down by 31.8 per cent to EUR 300m; decline due to lower market values of currency hedges, partly offset by higher market values of fuel price hedges
- Assets held for sale include seven Airbus A340-600s and seven Boeing 737-300s
- Cash and cash equivalents up by 16.8 per cent to EUR 3.6bn due to positive free cash flow

Shareholders' equity down by 17.0 per cent

- Equity down by 17.0 per cent overall to EUR 4.9bn due to higher valuation of pension provisions, recognised directly in equity, compared with year-end 2015 and result that was almost even

Non-current liabilities and provisions up by 25.7 per cent

- Non-current liabilities and provisions up on year-end 2015 by 25.7 per cent to EUR 17.8bn
- Pension provisions up by 59.0 per cent to EUR 10.5bn, mainly due to fall in discount rate from 2.8 per cent to 1.5 per cent
- Derivative financial instruments down by 76.5 per cent to EUR 72m, mainly due to lower negative market values of fuel price hedges

Current liabilities and provisions down by 6.4 per cent

- Current liabilities and provisions down on year-end 2015 by 6.4 per cent to EUR 11.6bn
- Other provisions down by 15.8 per cent to EUR 905m
- Current borrowing down by a total of EUR 580m, partly due to redemption of a euro bond with a nominal value of EUR 750m
- Liabilities from unused flight documents up by 18.5 per cent to EUR 3.4bn, mainly for seasonal reasons
- Derivative financial instruments down by 72.9 per cent to EUR 331m; 60.4 percentage points of decline due to lower market values of fuel price hedges

Financial profile stabilises over the year

- Equity ratio down due to interest rates by 3.9 percentage points on year-end 2015 to 14.1 per cent; improvement of 3.7 percentage points against the 2016 half-year financial statements
- Net indebtedness down by 34.2 per cent to EUR 2.2bn
- Debt repayment ratio down due to interest rates by 6.2 percentage points to 24.5 per cent

Calculation of net indebtedness

| | 30 Sept. 2016 in €m | 31 Dec. 2015 in €m | Change in % |
|--------------------------------------|---------------------------|--------------------------|----------------|
| Liabilities to banks | 1,271 | 1,079 | 17.8 |
| Bonds | 1,014 | 1,749 | -42.0 |
| Other non-current borrowing | 3,484 | 3,542 | -1.6 |
| | 5,769 | 6,370 | -9.4 |
| Other bank borrowing | 46 | 70 | -34.3 |
| Group indebtedness | 5,815 | 6,440 | -9.7 |
| Cash and cash equivalents | 1,287 | 1,099 | 17.1 |
| Securities | 2,327 | 1,994 | 16.7 |
| Net indebtedness | 2,201 | 3,347 | -34.2 |
| Pension provisions | 10,537 | 6,626 | 59.0 |
| Net indebtedness and pensions | 12,738 | 9,973 | 27.7 |

Business segments

Passenger Airline Group business segment

Key figures Passenger Airline Group

| | | Jan. – Sept. 2016 | Jan. – Sept. 2015 | Change in % | July – Sept. 2016 | July – Sept. 2015 | Change in % |
|---|-----------|----------------------|----------------------|----------------|----------------------|----------------------|----------------|
| Revenue | €m | 18,166 | 18,739 | -3.1 | 6,864 | 7,097 | -3.3 |
| of which with companies of the Lufthansa Group | €m | 474 | 513 | -7.6 | 180 | 176 | 2.3 |
| EBIT | €m | 2,009 | 1,357 | 48.0 | 1,616 | 1,080 | 49.6 |
| Adjusted EBIT | €m | 1,406 | 1,350 | 4.1 | 965 | 1,101 | -12.4 |
| EBITDA ¹⁾ | €m | 3,093 | 2,329 | 32.8 | 2,004 | 1,418 | 41.3 |
| Segment capital expenditure ²⁾ | €m | 1,306 | 1,739 | -24.9 | 374 | 364 | 2.7 |
| Employees as of 30.9. | number | 54,592 | 54,945 | -0.6 | 54,592 | 54,945 | -0.6 |
| Passengers ²⁾ | thousands | 83,946 | 83,022 | 1.1 | 32,694 | 32,098 | 1.9 |
| Flights | number | 779,326 | 757,533 | 2.9 | 281,500 | 271,212 | 3.8 |
| Available seat-kilometres ²⁾ | millions | 219,130 | 210,478 | 4.1 | 81,044 | 77,905 | 4.0 |
| Revenue seat-kilometres ²⁾ | millions | 173,864 | 170,831 | 1.8 | 68,397 | 66,973 | 2.1 |
| Passenger load factor ²⁾ | % | 79.3 | 81.3 | -1.9 pts | 84.4 | 86.0 | -1.6 pts |
| Yields ²⁾ | € Cent | 9.8 | 10.2 | -4.7 | 9.5 | 10.0 | -5.0 |
| Unit revenue (RASK) ²⁾ | € Cent | 7.7 | 8.3 | -6.7 | 8.0 | 8.6 | -6.9 |
| Unit cost (CASK) ³⁾ | € Cent | 7.7 | 8.8 | -11.9 | 6.8 | 8.1 | -16.5 |

¹⁾ Before profit/loss transfer from other intra-Group companies.

²⁾ Previous year's figures have been adjusted.

³⁾ Unit costs for 2016 positively influenced by one-off effect from the collective agreement of EUR 713m agreed with the UFO trade union.

- Letter of intent on wet-lease partnership signed between Eurowings, Austrian Airlines and Air Berlin
- Supervisory Board approves full acquisition of Brussels Airlines
- Commercial joint venture signed with Air China
- Implementation of distribution strategy making progress; additional partners on board
- Repeated terrorist attacks in Europe as well as greater political and economic uncertainty placed a significant burden on bookings, especially on long-haul connections to Europe
- Implementation of successful capacity and steering measures following clear trend towards more short-term bookings
- Eurowings is reporting separately as an independent business entity within the Passenger Airline Group since 2016; the previous year's figures, also those for Lufthansa Passenger Airlines, have been adjusted accordingly
- Traffic revenue down by 2.9 per cent to EUR 17.0bn due to lower yields (-3.8 per cent), higher traffic (+1.8 per cent) and negative exchange rates (-0.9 per cent)
- Other operating income down by 24.7 per cent overall to EUR 761m, mainly due to lower exchange rate gains (-50.6 per cent)
- Operating expenses down overall by 8.2 per cent to EUR 16.9bn
- Cost of materials and services down by 6.1 per cent to EUR 10.8bn, largely due to lower fuel prices and costs (-17.3 per cent)
- Staff costs down by 22.0 per cent to EUR 2.7bn, mainly due to past service costs from change in the system of retirement and transitional benefits for cabin staff at Lufthansa Passenger Airlines; average number of employees up by 0.7 per cent
- Depreciation and amortisation up by 9.5 per cent to EUR 1.1bn
- Other operating expenses down by 6.0 per cent overall to EUR 2.4bn, primarily due to lower exchange rate losses (-63.7 per cent), offset by higher expenses for advertising and sales promotion (+26.5 per cent) and for computerised distribution systems (+20.7 per cent)
- EBIT improves by 48.0 per cent to EUR 2.0bn, Adjusted EBIT up by 4.1 per cent to EUR 1.4bn
- Segment capital expenditure down by 24.9 per cent to EUR 1.3bn, mainly incurred for new aircraft

Development of traffic regions*

Passenger Airline Group

| | Net traffic revenue in €m external revenue | | Number of passengers in thousands | | Available seat-kilometres in millions | | Revenue seat-kilometres in millions | | Passenger load factor in % | |
|------------------------|---|----------------|--------------------------------------|----------------|--|----------------|--|----------------|-------------------------------|------------------|
| | Jan. – Sept. 2016 | Change in % | Jan. – Sept. 2016 | Change in % | Jan. – Sept. 2016 | Change in % | Jan. – Sept. 2016 | Change in % | Jan. – Sept. 2016 | Change in pts |
| Europe | 7,838 | 0.0 | 67,007 | 1.1 | 72,909 | 2.8 | 55,101 | 0.5 | 75.6 | -1.7 |
| America | 5,109 | -3.4 | 8,599 | 5.8 | 79,482 | 10.1 | 64,993 | 6.5 | 81.8 | -2.8 |
| Asia/Pacific | 2,869 | -6.8 | 5,030 | -1.6 | 49,692 | 1.2 | 40,655 | -0.8 | 81.8 | -1.6 |
| Middle East/ Africa | 1,137 | -9.3 | 3,311 | -5.9 | 17,047 | -6.7 | 13,115 | -6.2 | 76.9 | 0.3 |
| Total | 16,953 | -2.9 | 83,946 | 1.1 | 219,130 | 4.1 | 173,864 | 1.8 | 79.3 | -1.8 |

* Including Eurowings.

