

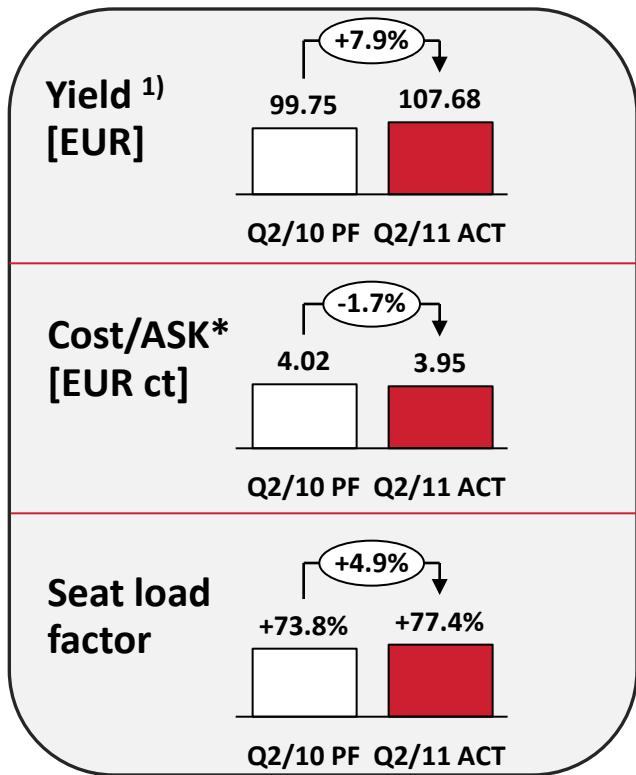
AIR BERLIN PLC

Q2 RESULTS, APRIL – JUNE 2011

Berlin, August 18th, 2011



Management Summary



Measures:

- Increase of fuel surcharge
- Uplift price curve
- More restrictive price curve
- Increase in ancillary revenue



Measures:

- Decrease DOCs
- Leveraging fixed cost basis

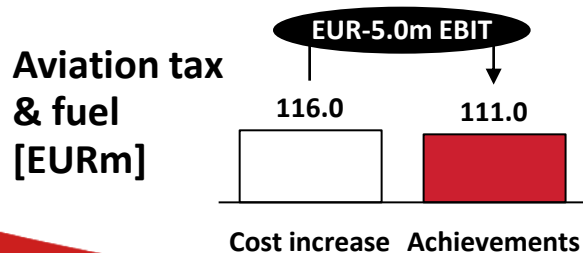


Measures:

- Increasing capacity as compared to Q2/10 pro forma only in the magnitude of "lost seats" due to volcano impact
- Adjusting distribution mix



~ EUR 111.0m



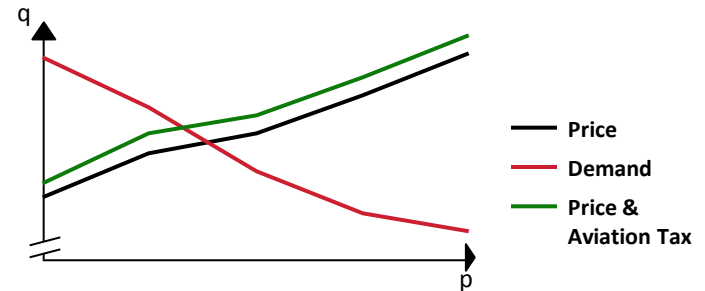
Operational improvement was not sufficient to offset cost increase coming from aviation tax and fuel

1) based on flight revenue incl. aviation tax
 * EBITDAR-level excl. fuel and aviation tax

Impact of aviation tax and impact of the crisis in North Africa

Impact of Aviation tax

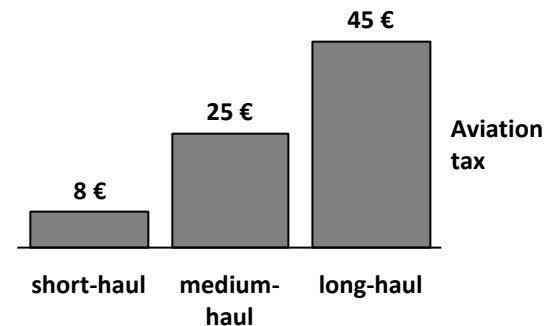
- Limitation of price increases in smaller catchments
- Demand in airports near foreign airports decreases significantly
- Bigger price/demand elasticity in hubs



Impact of the crisis

On top of problems resulting from the aviation tax, touristic/leisure operations continue to suffer:

- from weak demand to North Africa
- Pressure on yields to core touristic destinations such as Spain as overcapacity was build up given the fact that a lot of carriers shifted capacity form North Africa to Spain



Reduction in network initiated to cope with change in behavior pattern due to aviation tax

Shape & Size with two dimensions

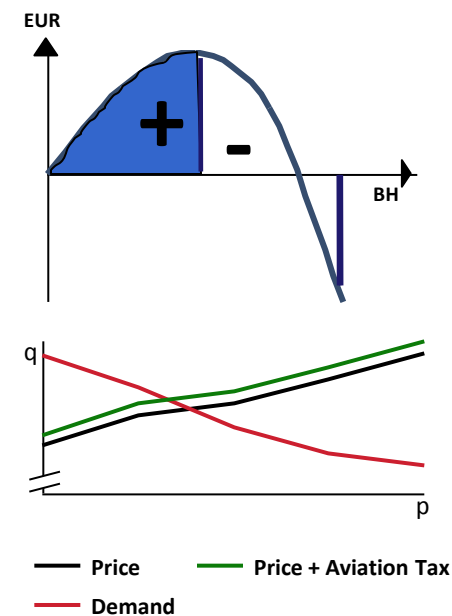
- **Short term measures to limit negative impact especially in Winter 2011/12**
- **Structural measures to realign the network for profitability in 2012**

Initiatives: SHAPE & SIZE

1) Network

- Cancellation of DB1 + DB2 negative and strategic unimportant routes
- Aggregation of high frequency routes
- Increase of hub utilization

- Reducing flights from smaller airports for scheduled services to cope with price-and-demand elasticity patterns due to aviation tax

