



**Analysts and Investors conference call
Q1 2014 results
15 May 2014**



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Executive summary (1)

Key highlights Q1 2014

- Turbine turnaround program clearly reduced costs
- Costs per available seat kilometer (CASK) reduced by more than 8%
- Earnings (EBIT) slightly improved, turnover slightly lower due to the Easter business falling in the second quarter
- Wider flight selection and a smaller fleet increased productivity
- Partnerships continue to show very favorable developments

Executive summary (2)

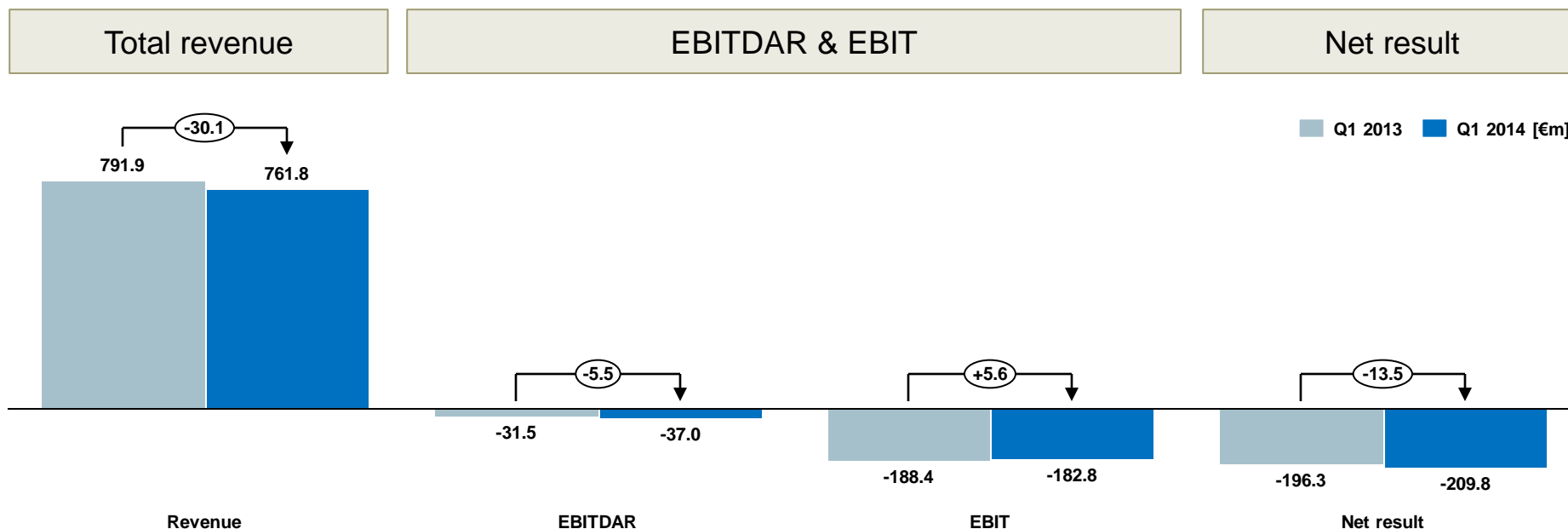
- ***Recapitalisation of Air Berlin PLC and injection of substantial quasi-equity and liquidity to form the basis for a successful turnaround***
 - EUR 300m Perpetual PIK Convertible Bond in 3 tranches of EUR 100m in Q2, Q3 and Q4 2014
 - Extension of the existing shareholder loan from Etihad Airways due in 2016 until 2021
 - EUR 252m Senior Bond and exchange offer to 2014 and 2015 maturities

- ***Etihad Airways to further support airberlin and help the business restructure and return to sustainable profitability***
 - Restructuring program initiated

- ***Organisational change and management capacity enhancement***
 - Addition of CRO role on management board level and engagement with top-tier consulting firms
 - Introduction of new revenue management system for further efficiency improvements

