



Lufthansa

1st Interim Report
January – March 2009

Our strengths
in **detail**

1



Lufthansa Group overview

Key figures				
		Jan. – March 2009	Jan. – March 2008 ³⁾	Change in %
Revenue and result				
Revenue	€m	5,015	5,588	– 10.3
- of which traffic revenue	€m	3,813	4,467	– 14.6
Operating result	€m	– 44	172	
EBIT	€m	– 205	94	
EBITDA	€m	255	452	– 43.6
Net profit/loss for the period	€m	– 256	44	
Key balance sheet and cash flow statement figures				
Total assets	€m	24,468	22,790	7.4
Equity ratio	%	26.1	28.7	– 2.6 pts
Net liquidity ¹⁾	€m	46	888	– 94.8
Cash flow from operating activities	€m	708	741	– 4.5
Capital expenditure	€m	664	808	– 17.8
Key profitability and value creation figures				
Adjusted operating margin ²⁾	%	– 0.6	3.2	– 3.8 pts
EBITDA margin	%	5.1	8.1	– 3.0 pts
The Lufthansa share				
Share price at the balance sheet day	€	8.17	17.13	– 52.3
Earnings per share	€	– 0.56	0.10	
Traffic figures				
Passengers	thousands	15,033	15,994	– 6.0
Freight/mail	thousand tonnes	375	485	– 22.7
Passenger load factor	%	74.0	77.2	– 3.2 pts
Cargo load factor	%	54.9	66.5	– 11.5 pts
Available tonne-kilometres	millions	7,887	8,155	– 3.3
Revenue tonne-kilometres	millions	5,155	5,872	– 12.2
Overall load factor	%	65.4	72.0	– 6.6 pts
Number of flights		187,738	195,677	– 4.1
Employees				
Employees as of 31.3.	number	106,840	106,307	0.5

¹⁾ Long-term securities serving as liquidity reserves and cashable at short notice have been included in the calculation of net liquidity.

²⁾ Ratio for comparability with other airlines: (operating result + reversals of provisions)/revenue.

³⁾ Last year's figures have been adjusted in line with IFRIC 13.

The interim report at 31 March 2009 was prepared in accordance with the rules of IAS 34, taking into account the standards applicable since 1 January 2009. More information on changes to the accounting standards can be found in the Notes to the consolidated financial statements on page 30. Date of disclosure: 30 April 2009.

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Dear Shareholders,

The global recession and ensuing decline in demand have also left their mark on Lufthansa. In the first quarter the Group was not able to achieve a balanced result, reporting an operating loss of EUR 44m. This is the same level as in 2005 and 2006, but at that time we were at a much better point on the economic cycle.

In the years of a strong economy we deliberately deployed our thrust and so can now maintain our course and continue our flight safely. This is thanks to the achieved operating flexibility and Lufthansa's sound and very robust financial profile. Even in these circumstances we have therefore been able to raise EUR 1.5bn in new funding via the successful issue of private placements and a bond in the first quarter.

But this year is full of challenges, even for the Lufthansa crane. In the traditionally weak first quarter the companies in the Passenger Airline Group and Lufthansa Cargo in particular registered a weak demand, and revenue and operating result for both segments are therefore well below last year's strong figures. Due to this development, both companies carried out the necessary adjustments to capacity under predefined phased plans as well as implementing extensive other cost-cutting measures.

The MRO segment was able to increase revenue, against the general trend for its sector, but its operating result was below last year's. IT Services could not match last year's figures for revenue or operating result. In contrast, the Catering segment improved its operating result despite declining revenue due to a positive one-off effect.

Dear shareholders, even if current conditions are turbulent, we are convinced of the long-term growth potential of the aviation market. In order to be a part of this, Lufthansa is not neglecting either the development of its products or that of its route network, even in

these difficult times. We are adjusting where necessary and are ready to act when opportunity knocks. In February Lufthansa Italia had a successful launch in Milan.

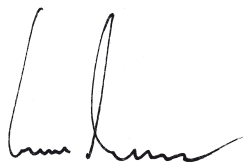
The consolidation of the European aviation sector is progressing, and we are continuing to advance our ongoing transactions. The takeover offer to Austrian Airlines shareholders of EUR 4.49 per share runs until 11 May. We will be filing the documentation for the anti-trust review with Brussels at the beginning of May.

A decision in the anti-trust review procedure for the takeover of the British airline bmi is not expected before 14 May 2009. The planned takeover of Brussels Airlines is also currently the subject of a detailed review by the European Commission. However, Lufthansa and Brussels Airlines have already extended the scope of their cooperation under existing agreements from the start of the summer flight timetable.

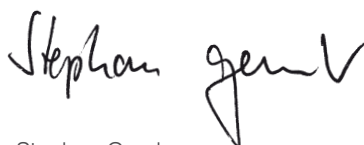
Lufthansa's development towards a group system of independent airlines is reflected in the new allocation of responsibilities for the Executive Board, which the Supervisory Board approved on 23 April. At the same time Christoph Franz was appointed to the Executive Board of Deutsche Lufthansa AG and as its Deputy Chairman with effect from 1 June 2009.

Just like the pilots on board our aircraft, the Lufthansa Group with its experienced management team and motivated staff has all the instruments at its fingertips to fly through the current turbulence safely. Even if we have to fly around the odd storm, our general course remains the same: to stay true to our performance and quality promise and to act according to the principle of sustainable value creation.

Thank you very much for your confidence.



Wolfgang Mayrhofer
Chairman of the Executive
Board and CEO



Stephan Gemkow
Member of the Executive Board
Chief Financial Officer

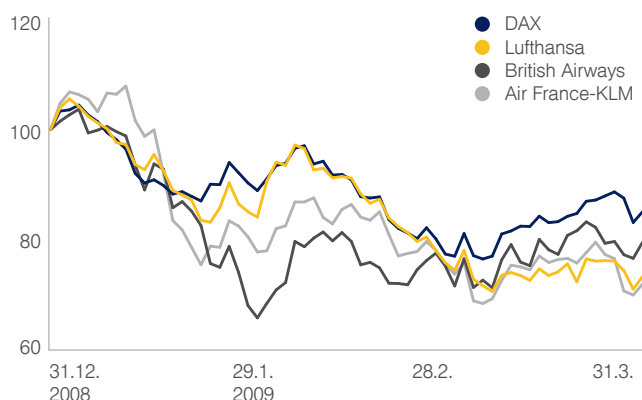


Stefan Lauer
Member of the Executive Board
Chief Officer Aviation Services and
Human Resources

Share

The stock market faithfully reflected the continuing world economic crisis in the first three months of the 2009 financial year. Further downward adjustments to economic forecasts particularly depressed the general mood. Reserved statements by many companies on their expected results for the financial year 2009 contributed to the poor stock market performance, as did the continuing negative effects of the crisis on credit markets. The oil price, which was still low compared with the previous year, was not able to provide tangible relief. All the leading indices reflected this, registering sharp falls in some cases. The German share index DAX reported a decline of more than 15 per cent in the reporting period to 4,085 points.

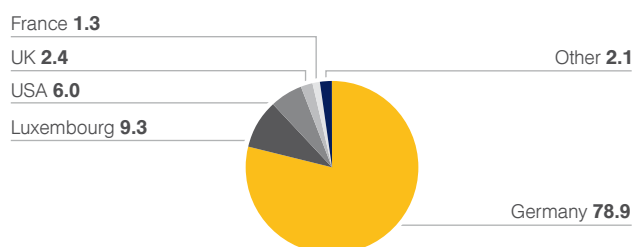
Lufthansa's share price trend (indexed on 31 December 2008) compared with the DAX and competitors in %



In this environment the Lufthansa share price sank by 27 per cent up to 31 March, dropping to EUR 8.17. Its development was initially in parallel with the DAX, but from the end of February the share, as those of its competitors, could no longer escape the adverse sentiment toward the industry. In this environment not even positive company news, such as the still positive outlook, was able to have

a sustained effect on the share price. The Lufthansa share could not extricate itself from the negative overall trend. Due to its sound fundamentals and the conviction that Lufthansa will emerge as one of the winners from the crisis, the majority of analysts still recommend to buy or hold the Lufthansa share. The average target price from all analysts is well above the current price at EUR 11.65.

Shareholder structure by nationality (as of 31 March 2009) in %



As of 31 March 2009 a total of 78.9 per cent of Lufthansa's share capital was held by German investors. Luxembourg came in second place with 9.3 per cent, before the USA with 6.0 per cent. AXA Group was by far the largest single shareholder with 10.56 per cent. Including the stakes held by Dresdner Bank AG and Süddeutsche Industrie-Beteiligungs-GmbH, Commerzbank AG now holds 3.06 per cent of Lufthansa's share capital. 68.2 per cent of shares were owned by institutional investors and the remaining 31.8 per cent were therefore held by private individuals. The free float came to 100 per cent. Details of the shareholder structure are updated regularly and published on our website at www.lufthansa.com/investor-relations.

Interim management report

Economic environment and sector developments

The global economy is currently going through the worst depression since the Second World War. The downturn which began in the second half of last year continued into the first quarter of 2009. The global economic slump even worsened, affecting all sectors and regions worldwide. Global trade has seen a massive collapse since the end of the year due to diminished demand and the fall in worldwide industrial production.

The downward trend is being exacerbated by the persistent tension on financial markets. Emerging economies, which in the past were an important pillar of the global economy, have also increasingly been swept along by the international recession, particularly China and India. In recent years both countries had benefited from rapidly growing trade volumes and direct investments.

This synchronous downturn of the entire global economy is a new phenomenon, which is leading to an increase in unemployment numbers around the world. Faced with this scenario, central banks and governments around the world have responded with monetary and fiscal stimulus packages of considerable size to avert further insolvencies and job losses.

Year-on-year GDP growth 2009					
in %	Q1*	Q2*	Q3*	Q4*	Full year*
World	-2.7	-3.1	-3.0	-1.4	-2.5
Europe	-3.9	-4.3	-4.2	-2.8	-3.8
- Germany	-5.4	-5.4	-5.2	-3.3	-4.8
North America	-2.7	-4.1	-4.3	-2.6	-3.4
South America	-1.8	-1.8	-2.8	-0.6	-1.7
Asia/Pacific	-1.9	-1.5	-0.9	1.2	-0.7
- China	5.5	5.8	6.0	6.2	5.9
Middle East	0.5	-0.6	-0.9	-0.5	-0.6
Africa	2.6	1.4	0.7	0.6	1.3

Source: Global Insight World Overview as of 14 April 2009.

* Forecast.

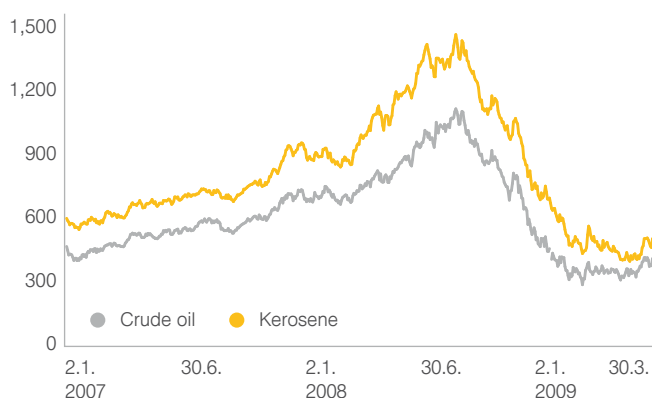
The USA is currently experiencing an incomparably deep recession. Stuttering consumption in the retail sector, falling production and tougher lending terms from banks are posing huge problems. In February the US administration passed another massive stimulus programme of USD 787bn to stabilise the economy.

The Euro-Zone, including Germany, continues to face recession. Capital expenditure is weak, as the impetus from export-driven demand is absent. Private consumption is ebbing away here too, burdened by falling asset prices and the distinctly gloomier state of the labour market.

At the beginning of the year the euro was worth USD 1.40. After falling sharply to USD 1.2537, it recovered slightly to end the month of March at USD 1.3205. The average rate for the first quarter was USD 1.31/EUR (-12.9 per cent year on year).

As a company with operations worldwide, various positions in Lufthansa's income statement are affected by exchange rate movements. Lufthansa therefore follows a continuous, rule-based hedging policy which is largely independent of opinions about future exchange rates. More detailed information is available in the 2008 Annual Report on pages 121 and 183.

Price development of oil (Brent) and kerosene in USD/t



Up to mid-March 2009 crude oil prices were not very volatile and mainly moved sideways. Prices picked up again from mid-March 2009, partly in the hope that the global economic crisis had begun to lessen. The average price for Brent crude in the first three months of the year was USD 46/barrel and therefore below the figure of USD 50/barrel for the first quarter of 2008. The price moved within a range of between USD 40/barrel and USD 54/barrel. The difference to the price for kerosene ("jet fuel crack") was much lower in the first three months than in 2008 as a result of lower demand and higher stocks at the same time. The price moved within a range of between USD 386/tonne and USD 552/tonne. The average price came to USD 446/tonne in the first quarter 2009 (52.9 per cent

below the same period last year). Lufthansa also uses a systematic hedging policy for fuel to smoothen price fluctuations in both directions and thereby achieve greater certainty in planning. At the same time the hedging policy and hedging instruments retain a high degree of flexibility so that, on the whole, the Group can benefit from the current fall in prices. More information on this topic can be found in the 2008 Annual Report on pages 120 f. and on page 183.

