

Quarterly report

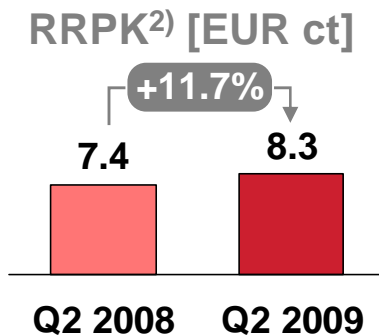
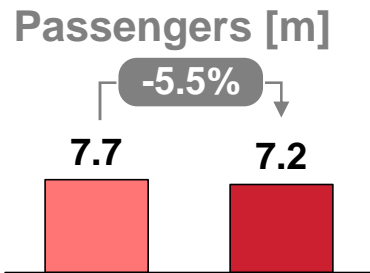
April - June 2009



Berlin, August 25th, 2009

Air Berlin compensated decline in demand by increasing yields – Positive EBIT development

Performance Q2



DEMAND

Industry wide **decline in demand** burdened overall passenger volume

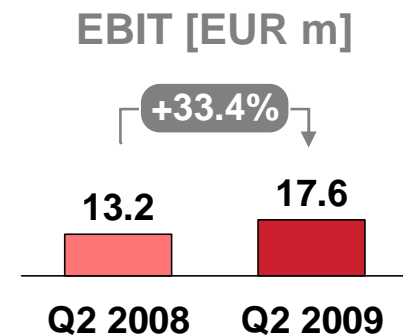
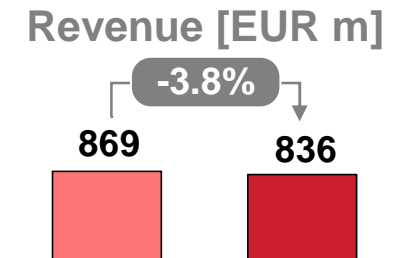
CAPACITY

Capacity reductions, with a focus on long haul flights, implemented

YIELD

Increased revenue per passenger kilometer due to capacity reductions

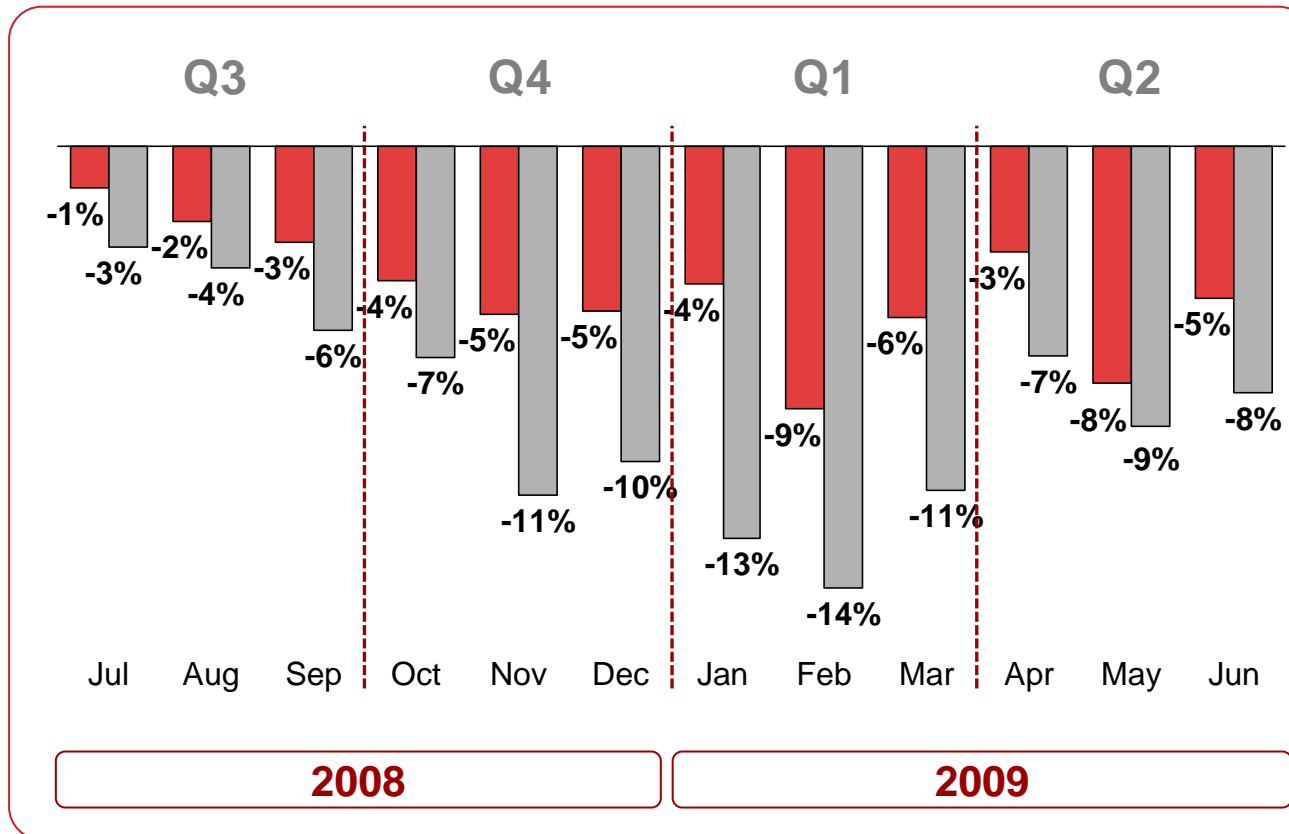
Result Q2



1) ASK: Available seat kilometer
2) RRPK: Revenue per passenger kilometer

Air Berlin continues to outperform the general market – Never the less slight reduction in passenger volume

European passenger development year-on-year [%]



