

AIR BERLIN PLC

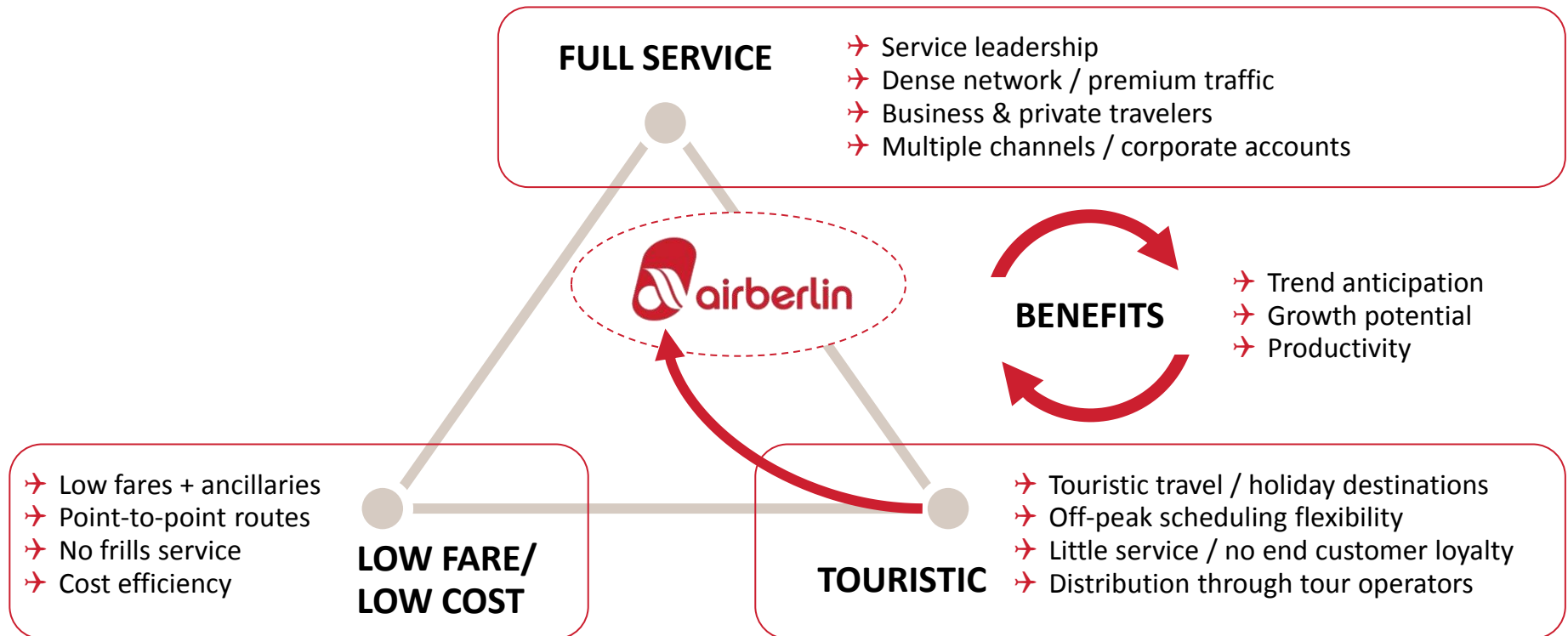
GERMAN EQUITY FORUM 2011

Frankfurt, 22 November 2011



Originally a pure touristic operator, airberlin has evolved into offering a combination of touristic and full-service scheduled traffic

Positioning with respect to generic business systems



Management Air Berlin PLC – as per 3 September 2011



Dr-Ing. E.h. Hartmut Mehdorn
Chief Executive Officer (CEO)

- ▶ Born in 1942 in Warsaw
- ▶ Married, three children
- ▶ Appointed CEO of Air Berlin PLC effective September 2011



Ulf Hüttmeyer
Chief Financial Officer (CFO)

- ▶ Born in 1973 in Wildeshausen, Germany
- ▶ Married, two children
- ▶ Appointed CFO of Air Berlin PLC effective February 2006



Paul Gregorowitsch
Chief Commercial Officer (CCO)

- ▶ Born in 1956 in The Hague, The Netherlands
- ▶ Married, three children
- ▶ Appointed CCO of Air Berlin PLC effective September 2011



Helmut Himmelreich
Chief Operating Officer (COO)

- ▶ Born in 1952 in Wallendorf, Germany
- ▶ Married, one child
- ▶ Appointed COO of Air Berlin PLC effective November 2011

Management Summary (1) – Q3 2011 results

- Q3 EBIT with EUR 96.8 m clearly behind last year`s clean EBIT of EUR 145.4 m (Q3 2010: EUR 171.7 m including EUR 26.3 m extraordinary items, among others NIKI step up of EUR 17.0 m)
- Topline development with Revenue per ASK* increase of more than 9% clearly strong
- Passing on the aviation tax was not possible
- Within Q4, October was not as strong in terms of Revenue per ASK* performance, capacity cuts for winter schedule show modestly positive results so far, November and December capacity cuts work
- Given the uncertainty in economic development and continuous erratic bookings a range of last year`s EBIT could not be matched at current assessment
- For 2012, the Shape & Size program is making good progress, at current status an EBIT impact of the program of EUR 200 m in 2012 is possible
- Agreement with manufacturers brings relief on capacity development and capex

Management Summary (2) – European airlines face fundamental challenges

External factors put a lot of pressure on the airline industry and jeopardize profitable growth



Management Summary (3) – airberlin reacts with its efficiency program which targets for an EUR 200 m earnings improvement

CURRENT CHALLENGES

- ❖ Weak performance of 9 months 2011 results due to aviation tax and North Africa crisis
- ❖ Overall economic development considerably affects the aviation industry
- ❖ Economic trend of cyclical imprecision calls for cautiousness

