



Air Berlin PLC | Dusseldorf / Cologne 19 November 2013 | Roadshow Bankhaus Lampe



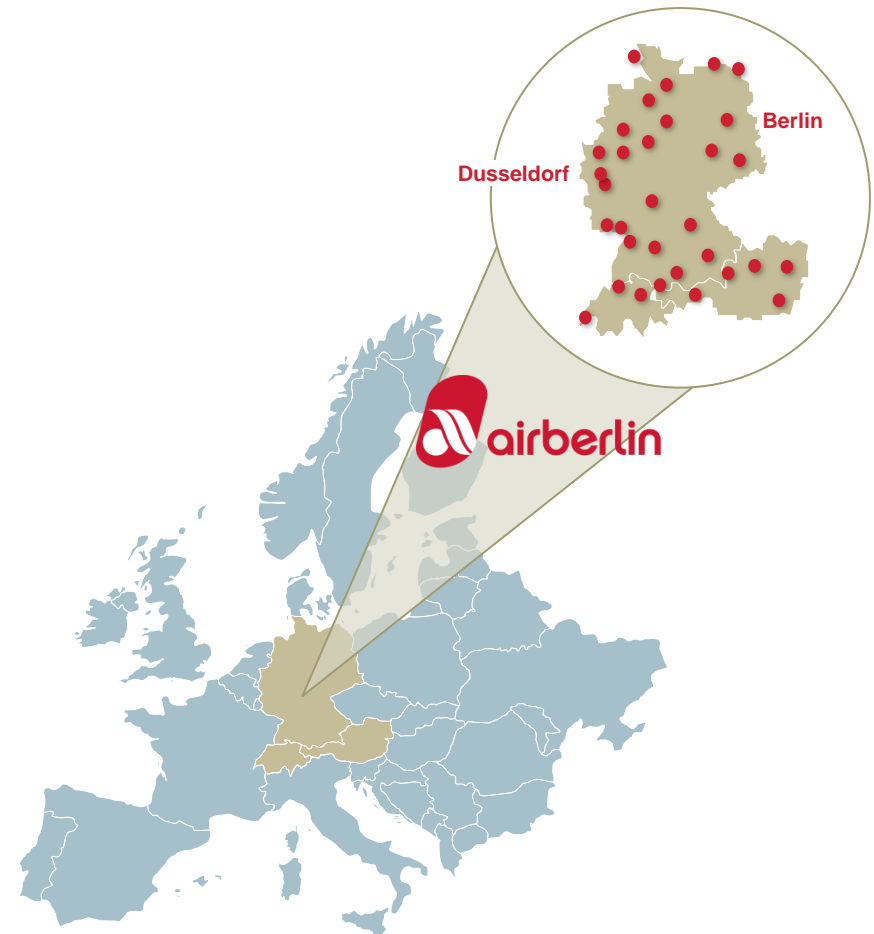
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airberlin – key facts

Market position as of 30 September 2013

- ➔ No. 2 in core market: Germany / Austria / Switzerland
- ➔ No. 7 in Europe with 33.3m guests in 2012
- ➔ Network carrier focused on business & leisure travellers
 - 147 destinations served
 - 145 aircraft at average age of 5 years
 - Hubs: Berlin, Dusseldorf
- ➔ 80% of airberlin guests on European routes, on the short- and medium haul network
- ➔ 2012 group revenue of EUR 4.31 billion
- ➔ EBIT of EUR 70.2 million in 2012 – an improvement of more than EUR 300 million over the previous year
 - Earnings improvement achieved in “Shape & Size” program of approx. EUR 250 million contributed to a return to net profit in 2012 of EUR 6.8 million
- ➔ After the first nine months and due to the continuing price weakness, the Company should now only be able to come close to achieving market consensus in 2013 with positive one-off effects and higher other operating income. This is currently being pursued.

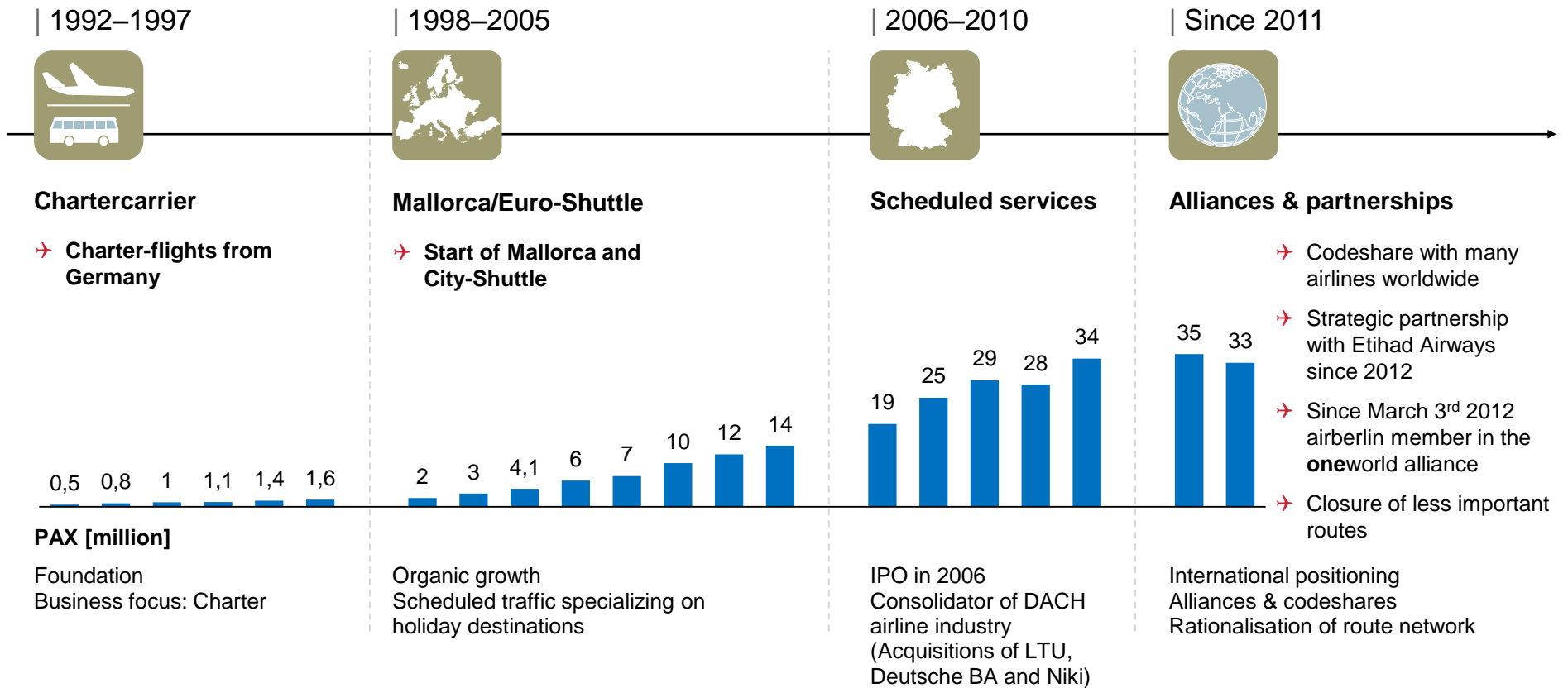


- ➔ Key codeshare/strategic partner and alliances:

