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Air Berlin PLC | 13th August 2015 |
Analyst Call 2nd Quarter 2015



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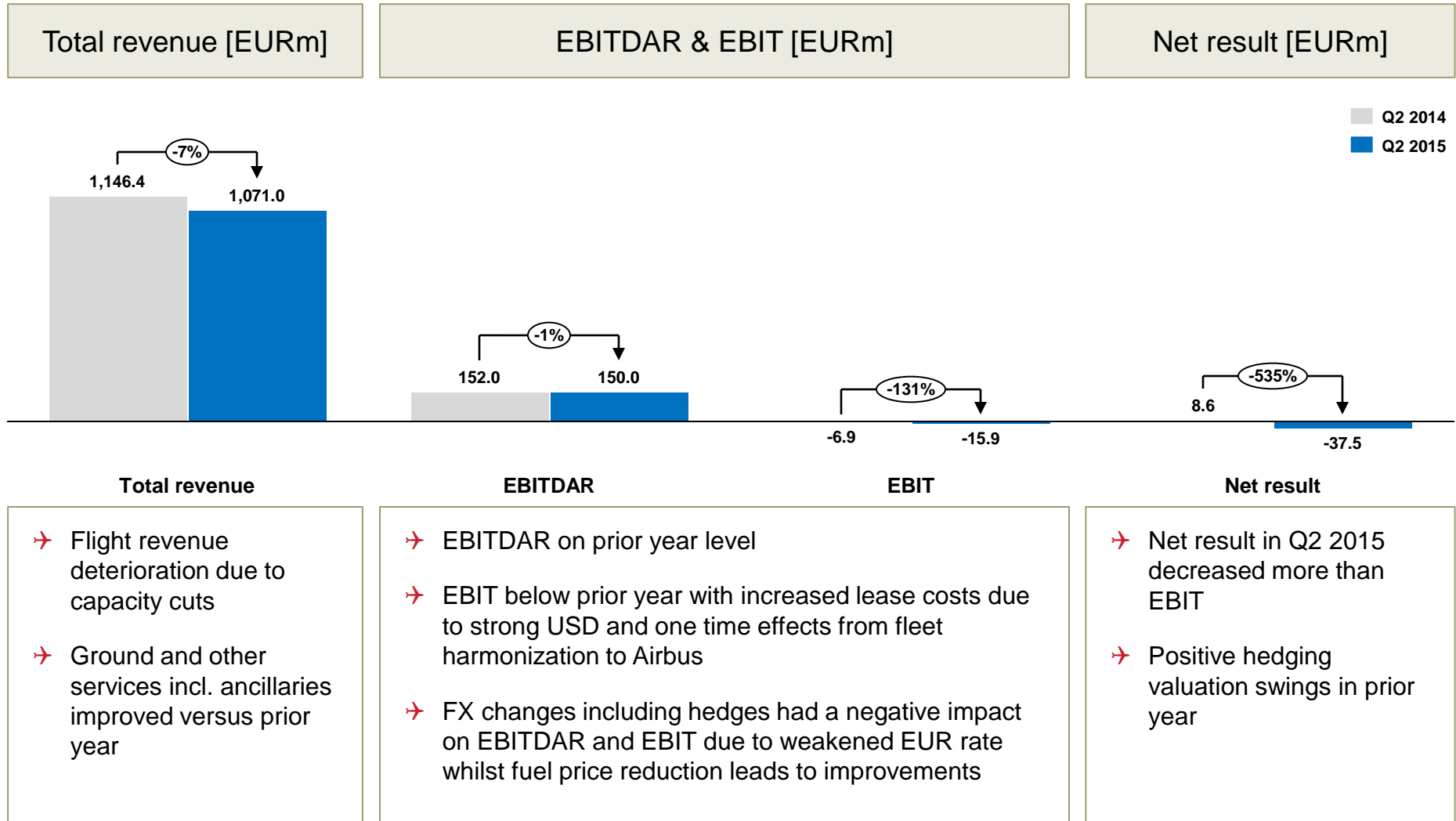
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Executive Summary

- **Q2, as announced, a transitional quarter – positive outlook for the second half 2015**
- **Revenue**
 - RASK growth in a competitive environment resulting from capacity reductions and further optimization of the new Revenue Management System
 - Further revenue optimization, e.g. from the new ticket fare system, implemented in Q2
- **Costs**
 - Advantages of the low oil price offset by fuel hedging and a high US Dollar exposure
 - In addition, further charges due to retraining of crew and additional number of aircraft in the transition phase to a single narrow body fleet
- **Outlook**
 - Yield and RASK continue to grow within the next periods
 - Further network and product optimization ongoing
 - Further result improvements on operating level in second half of the year