A. airberlin Q1 2014 results

1st quarter 2014 financial performance vs. 1st quarter 2013



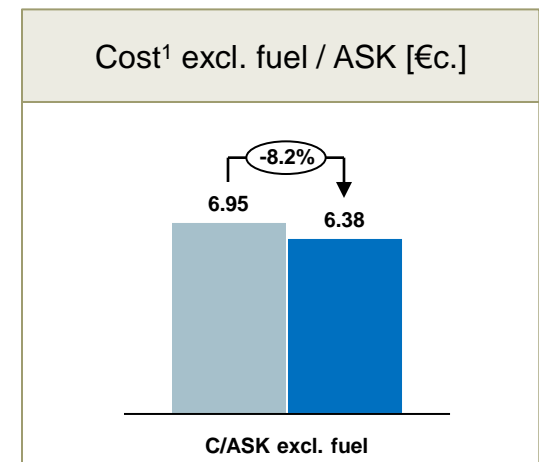
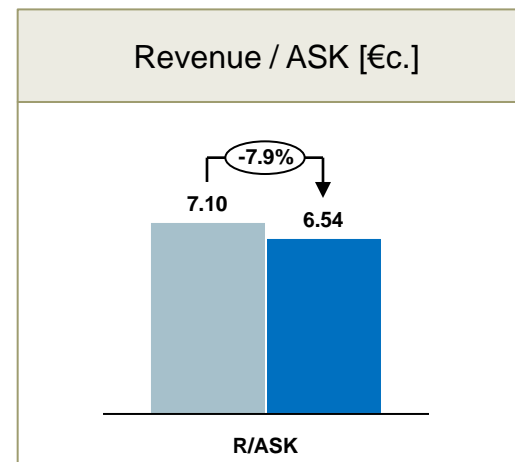
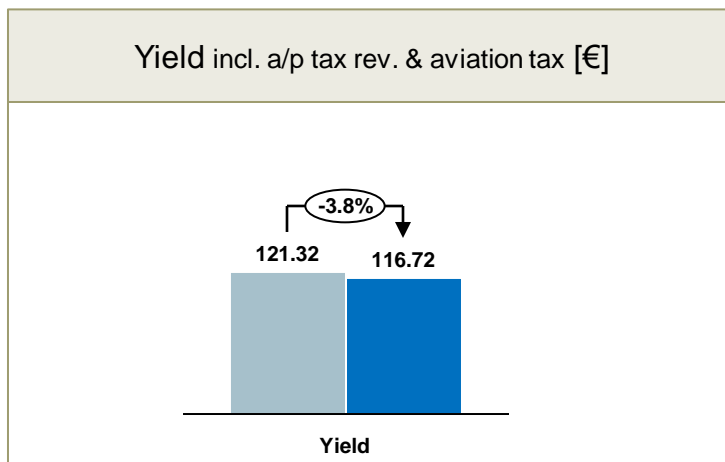
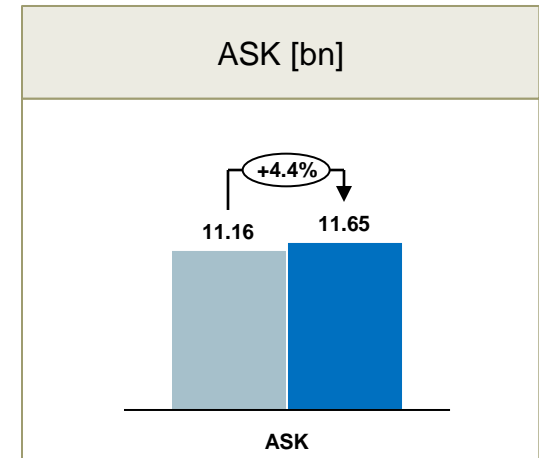
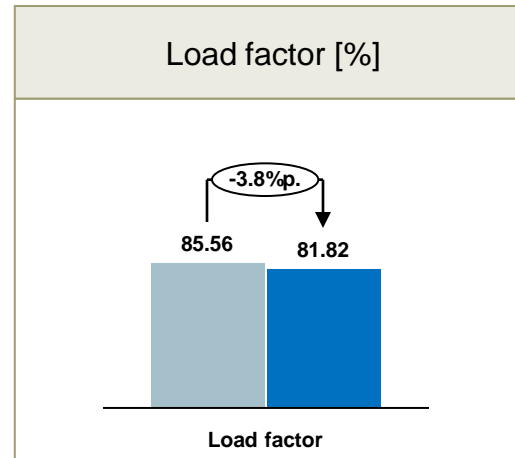
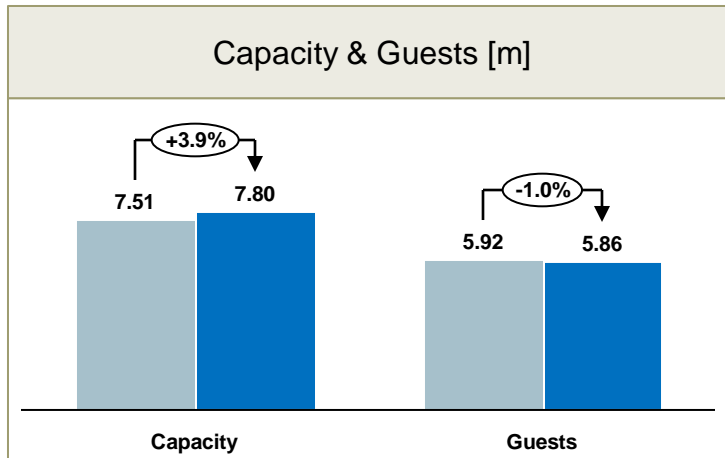
Due to the Easter travel not starting until April, total sales for the first quarter decreased by 3.8%.