Lufthansa Passenger Airlines



Key figures Lufthansa Passenger Airlines¹⁾

| | | Jan. – Sept. 2016 | Jan. – Sept. 2015 ²⁾ | Change in % |
|------------------------------|-----------|----------------------|------------------------------------|----------------|
| Revenue | €m | 11,767 | 12,324 | -4.5 |
| EBIT | €m | 1,580 | 757 | 108.7 |
| Adjusted EBIT | €m | 955 | 776 | 23.1 |
| EBITDA | €m | 2,343 | 1,423 | 64.7 |
| Employees as of 30.9. | number | 35,259 | 37,099 | -5.0 |
| Passengers | thousands | 47,760 | 48,347 | -1.2 |
| Flights | number | 417,329 | 408,492 | 2.2 |
| Available seat-kilometres | millions | 142,033 | 140,906 | 0.8 |
| Revenue seat-kilometres | millions | 112,699 | 114,240 | -1.3 |
| Passenger load factor | % | 79.3 | 81.1 | -1.7 pts |

¹⁾ Including regional partners.

²⁾ Previous year's figures have been adjusted.

- Long-term collective agreement reached between Lufthansa Passenger Airlines and the UFO flight attendants' union
- Services for customers expanded further: Signature Service introduced on all long-haul routes as of 2016; first aircraft in the short and medium-haul fleet equipped with broadband internet from October 2016
- World's first A320neo received in January 2016; delivery of a total of five A320neo planned for 2016
- Revenue down by 4.5 per cent to EUR 11.8bn
- Operating expenses down overall by 12.6 per cent to EUR 10.8bn
- Fuel costs down by 19.3 per cent to EUR 2.3bn
- Depreciation and amortisation up by 11.6 per cent to EUR 742m, primarily due to impairment losses and fleet modernisation

- Staff costs down by 34.6 per cent to EUR 1.5bn, mainly due to one-off effect of changing the system of retirement and transitional benefits in the new collective agreement for cabin staff
- Expenses for MRO services down by 12.1 per cent to EUR 980m, largely due to product work carried out in the cabins last year
- Absence of strike costs (EUR 130m) and impact on earnings by currency restrictions in Venezuela in the previous year
- EBIT improves by 108.7 per cent to EUR 1.6bn, Adjusted EBIT up by 23.1 per cent to EUR 955m

SWISS



Key figures SWISS*

| | | Jan. – Sept. 2016 | Jan. – Sept. 2015 | Change in % |
|------------------------------|-----------|----------------------|----------------------|----------------|
| Revenue | €m | 3,347 | 3,459 | -3.2 |
| EBIT | €m | 329 | 407 | -19.2 |
| Adjusted EBIT | €m | 329 | 375 | -12.3 |
| EBITDA | €m | 524 | 599 | -12.5 |
| Employees as of 30.9. | number | 9,520 | 8,705 | 9.4 |
| Passengers | thousands | 13,597 | 13,424 | 1.3 |
| Flights | number | 128,790 | 125,978 | 2.2 |
| Available seat-kilometres | millions | 39,607 | 36,561 | 8.3 |
| Revenue seat-kilometres | millions | 31,737 | 30,448 | 4.2 |
| Passenger load factor | % | 80.1 | 83.3 | -3.2 pts |

* Including Edelweiss Air. Further information on SWISS can be found at www.swiss.com.

- Services for customers expanded further: à la carte menus introduced in Economy Class; new "SWISS holidays" travel portal launched
- Six B777-300ERs and world's first Bombardier C Series added to the fleet

- Income and expenses affected by weakness of Swiss franc against other currencies
- Revenue down by 3.2 per cent to EUR 3.3bn due to exchange rate movements
- Operating expenses down overall by 3.4 per cent to EUR 3.2bn
- Fuel costs down by 16.0 per cent to EUR 654m
- EBIT down by 19.2 per cent to EUR 329m, Adjusted EBIT down by 12.3 per cent to EUR 329m, partly due to non-recurring effects and to higher result from currency hedging last year

Austrian Airlines



Key figures Austrian Airlines¹⁾

| | | Jan. – Sept. 2016 | Jan. – Sept. 2015 | Change in % |
|---------------------------------------|-----------|-------------------|-------------------|-------------|
| Revenue | €m | 1,637 | 1,591 | 2.9 |
| EBIT | €m | 83 | 61 | 36.1 |
| Adjusted EBIT | €m | 79 | 61 | 29.5 |
| EBITDA | €m | 166 | 142 | 16.9 |
| Employees as of 30.9. | number | 6,336 | 5,916 | 7.1 |
| Passengers ²⁾ | thousands | 8,627 | 8,361 | 3.2 |
| Flights | number | 102,612 | 96,756 | 6.1 |
| Available seat-kilometres | millions | 18,626 | 17,846 | 4.4 |
| Revenue seat-kilometres ²⁾ | millions | 14,344 | 14,062 | 2.0 |
| Passenger load factor | % | 77.0 | 78.8 | -1.8 pts |

¹⁾ Further information on Austrian Airlines can be found at www.austrian.com.

²⁾ Previous year's figures have been adjusted.

- Revised collective agreement signed between Austrian Airlines and the works council for flight staff; new model cuts future training costs
- Additional B777 long-haul aircraft and introduction of Premium Economy Class on long-haul routes from 2018
- Revenue up by 2.9 per cent to EUR 1.6bn
- Operating expenses increase, in part due to volumes, by 1.5 per cent overall to EUR 1.7bn
- Fuel costs down by 15.0 per cent to EUR 289m
- Positive one-off effect from a long-term tenancy agreement at Vienna Airport
- EBIT improves by 36.1 per cent to EUR 83m, Adjusted EBIT up by 29.5 per cent to EUR 79m

Eurowings



Key figures Eurowings*

| | | Jan. – Sept. 2016 | Jan. – Sept. 2015 | Change in % |
|---------------------------|-----------|-------------------|-------------------|-------------|
| Revenue | €m | 1,562 | 1,453 | 7.5 |
| EBIT | €m | -35 | 60 | |
| Adjusted EBIT | €m | -35 | 60 | |
| EBITDA | €m | 10 | 96 | -89.6 |
| Employees as of 30.9. | number | 3,477 | 3,225 | 7.8 |
| Passengers | thousands | 13,962 | 12,891 | 8.3 |
| Flights | number | 130,595 | 126,307 | 3.4 |
| Available seat-kilometres | millions | 18,863 | 15,164 | 24.4 |
| Revenue seat-kilometres | millions | 15,084 | 12,081 | 24.9 |
| Passenger load factor | % | 80.0 | 79.7 | 0.3 pts |

* Further information on Eurowings can be found at www.eurowings.com.

- Eurowings Europe launched with its own base at Vienna Airport
- Expansion of long-haul fleet is progressing; four A330s already in service
- Replacement of 23 CRJ900 aircraft by A320s is going to plan; 13 aircraft already switched
- Revenue up due to volumes by 7.5 per cent to EUR 1.6bn
- Operating expenses increase, principally due to volumes and one-off expenses, by 11.8 per cent overall to EUR 1.6bn
- Fuel costs down by 2.7 per cent to EUR 255m thanks to lower prices
- EBIT and Adjusted EBIT both down by EUR 95m to EUR -35m
- Earnings reduced amongst others by high project costs

Logistics business segment

Key figures Logistics

| | | Jan. – Sept. 2016 | Jan. – Sept. 2015 | Change in % | July – Sept. 2016 | July – Sept. 2015 | Change in % |
|---|----------|----------------------|----------------------|----------------|----------------------|----------------------|----------------|
| Revenue | €m | 1,482 | 1,763 | -15.9 | 506 | 556 | -9.0 |
| of which with companies of the Lufthansa Group | €m | 19 | 19 | 0.0 | 7 | 6 | 16.7 |
| EBIT | €m | -63 | -38 | -65.8 | -17 | -22 | 22.7 |
| Adjusted EBIT | €m | -69 | 35 | | -24 | -15 | -60.0 |
| EBITDA ¹⁾ | €m | 1 | 94 | -98.9 | 5 | 6 | -16.7 |
| Segment capital expenditure ²⁾ | €m | 29 | 105 | -72.4 | 5 | 10 | -50.0 |
| Employees as of 30.9. | number | 4,731 | 4,639 | 2.0 | 4,731 | 4,639 | 2.0 |
| Available cargo tonne-kilometres ²⁾ | millions | 9,390 | 9,450 | -0.6 | 3,336 | 3,328 | 0.3 |
| Revenue cargo tonne-kilometres ²⁾ | millions | 6,155 | 6,234 | -1.3 | 2,125 | 2,086 | 1.9 |
| Cargo load factor ²⁾ | % | 65.6 | 66.0 | -0.4 pts | 63.7 | 62.7 | 1.0 pts |

¹⁾ Before profit/loss transfer from other intra-Group companies.