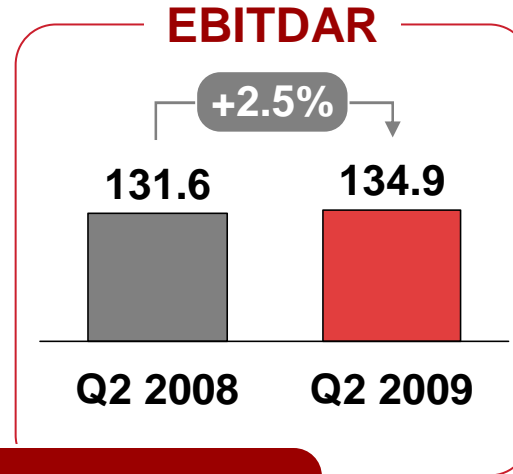
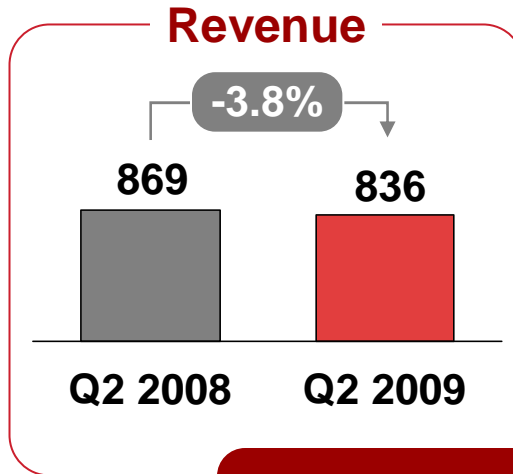
- The demand in pan-European travel is decreasing at a decreasing rate
- In the shrinking market, Air Berlin is gaining additional market shares

■ Air Berlin
■ AEA (Region geographical Europe and Domestic)



Demand reduction and reduced capacity lead to slightly reduced revenues – EBIT increase achieved

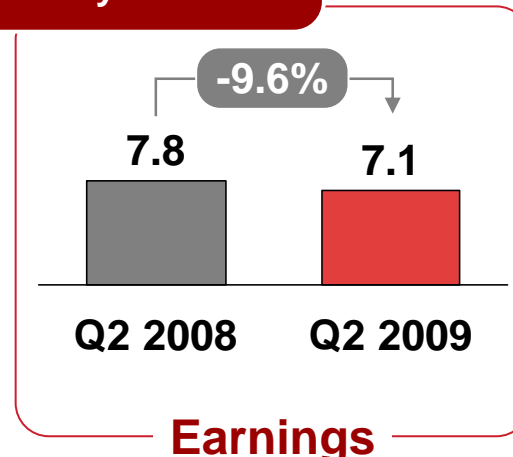
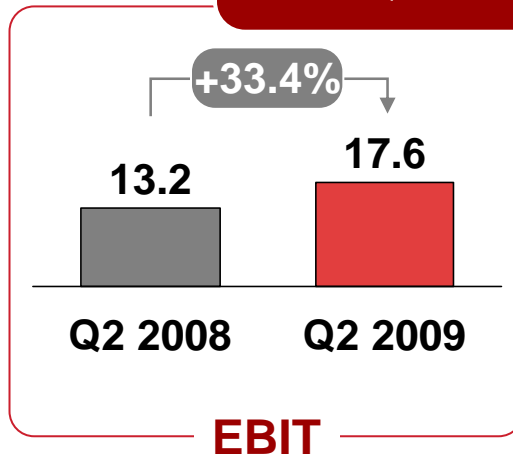
→ Declining revenues in the context of increased yields due to utilization and capacity reduction



→ EBITDAR increase primarily due to cost reductions

Q2 2009 year-on-year

→ Reduction of operating expenses leads to EBIT increase, even in light of increased depreciations

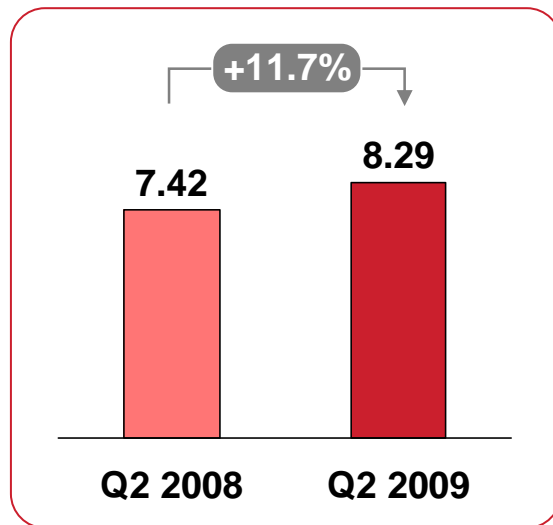


→ Earnings are slightly below previous year

Increased yields lead to a revenue growth per ASK even with a decreasing seat load factor

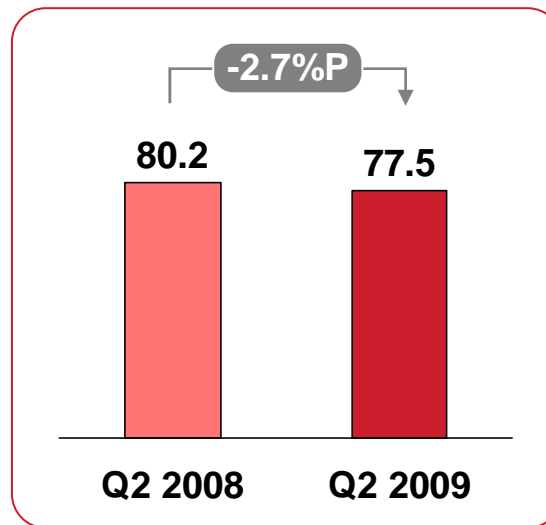
Development of operational KPIs

Revenue per passenger kilometer – RRPK [EUR ct]



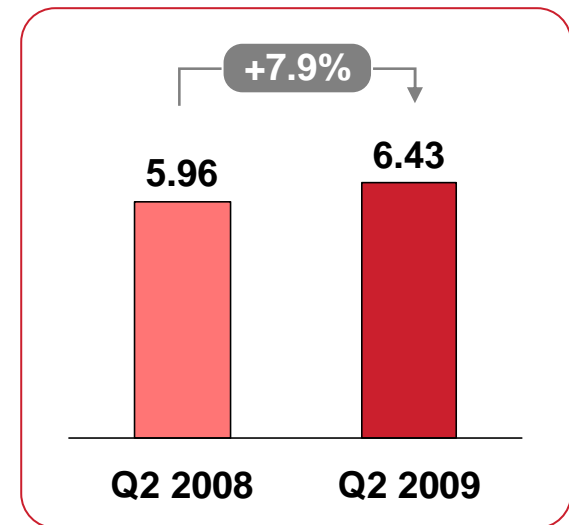
➔ Revenue per passenger kilometer rises due to improved management and customer mix