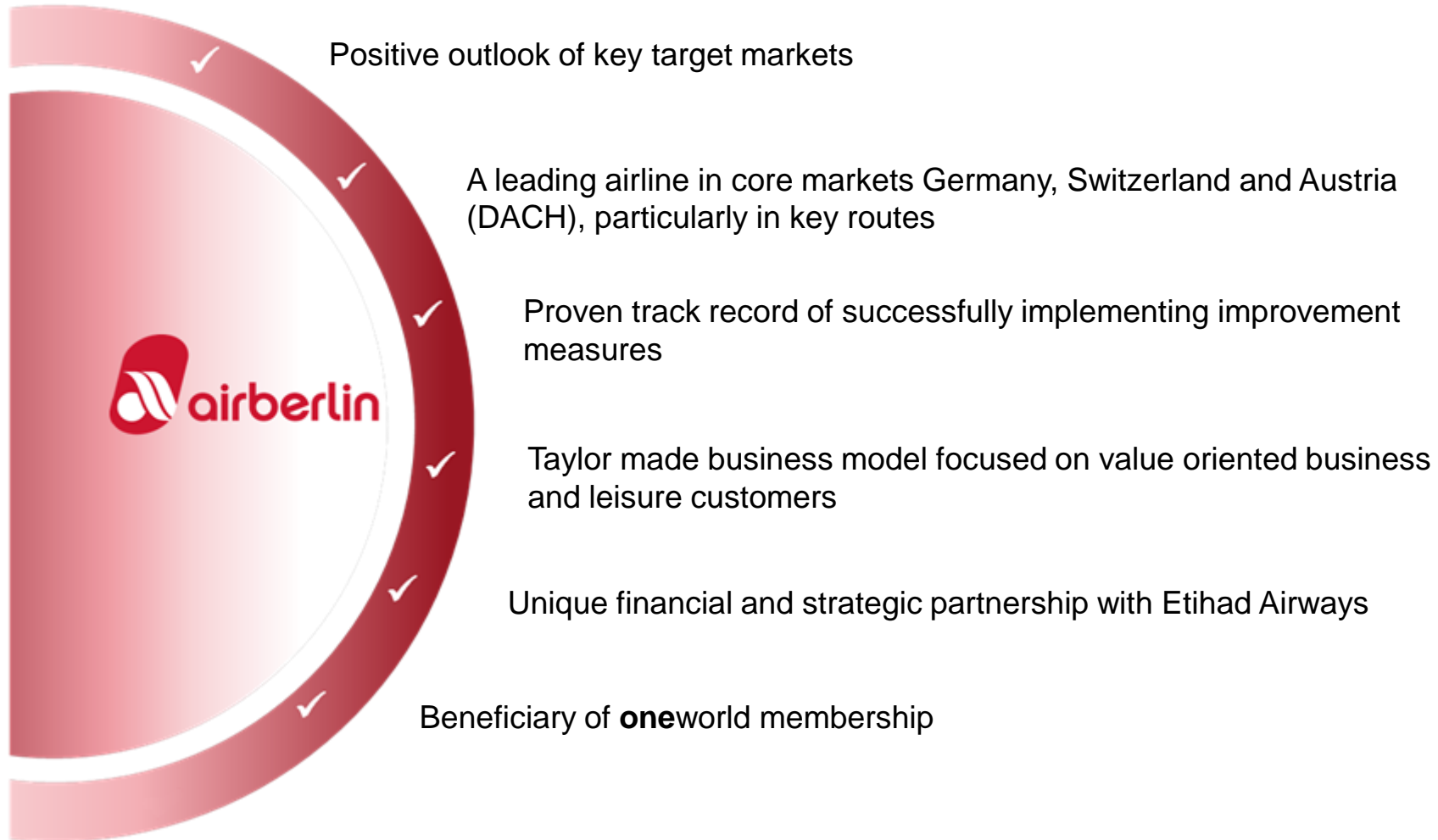


airberlin has successfully developed into a full service airline

- Air Berlin Inc. was founded by the former PanAm captain Kim Lundgren in Oregon, USA in 1978
- 1991 Air Berlin GmbH & Co. Luftverkehrs KG was founded with Joachim Hunold as sole managing director

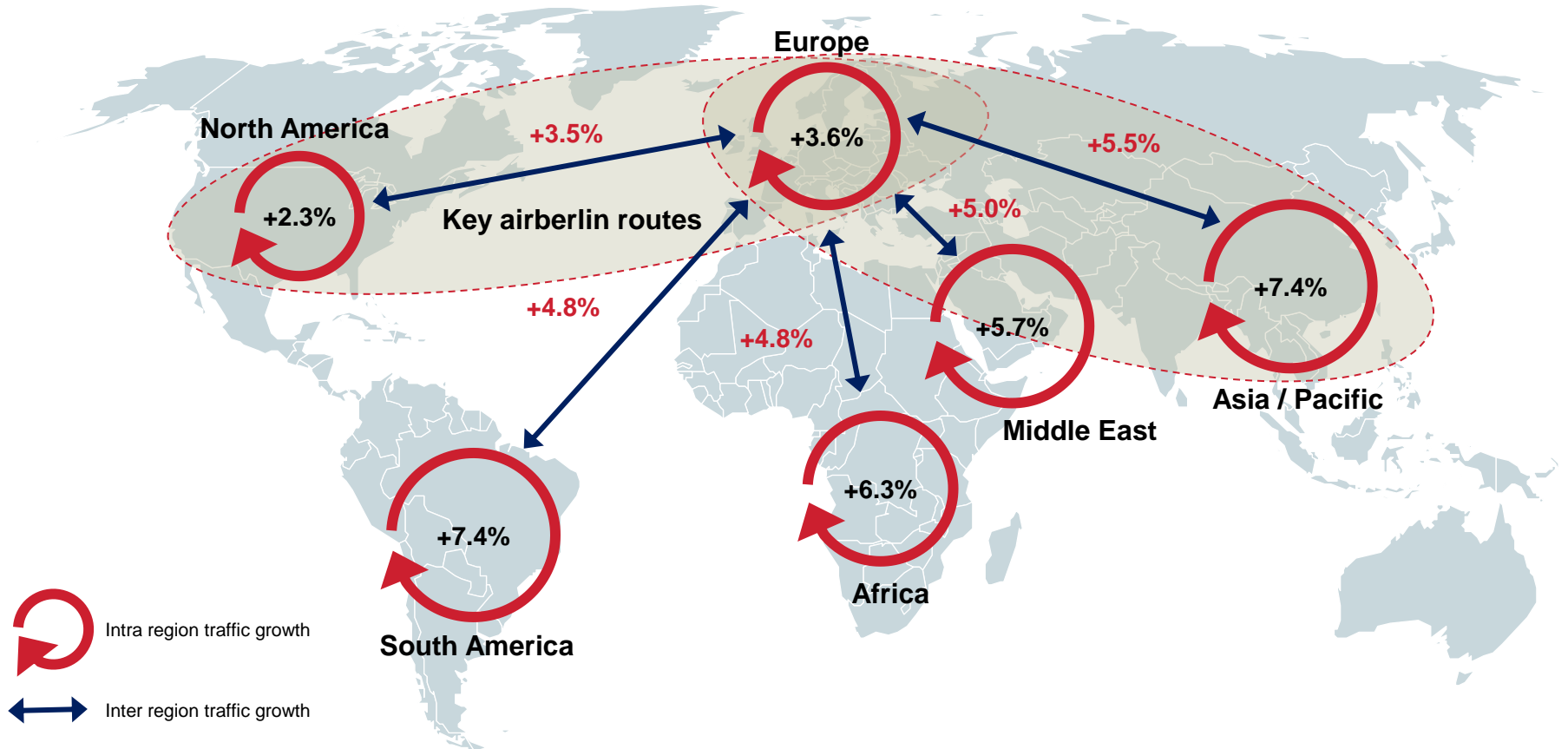


Key investment highlights



✓ Positive outlook of key target markets

Passenger traffic geographical trends from 2012 to 2032⁽¹⁾

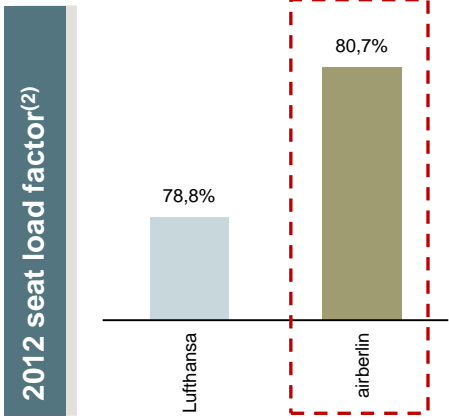
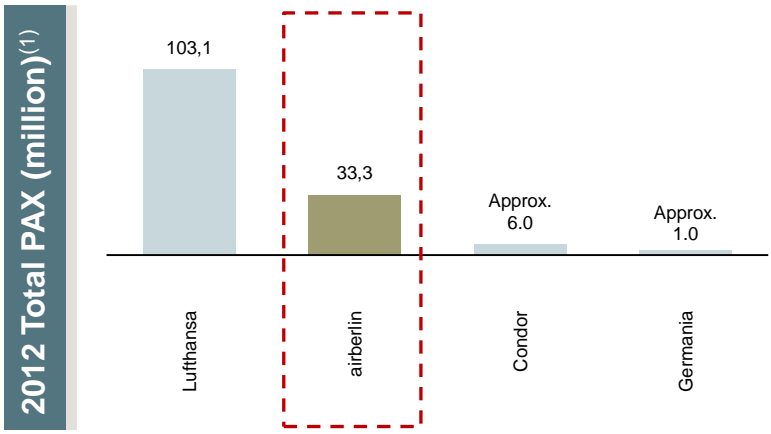


airberlin, together with its strategic and codeshare partners, serves the key target markets, which constitute more than 50% of worldwide traffic flows

Source: Boeing CMO 2012–2032.

(1) For simplification purposes, some inter passenger traffic flows without connection to Europe are not included.