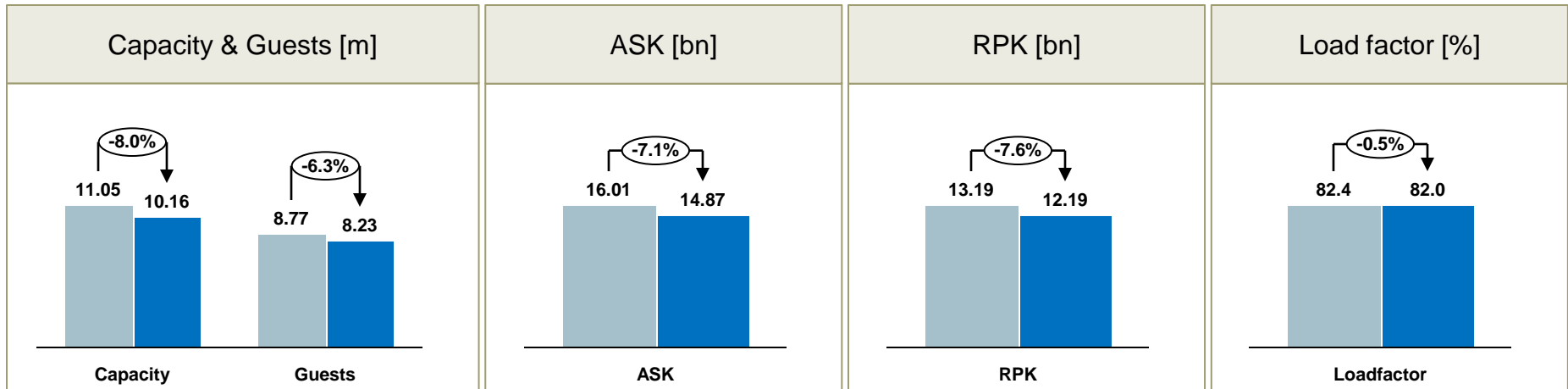
A. 2nd Quarter 2015

Q2 performance influenced by tactical capacity cuts and currency



Significant capacity cuts drive revenue development

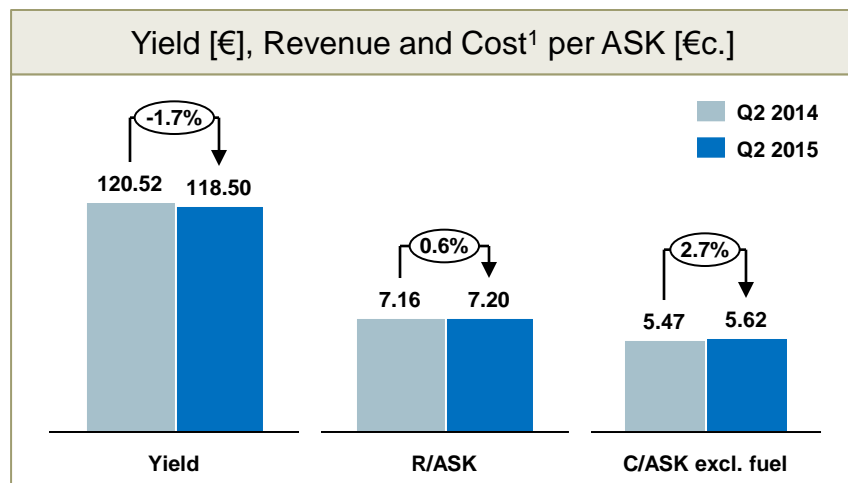
■ Q2 2014
■ Q2 2015



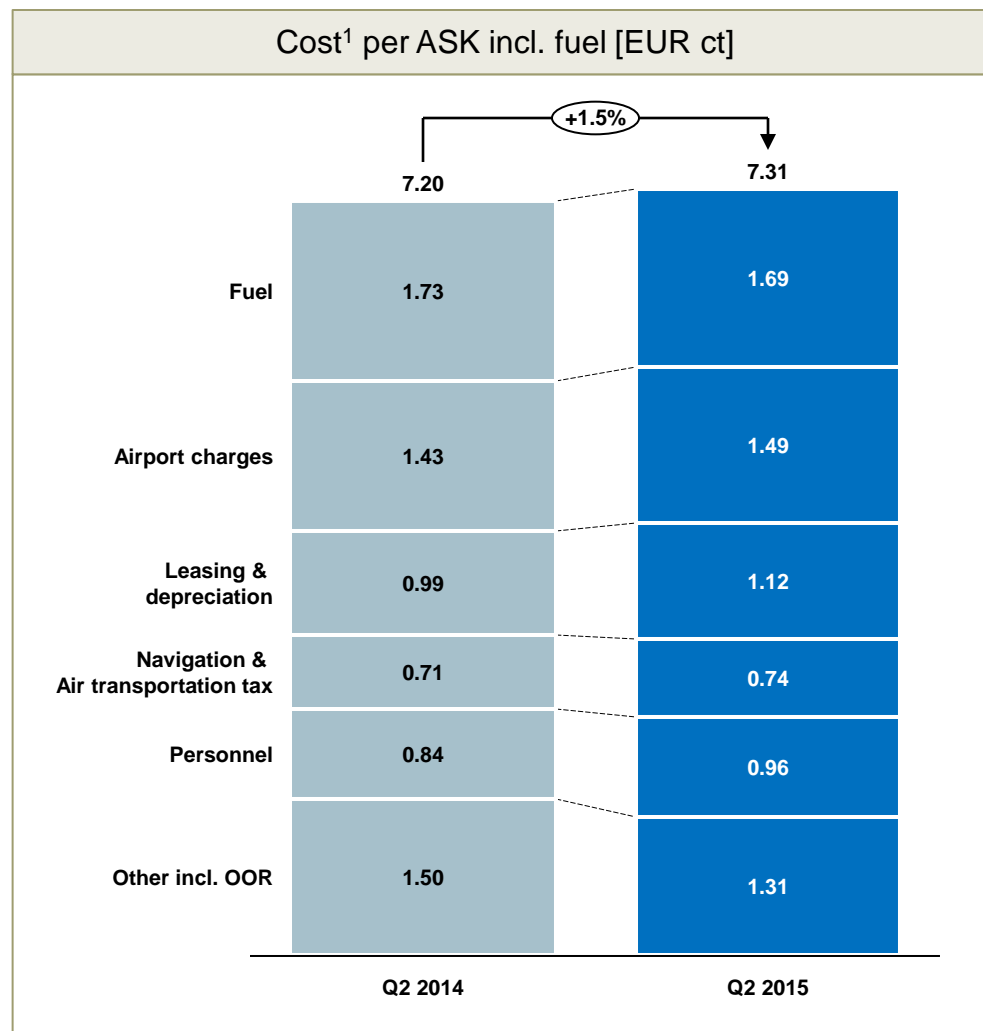
Remarks

- Continuous network restructuring and capacity adjustments results in overall capacity reduction
- Load factor based on RPK vs ASK down compared to previous year
- Shift of Easter holidays in March this year and Lufthansa strikes in Q2 2014 had a material impact