Seat load factor [%]



➔ Seat load factor declines due to the decreasing demand and subsequent capacity adjustments

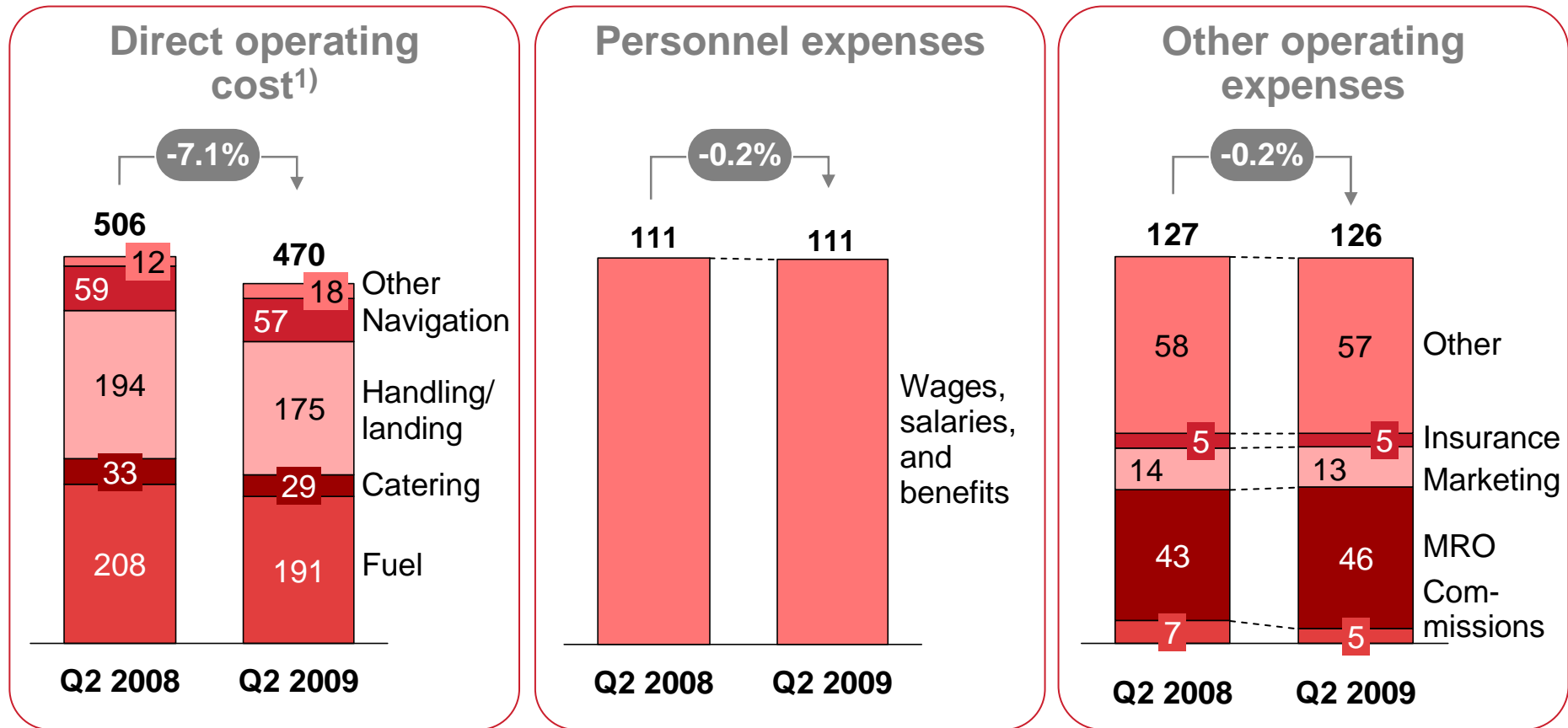
Revenue per seat kilometer – RASK [EUR ct]



➔ Revenue per available seat kilometer increased in spite of difficult economic situation

Reduction of DOC due to reduced capacity and cost reduction measurements – Other operating expenses stable

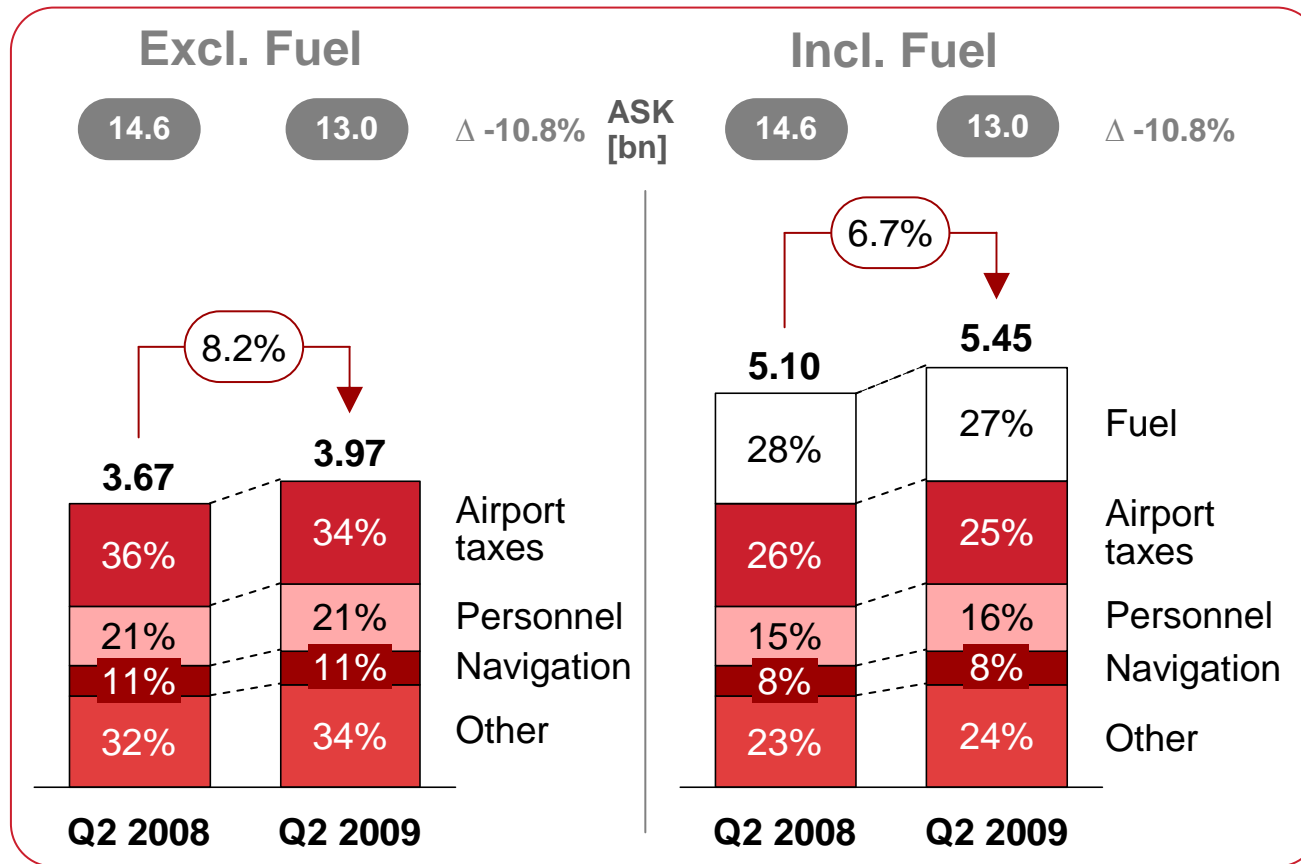
Development of expenses [EUR m]