²⁾ Previous year's figures have been adjusted.

- Load factor down (-0.4 percentage points) as a result of severe overcapacities in the market and weak demand; significant fall in yields (-15.8 per cent)
- Steps to safeguard earnings and strategic cost-cutting programme are underway
- One of the few cargo airlines in the world to receive an IATA-CEIV certificate for pharmaceutical shipments
- Revenue down by 15.9 per cent to EUR 1.5bn due to pricing
- Other operating income up by 37.5 per cent to EUR 44m, in particular due to first-time consolidation of time:matters
- Total operating income down by 15.0 per cent to EUR 1.5bn
- Operating expenses down by 13.2 per cent overall to EUR 1.6bn due to exchange rates and fuel prices
- EBIT down by EUR 25m to EUR -63m, Adjusted EBIT down by EUR 104m to EUR -69m
- Segment capital expenditure down by 72.4 per cent to EUR 29m following aircraft purchases in the previous year

Development of traffic regions

Lufthansa Cargo

| | Net traffic revenue in €m external revenue | | Available cargo tonne- kilometres in millions | | Revenue cargo tonne- kilometres in millions | | Cargo load factor in % | |
|--------------------|---|----------------|--|----------------|--|----------------|---------------------------|------------------|
| | Jan. – Sept. 2016 | Change in % | Jan. – Sept. 2016 | Change in % | Jan. – Sept. 2016 | Change in % | Jan. – Sept. 2016 | Change in pts |
| Europe | 132 | -10.8 | 535 | 3.5 | 251 | 3.0 | 47.0 | -0.2 |
| America | 582 | -19.6 | 4,353 | 0.0 | 2,643 | -4.9 | 60.7 | -3.1 |
| Asia/Pacific | 584 | -14.0 | 3,652 | -1.9 | 2,835 | 3.1 | 77.6 | 3.7 |
| Middle East/Africa | 120 | -20.0 | 851 | -0.9 | 426 | -7.6 | 50.1 | -3.6 |
| Total | 1,418 | -16.6 | 9,390 | -0.6 | 6,155 | -1.3 | 65.6 | -0.4 |

MRO business segment

Key figures MRO

| | | Jan. – Sept. 2016 | Jan. – Sept. 2015 | Change in % | July – Sept. 2016 | July – Sept. 2015 | Change in % |
|---|--------|----------------------|----------------------|----------------|----------------------|----------------------|----------------|
| Revenue | €m | 3,809 | 3,723 | 2.3 | 1,271 | 1,167 | 8.9 |
| of which with companies of the Lufthansa Group | €m | 1,198 | 1,361 | -12.0 | 383 | 398 | -3.8 |
| EBIT | €m | 365 | 399 | -8.5 | 161 | 131 | 22.9 |
| Adjusted EBIT | €m | 366 | 398 | -8.0 | 162 | 130 | 24.6 |
| EBITDA ¹⁾ | €m | 444 | 474 | -6.3 | 188 | 156 | 20.5 |
| Segment capital expenditure ²⁾ | €m | 137 | 78 | 75.6 | 42 | 36 | 16.7 |
| Employees as of 30.9. | number | 20,754 | 20,397 | 1.8 | 20,754 | 20,397 | 1.8 |

¹⁾ Before profit/loss transfer from other intra-Group companies.

²⁾ Previous year's figures have been adjusted.

- New client contracts signed with a total volume of EUR 3.9bn for 2016 and subsequent years
- Number of aircraft serviced under exclusive contracts up by 9.2 per cent to 4,006
- Standard installation of broadband internet begun for the Lufthansa Group's A320 family; installation in some 300 aircraft planned until spring 2018
- Joint venture being implemented with GE Aviation to overhaul GENx-2B and GE9X engine models
- Board approval obtained to keep engine overhaul in Hamburg; long-term security for 1,300 jobs at the site
- Revenue up by 2.3 per cent to EUR 3.8bn; the volume-related increase more than makes up for falling prices due to persistently tough competition
- Other operating income down by 24.2 per cent to EUR 157m
- Total operating income up by 0.9 per cent to EUR 4.0bn
- Operating expenses up by 2.1 per cent to EUR 3.6bn due to higher expenses for product developments, growth projects and expansion of group structure
- EBIT and Adjusted EBIT down, partly due to absence of non-recurring effects last year, by 8.5 per cent to EUR 365m and by 8.0 per cent to EUR 366m respectively
- Segment capital expenditure up by 75.6 per cent to EUR 137m

Catering business segment

Key figures Catering

| | | Jan. – Sept. 2016 | Jan. – Sept. 2015 | Change in % | July – Sept. 2016 | July – Sept. 2015 | Change in % |
|---|--------|----------------------|----------------------|----------------|----------------------|----------------------|----------------|
| Revenue | €m | 2,395 | 2,258 | 6.1 | 869 | 810 | 7.3 |
| of which with companies of the Lufthansa Group | €m | 492 | 485 | 1.4 | 179 | 176 | 1.7 |
| EBIT | €m | 90 | 69 | 30.4 | 64 | 53 | 20.8 |
| Adjusted EBIT | €m | 80 | 76 | 5.3 | 56 | 50 | 12.0 |
| EBITDA ¹⁾ | €m | 142 | 130 | 9.2 | 81 | 70 | 15.7 |
| Segment capital expenditure ²⁾ | €m | 45 | 71 | -36.6 | 17 | 32 | -46.9 |
| Employees as of 30.9. | number | 36,037 | 33,623 | 7.2 | 36,037 | 33,623 | 7.2 |

¹⁾ Before profit/loss transfer from other intra-Group companies.

²⁾ Previous year's figures have been adjusted.

- Full takeover of Retail inMotion/Media inMotion
- Transformation of business model launched successfully
- Revenue up by 6.1 per cent to EUR 2.4bn due to volumes and despite negative exchange rate effects
- Other operating income down by 6.3 per cent to EUR 45m
- Total operating income up by 5.8 per cent to EUR 2.4bn
- Operating expenses up by 5.2 per cent to EUR 2.4bn, mainly due to volumes
- EBIT improves by 30.4 per cent to EUR 90m, Adjusted EBIT up by 5.3 per cent to EUR 80m
- Segment capital expenditure down by 36.6 per cent to EUR 45m

Other

Other

| | | Jan. – Sept. 2016 | Jan. – Sept. 2015 | Change in % | July – Sept. 2016 | July – Sept. 2015 | Change in % |
|---|--------|----------------------|----------------------|----------------|----------------------|----------------------|----------------|
| Revenue | €m | 323 | 373 | -13.4 | 108 | 111 | -2.7 |
| of which with companies of the Lufthansa Group | €m | 122 | 174 | -29.9 | 41 | 46 | -10.9 |
| EBIT | €m | -67 | -150 | 55.3 | -22 | -50 | 56.0 |
| Adjusted EBIT | €m | -104 | -191 | 45.5 | -23 | -51 | 54.9 |
| EBITDA* | €m | 22 | -122 | | 30 | -42 | |
| Segment capital expenditure | €m | 16 | 10 | 60.0 | 6 | 2 | 200.0 |
| Employees as of 30.9. | number | 8,078 | 5,787 | 39.6 | 8,078 | 5,787 | 39.6 |

* Before profit/loss transfer from other intra-Group companies.