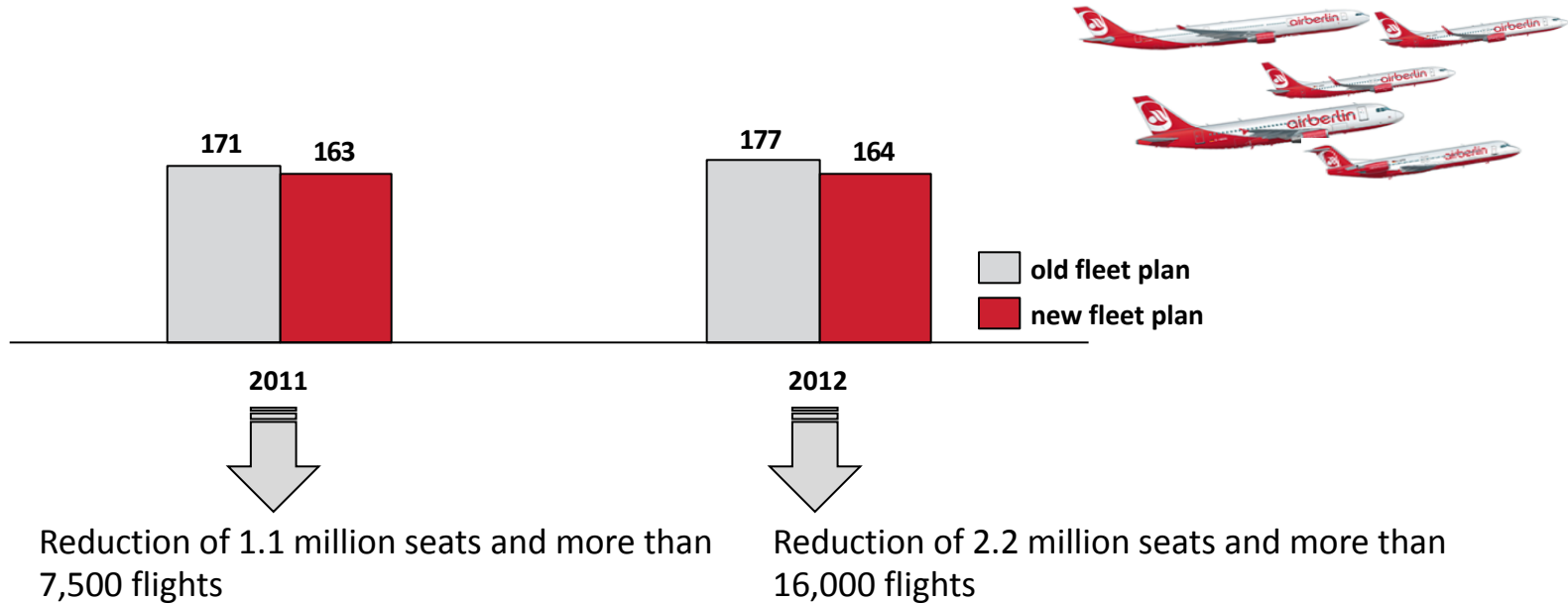


TARGET:

- Focusing on four continental hubs (Berlin, Dusseldorf, Vienna and Palma) and gain connecting traffic
- Focusing on two long-haul hubs with moderate growth targets together with **oneworld**[®] partners
 - Touristic / leisure flights in smaller airports will remain where feasible

Initiatives: SHAPE & SIZE

2) Fleet



TARGET:

Reduction in network growth to a nearly flat scenario, unless

- a) otherwise supported by profitable business opportunities or
- b) driven by productivity increase

SHAPE & SIZE: Network adjustments mainly in second half of 2011

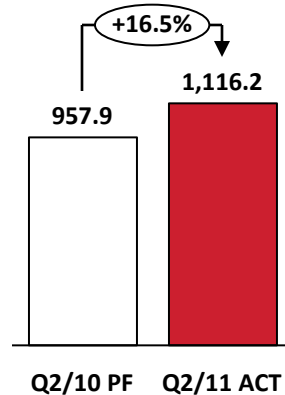
Net adjustments

	Cityshuttle		Balearic / Iberia		Domestic Spain		Domestic Germany		International Charter		Inter-continental	
Seats	-520,741		-293,015		-58,413		-260,095		-41,214		-21,267	
Flights	-2,774		-1,780		-396		-1,068		-374		-47	
	Seats ['000]	Examples	Seats ['000]	Examples	Seats ['000]	Examples	Seats ['000]	Examples	Seats ['000]	Examples	Seats ['000]	Examples
Cancellation	-70	FKB-VIE	-13	DUS-BIO	-8	PMI-MJV	-43	HAM-FRA	-21	RJK	-3	DUS-LIR
	-93	HAJ-LGW	-51	VIE-MAD					-9	PRN	-5	AUA
	-14	PAD-MAN	-8	SCN-PMI								
	-14	STR-LED										
	-14	FMO-VIE										
	-10	FMO-STN										
Frequencies	-18	DUS-DME	-4	HAM-AGP	-11	PMI-SCQ	-12	TXL-CGN	-48	SSH	-1	DUS-LAX
	-24	DUS-VIE	-16	DUS-BCN	-8	PMI-SVQ	-26	DUS-MUC	-41	HRG	-5	SDQ
	-17	NUE-VIE	-14	DUS-PMI	-6	PMI-XRY	-18	DUS-TXL	-13	PRN		
	-12	VIE-ARN	-10	FRA-PMI			-22	HAM-NUE				
	-29	VIE-MXP	-10	HAJ-PMI			-15	TXL-STR				
	-12	TXL-BSL	-13	MUC-PMI								

Result of airberlin [in EURm] – Q2 2011

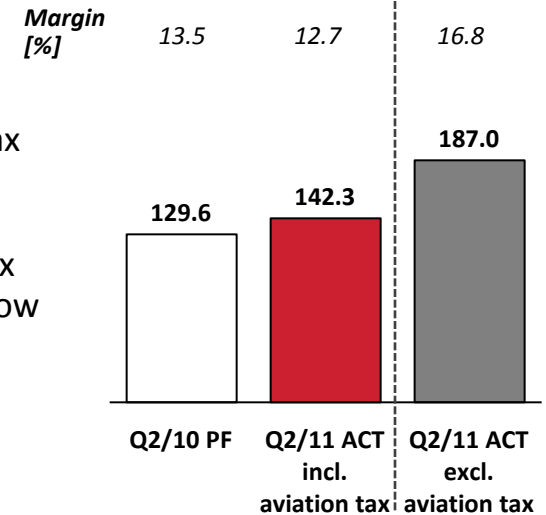
Total Revenue

Revenue slightly up compared to pro forma, mainly driven by volcano disruption last year



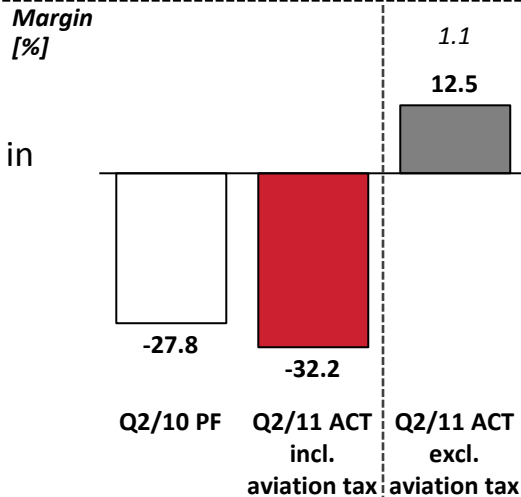
EBITDAR

Excluding aviation tax EBITDAR margin increased to 16.8%; including aviation tax EBITDAR margin below previous year



