



## Deutsche Lufthansa Aktiengesellschaft

(Cologne, Federal Republic of Germany)

### Subordinated Notes

Deutsche Lufthansa Aktiengesellschaft ("Lufthansa", "Lufthansa AG" or the "Issuer") will issue subordinated notes (the "Notes") with an aggregate principal amount of EUR [■] (the "Aggregate Principal Amount") on 12 August 2015 (the "Issue Date") at an issue price of [■] per cent. of their Aggregate Principal Amount (the "Issue Price"). The Notes are issued in denominations of EUR 1,000 each (the "Specified Denomination").

The Notes, unless previously redeemed, will bear interest from and including the Issue Date to (but excluding) 12 February 2021 (the "First Call Date") at a rate of [■] per cent. *per annum* ("Initial Fixed Rate Period"). The Notes are subject to interest rate reset at 5 year intervals commencing on the First Call Date. Therefore, and unless previously redeemed, the Notes, will bear interest at the prevailing interest rate (as set out in § 4(2) of the terms and conditions of the Notes (the "Terms and Conditions")) (i) from and including the First Call Date to (but excluding) 12 February 2026 (the "First Step-Up Date") at the 5 year swap rate for such reset period plus a margin being equal to the initial credit spread, (ii) from and including the First Step-Up Date to (but excluding) 12 February 2041 (the "Second Step-Up Date") at the relevant 5 year swap rate for the relevant reset period plus a margin being equal to the initial credit spread plus 0.25 per cent. (*i.e.* 25 basis points), (iii) from and including the Second Step-Up Date to (but excluding) 12 August 2075 (the "Maturity Date") the relevant 5 year swap rate for the relevant reset period plus a margin being equal to the initial credit spread plus 1.00 per cent. (*i.e.* 100 basis points). Interest is scheduled to be paid annually in arrear on 12 February in each year (each an "Interest Payment Date"), commencing on 12 February 2016 for the period from (and including) the Issue Date to (but excluding) 12 February 2016 (short first interest period) and for the last time on the day of redemption of the Notes. Unless the Notes are previously redeemed or repurchased and cancelled, the last interest period will be the period from (and including) 12 February 2075 to (but excluding) the Maturity Date (short last interest period). Upon the occurrence of a Change of Control Event (as defined in § 5(7) of the Terms and Conditions), the rate applicable for calculating the interest will be subject to an additional 5.00 per cent. (*i.e.* 500 basis points) *per annum* above the otherwise applicable Prevailing Interest Rate (as set out in § 4(4) of the Terms and Conditions) unless the Issuer redeems the Notes in whole (as set out in § 5(7) of the Terms and Conditions).

**The Issuer is entitled to defer payments of interest on any Interest Payment Date (as set out in § 4(7) of the Terms and Conditions). The Issuer may pay such Arrears of Interest (in whole but not in part) at any time upon due notice (as set out in § 4(8)(a) of the Terms and Conditions) and it will be obliged to pay such Arrears of Interest (in whole, but not in part) under certain other circumstances (as set out in § 4(8)(b) of the Terms and Conditions). Such Arrears of Interest will not bear interest themselves.**

Unless previously redeemed or purchased and cancelled, the Notes will be redeemed at par on the Maturity Date. The Notes are redeemable, in whole but not in part only, at the option of the Issuer on the First Call Date and thereafter on every Reset Date (as set out in § 5(4) of the Terms and Conditions) at an amount per Note equal to the Specified Denomination plus any interest accrued and unpaid to (but excluding) the redemption date and any Arrears of Interest. The Issuer may also redeem the Notes, in whole but not in part, at any time upon the occurrence of a Gross-up Event, a Tax Deductibility Event or an Equity Credit Event (each as defined in § 5(3) of the Terms and Conditions) or a Change of Control Event (as defined in § 5(7) of the Terms and Conditions). In the case of a Gross-up Event or a Change of Control Event, the Notes will be redeemable at the option of the Issuer at an amount per Note equal to the Specified Denomination plus any interest accrued and unpaid to (but excluding) the redemption date and any Arrears of Interest (as set out in § 5(2) of the Terms and Conditions). In the case of a Tax Deductibility Event or an Equity Credit Event the Notes will be redeemable at the option of the Issuer (i) at an amount equal to 101 per cent. of the Specified Denomination per Note plus any interest accrued and unpaid to (but excluding) the redemption date and any Arrears of Interest if such redemption occurs prior to the First Call Date, or (ii) at an amount equal to the Specified Denomination per Note plus any interest accrued and unpaid to (but excluding) the redemption date and any Arrears of Interest if such redemption occurs on or after the First Call Date. The Notes are also subject to early redemption in the case of Minimal Outstanding Aggregate Principal Amount (as described in § 5(6) of the Terms and Conditions).

**In the case of (i) the winding-up, dissolution or liquidation of the Issuer, the obligations of the Issuer under the Notes, and (ii) the insolvency of the Issuer or composition or other proceedings for the avoidance of insolvency of the Issuer, the rights of the Holders towards the Issuer, shall be subordinated to the claims of all unsubordinated and subordinated creditors of the Issuer (as set out in § 3(1) of the Terms and Conditions).**

Application has been made to the Luxembourg *Commission de Surveillance du Secteur Financier* (the "Commission"), which is the Luxembourg competent authority for the purpose of Directive 2003/71/EC, as amended, (the "Prospectus Directive"), for its approval of this Prospectus. This Prospectus constitutes a prospectus within the meaning of Article 5.3 of the Prospectus Directive and will be published in electronic form on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and on the website of Lufthansa Group ([www.lufthansa.com](http://www.lufthansa.com)). Application has been made to list the Notes on the official list of the Luxembourg Stock Exchange and to admit them to trading on the regulated market "Bourse de Luxembourg", which is a regulated market for the purposes of the Market in Financial Instruments Directive 2004/39/EC, as amended, (the "Regulated Market").

The Issuer has requested the Commission in its capacity as competent authority under the Luxembourg act relating to prospectuses for securities (*Loi relative aux prospectus pour valeurs mobilières*), as amended, (the "Luxembourg Act"), which implements the Prospectus Directive into Luxembourg law, to provide the competent authorities in the Federal Republic of Germany, The Netherlands and the Republic of Austria with a certificate of approval attesting that this Prospectus has been drawn up in accordance with the Luxembourg Act (each a "Notification"). By approving a prospectus, the Commission shall give no undertaking as to the economic and financial soundness of the operation or the quality or solvency of the issuer.

The Notes have been assigned the following securities codes: ISIN XS1271836600, Common Code 127183660, WKN A161YP.

The Issue Price and Aggregate Principal Amount, the prevailing interest rate for the Initial Fixed Rate Period, the initial credit spread, several margins and the issue proceeds will be included in the Pricing Notice (as defined in "Subscription, Offer and Sale of the Notes"). The Pricing Notice will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) on or about the pricing date which is expected to be on or about 4 August 2015. In the case the pricing date is postponed this will also be included in the Pricing Notice.

Global Structuring Advisors

Credit Suisse

Deutsche Bank

Joint Bookrunners / Joint Lead Managers

BNP PARIBAS

Credit Suisse

Deutsche Bank

HSBC

## RESPONSIBILITY STATEMENT

Deutsche Lufthansa Aktiengesellschaft ("**Lufthansa**" or "**Lufthansa AG**" or the "**Issuer**", together with its consolidated group companies, the "**Lufthansa Group**") with its registered office in Cologne, Federal Republic of Germany, accepts responsibility for the information given in this Prospectus.

The Issuer hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus for which it is responsible, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

## NOTICE

This Prospectus should be read and understood in conjunction with any supplement(s) and each of the documents incorporated herein by reference.

The Issuer has confirmed to the joint lead managers set forth on the cover page (each a "**Manager**" and together, the "**Managers**") that this Prospectus contains all information which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and the rights attaching to the Notes which is material in the context of the issue and offering of the Notes; that the information contained herein with respect to the Issuer and the Notes is accurate and complete in all material respects and is not misleading; that any opinions and intentions expressed herein are honestly held and based on reasonable assumptions; that there are no other facts with respect to the Issuer or the Notes, the omission of which would make this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading; that the Issuer has made all reasonable enquiries to ascertain all facts material for the purposes aforesaid.

The Issuer has undertaken with the Managers to supplement this Prospectus in the event of any significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus in respect of the Notes issued on the basis of this Prospectus which is capable of affecting the assessment of the Notes and which arises or is noted between the time when this Prospectus has been approved and the final closing of Notes offered to the public or, as the case may be, when trading of the Notes on a regulated market begins.

No person is authorised to give any information or to make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Issuer or the Managers. Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the financial situation of the Issuer or Lufthansa Group since the date of this Prospectus, or, as the case may be, the date on which this Prospectus has been most recently supplemented, or that the information herein is correct at any time since the date of this Prospectus or, as the case may be, the date on which this Prospectus has been most recently supplemented.

Neither the Managers nor any other person mentioned in this Prospectus, except for the Issuer, is responsible for the accuracy of the information and statements contained in this Prospectus or any other document incorporated herein by reference. None of the Managers has independently verified the Prospectus, and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of them makes any representation, express or implied, or warranty or accepts any responsibility as to the accuracy and completeness of the information contained in any of these documents. The Managers have not independently verified any such information and accept no responsibility for the accuracy thereof.

Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuer. This Prospectus does not constitute an offer of Notes or an invitation by or on behalf of the Issuer or the Managers to purchase any Notes. Neither this Prospectus nor any other information supplied in connection with the Notes should be considered as a recommendation by the Issuer or the Managers to a recipient hereof and thereof that such recipient should purchase any Notes.

The distribution of this Prospectus and the offering, sale and delivery of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required to inform themselves about and observe any such restrictions. For a description of the restrictions applicable in the European

Economic Area in general, the United States of America, the United Kingdom and Hong Kong, see "*Selling Restrictions*". In particular, the Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, and are subject to tax law requirements of the United States of America; subject to certain exceptions, Notes may not be offered, sold or delivered within the United States of America or to U.S. persons.

The language of the Prospectus is English. The German version of the English language Terms and Conditions are shown in the Prospectus for additional information. As to form and content and all rights and obligations of the Holders and the Issuer under the Notes to be issued, German is the controlling legally binding language.

**This Prospectus may only be used for the purpose for which it has been published.**

**This Prospectus may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.**

**This Prospectus does not constitute an offer or an invitation to subscribe for or purchase any Notes.**

**In connection with the issue of the Notes, Deutsche Bank AG, London Branch as the stabilising manager (the "Stabilisation Manager") (or persons acting on its behalf) may over-allot Notes or effect transactions with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on its behalf) will undertake stabilisation action. Any stabilisation action may begin at any time after the adequate public disclosure of the terms of the offer of the Notes and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the Issue Date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or person(s) acting on its behalf) in accordance with all applicable laws and rules.**

## **FORWARD-LOOKING STATEMENTS**

This Prospectus contains certain forward-looking statements. A forward-looking statement is a statement that does not relate to historical facts and events. They are based on analyses or forecasts of future results and estimates of amounts not yet determinable or foreseeable. These forward-looking statements are identified by the use of terms and phrases such as "*anticipate*", "*believe*", "*could*", "*estimate*", "*expect*", "*intend*", "*may*", "*plan*", "*predict*", "*project*", "*will*" and similar terms and phrases, including references and assumptions. This applies, in particular, to statements in this Prospectus containing information on future earning capacity, plans and expectations regarding Lufthansa Group's business and management, its growth and profitability, and general economic and regulatory conditions and other factors that affect it.

Forward-looking statements in this Prospectus are based on current estimates and assumptions that the Issuer makes to the best of its present knowledge. These forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results, including Lufthansa Group's financial condition and results of operations, to differ materially from and be worse than results that have expressly or implicitly been assumed or described in these forward-looking statements. Lufthansa Group's business is also subject to a number of risks and uncertainties that could cause a forward-looking statement, estimate or prediction in this Prospectus to become inaccurate. Accordingly, investors are strongly advised to read the following sections of this Prospectus: "*Risk Factors*" and "*Deutsche Lufthansa Aktiengesellschaft and Lufthansa Group*". These sections include more detailed descriptions of factors that might have an impact on Lufthansa Group's business and the markets in which it operates.

In light of these risks, uncertainties and assumptions, future events described in this Prospectus may not occur. In addition, neither the Issuer nor the Managers assume any obligation, except as required by law, to update any forward-looking statement or to conform these forward-looking statements to actual events or developments.

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## SUMMARY

Summaries are made up of disclosure requirements known as "*Elements*". These elements are numbered in Sections A – E (A.1 – E.7).

This summary (the "**Summary**") contains all the Elements required to be included in a summary for this type of Notes and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the Summary because of the type of Notes and Issuer, it is possible that no relevant information can be given regarding the Element. In this case, a short description of the Element is included in the Summary with the mention of "*not applicable*".

Element	Section A – Introduction and warnings	
A.1	Warnings	<p style="text-align: center;"><b>Warning that:</b></p> <ul style="list-style-type: none"> <li>▪ this Summary should be read as an introduction to the Prospectus;</li> <li>▪ any decision to invest in the Notes should be based on consideration of the Prospectus as a whole by the investor;</li> <li>▪ where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member State, have to bear the costs of translating the Prospectus, before the legal proceedings are initiated; and</li> <li>▪ civil liability attaches only to the Issuer which has tabled the Summary including any translation thereof, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Notes.</li> </ul>
A.2	Consent to the use of the Prospectus	<p>Each Manager and/or further financial intermediary subsequently reselling or finally placing the Notes is entitled to use the Prospectus for the subsequent resale or final placement of the Notes during the period for the subsequent resale or final placement of the Notes from 4 August 2015 to 12 August 2015, provided however, that the Prospectus is still valid in accordance with Article 11 (2) of the Luxembourg act relating to prospectuses for securities (<i>Loi relative aux prospectus pour valeurs mobilières</i>), as amended, which implements Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended.</p> <p>The Prospectus may only be delivered to potential investors together with all supplements published before such delivery. Any supplement to the Prospectus will be available for viewing in electronic form on the website of the Luxembourg Stock Exchange (<a href="http://www.bourse.lu">www.bourse.lu</a>).</p> <p>When using the Prospectus, each Manager and/or relevant further financial intermediary must make certain that it complies with all applicable laws and regulations in force in the respective jurisdictions.</p> <p><b>In the event of an offer being made by a Manager and/or further financial intermediary, the Manager and/or further financial intermediary shall provide information to investors on the terms and conditions of the offer at the time of that offer.</b></p>

Element	Section B – Issuer	
B.1	<b>Legal and commercial name</b>	Deutsche Lufthansa Aktiengesellschaft ("Lufthansa")
B.2	<b>Domicile / Legal form / Legislation / Country of incorporation</b>	Deutsche Lufthansa Aktiengesellschaft is a German stock corporation ( <i>Aktiengesellschaft</i> ) incorporated under the laws of the Federal Republic of Germany with registered seat in Cologne, Federal Republic of Germany.
B.4b	<b>Known trends affecting the Issuer and the industries in which it operates</b>	<p>After expanding by 2.7 per cent in 2014, the global economy is expected to grow by 2.6 per cent in 2015. Overall the global economy is expected to be stable. Asia/Pacific is the fastest growing region of the world with a growth rate of 4.7 per cent. Growth of 2.2 per cent is expected for North America, whereas South America is expected to grow by only 0.5 per cent. The economy of the European Union is expected to grow by 1.8 per cent in 2015. Taking forecasts for global economic growth into account, the IATA is predicting growth in revenue passenger-kilometers of 6.7 per cent for 2015 (previous year: 6.0 per cent), which will result in different growth rates for the individual regions.</p> <p>On the basis of the generally positive development expected for the relevant regions and economies, the Lufthansa Group is adopting a generally positive attitude to developments in demand in 2015, which will nonetheless have to be validated continuously over the course of the year.</p>
B.5	<b>Description of the Group and the Issuer's position within the Group</b>	Deutsche Lufthansa Aktiengesellschaft is both an operatively active aviation company and the holding company of Lufthansa Group with, directly or indirectly, a total of more than 400 subsidiaries and associated companies as of 30 June 2015.
B.9	<b>Profit forecast or estimate</b>	Not applicable. No profit forecast or estimate has been included into this Prospectus.
B.10	<b>Nature of any qualifications in the audit report on historical financial information</b>	Not applicable. The auditor's reports do not include any qualifications.

B.12	<b>Selected historical key financial information</b>				
		Period ended 30 June 2015 (unaudited)	Period ended 30 June 2014 (unaudited)	Financial year ended 31 December 2014 (audited, unless otherwise indicated)	Financial year ended 31 December 2013 <sup>(5)</sup> (audited, unless otherwise indicated)
		(EUR in millions, unless otherwise indicated)			
	Revenues	15,365	14,166	30,011	30,027
	EBITDA <sup>(1), (4)</sup>	1,316	912	1,990	2,670
	EBIT <sup>(2), (4)</sup>	463	216	459	892
	Adjusted EBIT <sup>(3), (4)</sup>	468	178	1,171	987
	Net profit attributable to shareholders of Lufthansa AG	954	-79	55	313
	Cash flows from operating activities	2,527	1,744	1,977	3,290
	Total Assets	33,088	29,959	30,474	29,108
	Shareholders' equity	5,783	4,964	4,031	6,108
	Employees (number)	119,357	119,092	118,781	118,285
	<p>(1) "EBITDA" is defined as earnings before interest, taxes, depreciation and amortisation. Depreciation and amortisation includes write-downs of tangible and intangible assets and of current and non-current financial assets, as well as impairments of investments accounted for using the equity method and of assets held for sale. EBITDA should not be considered by investors as an alternative to Lufthansa's profit/loss from operating activities or profit/loss from ordinary activities as an indication of operating performance, or as an alternative to cash flows from operating activities as indication of cash flows.</p> <p>(2) "EBIT" is defined as earnings before interest and taxes. EBIT should not be considered by investors as an alternative to Lufthansa's profit/loss from operating activities or profit/loss from ordinary activities as an indication of operating performance, or as an alternative to cash flows from operating activities as indication of cash flows.</p> <p>(3) "Adjusted EBIT" is defined as EBIT adjusted for asset valuations and disposals and for the measurement of pension provisions. Adjusted EBIT should not be considered by investors as an alternative to Lufthansa's profit/loss from operating activities or profit/loss from ordinary activities as an indication of operating performance, or as an alternative to cash flows from operating activities as indication of cash flows.</p> <p>(4) Unaudited.</p> <p>(5) The comparative figures for the financial year ended 31 December 2013 have been adjusted due to the application of IFRS 11.</p>				
	Information for the periods ended 30 June 2015 and 30 June 2014 extracted from the Interim Report January to June 2015 of Deutsche Lufthansa AG.				
	Information for financial year ended 31 December 2014 and financial year ended 31 December 2013 extracted from the Annual Report 2014 of Deutsche Lufthansa AG.				
	<b>No Material adverse change in the</b>	There has been no material adverse change in the prospects of Lufthansa since 31 December 2014.			

	<b>prospects of the Issuer</b>	
	<b>Significant change in the financial and trading position</b>	Not applicable. There has been no significant change in the financial or trading position of Lufthansa since 30 June 2015.
<b>B.13</b>	<b>Recent events</b>	<p>On 21 October 2014, the Executive Board of Deutsche Lufthansa AG decided to enter into final negotiations on the sale of the IT Infrastructure segment of Lufthansa Systems AG, and at the same time to sign an IT service contract for the Lufthansa Group with the IBM Group. Lufthansa Systems AG will be split into its three segments beforehand. The contract was signed with IBM on 15 November 2014, and the Supervisory Board of Deutsche Lufthansa AG approved the transaction on 3 December 2014. The transaction has been closed on 31 March 2015.</p> <p>On 20 February 2015, Deutsche Lufthansa AG announced that in line with the Issuer's long-term dividend policy, the Executive Board of Deutsche Lufthansa AG decided to propose to the Supervisory Board the submission of a proposal not to pay a dividend for the financial year 2014 since a distribution would not be covered by a sufficient German GAAP result for the financial year 2014.</p> <p>On 24 March 2015, Germanwings flight 4U 9525 crashed on its way from Barcelona to Dusseldorf in the French Alps, killing all 150 passengers and crew members on board. The data recovered from the Airbus A320's two black boxes have led the prosecutors to believe that the aircraft was intentionally sent into descent by the co-pilot. The Lufthansa Group supports all official investigations. In agreement with the German Federal Aviation Office, other German airlines and the Federal Association of the German Aviation Industry, the airlines in the Lufthansa Group are introducing a new procedure regarding the occupation of the cockpit as a precautionary measure. At the same time, the Lufthansa Group is expanding its safety structures. In addition to the safety pilots at the individual airlines, the new function of a Group safety pilot was created as of 27 March 2015. In conjunction with his or her role as a safety pilot of Lufthansa's German airlines, this officer will have overarching responsibility for verifying and refining procedures relevant to flight safety. After the tragic accident of Germanwings flight 4U 9525 the Lufthansa Group is assuming long-term responsibility for the consequences. The company intends to set up trustee accounts and a support fund for relatives of the victims.</p> <p>Following repeated strikes by the Vereinigung Cockpit pilots' union in the first half of 2015, the Lufthansa Group agreed to arbitration on all unresolved wage agreements on 29 April 2015, in line with trade union demands. This was initially accepted by the Vereinigung Cockpit pilots' union. On 6 July 2015, the union declared that the preliminary talks had failed, however. The Lufthansa Group has appealed to the Vereinigung Cockpit pilots' union to resume talks and find an urgently needed solution. The Company has calculated that strikes organised by the Vereinigung Cockpit pilots' union have cut earnings by a total of EUR 100 million in the first half of 2015, including lost bookings.</p> <p>On 28 July 2015, Lufthansa introduced a new price concept for flights in Europe. The new Economy Class fare options "Light", "Classic" and "Flex" shall apply from 1 October 2015, for domestic and European flights and will offer different services depending on the price.</p>



<b>B.14</b>	<b>Please see Element B.5</b>															
<b>B.15</b>	<b>Principal activities</b>	<p>Not applicable. Lufthansa is not dependent upon other entities within the Lufthansa Group.</p> <p>The passenger airline business operated directly by Deutsche Lufthansa Aktiengesellschaft (under the brand name "<b>Lufthansa</b>") and the other airlines belonging to Lufthansa Group (such as Germanwings, SWISS, Austrian Airlines) represents the core business of its operating activities. The product portfolio ranges from standard flights to individualised high-quality offers on German, European and intercontinental distances. Deutsche Lufthansa Aktiengesellschaft and its Star Alliance partner airlines together currently operate flights to more than 1,000 destinations worldwide.</p> <p>The segment Logistics' core business (mainly operated by Lufthansa Cargo AG) is the provision of airport-to-airport air-freight services. The segment includes services such as e.g. the transport of valuable cargo, perishables or dangerous goods, urgent express deliveries or individual transport solutions for specific industries.</p> <p>The focus of the segment MRO encompasses maintenance, repair and overhaul services of both the aircraft fleets of Lufthansa Group and aircrafts of airlines outside the group. The product covers the whole spectrum from single jobs to the servicing of entire fleets.</p> <p>In the segment Catering LSG Sky Chefs is the global service provider for both the Lufthansa Group and airlines outside the group. This includes the development, sourcing and logistics of onboard equipment as well as the management of all processes that take place before, during and after the on-board service.</p> <p>The segment Other includes in particular the services of the Lufthansa Flight Training, the frequent-flyer programme "Miles &amp; More", the companies from the former IT Services segment that are still in the Lufthansa Group and the business travel payment management solutions of the AirPlus Group.</p>														
<b>B.16</b>	<b>Controlling Persons</b>	<table border="1"> <thead> <tr> <th data-bbox="630 1415 895 1473"><b>Name</b></th> <th data-bbox="895 1415 1150 1473"><b>Total share</b></th> <th data-bbox="1150 1415 1439 1473"><b>Reference date of latest notice</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="630 1473 895 1514">BlackRock, Inc.</td> <td data-bbox="895 1473 1150 1514">2.96 per cent.</td> <td data-bbox="1150 1473 1439 1514">28 April 2015</td> </tr> <tr> <td data-bbox="630 1514 895 1572">The Capital Group Companies</td> <td data-bbox="895 1514 1150 1572">2.95 per cent.</td> <td data-bbox="1150 1514 1439 1572">24 November 2014</td> </tr> <tr> <td data-bbox="630 1572 895 1641">Templeton Global Advisors Limited</td> <td data-bbox="895 1572 1150 1641">5.00 per cent.</td> <td data-bbox="1150 1572 1439 1641">11 January 2012</td> </tr> </tbody> </table>	<b>Name</b>	<b>Total share</b>	<b>Reference date of latest notice</b>	BlackRock, Inc.	2.96 per cent.	28 April 2015	The Capital Group Companies	2.95 per cent.	24 November 2014	Templeton Global Advisors Limited	5.00 per cent.	11 January 2012		
<b>Name</b>	<b>Total share</b>	<b>Reference date of latest notice</b>														
BlackRock, Inc.	2.96 per cent.	28 April 2015														
The Capital Group Companies	2.95 per cent.	24 November 2014														
Templeton Global Advisors Limited	5.00 per cent.	11 January 2012														

<b>B.17</b>	<b>Credit ratings of the Issuer or its debt securities</b>	Standard & Poor's Credit Market Services Europe Limited (" <b>Standard &amp; Poor's</b> ") <sup>1,3</sup> has assigned the long-term credit rating BBB- <sup>4,5</sup> (outlook stable) and Moody's Investors Service Ltd. (" <b>Moody's</b> ") <sup>2,3</sup> has assigned an Ba1 <sup>4,6</sup> rating (outlook positive) to Deutsche Lufthansa Aktiengesellschaft.
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Element	Section C – Notes	
<b>C.1</b>	<b>Class and type of the Notes / Security Identification Number</b>	<p><b>Class</b> The Notes are subordinated and unsecured.</p> <p><b>Type</b> subordinated Notes (the "<b>Notes</b>")</p> <p><b>ISIN</b> XS1271836600</p> <p><b>Common Code</b> 127183660</p> <p><b>WKN</b> A161YP</p>
<b>C.2</b>	<b>Currency</b>	The Notes are issued in euro (" <b>EUR</b> ").
<b>C.5</b>	<b>Restrictions on free Transferability</b>	Not applicable. The Notes are freely transferable.
<b>C.8</b>	<b>Rights attached to the Notes (including ranking of the Notes and limitations to those rights)</b>	<p><b>Early redemption at the option of the Issuer</b></p> <p>The Notes will be redeemed on 12 August 2075 and the Issuer is under no obligation to redeem the Notes at any time prior to such date. However, the Issuer may call and redeem the Notes (in whole but not in part) on 12 February 2021 (the "<b>First Call Date</b>") or on any Reset Date (as defined in Element C.9 below) thereafter upon giving irrevocable notice of redemption to the Holders in accordance with the Terms and Conditions at an amount per Note equal to the specified denomination plus any interest accrued and unpaid to (but excluding) the redemption date and any Arrears of Interest (as defined below "<i>Interest Deferral and Payment of Arrears of Interest</i>").</p>

<sup>1</sup> Standard & Poor's is established in the European Community and is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended, (the "**CRA Regulation**").

<sup>2</sup> Moody's is established in the European Community and is registered under the CRA Regulation.

<sup>3</sup> The European Securities and Markets Authority publishes on its website ([www.esma.europa.eu](http://www.esma.europa.eu)) a list of credit rating agencies registered in accordance with the CRA Regulation. That list is updated within five working days following the adoption of a decision under Article 16, 17 or 20 CRA Regulation. The European Commission shall publish that updated list in the Official Journal of the European Union within 30 days following such update.

<sup>4</sup> A credit rating assesses the creditworthiness of an entity and informs an investor therefore about the probability of the entity being able to redeem invested capital. It is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

<sup>5</sup> Standard & Poor's defines BBB- in the Standard & Poor's Guide to Credit Rating Essentials (2011) as follows: Considered lowest investment grade by market participants.

<sup>6</sup> Moody's defines Ba1 in its Global Long-Term Rating Scale in Rating Symbols and Definitions (June 2013) as follows: Obligations rated Ba are judged to be speculative and are subject to substantial credit risk.

*The information sourced from Standard & Poor's and Moody's has been accurately reproduced and, as far as Lufthansa is aware of and able to ascertain from information published by Standard & Poor's and Moody's, no facts have been omitted which would render the reproduced information inaccurate or misleading.*

		<p><b>Early redemption at the option of the Issuer upon occurrence of a special event</b></p> <p>If either a gross-up event, a tax deductibility event or an equity credit event occurs, the Issuer may call and redeem the Notes (in whole but not in part) at any time upon giving irrevocable notice in accordance with the Terms and Conditions.</p> <p>If the Notes are called by the Issuer upon the occurrence of a gross-up event, the Notes will be redeemed at an amount per Note equal to the specified denomination plus any interest accrued and unpaid to (but excluding) the redemption date and any Arrears of Interest.</p> <p>If the Notes are called upon the occurrence of a tax deductibility event or an equity credit event, the Notes will be redeemed (i) at 101 per cent. of the specified denomination per Note plus any interest accrued and unpaid to (but excluding) the redemption date and any Arrears of Interest if such redemption occurs prior to the First Call Date, or (ii) at an amount per Note equal to the specified denomination plus any interest accrued and unpaid to (but excluding) the redemption date and any Arrears of Interest if such redemption occurs on or after the First Call Date.</p> <p><b>Early redemption at the option of the Issuer in the case of minimal outstanding aggregate principal amount</b></p> <p>In the event that the Issuer and/or any Subsidiary of the Issuer has, severally or jointly, redeemed or purchased and cancelled Notes equal to or in excess of 80 per cent. of the aggregate principal amount of the Notes initially issued, the Issuer may call and redeem the remaining Notes (in whole but not in part) upon giving irrevocable notice of redemption to the Holders in accordance with the Terms and Conditions at an amount per Note equal to the specified denomination plus any interest accrued and unpaid to (but excluding) the redemption date and any Arrears of Interest</p> <p><b>Early Redemption at the option of the Issuer in case of a Change of Control Event</b></p> <p>In the event that any person or group, acting in concert, has gained control over the Issuer (a "<b>Change of Control</b>") and within the change of control period a downgrade of the Issuer in respect of that Change of Control occurs, the Issuer may redeem the Notes (in whole but not in part) on the change of control effective date upon giving irrevocable notice to the Holders in accordance with the Terms and Conditions at an amount per Note equal to the specified denomination plus any interest accrued and unpaid to (but excluding) the change of control effective date and any Arrears of Interest.</p> <p><b>Interest Deferral and Payment of Arrears of Interest</b></p> <p>Interest shall be due and payable on the respective interest payment date unless the Issuer elects to defer such interest upon giving notice to the Holders in accordance with the Terms and Conditions. An election not to pay interest shall not constitute a default of the Issuer or any other breach of obligations under the Notes or for any other purpose. Any interest not paid due to such an election of the Issuer shall constitute "<b>Arrears of Interest</b>". Arrears of Interest shall not bear interest themselves.</p> <p>The Issuer may pay outstanding Arrears of Interest (in whole but not in part) at any time upon giving of notice in accordance with the Terms and Conditions.</p> <p>The Issuer shall be obliged to pay outstanding Arrears of Interest (in whole but not in part) on the next Mandatory Settlement Date (as defined below).</p>
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		<p><b>"Mandatory Settlement Date"</b> means the earliest of any of the following dates:</p> <ul style="list-style-type: none"> <li>(i) the tenth Business Day following the occurrence of a Compulsory Payment Event (as defined below); or</li> <li>(ii) the due date for the redemption of the Notes; or</li> <li>(iii) the next interest payment date in relation to which the Issuer elects to pay a scheduled interest on the Notes; or</li> <li>(iv) the date on which the shareholders' meeting (<i>Hauptversammlung</i>) resolves the voluntary winding-up of the Issuer or an order is made for the winding-up, dissolution or liquidation of the Issuer (in each case other than for the purposes of or pursuant to the restructuring or an insolvency plan procedure (<i>Insolvenzplanverfahren</i>) or an amalgamation or reorganisation while solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer).</li> </ul> <p>Subject to the further provisions set out below, a <b>"Compulsory Payment Event"</b> shall be deemed to have occurred upon any of the following events:</p> <ul style="list-style-type: none"> <li>(i) the Issuer's annual shareholders' meeting (<i>Jahreshauptversammlung</i>) or any other shareholders' meeting (<i>Hauptversammlung</i>) of the Issuer resolves on a dividend, other distribution or other payment in respect of ordinary shares, any preferred shares or any present or future share of any other class of shares of the Issuer or the Issuer or any Subsidiary of the Issuer (as defined below) pays a dividend, other distribution or other payment on any other Junior Obligation (as defined below) or on an obligation of a Subsidiary of the Issuer in relation to which a Junior Obligation has been assumed by the Issuer (in each case other than a dividend, distribution or payment which is made in the form of ordinary shares of the Issuer); or</li> <li>(ii) the Issuer redeems part of its share capital or the Issuer or a Subsidiary of the Issuer purchases or redeems or otherwise acquires any security or registered security constituting a Junior Obligation or an obligation of a Subsidiary of the Issuer in relation to which a Junior Obligation has been assumed by the Issuer; or</li> <li>(iii) the Issuer or a Subsidiary of the Issuer makes a payment or other distribution on a Parity Obligation (as defined below) or on an obligation of a Subsidiary of the Issuer in relation to which a Parity Obligation has been assumed by the Issuer; or</li> <li>(iv) the Issuer or a Subsidiary of the Issuer purchases or redeems or otherwise acquires any security or registered security constituting a Parity Obligation, or an obligation of a Subsidiary of the Issuer in relation to which a Parity Obligation has been assumed by the Issuer, or any Notes.</li> </ul> <p>The cases (i), (ii), (iii) and (iv) above are subject to the provision that no Compulsory Payment Event occurs if</p> <ul style="list-style-type: none"> <li>(x) the Issuer or such Subsidiary of the Issuer is obliged under the terms and conditions of such Junior Obligation or such Parity Obligation or obligation of a Subsidiary of the Issuer in relation to which a Junior Obligation or Parity Obligation has been assumed by the Issuer to make such payment, redemption, repurchase or other acquisition; or</li> <li>(y) the Issuer or such Subsidiary of the Issuer redeems, repurchases or otherwise acquires (directly or indirectly) a Junior Obligation or Parity Obligation or obligation of a Subsidiary of the Issuer in relation to which a Junior Obligation or Parity Obligation has been assumed by the Issuer under an existing or future stock option</li> </ul>
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		<p>plan or employee share participation scheme or similar arrangement for members of the executive or supervisory boards or for employees of Deutsche Lufthansa Aktiengesellschaft or its consolidated subsidiaries or affiliates; or</p> <p>(z) the relevant payments on, or in respect of, any Junior Obligations or Parity Obligations or obligations of a Subsidiary of the Issuer in relation to which any Junior Obligation or Parity Obligation has been assumed by the Issuer are Intra-Group Payments.</p> <p><b>"Intra-Group Payments"</b> means payments made exclusively to the Issuer and/or one or more of the Subsidiaries of the Issuer.</p> <p>In addition, the cases (iii) and (iv) above are subject to the provision that no Compulsory Payment Event occurs if the Issuer or such Subsidiary of the Issuer repurchases or otherwise acquires any Parity Obligation, or obligation of a Subsidiary of the Issuer in relation to which a Parity Obligation has been assumed by the Issuer, or any Notes, in whole or in part, in a public tender offer or public exchange offer at a consideration per Parity Obligation or, as applicable, per obligation of a Subsidiary of the Issuer in relation to which a Parity Obligation has been assumed by the Issuer or, as applicable, per Note below its respective par value.</p> <p><b>"Subsidiary of the Issuer"</b> means any corporation, partnership or other enterprise in which the Issuer directly or indirectly holds in the aggregate more than 50 per cent. of the capital or the voting rights.</p> <p><b>"Junior Obligation"</b> means each claim against the Issuer arising under (i) the ordinary shares and preferred shares (if any) of the Issuer, (ii) any present or future share of any other class of shares of the Issuer, (iii) any other present or future security or registered security issued by the Issuer under which the Issuer's obligations rank or are expressed to rank <i>pari passu</i> with the ordinary shares or the preferred shares (if any) of the Issuer and (iv) any guarantee or other assumption of liability by the Issuer which it has assumed in relation to any present or future security or registered security issued by a Subsidiary of the Issuer if the Issuer's obligations under such guarantee or other assumptions of liability rank or are expressed to rank <i>pari passu</i> with the instruments described under (i), (ii) and (iii).</p> <p><b>"Parity Obligation"</b> means any present or future obligation of the Issuer arising under (i) any present or future security or registered security and such obligation ranks or is expressed to rank <i>pari passu</i> with the Issuer's obligations under the Notes, and (ii) any guarantee or other assumption of liability by the Issuer which it has assumed in relation to any present or future security or registered security issued by a Subsidiary of the Issuer if the Issuer's obligations under such guarantee or other assumptions of liability rank or are expressed to rank <i>pari passu</i> with its obligations under the Notes.</p> <p><b>Events of Default, Cross Default and Negative pledge</b></p> <p>The Terms and Conditions do neither contain any events of default clause, nor a cross default clause nor a negative pledge clause.</p>
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		<p><b>Resolutions of Holders</b></p> <p>In accordance with the German Act on Debt Securities of 2009 (<i>Schuldverschreibungsgesetz</i> – "<b>SchVG</b>") the Notes contain provisions pursuant to which Holders may agree by resolution to amend the Terms and Conditions (with the consent of the Issuer) and to decide upon certain other matters regarding the Notes. Resolutions of Holders properly adopted, either in a meeting of Holders or by vote taken without a meeting in accordance with the Terms and Conditions, are binding upon all Holders. Resolutions providing for material amendments to the Terms and Conditions require a majority of not less than 75 per cent. of the votes cast. Resolutions regarding other amendments are passed by a simple majority of the votes cast.</p> <p><b>Status of the Notes</b></p> <p>Except as otherwise provided below, the obligations of the Issuer under the Notes constitute direct, unsecured and subordinated obligations of the Issuer and, in the event of the winding-up, dissolution or liquidation of the Issuer, rank (i) senior only to the Junior Obligations (as defined above), (ii) <i>pari passu</i> among themselves and <i>pari passu</i> with any Parity Obligation (as defined above), and (iii) junior to all other present and future obligations of the Issuer, whether subordinated or unsubordinated, except as otherwise provided by mandatory provisions of law or as expressly provided for by the terms of the relevant instrument.</p> <p>The rights of the Holders towards the Issuer under the Notes constitute direct, unsecured and subordinated rights in the meaning of section 39 paragraph 2 of the German Insolvency Regulation (<i>Insolvenzordnung</i>) and, in the event of the insolvency of the Issuer, composition or other proceedings for the avoidance of insolvency of the Issuer, rank (i) senior only to Junior Obligations, (ii) <i>pari passu</i> among themselves and <i>pari passu</i> with any Parity Obligation and, (iii) junior to all other present and future obligations of the Issuer, whether subordinated or unsubordinated, except as otherwise provided by mandatory provisions of law or as expressly otherwise provided for by the terms of the relevant instrument.</p> <p>In the case of (i) the winding-up, dissolution or liquidation of the Issuer, the obligations of the Issuer under the Notes, and (ii) the insolvency of the Issuer or composition or other proceedings for the avoidance of insolvency of the Issuer, the rights of the Holders towards the Issuer shall, pursuant to section 39 paragraph 2 of the German Insolvency Regulation (<i>Insolvenzordnung</i>), be subordinated to the claims of all unsubordinated and subordinated creditors of the Issuer (except as otherwise provided by mandatory provisions of law or as expressly otherwise provided for by the terms underlying the relevant claims) so that in any such case no amounts shall be payable in respect of the Notes until the claims of such unsubordinated and subordinated creditors of the Issuer shall have first been satisfied in full. Subject to this subordination provision, the Issuer may satisfy its obligations under the Notes also from other distributable assets (<i>freies Vermögen</i>) of the Issuer.</p> <p>No security is, or shall at any time be, granted by the Issuer or any other person securing rights of the Holders under the Notes.</p> <p><b>Prohibition of Set-off</b></p> <p>No Holder may set-off any claims arising under the Notes against any claims that the Issuer may have against it. The Issuer may not set-off any claims it may have against any Holder against any of its obligations under the Notes.</p>
C.9	Please see Element C.8.	

	<p><b>Interest rate</b></p>	<p>Unless previously redeemed or repurchased and cancelled in accordance with the Terms and Conditions and subject to any interest deferral (as described above, see "- <i>Interest Deferral and Payment of Arrears of Interest</i>"), the Notes entitle the Holders to interest for each Interest Period (as defined below) from (and including) the Issue Date (as defined below) to (but excluding) the Maturity Date (as defined below) at the Prevailing Interest Rate (as defined below) on the specified denomination per Note.</p> <p><b>"Interest Period"</b> means (i) the period from (and including) the Issue Date to (but excluding) the first Interest Payment Date (as defined below) (short first interest period) and (ii) the period from (and including) any Interest Payment Date to (but excluding) the next following Interest Payment Date. Unless the Notes are previously redeemed or repurchased and cancelled, the last Interest Period will be the period from (and including) 12 February 2075 to (but excluding) the Maturity Date (short last interest period).</p> <p>The Prevailing Interest Rate will be reset on each Reset Date (as defined below) for each Reset Period (as defined below) on the basis of the then prevailing 5 year swap rate plus a margin as set out below.</p> <p><b>"Reset Date"</b> means the First Call Date (as defined above), and thereafter any fifth anniversary of the immediately preceding Reset Date.</p> <p><b>"Reset Period"</b> means each period from (and including) the First Call Date to (but excluding) the next following Reset Date and thereafter from (and including) each Reset Date to (but excluding) the next following Reset Date.</p> <p>The <b>"Prevailing Interest Rate"</b> means:</p> <ul style="list-style-type: none"> <li>- in respect of any Interest Period falling in the period from (and including) the Issue Date (as defined below) to (but excluding) the First Call Date (the <b>"Initial Fixed Rate Period"</b>) a rate of <b>[■]</b> per cent. <i>per annum</i>.</li> <li>- in respect of any Interest Period falling in the Reset Period from (and including) the First Call Date to (but excluding) 12 February 2026 (the <b>"First Step-Up Date"</b>), a rate equal to the Reference Rate (as defined below) for such Reset Period plus a margin being equal to the initial credit spread.</li> <li>- in respect of any Interest Period falling in any Reset Period from (and including) the First Step-Up Date to (but excluding) 12 February 2041 (the <b>"Second Step-Up Date"</b>), a rate equal to the relevant Reference Rate for such Reset Period plus a margin being equal to the initial credit spread plus 0.25 per cent. <i>per annum</i> (i.e. 25 basis points).</li> <li>- in respect of any Interest Period falling in any Reset Period from (and including) the Second Step-Up Date to (but excluding) the Maturity Date, a rate equal to the relevant Reference Rate for such Reset Period plus a margin being equal to the initial credit spread plus 1.00 per cent. <i>per annum</i> (i.e. 100 basis points).</li> </ul> <p><b>"Reference Rate"</b> for any Reset Period means in each case the applicable 5 year swap rate (the <b>"5 year Swap Rate"</b>) determined on the second Business Day prior to the beginning of the relevant Reset Period.</p>
	<p><b>Interest commencement date</b></p>	<p>12 August 2015 (the <b>"Issue Date"</b>).</p>
	<p><b>Interest payment dates</b></p>	<p>12 February in each year up to (and including) the day of redemption of the Notes (each an <b>"Interest Payment Date"</b>) (subject to any deferral of interest, cf. "- <i>Interest Deferral and Payment of Arrears of</i></p>

		<i>Interest</i> <sup>ii</sup> ).
	<b>Underlying on which interest rate is based</b>	Not applicable for the interest rate applicable in respect of the Initial Fixed Rate Period from and including the Issue Date to but excluding the First Call Date. Such interest rate is not based on an underlying. The interest rate for Reset Periods from and including the First Call Date will be based on the 5 year Swap Rate (as defined above).
	<b>Maturity date including repayment procedures</b>	12 August 2075 (the " <b>Maturity Date</b> ").  Unless the Notes are previously redeemed or repurchased and cancelled, payment of an amount per Note equal to the specified denomination plus any interest accrued and unpaid to (but excluding) the Maturity Date and any Arrears of Interest (as defined above) shall be made to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.
	<b>Indication of yield</b>	Not applicable. No yield is calculated.
	<b>Name of representative of the Holders</b>	Not applicable. In accordance with the SchVG the Notes provide that the Holders may by majority resolution appoint a representative for all Holders (the " <b>Holders' Representative</b> "). The responsibilities and functions assigned to the Holders' Representative appointed by a resolution are determined by the SchVG and by majority resolutions of the Holders.
<b>C.10</b>	<b>Please see Element C.9.</b>	
	<b>Explanation how the value of the investment is affected in the case the Notes have a derivative component in the interest payment</b>	Not applicable. The Notes have no derivative component.
<b>C.11</b>	<b>Admission to trading on a regulated market or equivalent</b>	Application has been made for admission to trading of the Notes on the regulated market of the Luxembourg Stock Exchange.

<b>Element</b>	<b>Section D – Risks</b>	
	<b>Risks specific to the Issuer</b>	
<b>D.2</b>	<b>Key information on the key risks that are specific to the Issuer</b>	<p>The airline industry as a whole is highly susceptible to the effects of adverse economic developments, which may lead to lower demand for flights and overcapacity in the market and, as a result, reduced fares and profitability.</p> <p>An economic downturn or a further intensification of the European sovereign debt crisis may negatively affect spending on airline tickets and air freight transport.</p> <p>Adverse economic developments may also result in lower demand for, and profitability of, Lufthansa Group's MRO, catering and other services.</p> <p>The ongoing European sovereign debt crisis could strongly curtail Lufthansa Group's financing options and increase its financing costs.</p> <p>If Lufthansa Group's credit rating is downgraded, this could impair its ability to raise financing on attractive terms and could lead to other adverse consequences.</p> <p>Lufthansa Group's measures and programs aimed at safeguarding earnings and reducing costs, including its "7to1 – Our Way Forward"</p>



		<p>program to shore up earnings, could fail.</p> <p>Lufthansa Group depends on sourcing fuel at acceptable prices and in sufficient volumes to meet its requirements. In addition, the existing tax exemption for aviation fuel could be repealed in the future.</p> <p>The airline industry is highly competitive, and Lufthansa Group faces intense competition from national airlines and low-cost airlines. This competition could increase further.</p> <p>Terrorist attacks, political uprisings, armed conflicts and their consequences could have a material adverse effect on Lufthansa Group's business, possibly for the long term.</p> <p>National and international conflicts and sanction mechanisms could have a material adverse effect on Lufthansa Group's operation and business.</p> <p>Lufthansa Group's businesses are conducted globally, which gives rise to numerous operational risks.</p> <p>Lufthansa Group faces risks from its acquisitions and participations.</p> <p>Lufthansa Group faces risks in its merged point-to-point services outside its Frankfurt and Munich hubs under unified brand.</p> <p>Commitments in binding aircraft orders could prove less profitable than expected at the time of ordering.</p> <p>Lufthansa Group is exposed to the risk of payment default by its contractual partners.</p> <p>Lufthansa Group's opportunities to use the key transportation hubs Frankfurt and Munich, Germany, Zurich, Switzerland, and Vienna, Austria, or other airports that are important to its operations, and especially the recent expansion of Frankfurt Airport and the expansion of the Munich Airport, are associated with a number of legal, political, and economic uncertainties.</p> <p>Lufthansa Group faces risks in its strategic alliances and cooperative and commercial joint venture arrangements on certain routes.</p> <p>Lufthansa Group faces competition from alternative means of transportation, in particular rail travel, as well as alternatives to business travel.</p> <p>Lufthansa Group is dependent on good relations with its employees and their unions – Union disputes, employee strikes or slowdowns and other labor related disruptions could impair Lufthansa Group's financial performance.</p> <p>Lufthansa Group is exposed to the risk of losses from aircraft crashes or similar disasters.</p> <p>Lufthansa Group is exposed to additional risks in connection with the aircraft loss of Germanwings flight 4U9525 on 24 March 2015.</p> <p>Extreme weather conditions have had a material adverse effect on the airline industry in the past and may do so again.</p> <p>The airline industry is particularly vulnerable to the effects of epidemics and natural disasters.</p> <p>Natural and man-made disasters can cause Lufthansa Group to incur additional costs and can adversely affect its insurance coverage.</p> <p>Air traffic control, airport, transit and take-off/landing fees, as well as the costs that airlines must incur to ensure air traffic security, could continue to increase.</p> <p>Capacity constraints can limit operations of Lufthansa Group.</p> <p>Lufthansa Group's ability to adapt its workforce in response to changes in economic conditions is important to its continued profitability.</p>
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	<b>Risks specific to the Notes</b>	
<b>D.3</b>	<b>Key information on the key risks that are specific to the securities</b>	<p>An investment in the Notes involves certain risks associated with the characteristics of the Notes which could lead to substantial losses for Holders when holding and/or selling their Notes or with regard to receiving payments of interest under the Notes. These risks include the following:</p> <ul style="list-style-type: none"> <li>• Notes may not be a suitable investment for all investors</li> </ul>

		<ul style="list-style-type: none"> <li>• Payments of interest under the Notes may under certain circumstances be deferred at the election of the Issuer. The Holders cannot influence any decisions by the Issuer to defer interest payments or to optionally settle such Arrears of Interest.</li> <li>• Notes are long-term securities and Holders have no right to call the Notes for their redemption.</li> <li>• Holders are subject to the risk of a partial or total failure of the Issuer to make interest and/or redemption payments.</li> <li>• The Notes are subject to certain redemption risks.</li> <li>• Claims under the Notes are subordinated and senior only to the share capital of the Issuer. In any insolvency proceedings of the Issuer, the Holders may recover proportionally less than holders of unsubordinated and other subordinated liabilities of the Issuer, or nothing at all, and the remedies for Holders in the insolvency proceedings of the Issuer may be limited.</li> <li>• Notes do not include express events of default or a cross default.</li> <li>• There is no limitation on the Issuer to incur additional indebtedness ranking senior or <i>pari passu</i> with the Notes.</li> <li>• An active trading market for the Notes may not develop.</li> <li>• Holders are exposed to risks relating to the reset of interest rates based to the 5 year Swap Rate. Interest rate reset may result in a decline of yield.</li> <li>• Resetable fixed rate securities have a market risk.</li> <li>• The Notes have a risk of change in market value.</li> <li>• The credit rating of the Notes may not reflect all associated risks.</li> <li>• Certain rights of the Holders under the Terms and Conditions may be amended or reduced or even cancelled by Holders' resolutions and any resolution will be binding for all Holders of the Notes. Any such resolution may effectively be passed with the consent of less than a majority of the Aggregate Principal Amount of the Notes outstanding.</li> <li>• If a Holders' representative will be appointed for the Notes the Holders of the Notes may be deprived of their individual right to pursue and enforce their rights under the respective Terms and Conditions against the Issuer.</li> <li>• Notes may be subject to exchange rate risks and exchange controls.</li> <li>• Notes may be subject to risks in relation to FATCA.</li> </ul>
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Element	Section E – Offer	
E.2b	<b>Reasons for the offer and use of proceeds when different from making profit and/or hedging certain risks</b>	The net proceeds from the issue will be used for general corporate purposes.
E.3	<b>A description of the terms and conditions of the offer</b>	<p><b>Aggregate Principal Amount:</b> EUR [■]</p> <p><b>Issue Price:</b> [■] per cent.</p> <p><b>Offer Period and determination of Pricing Details</b></p> <p>The Notes will be offered to investors by the Managers during an offer period which will commence on or about 4 August 2015 and will be open until 12 August 2015 subject to shortening or extension. On the basis of the orders received by the Managers the Issue Price, the</p>

		<p>Prevailing Interest Rate (as defined above) for the Initial Fixed Rate Period (as defined above), the aggregate principal amount, the initial credit spread and several margins will be determined on the pricing date which is expected to be on or about 4 August 2015 and will be communicated to investors. The results of the offer will be included in a notification which will be filed with the <i>Commission de Surveillance du Secteur Financier</i> and published on the website of the Luxembourg Stock Exchange (<a href="http://www.bourse.lu">www.bourse.lu</a>) on or about the date of pricing and prior to the Issue Date (the "<b>Pricing Notice</b>"). Should the Issuer and the Managers determine any shortening or extension of the offer period, which could be the result of changing market conditions, such changes will be notified in the same manner as the pricing details will be published or, if applicable, a supplement to the Prospectus will be prepared and published in accordance with Article 13 of the Luxembourg Act relating to prospectuses for securities.</p> <p><b>Public Offer</b></p> <p>The Notes will be sold to institutional investors and retail investors in compliance with the public offer restrictions in all countries in the European Union. A public offer will be made in the Grand Duchy of Luxembourg, the Federal Republic of Germany, The Netherlands and Austria.</p> <p><b>Conditions and technical details of the Offer</b></p> <p>There are no conditions to which the offer is subject. Any offer to purchase Notes to investors will be made through, and investors may submit their offers to buy Notes, using the information system Bloomberg or any other commonly used information systems. Following the publication of the Pricing Notice the Joint Managers will offer the Notes upon request through banking institutions. Subscription rights for the Notes will not be issued. Any investor who has submitted an order in relation to the Notes whose order is accepted will receive a confirmation relating to the respective allotment of Notes. Before an investor receives a confirmation from the Managers that its purchase order for the Notes has been accepted, the investor may reduce or withdraw its purchase orders. There is no minimum or maximum amount of Notes to be purchased. Investors may place offers to purchase Notes in any amount.</p> <p><b>Confirmation in relation to an order and allotments as well as delivery of the Notes</b></p> <p>Following the pricing of the Notes and confirmation which orders have been accepted and which amounts have been allotted to particular investors, delivery of and payment for the Notes will be made within 6 business days (which period may be shorter) after the date of pricing of the Notes and the confirmation of the allotment to investors. The Notes will be delivered via book-entry through the Clearing System and its account holding banks against payment of the Issue Price.</p> <p><b>Method of determination of the Issue Price, Prevailing Interest Rate for the Initial Fixed Rate Period and initial credit spread</b></p> <p>The Issue Price for the Notes, Prevailing Interest Rate for the Initial Fixed Rate Period and the initial credit spread will be determined at the time of pricing on the basis of a yield which is determined by adding a credit spread to the level of the Midswaps at the time of pricing. The pricing spread will be determined on the basis of the orders of the investors which are received by the Managers during the offer period.</p>
E.4	<b>Any interest that is material to the issue/offer including</b>	Not applicable. So far as the Issuer is aware, no person involved in the offer of the Notes is subject to any conflict of interest material to the offer.

	<b>conflicting interests</b>	
<b>E.7</b>	<b>Estimated expenses charged to the investor by the issuer or the offeror</b>	Not applicable. No expenses will be charged to investors by the Issuer or the Managers.

**GERMAN TRANSLATION OF THE SUMMARY  
ZUSAMMENFASSUNG**

Zusammenfassungen sind zusammengesetzt aus Offenlegungspflichten, die als "*Punkte*" bekannt sind. Diese Punkte sind in die Abschnitte A – E (A.1 – E.7) nummeriert.

Diese Zusammenfassung (die "**Zusammenfassung**") enthält alle Punkte, die in eine Zusammenfassung für diese Art von Wertpapieren und diese Emittentin aufzunehmen sind. Da einige Punkte nicht zu berücksichtigen sind, kann die Nummerierung Lücken aufweisen.

Auch wenn ein Punkt wegen der Art der Wertpapiere und der Emittentin in die Zusammenfassung aufgenommen werden muss, ist es möglich, dass bezüglich dieses Punktes keine relevante Information gegeben werden kann. In einem solchen Fall ist in der Zusammenfassung eine kurze Beschreibung des Punktes unter Bezeichnung als "*nicht anwendbar*" enthalten.