✓ A leading airline in core markets of Germany, Switzerland and Austria (DACH), particularly in key routes



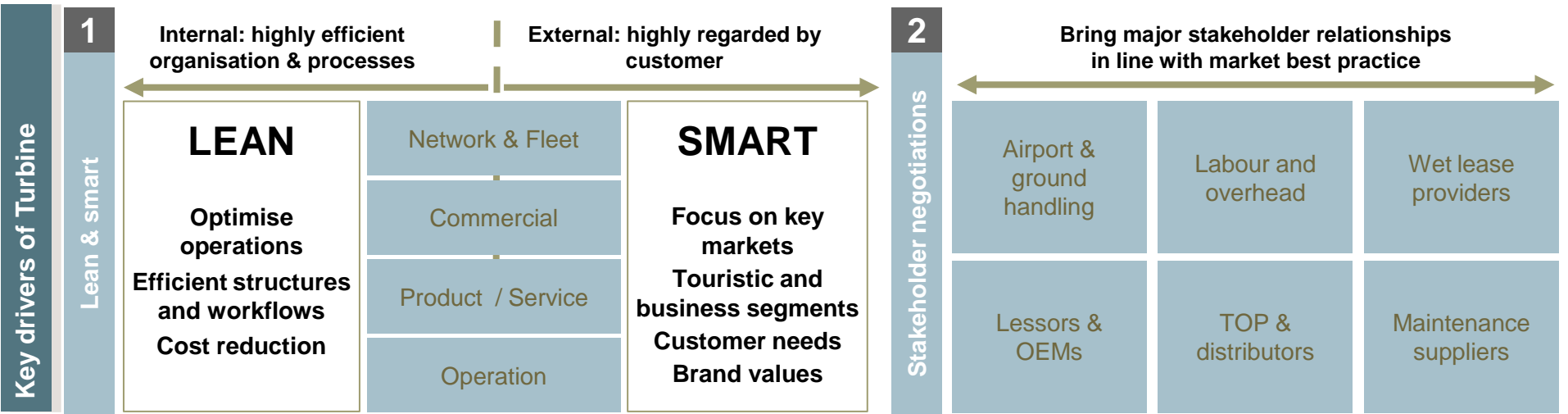
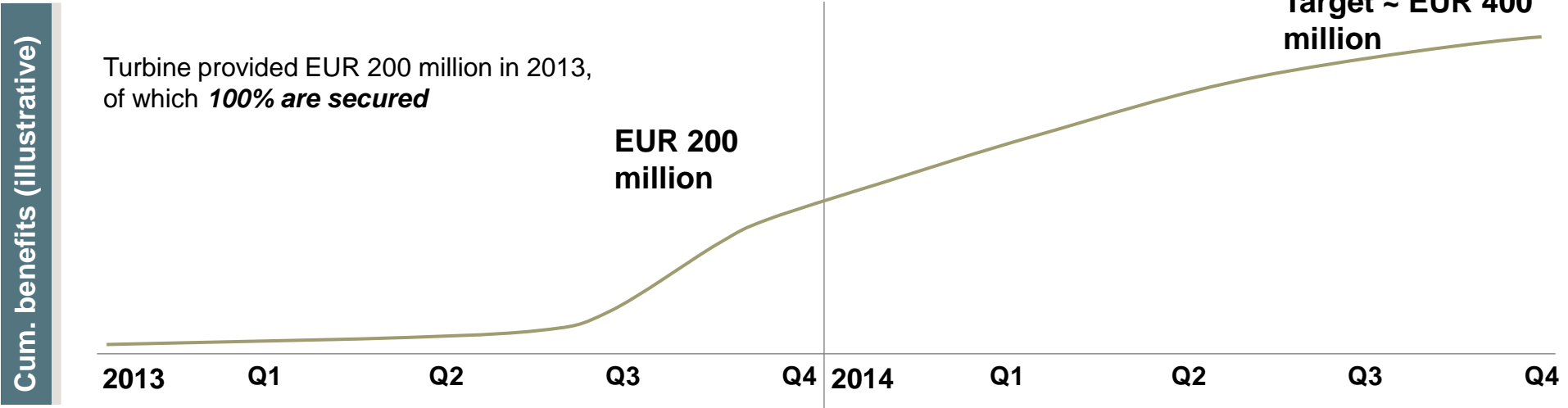
Route	airberlin route capacity (Capacity in thousand seats)	airberlin share	Market position
Selected intra-Germany 2013E			
Munich – Dusseldorf	927	42%	2
Berlin-Tegel – Munich	911	39%	2
Munich – Hamburg	796	35%	2
Munich – Cologne-Bonn	499	38%	2
Selected outbound/inbound 2013E			
Dusseldorf – Palma de Mallorca	695	64%	1
Cologne-Bonn – Palma de Mallorca	386	40%	1
Dusseldorf – Vienna	534	54%	1
Berlin-Tegel – Zurich	559	44%	2
Berlin-Tegel – Vienna	506	56%	1
Dusseldorf – Zurich	462	52%	1

Leader in key Routes

airberlin focuses on operational performance and being a leader in its key passenger routes


Source: Diio Mi and respective company information
 (1) SWISS, Austrian Airlines and Germanwings PAX removed from Lufthansa PAX numbers
 (2) Seat load factor defined as the ratio of RPK to ASK
 Lufthansa load factor for Passenger Airline Group, including Germanwings and regional partners

✓ **Proven track record of successfully implementing improvement measures**



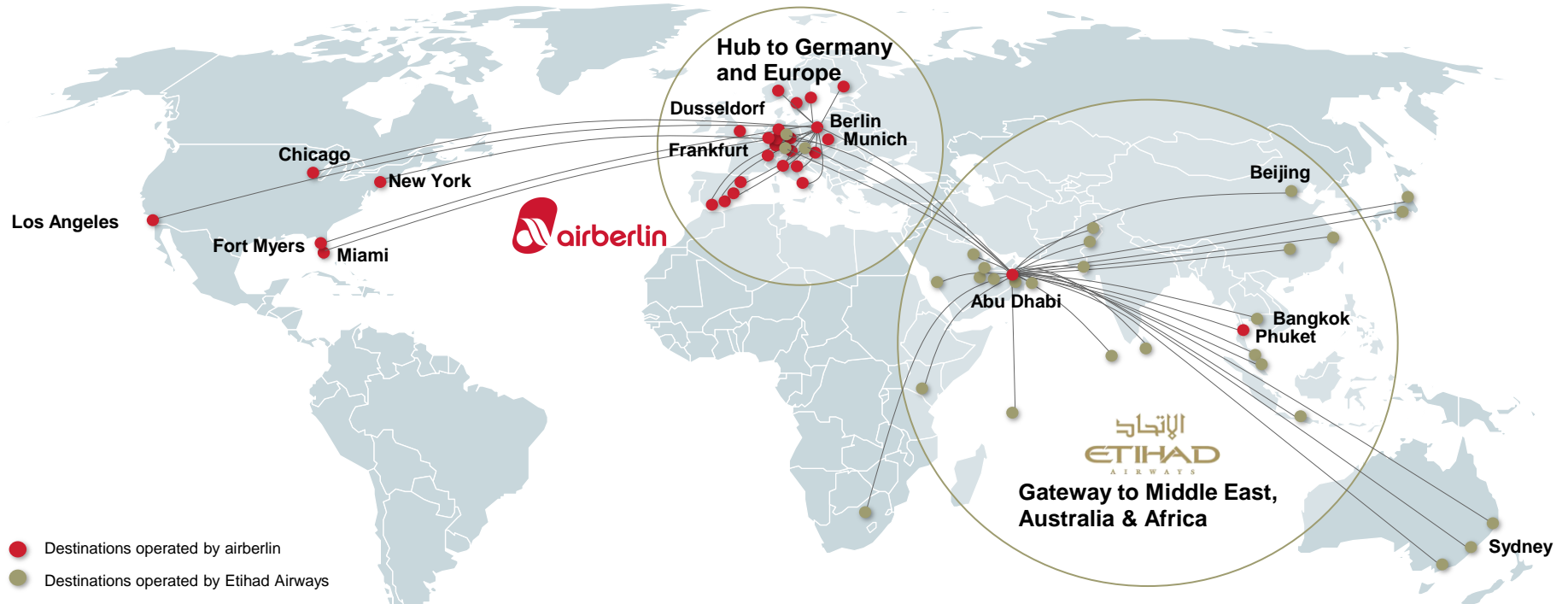
airberlin has a clearly defined plan to further improvements and cost reductions and has already exceeded forecast cost reductions under Turbine to date

✓ Taylor made business model focused on value oriented business and leisure customers

airberlin	Strategic partnership with Etihad Airways	oneworld
<ul style="list-style-type: none"> → Network carrier servicing business and leisure travellers → Extensive global route network, central hubs in Dusseldorf and Berlin and intercontinental connections from Dusseldorf and Berlin → Intensification of its long-haul operations → Global presence in GDS (Global Distribution System) → > 40% web sales 	<ul style="list-style-type: none"> → Portfolio of almost 100 codeshare routes → Partnerships with Etihad Airways' "equity alliance" members: Codeshare agreements with Virgin Australia, Air Seychelles and Air SERBIA 	<ul style="list-style-type: none"> → Successful integration into oneworld alliance completed in March 2012 – airberlin currently serves 80 codeshare destinations worldwide, incremental to its own network → Impressive growth rate from Jan-Sep is expected to be continued mainly from expansion of cooperation with American Airlines, S7, Finnair and IAG <div style="text-align: center; margin-top: 20px;">  </div>
<p>Serving the German and European short-haul market and international routes</p>	<p>Leveraging global connectivity through strategic partnership with Etihad Airways and oneworld</p>	

airberlin's business model focuses on business and leisure travellers; oneworld alliance and strategic partnerships increase global connectivity