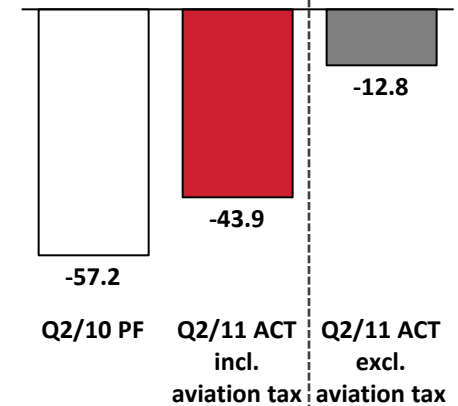
EBIT

EBIT development in line with EBITDAR



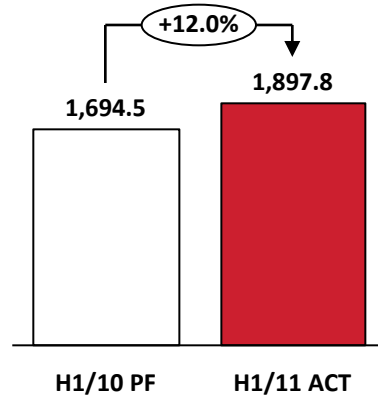
Net Profit

Net profit higher than previous year due to higher tax credit



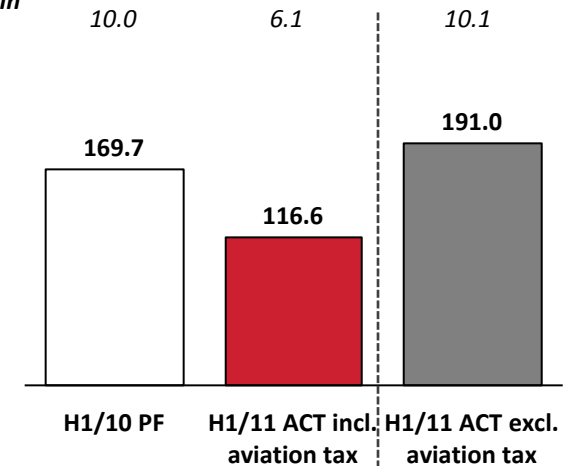
Result of airberlin [in EURm] – 1st half 2011

Total Revenue

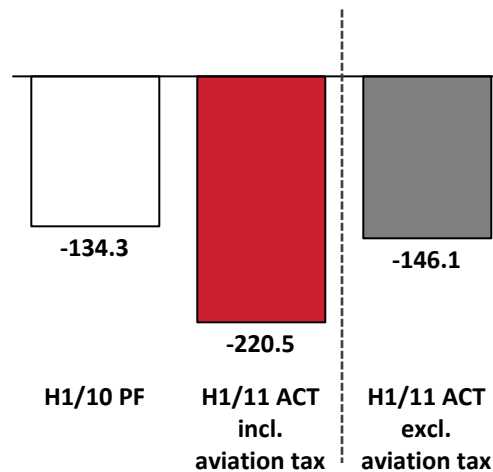


EBITDAR

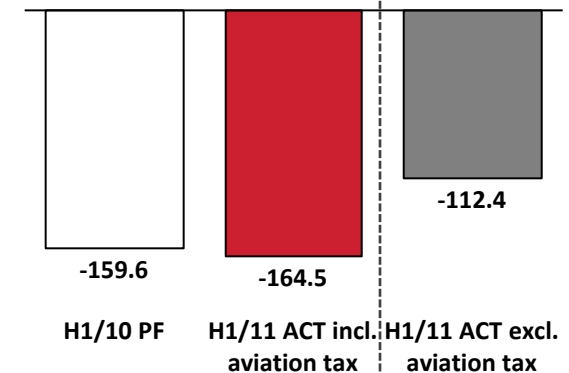
Margin [%]