Some of the revenue deviation was offset by better cost performance but still EBITDAR is below previous year quarter's result. EBIT performance is slightly better due to less cost of aircraft ownership.

With financial result in line with expectations, net result further reduced by EUR 13m compared the first quarter in 2013 due to lower (non-cash) tax credits.

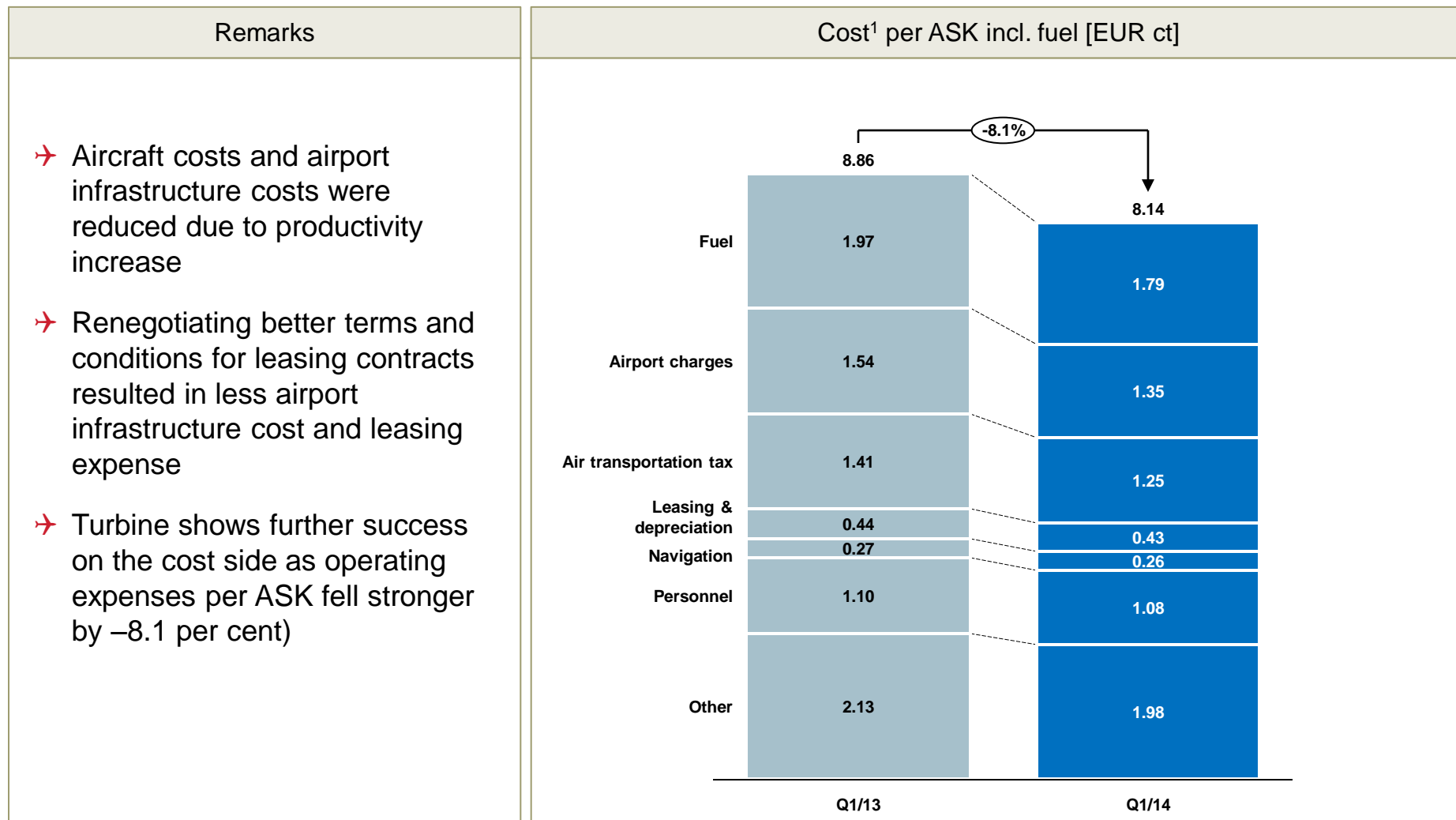
1st quarter 2014 operational development vs. 1st quarter 2013

