2ND INTERIM REPORT

January – June 2020

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LUFTHANSA GROUP

The Lufthansa Group

KEY FIGURES

		Jan - Jun 2020	Jan - Jun 2019	Change in %	**Apr - Jun 2020**	Apr - Jun 2019	Change in %
Revenue and result							
Total revenue[1]	€m	8,335	17,416	-52	1,894	9,578	-80
of which traffic revenue[1]	€m	5,641	13,375	-58	1,102	7,570	-85
Operating expenses[1]	€m	12,069	18,162	-34	3,907	9,480	-59
Adjusted EBITDA	€m	-1,578	1,736		-1,038	1,415	
Adjusted EBIT	€m	-2,899	418		-1,679	754	
EBIT	€m	-3,468	417		-1,846	761	
Net profit/loss	€m	-3,617	-116	-3,018	-1,493	226	
Key balance sheet and cash flow statement figures							
Total assets	€m	39,887	43,094	-7	–	–	
Equity	€m	5,702	9,166	-38	–	–	
Equity ratio	%	14.3	21.3	-7.0 pts	–	–	
Net indebtedness	€m	7,314	6,234	17	–	–	
Pension provision	€m	7,422	6,612	12	–	–	
Cash flow from operating activities	€m	363	2,393	-85	-1,004	835	
Capital expenditures (gross)[2]	€m	897	1,904	-53	127	668	-81
Adjusted free cash flow	€m	-510	269		-1,130	91	
Key profitability and value creation figures							
Adjusted EBITDA margin	%	-18.9	10.0	-28.9 pts	-54.8	14.8	-69.6 pts
Adjusted EBIT margin	%	-34.8	2.4	-37.2 pts	-88.6	7.9	-96.5 pts
EBIT margin	%	-41.6	2.4	-44.0 pts	-97.5	7.9	-105.4 pts
Lufthansa share							
Share price as of 30 Jun	€	8.94	15.07	-41	–	–	
Earnings per share	€	-7.56	-0.24	-3,050	-3.12	0.48	
Traffic figures[1]							
Flights	number	225,937	575,466	-61	18,730	312,812	-94
Passengers	thousands	23,475	68,973	-66	1,719	39,552	-96
Available seat-kilometres	millions	68,604	174,603	-61	4,307	95,150	-95
Revenue seat-kilometres	millions	49,512	141,169	-65	2,413	79,236	-97
Passenger load factor	%	72.2	80.9	-8.7 pts	56.0	83.3	-27.3 pts
Available cargo tonne-kilometres	millions	5,495	8,553	-36	2,047	4,497	-54
Revenue cargo tonne-kilometres	millions	3,603	5,262	-32	1,447	2,711	-47
Cargo load factor	%	65.6	61.6	4.0 pts	70.7	60.3	10.4 pts
Employees							
Employees as of 30 Jun	number	129,356	137,639	-6	–	–	

[1] Previous year's figures have been adjusted.
[2] Without acquisition of equity investments.
Date of publication: 6 August 2020.

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Ladies and gentlemen,

The coronavirus pandemic has had an impact on the aviation industry unlike any seen before. Hardly any other sector has been more affected by the impact of the global crisis, and almost no other sector will take longer to recover.

This is clearly reflected in the Lufthansa Group's business. Revenue in the first half of 2020 was down by 52% year-on-year to EUR 8,335m. Adjusted EBIT, our leading performance indicator, dropped from EUR 418m in the previous year to EUR –2,899m. As a result, we expect to report a significant loss in 2020.

In order to ensure that the Lufthansa Group remains solvent, we have agreed on stabilisation measures and loans with the Economic Stabilisation Fund of the Federal Republic of Germany worth a total of EUR 9bn. These measures have been approved by both the extraordinary general meeting and the European Commission. We have also agreed that the governments of Switzerland, Austria and Belgium will take over a portion of the state stabilisation measures for their national airlines. These agreements have sustainably secured the Company's liquidity – and, as a result, its future viability. The full repayment of the state loans and deposits, including interest, will, however, put considerable pressure on the Company in the years to come, especially as we predict that the market recovery will be a slow one. This means that we will be cutting our costs significantly and in the long run.

We have already adopted two packages as part of our restructuring programme: The first package, approved in early April, involves our decision to reduce the size of our fleet by 100 aircraft as a long-term measure and not to resume flight operations by Germanwings. The measures forming part of the second package adopted at the beginning of July include a smaller Executive Board, a streamlined administrative team and measures to reduce the number of management positions. Efforts are also under way to turn the Lufthansa airline into an autonomous company. Our top priority is repaying state loans and deposits as quickly as possible.

We have already reached an agreement with the cabin crew union UFO on an extensive crisis package for Lufthansa's employees that should allow us to cut our costs significantly. We are still involved in intensive discussions with other labour union partners to ensure the Company's viability going forward.

The market environment will remain challenging for years to come. Travel restrictions still apply in a large number of countries, particularly in our key long-haul markets. Nevertheless, demand is gradually starting to recover, especially for short-haul destinations and in the tourism segment. As a result, we are expanding our airline flight timetables on an ongoing basis. By the end of October, we will be back to offering around 40% of last year's capacity. This will see us fly to over 90% of the Group's original short and medium-haul destinations and more than 70% of our long-haul destinations.

We would be pleased if you would continue to accompany us on this journey.

Frankfurt, 4 August 2020
The Executive Board

Carsten Spohr
Chairman of the Executive Board
and CEO

Christina Foerster
Member of the Executive Board
Customer, IT &
Corporate Responsibility

Harry Hohmeister
Member of the Executive Board
Commercial Passenger Airlines

Detlef Kayser
Member of the Executive Board
Airline Resources &
Operations Standards

Michael Niggemann
Member of the Executive Board
Corporate Human Resources,
Legal Affairs & M&A

Economic environment and sector performance

MACROECONOMIC SITUATION

GDP DEVELOPMENT in 2020

in %	Q1	Q2	Q3 [1]	Q4 [1]	Full year [1]
World	-2.3	-9.0	-5.5	-4.2	-5.5
Europe	-2.0	-14.6	-9.7	-7.4	-8.5
Germany	-2.3	-11.4	-6.6	-3.7	-6.0
North America	0.2	-10.6	-7.4	-6.8	-6.2
South America	-1.0	-16.0	-12.1	-10.3	-9.5
Asia/Pacific	-4.8	-3.2	0.0	0.9	-2.1
China	-6.7	0.6	4.0	4.0	0.5
Middle East	-6.1	-13.6	-12.6	-9.7	-10.2
Africa	1.4	-4.6	-5.3	-5.3	-4.4

Source: Global Insight World Overview as of 15 July 2020.
[1] Forecast.

— The coronavirus pandemic has caused economic output to drop severely.

— In addition, the trade dispute between the USA and China and the unclear impact of Brexit are adversely affecting economic performance; to date, there has been no clear progress in the negotiations between the EU and the UK on a comprehensive free trade agreement.

— According to data from Global Insight, the global economy contracted by 9.0% year-on-year in the second quarter of 2020; global economic growth in 2019 as a whole was 2.6%.

— Asia/Pacific was the least affected global region in the second quarter, with a decline in economic output of 3.2% (full year 2019: growth of 4.2%).

— The European economy contracted by 14.6% in the second quarter of 2020 (full year 2019: growth of 1.5%).

DEVELOPMENT OF CRUDE OIL, KEROSENE AND CURRENCY
(Jan – Jun 2020)

		Minimum	Maximum	Average	30 Jun 2020
ICE Brent	in USD/bbl	19.33	68.91	42.02	41.15
Kerosene	in USD/t	119.00	659.25	364.34	336.75
USD	1 EUR/USD	1.0667	1.1463	1.1015	1.1243
JPY	1 EUR/JPY	114.57	123.92	119.22	121.23
CHF	1 EUR/CHF	1.0506	1.0866	1.0641	1.0648
CNY	1 EUR/CNY	7.5526	8.0563	7.746	7.9441
GBP	1 EUR/GBP	0.8305	0.9321	0,8740	0.9082

Source: Bloomberg, annual average daily price.

— The oil price fell in the first half-year of 2020 from USD 66.00/barrel at year-end 2019 to USD 41.15/barrel on 30 June 2020; the average price of USD 42.02/barrel was down 37% on the prior-year period.

— The jet fuel crack, the price difference between crude oil and kerosene, was 72% down year-on-year.

— The average kerosene price dropped accordingly by 42% on the year.

— Compared with the previous year, the euro fell against most of the relevant currencies for the Lufthansa Group: Swiss francs: –5.8%, Japanese yen: –4.1%, US dollar: –2.5%, Chinese renminbi: –1.1%, British pound sterling: +0.1%.

SECTOR DEVELOPMENTS

SALES PERFORMANCE IN THE AIRLINE INDUSTRY

(Jan - Jun 2020)

in % compared with previous year	Revenue passenger-kilometres	Cargo tonne-kilometres
Europe	-62	-20
North America	-57	-5
Central and South America	-52	-21
Asia/Pacific	-59	-17
Middle East	-56	-16
Africa	-57	-7
Industry	**-58**	**-15**

Source: IATA Air Passenger / Air Freight Market Analysis (June 2020).

— Sales in the passenger business dropped as a result of the coronavirus pandemic; according to the International Air Transport Association's (IATA) calculations, revenue passenger-kilometres fell globally by 58% year-on-year in the first half-year 2020.

— The cargo business also declined, although to a lesser extent than the passenger business; according to IATA, revenue tonne-kilometres dropped worldwide by 15% in the first half-year 2020.

— The markets for aircraft maintenance, repair and overhaul (MRO) and for catering in the air transport, rail and retail segments served by the LSG group were just as badly affected by the coronavirus crisis and the temporary suspension of global air transport in the first half-year of 2020.

Course of business

Coronavirus crisis puts significant strain on business at the Lufthansa Group

— The global spread of the coronavirus had a severe impact on the Lufthansa Group's business in the first half-year of 2020.

— The Lufthansa Group reacted quickly and decisively to the outbreak of the coronavirus crisis, significantly reducing available capacity to avoid further losses and initiating wide-ranging measures to cut costs and capital expenditure and to conserve liquidity; since the start of June, flight services have gradually increased again; at the end of the first half-year, around 10% of the previous year's capacity was available.

— Lower traffic meant that traffic revenue fell year-on-year by 58% to EUR 5,641m in the first half-year of 2020, and revenue of EUR 8,335m was 52% down on the year.

— Operating expenses fell by 34% in total to EUR 12,069m, primarily due to the volume-related decline in the cost of materials and services, particularly for fuel, fees and charges, and the introduction of short-time working for large parts of the workforce.

— Adjusted EBIT dropped to EUR –2,899m (previous year: EUR 418m); the Adjusted EBIT margin came to –34.8% (previous year: 2.4%).

— The net result for the period decreased to EUR –3,617m (previous year: EUR –116m); it was depressed by impairment losses on the fleet and goodwill as well as the negative changes in the market value of fuel hedging instruments.

— Adjusted free cash flow (free cash flow adjusted for effects of IFRS 16) declined to EUR –510m (previous year: EUR 269m).

— Net indebtedness of EUR 7,314m was 10% higher than at year-end 2019 (31 December 2019: EUR 6,662m). The ratio of Adjusted Net Debt/12-month Adjusted EBITDA increased by 7.5 points to 10.3 due to the lower earnings and the rise in net indebtedness (31 December 2019: 2.8).

— Specific CO_2 emissions were 9.97 kg per 100 passenger-kilometres in the first half-year of 2020 (full year 2019: 9.22 kg); the increase compared with 2019 was mainly due to the travel restrictions and fall in demand caused by the outbreak of the coronavirus, which led to a drop in the passenger load factor, and the decreased share of long-haul traffic, which is characterised by lower specific CO_2 emissions.

Significant events

European Commission approves sale of the LSG group's European business

— The European Commission approved the sale of the LSG group's European business on 3 April 2020 subject to conditions; once the conditions have been fulfilled by the buyer gategroup, the sale should be completed; the planned sale of the LSG group's international activities has been postponed due to the coronavirus crisis. ↗ **Catering business segment, p. 22.**

Lufthansa reorganises responsibilities on the Executive Board

— On 4 April 2020 Ulrik Svensson resigned his post as Chief Financial Officer of Deutsche Lufthansa AG for health reasons with effect from 6 April 2020.

— With effect from 26 June 2020, Thorsten Dirks resigned from the Executive Board of Deutsche Lufthansa AG as the member in charge of the Digital and Finance function.

— In response to this, a new division of responsibilities for the Executive Board was adopted; the existing Digital and Finance function has not been refilled; the responsibilities have been assigned to the other Executive Board members.

— As Chairman of the Executive Board and CEO, Carsten Spohr is responsible for the Finance function until further notice; the position of CFO is to be refilled in the coming months; the Finance function is expected to become a separate function of its own again as a result.

— Christina Foerster is responsible for the Customer, IT & Corporate Responsibility function and also for the Lufthansa Innovation Hub and Purchasing.

— Harry Hohmeister is responsible for the Commercial Passenger Airlines function.

— Detlef Kayser is responsible for the Airline Resources & Operations Standards function, which also includes the central steering of the restructuring and transformation programme.

— Michael Niggemann is responsible for the Corporate Human Resources, Legal Affairs and M&A function.

Lufthansa Group decides on first restructuring package

— The Executive Board of Deutsche Lufthansa AG adopted an initial restructuring package on 7 April 2020, consisting of various measures to adjust the capacities of flight operations to customer demand, which has been severely impacted by the crisis; these measures include, in particular, a reduction of the fleet with the first retired aircraft and the closure of Germanwings. ↗ **Business segments, p. 14.**

— On 7 July 2020, the Executive Board of Deutsche Lufthansa AG approved a second package for the restructuring programme. ↗ **Events after the reporting period, p. 8.**

Economic Stabilisation Fund, Swiss and Austrian federal governments approve stabilisation packages

— On 25 May 2020 the Economic Stabilisation Fund (WSF) of the Federal Republic of Germany approved the stabilisation package for Deutsche Lufthansa AG; the package provides for stabilisation measures and loans of up to EUR 9bn.

— The WSF subscribed to shares by means of a capital increase and built up a 20% stake in the issued capital of Deutsche Lufthansa AG ↗ **Events after the reporting period;** in addition, the WSF will make silent participations of up to EUR 5.7bn in total in the assets of Deutsche Lufthansa AG. Of this amount, approximately EUR 4.7bn is classified as equity in accordance with the provisions of the German Commercial Code (HGB) and IFRS; finally, the stabilisation measures are supplemented by a syndicated credit facility of up to EUR 3bn with the participation of KfW and private banks with a term of three years. It has also been agreed that the governments of Switzerland, Austria and Belgium will take over a portion of the state support for their national airlines. ↗ **Further details on the stabilisation measures: Notes, p. 32.**

— The expected conditions relate in particular to the waiver of future dividend payments and restrictions on management remuneration; in addition, the WSF may choose two members to run for the Supervisory Board based on proposals from Deutsche Lufthansa AG, one of whom is to become a member of the Audit Committee; except in the event of a takeover, the WSF undertakes not to exercise its voting rights at the Annual General Meeting in connection with the usual resolutions of ordinary Annual General Meetings.

— The commitments made by Germany to the European Commission oblige the Group to station up to four aircraft for one competitor at its Frankfurt and Munich airports, and to transfer the competitor at each airport up to 24 take-off and landing rights (slots) – meaning three take-off and three landing rights per aircraft per day.

— On 25 June 2020, the shareholders of Deutsche Lufthansa AG accepted the capital measures and the participation of the WSF in Deutsche Lufthansa AG at an extraordinary general meeting; on the same day, the European Commission approved the stabilisation package; the Executive Board therefore considers the Group’s existence to be secured for the next twelve months on the basis of its current corporate planning.