AIRBERLIN'S WAY FORWARD

- ➔ airberlin continues its proven business model which spans a network mix of scheduled and leisure routes
- ➔ While consolidating airberlin's set up we established the project Shape & Size which targets to achieve earnings enhancement of EUR 200 m
- ➔ The triggered measures will neither affect our safety, the customer service nor the quality of full service package

Management Summary (4) – airberlin sets goals for earnings improvement

Topline goals

- **Increase Yield**
Enhancement of average yield per sold ticket on certain route bundles
- **Increase Seat Load Factor**
Enhancement of average load factor per sold ticket on certain route bundles
- **Increase toolbox**
Expansions of business know-how especially with regard to IT progresses

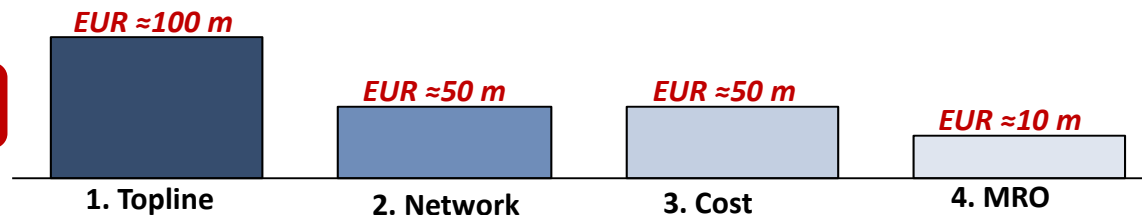
Cost goals

- **Lowering DOCs / admin costs**
Important to reflect that no cost reductions will be made that could suffer the customer services
- **Optimizing processes**
Increase efficiency and automatization of processes
- **Crew efficiency planning**
Optimization of crew base concept in order to reduce proceeding cost

Maintenance goals

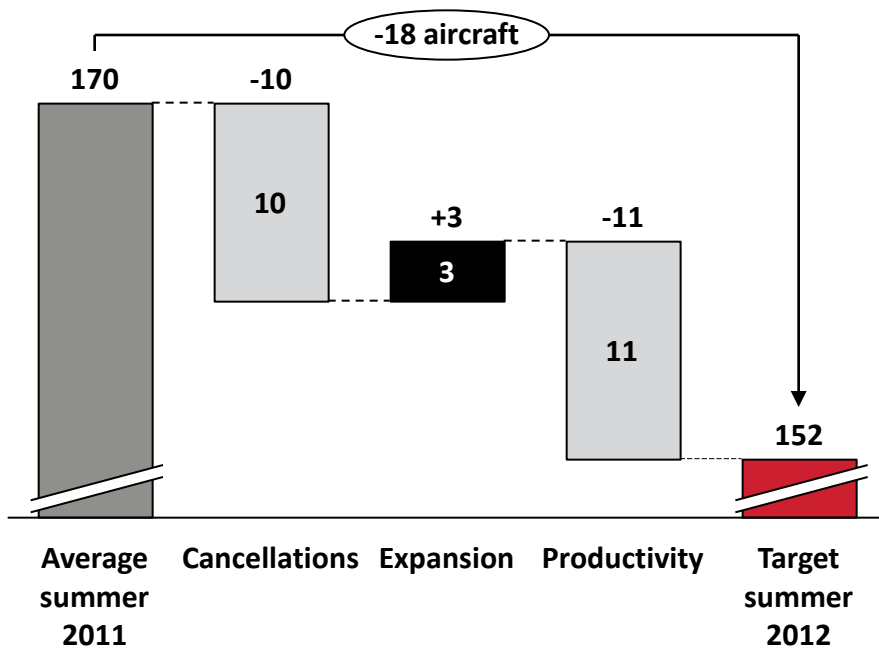
- **Further cost cutting**
Achieve net unit cost savings
- **Streamlining and automating processes**
Improve efficiency throughout the organization
- **Increase of external customer share**
Leverage own cost base

SHAPE & SIZE



airberlin's fleet will be reduced by 18 aircraft in 2012 – Target fleet now 152 aircraft

Total fleet airberlin group summer 2012 vs. summer 2011 [Bh '000]

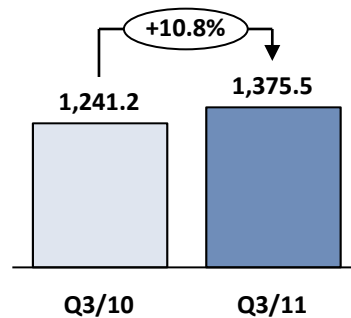


	Base FY 2011	Target 2012
# Aircraft (Ø)	169.1	-10%
# Block hours	544,295	-4%
Ø Productivity BLH per A/C p.a.	≈3,250	>+ 7%
Ø Cost of asset ownership per block hour [€]	≈ 950	<- 9%

Result of airberlin [in EURm] – Q3 2010 vs. Q3 2011

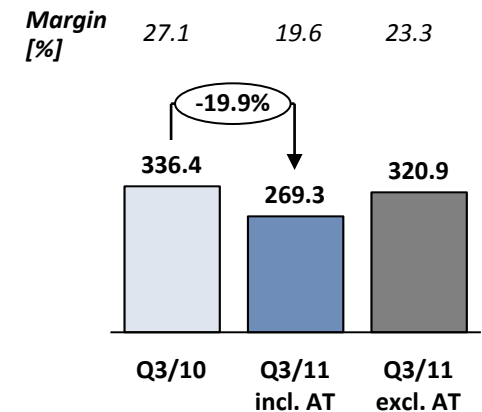
Total Revenue

Good revenue improvement due to good yield performance



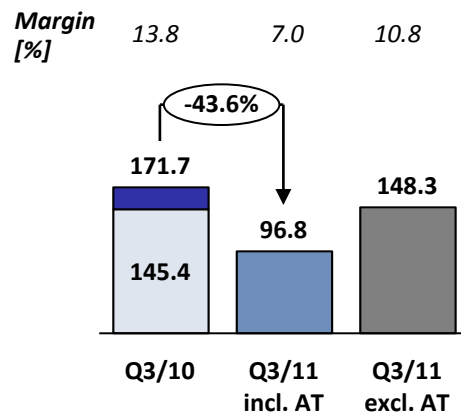
EBITDAR

Drop due to higher expenses of materials and services, predominantly due to aviation tax and also due to one-offs in Q3 2010