After years of economic growth the global economic slump is increasingly affecting the aviation industry. The fall in demand already visible at the end of last year worsened considerably in the first three months of the current year. According to IATA figures, sales of passenger flights fell by 11.1 per cent and freight volumes even by 21.4 per cent compared with last year. All regions, with the exception of the Middle East (passenger traffic: +4.7 per cent), are affected. Demand for higher-priced travel (First and Business Class) is sinking disproportionately quickly. To counter the decline in demand, airlines have reduced capacity in passenger traffic by a total of 4.4 per cent and in freight traffic by 7.8 per cent year on year. Increased capacity was only reported for the Middle East, where passenger traffic grew by 13.1 per cent and freight traffic by 7.8 per cent in the first three months.

Economic pressures are also accelerating the consolidation process underway in the airline industry. In Germany, Air Berlin and TUIfly are about to conclude a cooperation which is also to involve cross-shareholdings. In addition, the Turkish ESAS Holding, parent company of the holiday airline Pegasus, announced that it had taken an equity stake in Air Berlin at the end of March. It acquired around 15 per cent of the shares held by UBS, subject to the approval of the German Federal Competition Authority (Bundeskartellamt).

Air France/KLM confirmed its participation in the bidding process for Czech Airlines. In addition, the Greek Marfin Investment Group, in which a state-owned investment company from the Emirate of Dubai holds a stake, is planning a takeover of Olympic Airlines.

Lufthansa's ongoing transactions with Austrian Airlines, Brussels Airlines and bmi are currently being vetted by the European Commission.

The European parliament has now passed the legislation to create a European airspace (Single European Sky II). Implementing one of the core elements, the creation of nine functional airspace blocks, in addition to helping the environment, would also save the airlines considerable expenses.

Course of business

Against the backdrop of a worsening economic environment and the resultant drastic fall in demand, the Lufthansa Group had to report a decline in revenue and volumes in the first quarter, after a successful 2008 financial year. The first quarter is traditionally weak, and as the previous year's figures were particularly strong, the companies in the Passenger Airline Group and Lufthansa Cargo AG in particular were faced with an accelerating fall in demand. Revenue and operating result for both segments were well below last year's. They reacted to these developments with a comprehensive set of measures. In view of the gloomy forecasts Lufthansa Cargo initiated a multi-stage programme to safeguard earnings last December, which has since been successively extended. Freight capacities were cut drastically, operating and staff costs were reduced and project budgets were scaled back. Similar steps were also taken in the Passenger Airline Group. Details on the individual measures can be found in the chapters on the respective segments.

The MRO segment was able to increase revenue, but its operating result was below last year's. IT Services could not match last year's figures for either revenue or operating result. The Catering segment improved its operating result despite declining revenue due to a positive one-off effect.

As the course of business remains weak, the programme to safeguard earnings is to be extended in all segments.

Significant events Lufthansa has initiated a further step in the acquisition of Austrian Airlines. On 27 February 2009 a public purchase offer was made to the shareholders of Austrian Airlines AG at a price of EUR 4.49 per share. The deadline for acceptance ends on 11 May 2009. The price offered is based on the trade-weighted average price for the six months before the takeover bid was published. This corresponds to a premium of around 30 per cent compared with the closing price on 26 February 2009. The transaction is subject to conditions precedent, including competition authority approval and approval by the European Commission of the restructuring aid of EUR 500m to be provided by the Republic of Austria.

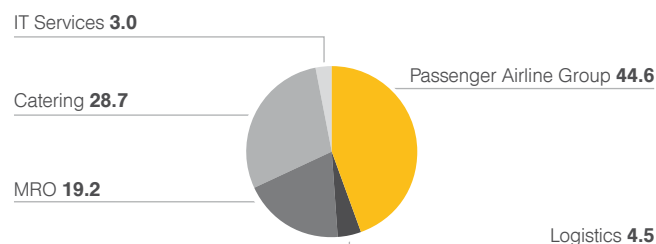
Thanks to its solid financial profile and investment grade rating Lufthansa has been able to secure further long-term financing. The Company again raised funds on favourable terms, issuing a five-year bond for EUR 850m at 410 basis points over the mid swap rate despite the currently tense situation on capital markets. The bond was five times oversubscribed and was the first issue under the European Medium Term Note Programme, under which Lufthansa can issue bonds flexibly in various currencies and with different maturities on the European bond market. In particular, this bond and private placements of approximately EUR 600m enabled total new funding of EUR 1.5bn to be raised successfully.

Changes in the group of consolidated companies There were no significant changes to the group of consolidated companies compared with the same period last year. Individual changes compared with year-end 2008 and 31 March 2008 are shown in the table on page 30. These changes had no significant effect on the consolidated balance sheet and income statement in comparison with the same quarter last year.

However, IFRS 8 "Operating Segments" and IFRIC 13 "Customer Loyalty Programmes", which are binding as from 1 January 2009, have resulted in changes in reporting requirements. In the interest of comparison, the figures presented in this report have been calculated as if the amended standards had already been applied last year. For further details see the notes to the consolidated financial statements on page 30.

Staff and management The Lufthansa Group had 106,840 employees on the reporting date, or 0.5 per cent more than the previous year. The number of staff in the Group fell by around 1 per cent quarter on quarter due to the hiring freeze.

Employees by business segment (as of 31 March 2009) in %



The collective bargaining dispute between Lufthansa and the unions UFO and ver.di was laid to rest in March 2009 with the conclusion of a new wage agreement following intensive negotiations. The agreement provides for a salary rise of 4.2 per cent for some 16,000 flight attendants backdated to 1 January 2009. This agreement notwithstanding, the three entry-level pay grades were increased disproportionately by EUR 100 each and staff in these pay grades also receive a one-off payment of EUR 100. In addition, the agreement gives staff a profit-related bonus of up to 3 per cent of annual salary for the year 2008. The collective bargaining partners also resolved to partially withdraw the measures agreed in 2005 and agreed on improved working conditions. The wage agreement is valid for 14 months and ends on 28 February 2010.

At the end of February 2009 the Lufthansa Training and Conference Center, one of the most modern conference centres in Germany, was opened in Seeheim after a construction period of almost two years. The centre is the main site for vocational and professional training courses, seminar and conferences for Lufthansa staff of over 150 nationalities and can also be used by external customers.

Earnings position

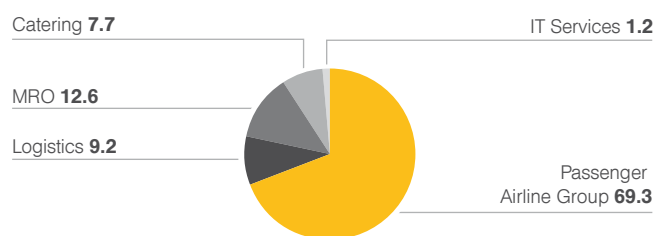
In the first quarter 2009, Lufthansa Group's traffic declined considerably compared with the same period last year. The Group's airlines transported some 15 million passengers (–6.0 per cent) and around 0.4 million tonnes of freight and mail (–22.7 per cent). In passenger traffic, sales were down by 6.2 per cent and capacity by 2.1 per cent, causing the passenger load factor to fall by 3.2 percentage points to 74.0 per cent. Sales in the Group's airfreight business (including SWISS World Cargo) as measured in tonne-kilometres declined by 21.3 per cent, while capacity was cut by 4.7 per cent. The cargo load factor sank as a result by 11.6 percentage points to 54.9 per cent. The individual performance figures and indicators for the other business segments are presented in the respective chapters.

Lower traffic in the first three months was also reflected in traffic revenue. It contracted over the reporting period by 14.6 per cent to EUR 3.8bn. Volumes accounted for 8.8 per cent and pricing for 7.4 per cent of the lower revenue. In contrast, currency effects had a positive effect of 1.6 per cent. The segment Passenger Airline Group accounted for EUR 3.3bn (–11.5 per cent) of traffic revenue in the reporting period and the Logistics segment for EUR 0.4bn (–31.7 per cent).

Other revenue in the reporting period came to EUR 1.2bn, or 7.2 per cent above last year, primarily due to higher MRO revenue. The MRO segment reported revenue of EUR 630m (+19.8 per cent), IT Services EUR 61m (–1.6 per cent) and Catering EUR 387m (–2.5 per cent). The airlines in the Passenger Airline Group and Logistics segments contributed EUR 124m (–8.9 per cent) to other revenue.

Group revenue sank as a result of lower traffic revenue by 10.3 per cent to EUR 5.0bn. The Passenger Airline Group's share of total revenue decreased to 71.4 per cent (–1.0 percentage points). The graph on page 7 shows the development of revenue over the last five years. A breakdown of revenue by region is included in the segment reporting on page 35.

Revenue distribution by business segment in %



Other operating income rose by EUR 159m to EUR 704m, especially due to exchange rate gains (EUR +35m) and recognised income from insurance payments in connection with a damage claim in Scandinavia and compensation payments for the Internet system Flynet totalling EUR 69m. Of total income from write-backs (EUR 13m), EUR 7m relate to reversals on four previously written-down Airbus A300-600s due to prices since realised in USD and higher USD exchange rates. The sale of the remaining Condor shares gave rise to book gains of EUR 18m. Other items did not vary significantly compared with the previous year.

Total operating income came to EUR 5.8bn (–6.8 per cent).

Operating expenses

	Jan. – March 2009 in €m	Jan. – March 2008 in €m	Changes in %
Cost of materials and services	2,871	3,048	– 5.8
- of which fuel	739	1,071	– 31.0
- of which fees and charges	801	825	– 2.9
Staff costs	1,435	1,392	3.1
Depreciation, amortisation and impairment	319	297	7.4
Other operating expenses	1,227	1,245	– 1.4
- of which sales commission paid to agencies	113	159	– 28.9
Total operating expenses	5,852	5,982	– 2.2

Operating expenses sank by 2.2 per cent to EUR 5.9bn. The decline is principally due to the reduction in the cost of materials and services by 5.8 per cent to EUR 2.9bn. This was caused by the 31.0 per cent or EUR 332m reduction in fuel costs. Lower volumes accounted for 6.9 per cent of the fall. The fuel price (after hedging) sank by 37.9 per cent. The stronger USD had the opposite effect, increasing costs by 13.8 per cent. Fuel costs include a negative result of price hedging of EUR 48m.

Fees and charges fell by a total of 2.9 per cent, largely due to lower handling charges. Within other purchased services the main increases came from external MRO services (+30.2 per cent) and charter expenses (+17.9 per cent).

Staff costs went up by 3.1 per cent. This was mainly the result of wage agreements signed the previous year, as the average number of employees rose by just 0.5 per cent. On average over the year the Group had 106,840 employees.

Depreciation and amortisation went up due to additional aircraft deliveries last year to EUR 319m (+7.4 per cent).

Other operating expenses remained stable year on year at EUR 1.2bn. Higher exchange rate losses (up EUR 21m) and write-downs on current financial investments (up EUR 8m) were offset by a decline of EUR 46m in agency commissions. The other items did not vary significantly compared with last year.

Profit from operating activities came to EUR –64m and was therefore EUR 289m lower than in the same period last year. Adjusted for non-recurring factors, the operating result (see table on page 9) was EUR –44m compared with EUR +172m in the particularly strong first quarter of 2008. The adjusted operating margin fell to –0.6 per cent (last year: 3.2 per cent).

The result from equity investments broke even in the first quarter 2009 (last year: EUR –4m). Net interest fell, mainly due to higher interest on pension provisions, by EUR 28m, coming to EUR –68m.

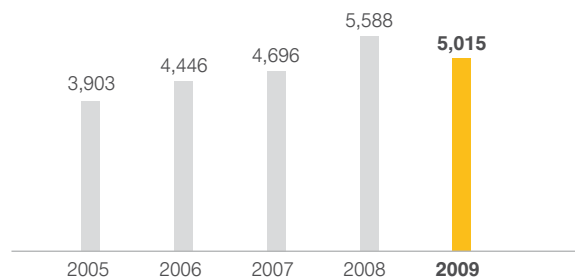
Other financial items amounted to EUR –141m. This includes an impairment charge on the Fraport shares of EUR 140m.

Earnings before interest and taxes (EBIT) includes profit from operating activities as well as the result from equity investments and other financial items and came to EUR –205m (EUR 299m down on last year). Earnings before taxes (EBT) sank by EUR 327m, totalling EUR –273m. As the pre-tax result was negative in the reporting period, income taxes of EUR 21m were added to the result. Last year income tax expenses of EUR 7m were incurred.

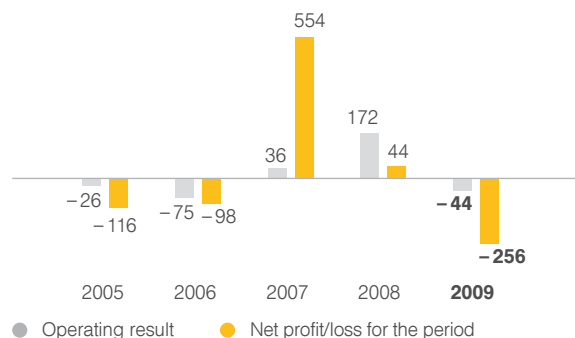
The net profit/loss for the period after minority interests (EUR 4m) was EUR –256m (last year: EUR 44m). Earnings per share were therefore EUR –0.56 (diluted and undiluted, see also the notes on page 32).

The graphs below show the development of net profit/loss and the operating result over the last five years.