RASK slightly ahead of prior year

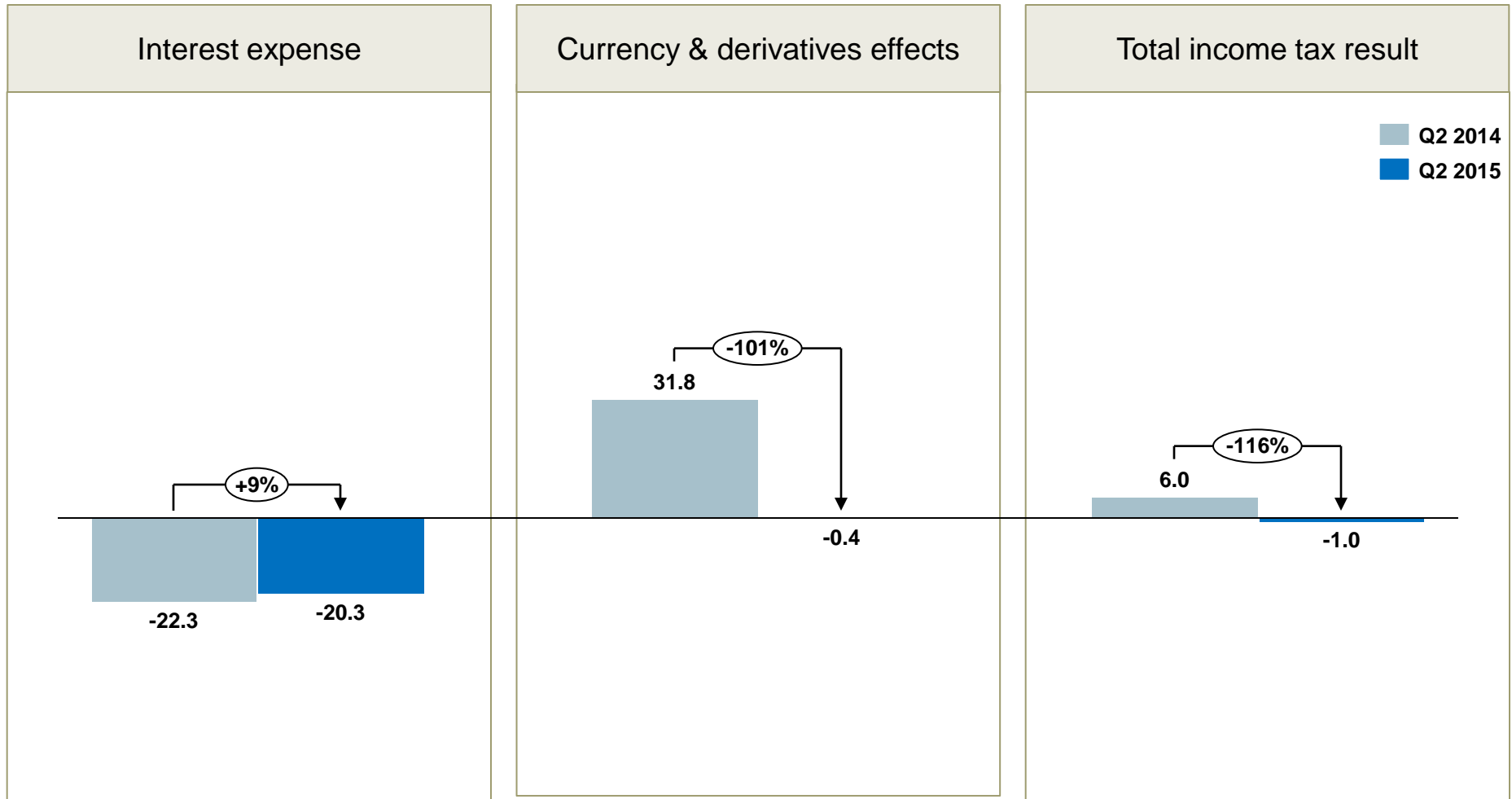


- Remarks
- ➔ Total revenue per ASK on 2014 level with yield per PAX slightly below
 - ➔ Costs per ASK increase in personnel expenses and leasing & depreciation comes from one-off effects resulting from capacity reduction and fleet harmonization
 - ➔ Higher airport charges due to a focused network on high value airports
 - ➔ Corresponding personnel costs have risen by a direct employee takeover from NIKI, tariff developments and non-recurring expenses