■ Q1 2013 ■ Q1 2014 [€m]



(1) Cost on EBIT level excluding other operating result

Cost/ASK development – Turbine shows further success



(1) Cost on EBIT level excluding other operating result

Development of expenses

	Q1 2013	Q1 2014	Δ Q1/14 vs Q1/13	
	[€ thds.]	[€ thds.]	[€ thds.]	[%]
Expenses for materials and services	681,232	633,258	-47,974	-7.0%
Fuel	219,991	208,057	-11,934	-5.4%
A/P and handling charges	171,256	156,946	-14,310	-8.4%
Operating leases	138,287	128,143	-10,144	-7.3%
Navigation	49,033	50,343	1,310	2.7%
Air transportation tax	30,545	30,844	299	1.0%
Catering costs	26,329	20,302	-6,027	-22.9%
Other	45,791	38,623	-7,168	-15.7%
Personnel expenses	122,480	125,439	2,959	2.4%
Other operation expenses	165,716	171,338	5,622	3.4%
Technical cost	58,968	60,352	1,384	2.3%
IT	3,847	4,436	589	15.3%
Advertising	14,036	17,916	3,880	27.6%
Sales & distribution	26,763	26,186	-577	-2.2%
Insurance	4,988	3,722	-1,266	-25.4%
Other	57,114	58,726	1,612	2.8%
Depreciation	18,664	17,674	-990	-5.3%
TOTAL OPERATING EXPENSES	988,092	947,709	-40,383	-4.1%

→ Airport and handling charges fell 8.4% in the course of route optimisation and Turbine effects, despite the higher fees charged by the Spanish airports.

→ Operating leases fell by 7.3% due to optimized leasing contracts

→ Navigation expenses increased 2.7% due to the higher number of flights.