Revenue development (Jan.–March) in €m



Net profit/loss for the operating result and period (Jan.–March) in €m



Cash flow & capital expenditure

Cash flow from operating activities of EUR 708m (last year: EUR 741m) was earned in the first three months of the 2009 financial year. The decline in earnings before taxes of EUR 327m was partially offset by EUR 132m higher non-cash depreciation and amortisation. Other positive effects on cash flow from operating activities stemmed from income tax rebates and changes in working capital.

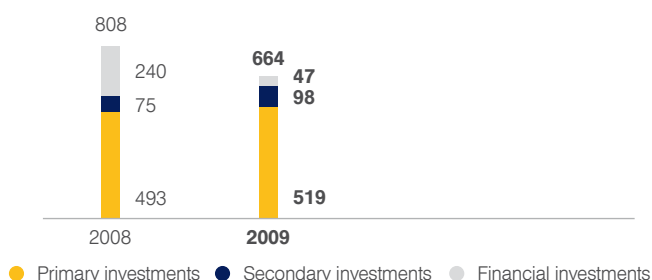
Gross capital expenditure totalled EUR 664m, of which EUR 519m went on final payments for two Airbus A340s, one Airbus A330, one Airbus A321, three Airbus A320s, four Airbus A319s, two Cessna Citations and four Embraer E195s as well as on aircraft overhauls and advance payments on aircraft. A total of EUR 47m was spent to purchase financial assets. A further EUR 2.0bn were invested in current securities and fund investments. Repairable spare parts were purchased for an additional EUR 96m. The total funding requirement was partly covered by interest and dividend income (EUR 45m in total) and proceeds from the disposal of assets (EUR 131m). The disposal of the remaining Condor shares and repayment of related loans resulted in a cash inflow of EUR 77m. In total this meant that EUR 2.5bn in net cash was used for investing and cash management activities (last year: EUR 928m).

Free cash flow is the sum of cash flow from operating activities less net capital expenditure. It came to EUR 214m. The detailed cash flow statement is shown on page 29.

Financing activities, i.e. new borrowing, scheduled capital repayments on existing borrowing, dividend payments to minority shareholders and current interest payments, produced a net cash inflow of EUR 1.3bn. Successful fund-raising in the first quarter attracted EUR 1.5bn, particularly from the issue of private placements and a bond.

After accounting for lower valuations of cash and cash equivalents due to exchange rate movements (EUR –14m), cash and cash equivalents declined in total by EUR 465m to EUR 1.0bn (last year: EUR 2.0bn). The internal financing ratio was 106.6 per cent (previous year: 91.7 per cent). Overall, cash including securities at the end of the quarter came to EUR 4.8bn (last year: EUR 3.7bn).

Primary, secondary and financial investments (Jan.–March) in €m



Net assets and financial position

The consolidated balance sheet total amounted to EUR 24.5bn as of 31 March 2009, or EUR 2.1bn more than at year-end 2008. Non-current assets rose only slightly by EUR 96m to EUR 15.1bn while current assets went up by EUR 2.0bn to EUR 9.4bn.

Within non-current assets the items aircraft and spare engines increased by EUR 233m due to additions and derivative financial instruments (mostly from currency hedges) by EUR 141m. Equity investments fell by EUR 173m and non-current securities by EUR 120m.

Within current assets the receivables rose by EUR 441m, reflecting seasonal and billing factors. Securities went up by EUR 2.0bn, largely due to the investment of cash inflows. At the same time current derivatives (mainly from currency hedges) increased by EUR 129m and cash and cash equivalents sank by EUR 465m.

As a result the proportion of non-current assets in the balance sheet total declined from 66.8 per cent at year-end 2008 to 61.6 per cent.

With regard to shareholders' equity and liabilities, the valuation change for miles awarded under bonus miles programmes but not yet used, in accordance with IFRIC 13, meant that the corresponding obligations rose compared with the consolidated financial statements as of 31 December 2008 from EUR 1.0bn to EUR 1.5bn as of 1 January 2009. As a result the deferred tax liabilities declined by EUR 103m – also as of 1 January 2009 – and equity by EUR 325m to EUR 6.6bn. This adjustment caused the equity ratio to fall from 30.9 per cent to 29.4 per cent as of 1 January 2009. In the first quarter shareholders' equity (including minority interests) dropped by EUR 212m compared with the adjusted figure

as of 1 January 2009. This decline stems mainly from the negative post-tax result of EUR –256m, which was partially offset by positive changes in the market value of hedging transactions without effect on profit and loss and other financial assets (EUR +45m). The equity ratio at the end of the quarter was 26.1 per cent.

Non-current liabilities and provisions went up by EUR 1.6bn to EUR 9.3bn and current borrowing also rose by EUR 694m to EUR 8.8bn. The rise in non-current borrowing is due to increased financial debt of EUR 1.6bn. The newly assumed private placements and the bond were responsible for the increase.

Reconciliation of results

in €m	Jan. – March 2009		Jan. – March 2008	
	Income statement	Reconciliation with operating result	Income statement	Reconciliation with operating result
Revenue	5,015		5,588	
Changes in inventories	69		74	
Other operating income	704		545	
- of which income from book gains and current financial investments		– 32		– 23
- of which income from reversal of provisions		– 16		– 6
- of which write-ups on fixed assets		– 13		– 1
- of which period-end valuation of non-current financial liabilities				– 75
Total operating income	5,788	– 61	6,207	– 105
Cost of materials and services	– 2,871		– 3,048	
Staff costs	– 1,435		– 1,392	
- of which past service cost				
Depreciation, amortisation and impairment	– 319		– 297	
- of which impairment charge		3		
Other operating expenses	– 1,227		– 1,245	
- of which expenses incurred from book losses and current financial investments		39		31
- of which period-end valuation of non-current financial liabilities		39		21
- of which provisions for contingent losses				
Total operating expenses	– 5,852	81	– 5,982	52
Profit from operating activities	– 64		225	
Total from reconciliation with operating result		20		– 53
Operating result		– 44		172
Income from subsidiaries, joint ventures and associates	0*		– 4	
Other financial items	– 141		– 127	
EBIT	– 205		94	
Write-downs (on profit from operating activities)	319		297	
Write-downs on financial investments (incl. at equity)	141		61	
EBITDA	255		452	

* Rounded below EUR 1m.

The increase in current liabilities results primarily from higher trade payables due to seasonal and billing factors and other financial liabilities (EUR +413m) as well as from higher liabilities from unused flight documents (EUR +380m).

As of 31 March 2009 net liquidity (including non-current liquidity reserves of EUR 366m) came to EUR 46m compared with EUR 125m as of year-end 2008. Gearing, including pension provisions, was 37.7 per cent (year-end 2008: 34.5 per cent).

Group fleet

Number of commercial aircraft of Deutsche Lufthansa AG (LH), SWISS (LX), Lufthansa Cargo (LCAG), Lufthansa CityLine (CLH), Air Dolomiti (EN), Eurowings (EW) and Germanwings (4U) as of 31 March 2009

Manufacturer/type	Number							Group fleet	of which finance lease	of which operating lease	Change as of 31. Dec. 08	Change as of 31. March 08
	LH	LX	LCAG	CLH	EN	EW	4U					
Airbus A300	13							13				- 1
Airbus A310	4 ⁴⁾							4				
Airbus A319	24	7					27	58	1	14	+ 2	+ 4
Airbus A320	36	22						58		10		+ 2
Airbus A321	33	6						39		4		+ 2
Airbus A330	15	11						26		9	+ 1	+ 2
Airbus A340	51	15						66	1	5	+ 2	+ 6
Airbus A380								0				
Boeing 737	63							63				
Boeing 747	30							30				
Boeing MD-11F			19					19				
Canadair Regional Jet	9 ¹⁾			55		10		74		10		
ATR					14	11		25	6	12		- 1
Avro RJ		20		18				38		19		
BAe 146	4 ²⁾					15		20		19		
Embraer	4 ²⁾	4 ⁴⁾						8		4	+ 4	+ 4
Cessna	4 ³⁾							4			+ 2	+ 3
Total aircraft	291	85	19	73	14	36	27	545	8	106	11	21

¹⁾ Leased out to Eurowings.

²⁾ Leased out to Air Dolomiti.

³⁾ Leased out to SWISS.

⁴⁾ Leased out to companies outside the Group.

Passenger Airline Group segment

Passenger Airline Group					SWISS
		Jan. – March 2009	Jan. – March 2008 ³⁾	Change in %	Jan. – March 2009
Revenue	€m	3,614	4,079	– 11.4	690
- of which with companies of the Lufthansa Group	€m	139	151	– 7.9	10
Operating result	€m	– 30	37	–	42
Segment result	€m	– 24	26	–	–
EBITDA ¹⁾	€m	163	326	– 50.0	86
Segment capital expenditure	€m	558	490	13.9	160
Employees as of 31.3.	number	46,070	45,893	0.4	7,281
Passengers ²⁾	thousands	15,033	15,994	– 6.0	2,951
Available seat-kilometres ²⁾	millions	44,179	45,116	– 2.1	8,501
Revenue passenger- kilometres ²⁾	millions	32,681	34,826	– 6.2	6,223
Passenger load factor ²⁾	%	74.0	77.2	– 3.2 pts	73.2

¹⁾ Before profit/loss assumed from other companies.

²⁾ Without Germanwings.

³⁾ Last year's figures have been adjusted due to a new segment structure (IFRS 8) and valuation changes in line with IFRIC 13.

Course of business The global economic downturn had a particular impact on traffic in this business segment. Reduced passenger numbers caused load factors to fall and increased pressure on average yields. Traffic revenue went down sharply as a result. Accordingly, the operating result could also not match last year's particularly strong performance and registered a loss. In view of the persistent weakness in demand the capacity cuts already agreed were extended.

Segment structure The segment consists of Lufthansa Passenger Airlines (including regional airlines, Miles & More, Worldshop, etc.), Swiss International Air Lines AG, Germanwings and the equity investments in British Midland (bmi), SunExpress and JetBlue.

Pursuant to IFRS 8 "Operating Segments", applicable from 1 January 2009, the segment previously known as Passenger Transportation, which has been renamed Passenger Airline Group, is presented without the centralised Group functions. The operating result for the new segment was adjusted accordingly for the same period last year and increased by EUR 15m as a result. The application of IFRIC 13 ("Customer Loyalty Programmes") had the opposite effect and reduced the result by EUR 16m. In accordance with this standard, which is binding from 1 January 2009, air miles distributed as part of bonus miles programmes and as yet unused are to be recognised at fair value using the deferred revenue method. In the interest of comparison, the figures for the same period last

year have been adjusted as if the amended standards had already been applied last year. This meant that last year's operating result decreased by EUR 1m to EUR 37m. More information is available in the notes to the consolidated financial statements on page 30 ff.

In the planned takeover of AUA, Lufthansa published its offer to the free-float shareholders of EUR 4.49 per share on 27 February. The offer is valid until 11 May and subject to an acceptance ratio of 75 per cent. An agreement has already been reached with the major shareholder ÖIAG on the purchase of its 41.56 per cent stake by Lufthansa.

The acquisition of the British airline bmi is subject to regulatory conditions such as approval under the European Commission's merger control procedure. The competition authority is not expected to decide before 14 May 2009.

The planned takeover of Brussels Airlines is also awaiting approval by the European Commission under the merger control procedure and is currently the subject of a more detailed review, which is due for completion by 1 July 2009. Lufthansa and Brussels Airlines have already extended the scope of their cooperation under existing agreements from the start of the summer flight timetable on 29 March. In addition to offering code-sharing connections between Germany and Belgium and other European destinations, they now also offer their customers the opportunity of using each other's frequent flyer programmes. Both airlines' lounges are now available to all business class travellers. The ticket rates of the two airlines can now be combined as well. In order to bring operating processes closer together in physical terms, Brussels Airlines is to move into the terminal used by Lufthansa at Hamburg airport.

Product and route network In view of the slump in demand Lufthansa Passenger Airlines has taken the required steps and cut capacities by 3.3 per cent in total. The number of destinations remains unchanged, but the frequency of connections on some flight segments has been reduced.

With an eye to developing the route network over the long term however, expansion has nevertheless continued in selected growth markets. For instance within the scope of its cooperation with the Latin American TACA, from 1 April 2009 Lufthansa offers daily code-sharing connections to Peru and El Salvador as well as a further 17 connections each both from Lima and San Salvador to destinations in Central and South America. Lufthansa is continuing the targeted expansion of its route network in Eastern Europe, too. Growth will be primarily towards Poland and to the Ukraine and Croatia. In addition new routes have been introduced from Düsseldorf to Inverness and Venice. In the Middle East and Africa Lufthansa is also extending its route network and flight capacity in cooperation with its partners EgyptAir, Ethiopian and South African.

Lufthansa Italia began scheduled services on 2 February. The first flights took place from Milan to Barcelona and Paris and since March have included flights to Brussels, Budapest, Bucharest and Madrid. Inner-Italian routes are also to be offered from April. The next expansion of the route network is planned for the summer flight timetable with new services to London and Lisbon. Within just four weeks the new brand Lufthansa Italia has established a strong foothold in the market. Two additional Airbus A319s are to be transferred to Northern Italy as a result. Additionally, since the end of March three of the six daily flights to London are served by the Lufthansa Group equity participation British Midland (bmi).

The summer flight timetable at SWISS includes direct flights to Lyons and Oslo as well as new code-sharing flights from Zurich to Malta and from Geneva to Montreal and Washington. The direct flight from Zurich to Tripoli was cancelled, however, and flights from São Paulo to Santiago de Chile as well as the connection to Singapore are now covered by partners of SWISS. In total SWISS will be flying to 90 destinations in 42 countries in the summer.