Punkt	Abschnitt A – Einleitung und Warnhinweise	
A.1	Warnhinweise	<p style="text-align: center;"><b><u>Warnhinweis, dass</u></b></p> <ul style="list-style-type: none"> <li>▪ die Zusammenfassung als Einleitung zum Prospekt verstanden werden sollte;</li> <li>▪ sich der Anleger bei jeder Entscheidung in die Schuldverschreibungen zu investieren, auf den Prospekt als Ganzen stützen sollte;</li> <li>▪ ein Anleger, der wegen der in dem Prospekt enthaltenen Angaben Klage einreichen will, nach den nationalen Rechtsvorschriften seines Mitgliedstaats möglicherweise für die Übersetzung des Prospekts aufkommen muss, bevor das Verfahren eingeleitet werden kann; und</li> <li>▪ zivilrechtlich nur die Emittentin haftet, die die Zusammenfassung samt etwaiger Übersetzungen vorgelegt und übermittelt hat, und dies auch nur für den Fall, dass die Zusammenfassung verglichen mit den anderen Teilen des Prospekts irreführend, unrichtig oder inkohärent ist oder verglichen mit den anderen Teilen des Prospekts wesentliche Angaben, die in Bezug auf Anlagen in die Schuldverschreibungen für die Anleger eine Entscheidungshilfe darstellen, vermissen lassen.</li> </ul>
A.2	Zustimmung zur Verwendung des Prospekts	<p>Jeder Platzeur und/oder weitere Finanzintermediär, der die emittierten Wertpapiere nachfolgend weiter verkauft oder endgültig platziert, ist berechtigt, den Prospekt für den späteren Weiterverkauf oder die endgültige Platzierung der Wertpapiere während des Zeitraums vom 4. August 2015 bis 12. August 2015 für den späteren Weiterverkauf oder die endgültige Platzierung zu verwenden, vorausgesetzt jedoch, dass der Prospekt in Übereinstimmung mit Artikel 11(2) des Luxemburger Wertpapierprospektgesetzes (<i>Loi relative aux prospectus pour valeurs mobilières</i>), in geänderter Fassung, welches die geänderte Richtlinie 2003/71/EG des Europäischen Parlaments und des Rates vom 4. November 2003 umsetzt, noch gültig ist.</p> <p>Der Prospekt darf potentiellen Investoren nur zusammen mit sämtlichen bis zur Übergabe veröffentlichten Nachträgen übergeben werden. Jeder Nachtrag zum Prospekt kann in elektronischer Form auf der Internetseite der Wertpapierbörse Luxemburg (<a href="http://www.bourse.lu">www.bourse.lu</a>) eingesehen werden.</p> <p>Bei der Nutzung des Prospektes hat jeder Platzeur und/oder jeweiliger weiterer Finanzintermediär sicherzustellen, dass er alle anwendbaren, in den jeweiligen Jurisdiktionen geltenden Gesetze und Rechtsvorschriften beachtet.</p>

		<b>Für den Fall, dass ein Platzeur und/oder weiterer Finanzintermediär ein Angebot macht, informiert dieser Platzeur und/oder weiterer Finanzintermediär die Anleger zum Zeitpunkt der Angebotsvorlage über die Angebotsbedingungen.</b>
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<b>Punkt</b>	<b>Abschnitt B – Die Emittentin</b>	
<b>B.1</b>	<b>Gesetzliche und kommerzielle Bezeichnung</b>	Deutsche Lufthansa Aktiengesellschaft ("Lufthansa")
<b>B.2</b>	<b>Sitz / Rechtsform / geltendes Recht/ Land der Gründung</b>	Deutsche Lufthansa Aktiengesellschaft ist eine nach dem Recht der Bundesrepublik Deutschland gegründete deutsche Aktiengesellschaft mit Sitz in Köln, Bundesrepublik Deutschland.
<b>B.4b</b>	<b>Bereits bekannte Trends, die sich auf die Emittentin und die Branchen, in denen sie tätig ist, auswirken</b>	<p>Nach einem weltweiten Wirtschaftswachstum von 2,7 Prozent im Jahr 2014 wird für das Geschäftsjahr 2015 mit einem Wachstum von 2,6 Prozent gerechnet. Insgesamt gilt die weltwirtschaftliche Lage aber als stabil. Die am stärksten wachsende Weltregion ist Asien/Pazifik mit einer erwarteten Wachstumsrate von 4,7 Prozent. Für Nordamerika wird ein Wachstum von 2,2 Prozent erwartet, während Südamerika nur um 0,5 Prozent wachsen soll. Für die Europäische Union wird 2015 ein Wirtschaftswachstum von 1,8 Prozent erwartet. Die IATA rechnet unter Berücksichtigung der Prognosen für das weltweite Wirtschaftswachstum mit einem Wachstum der weltweit verkauften Passagierkilometer um 6,7 Prozent für 2015 (Vorjahr: 6,0 Prozent), welches sich in den einzelnen Regionen unterschiedlich darstellen soll.</p> <p>Die Lufthansa Group nimmt auf Basis der allgemein erwarteten positiven Entwicklung der für sie relevanten Regionen und Volkswirtschaften eine grundsätzlich positive Erwartung zur Entwicklung der Nachfrage, auch im Geschäftsjahr 2015, an, die jedoch kontinuierlich im Jahresverlauf hinterfragt werden muss.</p>
<b>B.5</b>	<b>Beschreibung der Gruppe und der Stellung der Emittentin innerhalb dieser Gruppe</b>	Die Deutsche Lufthansa Aktiengesellschaft ist sowohl eine operativ tätige Luftverkehrsgesellschaft als auch die Obergesellschaft der Lufthansa Group. Zum 30. Juni 2015 beherrscht die Deutsche Lufthansa Aktiengesellschaft als Muttergesellschaft der Lufthansa Group unmittelbar oder mittelbar insgesamt mehr als 400 Tochterunternehmen und Beteiligungen.
<b>B.9</b>	<b>Gewinnprognosen oder -schätzungen</b>	Nicht anwendbar. Es wurden keine Gewinnprognosen oder -schätzungen in diesen Prospekt aufgenommen.
<b>B.10</b>	<b>Art etwaiger Einschränkungen im Bestätigungsvermerk zu den historischen Finanzinformationen</b>	Nicht anwendbar. Die Bestätigungsvermerke enthalten keine Beschränkungen.

B.12	<b>Ausgewählte wesentliche historische Finanzinformationen</b>			
	Periode zum 30. Juni 2015 (ungeprüft)	Periode zum 30. Juni 2014 (ungeprüft)	Geschäftsjahr zum 31. Dezember 2014 (geprüft, wenn nicht anders angegeben)	Geschäftsjahr zum 31. Dezember 2013 <sup>(5)</sup> (geprüft, wenn nicht anders angegeben)
	(EUR in Millionen, sofern nicht anderweitig angegeben)			
Umsatzerlöse	15.365	14.166	30.011	30.027
EBITDA <sup>(1), (4)</sup>	1.316	912	1.990	2.670
EBIT <sup>(2), (4)</sup>	463	216	459	892
Adjusted EBIT <sup>(3), (4)</sup>	468	178	1.171	987
Auf Aktionäre der Deutsche Lufthansa AG entfallendes Konzernergebnis	954	-79	55	313
Operativer Cash Flow	2.527	1.744	1.977	3.290
Bilanzsumme	33.088	29.959	30.474	29.108
Eigenkapital	5.783	4.964	4.031	6.108
Mitarbeiter (Anzahl)	119.357	119.092	118.781	118.285
	<p>(1) "EBITDA" ist definiert als das Ergebnis vor Zinsen, Ertragsteuern und Abschreibungen. Der Begriff Abschreibungen umfasst hier sowohl die Abschreibungen auf immaterielle Vermögenswerte und Sachanlagevermögen als auch auf lang- und kurzfristige Finanzvermögenswerte. Weiterhin sind die außerordentlichen Abschreibungen der nach der Equity-Methode bewerteten Beteiligungen und der zum Verkauf vorgesehenen Vermögenswerte enthalten. EBITDA sollte von den Anlegern nicht als Alternative zu dem Ergebnis der betrieblichen Tätigkeit oder der gewöhnlichen Geschäftstätigkeit der Lufthansa als Indikator für das Betriebsergebnis des Unternehmens verstanden werden oder als Alternative zum Cashflow aus der betrieblichen Tätigkeit als Indikator für den Cashflow.</p> <p>(2) "EBIT" ist definiert als das Ergebnis vor Zinsen und Ertragsteuern. EBIT sollte von den Anlegern nicht als Alternative zu dem Ergebnis der betrieblichen Tätigkeit oder der gewöhnlichen Geschäftstätigkeit der Lufthansa als Indikator für das Betriebsergebnis des Unternehmens verstanden werden oder als Alternative zum Cashflow aus der betrieblichen Tätigkeit als Indikator für den Cashflow.</p> <p>(3) "Adjusted EBIT" ist definiert als das EBIT bereinigt um Ergebniseffekte aus Bewertung von Vermögensgegenständen, Ergebniseffekte aus Veräußerung von Vermögensgegenständen sowie Bewertungseffekte von Pensionsrückstellungen. Adjusted EBIT sollte von den Anlegern nicht als Alternative zu dem Ergebnis der betrieblichen Tätigkeit oder der gewöhnlichen Geschäftstätigkeit der Lufthansa als Indikator für das Betriebsergebnis des Unternehmens verstanden werden oder als Alternative zum Cashflow aus der betrieblichen Tätigkeit als Indikator für den Cashflow.</p> <p>(4) Nicht testiert.</p> <p>(5) Die Vergleichswerte des Geschäftsjahres zum 31. Dezember 2013 wurden aufgrund der Anwendung von IFRS 11 angepasst.</p>			
	Die Informationen für die Periode zum 30. Juni 2015 und 30. Juni 2014 wurden aus dem			



	Zwischenbericht Januar bis Juni 2015 der Deutsche Lufthansa AG entnommen. Die Informationen für das Geschäftsjahr zum 31. Dezember 2014 und zum 31. Dezember 2013 wurden aus dem Geschäftsbericht 2014 der Deutsche Lufthansa AG entnommen.				
	<table border="1"> <tr> <td><b>Keine wesentliche Verschlechterung der Aussichten der Emittentin</b></td> <td>Der Geschäftsausblick von Lufthansa hat sich seit dem 31. Dezember 2014 nicht wesentlich negativ verändert.</td> </tr> <tr> <td><b>Signifikante Veränderungen in der Finanz bzw. bzw Handelsposition</b></td> <td>Nicht anwendbar. Seit dem 30. Juni 2015 hat es keine signifikanten Änderungen der Finanz- bzw. Handelsposition von Lufthansa gegeben.</td> </tr> </table>	<b>Keine wesentliche Verschlechterung der Aussichten der Emittentin</b>	Der Geschäftsausblick von Lufthansa hat sich seit dem 31. Dezember 2014 nicht wesentlich negativ verändert.	<b>Signifikante Veränderungen in der Finanz bzw. bzw Handelsposition</b>	Nicht anwendbar. Seit dem 30. Juni 2015 hat es keine signifikanten Änderungen der Finanz- bzw. Handelsposition von Lufthansa gegeben.
<b>Keine wesentliche Verschlechterung der Aussichten der Emittentin</b>	Der Geschäftsausblick von Lufthansa hat sich seit dem 31. Dezember 2014 nicht wesentlich negativ verändert.				
<b>Signifikante Veränderungen in der Finanz bzw. bzw Handelsposition</b>	Nicht anwendbar. Seit dem 30. Juni 2015 hat es keine signifikanten Änderungen der Finanz- bzw. Handelsposition von Lufthansa gegeben.				
<b>B.13</b>	<p><b>Letzte Ereignisse</b></p> <p>Am 21. Oktober 2014 hatte der Vorstand der Deutschen Lufthansa AG beschlossen, in finale Verhandlungen über den Verkauf des Bereichs IT-Infrastruktur der Lufthansa Systems AG bei gleichzeitigem Abschluss eines IT-Service-Vertrags für die Lufthansa Group mit dem IBM-Konzern einzutreten. Zuvor soll die Lufthansa Systems AG in ihre drei Geschäftsbereiche aufgespalten werden. Die Vertragsunterzeichnung mit IBM fand am 15. November 2014 statt, der Aufsichtsrat der Deutschen Lufthansa AG stimmte der Transaktion am 3. Dezember 2014 zu. Die Transaktion wurde am 31. März 2015 abgeschlossen.</p> <p>Am 20. Februar 2015 veröffentlichte die Deutsche Lufthansa AG, dass der Vorstand der Deutschen Lufthansa AG entsprechend der langjährigen Dividendenpolitik der Emittentin beschlossen hat, dem Aufsichtsrat den Verzicht auf die Auszahlung einer Dividende für das Geschäftsjahr 2014 vorzuschlagen, weil die Ausschüttung nicht durch ein ausreichendes HGB-Jahresergebnis im Jahr 2014 gedeckt wäre.</p> <p>Am 24. März 2015 verunglückte der Germanwings-Flug 4U 9525 in den französischen Alpen auf dem planmäßigen Flug von Barcelona nach Düsseldorf, wobei alle 150 Passagiere und Besatzungsmitglieder umkamen. Die aus den beiden Blackboxes des Airbus A320 gewonnenen Daten lassen die Staatsanwälte davon ausgehen, dass der Co-Pilot das Flugzeug willentlich zum Absturz gebracht hat. Die Lufthansa Group unterstützt die behördlichen Untersuchungen. In Abstimmung mit dem Luftfahrtbundesamt, den anderen deutschen Airlines sowie dem Bundesverband der Deutschen Luftverkehrswirtschaft führen die Fluggesellschaften der Lufthansa Group vorsorglich ein neues Verfahren zur Cockpit-Besetzung ein. Gleichzeitig erweitert die Lufthansa Group ihre Sicherheitsstrukturen. Ergänzend zu den Sicherheitspiloten der einzelnen Airlines wurde zum 27. März 2015 die neue Funktion des Konzernsicherheitspiloten geschaffen. Er wird in Personalunion zu seiner Rolle als Sicherheitspilot der Lufthansa Passage mit übergreifender Verantwortung flugsicherheitsrelevante Verfahren überprüfen und weiterentwickeln. Nach dem tragischen Unglück des Germanwings-Flugs 4U 9525 übernimmt die Lufthansa Group langfristig Verantwortung für die Folgen. Das Unternehmen beabsichtigt, Treuhandkonten sowie einen Hilfsfonds für die Angehörigen der Opfer einzurichten.</p> <p>Infolge der wiederholten Streiks der Pilotengewerkschaft Vereinigung Cockpit im ersten Halbjahr 2015 hat die Lufthansa Group am 29. April 2015 eine Gesamtschlichtung aller offenen Tarifverträge angeboten und ist damit auf eine Forderung der Gewerkschaft eingegangen. Diese wurde durch die Pilotengewerkschaft Vereinigung Cockpit zunächst akzeptiert. Am 6. Juli 2015 hat die Gewerkschaft die Sondierung jedoch für gescheitert erklärt. Die Lufthansa Group hat im Sinne einer dringend notwendigen Lösung an die</p>				

		<p>Pilotengewerkschaft Vereinigung Cockpit appelliert, die Gespräche wieder aufzunehmen. Die durch die Gewerkschaft durchgeführten Arbeitsniederlegungen führten einschließlich Buchungsausfällen nach Berechnungen der Gesellschaft im ersten Halbjahr 2015 zu Ergebnisbelastungen von insgesamt EUR 100 Millionen.</p> <p>Lufthansa führte in Europa am 28. Juli 2015 Flugtickets für ein neues Preiskonzept ein. Die neuen Economy Class Tarifoptionen "Light", "Classic" und "Flex" gelten ab dem 1. Oktober 2015 auf innerdeutschen und europäischen Strecken und beinhalten preislich abgestufte Leistungs- und Servicebündel.</p>
<b>B.14</b>	<b>Bitte Element B.5.</b>	
	<b>Angabe zur Abhängigkeit von anderen Unternehmen innerhalb der Gruppe</b>	Nicht anwendbar. Die Lufthansa ist nicht von anderen Unternehmen innerhalb der Lufthansa Group abhängig.
<b>B.15</b>	<b>Haupttätigkeiten</b>	<p>Die Personenbeförderung durch die Deutsche Lufthansa Aktiengesellschaft selbst (unter der Marke "<b>Lufthansa</b>") sowie durch die anderen Airlines innerhalb der Lufthansa Group (so etwa Germanwings, SWISS, Austrian Airlines) stellt das Kerngeschäft der operativen Tätigkeit dar. Das Produktangebot reicht dabei von standardisierten Flügen bis hin zu individualisierten Premiumangeboten auf innerdeutschen, europäischen und internationalen Strecken. Die Deutsche Lufthansa Aktiengesellschaft bedient zusammen mit den Partnern aus der Star Alliance derzeit mehr als 1.000 Ziele weltweit.</p> <p>Im Segment Logistik wird (im Schwerpunkt durch die Lufthansa Cargo AG) das Geschäft der Luftfrachtbeförderung von Flughafen zu Flughafen betrieben. Zu diesem Segment gehört auch Service wie z.B. der Transport von hochwertigen oder verderblichen sowie gefährlichen Gütern, dringender Expressbeförderung oder individuellen Transportlösungen für spezifische Industrien.</p> <p>Der Schwerpunkt des Segments Technik liegt in der Wartung, Instandsetzung und Überholung sowohl der Flugzeugflotten der Lufthansa Group als auch der Flugzeuge konzernfremder Airlines. Die Produktpalette besteht dabei aus dem gesamten Spektrum von Einzelreparaturaufträgen bis hin zu einer Betreuung ganzer Flugzeugflotten.</p> <p>Im Bereich Catering erbringt LSG Sky Chefs weltweiten Service für die Lufthansa Group und konzernfremde Airlines. Dies beinhaltet die Entwicklung, die Beschaffung und Versorgung mit bordeigenen Betriebsmitteln sowie die Planung aller Prozesse vor, während und nach dem Bord-Service.</p> <p>Unter die sonstigen Tätigkeiten fallen insbesondere auch die Angebote der Lufthansa Flight Training, das Vielfliegerprogramm "Miles &amp; More", die in der Lufthansa Group verbliebenen Gesellschaften des vormaligen Geschäftsfelds IT Services und die Geschäftsreise-Zahlungsmanagementlösungen der AirPlus Gruppe.</p>

<b>B.16</b>	<b>Beherrschungs- verhältnis</b>	<b>Name</b>	<b>Gesamtanteil</b>	<b>Referenzdatum der letzten Mitteilung</b>
		BlackRock, Inc.	2,96%	28. April 2015
		The Capital Group Companies	2,95%	24. November 2014
		Templeton Global Advisors Limited	5,00%	11. Januar 2012
<b>B.17</b>	<b>Kreditratings der Emittentin oder ihrer Schuldtitel</b>	Der Deutschen Lufthansa Aktiengesellschaft wurde von Standard & Poor's Credit Market Services Europe Limited (" <b>Standard &amp; Poor's</b> ") <sup>1,3</sup> , das langfristige Kreditrating BBB- <sup>4,5</sup> (Ausblick stabil) und von Moody's Investors Service Ltd. (" <b>Moody's</b> ") <sup>2,3</sup> ein Ba1 <sup>4,6</sup> Rating (Ausblick positiv) erteilt.		

<b>Punkt</b>	<b>Abschnitt C – Wertpapiere</b>	
<b>C.1</b>	<b>Gattung und Art der Wertpapiere / Wertpapierkennnummer</b>	<b>Gattung</b> Die Wertpapiere sind nachrangig und nicht besichert.
		<b>Art</b> nachrangige Schuldverschreibungen (die " <b>Schuldverschreibungen</b> ").
		<b>ISIN</b> XS1271836600 <b>Common Code</b> 127183660 <b>WKN</b> A161YP
<b>C.2</b>	<b>Währung</b>	Die Wertpapiere sind in Euro begeben (" <b>EUR</b> ").
<b>C.5</b>	<b>Beschränkungen der freien Übertragbarkeit</b>	Nicht anwendbar. Die Wertpapiere sind frei übertragbar.

<sup>1</sup> Standard & Poor's hat seinen Sitz in der Europäischen Gemeinschaft und ist gemäß der Verordnung (EG) Nr. 1060/2009 des Europäischen Parlaments und des Rates vom 16. September 2009 über Ratingagenturen, in der jeweils geltenden Fassung (die "**Ratingagentur-Verordnung**"), registriert.

<sup>2</sup> Moody's hat seinen Sitz in der Europäischen Gemeinschaft und ist gemäß der Ratingagentur-Verordnung registriert.

<sup>3</sup> Die Europäische Wertpapier und Marktaufsichtsbehörde veröffentlicht auf ihrer Webseite ([www.esma.europa.eu](http://www.esma.europa.eu)) ein Verzeichnis der nach der Ratingagentur-Verordnung registrierten Ratingagenturen. Dieses Verzeichnis wird innerhalb von fünf Werktagen nach Annahme eines Beschlusses gemäß Artikel 16, 17 oder 20 der Ratingagentur-Verordnung aktualisiert. Die Europäische Kommission veröffentlicht das aktualisierte Verzeichnis im Amtsblatt der Europäischen Union innerhalb von 30 Tagen nach der Aktualisierung.

<sup>4</sup> Ein Kreditrating ist eine Einschätzung der Kreditwürdigkeit einer Rechtsperson und informiert den Anleger daher über die Wahrscheinlichkeit mit der die Rechtsperson in der Lage ist, angelegtes Kapital zurückzuzahlen. Es ist keine Empfehlung Wertpapiere zu kaufen, zu verkaufen oder zu halten und kann jederzeit durch die Ratingagentur geändert oder zurückgenommen werden.

<sup>5</sup> Standard & Poor's definiert BBB- im Standard & Poor's Guide to Credit Rating Essentials (2011) wie folgt: Gilt als niedrigster Investment-Grade von Marktteilnehmern.

<sup>6</sup> Moodys definiert Ba1 in seinen Global Long-Term Rating Scale in Rating Symbols and Definitions (Juni 2013) wie folgt: Anleihen mit Ba werden als spekulativ beurteilt und unterliegen erheblichen Kreditrisiken.

*Die von Standard & Poor's und Moody's übernommenen Informationen wurden korrekt wiedergegeben und - soweit Lufthansa bekannt und aus den von Standard & Poor's und Moody's übermittelten Informationen ableitbar – wurden keine Fakten unterschlagen, die die reproduzierten Informationen unkorrekt oder irreführend gestalten würden.*

C.8	<p><b>Rechte, die mit den Wertpapieren verbunden sind (einschließlich Rang der Wertpapiere und Beschränkungen dieser Rechte)</b></p>	<p><b>Vorzeitige Rückzahlung nach Wahl der Emittentin</b>  Die Schuldverschreibungen werden am 12. August 2075 zurückgezahlt, ohne dass die Emittentin verpflichtet wäre, die Schuldverschreibungen zu irgendeinem Zeitpunkt vor diesem Datum zurückzuzahlen. Die Emittentin kann jedoch die Schuldverschreibungen (insgesamt, jedoch nicht teilweise) am 12. Februar 2021 (der "<b>Erste Rückzahlungstag</b>") oder an jedem danach folgenden Reset Tag (wie nachstehend unter Punkt C.9 definiert) nach unwiderruflicher Kündigungsmitteilung an die Gläubiger nach Maßgabe der Anleihebedingungen zu einem Betrag je Schuldverschreibung in Höhe der festgelegten Stückelung zuzüglich der bis zum Rückzahlungstag (ausschließlich) aufgelaufenen, aber noch nicht bezahlten Zinsen sowie etwaiger Zinsrückstände (wie nachstehend unter "<i>Zinsaufschub und Nachzahlung von Zinsrückständen</i>" definiert) zurückzahlen.</p> <p><b>Vorzeitige Rückzahlung nach Wahl der Emittentin bei Eintritt eines Speziellen Ereignisses</b>  Bei Eintritt eines Quellensteuer-Ereignisses, eines Steuerereignisses oder eines Eigenkapitalanrechnungsereignisses ist die Emittentin berechtigt, die Schuldverschreibungen jederzeit (insgesamt, jedoch nicht teilweise) durch eine unwiderrufliche Mitteilung nach Maßgabe der Anleihebedingungen zu kündigen.  Erfolgt die Kündigung aufgrund eines Quellensteuer-Ereignisses, hat die Emittentin die Schuldverschreibungen zu einem Betrag je Schuldverschreibung in Höhe der festgelegten Stückelung zuzüglich der bis zum Rückzahlungstag (ausschließlich) aufgelaufenen, aber noch nicht bezahlten Zinsen sowie etwaiger Zinsrückstände zurückzuzahlen.  Erfolgt die Kündigung aufgrund eines Steuerereignisses oder eines Eigenkapitalanrechnungsereignisses hat die Emittentin (i) zu einem Betrag je Schuldverschreibung in Höhe von 101% der festgelegten Stückelung zuzüglich der bis zum Rückzahlungstag (ausschließlich) aufgelaufenen, aber noch nicht bezahlten Zinsen sowie etwaiger Zinsrückstände zurückzuzahlen, soweit eine solche Rückzahlung vor dem Ersten Rückzahlungstag erfolgt, oder (ii) zu einem Betrag je Schuldverschreibung in Höhe der festgelegten Stückelung zuzüglich der bis zum Rückzahlungstag (ausschließlich) aufgelaufenen, aber noch nicht bezahlten Zinsen sowie etwaiger Zinsrückstände zurückzuzahlen, soweit eine solche Rückzahlung an oder nach dem Ersten Rückzahlungstag erfolgt.</p> <p><b>Vorzeitige Rückzahlung nach Wahl der Emittentin bei geringem ausstehenden Gesamtnennbetrag</b>  Falls die Emittentin und/oder eine Tochtergesellschaft der Emittentin allein oder gemeinsam Schuldverschreibungen im Volumen von 80% oder mehr des ursprünglich begebenen Gesamtnennbetrages der Schuldverschreibungen zurückgezahlt oder zurückgekauft und entwertet hat, kann die Emittentin die verbleibenden Schuldverschreibungen (insgesamt, jedoch nicht teilweise) nach unwiderruflicher Kündigungsmitteilung an die Gläubiger nach Maßgabe der Anleihebedingungen kündigen und zu einem Betrag je Schuldverschreibung in Höhe der festgelegten Stückelung zuzüglich der bis zum Rückzahlungstag (ausschließlich) aufgelaufenen, aber noch nicht bezahlten Zinsen sowie etwaiger Zinsrückstände zurückzahlen.</p> <p><b>Vorzeitige Rückzahlung nach Wahl der Emittentin im Falle eines Kontrollwechselereignisses.</b>  Falls eine Person oder mehrere Personen, die gemeinsam handeln,</p>
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		<p>die Kontrolle über die Emittentin erlangen (ein "<b>Kontrollwechsel</b>") und innerhalb des Kontrollwechselzeitraums eine Ratingherabstufung der Emittentin aufgrund des Kontrollwechsels erfolgt, kann die Emittentin die Schuldverschreibungen (insgesamt, jedoch nicht teilweise) durch unwiderrufliche Kündigungserklärung an die Gläubiger nach Maßgabe der Anleihebedingungen am Kontrollwechsel-Stichtag zu einem Betrag je Schuldverschreibung in Höhe der festgelegten Stückelung zuzüglich der bis zum Kontrollwechsel-Stichtag (ausschließlich) aufgelaufenen, aber noch nicht bezahlten Zinsen sowie etwaiger Zinsrückstände, zurückzahlen.</p> <p><b>Zinsaufschub und Nachzahlung von Zinsrückständen</b></p> <p>Zinsen sind an dem jeweiligen Zinszahlungstag fällig und zahlbar, sofern sich die Emittentin unter Mitteilung an die Gläubiger nach Maßgabe der Anleihebedingungen entscheidet, die Zinsen aufzuschieben. Eine solche Nichtzahlung begründet keinen Verzug der Emittentin und keine anderweitige Verletzung ihrer Verpflichtungen aufgrund dieser Schuldverschreibungen oder für sonstige Zwecke. Die aufgrund einer derartigen Entscheidung der Emittentin nicht gezahlten Zinsen stellen "<b>Zinsrückstände</b>" dar. Zinsrückstände werden nicht verzinst.</p> <p>Die Emittentin kann ausstehende Zinsrückstände jederzeit (insgesamt, jedoch nicht teilweise) nach Mitteilung nach Maßgabe der Anleihebedingungen zahlen.</p> <p>Die Emittentin ist verpflichtet, ausstehende Zinsrückstände (insgesamt, jedoch nicht teilweise) am nächstfolgenden Pflichtnachzahlungstag (wie nachfolgend definiert) zu zahlen.</p> <p><b>"Pflichtnachzahlungstag"</b> bezeichnet jeweils den frühesten der folgenden Tage:</p> <ul style="list-style-type: none"> <li>(i) der zehnte Geschäftstag nach Eintritt eines Obligatorischen Zahlungsereignisses (wie nachfolgend definiert); oder</li> <li>(ii) der Tag, an dem die Schuldverschreibungen insgesamt zur Rückzahlung fällig sind; oder</li> <li>(iii) der nächste Zinszahlungstag, in Bezug auf den die Emittentin entscheidet, die Zahlung vorgesehener Zinsen auf die Schuldverschreibungen vorzunehmen; oder</li> <li>(iv) der Tag, an dem die Hauptversammlung die freiwillige Auflösung der Emittentin beschließt oder eine Verfügung zur Auflösung, Abwicklung oder Liquidation der Emittentin ergeht (sofern dies jeweils nicht für die Zwecke einer Sanierung oder eines Insolvenzplanverfahrens oder als Folge eines Zusammenschlusses oder einer Umstrukturierung geschieht, während die Emittentin noch zahlungsfähig ist und die fortführende Gesellschaft im Wesentlichen alle Vermögenswerte und Verpflichtungen der Emittentin übernimmt).</li> </ul> <p>Ein "<b>Obligatorisches Zahlungsereignis</b>" gilt, vorbehaltlich der unten beschriebenen Bestimmungen, bei Auftreten eines der folgenden Ereignisse als eingetreten:</p> <ul style="list-style-type: none"> <li>(i) die Jahreshauptversammlung oder eine andere Hauptversammlung der Emittentin beschließt, eine Dividende, andere Ausschüttung oder sonstige Zahlung auf Stammaktien, etwaige Vorzugsaktien oder etwaige gegenwärtige oder zukünftige Aktien einer anderen Gattung von Aktien der Emittentin zu leisten oder die Emittentin oder eine Tochtergesellschaft der Emittentin (wie nachstehend definiert) zahlt eine Dividende, sonstige Ausschüttung oder sonstige Zahlung auf andere Nachrangige Verbindlichkeiten (wie nachstehend definiert) oder auf Verbindlichkeiten einer</li> </ul>
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		<p>Tochtergesellschaft der Emittentin, bezüglich derer die Emittentin eine Nachrangige Verbindlichkeit übernommen hat (in allen Fällen mit Ausnahme einer Dividende bzw. einer anderen Ausschüttung oder Zahlung, die in Form von Stammaktien der Emittentin erfolgt); oder</p> <p>(ii) die Emittentin zahlt einen Teil ihres Aktienkapitals zurück oder die Emittentin oder eine Tochtergesellschaft der Emittentin kauft oder zahlt Wertpapiere oder Namenswertpapiere, die Nachrangige Verbindlichkeiten darstellen, oder Verbindlichkeiten einer Tochtergesellschaft der Emittentin, bezüglich derer die Emittentin eine Nachrangige Verbindlichkeit übernommen hat, zurück oder erwirbt diese in anderer Weise; oder</p> <p>(iii) die Emittentin oder eine Tochtergesellschaft der Emittentin leistet eine Zahlung oder sonstige Ausschüttung auf eine Gleichrangige Verbindlichkeit (wie nachstehend definiert) oder auf Verbindlichkeiten einer Tochtergesellschaft der Emittentin, bezüglich derer die Emittentin eine Gleichrangige Verbindlichkeit übernommen hat; oder</p> <p>(iv) die Emittentin oder eine Tochtergesellschaft der Emittentin kauft oder zahlt Wertpapiere oder Namenswertpapiere, die Gleichrangige Verbindlichkeiten darstellen, oder Verbindlichkeiten einer Tochtergesellschaft der Emittentin, bezüglich derer die Emittentin eine Gleichrangige Verbindlichkeit übernommen hat, oder Schuldverschreibungen zurück oder erwirbt diese in anderer Weise.</p> <p>In den vorgenannten Fällen (i), (ii), (iii) und (iv) tritt kein Obligatorisches Zahlungsereignis ein, wenn</p> <p>(x) die Emittentin oder die betreffende Tochtergesellschaft der Emittentin gemäß den Bestimmungen der betreffenden Nachrangigen Verbindlichkeit oder Gleichrangigen Verbindlichkeit oder Verbindlichkeit einer Tochtergesellschaft der Emittentin, bezüglich derer die Emittentin eine Nachrangige Verbindlichkeit oder Gleichrangige Verbindlichkeit übernommen hat, zu der Zahlung, zu der Rückzahlung, zu dem Rückkauf oder zu dem anderweitigen Erwerb verpflichtet ist; oder</p> <p>(y) die Emittentin oder die betreffende Tochtergesellschaft der Emittentin eine Nachrangige Verbindlichkeit oder Gleichrangige Verbindlichkeit oder Verbindlichkeit einer Tochtergesellschaft der Emittentin, bezüglich derer die Emittentin eine Nachrangige Verbindlichkeit oder Gleichrangige Verbindlichkeit übernommen hat, nach Maßgabe eines bestehenden oder zukünftigen Aktienoptions- oder Aktienbeteiligungsprogramms oder ähnlichen Programms für Mitglieder des Vorstands oder des Aufsichtsrats oder für Mitarbeiter der Deutsche Lufthansa Aktiengesellschaft oder deren konsolidierter Tochtergesellschaften oder verbundener Unternehmen (jeweils direkt oder indirekt) zurückzahlt, zurückkauft oder anderweitig erwirbt; oder</p> <p>(z) die betreffenden Zahlungen auf oder in Bezug auf Nachrangige Verbindlichkeiten oder Gleichrangige Verbindlichkeiten oder Verbindlichkeiten einer Tochtergesellschaft der Emittentin, bezüglich derer die Emittentin eine Nachrangige Verbindlichkeit oder Gleichrangige Verbindlichkeit übernommen hat, Konzerninterne Zahlungen sind.</p> <p><b>"Konzerninterne Zahlungen"</b> sind Zahlungen, die ausschließlich an die Emittentin und/oder an eine oder mehrere der Tochtergesellschaften der Emittentin erfolgen.</p> <p>In den vorgenannten Fällen (iii) und (iv) tritt zudem kein</p>
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		<p>Obligatorisches Zahlungsereignis ein, wenn die Emittentin oder die betreffende Tochtergesellschaft der Emittentin vollständig oder teilweise Gleichrangige Verbindlichkeiten oder Verbindlichkeiten einer Tochtergesellschaft der Emittentin, bezüglich derer die Emittentin eine Gleichrangige Verbindlichkeit übernommen hat, oder Schuldverschreibungen nach einem öffentlichen Rückkaufangebot oder öffentlichen Umtauschangebot mit einer unter dem jeweiligen Nennwert liegenden Gegenleistung je Gleichrangiger Verbindlichkeit bzw. je Verbindlichkeit einer Tochtergesellschaft, bezüglich derer die Emittentin eine Gleichrangige Verbindlichkeit übernommen hat, bzw. je Schuldverschreibung zurückkauft oder anderweitig erwirbt.</p> <p><b>"Tochtergesellschaft der Emittentin"</b> bezeichnet jede Kapitalgesellschaft, Personengesellschaft und jedes sonstige Unternehmen, an der bzw. dem die Emittentin direkt oder indirekt insgesamt mehr als 50 % des Kapitals oder der Stimmrechte hält.</p> <p><b>"Nachrangige Verbindlichkeit"</b> bezeichnet jeden gegen die Emittentin gerichteten Anspruch aus (i) den Stammaktien und etwaigen Vorzugsaktien der Emittentin, (ii) jeder gegenwärtigen oder zukünftigen Aktie einer anderen Gattung von Aktien der Emittentin, (iii) jedem anderen gegenwärtigen oder zukünftigen Wertpapier oder Namenswertpapier, das von der Emittentin begeben ist und bei dem die daraus folgenden Verbindlichkeiten der Emittentin mit den Verbindlichkeiten aus Stammaktien oder etwaigen Vorzugsaktien der Emittentin aufgrund gesetzlicher Bestimmungen oder vertraglicher Vereinbarung gleichrangig sind und (iv) einer Garantie oder sonstigen Haftungsübernahme der Emittentin, welche diese für gegenwärtige oder zukünftige Wertpapiere oder Namenswertpapiere einer Tochtergesellschaft der Emittentin übernommen hat, wenn die Verbindlichkeiten der Emittentin aus der Garantie oder der sonstigen Haftungsübernahme aufgrund gesetzlicher Bestimmungen oder vertraglicher Vereinbarung gleichrangig im Verhältnis zu den unter (i), (ii) und (iii) beschriebenen Verbindlichkeiten der Emittentin sind.</p> <p><b>"Gleichrangige Verbindlichkeit"</b> bezeichnet jede gegenwärtige oder zukünftige Verbindlichkeit der Emittentin aus (i) einem gegenwärtigen oder zukünftigen Wertpapier oder Namenswertpapier, die aufgrund gesetzlicher Bestimmungen oder vertraglicher Vereinbarung gleichrangig im Verhältnis zu den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen ist, sowie (ii) einer Garantie oder sonstigen Haftungsübernahme, welche die Emittentin für ein gegenwärtiges oder zukünftiges Wertpapier oder Namenswertpapier einer Tochtergesellschaft der Emittentin übernommen hat, wenn die Verbindlichkeiten der Emittentin aus der Garantie oder der sonstigen Haftungsübernahme aufgrund gesetzlicher Bestimmungen oder vertraglicher Vereinbarung gleichrangig im Verhältnis zu den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen sind.</p> <p><b>Kündigungsgründe (<i>Events of Default</i>), Drittverzug (<i>Cross Default</i>), Negativklärung</b></p> <p>Die Anleihebedingungen sehen weder Kündigungsgründe vor, die die Gläubiger berechtigen, die unverzügliche Rückzahlung der Schuldverschreibungen zu verlangen, noch eine Drittverzugs Klausel oder Negativverpflichtung.</p>
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		<p><b>Gläubigerbeschlüsse</b></p> <p>In Übereinstimmung mit dem Schuldverschreibungsgesetz 2009 ("SchVG") sehen die Schuldverschreibungen vor, dass die Gläubiger durch Beschluss (mit Zustimmung der Emittentin) Änderungen der Anleihebedingungen zustimmen und gewisse sonstige Maßnahmen in Bezug auf die Schuldverschreibungen beschließen. Beschlüsse der Gläubiger können nach Maßgabe der Anleihebedingungen entweder in einer Gläubigerversammlung oder im Wege der Abstimmung ohne Versammlung gefasst werden und sind für alle Gläubiger verbindlich. Beschlüsse der Gläubiger, durch welche der wesentliche Inhalt der Anleihebedingungen geändert wird, bedürfen einer Mehrheit von mindestens 75% der an der Abstimmung teilnehmenden Stimmrechte. Sonstige Beschlüsse bedürfen der einfachen Mehrheit der teilnehmenden Stimmrechte.</p> <p><b>Status der Schuldverschreibungen</b></p> <p>Soweit nachstehend nichts anderes bestimmt ist, begründen die Schuldverschreibungen direkte, nicht besicherte, nachrangige Verbindlichkeiten der Emittentin, die im Fall der Abwicklung, Auflösung oder Liquidation der Emittentin (i) nur den Nachrangigen Verbindlichkeiten (wie vorstehend definiert) im Rang vorgehen, (ii) untereinander und mit jeder Gleichrangigen Verbindlichkeit (wie vorstehend definiert) im Rang gleich stehen und (iii) allen anderen bestehenden und zukünftigen Verbindlichkeiten der Emittentin, ob nachrangig oder nicht nachrangig, im Rang nachgehen, soweit zwingende gesetzliche Vorschriften nichts anderes vorschreiben bzw. die Bedingungen des betreffenden Instruments ausdrücklich etwas anderes vorsehen.</p> <p>Die Rechte der Gläubiger aus den Schuldverschreibungen gegenüber der Emittentin begründen direkte, nicht besicherte und nachrangige Rechte gegenüber der Emittentin im Sinne von § 39 Absatz 2 Insolvenzordnung, die im Fall der Insolvenz der Emittentin, eines Vergleichs oder eines anderen der Abwendung der Insolvenz der Emittentin dienenden Verfahrens (i) nur den Nachrangigen Verbindlichkeiten im Rang vorgehen, (ii) untereinander und mit jeder Gleichrangigen Verbindlichkeit im Rang gleich stehen und (iii) allen anderen bestehenden und zukünftigen Verbindlichkeiten der Emittentin, ob nachrangig oder nicht nachrangig, im Rang nachgehen, soweit nicht zwingende gesetzliche Vorschriften etwas anderes vorschreiben bzw. die Bedingungen des betreffenden Instruments ausdrücklich etwas anderes vorsehen.</p> <p>Im Fall (i) der Abwicklung, Auflösung oder Liquidation der Emittentin gehen die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen, und im Fall (ii) der Insolvenz der Emittentin oder eines Vergleichs oder eines anderen der Abwendung der Insolvenz der Emittentin dienenden Verfahrens, gehen die Rechte der Gläubiger gegenüber der Emittentin gemäß § 39 Absatz 2 Insolvenzordnung im Rang den Ansprüchen aller nicht nachrangigen und nachrangigen Gläubiger nach (soweit nicht zwingende gesetzliche Vorschriften etwas anderes vorschreiben bzw. die Bedingungen, denen die betreffenden Ansprüche unterliegen, ausdrücklich etwas anderes vorsehen), so dass Zahlungen auf die Schuldverschreibungen solange nicht erfolgen, wie die Ansprüche dieser nicht nachrangigen und nachrangigen Gläubiger gegen die Emittentin nicht zuvor vollständig erfüllt sind. Unter Beachtung dieser Nachrangregelung bleibt es der Emittentin unbenommen, ihre Verbindlichkeiten aus den Schuldverschreibungen auch aus dem sonstigen freien Vermögen zu bedienen.</p> <p>Für die Rechte der Gläubiger aus den Schuldverschreibungen ist</p>
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		<p>diesen keine Sicherheit durch die Emittentin oder durch Dritte gestellt; eine solche Sicherheit wird auch zu keinem Zeitpunkt gestellt werden.</p>
		<p><b>Aufrechnungsverbot</b></p> <p>Die Gläubiger sind nicht berechtigt, Forderungen aus den Schuldverschreibungen gegen mögliche Forderungen der Emittentin aufzurechnen. Die Emittentin ist nicht berechtigt, Forderungen gegenüber einem Gläubiger gegen Verpflichtungen aus den Schuldverschreibungen aufzurechnen.</p>
C.9	<p><b>Siehe Element C.8.</b></p> <p><b>Zinssatz</b></p>	<p>Vorbehaltlich einer vorzeitigen Rückzahlung oder eines Rückkaufs und der Entwertung gemäß diesen Anleihebedingungen und vorbehaltlich eines etwaigen Zinsaufschubs (wie vorstehend unter "<i>Zinsaufschub und Nachzahlung von Zinsrückständen</i>" definiert) berechtigen die Schuldverschreibungen für jeden Zinszeitraum (wie nachstehend definiert) vom Ausgabetag (einschließlich) bis zum Endfälligkeitstag (wie nachstehend definiert) zu Zinsen in Höhe des für den jeweiligen Zinszeitraum Anwendbaren Zinssatzes (wie nachstehend definiert) auf die festgelegte Stückelung je Schuldverschreibung.</p> <p><b>"Zinszeitraum"</b> bezeichnet (i) den Zeitraum vom Ausgabetag (einschließlich) bis zum ersten Zinszahlungstag (wie nachstehend definiert) (ausschließlich) (kurzer erster Zinszeitraum) und (ii) den Zeitraum von einem Zinszahlungstag (einschließlich) bis zum unmittelbar folgenden Zinszahlungstag (ausschließlich). Sofern die Schuldverschreibungen nicht bereits zuvor zurückgezahlt oder zurückgekauft und entwertet werden, ist letzter Zinszeitraum der Zeitraum vom 12. Februar 2075 (einschließlich) bis zum Endfälligkeitstag (ausschließlich) (kurzer letzter Zinszeitraum).</p> <p>Der Anwendbare Zinssatz wird an jedem Reset Tag (wie nachstehend definiert) für jeden Reset Zeitraum (wie nachstehend definiert) auf Basis des dann anwendbaren 5 Jahres Swapsatz zuzüglich einer Marge, wie nachstehend aufgeführt, neu festgesetzt.</p> <p><b>"Reset Tag"</b> bezeichnet den Ersten Rückzahlungstag (wie vorstehend definiert) und danach jeden fünften Jahrestag des jeweils unmittelbar vorangehenden Reset Tages.</p> <p><b>"Reset Zeitraum"</b> bezeichnet jeden Zeitraum ab dem Ersten Rückzahlungstag (einschließlich) bis zum nächstfolgenden Reset Tag (ausschließlich) und nachfolgend ab jedem Reset Tag (einschließlich) bis zu dem jeweils nächstfolgenden Reset Tag (ausschließlich).</p> <p>Der <b>"Anwendbare Zinssatz"</b> bezeichnet:</p> <ul style="list-style-type: none"> <li>- für jeden Zinszeitraum, der in den Zeitraum vom Ausgabetag (wie nachstehend definiert) (einschließlich) bis zum Ersten Rückzahlungstag (ausschließlich) fällt, einen Zinssatz von <b>[■]%</b> <i>per annum</i> (der <b>"Anfängliche Festzinszeitraum"</b>).</li> <li>- für jeden Zinszeitraum, der in den Reset Zeitraum vom Ersten Rückzahlungstag (einschließlich) bis 15. Januar 2026 (ausschließlich) (der <b>"Erste Step-Up Tag"</b>) fällt, einen Zinssatz der dem Referenzsatz (wie nachstehend definiert) für diesen Reset Zeitraum zuzüglich einer Marge in Höhe der ursprünglichen Kreditmarge entspricht.</li> <li>- für jeden Zinszeitraum, der in einen Reset Zeitraum vom Ersten Step-Up Tag (einschließlich) bis 12. Februar 2041 (ausschließlich) (der <b>"Zweite Step-Up Tag"</b>) fällt, einen Zinssatz der dem jeweiligen Referenzsatz für diesen Reset Zeitraum zuzüglich einer Marge in Höhe der ursprünglichen Kreditmarge zuzüglich 0,25% (d.h. 25 Basispunkte) <i>per annum</i> entspricht.</li> </ul>

		<p>- für jeden Zinszeitraum, der in einen Reset Zeitraum vom Zweiten Step-Up Tag (einschließlich) bis zum Endfälligkeitstag (wie nachstehend definiert) (ausschließlich) fällt, einen Zinssatz der dem jeweiligen Referenzsatz für diesen Reset Zeitraum zuzüglich einer Marge in Höhe der ursprünglichen Kreditmarge zuzüglich 1,00% (d.h. 100 Basispunkte) <i>per annum</i> entspricht.</p> <p>"Referenzsatz" für einen Reset Zeitraum bezeichnet jeweils den 5 Jahres Swapsatz (der "<b>5 Jahres Swapsatz</b>") festgelegt am zweiten Geschäftstag vor Beginn des jeweiligen Reset Zeitraums.</p>
	<b>Verzinsungsbeginn</b>	12. August 2015 (der " <b>Ausgabetag</b> ").
	<b>Zinszahlungstag</b>	12. Februar in jedem Jahr bis zum Tag der Rückzahlung der Schuldverschreibungen (jeweils ein " <b>Zinszahlungstag</b> ") (vorbehaltlich eines etwaigen Zinsaufschubs, siehe " <i>Zinsaufschub und Nachzahlung von Zinsrückständen</i> ").
	<b>Basiswert auf dem der Zinssatz basiert</b>	<p>Nicht anwendbar für den Zinssatz anwendbar auf den Anfänglichen Festzinszeitraum vom Ausgabetag (einschließlich) bis zum Ersten Rückzahlungstag (ausschließlich). Der Zinssatz basiert nicht auf einem Basiswert.</p> <p>Der Zinssatz für Reset Zeiträume ab dem Ersten Rückzahlungstag (einschließlich) basiert auf dem 5 Jahres Swapsatz (wie vorstehend definiert).</p>
	<b>Fälligkeitstag einschließlich Rückzahlungsverfahren</b>	<p>12. August 2075 (der "<b>Endfälligkeitstag</b>").</p> <p>Soweit nicht die Schuldverschreibungen vorher zurückgezahlt oder zurückgekauft und entwertet wurden, erfolgen Zahlungen je Schuldverschreibung in Höhe der festgelegten Stückelung zuzüglich der bis zum Rückzahlungstag (ausschließlich) aufgelaufenen, aber noch nicht bezahlten Zinsen sowie etwaiger Zinsrückstände (wie vorstehend definiert) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems.</p>
	<b>Rendite</b>	Nicht anwendbar. Es wird keine Rendite berechnet.
	<b>Name des Vertreters der Inhaber der Wertpapiere</b>	Nicht anwendbar. In Übereinstimmung mit dem SchVG sehen die Schuldverschreibungen vor, dass die Gläubiger durch Beschluss einen gemeinsamen Vertreter bestellen können. Die Aufgaben und Befugnisse des durch Beschluss bestellten gemeinsamen Vertreters bestimmen sich nach dem SchVG sowie den Mehrheitsbeschlüssen der Gläubiger.
<b>C.10</b>	<b>Bitte siehe Element C.9.</b>	
	<b>Erläuterung wie der Wert der Anlage beeinflusst wird, falls die Wertpapiere eine derivative Komponente bei der Zinszahlung aufweisen</b>	Nicht anwendbar. Die Schuldverschreibungen weisen keine derivative Komponente auf.
<b>C.11</b>	<b>Einführung in einen regulierten Markt oder einem gleichwertigen Markt</b>	Für die Schuldverschreibungen wurde die Zulassung zum Handel am regulierten Markt der Luxemburger Wertpapierbörse beantragt.

Punkt	Abschnitt D – Risiken	
	<b>Risiken, die der Emittentin eigen sind</b>	
<b>D.2</b>	<b>Zentrale Angaben zu den zentralen Risiken, die der Emittentin eigen sind</b>	<p>Die Airline-Industrie als Ganzes ist hoch anfällig für die Auswirkungen nachteiliger wirtschaftlicher Entwicklungen, welche zu geringerer Nachfrage nach Flügen und Überkapazität im Markt und daher sinkenden Beförderungsentgelten und sinkender Profitabilität führen können.</p> <p>Eine wirtschaftliche Abschwächung oder eine weitere Verschärfung der europäischen Staatsschuldenkrise kann die Ausgaben für Flugtickets und Luftfrachttransport negativ beeinflussen.</p> <p>Negative wirtschaftliche Entwicklungen können auch zu niedrigerer Nachfrage in und Profitabilität der Segmente Technik, Catering und Sonstiger Leistungen der Lufthansa Group führen.</p> <p>Die anhaltende europäische Staatsschuldenkrise könnte die Finanzierungsmöglichkeiten der Lufthansa Group stark einschränken und ihre Finanzierungskosten erhöhen.</p> <p>Sollte das Kreditrating der Lufthansa Group gesenkt werden, könnte das ihre Möglichkeiten, Finanzierungen zu attraktiven Konditionen zu bekommen, verschlechtern und zu anderen nachteiligen Konsequenzen führen.</p> <p>Die Maßnahmen und Programme der Lufthansa Group zur Absicherung des Ergebnisses und Senkung der Kosten, einschließlich ihres "7to1 – Our Way Forward" zur Absicherung des Ergebnisses, könnten scheitern.</p> <p>Die Lufthansa Group ist abhängig von der Treibstoffbeschaffung zu akzeptablen Preisen und in ausreichenden Volumina, um ihren Bedarf zu decken. Außerdem könnte die existierende Steuerbefreiung für Flugzeugtreibstoff zukünftig abgeschafft werden.</p> <p>Die Airline-Industrie ist stark vom Wettbewerb bestimmt und die Lufthansa Group steht in intensivem Wettbewerb mit nationalen Fluggesellschaften und Low-Cost-Airlines. Dieser Wettbewerb könnte sich weiter erhöhen.</p> <p>Terroristische Anschläge, politische Aufstände, bewaffnete Konflikte und deren Konsequenzen könnten, wahrscheinlich langfristig, wesentlich nachteilige Auswirkungen auf das Geschäft der Lufthansa Group haben.</p> <p>Nationale und internationale Konflikte und Sanktionen könnten wesentlich nachteilige Auswirkungen auf das Geschäft und den Betrieb der Lufthansa Group haben.</p> <p>Die Geschäfte der Lufthansa Group werden global geführt, was zahlreiche operative Risiken zur Folge hat.</p> <p>Die Lufthansa Group ist Risiken bezüglich ihrer Akquisitionen und Beteiligungen ausgesetzt.</p> <p>Die Lufthansa Group ist Risiken bei ihren zusammengeführten Direktverbindungen außerhalb der Drehkreuze Frankfurt und München unter einheitlicher Marke ausgesetzt.</p> <p>Verpflichtungen aus bindenden Flugzeugbestellungen könnten sich als weniger profitabel herausstellen als zur Zeit der Bestellung erwartet.</p> <p>Die Lufthansa Group ist dem Risiko des Zahlungsausfalls ihrer Vertragspartner ausgesetzt.</p> <p>Die Möglichkeit der Lufthansa Group, die entscheidenden Transport-Drehkreuze Frankfurt und München in Deutschland, Zürich in der Schweiz, und Wien in Österreich oder andere Flughäfen, die für ihr</p>

		<p>operatives Geschäft bedeutsam sind, zu nutzen und insbesondere die letzten Erweiterungen des Flughafens Frankfurt und des Münchner Flughafens, sind mit einer Reihe von juristischen, politischen und wirtschaftlichen Unsicherheiten verbunden.</p> <p>Die Lufthansa Group ist Risiken aus ihren strategischen Allianzen sowie Kooperations- und wirtschaftlichen Joint Venture Abkommen auf bestimmten Strecken ausgesetzt.</p> <p>Die Lufthansa Group steht im Wettbewerb mit alternativen Transportmitteln, insbesondere dem Schienenverkehr, sowie Alternativen für Geschäftsreisen.</p> <p>Die Lufthansa Group ist von einem guten Verhältnis mit ihren Mitarbeitern und ihren Gewerkschaften abhängig – Gewerkschaftsstreitigkeiten, Mitarbeiterstreiks oder Verzögerungen und andere arbeitsbezogene Unterbrechungen könnten die finanzielle Leistung der Lufthansa Group beeinträchtigen.</p> <p>Die Lufthansa Group ist Verlustrisiken aus Flugzeugabstürzen oder ähnlichen Katastrophen ausgesetzt.</p> <p>Die Lufthansa Group ist zusätzlichen Risiken in Verbindung mit dem Flugzeugabsturz von Germanwings Flug 4U9525 am 24. März 2015 ausgesetzt.</p> <p>Extreme Wetterbedingungen hatten in der Vergangenheit wesentlich nachteilige Auswirkungen auf die Airline-Industrie und könnten es wieder haben.</p> <p>Die Airline-Industrie ist besonders anfällig für die Auswirkungen von Epidemien und Naturkatastrophen.</p> <p>Natürliche und durch Menschen verursachte Katastrophen können dazu führen, dass die Lufthansa Group zusätzliche Kosten zu tragen hat und können ihre Versicherungsdeckung nachteilig betreffen.</p> <p>Flugsicherung, Flughafen-, Transit- und Start/Landegebühren sowie die Kosten, die Fluggesellschaften übernehmen müssen, um die Luftverkehrssicherheit zu gewährleisten, könnten weiter steigen.</p> <p>Kapazitätsengpässe können das operative Geschäft der Lufthansa Group einschränken.</p> <p>Die Fähigkeit der Lufthansa Group, ihre Belegschaft als Reaktion auf Änderungen wirtschaftlicher Bedingungen anzupassen, ist wichtig für ihre fortgesetzte Profitabilität.</p> <p>Das Fehlen oder der Verlust von qualifizierten Führungskräften könnte die weitere Entwicklung der Lufthansa Group beeinträchtigen.</p> <p>Die Lufthansa Group ist von der Verfügbarkeit von Luftraum, Fluglotsen, den durch Flughäfen und anderen dritten Parteien erbrachten Dienstleistungen sowie passender Flughafeninfrastruktur abhängig.</p> <p>Einkünfte und Gewinn der Lufthansa Group unterliegen saisonalen Schwankungen.</p> <p>Die Lufthansa Group ist abhängig vom ununterbrochenen und ungestörten Funktionieren eigener Datenverarbeitungs- und Management Systeme sowie von denjenigen dritter Parteien.</p> <p>Die Lufthansa Group könnte nicht in der Lage sein, ausreichend Liquidität vorzuhalten.</p> <p>Schwankungen von Währungswechselkursen können wesentlich nachteilige Auswirkungen auf den Kapitalfluss, die finanzielle Situation und die Ertragslage der Lufthansa Group haben.</p> <p>Schwankungen von Zinssätzen können wesentlich nachteilige Auswirkungen auf den Kapitalfluss, die finanzielle Situation und die Ertragslage der Lufthansa Group haben.</p>
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		<p>Die Pensionsverpflichtungen der Lufthansa Group können die dafür in ihren Büchern gebildeten Rückstellungen substanziell überschreiten.</p> <p>Die Lufthansa Group ist im Zusammenhang mit ihren Investitionen in Flughafeninfrastruktur wesentlichen Haftungsrisiken ausgesetzt.</p> <p>Schaden am Ruf der Lufthansa Group oder ihren Marken können wesentlich nachteilige Auswirkungen auf die Lufthansa Group haben.</p> <p>Die Lufthansa Group ist mit steigenden Kosten konfrontiert, die aus regulatorischen Maßnahmen zur Beschränkung von Treibhausgasen und damit zusammenhängenden Modellen des Emissionsrechtehandels resultieren.</p> <p>Die Rechte der Passagiere verursachen zusätzliche Kosten für die Fluggesellschaften.</p> <p>Die Airline-Industrie ist hochreguliert, was zu zusätzlichen Kosten führen kann.</p> <p>Die Lufthansa Group ist Risiken in Bezug auf Kartell- und anderen Wirtschafts- oder Verwaltungsvorschriften ausgesetzt.</p> <p>Die Lufthansa Group ist Risiken aus Rechtsstreitigkeiten ausgesetzt.</p> <p>Die Lufthansa Group ist Haftungsrisiken in Bezug auf mögliche Umweltschäden ausgesetzt.</p> <p>Verletzungen von Datenschutzbestimmungen können Schadensersatzforderungen zur Folge haben und dem Ruf der Lufthansa Group schaden.</p> <p>Die Verwendung von Allgemeinen Geschäftsbedingungen birgt das Risiko, dass Klauseln von Gerichten für unwirksam erklärt werden. Das kann die Nichtdurchsetzbarkeit von in den betroffenen Klauseln vereinbarten Rechten und/oder Zahlungsverpflichtungen zur Folge haben.</p> <p>Zukünftige Änderungen des Steuerrechts und Änderungen, die bereits erfolgt sind und deren Auswirkungen auf die Steuerlast der Lufthansa Group von zukünftigen Entwicklungen abhängen, können zu einer höheren Steuerbelastung für sie führen.</p> <p>Externe Prüfungen der Lufthansa und ihrer Tochtergesellschaften und diese einbeziehende Steuerverfahren können zu zusätzlichen Steuerzahlungsverpflichtungen führen.</p>
<b>Punkt</b>	<b>Risiken, die den Wertpapieren eigen sind</b>	
<b>D.3</b>	<b>Zentrale Angaben zu den zentralen Risiken, die den Wertpapieren eigen sind</b>	<p>Die Investition in die Schuldverschreibungen beinhaltet bestimmte Risiken, die sich aus den Eigenschaften der Schuldverschreibungen ergeben und die zu erheblichen Verlusten für die Gläubiger führen können, die Schuldverschreibungen halten und/oder verkaufen oder in Bezug auf den Erhalt von Zinszahlungen auf die Schuldverschreibungen. Diese Risiken umfassen die folgenden:</p> <ul style="list-style-type: none"> <li>• Die Schuldverschreibungen sind nicht für alle Investoren geeignet.</li> <li>• Zinszahlungen aufgrund der Schuldverschreibungen können unter Umständen im Ermessen der Emittentin aufgeschoben werden. Gläubiger können eine Entscheidung der Emittentin, Zinszahlungen aufzuschieben oder solche Zinsrückstände freiwillig nachzuzahlen, nicht beeinflussen.</li> <li>• Die Schuldverschreibungen sind langfristige Wertpapiere und die Gläubiger haben kein Recht, die Rückzahlung zu verlangen.</li> <li>• Die Gläubiger sind dem Risiko ausgesetzt, dass die Emittentin Zins- und/oder Rückzahlungen teilweise oder insgesamt nicht leistet.</li> </ul>