EBIT

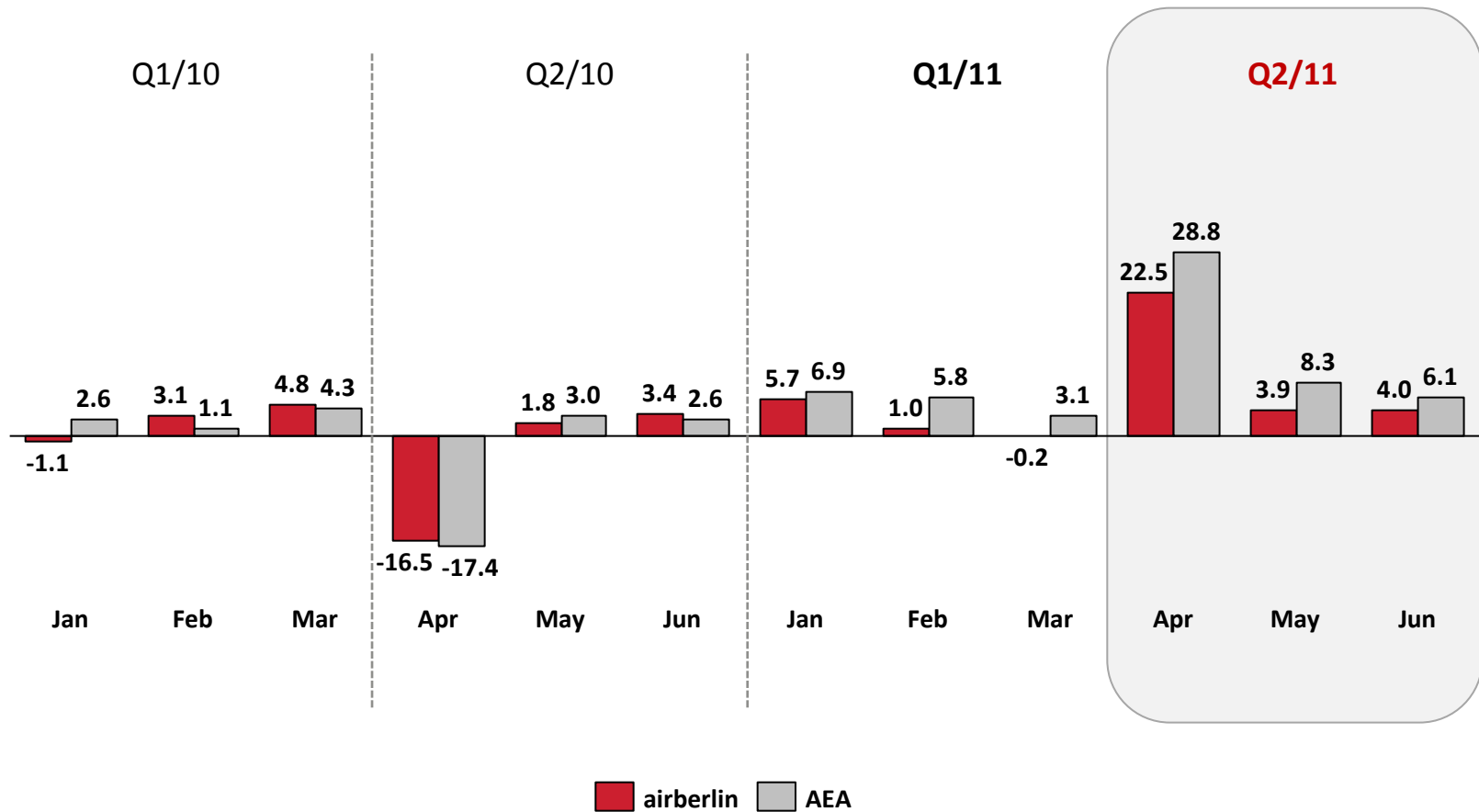


Net Profit



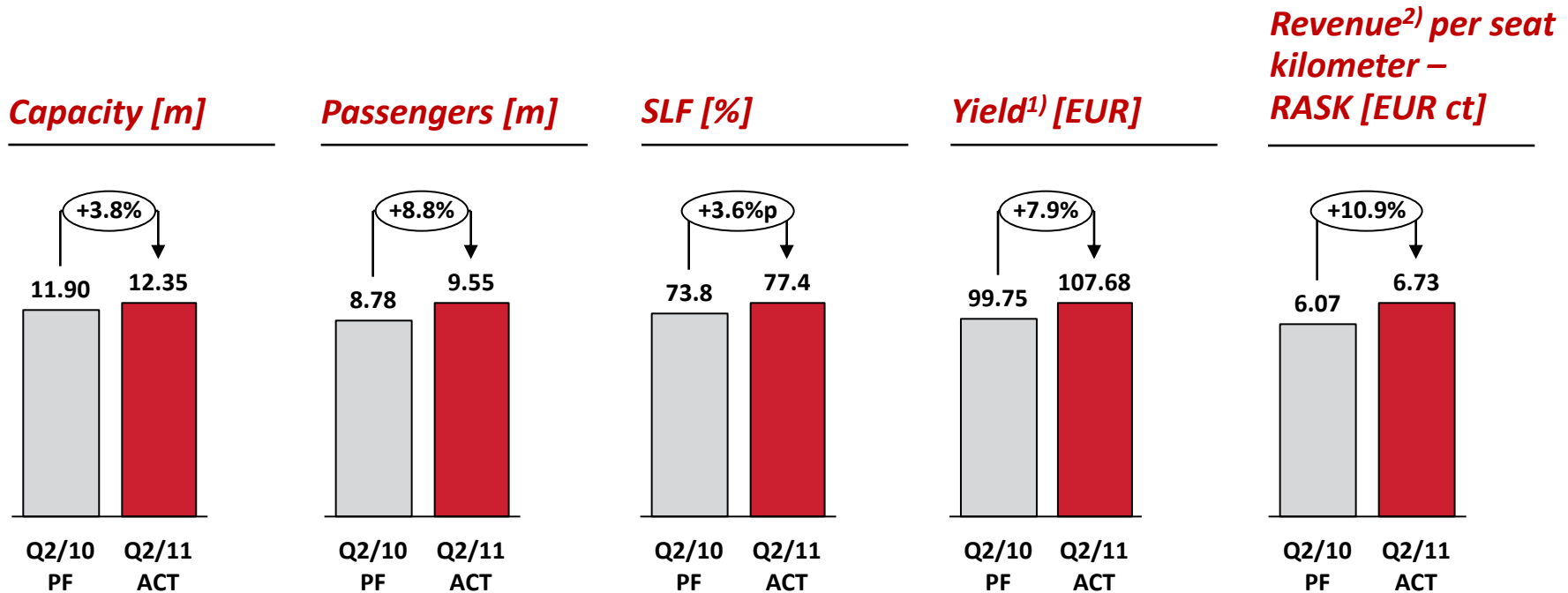
Overall market development

2011 Pax development across the industry year-on-year* [%]



Capacity, passengers, seat load factor and yield development

Development of operational KPIs



- Passenger number up as compared to pro forma
- Capacity utilization above previous year pro forma seat load factor
- Yields above previous year pro forma; challenging market conditions for touristic business
- Higher yield and seat load factor brought RASK up

1) based on flight revenue incl. aviation tax

2) based on total revenue incl. aviation tax

PF= pro forma (incl. HG)

KPI development in business segments

Operational performance by business segment – Q2 2010 pro forma vs. Q2 2011 actual