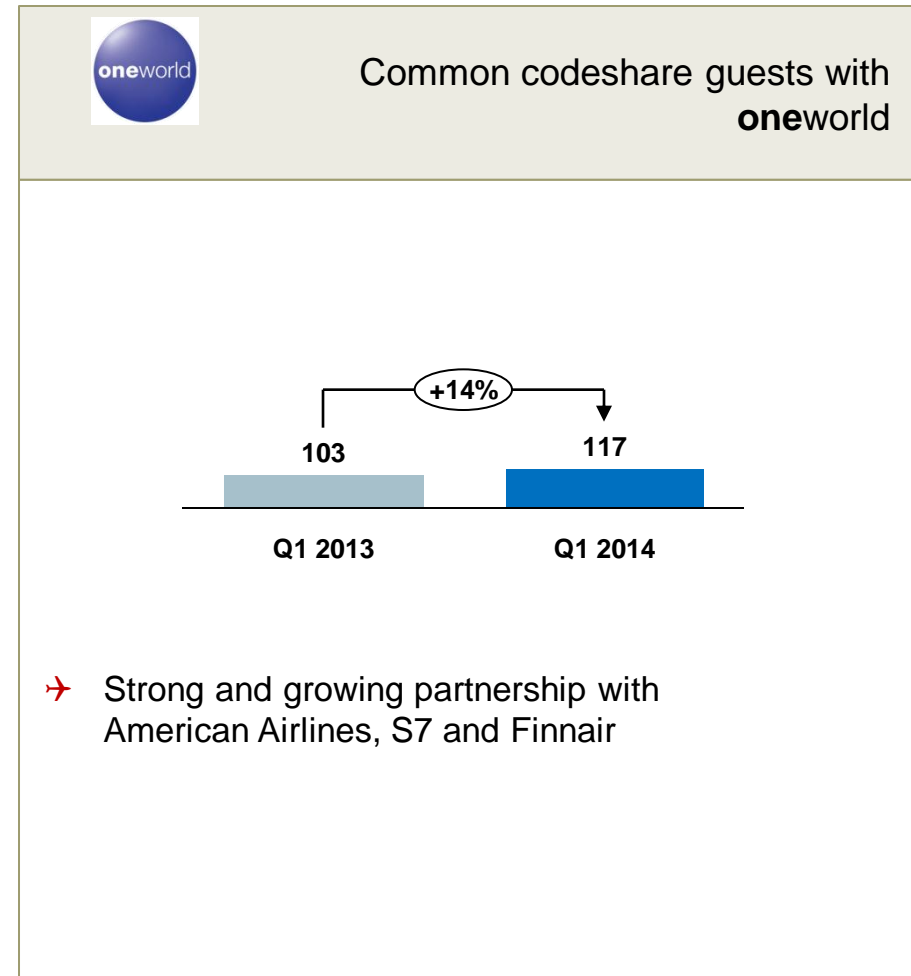
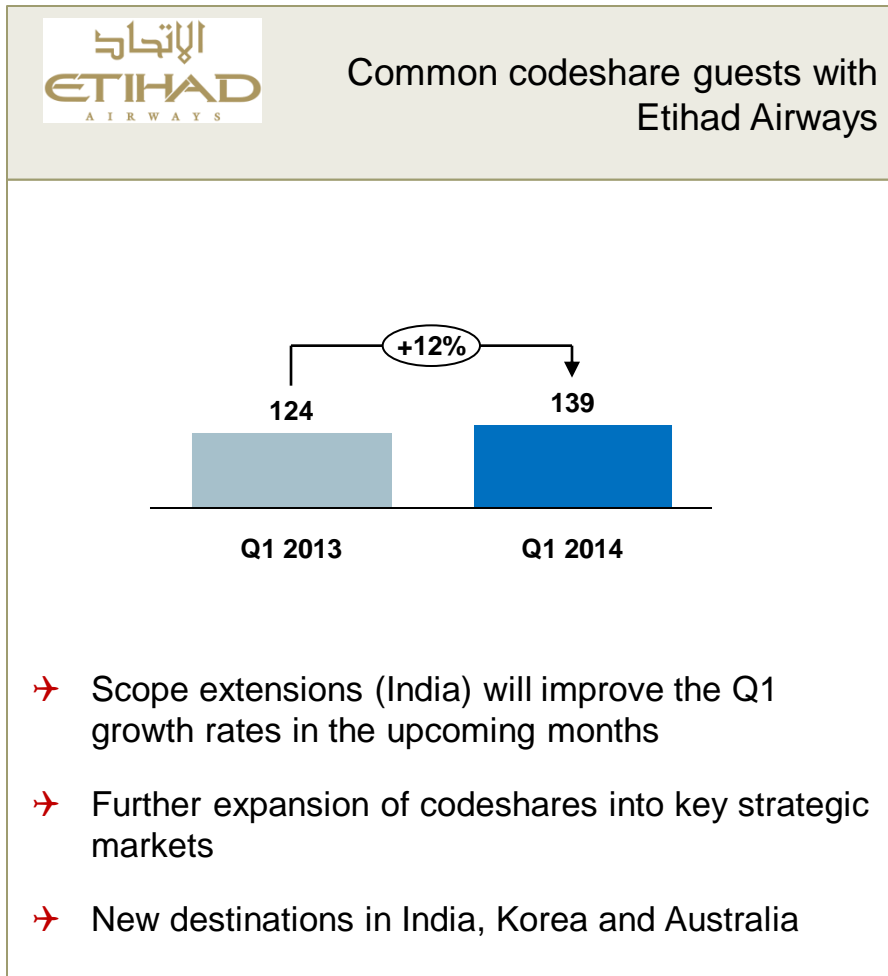
→ Personnel costs grew by 2.4% due to collective wage increases in the course of 2013, despite a lower number of employees.

→ The increase in Other operating expenses by 3.4% was largely the result of higher expenses for advertising and maintenance and due to higher IT expenses which reflect the initial investment for the current optimisation of the reservation and revenue management system.

→ Depreciation was 5.3% below the prior year's level and amounted to EUR 17.7 million after EUR 18.7 million primarily due to the lower number of owned aircraft.

