



**Air Berlin PLC** | 11<sup>th</sup> November 2015 |  
Analyst Conference 3rd Quarter 2015



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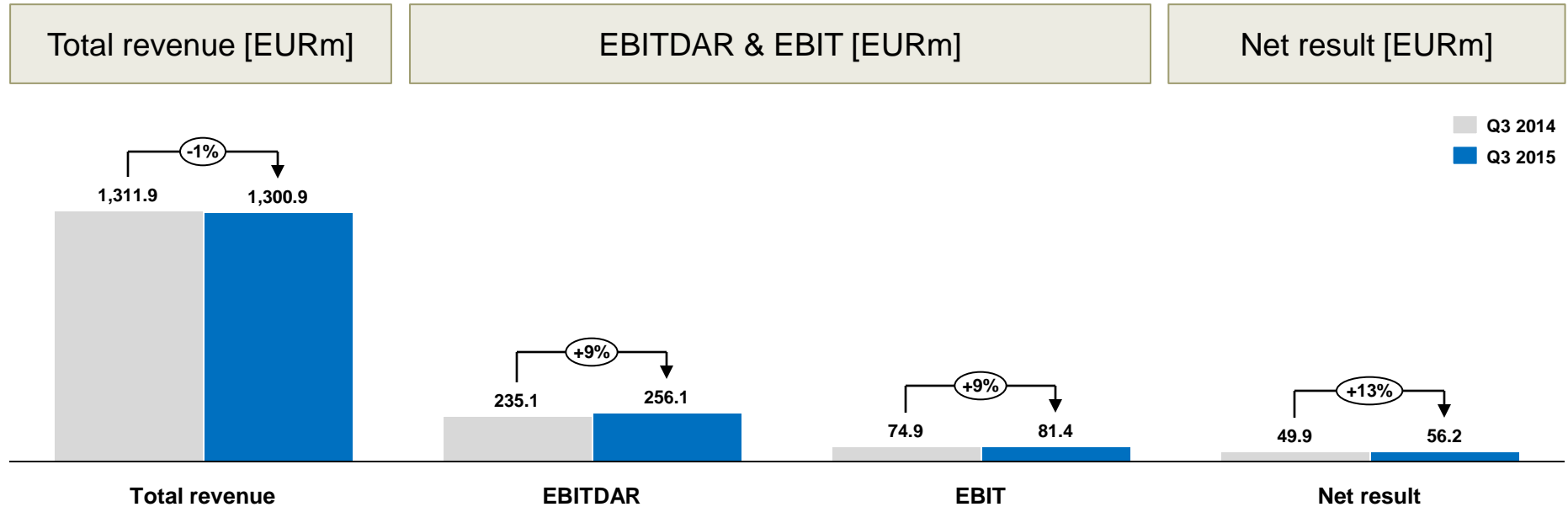
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## Executive Summary

- **airberlin improves operating profit in third quarter**
- **Revenue**
  - RASK growth in a competitive environment driven by capacity reductions and positive impact of the new Revenue Management System
  - Increase in load factor caused by tactical capacity consolidation
- **Cost**
  - Advantages of the low oil price offset by fuel hedging and a high US Dollar exposure
  - Further expenses due to retraining of crew and additional number of aircraft in the transition phase to a single narrow body fleet
  - Further headwinds from higher airport charges as well as higher navigation & air transportation tax
- **Outlook**
  - RASK improvement versus previous year expected in 4<sup>th</sup> quarter
  - Further network and product optimization started

## A. 3rd Quarter 2015

# Operational result Q3 improved versus prior year



→ Positive yield and load factor development compensated capacity reduction

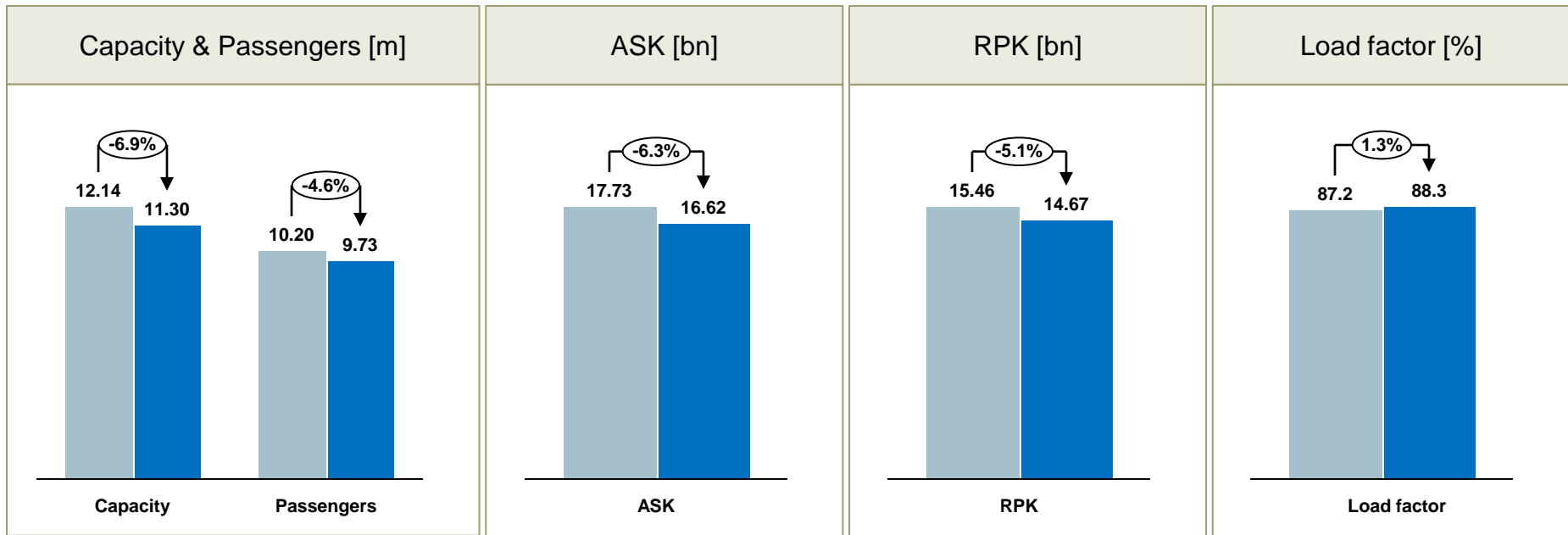
→ Improvement in operational business leads to significantly positive EBITDAR development, despite higher airport charges, navigation & air transportation tax and negative impact from FX