— As early as 29 April 2020, the Swiss federal government had promised guaranteed loans of CHF 1.5bn (approx. EUR 1.4bn) for SWISS and Edelweiss, the two Swiss airlines in the Lufthansa Group; the funding may only be used for SWISS and Edelweiss; no dividend payments within the Group are permitted for the duration of the loan.

— On 8 June 2020, the Austrian federal government, the Lufthansa Group and Austrian Airlines agreed on the basic structure of a coronavirus aid package of EUR 600m for Austrian Airlines.

— The Belgian government and the Lufthansa Group also reached a fundamental agreement on a stabilisation package for Brussels Airlines. ↗ **Events after the reporting period, p. 8.**

— The support provided by Switzerland, Austria and Belgium is subject to the final approval of the WSF and KfW and will be offset against the stabilisation package for Deutsche Lufthansa AG. ↗ **Further details on the stabilisation measures: Notes, p. 32.**

Lufthansa share now listed on the MDAX

— Due to the share price losses resulting from the coronavirus crisis and the corresponding decrease in the free float-adjusted market capitalisation, the Lufthansa share has no longer been listed on the DAX30 index since 22 June 2020 and is now on the MDAX index instead.

Lufthansa and independent flight attendants’ union UFO agree on crisis package

— On 24 June 2020, Lufthansa and the independent flight attendants’ union UFO agreed on a package of measures to overcome the economic effects of the crisis; this will result in cost savings of more than half a billion euros by the end of 2023.

— The package of measures includes the suspension of pay increases, a reduction in flight hours with a corresponding decrease in pay, and a temporary reduction in contributions to Company pension plans.

— Furthermore, both parties agreed on a package of voluntary measures and severance programmes; these include unpaid leave, voluntary measures to reduce working hours further and assisted early retirement.

— This crisis package means that the Company can now avoid terminating the contracts of the 22,000 cabin crew of Deutsche Lufthansa AG for operational reasons for the duration of the crisis; the agreements must still be approved by the members of UFO.

Austrian Airlines and Brussels Airlines forge agreements with employees to overcome crisis

— On 21 and 22 May 2020, Austrian Airlines reached agreements with flight and ground staff to help deal with the crisis; these are expected to deliver annual savings of EUR 80m.

— On 26 June 2020, Brussels Airlines also reached an agreement with its labour union partners for flight crews and ground employees to implement structural measures.

Lufthansa Group increases capacities again

— Due to significant changes in booking demands from its passengers, on 29 June 2020 the airlines of the Lufthansa Group switched from short-term to more long-term flight planning up to the end of October 2020 and updated their booking systems accordingly.

— This means that the airlines will be operating at around 40% of the previous year's capacity by the end of October; this will involve the use of more than 380 aircraft by then, meaning that half the Lufthansa Group's fleet will be airborne once again.

— The Group is expecting to fly to over 90% of its original short and medium-haul destinations and more than 70% of its long-haul destinations by the end of October.

Events after the reporting period

Rating agencies downgrade rating for Lufthansa Group

— On 1 July 2020 and 2 July 2020 respectively, the rating agencies Standard & Poor's and Moody's lowered the credit rating of the Lufthansa Group from BB+ to BB and from Ba1 to Ba2 as a result of the spread of the coronavirus and its wider impact. On 14 July 2020, Scope Ratings confirmed its BBB- rating; Scope Ratings thus continues to rate the Lufthansa Group within the investment grade range.

WSF builds up 20% stake in issued capital

— As part of the stabilisation measures, on 2 July 2020 the WSF subscribed to shares by way of a capital increase and built up a 20% stake in the issued capital of Deutsche Lufthansa AG; the subscription price was EUR 2.56 per share, resulting in a cash contribution of around EUR 0.3bn.

First payments from the stabilisation package have been made

— Deutsche Lufthansa AG has received a total of EUR 2.3bn so far from the stabilisation package; on 2 July 2020, the WSF paid EUR 0.3bn through the capital increase. On 3 July 2020, a further EUR 1.0bn came from the first tranche of the KfW facility, followed by another EUR 1.0bn on 9 July 2020 as a silent participation II from the WSF.

— The LSG group and the LHT group also received total payments of USD 170m up to 4 August 2020 in the USA under the Coronavirus Aid, Relief and Economic Security Act ("CARES Act").

Lufthansa Group decides on second package for restructuring programme

— On 7 July 2020, the Executive Board of Deutsche Lufthansa AG approved a second package for the restructuring programme in response to the coronavirus crisis.

— The comprehensive restructuring programme, entitled "ReNew", will run until December 2023 and is headed by Dr Detlef Kayser, the Executive Board member in charge of Airline Resources & Operations Standards; it also includes existing restructuring programmes at the Group's airlines and service companies.

— Following the reduction in the size of the Executive Board of Deutsche Lufthansa AG, the executive and management boards of the Group's subsidiaries are to decrease in size compared with 2019; the number of managerial positions is to be reduced by 20% across the Group; the administration at Deutsche Lufthansa AG is to be scaled down by 1,000 positions.

— The government loans and deposits are to be repaid as quickly as possible to avoid an increase in the resulting interest expenses.

— Efforts are under way to turn Lufthansa German Airlines into an autonomous company.

— The number of sub-fleets is being reduced, as planned, and flight operations are being pooled – including long and short-haul services for leisure travel at the Frankfurt and Munich hubs; at Lufthansa German Airlines alone, 22 aircraft have already been retired early, including six Airbus A380s, eleven A320s and five Boeing 747-400s.

— The financial planning up to 2023 specifies that a maximum of 80 new aircraft will be added to the Lufthansa Group's fleets; due to the postponement of planned deliveries, capital expenditure on new aircraft will be halved in this period.

European Commission approves aid package for Austrian Airlines

— On 7 July 2020, the European Commission signed off on the coronavirus package negotiated between the Austrian federal government, the Lufthansa Group and Austrian Airlines for EUR 600m.

— As part of the package, Deutsche Lufthansa AG provided Austrian Airlines with EUR 150m in equity after this approval was granted.

Agreement reached on stabilisation package for Brussels Airlines

— The Belgian government and the Lufthansa Group reached a fundamental agreement on a loan of EUR 290m to Brussels Airlines from the Belgian government; this is to be supplemented by an equity payment of EUR 170m from Deutsche Lufthansa AG; this will enable Brussels Airlines to implement its turnaround programme aimed at securing the carrier's long-term profitability; the contracts remain to be finalised; the measures are also subject to the approval of the WSF and the European Commission.

Financial performance

EARNINGS POSITION

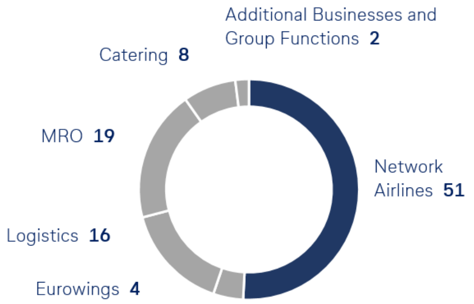
Traffic adversely affected by coronavirus crisis; traffic revenue down by 58%

— Traffic for the Lufthansa Group Airlines fell significantly as a result of the coronavirus pandemic; sales (revenue passenger-kilometres) were down year-on-year by 65%, capacity (available passenger-kilometres) was cut by 61%, and the passenger load factor fell by 8.7 percentage points to 72.2%.

— The Lufthansa Group's cargo business is particularly affected by the loss of belly capacities on passenger aircraft; to compensate for this, passenger aircraft were refitted and used to transport cargo; capacity (available cargo tonne-kilometres) was down by 36%, sales (revenue cargo tonne-kilometres) fell by 32% and the cargo load factor of 65.6% was 4.0 percentage points higher than last year.

— Traffic revenue declined by 58% to EUR 5,641m due to the lower traffic (previous year: EUR 13,375m).

EXTERNAL REVENUE SHARE OF THE BUSINESS SEGMENTS
in % (as of 30 June 2020)



Revenue down year-on-year by 52%

— Other revenue fell by 33% to EUR 2,694m (previous year: EUR 4,041m), mainly due to crisis-induced lower income in the MRO and Catering segments and at the companies AirPlus and Lufthansa Aviation Training.

— Revenue of EUR 8,335m was 52% down on the year (previous year: EUR 17,416m); operating income declined by 50% to EUR 9,287m (previous year: EUR 18,492m).

REVENUE, INCOME AND EXPENSES

in €m	**Jan - Jun 2020**	Jan - Jun 2019	Change in %
Traffic revenue[1]	5,641	13,375	-58
Other revenue	2,694	4,041	-33
Total revenue[1]	**8,335**	**17,416**	**-52**
Other operating income	952	1,076	-12
Total operating income	**9,287**	**18,492**	**-50**
Cost of materials and services[1]	5,127	9,631	-47
of which fuel	1,321	3,225	-59
of which other raw materials, consumables and supplies and purchased goods	1,277	1,996	-36
of which fees and charges	1,049	2,219	-53
of which external services MRO	671	978	-31
Staff costs	3,612	4,518	-20
Depreciation	1,321	1,318	0
Other operating expenses	2,009	2,695	-25
Total operating expenses	**12,069**	**18,162**	**-34**
Result from equity investments	-117	88	
Adjusted EBIT	**-2,899**	**418**	
Total reconciliation EBIT	-569	-1	-56,800
EBIT	**-3,468**	**417**	
Net interest	-162	-228	29
Other financial items	-789	-77	-925
Profit/loss before income taxes	**-4,419**	**112**	
Income taxes	792	-213	
Profit/loss after income taxes	**-3,627**	**-101**	**-3,491**
Profit/loss attributable to minority interests	10	-15	
Net profit/loss attributable to shareholders of Deutsche Lufthansa AG	**-3,617**	**-116**	**-3,018**

[1] Previous year's figures have been adjusted.

Operating expenses decrease by 34%

— Operating expenses for the Lufthansa Group fell by 34% year-on-year to EUR 12,069m (previous year: EUR 18,162m).

— The cost of materials and services for the Lufthansa Group was 47% down on the previous year at EUR 5,127m.

- Within the cost of materials and services, fuel expenses dropped by 59% to EUR 1,321m; this was essentially due to lower consumption volumes, while prices decreased only slightly due to hedging; the result of price hedging was EUR –132m.

- Expenses for other raw materials, consumables and supplies were down by 36% at EUR 1,277m due to lower volumes.

- o Expenses for fees and charges declined year-on-year by 53% to EUR 1,049m, particularly due to volumes.
- o Expenses for external MRO services of EUR 671m were 31% down on the year; reduced flight operations only had a delayed impact on MRO expenses.

— Staff costs fell by 20% to EUR 3,612m (previous year: EUR 4,518m), primarily as a result of short-time working, the lower profit-share payment compared with the previous year and a 3% decrease in the average number of employees.

— Depreciation and amortisation of EUR 1,321m was at the same level as in the previous year (previous year: EUR 1,318m).

— Other operating expenses dropped by 25% to EUR 2,009m (previous year: EUR 2,695m), mainly due to a decline in costs directly linked to business activities such as travel and selling expenses; by contrast, impairment losses on receivables went up.

Adjusted EBIT and net profit down significantly as a result of the crisis

— Adjusted EBIT for the Lufthansa Group fell year-on-year to EUR –2,899m (previous year: EUR 418m); the Adjusted EBIT margin was –34.8% (previous year: 2.4%).

— EBIT came to EUR –3,468m (previous year: EUR 417m); the difference to Adjusted EBIT was therefore EUR –569m (previous year: EUR –1m); this includes write-downs of EUR 300m on aircraft and on right-of-use assets for aircraft which are no longer planned to resume flight operations; this affected Lufthansa German Airlines (six Airbus A380s, five Boeing B747s, eleven A320s), Austrian Airlines (three B767s, 13 Dash8-400s), Lufthansa Cargo (two MD11 freighters), Eurowings (right-of-use assets for 15 Dash 8-400s) and Brussels Airlines (right-of-use assets for two A330s and eight A319s); impairment losses of EUR –157m were recognised on goodwill at the business entity LSG US and Eurowings; impairment losses of EUR 62m were recognised on joint venture investments in the MRO segment due to the crisis-induced deterioration in business prospects; the assets held for sale of the LSG EU companies were written down by EUR 26m in view of their expected purchase price.

— Net interest rose by 29% to EUR –162m (previous year: EUR –228m), primarily due to non-recurring expenses for interest on audit results in the previous year.

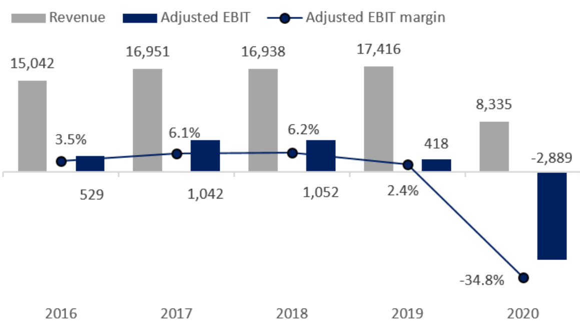
— Other financial items declined to EUR –789m (previous year: EUR –77m), particularly as a result of the negative development of the market value of fuel hedges which are recognised in the financial result due to the need to discontinue hedging relationships.

— The relief from income taxes in the amount of EUR 792m related to the recognition of deferred taxes for negative earnings in the first half-year of 2020 (previous year: tax income of EUR 213m); the tax ratio was just 17.9% due to deferred taxes not being recognised for companies with a history of losses.

— The net loss for the Lufthansa Group fell as a result to EUR –3,617m (previous year: EUR –116m).

— Earnings per share amounted to EUR -7.56 (previous year: EUR -0.24).

DEVELOPMENT REVENUE, ADJUSTED EBIT in €m (Jan - Jun)
AND ADJUSTED EBIT MARGIN in % (Jan - Jun)



RECONCILIATION OF RESULTS

	Jan - Jun 2020		Jan - Jun 2019	
in €m	**Income statement**	Reconciliation Adjusted EBIT	Income statement	Reconciliation Adjusted EBIT
Total revenue[1]	**8,335**	**–**	**17,416**	**–**
Changes in invertories and work performed by entity and capitalised	158	–	319	–
Other operating income	797	–	795	–
of which book gains	–	-3	–	-13
of which write-ups on capital assets and assets held for sale	–	-1	–	-25
Total operating income	**9,290**	**-4**	**18,530**	**-38**
Costs of materials and services[1]	-5,127	–	-9,631	–
Staff costs	-3,620	–	-4,520	–
of which past service costs/settlements	–	8	–	2
Depreciation	-1,783	–	-1,329	–
of which impairment losses	–	462	–	11
Other operating expenses	-2,048	–	-2,721	–
of which impairment losses on assets held for sale	–	29	–	-1
of which expenses incurred from book losses	–	12	–	27
Total operating expenses	**-12,578**	**511**	**-18,201**	**39**
Profit/loss from operating activities	**-3,288**	**–**	**329**	**–**
Result from equity investments	-180	–	88	–
Impairment losses on investments accounted for using the equity method	–	62	–	–
EBIT	**-3,468**	**–**	**417**	**–**
Total amount of reconciliation Adjusted EBIT	–	569	–	1
Adjusted EBIT	**–**	**-2,899**	**–**	**418**
Depreciation	–	1,321	–	1,318
Adjusted EBITDA	**–**	**-1,578**	**–**	**1,736**

[1] Previous year's figures have been adjusted.

FINANCIAL POSITION

Capital expenditure down 53% on previous year

— Gross capital expenditure by the Lufthansa Group (without acquisition of equity investments) fell by 53% to EUR 897m, mainly due to the postponement of planned aircraft deliveries (previous year: EUR 1,904m).

Cash flow from operating activities decreases by 85%; Adjusted free cash flow falls to EUR –510m

— Cash flow from operating activities fell year-on-year by 85% to EUR 363m due to lower pre-tax earnings (previous year: EUR 2,393m).