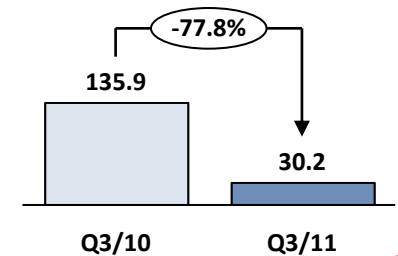
EBIT

EBIT drop in line with EBITDAR decline; EBIT 2010 was positively influenced by EUR 26.3 m extraordinary items



Net Profit

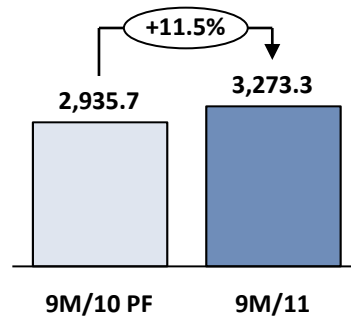
Consequently net profit suffered severely and also due to better financial result in 2010



Result of airberlin [in EURm] – 9 months 2010 PF vs. 2011

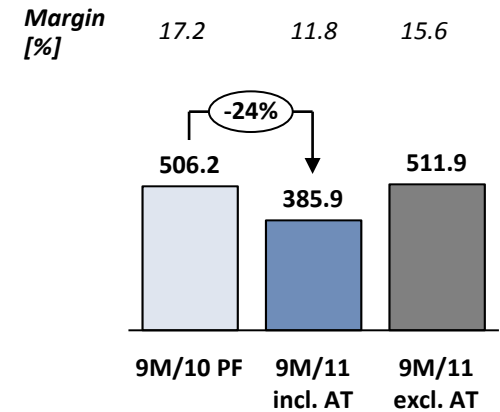
Total Revenue

Revenue growth in Q3 mirrors year to date overall revenue performance



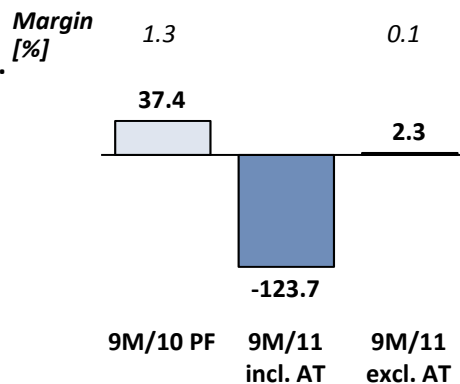
EBITDAR

Continuing worse cost profile, especially fuel and aviation tax which could not be passed on to the passenger, led EBITDAR drop



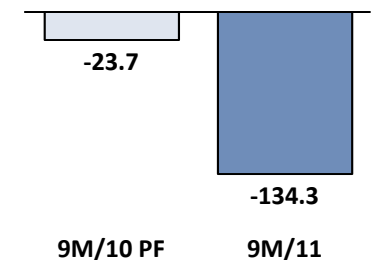
EBIT

EBIT development in line with EBITDAR drop. Aircraft deals and NIKI step up contributed positively in 2010