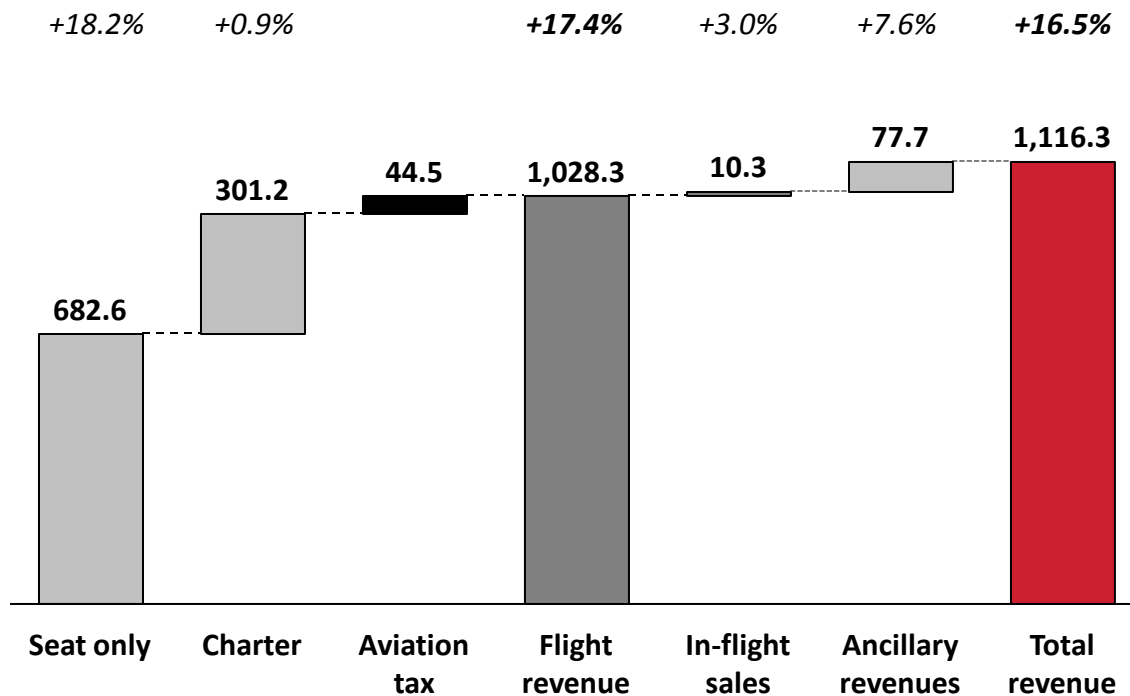


	DOMESTIC			EURO SCHEDULE			EURO CHARTER			INTERCONT			TOTAL		
	Q2/10 PF	Q2/11 ACT	Δ	Q2/10 PF	Q2/11 ACT	Δ	Q2/10 PF	Q2/11 ACT	Δ	Q2/10 PF	Q2/11 ACT	Δ	Q2/10 PF	Q2/11 ACT	Δ
Demand															
Pax [m]	1.80	2.02	12.53%	4.92	5.44	10.49%	1.79	1.73	-3.07%	0.25	0.34	32.16%	8.78	9.55	8.76%
SLF [%]	65.4	70.1	4.8%p	72.0	76.3	4.3%p	89.6	90.2	0.6%p	84.4	87.1	2.7%p	73.8	77.4	3.6%p
Supply															
Seats [m]	2.75	2.89	4.87%	6.83	7.12	4.30%	1.99	1.92	-3.68%	0.30	0.38	28.11%	11.90	12.35	3.72%
ASK [bn]	1.29	1.35	4.60%	7.39	7.72	4.51%	4.62	4.56	-1.37%	2.35	2.89	22.69%	15.77	16.59	5.25%

airberlin's revenue increased by 17% in Q2/11 as compared to previous year on a pro forma basis

Revenue split [EURm]

**Change
from PF Q2 2010**

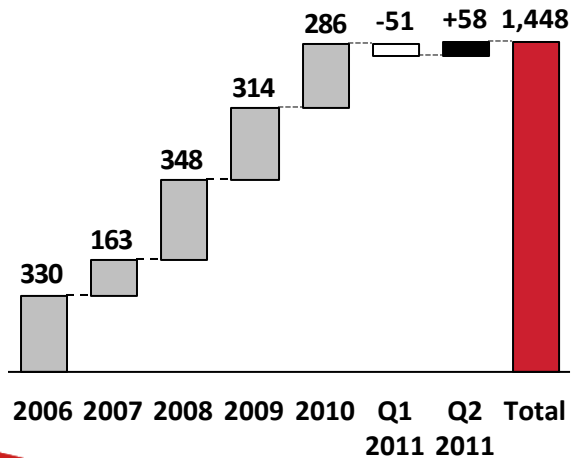


- Charter revenue slightly recovered
- On-board revenue increased due to better long-haul business
- Recovery in cargo business drove other revenue

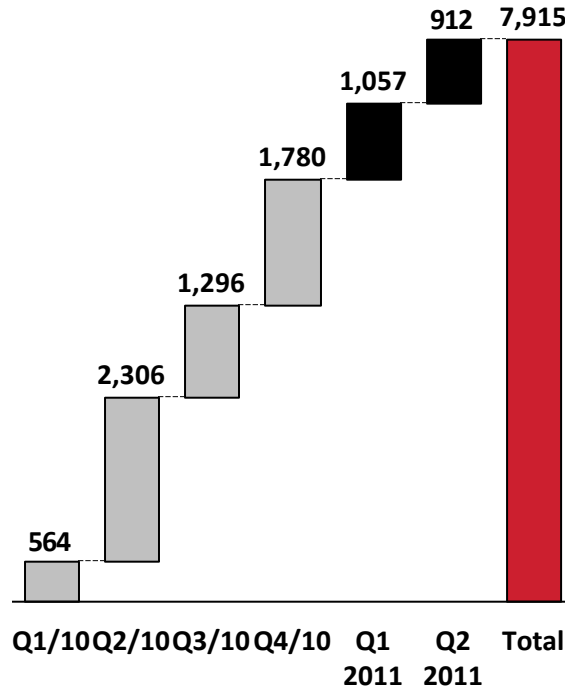
Overview of corporate agreements and business

Development of company agreements

No. of company agreements



No. of business points

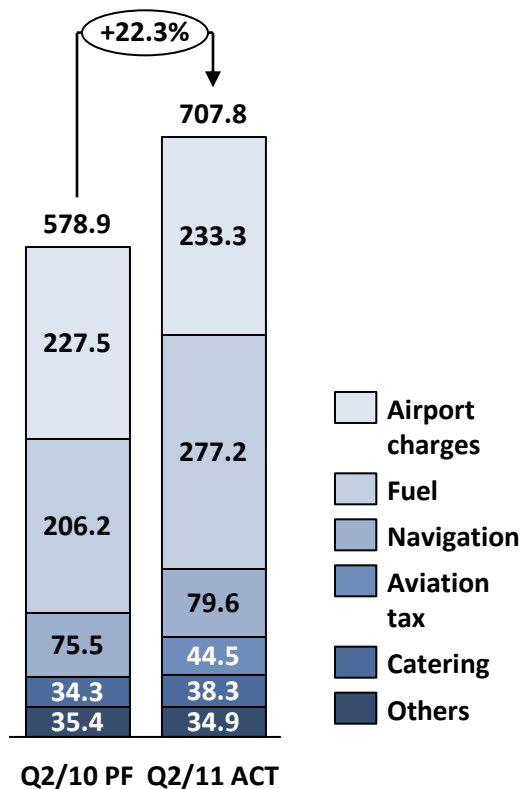


- Decrease of number of company agreements in Q1 was fully compensated in Q2 2011.
- Number of business point agreements constantly increases

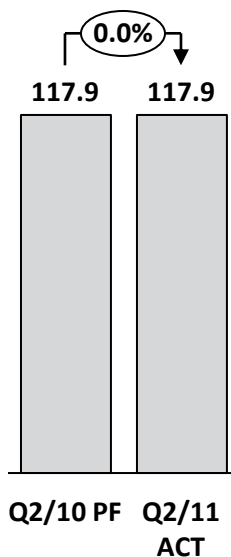
Overview of operating expenses

Development of expenses [EURm]