— The decline was lower than for pre-tax earnings, however, due to the non-cash components of earnings; the latter included impairment losses on non-current assets and assets held for sale (EUR 553m; previous year: EUR 11m) as well as valuation effects from fuel hedging transactions (EUR 344m); cash flow was also strengthened by the absence of advance income tax payments, the postponement of payments from other taxes and positive working capital effects.

— Adjusted free cash flow (free cash flow adjusted for effects of IFRS 16) declined to EUR –510m (previous year: EUR 269m) due to the development of cash flow from operating activities.

Financing activities result in cash inflow

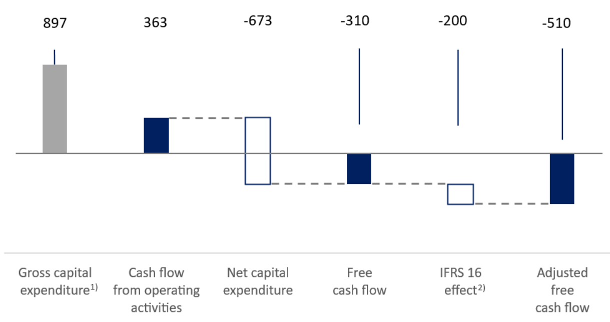
— The balance of financing activities resulted in a net cash inflow of EUR 534m (previous year: outflow of EUR 127m); this resulted from obtaining two borrower's note loans, drawing credit lines and obtaining short-term borrowing totalling EUR 1,784m, which was offset by the scheduled repayments of five borrower's note loans and aircraft financing (EUR 1,126m).

— The stabilisation measures and loans agreed with the Economic Stabilisation Fund as part of the stabilisation package and the aid packages in Switzerland and Austria had not yet been paid as of 30 June 2020; as a result, they had no impact on the statement of financial position or cash flow in the first half-year of 2020.

Liquidity up on the previous year's level

— Liquidity (total of cash and current securities) rose year-on-year by 7% to EUR 3,659m, especially due to measures to increase liquidity (previous year: EUR 3,406m); EUR 2,828m of the total was available centrally as of the reporting date; the strategic liquidity of EUR 2.1bn which had been invested in a special fund was released and added to operating liquidity to make it available immediately.

CASH FLOW AND CAPITAL EXPEDITURE in €m (as of 30 Jun 2020)



[1] Without acquisition of equity investments.

[2] Capital payments of operating lease liabilities within cash flow from financing activities.

NET ASSETS

Total assets down on year-end 2019

— Total assets as of 30 June 2020 decreased by 6% on year-end 2019 to EUR 39,887m (31 December 2019: EUR 42,659m).

— Non-current assets fell by 2% to EUR 30,761m (31 December 2019: EUR 31,374m); the change was essentially due to write-downs on non-current assets, which were partly offset by the increase in deferred income tax assets.

— Current assets went down by 19% to EUR 9,126m (31 December 2019: EUR 11,285m); the decline in current trade and other receivables was partly offset by the increase in cash and cash equivalents, including current securities, resulting from net borrowing and cash inflows recognised directly in equity.

— Assets held for sale of EUR 384m included EUR 321m in the disposal group for the European catering companies.

— Non-current provisions and liabilities were up by 5% to EUR 17,268m (31 December 2019: EUR 16,417m), due particularly to the increase in pension liabilities.

— Pension liabilities rose by 11% to EUR 7,422m (31 December 2019: EUR 6,659m), mainly because of the steep fall in the market values of plan assets, which was only partly offset by the rise of 0.1 percentage points in the interest rate used to discount the pension obligations to 1.5%.

— Non-current provisions and liabilities were up by 6% to EUR 16,917m (31 December 2019: EUR 15,986m), mainly due to the increase in short-term borrowings, derivative financial instruments and liabilities from unused flight tickets, which contrasted with a decrease in trade payables.

— Liabilities of EUR 491m in connection with assets held for sale relate to the disposal group for the European catering companies.

— Shareholders' equity fell by 44% on year-end 2019 to EUR 5,702m (31 December 2019: EUR 10,256m), primarily because of the net loss and the negative valuation effects for pensions and derivatives recognised directly in equity.

Equity ratio down by 9.7 percentage points

— The equity ratio fell by 9.7 percentage points compared with year-end 2019 to 14.3% (31 December 2019: 24.0%).

— Net indebtedness of EUR 7,314m was 10% higher than at year-end 2019 (31 December 2019: EUR 6,662m). Adjusted Net Debt, the sum of net indebtedness and pension provisions less 50% of the hybrid bond issued in 2015, was up by 11% on the end of 2019 to EUR 14,489m (31 December 2019: EUR 13,074m).

— The ratio of Adjusted Net Debt/12-month Adjusted EBITDA increased by 7.5 points to 10.3 due to the lower earnings and the rise in net indebtedness (31 December 2019: 2.8).

GROUP FLEET – NUMBER OF COMMERCIAL AIRCRAFT

Lufthansa German Airlines including regional airlines (LH), SWISS including Edelweiss (LX), Austrian Airlines (OS), Brussels Airlines (SN), Eurowings including Germanwings (EW) and Lufthansa Cargo (LCAG) as of 30 June 2020

Manufacturer/type	LH	LX	OS	SN	EW	LCAG	**Group fleet**	of which lease	Change as of 31 Dec 2019	Change as of 30 Jun 2019
Airbus A220		29					29			
Airbus A319	30		7	22	51		110	35	-3	-3
Airbus A320	96	31	29	16	56		228	36	3	3
Airbus A321	68	9	6		5		88	2		3
Airbus A330	26 [1)]	16		10			52	10	-1	-1
Airbus A340	34	9					43			
Airbus A350	16						16		1	2
Airbus A380	14						14			
Boeing 747	32						32			
Boeing 767			6				6			
Boeing 777		12	6				18	2		2
Boeing 777F						11 [2)]	11	4		1
Boeing MD-11F						6	6		-2	-6
Bombardier CRJ	35						35			
Bombardier Q Series			14		15 [3)]		29	15	-1	-5
Embraer	26		17				43			
Total aircraft	**377**	**106**	**85**	**48**	**127**	**17**	**760**	**104**	**-3**	**-4**

[1)] Partly operated by Brussels Airlines (SN) and SunExpress.
[2)] Of which pro rata shares of two aircraft operated by AeroLogic.
[3)] Operated by Luftfahrtgesellschaft Walter.

Business segments

- The structure of the business segments was changed at the start of financial year 2020.
- Brussels Airlines, Germanwings and the Eurowings long-haul business have since been managed by the Network Airlines group and have therefore been allocated to the Network Airlines business segment.
- The line maintenance business of Lufthansa Technik was transferred to Deutsche Lufthansa AG, which will carry out the work itself from this point on, and is now part of the Network Airlines business segment.
- The figures for the previous year have been adjusted accordingly.

NETWORK AIRLINES BUSINESS SEGMENT

KEY FIGURES

		Jan - Jun 2020	Jan - Jun 2019	Change in %	**Apr - Jun 2020**	Apr - Jun 2019	Change in %
Revenue[1]	€m	4,531	11,938	-62	498	6,744	-93
of which traffic revenue[1]	€m	3,858	10,938	-65	252	6,240	-96
Operating expenses[1]	€m	7,377	11,917	-38	2,236	6,258	-64
Adjusted EBITDA[1]	€m	-1,460	1,425		-1,064	1,200	
Adjusted EBIT[1]	€m	-2,416	488		-1,525	730	
EBIT[1]	€m	-2,686	487		-1,527	729	
Adjusted EBIT margin[1]	%	-53.3	4.1	-57.4 pts	-306.2	10.8	-317.0 pts
Segment capital expenditure[1]	€m	664	1,520	-56	66	534	-88
Employees as of 30.06[1]	number	59,953	60,472	-1	–	–	
Flights[1]	number	185,366	462,403	-60	15,441	251,063	-94
Passengers[1]	thousands	19,220	56,316	-66	1,163	32,115	-96
Availabel seat-kilometres[1]	millions	63,173	159,167	-60	3,869	86,338	-96
Revenue seat-kilometres[1]	millions	45,230	128,832	-65	1,899	71,898	-97
Passenger load factor[1]	%	71.6	80.9	-9.3 pts	49.1	83.3	-34.2 pts

[1] Previous year's figures have been adjusted.

- Network Airlines has reduced its flight capacity significantly due to the coronavirus crisis and temporarily retired a large part of its fleet.
- Other steps to safeguard liquidity include HR measures such as short-time working and a hiring freeze, as well as reductions in operating costs.
- Since June, flight services have been gradually increasing again; at the end of the first half-year of 2020, 9% of the previous year’s capacity was available, and this figure is to increase to around 40% by the end of October.
- The health and safety of its passengers and employees has the highest priority for Network Airlines; this means that all processes throughout the travel chain have been and continue to be reviewed to ensure everyone’s safety; a key aspect of the hygiene concept is the mandatory wearing of face masks throughout the flight, from boarding to disembarking.
- In order to provide their customers with the greatest flexibility during the coronavirus crisis, Network Airlines continues to offer numerous rebooking options; in addition, refunds for flights that have been cancelled due to the coronavirus crisis are to be paid to customers more promptly.
- Network Airlines also guarantees its passengers that they will have a return flight on all European routes, irrespective of the fare booked, thereby providing additional security.

OPERATING FIGURES

		Jan - Jun 2020	Jan - Jun 2019 [1]	Change in %	Exchange-rate adjusted change in %	Apr - Jun 2020	Apr - Jun 2019 [1]	Change in %	Exchange-rate adjusted change in %
Yields	€ Cent	7.6	7.8	-3.5	-5.0	10.6	8.0	32.7	33.7
Unit revenue (RASK)	€ Cent	7.5	7.6	-1.6	-3.7	15.5	8.0	95.2	87.5
Unit cost (CASK) excluding fuel and emissions trading	€ Cent	9.5	5.6	69.8	67.8	52.6	5.3	892.9	884.9

[1] Previous year's figures have been adjusted.

TRENDS IN TRAFFIC REGIONS

	Net traffic revenue external revenue		Number of passengers		Available seat-kilometres		Revenue seat-kilometres		Passenger load factor	
	Jan - Jun 2020	Change	Jan - Jun 2020	Change	Jan - Jun 2020	Change	Jan - Jun 2020	Change	Jan - Jun 2020	Change
	in €m	in %	in thousands	in %	in millions	in %	in millions	in %	in %	in pts
Europe	1,319	-67	14,409	-66	18,269	-61	11,831	-67	64,8	-10,9 pts
America	1,146	-66	2,259	-65	23,673	-60	17,598	-65	74,3	-9,6 pts
Asia/Pacific	552	-70	1,195	-67	13,082	-63	9,724	-67	74,3	-9,6 pts
Middle East/ Africa	402	-57	1,357	-61	8,149	-55	6,077	-58	74,6	-4,5 pts
Non allocable	439	-48								
Total	**3,858**	**-65**	**19,220**	**-66**	**63,173**	**-60**	**45,230**	**-65**	**71.6**	**-9,3 pts**

— Traffic at Network Airlines was down as a result of the coronavirus outbreak; sales fell by 65%, both capacity and the number of flights were reduced by 60%, and the passenger load factor contracted by 9.3 percentage points to 71.6%.

— Lower traffic meant that traffic revenue at the Network Airlines fell year-on-year by 65% to EUR 3,858m and revenue of EUR 4,531m was 62% down on the year.

— Constant currency unit revenues fell by 3.7% due to the lower load factor in all traffic regions.

— Operating expenses saw a volume-related decline of 38% to EUR 7,377m due to lower expenses for fuel, fees and charges, and staff.

— Constant currency unit costs rose by 67.8%, without expenses for fuel and emissions trading; the significant reduction in capacity was not matched in full by corresponding cuts in costs.

— Adjusted EBIT fell to EUR –2,416m accordingly (previous year: EUR 488m); EBIT came to EUR –2,686m (previous year: EUR 487m), the difference compared with Adjusted EBIT was essentially due to write-downs on the fleet of EUR 268m.

— Segment capital expenditure was reduced by 56% to EUR 664m.

Lufthansa German Airlines[1)]

KEY FIGURES		Jan - Jun 2020	Jan - Jun 2019	Change in %
Revenue[2)]	€m	2,917	7,981	-63
Operating expenses[2)]	€m	4,904	7,927	-38
Adjusted EBITDA[2)]	€m	-1,114	951	
Adjusted EBIT[2)]	€m	-1,708	361	
EBIT[2)]	€m	-1,887	361	
Employees as of 30.06.[2)]	number	38,993	39,275	-1
Flights[2)]	number	115,990	279,858	-59
Passengers[2)]	thousands	12,071	34,964	-65
Available seat-kilometres[2)]	millions	41,350	104,303	-60
Revenue seat-kilometres[2)]	millions	29,586	84,575	-65
Passenger load factor[2)]	%	71.6	81.1	-9.5 pts

[1)] Including regional partners.
[2)] Previous year's figures have been adjusted.

— Lufthansa German Airlines reduced its flight capacity significantly as a result of the coronavirus crisis; the remaining flights served to maintain connections to major international and European cities; in addition, an extensive repatriation programme was carried out in cooperation with the German federal government to bring travellers back home from all over the world; since June, flight connections have increased significantly again.

— As part of the Lufthansa Group’s first restructuring package, six Airbus A380s and five Boeing 747-400s were retired on long-haul routes, and eleven A320s on short-haul routes; this has reduced the capacity of Lufthansa German Airlines at its hubs in Frankfurt and Munich for the long term.

— Lufthansa German Airlines has also temporarily grounded the entire Airbus A340-600 fleet, consisting of 17 aircraft; these aircraft will not be deployed in regular scheduled services for at least the next twelve to eighteen months.

— Revenue at Lufthansa German Airlines fell year-on-year by 63% to EUR 2,917m as a result of the coronavirus crisis; operating income was down by 61% at EUR 3,217m.

— Operating expenses of EUR 4,904m were 38% down year-on-year, primarily due to the volume-related decline in the cost of materials and services and lower staff costs as a result of short-time working.

— Adjusted EBIT fell to EUR –1,708m accordingly (previous year: EUR 361m); EBIT came to EUR –1,887m (previous year: EUR 361m), the difference compared with Adjusted EBIT was essentially due to write-downs on the fleet of EUR 178m.

SWISS[1)]

KEY FIGURES		Jan - Jun 2020	Jan - Jun 2019	Change in %
Revenue[2)]	€m	1,095	2,434	-55
Operating expenses[2)]	€m	1,505	2,327	-35
Adjusted EBITDA	€m	-75	411	
Adjusted EBIT	€m	-293	215	
EBIT	€m	-292	215	
Employees as of 31.03.	number	10,475	10,341	1
Flights	number	32,239	80,818	-60
Passengers[2)]	thousands	3,602	10,067	-64
Available seat-kilometres[2)]	millions	13,406	30,949	-57
Revenue seat-kilometres[2)]	millions	9,747	25,404	-62
Passenger load factor	%	72.7	82.1	-9.4 pts

[1)] Including Edelweiss Air.
[2)] Previous year's figures have been adjusted.

— SWISS reduced its flight programme to a minimum in response to the coronavirus crisis, only flying to one long-haul destination and selected European cities; charter cargo flights also operated to bring urgently needed medical equipment into Switzerland; since June, flight services have been gradually increasing again.

— As part of the largest repatriation programme ever carried out by the Swiss Foreign Ministry, SWISS and Edelweiss have also flown many passengers back to Switzerland from all over the world.

— As part of the Lufthansa Group’s first restructuring package, the size of the fleet is to be reduced by postponing deliveries of short and medium-haul aircraft on order and reviewing the early retirement of older aircraft.

— Revenue at SWISS fell by 55% to EUR 1,095m due to the coronavirus outbreak; operating income of EUR 1,212m was 52% down on the year.

— Operating expenses saw a volume-related decline of 35% to EUR 1,505m due to lower expenses for fees and charges and fuel.

— Adjusted EBIT fell accordingly to EUR –293m (previous year: EUR 215m); EBIT decreased to EUR –292m (previous year: EUR 215m).