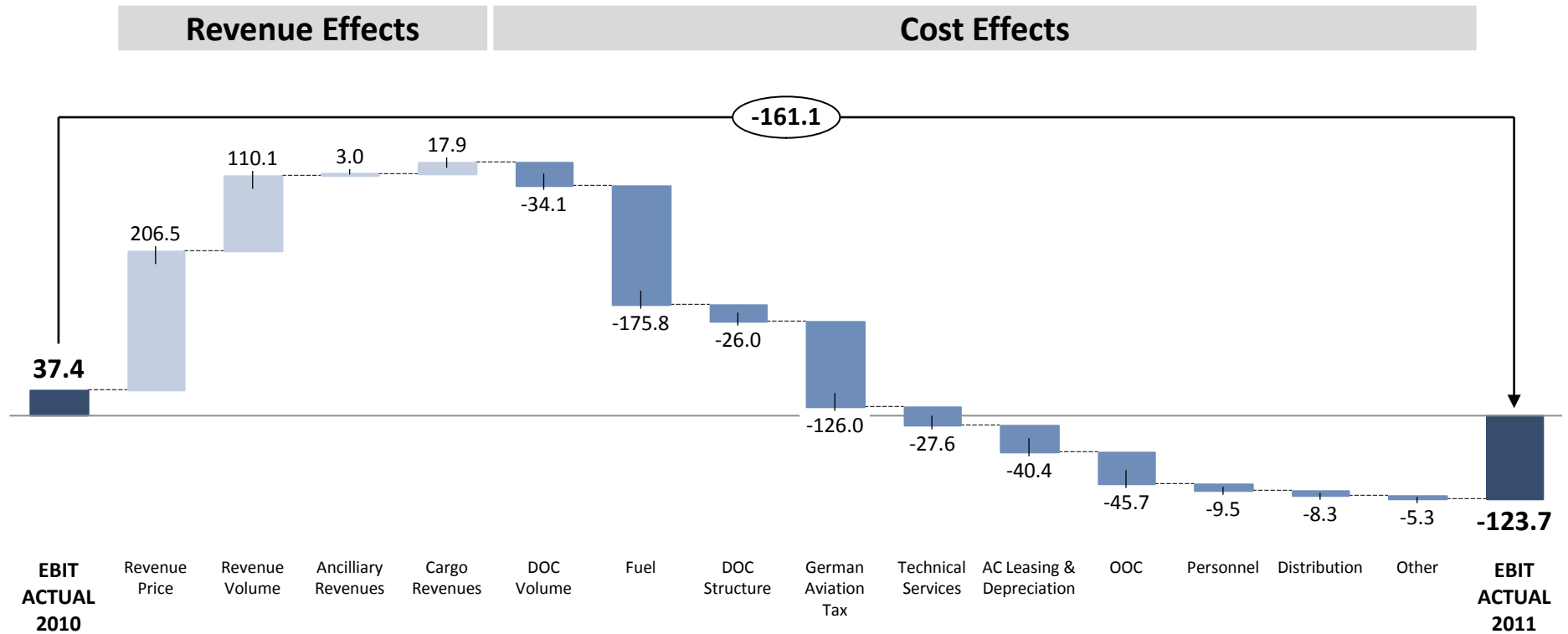
Net Profit

With nearly stable financial result net profit dropped in line with EBIT



EBIT bridge – cum. 09/11 actual vs. cum. 09/10 actual

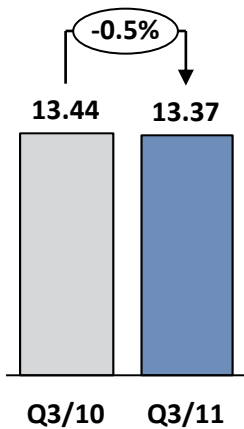
in EUR m



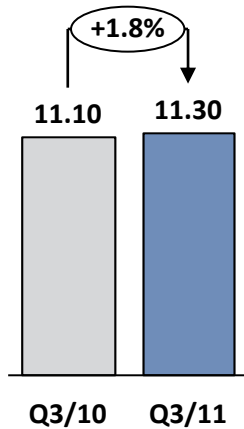
Capacity, passengers, seat load factor and yield development

Development of operational KPIs

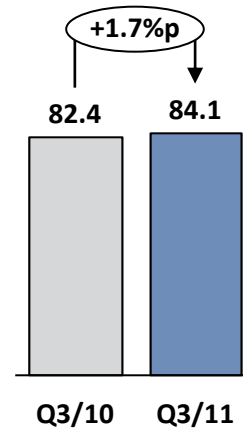
Capacity [m]



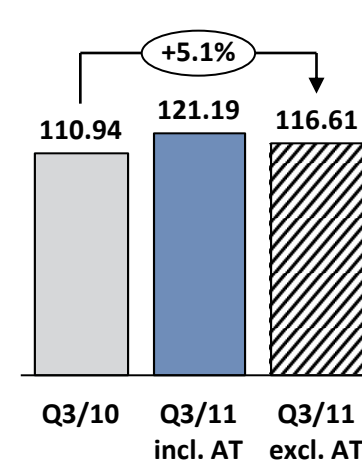
Passengers [m]



SLF [%]



Yield¹⁾ [EUR]

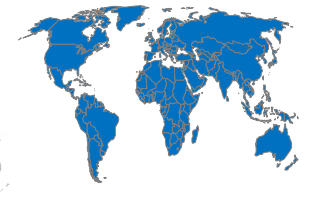
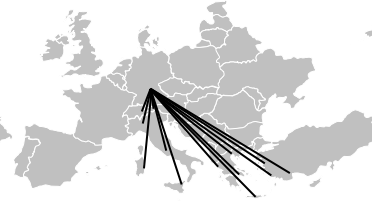
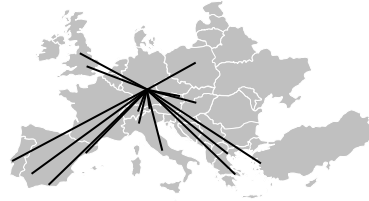
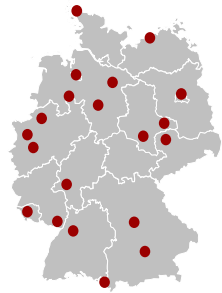


- Capacity around 70,000 seats lower than previous year and improved seat load
- Passenger number up as compared to previous year's quarter
- Yields above previous year, also without the aviation tax