		<ul style="list-style-type: none"> <li>• Die Schuldverschreibungen unterliegen bestimmten Rückzahlungsrisiken.</li> <li>• Ansprüche aufgrund der Schuldverschreibungen sind nachrangig und gehen nur dem Aktienkapital der Emittentin im Rang vor. In einem Insolvenzverfahren über das Vermögen der Emittentin können die Gläubiger proportional geringere Zahlungen auf ihre Ansprüche erhalten als sämtliche anderen nachrangigen und nicht-nachrangigen Gläubiger der Emittentin oder die Zahlung an die Gläubiger kann ganz entfallen. Die Einflussmöglichkeiten der Gläubiger im Rahmen eines solchen Insolvenzverfahrens sind beschränkt.</li> <li>• Die Schuldverschreibungen enthalten keine ausdrücklichen Bestimmungen zu Kündigungsgründen oder Drittverzug (<i>Cross Default</i>).</li> <li>• Die Emittentin unterliegt keinen Beschränkungen bei der Aufnahme weiterer Verbindlichkeiten, die im gleichen Rang mit den Nachrangigen Verbindlichkeiten stehen oder diesen vorgehen.</li> <li>• Es wird sich möglicherweise kein liquider Markt für den Handel mit Schuldverschreibungen entwickeln.</li> <li>• Gläubiger sind dem Risiko ausgesetzt, dass die Anpassung des Zinssatzes mittels des 5 Jahres Swapsatzes zu einer Ertragsminderung führt.</li> <li>• Schuldverschreibungen mit Zinssatzanpassungen unterliegen einem Marktrisiko.</li> <li>• Die Schuldverschreibungen unterliegen einem Marktpreisrisiko.</li> <li>• Das Kreditrating der Schuldverschreibungen reflektiert möglicherweise nicht sämtliche Risiken einer Investition in die Schuldverschreibungen.</li> <li>• Bestimmte Rechte der Gläubiger aus den Anleihebedingungen können durch Gläubigerbeschlüsse, die für alle Gläubiger bindend sind, geändert oder eingeschränkt werden oder auch ganz entfallen. Derartige Beschlüsse können unter Umständen wirksam mit der Zustimmung von Gläubigern gefasst werden, die weniger als eine Mehrheit des ausstehenden Gesamtnennbetrages der Schuldverschreibungen vertreten.</li> <li>• Wird ein Vertreter für die Gläubiger bestimmt, kann dies bedeuten, dass die Gläubiger ihr individuelles Recht auf Verfolgung und Durchsetzung ihrer Rechte aus den Anleihebedingungen gegenüber der Emittentin verlieren.</li> <li>• Die Schuldverschreibungen können Wechselkursrisiken und Devisenbeschränkungen unterliegen.</li> <li>• Die Schuldverschreibungen können Risiken in Zusammenhang mit dem US-amerikanischen Gesetz zur Regelung des US-Steuer-Reportings ausländischer Finanzinstitute (<i>U.S. Foreign Account Tax Compliance Act</i>) unterliegen.</li> </ul>
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Punkt	Abschnitt E – Angebot	
E.2b	<b>Gründe für das Angebot und Zweckbestimmung der Erlöse, sofern diese nicht in der Gewinnerzielung und/oder der Absicherung bestimmter Risiken liegen</b>	Die Nettoerlöse der Emission werden für allgemeine Unternehmenszwecke verwandt.
E.3	<b>Beschreibung der Angebotskonditionen</b>	<p><b>Gesamtnennbetrag:</b> EUR [■]</p> <p><b>Ausgabepreis:</b> [■]%</p> <p><b>Angebotszeitraum und Preisfestsetzung</b></p> <p>Die Schuldverschreibungen werden den Investoren von den Managern während einer Angebotsperiode, die am oder um den 4. August 2015 beginnt und bis zum 12. August 2015 offen ist (vorbehaltlich einer Verkürzung oder Verlängerung), angeboten. Auf der Grundlage dieser Angebote, die die Managern erhalten, wird der Ausgabepreis, der Anwendbare Zinssatz (wie vorstehend definiert) für den Anfänglichen Festzinszeitraum, der Gesamtnennbetrag, die anfängliche Kreditmarge sowie die verschiedenen Margen am Preisfindungstag, der voraussichtlich am oder um den 4. August 2015 sein wird, und den Investoren mitgeteilt wird, errechnet. Die Ergebnisse der Angebote sind in einer Mitteilung, die bei der <i>Commission de Surveillance du Secteur Financier</i> einzureichen am oder um den Preisfindungstag, jedoch vor dem Ausgabebetag (die "<b>Preismitteilung</b>"), auf der Internetseite der Luxemburger Börse (<a href="http://www.bourse.lu">www.bourse.lu</a>) zu veröffentlichen. Sollten die Emittentin und die Manager eine Verkürzung oder Verlängerung des Angebotszeitraumes festlegen, die das Ergebnis veränderter Marktbedingungen sein könnte, werden solche Veränderungen in gleicher Weise mitgeteilt, in der die Preisdetails veröffentlicht werden oder, falls anwendbar, wird gemäß Art. 13 des Luxemburger Wertpapierprospektgesetzes ein Nachtrag zum Prospekt erstellt und veröffentlicht.</p> <p><b>Öffentliches Angebot</b></p> <p>Die Schuldverschreibungen werden institutionellen und privaten Anlegern in allen Mitgliedstaaten der Europäischen Union, in Übereinstimmung mit den Beschränkungen des öffentlichen Angebots, verkauft. Ein öffentliches Angebot erfolgt in Großherzogtum Luxemburg, der Bundesrepublik Deutschland, den Niederlanden und Österreich.</p> <p><b>Bedingungen und Einzelheiten des Angebots</b></p> <p>Es gibt keine Bedingungen, denen das Angebot unterliegt. Jegliche Angebote an Investoren zum Erwerb von Schuldverschreibungen erfolgen durch – und Investoren mögen ihr Angebot zum Erwerb von Schuldverschreibungen dort einreichen – das Informationssystem Bloomberg, oder andere übliche Informationssysteme. Nach Veröffentlichung der Preismitteilung bieten die Manager die Schuldverschreibungen über nachfragende Kreditinstitute an. Bezugsrechte für Schuldverschreibungen werden nicht ausgegeben. Jeder Investor, der einen Auftrag bezüglich von Schuldverschreibungen erteilt hat und dessen Auftrag angenommen wurde, erhält eine Bestätigung, hinsichtlich der jeweiligen Zuteilung der Schuldverschreibungen. Bevor ein Investor eine Bestätigung der Manager dahingehend erhält, dass seine Bestellung für</p>

		<p>Schuldverschreibungen angenommen wurde, hat der Investor die Möglichkeit, seine Bestellung zu reduzieren oder zu widerrufen. Es gibt keinen Mindest- oder Höchstbetrag beim Kauf von Schuldverschreibungen. Investoren können Kaufangebote für Schuldverschreibungen in jeglicher Höhe abgeben.</p> <p><b>Angebotsbestätigung und Zuweisung sowie Übertragung der Schuldverschreibungen</b></p> <p>Nach Preisfestsetzung der Schuldverschreibungen und Bestätigung, welche Angebote und welche Beträge einzelner Investoren akzeptiert und bewilligt wurden, erfolgt die Übertragung und Zahlung der Schuldverschreibungen innerhalb von 6 Geschäftstagen (diese Frist kann auch kürzer sein) nach dem Tag der Preisfestsetzung der Schuldverschreibungen und Bestätigung der Zuteilung an die Investoren. Die Schuldverschreibungen werden durch Buchungseintrag durch das Clearing System und dessen kontoführenden Kreditinstitute gegen Zahlung des Ausgabepreises übertragen.</p> <p><b>Feststellungsmethode/Ermittlung des Ausgabepreises, des Anwendbaren Zinssatzes für den Anfänglichen Festzinszeitraum und die anfängliche Kreditmarge</b></p> <p>Der Ausgabepreis der Schuldverschreibungen, der Anwendbaren Zinssatzes für den Anfänglichen Festzinszeitraum und die anfängliche Kreditmarge werden bei Preisfestsetzung auf der Basis einer Rendite, die durch Aufschlag eines Credit-Spread auf das Niveau eines Midswaps zur Zeit der Preisfestsetzung, errechnet. Die Preisspanne wird durch Zugrundelegung der von den Managern erhaltenen Angebote der Investoren während der Angebotsperiode bestimmt.</p>
<b>E.4</b>	<b>Beschreibung aller für die Emission/das Angebot wesentlichen, auch kollidierenden Interessen</b>	Nicht anwendbar. Soweit der Emittentin bekannt ist, liegen bei keiner Person, die bei dem Angebot der Wertpapiere beteiligt ist, Interessenkonflikte vor, die einen Einfluss auf das Angebot haben könnten.
<b>E.7</b>	<b>Schätzung der Ausgaben, die dem Anleger vom Emittenten oder Anbieter in Rechnung gestellt werden</b>	Nicht anwendbar. Den Gläubigern werden keine Ausgaben von der Emittentin und den Managern in Rechnung gestellt.



## RISK FACTORS

***The following is a disclosure of risk factors that may affect the ability of Deutsche Lufthansa Aktiengesellschaft to fulfil its obligations under the Notes and that are material to the Notes in order to assess the market risks associated with the Notes. Prospective investors should consider these risk factors prior to deciding to purchase the Notes.***

***The sequence in which the following risk factors are listed is not an indication of their likelihood to occur or of the extent of their commercial consequences. Prospective investors should consider all information provided in this Prospectus and consult with their own professional advisers (including their financial, accounting, legal and tax advisers) if they consider it necessary. In addition, investors should be aware that the risks described may combine and thus intensify one another.***

***Words and expressions defined in "Terms and Conditions" of the Notes below shall have the same meanings in this section.***

### RISK FACTORS REGARDING THE NOTES

#### **The Notes may not be a suitable investment for all investors**

Each potential investor must make its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience, and any other factors which may be relevant to it in connection with such investment, either alone or with the help of a financial adviser. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation and the investment(s) it is considering, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;
- (iv) understand thoroughly the Terms and Conditions of the Notes and be familiar with the behaviour of financial markets and of any financial variable which might have an impact on the return on the Notes;
- (v) know, that it may not be possible to dispose of the Notes for substantial period of time, if at all; and
- (vi) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks; and

prospective purchasers should also consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of Notes.

#### **Payments of interest under the Notes may be deferred at the election of the Issuer. The Holders cannot influence any decisions by the Issuer to defer interest payments or to optionally settle such Arrears of Interest.**

The Issuer has the option to defer any payment of interest on the Notes on any interest payment date by giving notice to the Holders in accordance with the Terms and Conditions. If the Issuer, who may do so at its own discretion, defers a payment of interest on the Notes, the Issuer may, at its discretion, make payment of interest so deferred at any time. However, the Issuer will only be obliged to make payment of interest so deferred if one or more of the specific events set out in § 4(8)(b) of the Terms and Conditions occurs. One of these events relates to dividends and other distributions on the shares of the Issuer. Prospective purchasers of Notes should be aware that in respect of such distributions, the Issuer's financial position as shown in its unconsolidated financial statements prepared in accordance with German GAAP will be relevant which can materially differ from the Issuer's financial position as shown in the Issuer's consolidated financial statements prepared in accordance with international accounting standards. For instance, while the Issuer's consolidated financial statements for the financial year ended 31 December 2014 showed a result which would allow for the

distribution of a dividend, the Issuer's unconsolidated financial statements for the same period showed a result which led to the decision of the Issuer's Executive Board to propose to the Supervisory Board the submission of a proposal not to pay a dividend for the financial year 2014 since a distribution would not be covered by a sufficient German GAAP result for the financial year 2014. In addition, there can be no assurance that the dividend policy currently pursued by the Issuer will be continued throughout the term of the Notes or that there will always be a sufficient balance sheet profit to cover dividend payments by the Issuer.

Any interest deferred in accordance with the interest deferral provision of the Notes will not itself accrue interest. While the deferral of interest payments continues, the Issuer is not prohibited from making payments on any instrument ranking senior to the Notes and the Holders of Notes are not entitled to claim immediate payment of interest so deferred. The Holders cannot influence any decisions by the Issuer to defer interest payments or to optionally settle such Arrears of Interest. Failure to pay Interest as a result of a deferral will not constitute a default of the Issuer or a breach of any other obligations under the Notes or for any other purpose.

Prospective purchasers of Notes should be aware that the past performance of the Issuer and Lufthansa Group cannot serve as an indication for the future performance of the Issuer and Lufthansa Group, in particular with regard to determining the likelihood of a deferral of interest and the occurrence of one or more of the events resulting in an obligation of the Issuer to pay interest so deferred. Any deferral of interest payments will have an adverse effect on the market price of the Notes. In addition, as a result of the interest deferral provision of the Notes, the market price of the Notes may be more volatile than the market prices of other debt securities on which interest payments are not subject to such deferrals and may be more sensitive generally to adverse changes in the Issuer's financial condition.

**The Notes are long-term securities. Holders have no right to call the Notes for their redemption.**

The Notes will be redeemed on 12 August 2075, unless they have been previously redeemed or repurchased and cancelled. The Issuer is under no obligation to redeem the Notes at any time prior to such date. Holders have no right to call the Notes for their redemption. Certain market expectations may exist among investors in the Notes with regard to the Issuer making use of a right to call the Notes for redemption prior to their scheduled maturity. Should the Issuer's actions diverge from such expectations, the market value of the Notes and the development of an active public market could be adversely affected.

Prospective investors should be aware that they may be required to bear the financial risks of an investment in the Notes for a long period and may not recover their investment before the end of this period.

**Holders are subject to the risk of a partial or total failure of the Issuer to make interest and/or redemption payments.**

Any person who purchases the Notes is relying on the creditworthiness of the Issuer and has no rights against any other person. Holders are subject to the risk of a partial or total failure of the Issuer to make interest and/or redemption payments that the Issuer is obliged to make under the Notes. A materialisation of the credit risk may result in partial or total failure of the Issuer to make interest and/or redemption payments under the Notes.

In addition, even if the likelihood that the Issuer will be in a position to fully perform all obligations under the Notes, when they fall due, actually has not decreased, market participants could nevertheless be of that opinion. Market participants may in particular be of such opinion, if market participants' assessment of the creditworthiness of corporate debtors in general or debtors operating in the industries sector adversely change. If any of these risks occur, third parties would only be willing to purchase the Notes for a lower price than before the materialisation of said risk. The market value of the Notes may therefore decrease.

**The Notes are subject to certain redemption risks.**

Holders should be aware that the Notes may be redeemed only at the option of the Issuer (in whole but not in part) at an amount per Note equal to the Specified Denomination plus any interest accrued and unpaid to (but excluding) the redemption date and any Arrears of Interest (as defined in § 4(7) of the Terms and Conditions) (i) on the First Call Date or on any Reset Date thereafter and (ii) at any time upon the occurrence of a Gross-up Event (as defined in § 5(3) of the Terms and Conditions). In any such case, investors will not receive a make-whole amount or any other compensation in light of such early redemption of the Notes.

The Notes are also subject to early redemption (in whole, but not in part) at the Issuer's option upon the

occurrence of a Tax Deductibility Event or an Equity Credit Event (each as defined in § 5(3) of the Terms and Conditions) at an amount equal to (i) 101 per cent. of the Specified Denomination per Note plus any interest accrued and unpaid to but excluding the redemption date and any Arrears of Interest if such redemption occurs prior to the First Call Date, or (ii) the Specified Denomination per Note plus any interest accrued and unpaid to but excluding the redemption date and any Arrears of Interest if such redemption occurs on or after the First Call Date. The Notes are also subject to early redemption (in whole, but not in part) at the Issuer's option upon the occurrence of a Change of Control Event (as defined in § 5(7) of the Terms and Conditions) at an amount equal to the Specified Denomination per Note plus any interest accrued and unpaid to (but excluding) the change of control effective date and any Arrears of Interest. Investors will, other than the amount equal to 101 per cent. of the Specified Denomination per Note, if applicable, not receive any compensation in light of such early redemption of the Notes.

A change in tax treatment of the Notes could arise, in particular, from change in law or regulation. A possible reason for legislative changes could arise from German implementation of the OECD action plan in the context of its base erosion and profit shifting (BEPS) project. An initial legislative proposal, which could have had an impact on the Notes, has not been implemented; however, a task force comprising officials of the German Federal as well as the States' Ministries of Finance was established to develop draft legislation in this respect. Depending on the outcome of possible legislative changes, the payments of interest under the Notes may no longer be tax deductible in the Federal Republic of Germany. This would give rise to a Tax Deductibility Event pursuant to § 5(3) of the Terms and Conditions and would entitle the Issuer to early call and redeem the Notes.

Further, in the event the Issuer and/or any Subsidiary of the Issuer (as defined in § 3(1) of the Terms and Conditions) has, severally or jointly, purchased Notes equal to at least 80 per cent. of the Aggregate Principal Amount of the Notes initially issued, the remaining Notes may be called and redeemed (in whole but not in part) at an amount equal to the Specified Denomination per Note plus any interest accrued and unpaid to (but excluding) the redemption date and any Arrears of Interest. Investors will not receive a make-whole amount or any other compensation in light of such early redemption of the Notes.

In the event of an early redemption of the Notes, a Holder is exposed to the risk that his investment will have a lower than expected yield and to the risks connected with any reinvestment of the cash proceeds received as a result of the early redemption.

**Claims under the Notes are subordinated and only senior to the share capital of the Issuer. In any insolvency proceedings of the Issuer, the Holders may recover proportionally less than holders of unsubordinated and other subordinated liabilities of the Issuer, or nothing at all, and the remedies for Holders in the insolvency proceedings of the Issuer may be limited.**

The Issuer's obligations under the Notes are, and will remain, subordinated to the full prior payment of all existing and future indebtedness of the Issuer. Accordingly, the claims under the Notes will rank junior to all other creditors (the claims of which do not rank *pari passu* with or are subordinated to the Holders' claims) of the Issuer in the event of an insolvency or liquidation of the Issuer. Therefore, in liquidation or insolvency proceedings of the Issuer, the Holders will in all likelihood recover significantly less than the holders of unsubordinated and other subordinated liabilities of the Issuer, or nothing at all.

Holders of the Notes will have limited ability to influence the outcome of any insolvency proceeding or a restructuring outside insolvency. In particular, in insolvency proceedings over the assets of the Issuer holders of subordinated debt, such as the Notes, will not participate in any creditors' committee (*Gläubigerausschuss*) and will not have any right to vote in the assembly of creditors (*Gläubigerversammlung*). Accordingly, Holders of the Notes have no influence on the outcome of a restructuring outside insolvency.

In case of insolvency plan proceedings (*Insolvenzplanverfahren*) the Holders generally would have no voting right on the adoption of an insolvency plan presented by the Issuer, the relevant insolvency administrator or custodian (sections 237 and 246 of the German Insolvency Code). In addition, their claims would be waived after the adoption of the insolvency plan unless the insolvency plan makes an exception to this general rule (section 225 paragraph 1 German Insolvency Code).

Investors should take into consideration that unsubordinated liabilities may also arise out of events that are not reflected on the Issuer's balance sheet, including, without limitation, the issuance of guarantees or other payment undertakings. Claims of beneficiaries under such guarantees or other payment undertakings will, in

winding-up or insolvency proceedings of the Issuer, become unsubordinated liabilities and will therefore be paid in full before payments are made to Holders.

**The Notes do not include express events of default or a cross default.**

The Holders of the Notes should be aware that the Terms and Conditions of the Notes do not contain any express event of default provisions. There will also not be any cross default under the Notes.

**There is no limitation on the Issuer to incur additional indebtedness ranking senior to or *pari passu* with the Notes.**

The Issuer has not entered into any restrictive covenants in connection with the issuance of the Notes regarding its ability to incur additional indebtedness ranking *pari passu* or senior to the obligations under or in connection with the Notes. The incurrence of any such additional indebtedness may significantly increase the likelihood of a deferral of payments of interest under the Notes and/or may reduce the amount recoverable by Holders in the event of insolvency or liquidation of the Issuer. In addition, under the Notes, the Issuer will not be restricted from issuing or repurchasing its other securities. Holders of Notes will not be protected under the terms of the Notes in the event of a highly leveraged transaction, a reorganisation or a restructuring, merger or similar transaction that may adversely affect Holders.

**An active trading market for the Notes may not develop.**

The Notes constitute a new issue of securities. Prior to this offering, there has been no public market for the Notes. Although application has been made for the Notes to be listed on the official list of and to be admitted to trading on the regulated market of the Luxembourg Stock Exchange, there can be no assurance that an active public market for the Notes will develop. Even if such a market were to develop, neither the Issuer nor the Managers are under any obligation to maintain such a market. In an illiquid market, an investor might not be able to sell his Notes at all or at any time at fair market prices. The possibility to sell the Notes might additionally be restricted due to country-specific reasons. Further, there can be no assurance that a market for the Notes will not be subject to disruptions. Any such disruptions may have an adverse effect on the Holders.

**The Holders are exposed to risks relating to the reset of interest rates based to the 5 year Swap Rate. Interest rate reset may result in a decline of yield.**

From and including the relevant First Call Date to but excluding the date on which the Issuer redeems the Notes in whole and not in part pursuant to § 5 of the Terms and Conditions, the Notes entitle the Holders to interest at a rate which will be determined on each Reset Date (as defined in § 4(2) of the Terms and Conditions) at the 5 year Swap Rate (as defined in § 4(2) of the Terms and Conditions) for the relevant Reset Period (as defined in § 4(2) of the Terms and Conditions) plus the relevant margin. The Holders of securities with a fixed interest rate that will be reset during the term of the securities, as it will be the case for the Notes, if not previously redeemed, are exposed to the risk of fluctuating interest rate levels and uncertain interest income. Potential investors should be aware that the performance of the 5 year Swap Rate cannot be anticipated. Due to varying interest income, potential investors are not able to determine a definite yield to maturity of the Notes at the time they purchase them, therefore their return on investment cannot be compared with that of investments having longer fixed interest periods.

Potential investors in the Notes should bear in mind that neither the current nor the historical level of the 5 year Swap Rate is an indication of the future development of such 5 year Swap Rate.

Furthermore, during each Reset Period, it cannot be ruled out that the price of the Notes may fall as a result of changes in the market interest rate, as the market interest rate fluctuates. During each of these periods, the Holders are exposed to the risks as described under "—Resettable Fixed rate securities have a market risk."

**Resettable fixed rate securities have a market risk.**

A holder of fixed rate securities is particularly exposed to the risk that the price of such securities falls as a result of changes in the market interest rate. While the nominal interest rate of the Notes is fixed until the First Call Date (with a reset of the initial fixed rate on every Reset Date as set out in § 4(2) of the Terms and Conditions), the current interest rate on the capital market (the "**market interest rate**") typically changes on a daily basis. As the market interest rate changes, the price of the Notes also changes, but in the opposite

direction. If the market interest rate increases, the price of the Notes with a fixed interest rate would typically decrease. If the market interest rate decreases, the price of the Notes with a fixed interest rate would typically increase. Holders should be aware that movements in these market interest rates can adversely affect the market price of the Notes and can lead to losses for the Holders if they sell the Notes.

**Risk of change in market value.**

The market value of the Notes is influenced by a change in the creditworthiness (or the perception thereof) of the Issuer and by the credit rating of the Issuer and a number of other factors including, but not limited to, market interest, rate of return and certain market expectations with regard to the Issuer making use of a right to call the Notes for redemption on the relevant First Call Date or any Reset Date thereafter.

The value of the Notes depends on a number of interacting factors, including, but not limited to, economic and political events in Germany or elsewhere, factors affecting the capital markets in general and the stock exchanges on which the Notes are traded. The price at which a Holder can sell the Notes might be considerably below the issue price or the purchase price paid by such Holder.

**The credit rating of the Notes may not reflect all associated risks.**

The credit rating assigned to the Notes may not reflect the potential impact of all risks related to their structure, market, the factors discussed above and other circumstances that may affect the market value of the Notes. If the ratings of the Notes were to be lowered, this may have a negative impact on the trading price of the Notes. A credit rating is not a recommendation to buy, sell or hold Notes and may be revised or withdrawn by the relevant rating agency at any time.

**Certain rights of the Holders under the Terms and Conditions may be amended or reduced or even cancelled by Holders' resolutions and any such resolution will be binding for all Holders of the Notes. Any such resolution may effectively be passed with the consent of less than a majority of the Aggregate Principal Amount of the Notes outstanding.**

Since the Terms and Conditions of the Notes provide for meetings of Holders of the Notes or the taking of votes without a meeting, the Terms and Conditions of the Notes may be amended by majority resolution of the Holders of the Notes and a Holder is subject to the risk of being outvoted by a majority resolution of the Holders of the Notes. The rules pertaining to resolutions of Holders are set out in the German Act on Debt Securities of 2009 (*Schuldverschreibungsgesetz* – "**SchVG**") and are largely mandatory. Pursuant to the SchVG the relevant majority for Holders' resolutions is generally based on votes cast, rather than on the Aggregate Principal Amount of the Notes outstanding, therefore, any such resolution may effectively be passed with the consent of less than a majority of the Aggregate Principal Amount of the Notes outstanding. As such majority resolution is binding on all Holders of the Notes, certain rights of a Holder against the Issuer under the Terms and Conditions of the Notes may be amended or reduced or even cancelled.

**If a Holders' representative will be appointed for the Notes the Holders of the Notes may be deprived of their individual right to pursue and enforce their rights under the respective Terms and Conditions against the Issuer.**

Since the Terms and Conditions of the Notes provide that the Holders of the Notes are entitled to appoint a Holders' Representative by a majority resolution of such Holders, it is possible that a Holder may be deprived of its individual right to pursue and enforce its rights under the Terms and Conditions of the Notes against the Issuer, such right passing to the Holders' Representative who is then exclusively responsible to claim and enforce the rights of all the Holders of the Notes.

**Exchange rate risks and exchange controls.**

The Notes are denominated in euro. Potential investors should bear in mind that an investment in the Notes involves currency risks. This presents certain risks relating to currency conversions if a Holder's financial activities are denominated principally in a currency or currency unit (the "**investor's currency**") other than euro. These include the risk that exchange rates may change significantly (including changes due to devaluation of the euro or revaluation of the investor's currency) and the risk that authorities with jurisdiction over the investor's currency may impose or modify exchange controls. An appreciation in the value of the investor's currency relative to the euro would decrease (i) the investor's currency-equivalent yield on the Notes, (ii) the investor's currency equivalent value of the principal payable on the Notes and (iii) the investor's currency-equivalent

market value of the Notes. In addition, government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable currency exchange rate. As a result, Holders may receive less interest or principal than expected, or no interest or principal.

### **Risks in relation to FATCA**

Whilst the Notes are in global form and held within Euroclear or Clearstream Banking Luxembourg, it is not expected that the reporting regime and potential withholding tax imposed by Sections 1471 through 1474 (including any agreements under Section 1471(b)) of the United States Internal Revenue Code of 1986, certain intergovernmental agreements relating thereto, or laws implementing any foregoing (collectively "**FATCA**") will affect the amount of any payment received by Euroclear or Clearstream Banking Luxembourg. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary is not entitled (or has failed to establish its eligibility) to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Notes are discharged once it has paid the common depositary or common safekeeper for Euroclear or Clearstream Banking Luxembourg (as bearer of the Subordinated Notes) and the Issuer has therefore no responsibility for any amount thereafter transmitted through Euroclear or Clearstream Banking Luxembourg and subsequent custodians or intermediaries.

## RISK FACTORS REGARDING DEUTSCHE LUFTHANSA AKTIENGESELLSCHAFT AND LUFTHANSA GROUP

***The airline industry as a whole is highly susceptible to the effects of adverse economic developments, which may lead to lower demand for flights and overcapacity in the market and, as a result, reduced fares and profitability.***

The worldwide airline industry is highly susceptible to the effects of adverse economic developments. Economic downturns generally lead to an overall decline in flight demand, both in the passenger and cargo flight segments. In particular, Lufthansa Group's Passenger Airline Group segment generates higher margins on ticket sales to first class and business class passengers than on ticket sales to economy class passengers. Economic downturns generally lead to lower demand for these high-margin tickets, as corporate and business clients modify their business travel guidelines to cut costs. In addition, economic downturns cause leisure travelers to book flights increasingly in less-expensive, and, therefore, less-profitable fare classes and to take advantage of deals offered by low-cost airlines. As spending on leisure travel is largely discretionary, this spending may also be eliminated altogether during economic downturns.

The lower number of passengers in economic downturns leads to excess capacity in the passenger airline industry, which results in increased competitive price pressure. Further, as and when the economy slows down, international trade flows slowdown, leading to a decline in the amount of air freight, which can negatively affect Lufthansa Group's Logistics segment, as well as reducing air freight spending generally. Such effects may be exacerbated, affecting revenues and profits all along the value chain. Lufthansa Group may therefore experience further price pressure not only on cargo fees and passenger tickets but also for its aircraft MRO (Maintenance, Repair and Overhaul of aircraft) services, catering and other services, as other airlines also suffer from similar effects in economic downturns as Lufthansa Group do.

The nature of Lufthansa Group's cost structure makes it difficult for Lufthansa Group to respond flexibly to these potential adverse effects of economic downturns and shocks. Flight operations have a high percentage of fixed costs, including those related to fuel, labor costs, aircraft depreciation, air traffic control fees and take-off/landing fees. Regardless of the number of passengers, these costs remain constant so that the marginal cost for each additional passenger or additional unit of cargo is low. Airline revenue, however, results primarily from the fares or freight rates paid so that the marginal revenue from each additional passenger or unit of cargo is relatively high. Any decline in passenger numbers or freight volume will lead to a decline in revenues without a proportionate drop in costs because such fixed costs generally cannot be reduced on short notice, and some of these costs cannot be reduced by any meaningful amount or at all. To increase profitability during economic downturns, Lufthansa Group has in the past reduced the number of flights it offers. Reducing flight frequency through the cancellation of flights may decrease the demand for Lufthansa Group's services, as Lufthansa Group may no longer offer the necessary minimum flight frequency to its customers.

***An economic downturn or a further intensification of the European sovereign debt crisis may negatively affect spending on airline tickets and air freight transport.***

National economies, and the global economy as a whole, are currently experiencing ongoing uncertainty, which may result in a period of significant economic slowdown or even downturn. Despite governments taking widespread action to stabilise their economies the debt and banking crisis has not been solved yet, resulting in a loss of confidence and negatively affecting economic growth rates of affected countries. If domestic economies that are particularly important to Lufthansa Group's business and/or the global economy undergo a prolonged period of uncertainty or a significant downturn, such as the downturns that a number of countries are experiencing as a result of the European sovereign debt crisis, or if Lufthansa Group's customers believe such a period of uncertainty or a downturn will continue for a sustained period, Lufthansa Group's customers may reduce their air travel and air freight spending and air travel and air freight budgets. Reduced economic activities could lead to further reductions in air travel or air freight spending, domestically and/or internationally. Such reductions could lead to a drop in the profitability of, or even losses in, Lufthansa Group's Passenger Airline Group, Lufthansa Group's most important business, segment, and/or Lufthansa Group's Cargo segment.

Further, the number of new aircraft ordered by competitors and the current lower growth prospects mean that overcapacities are expected to persist in both the passenger and air-freight markets in the future. This could increase pressure on Lufthansa Group's average yields. Lufthansa Group's ability to remain competitive under these conditions depends primarily on how flexible Lufthansa Group is in reducing costs and adjusting capacities and how fast Lufthansa Group can react to changes in demand. Lufthansa Group cannot guarantee that measures taken to optimise income by adjusting its prices and capacity to the demand situation will successfully remedy the adverse effects of an economic downturn.

***Adverse economic developments may also result in lower demand for, and profitability of, Lufthansa Group's MRO, catering and other services.***

In addition to affecting Lufthansa Group's Passenger Airline Group and Logistics segments, general economic developments affect its other segments. Any long-term decline in passenger numbers and cargo volumes and ultimately the use of aircraft will affect the demand for Lufthansa Group's MRO services. Initially aircraft owners use an economic decline to ground their aircraft and have them serviced, resulting in an increase in demand for Lufthansa Group's MRO services. However, over the long-term if the demand for flights continues to remain weak or to fall further, aircraft will remain grounded and Lufthansa Group's MRO segment will suffer a steep decline in demand for MRO services. Additionally, the susceptibility of the airline industry to adverse economic developments can lead to price pressure along Lufthansa Group's entire value chain, that is, to pressure on the prices Lufthansa Group can charge for aircraft MRO services, catering, which is also adversely affected by passenger demand for low-cost airlines that spend less on catering, and other services that Lufthansa Group provides to its customers. All of these effects further exacerbate the adverse consequences of reduced demand for flights and lower fares on Lufthansa Group's cash flows, financial condition and results of operations during times of economic downturn.

***The ongoing European sovereign debt crisis could strongly curtail Lufthansa Group's financing options and increase its financing costs.***

The ongoing European sovereign debt crisis has caused the economic and financial situation of companies, including those in the airline industry, to deteriorate. Since Lufthansa Group cannot guarantee that its cash flow from operations will be sufficient to finance pending investments, particularly in respect of aircraft financing and the refinancing of existing obligations as they become due, Lufthansa Group will need to borrow funds to cover its investments and refinancing needs in whole or in part.

Lufthansa Group's purchase commitments for capital expenditure on property, plant and equipment and for intangible assets as of 31 December 2014 totaled up to EUR 16.5 billion. For firm orders placed for aircraft, based on current expectations and depending on the delivery dates for the aircraft, approximately EUR 1.7 billion will be due in 2015, approximately EUR 1.9 billion will be due in 2016, and approximately EUR 1.7 billion will be due in 2017. Future orders for aircraft could also require considerable additional financing. Whether Lufthansa Group will be able to borrow the necessary funds at suitable terms depends on a number of factors, including prevailing interest rates, conditions in the capital markets, and its credit rating. Obtaining financing could become more difficult or more expensive, or could prove impossible. If Lufthansa Group is unable to borrow sufficient funds at suitable terms to meet its financing needs, it could have a material adverse effect on Lufthansa Group's financial condition and results of operations.



***If Lufthansa Group's credit rating is downgraded, this could impair its ability to raise financing on attractive terms and could lead to other adverse consequences.***

The current market situation has also led to a rise in credit risk, the deterioration in the financial position of many companies, and the downgrading of corporate credit ratings by credit rating agencies. At present, Lufthansa Group's long-term debt holds an "investment grade" rating from Standard & Poor's Credit Market Services Europe Limited ("**Standard & Poor's**")<sup>1,3</sup> (BBB-)<sup>4,5</sup> with a "stable" outlook and a rating from Moody's Investors Service Ltd. ("**Moody's**")<sup>2,3</sup> (Ba1)<sup>4,6</sup> with a "positive" outlook. In view of current economic developments and the results of Lufthansa Group's business, there is a risk that Lufthansa Group's credit rating could be downgraded by Standard & Poor's, Moody's, or other leading credit rating agencies, in particular if Lufthansa Group's operating cash flows or other financial indicators, such as, *inter alia*, financial debt or pension obligations, fall short of or exceed targets and expectations. Any downgrade by Standard & Poor's would be to a noninvestment grade rating, as Lufthansa Group currently has Standard & Poor's lowest investment grade rating. Downgrades of Lufthansa Group's credit rating could have a material adverse effect on the cost and availability of financing or refinancing opportunities and significantly adversely affect the willingness of business partners to conduct business with Lufthansa Group. For example, if Lufthansa Group's credit rating were downgraded, Lufthansa Group may face significant difficulties in finding counterparties for its hedging transactions or may be required to fully cash collateralise these transactions with a corresponding negative effect on Lufthansa Group's liquidity. In addition to these immediate disadvantages with regard to future arrangements, such as loan or hedging agreements, the downgrading of its credit rating could also force Lufthansa Group to accept revision or termination clauses that would be triggered in the event of renewed negative rating actions by certain credit rating agencies in future contracts that Lufthansa Group enters into. If its credit ratings are downgraded, Lufthansa Group may only be able to meet its financing and refinancing requirements on significantly less-favorable terms, for example at higher interest rates or with additional collateral requirements. Moreover, Lufthansa Group's pending and planned measures to obtain capital could become more difficult, or Lufthansa Group might not be able to carry out such measures on suitable terms. These outcomes could have material adverse effects on Lufthansa Group's cash flows, financial condition and results of operations.

***Lufthansa Group's measures and programs aimed at safeguarding earnings and reducing costs, including its "7to1 – Our Way Forward" program to shore up earnings, could fail.***

In 2012, the Lufthansa Group launched its "SCORE – Change for Success" program in order to maintain and improve the competitiveness of the Lufthansa Group by reducing costs. The SCORE program officially ended in 2015. In 2014, the strategic program of work entitled "7to1 – Our Way Forward" was initiated and it aims to create the necessary procedural and organisational conditions for strict, continuous efficiency management in the post-SCORE period.

However, the measures of the "7to1 – Our Way Forward" program might not be able to achieve the desired effects throughout the Group, or might achieve these effects only in part or only with great difficulty or could adversely affect the quality of services Lufthansa Group provides to its passengers and other customers. In this case, the operating results of the Group companies in question may improve less than planned, may not improve at all or may even worsen. If this were to occur, the costs of implementing these areas of action would also adversely affect Lufthansa Group's earnings. The failure of measures under the program aimed at strict

<sup>1</sup> Standard & Poor's is established in the European Community and is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**").

<sup>2</sup> Moody's is established in the European Community and is registered under CRA Regulation.

<sup>3</sup> The European Securities and Markets Authority publishes on its website ([www.esma.europa.eu](http://www.esma.europa.eu)) a list of credit rating agencies registered in accordance with the CRA Regulation. That list is updated within five working days following the adoption of a decision under Article 16, 17 or 20 CRA Regulation. The European Commission shall publish that updated list in the Official Journal of the European Union within 30 days following such update.

<sup>4</sup> A credit rating assesses the creditworthiness of an entity and informs an investor therefore about the probability of the entity being able to redeem invested capital. It is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

<sup>5</sup> Standard & Poor's defines BBB- in the Standard & Poor's Guide to Credit Rating Essentials (2011) as follows: Considered lowest investment grade by market participants.

<sup>6</sup> Moody's defines Ba1 in its Global Long-Term Rating Scale in Rating Symbols and Definitions (June 2013) as follows: Obligations rated Ba are judged to be speculative and are subject to substantial credit risk.

*The information sourced from Standard & Poor's and Moody's has been accurately reproduced and, as far as Lufthansa is aware of and able to ascertain from information published by Standard & Poor's and Moody's, no facts have been omitted which would render the reproduced information inaccurate or misleading.*

and continuous efficiency management would have a material adverse effect on Lufthansa Group's cash flows, financial condition and results of operations.

***Lufthansa Group depends on sourcing fuel at acceptable prices and in sufficient volumes to meet its requirements. In addition, the existing tax exemption for aviation fuel could be repealed in the future.***

Aviation fuel costs, along with staff costs and air traffic control and take-off/landing fees, are Lufthansa Group's largest cost items. In 2014, aviation fuel costs amounted to EUR 6.8 billion and represented 21.5 per cent. of Lufthansa Group's total operating expenses. In addition to supply and demand, prices for aviation fuel, or kerosene, are influenced by a number of factors, including political events, speculative trading, natural disasters and decisions by the oil-producing cartels, especially the Organisation of Petroleum Exporting Countries (OPEC). Since the middle of 2014, the spot price for Jet Rotterdam Barges has been going down from USD 1,010 to USD 520 per tonne. On 17 July 2015 this spot price was quoted at USD 524 per tonne. To improve planning certainty, Lufthansa Group generally hedges the majority of its estimated future aviation fuel needs on a revolving basis for specified time periods. However, hedging instruments do not fully protect Lufthansa Group against short-term or long-term price increases, as Lufthansa Group generally only hedges against specific margins of fluctuation and time periods. Furthermore, hedging transactions are generally concluded on the basis of crude oil prices, which can deviate from kerosene prices. Hedging also reduces Lufthansa Group's ability to take advantage of any decreases in aviation fuel prices. If Lufthansa Group's hedging policy were to fail, if Lufthansa Group's credit rating were downgraded, if there were changes in the over-the-counter derivatives market (as a result of, for example, mandatory clearing of standardised over-the-counter derivatives or a financial transaction tax on such instruments) or if the price of kerosene were to rise above Lufthansa Group's hedged price levels, aviation fuel costs could become an even more important cost category for Lufthansa Group, without Lufthansa Group's being able to pass on any increased costs to customers through higher prices for flight services or to offset such cost increases by reducing other costs which could have a material adverse effect on Lufthansa Group's cash flows, financial condition and results of operations.

Furthermore, while Lufthansa Group is currently able to obtain adequate supplies of aviation fuel, it is impossible to predict the future availability or price of aviation fuel. Weather-related events, natural disasters, accidents, political disruptions or wars involving oil producing countries, changes in governmental policy concerning aviation fuel production, transportation or marketing, changes in aviation fuel production capacity, environmental concerns and other unpredictable events may result in additional aviation fuel supply shortages and price increases in the future, which due to the highly competitive nature of the airline industry, Lufthansa Group may not be able to pass on to its customers, and any additional increases in fuel costs or disruptions in fuel supplies could have a material adverse effect on Lufthansa Group's cash flows, financial condition and results of operations.

Regulations may be enacted at the EU level or in Germany to repeal the current tax exemptions on kerosene. The elimination of the current tax exemption would lead to a substantial increase in aviation fuel costs for Lufthansa Group and could, therefore, have a material adverse effect on Lufthansa Group's cash flows, financial condition and results of operations.

***The airline industry is highly competitive, and Lufthansa Group faces intense competition from national airlines and low-cost airlines. This competition could increase further.***

The airline industry is extremely competitive, and this competitive pressure is intensified by price cuts that some competitors have been using more and more to secure or reinforce their market share. In addition, economic uncertainty in specific markets or on specific routes may cause competitors to progressively transfer their capacity to markets and routes that are also served by Lufthansa, resulting in increased competition in these markets and on these routes. Lufthansa Group believes that competition could increase even more if consolidation within the airline industry continues. Lufthansa Group expects that growth in the passenger airline industry will be accompanied by selective reductions of specific overcapacities in, and the consolidation of, the airline industry to address the costs associated with oversupply and achieve economies of scale. At the same time, the pressure of competition from Gulf airlines and low-cost airlines are expected to continue to increase.

The competitors of the Passenger Airline Group include airlines serving larger catchment areas than Lufthansa Group does. These airlines may have greater financial resources and lower cost structures than Lufthansa, particularly with regard to point-to-point flights in Continental Europe and flights in Asia and North America. Some of Lufthansa Group's competitor airlines are wholly or partially owned by governments. In times of crisis in particular, this could give and, at certain times in the past has given, these airlines access to larger and less

expensive sources of funding (including state subsidies). If governments were to provide one or more of Lufthansa Group's competitors with unilateral subsidies or other government assistance, including the build up of extensive infrastructure, this could lead to market distortions or weaken Lufthansa Group's competitive position. In addition, airlines that are under creditor protection may be able to benefit from protection under insolvency laws in their countries. This could help them to substantially reduce their cost structure and become more competitive, both while they are under creditor protection and thereafter.

The aggressive expansion of capacity by other airlines, some of which are state owned and can access greater financial resources, especially national airlines based in the Gulf region and Turkish Airlines, is a major competitive threat to Lufthansa Group. In view of their comparatively small home markets, these airlines must ensure utilisation of their extensive capacity by transit passengers transported through their hubs which they could achieve by lowering fares to and from Europe and other large travel markets or by forming co-operations with, or by acquiring interests in, European airlines, similar to Abu Dhabi's Etihad Airways' acquisition of a 29.2 per cent. stake in Air Berlin plc. in 2012 and of a 49 per cent. stake in Alitalia in 2014.

A specific competition risk might also result out of potential impaired cutthroat competition due to a clash of different political and economic models on Lufthansa Group's relevant markets. Lufthansa Group operates its business mainly based on the framework of EU law (including its principles of an economic competition between market participants under comparable legal prerequisites (e.g. labor law, the regulation/absence of state aid, merger control, infrastructural access)) while some of Lufthansa Group's global (state owned) competitors follow other business aims (e.g. infrastructural development, deviation of business and touristic traffic streams) than a commercially successful operation. Imbalances in the global markets have ever been part of the global competition. However, newer developments such as the access to the EU home market of Lufthansa Group e.g. via participation of Gulf carriers on suffering EU carriers might transfer those imbalances into the home and core markets of Lufthansa Group.

In addition, Lufthansa Group faces competition from low-cost airlines. These airlines generally have a much lower cost structure than Lufthansa Group does and, in some cases, are able to offer flights at significantly lower prices than Lufthansa Group can or at prices below cost in order to capture or secure market share. Lufthansa Group has responded to this competition by transferring the decentralised routes to Germanwings, by cutting its own fares on certain routes or removing certain routes from its network, which has resulted in an adverse effect on revenue. Lufthansa Group cannot guarantee that further growth of low-cost airlines will not impair its growth or cause a further drop in prices or loss of routes or market share.

In some cases, Lufthansa Group is also exposed to strong competitive pressure in its other business segments. There is a danger that it may lose significant numbers of customers to other suppliers in these segments in the future. Risks arise, for example, in cases where long-term contracts by individual Group companies with their customers, especially in the MRO and Catering segments are not renewed, which would lead to sustained deterioration in the income situation of the affected companies.

If competitors were in the position to offer their services at lower prices than Lufthansa Group for the long term, or to otherwise increase their market share to its detriment, this could have a material adverse effect on Lufthansa Group's cash flows, financial condition and results of operations.

***Terrorist attacks, political uprisings, armed conflicts and their consequences could have a material adverse effect on Lufthansa Group's business, possibly for the long term.***

Terrorist attacks, political uprising and armed conflicts worldwide have had significant negative effects on the international airline and tourism industry, including Lufthansa Group, in the past. Moreover, the threat posed by terrorist attacks, including sabotage, bioterrorism and new forms of terrorism, as well as war, civil war and riots, has had a material adverse effect on the global business and political environment. This atmosphere of uncertainty is likely to continue for the foreseeable future and would likely intensify dramatically in the event of further attacks, particularly if they were targeted against civil aviation, business centers or tourist destinations. Such events could have direct adverse effects by, for example, causing a sharp decline in the demand for air travel and other services offered by Lufthansa Group's various business segments. Significant cost cutting as a result of such a decline by major airlines that are its customers could have negative consequences for Lufthansa Group, including its MRO, and Catering segments. Lufthansa Group could incur higher costs and reduced revenues as a result of additional security precautions, whether undertaken voluntarily or in accordance with regulatory requirements. In the event of armed conflicts, there is a risk that Lufthansa Group could be restricted from flying to or over certain areas, which could curtail its flight operations and route planning. All of the aforementioned factors and additional consequences of terrorist attacks or armed conflicts

could have a material adverse effect on Lufthansa Group's cash flows, financial condition and results of operations.

***National and international conflicts and sanction mechanisms could have a material adverse effect on Lufthansa Group's operation and business.***

As globally operating organisation, Lufthansa Group highly depends on smooth and uninterrupted cross-border and cross-cultural operation conditions. Local as well as international conflicts might negatively impact Lufthansa Group's business both, directly and indirectly. While the provision of Lufthansa Group's services to, in and from regions with active (armed) conflicts, such as Iraq and the Middle East ("Arab Spring") or the Ukrainian conflict have a direct adverse impact for specific services in regard to such regions, those conflicts might also have an indirect adverse effect on Lufthansa Group's business due to UN, EU or German sanctions and embargos (e.g. sanctions in regard to Iran or the Ukrainian conflict). Lufthansa Group might be affected by both, sanctions and embargos which have to be observed by Lufthansa Group as well as sanctions and embargos which might declare Lufthansa Group as target or which might aim on services provided by Lufthansa Group. Any conflict, especially in regard to regions where Lufthansa Group provides relevant services or on which Lufthansa Group depends to provide its services might result in a material adverse effect on Lufthansa Group's operation and business at a whole.

***Lufthansa Group's businesses are conducted globally, which gives rise to numerous operational risks.***

Lufthansa Group's businesses operate in many countries worldwide, including in many emerging markets such as China and India. The occurrence of any of the following could have a material adverse effect on Lufthansa Group's cash flows, financial condition and results of operations:

- difficulties in staffing and managing international operations;
- potentially adverse tax consequences and governmental fees, including as a result of inconsistent or unforeseeable interpretations of tax laws;
- costs of complying with various regulatory regimes;
- restrictions and costs relating to compliance with different legal standards and enforcement mechanisms, as well as limitation on transfers of capital;
- volatile political and market instability;
- imposition of quotas relating to the composition of the employee base;
- economic instability and related impacts on foreign currency exchange rates;
- local permissions and access to local infrastructure;
- different terms and payment delays of accounts receivable in the countries in which Lufthansa Group operates; and
- changes in foreign and domestic laws and policies that govern operations of foreign-based companies.

***Lufthansa Group faces risks from its acquisitions and participations.***

In the course of the expected further consolidation of the airline industry, Lufthansa Group assesses and may make further select acquisitions that would complement its business in the future. The commercial success of past and potential future acquisitions depends on whether the company acquired turns out to be sufficiently profitable and does not suffer adverse changes to its cost structure (including personnel or materials) as a result of the takeover. Success also depends on the ratio of the purchase price paid to the earnings contributions of the acquired company. If the expected synergies from acquisitions are not realised or if Lufthansa Group is not successful in turning around loss-making acquisitions, the substantial investments and the possible further financing requirements associated with these acquisitions could have a material adverse effect on its cash flows, financial condition and results of operations. This applies both to past and future acquisitions that may prove to be less profitable than expected. In addition, any impairment losses on the assets of acquired companies or on goodwill capitalised in connection with acquisitions could have a material adverse effect on Lufthansa Group's financial condition and results of operations.

The aforementioned factors and other developments not yet known at the time of an acquisition could make the integration of acquired companies more difficult or impossible, could hamper Lufthansa Group's business

operations, tie up management and staff capacity and increase the costs of acquisitions, which could have a material adverse effect on Lufthansa Group's cash flows, financial condition and results of operations.

***Lufthansa Group faces risks in its merged point-to-point services outside its Frankfurt and Munich hubs under unified brand.***

Lufthansa Passenger Airlines transferred its point-to-point services that are not operated through the Frankfurt and Munich hubs to Germanwings with 60 aircraft which was completed successfully on 7 January 2015. In the past, both Lufthansa German Airlines and Germanwings have offered point-to-point flights on domestic German and European routes. Since 2013, however, these services are repositioned as a quality product – reasonably priced but not cheap – in the low-cost segment in an upgraded Germanwings. Lufthansa German Airlines will then focus on its hub and long-haul carrier business model. In addition to its long-haul services from Frankfurt, Munich and Dusseldorf, Lufthansa German Airlines will continue to operate all its German domestic and European routes to and from Frankfurt and Munich. Furthermore, Lufthansa Group establishes new platforms in order to derive maximum benefit from the further growth of the aviation sector. Thus, the Lufthansa Group's present multi-brand system with its multiple hubs of Frankfurt, Munich, Zurich, Vienna and Brussels will be consistently complemented by the new "WINGS" multi-platform concept in all the Lufthansa Group's European home markets. The Lufthansa Group will use the new WINGS master brand to bundle the various platforms for its point-to-point air travel business; and it is considering extending the concept to intercontinental services, too. With the new Eurowings as its starting platform, the Lufthansa Group aims to develop a competitive air travel product for continental and inter-continental travel.

If this business model under the Germanwings brand and under the new Eurowings sales brand were unsuccessful, this could have material adverse effects on Lufthansa Group's cash flows, financial condition and results of operations.

***Commitments in binding aircraft orders could prove less profitable than expected at the time of ordering.***

As of 31 December 2014, Lufthansa Group's purchase commitments for binding orders of aircraft and reserve engines amounted to EUR 16.4 billion for a scheduled delivery period of up to 2025. Most of Lufthansa Group's expected medium-term financing requirements for new aircraft are for the new technology Airbus A320 'neo' family aircraft, Airbus A350-900, Boeing 777-9X and Boeing 747-8i aircraft. Lufthansa Group may order additional aircraft in the future, which could substantially increase its financing requirements.

If there are delays in the deliveries of Lufthansa Group's ordered aircraft, their commercial introduction could be delayed or cancelled, which would have a material adverse effect on Lufthansa Group's cash flows, financial condition and results of operations.

Above, new implemented aircraft fleets as well as currently existing aircraft can be subject to grounding instructions by relevant authorities or manufactures. Such events might have an immediate effect on Lufthansa Group's operations and results.

In addition, if any of Lufthansa Group's ordered aircraft prove to be less profitable than expected, for example because Lufthansa Group is not able to realise the passenger or revenue targets that it intended to achieve through the investment in these additional aircraft, or if certain aircraft in their operations exceed the planned operating costs or fail to meet anticipated technical performance levels, Lufthansa Group's cash flows, financial condition and results of operations could similarly be materially adversely affected.

***Lufthansa Group is exposed to the risk of payment default by its contractual partners.***

Particularly in its Logistics, MRO, and Catering segments, Lufthansa Group generates a significant portion of its revenue from a comparatively small number of customers. For instance, the ten highest revenue-generating customers (not including Group companies) in 2014 accounted for approximately 25.0 per cent. of external revenue in the MRO segment and approximately 45.4 per cent. of external revenue in the Catering segment. The share of external revenue in the Logistics segment attributable to the top 11 customers was 42.0 per cent. in 2014.

For certain categories of transactions, Lufthansa Group has a limited number of counterparties. For example, Lufthansa Group enters into transactions to hedge currency, fuel price, and other risks with a limited number of banks and financial institutions. In addition, Lufthansa Group insures its aircraft fleet operations with companies such as Delvag Luftfahrtversicherungs AG, a Lufthansa subsidiary, which, in turn, obtains insurance from only a limited number of re-insurers. Moreover, Lufthansa Group regularly pays deposits on aircraft orders to four

aircraft manufacturers. In some segments, particularly MRO, the advance performance of services to customers is significant.

The result of Lufthansa Group's contractual partner structure is that total receivables in respect of individual customers, re-insurers, and banks or financial institutions sometimes accrue in considerable amounts. There is a risk that these receivables could be uncollectible in whole or in part if contractual partners fail to pay or experience a temporary inability to pay or become insolvent. In addition, a reduction or elimination of demand for Lufthansa Group's services by a key customer due to insolvency could lead to a fall in revenue. In the future, if contractual partners who owe considerable amounts to Lufthansa were to become insolvent, including due to the economic crisis, or if key customers were to halt or curtail their business operations, this could have a material adverse effect on Lufthansa Group's cash flows, financial condition and results of operations.

***Lufthansa Group's opportunities to use the key transportation hubs Frankfurt and Munich, Germany, Zurich, Switzerland, and Vienna, Austria, or other airports that are important to its operations, and especially the recent expansion of Frankfurt Airport and the expansion of the Munich Airport, are associated with a number of legal, political, and economic uncertainties.***

Lufthansa Group's business operations depend on the use of airports, particularly the airports in Frankfurt and Munich, Germany, Zurich, Switzerland and Vienna, Austria, which are its most important transportation hubs, as well as other airports that are important to Lufthansa Group's operations. The use of airports, especially with regard to flight times, the scope of flight operations, the emissions resulting from these operations, and planned extensions and changes in the use of airports, are subject to public perception. The direct and indirect neighbors of airports are particularly aware of these issues, which had led to the formation of citizens' initiatives across Germany and in other countries and other attempts to influence the political process, as well as to court proceedings and legal disputes aimed at hindering such planned projects or at limiting the use of airports in general. There is a risk that such political initiatives or attempted court proceedings could result in legal limitations on Lufthansa Group's use of key airports. In addition, there is a risk that foreseen and/or necessary infrastructural expansions were subject to negative plebiscite decisions such as the public referendum on the expansion of Munich Airport. Generally, the limitation of infrastructural resources or an expansion of such beyond demand could result in a material adverse development of Lufthansa Group's business opportunities, outlook and operational results.