As part of the Lufthansa Group's aim of sustainably modernising its fleet, the Supervisory Board approved the order of 30 C Series short-haul aircraft from Bombardier for SWISS. The new planes have around 115 seats and will replace the existing Avro RJ100 regional aircraft from 2014 as well as offering potential for growth in this segment. With the C Series SWISS can reduce its fuel consumption compared with the Avro fleet by more than 25 per cent.

Lufthansa is also investing in product development with a focus on sustainable development and its positioning as a premium carrier. Three new lounges have been opened in Frankfurt since the beginning of the year. The functionality of the mobile boarding pass has also been expanded. In addition to broadening the online and mobile services by installing new check-in machines, Lufthansa has invested in additional products which make it faster and easier for customers to start their journey.

With an eye to continuing in-flight product improvement, two of the three Lufthansa business jets operated by PrivatAir for Lufthansa will be equipped with additional Economy Class seats from late summer 2009. On the routes Frankfurt–Bahrain and Frankfurt–Dammam there will then be 32 seats in Business Class and 60 seats in Economy Class.

For the third time in a row SWISS was voted Best Airline in European Traffic by the readers of the renowned Business Traveller magazine in 2009. SWISS was awarded top marks in the categories in-flight service, cabin crew, ground/lounge service, cabin comfort and seat pitch. SWISS also won the Skytrax 2009 World Airline Award as "Best Airline in Europe" for short and long-haul flights.

Operating performance The airlines in the Passenger Airline Group were not able to escape the general trend of declining passenger numbers in global air traffic. With 15.0 million passengers (of which 3.0 million flew with SWISS), Lufthansa and SWISS reported a fall of 6.0 per cent. SWISS was initially largely able to maintain its successful performance from the previous year. In February and March though, it too recorded declining passenger numbers.

Lufthansa Passenger Airlines reduced their capacity in the first quarter by 3.3 per cent year on year, and sales fell by 7.2 per cent. The passenger load factor sank as a result by 3.1 percentage points to 74.1 per cent. In the same period SWISS increased its capacity by 3.4 per cent, focussing its expansion on the Europe traffic region. The passenger load factor was 3.6 percentage points lower at 73.2 per cent. This meant that the overall load factor for both airlines was 74.0 per cent (–3.2 pp).

The drop in demand was accompanied by a tangible change in travellers' habits. Despite the positive effects on average yields from exchange rate movements (+1.5 per cent) and different fuel surcharges (+2.0 per cent), the average yields sank due to "passenger migration" from the premium segment (First and Business Class) to the Economy Class and increased redemption of bonus miles. They slumped by 5.7 per cent in the first quarter.

In January SWISS reduced its fuel surcharges again as a further concession to price developments on the market for crude oil and kerosene. For SWISS long-haul flights the surcharge was cut by CHF 30 to CHF 114 per flight segment. For European flights it went down by CHF 7 to CHF 29 per flight segment.

All traffic regions were affected by the economic crisis. In the European home market both sales and passenger numbers fell considerably. SWISS in contrast was able to increase sales in this traffic region. The passenger load factor for the segment went down overall by 2.7 percentage points to 63.6 per cent. Average yields followed suit, contracting by 7.5 per cent. Traffic revenue in this region was 13.0 per cent below last year's.

In the Americas traffic region the fall in passenger numbers could not be fully absorbed, although capacity was cut sharply. The passenger load factor decreased by 3.1 percentage points to 79.0 per cent. Average yields fell 3.4 per cent year on year and traffic revenue dropped by 11.1 per cent.

In the Asia/Pacific traffic region SWISS was able to report an increase in passenger numbers, though Lufthansa recorded fewer passengers. Altogether the passenger numbers and sales fell further at already reduced capacities. The passenger load factor sank by 3.4 percentage points but remained high at 80.6 per cent. Average yields shrank by 9.4 per cent and traffic revenue also slumped sharply (–14.4 per cent).

The Middle East/Africa traffic region put in a relatively moderate performance in the first quarter. Passenger numbers and load factor sank here too, but by less than elsewhere. Average yields rose by 4.2 per cent and traffic revenue by 2.5 per cent.

The performance figures for Germanwings were also below last year's due to reductions in capacity. Passenger numbers came to 1.4 million (–12.9 per cent), and the load factor fell by 4.2 percentage points to 74.3 per cent. Germanwings reduced its capacity in the first three months by 12.9 per cent.

Revenue and earnings development As a result of the negative trend in traffic figures in the first three months, traffic revenue was not able to match last year's high level and declined to EUR 3.3bn (–11.5 per cent). SWISS contributed EUR 604m to the total, up year on year by 0.2 per cent. Germanwings generated traffic revenue of EUR 95m (–8.7 per cent).

The fall in revenue stemmed from 6.3 per cent lower sales volumes, and prices had an influence of –6.5 per cent. Exchange rate movements, however, improved traffic revenue by 1.3 per cent.

Other operating income rose by EUR 191m to EUR 364m, principally due to higher exchange rate gains compared with last year and compensation for damages for the Internet system Flynet cancelled by Boeing. Total operating income declined by 6.4 per cent to EUR 4.0bn.

Operating expenses were successfully cut by 4.9 per cent year on year to EUR 4.0bn. This reduction is largely due to the considerable fall in the cost of materials and services to EUR 2.3bn (–6.7 per cent). The major driver was the 27.7 per cent fall in fuel costs to EUR 675m. Fees and charges dropped slightly by 0.7 per cent to EUR 753m.

Staff costs rose by 3.5 per cent as a result of wage agreements to EUR 771m. The number of employees only went up slightly by 0.4 per cent to 46,070 on average for the year. The hiring freeze for the business segment is still in place.

Depreciation and amortisation increased due to additional aircraft purchases last year by 6.5 per cent to EUR 229m.

Other operating expenses fell by 10.4 per cent due to lower agency commissions and positive exchange rate effects from operating hedges to EUR 670m.

Trends in traffic regions

Lufthansa Passenger Airlines and Swiss International Air Lines AG

	Number of passengers in thousands		Available seat-kilometres in millions		Revenue passenger-kilometres in millions		Passenger load factor in %	
	Jan. – March 2009	Change in %	Jan. – March 2009	Change in %	Jan. – March 2009	Change in %	Jan. – March 2009	Change in pts
Europe	11,579	– 6.0	13,689	– 2.1	8,709	– 6.0	63.6	– 2.7
America	1,549	– 7.8	14,606	– 4.3	11,534	– 8.0	79.0	– 3.1
Asia/Pacific	1,160	– 5.9	11,138	– 1.4	8,974	– 5.5	80.6	– 3.4
Middle East/Africa	742	– 1.7	4,745	3.7	3,457	– 1.6	72.9	– 3.9
Total scheduled services	15,030	– 6.0	44,179	– 2.1	32,674	– 6.1	74.0	– 3.2
Charter	3	– 35.8	10	– 58.2	6	– 62.2	67.6	– 7.2
Total	15,033	– 6.0	44,188	– 2.1	32,681	– 6.2	74.0	– 3.2

The operating result dropped sharply by EUR 67m from last year's high level and posted a loss of EUR 30m. SWISS contributed an operating profit of EUR 42m to the Passenger Airline Group segment.

Other segment income rose by EUR 15m to EUR 23m. Other segment expenses came to EUR 4m (last year: EUR 0m). The result of the equity valuation was EUR 6m higher than last year (EUR –13m) due to an improved result at SunExpress. The segment result fell overall by EUR 50m to EUR –24m.

Segment capital expenditure was 13.9 per cent higher than last year at EUR 558m as a result of aircraft deliveries. In the first three months of the year the Passenger Airline Group segment put two Airbus A340-600s, one Airbus A330, eight aircraft from the Airbus A320 family, four Embraer 195s and two Cessna Citations into service.

Outlook The market environment for passenger traffic remains difficult and there are still no signs of an end to the current weak demand.

Lufthansa and its partners in the Airline Group monitor developments closely and take action as needed on the basis of pre-defined phased plans. This puts Lufthansa in a position to track changes in demand closely and adjust capacity and revenue planning to the respective sales situation. This is aided by a high level of flexibility in capacity planning and the largely unencumbered Group fleet. Lufthansa is equally prepared for a further drop in demand and for the opportunities which would arise if competitors left the market.

As part of their phased plan Lufthansa Passenger Airlines in April again adjusted their capacities in line with developments in demand. For the summer flight timetable a decision was taken to cut capacity in European traffic by around 6 per cent (except Lufthansa Italia) compared with last year. Including this step, a total of 22 aircraft are being retired from the network. This means that the segment's total capacity for the 2009 financial year is currently down by 1.1 per cent.

The Passenger Airline Group is still assuming a drop in revenue for 2009 and a considerably lower operating profit.

The medium-term growth strategy is still being pursued in parallel in order to strengthen the multi-hub/multi-brand Group. The segment is therefore investing in further modernisation of the fleet and new product development. For these reasons the ongoing transactions to acquire Austrian Airlines, British Midland (bmi) and Brussels Airlines are continually being advanced.

Logistics business segment

Logistics		Jan. – March 2009	Jan. – March 2008	Change in %
Revenue	€m	469	682	– 31.2
- of which with companies of the Lufthansa Group	€m	7	7	0.0
Operating result	€m	– 72	46	–
Segment result	€m	– 66	51	–
EBITDA	€m	– 37	81	–
Segment capital expenditure	€m	4	5	– 20.0
Employees as of 31.3.	number	4,644	4,573	1.6
Freight and mail	thousand tonnes	328	429	– 23.4
Available cargo tonne-kilometres	millions	2,786	2,963	– 6.0
Revenue cargo tonne-kilometres	millions	1,604	2,060	– 22.1
Cargo load factor	%	57.6	69.5	– 11.9 pts

Course of business Lufthansa Cargo reported a dramatic fall in revenue and an operating loss in the first quarter 2009. To counter the effects of the economic crisis, a programme to safeguard earnings has been set up, capacities have been cut considerably and short-time work have been introduced at the sites in Germany.

Segment structure The Logistics segment includes Lufthansa Cargo AG as well as Lufthansa Cargo Charter Agency GmbH, the container airfreight specialist Jettainer GmbH and the equity investment in Jade Cargo International Ltd. At the beginning of the year Lufthansa Cargo AG took over the business of its wholly owned subsidiary cargo counts GmbH.

Product and route network The global economic and financial crisis is hitting the transportation industry very hard. To mitigate its effects, two MD-11 cargo aircraft were decommissioned at the end of the first quarter and freighter capacities equivalent to two more MD-11 freighters were withdrawn. This corresponds to a reduction in MD-11 capacities of around 20 per cent.

At the same time external capacities from World Airways (one MD-11, one B747-400) were returned and partially replaced by Boeing 747-400s from Jade Cargo International.

Lufthansa Cargo continues to work hard to generate new business and acquire additional volumes for the existing network. It has developed its operations in Italy for instance and since mid-February has offered freighter flights from Milan to New York and Chicago. An MD-11 freighter now takes off twice a week from Milan-Malpensa airport. Since the end of March Lufthansa Cargo has also been flying to the Vietnamese capital of Hanoi. The direct connection to the metropolis of six million people is offered once a week. In addition, Hyderabad and Malta have also been included in the range as new freighter destinations.

The combined air/sea-freight transport to Australia offered by Lufthansa Cargo in close cooperation with Jade Cargo International since early January has been well received by the market.

Lufthansa Cargo also ranked very highly in the new Air Cargo Excellence survey (ACE). The readers of the Air Cargo World magazine rated 93 cargo airlines according to various criteria. Lufthansa Cargo took second place. It received excellent marks in the areas of customer service, IT and performance in particular. It was also certified under the international environmental norm ISO 14001 for its comprehensive environmental management system at the beginning of 2009.

In order to keep refining its products and cost-effectiveness, Lufthansa Cargo and Jettainer have started a series of tests with lightweight containers. The tests are aimed at reducing the weight of airfreight containers by 15 per cent and thereby to improve environmental performance and cut transport costs for Lufthansa Cargo.

Operating performance Lufthansa Cargo reduced its total capacity (freighters, belly capacities and trucks) by 6.0 per cent in the first three months of 2009. As volumes fell by 22.1 per cent at the same time, the cargo load factor dropped by 11.9 percentage points to 57.6 per cent.

All traffic regions were hit by the fall in demand. Although capacities were reduced sharply the load factor declined in all traffic regions. In the Americas traffic region the economic slump was felt particularly keenly. In Asia the comparatively poor cargo load factor was partially the result of the effects of the economic crisis, but also of enormous competitive pressure. Even in the smallest traffic region, Middle East/Africa, the available capacity was only partially sold in the market.

In addition to the capacity reductions, other measures were adopted to safeguard earnings in response to the exceptionally difficult conditions. Since 1 March 2009 short-time work have applied for some 2,600 ground staff at Lufthansa Cargo in Germany. The agreement was signed initially for twelve months up to 28 February 2010. Managers and Executive Board members are voluntarily waiving part of their pay. A works agreement was also signed on equivalent part-time work for on-board staff. As part of the cost-cutting programme the budgets for other operating costs were also reduced by 80 per cent in February 2009.

Revenue and earnings development Traffic revenue for the Logistics segment dropped sharply by 31.7 per cent to EUR 448m. This reflects both unsold volumes and increasing pressure on average yields.