1) based on flight revenue

Operational development in business segments

Operational performance by business segment – Q3 2010 vs. Q3 2011

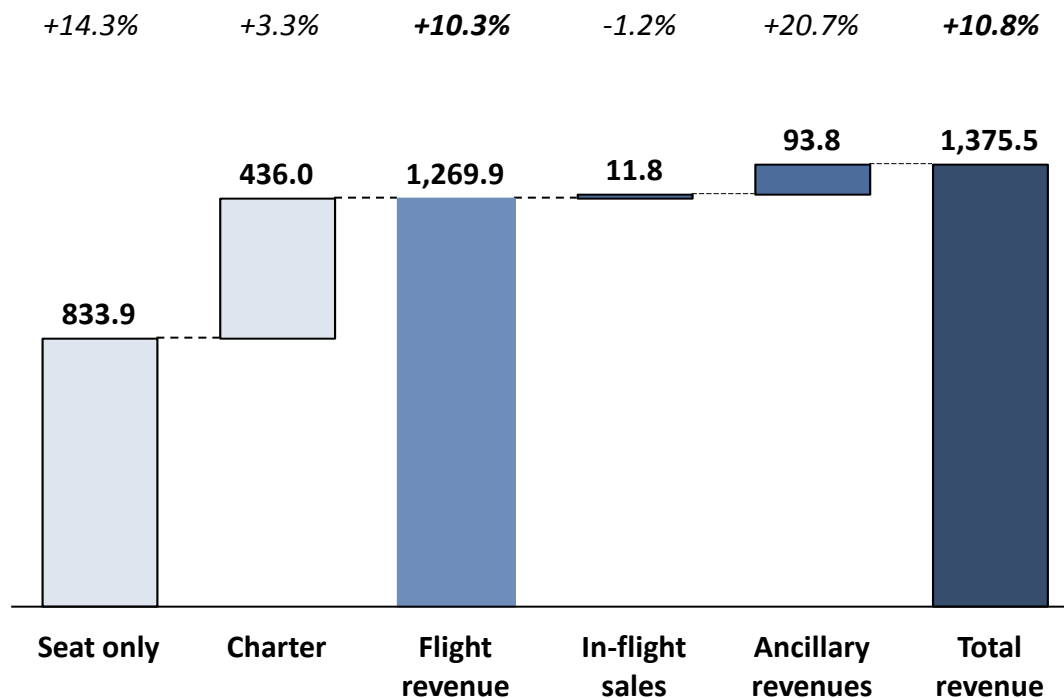


	DOMESTIC			EURO SCHEDULE			EURO CHARTER			INTERCONT			TOTAL		
	Q3/10	Q3/11	Δ	Q3/10	Q3/11	Δ	Q3/10	Q3/11	Δ	Q3/10	Q3/11	Δ	Q3/10	Q3/11	Δ
Demand															
Pax	2.04	1.95	-4.16%	6.30	6.57	4.32%	2.41	2.32	-3.53%	0.32	0.38	19.35%	11.08	11.25	1.56%
SLF	71.9	72.7	1.10%	81.9	84.4	3.05%	94.5	95.0	0.56%	92.2	91.3	-0.96%	82.4	84.1	2.08%
Supply															
Seats	2.83	2.69	-5.21%	7.69	7.78	1.29%	2.55	2.44	-4.07%	0.35	0.42	20.50%	13.44	13.37	-0.52%
ASK	1.34	1.26	-6.19%	8.54	8.76	2.53%	5.63	5.37	-4.64%	2.69	3.12	15.99%	18.28	18.56	1.55%

airberlin's revenue increased by 11% in Q3/11 as compared to previous year

Revenue split [EUR m]

*Change
from Q3 2010*



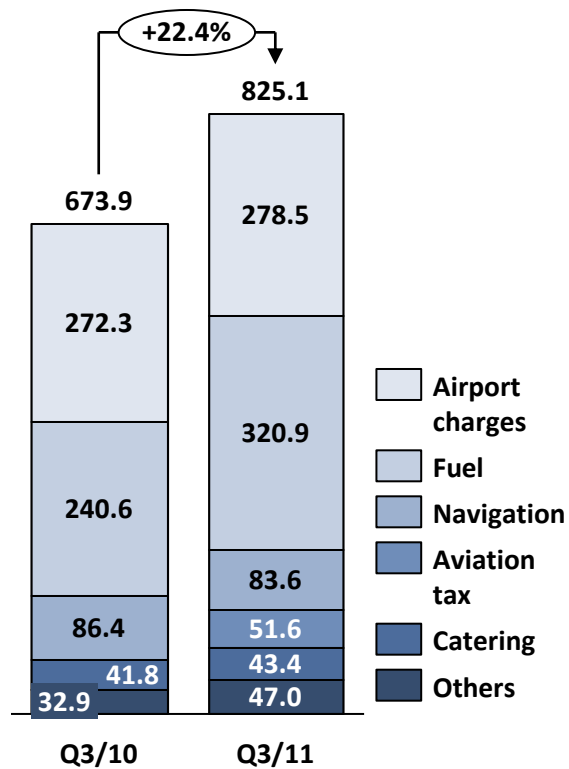
- ✈ Charter revenue not really recovered yet due to EU debt crisis which influences negatively the holiday travel behaviour
- ✈ Recovery in cargo business drove other revenue

Overview of operating expenses – Q3 2010 vs. Q3 2011

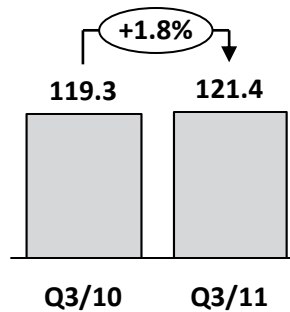
Development of expenses [EUR m]

Expenses for materials & services

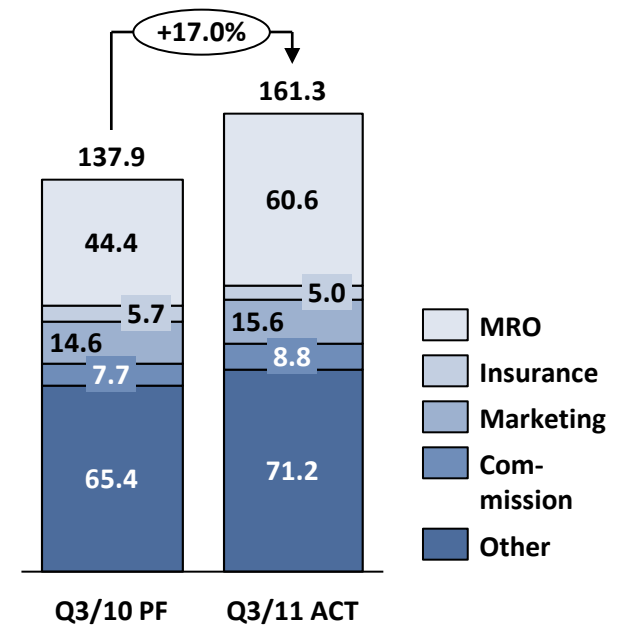
1)



Personnel expenses



Other operating expenses

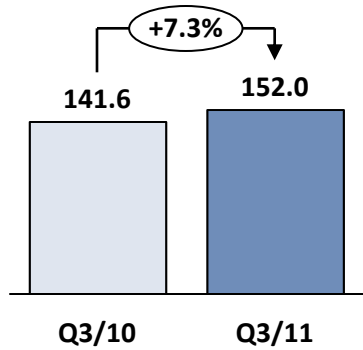


1) excl. leases and depreciation

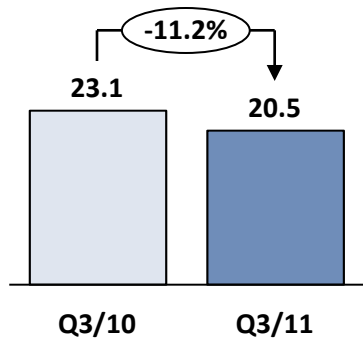
Cost of aircraft ownership & airberlin fleet