Frankfurt Airport is Lufthansa's most important traffic hub. The expansion of the airport within the opening of its fourth runway, the Northwest Runway, occurred in October 2011. The decision granting official approval for the airport expansion plan (*Planfeststellungsbeschluss*) as further determined by the German Federal Administrative Court (*Bundesverwaltungsgericht*) contains extensive restrictions on nighttime flights at Frankfurt Airport during the core nighttime hours between 11:00 p.m. and 5:00 a.m. (night flight ban) and additional minor restrictions for the airport operations between 10:00 p.m. and 11:00 p.m. as well as between 5:00 a.m. and 6:00 a.m.

While the official approval for the airport expansion as well as the court decisions mentioned above were confirmed by the German Federal Administrative Court, local demonstrators are asking for a total nighttime ban to be effective from 10:00 p.m. to 6:00 a.m. In addition, nighttime flights at German airports have become a larger political issue, exacerbating the situation.

Generally, restrictions on nighttime flights impose significant burdens on the economically optimal utilisation of Lufthansa Group's cargo aircraft. If Lufthansa Group were to lose slots due to the implementation of nighttime flight bans, or more restrictive nighttime flight rules, this could have a material adverse effect on its cargo business, especially in Frankfurt.

There are currently also various initiatives underway at Zurich Airport to establish restrictions regarding the extent to which the airport can be used and the permissible noise levels, with a citizens' initiative underway to limit aircraft movements and institute a complete ban on nighttime flights. Such initiatives can result in citizens being given a role to play in decision-making, for example, by voting in referendums, the outcome of which cannot be foreseen. If one of these initiatives is successful and restrictions on airport use or stricter emissions regulations are instituted, Lufthansa Group may not be able to continue to run its flight operations there to the extent it does currently. This could have a material adverse effect on Lufthansa Group company's ability to use Zurich Airport.

The Logistics segment's operations also depend considerably on the use of Leipzig/Halle Airport as a key transportation hub for air freight. If use of this airport were to be restricted or if stricter emissions rules were

implemented, Lufthansa Group's ability to operate its logistics business would be curtailed. Moreover, Lufthansa Cargo requires airports such as Krasnoyarsk Airport in Siberia for use as stopover points, particularly in intercontinental cargo transportation.

If, for political, legal, or economic reasons, use of the airports currently utilised by Lufthansa Cargo for stopovers were to be limited or blocked entirely, this would sharply curb Lufthansa Group's logistics operations. If, as a result of the aforementioned or similar circumstances, Lufthansa Group were prevented from using the airports it currently utilises, particularly Frankfurt Airport and/or the Munich Airport, to the extent it has used them to date, and if Lufthansa Group were prevented from possibly increasing its use of these airports in the future, this could have a material adverse effect on Lufthansa Group's cash flows, financial condition and results of operations.

***Lufthansa Group faces risks in its strategic alliances and cooperative and commercial joint venture arrangements on certain routes.***

Lufthansa Group currently holds a leadership position in Star Alliance, the world's largest airline alliance in terms of the number of airline members and passengers carried. Lufthansa Group's membership in Star Alliance gives Lufthansa Group's customers access to the largest flight network in the world. Nevertheless, Star Alliance may not be successful in competition with other airlines or airline alliances in the future. Other alliances could reinforce their market positions through additional mergers or otherwise. If this were to happen, the competitive advantage that Lufthansa Group derives from its membership in Star Alliance could be reduced or eliminated completely. Furthermore, member airlines may choose to leave Star Alliance, whether as a result of these airlines terminating their membership, or having their membership lapse, for instance, due to the merger with another airline or liquidation in the context of insolvency proceedings. The loss of Star Alliance member airlines could have a material adverse effect on Lufthansa Group's cash flows, financial condition and results of operations. Furthermore, Lufthansa Group cannot guarantee that Star Alliance will be able to attract new or replacement members it may need to be successful in the future. If Star Alliance were to lose market share or appeal to passengers as a result of changes in its membership, particularly in the United States, China, or India, or if Star Alliance were to dissolve completely, this could negatively affect the range of flight routes and feeder and connecting flights that Lufthansa Group is able to offer its customers and could have a material adverse effect on Lufthansa Group's cash flows, financial condition and results of operations.

Lufthansa Group operates some of its international flights through cooperation and commercial joint venture agreements, predominantly with other Star Alliance member airlines. These agreements provide, in certain cases, for the sharing of profits and losses on these flights. Therefore, if a partner airline has higher costs or generates lower revenues than Lufthansa Group does, or if a partner terminates a cooperation agreement that is profitable for Lufthansa Group, this could have a material adverse effect on Lufthansa Group's cash flows, financial condition and results of operations. Further, some of Lufthansa Group's cooperation and commercial joint venture agreements set an upper limit on the amount of the losses to be borne by Lufthansa Group's partners or on its share in any profits. Some of the agreements are also increasing in their complexity, in relation to, for example, revenue-sharing or coordination between carriers. Exposure to a disproportionate interest in the gains or losses generated under these cooperation agreements or the failure to effectively manage the increased complexity of the agreements could have a material adverse effect on Lufthansa Group's cash flows, financial condition and results of operations.

Additionally, Lufthansa Group relies on positive brand recognition to attract customers. Lufthansa Group's brand could be harmed by the actions of one or more of Lufthansa Group's Star Alliance partners. Any damage to Lufthansa Group's reputation, brand image or brand name through either a single event or series of events involving, or due to perceptions (such as overall quality) concerning, Lufthansa Group's Star Alliance members could materially adversely affect its ability to market Lufthansa Group's services and attract and retain customers.

***Lufthansa Group faces competition from alternative means of transportation, in particular rail travel, as well as alternatives to business travel.***

High-speed trains offer an alternative form of transport on many routes that have traditionally been served by airlines. With the opening of additional high-speed train routes, particularly within Europe, competitive pressure from railway operators will increase. The further loss of air passengers to rail transport could have a material adverse effect on Lufthansa Group's cash flows, financial condition and results of operations.

In addition, the Federal Republic of Germany and other European countries are supporting the expansion of rail transport, particularly in the high-speed sector. It is possible that rail transport will receive more support at the European Union and/or national level in the future. This support could result from direct or indirect subsidies for rail travel or other direct or indirect discrimination against air travel (for example, due to changes in tax or environmental regulations), and could have a material adverse effect on Lufthansa Group's cash flows, financial condition and results of operations.

Lufthansa Group also faces competition from alternatives to business travel, such as technologies like video-conferencing, that may substitute for in-person meetings in certain circumstances.

***Lufthansa Group is dependent on good relations with its employees and their unions – Union disputes, employee strikes or slowdowns and other labor related disruptions could impair Lufthansa Group's financial performance.***

Staff costs are one of Lufthansa Group's biggest operating expenses. In 2014, staff costs amounted to EUR 7,335 million and represented 23.4 per cent. of its total operating expenses. Lufthansa Group's employees have traditionally been represented by unions. For example, in the Passenger Airline Group business segment, interests of ground, cockpit and cabin staff are represented by different unions, "Vereinigung Cockpit" for pilots, "UFO" for flight attendants and "ver.di" for ground staff. Lufthansa is currently in ongoing negotiations about different collective labor agreements (e.g. remuneration agreements) with all three unions.

In general, Lufthansa Group faces the risk of complications in negotiations with unions due to increased activism of each union seeking to obtain the best terms, which may lead to complicated and drawn out negotiations. Due to the numerous collective agreements and different interests within and between the unions, there is a risk that further growth and efficiency improvements in regard to staff usage may be met with resistance from the unions.

There is also the possibility that any of Lufthansa Group's employees or third-party employees or their respective unions, may engage in workplace actions such as strikes, slowdowns, or other actions designed to disrupt Lufthansa Group's normal operations or those of the broader airline industry. Strike actions by pilots and security personnel reduced the 2014 Lufthansa Group result by a total of EUR 232 million (EUR 62 million thereof in December 2014 alone). Strike actions have also adversely affected bookings in the financial year 2015 so far and reduced the result of the Lufthansa Group in the first quarter of the financial year 2015 by approx. EUR 42 million and in the second quarter by approx. EUR 58 million.

It is possible that within the framework of collective bargaining, Lufthansa Group will be exposed to further strikes or other industrial action. If Lufthansa Group is unable to negotiate collective agreements with the employees' union representatives on commercially reasonable terms, it could have material adverse effects on Lufthansa Group's cash flows, financial condition and results of operations. Furthermore, programs and measures Lufthansa Group has initiated or will initiate in the future to reduce costs, may also include certain personnel measures that could potentially be met with resistance from Lufthansa Group's employees. Any drawn-out industrial dispute by Lufthansa Group's or third-party employees could also have material adverse effects on Lufthansa Group's cash flows, financial condition and results of operations.

***Lufthansa Group is exposed to the risk of losses from aircraft crashes or similar disasters.***

Lufthansa Group faces the risk of potential losses from crashes and similar disasters in the event that one or more of its aircraft were to be lost or damaged or grounded by accident, terrorist attack, act of sabotage, technical, human or design failures or other events. Lufthansa Group cannot guarantee that the amount of insurance coverage available to Lufthansa Group upon the occurrence of such an event would be adequate to cover the resulting losses. Moreover, Lufthansa Group's company may be forced to bear substantial losses itself, irrespective of its insurance coverage. This could be the case if Lufthansa Group's insurers were unwilling or unable to pay out the agreed compensation, or if passengers were to switch to other airlines. In particular, it is possible that losses could occur that are not limited to losses covered by insurance or that the reputation or standing of Lufthansa Group could be harmed. Aircraft crashes and comparable disasters could tarnish Lufthansa Group's reputation, thus resulting in a significant, and possibly sustained, decline in demand and could also lead to tort liability. Since the public could associate aircraft crashes and similar disasters befalling a member of Star Alliance or another airline on a code-sharing flight with Lufthansa Group, such events could tarnish its reputation even if none of its aircraft are involved. Further, even if an aircraft of any airline entirely unrelated to Lufthansa Group should crash, be lost or damaged or grounded or should a similar disaster occur,



Lufthansa Group could be exposed to material additional risks, such as a significant decline in demand for its flights or its other products and, consequently, severe losses.

The occurrence of any of these events could have material adverse effects on Lufthansa Group's cash flows, financial condition and results of operations.

***Lufthansa Group is exposed to additional risks in connection with the aircraft loss of Germanwings flight 4U9525 on 24 March 2015.***

On 24 March 2015, Germanwings flight 4U 9525 crashed on its way from Barcelona to Dusseldorf in the French Alps, killing all 144 passengers and six crew members on board. The data recovered from the Airbus A320's two black boxes have led the prosecutors to believe that the aircraft was intentionally sent into descent by the co-pilot.

In the event of harm or injury to its passengers, an airline's liability is governed by the passenger liability provisions of the Convention for the Unification of Certain Rules for International Carriage by Air and potentially by further applicable provisions of criminal, administrative and civil law of the relevant jurisdictions, potentially without limitation. Though Lufthansa Group has adequate insurances in place there is no certainty that Lufthansa Group will be fully indemnified by its insurers. In addition, the incident itself, any protracted legal disputes with the bereaved families or any other kind of administrative proceeding or investigations could harm Lufthansa Group's reputation and result in a significant decline in demand for flights or other products and services of Lufthansa Group and bookings in the current financial year have already declined, albeit for a number of reasons. Further, as a consequence of the incident, Germanwings as well as the entire Lufthansa Group, face the risk of substantial additional costs for insurance services in the future or may not be able to continue the current cover at commercially acceptable terms at all.

In addition, the recent events have already resulted in changes to flight operating procedures and may result in further changes and new rules, e.g. in relation to cockpit staffing, statutory requirements affecting the current status or constitution of aircraft components (such as the cockpit door safety mechanism) or the expansion of pilot medical examination programs. Any such new rules and procedures could give rise to material additional costs for Lufthansa Group or could have a negative impact on Lufthansa Group's operations.

Any new findings in the ongoing investigations of the causes of the plane crash, especially if it were to be concluded that Lufthansa Group was partially or entirely at fault for the crash, could also harm Lufthansa Group's reputation and lead to a significant decline in demand for flights or other products and services of an airline or other business segments of Lufthansa Group.

Further, should another aircraft of an airline of Lufthansa Group, a Star Alliance member or any other airline, crash, be lost or damaged or grounded or should a similar disaster occur, Lufthansa Group would be exposed to material additional risks, such as a significant decline in demand for its flights or its other products and, consequently, severe losses.

The occurrence of any of these events could have material adverse effects on Lufthansa Group's cash flows, financial condition and results of operations.

***Extreme weather conditions have had a material adverse effect on the airline industry in the past and may do so again.***

Extreme weather conditions result in substantial additional costs. Inclement weather can lead to flight cancellations, aircraft de-icing, increased waiting times, additional heating for cabins as well as increased fuel consumption due to cold weather. The occurrence of such extreme weather-related events could have material adverse effects on Lufthansa Group's cash flows, financial condition and results of operations.

***The airline industry is particularly vulnerable to the effects of epidemics and natural disasters.***

Natural disasters or epidemics of regional or global proportions could result in substantial reductions in, and cancellations of, bookings and cause overall demand for Lufthansa Group's services to drop. This relates to the Passenger Airline Group in particular but also to the Logistics, Catering and MRO business segments.

Activity from volcanoes or other natural or man-made disasters (such as the earthquake, tsunami and related nuclear catastrophe in Japan in March 2011), could materially and adversely affect Lufthansa Group's passenger and cargo volumes, particularly if such disasters occur in the European airspace or at, or in the region around, any of Lufthansa Group's major flight destinations. For instance, broad swathes of European

airspace were closed in 2010 due to the possible spread of volcanic ash. In response to future natural or man-made disasters, regulatory authorities may impose operating restrictions at airports, such as landing and take-off curfews, mandatory flight paths, runway restrictions and limits on the number of average daily departures. These restrictions may limit Lufthansa Group's ability to provide services at such airports and may cause Lufthansa Group to incur additional costs, which could result in a material adverse effect on Lufthansa Group's cash flows, financial condition and results of operations.

Epidemics, such as Ebola, SARS, or the A/H1N1 influenza virus ("swine flu"), generally result in a reduction in the number of airline passengers and in the demand for air cargo and other services Lufthansa Group provides. For example, the SARS epidemic in 2002 and 2003 led to a drastic reduction in air travel, which was not regionally limited and had global consequences. In addition, governments could issue a ban on air travel during epidemics.

The occurrence of natural disasters or epidemics in the future could have a material adverse effect on Lufthansa Group's cash flows, financial condition and results of operations.

***Natural and man-made disasters can cause Lufthansa Group to incur additional costs and can adversely affect its insurance coverage.***

Lufthansa Group's ability to manage its airline business with the required level of insurance coverage against the risk of losses from man-made and natural disasters is dependent on, among other things, insurance policies. Lufthansa Group's insurance provides liability coverage for passengers, mail, cargo, product liability and third-party liability and hull damage. Since insurance companies continue to be very reluctant in providing coverage, it is difficult for Lufthansa Group and other European airlines to effectively insure against terrorist attacks and certain natural disasters, such as volcanic eruptions, and any administrative official grounding orders for aircraft in connection with such disasters. Specialised insurers now offer only limited hull insurance policies for these risks that cover damage to aircraft. Further, these policies stipulate a number of conditions under which the insurers may terminate policies. In addition, the policies must be renewed at regular intervals.

Lufthansa Group's third-party liability insurance for war and allied perils covers damage that could result to third parties by the operation of Lufthansa Group's passenger and cargo aircraft due to war and allied perils, including terrorist attacks. Insurance companies may stop providing coverage under such comprehensive or third-party liability insurance policies at commercially acceptable terms or may suspend such insurance entirely. Further terrorist attacks, acts of sabotage and other disasters, especially if they occur during air travel or are directed against aircraft, could result in insurance coverage for air traffic risks becoming even more expensive, or in certain risks becoming insurable only to a limited degree or becoming completely uninsurable, or could result in upper limits being established for insurable losses. Any of these outcomes could have a material adverse effect on Lufthansa Group's cash flows, financial condition and results of operations.

***Air traffic control, airport, transit and take-off/landing fees, as well as the costs that airlines must incur to ensure air traffic security, could continue to increase.***

Air traffic control, airport, transit and take-off/landing fees, as well as security charges are costs that can be reduced only to a limited extent, if at all, and represent a significant part of Lufthansa Group's operating costs. Lufthansa Group cannot guarantee that such costs will not continue to increase or that it will not incur new costs in Germany or elsewhere. New costs could arise if, for example, airport, noise or landing charges and fees were to be levied based on environmental criteria such as aircraft noise or emission levels, or if airlines were forced to assume additional security responsibilities. Furthermore, it is possible that security regulations worldwide could be further tightened, particularly if additional terrorist attacks occur, and that security charges or other costs arising from security measures at airports in Germany and elsewhere, especially in the United States, could increase further.

If Lufthansa Group is unable to pass any increases in charges, fees or other costs on to its customers, these increases could have material adverse effects on Lufthansa Group's cash flows, financial condition and results of operations.

***Capacity constraints can limit operations of Lufthansa Group***

Capacity of airports and airspace can severely impact the performance of airlines. The allocation of attractive time slots as well as efficient air navigation services and high punctuality are fundamentally important issues for Lufthansa.

The legal basis for the allocation of airport slots as well as for ground handling and noise related operational restrictions in the EU (so-called Airport Package) have been under review since 2011. Whereas the new regulation on noise-related operating restrictions has been adopted in April 2014, the legislative procedures on airport slots and ground handling have come to a halt due to the political sensitivity of the files, especially ground handling. Both dossiers would require so-called trilogue negotiations. While the revision of the slot regulation might allow fast negotiations since the different positions are not too far apart, the revision on ground handling would still need a thorough discussion. For both noise and slots, the EU lawmakers have found or are under way for a compromise which allows airlines to strengthen their position and to grow. With respect to ground handling, from the point of view of airlines, any compromise will need to ensure the competitiveness of ground handling services at EU airports, allowing at least three providers also at large airports and without overprotecting social rights within a reasonable time frame. The current position of the EU Parliament would not provide for these improvements. Should the proposal not be adopted, Lufthansa may face a more difficult environment at its German hub airports than its competitors at other EU or non-EU hubs, because in Germany, the number of ground handlers is still limited to two providers, even at very large airports such as Frankfurt or Munich. It remains to be seen whether the new EU Parliament will be willing to take up work on slots and ground handling. There are no statutory deadlines, so that the two files could also remain dormant.

The occurrence of any of these risks could have material adverse effects on Lufthansa Group's cash flows, financial condition and results of operations.

***Lufthansa Group's ability to adapt its workforce in response to changes in economic conditions is important to its continued profitability.***

Changes in the economic environment in a number of national economies and globally have affected Lufthansa Group's need for employees differently across its businesses and in the respective national markets in which they operate. It is important that Lufthansa Group is able to adapt the size of its workforce in the face of a highly volatile economic situation in order to minimise costs, while retaining the capacity to capitalise on favorable economic developments. The size and heterogeneity of Lufthansa Group's companies and the changing requirements of its businesses affects its requirements for employees in different places and at different times. If Lufthansa Group is unable to quickly and accurately adapt the size of its workforce to changing economic conditions, this could have a material adverse effect on Lufthansa Group's cash flows, financial condition and results of operations.

***The lack or loss of qualified executives could impair Lufthansa Group's further development.***

Lufthansa Group's success is dependent to a large extent on the services of its key executives and qualified personnel. Since competition for executives is fierce, there is no certainty that in the future Lufthansa Group will be able to retain the required key executives and qualified personnel and to hire new ones. The loss of one or more Executive Board members or of other key personnel, as well as the difficulties presented by having to hire new qualified executives, could impair Lufthansa Group's growth and have material adverse effects on Lufthansa Group's cash flows, financial condition and results of operations.

***Lufthansa Group is dependent on the availability of airspace, air traffic controllers, services provided by airports and other third parties and suitable airport infrastructure.***

The amount of airspace available is limited and any further increase in air traffic density could adversely affect Lufthansa Group's business. Increases in air traffic, especially at high-density hubs may lead to shortages of available slots. In addition, regulations could force Lufthansa Group to relinquish commercially significant slots to competitors or could prevent it from obtaining additional slots with which to further expand its own operations.

Lufthansa Group is also dependent on the provision of services by third parties, such as air traffic controllers and providers of ground handling services (including aircraft fueling and baggage handling), as well as general airport services and the availability of the requisite airport infrastructure. For example, Lufthansa Group will only be able to operate its Airbus A380 aircraft efficiently if airports provide the necessary logistics for handling the aircraft and if it will be able to use facilities for servicing such large aircraft on airport grounds.

Beside third party service providers on the operational side, Lufthansa Group is also dependent on general third party service providers and suppliers e.g. in regard to distribution systems (such as Global Distribution Systems or Computer Reservation Systems), IT services, insurances, communication providers and energy suppliers.

If one or more of these third-party services were temporarily unavailable as a result of events such as strikes, or were permanently unavailable or were only available on commercially unreasonable terms, this could have material adverse effects on Lufthansa Group's cash flows, financial condition and results of operations.

At present, there is, for example, only a limited number of air traffic controllers available across Europe. If this limited availability of air traffic controllers, or strikes by controllers, were to limit the availability of air traffic control services in the future, this could result in longer flight or ground time for Lufthansa Group's aircraft and could have material adverse effects on its cash flows, financial condition and results of operations.

Bottlenecks in the fragmented European air traffic control system continue to be a serious problem for the European airline industry. These bottlenecks result in considerable delays to air traffic, unnecessary detours, holding periods and increased fuel consumption and emissions. The bottlenecks have had a negative impact on the earnings of all European airlines and on the environment and continue to jeopardise growth in air traffic. In 2009, the European Union introduced further legislative measures on Single European Skies (SES II). These measures aim at, among other things, increased integration of air security organisations within the framework of "functional airspace blocks", development of a uniform air traffic management system across Europe and improved utilisation of slots. If these measures are not passed as planned, the expected resulting savings might not be realised by airline carriers, which could have a material adverse effect on Lufthansa Group's results of operations.

***Lufthansa Group's revenue and profits are susceptible to seasonal fluctuations.***

Demand for Lufthansa Group's services by passengers, in particular leisure travelers, varies over the course of the year, which causes Lufthansa Group's quarterly results to fluctuate. During the winter months, Lufthansa's revenues are typically lower than in the rest of the year, which is generally reflected in lower operating results in the first and fourth quarters. Lufthansa Group's passenger numbers are highest in September and October. In 2014, Lufthansa Group's operating result was EUR (245) million in the first quarter, EUR 359 million in the second quarter, EUR 735 million in the third quarter and EUR 105 million in the fourth quarter. As a result of quarterly fluctuations, the level of Lufthansa Group's aircraft utilisation and profitability fluctuates during the year.

***Lufthansa Group is dependent on the uninterrupted and uncompromised operation of its own and third-party data processing and management systems.***

In managing its ticket sales and its Miles & More frequent flyer program, receiving and processing reservations, managing its traffic network and performing other critical business operations, Lufthansa Group depends on the efficient and uninterrupted operation of its computer, communications and logistics systems, including the servers it uses for its Internet presence and online bookings and the systems used by third parties in the course of their cooperation with Lufthansa Group. The latter systems include systems used by its alliance and sales partners, such as reservation systems used by travel agents and aircraft communication. Since computer and communications systems are especially vulnerable to disruptions, damage, power failures, terrorist or other acts of sabotage, system malfunctions, hacker attacks, the theft and manipulation of data, computer viruses, fires and similar events, disruptions or breakdowns of these systems cannot be ruled out. Any disruption to computer and communications systems that Lufthansa Group, its alliance or its sales partners use could significantly impair its ability to operate its business efficiently and could have material adverse effects on Lufthansa Group's cash flows, financial condition and results of operations.

Individuals or groups of individuals have compromised Lufthansa Group's Internet-security measures to manipulate their Miles & More account balances in the past. If Lufthansa Group fails to detect such incidents, Lufthansa Group may be defrauded and could incur additional expenses in running its Miles & More frequent flyer program. In addition, Lufthansa Group faces risks to its reputation and may incur losses from other Internet scams, such as phishers targeting Lufthansa Group's customers or Lufthansa Group's websites.

***Lufthansa Group may not be able to maintain adequate liquidity.***

Lufthansa Group has a significant amount of financial leverage and substantial non-cancelable commitments for capital expenditures, including the acquisition of new aircraft and related spare engines. While Lufthansa Group's cash flows from operations and available capital, including the proceeds from financing transactions, have been sufficient to meet these obligations and commitments to date, Lufthansa Group's liquidity could be negatively impacted by the risk factors discussed herein, including, but not limited to, volatility in the price of fuel, adverse economic conditions, disruptions in the global capital markets and catastrophic external events or the failure in whole or in part of Lufthansa Group's measures and programs aimed at improving earnings and

reducing costs throughout the Group. In addition, if Lufthansa Group is required to provide collateral under its hedging agreements due to a downgrade in its investment grade rating or market changes, it could negatively affect Lufthansa Group's ability to access funds and could lead to reduced liquidity. If Lufthansa Group's liquidity is constrained due to any of these factors or otherwise, or if Lufthansa Group fails to timely pay its debts or large invoices, comply with other material provisions of Lufthansa Group's contractual obligations, including covenants in Lufthansa Group's credit card processing agreements, Lufthansa Group could become subject to a variety of adverse consequences, including the acceleration of debt, providing reserves under credit card processing agreements, the withholding of credit card sale proceeds by Lufthansa Group's credit card service providers and the exercise of other remedies by Lufthansa Group's creditors that could result in a material adverse effect on Lufthansa Group's cash flows, financial condition and results of operations.

Furthermore, constrained liquidity may limit Lufthansa Group's ability to withstand competitive pressure and limit its flexibility in responding to changing business and economic conditions, including increased competition and demand for new services, placing Lufthansa Group at a disadvantage when compared to competitors.

***Fluctuations in currency exchange rates can have material adverse effects on Lufthansa Group's cash flows, financial condition and results of operations.***

Given the international nature of its business, Lufthansa Group generates a substantial portion of its revenues, and incurs a substantial portion of its operating expenses, in foreign currencies, especially U.S. dollars, Japanese yen, Swiss francs and British pounds sterling. In addition, Lufthansa Group holds interests in a series of companies, especially in the Passenger Airline Group, Catering and MRO segments, that are incorporated outside the Eurozone and whose cash flows are therefore generated in currencies other than the Euro. Therefore, fluctuations in exchange rates between the Euro and non-Euro currencies will affect the translation of the financial results of Lufthansa Group's consolidated non-Euro subsidiaries into Euro and will also affect the value of any contributions that Lufthansa Group's business segments generate. Exchange rate changes may also affect Lufthansa Group's consolidated balance sheet. Changes in the Euro values of Lufthansa Group's consolidated asset and liabilities resulting from exchange rate movements may cause Lufthansa Group to record foreign currency gains and losses. In addition, most of Lufthansa Group's consolidated debt and capital expenditure commitments are denominated in Euro or U.S. dollars. Therefore, Lufthansa Group's ability to use cash received in a currency other than the Euro or U.S. dollars to service its debt or capital expenditure commitments could be adversely affected by changes in exchange rates against the U.S. dollar or Euro. Further, all Lufthansa Group's aviation fuel expenses are denominated in U.S. dollars.

Although it pursues a policy of hedging such currency risks, Lufthansa Group is nonetheless subject to significant exposure to currency fluctuations. In 2014, exchange rate effects from foreign currency translation and currency transactions negatively impacted Lufthansa Group's revenue by EUR (172) million. Related to the earnings before taxes, no material impact was registered. Significant fluctuations in the exchange rate of the Euro, and also that of the U.S. dollar, in relation to other currencies could therefore have material adverse effects on Lufthansa Group's cash flows, financial condition and results of operations.

There is an additional risk that Lufthansa Group's currency hedging might not fully protect it against fluctuations in exchange rates or may otherwise reduce or negate the benefit it is able to derive from positive changes in exchange rates. If its hedging policy proves unsuccessful, it could have a material adverse effect on Lufthansa Group's cash flows, financial condition and results of operations.

***Fluctuations in interest rates could have material adverse effects on Lufthansa Group's cash flows, financial condition and results of operations.***

Lufthansa Group hedges against interest rate risks by using floating interest rates for the majority of its financial liabilities. As such, approximately 85 per cent. of Lufthansa Group's financial liabilities are either at floating rates from the outset or are swapped into floating rates using derivatives. Floating interest rates tend to fluctuate based on general economic conditions, prevailing market interest rates and the supply of, as well as demand for, credit. To the extent floating interest rates increase, Lufthansa Group's interest expense will increase, in which event Lufthansa Group may have difficulties making interest payments and funding its other fixed costs, and Lufthansa Group's available cash flow for general corporate requirements may be adversely affected. Therefore, fluctuations in interest rates could have material adverse effects on Lufthansa Group's cash flows, financial condition and results of operations.

***Lufthansa Group's pension obligations could substantially increase and exceed the provisions it has recognised for these obligations in its accounts.***

Lufthansa Group has certain pension obligations towards its employees. These pension obligations are, in a relevant part, covered by pension funds or insurance and partly by provisions. The amount of these provisions is based on certain actuarial assumptions, including discount factors, demographic trends, pension trends, future salary trends and expected returns on plan assets. If actual results, particularly in relation to discount factors, were to deviate from these assumptions, or if actuarial assumptions change, there could be a substantial increase in pension obligations and a resulting increase in the provisions for pensions on Lufthansa Group's balance sheet. Lufthansa Group bears the risk that the value of plan assets will decrease, including with respect to pension obligations whose coverage has been outsourced to external funds, since its employees will in all cases have direct subsidiary claims against it.

From 1 January 2013, the revised IAS 19 "Employee Benefits" has become effective, which has eliminated, for all intents and purposes, the 10 per cent. corridor approach. Thus, actuarial gains and losses are to be recognised directly in "Other comprehensive income", taking deferred taxes into account. Changes in the discount rate used to measure pension obligations and fluctuations in the market value of plan assets for funded pension plans, can in particular result in considerable and unpredictable fluctuations in the balance sheet, as well as shifts between equity and liabilities applying the revised IAS 19. With regard to pension fund assets, Lufthansa Group is exposed to general financial market risks of below-average portfolio performance as well as to the risk of errors in the choice of investments.

All the above factors could have material adverse effects on Lufthansa Group's net assets, as well as Lufthansa Group's financial and earnings position.

As of 31 December 2014, the present value of Lufthansa Group's pension plans was EUR 611 million for unfunded pension obligations and EUR 18,100 million for funded pension obligations. As of 31 December 2014, the fair value of external plan assets was EUR 8,379 million for pension obligations in Germany and EUR 3,105 million for pension obligations outside Germany. As of 30 June 2015, the pension provisions of the Lufthansa Group were EUR 6,580 million (as of 31 December 2014: EUR 7,231 million).

***In connection with its investments in airport infrastructure, Lufthansa Group is exposed to significant liability risks.***

Together with Air France, Japan Airlines and Korean Air, Lufthansa Group is a stakeholder in the operator of Terminal 1 at John F. Kennedy International Airport in New York and is jointly liable, together with the operator, for a minimum lease payment to the appropriate Port Authority in respect of Terminal 1. In their use agreements with the operator, the airlines further gave their unrestricted, unconditional and irrevocable undertaking and guarantee to pay all payment obligations of the operator. If any of the parties fails to pay amounts due under a use agreement, the use agreements furthermore provide that the amounts in question will be paid by all of the parties that are not in arrears in proportion to their respective interest in the operator. If the total rental proceeds generated by the operator of Terminal 1 from these airlines and any other air carriers and lessees at Terminal 1 on the basis of sub-lease agreements were to fall short of the minimum lease payments contractually agreed with the Port Authority, for example, because of rent losses, delayed payments, vacancies or other delays in leasing, the four guarantor airlines would be jointly liable for the shortfall. Accordingly Lufthansa Group, together with the other three airlines, would be responsible for the deficit resulting from such loss of rental income. If the other three airlines were to default on their respective obligations under the joint liability, Lufthansa Group would have sole liability. Any claims arising from such liability could have material adverse effects on Lufthansa Group's cash flows, financial condition and results of operations.

Lufthansa Group holds an indirect general partner's interest of 40 per cent. in Terminal 2 Gesellschaft mbH & Co OHG involved in a joint project to construct and jointly operate a passenger terminal, Terminal 2, at Munich Airport. Lufthansa Group is jointly and severally liable to the full extent for all liabilities and payment obligations of this partnership. Among other borrowings, this partnership has obtained a syndicated credit facility in the total amount of EUR 1,100 million drawn in several tranches with a graduated repayment schedule with the last tranche being repaid in the year 2033 to finance the construction of Terminal 2, and a further syndicated credit facility in the total amount of EUR 725 million, with a drawdown schedule through 2015 and a graduated repayment schedule through the year 2021 to finance the construction of a sub-terminal of Terminal 2. If the Munich Airport partnership was no longer able to meet its obligations, the shortfall would have to be borne solely by Lufthansa Group or together with the other partner. This could have material adverse effects on Lufthansa Group's cash flows, financial condition and results of operations.

Lufthansa Group is also exposed to liability risks arising from its interests in companies involved in fueling, fuel storage, hydrant systems operation and handling companies at airports it uses in the Federal Republic of Germany, the United States and Canada. The investing activities of these companies are financed mostly by external capital. The interest and principal payments these companies make for their credit liabilities, as well as the operating costs of the companies, must be generated from the charges for fueling and handling services, as well as for the use of the respective fuel depot or hydrant system. If the income generated falls short of the interest payments, principal payments and operating costs (for example, because of payment delays, defaults or non-use of the services offered by the companies), the respective partners are liable for the difference and, if loans are called, for the liabilities of the respective company under such loans. If one or several of these companies were no longer able to meet their obligations, the shortfall would have to be borne by Lufthansa Group alone or together with other shareholders. In the latter case, Lufthansa Group would also be exposed to the risk that the remaining shareholders might be unable to pay. The occurrence of such a liability event could have a negative effect on Lufthansa Group's cash flows, financial condition and results of operations.

***Damage to Lufthansa Group's reputation or brand names could have a material adverse effect on Lufthansa Group.***

Lufthansa Group's reputation and brand names have contributed strongly to its strong market position. Damage to Lufthansa Group's reputation or brand names, through either a single event or series of events, could adversely impact its market position and ultimately have a material effect on Lufthansa Group's cash flows, financial condition and results of operations.

#### **Lufthansa's Legal and Regulatory Risks**

***Lufthansa Group is facing increasing costs as a result of regulatory measures to restrict the emission of greenhouse gases and related models of emission rights trading.***

Pursuant to the United Nations Framework Convention on Climate Change and the Kyoto Protocol, the signatory states have undertaken to control and reduce the emission of greenhouse gases. In order to meet its obligations under international law, in 2003 the European Union ("EU") introduced a model for the restriction of greenhouse gases and the trade in emission certificates that applies to certain industries.

In particular, Directive 2008/101/EC amending Directive 2003/87/EC brought aviation activities into the system of trading greenhouse gas emission certificates within the EU. All flights arriving at and departing from airports situated in the territory of an EU member state have been included in the scheme since 1 January 2012.

In addition to the EU emissions trading scheme, some national governments have implemented country-specific airline taxes aimed at targeting the carbon emissions caused by flights. For example, the German Air Travel Tax Act (*Luftverkehrsteuergesetz*, LuftVStG), imposes a travel tax on all bookings from 1 September 2010 for flights departing or arriving in German airports from 1 January 2011. Since January 2012, the tax has been slightly reduced and currently amounts to EUR 7.50, EUR 23.43 or EUR 42.18 per passenger depending on the flight's destination. Austria and the United Kingdom, among others, have also introduced similar air travel taxes. The introduction of these air travel taxes has made it necessary for Lufthansa Group to pass on the resulting cost increase to passengers. The air travel tax applies for flights originating from an airport in Germany only. Transit flights that originate from outside Germany and make an intermediate landing in Germany for commercial reasons en route to a final destination, where a change of passengers occurs, are not subject to such tax. In the current economic climate, the increased cost of air travel may result in customers reducing their use of air transportation further or where possible, to switch to nearby non-German/EU airports. Furthermore, Lufthansa Group may not be able to pass on current and future air travel tax and carbon emission permit costs in their entirety to Lufthansa Group's customers via ticket prices and freight charges.

In addition to affecting EU airlines, air travel taxes and the EU emissions trading scheme in general affect non-EU airlines on their flights arriving or departing from the European Union. A number of non-EU countries, including China, India, Russia, the United States and other non-EU countries, are opposed to the EU emissions trading scheme. Even though the legal action brought before the European Court of Justice by the International Air Transport Association (IATA) and some U.S. airlines challenging the EU emissions trading scheme was unsuccessful, political discussions regarding the scheme are ongoing and their outcome is uncertain. Since 2012, the EU trading scheme factually applies only for intra-EU routes. At present, it is uncertain that the conflict between non-EU countries and the European Union over the EU emission trading scheme will be successfully resolved. If it is not successfully resolved, these countries may impose trade and other sanctions against the European Union and EU airlines. These and other non-EU countries, as well as the European Union, could also

enact additional regulations concerning the emission of greenhouse gases that could restrict Lufthansa Group's operational flexibility and result in increased costs.

***Passenger rights cause additional cost for airlines.***

A number of jurisdictions have implemented provision on passenger rights, obliging airlines to provide assistance and care, as well as rerouting or reimbursement to passengers in cases of flight disruptions or denied boarding. In addition, airlines have to compensate passengers in certain cases. Under EU law (EU Regulation 261/2004), such compensation is between EUR 250 and EUR 600 depending on the length of the flight and the causes of the disruption. In the course of the years, the European Court of Justice (ECJ) has interpreted the aforementioned regulation to the favor of the passengers thus increasing the financial burden for airlines.

In 2013 the European Commission published a proposal for the revision of Regulation 261/2004, aiming at defining the rights of passengers more clearly and finding a fair burden sharing in cases of force majeure, such as the volcanic ash crisis and airport closures due to adverse weather conditions. The EU Council of Ministers and the EU Parliament currently deals with the proposal.

***The airline industry is highly regulated, which can lead to additional costs.***

As an internationally operating airline, Lufthansa Group is subject not only to German and European Union laws, but also to the laws of other nations outside the European Union. Airline operations and the granting of rights to routes are governed by national, European Union and international regulations, as well as bilateral and multilateral treaties between Germany, European Union member states and other countries. Such regulations include traffic rights and operating standards, the most important of which relate to security, aircraft noise, airport access and the allocation of time slots. Lufthansa Group is unable to anticipate what changes will be made to German, Swiss, European Union, U.S. and other international air traffic regulations in the future or the possible impact of such changes. New conventions or the failure to execute new conventions could have material adverse effects on Lufthansa Group's cash flows, financial condition and results of operations.

***Lufthansa Group is exposed to risks relating to antitrust and other economic and administrative regulations.***

As a globally operating airline with a substantial market presence in some regions, and due to its integration in Star Alliance, the world's largest airline alliance, Lufthansa Group is exposed to the risk that antitrust authorities or courts could restrict or entirely prohibit expansion or restructuring projects. Antitrust issues could also arise in relation to future partnerships and alliances, or the strengthening of existing ones. In such cases, there would be an examination by the antitrust authority of each country in which the cooperative arrangement would have effects and the antitrust laws and regulations of such countries would apply.

There is also a risk that, if Lufthansa Group is in violation of other economic or administrative regulations, including permit and reporting obligations, it could be prohibited from pursuing certain business activities and could receive penalties or fines or have other conditions or obligations imposed on it.

Examinations by authorities to determine potential violations of antitrust regulations or other economic or administrative regulations, even unsubstantiated suspicions of such violations, could have substantial negative effects on Lufthansa Group's business. Actual violations of these regulations could lead to significant fines and/or claims for damages by injured parties. For example, Lufthansa Group has been subject to investigations instituted by the antitrust authorities of the European Union, the United States, Australia, Canada and Korea, charging that Lufthansa Group, together with several other air cargo carriers, conspired to fix, raise, maintain, or stabilise prices of cargo shipping services by, among other things, coordinating surcharges (such as fuel and security surcharges) and by agreeing to eliminate or prevent discounting of surcharges. While these proceedings have in the meantime been settled or are in the process of being appealed, Lufthansa Group is currently subject to private civil actions for damages by customers in relation to price fixing charges in the air cargo sector.

Any antitrust decision rendered against Lufthansa by an authority or court, including the prohibition of a cooperative arrangement or a merger or the imposition of penalties, large fines or burdensome conditions and obligations (for example, the surrender of slots without compensation), could have material adverse effects on Lufthansa Group's cash flows, financial condition and results of operations.



***Lufthansa Group is exposed to litigation risks.***

Lufthansa Group companies are involved in a number of lawsuits in Germany and in other countries, both as plaintiff and as defendant. These lawsuits relate to claims that arise in the ordinary course of Lufthansa Group's business. A large number of these lawsuits involve the Passenger Airline Group business segment and relate to personal injuries alleged to have been suffered on flights, service disruptions (including flight delays and lost or damaged luggage), and allegations of inadequate information regarding visas and other conditions of entry. There are currently several proceedings pending against Lufthansa Group in connection with anticompetitive arrangements by Lufthansa Cargo, and it is facing antitrust investigations and claims for damages by customers. In addition, it is party to a number of lawsuits relating to matters of labor and employment law. It is generally not possible to predict the outcome of pending or threatened legal proceedings. This is particularly true of lawsuits in the United States, in light of the large amounts of damages being claimed in some of these proceedings.

There is no guarantee that Lufthansa Group will not be found liable and ordered to make substantial payments in one or more of the lawsuits in which it is or may be involved. A negative outcome in one or more of the pending or threatened high-value lawsuits, or in several relatively low-value lawsuits, could have a material adverse effect on Lufthansa Group's cash flows, financial condition and results of operations.

***Lufthansa Group is exposed to liability risks relating to possible environmental damage.***

In its operations, especially in the Passenger Airline Group, Logistics, MRO and Catering segments, inadvertent environmental damage might occur in the form of leaks of harmful or hazardous substances, particularly kerosene or other oil products, that could contaminate Group-owned or third-party real estate, or pollute waterways or groundwater. This is particularly applicable with regard to the facilities operated by Lufthansa Technik where hazardous substances are stored, processed and discharged, as well as the other facilities and storage areas used by the Group. The event of such contamination or pollution could result not only in possible fines or other public law sanctions, but also in considerable costs for removal, restoration and disposal, as well as further liability risks. Environmental regulations could be tightened, which could lead to considerable costs or have other negative effects on Lufthansa Group's operations. Public knowledge of such environmental damage caused by Lufthansa Group could also damage its reputation significantly. These events could therefore have material adverse effects on Lufthansa Group's cash flows, financial condition and results of operations.

***Violations of data protection regulations could trigger claims for damages and harm Lufthansa Group's reputation.***

Lufthansa Group carries out a large number of transactions to store and use the personal data of its customers, and is therefore subject to the German Data Protection Act and similar regulations in Germany and abroad. Any violations of data protection regulations by Lufthansa Group, Lufthansa Group's employees or third parties who have proper access or gain unauthorised access to protected data, such as the database underlying Lufthansa Group's Miles & More frequent flyer program, could lead to claims for damages, public law sanctions such as fines, and damage to Lufthansa Group's reputation. Violations of data protection regulations could therefore have material adverse effects on Lufthansa Group's cash flows, financial condition and results of operations.

***The use of Standard Terms and Conditions has the inherent risk of clauses being declared void by courts. This may result in unenforceability of rights stipulated in affected clauses and/or payment obligations.***

Lufthansa Group's core business is based on standardised legal relationships with its customers governed by standard terms and conditions such as conditions of carriage or of its customer loyalty program. From time to time customers and/or consumer protection organisations take legal action in order to have single clauses or parts declared to be in violation of applicable law. Consequences of court decisions in favour of the claimants range from the requirement to adopt the clauses affected to payment obligations where specific contractual rights cannot be enforced. Such consequences could have a negative impact on Lufthansa Group's business perspectives, results of operations and financial condition.

If the terms of Lufthansa Group's contracts contain ambiguities or mistakes, or if they are challenged successfully for violating the provisions of consumer protection laws and similar laws and regulations, a large number of terms and conditions or contracts would, therefore, be affected because of the standardisation of Lufthansa Group's contracts. Due to frequent changes in the law, particularly in case law regarding general terms and conditions (*Allgemeine Geschäftsbedingungen*), Lufthansa Group cannot exclude that the use of such contractual terms will entail risks. Even in the case of contracts created with the aid of legal advice, it is

unavoidable that subsequent changes in the legal framework, especially as a result of new case law, will create risks for Lufthansa Group in terms of the enforceability of its contractual entitlements. It is therefore possible that provisions in standardised contract terms will lead to claims against Lufthansa Group, or to the loss of certain rights and privileges, or to the loss of Lufthansa Group's right to claim damages, which would have adverse effects on Lufthansa Group's cash flows and financial condition.

***Future changes in tax laws and changes that have already taken place, the effect of which on Lufthansa Group's tax burden will depend on future developments, could lead to a higher tax burden for it.***

It is possible that changes in applicable tax laws in Germany or at the EU level may increase Lufthansa Group's tax burden. For example, Lufthansa Group may experience a material adverse effect if the tax exemption applying to kerosene is repealed. In addition, Lufthansa Group is being subject to higher regulatory taxes in relation to, in particular, governmental initiatives to reduced carbon emissions. See — "Lufthansa Group is facing increasing costs as a result of regulatory measures to restrict the emission of greenhouse gases and related models of emission rights trading".

Lufthansa Group has taken out numerous loans in connection with its business. These borrowings require interest and principal payments. For corporate income tax purposes, the deduction of interest on loans may be restricted by Section 4h of the German Income Tax Act (*Einkommensteuergesetz*) in conjunction with Section 8a of the German Corporate Income Tax Act (*Körperschaftsteuergesetz*) (the "interest barrier"). The restriction is triggered, for example, when the amount intended for deduction reaches a certain proportion of a key figure derived from a company's earnings. The applicability of the interest barrier, therefore, depends on the earnings Lufthansa Group achieves; these earnings fluctuate and therefore cannot be predicted with any certainty. If Lufthansa Group is increasingly affected by the applicability of these regulations in the future, this would result in a higher tax burden and would in turn have adverse effects on Lufthansa Group's cash flows, financial condition and results of operations.

***External audits of, and tax proceedings involving, Lufthansa and its subsidiaries could lead to additional tax payment obligations.***

Lufthansa Group is involved in regular external tax audits and, from time to time, tax proceedings in Germany and the other jurisdictions in which Lufthansa Group has operations. Some external tax audits and tax proceedings involve complex tax matters and are subject to substantial uncertainty and could give rise to imposition of material additional tax payments. The German external tax audits have mainly related to impairment losses recognised before 2008 on shareholder loans to various domestic and foreign group companies, individual leasing structures, the treatment of income from special investment funds, acquisition-costs of Swiss and various provisions. The most recent finished external tax audit of Lufthansa's Group covered the fiscal years up to and including 2009 and was completed in 2015. The main prospective additional tax payments for the period of 2006-2009 are covered by provisions shown in the financial statements 2014. The external tax audit for the years 2010 to 2012 started in 2013 without any material findings so far. Such external tax audit is scheduled to be finished in 2017. Lufthansa Group is currently engaged in legal and administrative tax proceedings regarding its tax positions in Germany and certain other jurisdictions in which Lufthansa Group has operations.

Because of varying legal interpretations by the tax authorities regarding tax matters or underlying circumstances, there is a possibility that the tax authorities or tax courts will demand additional tax payments on the occasion of current or future external tax audits. Additional tax payments or demands for additional tax payments could have an adverse effect on Lufthansa Group's cash flows and financial condition.

## CONSENT TO THE USE OF THE PROSPECTUS

Each Manager and/or each further financial intermediary subsequently reselling or finally placing Notes issued hereunder is entitled to use the Prospectus in the Grand Duchy of Luxembourg, the Federal Republic of Germany, The Netherlands and the Republic of Austria for the subsequent resale or final placement of the Notes during the period for the subsequent resale or final placement of the Notes from 4 August 2015 to 12 August 2015, provided however, that the Prospectus is still valid in accordance with Article 11 (2) of the Luxembourg Act which implements Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended. The Issuer accepts responsibility for the information given in this Prospectus also with respect to such subsequent resale or final placement of the Notes.

The Prospectus may only be delivered to potential investors together with all supplements published before such delivery. Any supplement to the Prospectus is available for viewing in electronic form on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and on the website of Lufthansa Group ([www.lufthansa.com](http://www.lufthansa.com)).

When using the Prospectus, each Manager and/or relevant further financial intermediary must make certain that it complies with all applicable laws and regulations in force in the respective jurisdictions.

**In the event of an offer being made by a Manager and/or a further financial intermediary the Manager and/or the further financial intermediary shall provide information to investors on the terms and conditions of the offer at the time of that offer.**

**Any Manager and/or a further financial intermediary using the Prospectus shall state on its website that it uses the Prospectus in accordance with this consent and the conditions attached to this consent.**

## TERMS AND CONDITIONS OF THE NOTES

*The German text of the Terms and Conditions of the Notes is controlling and legally binding. The English translation is for convenience only. The Issuer accepts responsibility for the correct translation of the Terms and Conditions into the English language.*

*Der deutsche Text der Anleihebedingungen der Schuldverschreibungen ist maßgeblich und rechtsverbindlich. Die englische Übersetzung dient lediglich Informationszwecken. Die Emittentin übernimmt die Verantwortung für die ordnungsgemäße Übersetzung der Anleihebedingungen in die englische Sprache.*

### ANLEIHEBEDINGUNGEN

*Diese Anleihebedingungen sind in deutscher Sprache abgefasst und mit einer Übersetzung in die englische Sprache versehen. Der deutsche Wortlaut ist allein rechtsverbindlich. Die englische Übersetzung dient nur der Information.*

#### § 1

#### DEFINITIONEN UND AUSLEGUNG

Soweit aus dem Zusammenhang nicht etwas anderes hervorgeht, haben die nachfolgenden Begriffe in diesen Anleihebedingungen die folgende Bedeutung:

**"5 Jahres Swapsatz"** hat die in § 4(2)(e) festgelegte Bedeutung.

**"5 Jahres Swapsatz-Quotierungen"** hat die in § 4(2)(e) festgelegte Bedeutung.

**"Ankündigung eines möglichen Kontrollwechsels"** hat die in § 5(7)(c) festgelegte Bedeutung.

**"Anwendbarer Zinssatz"** hat die in § 4(1) festgelegte Bedeutung.

**"Ausgabetag"** bedeutet 12. August 2015.

**"Austauschtag"** hat die in § 2(3)(b) festgelegte Bedeutung.

**"Berechnungsstelle"** hat die in § 7(2) festgelegte Bedeutung.

**"Bezugsperiode"** hat die in § 4(6) festgelegte Bedeutung.

**"CBL"** hat die in § 2(4) festgelegte Bedeutung

**"Clearing System"** hat die in § 2(4) festgelegte Bedeutung.

**"Dauerglobalurkunde"** hat die in § 2(3)(a) festgelegte Bedeutung.

**"Depotbank"** hat die in § 14(3) festgelegte Bedeutung.

**"Eigenkapitalanrechnungseignis"** hat die in § 5(3) festgelegte Bedeutung.

**"Emittentin"** hat die in § 2(1) festgelegte Bedeutung.

**"Endfälligkeitstag"** hat die in § 5(1) festgelegte Bedeutung.

### TERMS AND CONDITIONS

*These Terms and Conditions are written in the German language and provided with an English language translation. The German text will be the only legally binding version. The English language translation is provided for convenience only.*

#### § 1

#### DEFINITIONS AND INTERPRETATION

Unless the context otherwise requires, the following terms shall have the following meanings in these Terms and Conditions:

**"5 year Swap Rate"** has the meaning specified in § 4(2)(e).

**"5 year Swap Rate Quotations"** has the meaning specified in § 4(2)(e).

**"Potential Change of Control Announcement"** has the meaning specified in § 5(7)(c).

**"Prevailing Interest Rate"** has the meaning specified in § 4(1).

**"Issue Date"** means 12 August 2015.

**"Exchange Date"** has the meaning specified in § 2(3)(b).

**"Calculation Agent"** has the meaning specified in § 7(2).

**"Reference Period"** has the meaning specified in § 4(6).

**"CBL"** has the meaning specified in § 2(4).

**"Clearing System"** has the meaning specified in § 2(4).

**"Permanent Global Note"** has the meaning specified in § 2(3)(a).

**"Custodian"** has the meaning specified in § 14(3).

**"Equity Credit Event"** has the meaning specified in § 5(3).

**"Issuer"** has the meaning specified in § 2(1).

**"Maturity Date"** has the meaning specified in § 5(1).

" <b>Ersetzungs-Garantie</b> " hat die in § 10(1) festgelegte Bedeutung.	" <b>Substitution Guarantee</b> " has the meaning specified in § 10(1).
" <b>Erster Rückzahlungstag</b> " hat die in § 4(2)(a) festgelegte Bedeutung.	" <b>First Call Date</b> " has the meaning specified in § 4(2)(a).
" <b>Erster Step-Up Tag</b> " hat die in § 4(2)(b) festgelegte Bedeutung.	" <b>First Step-Up Date</b> " has the meaning specified in § 4(2)(b).
" <b>EUR</b> " hat die in § 2(1) festgelegte Bedeutung.	" <b>EUR</b> " has the meaning specified in § 2(1).
" <b>Euroclear</b> " hat die in § 2(4) festgelegte Bedeutung.	" <b>Euroclear</b> " has the meaning specified in § 2(4).
" <b>Festgelegte Stückelung</b> " hat die in § 2(1) festgelegte Bedeutung.	" <b>Specified Denomination</b> " has the meaning specified in § 2(1).
" <b>Festgelegte Währung</b> " hat die in § 2(1) festgelegte Bedeutung.	" <b>Specified Currency</b> " has the meaning specified in § 2(1).
" <b>Fitch</b> " hat die in § 5(7)(c) festgelegte Bedeutung.	" <b>Fitch</b> " has the meaning specified in § 5(7)(c).
" <b>Gemeinsamer Vertreter</b> " hat die in § 11(7) festgelegte Bedeutung.	" <b>Holders' Representative</b> " has the meaning specified in § 11(7).
" <b>Gesamtnennbetrag</b> " hat die in § 2(1) festgelegte Bedeutung.	" <b>Aggregate Principal Amount</b> " has the meaning specified in § 2(1).
" <b>Geschäftstag</b> " bezeichnet einen Tag (außer einem Samstag oder Sonntag), an dem Geschäftsbanken in Frankfurt am Main für den allgemeinen Geschäftsverkehr geöffnet sind.	" <b>Business Day</b> " means a day (other than a Saturday or a Sunday) on which commercial banks in Frankfurt am Main are open for business.
" <b>Gläubiger</b> " hat die in § 2(5) festgelegte Bedeutung.	" <b>Holder</b> " has the meaning specified in § 2(5).
" <b>Gleichrangige Verbindlichkeit</b> " hat die in § 3(1) festgelegte Bedeutung.	" <b>Parity Obligation</b> " has the meaning specified in § 3(1).
" <b>Globalurkunden</b> " bezeichnet die Vorläufige Globalurkunde und die Dauerglobalurkunde.	" <b>Global Notes</b> " means the Temporary Global Note and the Permanent Global Note.
" <b>Hauptzahlstelle</b> " hat die in § 7(1) festgelegte Bedeutung.	" <b>Principal Paying Agent</b> " has the meaning specified in § 7(1).
" <b>ICSD</b> " und " <b>ICSDs</b> " hat jeweils die in § 2(4) festgelegte Bedeutung.	" <b>ICSD</b> " and " <b>ICSDs</b> ", respectively, has the meaning specified in § 2(4).
" <b>Kontrolle</b> " hat die in § 5(7)(c) festgelegte Bedeutung.	" <b>Control</b> " has the meaning specified in § 5(7)(c).
" <b>Kontrollwechsel</b> " hat die in § 5(7)(c) festgelegte Bedeutung.	" <b>Change of Control</b> " has the meaning specified in § 5(7)(c).
" <b>Kontrollwechselereignis</b> " hat die in § 5(7)(c) festgelegte Bedeutung.	" <b>Change of Control Event</b> " has the meaning specified in § 5(7)(c).
" <b>Kontrollwechsel-Mitteilung</b> " hat die in § 5(7)(a) festgelegte Bedeutung.	" <b>Change of Control Notice</b> " has the meaning specified in § 5(7)(a).
" <b>Kontrollwechsel-Stichtag</b> " hat die in § 5(7)(c) festgelegte Bedeutung.	" <b>Change of Control Effective Date</b> " has the meaning specified in § 5(7)(c).
" <b>Kontrollwechselzeitraum</b> " hat die in § 5(7)(c) festgelegte Bedeutung.	" <b>Change of Control Period</b> " has the meaning specified in § 5(7)(c).
" <b>Konzerninterne Zahlungen</b> " hat die in § 4(8)(c) festgelegte Bedeutung.	" <b>Intra-Group Payments</b> " has the meaning specified in § 4(8)(c).
" <b>Maßgebliche Eigenkapitalanrechnungskategorie</b> " hat die in § 5(3) festgelegte Bedeutung.	" <b>Relevant category of equity credit</b> " has the meaning specified in § 5(3).