Austrian Airlines

KEY FIGURES		Jan - Jun 2020	Jan - Jun 2019	Change in %
Revenue[1]	€m	322	973	-67
Operating expenses[1]	€m	598	1,065	-44
Adjusted EBITDA	€m	-153	32	
Adjusted EBIT	€m	-235	-53	-343
EBIT	€m	-299	-55	-444
Employees as of 31.03.	number	6,756	6,999	-3
Flights	number	23,635	66,419	-64
Passengers[1]	thousands	1,986	6,711	-70
Available seat-kilometres[1]	millions	4,598	13,560	-66
Revenue seat-kilometres[1]	millions	3,132	10,585	-70
Passenger load factor	%	68.1	78.1	-10.0 pts

[1] Previous year's figures have been adjusted.

— Austrian Airlines completely suspended regular flight operations between 18 March and 14 June 2020 in response to the coronavirus crisis; repatriation flights for Austrian citizens worldwide continued to operate in close cooperation with the Austrian foreign ministry, as did cargo flights for urgently needed medical equipment; since the resumption of flight operations, capacities have been gradually increasing again.

— The ongoing restructuring programme at Austrian Airlines is to be intensified as a result of the coronavirus pandemic, also by reducing the size of the fleet; three Boeing 767-300s and 13 Bombardier Dash8-400s have already been retired early.

— Revenue at Austrian Airlines fell by 67% to EUR 322m as a result of the coronavirus; operating income was down by 64% to EUR 363m.

— Operating expenses of EUR 598m were 44% down year-on-year, largely due to the volume-related decline in expenses for fuel, fees and charges and lower staff costs.

— Adjusted EBIT fell to EUR –235m accordingly (previous year: EUR –53m); EBIT decreased to EUR –299m (previous year: EUR –55m), the difference compared with Adjusted EBIT was essentially due to write-downs on the fleet of EUR 59m in the first quarter of 2020.

Brussels Airlines

KEY FIGURES		Jan - Jun 2020	Jan - Jun 2019	Change in %
Revenue	€m	252	684	-63
Operating expenses	€m	463	757	-39
Adjusted EBITDA	€m	-119	32	
Adjusted EBIT	€m	-182	-36	-406
EBIT	€m	-211	-36	-486
Employees as of 31.03.	number	3,729	3,857	-3
Flights	number	14,114	39,267	-64
Passengers	thousands	1,590	4,855	-67
Available seat-kilometres	millions	3,834	10,528	-64
Revenue seat-kilometres	millions	2,776	8,402	-67
Passenger load factor	%	72.4	79.8	-7.4 pts

— Brussels Airlines temporarily suspended all scheduled flights from 21 March to 14 June 2020 as a result of the coronavirus crisis; minimal flight capacities were maintained for government repatriation flights and for transporting medical equipment; since resuming its flight operations, the airline has been gradually increasing its services again for both holidaymakers and business travellers.

— The existing restructuring programme for Brussels Airlines is to be further intensified as a result of the coronavirus outbreak; this is to include a reduction of the fleet by 30% and the number of employees by 25%. In addition, Brussels Airlines initiated further measures to reduce variable and fixed costs in order to counteract the effects of the coronavirus crisis.

— Revenue at Brussels Airlines fell by 63% to EUR 252m due to the coronavirus crisis; operating income of EUR 281m was 61% down on the year.

— Operating expenses decreased by 39% to EUR 463m, primarily due to the volume-related decline in the cost of materials and services; this more than offset the provisions of EUR 47m that were recognised for restructuring measures.

— Adjusted EBIT fell to EUR –182m accordingly (previous year: EUR –36m); EBIT decreased to EUR –211m (previous year: EUR –36m), the difference compared with Adjusted EBIT was essentially due to write-downs of EUR 29m on right-of-use assets consisting of two Airbus A330-200s and eight Airbus A319s.

EUROWINGS BUSINESS SEGMENT

KEY FIGURES

		Jan - Jun 2020	Jan - Jun 2019	Change in %	**Apr - Jun 2020**	Apr - Jun 2019	Change in %
Revenue[1]	€m	377	1,047	-64	45	634	-93
of which traffic revenue[1]	€m	361	1,048	-66	40	634	-94
Operating expenses[1]	€m	746	1,290	-42	230	685	-66
Adjusted EBITDA[1]	€m	-254	-68	-274	-133	45	
Adjusted EBIT[1]	€m	-358	-188	-90	-183	-14	-1,207
EBIT[1]	€m	-432	-188	-130	-199	-15	-1,227
Adjusted EBIT margin[1]	%	-95.0	-18.0	-77.0 pts	-406.7	-2.2	-404.5 pts
Segment capital expenditures[1]	€m	50	34	47	7	21	-67
Employees as of 30.06[1]	number	3,219	3,608	-11	–	–	
Flights[1]	number	40,571	113,063	-64	3,289	61,749	-95
Passengers[1]	thousands	4,255	12,657	-66	556	7,437	-93
Available seat-kilometres[1]	millions	5,431	15,436	-65	438	8,812	-95
Revenue seat-kilometres[1]	millions	4,283	12,337	-65	514	7,338	-93
Passengers load factors[1]	%	78.9 [2]	80.0	-1.1 pts	117.3 [2]	83.3	34.0 pts

[1] Previous year's figures have been adjusted.
[2] Based on booked passengers.

— In response to the spread of the coronavirus, Eurowings temporarily cut its flight programme to around 10% of its existing capacities; since June 2020, Eurowings has been significantly expanding its flight programme for both business travellers and holidaymakers; its capacities are to increase to around 55% by the end of October.

— Measures to deal with the effects of the coronavirus crisis include decreasing the number of aircraft, reductions in staff costs, particularly by means of short-time working, savings on operating and project costs and other measures to safeguard liquidity.

— In addition, Eurowings is to accelerate the implementation of its pre-crisis plan to combine flight operations into a single unit; for example, the flight operations of Germanwings and SunExpress Deutschland have already been discontinued.

— Health and safety have the highest priority at Eurowings; for this reason, the airline has taken extensive precautionary measures along the entire travel chain to protect public health; this includes comprehensive new hygiene standards for passengers, from the airport to their arrival at their destination; like other airlines in the Lufthansa Group, Eurowings has made it mandatory to wear face masks while on board.

— In addition, Eurowings has introduced more flexible and customer-friendly rebooking options; in doing so, Eurowings is catering to the desire of many customers to make their travel plans more flexible under the extraordinary circumstances created by the spread of the coronavirus.

— As of 1 March 2020, Jens Bischof took over as Chairman of the Executive Board of Eurowings, thereby succeeding Thorsten Dirks as CEO of Eurowings; Jens Bischof was previously CEO of SunExpress.

OPERATING FIGURES

		Jan - Jun 2020	Jan - Jun 2019 [1]	Change in %	Exchange-rate adjusted change in %	**Apr - Jun 2020**	Apr - Jun 2019 [1]	Veränderung in %	Währungs-bereinigte Veränderung in %
Yields	€ Cent	7.1	7.6	-7.6	-7.5	4.8	7.7	-38.4	-38.4
Unit revenue (RASK)	€ Cent	7.9	7.1	10.1	6.2	16.3	7.5	116.1	77.8
Unit cost (CASK) excluding fuel and emissions trading	€ Cent	11.6	6.4	80.3	76.9	48.2	5.8	725.9	716.8

[1] Previous year's figures have been adjusted.

— Eurowings' traffic fell as a result of the coronavirus outbreak; capacity and sales were both down by 65%, the number of flights was cut by 64%; the passenger load factor decreased by 1.1 percentage points to 78.9%.

— Lower traffic meant that traffic revenue fell year-on-year by 66% to EUR 361m and revenue of EUR 377m was 64% down on the year.

— Constant currency unit revenues rose by 6.2% as a result of optimising the network.

— Operating expenses saw a decline of 42% to EUR 746m, primarily due to lower expenses for fees and charges, external MRO services and fuel; this offset one-off expenses from the insolvency of the wet lease partner LGW in the amount of EUR 24m.

— Constant currency unit costs, without fuel and emissions trading expenses, rose by 76.9%, driven by the significant capacity reduction which was only partly matched by corresponding cost savings.

— Adjusted EBIT fell to EUR –358m (previous year: EUR –188m); EBIT decreased to EUR –432m (previous year: EUR –188m), the difference compared with Adjusted EBIT was essentially due to write-downs of EUR 57m on goodwill and of EUR 15m on right-of-use assets for 15 Dash400-8s which are no longer planned to resume flight operations.

— Segment capital expenditure rose by 47% to EUR 50m as a result of the increase in expenses for engine overhaul events.

LOGISTICS BUSINESS SEGMENT

KEY FIGURES

		Jan - Jun 2020	Jan - Jun 2019	Change in %	**Apr - Jun 2020**	Apr - Jun 2019	Change in %
Revenue	€m	1,320	1,238	7	766	622	23
of which traffic revenue	€m	1,219	1,158	5	703	581	21
Operating expenses	€m	1,089	1,286	-15	496	663	-25
Adjusted EBITDA	€m	355	91	290	338	30	1,027
Adjusted EBIT	€m	277	15	1,747	299	-9	
EBIT	€m	258	9	2,767	299	-10	
Adjusted EBIT margin	%	21.0	1.2	19.8 pts	39.0	-1.4	40.4 pts
Segment capital expenditure	€m	89	169	-47	14	34	-59
Employees as of 30.06	number	4,452	4,557	-2	–	–	
Available cargo tonne-kilometres[1]	millions	4,770	7,147	-33	1,913	3,790	-50
Revenue cargo tonne-kilometres[1]	millions	3,130	4,379	-29	1,325	2,270	-42
Cargo load factor[1]	%	65.6	61.2	4.4 pts	69.3	59.9	9.4 pts

[1] Previous year's figures have been adjusted.

— Traffic in the Logistics segment decreased significantly as a result of the coronavirus outbreak, particularly due to the loss of belly capacities on passenger aircraft.

— Demand for the remaining cargo capacities went up during the first half-year of 2020, with the transportation of personal protective equipment in particular being in strong demand; to cope with the increased demand and to compensate for the loss of belly capacities, passenger aircraft were refitted and used to carry freight.

— Capacity fell by 33% overall, sales by 29%, and the cargo load factor of 65.6% was 4.4 percentage points up on the previous year.

— As yields were higher, traffic revenue in the first half-year of 2020 rose by 5% year-on-year to EUR 1,219m across all traffic regions. Revenue increased by 7% to EUR 1,320m.

— Operating expenses fell by 15% to EUR 1,089m, due to a volume and price-related decline in fuel expenses, lower belly expenses paid to Group companies and decreased expenses for handling services; additional staff and operating costs were also reduced as a result of the cost-cutting programme ProFlex launched in 2019.

— Adjusted EBIT increased to EUR 277m accordingly (previous year: EUR 15m); EBIT rose to EUR 258m (previous year: EUR 9m), the difference compared with Adjusted EBIT was essentially due to write-downs of EUR 19m on two MD11 freighters.

— Segment capital expenditure fell by 47% to EUR 89m.

TRENDS IN TRAFFIC REGIONS

	Net traffic revenue external revenue		Available cargo tonne-kilometres		Revenue cargo tonne-kilometres		Cargo load factor	
	Jan - Jun 2020	Change	**Jan - Jun 2020**	Change	**Jan - Jun 2020**	Change	**Jan - Jun 2020**	Change
	in €m	in %	in millions	in %	in millions	in %	in %	in pts
Europe	85	-11	243	-37	122	-23	50.0	9,1 pts
America	496	1	2,256	-32	1,471	-25	65.2	5,8 pts
Asia/Pacific	575	24	1,957	-30	1,363	-29	69.7	1,2 pts
Middle East/Africa	63	-42	314	-53	174	-50	55.6	3,1 pts
Total	**1,219**	**5**	**4,770**	**-33**	**3,130**	**-29**	**65.6**	**4,4 pts**

MRO BUSINESS SEGMENT

KEY FIGURES

		Jan - Jun 2020	Jan - Jun 2019	Change in %	**Apr - Jun 2020**	Apr - Jun 2019	Change in %
Revenue[1)]	€m	2,280	3,251	-30	688	1,606	-57
of which with companies of the Lufthansa Group[1)]	€m	674	1,105	-39	191	566	-66
Operating expenses[1)]	€m	2,554	3,154	-19	894	1,577	-43
Adjusted EBITDA[1)]	€m	-22	326		-76	158	
Adjusted EBIT[1)]	€m	-122	235		-126	112	
EBIT[1)]	€m	-193	235		-194	112	
Adjusted EBIT margin[1)]	%	-5.4	7.2	-12.6 pts	-18.3	7.0	-25.3 pts
Segment capital expenditures[1)]	€m	71	161	-56	22	83	-73
Employees as of 30.06[1)]	number	23,927	22,766	5	–	–	

[1)] Previous year's figures have been adjusted.

— The coronavirus crisis is continuing to hurt performance in the MRO business; flight hours planned but not carried out and growing pressure on airlines are increasingly having an impact on Lufthansa Technik.

— Lufthansa Technik obtained exemptions from the German Federal Aviation Office to convert four of Lufthansa German Airlines’ passenger aircraft into freighters to transport medical equipment; in addition, a large number of projects are being implemented to convert various aircraft types from passenger aircraft into freighters.

— Measures taken to deal with the coronavirus crisis include HR measures such as the introduction of short-time working and the postponement of capital expenditure projects.

— In the first half-year of 2020, revenue fell year-on-year by 30% to EUR 2,280m; the volume-related revenue decline was partly offset by positive exchange rate effects; total revenue of EUR 2,464m was 26% lower than last year.

— Operating expenses went down by 19% to EUR 2,554m; a decrease in the cost of materials and services and staff costs offset write-downs on receivables.

— Adjusted EBIT fell accordingly to EUR –122m (previous year: EUR 235m); EBIT decreased to EUR –193m (previous year: EUR 235m), the difference compared with Adjusted EBIT was essentially due to write-downs of EUR 62m on joint venture investments.

— Segment capital expenditure was reduced by 56% to EUR 71m.

CATERING BUSINESS SEGMENT

KEY FIGURES

		Jan - Jun 2020	Jan - Jun 2019	Change in %	**Apr - Jun 2020**	Apr - Jun 2019	Change in %
Revenue	€m	814	1,620	-50	154	855	-82
of which with companies of the Lufthansa Group	€m	163	360	-55	28	193	-85
Operating expenses	€m	1,029	1,628	-37	298	850	-65
Adjusted EBITDA	€m	-134	90		-110	59	
Adjusted EBIT	€m	-195	33		-140	31	
EBIT	€m	-306	33		-150	30	
Adjusted EBIT margin	%	-24.0	2.0	-26.0 pts	-90.9	3.6	-94.5 pts
Segment capital expenditure	€m	21	45	-53	9	28	-68
Employees as of 30.06[1)]	number	28,130	36,227	-22	–	–	

[1)] Previous year's figures have been adjusted.

— The ongoing coronavirus crisis and the almost total grounding of global air traffic are having a significant impact on the LSG group’s worldwide business; measures adopted at short notice to limit the financial impact include project and hiring freezes, short-time working and temporary plant closures.

— As part of a project for the future, the LSG group plans to lead the company through the coronavirus crisis while also sustainably enhancing LSG’s business strategy; the aim of the project is to optimise the company in the medium term with regard to both its administrative structure and its network structure based on the lower passenger and service volumes while also adapting its range of services to the changed market situation for the long term; in the medium term, overall costs are to be cut by at least 30%.

— The European Commission approved the sale of the LSG group’s European business subject to conditions on 3 April 2020; gategroup, the buyer, must sell its existing operations at some airports before closing can take place; due to the dramatic impact of the coronavirus pandemic on the global tourism and airline industry, discussions are currently taking place regarding a potential adjustment to the commercial conditions of the transaction; the planned sales process for the LSG group’s international activities remains on hold in view of the impact of the coronavirus pandemic on the global tourism and airline industry.