(1) Cost on EBIT level including other operating result

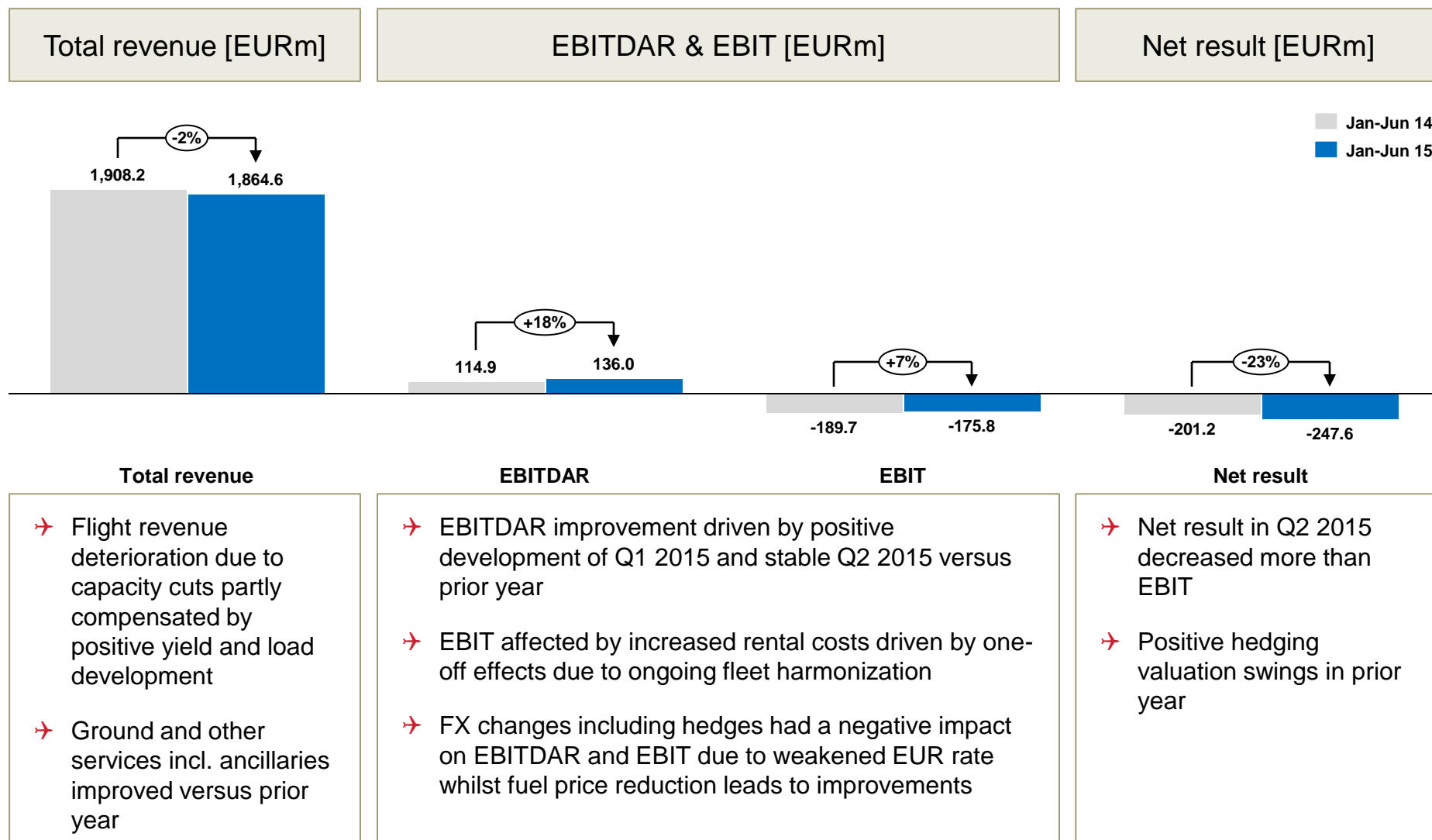
Postive currency and derivatives effects in 2014 did not repeat