→ One time effect due to fleet harmonization weigh further on EBITDAR and EBIT

→ Net result follows EBIT development as higher tax charges are compensated by lower interest expenses

# Capacity adjustments and continuous network restructuring results in an increased load factor

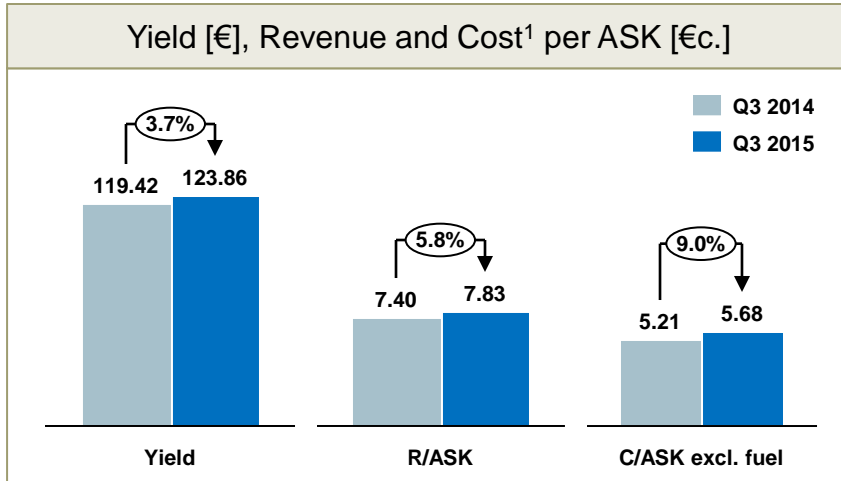
■ Q3 2014  
■ Q3 2015



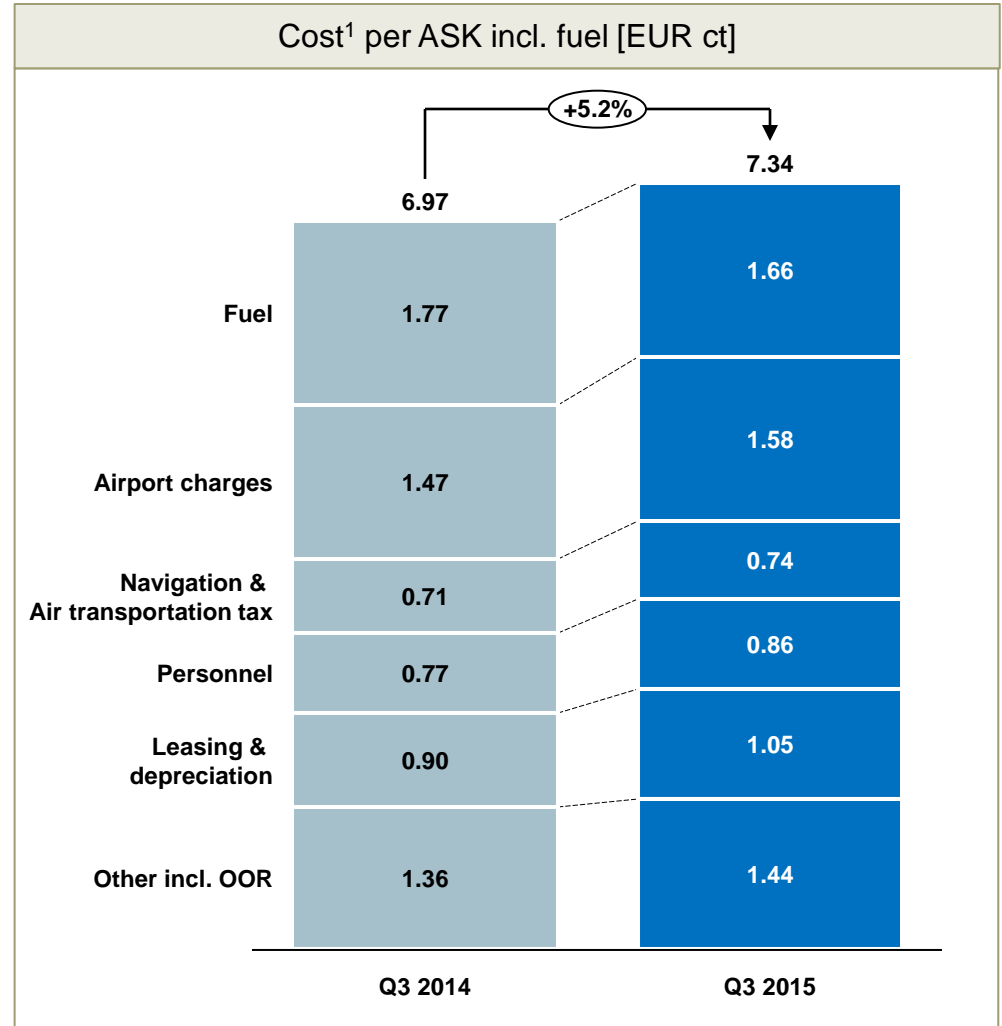
## Remarks

- ➔ Capacity adjustments and continuous network restructuring leads to a decreased offered capacity
- ➔ Relatively stronger demand on reduced capacity leading to a higher load factor