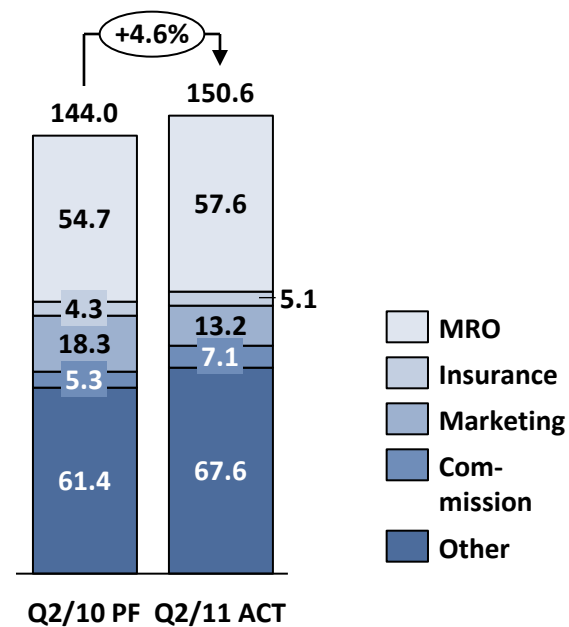
Expenses for materials & services ¹⁾



Personnel expenses



Other operating expenses



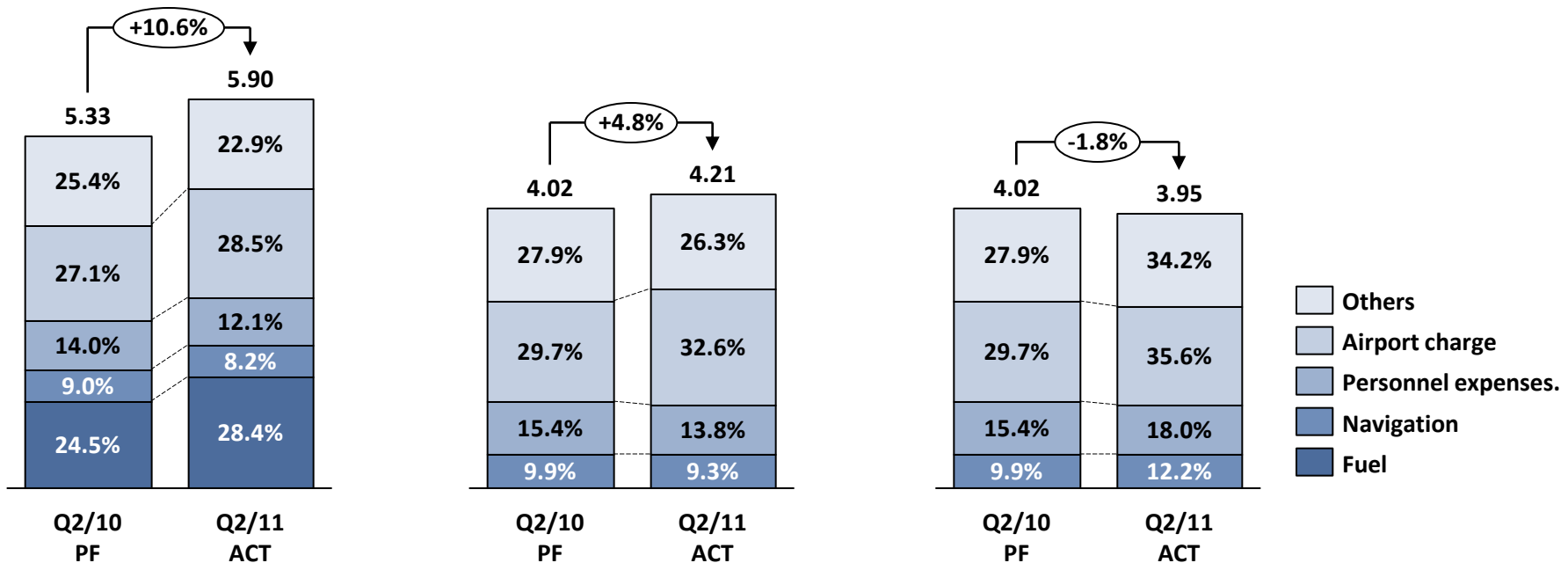
1) excl. leases and depreciation
PF= pro forma (incl. HG)

Development of costs per ASK including and excluding fuel

Cost/ASK incl. fuel ¹⁾
[EUR ct.]

Cost/ASK excl. fuel ¹⁾
[EUR ct.]

Cost/ASK excl. fuel & excl. aviation tax [EUR ct.]



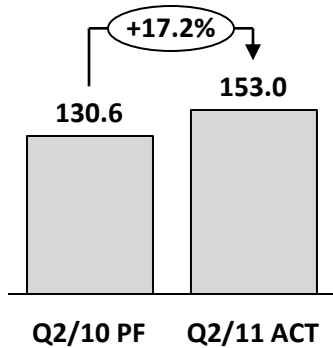
1) excl. leasing and depreciations and incl. Aviation tax

PF= pro forma (incl. HG)

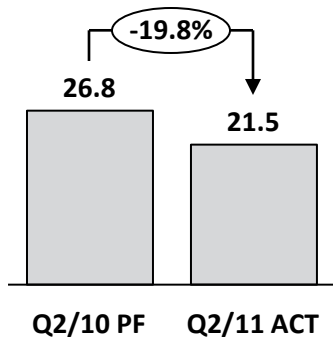
Cost of aircraft ownership & airberlin fleet

Average number of aircraft grew by 4% as compared to previous pro forma quarter; Leases increase driven by stronger USD

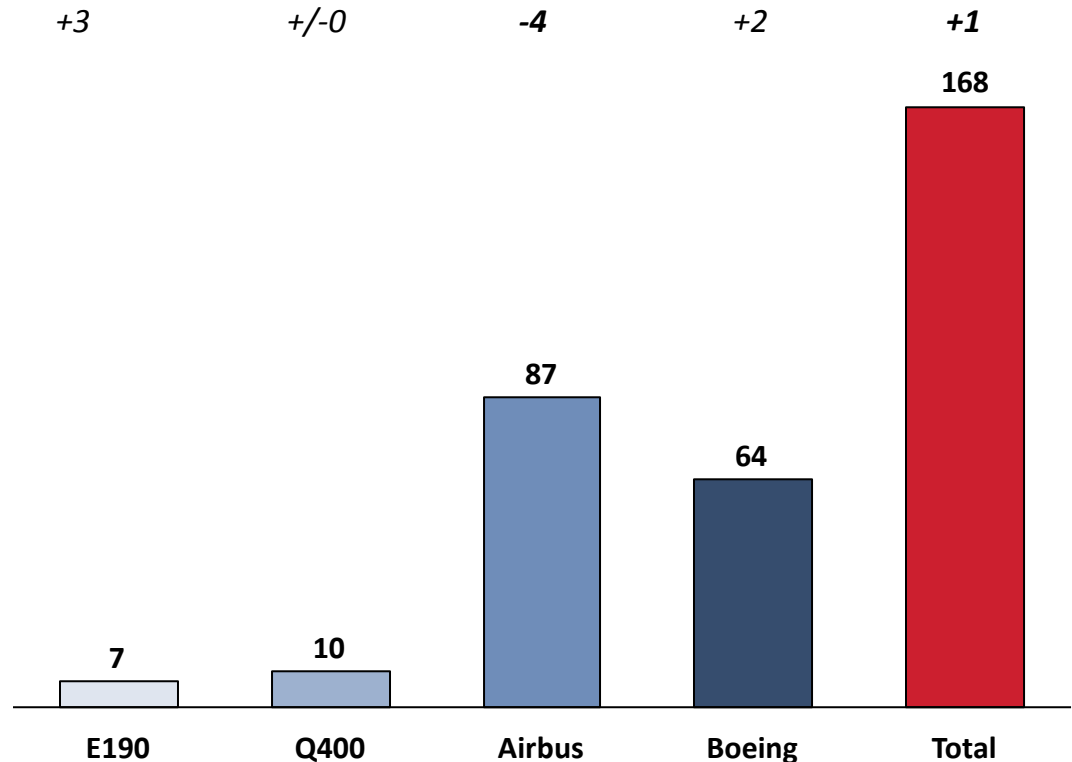
Leases [EUR m]