— As a result of the drastic effects of the coronavirus crisis, the Executive Board of LSG took the decision to close the production facility in Bor, Czech Republic; the construction of a new regional production centre has been halted until further notice.

— Jochen Müller resigned his post as Chief Operating Officer of the LSG group as of 30 June 2020; as a result, the Executive Board of the LSG group decreased in size from three members to two as of 1 July 2020.

— The LSG group’s revenue fell year-on-year by 50% to EUR 814m as a result of the sharp decline in passenger numbers at the LSG group’s global customers due to the coronavirus crisis; total revenue was down by 49% to EUR 847m.

— Operating expenses of EUR 1,029m were 37% down on the year; extensive cost-cutting measures were only able to partly offset the dramatic decrease in revenue.

— Adjusted EBIT fell to EUR –195m accordingly (previous year: EUR 33m); EBIT decreased to EUR –306m (previous year: EUR 33m), the difference compared with Adjusted EBIT was essentially due to write-downs of EUR 100m on the goodwill of LSG North America.

— Segment capital expenditure fell by 53% to EUR 21m.

ADDITIONAL BUSINESSES AND GROUP FUNCTIONS

KEY FIGURES

		Jan - Jun 2020	Jan - Jun 2019	Change in %	Apr - Jun 2020	Apr - Jun 2019	Change in %
Revenue	€m	1,169	1,284	-9	519	660	-21
Operating expenses	€m	1,288	1,426	-10	562	742	-24
Adjusted EBITDA	€m	-64	-83	23	-18	-50	64
Adjusted EBIT	€m	-122	-135	10	-47	-76	38
EBIT	€m	-129	-126	-2	-50	-68	26
Segment capital expenditures	€m	32	30	7	21	13	62
Employees as of 30.06[1]	number	9,675	10,009	-3	–	–	

[1] Previous year's figures have been adjusted.

- — Total operating income for Additional Businesses and Group Functions fell year-on-year by 9% to EUR 1,169m, particularly due to exchange rate movements.
- — Operating expenses of EUR 1,288m were 10% down on the year.
- — Adjusted EBIT improved to EUR –122m accordingly (previous year: EUR –135m); the decline in earnings at AirPlus and Lufthansa Aviation Training was offset by cost reductions in Group Functions; EBIT fell to EUR –129m (previous year: EUR –126m), the difference compared with Adjusted EBIT was essentially due to past service expenses for pension commitments to employees in Group Functions.

Opportunities and risk report

The opportunities and risks for the Group described in detail in the Annual Report 2019 have materialised or developed as follows:

— There has been a dramatic change in the economic environment as a result of the coronavirus pandemic. Lockdowns, incoming travel restrictions, supply chain disruptions, volatile commodity prices and deteriorating financial figures stoke fears of a global recession which could go far beyond the economic contraction following the financial crisis in 2008/2009.

— Even though some countries are already seeing a decline in the number of infections and a resumption of normal business, the spread of the infection has not peaked yet in several others. There is also the risk of a second wave of infection. Either way, the pandemic and its consequences will have a lasting impact on international travel. The Lufthansa Group is precisely evaluating the medical, economic and safety aspects of the situation and constantly adjusting its business model on the basis of its findings.

— The pandemic spread of the coronavirus has resulted in massive restrictions in global air traffic, with subsequent effects for the entire airline industry. This also has an impact on the Lufthansa Group's business relationships with other airlines.

— Wide-ranging steps were taken to cut costs and safeguard liquidity, including introducing short-time working, grounding part of the fleet, postponing aircraft deliveries and freezing all non-essential spending. Stabilisation measures and loans totalling EUR 9bn were agreed with the Economic Stabilisation Fund of the Federal Republic of Germany. In Switzerland, Austria and Belgium, stabilisation measures for the Group's airlines were agreed, which in principle can be credited to the EUR 9bn. The final approval of these measures by the Economic Stabilisation Fund is still pending. In addition, the Company is preparing other measures to adapt the long-term scope of business to the lower demand, which is currently expected to be lasting.

— The increase in the duration of short-time worker benefits from 12 to 24 months, the successful conclusion of negotiations with the trade unions (the Vereinigung Cockpit e.V. and Ver.di) and the successful ballot of UFO members on the agreed crisis measures for Deutsche Lufthansa AG are of essential importance. The risk is that the necessary targets to cut costs further and safeguard liquidity will not be achievable if the maximum duration of short-time worker benefits of 12 months is not changed, negotiations with trade unions and works councils are unproductive or the ballot of UFO members is unsuccessful.

— In addition, the possible financial losses and the changes in opportunities for further development within the Group along with the associated impact on the staff structure and available skills represent a risk. Each risk must be counteracted using measures to preserve or increase the Group's attractiveness so that the commitment of employees can be maintained and the loss of talent and expertise minimised or prevented.

— The drastic reduction in air travel is resulting in profound changes in supply chains, both in terms of the sharp decrease in volume demanded and with regard to their structure. The resulting risk is that not only will existing contract arrangements no longer be valid but suppliers will also default either in part or in full. Continuous dialogue with critical suppliers and the renegotiation of affected contracts aim to reduce the risk of default.

— Air travel has largely come to a halt, which also implies a significant change in exposure to fuel prices and exchange rates. Until air travel fully resumes again, some of the existing fuel and foreign currency hedges are no longer matched by any hedged items. The results of these financial derivatives, which are significantly negative at the moment due to low oil prices, are shown in the financial result.

— Uncertainties still remain about the medium-term effects of Brexit. The Lufthansa Group is preparing both for the new air traffic agreement currently under negotiation between the EU and the United Kingdom and for contingency measures if such an agreement is not signed by the end of the transition period on 31 December 2020. It cannot be ruled out that macroeconomic or regulatory changes could impact the medium-term financial performance of the Lufthansa Group.

— Due to the enormous impact of the coronavirus pandemic, the rating agencies Standard & Poor's and Moody's have lowered the Lufthansa Group's credit rating. The Lufthansa Group is currently rated as BB by Standard & Poor's and Ba2 by Moody's. This means that the agencies rate the Lufthansa Group as being within the non-investment-grade rating range. The rating agency Scope continues to rate the Lufthansa Group as BBB- and therefore within the investment grade rating range. The outlook of the rating agencies mentioned is "negative". Further downgrades by the rating agencies would be likely to have negative effects on the Company's ability to finance itself on the capital market. These effects include a reduced market capacity for borrowing capital and increased financing costs.

On the basis of the agreed stabilisation measures, the steps taken to combat the coronavirus crisis and its scenario planning, the Executive Board does not consider that the continued existence of the Lufthansa Group is at risk.

Forecast

Macroeconomic outlook

— Global Insight predicts that global economic growth will drop by 5.5% in 2020 as a result of the coronavirus; growth of 2.6% was achieved last year.

GDP DEVELOPMENT in 2020 [1]

in %	2020	2021	2022	2023	2024
World	-5.5	4.4	3.8	3.4	3.2
Europe	-8.5	4.2	3.3	2.1	1.7
Germany	-6.0	3.9	3.6	2.0	1.3
North America	-6.2	3.7	3.6	3.3	2.8
South America	-9.5	3.5	2.9	2.4	2.5
Asia/Pacific	-2.1	5.5	4.6	4.5	4.4
China	0.5	7.8	5.7	5.5	5.3
Middle East	-10.2	5.8	2.5	3.3	2.8
Africa	-4.4	0.9	3.6	3.5	3.5

Source: Global Insight World Overview per 15 July 2020.
[1] Forecast.

— Futures rates suggest that oil prices will increase slightly in the second half of 2020 from their level at the end of June 2020, in addition to the impact of the global recession, oil prices are also affected by geopolitical developments, so volatile kerosene prices should therefore also be expected for the remainder of the year 2020.

— Currency developments up to the end of the year will be determined by how the economic crisis triggered by the coronavirus pandemic continues to unfold; a renewed escalation of the crisis could result in “safe haven currencies” like the US dollar, Japanese yen and Chinese renminbi continuing to gain ground; differences in fiscal and monetary policy measures in the individual currency areas could also result in exchange rate movements; the consensus among analysts is that the US dollar will be slightly weaker at the end of the year.

Sector outlook

— The International Air Transport Association (IATA) projects that global revenue passenger-kilometres will fall by 63% in 2020 due to the impact of the coronavirus crisis; last year saw growth of 4%.

— For the freight sector, IATA expects global revenue tonne-kilometres to drop by 17%; the decline in the previous year was 3%.

— All in all, IATA predicts that the global airline industry will make a loss of USD 84bn in the 2020 financial year; the previous year saw a profit of USD 26bn.

Outlook for the Lufthansa Group

— The stabilisation measures agreed with the WSF will secure the Company’s continued existence.

— There is still considerable uncertainty surrounding the development of the coronavirus crisis, particularly with regard to how travel restrictions will develop, especially in key long-haul markets, and in respect of customer demand; both factors will depend on how the pandemic unfolds at global level and on customer trust in the safety of travel; as a result, it is still not possible to give a detailed financial forecast for 2020.

— In this respect, the forecast in the Annual Report 2019 of a significant decline in Group revenue and Adjusted EBIT in financial year 2020 continues to apply.

— Only the Logistics segment is expected to deviate from the performance of the Group as a whole; significantly higher yields compared with last year due to the lack of freight capacities on passenger aircraft mean that the segment will probably report a higher Adjusted EBIT margin than in the previous year.

— Specific CO_2 emissions per 100 passenger-kilometres are expected to increase year-on-year due to the drop in the passenger load factor and the increasing share of European traffic compared to total traffic.

— Further details can be found in the Annual Report 2019 starting on p. 106.

Consolidated income statement
January - June 2020

CONSOLIDATED INCOME STATEMENT

in €m	**Jan - Jun 2020**	Jan - Jun 2019	**Apr - Jun 2020**	Apr - Jun 2019[1]
Trafic revenue[1]	5,641	13,375	1,102	7,570
Other revenue	2,694	4,041	792	2,008
Total revenue[1]	**8,335**	**17,416**	**1,894**	**9,578**
Changes in inventories and work performed by entity and capitalised	158	319	13	168
Other operating income[2]	797	795	353	418
Cost of materials and services[1]	-5,127	-9,631	-1,084	-5,130
Staff costs	-3,620	-4,520	-1,472	-2,279
Depreciation, amortisation and impairment[3]	-1,783	-1,329	-659	-662
Other operating expenses[4]	-2,048	-2,721	-745	-1,415
Profit/loss from operating activities	**-3,288**	**329**	**-1,700**	**678**
Result of equity investments accounted for using the equity method	-184	51	-149	55
Result of other equity investments	4	37	3	28
Interest income	33	35	-3	23
Interest expenses	-195	-263	-103	-208
Other financial items	-789	-77	209	-52
Financial result	**-1,131**	**-217**	**-43**	**-154**
Profit/loss before income taxes	**-4,419**	**112**	**-1,743**	**524**
Imcome taxes	792	-213	239	-290
Profit/loss after income taxes	**-3,627**	**-101**	**-1,504**	**234**
Profit/loss attributable to non-controlling interests	10	-15	11	-8
Net profit/loss attributable to shareholders of Deutsche Lufthansa AG	**-3,617**	**-116**	**-1,493**	**226**
Basic/diluted earnings per share in €	**-7.56**	**-0.24**	**-3.12**	**0.48**

[1] Previous year's figures have been adjusted.
[2] This includes EUR 17m (previous year: EUR 14m) from the reversal of write-downs on non-current receivables.
[3] This includes EUR 1m (previous year: EUR 1m) for write-downs on non-current receivables.
[4] This includes EUR 169m (previous year: EUR 35m) for the recognition of loss allowances on receivables.

Consolidated statement of comprehensive income
January - June 2020

STATEMENT OF COMPREHENSIVE INCOME

in €m	**Jan - Jun 2020**	Jan - Jun 2019[1)]	**Apr - Juni 2020**	Apr - Juni 2019
Profit/loss after income taxes	**-3,627**	**-101**	**-1,504**	**234**
Other comprehensive income				
Other comprehensive income with subsequent reclassification to the income statement				
Differences from currency translation	27	44	-34	2
Subsequent measurement of financial assets at fair value without effect on profit and loss	-14	16	4	6
Subsequent measurement of hedges - cash flow hedge reserve	-280	506	75	-162
Subsequent measurement of hedges - costs of hedges	5	282	-128	109
Other comprehensive income from investments accounted for using the equity method	2	2	1	1
Other expenses and income recognised directly in equity	-2	12	-1	-4
Income taxes on items in other comprehensive income	59	-195	18	-5
	-203	**667**	**-65**	**-53**
Other comprehensive income without subsequent reclassification to the income statement				
Revaluation of defined-benefit pension plans	-672	-800	-345	-467
Subsequent measurement of financial assets at fair value	–	5	3	2
Other expenses and income recognised directly in equity	-4	0	-2	–
Income taxes on items in other comprehensive income	-50	334	144	171
	-726	**-461**	**-200**	**-294**
Other comprehensive income after income taxes	**-929**	**206**	**-265**	**-347**
Total comprehensive income	**-4,556**	**105**	**-1,769**	**-113**
Comprehensive income attributable to minority interests	14	-14	13	-4
Comprehensive income attributable to shareholders of Deutsche Lufthansa AG	**-4,542**	**91**	**-1,756**	**-117**

Consolidated statement of financial position
as of 30 June 2020

CONSOLIDATED BALANCE SHEET - ASSETS

in €m	**30.06.2020**	31.12.2019	30.06.2019
Intangable assets with an indefinite useful life[1]	1,242	1,395	1,385
Other intangible assets	538	547	521
Aircraft and reserve engines	17,693	18,349	17,956
Repairable spare parts for aircraft	2,135	2,270	2,301
Property, plant and other equipment	3,928	4,041	4,124
Investments accounted for using the the equity method	506	672	659
Other equity investments	257	256	228
Non-current securities	54	53	31
Loans and receivables	414	469	457
Derivative financial instruments	787	906	1,086
Deferred charges and prepaid expenses	100	116	109
Effective income tax receivables	33	32	37
Deferred tax assets	3,074	2,268	2,451
Non-current assets	**30,761**	**31,374**	**31,345**
Inventories	920	980	1,001
Contract assets	209	277	244
Trade receivables and other receivables	3,273	5,417	6,225
Derivative financial instruments	311	459	416
Deferred charges and prepaid expenses	278	245	348
Effective income tax receivables	92	153	84
Securities	2,448	1,970	2,406
Cash and cash equivalents	1,211	1,415	1,002
Assets held for sale	384	369	23
Current assets	**9,126**	**11,285**	**11,749**
Total assets	**39,887**	**42,659**	**43,094**

[1] Including Goodwill.

CONSOLIDATED BALANCE SHEET - SHAREHOLDERS' EQUITY AND LIABILITIES

in €m	**30.06.2020**	31.12.2019	30.06.2019[1)]
Issued Capital	1,224	1,224	1,217
Capital reserve	378	378	343
Retained earnings	6,108	5,617	5,914
Other neutral reserves	1,531	1,715	1,708
Net profit/loss	-3,617	1,213	-116
Equity attributable to shareholders of Deutsche Lufthansa AG	**5,624**	**10,147**	**9,066**
Minority interests	78	109	100
Shareholders' equity	**5,702**	**10,256**	**9,166**
Pension provisions	7,422	6,659	6,612
Other provisions	557	490	512
Borrowings	8,131	8,396	7,573
Contract liabilities	23	25	22
Other financial liabilities	212	76	140
Advance payments received, deferred income and other non-financial liabilities	36	32	51
Derivative financial instruments	284	128	138
Deferred tax liabilities	603	611	639
Non-current provisions and liabilities	**17,268**	**16,417**	**15,687**
Other provisions	675	794	797
Borrowings	2,819	1,634	2,038
Trade payables and other financial liabilities	4,282	5,351	5,967
Contract liabilities from unused flight documents	4,499	4,071	5,602
Other contract liabilities	2,654	2,675	2,623
Advance payments received, deferred income and other non-financial liabilities	403	382	490
Derivative financial instruments	625	137	184
Effective income tax obligations	469	402	540
Liabilities in connection with assets held for sale	491	540	–
Current provisions and liabilities	**16,917**	**15,986**	**18,241**
Total shareholders' equity and liabilities	**39,887**	**42,659**	**43,094**

[1)] Previous year's figures have been restated.