# RASK increase stronger than CASK increase

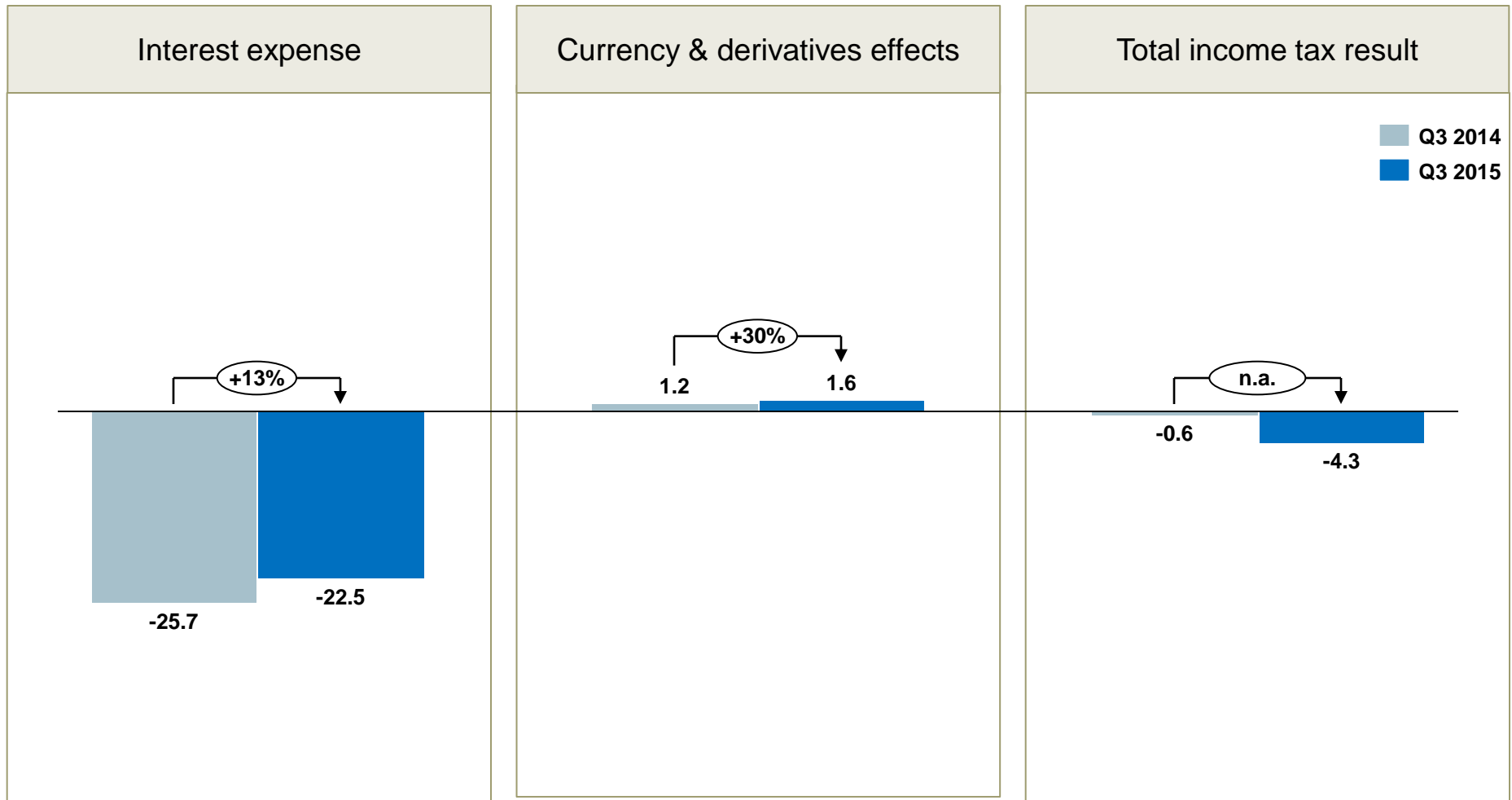


- Remarks
- Strong yield development combined with higher load factor leads to a strong RASK increase of close to 6%
  - Costs per ASK increased by 5.2%. Main drivers have been:
    - Lower fuel costs have been offset by higher airport charges as well as navigation and air transportation tax
    - Higher leasing & depreciation expenses due to the ongoing fleet harmonization as well as the stronger USD
    - Personnel costs have risen by a direct employee takeover, tariff developments and non-recurring expenses due to ongoing restructuring programme