Breakdown of financial result EURm

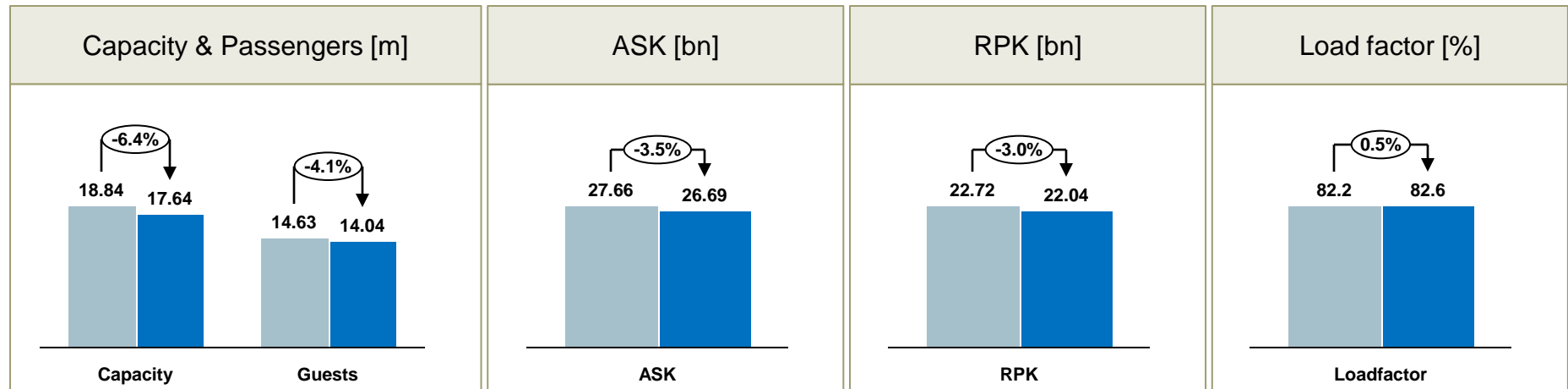
B. First Half year 2015

Operational result improved despite headwinds from FX



Capacity cuts drive higher load factor

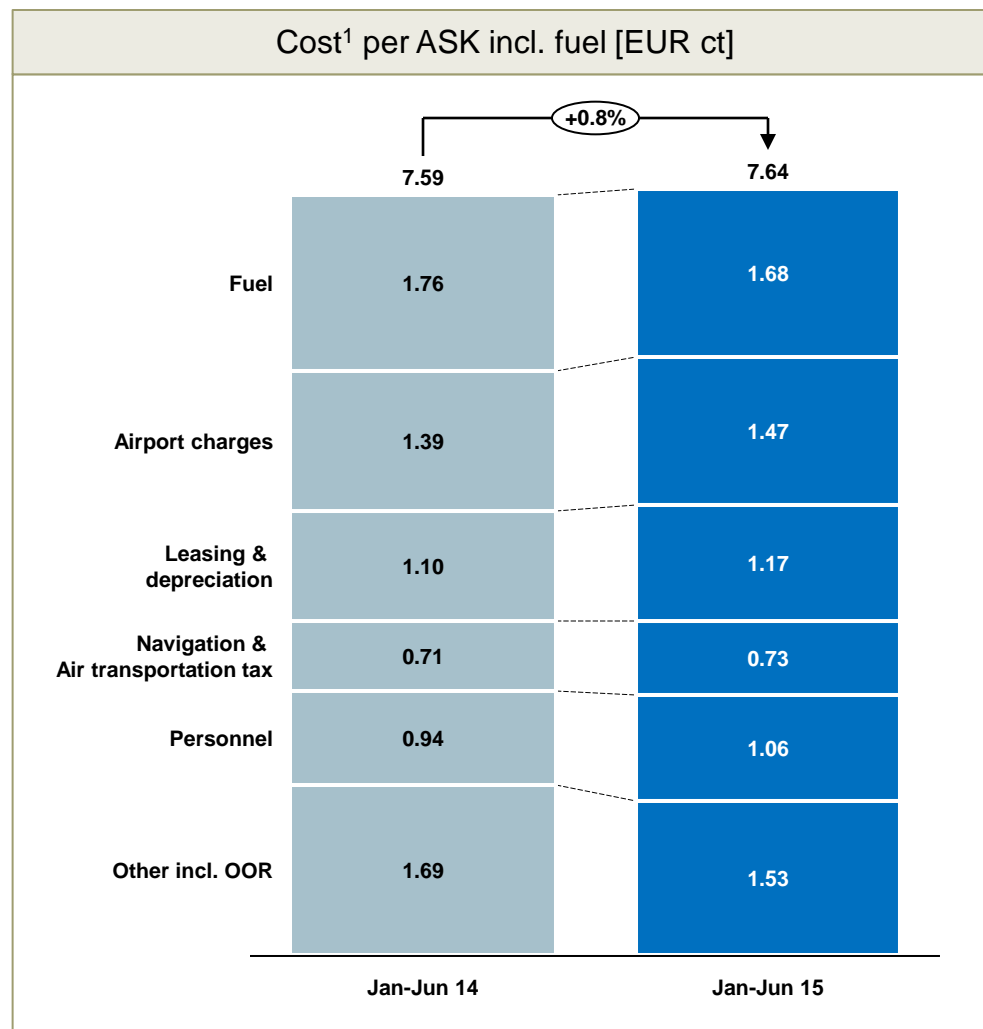
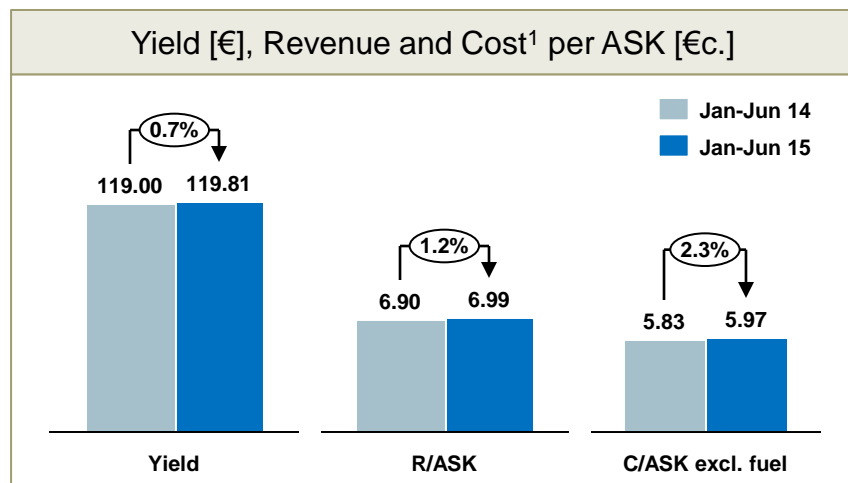
■ Jan-Jun 14
■ Jan-Jun 15



