

Lufthansa shares plunge after profit warning

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Lufthansa's shares tumbled after a profit warning by the airline

Shares in German airline giant Lufthansa plunged more than 12 percent on Monday after the group posted a profit warning.

At 0753 GMT, the shares were down 12.5 percent at 15.48 euros, underperforming Frankfurt's main DAX index which was up 0.12

percent.

In a statement issued late Sunday, the Frankfurt-based group said it now expects to reach an [operating margin](#) of between 5.5 to 6.5 percent, down from an earlier estimate of 6.5 to 8.0 percent.

The revision in its annual targets corresponds to an operating profit of between 2.0 to 2.4 billion euros (\$2.2 -2.7 billion). The [outlook](#) also factors in a fuel cost increase of 550 million euros.

Further, it said it would set aside 340 million euros over "tax risk" linked to a case in Germany between 2001 and 2005.

Lufthansa plunged into the red in the first quarter of this year, but when they were announced in April it had stuck to its annual targets.

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