(1) Cost on EBIT level including other operating result

# Lower interest expenses are offset by higher tax charges

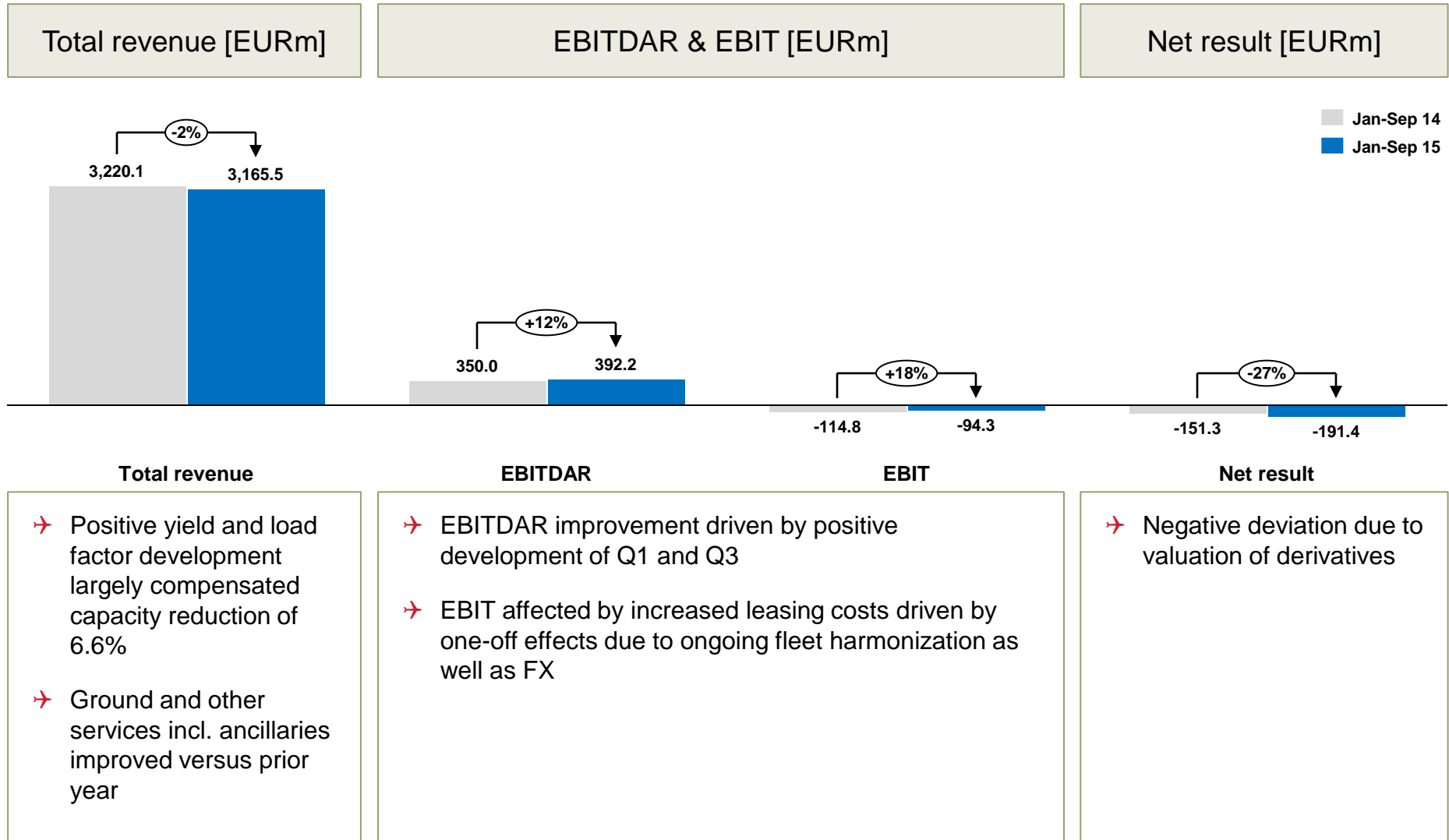


Breakdown of financial result EURm



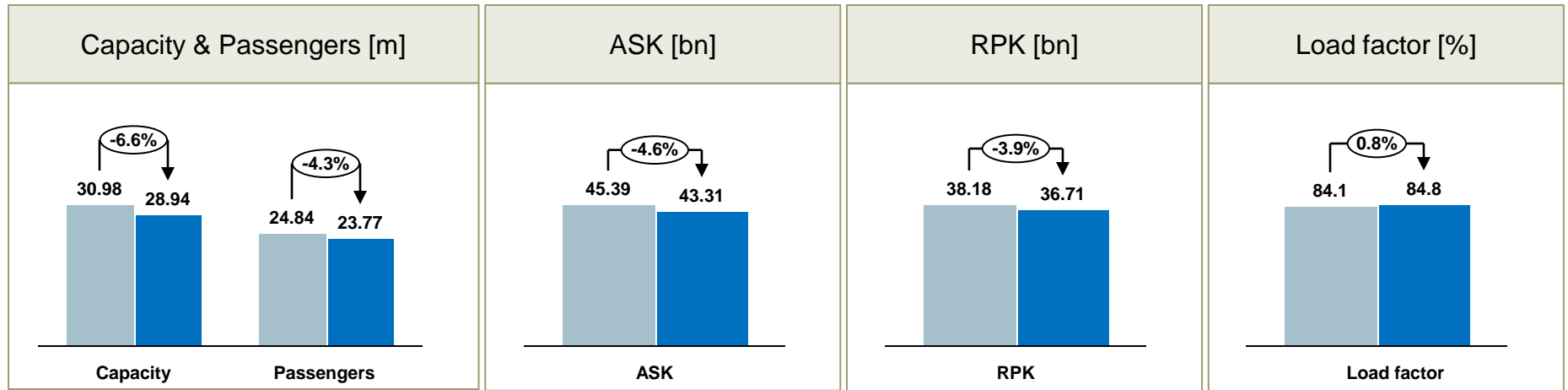
## **B.** January to September 2015

# Operational result improved despite headwinds from FX



# Strong