Depreciation [EUR m]



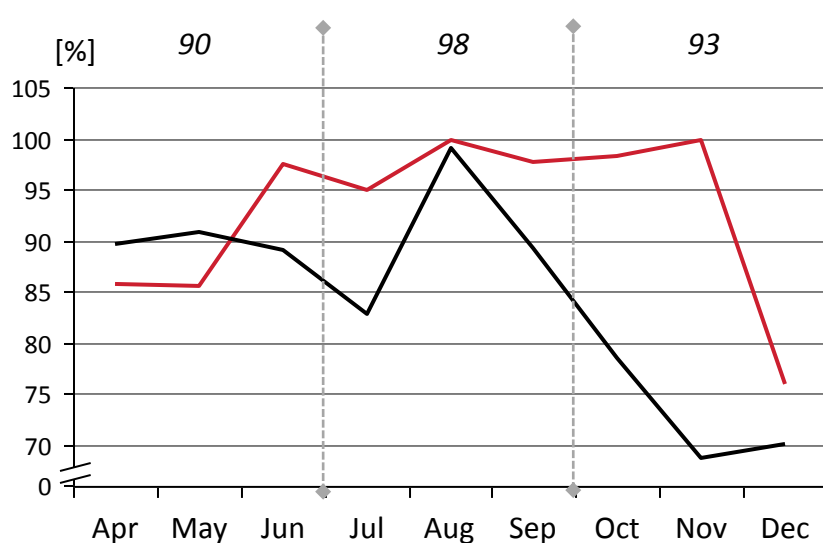
Change from PF Q2 2010



Fuel hedging 2011

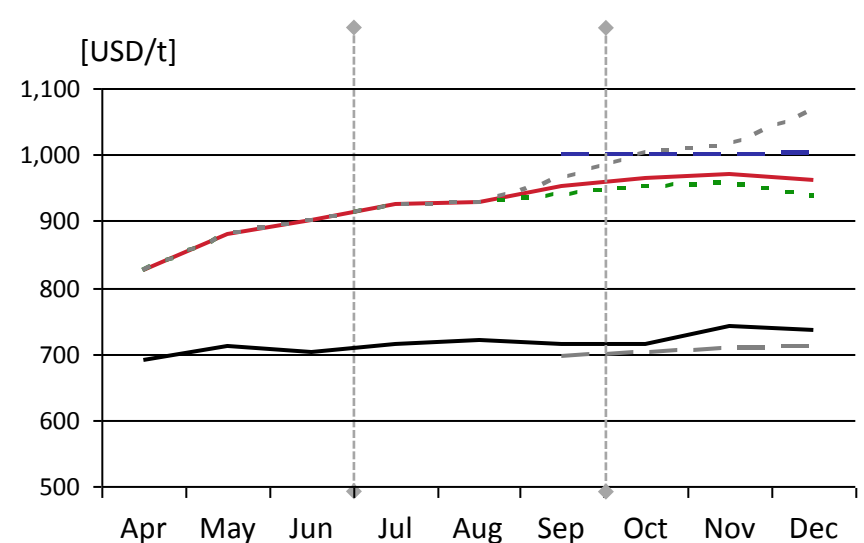
Fuel hedging profile and fuel price development, 2010 vs. 2011

Hedging profile [%]



- Hedge rate 2011 (as of 08/12/11)
- Hedge rate 2010 (as of 08/12/10)

Price¹⁾ development [USD/t]



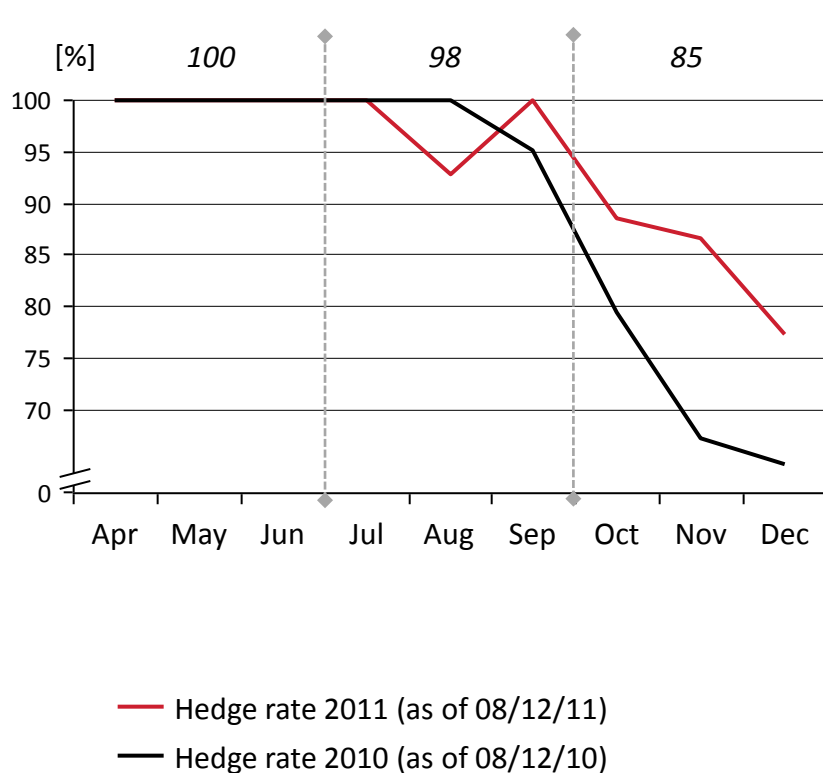
- Current hedge price
- Effective price 2010
- - - Best case hedge price
- - - Market / Forward price 08/12/11
- - - Worst case hedge price
- - - Market / Forward price 08/12/10