Strategic partnership with Etihad Airways and codeshare performance with oneworld® are well on track

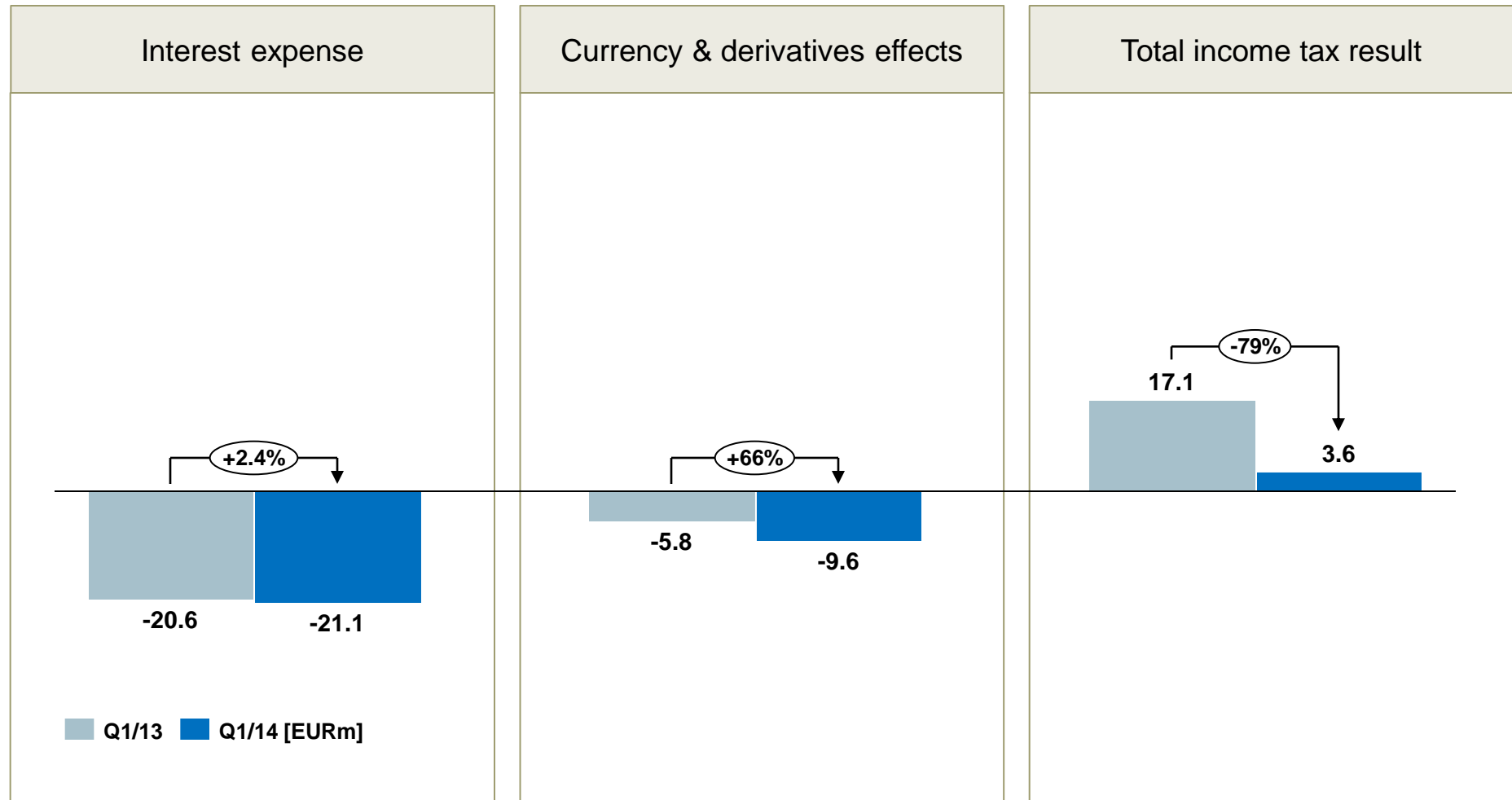
Development of codeshare guests by alliance [in thds.]