Q3 load factor confirms the total year development

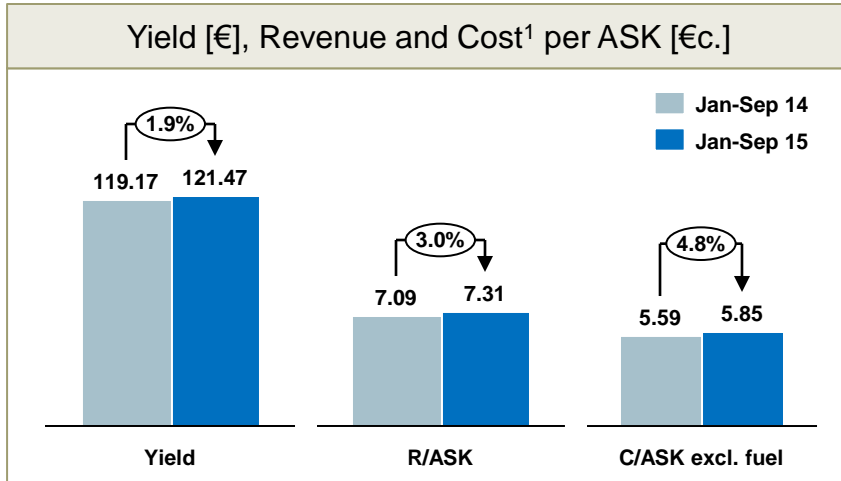
■ Jan-Sep 14  
■ Jan-Sep 15



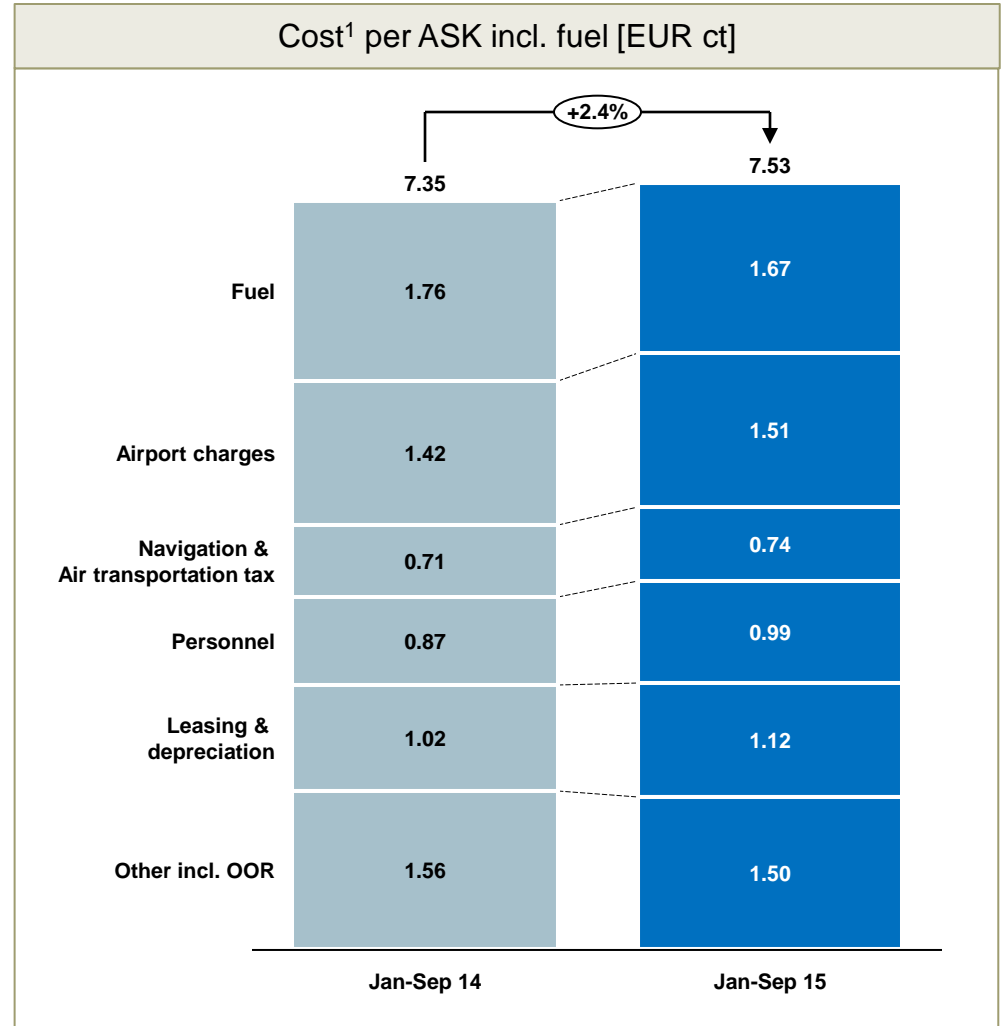
## Remarks

- Ongoing network improvements and tactical capacity adjustments results in overall capacity reduction
- Strong Q3 load factor confirms total year development