Other operating income rose to EUR 35m (last year: EUR 19m). The increase stems mainly from currency gains on foreign exchange translation and other non-periodic income from staff secondment.

Trends in traffic regions Lufthansa Cargo

	Freight/mail in thousand tonnes		Available cargo tonne-kilometres in millions		Revenue cargo tonne-kilometres in millions		Cargo load factor in %	
	Jan. – March 2009	Change in %	Jan. – March 2009	Change in %	Jan. – March 2009	Change in %	Jan. – March 2009	Change in pts
Europe	121,482	– 27.8	211	– 17.0	93	– 22.1	44.3	– 3.0
America	89,044	– 27.9	1,069	– 11.8	627	– 28.0	58.6	– 13.2
Asia/Pacific	89,432	– 18.2	1,236	– 0.4	730	– 20.6	59.1	– 15.0
Middle East/Africa	28,219	2.2	271	5.5	154	2.8	56.9	– 1.5
Total	328,178	– 23.4	2,786	– 6.0	1,604	– 22.1	57.6	– 11.9

Overall, Lufthansa Cargo reported total operating income of EUR 504m (–28.1 per cent).

Operating expenses were cut by 12.1 per cent, coming to EUR 576m. A major contribution came from the lower cost of materials and services. Fuel expenses went down by 48.4 per cent to EUR 64m as a result of prices and volumes.

With reduced capacities and 33 per cent fewer flight movements, fees and charges also fell by 21.9 per cent to EUR 57m. MRO expenses were 6.9 per cent up on last year at EUR 31m. The main reason was higher maintenance intensity, especially for engine overhauls.

Staff costs were brought down by 1.3 per cent year on year to EUR 78m. The steps initiated as part of the programme to safeguard earnings (e.g. running down overtime accounts and the accompanying reduction in the provision for flexible overtime, decreasing extra pay for overtime and the first effects of the short-time work in place since March) more than offset the wage increase for ground staff and increased staff numbers. In the first quarter Lufthansa Cargo had 4,644 employees, an increase of 1.6 per cent compared with last year.

Depreciation and amortisation was stable year on year at EUR 30m.

Other operating expenses were successfully cut by 7.3 per cent to EUR 89m. The reduction in other travel and staff costs, rental and maintenance costs and agency commissions was partly absorbed by higher exchange rate losses from foreign currency translation.

Lufthansa Cargo had to report a first quarter operating loss of EUR 72m. This represents a considerable drop of EUR 118m compared with the same period last year.

The segment result was EUR –66m and therefore EUR 117m below last year's. In addition to the operating result this also includes the result of the equity valuation of EUR 1m (last year: EUR 4m). This mainly reflects the equity investments in Shanghai Pudong International Airport Cargo Terminal.

Segment capital expenditure was EUR 1m below last year's at EUR 4m.

Outlook In light of the global economic crisis, the situation in the airfreight industry has deteriorated further in recent weeks. For the first time in many years, 2009 did not see an increase in demand just before the Easter holidays. Demand and load factor still develop negatively.

Lufthansa Cargo is therefore extending the previously implemented cost-cutting measures. Another two MD-11 cargo aircraft are to be retired by 1 October 2009. In parallel Lufthansa Cargo is reducing the amount of capacity purchased from Jade Cargo International. As of 1 June 2009 Lufthansa Cargo will only deploy Jade capacities of up to three Boeing 747-400s in its own network. Budgets for other operating costs have been cut again – to 75 per cent as of 1 May. The short-time work regime for ground staff in Germany is to be expanded as of 1 May 2009.

Although focused sales activities in recent months were able to generate additional business, Lufthansa Cargo now expects revenue for this financial year to be well below last year's and is anticipating a substantial operating loss.

MRO business segment

MRO		Jan. – March 2009	Jan. – March 2008	Change in %
Revenue	€m	1,093	913	19.7
- of which with companies of the Lufthansa Group	€m	463	387	19.6
Operating result	€m	61	71	– 14.1
Segment result	€m	61	71	– 14.1
EBITDA	€m	73	96	– 24.0
Segment capital expenditure	€m	29	20	45.0
Employees as of 31.3.	number	19,784	18,881	4.8

Course of business The collapse in demand in the aviation industry has led many airlines to make sharp cuts in capacity: 226 aircraft deliveries have been postponed so far, 12 per cent of the world fleet has been decommissioned and the remainder is being used less. As a result global demand for maintenance, repair and overhaul (MRO) services sank in 2009 – despite additional aircraft being delivered. In addition to dwindling demand and increased

pricing pressure from clients, the airlines' payment practices – including defaults – weigh on MRO providers' results and liquidity. The Lufthansa Technik group was nevertheless able to report growth, increasing revenue by 19.7 per cent against the trend. The operating result still fell compared with 2008, however, due to a record date effect in inventory valuation.

Segment structure The MRO group includes 32 technical maintenance operators worldwide. The company also holds direct and indirect stakes in 56 companies.

Lufthansa Technik has reorganised its international maintenance business and since 1 January 2009 it has been combined at Lufthansa Technik Maintenance International GmbH in Frankfurt (LTMI), which was previously known as Condor/Cargo Technik GmbH. The wholly owned Lufthansa Technik subsidiary has around 1,000 staff and has been turned into a proven centre of excellence for maintenance services for external clients. At the same time LTMI opened a maintenance station in Milan in the first quarter to service the Lufthansa Italia fleet locally.

Products Lufthansa Technik is the MRO world market leader in the field of civil aircraft, with a portfolio ranging from the latest repair procedures through to individual completion programmes for VIP aircraft. In the first quarter 2009 it brought maintenance capacities up to date and expanded them with the opening of the engine overhaul centre in Hamburg. Lufthansa Technik Malta added to its aircraft overhaul capacity by opening a new hangar complex and will be able to carry out overhaul work and paint jobs for up to two wide-bodied aircraft in two additional hangars in future. Furthermore, Lufthansa Technik strengthened its position as an innovative supplier of cabin products by inaugurating the research and development centre for the Cabin Innovation division – for instance by improving the innovative Aerostretcher system for transporting supine patients safely. It was also able to build on its reputation within the target group of VIP and business jet clients. At the Aircraft Interiors Expo, the world's largest trade fair for aircraft cabin design and systems technology, another product from the Cabin Innovation Center, "niceview", won the Crystal Cabin Award 2009 in the category "Entertainment and communications".

Spairliners, a joint venture between Lufthansa Technik and Air France Industries, was successfully launched with a component supply contract for the first Airbus A380 from the Australian airline Qantas. The technical services for the second largest A380 customer in the world include repairs and access to Spairliners' extensive warehouse.

Operating performance In terms of external business Lufthansa Technik acquired nine new clients in the first quarter and 178 additional contracts with an expected revenue volume of EUR 244m for the whole year 2009. This increased the size of the aircraft fleet serviced by Lufthansa Technik by 9 per cent to 1,787 worldwide. For instance, a Total Material Operations contract was signed with Sama Airlines from Saudi Arabia. This means that for the next seven years Lufthansa Technik will be responsible for supplying materials and engineering services for the growing Boeing 737-300 fleet at Sama Airlines.

A ten-year Total Technical Support (TTS) contract was also signed with the new company AeroLogic GmbH for up to eleven Boeing 777Fs.

Lufthansa Technik also signed other contracts with Bombardier and Airbus. Airbus is to offer its clients the emergency exit route marking systems from Lufthansa Technik as standard equipment for its passenger aircraft.

Revenue and earnings development In the first quarter Lufthansa Technik increased its revenue from external clients by EUR 104m to EUR 630m (+19.8 per cent). Revenue from clients within the Lufthansa Group grew by almost the same amount, up 19.6 per cent to EUR 463m, due to the larger fleet as well as an increased number of aircraft rest periods and engine upgrades compared with 2008. Altogether, revenue went up by EUR 180m (+19.7 per cent) to EUR 1.1bn. External revenue as a proportion of total revenue remained stable year on year at nearly 58 per cent.

Other operating income fell, largely due to considerably lower exchange rate gains, by EUR 35m to EUR 31m. The MRO segment therefore generated total operating income of EUR 1.1bn (+14.8 per cent).

Operating expenses climbed by EUR 155m (+17.1 per cent) to EUR 1.1bn. The cost of materials and services accounted for the largest rise, going up by EUR 128m (+27.5 per cent) to EUR 594m. In addition to the material-intensive revenue growth in the engine maintenance division and the adverse effects of the stronger US dollar, this also reflects increased outsourcing to the expanded Lufthansa Technik group as well as a record date effect in inventory evaluation.

The number of staff also changed substantially. As of 31 March 2009 the figure rose by 903 compared with the same quarter last year to 19,784. This was the result of integrating Lufthansa Technik Switzerland GmbH with 503 employees, 244 additional vocational trainees and a slight rise in numbers at Lufthansa Technik AG and Shannon Aerospace. Staff costs went up accordingly by EUR 14m (+5.5 per cent) to EUR 267m.

Depreciation and amortisation rose by EUR 1m to EUR 21m.

Other operating expenses increased, primarily as a result of currency measurement on the reporting date, by EUR 12m (+7.1 per cent) to EUR 181m.

In comparison with the first quarter 2008 the effect of the record date reduced the operating result and the segment result by EUR 10m year on year to EUR 61m.

The purchase of an additional reserve engine meant that capital expenditure was EUR 9m higher than last year. Segment capital expenditure for the quarter came to EUR 29m in total.

Outlook Although the crisis is having a delayed impact on the MRO sector, affecting certain plants in the Lufthansa Technik group, Lufthansa Technik is still expecting revenue growth for the full year. However, matching the very good 2008 result seems an ambitious target, despite the programmes already launched to make capacity more flexible, cut costs and increase efficiency – also as part of the Group initiative Upgrade to Industry Leadership.

IT Services business segment

IT Services		Jan. – March 2009	Jan. – March 2008	Change in %
Revenue	€m	148	153	– 3.3
- of which with companies of the Lufthansa Group	€m	87	91	– 4.4
Operating result	€m	2	11	– 81.8
Segment result	€m	2	11	– 81.8
EBITDA	€m	13	20	– 35.0
Segment capital expenditure	€m	17	12	41.7
Employees as of 31.3.	number	3,059	2,968	3.1

Course of business Business at Lufthansa Systems in the first quarter 2009 was depressed by distinct restraint worldwide in terms of IT projects as well as by falling prices and volumes due to the global economic crisis. Revenue and result are thus below last year's. Lufthansa Systems is countering this trend by making the cost base more flexible, reducing overhead costs and moving production activities abroad in order to save costs.

Segment structure In addition to its head offices in Kelsterbach, Lufthansa Systems has several sites in Germany and 16 other countries. The company's participation as a minority shareholder of Lufthansa Systems Indonesia, based in Jakarta, has however been ended. The 49 per cent stake in the company was sold in the first quarter of 2009 to the majority shareholder Garuda Indonesia.

Products As the financial position of many airlines is deteriorating, they are particularly interested in products which have tangible positive effects on costs or revenue such that IT investment pays for itself within a short period of time. These solutions are a particular strong point of Lufthansa Systems' product range. They include above all the flight planning solution Lido OC and the financial management solution Sirax AirFinance Platform, but also products in the area of crew management and aircraft handling.

Operating performance In the first quarter 2009 Lufthansa Systems signed new contracts with several airlines. For instance the Italian aviation group Meridiana-Eurofly is to use several products from Lufthansa Systems' flight operations portfolio in future. The

Dutch low-cost carrier transavia.com also chose the navigation maps from Lido RouteManual at the beginning of the year. In addition, Ethiopian Airlines is to manage data traffic between its sites around the world using the Managed Network Service from Lufthansa Systems.

In the regional flight sector too, Lufthansa Systems was able to develop its position. KLM cityhopper, for example, renewed the contract for NetLine products used for crew planning and optimising operations for another three years. City Airline from Sweden chose the revenue management solution ProfitLine/Yield, whose special "Rembrandt" version is tailored to the needs of smaller airlines and regional carriers.

Revenue and earnings development The global economic crisis resulted in a year-on-year decline in revenue. In the first three months of the 2009 financial year Lufthansa Systems recorded total revenue of EUR 148m (–3.3 per cent compared with last year). Lufthansa Group companies account for EUR 87m (–4.4 per cent) and external clients for EUR 61m (–1.6 per cent). Revenue from Lufthansa Group companies is below last year's due to the demigration of IT services and lower passenger numbers. In the external market, falls in prices and volumes were largely made up for by new business in the areas of Airline Management Solutions and Industry Solutions.

Other operating income rose year on year by 44.4 per cent to EUR 13m. This is largely due to work in progress in connection with ongoing client business and the modernisation of Lufthansa System's product portfolio. Total operating income was EUR 161m, or just below the figure for last year (–0.6 per cent).

Total operating expenses came to EUR 159m in the first quarter 2009 and were therefore 5.3 per cent higher than last year.

The cost of materials and services rose by 5.9 per cent to EUR 18m. This was principally due to the more extensive use of external staff and increased purchasing of additional services within the scope of Lufthansa Passenger Airlines' and Lufthansa Cargo's operator model.

Staff costs went up by 7.3 per cent to EUR 59m as a result of a slight increase in numbers by 3.1 per cent to 3,059 and wage increases.

Depreciation and amortisation were stable year on year at EUR 9m.

Other operating expenses increased due to rising energy costs and adverse foreign exchange effects to EUR 73m (+4.3 per cent).