Source: AB Partnership Reporting

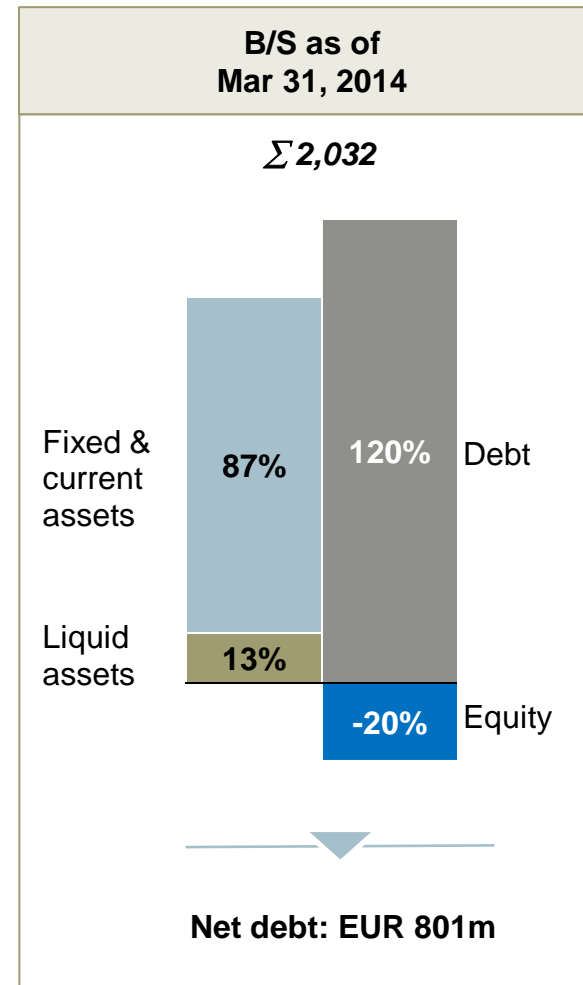
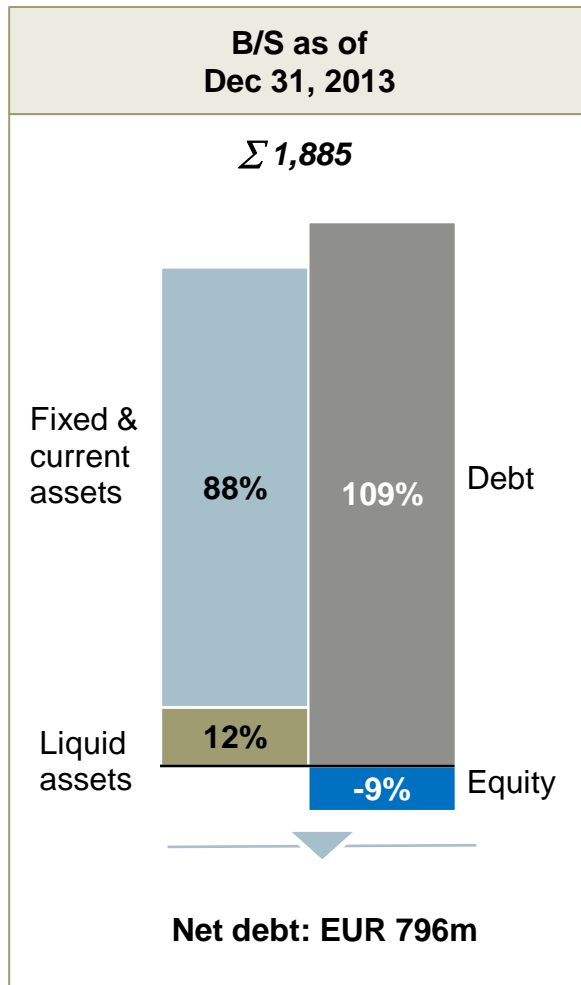
Financial result and income tax development – Q1 2014

Breakdown of financial result



Balance sheet structure prior to the recapitalisation

[EUR m]



Summary

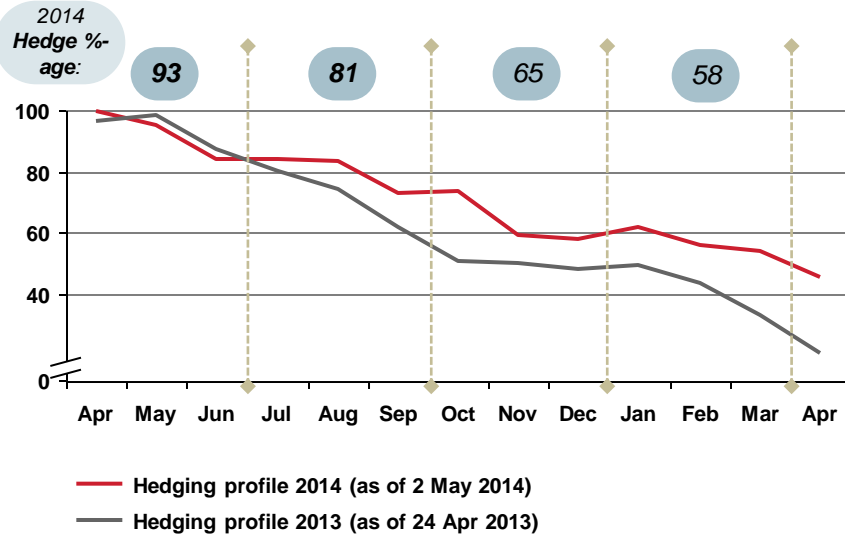
- airberlin is a well known brand in a strong market
- Turbine has delivered tangible results in most areas – CASK down by 8% in Q1 2014
- However, more fundamental restructuring necessary
- Successful recapitalisation – basis for the restructuring
- All elements are being looked at including the business model
- Restructuring program currently in preparation
- Implementation of new measures will provide airberlin with a long term perspective
- Focus on best service for our guests and partners remains