# RASK growth stronger than CASK in nine month period

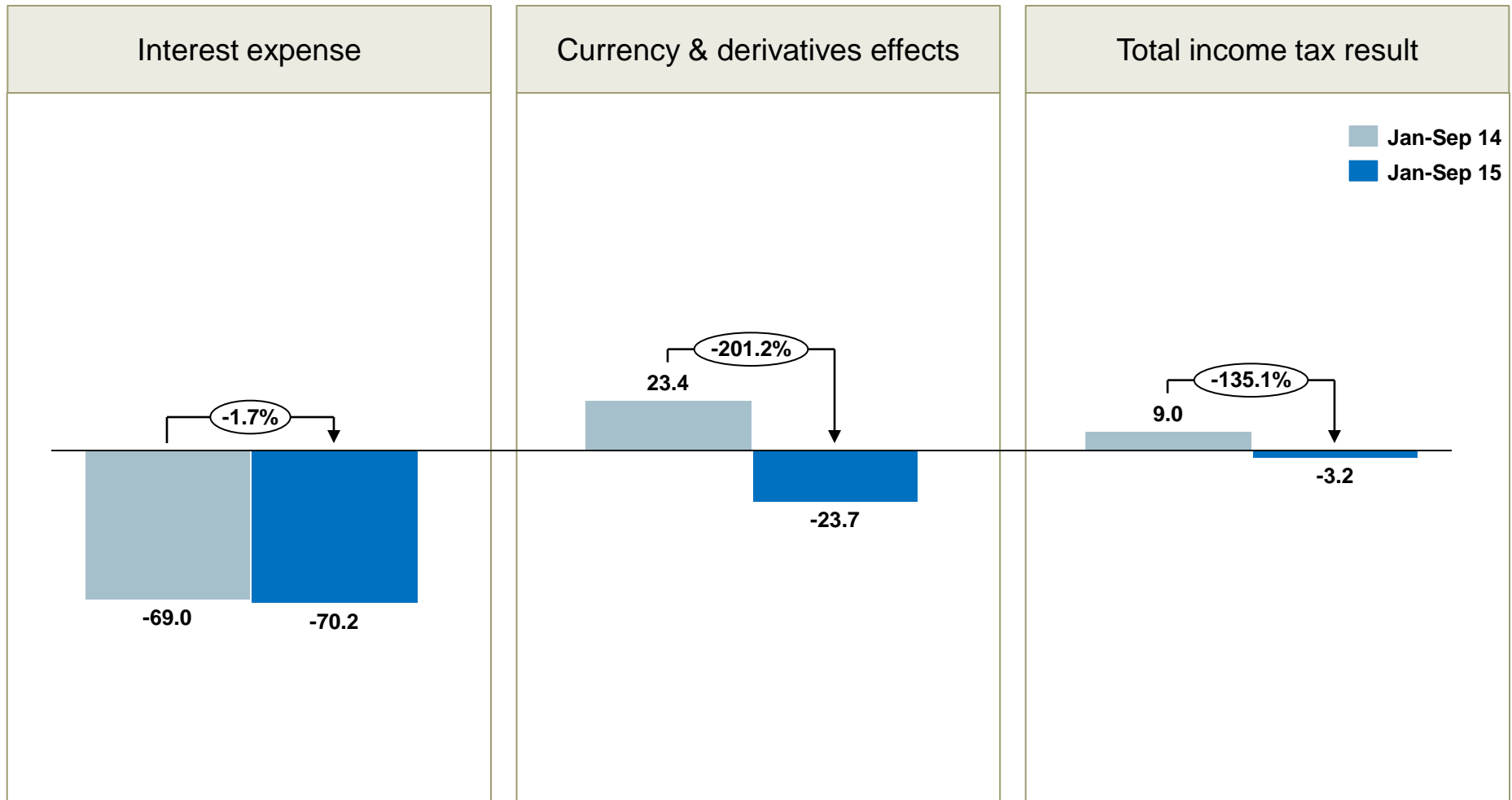


- Remarks**
- Total revenue per ASK improves by 3% due to positive yield and load factor development
  - Main drivers for the CASK increase of 2.4% were:
    - 4.6% reduction in ASK volume leads to higher unit costs for non variable expenses
    - Increase in airport charges as well as navigation and air transportation tax offsets advantages from fuel costs
    - Increase in leasing & depreciation comes from one-off effects resulting from capacity reduction and fleet harmonization as well as strong USD