The operating result for Lufthansa Systems sank considerably to EUR 2m (last year: EUR 11m). It was burdened by pre-production costs in the project business as well as by price adjustments and declining margins.

Segment capital expenditure of EUR 17m (+41.7 per cent) was aimed primarily at safeguarding existing business. The rise in capital expenditure compared with last year was required to revise and modernise the product portfolio.

Outlook Gloomier market conditions resulting from the financial crisis continue to erode the airlines' inclination to invest in the field of IT. However, as information technology exerts a great deal of leverage in the optimisation of business processes, market opportunities do exist as well. Demand for IT systems which contribute to direct cost savings or revenue increases are of great significance. Lufthansa Systems is well positioned in this product segment. The integrated platform solutions are also receiving a positive response from the market.

For cyclical reasons revenue is expected to experience a temporary downturn in 2009. Steps have therefore already been initiated to safeguard the result and make costs more flexible. Operating costs have been cut, a hiring freeze has been implemented throughout the company and holiday and overtime accounts are being run down. The current focus is on a substantial reduction in costs for external staff. For the full year 2009 a positive operating result, though lower than last year, is still expected.

Catering business segment

Catering				
		Jan. – March 2009	Jan. – March 2008	Change in %
Revenue	€m	498	528	– 5.7
- of which with companies of the Lufthansa Group	€m	111	131	– 15.3
Operating result	€m	21	5	320.0
Segment result	€m	21	19	10.5
EBITDA	€m	57	– 9	–
Segment capital expenditure	€m	14	20	– 30.0
Employees as of 31.3.	number	29,608	30,423	– 2.7

Course of business The persistent economic crisis and the resulting fall in passenger numbers led to a drop in demand for catering products and in-flight management services in the first three months. Volumes and revenue in the Catering segment are therefore lower than last year. Despite this, the operating result for the first three months is higher than last year due to the non-recurring effect of a settlement before an arbitration tribunal concerning a D&O insurance policy.

Segment structure The LSG Sky Chefs group consists of some 128 companies, with plants at more than 200 sites in 50 countries. The focus at LSG Sky Chefs is on developing the core business segment of airline catering, in-flight equipment and in-flight management. To this end LSG Sky Chefs made equity investments in other companies in the first quarter 2009 and founded new ones, such that the group of consolidated companies grew by seven new subsidiaries. The acquisition of three companies in North-Eastern Brazil, a region with high growth rates in tourism, strengthens LSG Sky Chefs' position in Latin America. The new companies make a positive contribution to revenue and earnings at LSG Sky Chefs Group.

Products The LSG Sky Chefs product portfolio ranges from the development, procurement and logistics of in-flight service articles to the management of all upstream and downstream in-flight service processes. In collaboration with its clients LSG Sky Chefs identifies sector trends. The client's requirements are defined and new products and services designed jointly. In addition to culinary

trends the focus is on the environment; preference is given particularly to natural, recyclable and weight-saving materials. For the first time, LSG Sky Chefs has also organised an internal innovation competition to improve processes and optimise its own service portfolio.

Operating performance Despite the difficult market conditions LSG Sky Chefs was able to strengthen its customer base in the first three months of the financial year. Key contracts with TUI Group, Lufthansa Italia, British Airways, Condor and Virgin Atlantic were successfully renewed or signed for individual locations.

In response to tangible falls in demand at nearly all plants, LSG Sky Chefs froze all new recruitment and investment across the board. The Company is also using all opportunities to reduce staff capacities and make them more flexible: outside staff were scaled back, flexitime and holiday accounts were run down and short-time work was introduced in some plants in Germany. Smaller, decentralised plants in the USA were also closed. At the same time the long-term, broad-based "Lean" initiative is being pursued with renewed vigour. Its success is reflected in lower costs and a sharp improvement in quality and customer satisfaction figures.

Revenue and earnings development The Catering segment reported a year-on-year fall in revenue in the first three months of 5.7 per cent to EUR 498m. This is largely due to capacity reductions at the airlines and lower volumes as a result.

External revenue only sank by 2.5 per cent to EUR 387m due to additional business and positive exchange rate movements. Internal revenue fell by 15.3 per cent to EUR 111m as a result of lower volumes, price cuts and passenger migration from premium classes to Economy Class. The companies consolidated for the first time in the LSG Sky Chefs Group made a contribution to revenue of EUR 19m in total.

In Europe the fall in revenue especially affected Germany, Scandinavia and Britain. In the USA revenue in euros went up considerably due to exchange rate movements, although US dollar-based revenue sank. Revenue in the Asia/Pacific region and Latin America also went up on a euro basis compared with last year. However, current events in the airline industry have also caused revenue to fall in the Solutions division.

Other operating income went up to EUR 69m (+187.5 per cent), primarily due to a settlement before an arbitration tribunal on the D&O policy for the SAS contract in Scandinavia (EUR 40m), as well as positive exchange rate movements. This took total operating income up by 2.7 per cent to EUR 567m.

Total operating expenses were stable year on year at EUR 546m. Despite increased food prices worldwide last year, higher energy costs and the resurgent US dollar, the cost of materials and services fell due to lower volumes by 3.8 per cent to EUR 225m.

In the first three months of the year LSG Sky Chefs Group had an average of 29,608 employees (–2.7 per cent). Staff costs went down by 0.5 per cent to EUR 201m. The negative effect of the stronger US dollar was more than offset by higher productivity in the operating areas and lower administrative costs.

Depreciation and amortisation was approximately EUR 1m above last year's at EUR 14m (+7.7 per cent). Higher depreciation on the new catering facility at Frankfurt airport contributed to the rise.

Other operating expenses went up year on year by 8.2 per cent to EUR 106m. This is largely the result of adverse exchange rate movements.

The operating result improved overall, coming to EUR 21m, or EUR 16m more than last year. This reflects lower catering volumes as mentioned, but also the positive one-off effect of the arbitration settlement on the D&O insurance policy.

The decline in other segment income to EUR 1m (last year: EUR 12m) is largely the result of gains realised last year on the disposal of the Spanish subsidiary LSG Sky Chefs España S.A. Other segment expenses were EUR 2m higher than last year at EUR 2m. Overall, the segment result went up by 10.5 per cent to EUR 21m.

Segment capital expenditure came to EUR 14m and was therefore EUR 6m lower than last year. The main reasons for the fall was the capital expenditure made last year for the new catering facility at Frankfurt airport and for expanding global frozen food capacities in 2008.

Outlook Pressure on the result remains high, as the entire airline catering market will continue to contract. Lower volumes due to flight cancellations and the use of smaller aircraft affect LSG Sky Chefs, as does the tangible passenger migration from the premium classes to Economy Class and cuts in in-flight service by many airlines. The number of flights and meals is still falling at a double-digit rate in nearly all 200 sites worldwide. A slump in one region can therefore no longer be balanced out by an upswing in other regions. There is currently no sign that this trend is flattening out. Despite the severely constrained capital expenditure policy the Company is continuing to develop its future actively in growth markets via management contracts and joint ventures. However, these moderate expansion activities alone cannot make up for the falls in volumes. Considering the additional short and long-term programmes introduced to optimise costs and the effects of the arbitration ruling, the expectation is that last year's operating result can be matched despite the decline in revenue.

Other

Other		Jan. – March 2009	Jan. – March 2008	Change in %
Total operating income	€m	314	289	8.7
Operating result	€m	– 29	7	–
Segment result	€m	– 29	8	–
EBITDA	€m	– 11	– 19	42.1
Segment capital expenditure	€m	32	11	190.9
Employees as of 31.3.	number	3,675	3,569	3.0

Structure/change in reporting standards As a result of IFRS 8 "Operating Segments", which is applicable from 1 January 2009, the segment reporting has been structurally adapted to the reports regularly presented to decision makers within the Group. The segment Other therefore now includes the Service and Financial Companies where Lufthansa's equity investments are held (Lufthansa Flight Training, AirPlus, Lufthansa Commercial Holding, etc.) and also the centralised Group functions of Deutsche Lufthansa AG. To facilitate comparison, the figures for last year have been restated using the new parameters. More information can be found in the notes to the consolidated financial statements on page 30.

In the reporting period Lufthansa Commercial Holding acquired Germanwings GmbH from Eurowings Luftverkehrs AG for a purchase price of EUR 14.5m.

Operating performance For AirPlus the first quarter was defined by great restraint in business travel. Billing revenue was 12 per cent down on the year, as cheaper rates are increasingly being chosen. This was not without effect on the operating result, which was EUR 2m below the figure for last year. AirPlus received an important industry accolade for its climate protection solutions in the form of the "Best Practice Award 2009" from the Travel Industry Club.

The global crisis also affected demand for training services at Lufthansa Flight Training. The company's aircraft simulators were nevertheless operating at a satisfactory capacity and new contracts were signed. Lufthansa Flight Training began construction work on the extension for eight simulators at Frankfurt airport. In March it also inaugurated the simulator training centre in Munich. In order to mitigate the consequences of the worldwide crisis, Lufthansa Flight Training has also introduced a more restrictive cost management.

Income and earnings development Total operating income of the companies reported in this area came to EUR 314m (+8.7 per cent). The contribution from AirPlus made up around 20 per cent at EUR 63m. Lufthansa Flight Training contributed EUR 36m (11.5 per cent) to income. Operating expenses rose by 21.6 per cent to a total of EUR 343m. The operating result was negative at EUR -29m, which was exclusively a result of the newly included Group functions. This also applies to the segment result, which fell from EUR 8m last year to EUR -29m.

Risk report

As an international aviation company Deutsche Lufthansa AG is exposed to sector-specific, company and financial risks. These consist mainly of market and competition risks, which can affect capacity and load factors, strategy-related risks, political risks, operational risks, procurement risks, collective bargaining risks, IT risks and financial and treasury risks. Lufthansa's risk strategy allows to take advantage of business opportunities as long as a risk-adjusted return can be realised on market terms and the risks are appropriate and acceptable within the framework of creating value.

Group-wide opportunity and risk controlling enables management to identify these in advance and thereby provides support for their efficient and effective management. Information on the opportunity and risk management system, the risk categories and the risk situation at the Group can be found in the 2008 Annual Report on pages 114 ff. and 183 ff.

There have been no significant changes in the first three months of 2009 in the opportunities and risks for the Group compared with those described in detail in the annual report. Some of the risks described there have, however, become more concrete in recent months. For instance, the Group's risk position is particularly affected by the global recession. With the exception of some emerging markets (e.g. China or India), national economies are contracting throughout the world. Overall, global gross domestic product is expected to sink by 2.5 percentage points in 2009. At the time the 2008 Annual Report was published, a fall of just 1.2 per cent was being forecast. Shrinking economic output means that global aviation traffic is also decreasing. Airfreight volumes in particular have experienced a dramatic collapse worldwide. Lufthansa responded to these developments at an early stage by adjusting flight capacities and taking steps to cut costs. The Company also has sufficient flexibility to reduce capacities again if the situation should deteriorate further. In the other business segments as well, resources are deployed individually in line with respective sales expectations.

The prices for crude oil and aircraft fuel have declined sharply compared with their historic highs in mid-2008, but also compared with the first quarter of 2008, resulting in considerable cost savings.

Counterparty risks are becoming more important, both in financial markets and with regard to clients in the business segments. Lufthansa tracks these risks on a continual basis and manages them according to the creditworthiness of the counterparty.

External finance is noticeably more expensive and harder to come by as a result of the international financial crisis. In this situation Lufthansa's investment grade rating and sound liquidity reserves give it a relatively good start and the Company was able to borrow considerable amounts on favourable terms in the first quarter.

Taking all known facts and circumstances into account, there are currently no risks which could jeopardise the Group's existence in the foreseeable future.

Supplementary report

In its meeting on 23 April the Supervisory Board appointed Christoph Franz to the Executive Board as Deputy Chairman of the Executive Board of Deutsche Lufthansa AG with effect from 1 June 2009. He is responsible for the "Lufthansa Passenger Airlines" unit and in this capacity is also the Chairman of the Lufthansa Passenger Airlines Board. Christoph Franz's successor as CEO of SWISS with effect from 1 July 2009 will be Harry Hohmeister, who is currently responsible for network and sales in the management board of SWISS. The new allocation of responsibilities for the Executive Board adopted simultaneously by the Supervisory Board – with the four areas of responsibility Chairman and CEO, Lufthansa Passenger Airlines, Group Airlines and Corporate Human Resources as well as CFO and Aviation Services – reflects Lufthansa's development towards a group system of independent airlines.

Outlook

General economy and industry At present there is no end to the global economic downturn in sight. Monetary and fiscal measures as well as steps towards restructuring and regulating the financial markets have been taken throughout the world. These powerful incentives should increasingly bear fruit, but the economic situation will probably only begin to improve in 2010. The main thrust of the state aid is to stabilise consumption and increase public spending significantly. Altogether, the global economy is expected to shrink by 2.5 per cent in 2009.

In the USA the persistent turmoil on financial markets and their negative effects on the real economy continue to depress prospects. Spending by private households and companies is expected to remain slow in the months ahead, due largely to reduced savings in private households, restricted availability of credit and uncertain employment prospects. The extensive stimulus programmes are expected to have a tangible effect on the economy in the upcoming quarters, however. The assumption is that gross domestic product will fall by 3.5 per cent in 2009.

Given its strong dependence on exports and the persistently weak demand from industrialised countries, Asia is not expected to recover in 2009, too. Here, the economy is expected to shrink by 0.7 per cent. Although growth is predicted for China in 2009 (+5.9 per cent), this is the slowest rate since 1990.