1) excl. differentials
as of August 12th, 2011 / 2010

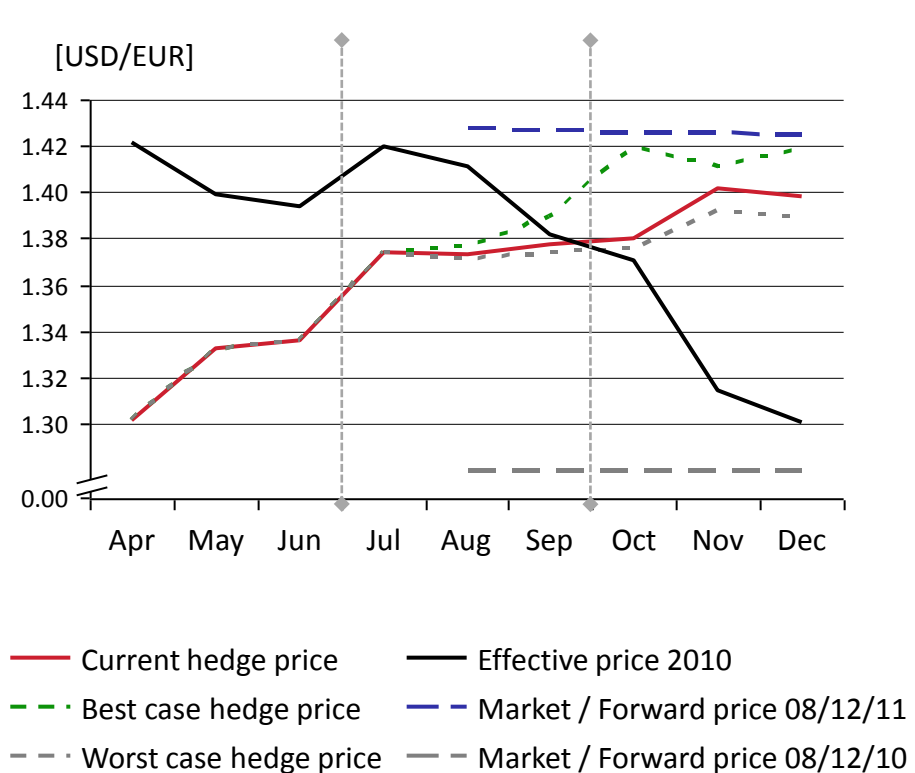
Dollar hedging 2011

Dollar hedging profile and FX rate development, 2010 vs. 2011

Hedging profile [%]



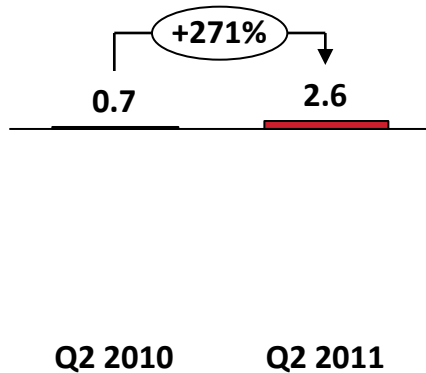
FX rate development [USD/EUR]



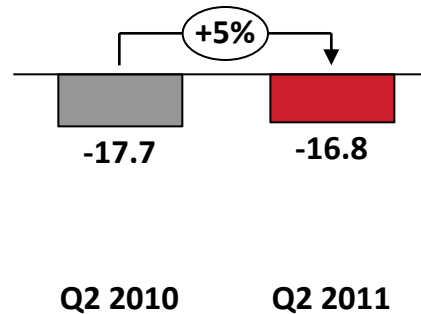
Financial result Q2 2010 vs. Q2 2011

Breakdown of financial result [EUR m]

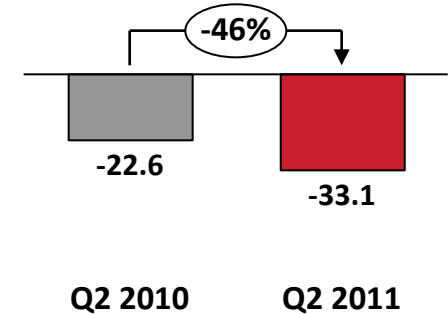
Income



Expenses



Currency & derivatives effects



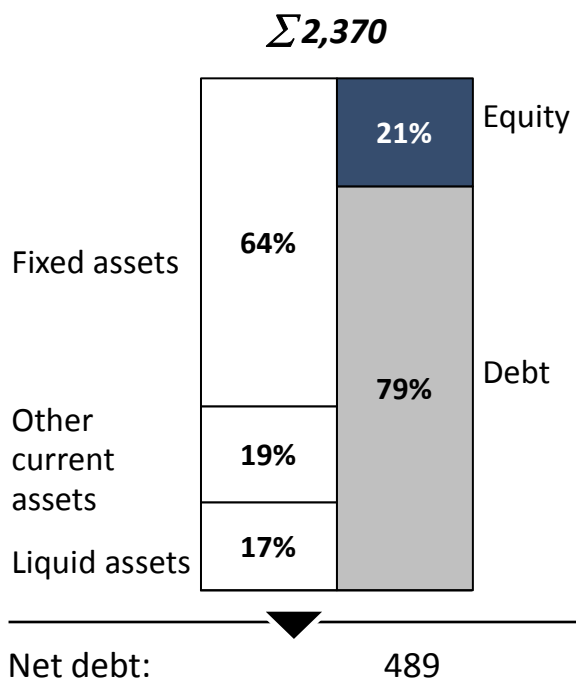
- Interest expenses decreased due to sale of AC in 2010

- Highest impact by changes in fair value of fuel options
- Positive impact of changes in USD on financing of aircraft

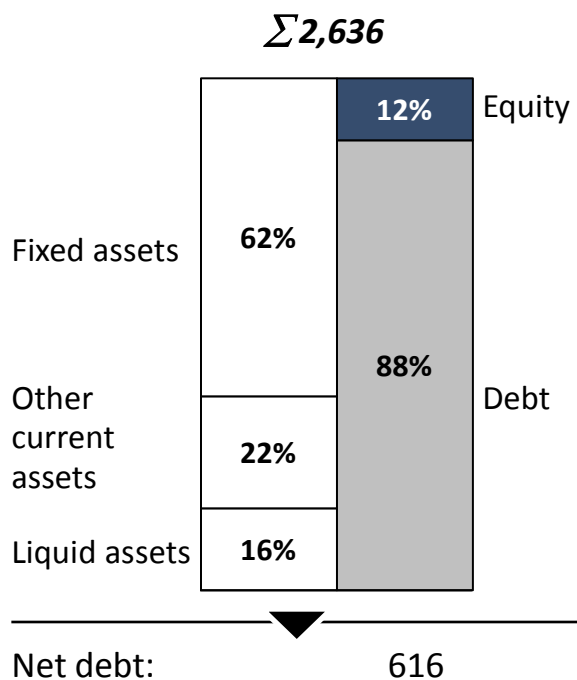
Tightening of balance sheet ratios in the second quarter 2011

Balance sheet structure, Dec 31, 2010 vs. June 30, 2011 [EUR m]

B/S as of Dec 31, 2010



B/S as of June 30, 2011



- Decrease in equity due to H1 result
- Net Debt increase due to financing of on balance aircraft

Outlook

Expectations for fiscal year 2011

Operational performance



Capacity

- Following network reduction in second half capacity year-on-year expected to remain stable (no growth)
- Utilizing capacity within optimized hub concept

Capacity utilization and income

- Increasing load expected along with improving yields due to focus on profitable routes

Result



Revenue

- Growth in revenue expected

Expenses

- Stringent cost control to offset price increases
- One-off costs from network reduction/fleet reduction can be expected

Result

- Measures in 2011 may not be sufficient to reach positive EBIT

Balance sheet



Assets

- Stabilizing cash on current level

Liabilities

- Further actions planned to reduce net debt
- Equity ratio will strengthen from positive results in H2 and reduction of total assets

Thank you for your attention.