✓ Unique financial and strategic partnership with Etihad Airways



- ➔ Joint strategic network approach
- ➔ Portfolio of almost 100 routes
 - 67 AB/HG routes carry the EY code
 - 32 EY routes carry the AB code
- ➔ By combining both airlines flight networks, the number of available flights increased to 227 destinations in 83 countries

Codesharing and interlining multiplies number of destinations offered vs. many European and DACH peers

✓ Unique financial and strategic partnership with Etihad Airways

Comprehensive partnership with Etihad Airways

- ➔ Shareholder loan granted by Etihad Airways up to a total amount of US\$ 205 million
- ➔ Participated pro-rata to shareholding in EUR 140 million convertible bond offering in Q1 2013
- ➔ Etihad Airways is codeshare partner No.1 for airberlin
- ➔ Portfolio of almost 100 codeshare routes
- ➔ More than EUR 100 million (US\$ 130 million) revenues generated in total to EY & AB in 2012
- ➔ Latest extension: Codeshares to China & Japan
- ➔ Due to hub development, codeshare opportunities will further grow
- ➔ Development of codeshare agreements with Etihad Airways partner airlines

➔ Synergies along entire value chain

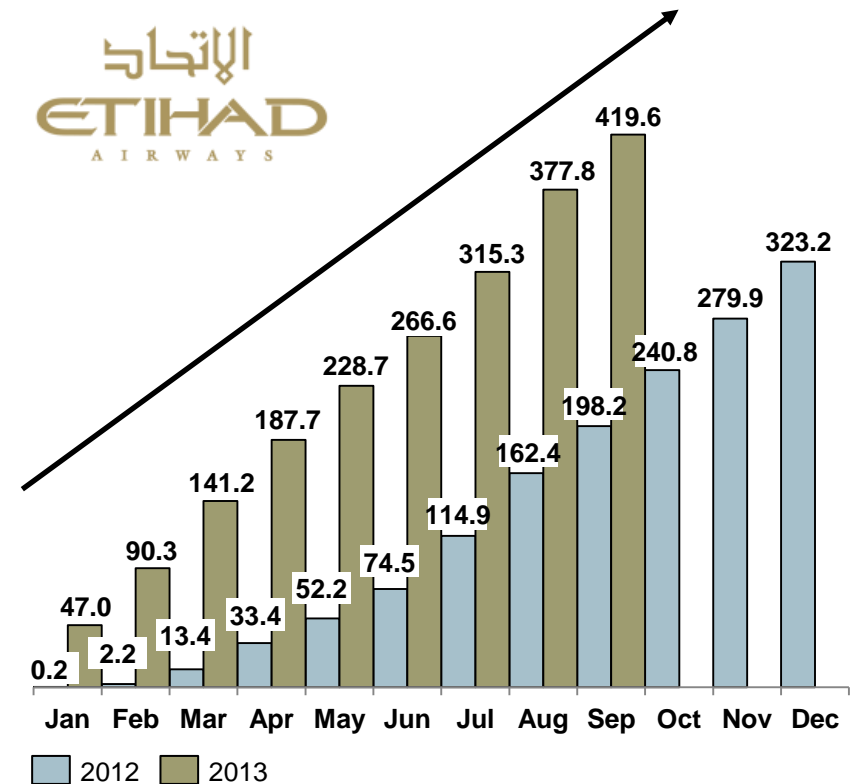
➔ Sales

➔ Financing

➔ Operations

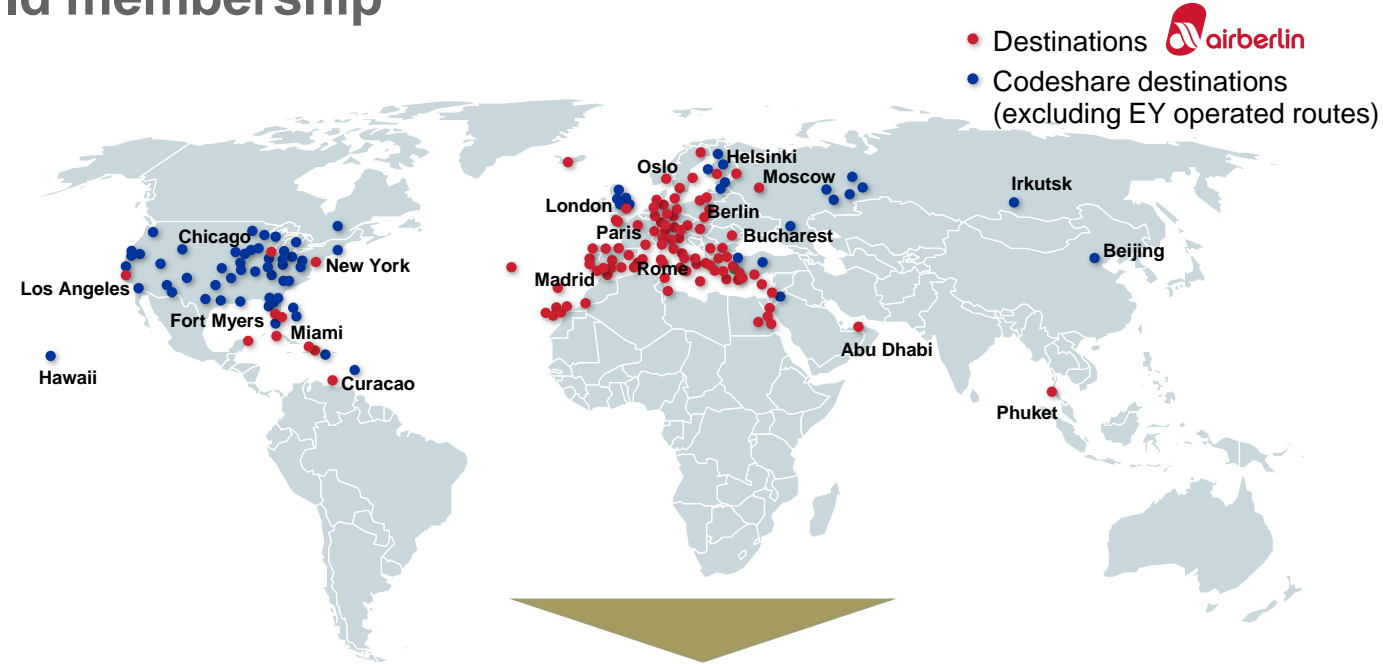
➔ Products

Common Guests development 2012 – Q3 2013 ['000]

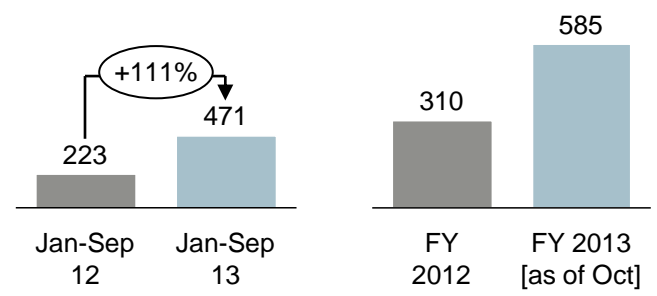


Growing codeshare opportunities will enable growing booking numbers and synergies

✓ Beneficiary of oneworld membership



Common codeshare bookings with **oneworld**



- ➔ From Jan-Sep codeshare bookings more than doubled compared to last year's period
- ➔ Impressive growth rate from Jan-Sep is expected to be continued mainly with partnerships with American Airlines, S7, Finnair and IAG

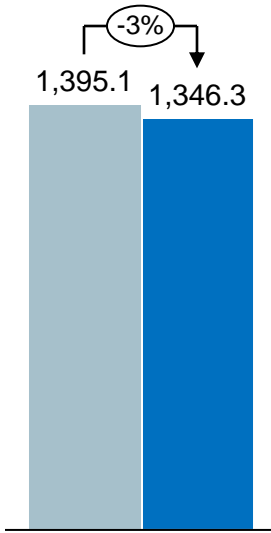
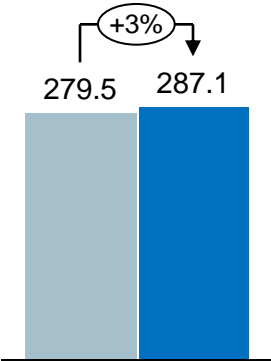
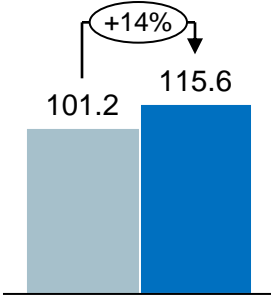
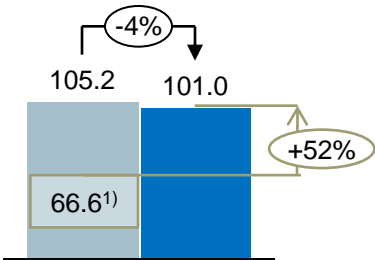
oneworld membership makes airberlin well positioned in core European market and globally – Connectivity drives additional revenue opportunities and fosters passenger loyalty

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3rd quarter financial performance [€m]