Remarks

- ➔ Ongoing network improvements and capacity adjustments results in overall capacity reduction, especially due to strong capacity cuts in 2nd quarter
- ➔ Strong load factor improvement in Q1 2015 (+1.7 % pt) partly offset by Q2 2015 development leads to a slight improvement in load factor over the first half of 2015
- ➔ Shift from shorter to longer routes results in less ASK reduction than capacity

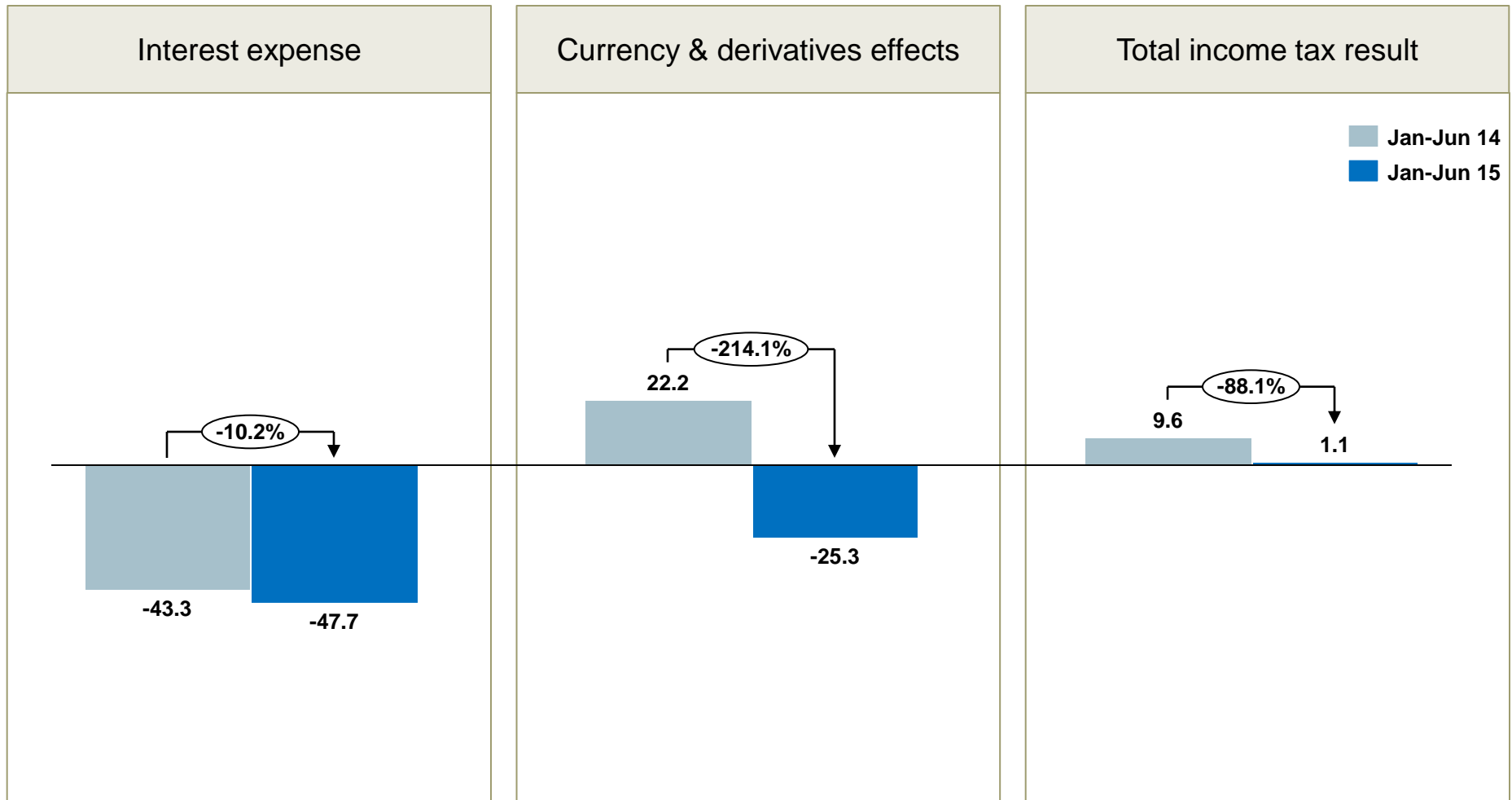
RASK growth stronger than CASK growth



- Remarks
- ➔ Total revenue per ASK improves due to positive yield and load factor development
 - ➔ Costs per ASK increase in personnel expenses and leasing & depreciation due to one-off effects resulting from ongoing capacity reduction and fleet harmonization
 - ➔ Higher airport charges caused by a focused network on high value airports
 - ➔ Fuel price decrease could partly offset CASK deterioration