Average number of aircraft remained almost unchanged compared to previous quarter

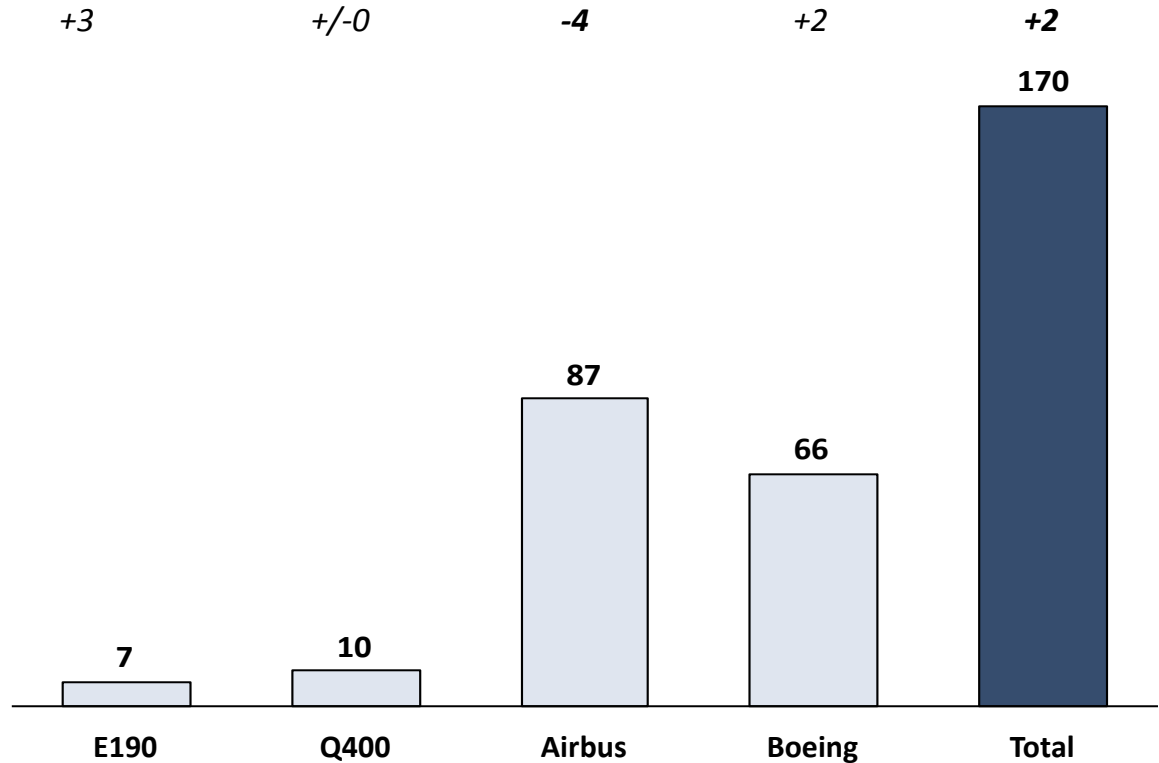
Leases [EUR m]



Depreciation [EUR m]

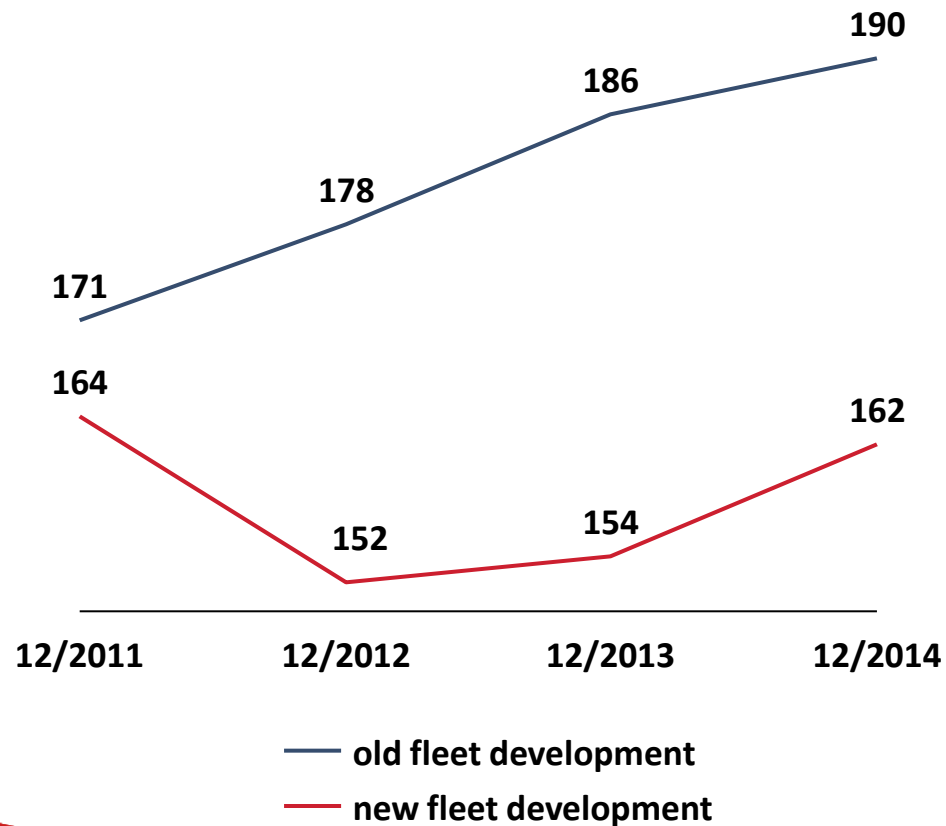


Change from Q3 2010



airberlin fleet development – aircraft deliveries adjusted to operational requirements