B. Appendix

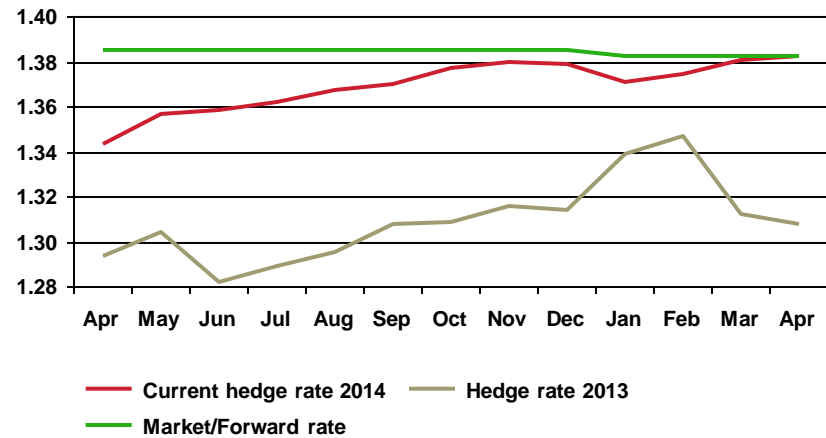
Hedging

Hedging profile [%]

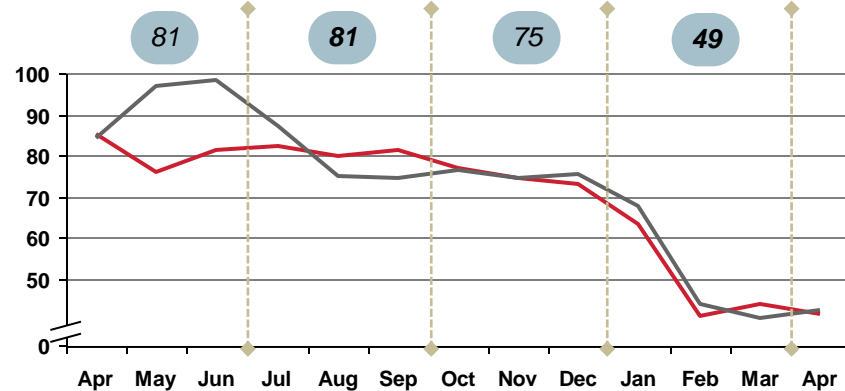
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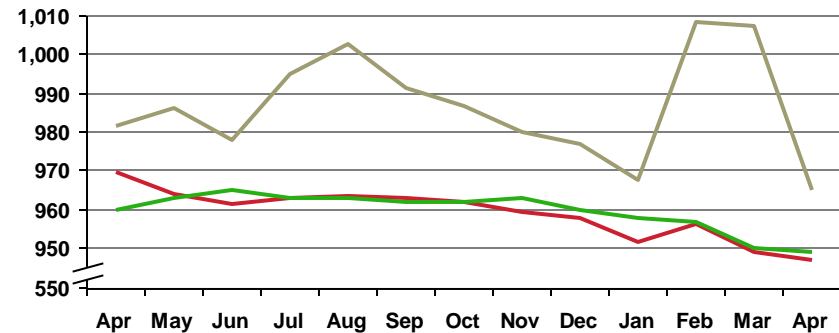
FX rate development [USD/EUR]¹⁾



FUEL



Fuel price development [USD/EUR]¹⁾



1) as of 02 May 2014 | as of 24 Apr 2013; excl. differentials