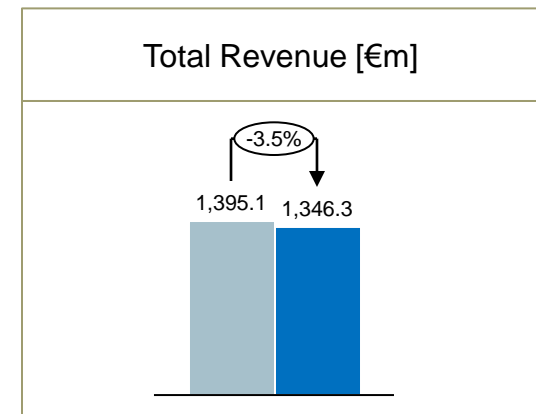
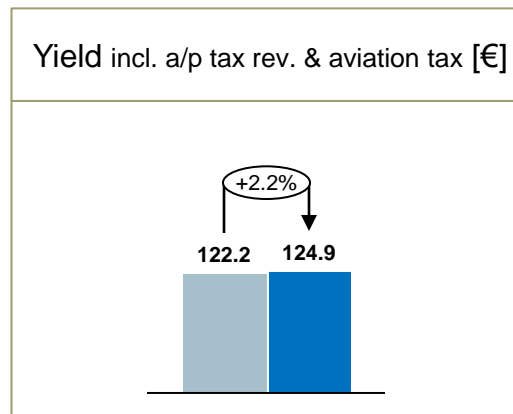
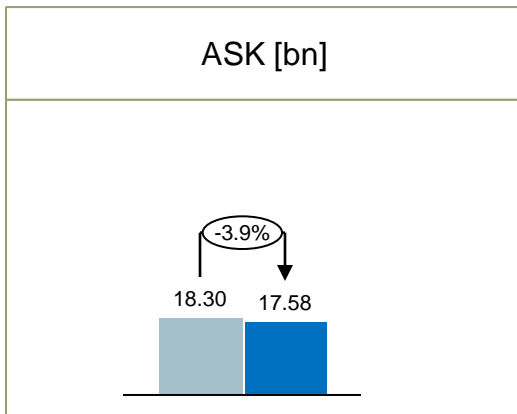
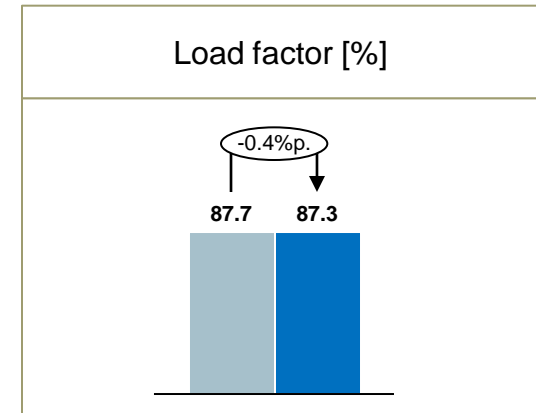
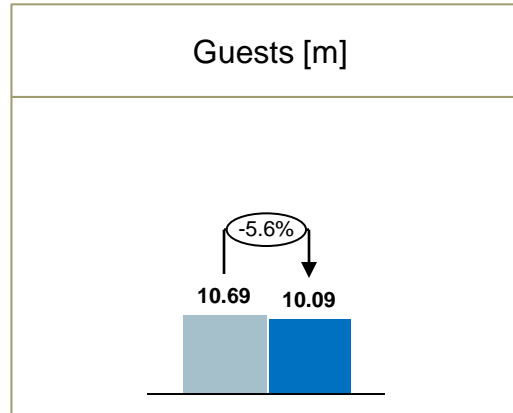
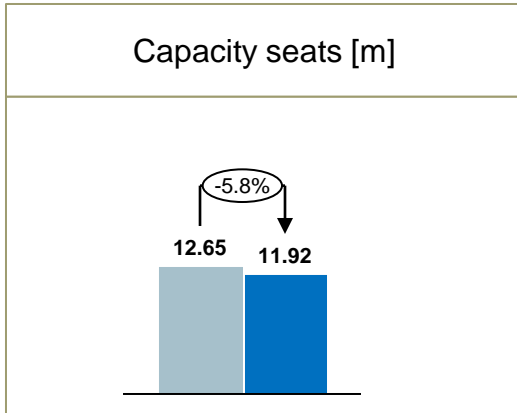
■ Q3/12 ■ Q3/13 actual

Revenue	EBITDAR	EBIT	Net result																														
<p>Total revenue decreased by 3%, however against 6% less seats, the revenue quality improved.</p>  <table border="1"> <tr><th>Quarter</th><th>Revenue (€m)</th></tr> <tr><td>Q3/12</td><td>1,395.1</td></tr> <tr><td>Q3/13 actual</td><td>1,346.3</td></tr> </table>	Quarter	Revenue (€m)	Q3/12	1,395.1	Q3/13 actual	1,346.3	<p>EBITDAR increased by 3%.</p>  <table border="1"> <tr><th>Quarter</th><th>EBITDAR (€m)</th></tr> <tr><td>Q3/12</td><td>279.5</td></tr> <tr><td>Q3/13 actual</td><td>287.1</td></tr> </table>	Quarter	EBITDAR (€m)	Q3/12	279.5	Q3/13 actual	287.1	<p>EBIT improved by 14% due to better operational performance and less cost of ownership.</p>  <table border="1"> <tr><th>Quarter</th><th>EBIT (€m)</th></tr> <tr><td>Q3/12</td><td>101.2</td></tr> <tr><td>Q3/13 actual</td><td>115.6</td></tr> </table>	Quarter	EBIT (€m)	Q3/12	101.2	Q3/13 actual	115.6	<p>Net result has decreased due to higher net financing costs driven by FX and derivatives valuation (based on restated net result)</p>  <table border="1"> <tr><th>Quarter</th><th>Net result (€m)</th></tr> <tr><td>Q3/12</td><td>105.2</td></tr> <tr><td>Q3/13 actual</td><td>101.0</td></tr> </table> <table border="1"> <tr><th>Quarter</th><th>Net result (€m)</th></tr> <tr><td>Q3/12</td><td>66.6¹⁾</td></tr> <tr><td>Q3/13 actual</td><td>101.0</td></tr> </table>	Quarter	Net result (€m)	Q3/12	105.2	Q3/13 actual	101.0	Quarter	Net result (€m)	Q3/12	66.6 ¹⁾	Q3/13 actual	101.0
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1) Q2 2012 as reported

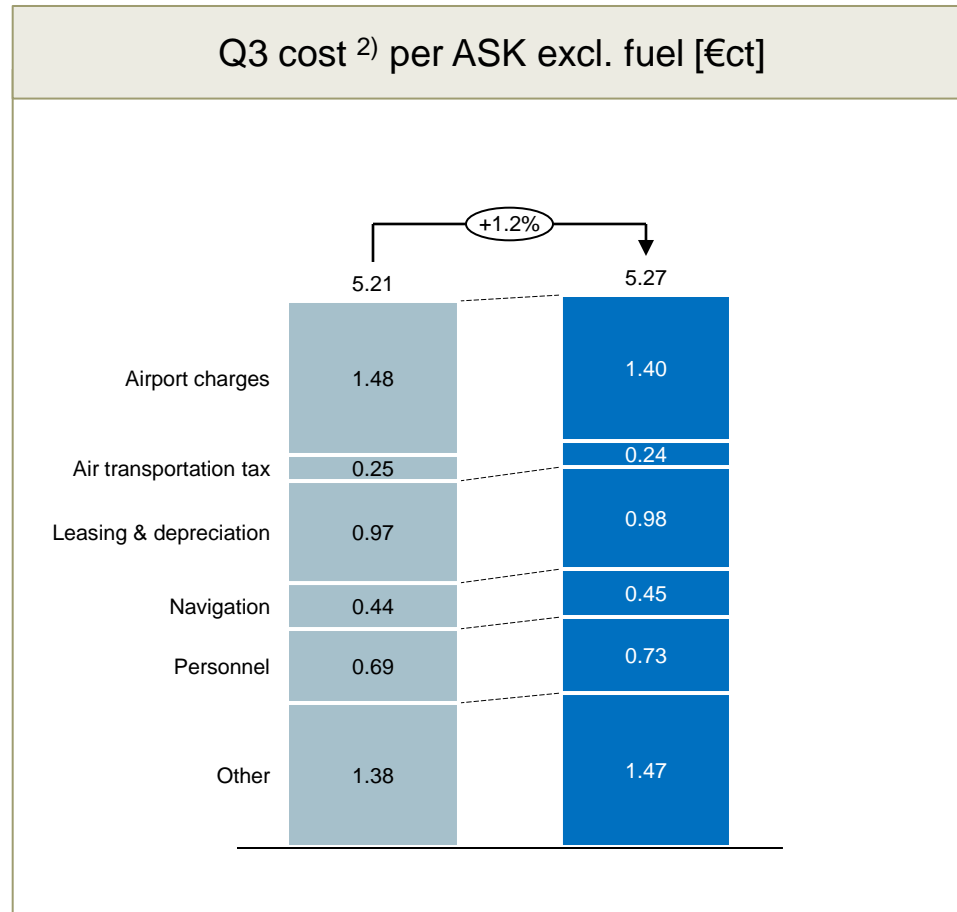
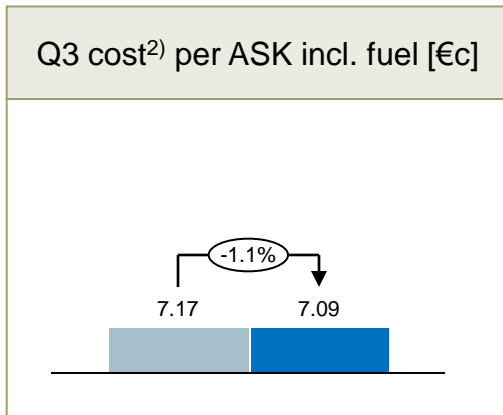
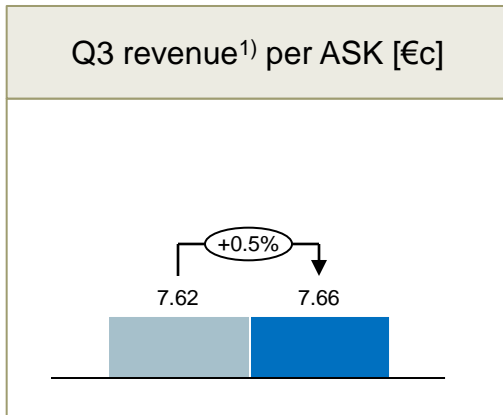
3rd quarter operational development