1) Excl. leasing and depreciations

CASK increase while cost development is lagging behind capacity reduction

Change in CASK¹⁾ [EUR ct]

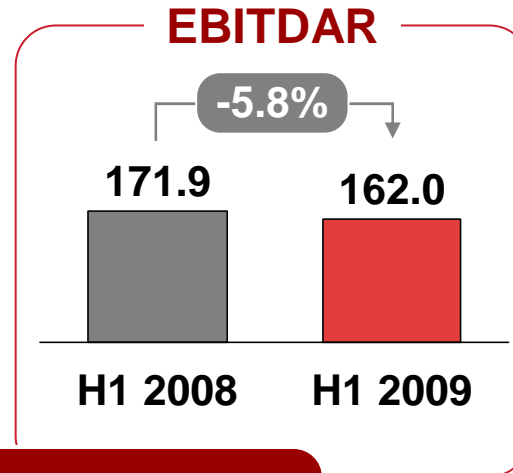
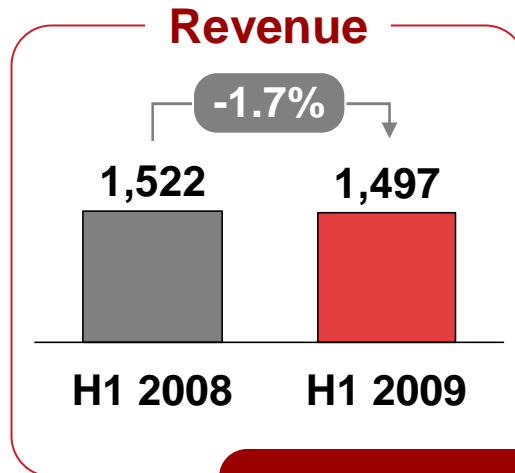


- CASK increase driven by decrease in ASK
- Share of personnel expenses rose due to new wage agreements

1) CASK: Cost per available seat kilometer (ASK)

Shrinking demand resulted in slightly lower revenues – Yield improvement cushions revenue decrease

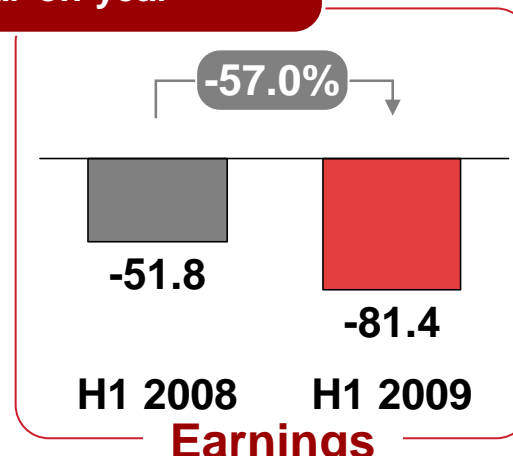
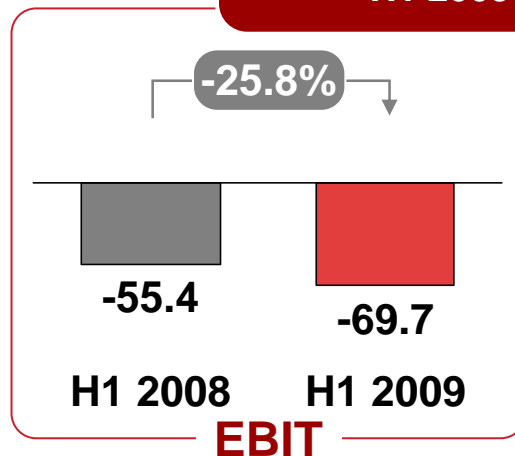
→ Despite rising yield in H1, revenues declined slightly year-on-year – Flight revenue down by only EUR 8 m



→ EBITDAR deterioration mostly because of lower revenue and burdening fuel cost in Q1