- Operating income down by 17.8 per cent to EUR 1.5bn due to exchange rates
- Operating expenses down by 19.9 per cent to EUR 1.6bn due to exchange rates
- EBIT improves by 55.3 per cent to EUR -67m, Adjusted EBIT improves by 45.5 per cent to EUR -104m
- Exchange rate gains improve earnings for Group functions

Opportunities and risk report

In the first nine months of 2016, there have been the following significant changes to the opportunities and risks for the Group compared with the detailed description in the Annual Report 2015:

- Investment grade rating from Standard & Poor's (currently BBB-) is at risk due to lower earnings estimate compared to the estimate made at the beginning of the financial year, in conjunction with the massive rise in pension provisions resulting from the further reduction in the discount rate; Standard & Poor's outlook revised from "stable" to "negative" on 15 September 2016
- Risk of breaching capital market compliance rules increased since the European Market Abuse Regulation took effect, amid uncertainty surrounding the practical interpretation and handling of European guidelines
- Higher risk of a terrorist attack on air traffic in Germany and Europe; potentially higher regulatory security requirements, travel restrictions (Schengen, visa requirements) and lower bookings possible
- Risk of cyberattacks higher than last year; further capital expenditure and defence measures to increase cybersecurity being planned and implemented

- Long-term collective agreement reached between Lufthansa Passenger Airlines and the UFO flight attendants' union; strike risk now ranked as very low
- Wage settlement and framework agreement unresolved at Eurowings in Germany; risk of strike by cabin crew in the coming weeks and months ranked as high

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

Supplementary report

Strikes at Eurowings and Germanwings

- UFO trade union calls cabin crew at Eurowings GmbH and Germanwings out on strike on 27 October 2016
- Around 380 out of some 530 scheduled flights cancelled; almost 40,000 customers affected by the strike
- Industrial action by the trade union suspended until further notice

Forecast

Primarily due to repeated terrorist attacks in Europe and to greater political and economic uncertainty since the original forecast was made in March, the Lufthansa Group had revised its forecast for 2016 in July of this year. Advance bookings had been down significantly, especially on long-haul routes to Europe, and the Executive Board had regarded at the time that a complete recovery was no longer likely.

The Executive Board of Deutsche Lufthansa AG had therefore decided to reduce the Adjusted EBIT forecast for the full year from "slightly above previous year" to "below previous year", although earnings in the first half-year were up on the same period of the previous year.

Compared to the previous guidance, especially the difficult-to-forecast short-term bookings of business travelers in September have developed better than expected. The capacity and steering measures initiated after the decline in long-term bookings were successful. However, political and economic uncertainties continue to significantly burden long-term bookings, especially on long-haul routes to Europe. Forecasting short-term bookings therefore remains challenging and may lead to significant volatility in earnings going forward.

On the basis of experience gathered in this environment so far, the Lufthansa Group's Executive Board increases its full year forecast for Adjusted EBIT from "below previous year" to "approximately on previous year's level". It is expected that revenues at constant currency will fall by 7 to 8 per cent in the fourth quarter, which is a one percentage point lower decrease compared to what was expected in July. Unchanged, unit costs excluding fuel and currency effects are expected to decrease by 2 to 3 per cent in the fourth quarter. On current projections, fuel costs will

decrease by about EUR 140m in the fourth quarter on the same period of the previous year. The other business segments are expecting cumulative earnings slightly below the same period last year in the fourth quarter.

The main influences on earnings remain the oil price, the euro exchange rate, especially against the US dollar and the Swiss franc, the yields at the Passenger Airline Group and the course of collective bargaining at Lufthansa Passenger Airlines. This earnings forecast does not include negative impacts from possible strikes. Overall risks from underlying macroeconomic and geopolitical developments remain unchanged and represent a significant uncertainty for the development of revenue and earnings, especially for the Passenger Airline Group.

Significant changes to the forecast for the business segments and the operating performance indicators for the Passenger Airline Group as compared with the 2nd Interim Report 2016 are marked with a * in the following tables.

Forecast: Development of key figures Passenger Airline Group

| | Values 2015 | Forecast for 2016 |
|---|-------------|---|
| Number of flights | +0.2% | +1.4% |
| Capacity (ASK) | +2.2% | +5.2%* |
| Sales (RPK) | +2.7% | lower than capacity growth |
| Passenger load factor (SLF) | +0.3 pts | negative |
| Pricing (Yields)¹⁾ | -3.5% | significantly negative |
| Unit revenue (RASK)¹⁾ | -3.0% | significantly negative, -7% to -8% in the fourth quarter* |
| Unit costs (CASK, excluding fuel)¹⁾ | +2.4% | negative, -2% to -3% in the fourth quarter |

* Forecast has been adjusted compared with the 2nd Interim Report 2016.

¹⁾ At constant currency.

Lufthansa Group and operating segments earnings forecast 2016

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

* Forecast has been adjusted compared with the 2nd Interim Report 2016.

Consolidated income statement

January – September 2016

| in €m | Jan. – Sept. 2016 | Jan. – Sept. 2015* | July – Sept. 2016 | July – Sept. 2015* |
|--|----------------------|-----------------------|----------------------|-----------------------|
| Traffic revenue | 18,674 | 19,486 | 7,037 | 7,305 |
| Other revenue | 5,196 | 4,818 | 1,791 | 1,634 |
| Total revenue | 23,870 | 24,304 | 8,828 | 8,939 |
| Changes in inventories and work performed by entity and capitalised | 67 | 155 | 9 | 56 |
| Other operating income | 1,574 | 2,029 | 400 | 529 |
| Cost of materials and services | -12,869 | -13,303 | -4,586 | -4,659 |
| Staff costs | -5,221 | -5,902 | -1,237 | -1,979 |
| Depreciation, amortisation and impairment | -1,283 | -1,265 | -440 | -414 |
| Other operating expenses | -3,896 | -4,471 | -1,260 | -1,355 |
| Profit / loss from operating activities | 2,242 | 1,547 | 1,714 | 1,117 |
| Result of equity investments accounted for using the equity method | 62 | 108 | 85 | 93 |
| Result of other equity investments | 26 | 8 | 13 | -10 |
| Interest income | 36 | 129 | 14 | 12 |
| Interest expenses | -227 | -253 | -71 | -82 |
| Other financial items | 164 | 456 | 50 | -116 |
| Financial result | 61 | 448 | 91 | -103 |
| Profit / loss before income taxes | 2,303 | 1,995 | 1,805 | 1,014 |
| Income taxes | -434 | -227 | -376 | -214 |
| Profit / loss after income taxes | 1,869 | 1,768 | 1,429 | 800 |
| Profit / loss attributable to minority interests | -18 | -20 | -7 | -6 |
| Net profit / loss attributable to shareholders of Deutsche Lufthansa AG | 1,851 | 1,748 | 1,422 | 794 |
| Basic / diluted earnings per share in € | 3.98 | 3.78 | 3.06 | 1.72 |

* Previous year's figures have been adjusted.

Statement of comprehensive income

January – September 2016

| in €m | Jan. – Sept. 2016 | Jan. – Sept. 2015 | July – Sept. 2016 | July – Sept. 2015 |
|---|------------------------------|----------------------|------------------------------|----------------------|
| Profit/loss after income taxes | 1,869 | 1,768 | 1,429 | 800 |
| Other comprehensive income | | | | |
| Other comprehensive income with subsequent reclassification to the income statement | | | | |
| Differences from currency translation | -62 | 194 | -29 | -93 |
| Subsequent measurement of available-for-sale financial assets | -6 | -554 | 15 | -6 |
| Subsequent measurement of cash flow hedges | 817 | 440 | -4 | -131 |
| Other comprehensive income from investments accounted for using the equity method | -4 | 4 | 0* | -2 |
| Other expenses and income recognised directly in equity | -3 | 0* | -1 | -4 |
| Income taxes on items in other comprehensive income | -172 | -110 | 6 | 20 |
| Other comprehensive income without subsequent reclassification to the income statement | | | | |
| Revaluation of defined-benefit pension plans | -4,345 | 630 | -347 | -200 |
| Revaluation of defined-benefit pension plans within groups of disposal | - | -19 | - | - |
| Other comprehensive income from investments accounted for using the equity method | -9 | - | - | - |
| Income taxes on items in other comprehensive income | 1,142 | -192 | 150 | 17 |
| Other comprehensive income after income taxes | -2,642 | 393 | -208 | -399 |
| Total comprehensive income | -773 | 2,161 | 1,221 | 401 |
| Comprehensive income attributable to minority interests | -15 | -20 | -8 | -2 |
| Comprehensive income attributable to shareholders of Deutsche Lufthansa AG | -788 | 2,141 | 1,213 | 399 |

* Rounded below EUR 1m.