Consolidated statement of changes in shareholders‘ equity
as of 30 June 2020

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

in €m	Issued capital	Capital reserve	Fair value measurement of financial instruments	Currency differences	Revaluation reserve (due to business combinations)	Othe neutral reserves	**Total other neutral reserves**	Retained earnings	Net profit/loss	**Equity attributable to shareholders of Deutsche Lufthansa AG**	Minority interests	**Total shareholders' equity**
As of 01.01.2019	**1,217**	**343**	**237**	**388**	**236**	**324**	**1,185**	**4,588**	**2,163**	**9,496**	**110**	**9,606**
Capital increases/ reductions	–	–	–	–	–	–	–	–	–	–	–	–
Reclassifications	–	–	-9	–	–	–	-9	1,792	-1,783	–	–	–
Dividends to Lufthansa shareholders/ minority interests	–	–	–	–	–	–	–	–	-380	-380	-24	-404
Transaction with minority interests	–	–	–	–	–	–	–	–	–	–	–	–
Consolidated net profit/ loss attributable to Lufthansa shareholders/ minorities	–	–	–	–	–	–	–	–	-116	-116	15	-101
Other expenses and income recognised directly in equity	–	–	614	44	–	15	673	-466	–	207	-1	206
Hedging results reclassified from non-financial assets to acquisition costs	–	–	-141	–	–	–	-141	–	–	-141	–	-141
As of 30.06.2019	**1,217**	**343**	**701**	**432**	**236**	**339**	**1,708**	**5,914**	**-116**	**9,066**	**100**	**9,166**
As of 01.01.2020	**1,224**	**378**	**624**	**503**	**236**	**352**	**1,715**	**5,617**	**1,213**	**10,147**	**109**	**10,256**
Capital increases/ reductions	–	–	–	–	–	–	–	–	–	–	–	–
Reclassifications	–	–	-	–	–	–	–	1,213	-1,213	–	–	–
Dividends to Lufthansa shareholders/ minority interests	–	–	–	–	–	–	–	–	–	–	-17	-17
Transaction with minority interests	–	–	–	–	–	–	–	–	–	–	–	–
Consolidated net profit/ loss attributable to Lufthansa shareholders/ minorities	–	–	–	–	–	–	–	–	-3,617	-3,617	-10	-3,627
Other expenses and income recognised directly in equity	–	–	-230	27	–	-	-203	-722	–	-925	-4	-929
Hedging results reclassified from non-financial assets to acquisition costs	–	–	19	–	–	–	19	–	–	19	–	19
As of 30.06.2020	**1,224**	**378**	**413**	**530**	**236**	**352**	**1,531**	**6,108**	**-3,617**	**5,624**	**78**	**5,702**

Consolidated cash flow statement
January - June 2020

CONSOLIDATED CASH FLOW STATEMENT

in €m	**Jan - Jun 2020**	Jan - Jun 2019	Apr - Jun 2020	Apr - Jun 2019
Cash and cash equivalents at start of period[1]	**1,431**	**1,434**	**1,853**	**1,240**
Net profit/loss before income taxes	-4,419	112	-1,743	524
Depreciation, amortisation and impairment losses on non-current assets (net of reversals)	1,782	1,304	659	657
Depreciation, amortisation and impairment losses on current assets (net of reversals)	49	44	27	22
Net proceeds on disposal of non-current assets	9	14	3	-4
Result of equity investments	180	-88	146	-83
Net interest	162	228	106	184
Income tax payments/reimbursements	112	-560	91	-183
Significant non-cash-relevant expenses/income	385	9	-626	10
Change in trade working capital	1,434	1,452	-437	-29
Change in other assets/shareholders' equity and liabilities	669	-122	770	-263
Cash flow from operating activities	**363**	**2,393**	**-1,004**	**835**
Capital expenditure for property, plant and equipment and intangible assets	-883	-1,888	-120	-659
Capital expenditure for financial investments	-14	-16	-7	-9
Additions/loss to repairable spare parts of aircraft	86	-211	58	-131
Proceeds from disposal of non-consolidated equity investments	-1	-	-1	-
Proceeds from disposal of consolidated equity investments	-	3	-	3
Cash outflows for acquisitions/capital increase of/at non-consolidated equity investments	-5	-49	-2	-24
Cash outflows for acquisitions of consolidated equity investments	-	-	-	-
Proceeds from disposal of intangible assets, property, plant and equipment and other financial investments	84	60	28	24
Interest invome	47	38	3	23
Dividends received	13	121	10	110
Net cash from/used in investing activities	**-673**	**-1,942**	**-31**	**-663**
Purchase of securities/fund investments	-5,450	-1,567	-2,232	-1,124
Disposal of securities/fund investments	5,040	809	3,199	709
Net cash from/used in investing and cash management activities	**-1,083**	**-2,700**	**936**	**-1,078**
Capital increase	-	-	-	-
Transactions by non-controlling interests	-	-	-	-
Non-current borrowing	1,784	2,432	284	1,690
Repayment of non-current borrowing	-1,126	-2,112	-745	-1,265
Dividends paid	-17	-404	-17	-387
Interest paid	-107	-43	-64	-29
Net cash from/used in financing activities	**534**	**-127**	**-542**	**9**
Net increase/decrease in cash and cash equivalents	**-186**	**-434**	**-610**	**-234**
Changes due to currency translation differences	-8	-	-6	-6
Cash and cash equivalents 30 Jun[2]	**1,237**	**1,000**	**1,237**	**1,000**
Less cash and cash equivalents of companies held for sale as of 30 Jun	26	-	26	-
Cash and cash equivalents of companies not classified as held for sale as of 30 Jun[2]	**1,211**	**1,000**	**1,211**	**1,000**
Securities	2,448	2,406	2,448	2,406
Liquidity	**3,659**	**3,406**	**3,659**	**3,406**
Net increase/decrease in liquidity	274	237	-1,480	88

[1] Amount as of 01/01/2020 (04/01/2020) includes EUR 16 (26)m, which were included in assets held for sale as of 12/31/2019 (03/31/2020).
[2] The difference between the bank balance and cash-in-hand shown in the statement of financial position comes from fixed-term deposits of EUR 0m with terms of four to twelve months (previous year: EUR 2m).

1 Applied standards, changes in the group of consolidated companies and accounting principles

The consolidated financial statements of Deutsche Lufthansa AG and its subsidiaries have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as applicable in the European Union (EU), taking account of interpretations by the IFRS Interpretations Committee (IFRIC). This interim report as of 30 June 2020 has been prepared in condensed form in accordance with IAS 34.

In preparing the interim financial statements, the standards and interpretations applicable as of 1 January 2020 have been applied. The interim financial statements as of 30 June 2020 have been prepared using the same accounting policies as those on which the preceding consolidated financial statements as of 31 December 2019 were based. The standards and interpretations mandatory from 1 January 2020 onwards had no effects on the Group's net assets, financial and earnings position and no restatements resulting from new standards were necessary.

Based on the Federal Republic of Germany's Economic Stabilisation Fund's approval of the stabilisation package for Deutsche Lufthansa AG on 25 May 2020, the approval granted by the shareholders of Deutsche Lufthansa AG at the extraordinary general meeting held on 25 June 2020 regarding the capital measures agreed with the Economic Stabilisation Fund, and the conclusion of the corresponding agreements with the Economic Stabilisation Fund on 29 June 2020 and with KfW on 1 July 2020, the Executive Board considers the Group's liquidity to be secured for the next twelve months on the basis of its current corporate planning. These interim financial statements have therefore been prepared on a going concern assumption.

The support package has a total volume of up to EUR 9bn and comprises a 20% equity investment of EUR 0.3bn, a silent participation which can be recognised as equity worth EUR 4.7bn (Silent Participation I), a silent participation reported under borrowed capital worth EUR 1bn (Silent Participation II) and a largely government-guaranteed credit facility of EUR 3bn. If the Company makes use of state stabilisation measures in Belgium, Austria and Switzerland, Silent Participation I and/or the credit facility will be reduced accordingly.

Certain parts of Silent Participation II can be converted into shares in the event of a takeover, a dilution situation or if no coupon payments are made on Silent Participation I. The framework agreement with the Economic Stabilisation Fund also provides for extensive information and auditing rights for the Economic Stabilisation Fund and obligations for the Lufthansa Group regarding the suspension of dividend payments, limitations on management compensation, a commitment not to make equity investments, divestment of up to 24 slots at the Frankfurt and Munich hub airports and pursuit of a sustainable corporate policy. The credit facility arrangement resulted in the banking consortium being furnished with collateral in the form of stakes in a number of aircraft holding entities. Subject to the full repayment of the silent participations by the Company and a minimum sale price of EUR 2.56 per share plus an annual interest of 12%, the WSF undertakes to sell its shareholding in full at the market price by 31 December 2023.

The Swiss federal government had promised guaranteed credit lines of CHF 1.5bn (approx. EUR 1.4bn) for SWISS and Edelweiss, the two Swiss airlines in the Lufthansa Group, as early as 29 April 2020; the facility is granted at normal market conditions by a consortium of Swiss banks and has a term of five years with two one-year extension options; it is 85% guaranteed by the Swiss federal government and is secured by shares in SWISS and Edelweiss held by Deutsche Lufthansa AG; the funding may only be used for SWISS and Edelweiss; no dividend payments within the Group are permitted for the duration of the credit facility. The credit line still has to be approved by the Economic Stabilisation Fund and KfW.

In addition, the Austrian federal government, Lufthansa and Austrian Airlines reached an agreement on 8 June 2020 on the key aspects of a coronavirus aid package worth EUR 600m for Austrian Airlines. As of 30 June 2020, approval by the European Commission was still pending. The measures provide for equity capital of EUR 300m to be injected into Austrian Airlines, an amount to be split 50/50 by Lufthansa and the Austrian government, as well as debt financing of EUR 300m. Lufthansa's contribution of EUR 150m will be made by way of a shareholder contribution made by Lufthansa to Austrian Airlines via the existing holding structure. The contribution made by the Austrian government, also amounting to EUR 150m, will be structured as a subordinated loan. A declaration stating that the loan does not need to be repaid is expected to be issued later on in the year once the airline has demonstrated the definitive amount of damage suffered. The contribution is subject to the proviso that Austrian Airlines suffered damage of at least EUR 150m as a result of COVID-19. This has been confirmed. As regards the debt component, a credit line of EUR 300m was agreed with a consortium of Austrian banks on 25 June 2020. A guarantee for 90% of the loans is provided by the Republic of Austria under the special Austrian COVID legislation. 38 aircraft are also to be pledged to the banking consortium. The loans have a term until 2025. The measures are still subject to approval by the Economic Stabilisation Fund and KfW.

The "Coronavirus Aid, Relief and Economic Security Act" ("CARES Act"), which is designed to mitigate the negative economic impact of the COVID-19 pandemic, came into force in the US on 27 March 2020. On 3 April 2020, the LSG group submitted applications to the U.S. Department of the Treasury for the Payroll Support Program feature of the legislation for three companies in an amount totalling USD 307m, with the LHT Group submitting applications worth USD 50m for four companies. Due to the large volume of applications, it is currently expected that the LSG Group will receive loans of USD 79 million and grants of USD 135 million and the LHT Group will receive loans of USD 11 million and grants of USD 19 million for the fiscal year 2020. The support is tied to a commitment to maintain a defined level of employment. No final agreement had been reached by the reporting date.

Negotiations with the Belgian government on support measures for Brussels Airlines are also under way, but had not been completed by the reporting date. ↗ **Events after the reporting period, p. 36.**

2 Notes to the income statement, statement of financial position, cash flow statement and segment reporting

Total revenue

Based on the IFRIC agenda decision on 17 September 2019, compensation payments for flight cancellations and delays are no longer recognised as expenses in the income statement, but rather reduce traffic revenue and the cost of materials and services by the same amount. The Lufthansa Group applied this amendment as of 31 December 2019. This adjustment reduced the traffic revenue reported as of 30 June 2019 by EUR 107m.

TRAFFIC REVENUE BY AREA OF OPERATIONS

in €m	**2020**	Europe[1]	North-america[1]	Central- and South America[1]	Asia/ Pacific[1]	Middle East[1]	Africa[1]
Network Airlines	4,059	2,794	651	90	357	86	81
Lufthansa German Airlines	2,486						
SWISS[2]	1,044						
Austrian Airlines	294						
Brussels	235						
Eurowings[2]	363	358	3	1	1	–	–
Logistics	1,219	533	132	42	481	10	21
Total	**5,641**						

[1] Traffic revenue is allocated to the original location of sale.
[2] Disclosure of traffic revenue, including belly revenue; this is reported in the segment reporting in the reconciliation column.

TRAFFIC REVENUE BY AREA OF OPERATIONS

in €m	**2019**	Europe[1]	North-america[1]	Central- and South America[1]	Asia/ Pacific[1]	Middle East[1]	Africa[1]
Network Airlines[2][3]	11,166	7,298	2,042	235	1,114	274	203
Lufthansa German Airlines[3]	7,265						
SWISS[2]	2,367						
Austrian Airlines	893						
Brussels Airlines[3]	641						
Eurowings[2][3]	1,051	1,022	16	2	8	2	1
Logistics	1,158	580	133	48	343	15	39
Total	**13,375**						

[1] Traffic revenue is allocated to the original location of sale.
[2] Disclosure of traffic revenue, including belly revenue; this is reported in the segment reporting in the reconciliation column.
[3] Previous year restated because of the segment change for Brussels Airlines, Germanwings GmbH and longhaul operations of Eurowings to the Network Airlines.

OTHER OPERATING REVENUE BY AREA OF OPERATIONS

in €m	2020	Europe[1]	North-America[1]	Central and South America[1]	Asia/Pacific[1]	Middle East[1]	Africa[1]
MRO	1,606	691	404	70	305	81	55
MRO services	1,352						
Other operating revenue	254						
Catering	651	100	390	35	94	18	14
Catering services	554						
Revenue from in-flight sales	31						
Other services	66						
Network Airlines	182	154	10	1	12	3	2
Eurowings	3	3	–	–	–	–	–
Logistics	86	63	18	–	2	3	–
Additional Businesses and Group Functions	166	116	16	6	18	7	3
IT services	86						
Travel management	51						
Other	29						
Total	**2,694**						

[1] Traffic revenue is allocated according to the original location of sale.

OTHER OPERATING REVENUE BY AREA OF OPERATIONS

in €m	2019	Europe[1]	North-America[1]	Central and South America[1]	Asia/Pacific[1]	Middle East[1]	Africa[1]
MRO	2,146	969	528	150	369	91	39
MRO services	1,835						
Other operating revenue	311						
Catering	1,260	228	662	75	227	35	33
Catering services	1,064						
Revenue from in-flight sales	79						
Other services	117						
Network Airlines[2]	302	244	21	2	24	5	6
Eurowings[2]	2	2	–	–	–	–	–
Logistics	57	34	20	–	–	3	–
Additional Businesses and Group Functions	274	199	25	6	33	8	3
IT services	89						
Travel management	141						
Other	44						
Total	**4,041**						

[1] Traffic revenue is allocated according to the original location of sale.
[2] Previous year restated because of the segment change for Brussels Airlines, Germanwings Gmbh and longhaul operations of Eurowings to Network Airlines.

