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Lufthansa Group posts operating profit of 226 million euros for the first nine months of the year

Weak revenue unrelenting in passenger business segment despite demand bottoming out / Forceful implementation of measures to safeguard earnings to continue

Deutsche Lufthansa AG has posted an operating profit of 226 million euros for the first nine months of 2009. For the first time, this figure also includes the results of Austrian Airlines and bmi, who contributed a total of 28 million euros. The Group's financial result therefore remained significantly below the previous year's figure at the close of the third quarter. The reasons for the decline in the result lay essentially in the weaker demand due to the state of the economy and the disproportionate decline of average yields in the passenger business segment. The crisis-related slump in the number of business travellers has led to increased price sensitivity in all booking classes. "Today we benefit from the fact that we were on a solid foundation with attractive products and that we were quick to recognize the turbulence ahead and tighten our safety belts. However, we cannot be satisfied with the result that we have achieved to date and will therefore have to increase our efforts further and do even more to safeguard earnings," commented Lufthansa Chairman and CEO Wolfgang Mayrhuber, speaking at the presentation of the third-quarter figures.

Lufthansa Chairman and CEO Wolfgang Mayrhuber commented on the economic developments in the Group's individual business segments saying: "The figures speak for themselves. Whereas recent months have seen the stabilization of demand in the passenger business, revenues remain at rock-bottom despite record load factor. All of the business segments are working hard to overcome the consequences of the crisis and to adjust their structures to the altered competitive environment." The operating result for the Passenger Airline Group, which included the financial results of Austrian Airlines and bmi for the first time, was clearly below the level of the previous year. In response to the negative trend in the core business segment, all of the Group's airlines have initiated measures to safeguard earnings and continued to pursue these during the third quarter. The aim of Lufthansa Passenger Airlines' "CLIMB 2011" programme to safeguard the earnings is the sustainable improvement of the result by one billion euros by the end of 2011. The implementation of the programme began in the third quarter. The Logistics business segment was forced to deal with a record slump in revenue during the first nine months of the year and posted an operating loss. The measures to safeguard earnings at Lufthansa Cargo, such as the reduction of freighter capacities and reduced working hours, as well as lower material costs

and project budgets, continue to be applied. Lufthansa MRO recorded an increase in revenue despite highly challenging conditions. In addition, the business segment was able to compensate lower demand in individual areas and even achieve a year-on-year improvement in its operating result. The IT Services business segment also recorded a slight improvement in its result for the third quarter. However, revenue and operating result remained below the previous year's figure and the measures to safeguard earnings will therefore also continue to be implemented in this business segment. Revenue and operating result also declined in the Catering business segment. The efforts of the LSG Sky Chefs therefore continue to focus on counteracting the decline in total revenues.

"Lufthansa is a strong company with a strong team of staff. We strike the balance between short-term result-optimization and long-term benefits. We have learned to successfully fly through turbulence and we now have the opportunity to prove this again," emphasized Wolfgang Mayrhofer. He added that the Group would continue to operate in a challenging environment with significant declines in revenue and burdens on the result; the risks would lie particularly in the development of the fuel prices and demand. He continued to state that negative effects on the result could also be expected during the coming months from the Group's new airlines. The decisive factor in achieving the targeted positive operating result for the Group would be the development of the financial result during the fourth quarter and the effectiveness of the introduced countermeasures. According to Mayrhofer, the achievement of this aim during the current business year was still accompanied by the corresponding risks.

Third-quarter figures 2009

During the first nine months of 2009, the Lufthansa Group generated revenues totalling 16.2 billion euros, 13.2 per cent less than the year before. The traffic revenue fell by 16.3 per cent to 12.6 billion euros. This was mainly due to the decline in passenger and freight figures, as well as lower average yields per passenger. Overall, the operating income of the Group decreased by 8.7 per cent to 18.1 billion euros during the reporting period.

Operating expenses decreased by 5.8 per cent to 17.8 billion euros during the first nine months of 2009. This was mainly due to the 1.5 billion euros lower fuel costs; equivalent to a year-on-year reduction of 36.4 per cent, which was both price and volume related. The fees and charges were 3.0 per cent above the previous year's figure. The adjusted figure without the consolidation effect was 2.1 per cent below the previous year's figure.

The Group's operating result during the first nine months of the year was 226 million euros, which was 728 million euros less than during the same period last year. This figure includes the financial results of Austrian Airlines and bmi with a total of 28 million euros, as well as a

balance of 61 million euros from the first-time consolidation of Austrian Airlines (badwill). The decline is mainly the result of the negative developments in the Group's Passenger Airline Group and Logistics business segments. The company's net profit is -32 million euros; this time last year it was at 529 million euros.

Lufthansa's capital expenditure during the reporting period totalled 1.8 billion euros, of which 1.4 billion euros were spent on the expansion and modernization of the fleet. The acquisition of 45 per cent of the shares in SN Airholding SA/NV (Brussels Airlines) accounted for 65 million euros. The acquisition of airlines, which are to be consolidated (particularly Austrian Airlines and bmi), accounted for 56 million euros after the deduction of the acquired cash and cash equivalents. 77 million euros were gained from the disposal of the remaining Condor shares and the repayment of related loans. Operating cash flow totalled 1.4 billion euros. At the close of the third quarter, the Group's net indebtedness stood at 1.9 billion euros.

| Lufthansa Group | | January-September 2009 2008* | | Change in €m |
|----------------------------------|------|--------------------------------------|---------|--------------|
| Revenue | €m | 16,162 | 18,611 | -2,449 |
| of which traffic revenue | €m | 12,589 | 15,032 | -2,443 |
| Profit from operating activities | €m | 316 | 936 | -620 |
| Operating result | €m | 226 | 954 | -728 |
| Adjusted operating margin** | in % | 2.0 | 5.4 | -3,4PP. |
| Group result | €m | -32 | 529 | -561 |
| Capital expenditure | €m | 1,777 | 1,660 | 117 |
| Cash flow | €m | 1,438 | 2,142 | -704 |
| Employees (as of 30 September) | | 118,945 | 109,401 | |
| Earnings per share (undiluted) | € | -0.07 | 1.16 | |

*) Some previous year figures have been adjusted to account for the valuation changes under IFRIC 13.

**) Operating result plus write back of provisions divided by revenue

The complete interim report for the first nine months of the 2009 financial year is available on the Internet at www.lufthansa.com/investor-relations. The press conference will be broadcasted live on the Internet at <http://konzern.lufthansa.com> beginning at 10 CET. Photos are available for download at <http://konzern.lufthansa.com/de/html/presse/bildarchiv/index.html>.

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