Consolidated balance sheet

as of 30 September 2016

| Assets | | | |
|---|------------------|---------------|---------------|
| in €m | 30.9.2016 | 31.12.2015 | 30.9.2015 |
| Intangible assets with an indefinite useful life* | 1,258 | 1,235 | 1,229 |
| Other intangible assets | 451 | 422 | 399 |
| Aircraft and reserve engines | 14,656 | 14,591 | 14,473 |
| Repairable spare parts for aircraft | 1,526 | 1,388 | 1,313 |
| Property, plant and other equipment | 2,178 | 2,173 | 2,080 |
| Investments accounted for using the equity method | 536 | 520 | 526 |
| Other equity investments | 208 | 201 | 163 |
| Non-current securities | 25 | 15 | 29 |
| Loans and receivables | 471 | 516 | 520 |
| Derivative financial instruments | 1,109 | 1,234 | 1,148 |
| Deferred charges and prepaid expenses | 12 | 12 | 12 |
| Effective income tax receivables | 5 | 19 | 33 |
| Deferred tax assets | 1,852 | 1,200 | 1,088 |
| Non-current assets | 24,287 | 23,526 | 23,013 |
| Inventories | 775 | 761 | 732 |
| Trade receivables and other receivables | 4,976 | 4,389 | 4,692 |
| Derivative financial instruments | 300 | 440 | 498 |
| Deferred charges and prepaid expenses | 178 | 158 | 163 |
| Effective income tax receivables | 74 | 85 | 147 |
| Securities | 2,327 | 1,994 | 2,962 |
| Cash and cash equivalents | 1,287 | 1,099 | 919 |
| Assets held for sale | 109 | 10 | 33 |
| Current assets | 10,026 | 8,936 | 10,146 |
| Total assets | 34,313 | 32,462 | 33,159 |

* Including goodwill.

| Shareholders' equity and liabilities | | | |
|--|---------------|---------------|---------------|
| in €m | 30.9.2016 | 31.12.2015 | 30.9.2015 |
| Issued capital | 1,193 | 1,189 | 1,185 |
| Capital reserve | 203 | 187 | 170 |
| Retained earnings | -134 | 1,612 | 1,711 |
| Other neutral reserves | 1,655 | 1,082 | 1,295 |
| Net profit/loss | 1,851 | 1,698 | 1,748 |
| Equity attributable to shareholders of Deutsche Lufthansa AG | 4,768 | 5,768 | 6,109 |
| Minority interests | 84 | 77 | 73 |
| Shareholders' equity | 4,852 | 5,845 | 6,182 |
| Pension provisions | 10,537 | 6,626 | 6,886 |
| Other provisions | 472 | 526 | 570 |
| Borrowings | 5,010 | 5,031 | 4,731 |
| Other financial liabilities | 116 | 121 | 90 |
| Advance payments received, deferred income and other non-financial liabilities | 1,234 | 1,223 | 1,268 |
| Derivative financial instruments | 72 | 307 | 239 |
| Deferred tax liabilities | 380 | 346 | 331 |
| Non-current provisions and liabilities | 17,821 | 14,180 | 14,115 |
| Other provisions | 905 | 1,075 | 989 |
| Borrowings | 759 | 1,339 | 1,439 |
| Trade payables and other financial liabilities | 5,195 | 4,847 | 4,926 |
| Liabilities from unused flight documents | 3,439 | 2,901 | 3,499 |
| Advance payments received, deferred income and other non-financial liabilities | 900 | 918 | 913 |
| Derivative financial instruments | 331 | 1,221 | 974 |
| Effective income tax obligations | 111 | 136 | 120 |
| Liabilities related to assets held for sale | - | - | 2 |
| Current provisions and liabilities | 11,640 | 12,437 | 12,862 |
| Total shareholders' equity and liabilities | 34,313 | 32,462 | 33,159 |

Consolidated statement of changes in shareholders' equity

as of 30 September 2016

| | Issued capital | Capital reserve | Fair value measurement of financial instruments | Currency differences | Revaluation reserve (due to business combinations) | Other neutral reserves | Total other neutral reserves | Retained earnings | Net profit/loss | Equity attributable to shareholders of Deutsche Lufthansa AG | Minority interests | Total shareholders' equity |
|--|----------------|-----------------|---|----------------------|--|------------------------|------------------------------|-------------------|-----------------|--|--------------------|----------------------------|
| in €m | | | | | | | | | | | | |
| As of 31.12.2014 | 1,185 | 170 | 407 | 364 | 236 | 314 | 1,321 | 1,237 | 55 | 3,968 | 63 | 4,031 |
| Capital increases/reductions | – | – | – | – | – | – | – | – | – | – | – | – |
| Reclassifications | – | – | – | – | – | – | – | 55 | –55 | – | – | – |
| Dividends to Lufthansa shareholders/ minority interests | – | – | – | – | – | – | – | – | – | – | –9 | –9 |
| Transactions with minority interests | – | – | – | – | – | – | – | – | – | – | –1 | –1 |
| Consolidated net profit/loss attributable to Lufthansa shareholders/ minority interests | – | – | – | – | – | – | – | – | 1,748 | 1,748 | 20 | 1,768 |
| Other expenses and income recognised directly in equity | – | – | –224 | 194 | – | 4 | –26 | 419 | – | 393 | – | 393 |
| As of 30.9.2015 | 1,185 | 170 | 183 | 558 | 236 | 318 | 1,295 | 1,711 | 1,748 | 6,109 | 73 | 6,182 |
| As of 31.12.2015 | 1,189 | 187 | –76 | 604 | 236 | 318 | 1,082 | 1,612 | 1,698 | 5,768 | 77 | 5,845 |
| Capital increases/reductions | 4 | 16 | – | – | – | – | – | – | – | 20 | 1 | 21 |
| Reclassifications | – | – | – | – | – | – | – | 1,466 | –1,466 | – | – | – |
| Dividends to Lufthansa shareholders/ minority interests | – | – | – | – | – | – | – | – | –232 | –232 | –9 | –241 |
| Transactions with minority interests | – | – | – | – | – | – | – | – | – | – | – | – |
| Consolidated net profit/loss attributable to Lufthansa shareholders/ minority interests | – | – | – | – | – | – | – | – | 1,851 | 1,851 | 18 | 1,869 |
| Other expenses and income recognised directly in equity | – | – | 639 | –62 | – | –4 | 573 | –3,212 | – | –2,639 | –3 | –2,642 |
| As of 30.9.2016 | 1,193 | 203 | 563 | 542 | 236 | 314 | 1,655 | –134 | 1,851 | 4,768 | 84 | 4,852 |

Consolidated cash flow statement

January – September 2016

| in €m | Jan. – Sept. 2016 | Jan. – Sept. 2015 | July – Sept. 2016 | July – Sept. 2015 |
|--|----------------------|----------------------|----------------------|----------------------|
| Cash and cash equivalents 1.1. | 996 | 828 | 1,302 | 1,123 |
| Net profit/loss before income taxes | 2,303 | 1,995 | 1,805 | 1,014 |
| Depreciation, amortisation and impairment losses on non-current assets (net of reversals) | 1,283 | 1,244 | 440 | 397 |
| Depreciation, amortisation and impairment losses on current assets (net of reversals) | 57 | 42 | 5 | 2 |
| Net proceeds on disposal of non-current assets | -49 | -46 | -7 | 0* |
| Result of equity investments | -88 | -116 | -98 | -83 |
| Net interest | 191 | 124 | 57 | 70 |
| Income tax payments/reimbursements | -78 | -208 | -5 | -69 |
| Significant non-cash-relevant expenses/income | -1,011 | -527 | -795 | 100 |
| Change in trade working capital | 325 | 106 | -664 | -1,304 |
| Change in other assets/shareholders' equity and liabilities | 121 | 546 | 141 | 506 |
| Cash flow from operating activities | 3,054 | 3,160 | 879 | 633 |
| Capital expenditure for property, plant and equipment and intangible assets | -1,577 | -1,876 | -455 | -429 |
| Capital expenditure for financial investments | -18 | -53 | -5 | -4 |
| Additions/loss to repairable spare parts for aircraft | -200 | -257 | -112 | -72 |
| Proceeds from disposal of non-consolidated equity investments | 26 | 0* | 0* | 0* |
| Proceeds from disposal of consolidated equity investments | 0* | -86 | 0* | -2 |
| Cash outflows for acquisitions of non-consolidated equity investments | -33 | -1 | -1 | 0* |
| Cash outflows for acquisitions of consolidated equity investments | -6 | -1 | -6 | 0* |
| Proceeds from disposal of intangible assets, property, plant and equipment and other financial investments | 69 | 75 | 18 | 19 |
| Interest income | 146 | 203 | 63 | 43 |
| Dividends received | 57 | 36 | 32 | -8 |
| Net cash from/used in investing activities | -1,536 | -1,960 | -466 | -453 |
| Purchase of securities/fund investments | -883 | -1,211 | -70 | -719 |
| Disposal of securities/fund investments | 502 | 86 | 401 | 19 |
| Net cash from/used in investing and cash management activities | -1,917 | -3,085 | -135 | -1,153 |
| Capital increase | - | - | - | - |
| Transactions by minority interests | 1 | - | - | 0* |
| Non-current borrowing | 847 | 700 | 104 | 499 |
| Repayment of non-current borrowing | -1,376 | -565 | -871 | -131 |
| Dividends paid | -222 | -9 | - | -2 |
| Interest paid | -208 | -209 | -113 | -115 |
| Net cash from/used in financing activities | -958 | -83 | -880 | 251 |
| Net increase/decrease in cash and cash equivalents | 179 | -8 | -136 | -269 |
| Changes due to currency translation differences | -12 | 15 | -3 | -19 |
| Cash and cash equivalents 30.9.¹⁾ | 1,163 | 835 | 1,163 | 835 |
| Securities | 2,327 | 2,962 | 2,327 | 2,962 |
| Liquidity | 3,490 | 3,797 | 3,490 | 3,797 |
| Net increase/decrease in total liquidity | 500 | 1,184 | -495 | 414 |

* Rounded below EUR 1m.