Fleet development 2011-2014

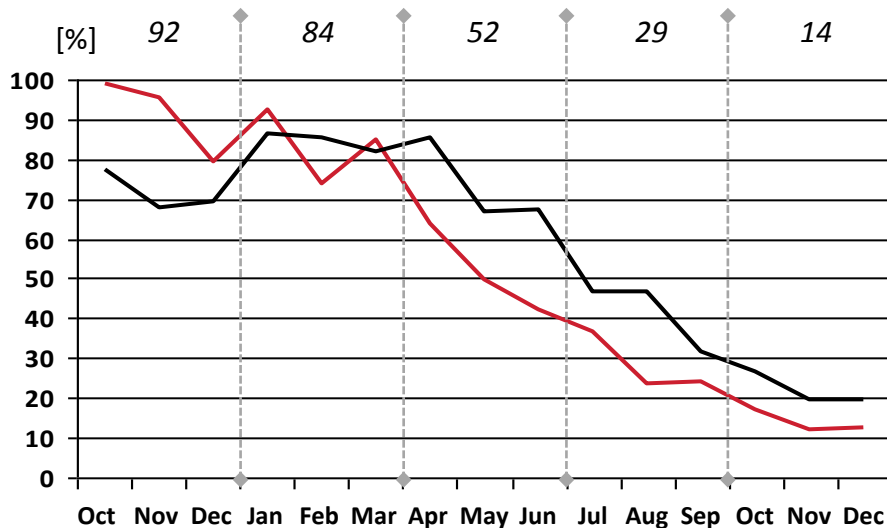


- The agreements stipulate that deliveries of new aircraft originally scheduled for 2012 and 2013 will be partly postponed until 2015 and 2016, to adapt airberlin's capacity growth to its 'Shape & Size' earnings-improvement program
- The agreements relate to Boeing 737 family and Airbus A320 family aircraft for 2012 and 2013
- 31 aircraft will be delivered to airberlin, whereas the delivery of 19 aircraft will be postponed
- Through this optimization of its order books, airberlin's capacity stream is eased, in particular for the years 2012 through 2014

Fuel hedging 2011 and 2012

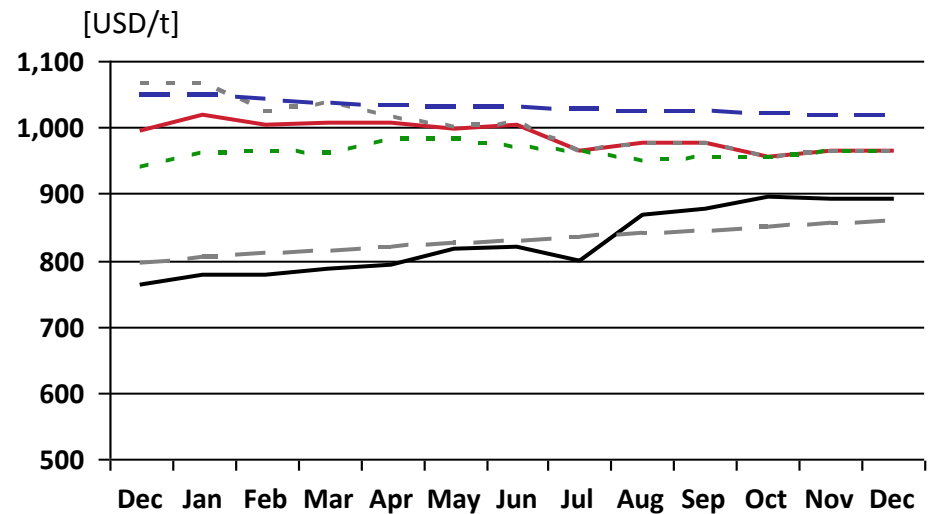
Fuel hedging profile and fuel price development, 2010 vs. 2011

Hedging profile [%]



- Hedge rate 2011/2012 (as of 11/11/11)
- Hedge rate 2010/2011 (as of 11/10/10)

Price¹⁾ development [USD/t]



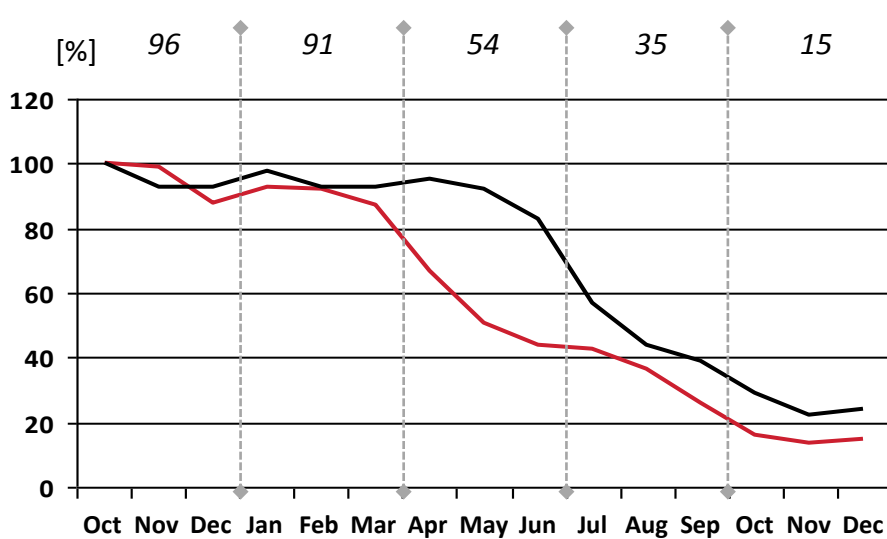
- Current hedge price
- - - Best case hedge price
- - - Worst case hedge price
- Effective price 2010
- - - Market / Forward price 11/11/11
- - - Market / Forward price 11/10/10