■ Q3/12 ■ Q3/13



3rd quarter operational development

■ Q3/12 ■ Q3/13



1) Total revenue 2) Cost on EBIT level excluding other operating result

Development of expenses – Turbine effects are offset by cost increases mainly of airport & navigation charges

	Q3 2012	Q3 2013	Δ Q3/13 vs Q3/12	
	[EURm]	[EURm]	[EURm]	[%]
Expenses for materials and services	994.565	928.916	-65.649	-6,6%
Fuel	355.807	321.185	-34.622	-9,7%
A/P and handling charges	271.411	246.018	-25.393	-9,4%
Operating leases	160.854	151.941	-8.913	-5,5%
Navigation	80.015	79.720	-295	-0,4%
Air transportation tax	45.831	41.332	-4.499	-9,8%
Catering costs	39.206	39.415	209	0,5%
Other	41.441	49.305	7.864	19,0%
Personnel expenses	126.732	127.572	840	0,7%
Other operation expenses	172.248	170.426	-1.822	-1,1%
Technical cost	59.828	65.666	5.838	9,8%
IT	4.539	3.083	-1.456	-32,1%
Advertising	11.066	11.098	32	0,3%
Sales & distribution	35.564	34.070	-1.494	-4,2%
Insurance	4.976	4.455	-521	-10,5%
Other	56.275	52.054	-4.221	-7,5%
TOTAL OPERATING EXPENSES	1.293.545	1.226.914	-66.631	-5,2%
Depreciation	17.479	19.546	2.067	11,8%

- DOCs declined in line with capacity reduction and benefit from lower fuel price
- Handling charges also in line with capacity reduction only due to Turbine as charges in general increased, especially in Spain
- Catering cost increased structurally due to more long-haul passengers

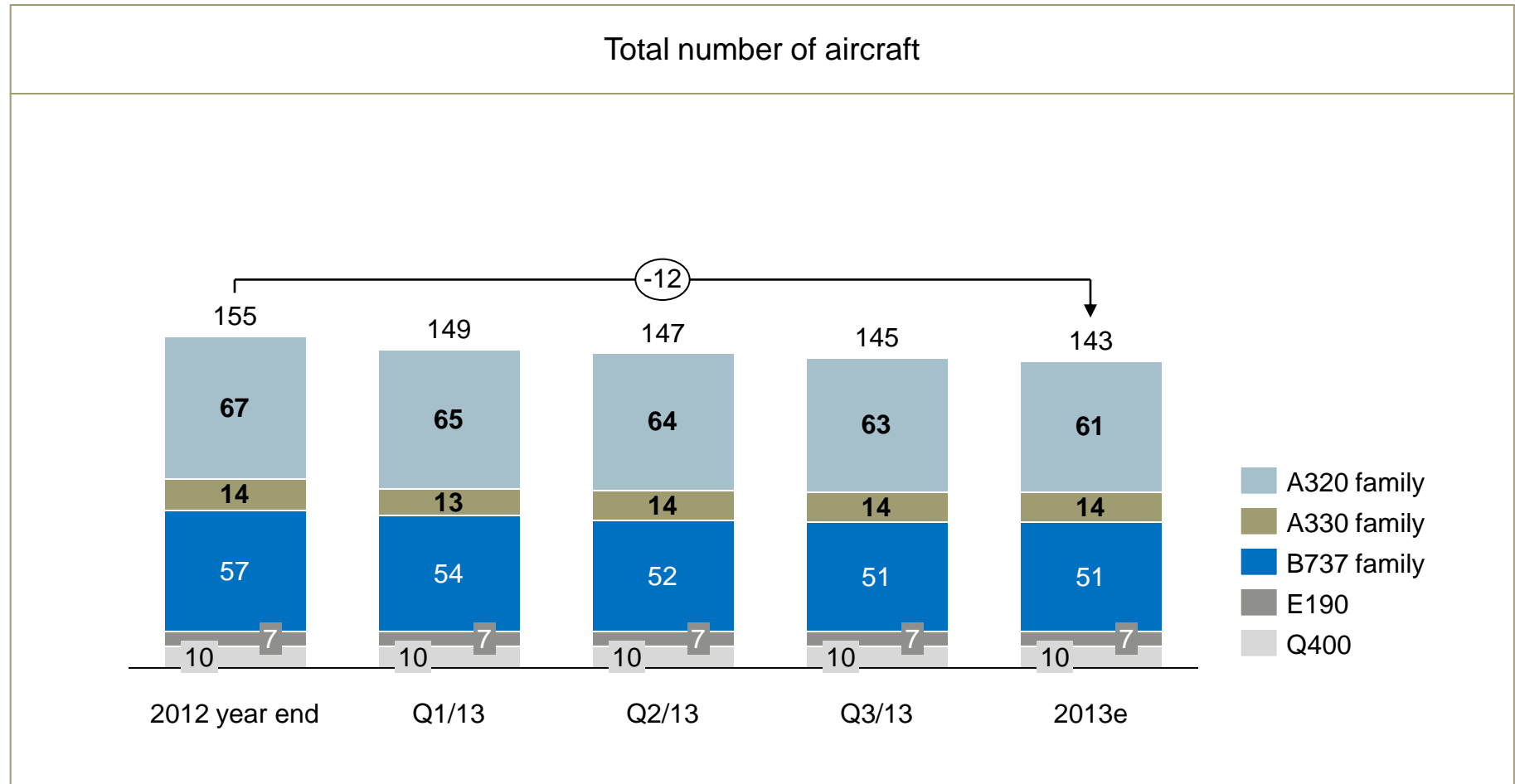
- Salary increases were offset by less FTE and higher productivity

- Compensation payments due to passenger claims and court verdicts interpreting EU regulations also have a negative impact on others
- Technical cost increased due to fleet restructuring measures