¹⁾ Excluding fixed-term deposits with terms of three to twelve months (2016: EUR 124m, 2015: EUR 84m).

Notes

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

The consolidated financial statements of Deutsche Lufthansa AG and its subsidiaries have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), taking account of interpretations by the IFRS Interpretations Committee (IFRIC) as applicable in the European Union (EU). This interim report as of 30 September 2016 has been prepared in condensed form in accordance with IAS 34.

In preparing the interim financial statements the standards and interpretations applicable as of 1 January 2016 have been applied. The interim financial statements as of 30 September 2016 have been prepared using the same accounting policies as those on which

the preceding consolidated financial statements as of 31 December 2015 were based. The standards and interpretations mandatory for the first time as of 1 January 2016 did not have a significant effect on the Group's net assets, financial and earnings position.

There have been no significant changes to the group of consolidated companies since this time last year. The individual changes compared with year-end 2015 and 30 September 2015 are shown in the following table. These changes had no significant effect on the consolidated balance sheet and income statement in comparison with the same period last year.

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

Changes in the group of consolidated companies in the period 1.10.2015 to 30.9.2016

| Name, registered office | Additions | Disposals | Reason |
|---|-----------|-----------|---------------------------------|
| Passenger Airline Group segment | | | |
| LHAMIP LIMITED, Dublin, Ireland | 1.12.15 | | Consolidated for the first time |
| ORIX Himalia Corporation Ltd., Tokyo, Japan | 15.12.15 | | Established |
| ORIX Miranda Corporation Ltd., Tokyo, Japan | 15.12.15 | | Established |
| Yamasa Aircraft LH12 Kumiai Ltd., Okayama, Japan | 15.12.15 | | Established |
| LHAMIW LIMITED, Dublin, Ireland | 1.2.16 | | Consolidated for the first time |
| LHAMIS LIMITED, Dublin, Ireland | 8.2.16 | | Established |
| Lufthansa Asset Management Leasing GmbH, Frankfurt/Main | 10.3.16 | | Established |
| Lufthansa Leasing Austria GmbH & Co. OG Nr. 31, Salzburg, Austria | 4.4.16 | | Established |
| Dunkel Leasing Co., Ltd., Tokyo, Japan | 27.7.16 | | Established |
| Helles Leasing Co., Ltd., Tokyo, Japan | 27.7.16 | | Established |
| TraviAustria GmbH, Vienna, Austria | | 22.10.15 | Sale |
| Lufthansa Leasing Austria GmbH & Co. OG Nr. 9, Salzburg, Austria | | 14.11.15 | Merger |
| Lufthansa Leasing Austria GmbH & Co. OG Nr. 1, Salzburg, Austria | | 1.12.15 | Merger |
| Raffles Leasing Ltd., Hamilton, Bermuda | | 30.12.15 | Liquidation |
| Syracuse Ltd., Hamilton, Bermuda | | 30.12.15 | Liquidation |
| Lufthansa Leasing Austria GmbH & Co. OG Nr. 7, Salzburg, Austria | | 18.7.16 | Merger |
| Logistics segment | | | |
| time:matters Holding GmbH, Neu-Isenburg | 8.8.16 | | Acquisition of shares |
| time:matters GmbH, Kelsterbach | 8.8.16 | | Acquisition of shares |
| time:matters Spare Parts Logistics GmbH, Neu-Isenburg | 8.8.16 | | Acquisition of shares |
| Lufthansa Leasing GmbH & Co. Echo-Zulu oHG, Grünwald | | 28.12.15 | Merger |
| Catering segment | | | |
| Retail inMotion Limited, Dublin, Ireland | 5.2.16 | | Acquisition of shares |
| MIM IFE Limited, Dublin, Ireland | 5.2.16 | | Acquisition |
| Other | | | |
| Lufthansa Malta Finance Holding Limited, St. Julians, Malta | 14.4.16 | | Established |
| Lufthansa Malta Corporate Finance Limited, St. Julians, Malta | 14.4.16 | | Established |
| Lufthansa Malta Working Capital Solutions Limited, St. Julians, Malta | 14.4.16 | | Established |

In the course of revising the definition of other revenue in flight operations, certain other revenue that is closely related to flight services has been reclassified within revenue from other revenue to traffic revenue as of 1 January 2016. The previous year's figures, including the information on yields, have been adjusted accordingly; traffic revenue as of 30 September 2015 was shown EUR 99m higher and other revenue as EUR 99m lower.

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

Assets held for sale

| in €m | 30.9.2016 | 31.12.2015 | 30.9.2015 |
|--|-----------|------------|-----------|
| Assets | | | |
| Aircraft and reserve engines | 104 | 5 | 19 |
| Financial assets | – | – | – |
| Other assets | 5 | 5 | 14 |
| Equity / liabilities associated with assets held for sale | | | |
| Equity | – | – | – |
| Liabilities | – | – | 2 |

Detailed comments on the income statement, the balance sheet, the cash flow statement and the segment reporting can also be found in the interim Group management report on [p. 1–11](#).

3) Seasonality

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

4) Contingencies and events after the balance sheet date

Contingent liabilities

| in €m | 30.9.2016 | 31.12.2015 |
|--|--------------|--------------|
| From guarantees, bills of exchange and cheque guarantees | 827 | 843 |
| From warranty contracts | 663 | 872 |
| From providing collateral for third-party liabilities | 40 | 47 |
| | 1,530 | 1,762 |

Provisions for other contingent liabilities were not made because an outflow of resources was not sufficiently probable. The potential financial effect of these provisions on the result would have been EUR 52m (as of 31.12.2015: EUR 51m).

Contracts signed for the sale of seven Boeing 737-300s are expected to generate cash inflows of EUR 4m in 2016 and EUR 1m in 2017.

At the end of September 2016, there were order commitments of EUR 15.1bn for capital expenditure on property, plant and equipment and intangible assets. As of 31 December 2015, the order commitments came to EUR 16.5bn.

Strikes at Eurowings and Germanwings

- UFO trade union calls cabin crew at Eurowings GmbH and Germanwings out on strike on 27 October 2016
- Around 380 out of some 530 scheduled flights cancelled; almost 40,000 customers affected by the strike
- Industrial action by the trade union suspended until further notice

5) Financial instruments and financial liabilities

Financial instruments

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

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

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

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

Assets 30.9.2016

| in €m | Level 1 | Level 2 | Level 3 | Total |
|---|------------|--------------|---------|--------------|
| Financial assets at fair value through profit and loss | | | | |
| Financial derivatives classified as held for trading | - | 255 | - | 255 |
| Total financial assets through profit and loss | - | 255 | - | 255 |
| Derivative financial instruments which are an effective part of a hedging relationship | - | 1,154 | - | 1,154 |
| Available-for-sale financial assets | | | | |
| Equity instruments | 239 | 85 | - | 324 |
| Debt instruments | - | 2,024 | - | 2,024 |
| Total available-for-sale financial assets | 239 | 2,109 | - | 2,348 |
| Total assets | 239 | 3,518 | - | 3,757 |

The financial assets of EUR 24m shown in level 3 of the fair value hierarchy as of 31 December 2015 have been disposed of.