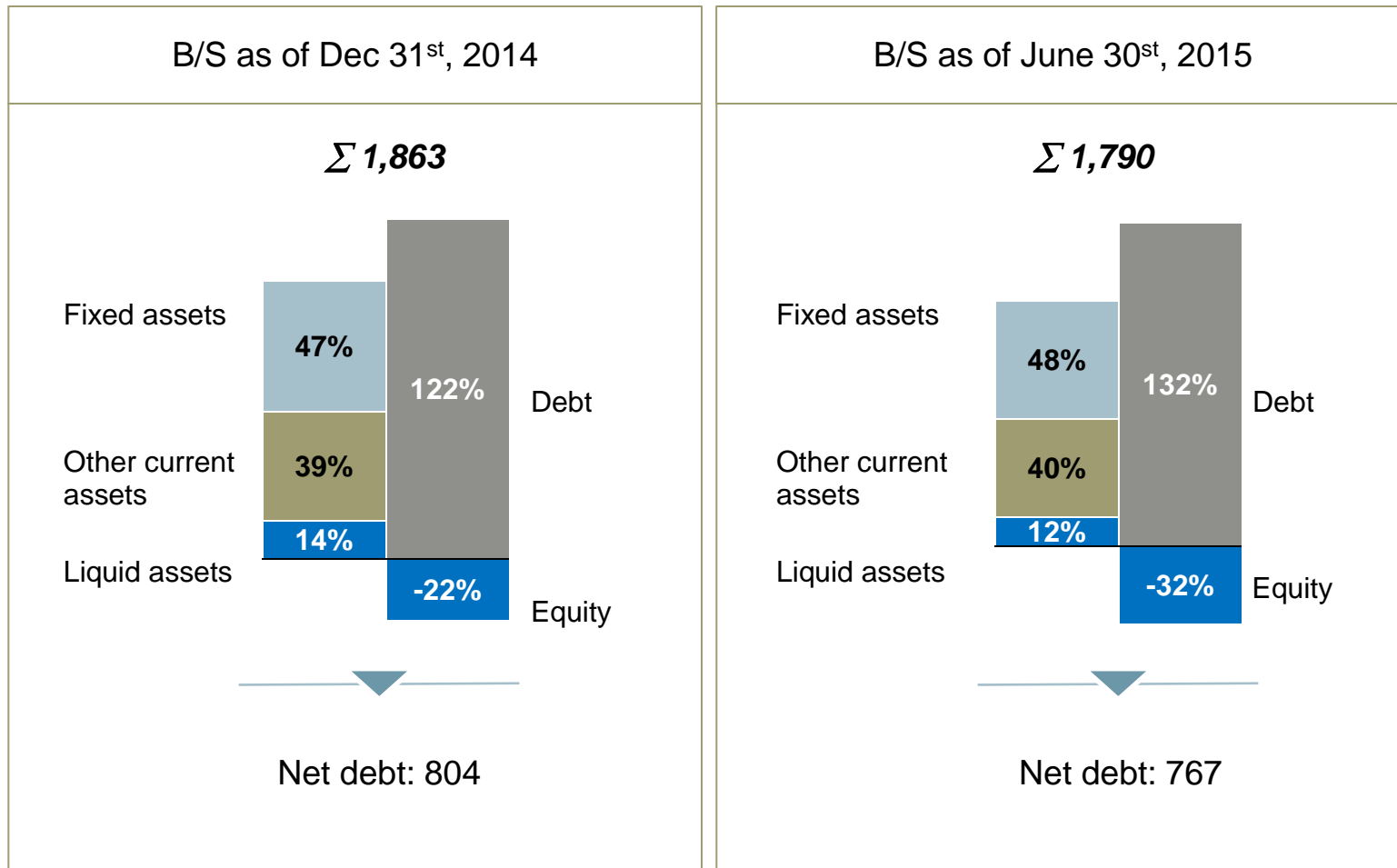
(1) Cost on EBIT level including other operating result

Currency & derivatives effects burden financial result in H1 2015



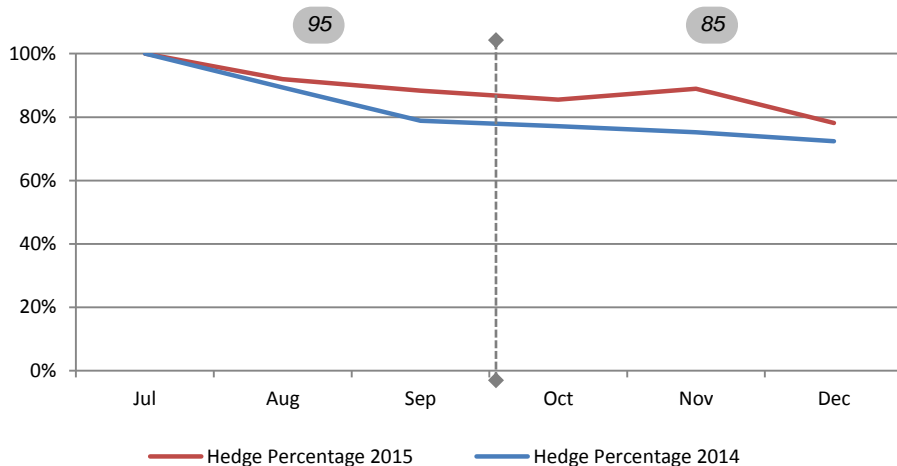
Breakdown of financial result [EURm]