" <b>Moody's</b> " hat die in § 5(7)(c) festgelegte Bedeutung.	" <b>Moody's</b> " has the meaning specified in § 5(7)(c).
" <b>Nachfolgeschuldnerin</b> " hat die in § 10(1) festgelegte Bedeutung.	" <b>Substitute Debtor</b> " has the meaning specified in § 10(1).
" <b>Nachrangige Verbindlichkeit</b> " hat die in § 3(1) festgelegte Bedeutung.	" <b>Junior Obligations</b> " has the meaning specified in § 3(1).
" <b>Obligatorisches Zahlungsereignis</b> " hat die in § 4(8)(c) festgelegte Bedeutung.	" <b>Compulsory Payment Event</b> " has the meaning specified in § 4(8)(c).
" <b>Pflichtnachzahlungstag</b> " hat die in § 4(8)(b) festgelegte Bedeutung.	" <b>Mandatory Settlement Date</b> " has the meaning specified in § 4(8)(b).
" <b>Qualifizierte Mehrheit</b> " hat die in § 11(2) festgelegte Bedeutung.	" <b>Qualified Majority</b> " has the meaning specified in § 11(2).
" <b>Quellensteuer-Ereignis</b> " hat die in § 5(3) festgelegte Bedeutung.	" <b>Gross-up Event</b> " has the meaning specified in § 5(3).
" <b>Ratingagenturen</b> " hat die in § 5(7)(c) festgelegte Bedeutung.	" <b>Rating Agencies</b> " has the meaning specified in § 5(7)(c).
" <b>Ratingherabstufung</b> " hat die in § 5(7)(c) festgelegte Bedeutung.	" <b>Downgrade</b> " has the meaning specified in § 5(7)(c).
" <b>Rechtsstreitigkeiten</b> " hat die in § 14(2) festgelegte Bedeutung.	" <b>Proceedings</b> " has the meaning specified in § 14(2).
" <b>Referenz Reset Tag</b> " hat die in § 4(2)(e) festgelegte Bedeutung.	" <b>Reference Reset Date</b> " has the meaning specified in § 4(2)(e).
" <b>Referenzsatz</b> " hat die in § 4(2)(e) festgelegte Bedeutung.	" <b>Reference Rate</b> " has the meaning specified in § 4(2)(e).
" <b>Relevante Ratingagentur</b> " hat die in § 5(3) festgelegte Bedeutung.	" <b>Relevant Rating Agency</b> " has the meaning specified in § 5(3).
" <b>Reset-Bildschirmseite</b> " hat die in § 4(2)(e) festgelegte Bedeutung.	" <b>Reset Screen Page</b> " has the meaning specified in § 4(2)(e).
" <b>Reset-Referenzbanken</b> " hat die in § 4(2)(e) festgelegte Bedeutung.	" <b>Reset Reference Banks</b> " has the meaning specified in § 4(2)(e).
" <b>Reset-Referenzbankensatz</b> " hat die in § 4(2)(e) festgelegte Bedeutung.	" <b>Reset Reference Bank Rate</b> " has the meaning specified in § 4(2)(e).
" <b>Reset Tag</b> " hat die in § 4(2)(e) festgelegte Bedeutung.	" <b>Reset Date</b> " has the meaning specified in § 4(2)(e).
" <b>Reset Zeitraum</b> " hat die in § 4(2)(e) festgelegte Bedeutung.	" <b>Reset Period</b> " has the meaning specified in § 4(2)(e).
" <b>Reset-Zinssatz</b> " hat die in § 4(2)(e) festgelegte Bedeutung.	" <b>Reset Interest Rate</b> " has the meaning specified in § 4(2)(e).
" <b>Rückzahlungstag</b> " bezeichnet den Tag, an dem die Schuldverschreibungen nach Maßgabe dieser Anleihebedingungen zur Rückzahlung fällig werden.	" <b>Redemption Date</b> " means the day on which the Notes become due for redemption in accordance with these Terms and Conditions.
" <b>Schuldverschreibungen</b> " hat die in § 2(1) festgelegte Bedeutung.	" <b>Notes</b> " has the meaning specified in § 2(1).
" <b>SchVG</b> " hat die in § 11(1) festgelegte Bedeutung.	" <b>SchVG</b> " has the meaning specified in § 11(1).
" <b>Standard &amp; Poor's</b> " hat die in § 5(7)(c) festgelegte Bedeutung.	" <b>Standard &amp; Poor's</b> " has the meaning specified in § 5(7)(c).
" <b>Steuerereignis</b> " hat die in § 5(3) festgelegte	" <b>Tax Deductibility Event</b> " has the meaning

Bedeutung.

"**TARGET2**" hat die in § 6(4) festgelegte Bedeutung.

"**Tochtergesellschaft der Emittentin**" hat die in § 3(1) festgelegte Bedeutung.

"**Verbundenes Finanzierungsunternehmen**" hat die in § 10(1) festgelegte Bedeutung.

"**Vereinigte Staaten**" bezeichnet die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des District of Columbia) sowie deren Territorien (einschließlich Puerto Rico, der U.S. Virgin Islands, Guam, American Samoa, Wake Island und Northern Mariana Islands).

"**Vorläufige Globalurkunde**" hat die in § 2(3)(a) festgelegte Bedeutung.

"**Zahltag**" hat die in § 6(4) festgelegte Bedeutung.

"**Zinsberechnungszeitraum**" hat die in § 4(6) festgelegte Bedeutung.

"**Zinsen**" hat die in § 4(3) festgelegte Bedeutung.

"**Zinsrückstände**" hat die in § 4(7) festgelegte Bedeutung.

"**Zinstagequotient**" hat die in § 4(6) festgelegte Bedeutung.

"**Zinszahlungstag**" hat die in § 4(1) festgelegte Bedeutung.

"**Zinszeitraum**" hat die in § 4(1) festgelegte Bedeutung.

"**Zusätzliche Beträge**" hat die in § 8 festgelegte Bedeutung.

"**Zweiter Step-Up Tag**" hat die in § 4(2)(c) festgelegte Bedeutung.

specified in § 5(3).

"**TARGET2**" has the meaning specified in § 6(4).

"**Subsidiary of the Issuer**" has the meaning specified in § 3(1).

"**Financing Affiliate**" has the meaning specified in § 10(1).

"**United States**" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

"**Temporary Global Note**" has the meaning specified in § 2(3)(a).

"**Payment Business Day**" has the meaning specified in § 6(4).

"**Calculation Period**" has the meaning specified in § 4(6).

"**Interest**" has the meaning specified in § 4(3).

"**Arrears of Interest**" has the meaning specified in § 4(7).

"**Day Count Fraction**" has the meaning specified in § 4(6).

"**Interest Payment Date**" has the meaning specified in § 4(1).

"**Interest Period**" has the meaning specified in § 4(1).

"**Additional Amounts**" has the meaning specified in § 8.

"**Second Step-Up Date**" has the meaning specified in § 4(2)(c).

## § 2

### WÄHRUNG, STÜCKELUNG, FORM, BESTIMMTE DEFINITIONEN

- (1) *Währung, Gesamtnennbetrag, Stückelung.* Diese nachrangigen Schuldverschreibungen (die "**Schuldverschreibungen**") der Deutsche Lufthansa Aktiengesellschaft (die "**Emittentin**") werden in Euro (die "**Festgelegte Währung**" oder "**EUR**") im Gesamtnennbetrag von EUR [*Gesamtnennbetrag*] (in Worten: [*Gesamtnennbetrag in Worten*]) (der "**Gesamtnennbetrag**") in einer Stückelung von EUR 1.000 je Schuldverschreibung (die "**Festgelegte Stückelung**") begeben.
- (2) *Form.* Die Schuldverschreibungen lauten auf den Inhaber.
- (3) *Vorläufige Globalurkunde, Dauer-globalurkunde, Austausch.*

## § 2

### CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS

- (1) *Currency, Aggregate Principal Amount, Denomination.* This issue of subordinated notes (the "**Notes**") of Deutsche Lufthansa Aktiengesellschaft (the "**Issuer**") is being issued in euro (the "**Specified Currency**" or "**EUR**") in the aggregate principal amount of EUR [*Aggregate Principal Amount*] (in words: [*Aggregate Principal Amount in words*]) (the "**Aggregate Principal Amount**") in the denomination of EUR 1,000 each (the "**Specified Denomination**").
- (2) *Form.* The Notes are being issued in bearer form.
- (3) *Temporary Global Note, Permanent Global Note, Exchange.*

- (a) Die Schuldverschreibungen sind anfänglich durch eine vorläufige Globalurkunde (die "**Vorläufige Globalurkunde**") ohne Zinsscheine verbrieft. Die Vorläufige Globalurkunde wird gegen eine Dauerglobalurkunde (die "**Dauerglobalurkunde**") ohne Zinsscheine ausgetauscht. Die Vorläufige Globalurkunde und die Dauerglobalurkunde tragen jeweils die Unterschriften ordnungsgemäß bevollmächtigter Vertreter der Emittentin und sind jeweils von der Hauptzahlstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.
- (a) The Notes are initially represented by a temporary global note (the "**Temporary Global Note**") without coupons. The Temporary Global Note will be exchangeable for a permanent global note (the "**Permanent Global Note**") without coupons. The Temporary Global Note and the Permanent Global Note shall each be signed by authorised signatories of the Issuer and shall each be authenticated by or on behalf of the Principal Paying Agent. Definitive notes and interest coupons will not be issued.
- (b) Die Vorläufige Globalurkunde wird frühestens an einem Tag (der "**Austauschtag**") gegen die Dauerglobalurkunde austauschbar, der 40 Tage nach dem Ausgabetag der durch die Vorläufige Globalurkunde verbrieften Schuldverschreibungen liegt. Ein solcher Austausch darf nur nach Vorlage von Bescheinigungen gemäß U.S. Steuerrecht an die Emittentin oder die Hauptzahlstelle für die Emittentin erfolgen, wonach der oder die wirtschaftliche(n) Eigentümer der durch die Vorläufige Globalurkunde verbrieften Schuldverschreibungen keine U.S. Personen sind (ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche Finanzinstitute halten). Zinszahlungen oder Zahlungen von Zinsrückständen auf durch eine Vorläufige Globalurkunde verbrieften Schuldverschreibungen erfolgen erst nach Vorlage solcher Bescheinigungen. Eine gesonderte Bescheinigung ist für jede solche Zinszahlung oder Zahlung von Zinsrückständen erforderlich. Jede Bescheinigung, die am oder nach dem 40. Tag nach dem Ausgabetag der durch die Vorläufige Globalurkunde verbrieften Schuldverschreibungen eingeht, wird als ein Ersuchen behandelt werden, diese Vorläufige Globalurkunde gemäß diesem Absatz (b) dieses § 2 Absatz (3) auszutauschen. Schuldverschreibungen, die im Austausch für die Vorläufige Globalurkunde geliefert werden, dürfen nur außerhalb der Vereinigten Staaten geliefert werden.
- (b) The Temporary Global Note shall be exchangeable for the Permanent Global Note from a date (the "**Exchange Date**") 40 days after the Issue Date of the Notes represented by the Temporary Global Note. Such exchange shall only be made upon delivery of certifications to the Issuer or the Principal Paying Agent on the Issuer's behalf to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is not a U.S. person (other than certain financial institutions or certain persons holding Notes through such financial institutions) as required by U.S. tax law. Payment of Interest and Arrears of Interest, if any, on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of Interest or Arrears of Interest. Any such certification received on or after the 40th day after the Issue Date of the Notes represented by the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to this subparagraph (b) of this § 2(3). Any Notes delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States.
- (4) *Clearing System.* Die Globalurkunde, die die Schuldverschreibungen verbrieft, wird von einem oder im Namen eines Clearing Systems verwahrt, bis sämtliche Verbindlichkeiten der Emittentin aus den Schuldverschreibungen erfüllt sind. "**Clearing System**" bedeutet jeweils folgendes: Clearstream Banking, société anonyme, 42 Avenue JF Kennedy, 1855 Luxemburg,
- (4) *Clearing System.* The global note representing the Notes will be kept in custody by or on behalf of the Clearing System until all obligations of the Issuer under the Notes have been satisfied. "**Clearing System**" means each of the following: Clearstream Banking, société anonyme, 42 Avenue JF Kennedy, 1855 Luxembourg, Grand Duchy of Luxembourg ("**CBL**") and Euroclear Bank



Großherzogtum Luxemburg ("**CBL**") und Euroclear Bank SA/NV, Boulevard du Roi Albert II, 1210 Brüssel, Belgien ("**Euroclear**") sowie jeder Funktionsnachfolger. "**ICSD**" bezeichnet jeweils CBL und Euroclear sowie jeden Funktionsnachfolger (zusammen die "**ICSDs**").

Die Schuldverschreibungen werden in Form einer Classical Global Note ("**CGN**") ausgegeben und von einer gemeinsamen Verwahrstelle im Namen beider ICSDs verwahrt.

- (5) *Gläubiger, Übertragbarkeit.* "**Gläubiger**" bezeichnet jeden Inhaber eines Miteigentumsanteils oder anderen vergleichbaren Rechts an den Schuldverschreibungen, welcher bzw. welches nach Maßgabe des anwendbaren Rechts und der jeweils geltenden Regelwerke des Clearing Systems übertragen werden können.

### § 3

#### STATUS, AUFRECHNUNGSVERBOT

- (1) *Status der Schuldverschreibungen.* Soweit nachstehend nichts anderes bestimmt ist, begründen die Schuldverschreibungen direkte, nicht besicherte, nachrangige Verbindlichkeiten der Emittentin, die im Fall der Abwicklung, Auflösung oder Liquidation der Emittentin (i) nur den Nachrangigen Verbindlichkeiten im Rang vorgehen, (ii) untereinander und mit jeder Gleichrangigen Verbindlichkeit im Rang gleich stehen und (iii) allen anderen bestehenden und zukünftigen Verbindlichkeiten der Emittentin, ob nachrangig oder nicht nachrangig, im Rang nachgehen, soweit zwingende gesetzliche Vorschriften nichts anderes vorschreiben bzw. die Bedingungen des betreffenden Instruments ausdrücklich etwas anderes vorsehen.

Die Rechte der Gläubiger aus den Schuldverschreibungen gegenüber der Emittentin begründen direkte, nicht besicherte und nachrangige Rechte gegenüber der Emittentin im Sinne von § 39 Absatz 2 Insolvenzordnung, die im Fall der Insolvenz der Emittentin, eines Vergleichs oder eines anderen der Abwendung der Insolvenz der Emittentin dienenden Verfahrens (i) nur den Nachrangigen Verbindlichkeiten im Rang vorgehen, (ii) untereinander und mit jeder Gleichrangigen Verbindlichkeit im Rang gleich stehen und (iii) allen anderen bestehenden und zukünftigen Verbindlichkeiten der Emittentin, ob nachrangig oder nicht nachrangig, im Rang nachgehen, soweit nicht zwingende gesetzliche Vorschriften etwas

SA/NV, Boulevard du Roi Albert II, 1210 Brussels, Belgium ("**Euroclear**") and any successor in such capacity. "**ICSD**" means each of CBL and Euroclear and any successor in such capacity (together, the "**ICSDs**").

The Notes are issued in classical global note ("**CGN**") form and are kept in custody by a common depositary on behalf of both ICSDs.

- (5) *Holder, Transferability.* "**Holder**" means any holder of a proportionate co-ownership or other beneficial interest or right in the Notes, which are transferable in accordance with applicable law and applicable rules of the Clearing System.

### § 3

#### STATUS, PROHIBITION OF SET-OFF

- (1) *Status of the Notes.* Except as otherwise provided below, the obligations of the Issuer under the Notes constitute direct, unsecured and subordinated obligations of the Issuer and, in the event of the winding-up, dissolution or liquidation of the Issuer, rank (i) senior only to the Junior Obligations, (ii) *pari passu* among themselves and *pari passu* with any Parity Obligation, and (iii) junior to all other present and future obligations of the Issuer, whether subordinated or unsubordinated, except as otherwise provided by mandatory provisions of law or as expressly provided for by the terms of the relevant instrument.

The rights of the Holders towards the Issuer under the Notes constitute direct, unsecured and subordinated rights in the meaning of section 39 paragraph 2 of the German Insolvency Regulation (*Insolvenzordnung*) and, in the event of the insolvency of the Issuer, composition or other proceedings for the avoidance of insolvency of the Issuer, rank (i) senior only to Junior Obligations, (ii) *pari passu* among themselves and *pari passu* with any Parity Obligation and, (iii) junior to all other present and future obligations of the Issuer, whether subordinated or unsubordinated, except as otherwise provided by mandatory provisions of law or as expressly otherwise provided for by the terms

anderes vorschreiben bzw. die Bedingungen des betreffenden Instruments ausdrücklich etwas anderes vorsehen.

Im Fall (i) der Abwicklung, Auflösung oder Liquidation der Emittentin gehen die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen, und im Fall (ii) der Insolvenz der Emittentin oder eines Vergleichs oder eines anderen der Abwendung der Insolvenz der Emittentin dienenden Verfahrens, gehen die Rechte der Gläubiger gegenüber der Emittentin gemäß § 39 Absatz 2 Insolvenzordnung im Rang den Ansprüchen aller nicht nachrangigen und nachrangigen Gläubiger nach (soweit nicht zwingende gesetzliche Vorschriften etwas anderes vorschreiben bzw. die Bedingungen, denen die betreffenden Ansprüche unterliegen, ausdrücklich etwas anderes vorsehen), so dass Zahlungen auf die Schuldverschreibungen solange nicht erfolgen, wie die Ansprüche dieser nicht nachrangigen und nachrangigen Gläubiger gegen die Emittentin nicht zuvor vollständig erfüllt sind. Unter Beachtung dieser Nachrangregelung bleibt es der Emittentin unbenommen, ihre Verbindlichkeiten aus den Schuldverschreibungen auch aus dem sonstigen freien Vermögen zu bedienen.

Für die Rechte der Gläubiger aus den Schuldverschreibungen ist diesen keine Sicherheit durch die Emittentin oder durch Dritte gestellt; eine solche Sicherheit wird auch zu keinem Zeitpunkt gestellt werden.

**"Nachrangige Verbindlichkeit"** bezeichnet jeden gegen die Emittentin gerichteten Anspruch aus (i) den Stammaktien und etwaigen Vorzugsaktien der Emittentin, (ii) jeder gegenwärtigen oder zukünftigen Aktie einer anderen Gattung von Aktien der Emittentin, (iii) jedem anderen gegenwärtigen oder zukünftigen Wertpapier oder Namenswertpapier, das von der Emittentin begeben ist und bei dem die daraus folgenden Verbindlichkeiten der Emittentin mit den Verbindlichkeiten aus Stammaktien oder etwaigen Vorzugsaktien der Emittentin aufgrund gesetzlicher Bestimmungen oder vertraglicher Vereinbarung gleichrangig sind und (iv) einer Garantie oder sonstigen Haftungsübernahme der Emittentin, welche diese für gegenwärtige oder zukünftige Wertpapiere oder Namenswertpapiere einer Tochtergesellschaft der Emittentin übernommen hat, wenn die Verbindlichkeiten der Emittentin aus der Garantie oder der sonstigen Haftungsübernahme aufgrund gesetzlicher Bestimmungen oder vertraglicher Vereinbarung gleichrangig im Verhältnis zu

of the relevant instrument.

In the case of (i) the winding-up, dissolution or liquidation of the Issuer, the obligations of the Issuer under the Notes, and (ii) the insolvency of the Issuer or composition or other proceedings for the avoidance of insolvency of the Issuer, the rights of the Holders towards the Issuer shall, pursuant to section 39 paragraph 2 of the German Insolvency Regulation (*Insolvenzordnung*), be subordinated to the claims of all unsubordinated and subordinated creditors of the Issuer (except as otherwise provided by mandatory provisions of law or as expressly otherwise provided for by the terms underlying the relevant claims) so that in any such case no amounts shall be payable in respect of the Notes until the claims of such unsubordinated and subordinated creditors of the Issuer shall have first been satisfied in full. Subject to this subordination provision, the Issuer may satisfy its obligations under the Notes also from other distributable assets (*freies Vermögen*) of the Issuer.

No security is, or shall at any time be, granted by the Issuer or any other person securing rights of the Holders under the Notes.

**"Junior Obligation"** means each claim against the Issuer arising under (i) the ordinary shares and preferred shares (if any) of the Issuer, (ii) any present or future share of any other class of shares of the Issuer, (iii) any other present or future security or registered security issued by the Issuer under which the Issuer's obligations rank or are expressed to rank *pari passu* with the ordinary shares or the preferred shares (if any) of the Issuer and (iv) any guarantee or other assumption of liability by the Issuer which it has assumed in relation to any present or future security or registered security issued by a Subsidiary of the Issuer if the Issuer's obligations under such guarantee or other assumptions of liability rank or are expressed to rank *pari passu* with the instruments described under (i), (ii) and (iii).

den unter (i), (ii) und (iii) beschriebenen Verbindlichkeiten der Emittentin sind.

**"Gleichrangige Verbindlichkeit"** bezeichnet jede gegenwärtige oder zukünftige Verbindlichkeit der Emittentin aus (i) einem gegenwärtigen oder zukünftigen Wertpapier oder Namenswertpapier, die aufgrund gesetzlicher Bestimmungen oder vertraglicher Vereinbarung gleichrangig im Verhältnis zu den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen ist sowie (ii) einer Garantie oder sonstigen Haftungsübernahme, welche die Emittentin für ein gegenwärtiges oder zukünftiges Wertpapier oder Namenswertpapier einer Tochtergesellschaft der Emittentin übernommen hat, wenn die Verbindlichkeiten der Emittentin aus der Garantie oder der sonstigen Haftungsübernahme aufgrund gesetzlicher Bestimmungen oder vertraglicher Vereinbarung gleichrangig im Verhältnis zu den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen sind.

**"Tochtergesellschaft der Emittentin"** bezeichnet jede Kapitalgesellschaft, Personengesellschaft und jedes sonstige Unternehmen, an der bzw. dem die Emittentin direkt oder indirekt insgesamt mehr als 50 % des Kapitals oder der Stimmrechte hält.

- (2) *Aufrechnungsverbot.* Die Gläubiger sind nicht berechtigt, Forderungen aus den Schuldverschreibungen gegen mögliche Forderungen der Emittentin aufzurechnen. Die Emittentin ist nicht berechtigt, Forderungen gegenüber einem Gläubiger gegen Verpflichtungen aus den Schuldverschreibungen aufzurechnen.

#### § 4 ZINSEN, ZINSAUFSCHUB

- (1) *Zinszahlungstage und Zinszeiträume.* Vorbehaltlich der weiteren Bestimmungen dieses § 4 (insbesondere § 4(7)) und sofern die Schuldverschreibungen nicht bereits zuvor zurückgezahlt oder zurückgekauft und entwertet werden, berechtigen die Schuldverschreibungen die Gläubiger für jeden Zinszeitraum (wie nachstehend definiert) vom Ausgabetag (einschließlich) bis zum Endfälligkeitstag (wie in § 5(1) definiert) (ausschließlich) zu Zinsen in Höhe des für den jeweiligen Zinszeitraum gemäß § 4(2) anwendbaren Zinssatzes (der "**Anwendbare Zinssatz**") auf die Festgelegte Stückelung je Schuldverschreibung. Die Zinsen sind jährlich nachträglich am 12. Februar eines jeden Jahres fällig, erstmals am 12. Februar 2016 und letztmals am Tag der Rückzahlung der Schuldverschreibungen (jeweils ein

**"Parity Obligation"** means any present or future obligation of the Issuer arising under (i) any present or future security or registered security and such obligation ranks or is expressed to rank *pari passu* with the Issuer's obligations under the Notes, and (ii) any guarantee or other assumption of liability by the Issuer which it has assumed in relation to any present or future security or registered security issued by a Subsidiary of the Issuer if the Issuer's obligations under such guarantee or other assumptions of liability rank or are expressed to rank *pari passu* with its obligations under the Notes.

**"Subsidiary of the Issuer"** means any corporation, partnership or other enterprise in which the Issuer directly or indirectly holds in the aggregate more than 50% of the capital or the voting rights.

- (2) *Prohibition of Set-off.* No Holder may set-off any claims arising under the Notes against any claims that the Issuer may have against it. The Issuer may not set-off any claims it may have against any Holder against any of its obligations under the Notes.

#### § 4 INTEREST, INTEREST DEFERRAL

- (1) *Interest Payment Dates and Interest Periods.* Subject to the further provisions of this § 4 (in particular, but not limited to § 4(7)) and unless the Notes are previously redeemed or repurchased and cancelled, the Notes entitle the Holders to Interest for each Interest Period (as defined below) from (and including) the Issue Date to (but excluding) the Maturity Date (as defined in § 5(1)) at the prevailing interest rate according to § 4(2) (the "**Prevailing Interest Rate**") on the Specified Denomination per Note. Such Interest shall be payable annually in arrear on 12 February of each year, commencing on 12 February 2016 and for the last time on the day of redemption of the Notes (each an "**Interest Payment Date**").

**"Zinszahlungstag").**

**"Zinszeitraum"** bezeichnet (i) den Zeitraum vom Ausgabetag (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) (kurzer erster Zinszeitraum) und (ii) den Zeitraum von einem Zinszahlungstag (einschließlich) bis zum unmittelbar folgenden Zinszahlungstag (ausschließlich). Sofern die Schuldverschreibungen nicht bereits zuvor zurückgezahlt oder zurückgekauft und entwertet werden, ist letzter Zinszeitraum der Zeitraum vom 12. Februar 2075 (einschließlich) bis zum Endfälligkeitstag (ausschließlich) (kurzer letzter Zinszeitraum).

**"Interest Period"** means (i) the period from (and including) the Issue Date to (but excluding) the first Interest Payment Date (short first interest period) and (ii) the period from (and including) any Interest Payment Date to (but excluding) the next following Interest Payment Date. Unless the Notes are previously redeemed or repurchased and cancelled, the last Interest Period will be the period from (and including) 12 February 2075 to (but excluding) the Maturity Date (short last interest period).

- |     |  |     |  |
|-----|--|-----|--|
| (2) | <i>Anwendbarer Zinssatz.</i>   | (2) | <i>Prevailing Interest Rate.</i>   |
| (a) | <i>Anfänglicher Festzinszeitraum.</i> Für jeden Zinszeitraum, der in den Zeitraum vom Ausgabetag (einschließlich) bis zum 12. Februar 2021 (der <b>"Erste Rückzahlungstag"</b> ) (ausschließlich) fällt, entspricht der Anwendbare Zinssatz <b>[Zinssatz]</b> % <i>per annum</i> .   | (a) | <i>Initial Fixed Rate Period.</i> For any Interest Period falling in the period from (and including) the Issue Date to (but excluding) 12 February 2021 (the <b>"First Call Date"</b> ), the Prevailing Interest Rate shall be equal to a rate of <b>[interest rate]</b> per cent. <i>per annum</i> .  |
| (b) | <i>Erster Reset Zeitraum.</i> Für jeden Zinszeitraum, der in den Reset Zeitraum vom Ersten Rückzahlungstag (einschließlich) bis zum 12. Februar 2026 ( <b>"Erster Step-Up Tag"</b> ) (ausschließlich) fällt, entspricht der Anwendbare Zinssatz dem Referenzsatz für diesen Reset Zeitraum zuzüglich <b>[Marge]</b> <sup>1</sup> % (d.h. <b>[■]</b> Basispunkte) <i>per annum</i> .                              | (b) | <i>First Reset Period.</i> For any Interest Period falling in the Reset Period from (and including) the First Call Date to (but excluding) 12 February 2026 (the <b>"First Step-Up Date"</b> ), the Prevailing Interest Rate shall be equal to the Reference Rate for such Reset Period plus <b>[margin]</b> <sup>1</sup> per cent. (i.e. <b>[■]</b> basis points) <i>per annum</i> .                        |
| (c) | <i>Zweiter Reset Zeitraum.</i> Für jeden Zinszeitraum, der in einen Reset Zeitraum vom Ersten Step-Up Tag (einschließlich) bis zum 12. Februar 2041 ( <b>"Zweiter Step-Up Tag"</b> ) (ausschließlich) fällt, entspricht der jeweils Anwendbare Zinssatz dem jeweiligen Referenzsatz für den betreffenden Reset Zeitraum zuzüglich <b>[Marge]</b> <sup>2</sup> % (d.h. <b>[■]</b> Basispunkte) <i>per annum</i> . | (c) | <i>Second Reset Period.</i> For any Interest Period falling in any Reset Period from (and including) the First Step-Up Date to (but excluding) 12 February 2041 (the <b>"Second Step-Up Date"</b> ), the relevant Prevailing Interest Rate shall be equal to the relevant Reference Rate for such Reset Period plus <b>[margin]</b> <sup>2</sup> per cent. (i.e. <b>[■]</b> basis points) <i>per annum</i> . |
| (d) | <i>Reset Zeiträume nach dem zweiten Reset Zeitraum.</i> Für jeden Zinszeitraum, der in einen Reset Zeitraum fällt, der an oder nach dem Zweiten Step-Up Tag beginnt, entspricht der jeweils Anwendbare Zinssatz dem jeweiligen Referenzsatz für den betreffenden Reset Zeitraum zuzüglich <b>[Marge]</b> <sup>3</sup> % (d.h. <b>[■]</b> Basispunkte) <i>per annum</i> .   | (d) | <i>Reset Periods following the second Reset Period.</i> For any Interest Period falling in any Reset Period commencing on or after the Second Step-Up Date, the relevant Prevailing Interest Rate shall be equal to the relevant Reference Rate for such Reset Period plus <b>[margin]</b> <sup>3</sup> per cent. (i.e. <b>[■]</b> basis points) <i>per annum</i> .  |

<sup>1</sup> Entspricht der ursprünglichen Kreditmarge.  
*Being equal to the initial credit spread.*

<sup>2</sup> Entspricht der ursprünglichen Kreditmarge zuzüglich 0,25% (d.h. 25 Basispunkte).  
*Being equal to the initial credit spread plus 0.25 per cent. (i.e. 25 basis points).*

<sup>3</sup> Entspricht der ursprünglichen Kreditmarge zuzüglich 1,00% (d.h. 100 Basispunkte).  
*Being equal to the initial credit spread plus 1.00 per cent. (i.e. 100 basis points).*

(e) *Definitionen.*

"**Referenzsatz**" für einen Reset Zeitraum bezeichnet jeweils den 5 Jahres Swapsatz (der "**5 Jahres Swapsatz**") wie er, wie nachfolgend beschrieben, vor dem jeweiligen Reset Tag, an dem der jeweilige Reset Zeitraum beginnt (der "**Referenz Reset Tag**"), festgelegt wird. Der Referenzsatz für einen Reset Zeitraum wird von der Berechnungsstelle festgelegt und ist das rechnerische Mittel der Geld- und Briefkurse für den jährlichen Festzinszahlungsstrom (berechnet auf einer 30/360 Tageberechnungsbasis) einer fixed-for-floating Euro Zinsswap-Transaktion, (x) die eine 5-jährige Laufzeit hat und am Referenz Reset Tag beginnt, (y) auf einen Betrag lautet, der dem einer repräsentativen einzelnen Transaktion in dem relevanten Markt zur relevanten Zeit eines anerkannten Händlers mit guter Bonität im Swap-Markt entspricht, und (z) deren variabler Zahlungsstrom auf dem 6-Monats EURIBOR Satz beruht (berechnet auf einer Actual/360 Tage-Berechnungsbasis), wie es am zweiten Geschäftstag vor dem Referenz Reset Tag um 11:00 Uhr (Frankfurter Zeit) auf dem Reuters Bildschirm "ISDAFIX2" unter der Überschrift "EURIBOR BASIS" und dem Untertitel "11:00 AM Frankfurt time" (auf dem solche Überschriften und Untertitel von Zeit zu Zeit erscheinen) (die "**Reset-Bildschirmseite**") angezeigt wird.

"**Reset Tag**" bezeichnet den Ersten Rückzahlungstag und danach jeden fünften Jahrestag des jeweils unmittelbar vorangehenden Reset Tages.

"**Reset Zeitraum**" bezeichnet jeden Zeitraum ab dem Ersten Rückzahlungstag (einschließlich) bis zum nächstfolgenden Reset Tag (ausschließlich) und nachfolgend ab jedem Reset Tag (einschließlich) bis zu dem jeweils nächstfolgenden Reset Tag (ausschließlich).

Für den Fall, dass der 5 Jahres Swapsatz am zweiten Geschäftstag vor dem Referenz Reset Tag nicht auf der Reset-Bildschirmseite erscheint, ist der 5 Jahres Swapsatz der Reset-Referenzbankensatz an diesem Tag. Der "**Reset-Referenzbankensatz**" ist der Prozentsatz, der am zweiten Geschäftstag vor dem Referenz Reset Tag auf Basis der 5 Jahres Swapsatz-Quotierungen festgelegt wird, die der Berechnungsstelle ungefähr um 11:00 Uhr (Frankfurter Ortszeit) von fünf führenden Swap-Händlern im Interbankenhandel (die "**Reset-Referenzbanken**") gestellt werden.

(e) *Definitions.*

"**Reference Rate**" for any Reset Period means the applicable 5 year swap rate (the "**5 year Swap Rate**") determined, as described hereinafter, prior to the relevant Reset Date on which the relevant Reset Period begins (the "**Reference Reset Date**"). The Reference Rate for a Reset Period will be determined by the Calculation Agent and will be the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating euro interest rate swap transaction which (x) has a term of 5 years commencing on the Reference Reset Date, (y) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market, and (z) has a floating leg based on the 6-months EURIBOR rate (calculated on an Actual/360 day count basis), as such arithmetic mean appears on the Reuters screen "ISDAFIX2" under the heading "EURIBOR BASIS" and the caption "11:00 AM Frankfurt time" (as such headings and captions may appear from time to time) as of 11.00 a.m. (Frankfurt time) (the "**Reset Screen Page**") on the second Business Day prior to the Reference Reset Date.

"**Reset Date**" means the First Call Date, and thereafter any fifth anniversary of the immediately preceding Reset Date.

"**Reset Period**" means each period from (and including) the First Call Date to (but excluding) the next following Reset Date and thereafter from (and including) each Reset Date to (but excluding) the next following Reset Date.

In the event that the 5 year Swap Rate does not appear on the Reset Screen Page on the second Business Day prior to the Reference Reset Date, the 5 year Swap Rate will be the Reset Reference Bank Rate on such date. "**Reset Reference Bank Rate**" means the percentage rate determined on the basis of the 5 year Swap Rate Quotations provided by five leading swap dealers in the interbank market (the "**Reset Reference Banks**") to the Calculation Agent at approximately 11.00 a.m., Frankfurt time), on the second Business Day prior to the Reference Reset Date.

Wenn mindestens drei Quotierungen genannt werden, wird der Reset-Referenzbankensatz das rechnerische Mittel der Quotierungen unter Ausschluss der höchsten Quotierung (bzw., für den Fall von gleich hohen Quotierungen, einer der höchsten Quotierungen) und der niedrigsten Quotierung (bzw., für den Fall von gleich hohen Quotierungen, einer der niedrigsten Quotierungen) sein. Kann der Reset-Referenzbankensatz nicht gemäß der vorhergehenden Bestimmungen dieses Absatzes bestimmt werden, entspricht der jeweilige Reset-Referenzbankensatz dem durch die Berechnungsstelle festgelegten 5 Jahres Swapsatz, welcher zuletzt auf der Reset-Bildschirmseite verfügbar war.

Hierbei bedeuten die "**5 Jahres Swapsatz-Quotierungen**" das rechnerische Mittel der Geld- und Briefkurse für den jährlichen Festzinszahlungsstrom (berechnet auf einer 30/360 Tagesberechnungsbasis) einer fixed-for-floating Euro Zinsswap-Transaktion, (i) die eine 5 jährige Laufzeit hat und am Referenz Reset Tag beginnt, (ii) auf einen Betrag lautet, der dem einer repräsentativen einzelnen Transaktion in dem relevanten Markt zur relevanten Zeit eines anerkannten Händlers mit guter Bonität im Swap Markt entspricht, und (iii) deren variabler Zahlungsstrom auf dem 6-Monats EURIBOR Satz beruht (berechnet auf einer Actual/360 Tageberechnungsbasis).

- (f) Unverzüglich nach Bestimmung des Referenzsatzes wird die Berechnungsstelle den Anwendbaren Zinssatz für jeden Reset Zeitraum (jeweils ein "**Reset-Zinssatz**") bestimmen und die Zinsen berechnen.
- (g) Die Berechnungsstelle wird veranlassen, dass der Reset-Zinssatz und die je Schuldverschreibung zahlbaren Zinsen der Emittentin, der Hauptzahlstelle, und jeder Börse, an der die Schuldverschreibungen zu diesem Zeitpunkt notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, sowie den Gläubigern gemäß § 13 unverzüglich, aber keinesfalls später als am achten auf dessen Feststellung folgenden Geschäftstag mitgeteilt wird.
- (3) *Berechnung der Zinsen.* Die an dem jeweiligen Zinszahlungstag zu zahlenden Zinsen je Schuldverschreibung (die "**Zinsen**") ergeben sich aus der Multiplikation des jeweiligen Anwendbaren Zinssatzes mit der festgelegten Stückelung je Schuldverschreibung, wobei der daraus resultierende Betrag auf den nächsten Eurocent auf oder abgerundet wird, und 0,5

If at least three quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If the Reset Reference Bank Rate cannot be determined pursuant to the foregoing provisions of this paragraph, the relevant Reset Reference Bank Rate shall be equal to the last 5 year Swap Rate available on the Reset Screen Page as determined by the Calculation Agent.

The "**5 year Swap Rate Quotations**" mean the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating euro interest rate swap transaction which transaction (i) has a term of 5 years commencing on the Reference Reset Date, (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market, and (iii) has a floating leg based on the 6- months EURIBOR rate (calculated on an Actual/360 day count basis).

- (f) Promptly after the determination of the Reference Rate, the Calculation Agent shall determine the Prevailing Interest Rate for each Reset Period (each a "**Reset Interest Rate**") and calculate the Interest.
- (g) The Calculation Agent will cause the Reset Interest Rate and the Interest payable per Note to be notified to the Issuer, the Principal Paying Agent and, if required by the rules of any stock exchange on which the Notes are listed from time to time, to such stock exchange, and to the Holders in accordance with § 13 without undue delay, but, in any case, not later than on the eighth Business Day after its determination.
- (3) *Calculation of Interest.* Interest payable per Note on any Interest Payment Date (the "**Interest**") shall be calculated by multiplying the relevant Prevailing Interest Rate by the Specified Denomination per Note and rounding the resulting figure to the nearest eurocent with 0.5 or more of a eurocent being rounded upwards. If Interest is to be calculated for a period of less than one year, it

oder mehr eines Eurocents aufgerundet werden. Zinsen, die für einen Zeitraum von weniger als einem Jahr zu berechnen sind, werden nach Maßgabe des § 4(5) berechnet.

- (4) *Zinsen nach Eintritt eines Kontrollwechselereignisses.* Wenn ein Kontrollwechselereignis (wie in § 5(7) definiert) eintritt und die Emittentin die Schuldverschreibungen nicht insgesamt gemäß § 5(7) zurückzahlt, erhöht sich der für die Berechnung der Zinsen ansonsten anzuwendende Anwendbare Zinssatz ab dem 120. Tag, der auf eine Ratingherabstufung (wie in § 5(7) definiert) folgt oder, falls dieser Tag kein Geschäftstag ist, ab dem nächstfolgenden Geschäftstag (einschließlich), um zusätzliche 5,00% (d.h. 500 Basispunkte) *per annum*. Für den Fall, dass in dem Zeitraum zwischen dem Eintritt des ersten Kontrollwechsels und dem Tag, an dem die Kontrollwechsel-Mitteilung (wie in § 5(7) definiert) in Bezug auf diesen ersten Kontrollwechsel veröffentlicht wird, mehr als ein Kontrollwechsel eintritt, erhöht sich der für die Berechnung der Zinsen ansonsten anzuwendende Anwendbare Zinssatz jedoch nur einmal.
- (5) *Berechnung der Zinsen für Zeiträume von weniger als einem Jahr.* Sofern Zinsen für einen Zeitraum von weniger als einem vollen Jahr zu berechnen sind, erfolgt die Berechnung auf der Grundlage des Zinstagequotienten (wie nachfolgend definiert).
- (6) *Zinstagequotient.* **"Zinstagequotient"** bezeichnet in Bezug auf die Berechnung von Zinsen auf die Schuldverschreibungen für einen beliebigen Zeitraum (der **"Zinsberechnungszeitraum"**) die Anzahl von Tagen in dem betreffenden Zinsberechnungszeitraum (einschließlich des ersten aber ausschließlich des letzten Tages dieses Zeitraums), geteilt durch die Anzahl der Tage in der Bezugsperiode, in die der betreffende Zinsberechnungszeitraum fällt.

**"Bezugsperiode"** bezeichnet den Zeitraum von jedem Zinszahlungstag (einschließlich) bis zum nächsten Zinszahlungstag (ausschließlich), wobei (i) für Zwecke der Bestimmung der maßgeblichen Bezugsperiode jeweils der 12. Februar eines Jahres als Zinszahlungstag gilt und (ii) für die Zinsberechnung für den Zeitraum vom Ausgabetag bis zum ersten Zinszahlungstag als Bezugsperiode der Zeitraum vom 12. Februar 2015 (einschließlich) bis zum 12. Februar 2016 (ausschließlich) gilt und (iii) für die Zinsberechnung für den am

shall be calculated pursuant to § 4(5).

- (4) *Interest following the occurrence of a Change of Control Event.* If a Change of Control Event (as defined in § 5(7)) occurs and the Issuer does not redeem the Notes in whole in accordance with § 5(7), the rate applicable for calculating the Interest will be subject to an additional 5.00 per cent. (i.e. 500 basis points) *per annum* above the otherwise applicable Prevailing Interest Rate from the day falling 120 days after a Downgrade (as defined in § 5(7)) has occurred or, if such day is not a Business Day from (and including) the next following Business Day, provided however that, in case more than one Change of Control will have occurred in the period from the occurrence of the first Change of Control to the day on which the Change of Control Notice (as defined in § 5(7)) with regard to such first Change of Control is published, the otherwise applicable Prevailing Interest Rate will only be increased once.
- (5) *Calculation of Interest for Periods of less than one Year.* If Interest is to be calculated for a period of less than a full year, it shall be calculated on the basis of the Day Count Fraction (as defined below).
- (6) *Day Count Fraction.* **"Day Count Fraction"** means, in respect of the calculation of Interest on any Note for any period of time (the **"Calculation Period"**) the number of days in such Calculation Period (from (and including) the first day of such period to (but excluding) the last) divided by the number of days in the respective Reference Period in which the relevant Calculation Period falls.

**"Reference Period"** means the period from (and including) each Interest Payment Date to (but excluding) the next Interest Payment Date, provided that, (i) for the purposes of determining the relevant Reference Period 12 February of any year shall be deemed to be an Interest Payment Date and (ii) for determining Interest for the period from the Issue Date to the first Interest Payment Date, the Reference Period shall be the period from (and including) 12 February 2015 to (but excluding) the 12 February 2016 and (iii) for determining Interest for the Calculation Period

Endfälligkeitstag endenden Zinsberechnungszeitraum als Bezugsperiode der Zeitraum vom 12. Februar 2075 (einschließlich) bis zum 12. Februar 2076 (ausschließlich) gilt.

- (7) *Zinsaufschub.* Zinsen sind an dem jeweiligen Zinszahlungstag fällig und zahlbar, sofern sich die Emittentin nicht entscheidet, die Zinsen aufzuschieben. Eine solche Nichtzahlung, die jedoch in Bezug auf die jeweiligen Zinsen nur insgesamt erfolgen kann, begründet keinen Verzug der Emittentin und keine anderweitige Verletzung ihrer Verpflichtungen aufgrund dieser Schuldverschreibungen oder für sonstige Zwecke. Soweit sich die Emittentin entscheidet, an einem Zinszahlungstag die Zinsen nicht zu zahlen, hat sie dies den Gläubigern gemäß § 13 unter Einhaltung einer Frist von mindestens 10 Geschäftstagen vor dem jeweiligen Zinszahlungstag bekannt zu machen.

Die aufgrund einer derartigen Entscheidung der Emittentin nicht gezahlten Zinsen stellen "**Zinsrückstände**" dar. Zinsrückstände werden nicht verzinst.

- (8) *Nachzahlung von Zinsrückständen.*
- (a) Die Emittentin kann ausstehende Zinsrückstände jederzeit (insgesamt, jedoch nicht teilweise) nach Mitteilung gemäß § 13 unter Einhaltung einer Frist von mindestens 10 Geschäftstagen zahlen (wobei eine solche Mitteilung unwiderruflich ist und die Emittentin verpflichtet ist, die jeweiligen Zinsrückstände an dem in dieser Mitteilung genannten Zahlungstag zu zahlen).
- (b) Die Emittentin ist verpflichtet, ausstehende Zinsrückstände (insgesamt, jedoch nicht teilweise) am nächstfolgenden Pflichtnachzahlungstag zu zahlen.

"**Pflichtnachzahlungstag**" bezeichnet jeweils den frühesten der folgenden Tage:

- (i) der zehnte Geschäftstag nach Eintritt eines Obligatorischen Zahlungsereignisses (wie nachfolgend definiert); oder
- (ii) der Tag, an dem die Schuldverschreibungen insgesamt zur Rückzahlung fällig sind; oder
- (iii) der nächste Zinszahlungstag, in Bezug auf den die Emittentin entscheidet, die Zahlung vorgesehener Zinsen auf die Schuldverschreibungen vorzunehmen; oder
- (iv) der Tag, an dem die Hauptversammlung die freiwillige

ending on the Maturity Date, the Reference Period shall be the period from (and including) 12 February 2075 to (but excluding) 12 February 2076.

- (7) *Interest Deferral.* Interest shall be due and payable on the respective Interest Payment Date unless the Issuer elects to defer such Interest. An election not to pay Interest, which can only be made regarding the whole respective Interest, shall not constitute a default of the Issuer or any other breach of obligations under the Notes or for any other purpose. If the Issuer decides to not pay the Interest on an Interest Payment Date, the Issuer shall notify the Holders in accordance with § 13 not less than 10 Business Days prior to the relevant Interest Payment Date.

Any Interest not paid due to such an election of the Issuer shall constitute "**Arrears of Interest**". Arrears of Interest shall not bear interest themselves.

- (8) *Payment of Arrears of Interest.*
- (a) The Issuer may pay outstanding Arrears of Interest (in whole but not in part) at any time upon giving of not less than 10 Business Days' notice in accordance with § 13 (which notice shall be irrevocable and will oblige the Issuer to pay the relevant Arrears of Interest on the payment date specified in such notice).
- (b) The Issuer shall be obliged to pay outstanding Arrears of Interest (in whole but not in part) on the next Mandatory Settlement Date.

"**Mandatory Settlement Date**" means the earliest of any of the following dates:

- (i) the tenth Business Day following the occurrence of a Compulsory Payment Event (as defined below); or
- (ii) the due date for the redemption of the Notes; or
- (iii) the next Interest Payment Date in relation to which the Issuer elects to pay a scheduled Interest on the Notes; or
- (iv) the date on which the shareholders' meeting (*Hauptversammlung*) resolves



Auflösung der Emittentin beschließt oder eine Verfügung zur Auflösung, Abwicklung oder Liquidation der Emittentin ergeht (sofern dies jeweils nicht für die Zwecke einer Sanierung oder eines Insolvenzplanverfahrens oder als Folge eines Zusammenschlusses oder einer Umstrukturierung geschieht, während die Emittentin noch zahlungsfähig ist und die fortführende Gesellschaft im Wesentlichen alle Vermögenswerte und Verpflichtungen der Emittentin übernimmt).

(c) Ein "**Obligatorisches Zahlungsereignis**" gilt, vorbehaltlich der nachstehenden Bestimmungen, bei Eintritt eines der folgenden Ereignisse als eingetreten:

- (i) die Jahreshauptversammlung oder eine andere Hauptversammlung der Emittentin beschließt, eine Dividende, andere Ausschüttung oder sonstige Zahlung auf Stammaktien, etwaige Vorzugsaktien oder etwaige gegenwärtige oder zukünftige Aktien einer anderen Gattung von Aktien der Emittentin zu leisten oder die Emittentin oder eine Tochtergesellschaft der Emittentin zahlt eine Dividende, sonstige Ausschüttung oder sonstige Zahlung auf andere Nachrangige Verbindlichkeiten oder auf Verbindlichkeiten einer Tochtergesellschaft der Emittentin, bezüglich derer die Emittentin eine Nachrangige Verbindlichkeit übernommen hat (in allen Fällen mit Ausnahme einer Dividende bzw. einer anderen Ausschüttung oder Zahlung, die in Form von Stammaktien der Emittentin erfolgt); oder
- (ii) die Emittentin zahlt einen Teil ihres Aktienkapitals zurück oder die Emittentin oder eine Tochtergesellschaft der Emittentin kauft oder zahlt Wertpapiere oder Namenswertpapiere, die Nachrangige Verbindlichkeiten darstellen, oder Verbindlichkeiten einer Tochtergesellschaft der Emittentin, bezüglich derer die Emittentin eine Nachrangige Verbindlichkeit übernommen hat, zurück oder erwirbt diese in anderer Weise; oder
- (iii) die Emittentin oder eine Tochtergesellschaft der Emittentin leistet eine Zahlung oder sonstige Ausschüttung auf eine Gleichrangige

the voluntary winding-up of the Issuer or an order is made for the winding-up, dissolution or liquidation of the Issuer (in each case other than for the purposes of or pursuant to the restructuring or an insolvency plan procedure (*Insolvenzplanverfahren*) or an amalgamation or reorganisation while solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer).

(c) Subject to the following provisions, a "**Compulsory Payment Event**" shall be deemed to have occurred upon any of the following events:

- (i) the Issuer's annual shareholders' meeting (*Jahreshauptversammlung*) or any other shareholders' meeting (*Hauptversammlung*) of the Issuer resolves on a dividend, other distribution or other payment in respect of ordinary shares, any preferred shares or any present or future share of any other class of shares of the Issuer or the Issuer or any Subsidiary of the Issuer pays a dividend, other distribution or other payment on any other Junior Obligation or on an obligation of a Subsidiary of the Issuer in relation to which a Junior Obligation has been assumed by the Issuer (in each case other than a dividend, distribution or payment which is made in the form of ordinary shares of the Issuer); or
- (ii) the Issuer redeems part of its share capital or the Issuer or a Subsidiary of the Issuer purchases or redeems or otherwise acquires any security or registered security constituting a Junior Obligation or an obligation of a Subsidiary of the Issuer in relation to which a Junior Obligation has been assumed by the Issuer; or
- (iii) the Issuer or a Subsidiary of the Issuer makes a payment or other distribution on a Parity Obligation or on an obligation of a Subsidiary of the Issuer

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| <p>Verbindlichkeit oder auf Verbindlichkeiten einer Tochtergesellschaft der Emittentin, bezüglich derer die Emittentin eine Gleichrangige Verbindlichkeit übernommen hat; oder</p> <p>(iv) die Emittentin oder eine Tochtergesellschaft der Emittentin kauft oder zahlt Wertpapiere oder Namenswertpapiere, die Gleichrangige Verbindlichkeiten darstellen, oder Verbindlichkeiten einer Tochtergesellschaft der Emittentin, bezüglich derer die Emittentin eine Gleichrangige Verbindlichkeit übernommen hat, oder Schuldverschreibungen zurück oder erwirbt diese in anderer Weise.</p> | <p>in relation to which a Parity Obligation has been assumed by the Issuer; or</p> <p>(iv) the Issuer or a Subsidiary of the Issuer purchases or redeems or otherwise acquires any security or registered security constituting a Parity Obligation, or an obligation of a Subsidiary of the Issuer in relation to which a Parity Obligation has been assumed by the Issuer, or any Notes.</p> |
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In den vorgenannten Fällen (i), (ii), (iii) und (iv) tritt kein Obligatorisches Zahlungsereignis ein, wenn

The cases (i), (ii), (iii) and (iv) above are subject to the provision that no Compulsory Payment Event occurs if

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| <p>(x) die Emittentin oder die betreffende Tochtergesellschaft der Emittentin gemäß den Bestimmungen der betreffenden Nachrangigen Verbindlichkeit oder Gleichrangigen Verbindlichkeit oder Verbindlichkeit einer Tochtergesellschaft der Emittentin, bezüglich derer die Emittentin eine Nachrangige Verbindlichkeit oder Gleichrangige Verbindlichkeit übernommen hat, zu der Zahlung, zu der Rückzahlung, zu dem Rückkauf oder zu dem anderweitigen Erwerb verpflichtet ist; oder</p> <p>(y) die Emittentin oder die betreffende Tochtergesellschaft eine Nachrangige Verbindlichkeit oder Gleichrangige Verbindlichkeit oder Verbindlichkeit einer Tochtergesellschaft der Emittentin, bezüglich derer die Emittentin eine Nachrangige Verbindlichkeit oder Gleichrangige Verbindlichkeit übernommen hat, nach Maßgabe eines bestehenden oder zukünftigen Aktienoptions- oder Aktienbeteiligungsprogramms oder ähnlichen Programms für Mitglieder des Vorstands oder des Aufsichtsrats oder für Mitarbeiter der Deutsche Lufthansa Aktiengesellschaft oder deren konsolidierter Tochtergesellschaften oder verbundener Unternehmen (jeweils direkt oder indirekt) zurückzahlt, zurückkauft oder anderweitig erwirbt; oder</p> | <p>(x) the Issuer or such Subsidiary of the Issuer is obliged under the terms and conditions of such Junior Obligation or such Parity Obligation or obligation of a Subsidiary of the Issuer in relation to which a Junior Obligation or Parity Obligation has been assumed by the Issuer to make such payment, redemption, repurchase or other acquisition; or</p> <p>(y) the Issuer or such Subsidiary of the Issuer redeems, repurchases or otherwise acquires (directly or indirectly) a Junior Obligation or Parity Obligation or obligation of a Subsidiary of the Issuer in relation to which a Junior Obligation or Parity Obligation has been assumed by the Issuer under an existing or future stock option plan or employee share participation scheme or similar arrangement for members of the executive or supervisory boards or for employees of Deutsche Lufthansa Aktiengesellschaft or its consolidated subsidiaries or affiliates; or</p> |
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- (z) die betreffenden Zahlungen auf oder in Bezug auf Nachrangige Verbindlichkeiten oder Gleichrangige Verbindlichkeiten oder Verbindlichkeiten einer Tochtergesellschaft der Emittentin, bezüglich derer die Emittentin eine Nachrangige Verbindlichkeit oder Gleichrangige Verbindlichkeit übernommen hat, Konzerninterne Zahlungen sind.

**"Konzerninterne Zahlungen"** sind Zahlungen, die ausschließlich an die Emittentin und/oder an eine oder mehrere der Tochtergesellschaften der Emittentin erfolgen.

- (z) the relevant payments on, or in respect of, any Junior Obligations or Parity Obligations or obligations of a Subsidiary of the Issuer in relation to which any Junior Obligation or Parity Obligation has been assumed by the Issuer are Intra-Group Payments.

**"Intra-Group Payments"** means payments made exclusively to the Issuer and/or one or more of the Subsidiaries of the Issuer.

In den vorgenannten Fällen (iii) und (iv) tritt zudem kein Obligatorisches Zahlungsereignis ein, wenn die Emittentin oder die betreffende Tochtergesellschaft der Emittentin vollständig oder teilweise Gleichrangige Verbindlichkeiten oder Verbindlichkeiten einer Tochtergesellschaft der Emittentin, bezüglich derer die Emittentin eine Gleichrangige Verbindlichkeit übernommen hat, oder Schuldverschreibungen nach einem öffentlichen Rückkaufangebot oder öffentlichen Umtauschangebot mit einer unter dem jeweiligen Nennwert liegenden Gegenleistung je Gleichrangiger Verbindlichkeit bzw. je Verbindlichkeit einer Tochtergesellschaft, bezüglich derer die Emittentin eine Gleichrangige Verbindlichkeit übernommen hat, bzw. je Schuldverschreibung zurückkauft oder anderweitig erwirbt.

In addition, the cases (iii) and (iv) above are subject to the provision that no Compulsory Payment Event occurs if the Issuer or such Subsidiary of the Issuer repurchases or otherwise acquires any Parity Obligation, or obligation of a Subsidiary of the Issuer in relation to which a Parity Obligation has been assumed by the Issuer, or any Notes, in whole or in part, in a public tender offer or public exchange offer at a consideration per Parity Obligation or, as applicable, per obligation of a Subsidiary of the Issuer in relation to which a Parity Obligation has been assumed by the Issuer or, as applicable, per Note below its respective par value.

- (9) *Ende der Verzinsung.* Die Verzinsung der Schuldverschreibungen endet mit Beginn des Tages, an dem die Schuldverschreibungen nach Maßgabe der Bestimmungen in § 5 zur Rückzahlung fällig werden. Sollte die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlösen, endet die Verpflichtung zur Zahlung von Zinsen auf die festgelegte Stückelung je ausstehender Schuldverschreibung zu dem dann anwendbaren Zinssatz nicht am Tag der Fälligkeit, sondern erst mit dem Beginn des Tages der tatsächlichen Rückzahlung der Schuldverschreibungen.

- (9) *Cessation of Interest Payments.* The Notes shall cease to bear Interest from the beginning of the day on which they are due for redemption in accordance with § 5. If the Issuer shall fail to redeem the Notes when due, the obligation to pay Interest shall continue to accrue at the then Prevailing Interest Rate on the Specified Denomination per Note outstanding beyond the due date to the beginning of the day of actual redemption of the Notes.