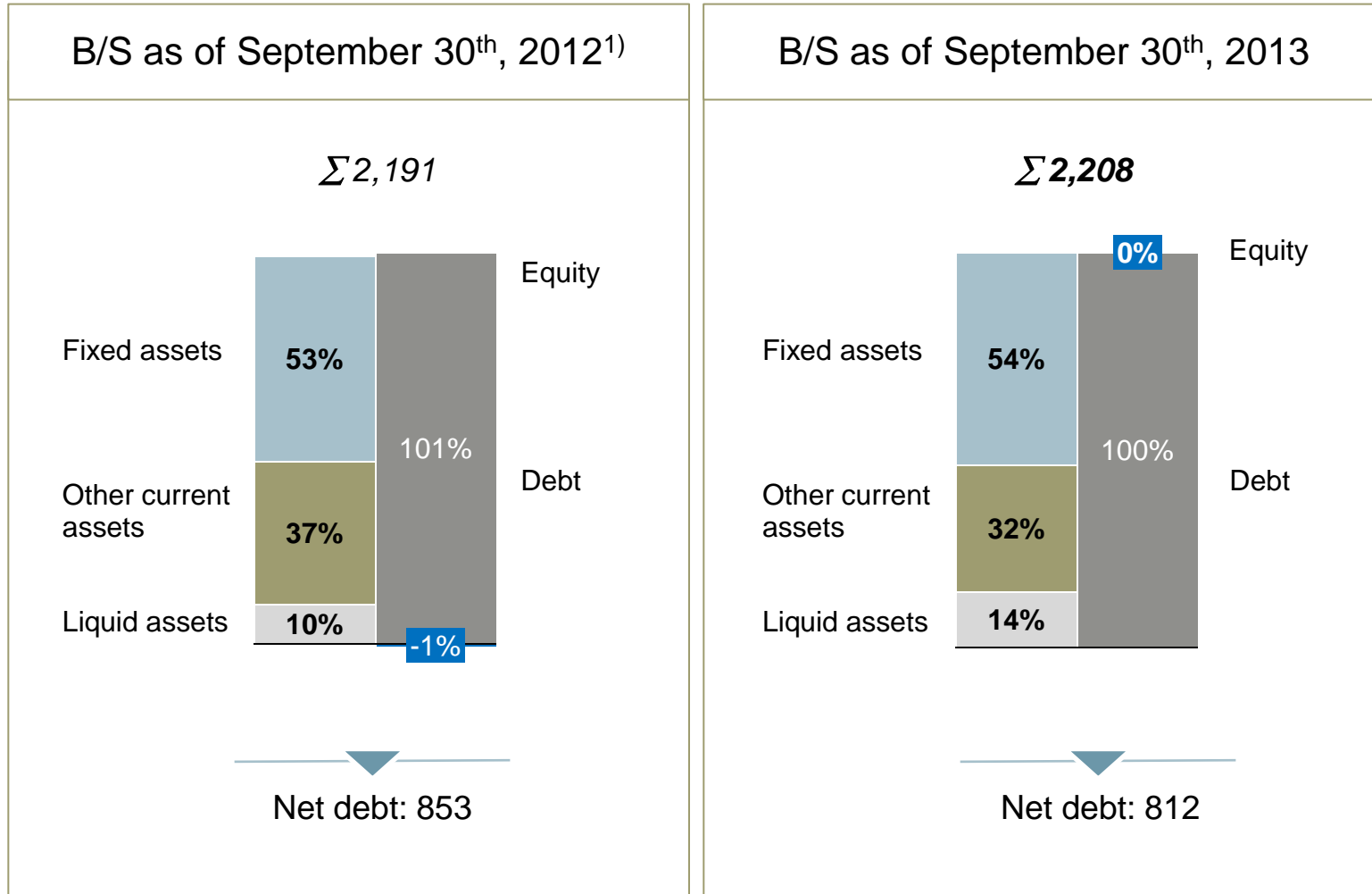
- Depreciation grew due to exceptional write offs

Fleet development

Number of aircraft



Preliminary balance sheet structure [EURm]



1) Q3 2012 restated

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Summary investment highlights

✓ Sustainable and competitive business model

- Top 2 position within core DACH market, benefiting from positive outlook for DACH market
- Adapting business focus and growing in certain segments
- Has taken market share from competitors

✓ Strategic partnerships

- Traffic on key routes expected
- Strategic partnership with Etihad Airways and other codeshare increases airberlin's exposure to international markets



✓ Improved cost structure + Increase in profitability

- Successful implementation of "Shape & Size" program has delivered improved operational performance
- Current "Turbine" program is on-track and set to deliver approx. EUR400m of EBIT improvement by 2014

✓ Stabilized financial structure

- Liquidity improved through the issued convertible bond and good booking intakes
- Equity ratio target of 15-20% by mid term
- Deleveraging is the key objective for 2013; initiatives are on the way and 7 aircraft have already been sold after the reporting period
- New target for net debt is being set at around EUR 650m towards year end

Guidance for Q4 2013

Operational performance



Capacity

- 3% capacity reduction in Q4/13 with focus on short-haul routes

Capacity utilization and income

- Increasing load factor through continuing effects from network reduction, improved sales platform and partnerships



Result



Revenue

- Weaker yields will lead to lower revenue despite expected increase in load factor

Expenses

- Cost per ASK excl. fuel will decrease in the course of the remaining quarter

Result

- Recent full year market expectations can only be almost reached through one-off effects and higher other operating income.



Balance sheet



Balance sheet

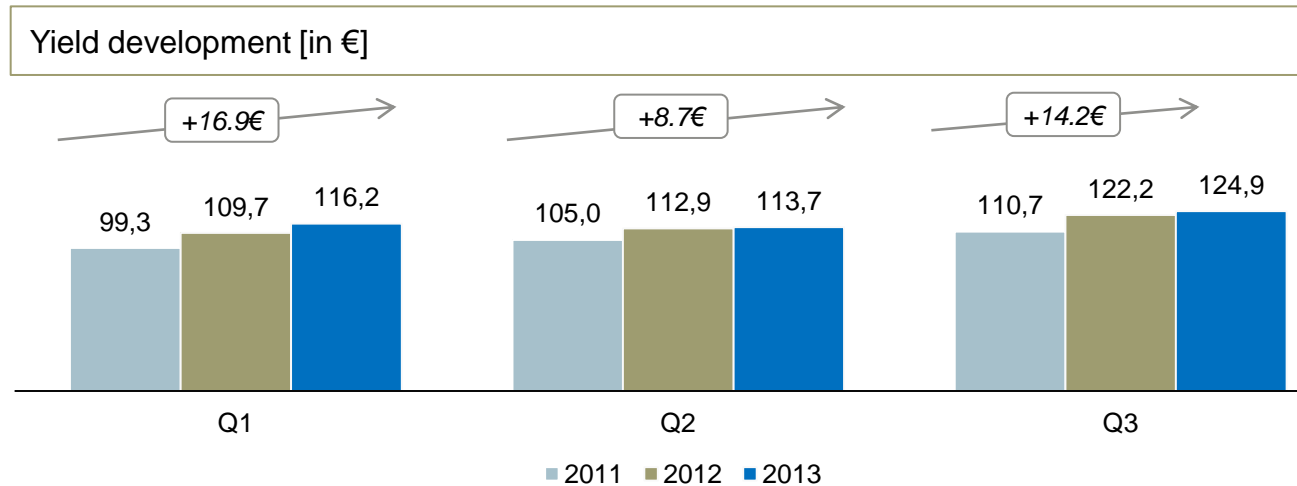
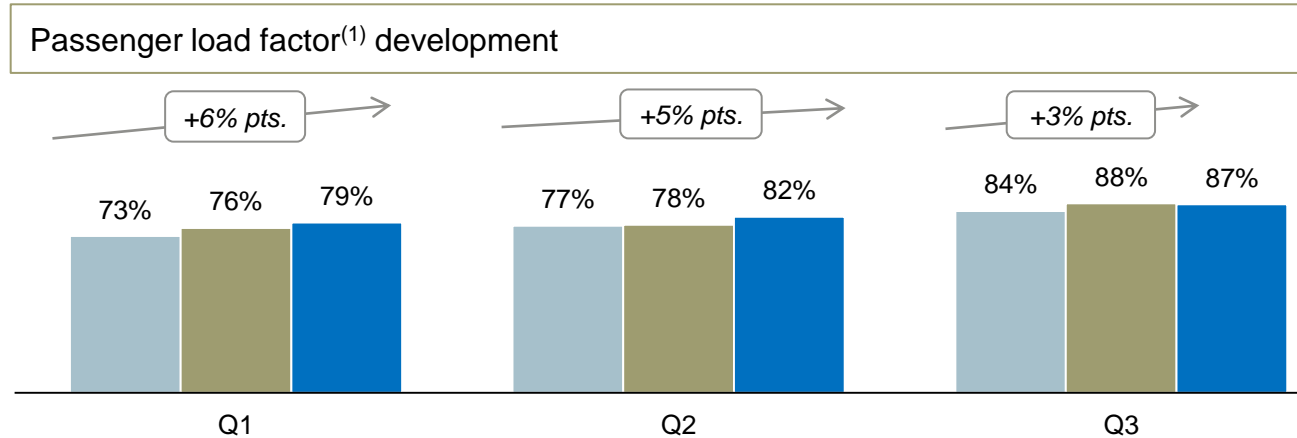
- Liquidity improved through the issued convertible bond
- Equity ratio target of 15-20% by mid term remains valid
- Deleveraging is the key objective for 2013; initiatives are on the way and 7 aircraft have already been sold after the reporting period (Net debt decrease EUR -131m). New target is being set at around EUR 650m towards year end

After the first nine months of the year and in light of the continuing challenging market conditions, the Company should now only be able to come close to achieving market consensus in 2013 with positive one-off effects and higher other operating income. This is currently being pursued.