AIRCRAFT AND RESERVE ENGINES

In connection with preparations for state stabilisation measures for Austrian Airlines in Austria, a consortium of banks has been granted rights of lien for 27 aircraft, although the credit facility has not been used as of 30 June 2020.

DEFERRED TAXES

Deferred taxes have been capitalised in full for the losses incurred in Germany during the financial year. As the losses were triggered by an exogenous shock with a temporary impact and the Company expects to be able to use the deferred tax assets when it generates sufficient positive tax results in the foreseeable future, they are expected to be recoverable in full. Tax loss carry-forwards are not subject to any restrictions regarding the period of time in which they can be used in Germany.

ASSETS CLASSIFIED AS HELD FOR SALE

Assets with a carrying amount of EUR 384m were held for sale as of 30 June 2020. This primarily relates to EUR 321 million of the assets of the disposal group “European commercial activities of the LSG group” which were sold to gategroup Holding AG by contract dated 6/7 December 2019. This disposal group also included all liabilities, which are reported under liabilities allocated to assets held for sale in the amount of EUR 491 million. The European competition authorities approved the transaction subject to conditions on 3 April. The fulfilment of these conditions has been delayed due to the overall economic conditions resulting from the impact of the coronavirus and negotiations have started with the Gate Group regarding a number of the implementation aspects. The transaction is now expected to be closed in the third quarter of 2020. The current purchase price estimate shows additional impairment losses of EUR 26m as of 30 June 2020.

This item also includes aircraft and reserve engines held for sale with a carrying amount of EUR 61m. These include three Boeing MD 11, five Boeing B747, three Boeing B767, one Airbus A321, eleven Airbus A320 and 14 Dash 8-400 aircraft.

PENSION PROVISIONS

The discount rate used to calculate obligations in Germany was 1.5%. As of 31 December 2019, the rate was 1.4%. A discount rate of 0.35% was used for the pension obligations in Switzerland (31 December 2019: 0.3%). The increase in pension provisions is essentially due to the negative performance of the plan assets. In addition, EUR 95m was withdrawn from the plan assets for the German pension plans for pension payments made in the reporting period.

CONTRACT LIABILITIES FROM UNUSED FLIGHT DOCUMENTS

The contract liabilities from unused flight documents in the amount of EUR 4,499m include an amount of EUR 1,139m for which customers had made reimbursement claims by the end of the reporting period. Further reimbursement claims are expected given that the flight schedule remains severely restricted.

CHANGES IN ESTIMATES

In view of the almost complete cessation of passenger flight operations, which can only be reversed in stages and over an as yet uncertain period, the operation plans for all components of the fleet are being revised. As well as delays in new deliveries, the assumption is that parts of the fleet will no longer return to active service, but will be disposed of directly. The companies still reserve the right to retire aircraft temporarily, so that they can respond to changes in the operating environment by reactivating them at short notice. Based on current fleet planning and the resolutions taken by the management boards, the assumption is that five Boeing B747s and eleven Airbus A320s at Lufthansa German Airlines, three Boeing B767s and 13 Bombardier Dash 8-400s at Austrian Airlines, 15 leased Bombardier Dash 8-400s at Eurowings and two leased Airbus A330s and eight leased Airbus A319s at Brussels Airlines will be retired permanently. A further six Airbus A380-800s, which had already been sold to Airbus with forecast transfer dates in 2022 and 2023, will no longer go back into operation. Impairment testing was carried out for the aircraft and right-of-use assets on aircraft concerned, which resulted in a total impairment loss of EUR 281m on the basis of the forecast sales prices and due to a lack of other values in use under the leases.

The general risk that decisions may still be taken to retire other parts of the fleets is considered in the impairment tests for the individual business entities.

In addition to the impairment testing for individual assets, the occurrence of a “triggering event” meant that impairment tests were carried out for all material business entities at the level of the cash-generating units in the first quarter of 2020. These were based on updated cash flow and earnings forecasts, which predict that the operating environ-ment will only slowly recover by 2023. Compared with year-end 2019, the tests were performed with a 1% higher discount rate and 1% lower growth from the end of the planning period. The earnings figures in “terminal value” were also subjected to an additional stress scenario. The result was an impairment loss at the entities Eurowings and LSG North America. Goodwill of EUR 57m at Eurowings was written off in full and goodwill at LSG North America was impaired by EUR 100m. With the exception of Austrian Airlines, which had no further cushion in the test scenario, the testing did not reveal any impairment at the other business entities, even when the discount rate was increased by 0.5 percentage points and the growth assumptions and EBITDA margin were each reduced by 0.5 percentage points. The duration of the ramp-up phase has a decisive influence on the risk situation, as does the subsequent level of commercial activity and the profitability of the business entities.

Due to the drastic changes in the overall conditions and the resulting need to revise profit forecasts, significant investments accounted for using the equity method were also tested for impairment. Subject to the same risk adjustments as those referred to above, the equity investment in Sun Express did not reveal any need for impairment. Given what is expected to be a dramatic drop in the number of Airbus A380s in operation, which are supplied with spare parts by the joint venture Spairliners in the MRO segment, the remaining carrying amount of EUR 26m was written off in full. The projections do not point towards any positive value contributions overall for the future. Negotiations are currently under way with the co-shareholder regarding the future business orientation of the joint venture Xeos, which offers engine maintenance services. Based on weighted scenario calculations and a discount factor that was 2 percentage points higher, the test revealed an impairment of EUR 36m.

Because flight operations have largely come to a standstill, purchases of kerosene and cash flows in foreign currencies have been significantly reduced. As a result, hedged transactions were no longer concluded for a large number of hedges in these areas in the period from April to June. No further hedged transactions are expected to be concluded in the foreseeable future either, meaning that hedge accounting in accordance with IFRS 9 can no longer be applied. See also the comments in ↗ Note 5 (Financial instruments).

OTHER GOVERNMENT AID MEASURES

Total state subsidies of EUR 175m were collected in the first half of 2020. They are primarily attributable to the reimbursement of wage-replacement benefits and social security contributions paid in the context of shorttime working in Germany, Austria and Switzerland and are reported under staff costs, decreasing these expenses. In addition, liabilities resulting from import sales tax due for payment in 2021, in the total amount of EUR 246m on the reporting date, were deferred.

In addition to the amounts granted to the companies in connection with short-time working, employees also received direct state support in the form of salary-replacement benefits.

3 Seasonality

The Group's business activities are normally exposed to seasonal effects via the Network Airlines and Eurowings segments in particular. As such, revenue in the first and fourth quarters is generally lower, since people travel less, while higher revenue and operating profits are normally earned in the second and third quarters.

Due to the impact of the COVID-19 pandemic in the first half of 2020, the volume of business plummeted overall and no longer shows any signs of seasonal effects.

4 Contingencies and events after the reporting period

CONTINGENT LIABILITIES

in €m	30.06.2020	31.12.2019
From guarantees, bills of exchange and cheque guarantees[1)]	879	935
From warranty contracts	345	378
From providing collateral for third-parties liabilities	22	47
	1,246	**1,360**

[1)] Prior year figure adjusted

Provisions for other contingent liabilities were not made because it was not sufficiently probable that they would be necessary. The potential financial effect of these provisions on the result would have been EUR 56m in total (as of 31 December 2019: EUR 55m).

As of 30 June 2020, the tax risks for which no provisions had been recognised came to some EUR 200m (as of 31 December 2019: EUR 200m).

At the end of June 2020 there were order commitments of EUR 14.5bn for capital expenditure on property, plant and equipment, including repairable spare parts, as well as for intangible assets. Order commitments as of 31 December 2019 came to EUR 14.6bn. Contracts to buy aircraft were renegotiated as a result of the coronavirus crisis and delivery of some of the orders was postponed to later dates than was the case on 31 December 2019.

Rating agencies downgrade rating for Lufthansa Group

— On 1 July 2020 and 2 July 2020 respectively, the rating agencies Standard & Poor's and Moody's lowered the credit rating of the Lufthansa Group from BB+ to BB and from Ba1 to Ba2 as a result of the spread of the coronavirus and its wider impact. On 14 July 2020, Scope Ratings confirmed its BBB- rating; Scope Ratings thus continues to rate the Lufthansa Group within the investment grade range.

WSF builds up 20% stake in issued capital

— As part of the stabilisation measures, on 2 July 2020 the WSF subscribed to shares by way of a capital increase and built up a 20% stake in the issued capital of Deutsche Lufthansa AG; the subscription price was EUR 2.56 per share, resulting in a cash contribution of around EUR 0.3bn.

First payments from the stabilisation package have been made

— Deutsche Lufthansa AG has received a total of EUR 2.3bn so far from the stabilisation package; on 2 July 2020, the WSF paid EUR 0.3bn through the capital increase. On 3 July 2020, a further EUR 1.0bn came from the first tranche of the KfW facility, followed by another EUR 1.0bn on 9 July 2020 as a silent participation II from the WSF.

— The LSG group and the LHT group also received total payments of USD 170m up to 4 August 2020 in the USA under the Coronavirus Aid, Relief and Economic Security Act ("CARES Act").

Lufthansa Group decides on second package for restructuring programme

— On 7 July 2020, the Executive Board of Deutsche Lufthansa AG approved a second package for the restructuring programme in response to the coronavirus crisis.

— The comprehensive restructuring programme, entitled "ReNew", will run until December 2023 and is headed by Dr Detlef Kayser, the Executive Board member in charge of Airline Resources & Operations Standards; it also includes existing restructuring programmes at the Group's airlines and service companies.

— Following the reduction in the size of the Executive Board of Deutsche Lufthansa AG, the executive and management boards of the Group's subsidiaries are to decrease in size compared with 2019; the number of managerial positions is to be reduced by 20% across the Group; the administration at Deutsche Lufthansa AG is to be scaled down by 1,000 positions.

— The government loans and deposits are to be repaid as quickly as possible to avoid an increase in the resulting interest expenses.

— Efforts are under way to make Lufthansa German Airlines into an autonomous company.

— The number of sub-fleets is being reduced, as planned, and flight operations are being pooled – including long and short-haul services for leisure travel at the Frankfurt and Munich hubs; at Lufthansa German Airlines alone, 22 aircraft have already been retired early, including six Airbus A380s, eleven A320s and five Boeing 747-400s.

— The financial planning up to 2023 specifies that a maximum of 80 new aircraft will be added to the Lufthansa Group's fleets; due to the postponement of planned deliveries, capital expenditure on new aircraft will be halved in this period.

European Commission approves aid package for Austrian Airlines

— On 7 July 2020, the European Commission signed off on the coronavirus package negotiated between the Austrian federal government, the Lufthansa Group and Austrian Airlines for EUR 600m.

— As part of the package, Deutsche Lufthansa AG provided Austrian Airlines with EUR 150m in equity after this approval was granted.

Agreement reached on stabilisation package for Brussels Airlines

— The Belgian government and the Lufthansa Group reached a fundamental agreement on a loan of EUR 290m to Brussels Airlines from the Belgian government; this is to be supplemented by an equity payment of EUR 170m from Deutsche Lufthansa AG; this will enable Brussels Airlines to implement its turnaround programme aimed at securing the carrier's long-term profitability; the contracts remain to be finalised; the measures are also subject to the approval of the WSF and the European Commission.

5 Financial instruments and financial liabilities

FINANCIAL INSTRUMENTS

The following tables show financial assets and liabilities held at fair value by level in the fair value hierarchy. The levels are defined as follows:

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

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

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

As of 30 June 2020, the fair value hierarchy for assets and liabilities held at fair value was as follows:

FAIR VALUE HIERARCHY OF ASSETS AS OF 30.06.2020

in €m	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss	**2,448**	**25**	**–**	**2,473**
Financial derivatives classified as held for trading	–	25	–	25
Securities	2,448	–	–	2,448
Derivative financial instruments which are an effective part of a hedging relationship	**–**	**1,073**	**–**	**1,073**
Financial assets at fair value through other comprehensive income	**–**	**22**	**–**	**22**
Equity instruments	–	22	–	22
Debt instruments	–	–	–	–
Total assets	**2,448**	**1,120**	**–**	**3,568**

FAIR VALUE HIERARCHY OF LIABILITIES AS OF 30.06.2020

in €m	Level 1	Level 2	Level 2	Total
Derivative financial instruments at fair value through profit or loss	–	-337	–	-337
Derivative financial instruments which are an affective part of a hedging relationship	–	-572	–	-572
Total liabilities	**–**	**-909**	**–**	**-909**

As of 30 June 2020, the decline in flight traffic due to the coronavirus crisis meant that fuel prices and foreign currencies were "overhedged", meaning hedging relationships previously designated under hedge accounting rules had to be terminated early. The amount of the remaining fuel requirement and the foreign currency exposure was determined for the remainder of the year on the basis of current expectations. Hedging relationships for the excess volume of hedging instruments were "undesignated", and the cumulative change in market value of EUR –284m was reclassified from the market valuation reserve to the financial result. Fuel hedges accounted for expenses of EUR 301m and foreign currency hedges for income of EUR 17m. The corresponding hedging instruments are accounted for through profit or loss as standalone derivatives until their due date. The realised result of hedging relationships terminated in Q1 came to expenses of EUR 480m for fuel hedging and income of EUR 18m for foreign currency hedges. Overall, terminated hedging relationships therefore had an earnings impact of EUR –746m. EUR 420m has been paid out in cash to date to settle such transactions.

CO_2 emissions certificates valued at EUR 220m were sold and simultaneously repurchased on the market in what are known as "repo" agreements so that economic ownership of the certificates is maintained.

Long-term foreign currency hedges were also realised early, generating cash proceeds of EUR 392m. The amounts will remain in the market valuation reserve until the hedged transactions have taken place and will then be allocated to the corresponding investments.

As of 31 December 2019, the fair value hierarchy for assets and liabilities held at fair value was as follows:

FAIR VALUE HIERARCHY OF ASSETS AS OF 31.12.2019

in €m	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss	**359**	**13**	**–**	**372**
Financial derivatives classified as held for trading	–	12	–	12
Securities	359	1	–	360
Derivative financial instruments which are an effective part of a hedging relationship	**–**	**1,352**	**–**	**1,352**
Financial assets at fair value through other comprehensive income	**–**	**1,632**	**–**	**1,632**
Equity instruments	–	22	–	22
Debt instruments	–	1,610	–	1,610
Total assets	**359**	**2,997**	**–**	**3,356**

FAIR VALUE HIERARCHY OF LIABILITIES AS OF 31.12.2019

in €m	Level 1	Level 2	Level 2	Total
Derivative financial instruments at fair value through profit or loss	–	-67	–	-67
Derivative financial instruments which are an affective part of a hedging relationship	–	-199	–	-199
Total liabilities	**–**	**-266**	**–**	**-266**

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

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

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

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

FINANCIAL LIABILITIES

	30.06.2020		31.12.2019	
in €m	Carrying amount	Market value	Carrying amount	Market value
Bonds	1,338	1,195	1,094	1,026
Liabilities to banks	2,993	2,945	2,110	2,150
Other liabilities	3,891	3,724	3,954	3,883
Total	**8,222**	**7,864**	**7,158**	**7,059**
Leasing liabilities	2,728	n.a.	2,872	n.a.
Total	**10,950**	**n.a.**	**10,030**	**n.a.**

6 Earnings per share

Earnings per share

		30/06/2020	30/06/2019
Basic/diluted earnings per share	€	**– 7.56**	**– 0.24**
Consolidated net profit/loss	€m	– 3,617	– 116
Weighted average number of shares		478,194,257	475,210,712

7 Issued capital

By resolution of the extraordinary general meeting on 25 June 2020, the issued capital of Deutsche Lufthansa AG was increased by EUR 306,044,326.40 to EUR 1,530,221,624.32 by issuing 119,548,565 registered shares excluding shareholders’ subscription rights. The shares were bought by the Economic Stabilisation Fund at the nominal amount of EUR 2.56 per share. The capital increase took effect on 2 July 2020 when it was entered in the commercial register.