1) excl. differentials
as of November 11th 2011 / November 10th 2010

Dollar hedging 2011 and 2012

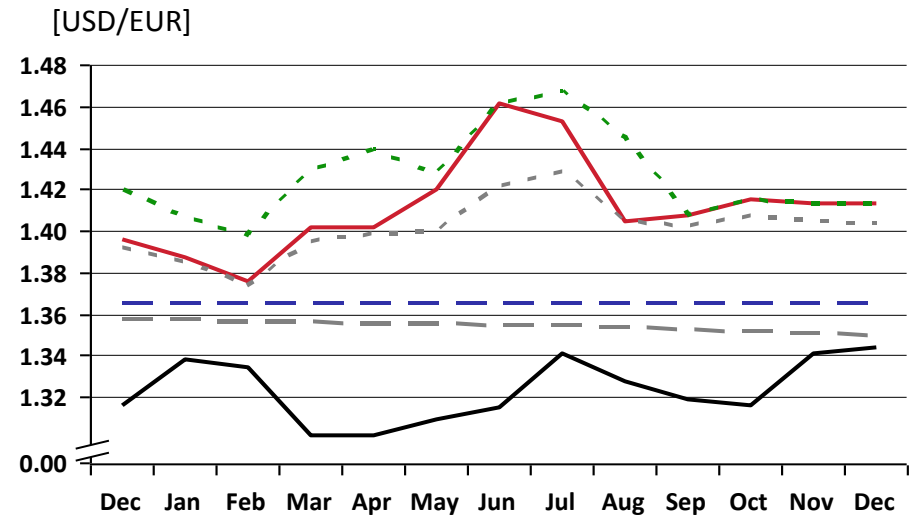
Dollar hedging profile and FX rate development, 2010 vs. 2011

Hedging profile [%]



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

FX rate development [USD/EUR]

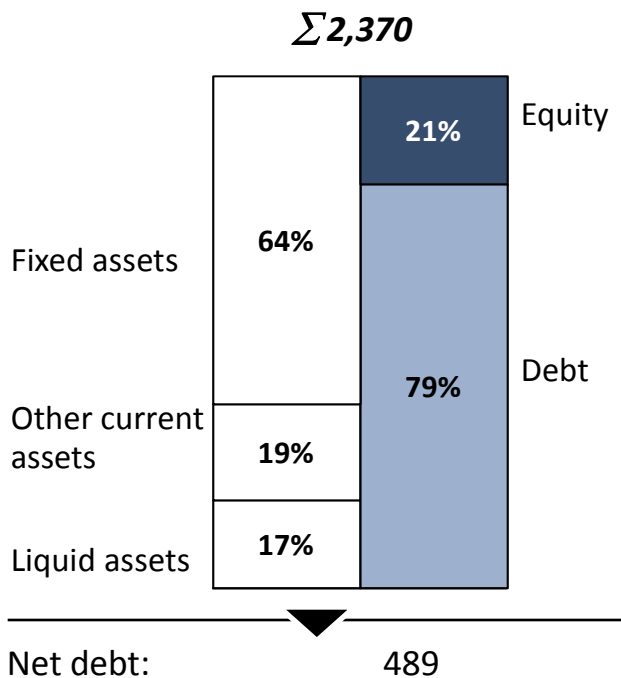


- Current hedge price
- Best case hedge price
- Worst case hedge price
- Market / Forward price 11/11/11
- Market / Forward price 11/10/10
- Effective price 2010

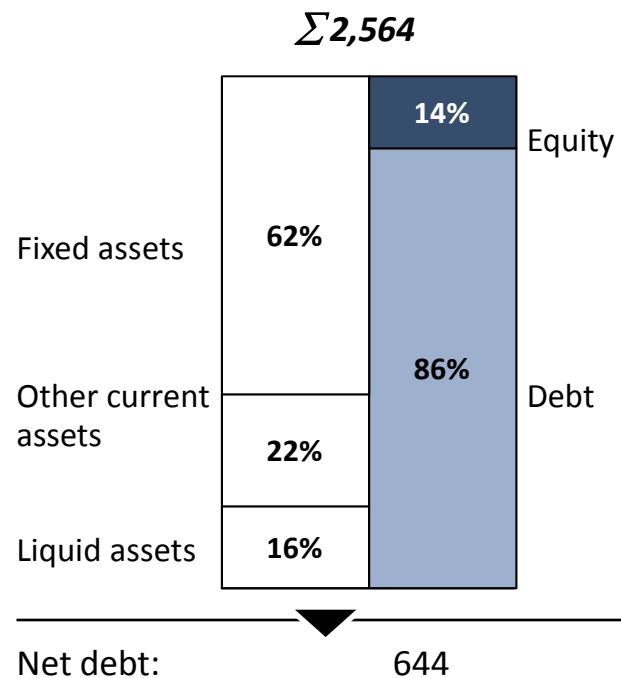
Balance sheet ratios in the third quarter 2011

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

B/S as of December 31, 2010



B/S as of September 30, 2011



- Decrease in equity due to 9 month results
- Net debt increase due to financing of on balance aircraft

Capital Measures of Air Berlin PLC – as per 1 November 2011

Date	Capital Measure	Amount	Interest Warrant
1 November 2011	→ Bond Issue	→ EUR 100m	→ 11,50%
19 April 2011	→ Bond Issue	→ EUR 150m	→ 8,25%
10 November 2010	→ Bond Issue	→ EUR 200m	→ 8,50%
20 August 2009	→ Convertible Bond Issue	→ Fully redeemed	→ 9,00%
11 April 2007	→ Convertible Bond Issue	→ EUR 10.8m outstanding	→ 1,50%

Thank you for your attention!