#### § 5 RÜCKZAHLUNG UND RÜCKKAUF

- (1) *Endfälligkeit.* Sofern nicht bereits zuvor zurückgezahlt oder zurückgekauft und entwertet, wird die Emittentin den Gesamtnennbetrag der ausstehenden Schuldverschreibungen am 12. August 2075 (der "**Endfälligkeitstag**") zurückzahlen.
- (2) *Kündigungsrecht der Emittentin bei einem Quellensteuer-Ereignis, einem Steuerereignis*

#### § 5 REDEMPTION AND PURCHASE

- (1) *Maturity Date.* Unless previously redeemed or repurchased and cancelled, the Issuer will repay the aggregate principal amount of the Notes outstanding on 12 August 2075 (the "**Maturity Date**").
- (2) *Issuer Call Right due to a Gross-up Event, a Tax Deductibility Event or an Equity Credit*

oder einem Eigenkapitalanrechnungseignis.

- (a) Bei Eintritt eines Quellensteuer-Ereignisses, eines Steuerereignisses oder eines Eigenkapitalanrechnungseignisses ist die Emittentin berechtigt, die Schuldverschreibungen jederzeit (insgesamt, jedoch nicht teilweise) durch eine unwiderrufliche Mitteilung gemäß § 13 unter Einhaltung einer Frist von mindestens 30 und nicht mehr als 60 Tagen zu kündigen.

Erfolgt die Kündigung aufgrund eines Quellensteuer-Ereignisses, hat die Emittentin sämtliche ausstehenden Schuldverschreibungen zu einem Betrag je Schuldverschreibung in Höhe der festgelegten Stückelung zuzüglich der bis zum Rückzahlungstag (ausschließlich) aufgelaufenen, aber noch nicht bezahlten Zinsen sowie etwaiger Zinsrückstände zurückzuzahlen.

Erfolgt die Kündigung aufgrund eines Steuerereignisses oder eines Eigenkapitalanrechnungseignisses hat die Emittentin sämtliche ausstehenden Schuldverschreibungen (i) zu einem Betrag je Schuldverschreibung in Höhe von 101% der festgelegten Stückelung zuzüglich der bis zum Rückzahlungstag (ausschließlich) aufgelaufenen, aber noch nicht bezahlten Zinsen sowie etwaiger Zinsrückstände zurückzuzahlen, soweit eine solche Rückzahlung vor dem Ersten Rückzahlungstag erfolgt, oder (ii) zu einem Betrag je Schuldverschreibung in Höhe der festgelegten Stückelung zuzüglich der bis zum Rückzahlungstag (ausschließlich) aufgelaufenen, aber noch nicht bezahlten Zinsen sowie etwaiger Zinsrückstände zurückzuzahlen, soweit eine solche Rückzahlung an oder nach dem Ersten Rückzahlungstag erfolgt.

- (b) Im Fall eines Quellensteuer-Ereignisses kann eine Kündigungsmittteilung nicht früher als 90 Tage vor dem ersten Tag gemacht werden, an dem die Emittentin erstmals verpflichtet wäre, die jeweiligen zusätzlichen Beträge (wie in § 8 beschrieben) in Ansehung fälliger Beträge auf die Schuldverschreibungen zu zahlen.

Für den Fall eines Quellensteuer-Ereignisses hat die Emittentin der Hauptzahlstelle vor Abgabe einer Kündigungsmittteilung, ein Gutachten eines angesehenen externen Rechtsberaters oder eines international anerkannten unabhängigen Steuerberaters zu übermitteln bzw. dessen Übermittlung zu veranlassen, aus dem hervorgeht, dass die Emittentin verpflichtet sein wird, die betreffenden zusätzlichen Beträge (wie in § 8

Event.

- (a) If either a Gross-up Event, a Tax Deductibility Event or an Equity Credit Event occurs, the Issuer may call and redeem the Notes (in whole but not in part) at any time by giving of not less than 30 and no more than 60 days irrevocable notice in accordance with § 13.

If the Notes are called by the Issuer upon the occurrence of a Gross-up Event, all outstanding Notes will be redeemed at an amount per Note equal to the Specified Denomination plus any Interest accrued and unpaid to (but excluding) the Redemption Date and any Arrears of Interest.

If the Notes are called upon the occurrence of a Tax Deductibility Event or an Equity Credit Event the Issuer will redeem all outstanding Notes (i) at an amount equal to 101 per cent. of the Specified Denomination per Note plus any Interest accrued and unpaid to (but excluding) the Redemption Date and any Arrears of Interest if such redemption occurs prior to the First Call Date, or (ii) at an amount equal to the Specified Denomination per Note plus any Interest accrued and unpaid to (but excluding) the Redemption Date and any Arrears of Interest if such redemption occurs on or after the First Call Date.

- (b) In the case of a Gross-up Event no notice of redemption may be given earlier than 90 days prior to the earliest day on which the Issuer would be for the first time obliged to pay such Additional Amounts (as described in § 8) on payments due in respect of the Notes.

In the case of a Gross-up Event, the Issuer shall, prior to giving notice of redemption, deliver to the Principal Paying Agent (or procure such delivery of) an opinion of an external legal adviser of recognised standing or accounting firm of international standing stating that the Issuer has or will become obliged to pay the relevant Additional Amounts (as described in § 8) as a result of a

- beschrieben) als Folge eines Quellensteuer-Ereignisses zu zahlen.
- (c) Im Fall einer Kündigung aufgrund eines der in diesem § 5(2) bezeichneten Ereignisse hat eine Kündigungsmittelung gemäß § 13 zu erfolgen. Eine solche Kündigung ist unwiderruflich, muss den für die Rückzahlung festgelegten Termin nennen und eine zusammenfassende Erklärung der Emittentin enthalten, welche die das Rückzahlungsrecht der Emittentin begründenden Umstände darlegt.
- (3) *Definitionen.*
- Ein "**Quellensteuer-Ereignis**" liegt vor, falls die Emittentin als Folge einer Änderung oder Ergänzung der Steuer- und Abgabengesetze und -vorschriften der Bundesrepublik Deutschland oder deren politischen Untergliederungen oder Steuerbehörden oder als Folge einer Änderung oder Ergänzung der Anwendung oder der offiziellen Auslegung dieser Gesetze und Vorschriften (vorausgesetzt, diese Änderung oder Ergänzung wird am oder nach dem Ausgabetag wirksam) am nächstfolgenden Zinszahlungstag zur Zahlung von zusätzlichen Beträgen (wie in § 8 beschrieben) verpflichtet sein wird und diese Verpflichtung nicht durch das Ergreifen zumutbarer, der Emittentin zur Verfügung stehender Maßnahmen vermieden werden kann.
- Ein "**Steuerereignis**" liegt vor, wenn
- (a) der Emittentin und der Hauptzahlstelle ein Gutachten einer international anerkannten Rechtsanwaltskanzlei oder eines international anerkannten unabhängigen Steuerberaters übergeben worden ist, aus dem hervorgeht, dass an oder nach dem Ausgabetag als Folge:
- (i) einer Änderung oder Ergänzung der Gesetze (oder von aufgrund dieser Gesetze erlassenen Bestimmungen oder Vorschriften) der Bundesrepublik Deutschland oder einer ihrer Gebietskörperschaften oder Steuerbehörden, die an oder nach dem Ausgabetag erlassen, verkündet oder anderweitig wirksam wird; oder
- (ii) einer Änderung oder Ergänzung der bindenden offiziellen Auslegung solcher Gesetze, Bestimmungen oder Vorschriften durch eine gesetzgebende Körperschaft, ein Gericht, eine Regierungsstelle oder eine
- Gross-up Event.
- (c) In the case of any redemption based on any of the events specified in this § 5(2), a notice of redemption shall be given in accordance with § 13. Such notice of redemption shall be irrevocable, must specify the date fixed for redemption and must set forth a statement by the Issuer summarising the facts constituting the basis for the right of the Issuer so to redeem the Notes.
- (3) *Definitions.*
- A "**Gross-up Event**" has occurred if as a result of any change in, or amendment to, the laws or regulations of the Federal Republic of Germany or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the Issue Date, the Issuer is required to pay Additional Amounts (as set out in § 8) on the next succeeding Interest Payment Date and this obligation cannot be avoided by the use of reasonable measures available to the Issuer.
- A "**Tax Deductibility Event**" shall have occurred if
- (a) an opinion of a recognised law firm or a recognised independent tax counsel of international standing has been delivered to the Principal Paying Agent, stating that on or after the Issue Date, as a result of:
- (i) any amendment to, or change in, the laws (or any rules or regulations thereunder) of the Federal Republic of Germany or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date; or
- (ii) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the

- Aufsichtsbehörde (einschließlich des Erlasses von Gesetzen sowie der Bekanntmachung gerichtlicher oder aufsichtsrechtlicher Entscheidungen), die an oder nach dem Ausgabetag erlassen, verkündet oder anderweitig wirksam wird; oder
- (iii) einer allgemein anwendbaren offiziellen Auslegung oder Verkündung, die an oder nach dem Ausgabetag erlassen oder verkündet wird und nach der die Rechtslage im Hinblick auf diese Gesetze oder Vorschriften von der früheren allgemein anerkannten Rechtslage abweicht;
- Zahlungen, die von der Emittentin in Bezug auf die Schuldverschreibungen zahlbar sind, von der Emittentin nicht mehr für die Zwecke der deutschen Körperschaftssteuer ganz oder teilweise abzugsfähig sind, bzw. innerhalb von 90 Tagen nach dem Datum dieses Gutachtens nicht mehr voll abzugsfähig sein werden; und
- (b) die Emittentin dieses Risiko nicht durch das Ergreifen zumutbarer der Emittentin zur Verfügung stehender Maßnahmen vermeiden kann.
- Ein "**Eigenkapitalanrechnungseignis**" liegt vor, wenn entweder
- (a) die Emittentin von einer der Ratingagenturen, von denen die Emittentin ein sponsored rating erhält (wobei sich sponsored rating auf solche Ratings bezieht, die von einer Ratingagentur erteilt werden, mit der die Emittentin in einem Vertragsverhältnis steht, im Rahmen dessen die Ratingagentur eine Eigenkapitalanrechnung der Schuldverschreibungen festlegt) (jeweils eine "**Relevante Ratingagentur**"), eine schriftliche Bestätigung erhalten und diese an die Hauptzahlstelle in Kopie weitergeleitet hat oder
- (b) die Relevante Ratingagentur veröffentlicht,
- dass die Schuldverschreibungen aufgrund einer an oder nach dem Ausgabetag wirksam gewordenen Änderung oder Klarstellung ihrer Methodologie für die Eigenkapitalanrechnung von Hybridkapital oder deren Auslegung nicht mehr der Maßgeblichen Eigenkapitalanrechnungskategorie (wie nachstehend definiert) und auch nicht einer höheren Eigenkapitalanrechnungskategorie (oder einer anderen Klassifikation durch diese Relevante Ratingagentur, die beschreibt, in welchem Umfang der Bedingungen eines
- publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date; or
- (iii) any generally applicable official interpretation or pronouncement that provides for a position with respect to such laws or regulations that differs from the previous generally accepted position which is issued or announced on or after the Issue Date;
- payments by the Issuer on the Notes are no longer, or within 90 days of the date of that opinion will no longer be, in whole or in part, deductible by the Issuer for German corporate income tax purposes; and
- (b) such risk cannot be avoided by the Issuer taking reasonable measures available to it.
- A "**Equity Credit Event**" has occurred if either
- (a) the Issuer has received written confirmation from any rating agency from whom the Issuer is assigned a sponsored rating (whereby sponsored rating shall refer to a rating assigned by a rating agency with whom the Issuer has a contractual relationship under which the Notes are assigned an equity credit) (each a "**Relevant Rating Agency**") and a copy of which confirmation the Issuer has delivered to the Principal Paying Agent, or
- (b) the Relevant Rating Agency publishes that the Notes, due to a change in the equity credit methodology in respect of hybrid capital or the interpretation thereof effective on or after the Issue Date, will no longer be eligible for the relevant category of equity credit (as defined below) or a higher category of equity credit (or such similar nomenclature as being used by such Relevant Rating Agency from time to time to describe the degree to which the terms of an instrument are supportive of the Issuer's senior obligations).

Finanzierungsinstruments die Fähigkeit der Emittentin zur Bedienung ihrer vorrangigen Verbindlichkeiten stützt) zuzuordnen sind.

**"Maßgebliche Eigenkapitalanrechnungskategorie"** bezeichnet die Eigenkapitalanrechnungskategorie, der die Schuldverschreibungen am Ausgabetag zugeordnet sein werden, wie anfänglich am oder um den Ausgabetag durch die Relevante Ratingagentur gegenüber der Emittentin bestätigt oder, falls eine Relevante Ratingagentur den Schuldverschreibungen nach dem Ausgabetag eine höhere oder erstmalig eine Eigenkapitalanrechnungskategorie erteilt, diese höhere oder erstmalig erteilte Eigenkapitalanrechnungskategorie.

- (4) *Kündigungsrecht der Emittentin am Ersten Rückzahlungstag oder an jedem danach folgenden Reset Tag.*

Die Emittentin kann die Schuldverschreibungen (insgesamt, jedoch nicht teilweise) mit Wirkung zum Ersten Rückzahlungstag oder zu jedem danach folgenden Reset Tag nach unwiderruflicher Kündigungsmitteilung an die Gläubiger gemäß § 13 unter Einhaltung einer Frist von nicht weniger als 30 und nicht mehr als 60 Tagen kündigen.

Eine solche Kündigungsmitteilung verpflichtet die Emittentin, sämtliche ausstehenden Schuldverschreibungen zu einem Betrag je Schuldverschreibung in Höhe der Festgelegten Stückelung zuzüglich der bis zum Rückzahlungstag (ausschließlich) aufgelaufenen, aber noch nicht bezahlten Zinsen sowie etwaiger Zinsrückstände zurückzuzahlen.

- (5) *Rückkauf von Schuldverschreibungen.* Die Emittentin ist berechtigt, jederzeit Schuldverschreibungen im Markt oder anderweitig zu jedem beliebigen Preis zu kaufen. Die von der Emittentin erworbenen Schuldverschreibungen können nach Wahl der Emittentin von ihr gehalten, weiterverkauft oder bei der Hauptzahlstelle zwecks Entwertung eingereicht werden.
- (6) *Kündigungsrecht der Emittentin bei geringem ausstehenden Gesamtnennbetrag.* Falls die Emittentin und/oder eine Tochtergesellschaft der Emittentin allein oder gemeinsam Schuldverschreibungen im Volumen von 80% oder mehr des ursprünglich begebenen Gesamtnennbetrages der Schuldverschreibungen (einschließlich etwaiger weiterer Schuldverschreibungen, welche die Emittentin gemäß § 12(1) begeben hat) zurückgezahlt

**"Relevant category of equity credit"** means the category of equity credit to be attributed to the Notes at the Issue Date as confirmed to the Issuer by the Relevant Agency Agreement on or around the Issue Date or, if after the Issue Date a higher equity credit is assigned by a Relevant Rating Agency or if after the Issue Date equity credit is assigned for the first time by a Relevant Rating Agency, such higher category of equity credit or such category of equity credit assigned for the first time.

- (4) *Issuer Call Right on the First Call Date or on any Reset Date thereafter.*

The Issuer may call and redeem the Notes (in whole but not in part) on the First Call Date or on any Reset Date thereafter upon giving not less than 30 and not more than 60 days' irrevocable notice of redemption to the Holders in accordance with § 13.

Such notice of redemption shall oblige the Issuer to redeem all outstanding Notes at an amount per Note equal to the Specified Denomination plus any Interest accrued and unpaid to (but excluding) the Redemption Date and any Arrears of Interest.

- (5) *Purchase of Notes.* The Issuer may at any time purchase Notes in the open market or otherwise and at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Principal Paying Agent for cancellation.

- (6) *Issuer Call Right in the case of Minimal Outstanding Aggregate Principal Amount.* In the event that the Issuer and/or any Subsidiary of the Issuer has, severally or jointly, redeemed or repurchased and cancelled Notes equal to or in excess of 80 per cent. of the Aggregate Principal Amount of the Notes initially issued (including any further Notes issued by the Issuer pursuant to § 12(1)), the Issuer may call and redeem the

oder zurückgekauft und entwertet hat, kann die Emittentin die verbleibenden Schuldverschreibungen (insgesamt, jedoch nicht teilweise) nach unwiderruflicher Kündigungsmitteilung an die Gläubiger gemäß § 13 unter Einhaltung einer Frist von nicht weniger als 30 und nicht mehr als 60 Tagen kündigen und zu einem Betrag je Schuldverschreibung in Höhe der festgelegten Stückelung zuzüglich der bis zum Rückzahlungstag (ausschließlich) aufgelaufenen, aber noch nicht bezahlten Zinsen sowie etwaiger Zinsrückstände zurückzahlen.

(7) *Kündigungsrecht der Emittentin nach Eintritt eines Kontrollwechselereignisses.*

(a) Wenn ein Kontrollwechselereignis (wie in § 5(7)(c) definiert) eintritt, hat die Emittentin binnen 5 Geschäftstagen den Kontrollwechsel-Stichtag (wie in § 5(7)(c) definiert) zu bestimmen und das Kontrollwechselereignis und den Kontrollwechsel-Stichtag gemäß § 13 mitzuteilen (die "**Kontrollwechsel-Mitteilung**").

(b) Wenn ein Kontrollwechselereignis eintritt, ist die Emittentin berechtigt, die Schuldverschreibungen (insgesamt, jedoch nicht teilweise) durch unwiderrufliche Kündigungserklärung an die Gläubiger gemäß § 13 unter Einhaltung einer Frist von nicht weniger als 5 Geschäftstagen vor dem Kontrollwechsel-Stichtag mit Wirkung zum Kontrollwechsel-Stichtag zu kündigen. Diese Kündigungserklärung kann auch zeitgleich mit der Kontrollwechsel-Mitteilung erfolgen. Im Falle einer solchen Kündigung hat die Emittentin jede ausstehende Schuldverschreibung am Kontrollwechsel-Stichtag zu einem Betrag je Schuldverschreibung in Höhe der festgelegten Stückelung zuzüglich der bis zum Kontrollwechsel-Stichtag (ausschließlich) aufgelaufenen, aber noch nicht bezahlten Zinsen sowie etwaiger Zinsrückstände, zurückzuzahlen.

(c) In diesem § 5(7) gilt:

Ein "**Kontrollwechselereignis**" tritt ein, wenn ein Kontrollwechsel eintritt und innerhalb des Kontrollwechselzeitraums eine Ratingherabstufung der Emittentin aufgrund des Kontrollwechsels erfolgt.

Ein "**Kontrollwechsel**" tritt ein, wenn eine Person oder mehrere Personen, die gemeinsam handeln, die Kontrolle über die Emittentin erlangen.

remaining Notes (in whole but not in part) upon giving not less than 30 and not more than 60 days' irrevocable notice of redemption to the Holders in accordance with § 13 (i) at an amount equal to the Specified Denomination per Note plus any Interest accrued and unpaid to (but excluding) the Redemption Date and any Arrears of Interest.

(7) *Issuer Call Right following a Change of Control Event.*

(a) If a Change of Control Event (as defined in § 5(7)(c)) occurs, the Issuer will fix the Change of Control Effective Date (as defined in § 5(7)(c)) and give notice in accordance with § 13 of the Change of Control Event and the Change of Control Effective Date within 5 Business Days (the "**Change of Control Notice**").

(b) If a Change of Control Event occurs, the Issuer may call the Notes for redemption (in whole but not in part) with effect as of the Change of Control Effective Date upon giving not less than 5 Business Days prior irrevocable notice to the Holders in accordance with § 13. Such call notice can be given simultaneously with the Change of Control Notice. In the case such call notice is given, the Issuer shall redeem each Note outstanding at an amount per Note equal to the Specified Denomination plus any Interest accrued and unpaid to (but excluding) the Change of Control Effective Date and any Arrears of Interest.

(c) In this § 5(7):

A "**Change of Control Event**" occurs if a Change of Control occurs and within the Change of Control Period a Downgrade of the Issuer in respect of that Change of Control occurs.

A "**Change of Control**" occurs if any person or group, acting in concert, gains Control of the Issuer.



**"Kontrolle"** bezeichnet (i) das unmittelbare oder mittelbare rechtliche oder wirtschaftliche Eigentum in jedweder Form bzw. die unmittelbare oder mittelbare rechtliche oder wirtschaftliche Verfügungsbefugnis in jedweder Form (wie in § 22 des Wertpapierhandelsgesetzes ausführlich beschrieben) an insgesamt mehr als 50% der stimmberechtigten Aktien der Emittentin oder jede andere Möglichkeit oder die Fähigkeit nach § 17 Aktiengesetz, in anderer Weise die Angelegenheiten der Emittentin zu bestimmen, oder (ii) im Falle eines Übernahmeangebotes für Aktien der Emittentin, Umstände, in denen (A) die Aktien, die sich bereits in der Kontrolle des Bieters befinden, und die Aktien für die bereits das Angebot angenommen wurde, zusammen mehr als 50% der Stimmrechte der Emittentin gewähren und (B) zur gleichen Zeit das Angebot unbedingt geworden ist, oder (iii) der Verkauf oder die Übertragung durch die Emittentin aller oder im Wesentlichen aller ihrer Vermögenswerte an bzw. auf eine andere Person oder Personen.

**"Kontrollwechselzeitraum"** bezeichnet den Zeitraum beginnend am früheren Termin von (1) der ersten öffentlichen Bekanntmachung eines Kontrollwechsels und (2) dem Tag der Ankündigung eines möglichen Kontrollwechsels und endend 90 Tage nach dem Kontrollwechsel.

**"Ankündigung eines möglichen Kontrollwechsels"** bedeutet die öffentliche Ankündigung eines möglichen Kontrollwechsels oder eine Stellungnahme der Emittentin oder eines aktuellen oder möglichen Bieters in Bezug auf einen Kontrollwechsel, woraufhin innerhalb von 180 Tagen seit dieser Ankündigung oder Stellungnahme ein Kontrollwechsel stattfindet.

Eine **"Ratingherabstufung"** tritt ein, wenn die angeforderten Credit Ratings in Bezug auf langfristige unbesicherte Finanzverbindlichkeiten der Emittentin unter BBB- (im Fall von Standard & Poor's und Fitch) und Ba1 (im Fall von Moody's) fallen oder alle Ratingagenturen die Abgabe eines Credit Ratings gegenüber der Emittentin (nicht nur vorübergehend) einstellen.

**"Ratingagenturen"** bezeichnet jede Ratingagentur von Fitch Ratings ("**Fitch**"), Moody's Investors Service, ("**Moody's**") oder Standard & Poor's, eine Abteilung der The McGraw Hill Companies, Inc. ("**Standard & Poor's**") sowie ihre jeweiligen Rechtsnachfolger im Hinblick auf ihr

**"Control"** means (i) any direct or indirect legal or beneficial ownership or any direct or indirect legal or beneficial entitlement (as more fully described in § 22 of the German Securities Trading Act (*Wertpapierhandelsgesetz*)) of, in the aggregate, more than 50% of the ordinary shares of the Issuer or any other ability to control the affairs of the Issuer as described in § 17 of the German Stock Corporation Act (*Aktiengesetz*), or (ii) in the event of a tender offer for shares of the Issuer, circumstances where (A) the shares already in the control of the offeror and the shares with respect to which the offer has been accepted carry in aggregate more than 50% of the voting rights in the Issuer and (B) at the same time the offer has become unconditional, or (iii) the disposal or transfer by the Issuer of all or substantially all of its assets to another person or other persons.

**"Change of Control Period"** means the period commencing on the date that is the earlier of (1) the date of the first public announcement of a Change of Control; and (2) the date of the earliest Potential Change of Control Announcement and ending 90 days after the Change of Control.

**"Potential Change of Control Announcement"** means any public announcement or statement by the Issuer or any actual or potential bidder relating to any potential Change of Control where within 180 days of the date of such announcement of statement, a Change of Control occurs.

A **"Downgrade"** occurs if the solicited credit ratings assigned to the Issuer's long-term unsecured debt fall below BBB- (in the case of Standard & Poor's and Fitch) and Ba1 (in the case of Moody's) or all Rating Agencies cease to assign (other than temporarily) a credit rating to the Issuer.

**"Rating Agencies"** means each of the rating agencies of Fitch Ratings ("**Fitch**"), Moody's Investors Service ("**Moody's**") or Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("**Standard & Poor's**") and their respective successors to their ratings

Ratinggeschäft.

"**Kontrollwechsel-Stichtag**" bezeichnet den von der Emittentin in der Kontrollwechsel-Mitteilung festgelegten Tag, der (i) falls zum betreffenden Zeitpunkt gegenüber den Schuldverschreibungen vorrangige Fremdkapitalwertpapiere der Deutsche Lufthansa Aktiengesellschaft ausstehen, der fünfte Geschäftstag nach dem Tag sein muss, an dem solche Wertpapiere aufgrund einer Kündigung der Gläubiger dieser Wertpapiere wegen des gleichen Kontrollwechsel-Ereignisses (oder eines vergleichbaren Konzepts) fällig werden können; und (ii) falls zum betreffenden Zeitpunkt keine gegenüber den Schuldverschreibungen vorrangige Fremdkapitalwertpapiere der Deutsche Lufthansa Aktiengesellschaft ausstehen, ein Geschäftstag sein muss, der nicht mehr als 40 Tage nach Bekanntmachung der Kontrollwechsel-Mitteilung liegen darf.

## § 6 ZÄHLUNGEN

- (1) (a) *Zahlung auf Kapital.* Zahlungen auf Kapital in Bezug auf die Schuldverschreibungen erfolgen nach Maßgabe von Absatz (2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems.
- (b) *Zahlung von Zinsen.* Die Zahlung von Zinsen, Zinsrückständen und allen sonstigen auf die Schuldverschreibungen zahlbaren Beträge erfolgt nach Maßgabe von Absatz (2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems.
- Die Zahlung von Zinsen und Zinsrückständen auf Schuldverschreibungen, die durch die Vorläufige Globalurkunde verbrieft sind, erfolgt nach Maßgabe von Absatz (2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems, und zwar nach ordnungsgemäßer Bescheinigung gemäß § 2(3)(b).
- (2) *Zahlungsweise.* Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen zu leistende Zahlungen auf die Schuldverschreibungen in der Festgelegten Währung.
- (3) *Erfüllung.* Die Emittentin wird durch Leistung

business.

"**Change of Control Effective Date**" means the date fixed by the Issuer in the Change of Control Notice, which (i) must, if at the relevant time any debt securities of Deutsche Lufthansa Aktiengesellschaft ranking senior to the Notes are outstanding, be the fifth Business Day following the date on which such securities may become payable due to put notices of the holders of such securities in respect of the same Change of Control Event (or a similar concept); and (ii) must, if at the relevant time no debt securities of Deutsche Lufthansa Aktiengesellschaft ranking senior to the Notes are outstanding, be a Business Day which falls not more than 40 days after publication of the Change of Control Notice.

## § 6 PAYMENTS

- (1) (a) *Payment of principal.* Payment of principal in respect of Notes shall be made, subject to paragraph (2), to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.
- (b) *Payment of interest.* Payment of interest, Arrears of Interest or any other amounts on the Notes shall be made, subject to paragraph (2), to the Clearing System or to its order for credit to the relevant account holders of the Clearing System.
- Payment of interest and Arrears of Interest on Notes represented by the Temporary Global Note shall be made, subject to paragraph (2), to the Clearing System or to its order for credit to the relevant account holders of the Clearing System, upon due certification as provided in § 2(3)(b).
- (2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the Specified Currency.
- (3) *Discharge.* The Issuer shall be discharged by

der Zahlung an das Clearing System oder dessen Order von ihrer Zahlungspflicht befreit.

- (4) *Zahltag.* Fällt der Fälligkeitstag einer Zahlung in Bezug auf die Schuldverschreibungen auf einen Tag, der kein Zahltag ist, dann hat der Gläubiger keinen Anspruch auf Zahlung vor dem nächsten Zahltag. Der Gläubiger ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen.

Für diese Zwecke bezeichnet "**Zahltag**" einen Tag, der ein Tag (außer einem Samstag oder Sonntag) ist, an dem das Clearing System sowie alle betroffenen Bereiche des Trans-European Automated Real-time Gross Settlement Express Transfer System 2 ("**TARGET2**") betriebsbereit sind, um die betreffenden Zahlungen weiterzuleiten.

### § 7

#### ZAHLSTELLEN UND BERECHNUNGSSTELLE

- (1) *Hauptzahlstelle.* Die Hauptzahlstelle (die "**Hauptzahlstelle**") und deren bezeichnete Geschäftsstelle ist:
- Deutsche Bank Aktiengesellschaft  
Trust & Securities Services  
Taunusanlage 12  
60325 Frankfurt am Main  
Bundesrepublik Deutschland
- (2) *Berechnungsstelle.* Die Berechnungsstelle (die "**Berechnungsstelle**") und deren bezeichnete Geschäftsstelle ist:
- Deutsche Bank Aktiengesellschaft  
Trust & Securities Services  
Taunusanlage 12  
60325 Frankfurt am Main  
Bundesrepublik Deutschland
- (3) *Ortswechsel.* Die Hauptzahlstelle und die Berechnungsstelle behalten sich das Recht vor, jederzeit ihre jeweiligen bezeichneten Geschäftsstellen durch eine andere bezeichnete Geschäftsstelle in derselben Stadt zu ersetzen.
- (4) *Berechnungen der Berechnungsstelle.* Sämtliche Bescheinigungen, Mitteilungen, Gutachten, Festsetzungen, Berechnungen, Quotierungen und Entscheidungen, die von der Berechnungsstelle für die Zwecke dieser Anleihebedingungen gemacht, abgegeben, getroffen oder eingeholt werden, sind (sofern nicht vorsätzliches Fehlverhalten oder ein offensichtlicher Irrtum vorliegt) für die Emittentin, die Gläubiger und die Zahlstellen bindend.
- (5) *Änderung der Bestellung oder Abberufung.* Die Emittentin behält sich das Recht vor,

payment to, or to the order of, the Clearing System.

- (4) *Payment Business Day.* If the date for payment of any amount in respect of the Notes is not a Payment Business Day then the Holder shall not be entitled to payment until the next Payment Business Day and shall not be entitled to further interest or other payment in respect of such delay.

For these purposes, "**Payment Business Day**" means any day which is a day (other than a Saturday or a Sunday) on which the Clearing System as well as all relevant parts of the Trans-European Automated Real-time Gross settlement Express Transfer system 2 ("**TARGET2**") are operational to forward the relevant payment.

### § 7

#### PAYING AGENTS AND CALCULATION AGENT

- (1) *Principal Paying Agent.* Principal paying agent (the "**Principal Paying Agent**") and its specified office shall be:
- Deutsche Bank Aktiengesellschaft  
Trust & Securities Services  
Taunusanlage 12  
60325 Frankfurt am Main  
Bundesrepublik Deutschland
- (2) *Calculation Agent.* Calculation agent (the "**Calculation Agent**") and its specified office shall be:
- Deutsche Bank Aktiengesellschaft  
Trust & Securities Services  
Taunusanlage 12  
60325 Frankfurt am Main  
Bundesrepublik Deutschland
- (3) *Change of Office.* Each of the Principal Paying Agent and the Calculation Agent reserves the right at any time to change its respective specified office to some other specified office in the same city.
- (4) *Calculations made by the Calculation Agent.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of these Terms and Conditions by the Calculation Agent shall (in the absence of wilful misconduct or manifest error) be binding upon the Issuer, the Holders and the paying agents.
- (5) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or

jederzeit die Bestellung der Hauptzahlstelle oder der Berechnungsstelle zu ändern oder zu beenden und eine andere Hauptzahlstelle oder zusätzliche oder andere Zahlstellen oder eine andere Berechnungsstelle zu bestellen. Die Emittentin wird zu jedem Zeitpunkt eine Hauptzahlstelle und eine Berechnungsstelle unterhalten. Eine Änderung, Abberufung, Bestellung oder ein sonstiger Wechsel wird nur wirksam (außer im Insolvenzfall, in dem eine solche Änderung sofort wirksam wird), sofern die Gläubiger hierüber gemäß § 13 vorab unter Einhaltung einer Frist von mindestens 30 und nicht mehr als 45 Tagen informiert wurden.

- (6) *Erfüllungsgehilfe(n) der Emittentin.* Die Hauptzahlstelle und die Berechnungsstelle handeln ausschließlich als Erfüllungsgehilfen der Emittentin und übernehmen keinerlei Verpflichtungen gegenüber den Gläubigern und es wird kein Auftrags- oder Treuhandverhältnis zwischen ihnen und den Gläubigern begründet.

## § 8 BESTEUERUNG

Sämtliche auf die Schuldverschreibungen von der Emittentin zu zahlenden Beträge sind ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftigen Steuern oder sonstigen Abgaben gleich welcher Art zu leisten, die von oder in der Bundesrepublik Deutschland oder für deren Rechnung oder von oder für Rechnung einer politischen Untergliederung oder Steuerbehörde der oder in der Bundesrepublik Deutschland auferlegt oder erhoben werden, es sei denn, ein solcher Einbehalt oder Abzug ist gesetzlich vorgeschrieben. Ist ein solcher Einbehalt gesetzlich vorgeschrieben, so wird die Emittentin diejenigen zusätzlichen Beträge (die "**zusätzlichen Beträge**") zahlen, die erforderlich sind, damit die den Gläubigern zufließenden Nettobeträge nach diesem Einbehalt oder Abzug jeweils den Beträgen entsprechen, die ohne einen solchen Einbehalt oder Abzug von den Gläubigern empfangen worden wären; die Verpflichtung zur Zahlung solcher zusätzlicher Beträge besteht jedoch nicht im Hinblick auf Steuern und Abgaben, die:

- (a) von einer als Depotbank oder Inkassobeauftragter des Gläubigers handelnden Person oder sonst auf andere Weise zu entrichten sind als dadurch, dass die Emittentin aus den von ihr zu leistenden Zahlungen von Kapital oder Zinsen einen Abzug oder Einbehalt vornimmt; oder
- (b) wegen einer gegenwärtigen oder früheren persönlichen oder geschäftlichen Beziehung des Gläubigers zu der Bundesrepublik Deutschland zu zahlen sind, und nicht allein

terminate the appointment of the Principal Paying Agent or the Calculation Agent and to appoint another Principal Paying Agent or additional or other paying agents or another Calculation Agent. The Issuer shall at all times maintain a Principal Paying Agent and a Calculation Agent. Any variation, termination, appointment or other change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Holders in accordance with § 13.

- (6) *Agent of the Issuer.* The Principal Paying Agent and the Calculation Agent act solely as agents of the Issuer and do not assume any obligations towards or relationship of contract, agency or trust for or with any of the Holders.

## § 8 TAXATION

All amounts payable in respect of the Notes by the Issuer shall be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by way of withholding or deduction by or on behalf of the Federal Republic of Germany or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. If such withholding is required by law, the Issuer will pay such additional amounts (the "**Additional Amounts**") as shall be necessary in order that the net amounts received by the Holders, after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes or duties which:

- (a) are payable by any person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it, or
- (b) are payable by reason of the Holder having, or having had, some personal or business connection with the Federal Republic of Germany and not merely by reason of the fact

deshalb, weil Zahlungen auf die Schuldverschreibungen aus Quellen in der Bundesrepublik Deutschland stammen (oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind; oder

- (c) aufgrund (i) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder (ii) einer zwischenstaatlichen Vereinbarung über deren Besteuerung, an der die Bundesrepublik Deutschland oder die Europäische Union beteiligt ist, oder (iii) einer gesetzlichen Vorschrift, die diese Richtlinie, Verordnung oder Vereinbarung umsetzt oder befolgt, abzuziehen oder einzubehalten sind; oder
- (d) aufgrund einer Rechtsänderung zu zahlen sind, welche später als 30 Tage nach Fälligkeit der betreffenden Zahlung von Kapital oder Zinsen oder, wenn dies später erfolgt, ordnungsgemäßer Bereitstellung aller fälligen Beträge und einer diesbezüglichen Bekanntmachung gemäß § 13 wirksam wird; oder
- (e) von einer Zahlstelle einbehalten oder abgezogen werden, wenn die Zahlung von einer anderen Zahlstelle ohne den Einbehalt oder Abzug hätte vorgenommen werden können.

### § 9 VORLEGUNGSFRIST

Die in § 801 Absatz 1 Satz 1 BGB bestimmte Vorlegungsfrist wird für die Schuldverschreibungen auf zehn Jahre verkürzt.

### § 10 ERSETZUNG

- (1) *Ersetzung.* Die Emittentin ist jederzeit berechtigt, sofern sie sich nicht mit einer Zahlung von Kapital oder Zinsen oder Zinsrückständen auf die Schuldverschreibungen in Verzug befindet, ohne Zustimmung der Gläubiger ein mit ihr Verbundenes Finanzierungsunternehmen (wie unten definiert) an ihrer Stelle als Hauptschuldnerin (die "**Nachfolgeschuldnerin**") für alle Verpflichtungen aus und im Zusammenhang mit diesen Schuldverschreibungen einzusetzen, vorausgesetzt, dass:
- (a) die Nachfolgeschuldnerin alle Verpflichtungen der Emittentin in Bezug auf die Schuldverschreibungen übernimmt;
- (b) die Nachfolgeschuldnerin alle erforderlichen Genehmigungen erhalten hat und berechtigt ist, an die Hauptzahlstelle die zur Erfüllung

that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, the Federal Republic of Germany, or

- (c) are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which the Federal Republic of Germany or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding, or
- (d) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment becomes due, or is duly provided for and notice thereof is published in accordance with § 13, whichever occurs later, or
- (e) are withheld or deducted by a paying agent from a payment if the payment could have been made by another paying agent without such withholding or deduction.

### § 9 PRESENTATION PERIOD

The presentation period provided in section 801 paragraph 1 sentence 1 of the German Civil Code (*Bürgerliches Gesetzbuch*) is reduced to ten years for the Notes.

### § 10 SUBSTITUTION

- (1) *Substitution.* The Issuer may, without the consent of the Holders, if no payment of principal of or Interest or Arrears of Interest on any of the Notes is in default, at any time substitute for the Issuer any Financing Affiliate (as defined below) of the Issuer as principal debtor in respect of all obligations arising from or in connection with the Notes (the "**Substitute Debtor**") provided that:
- (a) the Substitute Debtor assumes all obligations of the Issuer in respect of the Notes;
- (b) the Substitute Debtor has obtained all necessary authorisations and may transfer to the Principal Paying Agent in the Specified

- der Zahlungsverpflichtungen aus den Schuldverschreibungen zahlbaren Beträge in der Festgelegten Währung zu zahlen, ohne verpflichtet zu sein, jeweils in dem Land, in dem die Nachfolgeschuldnerin oder die Emittentin ihren Sitz oder Steuersitz haben, erhobene Steuern oder andere Abgaben jeder Art abzuziehen oder einzubehalten;
- (c) die Nachfolgeschuldnerin sich verpflichtet hat, jeden Gläubiger hinsichtlich solcher Steuern, Abgaben oder behördlichen Lasten freizustellen, die einem Gläubiger aufgrund der Ersetzung auferlegt werden;
- (d) die Emittentin unwiderruflich und unbedingt gegenüber den Gläubigern die Zahlung aller von der Nachfolgeschuldnerin auf die Schuldverschreibungen zahlbaren Beträge zu Bedingungen garantiert, die sicherstellen, dass jeder Gläubiger wirtschaftlich mindestens so gestellt wird, wie er ohne die Ersetzung stehen würde (die "**Ersetzungs-Garantie**");
- (e) der Hauptzahlstelle jeweils eine Bestätigung bezüglich der betroffenen, im folgenden Absatz (3) angesprochenen Rechtsordnungen von anerkannten Rechtsanwälten vorgelegt wird, dass die Bestimmungen in den vorstehenden Unterabsätzen (a), (b), (c) und (d) erfüllt wurden;
- (f) kein in § 5 genanntes Kündigungsrecht in Folge der Ersetzung der Emittentin durch die Nachfolgeschuldnerin eintritt; und
- (g) die Nachfolgeschuldnerin keine "*United States person*" wie im United States Revenue Code von 1986 in seiner jeweiligen Fassung definiert ist.
- Für Zwecke dieses § 10 bedeutet "**Verbundenes Finanzierungsunternehmen**" jedes verbundene Unternehmen im Sinne des § 15 AktG der Emittentin, dessen Geschäftszweck in der Aufnahme von Mitteln für die Refinanzierung von verbundenen Unternehmen besteht und die keine wesentlichen operativen Vermögenswerte oder Anteile an operativen Gesellschaften der Emittentin oder deren Tochtergesellschaften hält.
- (2) *Bekanntmachung.* Jede Ersetzung ist der Hauptzahlstelle und jeder Börse, an der die Schuldverschreibungen zu diesem Zeitpunkt notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, sowie den Gläubigern gemäß § 13 bekannt zu machen.
- (3) *Änderung von Bezugnahmen.* Im Fall einer Ersetzung gilt jede Bezugnahme in diesen Anleihebedingungen auf die Emittentin ab
- Currency and without being obligated to deduct or withhold any taxes or other duties of whatever nature levied by the country in which the Substitute Debtor or the Issuer has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Notes;
- (c) the Substitute Debtor has agreed to indemnify and hold harmless each Holder against any tax, duty, assessment or governmental charge imposed on such Holder in respect of such substitution;
- (d) the Issuer irrevocably and unconditionally guarantees in favour of each Holder the payment of all sums payable by the Substitute Debtor in respect of the Notes on terms which ensure that each Holder will be put in an economic position that is at least as favourable as that which would have existed if the substitution had not taken place (the "**Substitution Guarantee**");
- (e) there shall have been delivered to the Principal Paying Agent one opinion for each jurisdiction described in paragraph (3) below of lawyers of recognized standing to the effect that subparagraphs (a), (b), (c) and (d) above have been satisfied; and
- (f) none of the issuer call rights specified in § 5 occurs as a consequence of the substitution of the Issuer by the Substitute Debtor;
- (g) the Substitute Debtor is not a United States person as defined in the U.S. Internal Revenue Code of 1986 as amended.
- For purposes of this § 10, "**Financing Affiliate**" shall mean any affiliated company (*verbundenes Unternehmen*) within the meaning of § 15 German Stock Corporation Act (*Aktiengesetz*) of the Issuer, which has the corporate function of raising financing and passing it on to affiliates and which holds no significant operating assets or has any ownership in the operating companies of the Issuer or its subsidiaries.
- (2) *Notification to Holders.* Notice of any such substitution shall be given to the Principal Paying Agent and any stock exchange on which the Notes are listed at such time, if required by the rules of such stock exchange, and to the Holders in accordance with § 13.
- (3) *References.* Upon a substitution in accordance with this § 10, the Substitute Debtor shall be deemed to be named in the

dem Zeitpunkt der Ersetzung als Bezugnahme auf die Nachfolgeschuldnerin und jede Bezugnahme auf das relevante Steuerhoheitsgebiet in Bezug auf § 8, ein Quellensteuer-Ereignis und ein Steuerereignis gilt sowohl als Bezugnahme auf die Jurisdiktion, in der die Nachfolgeschuldnerin steuerlich ansässig ist, als auch als Bezugnahme auf die Bundesrepublik Deutschland (wobei es für den Eintritt eines Steuerereignisses auch auf Zahlungen ankommt, die die Deutsche Lufthansa Aktiengesellschaft an die Nachfolgeschuldnerin oder die Gläubiger in Bezug auf Verbindlichkeiten zu leisten hat, die sie im Zusammenhang mit der Ersetzung eingegangen ist). Des Weiteren gilt im Fall einer Ersetzung Folgendes:

§ 3(1) gilt als insoweit angepasst, dass der Rang der Ansprüche aus den Schuldverschreibungen gleich bleibt.

Zudem sollen sich die Bezugnahmen auf Emittentin in § 4(8)(c)(i), § 4(8)(c)(ii) und § 5(7)(c) sowie in der Definition von Eigenkapitalanrechnungseignis weiterhin nur auf die Deutsche Lufthansa Aktiengesellschaft beziehen.

Die Bezugnahmen auf die Emittentin in § 4(8)(b)(iv), § 4(8)(c)(iii), § 4(8)(c)(iv) und die Bezugnahmen auf einen Erwerb von Schuldverschreibungen durch die Emittentin in § 5(5) und § 5(6) beziehen sich sowohl auf die Nachfolgeschuldnerin als auch auf die Deutsche Lufthansa Aktiengesellschaft.

### § 11

#### BESCHLÜSSE DER GLÄUBIGER, ÄNDERUNG DER ANLEIHEBEDINGUNGEN, GEMEINSAMER VERTRETER

- (1) *Beschlüsse durch die Gläubiger.* Die Gläubiger können mit Zustimmung der Emittentin (soweit erforderlich) aufgrund Mehrheitsbeschlusses nach Maßgabe der §§ 5 ff. des Gesetzes über Schuldverschreibungen aus Gesamtemissionen ("**SchVG**") in seiner jeweils gültigen Fassung die Anleihebedingungen ändern oder sonstige Maßnahmen gemäß dem SchVG beschließen. Die Gläubiger können insbesondere einer Änderung wesentlicher Inhalte der Anleihebedingungen, einschließlich der in § 5 Absatz 3 SchVG vorgesehenen Maßnahmen durch Beschlüsse mit den in dem nachstehenden Absatz (2) genannten Mehrheiten zustimmen. Ein ordnungsgemäß gefasster Mehrheitsbeschluss ist für alle Gläubiger

Notes as the principal debtor in place of the Issuer as issuer and any reference to the relevant taxing jurisdiction in relation to § 8, a Gross-up Event and a Tax Deductibility Event shall be deemed to reference the Substitute Debtor's country of domicile for tax purposes as well as the Federal Republic of Germany (provided that a Tax Deductibility Event may also occur in respect of payments to be made by Deutsche Lufthansa Aktiengesellschaft to the Substitute Debtor or to the Holders under obligations assumed by Deutsche Lufthansa Aktiengesellschaft in connection with the substitution). In addition, the following applies:

§ 3(1) shall be deemed to be amended insofar that the ranking of the Notes stays the same.

In addition, references to the Issuer in § 4(8)(c)(i), § 4(8)(c)(ii) and § 5(7)(c) and in the definition of Equity Credit Event shall continue to refer only to Deutsche Lufthansa Aktiengesellschaft.

References to the Issuer in § 4(8)(b)(iv), § 4(8)(c)(iii), § 4(8)(c)(iv) and references to a purchase of Notes by the Issuer in § 5(5) and § 5(6) shall refer to the Substitute Debtor and Deutsche Lufthansa Aktiengesellschaft.

### § 11

#### RESOLUTIONS OF HOLDERS, AMENDMENT OF THE TERMS AND CONDITIONS, HOLDERS' REPRESENTATIVE

- (1) *Resolutions of Holders.* The Holders may with consent of the Issuer (if required) by a majority resolution pursuant to section 5 et seqq. of the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*) (the "**SchVG**"), as amended from time to time, agree to amendments of the Terms and Conditions or resolve any other matters provided for by the SchVG. In particular, the Holders may consent to amendments which materially change the substance of the Terms and Conditions, including such measures as provided for under section 5 paragraph 3 SchVG by resolutions passed by such majority of the votes of the Holders as stated under paragraph (2) below. A duly passed majority resolution shall be binding upon all Holders.

verbindlich.

- (2) *Mehrheit.* Vorbehaltlich des nachstehenden Satzes und der Erreichung der erforderlichen Beschlussfähigkeit, beschließen die Gläubiger mit der einfachen Mehrheit der an der Abstimmung teilnehmenden Stimmrechte. Beschlüsse, durch welche der wesentliche Inhalt der Anleihebedingungen, insbesondere in den Fällen des § 5 Absatz 3 Nummern 1 bis 9 SchVG, geändert wird, bedürfen zu ihrer Wirksamkeit einer Mehrheit von mindestens 75% der an der Abstimmung teilnehmenden Stimmrechte (eine "**Qualifizierte Mehrheit**").
- (2) *Majority.* Except as provided by the following sentence and provided that the quorum requirements are being met, the Holders may pass resolutions by simple majority of the voting rights participating in the vote. Resolutions which materially change the substance of the Terms and Conditions, in particular in the cases of section 5 paragraph 3 numbers 1 through 9 SchVG, or relating to material other matters may only be passed by a majority of at least 75% of the voting rights participating in the vote (a "**Qualified Majority**").
- (3) *Beschlussfassung.* Die Gläubiger können Beschlüsse in einer Gläubigerversammlung gemäß §§ 5 ff. SchVG oder im Wege einer Abstimmung ohne Versammlung gemäß § 18 und § 5 ff. SchVG fassen.
- (3) *Passing of resolutions.* The Holders can pass resolutions in a meeting (*Gläubigerversammlung*) in accordance with section 5 et seqq. of the SchVG or by means of a vote without a meeting (*Abstimmung ohne Versammlung*) in accordance with section 18 and section 5 et seqq. of the SchVG.
- (4) *Gläubigerversammlung.* Falls Beschlüsse der Gläubiger in einer Gläubigerversammlung gefasst werden, enthält die Bekanntmachung der Einberufung nähere Angaben zu den Beschlüssen und zu den Abstimmungsmodalitäten. Die Gegenstände und Vorschläge zur Beschlussfassung werden den Gläubigern mit der Bekanntmachung der Einberufung bekannt gemacht. Die Teilnahme an der Gläubigerversammlung und die Ausübung der Stimmrechte ist von einer vorherigen Anmeldung der Gläubiger abhängig. Die Anmeldung muss unter der in der Bekanntmachung der Einberufung mitgeteilten Adresse spätestens am dritten Tag vor der Gläubigerversammlung zugehen. Mit der Anmeldung müssen die Gläubiger ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis der Depotbank gemäß § 14(3)(i)(a) und (b) und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der Absendung der Anmeldung (einschließlich) bis zum angegebenen Ende der Gläubigerversammlung (einschließlich) nicht übertragbar sind, nachweisen.
- (4) *Meeting.* If resolutions of the Holders shall be made by means of a meeting the convening notice (*Einberufung*) will provide for further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions shall be notified to the Holders together with the convening notice. Attendance at the meeting and exercise of voting rights is subject to the Holders' registration. The registration must be received at the address stated in the convening notice no later than the third day preceding the meeting. As part of the registration, Holders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with § 14(3)(i)(a) and (b) hereof in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are not transferable from (and including) the day such registration has been sent until (and including) the stated end of the meeting.
- (5) *Abstimmung ohne Versammlung.* Falls Beschlüsse der Gläubiger im Wege einer Abstimmung ohne Versammlung gefasst werden, enthält die Aufforderung zur Stimmabgabe durch den Abstimmungsleiter die weiteren Einzelheiten zu den Beschlüssen und dem Abstimmungsverfahren. Die Gegenstände und Vorschläge zur
- (5) *Vote without a meeting.* If resolutions of the Holders shall be made by means of a vote without a meeting (*Abstimmung ohne Versammlung*) the request for voting (*Aufforderung zur Stimmabgabe*) as submitted by the chairman (*Abstimmungsleiter*) will provide the further details relating to the resolutions and the voting procedure. The



Beschlussfassung werden den Gläubigern mit der Aufforderung zur Stimmabgabe bekannt gemacht. Die Ausübung der Stimmrechte ist von einer vorherigen Anmeldung der Gläubiger abhängig. Die Anmeldung muss unter der in der Aufforderung zur Stimmabgabe mitgeteilten Adresse spätestens am dritten Tag vor Beginn des Abstimmungszeitraums zugehen. Mit der Anmeldung müssen die Gläubiger ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis der Depotbank gemäß § 14(3)(i)(a) und (b) und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der Absendung der Anmeldung (einschließlich) bis zum letzten Tag des Abstimmungszeitraums (einschließlich) nicht übertragbar sind, nachweisen.

- (6) *Zweite Versammlung.* Wird für die Gläubigerversammlung gemäß Absatz (4) oder die Abstimmung ohne Versammlung gemäß Absatz (5) die mangelnde Beschlussfähigkeit festgestellt, kann – im Fall der Gläubigerversammlung – der Vorsitzende eine zweite Versammlung im Sinne von § 15 Absatz 3 Satz 2 SchVG und – im Fall der Abstimmung ohne Versammlung – der Abstimmungsleiter eine zweite Versammlung im Sinne von § 15 Absatz 3 Satz 3 SchVG einberufen. Die Teilnahme an der zweiten Versammlung und die Ausübung der Stimmrechte sind von einer vorherigen Anmeldung der Gläubiger abhängig. Die Anmeldung muss unter der in der Bekanntmachung der Einberufung mitgeteilten Adresse spätestens am dritten Tag vor der zweiten Versammlung zugehen. Mit der Anmeldung müssen die Gläubiger ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis der Depotbank gemäß § 14(3)(i)(a) und (b) und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der Absendung der Anmeldung (einschließlich) bis zum angegebenen Ende der Versammlung (einschließlich) nicht übertragbar sind, nachweisen.
- (7) *Gemeinsamer Vertreter.* Die Gläubiger können durch Mehrheitsbeschluss die Bestellung oder Abberufung eines gemeinsamen Vertreters (der "**Gemeinsame Vertreter**"), die Aufgaben und Befugnisse des Gemeinsamen Vertreters, die Übertragung von Rechten der Gläubiger auf den

subject matter of the vote as well as the proposed resolutions shall be notified to Holders together with the request for voting. The exercise of voting rights is subject to the Holders' registration. The registration must be received at the address stated in the request for voting no later than the third day preceding the beginning of the voting period. As part of the registration, Holders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with § 14(3)(i)(a) and (b) hereof in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are not transferable from (and including) the day such registration has been sent until (and including) the day the voting period ends.

- (6) *Second meeting.* If it is ascertained that no quorum exists for the meeting pursuant to paragraph (4) or the vote without a meeting pursuant to paragraph (5), in case of a meeting, the chairman (*Vorsitzender*) may convene a second meeting in accordance with section 15 paragraph 3 sentence 2 of the SchVG or, in case of a vote without a meeting, the scrutineer (*Abstimmungsleiter*) may convene a second meeting within the meaning of section 15 paragraph 3 sentence 3 of the SchVG. Attendance at the second meeting and exercise of voting rights is subject to the Holders' registration. The registration must be received at the address stated in the convening notice no later than the third day preceding the second meeting. As part of the registration, Holders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with § 14(3)(i)(a) and (b) hereof in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are not transferable from (and including) the day such registration has been sent until (and including) the stated end of the meeting.

- (7) *Holders' representative.* The Holders may by majority resolution provide for the appointment or dismissal of a holders' representative (the "**Holders' Representative**"), the duties and responsibilities and the powers of such Holders' Representative, the transfer of the rights of the Holders to the Holders'

Gemeinsamen Vertreter und eine Beschränkung der Haftung des Gemeinsamen Vertreters bestimmen. Die Bestellung eines Gemeinsamen Vertreters bedarf einer Qualifizierten Mehrheit, wenn er ermächtigt werden soll, Änderungen des wesentlichen Inhalts der Anleihebedingungen oder sonstigen wesentlichen Maßnahmen gemäß Absatz (2) zuzustimmen.

- (8) *Veröffentlichung.* Bekanntmachungen betreffend diesen § 11 erfolgen ausschließlich gemäß den Bestimmungen des SchVG.
- (9) *Änderung einer Ersetzungs-Garantie.* Die oben aufgeführten auf die Schuldverschreibungen anwendbaren Bestimmungen gelten entsprechend für die Bestimmungen einer etwaigen Ersetzungs-Garantie.

## § 12

### BEGEBUNG WEITERER SCHULDVERSCHREIBUNGEN, ENTWERTUNG

- (1) *Begebung weiterer Schuldverschreibungen.* Die Emittentin ist berechtigt, jederzeit ohne Zustimmung der Gläubiger weitere Schuldverschreibungen mit gleicher Ausstattung (gegebenenfalls mit Ausnahme des Ausgabetermins, des Verzinsungsbeginns und/oder des Ausgabepreises) in der Weise zu begeben, dass sie mit diesen Schuldverschreibungen eine einheitliche Serie (Gesamtemission) bilden.
- (2) *Entwertung.* Sämtliche vollständig zurückgezahlten Schuldverschreibungen sind unverzüglich zu entwerten und können nicht wiederbegeben oder wiederverkauft werden.

## § 13

### MITTEILUNGEN

- (1) *Bekanntmachung.* Alle die Schuldverschreibungen betreffenden Mitteilungen, außer wie in § 11(8) vorgesehen, erfolgen durch elektronische Publikation auf der Internetseite der Luxemburger Börse ([www.bourse.lu](http://www.bourse.lu)). Jede derartige Mitteilung gilt am dritten Tag nach dem Tag der Veröffentlichung als wirksam erfolgt.
- (2) *Mitteilungen an das Clearing System.* Solange Schuldverschreibungen an der *official list* der Luxemburger Börse notiert sind, findet Absatz (1) Anwendung. Soweit die Mitteilung den Anwendbaren Zinssatz betrifft oder die Regeln der Luxemburger Börse dies sonst zulassen, kann die Emittentin eine Veröffentlichung nach Absatz (1) durch eine Mitteilung an das Clearing System zur Weiterleitung an die Gläubiger ersetzen; jede

Representative and a limitation of liability of the Holders' Representative. Appointment of a Holders' Representative may only be passed by a Qualified Majority if such Holders' Representative is to be authorised to consent, in accordance with paragraph (2) hereof, to a material change in the substance of the Terms and Conditions or other material matters.

*Publication.* Any notices concerning this § 11 shall be made exclusively pursuant to the provisions of the SchVG.

*Amendments to a Substitution Guarantee.* The provisions set out above applicable to the Notes shall apply *mutatis mutandis* to the Substitution Guarantee, if any.