H1 2009 year-on-year

→ Moderate year-on-year increase in depreciation results in lower EBIT

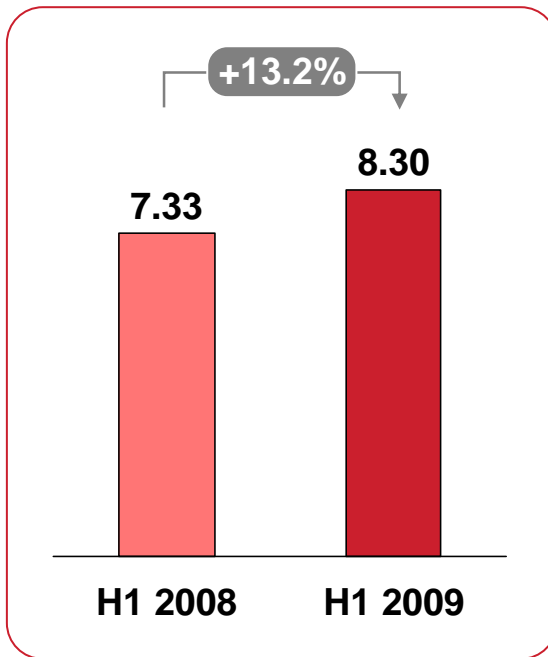


→ Earnings down year-on-year because of worsening financial result

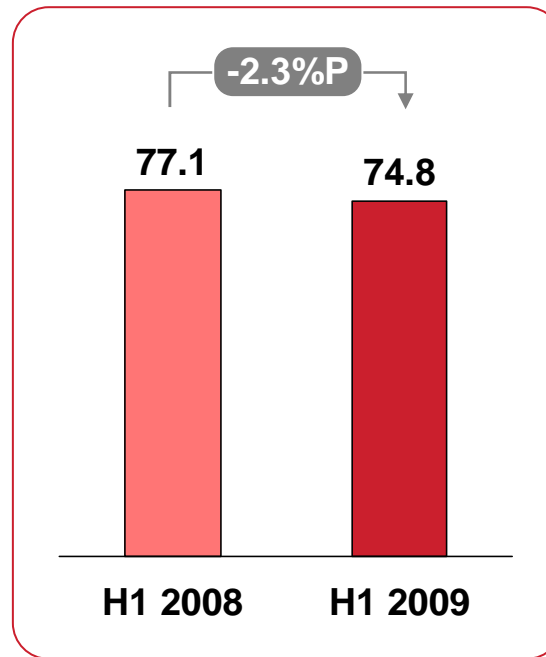
Increasing revenues per ASK in semi-annual comparison despite declining load

Development of operational KPIs

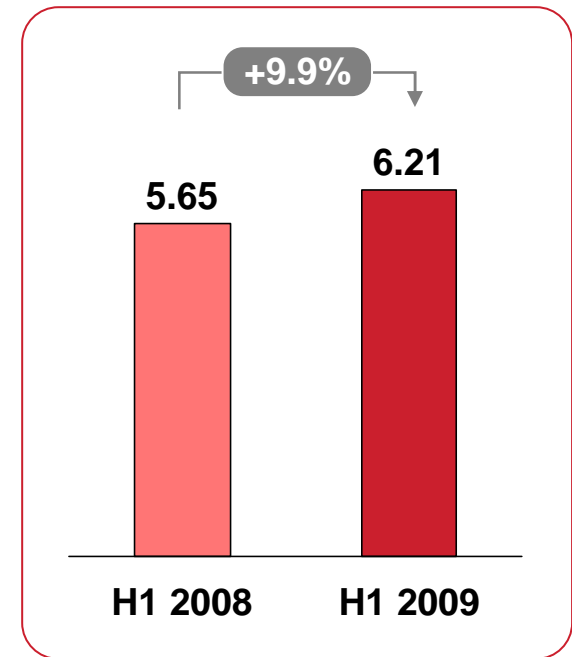
Revenue per passenger kilometer – RRPK [EUR ct]



Seat load factor [%]

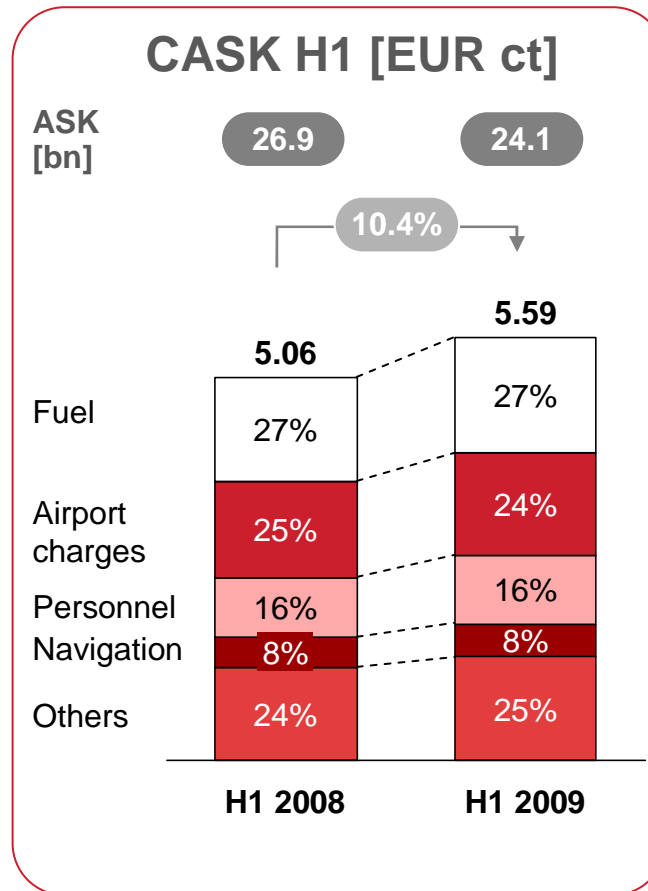
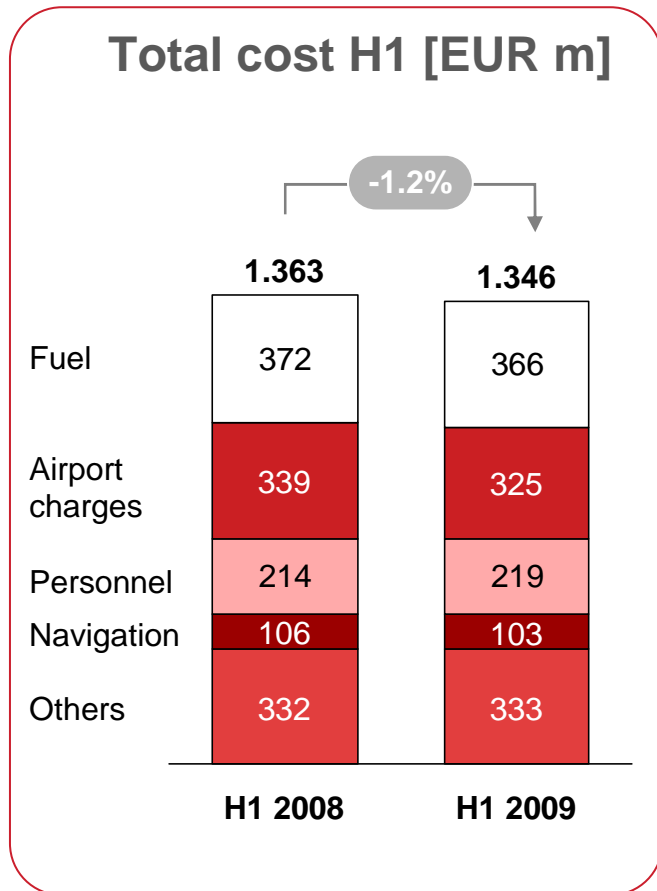