In the Euro-Zone, collapsing exports, falling property prices in some Euro-States and the crisis of confidence which has spread from financial markets are expected to result in a contraction of gross domestic product by 4.0 per cent for 2009. Germany is expected to enter a severe recession in 2009, largely as a result of noticeable weakening in demand for exports. Weak export growth is likely to, in turn, reduce investment activity. The German economy is forecast to shrink by 4.8 per cent.

In the medium term, oil prices are expected to rise again as the economy picks up. Futures contracts for delivery in December 2009 are trading at around USD 56.55/barrel for IPE Brent. The short-term outlook remains gloomy, however, due to the weakness of the global economy and the expectation that recovery will be laborious.

For the full year 2009 IATA is forecasting a decline of 5.7 per cent in passenger numbers and even a fall of 13.0 per cent for freight. In view of this sharp drop in demand IATA has also revised its earnings forecasts for the airline industry further downwards. For the current financial year losses in the industry are expected to worsen to USD –4.7bn (previously: USD –2.5bn).

Lufthansa Group The weak demand visible in the first three months and described in prior chapters has continued into the first weeks of the second quarter. There are currently no signs of a recovery. The Lufthansa Group is therefore preparing for a difficult financial year.

At the same time the Group benefits in this environment from its strong business segments, which in some cases have different business cycles. However, the future course of business remains exposed to considerable risks. Flexibility in the capacity and cost base and quick reactions will therefore be decisive competitive factors and contribute to safeguarding the Company's own profitability. The business segments in the Lufthansa Group have these capabilities and will use them as required. The decline in revenue for the Group in its current composition expected for the full year 2009 will be accompanied by a substantial reduction in the operating result compared with the previous year. The Executive Board nevertheless expects to earn a clearly positive operating result even in this environment.

Consolidated income statement January – March 2009

in €m	Jan. – March 2009	Jan. – March 2008
Traffic revenue	3,813	4,467
Other revenue	1,202	1,121
Total revenue	5,015	5,588
Changes in inventories and work performed by the enterprise and capitalised	69	74
Other operating income	704	545
Cost of materials and services	– 2,871	– 3,048
Staff costs	– 1,435	– 1,392
Depreciation, amortisation and impairment	– 319	– 297
Other operating expenses	– 1,227	– 1,245
Profit/loss from operating activities	– 64	225
Result of equity investments accounted for using the equity method	– 11	– 13
Result from other equity investments	11	9
Interest income	40	43
Interest expense	– 108	– 83
Net interest	– 68	– 40
Other financial items	– 141	– 127
Financial result	– 209	– 171
Profit/loss before income taxes	– 273	54
Income taxes	21	– 7
Profit/loss after income taxes	– 252	47
Minority interests	– 4	– 3
Net profit/loss attributable to shareholders of Deutsche Lufthansa AG	– 256	44
Basic earnings per share in €	– 0.56	0.10
Diluted earnings per share in €	– 0.56	0.10

Consolidated statement of comprehensive income

in €m	31.03.2009	31.03.2008
Profit/loss after income taxes	- 252	47
Expenses and income without effect on profit and loss		
Currency translation differences	- 29	41
Changes in accounting principles	0	- 354
Subsequent measurement of available-for-sale financial assets	- 47	- 64
Subsequent measurement of cash flow hedges	202	- 166
Expenses and income without effect on profit and loss from financial investments accounted for using the equity method	- 2	6
Other expenses and income without effect on profit and loss	0	- 4
Income taxes relating to components of other comprehensive income	- 78	131
= Other comprehensive income after income taxes	46	- 410
= Total comprehensive income	- 206	- 363
Total comprehensive income attributable to minority interests	5	- 1
= Total comprehensive income attributable to shareholders of Deutsche Lufthansa AG	- 211	- 362

Consolidated balance sheet of 31 March 2009

Assets			
in €m	31.3.2009	31.12.2008	31.3.2008
Intangible assets with indefinite useful life *	818	821	621
Other intangible assets	257	261	245
Aircraft and spare engines	8,997	8,764	8,331
Repairable spare parts for aircraft	713	669	573
Property, plant and other equipment	1,982	1,931	1,772
Investment property	3	3	3
Investments accounted for using the equity method	324	298	307
Other equity investments	617	790	882
Non-current securities	389	509	272
Loans and receivables	390	475	305
Derivative financial instruments	480	339	341
Accrued income and advance payments	14	15	20
Effective income tax receivables	73	72	77
Deferred claims for income tax rebates	14	28	6
Non-current assets	15,071	14,975	13,755
Inventories	606	581	513
Trade receivables and other receivables	3,456	3,015	3,492
Derivative financial instruments	342	213	502
Accrued income and advance payments	122	119	102
Effective income tax receivables	55	130	51
Securities	3,806	1,834	1,672
Cash and cash equivalents	979	1,444	2,004
Assets held for sale	31	97	699
Current assets	9,397	7,433	9,035
Total assets	24,468	22,408	22,790

* Including goodwill.

Shareholders' equity and liabilities			
in €m	31.3.2009	31.12.2008	31.3.2008
Issued capital	1,172	1,172	1,172
Capital reserve	1,366	1,366	1,366
Retained earnings	3,414	2,872	3,450
Other neutral reserves	624	579	451
Net profit/loss for the period	– 256	542	44
Equity attributable to shareholders of Deutsche Lufthansa AG	6,320	6,531	6,483
Minority interests	62	63	47
Shareholders' equity	6,382	6,594	6,530
Pension provisions	2,453	2,400	2,489
Other provisions	337	291	346
Borrowings	4,725	3,161	2,945
Other financial liabilities	51	51	32
Advance payments received, accruals and deferrals and other non-financial liabilities	999	1,024	970
Derivative financial instruments	48	118	550
Deferred income tax liabilities	720	710	585
Non-current provisions and liabilities	9,333	7,755	7,917
Other provisions	807	847	704
Borrowings	338	420	315
Trade payables and other financial liabilities	4,039	3,626	3,721
Liabilities from unused flight documents	2,073	1,693	2,035
Advance payments received, accruals and deferrals and other non-financial liabilities	891	882	713
Derivative financial instruments	495	492	369
Actual income tax liabilities	110	99	50
Liabilities included in disposal groups	0	0	436
Current provisions and liabilities	8,753	8,059	8,343
Total shareholders' equity and liabilities	24,468	22,408	22,790

Consolidated statement of changes in shareholders' equity

	Issued capital	Capital reserve	Fair value of financial instruments	Currency translation differences	Revaluation reserve	Other neutral reserves	Total other neutral reserves	Retained earnings	Net profit/loss for the period	Equity attributable to shareholders of Lufthansa AG	Minority interests	Total equity
in €m												
As of 31.12.2007	1,172	1,366	140	- 180	237	392	589	2,063	1,655	6,845	55	6,900
Changes in accounting principles	-	-	-	-	-	-	-	- 268	-	- 268	-	- 268
Adjusted amount as of 31.12.2007	1,172	1,366	140	- 180	237	392	589	1,795	1,655	6,577	55	6,632
Capital increases/reductions	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	1,655	- 1,655	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	- 7	- 7
Consolidated net profit/loss attributable to minority interest	-	-	-	-	-	-	-	-	44	44	3	47
Other neutral changes	-	-	- 185	45	-	2	- 138	-	-	- 138	- 4	- 142
Adjusted amount as of 31.03.2008	1,172	1,366	- 45	- 135	237	394	451	3,450	44	6,483	47	6,530
As of 31.12.2008	1,172	1,366	1	- 52	237	393	579	3,140	599	6,856	63	6,919
Changes in accounting principles	-	-	-	-	-	-	-	- 268	- 57	- 325	-	- 325
Adjusted amount as of 31.12.2008	1,172	1,366	1	- 52	237	393	579	2,872	542	6,531	63	6,594
Capital increases/reductions	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	542	- 542	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	- 6	- 6
Consolidated net profit/loss attributable to minority interest	-	-	-	-	-	-	-	-	- 256	- 256	4	- 252
Other neutral changes	-	-	77	- 30	-	- 2	45	-	-	45	1	46
As of 31.03.2009	1,172	1,366	78	- 82	237	391	624	3,414	- 256	6,320	62	6,382

Consolidated cash flow statement

in €m	Jan. – March 2009	Jan. – March 2008
Cash and cash equivalents 1.1.	1,444	2,079
Net profit/loss before income taxes	– 273	54
Depreciation, amortisation and impairment losses on non-current assets (net of reversals)	454	357
Depreciation on repairable spare parts for aircraft and on current assets	55	20
Net proceeds on disposal of non-current assets	– 28	– 20
Result of equity investments	0	4
Net interest	68	40
Income tax payments	52	– 29
Changes in working capital *	380	315
Cash flow from operating activities	708	741
Capital expenditure for property, plant and equipment and intangible assets	– 614	– 569
Capital expenditure for financial assets	– 6	– 15
Additions to repairable spare parts for aircraft	– 96	– 26
Income from sales of non-consolidated equity investments	90	7
Income from sales of consolidated equity investments	0	11
Expenses from acquisitions of non-consolidated equity investments	– 41	– 224
Expenses from acquisitions of consolidated equity investments	– 3	–
Income on disposal of intangible assets, property, plant and equipment and other financial assets	131	26
Interest income	33	33
Dividends received	12	9
Net cash used in investing activities	– 494	– 748
Purchase of securities/fund investments	– 1,986	– 180
Net cash used in investing activities and cash investments	– 2,480	– 928
Capital increase	–	–
Long-term borrowings	1,580	204
Repayment of long-term borrowings	– 170	– 87
Other financial debt	– 16	6
Dividends paid	– 8	– 5
Interest paid	– 65	– 50
Net cash from financing activities	1,321	68
Net change in cash and cash equivalents	– 451	– 119
Changes due to exchange rate differences	– 14	44
Cash and cash equivalents 31.3.	979	2,004
Securities	3,806	1,672
Total liquidity	4,785	3,676
Net change in total liquidity	1,178	69

* Working capital consists of inventories, receivables, liabilities and provisions.

Notes

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

These accompanying condensed interim financial statements as of 31 March 2009 have been prepared in accordance with IAS 34. In preparing the interim financial statements the standards and interpretations applicable as of 1 January 2009 have been applied. Under the revised version of IAS 1 Presentation of Financial Statements, a statement of comprehensive income is required which includes income and expenses previously recognised in equity without effect on income (other comprehensive income). The standard will affect the presentation of the financial statements, but not the net assets, financial and earnings position of the Group. IAS 23 Borrowing Costs, as amended, replaces the option of either capitalising or recognising as expenses borrowing costs incurred in close connection with the financing of the purchase or production of an asset with the obligation to capitalise these costs for financial years beginning on or after 1 January 2009. The cor-

responding interest expense is to be determined using the effective interest method. The main effects on the net assets, financial and earnings position of the Group will come from the capitalisation of financing costs for advance payments on aircraft orders placed after 1 January. In accordance with IFRIC 13 Customer Loyalty Programmes, which is mandatory from 1 January 2009, miles earned but unused under bonus miles programmes are to be accounted for at fair value using the deferred revenue method. Compared with the additional cost method applied to date, this will result in a considerably higher deferred value per mile and have a corresponding effect on the Group's net assets, financial and earnings position. Following this switch, the obligation under bonus miles programmes increased as of 1 January 2009 compared with the financial statements for 2008 from EUR 1,026m to EUR 1,454m, deferred tax liabilities fell by EUR 103m and equity by EUR 325m. If IFRIC 13 had been applied to the interim report as of 31.3.2008, the profit before income taxes would have been EUR 16m lower

Changes in the group of consolidated companies in the period 1.4.2008 to 31.3.2009

Name, corporate domicile	Addition as of	Disposal as of	Reason
Segment Logistics			
cargo counts GmbH, Hattersheim		1.1.09	Merger
Segment MRO			
Lufthansa Technik Switzerland GmbH, Basle Switzerland	1.10.08		Established
Segment Catering			
LSG Sky Chefs North America Solutions, Inc., USA	7.4.08		Established
LSG Sky Chefs Rus, Russia	19.5.08		Established
ZAO AeroMEAL, Russia	1.7.08		Acquisition
CLS Catering Services Ltd., Richmond, Canada	22.7.08		Increased Shareholding
LSG-Airport Gastronomiegesellschaft mbH, Neu-Isenburg		1.7.08	Disposal
Caterair International Corporation, Dover, USA		31.12.08	Merger
Caterair Holdings Corporation, Wilmington, USA		31.12.08	Liquidation
International Food Services Ltd., Hong Kong, Hong Kong	1.1.09		Consolidated for the first time
CNAC-LSG Sky Chefs (Qingdao) Food Services Co., Ltd., Laixi City, China	1.1.09		Consolidated for the first time
LSG Sky Chefs Culinary Service GmbH, Neu-Isenburg	1.1.09		Consolidated for the first time
LSG Sky Chefs Gulf Solutions W.L.L., Manama, Bahrain	1.1.09		Consolidated for the first time
Fortaleza Serviços de Bordo Ltda., Fortaleza, Brazil	7.1.09		Acquisition
Belém Serviços de Bordo Ltda., Belém, Brazil	7.1.09		Acquisition
Natal Catering Ltda., Natal, Brazil	7.1.09		Acquisition
Service and Financial Companies			
Lufthansa International Finance (Netherlands) N.V., Amsterdam, Netherlands		15.5.08	Company no longer active
Société d'investissement à capital variable Fond d'investissement spécialisé, Luxembourg, Luxembourg	5.12.08		Established
AirPlus Payment Management Co., Ltd., Shanghai, China	1.1.09		Consolidated for the first time
Lufthansa Training & Conference Center GmbH, Seeheim-Jugenheim	1.1.09		Consolidated for the first time

and the profit after income taxes EUR 13m lower. As a result of IFRS 8 Operating Segments, which is applicable from 1 January 2009, the segment reporting has been adapted structurally and in terms of its contents to the reports regularly presented to decision makers within the Group. The main earnings indicator in the segment reporting is now the operating result, instead of the segment result previously reported under IAS 14. The standard affects the presentation of segment reporting but not the Group's net assets, financial and earnings position. The comparable figures shown in

the segment reporting for this reporting period have been adjusted as if IFRS 8 had already been applied the previous year. The segment previously known as Passenger Transportation is presented under the new name of Passenger Airline Group, without the centralised Group functions. The operating result for the new segment adjusted accordingly was therefore shown as being EUR 15m higher in the previous year. There is no further segment reporting on the Service and Financial Companies.