(1) Cost on EBIT level including other operating result

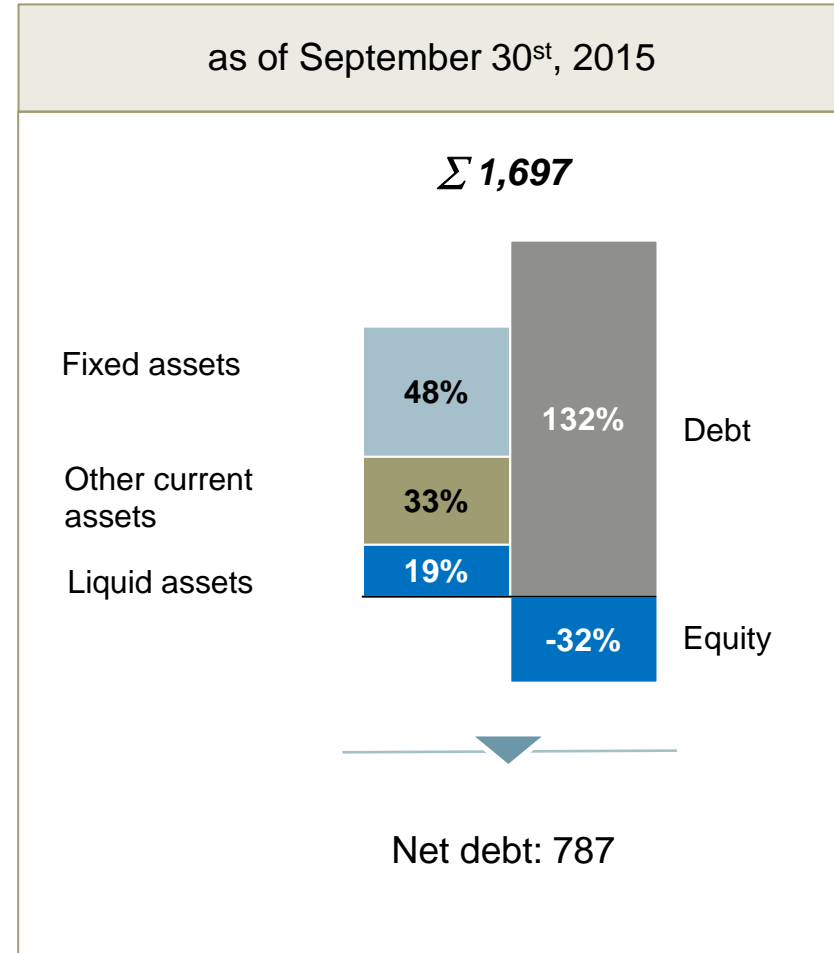
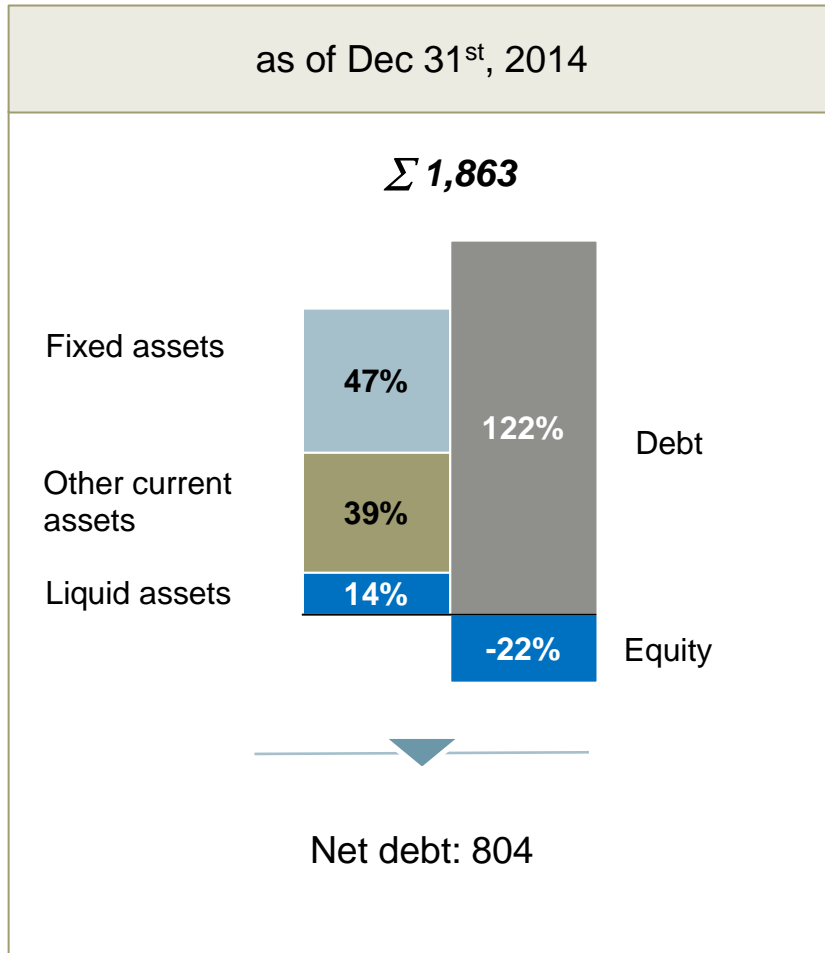
# Currency & derivatives effects weigh on financial result in the first nine months



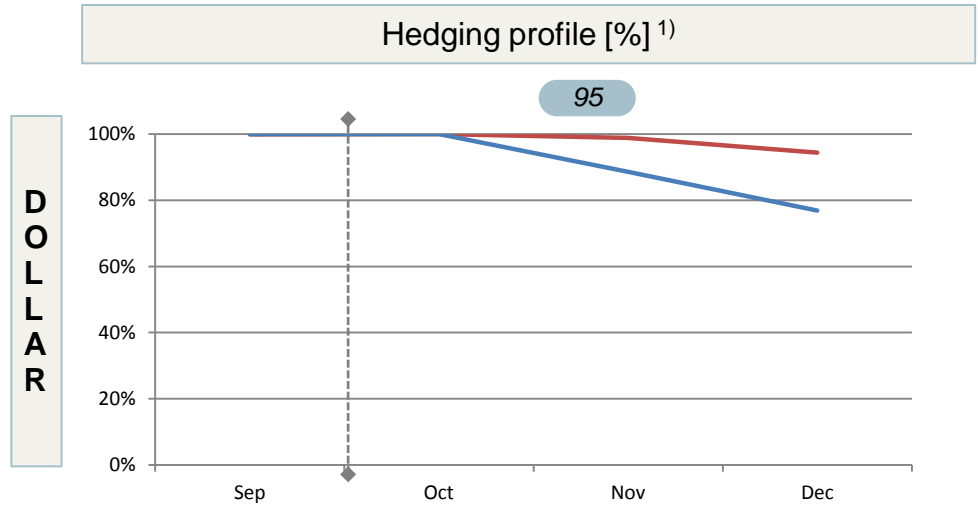
Breakdown of financial result [EURm]