Liabilities 30.9.2016

| in €m | Level 1 | Level 2 | Level 3 | Total |
|--|---------|------------|---------|------------|
| Derivative financial instruments at fair value through profit or loss | - | 60 | - | 60 |
| Derivative financial instruments which are an effective part of a hedging relationship | - | 343 | - | 343 |
| Total liabilities | - | 403 | - | 403 |

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

Assets 31.12.2015

| in €m | Level 1 | Level 2 | Level 3 | Total |
|---|------------|--------------|-----------|--------------|
| Financial assets at fair value through profit and loss | | | | |
| Financial derivatives classified as held for trading | - | 259 | - | 259 |
| Total financial assets through profit and loss | - | 259 | - | 259 |
| Derivative financial instruments which are an effective part of a hedging relationship | - | 1,415 | - | 1,415 |
| Available-for-sale financial assets | | | | |
| Equity instruments | 238 | 51 | 24 | 313 |
| Debt instruments | - | 1,714 | - | 1,714 |
| Total available-for-sale financial assets | 238 | 1,765 | 24 | 2,027 |
| Total assets | 238 | 3,439 | 24 | 3,701 |

Liabilities 31.12.2015

| in €m | Level 1 | Level 2 | Level 3 | Total |
|--|---------|--------------|---------|--------------|
| Derivative financial instruments at fair value through profit or loss | - | 85 | - | 85 |
| Derivative financial instruments which are an effective part of a hedging relationship | - | 1,443 | - | 1,443 |
| Total liabilities | - | 1,528 | - | 1,528 |

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

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

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

Financial liabilities

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

Financial liabilities

| in €m | 30.9.2016 | | 31.12.2015 | |
|-------------------------------------|-----------------|--------------|-----------------|--------------|
| | Carrying amount | Market value | Carrying amount | Market value |
| Bonds | 1,014 | 1,032 | 1,749 | 1,789 |
| Liabilities to banks | 1,271 | 1,276 | 1,079 | 1,095 |
| Leasing liabilities and other loans | 3,484 | 3,584 | 3,542 | 3,663 |
| | 5,769 | 5,892 | 6,370 | 6,547 |

6) Earnings per share

| | | 30.9.2016 | 30.9.2015 |
|-----------------------------------|----|-------------|-------------|
| Basic earnings per share | € | 3.98 | 3.78 |
| Consolidated net profit/loss | €m | 1,851 | 1,748 |
| Weighted average number of shares | | 464,538,715 | 462,772,266 |
| Diluted earnings per share | € | 3.98 | 3.78 |
| Consolidated net profit/loss | €m | 1,851 | 1,748 |
| Weighted average number of shares | | 464,538,715 | 462,772,266 |

7) Issued capital

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

A resolution passed at the Annual General Meeting 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 (Authorised Capital B) for payment in cash or in kind. In certain cases, the shareholders' subscription rights can be excluded with the approval of the Supervisory Board.

A resolution passed at the Annual General Meeting 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 29 April 2020. The authorisation is limited to 10 per cent of current issued capital. According to the resolution of the Annual General Meeting, the Executive Board is also authorised to purchase treasury shares by means of derivatives and to conclude corresponding derivative transactions.

Following a resolution of the Annual General Meeting held on 28 April 2016, the distributable profit of EUR 232m shown in the 2015 financial statements was paid out as dividends. This corresponds to a dividend of EUR 0.50 per share for the financial year 2015.

8) Segment reporting

Segment information by operating segment January – September 2016

| | Passenger Airline Group | Logistics | MRO | Catering | Total reportable operating segments | Other | Reconciliation | Group |
|--|-------------------------------|--------------|--------------|--------------|--|--------------|----------------|---------------|
| in €m | | | | | | | | |
| External revenue | 17,692 | 1,463 | 2,611 | 1,903 | 23,669 | 201 | – | 23,870 |
| of which traffic revenue | 16,953 | 1,418 | – | – | 18,371 | – | 303 | 18,674 |
| Inter-segment revenue | 474 | 19 | 1,198 | 492 | 2,183 | 122 | –2,305 | – |
| Total revenue | 18,166 | 1,482 | 3,809 | 2,395 | 25,852 | 323 | –2,305 | 23,870 |
| Other operating income | 761 | 44 | 157 | 45 | 1,007 | 1,209 | –575 | 1,641 |
| Total operating income | 18,927 | 1,526 | 3,966 | 2,440 | 26,859 | 1,532 | –2,880 | 25,511 |
| Operating expenses | 16,938 | 1,609 | 3,616 | 2,366 | 24,529 | 1,616 | –2,876 | 23,269 |
| of which cost of materials and services | 10,839 | 1,058 | 2,022 | 1,039 | 14,958 | 118 | –2,207 | 12,869 |
| of which staff costs | 2,673 | 297 | 949 | 882 | 4,801 | 425 | –5 | 5,221 |
| of which depreciation and amortisation | 1,063 | 64 | 79 | 52 | 1,258 | 26 | –1 | 1,283 |
| of which other operating expenses | 2,363 | 190 | 566 | 393 | 3,512 | 1,047 | –663 | 3,896 |
| Results of equity investments | 20 | 20 | 15 | 16 | 71 | 17 | – | 88 |
| of which result of investments accounted for using the equity method | 20 | 17 | 13 | 14 | 64 | 1 | –3 | 62 |
| EBIT | 2,009 | –63 | 365 | 90 | 2,401 | –67 | –4 | 2,330 |
| of which reconciliation items | | | | | | | | |
| Impairment losses/gains/ badwill | –116 | 3 | –1 | –2 | –116 | – | –1 | –117 |
| Past service costs/settlement | 713 | – | – | 8 | 721 | – | – | 721 |
| Results of disposal of assets | 6 | 3 | 0* | 4 | 13 | 37 | –1 | 49 |
| Adjusted EBIT¹⁾ | 1,406 | –69 | 366 | 80 | 1,783 | –104 | –2 | 1,677 |
| Total adjustments | | | | | | | | 653 |
| Other financial result | | | | | | | | –27 |
| Profit/loss before income taxes | | | | | | | | 2,303 |
| Capital employed ²⁾ | 11,789 | 1,079 | 3,647 | 1,355 | 17,870 | 1,265 | 394 | 19,529 |
| of which from investments accounted for using the equity method | 162 | 45 | 197 | 127 | 531 | 6 | –1 | 536 |
| Segment capital expenditure ³⁾ | 1,306 | 29 | 137 | 45 | 1,517 | 16 | 101 | 1,634 |
| of which from investments accounted for using the equity method | – | – | – | 2 | 2 | – | – | 2 |
| Number of employees at end of period | 54,592 | 4,731 | 20,754 | 36,037 | 116,114 | 8,078 | – | 124,192 |

* Rounded below EUR 1m.

¹⁾ For detailed reconciliation from EBIT to Adjusted EBIT, please see page 3 of the interim Group management report.

²⁾ 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).

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

Segment information by operating segment January – September 2015

| in €m | Passenger Airline Group | Logistics | MRO | Catering | Total reportable operating segments | Other | Reconciliation | Group |
|--|-------------------------------|--------------|--------------|--------------|--|--------------|----------------|---------------|
| External revenue | 18,226 | 1,744 | 2,362 | 1,773 | 24,105 | 199 | – | 24,304 |
| of which traffic revenue ⁴⁾ | 17,459 | 1,701 | – | – | 19,160 | – | 326 | 19,486 |
| Inter-segment revenue | 513 | 19 | 1,361 | 485 | 2,378 | 174 | –2,552 | – |
| Total revenue | 18,739 | 1,763 | 3,723 | 2,258 | 26,483 | 373 | –2,552 | 24,304 |
| Other operating income | 1,011 | 32 | 207 | 48 | 1,298 | 1,490 | –604 | 2,184 |
| Total operating income | 19,750 | 1,795 | 3,930 | 2,306 | 27,781 | 1,863 | –3,156 | 26,488 |
| Operating expenses | 18,460 | 1,854 | 3,543 | 2,248 | 26,105 | 2,018 | –3,182 | 24,941 |
| of which cost of materials and services | 11,546 | 1,191 | 1,897 | 974 | 15,608 | 119 | –2,424 | 13,303 |
| of which staff costs | 3,428 | 310 | 960 | 826 | 5,524 | 385 | –7 | 5,902 |
| of which depreciation and amortisation | 971 | 132 | 75 | 60 | 1,238 | 26 | 1 | 1,265 |
| of which other operating expenses | 2,515 | 221 | 611 | 388 | 3,735 | 1,488 | –752 | 4,471 |
| Results of equity investments | 67 | 21 | 12 | 11 | 111 | 5 | – | 116 |
| of which result of investments accounted for using the equity method | 69 | 18 | 11 | 10 | 108 | – | – | 108 |
| EBIT | 1,357 | –38 | 399 | 69 | 1,787 | –150 | 26 | 1,663 |
| of which reconciliation items | | | | | | | | |
| Impairment losses/gains/ badwill | –26 | –73 | 1 | –6 | –104 | –2 | –2 | –108 |
| Past service costs/settlement | 32 | – | – | – | 32 | – | – | 32 |
| Results of disposal of assets | 1 | 0* | 0* | –1 | 0* | 43 | 3 | 46 |
| Adjusted EBIT¹⁾ | 1,350 | 35 | 398 | 76 | 1,859 | –191 | 25 | 1,693 |
| Total adjustments | | | | | | | | –30 |
| Other financial result | | | | | | | | 332 |
| Profit/loss before income taxes | | | | | | | | 1,995 |
| Capital employed ²⁾ | 11,414 | 1,150 | 3,197 | 1,308 | 17,069 | 1,310 | 618 | 18,997 |
| of which from investments accounted for using the equity method | 138 | 52 | 200 | 131 | 521 | 6 | –1 | 526 |
| Segment capital expenditure ^{3), 4)} | 1,739 | 105 | 78 | 71 | 1,993 | 10 | –72 | 1,931 |
| of which from investments accounted for using the equity method | – | – | – | – | – | – | – | – |
| Number of employees at end of period | 54,945 | 4,639 | 20,397 | 33,623 | 113,604 | 5,787 | – | 119,391 |

* Rounded below EUR 1m.