Revenue per seat kilometer – RASK [EUR ct]



In H1 total cost decreased slightly compared to 2008

Cost overview Air Berlin Group¹⁾

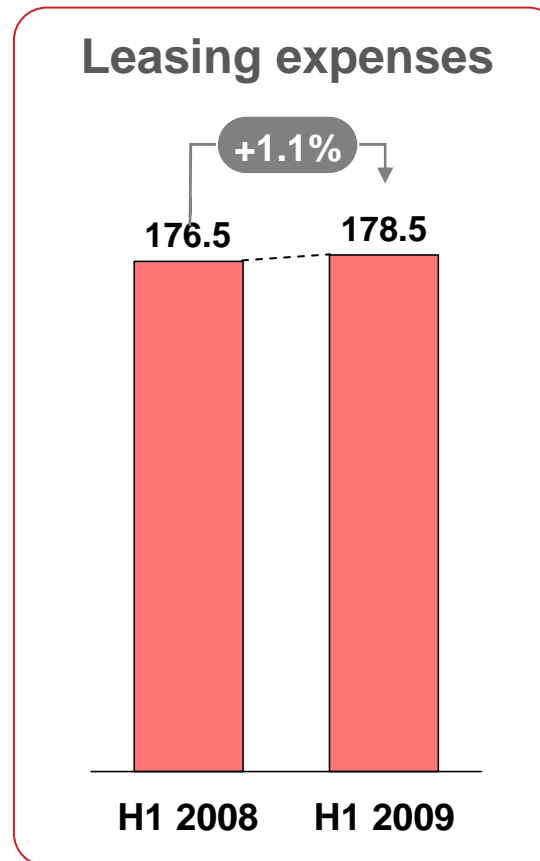
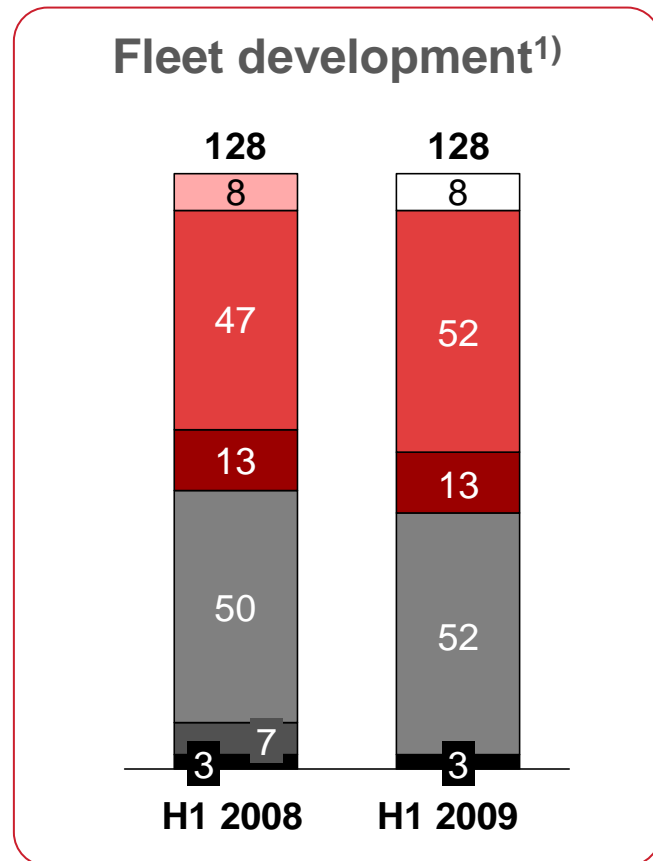


- Fixed cost cut back with time lag after capacity reduction
- Efforts to reduce fixed cost base in Q2 is covered by increase in Q1
- Personnel cost rise due to wage raise

1) Incl. Leisure Cargo

Air Berlin fleet maintains at constant size – Modernization largely completed

Fleet development [#] and leasing expenses [EUR m]



- ➔ Constant fleet size maintained while phasing out "older", fuel-intensive aircraft (B737-300)
- ➔ Q400 fleet established to profitably operate secondary routes
- ➔ Leasing cost held stable

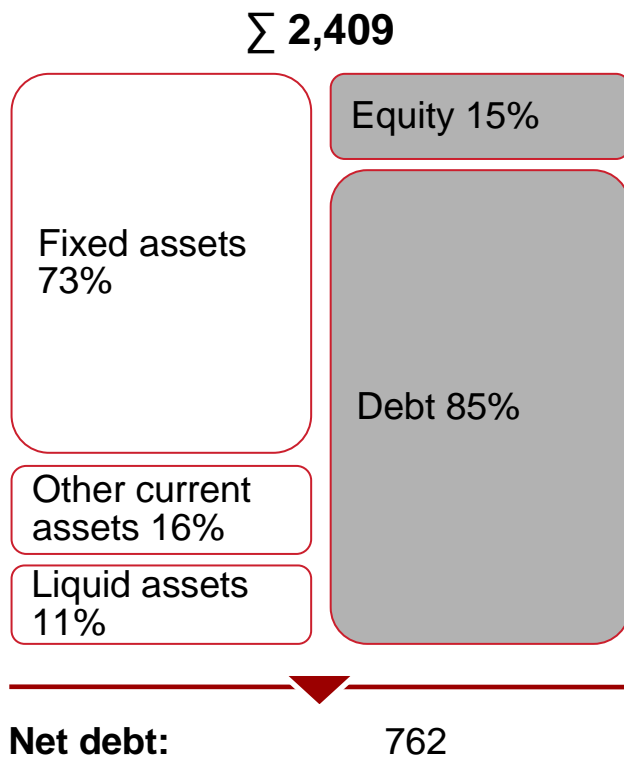
Q400
 F100
 A319-A321
 A330
 B737 NG
 B737 Classic
 B757/B767