## § 12

### FURTHER ISSUES, CANCELLATION

*Further Issues.* The Issuer may from time to time, without the consent of the Holders, issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the issue date, commencement of the interest accrual period and/or issue price) so as to form a single series (*Gesamtemission*) with the Notes.

*Cancellation.* All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

## § 13

### NOTICES

*Publication.* All notices concerning the Notes, except as stipulated in § 11(8), will be made by means of electronic publication on the internet website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). Any notice so given will be deemed to have been validly given on the third day following the date of such publication.

*Notification to Clearing System.* So long as any Notes are listed on the official list of the Luxembourg Stock Exchange, subparagraph (1) shall apply. In the case of notices regarding the Prevailing Interest Rate or, if the rules of the Luxembourg Stock Exchange otherwise so permit, the Issuer may deliver the relevant notice to the Clearing System for communication by the Clearing System to the Holders, in lieu of publication as set forth in

derartige Mitteilung gilt am siebten Tag nach dem Tag der Mitteilung an das Clearing System als den Gläubigern mitgeteilt.

paragraph (1) above; any such notice shall be deemed to have been validly given on the seventh day after the day on which the said notice was given to the Clearing System.

#### § 14

#### ANWENDBARES RECHT, GERICHTSSTAND UND GERICHTLICHE GELTENDMACHUNG

- (1) *Anwendbares Recht.* Form und Inhalt der Schuldverschreibungen sowie die Rechte und Pflichten der Gläubiger und der Emittentin bestimmen sich in jeder Hinsicht nach deutschem Recht.
- (2) *Gerichtsstand.* Nicht ausschließlich zuständig für sämtliche im Zusammenhang mit den Schuldverschreibungen entstehenden Klagen oder sonstige Verfahren ("**Rechtsstreitigkeiten**") ist das Landgericht Frankfurt am Main.
- (3) *Gerichtliche Geltendmachung.* Jeder Gläubiger von Schuldverschreibungen ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Gläubiger und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen auf der folgenden Grundlage zu schützen oder geltend zu machen: (i) er bringt eine Bescheinigung der Depotbank bei, bei der er für die Schuldverschreibungen ein Wertpapierdepot unterhält, welche (a) den vollständigen Namen und die vollständige Adresse des Gläubigers enthält, (b) den Gesamtnennbetrag der Schuldverschreibungen bezeichnet, die zu dem Datum der Bescheinigung auf dem Wertpapierdepot verbucht sind und (c) bestätigt, dass die Depotbank gegenüber dem Clearing System eine schriftliche Erklärung abgegeben hat, die die vorstehend unter (a) und (b) bezeichneten Informationen enthält; und (ii) er legt eine Kopie der die betreffenden Schuldverschreibungen verbriefenden Globalurkunde vor, deren Übereinstimmung mit dem Original eine vertretungsberechtigte Person des Clearing Systems oder des Verwahrers des Clearing Systems bestätigt hat, ohne dass eine Vorlage der Originalbelege oder der die Schuldverschreibungen verbriefenden Globalurkunde in einem solchen Verfahren erforderlich wäre. Für die Zwecke des Vorstehenden bezeichnet "**Depotbank**" jede Bank oder ein sonstiges anerkanntes Finanzinstitut, das berechtigt ist, das Wertpapierverwahrungsgeschäft zu betreiben und bei der/dem der Gläubiger ein Wertpapierdepot für die Schuldverschreibungen unterhält,

#### § 14

#### APPLICABLE LAW, PLACE OF JURISDICTION AND ENFORCEMENT

- (1) *Applicable Law.* The Notes, as to form and content, and all rights and obligations of the Holders and the Issuer, shall be governed by German law.
- (2) *Submission to Jurisdiction.* The District Court (*Landgericht*) in Frankfurt am Main shall have non-exclusive jurisdiction for any action or other legal proceedings ("**Proceedings**") arising out of or in connection with the Notes.
- (3) *Enforcement.* Any Holder of Notes may in any proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect or enforce in his own name his rights arising under such Notes on the basis of (i) a statement issued by the Custodian with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder, (b) specifying the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b); and (ii) a copy of the Note in global form certified as being a true copy by a duly authorized officer of the Clearing System or a depositary of the Clearing System, without the need for production in such proceedings of the actual records or the global note representing the Notes. For purposes of the foregoing, "**Custodian**" means any bank or other financial institution of recognized standing authorized to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes and which maintains an account with the Clearing System, and includes the Clearing System. Each Holder may, without prejudice to the foregoing, protect or enforce his rights under these Notes also in any other way which is admitted in the country of the Proceedings.

einschließlich des Clearing Systems. Unbeschadet des Vorstehenden kann jeder Gläubiger seine Rechte aus den Schuldverschreibungen auch auf jede andere Weise schützen oder geltend machen, die im Land des Rechtsstreits prozessual zulässig ist.

### § 15 SPRACHE

Diese Anleihebedingungen sind in deutscher Sprache abgefasst. Eine Übersetzung in die englische Sprache ist beigefügt. Der deutsche Text ist bindend und maßgeblich. Die Übersetzung in die englische Sprache ist unverbindlich.

#### ***Die folgenden Absätze in Kursivschrift sind nicht Bestandteil der Anleihebedingungen.***

*Die Emittentin beabsichtigt (ohne dadurch eine Rechtspflicht zu übernehmen) die Schuldverschreibungen nur zurückzuzahlen oder zurückzukaufen, soweit die Höhe der Eigenkapitalanrechnung (equity credit), welche Standard & Poor's dem Gesamtnennbetrag der zurückzuzahlenden oder zurückzukaufenden Schuldverschreibungen zum Zeitpunkt ihrer Ausgabe erteilt hat, jenen Betrag an Eigenkapitalanrechnung (equity credit) nicht übersteigt, welchen Standard & Poor's den Nettoerlösen erteilt hat, die die Emittentin oder eine Tochtergesellschaft der Emittentin während einer Frist von 360 Tagen vor dem Tag der Rückzahlung oder des Rückkaufs aus dem Verkauf oder der Ausgabe von Wertpapieren an Dritte (ausgenommen Konzerngesellschaften der Emittentin) erhält (wobei in jedem dieser Fälle Änderungen der Hybrid Rating Methodologie oder einer anderen relevanten Methodologie oder deren Auslegung seit Ausgabe der Schuldverschreibungen berücksichtigt werden).*

*Es gelten jedoch folgende Ausnahmen in Bezug auf diese Ersetzungsabsicht der Emittentin. Es muss nicht für Ersatz gesorgt werden:*

- (i) wenn das der Emittentin durch Standard & Poor's erteilte Rating mindestens BBB-beträgt und die Emittentin sich sicher ist, dass ein solches Rating infolge der Rückzahlung oder des Rückkaufs nicht unter diesen Wert fallen würde oder*
- (ii) im Fall eines Rückkaufs von Schuldverschreibungen in Höhe von weniger als (x) 10% des ursprünglich ausgegebenen Gesamtnennbetrags der Schuldverschreibungen während einer Frist von 12 aufeinander folgenden Monaten oder (y) 25% des ursprünglich ausgegebenen Gesamtnennbetrags der Schuldverschreibungen während einer Frist*

### § 15 LANGUAGE

These Terms and Conditions are written in the German language and provided with an English language translation. The German text shall be controlling and binding. The English language translation is provided for convenience only.

#### ***The following paragraphs in italics do not form part of the Terms and Conditions.***

*The Issuer intends (without thereby assuming a legal obligation), that it will redeem or repurchase the Notes only to the extent the amount of "equity credit" which was assigned by Standard & Poor's to the Aggregate Principal Amount of the Notes to be redeemed or repurchased at the time of their issuance does not exceed the "equity credit" assigned by Standard & Poor's to the net proceeds received by the Issuer or any Subsidiary of the Issuer during the 360-day period prior to the date of such redemption or repurchase from the sale or issuance of securities to third party purchasers (other than group entities of the Issuer) (but in each case taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the issuance of the Notes).*

*The following exceptions apply as to the Issuer's replacement intention. The Notes are not required to be replaced:*

- (i) if the rating assigned by Standard & Poor's to the Issuer is at least BBB- and the Issuer is comfortable that such rating would not fall below this level as a result of such redemption or repurchase, or*
- (ii) in the case of a repurchase of less than (x) 10 per cent. of the aggregate principal amount of the Notes originally issued in any period of 12 consecutive months or (y) 25 per cent. of the aggregate principal amount of the Notes originally issued in any period of 10 consecutive years, or*

- von 10 aufeinander folgenden Jahren oder
- |       |   |       |   |
|-------|---|-------|---|
| (iii) | im Fall der Rückzahlung der Schuldverschreibungen aufgrund eines Steuerereignisses, eines Eigenkapitalanrechnungseignisses, eines Quellensteuer-Ereignisses oder eines Kontrollwechselereignisses erfolgt; oder   | (iii) | if the Notes are redeemed pursuant to a Tax Deductibility Event, an Equity Credit Event, a Gross-Up Event or a Change of Control Event; or                      |
| (iv)  | wenn die Schuldverschreibungen keine Eigenkapitalanrechnung (oder eine solche von Standard & Poor's zum Zeitpunkt der Rückzahlung oder des Rückkaufs dann verwendete gleichartige Klassifikation) aufweisen; oder | (iv)  | if the Notes are not assigned an "equity credit" (or such similar nomenclature then used by Standard & Poor's at the time of such redemption or repurchase); or |
| (v)   | wenn die Rückzahlung oder der Rückkauf am oder nach dem Zweiten Step-Up Tag erfolgt.  | (v)   | if such redemption or repurchase occurs on or after the Second Step-Up Date.  |

Verwendete Begriffe, die vorstehend nicht definiert wurden, haben dieselbe Bedeutung wie in den Anleihebedingungen.

Terms used but not defined above shall have the meaning set out in the Terms and Conditions.

## DEUTSCHE LUFTHANSA AKTIENGESELLSCHAFT AND LUFTHANSA GROUP

### Responsibility Statement

The Responsibility Statement is set out on page 2 of this Prospectus.

### Statutory Auditors

The statutory auditor of Deutsche Lufthansa Aktiengesellschaft is PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Moskauer Strasse 19, 40227 Düsseldorf, Germany ("**PwC**"), a member of the German Chamber of Public Accountants, Berlin (*Wirtschaftsprüferkammer*). PwC has audited the consolidated financial statements of Lufthansa for the fiscal years ended on 31 December 2014 and 2013, and has, in each case, issued an unqualified auditor's report. Also PwC has reviewed the condensed consolidated interim financial statements as of and for the six months period ended 30 June 2015 and 2014 of Lufthansa and has issued an unqualified review report.

### Selected Financial Information

	Period ended 30 June 2015 (unaudited)	Period ended 30 June 2014 (unaudited)	Financial year ended 31 December 2014 (audited, unless otherwise indicated)	Financial year ended 31 December 2013 <sup>(5)</sup> (audited, unless otherwise indicated)
(EUR in millions, unless otherwise indicated)				
Revenues	15,365	14,166	30,011	30,027
EBITDA <sup>(1), (4)</sup>	1,316	912	1,990	2,670
EBIT <sup>(2), (4)</sup>	463	216	459	892
Adjusted EBIT <sup>(3), (4)</sup>	468	178	1,171	987
Net profit attributable to shareholders of Lufthansa AG	954	-79	55	313
Cash flows from operating activities	2,527	1,744	1,977	3,290
Total Assets	33,088	29,959	30,474	29,108
Shareholders' equity	5,783	4,964	4,031	6,108
Employees (number)	119,357	119,092	118,781	118,285

(1) "EBITDA" is defined as earnings before interest, taxes, depreciation and amortisation. Depreciation and amortisation includes write-downs of tangible and intangible assets and of current and non-current financial assets, as well as impairments of investments accounted for using the equity method and of assets held for sale. EBITDA should not be considered by investors as an alternative to Lufthansa's profit/loss from operating activities or profit/loss from ordinary activities as an indication of operating performance, or as an alternative to cash flows from operating activities as indication of cash flows.

(2) "EBIT" is defined as earnings before interest and taxes. EBIT should not be considered by investors as an alternative to Lufthansa's profit/loss from operating activities or profit/loss from ordinary activities as an indication of operating performance, or as an alternative to cash flows from operating activities as indication of cash flows.

(3) "Adjusted EBIT" is defined as EBIT adjusted for asset valuations and disposals and for the measurement of pension provisions. Adjusted EBIT should not be considered by investors as an alternative to Lufthansa's profit/loss from operating activities or profit/loss from ordinary activities as an indication of operating performance, or as an alternative to cash flows from operating activities as indication of cash flows.

(4) Unaudited.

(5) The comparative figures for the financial year ended 31 December 2013 have been adjusted due to the application of IFRS 11.

Information for the periods ended 30 June 2015 and 30 June 2014 extracted from the Interim Report January to June 2015 of Deutsche Lufthansa AG.

Information for financial year ended 31 December 2014 and financial year ended 31 December 2013 extracted from the Annual Report 2014 of Deutsche Lufthansa AG.

## **Risk Factors**

The operations of Lufthansa Group involve certain risks typically associated with the business Lufthansa Group engages in. A description of such risks is set out in the section entitled "*Risk Factors – Risk factors regarding Deutsche Lufthansa Aktiengesellschaft*".

## **Information about Deutsche Lufthansa Aktiengesellschaft**

### *General*

Lufthansa AG is a stock corporation (*Aktiengesellschaft*) organised under German law. It was incorporated with unlimited duration in Germany on 6 January 1953 as "*Aktiengesellschaft für Luftverkehrsbedarf*". At that time, the Federal Republic of Germany owned substantially all of the shares of Lufthansa. In 1954, Lufthansa AG was renamed "*Deutsche Lufthansa Aktiengesellschaft*". On 1 April 1955, Lufthansa AG started its flight operations in Germany. This was later followed by international flight operations. Lufthansa AG's shares were first traded on the German stock exchanges in 1966. The Federal Republic of Germany sold its remaining interest in Lufthansa AG in 1997, completing the privatisation of Lufthansa AG.

Lufthansa AG has its registered office in Cologne, Germany. It is registered as "Deutsche Lufthansa Aktiengesellschaft" with the commercial register of the Cologne District Court under registration number HRB 2168. "Deutsche Lufthansa Aktiengesellschaft" is both the legal and the commercial name of Lufthansa AG.

Lufthansa AG's head office is located at Von-Gablenz-Str. 2-6, 50679 Cologne; its telephone number is: +49 (0)221 826 0.

### *Investments*

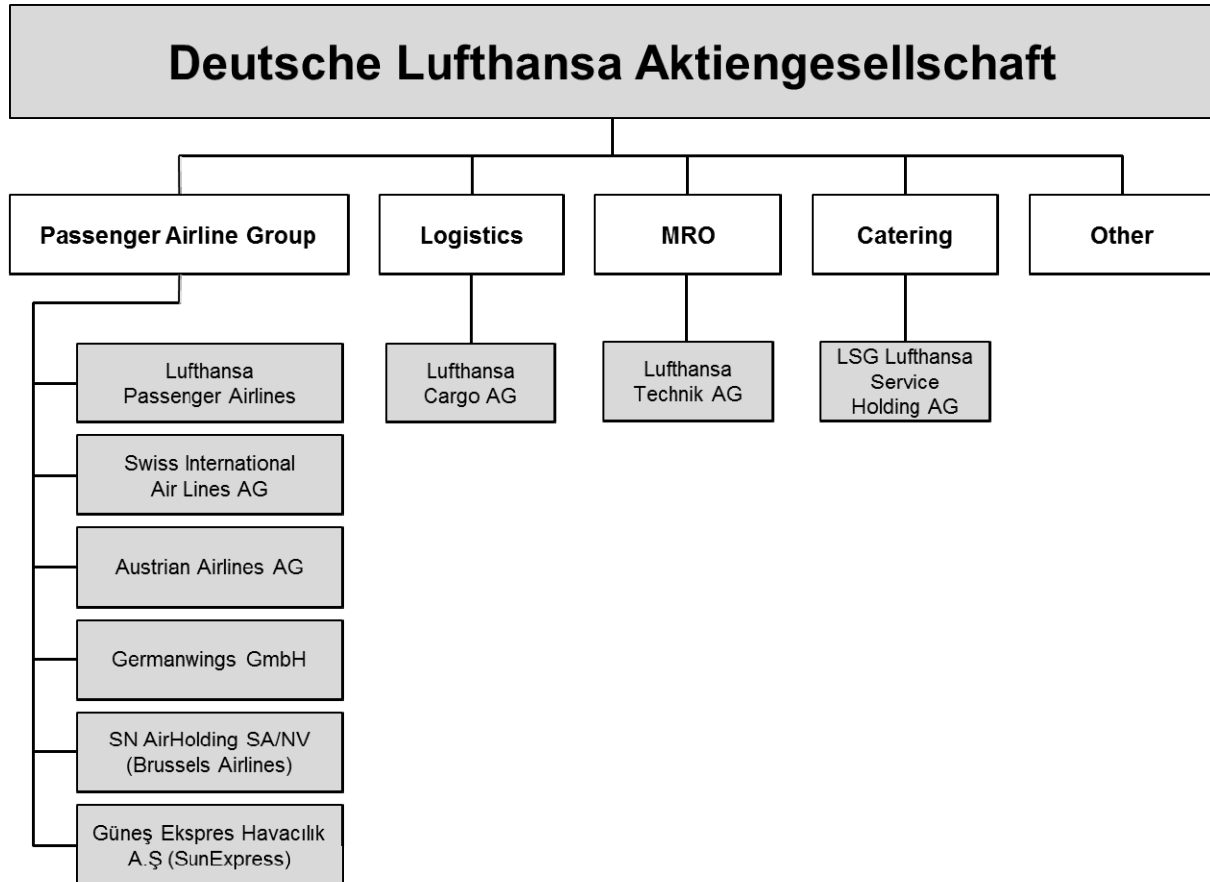
Lufthansa AG has made no material investments since the date of its last published financial statements and, as at the date of this Prospectus, its management has made no firm commitments on such material investments in the future.

## **Organisational Structure**

Lufthansa AG is the main operating and holding company in Lufthansa Group. The Executive Board of Lufthansa AG directs the business activities of Lufthansa AG.

Lufthansa Group has four integral business segments: Passenger Airline Group, Logistics, MRO (Maintenance, Repair and Overhaul of aircraft) and Catering. A number of other subsidiaries that provide services to Lufthansa Group's business segments, as well as most Lufthansa Group companies outside the core business areas, are held by Lufthansa Commercial Holding GmbH.

The following diagram gives a simplified overview of Lufthansa Group's organisational structure:



As of 30 June 2015, Lufthansa Group comprises more than 400 subsidiaries and participations.

## Business Overview

### *Principal Activities of Lufthansa AG and Lufthansa Group*

#### Passenger Airline Group segment

Lufthansa Group operates its passenger airline business through the Passenger Airline Group segment. Lufthansa Group and its partner airlines offer their customers a broad spectrum of services. The product portfolio ranges from standard flights to high-quality offers with flexible booking options and additional top-end service elements and includes the operation of regularly scheduled German, European and intercontinental passenger flights. In 2014, the Passenger Airline Group served 106.0 million passengers (2013: 104.6 million). Lufthansa Group and its Star Alliance partner airlines currently operate flights to more than 1000 destinations worldwide.

The Passenger Airline Group is Lufthansa Group's most important business segment. In the Passenger Airline Group segment, the airlines Lufthansa Passenger Airlines (including Germanwings and regional partners) operated directly by Lufthansa AG, Swiss International Air Lines AG ("**SWISS**") and Austrian Airlines AG ("**AUA**") operate in an airline group that creates important synergies by coordinating its activities. In addition, the Lufthansa Group holds equity interests in the carriers Brussels Airlines and SunExpress, which are presented as financial investments.

As of 30 June 2015, the Passenger Airline Group reported an Adjusted EBIT of EUR 249 million (Q2 2014: EUR -59 million), of which Lufthansa Passenger Airlines (including Germanwings and regional partners) reported an Adjusted EBIT of EUR 94 million (Q2 2014: EUR -87 million), SWISS of EUR 178 million (Q2 2014: EUR 88 million) and Austrian Airlines of EUR -17 million (Q2 2014: EUR -44 million). In 2014, the Passenger Airline Group reported an Adjusted EBIT of EUR 701 million, of which Lufthansa Passenger Airlines (including Germanwings and regional partners) reported an Adjusted EBIT of EUR 399 million, SWISS of EUR 278 million



and Austrian Airlines of EUR 9 million. In 2014, the operating result for the Passenger Airline Group rose to EUR 553 million, of which Lufthansa Passenger Airlines (including Germanwings and regional partners) reported an operating result of EUR 252 million, SWISS of EUR 289 million and Austrian Airlines of EUR 10 million. In Addition, the Passenger Airline Group carried a total of ca. 106 million passengers in 2014 representing a total of 992,218 flights. The passenger load factor increased to 80.1 per cent. in 2014. Furthermore as of 30 June 2015 in comparison to 30 June 2014, the number of flights within the Passenger Airline Group decreased by 0.03 per cent., ASK (available seat kilometre) increased by 3.3 per cent., RPK (revenue passenger kilometre) increased by 3.6 per cent., SLF (seat load factor) increased by 0.3 per cent. points, the yield increased by 2.4 per cent., RASK (revenue per available seat kilometre) increased by 2.8 per cent. and CASK (cost per available seat kilometre) increased by 2.3 per cent.

Logistics segment: Lufthansa Cargo

Lufthansa Cargo's core business is the provision of airport-to-airport air-freight services. Besides Lufthansa Cargo's airport-to-airport core business, it also offers premium logistical services. Lufthansa Cargo provides worldwide express services and value-added service packages tailored to the requirements of certain industries, such as the transport of dangerous goods, perishables, valuable cargo, or temperature sensitive products.

Lufthansa Cargo markets and operates its own cargo fleet as well as the freight capacity of its joint venture AeroLogic GmbH and the freight capacity of Lufthansa Passenger Airlines' passenger aircraft.

MRO segment: Lufthansa Technik

Lufthansa Technik offers the entire spectrum of technical services for modern commercial aircraft. The product and service portfolio encompasses the whole spectrum from single jobs to the servicing of entire fleets. Its six product divisions comprise aircraft maintenance services, component support, engines, aircraft overhaul, landing gears as well as completion and maintenance of VIP aircraft. In addition, Lufthansa Technik has recently established a comprehensive internal setup to streamline and focus its group wide innovation activities and accountabilities. Lufthansa Technik's major maintenance centers in Germany are located in Frankfurt, Munich, Hamburg and Berlin, while other maintenance stations are operated at all larger German airports and at more than 50 sites worldwide.

Lufthansa Technik has more than 2,800 aircraft under contracts and services more than 790 customers, the majority of them being airlines, aircraft-and engine lessors, VIP- and other operators of commercial aircraft worldwide. In addition, Lufthansa Technik represents an integral part for the reliable performance of Lufthansa's aircraft operations. Despite Lufthansa being Lufthansa Technik's largest single customer, Lufthansa Technik generated 62 per cent. of its revenues from customers other than Lufthansa (and affiliates) in 2014. Europe, CIS and Middle East/Africa continue to be the most important sales-region for Lufthansa Technik contributing to 82 per cent. of total revenues in 2014. However, Asia/Pacific with 9 per cent. of total revenues in 2014 and the Americas with 9 per cent. of total revenues in 2014 accentuate Lufthansa Technik's diversified customer base and global footprint.

Catering segment: LSG Sky Chefs

LSG Sky Chefs considers itself to be the global market leader in airline catering in terms of market share, quality, innovative drive and worldwide presence. The company is active in all areas of in-flight management, including the development, sourcing and logistics of onboard equipment as well as in the airport lounge business. Its portfolio also covers the management of onboard retail processes, from analyzing and recording the needs of consumers to the selection of products, demand forecasting, logistics and sales processes, as well as invoicing.

Additionally, LSG Sky Chefs continues to offer its expertise in culinary excellence and logistics to new customer groups such as train operators, convenience retail chains and school and university canteens. In seeking to complement its internal competencies, the company actively cooperates with business partners around the globe. In 2014, LSG Sky Chefs generated 77 per cent. of its revenues from customers other than Lufthansa (and affiliates).

The group consists of 159 companies and shareholdings and is present with more than 200 customer service centers in 51 countries. It supplies more than 300 airlines around the globe.

#### Other, Service and Financial Companies

The segment Other includes in particular the services of the Lufthansa Flight Training, the frequent-flyer programme "Miles and More", the companies from the former IT Services segment that are still in the Lufthansa Group and the business travel payment management solutions of the AirPlus Group.

AirPlus is a global provider of business travel management solutions. It supplies companies with tailored products in the field of payment and evaluation of business travel. Lufthansa Flight Training is due to its own estimates one of the leading global providers of training services for airlines and their staff. Lufthansa Flight Training has an international presence with sites in Frankfurt, Berlin, Bremen and Munich, Germany, Vienna, Austria, Zurich, Switzerland and Phoenix, Arizona, USA. The successor companies of what was the IT Services business segment now operate within various different segments. The former Airline Solutions segment continues to use the Lufthansa Systems brand.

#### *Aircraft Fleet*

As of 30 June 2015, Lufthansa Group had a total fleet comprising 616 aircraft at its disposal. Of these aircraft, 426 were held by Lufthansa Passenger Airlines (including Germanwings and regional partners), 90 were held by SWISS, 79 were held by Austrian Airlines and 21 were held by Lufthansa Cargo. Of these aircraft, 2.3 per cent. were subject to operating leases. As of 30 June 2015, the average age of the Lufthansa fleet was around 11.5 years. The majority of the Lufthansa fleet is financially unencumbered.

The table below shows the commercial aircraft fleets of Lufthansa and its group companies as of 30 June 2015. This table does not indicate whether Lufthansa or one of its group companies holds legal title to the aircraft, nor does it indicate whether the aircraft are actually in operation.

Manufacturer/Model	Operator				Group fleet	thereof Finance Lease	thereof Operating Lease	Changes to 31/12/14	Planned additions 2015 to 2025	Additional Options
	LH <sup>(1)</sup>	LX <sup>*</sup>	OS <sup>*</sup>	LC <sup>*</sup>						
Airbus A319	73	5	7	–	85	12	4	–	–	–
Airbus A320	76	28	16	–	120	19	1	+4	107	50
Airbus A321	64	8	6	–	78	2	–	+2	46	–
Airbus A330	19	16	–	–	35	1	–	–	1	–
Airbus A340	42	15	–	–	57	3	3	–	–	–
Airbus A350	–	–	–	–	0	–	–	–	25	30
Airbus A380	14	–	–	–	14	–	–	+2	–	–
Boeing 737	20	–	–	–	20	–	–	-2	–	–
Boeing 747	36	–	–	–	36	–	–	+4	–	–
Boeing 767	–	–	6	–	6	2	–	–	–	–
Boeing 777/777F	–	–	5	5	10	1	–	+1	43	29
Boeing MD11F	–	–	–	16	16	–	–	–	–	–
Bombardier C-Series	–	–	–	–	0	–	–	–	30	30
Bombardier CRJ	39	–	–	–	39	–	–	-7	–	–
Bombardier Q-Series	–	–	18	–	18	–	–	–	–	–
Avro RJ	–	18	–	–	18	–	6	-2	–	–
Embraer	43	–	–	–	43	–	–	–	–	–
Fokker F70	–	–	6	–	6	–	–	-1	–	–
Fokker F100	–	–	15	–	15	–	–	–	–	–
<b>Total aircraft</b>	<b>426</b>	<b>90</b>	<b>79</b>	<b>21</b>	<b>616</b>	<b>40</b>	<b>14</b>	<b>+1</b>	<b>252</b>	<b>139</b>

\*) LH refers to Lufthansa Passenger Airlines, LX refers to SWISS, OS refers to AUA and LC refers to Lufthansa Cargo.

1) Including Germanwings and regional partners.

### Market Environment and Competition

#### Passenger Airline Group segment

Lufthansa views itself as a network carrier offering passengers connections to a vast number of German, European and intercontinental destinations via its hub airports in Frankfurt, Munich, Zurich, and Vienna. Lufthansa also views itself as a premium airline offering passengers a higher level of service. The passenger air transportation market has traditionally been dominated by the three large airline alliances Star Alliance (where Lufthansa is a member), Sky Team, and OneWorld. In recent years, however, carriers that are not members of any alliance such as Ryanair and easyJet and the Gulf airlines from the Middle East have been gaining increasing market share. International Airlines Group (IAG) made an official bid for the Irish flag carrier Aer Lingus in June 2015. The takeover was approved by the European Commission subject to conditions in July 2015. The Irish government and Ryanair had previously agreed to sell their shares in Aer Lingus. In terms of the number of passenger kilometers transported of IATA members in 2014, Star Alliance is the largest alliance. Lufthansa, SWISS and Austrian Airlines operate the commercial transatlantic joint venture "Atlantic++" together with the Star Alliance carriers United Airlines and Air Canada to foster growth and strengthen their presence in

the North Atlantic market since 1998. In addition, Lufthansa and All Nippon Airways implemented the first commercial Asian-European joint venture between Europe and Japan in 2012. Both strategically managed joint ventures aim to benefit customers with greater convenience by providing a greater choice of flights, enhanced frequent flyer benefits and seamless travel experience. In July 2014, the Lufthansa Group and Air China signed a memorandum of understanding to prepare a commercial joint venture between the two companies for the Passenger Airline Group. It is expected to give the Lufthansa Group airlines better access to China, the second largest air traffic market in the world after the USA. The first phase of this new partnership agreement came into effect with the winter flight timetable at the end of October 2014.

Germany is one of the largest aviation markets in Europe and Lufthansa's home and core market. However, in the global context of the aviation industry, it is not large enough on its own to allow Lufthansa to maintain its size and market position. Therefore, Lufthansa views Europe as its domestic market and believes its growth potential lies in connecting Europe to other global markets.

The traffic regions of Europe, the Americas, and Asia/Pacific are Lufthansa's key sales markets. In these regions, Lufthansa is in international competition with the European network carriers, U.S. carriers such as American Airlines, Delta Airlines, the rapidly growing network carrier Turkish Airlines as well as the Gulf carriers from the Middle East, including Emirates, Qatar Airways and Etihad Airways. In Europe, Lufthansa's main competitors are Air France-KLM and IAG, as well as airberlin in Germany, in addition to a multitude of small national airlines. Lufthansa's primary competitors on routes from Germany to other European cities are generally the national airlines that operate in these countries. In Europe, Lufthansa is also experiencing competition from airberlin, as well as from low-cost airlines such as Ryanair and easyJet. In the current economic climate, Lufthansa has seen a number of customers, including business class customers, shift to low-cost airlines such as airberlin and easyJet.

Following Lufthansa Group's announcement of new growth concepts in July 2014, Lufthansa Group establishes new platforms in order to derive maximum benefit from the further growth of the aviation sector. Thus, the Lufthansa Group's present multi-brand system with its multiple hubs of Frankfurt, Munich, Zurich, Vienna and Brussels will be consistently complemented by the new "WINGS" multi-platform concept in all the Lufthansa Group's European home markets. The Lufthansa Group will use the new WINGS master brand to bundle the various platforms for its point-to-point air travel business; and it is considering extending the concept to intercontinental services, too. With Eurowings as its starting platform, the Lufthansa Group aims to develop a competitive European air travel product for continental travel. On routes within Germany and on routes throughout Europe, the existing Eurowings fleet is gradually replaced from the beginning of 2015 by aircraft in the new Eurowings livery. The 23 CRJ 900s operated until now will also be replaced by Airbus A320s since the competitive cost structures required cannot be achieved with the present fleet of Bombardier CRJ aircraft. The new Eurowings will have its first base outside Germany in Vienna, Austria. The new Eurowings is building on the Germanwings concept, which is positioned as an innovative quality low-cost airline and "low-cost" brand in Germany and Europe. Based on this, the product portfolio is to expand this concept in the segment of point-to-point connections also on intercontinental routes. Under the umbrella of the Eurowings sales brand, the range of European and domestic routes will be expanded with intercontinental city and holiday destinations. The new Eurowings intercontinental connections will be flown by long-haul route aircraft of type Airbus A330-200. From the coming winter season onwards, the fleet will initially consist of two aircraft and will be expanded to a total of seven Airbus A330s. SunExpress Deutschland, a joint venture of Lufthansa and Turkish Airlines, will operate the long-haul route aircraft on behalf of the new Eurowings with its own cockpit and cabin personnel. The fares will correspond to Germanwings' "fly à la carte" principle, which was introduced in 2013. The fares BEST, SMART and BASIC will also be used by the new Eurowings. In a further move, Lufthansa Passenger Airlines is considering to what extent up to nine of its Airbus A340s could be operated at lower unit costs, either on new routes or on routes currently threatened with closure. Negotiations are under way with all the internal and external stakeholders involved to achieve the cost reductions required. Ultimately, the extent to which these new platforms and formats can be developed in the longer term will depend on their profitability and their market success.

#### Logistics segment: Lufthansa Cargo

The air-freight market is characterised by intense competition, both from large, established air-freight companies as well as from smaller providers that operate only a few aircraft and offer a limited range of value-added services. Pricing pressures and excess capacity have increased substantially in recent years.

Measured by the amount of international freight tonne kilometers transported, Lufthansa Cargo (including SWISS WorldCargo) is currently the third largest cargo airline worldwide (source: IATA, World Air Transport Statistics 2014). Competition is increasing in all markets, especially due to rapidly expanding airlines from the Gulf region such as Emirates Sky Cargo, Etihad Crystal Cargo, and Qatar Airways Cargo, which link the Middle East and Asia with Europe and North America, and partly due to cargo airlines from Russia, such as Volga-Dnepr Airlines, AirBridge Cargo and Aeroflot-Cargo, and from China, such as China Airlines, China Southern and China Eastern.

Competitive pressure has risen rapidly, especially in Asia, where considerable surplus capacity exists.

In addition to Asia/Pacific, which accounted for 41 per cent. of traffic revenue in 2014, Lufthansa Cargo generated 9 per cent. of traffic revenue in Europe. Lufthansa Cargo serves its markets using the freight capacities of Group Passenger Airlines and road feeder services. Due to short transit times, freight from Lufthansa Cargo's customers can be sent anywhere in the world from the hubs in Frankfurt, Munich, Vienna and Leipzig/Halle, mostly within a day.

For Lufthansa Cargo's European export business, the Americas are also key markets, with a share of 41 per cent. of traffic revenue in 2014.

#### MRO segment: Lufthansa Technik

Lufthansa Technik is one of the world's leading providers of maintenance, repair and overhaul services (MRO) for civil commercial aircraft. The Lufthansa Technik group is divided into six product divisions: Maintenance, Overhaul, Engines, Components, Landing Gear and VIP Services and holds directly or indirectly stakes in more than 50 enterprises worldwide of which ca. 60 per cent. are technical maintenance operators. Recently, Lufthansa Technik has established a comprehensive internal setup to streamline and focus its group wide innovation activities and accountabilities.

The global market for technical services for commercial aircraft was estimated at USD 67.5 billion in 2014 (source: ICF Aviation 2014-2024) of which Lufthansa Technik has defined a potential target portfolio market measured at USD 52.6 billion respectively. This market is defined primarily by scheduled routine repairs and inspections of aircraft, engines and components. To the extent these services are not carried out by the airlines themselves, they are provided mainly by independent third-party suppliers and aircraft, engine, and component OEMs (original equipment manufacturers).

The competitive landscape for Lufthansa Technik therefore comprises of OEMs servicing the after-market and complementing their product-offering (such as Airbus, Boeing, General Electric, MTU Aero Engines) together with airline-affiliates (such as Air France-KLM), independent and globally active MRO contractors offering a broad spectrum of services (such as ST Aerospace, HAECO and SR Technics) as well as small, regionally and technologically focused suppliers.

OEMs, in particular, are continuing to extend their after-market activities, and regionally focused suppliers are entering the market. Also, new business models evolve with aircraft- and engine-lessors increasingly seeking an after-market exposure. These developments continue to keep overall high capacity in the MRO market, which increases competition and puts additional pressure on prices for MRO services.

However, due to its broad and innovative product range targeting and meeting the needs of individual airlines and its strong customer base, Lufthansa Technik was able to confirm its leading position in the MRO-market in 2014. In order to sustain this market position, Lufthansa Technik will continue to focus on quality, flexibility, cost efficiency and continuous innovation.

#### Catering segment: LSG Sky Chefs

LSG Sky Chefs' market environment is characterised by substantial cost pressures and rigorous competition. LSG Sky Chefs has grown through geographic and knowledge-based expansion and mostly relies on production and process innovation, coupled with optimized service quality and consistency.

At the same time, LSG Sky Chefs pursues consistent cost management with the ongoing optimization of process flows and the growing standardization of its highly decentralized network. Cost management concerns all personnel levels, business areas and locations of the company. The focal points include the management of material costs by converging volumes and applying modern supplier management, more flexible labor costs and the introduction of new business models based on customer requirements.

In terms of airline catering, LSG Sky Chefs continues to hold the industry's leading position with a global market share, according to internal calculations, of 29 percent. The market share in the Americas and Europe, according to internal calculations, totals around 40 and 45 percent respectively. In Asia, where catering is commonly provided at the hubs by the hub carriers, LSG Sky Chefs has been active for almost 25 years and sees itself still to be the market leader. In Eastern Europe and Africa, the company continues to build its market presence at a number of rapidly growing airports.

LSG Sky Chefs' competition remains fragmented. There is only one global rival and a transparent number of local and/or regional suppliers that are gradually expanding. The past several years have seen a few new companies from the logistics segment and the restaurant business enter the airline catering market with a different product portfolio and aggressive pricing. They offer services specifically geared towards the onboard retail programs of low-cost carriers and less complex onboard services on short-haul flights. They also target the economy class service where freshness and culinary excellence are not a priority in relation to the food selection.

### **Trend Information**

Save as disclosed herein, there has been no material adverse change in the prospects of Lufthansa Group since 31 December 2014.

#### *Known trends affecting the Issuer and the industries in which it operates*

After expanding by 2.7 per cent in 2014, the global economy is expected to grow by 2.6 per cent in 2015. Overall the global economy is expected to be stable. Asia/Pacific is the fastest growing region of the world with a growth rate of 4.7 per cent. Growth of 2.2 per cent is expected for North America, whereas South America is expected to grow by only 0.5 per cent. The economy of the European Union is expected to grow by 1.8 per cent in 2015. Futures rates indicate the expectation that oil prices will rise slightly. Overall, oil prices are likely to remain exposed to geopolitical developments, however. Therefore, volatile kerosene prices are also expected for the remainder of the year 2015. The euro exchange rate will probably again be determined by central banks' measures and the outcome of negotiations by the euro zone members on the continuation of the currency union. Taking forecasts for global economic growth into account, the IATA is predicting growth in revenue passenger-kilometers of 6.7 per cent for 2015 (previous year: 6.0 per cent), which will result in different growth rates for the individual regions.

On the operational side, Lufthansa Group is continuing to invest in the modernisation of its aircraft fleet and in consistently first-rate products across all of its business segments.

On the basis of the generally positive development expected for the relevant regions and economies, the Lufthansa Group is adopting a generally positive attitude to developments in demand in 2015, which will nonetheless have to be validated continuously over the course of the year.

From a current perspective, the Lufthansa Group expects the Adjusted EBIT to be higher than in the previous year.

The Lufthansa Group uses standard market instruments for fuel hedging and hedges fuel price risks, mostly by means of combined options. As of 20 July 2015, around 79 per cent. of the forecast fuel requirement for the remaining year 2015 and around 69 per cent. of the forecast fuel requirement for the year 2016 was hedged. As of 20 July 2015 and on the basis of the expected fuel consumption, existing hedges, Brent crude oil forward prices and EUR/USD forward exchange rates, the Lufthansa Group expects fuel expenses of around EUR 6.0 billion for the year 2015.

#### *Recent Events*

On 16 September 2014 and at the recommendation of the Executive Board, the Supervisory Board of Deutsche Lufthansa AG approved the purchase of 15 aircraft from the Airbus A320neo (new engine option) family to replace older aircraft, probably at SWISS, and ten A320ceo (current engine option) to replace Bombardier

CRJ900s, probably at Eurowings. On 11 March 2015 and at the recommendation of the Executive Board, the Supervisory Board of Deutsche Lufthansa AG approved the purchase of three aircraft from the Boeing 777-300ER to replace older aircraft at SWISS starting in 2017. Furthermore, the Supervisory Board of Deutsche Lufthansa AG approved the purchase of six used aircraft from the Airbus A320ceo (current engine option) to replace smaller aircraft probably at Eurowings starting in 2016. The Supervisory Board has also approved capital expenditure of some EUR 60 million by Lufthansa Technik AG to build a new wheel and brake workshop at its Frankfurt site.

On 21 October 2014, the Executive Board of Deutsche Lufthansa AG decided to enter into final negotiations on the sale of the IT Infrastructure segment of Lufthansa Systems AG, and at the same time to sign an IT service contract for the Lufthansa Group with the IBM Group. Lufthansa Systems AG will be split into its three segments beforehand. The contract was signed with IBM on 15 November 2014, and the Supervisory Board of Deutsche Lufthansa AG approved the transaction on 3 December 2014. The transaction has been closed on 31 March 2015.

The Lufthansa Group is introducing a new concept for value-based management in 2015. Earnings After Cost of Capital (EACC) and Return on Capital Employed (ROCE) will then replace Cash Value Added (CVA). This confirms the principle of value-based management for the Lufthansa Group. The new performance indicators are less complex and more transparent, thus providing a better foundation for sustainable commercial decisions. In conjunction with the new concept for value-based management, the Lufthansa Group also presented a new dividend policy to its shareholders in December 2014. Changes in the depreciation policy for aircraft and engines, along with the switch in financial management indicators in the new financial year, made it necessary to revise the policy. In line with the new dividend policy, a dividend payment of 10 to 25 per cent. of EBIT should be made from financial year 2015 (payout in 2016), if and insofar as a positive German GAAP result allows for this. This means that the absolute amount of the dividend will be in the same range as under the previous policy.

On 20 February 2015, Deutsche Lufthansa AG announced that in line with the Issuer's long-term dividend policy, the Executive Board of Deutsche Lufthansa AG decided to propose to the Supervisory Board the submission of a proposal not to pay a dividend for the financial year 2014 since a distribution would not be covered by a sufficient German GAAP result for the financial year 2014. The following dividends were paid for the last nine years:

Financial Year	2006	2007	2008	2009	2010	2011	2012	2013	2014
Payment Year	2007	2008	2009	2010	2011	2012	2013	2014	2015
in EUR	0.70	1.25	0.70	0.00	0.60	0.25	0.00	0.45	0.00

On 24 March 2015, Germanwings flight 4U 9525 crashed on its way from Barcelona to Dusseldorf in the French Alps, killing all 150 passengers and crew members on board. The data recovered from the Airbus A320's two black boxes have led the prosecutors to believe that the aircraft was intentionally sent into descent by the co-pilot. The Lufthansa Group supports all official investigations. In agreement with the German Federal Aviation Office, other German airlines and the Federal Association of the German Aviation Industry, the airlines in the Lufthansa Group are introducing a new procedure regarding the occupation of the cockpit as a precautionary measure. At the same time, the Lufthansa Group is expanding its safety structures. In addition to the safety pilots at the individual airlines, the new function of a Group safety pilot was created as of 27 March 2015. In conjunction with his or her role as a safety pilot of Lufthansa's German airlines, this officer will have overarching responsibility for verifying and refining procedures relevant to flight safety. After the tragic accident of Germanwings flight 4U 9525 the Lufthansa Group is assuming long-term responsibility for the consequences. The company intends to set up trustee accounts and a support fund for relatives of the victims. Please also refer to "*Risk Factors – Risk Factors regarding Deutsche Lufthansa Aktiengesellschaft and Lufthansa Group – Lufthansa Group is exposed to additional risks in connection with the aircraft loss of Germanwings flight 4U9525 on 24 March 2015.*"

Following repeated strikes by the Vereinigung Cockpit pilots' union in the first half of 2015, the Lufthansa Group agreed to arbitration on all unresolved wage agreements on 29 April 2015, in line with trade union demands. This was initially accepted by the Vereinigung Cockpit pilots' union. On 6 July 2015, the union declared that the preliminary talks had failed, however. The Lufthansa Group has appealed to the Vereinigung Cockpit pilots' union to resume talks and find an urgently needed solution. The Company has calculated that strikes organised

by the Vereinigung Cockpit pilots' union have cut earnings by a total of EUR 100 million in the first half of 2015, including lost bookings.

Arbitration between the Employers' Federation for Air Transport Companies (AGVL) on behalf of Lufthansa Passenger Airlines and the UFO flight attendants' union did not lead to a result. The Lufthansa Group made UFO a new offer on 30 June 2015. Part of the offer provides for the inclusion of new cabin staff in transitional benefits for voluntary and early retirement for an initial period of ten years. A consensus has been reached on switching company retirement benefits from a defined benefit to a defined contribution system.

As part of a new commercial strategy, the airlines in the Lufthansa Group are repackaging their offer. In future, customers should be able to opt for individualised offers and to combine these with additional products in a modular, flexible way according to their current requirements. As part of its new commercial strategy, the airlines in the Lufthansa Group will charge a fee of EUR 16 for tickets issued via a global distribution system (GDS) from 1 September 2015. This distribution cost charge (DCC) passes on the additional costs of the GDS sales.

On 28 July 2015, Lufthansa introduced a new price concept for flights in Europe. The new Economy Class fare options "Light", "Classic" and "Flex" shall apply from 1 October 2015, for domestic and European flights and will offer different services depending on the price. For example, within Economy Class, passengers can select services according to their individual wishes. The booked fare can be complemented with additional services by individually adding further options. The new fare concept is being introduced during the course of the Lufthansa sales strategy realignment. The various fare options differentiate themselves in the areas of free luggage, seat reservations, as well as rebooking and cancellations options. The choice will now consist of a fully flexible Business Class fare and three new Economy Class fares. Lufthansa is introducing the new fare concept together with Austrian Airlines. SWISS has already used the new concept since the end of June. Brussels Airlines introduced a fare concept with various options in 2014. The fare concept for long-haul flight tickets remains unchanged.

### **Administrative, Management and Supervisory Bodies**

In accordance with the German Stock Corporation Act (*Aktiengesetz*), Lufthansa AG has an Executive Board (*Vorstand*) and a Supervisory Board (*Aufsichtsrat*). The Executive Board is responsible for the management of Lufthansa AG's business; the Supervisory Board supervises the Executive Board and appoints its members. The two boards are separate and no individual may simultaneously be a member of both boards.

#### *Executive Board*

As at the date of this Prospectus, the members of the Executive Board of Lufthansa AG are:

Name	Function	Membership on other supervisory boards and comparable bodies
Carsten Spohr	Chairman of the Executive Board	Lufthansa Technik AG
	Chief Executive Officer	Dr. August Oetker KG ThyssenKrupp AG
Harry Hohmeister	Member of the Executive Board	Lufthansa Cargo AG
	Chief Officer Group Airlines, Logistics and IT	Austrian Airlines AG
		Edelweiss Air AG
		Günes Ekspres Havacilik A.S. (SunExpress)
		SN Airholding SA/NV
Simone Menne	Member of the Executive Board	BMW AG
	Chief Officer Finance and Aviation Services	Delvag Luftfahrtversicherungs-AG
		Deutsche Post AG
		LSG Lufthansa Service Holding AG



Name	Function	Membership on other supervisory boards and comparable bodies
		Lufthansa Cargo AG Lufthansa Technik AG Börsenrat der FWB Frankfurter Wertpapierbörse Miles & More GmbH
Karl Ulrich Garnadt	Member of the Executive Board Chief Officer Lufthansa German Airlines	Austrian Airlines AG Germanwings GmbH ÖLH Österreichische Luftverkehrs-Holding GmbH Aircraft Maintenance and Engineering Corp. (AMECO)
Dr. Bettina Volkens	Member of the Executive Board Chief Officer Corporate Human Resources and Legal Affairs	LSG Lufthansa Service Holding AG Austrian Airlines AG

#### *Supervisory Board*

As at the date of this Prospectus, the members of the Supervisory Board of Lufthansa AG are:

Name (Principal occupation)	Function	Membership on other supervisory boards and comparable bodies
Wolfgang Mayrhuber (Former Chairman of Lufthansa's Executive Board)	Chairman	Infineon Technologies AG (Chairman) Münchener Rückversicherungs-Gesellschaft AG HEICO Corp., Florida
Christine Behle (*) (Member of the National Executive Board of ver.di)	Deputy Chairwoman	Bremer Lagerhaus-Gesellschaft-Aktiengesellschaft von 1877 Bochum-Gelsenkirchener Straßenbahnen AG ACE e.V./ACE Wirtschaftsdienst GmbH
Nicoley Baublies (*) (Chairman of the flight attendants' union UFO e.V.)	Member	n/a
Dr. Werner Brandt (Former Member of the Executive Board, SAP SE)	Member	QIAGEN N.V. (NL) RWE AG ProSiebenSat.1 Media AG Osram Licht AG

Name (Principal occupation)	Function	Membership on other supervisory boards and comparable bodies
Herbert Hainer (Chairman of the Executive Board of adidas AG)	Member	Allianz Deutschland AG FC Bayern München AG
Dr. h.c. Robert M. Kimmitt (Senior International Counsel at WilmerHale)	Member	n/a
Dr. Karl-Ludwig Kley (Chairman of the Executive Board Merck KGaA)	Member	Bertelsmann Management SE Bertelsmann SE & Co. KGaA BMW AG
Martin Koehler (Independent management consultant and former head of the Aviation Competence Center of The Boston Consulting Group Inc.)	Member	Delton AG Enfold Inc.
Doris Krüger (*) (Head Lufthansa Group Innovation Unit)	Member	n/a
Dr. Nicola Leibinger-Kammüller (Managing partner and Chairwoman of Managing Board of TRUMPF GmbH & Co. KG)	Member	Axel Springer AG Siemens AG Voith GmbH
Eckhard Lieb (*) (Engine Maintenance Mechanic)	Member	Albatros Versicherungsdienste GmbH
Jan-Willem Marquardt (*) (Flight Captain and member of the cockpit pilots' union Vereinigung Cockpit e.V.)	Member	n/a
Ralf Müller (*) (State Certified Technician)	Member	Lufthansa Cargo AG
Monika Ribar (Former CEO of PANALPINA Welttransport AG)	Member	Logitech International SA Sika AG Swiss International Airlines AG Rexel SA Schweizerische Bundesbahnen (SBB) Chain IQ Group AG
Andreas Strache (*) (Flight Manager)	Member	n/a

Name (Principal occupation)	Function	Membership on other supervisory boards and comparable bodies
Stephan Sturm (Chief Financial Officer, Fresenius Management SE)	Member	FPS Beteiligungs AG Fresenius Kabi AG HELIOS Kliniken GmbH Wittgensteiner Kliniken GmbH VAMED AG, Austria
Christina Weber (*) (Administrative staff member)	Member	LSG Lufthansa Service Holding AG
Birgit Weinreich (*) (Flight Attendant)	Member	n/a
Matthias Wissmann (President of the German Automotive Industry Association (VDA))	Member	n/a
Stefan Ziegler (*) (Flight Captain)	Member	n/a

(\*) Employee Representatives

The business address of each member of the Executive Board and the Supervisory Board is Deutsche Lufthansa Aktiengesellschaft, Von-Gablenz-Straße 2–6, 50679 Cologne, Federal Republic of Germany.

#### *Conflicts of Interest*

As of the date of this Prospectus, the above mentioned members of the Executive Board and the Supervisory Board of Lufthansa AG do not have potential conflicts of interests between any duties to Lufthansa AG and their private interests or other duties.

#### **Board Practices**

The governing bodies of Lufthansa AG are the Executive Board (*Vorstand*), the Supervisory Board (*Aufsichtsrat*) and the annual shareholders' meeting (*Hauptversammlung*). The powers of these bodies are set forth in the German Stock Corporation Act, Lufthansa AG's articles of association and the rules of procedure of the Executive Board and the Supervisory Board and its committees. The Executive Board and Supervisory Board work independently of each other.

The Executive Board is responsible for managing Lufthansa AG's day-to-day business and for representing Lufthansa AG in dealings with third parties. The Supervisory Board appoints and may dismiss members of the Executive Board. The Supervisory Board supervises and advises the Executive Board in its management of Lufthansa AG and represents Lufthansa AG in transactions between a member of the Executive Board and Lufthansa AG. In general, the Supervisory Board is not directly involved in the day-to-day management of Lufthansa AG. However, pursuant to Lufthansa AG's articles of association, certain transactions require the consent of the Supervisory Board. In addition, Lufthansa AG's articles of association and by-laws allow for the Supervisory Board to increase the number of matters subject to its consent.

In performing their duties, members of both the Executive Board and Supervisory Board must exercise the duties of care expected of a reasonable business person. Members of the Executive Board and the Supervisory Board must consider a broad range of interests, including those of Lufthansa AG and its shareholders and employees.

The members of the Executive Board and the Supervisory Board may be held personally liable to Lufthansa AG for breaches of their duties of loyalty and care. Lufthansa AG must bring an action for breach of duty against the

Executive Board or Supervisory Board upon a resolution of the shareholders passed at a Shareholders' Meeting by a simple majority of votes cast. Furthermore, minority shareholders representing at least 1 per cent. of the company's share capital or shares with a nominal value of EUR 100,000 can file an application in court requesting an action to be admitted against members of either of the company's boards on behalf of the company or in their own name.

With the exception of shareholders of companies that (unlike Lufthansa AG) are under the control of another company, individual shareholders of German companies cannot sue directors on behalf of the company in a manner analogous to a shareholder's derivative action under U. S. law. Under German law, directors may be liable to a breach of duty to shareholders (as opposed to a duty to the company itself) only where a breach of duty to the company also constitutes a breach of a statutory provision enacted specifically for the protection of shareholders. As a practical matter, shareholders are able to assert liability against directors for breaches of this sort only in unusual circumstances. The German Securities Trading Act (*Wertpapierhandelsgesetz*) provides for damage claims of shareholders against Lufthansa AG under certain circumstances, if Lufthansa AG violates the provisions on publication of insider information with intent or gross negligence.

#### *Executive Board*

The Supervisory Board appoints the members of the Executive Board for a term of up to five years. Extensions of the term of office are permitted. Pursuant to the articles of association, the Executive Board must have at least two members. The Supervisory Board determines the number of members and deputy members of the Executive Board. Currently, the Executive Board has five members. The Supervisory Board issued the current version of the rules of procedure of the Executive Board in September 2014.

Any two members of the Executive Board or any individual Executive Board member plus an authorised signatory with statutory power of procuration (*Prokurist*) may legally represent Lufthansa AG.

The Executive Board must report regularly to the Supervisory Board, particularly on proposed business policy and strategy, on profitability and on the current business of Lufthansa AG, as well as on any exceptional matters that may arise from time to time. If not otherwise required by law, the Executive Board decides with a simple majority of the votes cast. In case of deadlock, the vote of the chairperson is the relevant vote. Under certain circumstances, such as a serious breach of duty or a vote of no confidence by the stockholders in an annual stockholders' meeting, a member of the Executive Board may be removed by the Supervisory Board prior to the expiration of his/her term. A member of the Executive Board may not deal with, or vote on, matters relating to proposals, arrangements or contracts between him/herself and Lufthansa AG.

Individual members of the Executive Board serve as representatives with primary responsibility for Lufthansa AG's various corporate functions.

#### *Supervisory Board*

The Supervisory Board consists of 20 members, including ten members elected by the shareholders at the annual shareholders' meeting in accordance with the provisions of the German Stock Corporation Act and ten members selected by the Lufthansa AG employees, in accordance with the provisions of the German Co-determination in Industry Act. In addition, Dr. Wolfgang Rölller and Jürgen Weber act as honorary chairmen of the Supervisory Board. As the honorary chairmen are not formal members of the Supervisory Board, they are not entitled to vote.

The Supervisory Board members are usually elected for a fixed term of five years. Each term expires at the end of the annual general meeting in the fourth financial year after the year in which such Supervisory Board member was elected. Supervisory board members may be re-elected.

Unless otherwise provided by law, resolutions of the Supervisory Board are passed by a simple majority of the votes cast. In case of any deadlock, the relevant resolution must be voted on again, with the Chairman of the Supervisory Board being entitled to cast two votes during such second vote.

The Chairman is usually a shareholder representative elected by the members of the Supervisory Board.

The Supervisory Board generally meets once every quarter. Its main functions are:

- to supervise and advise the Executive Board in its management of Lufthansa AG;
- to appoint members of the Executive Board; and

- to consent to matters that are subject to the Supervisory Board's consent under German law or Lufthansa AG's articles of association and to matters which the Supervisory Board has made subject to its prior approval.

The Supervisory Board may form committees and establish their duties and powers. To the extent permitted by law, the Supervisory Board may delegate to such committees decision-making powers of the Supervisory Board. However, committees with substantial decision-making authority must be composed of an equal number of members of the Supervisory Board representing the shareholders and employees. Three members are required to make a decision.

The Supervisory Board has elected a Steering Committee from among its members made up of equal numbers of shareholder and employee representatives, consisting of the Chairman of the Supervisory Board Mr. Wolfgang Mayrhuber, his Deputy Chairman of the Supervisory Board Mrs. Christine Behle and two other members of the Supervisory Board Messrs. Dr. Karl-Ludwig Kley and Stefan Ziegler. The Steering Committee gives recommendations to the Supervisory Board on the contents, form and signing of employment contracts with Executive Board members and is responsible for other HR matters involving board members and authorised company representatives (e. g. lending in accordance with Section 89 Stock Corporation Act (AktG)). The Steering Committee represents the Company in dealings with the members of the Executive Board (Section 112 AktG). It is also responsible for contracts with members of the Supervisory Board (Section 114 AktG) and for lending to members of the Supervisory Board (Section 115 AktG). The committee also rules on other HR matters which have to be submitted to the Supervisory Board for approval in accordance with the internal regulations for the Executive Board. In the event of equal voting, the Chairman of the Supervisory Board has the casting vote.