# Consolidated balance sheet structure

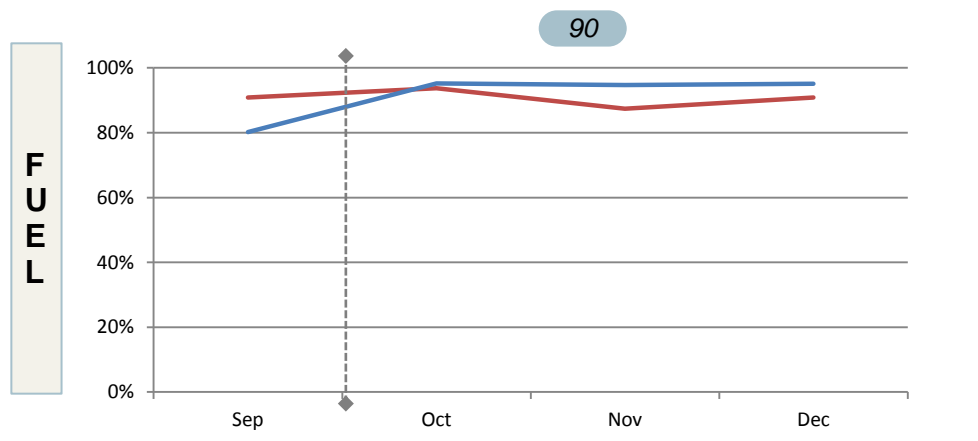
EURm



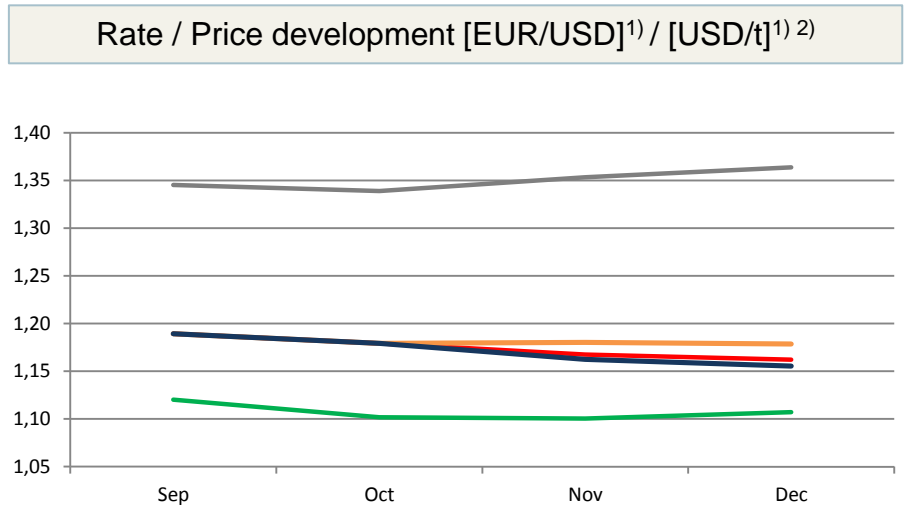
# Q4 2015 Hedging profile vs 2014



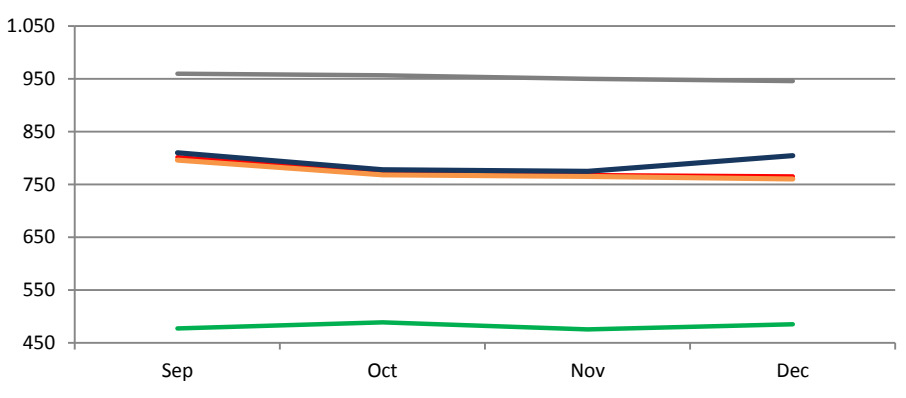
— Hedge Percentage 2015  
— Hedge Percentage 2014



1) as of 03 Nov 2015 | Hedge percentage / rate / price 2014 as of 05 Nov 2014 2) excl. differentials



— Current Hedge Rate / Price 2015      — Hedge Rate / Price 2014  
— Market / Fwd Rate / Price              — Best Case Hedge Rate / Price Scenario  
— Worst Case Hedge Rate / Price Scenario



Hedge percentage 2016: EURUSD: 60% | Fuel: 50%



## Questions & Answers