¹⁾ For detailed reconciliation from EBIT to Adjusted EBIT, please see page 3 of the interim Group management report.

²⁾ 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).

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

⁴⁾ Previous year's figures have been adjusted.

Figures by region January – September 2016

| in €m | Europe | thereof Germany | North America | thereof USA | Central and South America | Asia/Pacific | Middle East | Africa | Total |
|-------------------------|---------------|--------------------|------------------|----------------|---------------------------------|--------------|-------------|------------|---------------|
| Traffic revenue* | 12,104 | 5,698 | 3,088 | 2,786 | 466 | 2,205 | 507 | 304 | 18,674 |
| Other operating revenue | 2,065 | 758 | 1,535 | 1,240 | 229 | 967 | 232 | 168 | 5,196 |
| Total revenue | 14,169 | 6,456 | 4,623 | 4,026 | 695 | 3,172 | 739 | 472 | 23,870 |

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

Figures by region January – September 2015¹⁾

| in €m | Europe | thereof Germany | North America | thereof USA | Central and South America | Asia/Pacific | Middle East | Africa | Total |
|-------------------------------|---------------|--------------------|------------------|----------------|---------------------------------|--------------|-------------|------------|---------------|
| Traffic revenue ²⁾ | 12,097 | 5,580 | 3,405 | 2,891 | 633 | 2,480 | 572 | 299 | 19,486 |
| Other operating revenue | 1,884 | 739 | 1,328 | 1,031 | 250 | 892 | 234 | 230 | 4,818 |
| Total revenue | 13,981 | 6,319 | 4,733 | 3,922 | 883 | 3,372 | 806 | 529 | 24,304 |

¹⁾ Previous year's figures have been adjusted.

²⁾ Traffic revenue is allocated according to the original location of sale.

9) Related party disclosures

As stated in "Note 44" to the consolidated financial statements from p. 179 in the Annual Report 2015, the operating segments in the Lufthansa Group render numerous services to related parties within the scope of their ordinary business activities and also receive services from them. These extensive supply and service relationships take place unchanged on the basis of market prices. There have been no significant changes in comparison with the balance sheet date. The contractual relationships with the group of related parties described in the "Remuneration report" from p. 96 and in "Note 45" from p. 181 of the 2015 consolidated financial statements also still exist unchanged, but are not of material significance for the Group.

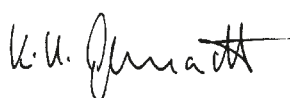
Declaration by the legal representatives

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

The Executive Board, 1 November 2016



Carsten Spohr
Chairman of the
Executive Board and CEO



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



Harry Hohmeister
Member of the Executive Board
Hub Management



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

Credits

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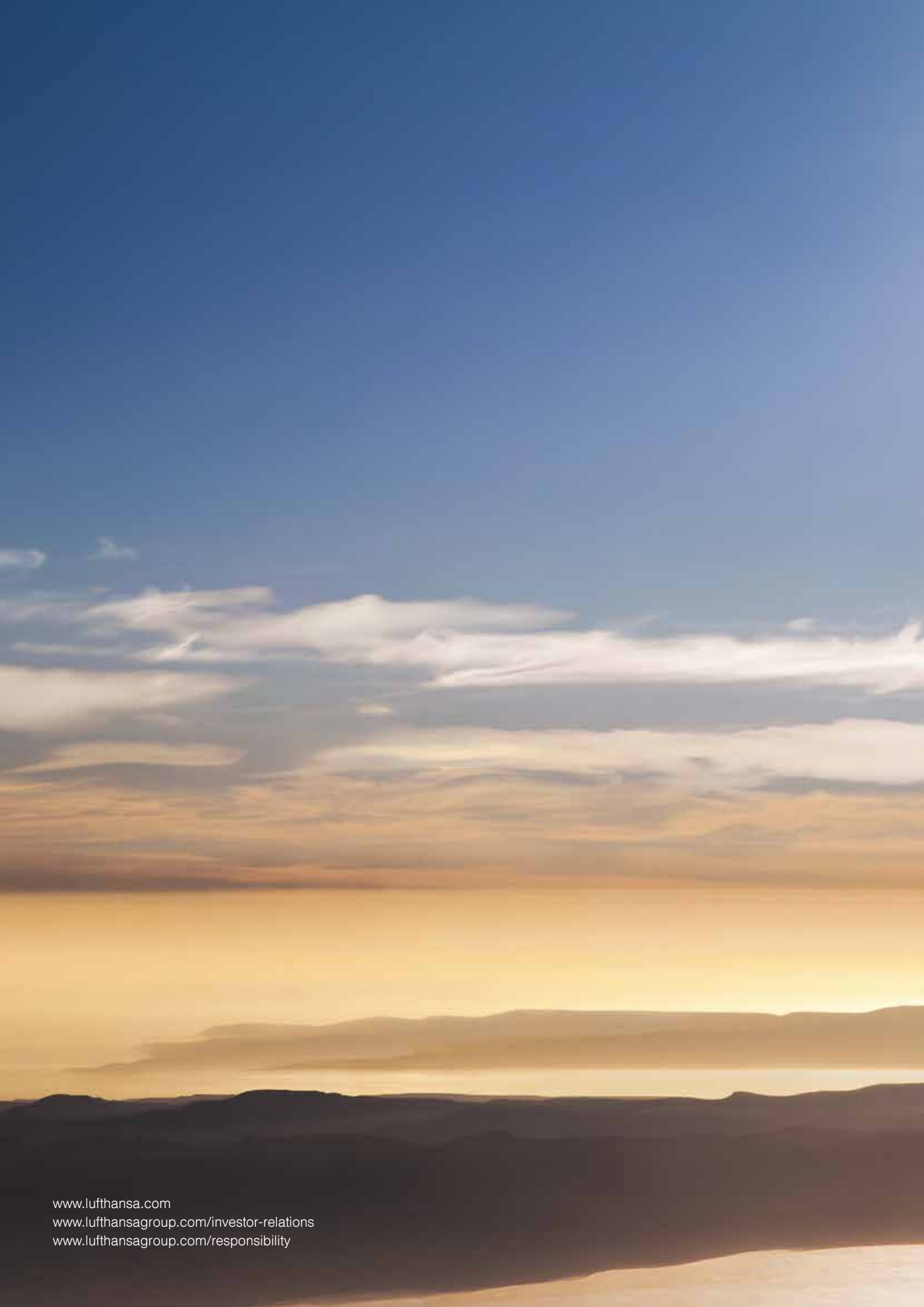
Financial calendar 2017

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

Disclaimer in respect of forward-looking statements

Information published in the 3rd Interim Report 2016, with regard to the future development of the Lufthansa Group and its subsidiaries consists purely of forecasts and assessments and not of definitive facts. Its purpose is exclusively informational, and can be identified by the use of such cautionary terms as “believe”, “expect”, “forecast”, “intend”, “project”, “plan”, “estimate”, “anticipate”, “can”, “could”, “should” or “endeavour”. These forward-looking statements are based on discernible information, facts and expectations available at the time that the statements were made. They are therefore subject to a number of risks, uncertainties and factors, including, but not limited to, those described in disclosures, in particular in the Opportunities and risk report in the Annual Report. Should one or more of these risks occur, or should the underlying expectations or assumptions fail to materialise, this could have a significant effect (either positive or negative) on the actual results.

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



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