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Key operating metrics

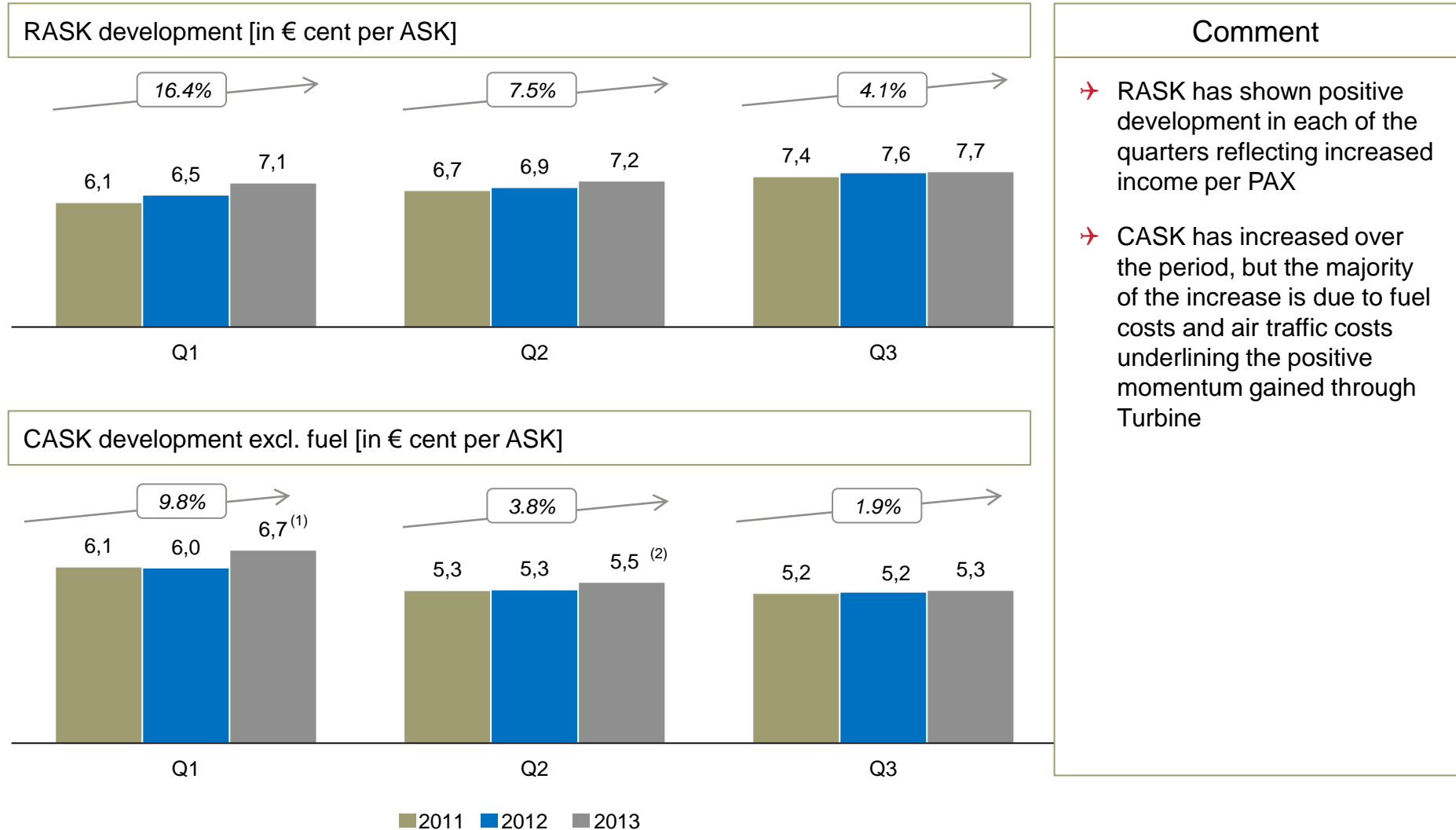


Comment

- ➔ Passenger load factor has increased over the last 3 years, in part due to **oneworld** alliance membership
- ➔ Particular improvement in Q1 shows positive progress in a typically slow quarter
- ➔ Yield improvement shows positive trends, with revenue per PAX increasing in each quarter YoY

Source: Company filings.
 (1) Defined as number PAX / capacity.

Key operating metrics (cont'd)



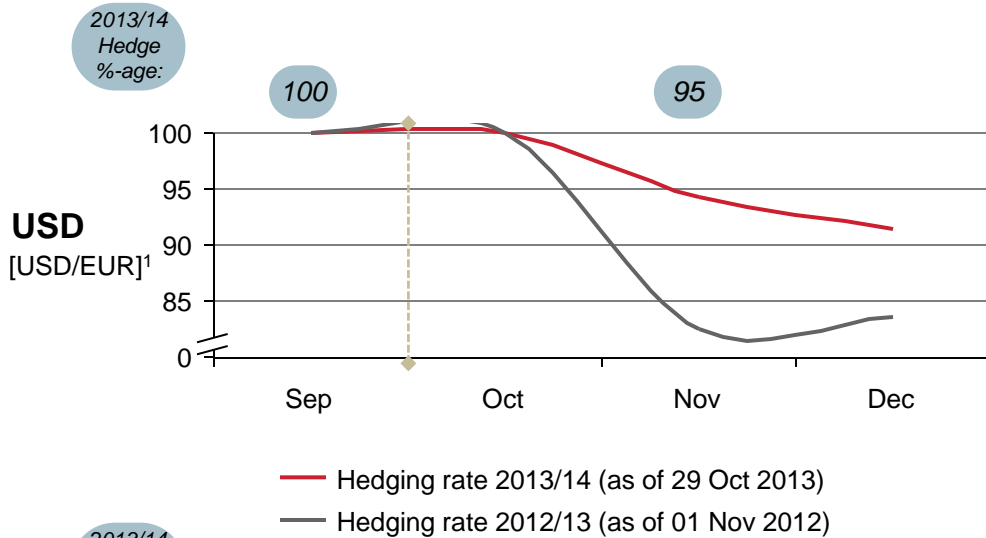
Source: Company filings.

(1) Excluding EUR 25 million turnaround charges

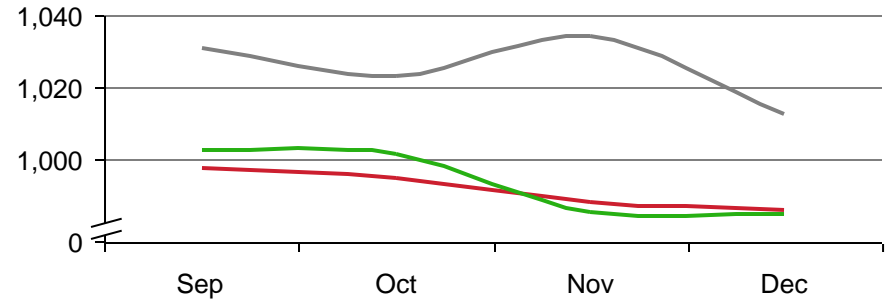
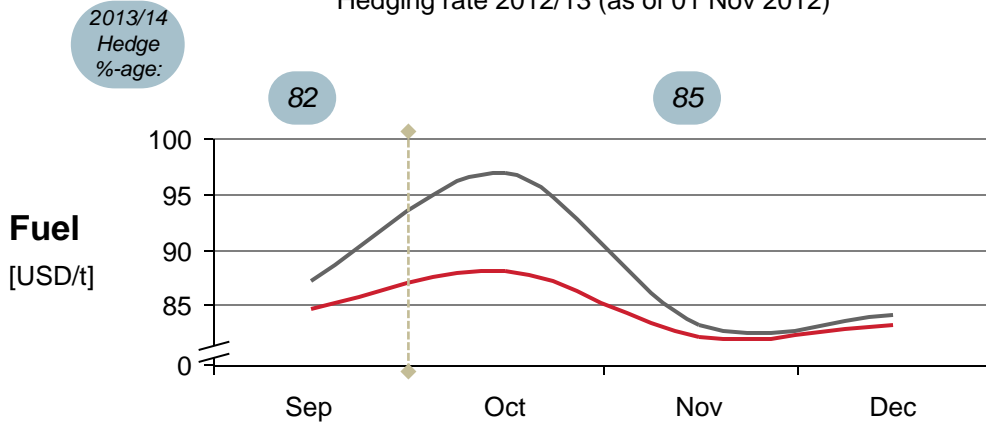
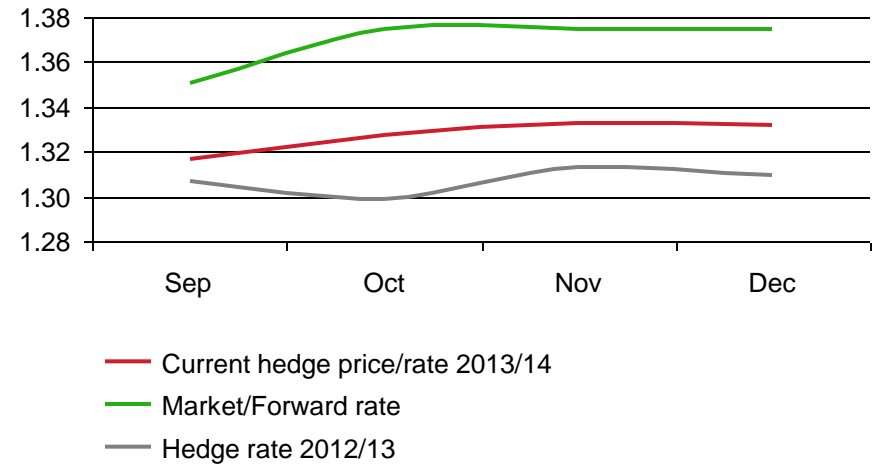
(2) Including EUR 7.9 million lease out income & excluding EUR 10 million turnaround charges

Hedging result on fuel and USD

Hedging profile¹⁾ [%]



Price/ FX Rate development



1) as of 29 Oct 2013 | as of 01 Nov 2012; excl. differentials

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