The Supervisory Board has established an audit committee, currently consisting of Messrs. Dr. Werner Brandt (Chairman), Martin Koehler, Eckhard Lieb, Jan-Willem Marquardt and Mrs. Monika Ribar. The sixth member of the committee will be elected in September 2015. The task of the Audit Committee is to discuss, in accordance with instructions from the Chairman of the Supervisory Board, the monitoring of the accounting process, the examination of the effectiveness of the internal control system, the risk management system and the internal auditing system as well as matters of compliance, the necessary independence of the auditors, the appointment of auditors, the focus of audits and the fee agreement, and to make recommendations in this respect to the Supervisory Board, particularly on the auditors to put forward for election at the Annual General Meeting and on approval of the individual and consolidated financial statements. The Audit Committee also discusses the quarterly interim reports with the Executive Board before they are published. The Audit Committee is authorised to lay down the internal organisation of its work in its own internal regulations, which it submits to the Supervisory Board for its information.

The Supervisory Board has established a nomination committee, consisting of Messrs. Dr. Werner Brandt, Dr. Karl-Ludwig Kley and Wolfgang Mayrhuber. The Committee's task is to propose to the Supervisory Board suitable candidates to recommend for election at the Annual General Meeting. At least five shareholder representatives should be independent members of the Supervisory Board. At least two shareholder representatives should be women. Taking the aforementioned requirements into account, a reasonable number of members should also have several years of professional experience gained outside Germany.

#### *Corporate Governance*

Since the beginning of 2002, the Executive Board and Supervisory Board have followed the recommendations of the Government Commission's German Corporate Governance Code.

At the Supervisory Board Meeting on 3 December 2014 the Executive Board and Supervisory Board issued the following declaration of compliance with the German Corporate Governance Code pursuant to section 161 of the German Stock Corporation Act:

"In accordance with Section 161 of the German Stock Corporation Act (AktG), the Executive Board and Supervisory Board of Deutsche Lufthansa AG declare that between the last declaration of compliance of the German Corporate Governance Code in accordance with the currently valid version (the Code), the recommendations of the Code have, with the following exception, been complied with and will continue to be complied with in future:

In accordance with clause 4.2.3 paragraph 2 of the Code, the total remuneration of the Executive Board members and the variable bonus components are to be capped. The service contracts with Board members cap all the main elements of remuneration, including the fixed salary, the variable bonus and the retirement benefit

commitment. Ancillary benefits at LH are not subject to an overall cap. In particular, private flights in line with IATA regulations and with restricted booking status as full-fare passengers should not be capped for members of the Executive Board of Deutsche Lufthansa. Since the booking status is restricted, the related ancillary benefit is small. The members of the Executive Board should be able to use the company's main product and the opportunity to meet employees and passengers on board as widely as possible in line with international practice, including for private travel."

### **Major Shareholders**

Under Lufthansa AG's Articles of Association, each of Lufthansa AG's ordinary shares represents one vote. Major shareholders do not have different voting rights.

Under the German Securities Trading Act (*Wertpapierhandelsgesetz; WpHG*), holders of voting securities of a listed German company must notify that company of the level of their holding whenever it reaches, exceeds or falls below specified thresholds. Since 20 January 2007 the thresholds have been 3, 5, 10, 15, 20, 25, 30, 50 and 75 per cent. of the company's outstanding voting securities.

Based on such notifications received from shareholders through the date of this Prospectus, the following companies/persons held, in the aggregate, the following voting rights (such direct or indirect holdings in voting rights corresponding to shares) of more than 3 per cent. in Lufthansa AG on the respective reference date:

Name	Total share	Reference date of latest notice
BlackRock, Inc.	2.96 per cent.	28 April 2015
The Capital Group Companies	2.95 per cent.	24 November 2014
Templeton Global Advisors Limited	5.00 per cent.	11 January 2012

Lufthansa AG is not aware of any arrangement the effect of which would result in a change of control of Lufthansa AG.

### **Financial Information concerning Lufthansa Group's Assets and Liabilities, Financial Position and Profit and Losses**

The audited consolidated financial statements of Lufthansa Group for the fiscal years ended on 31 December 2013 and 31 December 2014 as well as the reviewed consolidated interim financial statements of Lufthansa Group for the period ended 30 June 2015 are incorporated by reference into this Prospectus.

### **Legal and arbitration proceedings**

Save as described in the following, there are currently no, and Lufthansa AG or any of its subsidiaries has or have not been involved in any, governmental, legal or arbitration proceedings during the period of the last twelve months, against or affecting Lufthansa AG or any of its subsidiaries, nor is Lufthansa AG aware of any pending or threatened proceedings, which (in either case) may have or have had in the recent past significant effects on the financial position or profitability of Lufthansa AG or the Lufthansa Group.

### **Antitrust Proceedings**

#### ***Lufthansa Cargo AG***

The European Commission and various national antitrust authorities conducted global investigations of air carriers in connection with allegations of anticompetitive collusive practices in the term between 1999 and 2006 relating to freight rates and premiums in the air cargo sector. Lufthansa Group cooperated fully with the antitrust authorities in these proceedings and availed itself of the leniency policy for cooperating witnesses in the relevant jurisdictions. In doing so, Lufthansa avoided to participate on the fines imposed by the European Commission, which amounted for the other cartel participants to about EUR 800 million. Despite Lufthansa Group's receiving full immunity, Lufthansa Group has appealed the European Commission's decision to the European Court of Justice, on the grounds that inbound transport to the EEA falls outside the European Commission's jurisdiction. This appeal will not affect the European Commission's grant of full immunity. Above, Lufthansa and SWISS entered into leniency agreements with the antitrust authorities of the United States,

Australia, Canada, Switzerland and Korea in relation to the assessment of fines amounting to EUR 1.2 billion. In some jurisdictions, cargo customers have filed objections to, or opted out of the settlements reached with the antitrust authorities or have filed civil actions for damages against the cartel members, including Lufthansa Group. Lufthansa Group was able to obtain dismissal of civil class actions in the United States, Australia and Canada by settling with the plaintiffs. In Germany, the United Kingdom, the Netherlands, South Korea, Norway and Israel, Lufthansa Group, together with other cargo carriers, are currently subject to, or have been joined in, class actions and other civil actions for damages. In a proceeding in Germany before the district court of Cologne, a group entity of Deutsche Bahn claims up to EUR 3 billion (including interest in the amount of about EUR 1.76 billion). The claimant accompanies this proceeding with a distinct media campaign. In a proceeding in the United Kingdom, where British Airways is the defendant party, the claimant amounts its damage to up to GBP 2.3 billion. Also in the other proceedings, relevant amounts of up to three-digit million are matter subject.

At present, there can be no assurance as to the likely outcome of these actions. There can also be no assurance that additional civil actions will not be filed against Lufthansa Group in relation to allegations of anticompetitive collusive practices in the air cargo sector.

#### ***Passenger Fare Class Action in Canada***

On 31 July 2009, two Canadian nationals filed a class action lawsuit against Lufthansa and six other airlines, alleging that Lufthansa Group and the other airlines have engaged in illegal collusive practices in relation to passenger fares and surcharges on transatlantic routes to and from Canada since 2000. The plaintiffs are seeking damages in a total amount of CAD210 million from the defendants. While the plaintiff's pleadings fail to state the basis of any alleged illegal collusive practices, the proceedings could last for several years. Under Canadian law, defendants in class actions of this type are subject to joint and several liability for any damages awarded. If the plaintiffs were to prevail in their class action, Lufthansa Group could face the risk of having to fund part of any insolvent plaintiff's share of the damages. At present, there can be no assurance as to whether the plaintiffs will be successful in their class action and how much in damages, if any, Lufthansa Group would be required to pay.

### **Legal Proceedings under Airline Regulations**

#### ***Class Action in the United States***

In February 2011, a class action lawsuit was filed against Lufthansa in Chicago, Illinois. The plaintiffs are claiming damages in an unspecified amount under the Denied Boarding Regulation and for breach of contract as a result of a delay of a flight from Miami to Düsseldorf, which caused the plaintiffs to miss their connecting flight to Warsaw.

Lufthansa's motion for summary judgement was dismissed so that the lawsuit entered into the discovery phase. If the plaintiffs were to prevail, there is in addition to the unpredictable monetary aspect in this case a risk that further class action lawsuits seeking to recover compensation under the Denied Boarding Regulation could be filed in the United States.

### **Legal Proceedings Relating to Commercial and Contractual Law Matters**

#### ***Legal Proceedings against Sheik Jaber Al***

On 26 June 2008, Austrian Airlines filed a lawsuit against Sheik Jaber Al in the Commercial Court of Vienna for damages in the amount of EUR 156.4 million. Austrian Airlines is seeking to recover these damages for breach of contract under a subscription agreement pursuant to which Sheik Jaber Al agreed to subscribe for a 20 per cent. stake in Austrian Airlines. Sheik Jaber Al failed to purchase this stake, alleging that he had not been informed of Austrian Airlines' poor financial condition and that he was intentionally misled. On 26 April 2010, Sheik Jaber Al filed a counterclaim against Austrian Airlines for damages in the amount of EUR 30 million while also contesting the enforceability of the subscription agreement.

#### ***Legal Proceedings Involving Miles & More Membership Terms***

A former member of Lufthansa Group's Miles & More frequent flyer program filed a lawsuit against it in the District Court of Cologne, following Lufthansa Group's revocation of his membership after he was selling tickets that he had purchased with his frequent flyer points to third parties in violation of the Miles & More Terms and Conditions. The plaintiff had reached the privileged status of a "HON Circle Member". While the District Court of Cologne has denied the plaintiff's claims in full, the Higher Court of Cologne declared the Miles & More Terms

and Conditions in relevant points as invalid. Lufthansa's appeal against the decision before the Federal Supreme Court was successful. The plaintiff announced that he will raise a constitutional complaint. If a decision of the Constitutional Court denies the decision of the Federal Supreme Court, this could have significant economic consequences for Lufthansa Group, as it would need to revise its accounting treatment of provisions for miles earned by members of Miles & More.

***Israeli Legal Proceedings Relating to the Implementation of "Zero Commissioning"***

On 5 December 2011, the Central District Court in Tel Aviv granted a judgment of 117 travel agencies and the local travel agency association against Lufthansa and SWISS, upholding the plaintiffs' claim that the introduction of Lufthansa Group's "zero commission" model in 2008 was invalid. This model was introduced to end the right of travel agents to receive commissions from Lufthansa on ticket sales. Lufthansa and SWISS appealed the court's decision to the Israeli Supreme Court which confirmed the Central District Court's ruling.

In addition, 81 agencies filed a suit against Lufthansa and SWISS with which they claim the payment of a 7 per cent. commission since introducing the "zero commission" model in 2008 what amounts to about EUR 14 million. Due to the outcome of the above described decision of the Israeli Supreme Court, Lufthansa's and SWISS's chance to succeed in this suit were limited, however the justified amount, if any, is still litigious.

***Proceedings Involving Austrian Airlines' Minority Shareholders***

At Austrian Airlines AG's annual general meeting, shareholders, with the support of the company's majority shareholder ÖLH Österreichische Luftverkehrs-Holding GmbH, passed a resolution to effect a squeeze-out minority shareholders with a cash payment of EUR 0.50 per share. The Vienna Commercial Court registered this resolution with the commercial register on 4 February 2010. As a result, as of that date, all shares held by the minority shareholders of Austrian Airlines AG were transferred by operation of law to ÖLH Österreichische Luftverkehrs-Holding GmbH. While the claims against the squeeze-out per se were denied by the court of last instance, there is a pending case before the commercial court of Vienna in regard to the appropriateness of the cash payment amount during the squeeze-out.

***Niki's Challenge of the European Commission's Approval of State Aid for Austrian Airlines***

Niki Luftfahrt GmbH ("**Niki**") has lodged an appeal with the European Court of Justice in relation to the European Commission's decision of 28 August 2009. This decision stated that the state aid in the amount of EUR 500 million that was to be granted in connection with Lufthansa's acquisition of the Austrian Government's 41.56 per cent. stake in Austrian Airlines was compatible with European Community law, in particular the European Community's framework for the rescue and restructuring of firms in difficulty. Austrian Airlines, Lufthansa and ÖLH Österreichische Luftverkehrs-Holding GmbH are intervening parties in the appeal. By court decision dated 13 May 2015, the European Court of Justice dismissed the appeal. The decision is not final yet, an appeal against the decision has not been raised yet.

***Niki Luftfahrt's Challenge of the European Commission's Antitrust Approval of Lufthansa Group's Acquisition of Austrian Airlines***

Niki has also lodged an appeal with the European Court of Justice in relation to the European Commission's decision of 28 August 2009. The decision stated that Lufthansa Group's acquisition of the remaining stake of Austrian Airlines, subject to the implementation of the competition commitments agreed to by Lufthansa Group, is compatible with E.U. competition and antitrust rules. Lufthansa Group is an intervening party to the appeal. Lufthansa Group believes that the chances that Niki could prevail in its appeal are low. By court decision dated 13 May 2015, the European Court of Justice dismissed the appeal. The decision is not final yet, an appeal against the decision has not been raised yet.



### **Legal Proceedings against advanced payment practice**

*Verbraucherzentrale NRW* ("VZ") filed separate lawsuits against Lufthansa and the other German Airlines concerning the advanced payment practice for online bookings. The VZ stated that it considers the advance payment practice to be unlawful and in violation of German consumer protection law because of consumer discrimination. VZ argues that with the advanced payment, customers lose any lever against the airlines. The advanced payment practice deviates from the basic principle of "payment after delivery" for no necessary reason and subsequently burdens the passenger with the airlines insolvency risk. A negative court ruling would challenge Lufthansa's business model. The outcome of the proceeding would also impact Germanwings' business. While Lufthansa was able to succeed in its proceeding, some other German Airlines' practice was judged to be illegal. The proceedings are now subject to appeal.

### **Insolvency Disputes**

The insolvency administrator of HI Hamburg International Luftverkehrsgesellschaft mbH & Co. Betriebs-KG ("HI") appealed against the payments of HI in favor of several Lufthansa Group entities (notably LSG, Lufthansa Technik AG and Lufthansa Flight Training GmbH) in an amount of roundabout EUR 23 million plus interest. Due to the actual judicature of the Federal Court of Justice of Germany – which is under critical review by both, legislation and legal academics – there might be a risk of a repayment obligation.

### **Tax Proceedings Involving Lufthansa Group**

#### ***Tax Proceedings***

Lufthansa Group is engaged in tax proceedings with the tax office in Cologne-Altstadt in the Tax Court of Cologne regarding several tax matters, in particular, the deductibility of write-downs on cross-border inter-company loans granted by Lufthansa Group. If the Tax Court were to find in favour of the tax office, up to EUR 150 million in additional tax payments could be due. While Lufthansa Group believes that it has valid arguments supporting its position in this case, it is not possible to determine the outcome of the case at this stage. As Lufthansa Group assesses its position in this case as relatively favourable, Lufthansa Group has not established any provisions in its consolidated balance sheet in relation to this tax matter.

In addition to Germany, Lufthansa Group is from time to time involved in legal and administrative tax proceedings in other jurisdictions in which it has operations. For example, Lufthansa Group is currently involved in the early stages of tax proceedings in India. Lufthansa Group intends to defend its tax position vigorously in these proceedings. See "*Risk Factors — Risks Related to Lufthansa — Lufthansa's Legal and Regulatory Risks — External audits of, and tax proceedings involving, Lufthansa and its subsidiaries could lead to additional tax payment obligations*".

### **Insurance Policies**

#### ***Combined Hull and Liability Insurance***

Together with around 60 other mostly European airlines, Lufthansa Group is insured under the Lufthansa Aviation Insurance Group's policy. This policy provides liability coverage for passengers, mail, cargo, product legal liability and third-party legal liability and hull damage. Since insurance companies continue to be very reluctant in providing coverage for hull damages to the aircraft caused by weapons of mass destruction, it is difficult for Lufthansa Group and other European airlines to effectively insure against such threats. Specialised insurers offer only limited hull insurance coverage for these risks. Since hull insurance is not a condition to operating an airline, however, there is no risk that aircraft will be grounded for this reason.

Lufthansa Group does not have insurance coverage for financial losses caused by certain natural disasters that do not damage the aircraft or when an administrative official grounds an aircraft in connection with such disasters, as the insurance market does not provide adequate coverage with respect to such losses.

#### ***Third-Party Liability Insurance for War and Allied Perils***

Lufthansa Group's third-party liability insurance for war and allied perils covers damage to third parties by the operation of its passenger and cargo aircraft due to war or allied perils, including terrorist attacks. These risks are covered for aircraft of Deutsche Lufthansa AG and Lufthansa Cargo AG up to USD 1.2 billion per event of loss and up to a maximum of USD 2.4 billion per insurance allied perils year per airline for all airlines covered under the policy.

### Significant change in Lufthansa's financial or trading position

There has been no significant change in the financial or trading position of Lufthansa since 30 June 2015.

### Additional Information

#### *Share Capital*

As of 30 June 2015, Lufthansa AG's share capital amounts to EUR 1,184,697,000.96 divided into 462,772,266 shares, each with a notional value of EUR 2.56 and is fully paid up. In addition, Lufthansa AG has an authorised share capital of EUR 561,160,092.00 ("Authorised Capital A"). Furthermore, Lufthansa AG has another authorised share capital of EUR 24,654,999.04 ("Authorised Capital B"). Above, a conditional capital of EUR 234,464,035.80 exists as of 30 June 2015.

Lufthansa AG's shares are registered no-par value shares with restricted transferability. As of the date of this Prospectus, Lufthansa AG does not hold any treasury shares.

#### *Fiscal Year*

Lufthansa AG's fiscal year is the calendar year.

#### *Memorandum and Articles of Association*

According to Sec. 2 of its articles of association dated 6 January 1953, as last amended by resolution dated 17 September 2014, Lufthansa AG's corporate purpose is national and international air traffic and the operation of all commercial activities and facilities connected with and relating to civil aviation and its promotion. For the furtherance of its business purpose, Lufthansa AG shall be entitled to establish domestic and foreign branches and agencies, to acquire participating interests in other domestic and foreign enterprises, to acquire outright or set up such enterprises and to conclude all manner of business contracts, including pooling agreements. It can devolve its activities completely or partially to such enterprises.

### Material Contracts

#### *SN AirHolding*

On 15 September 2008, Lufthansa Group agreed with the owners of SN AirHolding SA/NV ("**SN AirHolding**") to acquire a 45 per cent. stake in SN AirHolding, the holding company of Brussels Airlines, a Belgian commercial airline that operates both passenger and cargo air service primarily in Europe and to some African and North American destinations. Following a comprehensive investigation of the planned takeover, Lufthansa Group received approval in June 2009 under the EU Merger Control Regulation. The transaction comprises two elements: In 2009, Lufthansa Group participated in a capital increase at SN AirHolding, thereby acquiring 45 per cent. of the share capital at a purchase price of EUR 65 million. Furthermore, in 2014 through at least 2018, Lufthansa Group is entitled to exercise a unilateral call option for the remaining 55 per cent. of SN AirHolding's share capital. The purchase price for this remaining stake is linked to the development of several key financial figures of SN AirHolding.

#### *AeroLogic*

Aerologic GmbH ("**AeroLogic**"), the 50-50 joint venture between Lufthansa Cargo and Deutsche Post Beteiligungen Holding GmbH, has signed ten-year flight services agreements with Lufthansa Cargo and DHL International GmbH ("**DHL**").

The flight services agreements provide that AeroLogic will sell the capacity of all of its aircraft currently in service to Lufthansa Cargo and DHL, in accordance with an agreed share of capacity and use. Pursuant to the flight services agreements, Lufthansa Cargo and DHL must compensate AeroLogic for these flight services. These compensation payments are to be calculated in such a way that AeroLogic's costs are covered.

#### *Terminal 1 at John F. Kennedy International Airport in New York*

Lufthansa Group, together with Air France, Korean Air and Japan Airlines, is a partner in Terminal One Group Association, L.P. ("**TOGA**"), which has acquired, built and furnished the "Terminal One" passenger terminal at John F. Kennedy International Airport in New York, has connected it to the airport and manages the terminal. In addition, Lufthansa Group, Air France, Korean Air and Japan Airlines have entered into substantially similar use and lease agreements with TOGA for the terminal (together, the "**Use Agreements**"), under which each of the

parties has leased business premises in Terminal One for joint or exclusive use, received certain rights to use the terminal and consented irrevocably, without restriction or reservation, to pay its share of all of TOGA's payment obligations and to guarantee those obligations. If any of the parties fails to pay amounts due under a Use Agreement, the Use Agreements also provide that the relevant amounts will be paid by all of the parties who are not in arrears in proportion to their respective holdings in the company. TOGA has, amongst other things, signed a lease (the "**IDA Lease**") with the New York City Development Agency. Pursuant to the IDA Lease, TOGA is obligated without reservation to make sufficient lease payments to cover the capital amount, the redemption or offer price, if applicable, and the interest on the USD 387,740,000 in New York City Industrial Development Agency Special Facility Revenue Bonds, Series 2005.

#### *Terminal 2 at Munich Airport*

Lufthansa Group holds an indirect general partner's interest of 40 per cent. in Terminal 2 Gesellschaft mbH & Co OHG ("**T2**"). The other general partner (holding an indirect interest of 60 per cent.) is Flughafen München GmbH, which is jointly owned by the Free State of Bavaria, the Federal Republic of Germany, and the City of Munich. The Terminal 2 passenger terminal at Munich Airport was built by T2 and is now operated by T2. Lufthansa Group is fully liable for all liabilities and payment obligations of T2. Amongst other things, T2 obtained a syndicated credit facility in the total amount of EUR 1,100 million drawn in several tranches with a graduated repayment schedule with the last tranche being repaid in the year 2033 to finance the construction of Terminal 2.

In December 2011, financing by way of a further syndicated credit facility in the total amount of EUR 725 million with a graduated repayment schedule through the year 2021 was procured for the construction of a satellite to Terminal 2. This satellite will serve to increase capacity at Munich airport for Lufthansa and its Star Alliance partners.

#### *Additional sources of funding*

The Lufthansa Group has bilateral credit lines totalling EUR 805 million with a large number of banks. As of today, none of these lines of credit lines are being used. They have a scheduled tenure of two years and may be extended for another two years after the first year.

#### **Third Party Information and Statement by Experts and Declaration of any Interest**

With respect to any information included in this Prospectus and specified to be sourced from a third party (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information available to it from such third party, no facts have been omitted the omission of which would render the reproduced information inaccurate or misleading and (ii) the Issuer has not independently verified any such information and accepts no responsibility for the accuracy thereof.

## TAXATION

*The following is a general discussion of certain German, Austrian, Dutch and Luxembourg tax consequences of the acquisition and ownership of Notes. This discussion does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase Notes. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the laws currently in force and as applied on the date of this Prospectus, in the Federal Republic of Germany, The Netherlands and the Republic of Austria which are subject to change, possibly with retroactive or retrospective effect.*

PROSPECTIVE PURCHASERS OF NOTES ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF NOTES, INCLUDING THE EFFECT OF ANY STATE OR LOCAL TAXES, UNDER THE TAX LAWS APPLICABLE IN THE FEDERAL REPUBLIC OF GERMANY, THE REPUBLIC OF AUSTRIA, THE NETHERLANDS, THE GRAND DUCHY OF LUXEMBOURG AND EACH COUNTRY OF WHICH THEY ARE RESIDENTS.

### 1. Federal Republic of Germany

#### Income tax

*Notes held by tax residents as private assets*

##### - Taxation of Interest

Payments of Interest on the Notes to Holders who are tax residents of the Federal Republic of Germany (*i.e.*, persons whose residence or habitual abode is located in the Federal Republic of Germany) are subject to German income tax. In each case where German income tax arises, a solidarity surcharge (*Solidarit t szuschlag*) is levied in addition. Furthermore, church tax may be levied, where applicable. If coupons or interest claims are disposed of separately (*i.e.* without the Notes), the proceeds from the disposition are subject to income tax. The same applies to proceeds from the redemption of coupons or Interest claims if the Note is disposed of separately.

On payments of Interest on the Notes to individual tax residents of the Federal Republic of Germany income tax is generally levied as a flat income tax at a rate of 25 per cent. (plus solidarity surcharge in an amount of 5.5 per cent. of such tax, resulting in a total tax charge of 26.375 per cent., plus, if applicable, church tax). As from 1 January 2015, church tax is generally levied by way of withholding unless the Holder has filed a blocking notice (*Sperrvermerk*) with the German Federal Tax Office (*Bundeszentralamt f r Steuern*). The total investment income of an individual will only be decreased by a lump sum deduction (*Sparer-Pauschbetrag*) of EUR 801 (EUR 1,602 for married couples and registered partners filing jointly), not by a deduction of expenses actually incurred.

If the Notes are held in a custodial account which the Holder maintains with a German branch of a German or non-German bank or financial services institution or with a securities trading business or bank in the Federal Republic of Germany (the "**Disbursing Agent**") the flat income tax will be levied by way of withholding at the aforementioned rate from the gross Interest payment to be made by the Disbursing Agent.

In general, no withholding tax will be levied if the Holder is an individual (i) whose Note does not form part of the property of a trade or business and (ii) who filed a withholding exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent but only to the extent the Interest income derived from the Note together with other investment income does not exceed the maximum exemption amount shown on the withholding exemption certificate. Similarly, no withholding tax will be deducted if the Holder has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the relevant local tax office.

If no Disbursing Agent (as defined above) is involved in the payment process the Holder will have to include its income on the Notes in its tax return and the flat income tax of 25 per cent. plus solidarity surcharge and, if applicable, church tax will be collected by way of assessment.

Payment of the flat income tax will generally satisfy any income tax liability (including solidarity surcharge and, if applicable, church tax) of the Holder in respect of such investment income. Holders may apply for a tax assessment on the basis of general rules applicable to them if the resulting income tax burden is lower than 25 per cent. The German Federal Fiscal Court (*Bundesfinanzhof*) held in January 2015 that in this case as well income-related expenses cannot be deducted from the investment income, except for the aforementioned annual lump sum deduction.

- Taxation of capital gains

Capital gains realised by individual tax residents of the Federal Republic of Germany from the disposition or redemption of the Notes will be subject to the flat income tax on investment income at a rate of 25 per cent. (plus solidarity surcharge in an amount of 5.5 per cent. of such tax, resulting in a total tax charge of 26.375 per cent., plus, if applicable, church tax), irrespective of any holding period. As from 1 January 2015, church tax is generally levied by way of withholding unless the Holder has filed a blocking notice with the German Federal Tax Office. This will also apply to Notes on which the principal is effectively repaid in whole or in part although the repayment was not guaranteed.

If the Notes are held in a custodial account which the Holder maintains with a Disbursing Agent (as defined above) the flat income tax will be levied by way of withholding from the difference between the proceeds from the sale or redemption reduced by expenses directly and factually related to the sale or redemption and the acquisition costs of the Notes. Where the Notes are acquired and/or sold in a currency other than Euro, the acquisition costs will be converted into Euro at the time of acquisition, the sales proceeds will be converted into Euro at the time of sale and the difference will then be computed in Euro. If the Notes are assigned, redeemed, repaid or contributed into a corporation by way of a hidden contribution (*verdeckte Einlage in eine Kapitalgesellschaft*) rather than sold, as a rule, such transaction is treated like a sale. Losses from the sale of Notes can only be offset against other savings income and, if there is not sufficient other positive savings income, carried forward in subsequent assessment periods.

Pursuant to a tax decree issued by the Federal Ministry of Finance, a sale shall be disregarded where the transaction costs exceed the sales proceeds, which means that losses suffered from such "sale" shall not be tax-deductible. The same applies where, based on an agreement with the depositary institution, the transaction costs are calculated on the basis of the sale proceeds taking into account a deductible amount. Similarly, a bad debt loss (*Forderungsausfall*), i.e. should the Issuer become insolvent, and a waiver of a receivable (*Forderungsverzicht*), to the extent the waiver does not qualify as a hidden contribution, shall not be treated like a sale. Accordingly, losses suffered upon such bad debt loss or waiver shall not be tax-deductible.

If the Notes have been transferred into the custodial account of the Disbursing Agent only after their acquisition, and no evidence on the acquisition data has been provided to the new Disbursing Agent by the Disbursing Agent which previously kept the Notes in its custodial account, withholding tax will be levied on 30 per cent. of the proceeds from the disposition or redemption of the Notes. When computing the tax base for withholding tax purposes, the German Disbursing Agent has to deduct any negative savings income except for capital losses derived from equities (*negative Kapitalerträge*) or paid accrued interest (*Stückzinsen*) in the same calendar year or unused negative savings income of previous calendar years.

If no Disbursing Agent is involved in the payment process the Holder will have to include capital gains from the disposition or redemption of the Notes in its tax return and the flat income tax of 25 per cent. plus solidarity surcharge and, if applicable, church tax will be collected by way of assessment.

Payment of the flat income tax will generally satisfy any income tax liability (including solidarity surcharge and, if applicable, church tax) of the Holder in respect of such investment income. Holders may apply for a tax assessment on the basis of general rules applicable to them if the resulting income tax burden is lower than 25 per cent. The German Federal Fiscal Court (*Bundesfinanzhof*) held in January 2015 that in this case as well income-related expenses cannot be deducted from the investment income, except for the aforementioned annual lump sum deduction.

*Notes held by tax residents as business assets*

Payments of Interest on Notes and capital gains from the disposition or redemption of Notes held as business assets by German tax resident individuals or corporations, i.e. corporations whose seat or place of management is located in the Federal Republic of Germany (including via a partnership, as the case may be), are generally subject to German income tax or corporate income tax (in each case plus solidarity surcharge and, if applicable, church tax). The Interest and capital gain will also be subject to trade tax if the Notes form part of the property of a German trade or business.

If the Notes are held in a custodial account which the Holder maintains with a Disbursing Agent (as defined above) tax at a rate of 25 per cent. (plus a solidarity surcharge of 5.5 per cent. of such tax and, if applicable, church tax) will also be withheld from Interest payments on Notes and generally also from capital gains from the disposition or redemption of Notes held as business assets. In these cases the withholding tax does not satisfy the income tax liability of the Holder, as in the case of the flat income tax, but will be credited as advance payment against the personal income or corporate income tax liability and the solidarity surcharge (and, if applicable, against the church tax) of the Holder.

With regard to capital gains no withholding will generally be required in the case of Notes held by corporations resident in Germany, provided that in the case of corporations of certain legal forms the status of corporation has been evidenced by a certificate of the competent tax office, and upon application in the case of Notes held by individuals or partnerships as business assets.

#### *Notes held by non-residents*

Interest and capital gains are not subject to German taxation in the case of non-residents, *i.e.* persons having neither their residence nor their habitual abode nor legal domicile nor place of effective management in the Federal Republic of Germany, unless the Notes form part of the business property of a permanent establishment maintained in the Federal Republic of Germany. Interest may, however, also be subject to German income tax if it otherwise constitutes income taxable in Germany, such as income from the letting and leasing of certain German-situs property or income from certain capital investments directly or indirectly secured by German situs real estate.

Non-residents of the Federal Republic of Germany are in general exempt from German withholding tax on Interest and capital gains and from solidarity surcharge thereon. However, if the Interest or capital gain is subject to German taxation as set forth in the preceding paragraph and the Notes are held in a custodial account with a Disbursing Agent (as defined above), withholding tax will be levied as explained above at "*Notes held by tax residents as business assets*" or at "*Notes held by tax residents as private assets*", respectively.

#### **Inheritance and Gift Tax**

No inheritance or gift taxes will generally arise with respect to any Note under the laws of the Federal Republic of Germany, if, in the case of inheritance tax, neither the decedent nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of the Federal Republic of Germany and such Note is not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in the Federal Republic of Germany. Exceptions from this rule apply to certain German citizens who previously maintained a residence in the Federal Republic of Germany.

#### **Other Taxes**

No stamp, issue, registration or similar taxes or duties will be payable in the Federal Republic of Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax (*Vermögensteuer*) is not levied in the Federal Republic of Germany.

## **2. Republic of Austria**

### **Income tax**

#### **Austrian Resident Taxpayers**

Individuals having a domicile or their habitual abode in Austria or corporations having their corporate seat or their place of management in Austria are considered residents for Austrian income and corporate income tax law purposes, respectively. The corporate income tax rate amounts to 25 per cent., the income tax rate is progressive with the highest level of progression amounting to 50 per cent. Generally, for investment income a uniform tax rate of 25 per cent. applies. Legislative changes regarding the tax rates are currently pending.

#### *Individual Residents*

- Notes held as private assets

Generally income arising with respect to the Notes in the form of either

- (i) fixed interest payments (*Zinserträge*) or
- (ii) realised capital gains (*Einkünfte aus realisierten Wertsteigerungen*)

qualifies as "investment income" (*Einkünfte aus Kapitalvermögen*) and, as such, is taxed under a special regime at a flat 25 per cent.-rate. Realised capital gains are the difference between (a) the amount realised (e.g., the sale proceeds, the redemption or other pay-off amount, or the fair market value in case of a deemed realisation) and (b) the acquisition costs; in both cases (amount realised and acquisition costs) including accrued interest, if any.

For Notes held as private assets, the acquisition costs do not include ancillary acquisition costs (*Anschaffungsnebenkosten*). An average price is determined regarding Notes not acquired at the same time but held in the same securities account with the same securities identification number. Expenses and costs (*Aufwendungen und Ausgaben*) that are directly connected with investment income are not tax effective.

Capital gains are not only taxed upon an actual disposition or redemption of the Notes, but also upon a deemed realisation, particularly upon the loss of the Austrian taxing right for the Notes (e.g., due to moving abroad or donation to a person not resident in Austria) or upon withdrawals (*Entnahmen*) and other transfers of Notes from one securities account to another one. Exemptions apply in case of (a) moving to another EU member state if the Noteholder has timely notified the Austrian custodian of his/her migration and presents to the Austrian custodian a tax assessment notice of the year of migration in which the option for a deferral of tax has been exercised and in case of (b) a transfer of the securities to another deposit account, if certain information procedures are fulfilled.

If an Austrian custodian (*inländische depotführende Stelle*, also referred to as "securities account keeping agent") or an Austrian paying agent (*auszahlende Stelle*) is involved in paying investment income (interest or capital gains), 25 per cent. withholding taxation is imposed. The 25 per cent. withholding tax generally results in a final income taxation; certain exceptions apply (in particular for investors whose regular personal income tax rate is lower than 25 per cent.). In case of a loss of the Austrian taxing right for the Notes (e.g., due to moving abroad) the Austrian custodian levies withholding tax upon an actual disposition or withdrawal of the Notes from the account. If the holder of the Notes has timely notified the Austrian custodian of his or her relocation abroad, not more than the value increase in the Notes until relocation or notification is subject to the Austrian withholding tax. If no withholding tax is imposed (e.g., because the Notes are held through a foreign paying agent), the investment income arising from the Notes generally has to be included into the income tax return in accordance with the law.

Losses from Notes held as private assets may only offset investment income (excluding, *inter alia*, interest income from bank deposits or donations from private foundations and other claims against banks) and must not offset any other income. Mandatory loss-offsetting rules to be handled by Austrian custodians apply. A carry-forward of losses is not possible in this context.

- Notes held as business assets

Generally, the same rules as described in the previous heading apply regarding Notes that are held as business assets by tax residents who are individuals. The most important differences are the following:

- Realised capital gains, contrary to interest income, have to be included in the annual income tax return, since despite a 25 per cent. withholding taxation that is also imposed in the context of Notes held as business assets if an Austrian custodian is involved, no final income taxation applies.
- Writedowns and realised losses regarding the Notes held as business assets are offset with positive income from realised capital gains that are investment income in the first place; 50 per cent. of the remaining losses may be offset or carried forward against any other income.
- The acquisition costs of Notes held as business assets may also include ancillary costs incurred upon the acquisition.
- Loss off-setting is not made by the custodian, but can only be made in the assessment of the individual.

It is noted that expenses and costs (*Aufwendungen und Ausgaben*) directly connected with investment income are also not tax effective if the Notes are held as business assets.

*Corporate residents*

Corporate investors deriving business income from the Notes may avoid the application of withholding tax by filing a declaration of exemption (*Befreiungserklärung*) with the Austrian withholding tax agent that has to submit such "exemption declaration" to the tax authority. Income derived from the Notes by corporate investors (including any capital gains) is subject to corporate income tax at the general corporate income tax rate of 25 per cent. Losses are taken into account upon tax assessment. If no exemption declaration is provided, any withholding tax deducted and remitted may be credited to the corporate income tax or refunded, if applicable.

A special tax regime applies for private foundations (*Privatstiftungen*).

*Notes held by non-residents*

Individuals who have neither a domicile nor their habitual abode in Austria or corporate investors that have neither their corporate seat nor their place of management in Austria ("*non-residents*") are not taxable in Austria with their income from the Notes provided the income is not attributable to a permanent establishment in Austria.

Non-resident investors who are resident individuals of an EU Member State and who hold the Notes through an Austrian paying agent have to consider the EU Savings Tax Directive regarding particular withholding tax rules (see in this respect below under the heading "*EU Savings Tax Directive*").

As of 1 January 2015, interest income from the Notes paid to non-resident investors who are individuals and not covered by the EU Savings Tax Directive would be subject to taxation in Austria if withholding taxation fell due, because the interest was paid by an Austrian withholding tax agent (i.e. an Austrian paying agent or an Austrian custodian), and if the debtor of the interest income had its seat, its place of management or a branch in Austria. Since the Issuer has its seat and place of management in Germany and have no branch or permanent establishment in Austria which pays the interest income, non-resident investors not covered by the EU Savings Tax Directive are not subject to taxation with interest payments received from the Notes through an Austrian withholding tax agent.

Therefore, such non-resident investors may if they receive income from the Notes through an Austrian paying agent avoid Austrian withholding taxation by way of evidencing their non-resident-status vis-à-vis the withholding tax agent. If Austrian withholding tax is imposed, the investor may apply for a refund thereof.

If non-residents receive income from the Notes through an Austrian permanent establishment, they are to a large extent subject to the same tax treatment as resident investors.

**Final note on withholding tax imposed in Austria**

Assuming that the Issuer does not use a branch or permanent establishment in Austria for the payment of interest under the Notes, the Issuer does not assume any responsibility for Austrian withholding tax (*Kapitalertragsteuer*) or EU Withholding Tax (*EU-Quellensteuer*) charged in Austria at source and is not obliged to make additional payments in case of withholding tax deductions at source.

**Inheritance and gift tax**

The Austrian inheritance and gift tax (*Erbschafts- und Schenkungssteuer*) was abolished in 2008. A notification has to be made to the tax authority if gifts are made that exceed specific thresholds.

**3. The Netherlands****General**

*The following is a general summary of certain Netherlands withholding tax consequences of the acquisition and holding of the Notes. This summary does not purport to describe all possible tax considerations or consequences that may be relevant to a Holder or prospective Holder of Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as trusts or similar arrangements) may be subject to special rules. In view of its general nature, it should be treated with corresponding caution. Holders or prospective Holders of Notes should consult with their tax advisers with regard to the tax consequences of investing in the Notes in their particular circumstances. The discussion below is included for general information purposes only.*

*Except as otherwise indicated, this summary only addresses Netherlands national tax legislation and published regulations, whereby the Netherlands means the part of the Kingdom of the Netherlands located in Europe, as in effect on the date hereof and as interpreted in published case law until this date, without prejudice to any amendment introduced at a later date and implemented with or without retroactive effect.*

**Withholding tax**

A payment made by the Issuer to the Principal Paying Agent or the Holder of the Notes will not be subject to withholding tax in the Netherlands.



#### 4. Grand Duchy of Luxembourg ("Luxembourg")

##### *Non-Residents*

Under the existing laws of Luxembourg, there is no withholding tax on the payment of interest on, or reimbursement of principal of, the Notes made to non-residents of Luxembourg through a paying agent established in Luxembourg.

From 1 January 2015, the Grand Duchy of Luxembourg will apply the exchange of information procedure provided for under the Luxembourg laws of June 21, 2005 (or the relevant Accords).

##### *Residents*

According to the law of 23 December 2005, as amended, interest on Notes paid by a Luxembourg paying agent or paying agents established in the EU, the EEA or in a State which has concluded with Luxembourg an international agreement related to the EU Savings Tax Directive to an individual Holder of Notes who is a resident of Luxembourg or to a residual entity established in another EU Member State or in the dependent and associated territories securing the payment for such individual will be subject to a withholding tax of 10 per cent. In case of payment through a paying agent established in the EU, the EEA or in a State which has concluded with Luxembourg an international agreement related to the EU Savings Tax Directive, the Luxembourg resident individual Holder of Notes must under a specific procedure remit 10 per cent. tax to the Luxembourg Treasury.

If the individual Holder holds the Notes in the course of the management of his or her private wealth, the aforementioned 10 per cent. withholding tax will operate a full discharge of income tax due on such payments.

Interest on Notes paid by a Luxembourg paying agent to a resident Holder of Notes who is not an individual is not subject to withholding tax.

When used in the preceding paragraphs "*interest*", "*paying agent*" and "*residual entity*" have the meaning given thereto in the Luxembourg laws of 21 June 2005 (or the relevant Accords) and 23 December 2005, as amended. "*Interest*" will include accrued or capitalised interest at the sale, repayment or redemption of the Notes.

Payments of interest or similar income under the Notes to Clearstream Banking AG, Frankfurt, Clearstream Banking, société anonyme, Luxembourg and Euroclear Bank SA/NV and payments by or on behalf of Clearstream Banking, société anonyme, Luxembourg, to financial intermediaries will not give rise to a withholding tax under Luxembourg law.

#### 5. EU Savings Tax Directive

Under the EU Council Directive 2003/48/EC dated 3 June 2003 on the taxation of savings income in the form of interest payments (the "**EU Savings Tax Directive**") each EU Member State must require paying agents (within the meaning of such directive) established within its territory to provide to the competent authority of this state details of the payment of interest made to or collected by such a person for any individual resident in another EU Member State or certain limited types of entities established in that other Member State as the beneficial owner of the interest. The competent authority of the EU Member State of the paying agent is then required to communicate this information to the competent authority of the EU Member State of which the beneficial owner of the interest is a resident.

For a transitional period, Belgium and the Grand Duchy of Luxembourg opted instead to withhold tax from interest payments within the meaning of the EU Savings Tax Directive at a rate of 35 per cent. from 1 July 2011. As from 1 January 2010, Belgium and as from 1 January 2015 also the Grand Duchy of Luxembourg applies the information procedure described above.

Austria applies a 35 per cent. withholding tax on interest payments made by Austrian paying agents to individuals resident in other member states of the EU. Such EU withholding taxation does not have to be imposed if the information process provided for by the EU directive is fulfilled on a voluntary basis (see also the previous paragraph). Further, Austria has undertaken to implement an automatic exchange of information as of September 2017.

In conformity with the prerequisites for the application of the EU Savings Tax Directive, a number of non-EU countries and territories, including Switzerland, agreed to apply measures equivalent to those contained in such directive (a withholding system in the case of Switzerland).

In Germany, provisions for implementing the EU Savings Tax Directive were enacted by legislative regulations of the Federal Government. These provisions apply since 1 July 2005.

On 24 March 2014, the European Council adopted an EU Council Directive amending and broadening the scope of the requirements described above. In particular, the changes expand the range of payments covered by the EU Savings Tax Directive to include certain additional types of income, and widen the range of recipients payments to whom are covered by the EU Savings Tax Directive, to also include (in addition to individuals) certain types of entities and legal arrangements. EU Member States are required to implement national legislation giving effect to these changes by 1 January 2016 (which national legislation must apply from 1 January 2017).

Holders who are individuals should note that the Issuer will not pay additional amounts under § 8(c) of the Terms and Conditions of the Notes in respect of any withholding tax imposed as a result of the EU Savings Tax Directive.

## **6. The proposed financial transactions tax**

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common Financial Transaction Tax ("**FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**").

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

Joint statements issued by participating Member States indicate an intention to implement the FTT by 1 January 2016.

However, the FTT proposal remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. Additional EU Member States may decide to participate.

Prospective Holders of Notes are advised to seek their own professional advice in relation to the FTT.

## SUBSCRIPTION, OFFER AND SALE OF THE NOTES

### General

The Issuer has agreed in an agreement to be signed on or about 7 August 2015 to sell to BNP Paribas, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch and HSBC Bank plc (together, the "**Managers**"), and the Managers have agreed, subject to certain customary closing conditions, to purchase, the Notes on 12 August 2015 (the "**Issue Date**") at a price of [■] per cent. of their Aggregate Principal Amount (the "**Issue Price**"). Proceeds to the Issuer will be net of commissions of up to 0.70 per cent. (including a base fee of 0.40 per cent.) of the Aggregate Principal Amount of the Notes payable to the Managers. The Issuer has furthermore agreed to reimburse the Managers for certain expenses incurred in connection with the issue of the Notes.

The Managers are entitled, under certain circumstances, to terminate the agreement reached with the Issuer. In such event, no Notes will be delivered to investors. Furthermore, the Issuer has agreed to indemnify the Managers against certain liabilities in connection with the offer and sale of the Notes.

The Managers or their affiliates have provided from time to time, and expect to provide in the future, investment services to the Issuer and its affiliates, for which the Managers or their affiliates have received or will receive customary fees and commissions.

There are no interests of natural and legal persons involved in the issue, including conflicting ones, which are material to the issue.

### Offer of the Notes

#### *Offer period and determination of pricing details*

The Notes will be offered to investors by the Managers during an offer period which will commence on 4 August 2015 and will end on the Issue Date subject to any shortening or extension of the offer period. During the offer period, investors may submit orders to the Managers. The Issue Price, the Prevailing Interest Rate for the Initial Fixed Rate Period, the initial credit spread, several margins, and the Aggregate Principal Amount will be determined on the basis of the orders received by the Managers on the pricing date which is expected to be on or about 4 August 2015 (the "**Pricing Date**"). The Aggregate Principal Amount will be determined on the basis of the number and the volume of orders which offer a yield acceptable to the Issuer. Such information as well as the results of the offer will be included in a notification which will be filed with the Commission and published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) on or about the Pricing Date (the "**Pricing Notice**"). In the case the pricing date is postponed this will also be included in the Pricing Notice. Should the Issuer and the Managers determine any shortening or extension of the offer period, which could be the result of changing market conditions, such changes will be notified in the same manner as the pricing details will be published or, if applicable, a supplement to the Prospectus will be prepared and published in accordance with Article 13 of the Luxembourg Act relating to prospectuses for securities.

#### *Public offer*

The Notes will be sold to institutional investors and retail investors in compliance with the public offer restrictions in all countries in the European Union. A public offer may be made in the Federal Republic of Germany, The Netherlands and the Republic of Austria, following the notification of the Prospectus by the Commission according to Article 18 of the Prospectus Directive to the relevant competent authority.

#### *Conditions and technical details of the offer*

The following sets out details of the offer which is required to comply with the requirements of the applicable prospectus regulation. There are no conditions to which the offer is subject. Prior to the Pricing Date the Bookrunners (*i.e.* BNP PARIBAS, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, HSBC Bank plc) will open an order book. The Managers will invite investors to provide offers to purchase Notes using the information system Bloomberg or any other commonly used information systems. Upon such invitation investors may submit their offers to buy Notes, using such information systems. Any offer made by investors will specify a minimum credit spread and the number of Notes the relevant investor is willing to purchase. Following the publication of the Pricing Notice, the Managers will offer the Notes upon request through banking institutions in the Federal Republic of Germany, The Netherlands and the Republic of Austria. These institutions will supply investors with the relevant information on such offers. Subscription rights for the

Notes will not be issued. Therefore, there are no procedures for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised. Any investor who has submitted an order in relation to the Notes and whose order is accepted will receive a confirmation by electronic mail, fax or through commonly used information systems relating to the respective allotment of Notes. Before an investor receives a confirmation from the Managers that its purchase order for the Notes has been accepted, the investor may reduce or withdraw its purchase orders. Any investor will receive relating to the respective allotment of the Notes a confirmation relating to the results of the offer. There is no minimum or maximum amount of Notes to be purchased. Investors may place offers to purchase Notes in any amount.

*Confirmation in relation to an order and allotments as well as delivery of the Notes*

Following the pricing of the Notes and confirmation which orders have been accepted and which amounts have been allotted to particular investors, delivery of and payment for the Notes will be made within 6 business days (which period may be shorter) after the date of pricing of the Notes and the confirmation of the allotment to investors. The Notes will be delivered via book-entry through the Clearing System and its account holding banks against payment of the Issue Price.

*Charges and costs relating to the offer*

The Issuer will not charge any costs, expenses or taxes directly to any investor. Investors must inform themselves about any costs, expenses or taxes in connection with the purchase of Notes which are generally applicable in their respective country of residence, including any charges of their own depository banks in connection with the purchase or holding of securities.

*Method of determination of the Issue Price, the Prevailing Interest Rate for the Initial Fixed Rate Period and the initial credit spread*

The the Issue Price, Prevailing Interest Rate for the Initial Fixed Rate Period and the initial credit spread for the Notes will be determined at the time of pricing on the basis of a yield which will be determined on the basis of the orders of the investors which are received by the Managers during the offer period. Orders will specify a minimum yield and may only be confirmed at or above such yield. The resulting yield will be used to determine an Issue Price and the Prevailing Interest Rate for the Initial Fixed Rate Period (which is expected to be a percentage figure which can be evenly divided by 1/8 of a full per cent.), all to correspond to the yield.

## SELLING RESTRICTIONS

### 1. General

Each Manager has represented and agreed that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in or from which it purchases, offers, sells or delivers the Notes or possesses or distributes the Prospectus and that it will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Managers shall have any responsibility therefor.

### 2. European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State other than the offers contemplated in the Prospectus in the Grand Duchy of Luxembourg, the Federal Republic of Germany, The Netherlands and the Republic of Austria from the time the Prospectus has been approved by the competent authority in the Grand Duchy of Luxembourg and published and notified to the relevant competent authorities in accordance with the Prospectus Directive until 12 August 2015, and provided that the Issuer has consented in writing to use of the Prospectus for any such offers, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State at any time:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Manager or Managers nominated by the Issuer for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes shall require the Issuer or any Manager to publish a Prospectus pursuant to Article 3 of the Prospectus Directive or supplement a Prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

### 3. United States of America and its Territories

Each Manager has acknowledged that the Notes have not been and will not be registered under the Securities Act and may not be offered, sold or delivered within the United States of America (the "**United States**") to or for the account or benefit of, United States persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Manager represents and agrees that neither it nor any persons acting on its behalf has offered, sold or delivered and will offer, sell or deliver any Notes within the United States except in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, each Manager represents and agrees that neither it, its affiliates nor any persons acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Notes. Terms used in this subparagraph have the meaning given to them by Regulation S.

The Notes will be issued in accordance with the provisions of United States Treasury Regulation § 1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**" or "**TEFRA D**").

- (a) Except to the extent permitted under TEFRA D, each Manager represents that (i) it has not offered or sold, and agrees that during the restricted period it will not offer or sell, such Notes to a person who is within the United States or its possessions or to a United States person, and (ii) it has not delivered and agrees that it will not deliver within the United States or its possessions such Notes that are sold during the restricted period;
- (b) Each Manager represents that it has and agrees that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling such Notes are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the TEFRA D Rules;
- (c) If it is a United States person, each Manager represents that it is acquiring such Notes for purposes of resale in connection with their original issuance and if it retains such Notes for its own account, it will only do so in accordance with the requirements of the TEFRA D Rules; and
- (d) With respect to each affiliate that acquires such Notes from a Manager for the purpose of offering or selling such Notes during the restricted period, such Manager repeats and confirms the representations and agreements contained in paragraphs (a), (b) and (c) above on such affiliate's behalf.

Terms used in this subparagraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the TEFRA D Rules.

#### **4. United Kingdom of Great Britain and Northern Ireland**

Each Manager has represented and agreed that,

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended ("**FSMA**")) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

#### **5. Hong Kong**

The Notes have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance.

No advertisement, invitation or document, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) has been issued or will be issued in Hong Kong or elsewhere other than with respect to the Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance and any rules made under that Ordinance.

## GENERAL INFORMATION

### Authorisation

The creation and issue of the Notes has been authorised by resolutions of the Executive Board of the Issuer dated 2 March 2015 and 28 May 2015 and by a resolution of the Supervisory Board of the Issuer dated 14 January 2015.

### Use of proceeds

In connection with the offering of the Notes, the Issuer expects to receive net proceeds of approximately EUR [■] which are intended to be used for general corporate purposes. The total expenses of the issue are expected to amount to EUR 950,000 plus commissions payable to the Managers of up to 0.70 per cent. (including a base fee of 0.40 per cent.) of the Aggregate Principal Amount of the Notes.

### Listing and admission to trading

Application has been made to list the Notes on the official list of and to admit them to trading on the regulated market of the Luxembourg Stock Exchange.

### Clearance and settlement

The Notes have been accepted for clearance through Clearstream Banking S.A., Luxembourg and Euroclear Bank SA/NV. The Notes have been assigned the following securities codes: ISIN XS1271836600, Common Code 127183660, WKN A161YP.

### Credit rating

The Notes are expected to be rated BB<sup>1</sup> by Standard and Poor's Credit Market Services Europe Limited ("Standard & Poor's")<sup>2</sup> upon issuance.

### Documents on display

For so long as any Note is outstanding, copies of the following documents will, when published, be available free of charge during normal business hours from the registered office of the Issuer and may be inspected during normal business hours at the specified office of the Principal Paying Agent:

- (i) the constitutional documents (with an English translation where applicable) of the Issuer;
- (ii) the published audited consolidated financial statements of Lufthansa Group for the financial years ended on 31 December 2013 and on 31 December 2014;
- (iii) the published reviewed consolidated interim financial statements of Lufthansa Group dated for the period from 1 January – 30 June 2015.
- (iv) a copy of this Prospectus;
- (v) any supplement to this Prospectus.

<sup>1</sup> Obligations rated "BB", "B", "CCC", "CC" and "C" are regarded as having significant speculative characteristics. "BB" indicates the least degree of speculation and "C" the highest. While such obligations will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposures to adverse conditions. An obligation rated "BB" is less vulnerable to nonpayment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation.

<sup>2</sup> Standard & Poor's is established in the European Community and is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended, (the "CRA Regulation"). The European Securities and Markets Authority publishes on its website ([www.esma.europa.eu](http://www.esma.europa.eu)) a list of credit rating agencies registered in accordance with the CRA Regulation. That list is updated within five working days following the adoption of a decision under Article 16, 17 or 20 CRA Regulation. The European Commission shall publish that updated list in the Official Journal of the European Union within 30 days following such update.

## DOCUMENTS INCORPORATED BY REFERENCE

### Documents incorporated by reference

the published audited consolidated financial statements of Lufthansa Group for the financial years ended on dated 31 December 2013 and 31 December 2014, in each case including the auditors' report thereon;

the published reviewed consolidated interim financial statements of Lufthansa Group for the period from 1 January – 30 June 2015.

### Comparative table of documents incorporated by reference

Page	Section of Prospectus	Document incorporated by reference
118	Deutsche Lufthansa Aktiengesellschaft as Issuer, Financial Information	<p>Audited consolidated financial statements 2013 of Lufthansa Group (p. 132 – p. 208)            Consolidated balance sheet (p. 134 – p. 135),            Consolidated income statement and Statement of comprehensive income (p. 133),            Statement of changes in shareholders' equity (p. 136),            Cash flow statement (p. 137),            Notes (p. 138 – p. 207),            Independent auditors' report (p. 208).</p> <p>Audited consolidated financial statements 2014 of Lufthansa Group (p. 147 – p. 222)            Consolidated balance sheet (p. 150 – p. 151),            Consolidated income statement (p. 148)            Statement of comprehensive income (p. 149),            Statement of changes in shareholders' equity (p. 152),            Cash flow statement (p. 153),            Notes (p. 154 – p. 207),            Independent auditors' report (p. 222).</p> <p>Reviewed consolidated interim financial statements 1 January – 30 June 2015 of Lufthansa Group (p. 25 – p. 38)            Consolidated Balance Sheet (p. 26 – p. 27),            Consolidated Income Statement (p. 25),            Statement of comprehensive income (p. 25),            Statement of changes in shareholders' equity (p. 28),            Cash Flow Statement (p. 29),            Notes (p. 30 – p. 37),            Review Report (p 38).</p>

Any information incorporated by reference that is not included in the above list, is considered as additional information and is not required by the relevant schedules of the Commission Regulation (EC) 809/2004.



**Availability of incorporated documents**

Any document incorporated herein by reference can be obtained without charge at the offices of the Issuer as set out at the end of this Prospectus. In addition, such documents will be available free of charge from the specified office of the Principal Paying Agent as set out at the end of this Prospectus and will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

## **NAMES AND ADDRESSES**

### **THE ISSUER**

**Deutsche Lufthansa Aktiengesellschaft**  
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United Kingdom

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**HSBC Bank plc**  
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United Kingdom

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Federal Republic of Germany

### **LISTING AGENT**

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*To the Issuer as to German law*

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*To the Managers as to German law*

**Hengeler Mueller**

**Partnerschaft von Rechtsanwälten mbB**

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