1) As of June 30 of each year; excl. lease-outs

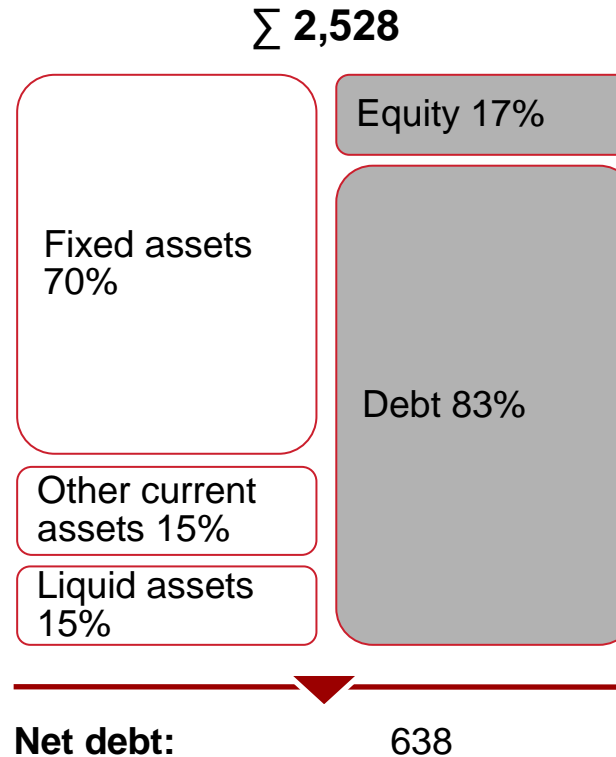
Stabilization of liquidity has a positive effect on the balance sheet – Actions to reduce net debt initiated

Balance sheet H1 2009 vs. 2008 [EUR m]

B/S as of Dec 31, 2008



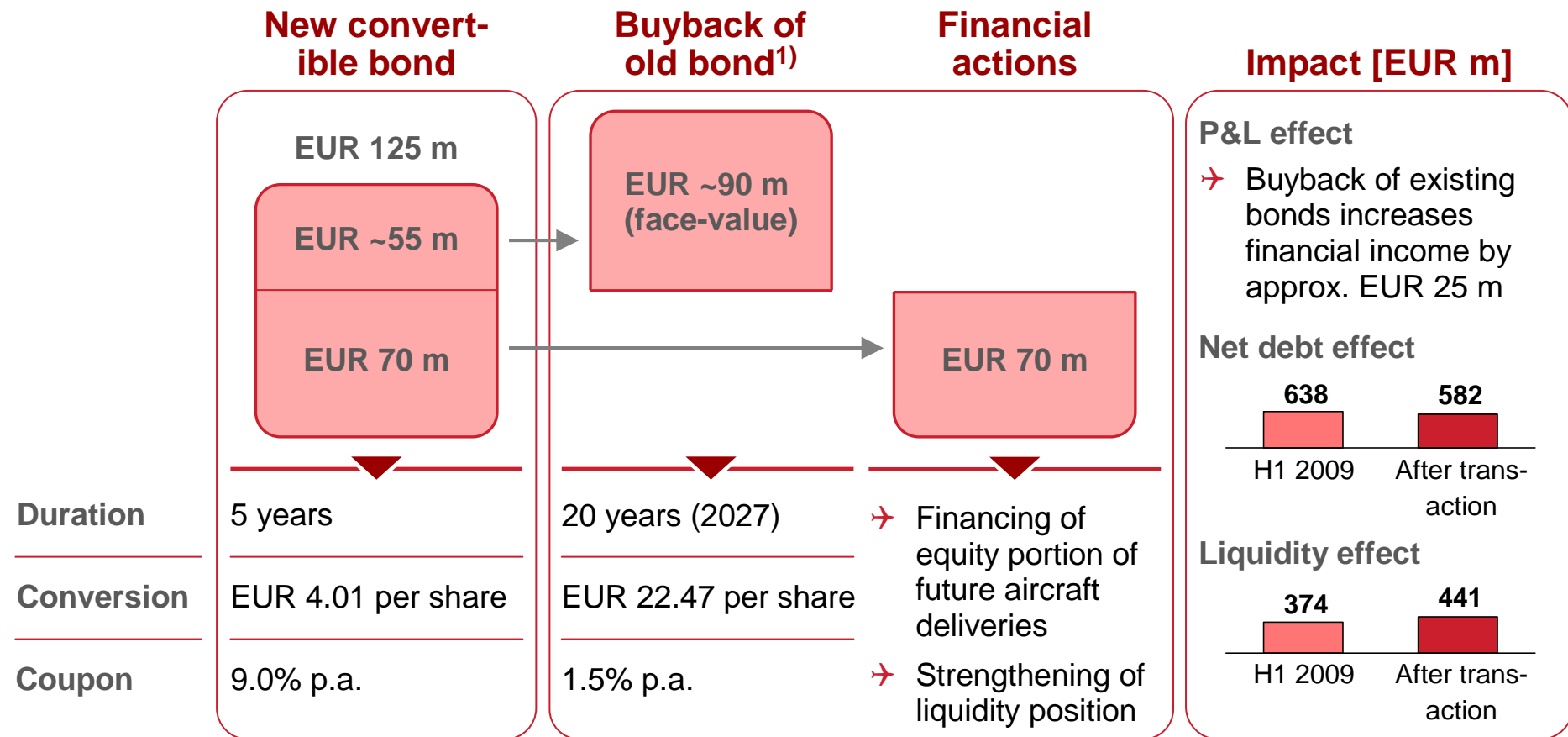
B/S as of Jun 30, 2009



- Increase of liquid funds; improvement in operating CF
- Equity still weakened by negative hedging market value and H1 loss
- Further capital actions launched to shore up equity and reduce net debt (raising capital, convertible bond)

Air Berlin successfully issued a new convertible bond and partially bought back the existing bond