Consolidated balance sheet structure

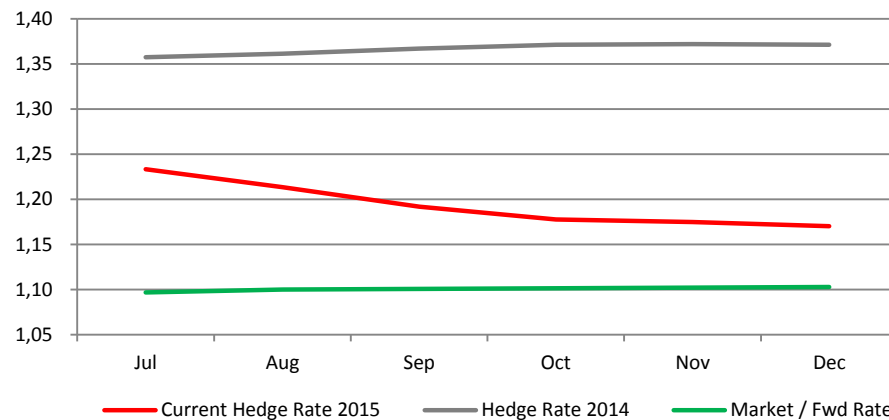


Hedging

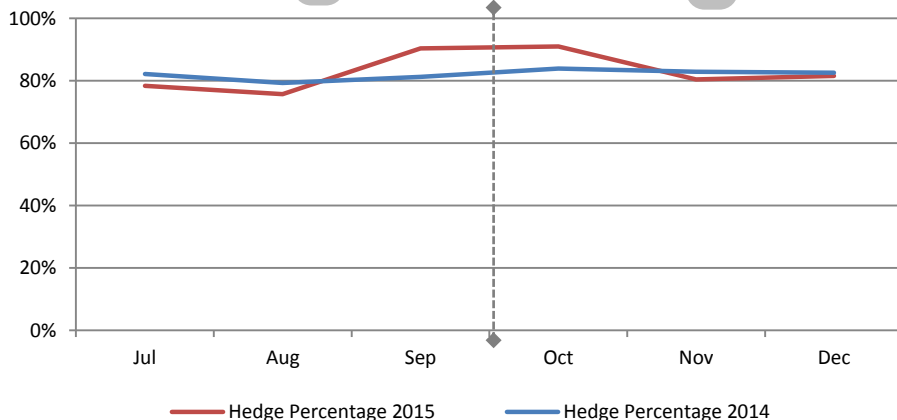
Hedging profile [%] ¹⁾



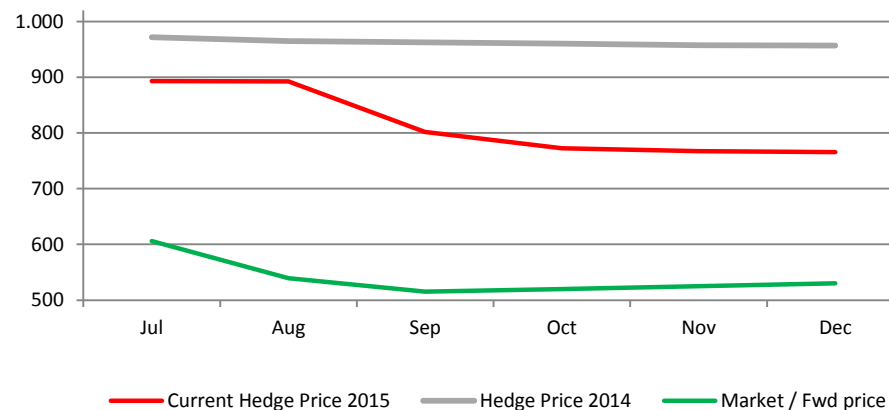
FX rate development [EUR/USD] ¹⁾



Hedging profile [%] ¹⁾



Price development [USD/t] ^{1), 2)}



¹⁾ as of 06 August 2015 resp. 01 August 2014, ²⁾ excl. differentials

C. Update on the realignment

Realignment of airberlin business model

1st Phase until September 2015	2nd Phase until March 2016	3rd Phase from April 2016
Management & Leadership	Market Segmentation & Capacity adjustments	Profitability & Growth
<ul style="list-style-type: none"> ✓ Key performance indicators (KPIs) and incentives already introduced at the top three management ✓ Realignment of corporate structures along the airline value chain to drive performance • Review of network strategy and planning, scheduling, revenue management and sales channel management WIP ✓ Staff engagement (myCEO etc.) 	<ul style="list-style-type: none"> ✓ Short-term capacity optimisation from March to June 2015 (minus 5 %) implemented • Yield improvements through new revenue management strategy • Realigning of different sales channels and increase of partner airline market shares • Increase of market shares in strategic target markets and airberlin hubs and new partnerships of withdrawal from non-strategic markets • focus on our core business • Realignment cost structure following capacity adjustments 	<ul style="list-style-type: none"> • Developing multi-hub strategy as well as new long-haul destinations • Deciding on platform growth strategy as well as outsourcing of non-core activities • Improving IT infrastructure as the basis for future growth



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Questions & Answers