A resolution passed at the Annual General Meeting on 7 May 2019 authorised the Executive Board until 06 May 2024, subject to approval by the Supervisory Board, to increase the Company’s issued capital by up to EUR 450,000,000 by issuing new registered shares on one or more occasions for payment in cash or in kind (Authorised Capital A). In certain cases, the shareholders’ subscription rights can be excluded with the approval of the Supervisory Board.

A resolution passed at the Annual General Meeting on 7 May 2019 authorised the Executive Board until 6 May 2024, subject to approval by the Supervisory Board, to increase the Company’s issued capital by up to EUR 30,000,000 by issuing new registered shares to employees (Authorised Capital B) for payment in cash. Existing shareholders’ subscription rights are excluded. Shares with a total nominal amount of EUR 7,637,832 were issued under this authorisation up to 30 June 2020.

A resolution of the extraordinary general meeting on 25 June 2020 increased the contingent capital of Deutsche Lufthansa AG by up to EUR 102,014,776.32. The contingent capital increase serves to provide shares for the exercise of conversion rights granted to the Economic Stabilisation Fund created by the Stabilisation Fund Act as a silent shareholder in the company for Silent Participation II-A at a strike rate of EUR 2.56 per share by resolution of the extraordinary general meeting on 25 June 2020. The rights can be exercised if a decision is published to make a takeover offer pursuant to Section 10 Securities Acquisition and Takeover Act (WpÜG) or if control is acquired pursuant to Sections 35 and 29 WpÜG. The buyer can exercise the conversion rights at any time if the Silent Participation II-A is sold to a private purchaser.

A resolution of the extraordinary general meeting on 25 June 2020 increased the contingent capital of Deutsche Lufthansa AG by up to EUR 897,985,223.68. The contingent capital increase serves to provide shares for the exercise of conversion rights granted to the Economic Stabilisation Fund created by the Stabilisation Fund Act as a silent shareholder in the company for antidilution and/or coupon protection for Silent Participation II-B by resolution of the extraordinary general meeting on 25 June 2020. If the conversion right is exercised to protect against dilution, the new shares will be issued at the current market price on the conversion date, less 10%. If the conversion right is exercised to protect the coupon, they are issued at the current market price on the conversion date, less 5.25%. The conversion rights expire if Silent Participation II-B is assigned to a third party.

A resolution of the Annual General Meeting on 5 May 2020 increased the company's contingent capital by up to EUR 122,417,728. The contingent capital increase serves to issue shares to the holders or creditors of conversion and/or option rights from convertible bonds that may be issued by the Company or its Group companies until 4 May 2025 in accordance with the resolution of the Annual General Meeting on 5 May 2020. In certain cases, the shareholders' subscription rights can be excluded with the approval of the Supervisory Board.

A resolution passed at the Annual General Meeting held on 7 May 2019 authorised the Executive Board pursuant to Section 71 Paragraph 1 No. 8 Stock Corporation Act (AktG) to purchase treasury shares until 6 May 2024. The authorisation is limited to 10% of current issued capital. According to the resolution of the Annual General Meeting held on 7 May 2019, the Executive Board is also authorised to purchase treasury shares by means of derivatives and to conclude corresponding derivative transactions.

Following a resolution of the Annual General Meeting held on 5 May 2020, the full distributable profit of EUR 298m shown in the 2019 financial statements was transferred to retained earnings.

8 Segment reporting

Based on the IFRIC agenda decision on 17 September 2019, compensation payments for flight cancellations and delays are no longer recognised as expenses in the income statement, but rather as reductions in revenue. The Lufthansa Group applied this amendment retrospectively as of 31 December 2019, and the previous year's figures were adjusted accordingly by reducing traffic revenue and the cost of materials and services by the same amount.

Segmentation has been changed compared with the financial statements as of 31 December 2019. Brussels Airlines, Germanwings and the Eurowings long-haul business are managed by the Network Airlines group as of the start of financial year 2020 and have therefore been allocated to the Network Airlines segment. As of 1 January 2020, the line maintenance business of Lufthansa Technik was transferred to Deutsche Lufthansa AG, which will carry out the work itself from this point on, and is now part of the Network Airlines segment. The figures for the previous year have been adjusted accordingly.

The segmentation changes increased previous-year revenue for the Network Airlines segment by EUR 878m and reduced its Adjusted EBIT by EUR 77m. For the MRO segment the changes reduced previous-year revenue by EUR 169m and Adjusted EBIT by EUR 8m.

SEGMENT INFORMATION FOR THE REPORTING SEGMENTS Jan - Jun 2020

in €m	Network Airlines	Eurowings	Logistics	MRO	Catering	Total reportable operating segments Segmente	Additional Businesses and Group Functions	Reconciliation	**Group**
External revenue	4,241	366	1,305	1,606	651	8,169	166	–	8,335
of which traffic revenue	3,858	361	1,219	–	–	5,438	–	203	5,641
Inter-segment revenue	290	11	15	674	163	1,153	83	-1,236	–
Total revenue	**4,531**	**377**	**1,320**	**2,280**	**814**	**9,322**	**249**	**-1,236**	**8,335**
Other operating income	451	75	31	184	33	774	920	-742	952
Operating income	**4,982**	**452**	**1,351**	**2,464**	**847**	**10,096**	**1,169**	**-1,978**	**9,287**
Operating expenses	**7,377**	**746**	**1,089**	**2,554**	**1,029**	**12,795**	**1,288**	**-2,014**	**12,069**
of which cost of materials	3,277	427	702	1,346	345	6,097	118	-1,088	5,127
of which staff cost	1,880	93	188	648	446	3,255	358	-1	3,612
of which depreciation and amortisation	956	104	78	100	61	1,299	58	-36	1,321
of which other operating expenses	1,264	122	121	460	177	2,144	754	-889	2,009
Result of equity investments	**-21**	**-64**	**15**	**-32**	**-13**	**-115**	**-3**	**1**	**-117**
of which result of investments accounted for using the equity method	-19	-64	7	-33	-13	-122	–	1	-121
Adjusted EBIT[1]	**-2,416**	**-358**	**277**	**-122**	**-195**	**-2,814**	**-122**	**37**	**-2,899**
Reconciliation items	**-270**	**-74**	**-19**	**-71**	**-111**	**-545**	**-7**	**-17**	**-569**
Impairment losses/gains	-268	-73	-19	-65	-111	-536	1	-17	-552
Effects from pension provisions	–	–	–	-2	–	-2	-6	–	-8
Result of disposal of assets	-2	-1	–	-4	–	-7	-2	–	-9
EBIT	**-2,686**	**-432**	**258**	**-193**	**-306**	**-3,359**	**-129**	**20**	**-3,468**
Other financial result									-951
Profit/loss before income taxes									-4,419
Capital employed[2]	11,721	1,191	2,167	5,110	1,300	21,489	1,548	-571	22,466
of which from investments accounted for using the equity method	35	115	56	181	115	502	5	-1	506
Segment capital expenditure	664	50	89	71	21	895	32	-25	902
of which from investments accounted for using the equity method	–	–	–	4	–	4	–	–	4
Number of employees at the end of period	59,953	3,219	4,452	23,927	28,130	119,681	9,675	–	129,356

[1] For detailed reconciliation from EBIT to Adjusted EBIT □ table "reconciliation of results", p. XXX, in the interim management report.
[2] The capital employed results from total assets adjusted for non-operating items, (deferred taxes, positive market values, derivatives) less non-interest bearing liabilities (including trade payables and liabilities from unused flight documents).

SEGMENT INFORMATION FOR THE REPORTING SEGMENTS Jan - Jun 2019[1]

in €m	Network Airlines	Eurowings	Logistics	MRO	Catering	Total reportable operating segments Segmente	Additional Busi-nesses and Group Functions	Recon-ciliation	**Group**
External revenue	11,468	1,053	1,215	2,146	1,260	17,142	274	–	17,416
of which traffic revenue	10,938	1,048	1,158	–	–	13,144	–	231	13,375
Inter-segment revenue	470	-6	23	1,105	360	1,952	124	-2,076	–
Total revenue	**11,938**	**1,047**	**1,238**	**3,251**	**1,620**	**19,094**	**398**	**-2,076**	**17,416**
Other operating income	440	74	39	100	30	683	886	-493	1,076
Operating income	**12,378**	**1,121**	**1,277**	**3,351**	**1,650**	**19,777**	**1,284**	**-2,569**	**18,492**
Operating expenses	**11,917**	**1,290**	**1,286**	**3,154**	**1,628**	**19,275**	**1,426**	**-2,539**	**18,162**
of which cost of materials	6,728	901	872	1,924	692	11,117	139	-1,625	9,631
of which staff cost	2,390	131	207	726	637	4,091	430	-3	4,518
of which depreciation and amortisation	937	120	76	91	57	1,281	52	-15	1,318
of which other operating expenses	1,862	138	131	413	242	2,786	805	-896	2,695
Result of equity investments	**27**	**-19**	**24**	**38**	**11**	**81**	**7**	**–**	**88**
of which result of investments ac-counted for using the equity method	16	-19	9	33	11	50	–	1	51
Adjusted EBIT[2]	**488**	**-188**	**15**	**235**	**33**	**583**	**-135**	**-30**	**418**
Reconciliation items	-1	–	-6	–	–	-7	9	-3	-1
Impairment losses/gains	20	1	-10	–	1	12	6	-3	15
Effects from pension provisions	-1	–	–	–	-1	-2	–	–	-2
Result of disposal of assets	-20	-1	4	–	–	-17	3	–	-14
EBIT	**487**	**-188**	**9**	**235**	**33**	**576**	**-126**	**-33**	**417**
Other financial result									-305
Profit/loss before income taxes									112
Capital employed[3]	11,028	1,377	2,100	5,581	1,557	21,643	1,928	-253	23,318
of which from investments ac-counted for using the equity method	43	130	61	306	150	690	6	-37	659
Segment capital expenditure	1,520	34	169	161	45	1,929	30	-6	1,953
of which from investments ac-counted for using the equity method	–	–	–	36	–	36	–	–	36
Number of employees at the end of pe-riod	60,472	3,608	4,557	22,766	36,227	127,630	10,009	–	137,639

[1] Figures have been adjusted.
[2] For detailed reconciliation from Adjusted EBIT to EBIT □ table reconciliation of results, p. 3, in the interim management report.
[3] The capital employed results from total assets adjusted for non-operating items (deferred taxes, positive market values, derivatives), less non-interest bearing liabilities (including trade payables and liabilities from unused flight documents).

EXTERNAL REVENUE BY REGION Jan - Jun 2020

in €m	Europe	thereof Ger-many	North America	thereof USA	Central and South America	Asia/ Pacific	Middle East	Africa	**Group**
Traffic revenue[1]	3,685	1,676	786	714	133	839	96	102	**5,641**
Other operating revenue	1,127	394	838	671	112	431	112	74	**2,694**
Total revenue	**4,812**	**2,070**	**1,624**	**1,385**	**245**	**1,270**	**208**	**176**	**8,335**

[1] Allocated according to the original location of sale.

EXTERNAL REVENUE BY REGION Jan - Jun 2019

in €m	Europe	thereof Germany	North America	thereof USA	Central and South America	Asia/ Pacific	Middle East	Africa	**Group**
Traffic revenue[1)]	8,900	4,173	2,191	1,968	285	1,465	291	243	**13,375**
Other operating revenue	1,676	511	1,256	1,048	233	653	142	81	**4,041**
Total revenue	**10,576**	**4,684**	**3,447**	**3,016**	**518**	**2,118**	**433**	**324**	**17,416**

[1)] Allocated according to the original location of sale.

9 Related party disclosures

As stated in ↗ **Note 48** to the consolidated financial statements 2019 (Annual Report 2019, p. 219 ff.), 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 reporting date. The contractual relationships with the group of related parties described in the ↗ **Remuneration Report 2019** (Annual Report 2019) (p. 115 ff.) and in the consolidated financial statements 2019 in ↗ **Note 49** (Annual Report 2019, p. 222) also still exist unchanged, but are not of material significance for the Group.

10 Published standards that have not yet been applied

Amendments published by the IASB for financial years beginning after 1 January 2020 currently have no effect on the presentation of the net assets, financial and earnings position. Further information on the amendments are shown in the consolidated financial statements 2019 in ↗ **Note 2 "New international accounting standards in accordance with IFRS and interpretations"**, p. 144ff.

Declaration by the legal representatives

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

Frankfurt, 4 August 2020
The Executive Board

Carsten Spohr
Chairman of the Executive Board
and CEO

Christina Foerster
Member of the Executive Board
Customer, IT &
Corporate Responsibility

Harry Hohmeister
Member of the Executive Board
Commercial Passenger Airlines

Detlef Kayser
Member of the Executive Board
Airline Resources &
Operations Standards

Michael Niggemann
Member of the Executive Board
Corporate Human Resources,
Legal Affairs & M&A

Review Report

To Deutsche Lufthansa Aktiengesellschaft, Cologne

We have reviewed the condensed consolidated interim financial statements of Deutsche Lufthansa Aktiengesellschaft, Cologne, - which comprise the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated cash flow statement and notes – and the interim group management report for the period from 1 January to 30 June 2020, which are part of the half-year financial report pursuant to Sec. 115 WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The Company's management is responsible for the preparation of the condensed consolidated interim financial statements in accordance with IFRS applicable to interim financial reporting as issued by the IASB and as adopted by the EU and of the interim group management report in accordance with the provisions of the WpHG applicable to interim group management reports. Our responsibility is to issue a report on the condensed consolidated interim financial statements and the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in compliance with German Generally Accepted Standards for the Review of Financial Statements promulgated by the Institut der Wirtschaftsprüfer (IDW - Institute of Public Auditors in Germany) and in supplementary compliance with the International Standard on Review Engagements "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE 2410). Those standards require that we plan and perform the review to obtain a certain level of assurance in our critical appraisal to preclude that the condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IFRS and that the interim group management report is not prepared, in all material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to making inquiries of the Company's employees and analytical assessments and therefore does not provide the assurance obtainable from an audit of financial statements. Since, in accordance with our engagement, we have not performed an audit of financial statements, we cannot issue an auditor's report.

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IFRS applicable to interim financial reporting as issued by the IASB and as adopted by the EU or that the interim group management report is not prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports.

Eschborn/Frankfurt am Main, 4 August 2020

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Prof. Dr. Hayn	Keller
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Credits

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The Lufthansa 2nd Interim Report is a translation of the original German Lufthansa Zwischenbericht 2/2020. Please note that only the German version is legally binding.

The latest financial information on the internet:
↗ www.lufthansagroup.com/investor-relations

Financial calendar 2020 / 2021

2020

5 November	Release of 3rd Interim Report January – September 2020

2021

4 March	Release of Annual Report 2020
29 April	Release of 1st Interim Report January – March 2021
5 August	Release of 2nd Interim Report January – June 2021
28 October	Release of 3rd Interim Report January – September 2021

Disclaimer in respect of forward-looking statements
Information published in the 2nd Interim Report 2020, with regard to the future development of the Lufthansa Group and its subsidiaries consists purely of forecasts and assessments and not of definitive facts. Its purpose is exclusively informational, and can be identified by the use of such cautionary terms as “believe”, “expect”, “forecast”, “intend”, “project”, “plan”, “estimate”, “anticipate”, “can”, “could”, “should” or “endeavour”. These forward-looking statements are based on discernible information, facts and expectations available at the time that the statements were made. They are therefore subject to a number of risks, uncertainties and factors, including, but not limited to, those described in disclosures, in particular in the Opportunities and risk report in the Annual Report. Should one or more of these risks occur, or should the underlying expectations or assumptions fail to materialise, this could have a significant effect (either positive or negative) on the actual results.

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

Note
Unless stated otherwise, all change figures refer to the corresponding period from the previous year. Due to rounding, some of the figures may not add up precisely to the stated totals, and percentages may not precisely reflect the absolute figures.