Issue and use of proceeds

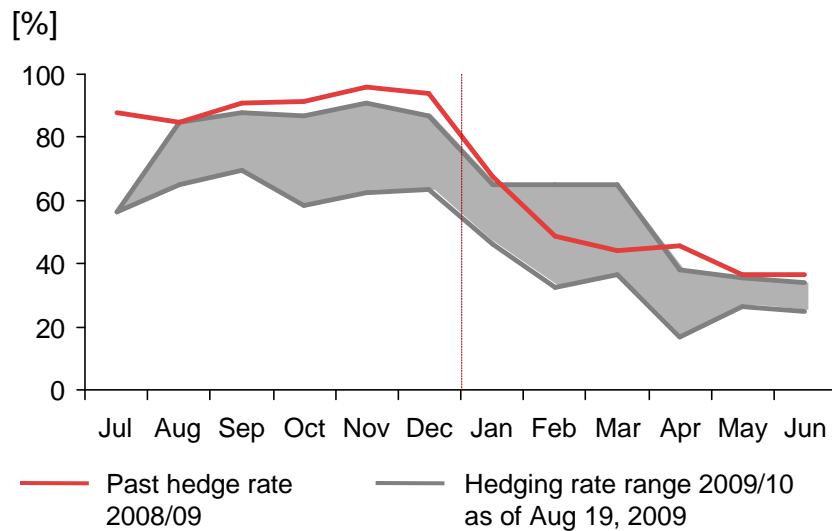


1) EUR 90 m of EUR 220 m – Estimate; Fulfillment of reverse enquiries

Increased usage of hedging options allows for participation in changes of fuel market price

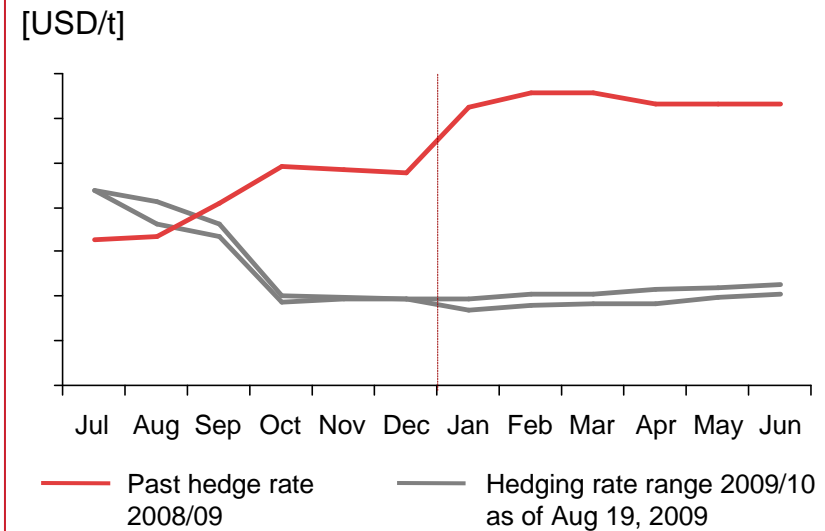
Hedging profile and fuel price development 2009 vs. 2008

Hedging profile



- ➔ Hedging position in line with company hedging policy
- ➔ Usage of options lead to improved risk profile in 2009

Hedging price



- ➔ Hedge price 2009 below previous year as from August/September
- ➔ Flexibility due to high number of options in hedging portfolio

For fiscal year 2009, Air Berlin can expect continued improvement year-on-year

Expectations for fiscal 2009 – Operational performance, result and balance sheet

Operational performance



Capacity

- Capacity adjusted in line with the development in the business segments
- Capacity on Intercont and Domestic market critically analyzed

Capacity utilization and income

- Yields expected to remain stable with slight softening
- Slight decline in capacity utilization

Earnings



Q1

- Revenue and earnings according to plan

Q2

- Revenue and earnings also within planning range

H2

- Due to declining demand, a slight decrease in load factor is to be expected along with broadly stable yields

Balance sheet



Assets

- Capital actions will increase liquidity over the course of the rest of the year

Liabilities

- Equity will be strengthened with the TUfly transaction
- At the same time, the net debt will be reduced (e.g. by issuing convertible bonds)
- Further actions planned

Year-on-year improvement is expected to continue

Performance at a glance (1/2)

Operational performance data, Air Berlin Group

Service data	Q2 2008	Q2 2009	Delta	H1 2008	H1 2009	Delta
Destinations	123	129	+4.9%	123	129	+4.9%
Aircraft (End of period)	128	128	–	128	128	–
Flights ['000]	59	55	-6.4%	108	99	-8.1%
Block hours ['000]	120	110	-8.1%	220	199	-9.5%
Capacity [m seats]	9.6	9.3	-2.2%	17.5	17.0	-3.0%
ASK [bn]	14.6	13.0	-10.8%	26.9	24.1	-10.5%
Passengers [m]	7.7	7.2	-5.5%	13.5	12.7	-5.8%
RPK ¹⁾ [bn]	11.7	10.1	-13.9%	20.8	18.0	-13.2%
Seat load factor [%]	80.2	77.5	-2.7%P	77.1	74.8	-2.3%P
Revenue ²⁾ /ASK [EUR ct]	5.96	6.43	+7.9%	5.65	6.21	+9.9%
Revenue ²⁾ /RPK [EUR ct]	7.42	8.29	+11.7%	7.33	8.31	+13.4%

1) Revenue passenger kilometer

2) Total revenue



Performance at a glance (2/2)

Financial data, Air Berlin Group [EUR m]

Financial data	Q2 2008	Q2 2009	Delta	H1 2008	H1 2009	Delta
Total revenue	868.9	836.2	-3.8%	1,522.4	1,497.0	-1.7%
Other income	7.2	6.9	-3.8%	12.4	11.2	-9.7%
Fuel	208.6	191.6	-8.2%	371.8	366.1	-1.5%
Airport taxes	193.7	174.8	-9.8%	339.5	325.2	-4.2%
Personnel	111.4	111.2	-0.2%	213.8	218.9	+2.4%
Navigation	58.9	57.1	-3.0%	105.7	102.9	-2.6%
Other expenses	171.8	173.2	+1.1%	332.1	333.1	+0.3%
EBITDAR	131.6	134.9	+2.5%	171.9	162.0	-5.8%
EBIT	13.2	17.6	+33.4%	-55.4	-69.7	-25.8%
Net income	7.8	7.1	-9.6%	-51.8	-81.4	-57.0%