Income statement

in €m	Group Jan. – March 2009	of which from changes in the group of consolidated companies	Group Jan. – March 2008	of which from changes in the group of consolidated companies
Revenue	5,015	1	5,588	1
Operating income	5,788	1	6,207	2
Operating expenses	– 5,852	0	– 5,982	– 1
Profit from operating activities	– 64	1	225	1
Financial result	– 209	0*	– 171	0*
Income taxes	21	0*	– 7	0*
Result after taxes	– 252	1	47	1

* Rounded below EUR 1m.

Balance sheet

in €m	Group 31.03.2009	of which from changes in the group of consoli- dated companies of the year 2009	Group 31.03.2008	of which from changes in the group of consoli- dated companies of the year 2008
Non-current assets	15,071	0*	13,755	5
Current assets	9,397	2	9,035	1
Total assets	24,468	2	22,790	6
Equity	6,382	2	6,530	0*
Non-current provisions and liabilities	9,333	0*	7,917	5
Current provisions and liabilities	8,753	0*	8,343	1

* Rounded below EUR 1m.

Assets held for sale

in €m	Jan. – March 2009	Financial Statements 2008	Jan. – March 2008
Assets			
Aircraft and spare engines	31	18	340
Financial assets	–	79	16
Other assets	–	–	343
Equity/liabilities from assets held for sale			
Equity	–	–	1
Liabilities	–	–	436

Otherwise the same accounting principles were applied as for the 2008 consolidated financial statements. Income tax expense has been determined as a best estimate based on the results of the consolidated companies and the respective deferred tax rates: effects of consolidation were measured at the applicable deferred tax rates. Permanent differences have been taken into account between the carrying amount of an asset or a liability in the consolidated financial statements and the corresponding amount for tax purposes. The interim financial statements and management report have not been reviewed by the auditors.

The table on page 30 shows the companies which have joined or left the group of consolidated companies compared with year-end 2008 and 31 March 2008. These changes had the following effects on the consolidated balance sheet and income statement in comparison with this quarter of the previous year.

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

Detailed comments on the income statement, the balance sheet, the cash flow statement and the segment reporting can be found in the management report on pages 6 to 24.

3) Seasonality

The Group's business is mainly exposed to seasonal effects via the Passenger Airline Group segment. As such, revenue in the 1st and 4th quarters is generally lower due to less frequent travel, and higher revenue and operating profits are normally earned in the 2nd and 3rd quarters.

4) Contingencies

Several provisions could not be made because an outflow of resources was not sufficiently probable. The potential financial effect of these provisions on the result would have been EUR 186m for subsequent years. As of the reporting date 2008 the figure was EUR 195m. A maximum of EUR 2m of the contingent receivable mentioned in the consolidated financial statements in connection with the sale of an equity investment can still be recovered. It is expected to be realised by the end of 2009. Signed contracts for the sale of three Canadair Regional Jet 200s will result in a total cash inflow of EUR 7m in 2010. On 23 March 2009 Deutsche Lufthansa AG and the insurance companies involved agreed on a payment

of EUR 40m in compensation for damages which occurred in Scandinavia and were described in the consolidated financial statements for 2008 as a contingent receivable under a D&O insurance policy. This settles all claims relating to the aforementioned damages. At the end of March 2009 there were purchase commitments of EUR 7.6bn for capital expenditure on property, plant and equipment and intangible assets. As of 31 December 2008 the purchase commitments came to EUR 7.2bn.

Contingent liabilities		
in €m	31.3.2009	31.12.2008
From guarantees, bills of exchange and cheque guarantees	899	861
From warranty contracts	938	901
From providing collateral for third-party liabilities	3	3

5) Earnings per share

		31.3.2009	31.3.2008
Basic earnings per share	€	– 0.56	0.10
Consolidated net profit/loss	€m	– 256	44
Weighted average number of shares		457,937,281	457,882,383
Diluted earnings per share	€	– 0.56	0.10
Consolidated net profit/loss	€m	– 256	44
+ interest expenses on the convertible bonds	€m	0	0
– current and deferred taxes	€m	0*	0*
Adjusted net profit/loss for the period	€m	– 256	44
Weighted average number of shares		460,461,903	460,462,194

* Rounded below EUR 1m.

6) Issued capital

A resolution passed at the Annual General Meeting on 16 June 2004 authorised the Executive Board until 15 June 2009, subject to approval by the Supervisory Board, to increase the issued capital by up to EUR 25m by issuing new registered shares to employees for payment in cash. Existing shareholders' subscription rights are excluded. Following a resolution of the Annual General Meeting held on 24 April 2009 the distributable profit of EUR 320m shown in the financial statements for Deutsche Lufthansa AG was paid out as dividends. The dividend for the financial year 2008 was EUR 0.70 per share.

7) Segment reporting for the Lufthansa Group

Business segment information January – March 2009

in €m	Passenger Airline Group	Logistics	MRO	IT Services	Catering**	Operating segment total	Other	Recon- ciliation	Group
External revenue	3,475	462	630	61	387	5,015	–	–	5,015
- of which traffic revenue	3,290	448	–	–	–	3,738	–	75	3,813
Inter-segment revenue	139	7	463	87	111	807	–	– 807	–
Total revenue	3,614	469	1,093	148	498	5,822	–	– 807	5,015
Other operating income	364	35	31	13	69	512	314	– 112	714
Total operating income	3,978	504	1,124	161	567	6,334	314	– 919	5,729
Operating expenses	4,008	576	1,063	159	546	6,352	343	– 922	5,773
- of which cost of materials	2,338	379	594	18	225	3,554	22	– 705	2,871
- of which staff costs	771	78	267	59	201	1,376	61	– 2	1,435
- of which amortisation and depreciation (on schedule)	229	30	21	9	14	303	10	3	316
Operating result	– 30	– 72	61	2	21	– 18	– 29	3	– 44
Other segment income	23	5	2	0*	1	31	–	28	59
Other segment expenses	4	0*	1	0*	2	7	–	72	79
- of which impairment charge	3	–	–	–	–	3	–	–	3
Result of investments accounted for using the equity method	– 13	1	– 1	–	1	– 12	–	12	–
Segment result (profit from operating activities)	– 24	– 66	61	2	21	– 6	– 29	– 29	– 64
Segment assets	11,072	897	2,901	275	1,231	16,376	1,551	6,541	24,468
- of which from investments accounted for using the equity method	96	33	120	–	61	310	15	– 1	324
Segment liabilities	8,100	501	1,277	218	489	10,585	1,460	6,041	18,086
- of which from investments accounted for using the equity method	–	–	–	–	–	–	–	–	–
Segment capital expenditure	558	4	29	17	14	622	32	10	664
- of which from investments accounted for using the equity method	36	–	–	–	–	36	–	–	36
Other significant non-cash items	62	5	12	3	6	88	1	–	89
Employees at the balance sheet date	46,070	4,644	19,784	3,059	29,608	103,165	3,675	–	106,840

* Rounded below EUR 1m.

** Due to changes in the group of consolidated companies the comparability of the figures with those of the previous year is limited to some extent.

Business segment information January – March 2008

in €m	Passenger Airline Group	Logistics	MRO	IT Services	Catering	Operating segment total	Other	Recon- ciliation	Group
External revenue	3,928	675	526	62	397	5,588	–	–	5,588
- of which traffic revenue	3,719	656	–	–	–	4,375	–	92	4,467
Inter-segment revenue	151	7	387	91	131	767	–	– 767	–
Total revenue	4,079	682	913	153	528	6,355	–	– 767	5,588
Other operating income	173	19	66	9	24	291	289	– 66	514
Total operating income	4,252	701	979	162	552	6,646	289	– 834	6,101
Operating expenses	4,215	655	908	151	547	6,476	282	– 828	5,930
- of which cost of materials	2,507	450	466	17	234	3,674	20	– 646	3,048
- of which staff costs	745	79	253	55	202	1,334	59	– 1	1,392
- of which amortisation and depreciation (on schedule)	215	30	20	9	13	287	9	1	297
Operating result	37	46	71	11	5	170	7	– 5	172
Other segment income	8	1	0*	0*	12	21	1	83	105
Other segment expenses	0*	0*	0*	0*	0*	0*	0*	52	52
- of which impairment charge	–	–	–	–	–	–	–	–	–
Result of investments accounted for using the equity method	– 19	4	0*	–	2	– 13	0*	13	–
Segment result (profit from operating activities)	26	51	71	11	19	178	8	39	225
Segment assets	10,923	1,109	2,370	246	1,171	15,819	1,386	5,584	22,789
- of which from investments accounted for using the equity method	113	33	98	–	59	303	4	–	307
Segment liabilities	8,243	568	1,133	201	520	10,665	891	4,704	16,260
- of which from investments accounted for using the equity method	–	–	–	–	–	–	–	–	–
Segment capital expenditure	490	5	20	12	20	547	11	250	808
- of which from investments accounted for using the equity method	–	–	–	–	–	–	–	–	–
Other significant non-cash items	61	4	14	2	5	86	0*	–	86
Employees at the balance sheet date	45,893	4,573	18,881	2,968	30,423	102,738	3,569	–	106,307

* Rounded below EUR 1m.

Geographical segment information January–March 2009

in €m	Europe	North America	Central and South America	Asia/Pacific	Middle East	Africa	Other	Segment Total
Traffic revenue**	2,658	480	71	447	77	80	–	3,813
Other operating revenue	596	243	37	206	69	51	0*	1,202
Total revenue	3,254	723	108	653	146	131	0*	5,015

* Rounded below EUR 1m.

** Traffic revenue is allocated by original place of sale.

Geographical segment information January–March 2008

in €m	Europe	North America	Central and South America	Asia/Pacific	Middle East	Africa	Other	Segment Total
Traffic revenue**	3,149	553	76	537	81	71	–	4,467
Other operating revenue	593	223	31	167	73	34	0*	1,121
Total revenue	3,742	776	107	704	154	105	0*	5,588

* Rounded below EUR 1m.

** Traffic revenue is allocated by original place of sale.

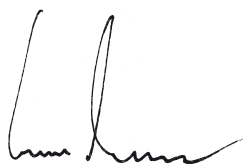
8) Related party transactions

As stated in Note 50 to the consolidated financial statements for 2008, the 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 Note 51 to the 2008 consolidated financial statements also still exist unchanged, but are not of material significance for the Group.

9) Responsibility statement by the legal representatives

We declare to the best of our knowledge and according to the applicable accounting standards for interim reporting that the consolidated interim financial statements give a true and fair view of the net assets, the financial and earnings positions of the Group and that the interim Group management report gives a true and fair view of the course of business, including the business result, and the situation of the Group, and suitably presents the opportunities and risks to its future development in the remaining months of the financial year.

The Executive Board, 30 April 2009



Wolfgang Mayrhuber
Chairman of the Executive Board and CEO



Stephan Gemkow
Member of the Executive Board
Chief Financial Officer



Stefan Lauer
Member of the Executive Board
Chief Officer Aviation Services and Human Resources

Credits

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Information published in the 1st Interim Report 2009 with regard to the future development of the Lufthansa Group and its subsidiaries consists purely of forecasts and assessments and not of definitive historical facts. Its purpose is exclusively informational identified by the use of such cautionary terms as "believe", "expect", "forecast", "intend", "project", "plan", "estimate" or "intend". These forward-looking statements are based on all discernible information, facts and expectations available at the time. They can, therefore, only claim validity up to the date of their publication.

Since forward-looking statements are by their nature subject to uncertainties and imponderable risk factors – such as changes in underlying economic conditions – and rest on assumptions that may not or divergently occur, it is possible that the Group's actual results and development may differ materially from those implied by the forecasts. Lufthansa makes a point of checking and updating the information it publishes. It cannot, however, assume any obligation to adapt forward-looking statements to accommodate events or developments that may occur at some later date. Accordingly, it neither expressly nor conclusively accepts liability, nor gives any guarantee, for the actuality, accuracy and completeness of this data and information.

Financial calendar 2009/2010

2009

- 30 July** Release of Interim Report
January–June 2009
- 29 Oct.** Press Conference and Analysts' Conference on
interim result January–September 2009

2010

- 11 March** Press Conference and Analysts' Conference
on 2009 result
- 27 April** Release of Interim Report
January–March 2010
- 29 April** Annual General Meeting, Berlin
- 29 July** Release of Interim Report
January–June 2010
- 28 Oct.** Press Conference and Analysts' Conference on
interim result January–September 2010

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