

Air Berlin PLC

EANS-News: Air Berlin to join oneworld alliance

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----- Strategic management decisions/Air Berlin and oneworld

Berlin (euro adhoc) - Air Berlin is to join oneworld®, adding Europe's fifth largest airline and Germany's second biggest carrier to the world's leading quality airline alliance.

Air Berlin group member Austria's NIKI will become an affiliate member of the alliance.

A memorandum of understanding between Air Berlin and oneworld was completed in the airline's Berlin home city last night, with a formal alliance membership agreement to be signed soon.

Air Berlin is expected to start flying as part of oneworld in early 2012 - just weeks before the opening of the new Berlin Brandenburg International Airport, which is being built as a major new hub for Europe.

As a major player in the European air travel market, Air Berlin served in 2009 a total of 160 destinations in some 40 countries, operating almost 600 daily departures. It carried 28 million passengers, generating revenues of EUR3.2 billion (US\$4.5 billion). As of July 2010, Air Berlin operates a fleet of 165 aircraft, including Austria's NIKI, serving 168 destinations.

When it becomes part of oneworld, its customers will gain access to an unrivalled global network. It will add almost 75 gateways to the oneworld map, expand the alliance's coverage to almost 900 destinations in nearly 150 countries, served by a combined fleet of 2,500 aircraft operating some 9,500 flights a day and carrying 340 million passengers a year.

Members of Air Berlin's topbonus frequent flyer programme will be able to earn and redeem rewards on any of oneworld's 13 other top-class carriers, with top tier members able to use any of the group's 550 plus airport lounges, and its network will be covered by oneworld's full range of alliance fares. Frequent flyer cardholders of oneworld's established airlines will be able to earn and redeem rewards when flying Air Berlin.

As a starting point in its oneworld implementation, Air Berlin will develop one-on-one co-operative agreements with key established members of the alliance American Airlines and Finnair, to take effect this coming winter season. (See separate news releases.) Bilateral agreements with British Airways and Iberia are planned to follow.

British Airways will support Air Berlin through its oneworld implementation programme as its alliance sponsor.

The addition of Air Berlin as a member elect is the latest significant step in what is turning into a breakthrough year for oneworld as it builds further on its position as the world's premier airline alliance, expanding its unrivalled route network still further and enabling it to offer even more services and benefits to customers.

All but one of the alliance's existing carriers (with Mexicana the exception) already serve Air Berlin's German homeland - the most populous country and the biggest economy in the European Union. They will also be looking to expand their own services to its key hubs Berlin and Dusseldorf as the new alliance recruit prepares to join the group.

Air Berlin Chief Executive Joachim Hunold said: "Joining a global alliance is the logical next step in Air Berlin's development. We are very pleased and proud to be lining up to join what is clearly the world's top quality airline grouping. Becoming part of oneworld would be one of the most significant departures so far for our airline, enabling us to offer our customers a truly global network served by partners who include some of the best and biggest airlines in the world. We look forward to completing all joining requirements as soon as possible."

Willie Walsh, Chief Executive of British Airways, oneworld's sponsor of Air Berlin, said: "Air Berlin will make an ideal oneworld partner. It has an excellent reputation for customer service - right in line with oneworld's focus on quality above quantity in terms of

membership. Its network is one of the best in Central Europe, expanding the alliance's coverage of this region markedly. British Airways is delighted to be supporting Air Berlin's addition to oneworld by acting as its sponsor into the alliance - and we look forward to establishing our bilateral co-operation."

American Airlines' Chairman and Chief Executive, and oneworld Governing Board Chairman, Gerard Arpey added: "oneworld already features four of Europe's best airlines. Adding the continent's fifth biggest carrier will greatly enhance our coverage throughout this region. With all the other significant steps we are taking in this breakthrough year for our alliance, this represents a great leap forward in our journey to establish oneworld firmly as the world's premier airline alliance with members unmatched in brand and service quality."

Already in oneworld's "breakthrough year": •Russia's leading domestic carrier S7 Airlines is on track to join in the coming months. •India's leading carrier Kingfisher Airlines became a oneworld member elect in June. •Japan Airlines has been expanding its co-operation with its oneworld partners since reaffirming its membership of the alliance in February, filing days later with American Airlines for anti-trust immunity for a joint business across the Pacific and more than doubling its code-sharing with British Airways. •American Airlines, British Airways, Iberia, Finnair and Royal Jordanian this month received long-awaited final approval for their application for anti-trust immunity across the Atlantic and the proposed transatlantic joint business between American, BA and Iberia. •British Airways and Iberia are on track to complete their merger by the end of the year. •LAN Airlines celebrated its 10th anniversary as a oneworld member on 1 June. Since joining, it has added to the grouping its affiliates in Argentina, Ecuador and Peru. With Mexico and Central America's leading airline Mexicana joining oneworld in November 2009, this extended oneworld's position still further as the leading Latin American alliance. •oneworld added the World Airline Awards' World's Best Alliance title to the World Travel Awards' World's Leading Airline Alliance trophies it has won for the past seven years, as the only winner of that award since it was introduced in 2003.

About Air Berlin

Since its launch in 1979, Air Berlin has grown into Germany's second largest airline - and the fifth biggest in Europe in terms of passengers boarded - after taking over Deutsche BA and LTU and gaining a 49.9 per cent stake in Austria's NIKI and a 49 per cent holding in Switzerland's Belair.

It has developed from its origins in the shorthaul leisure market to cater also for business travellers with its Euro Shuttle service providing high frequency connections between many of the continent's key destinations and now also flies longhaul.

It is one of Europe's most frequent winners in the various airline industry award schemes.

On its shorthaul services, it offers a single-class cabin. On its longhaul routes, it offers two-classes, with a premium business cabin and individual in-flight entertainment screens for each passenger.

While it has been named the World's Best Low-Cost Airline seven years running in the World Airline Awards run by the Skytrax airline quality organisation, it now offers the full-range of services associated with a full-service network carrier, including its frequent flyer programme topbonus, and, for premium passengers, lounges, priority check-in and, for all passengers, free alcoholic and non-alcoholic drinks and meals or snacks on every departure.

It will move in June 2012 into the new Berlin Brandenburg International airport, which will have capacity eventually for 45 million passengers a year.

Air Berlin holds major market shares in its home city and also at Dusseldorf, Hamburg, Stuttgart and Palma de Majorca. Among its international destinations, it serves oneworld hubs Helsinki, Los Angeles, Madrid, Miami, Moscow Domodedovo, New York JFK and Bangkok.

Its current fleet (including NIKI) comprises 165 aircraft, with an average age of five years, including 13 Airbus A330s, 75 A321s/A320s/A319s, 63 Boeing 737s, four Embraer E190s and 10 Bombardier Q400s. It employs 8,500 staff.

During its latest financial year, to end December 2009, it generated revenues totalling EUR3.2 billion (US\$4.5 billion), achieving an operating profit of EUR28.5 million (US\$36 million).

About oneworld

oneworld brings together some of the best and biggest names in the airline business - American Airlines, British Airways, Cathay Pacific, Finnair, Iberia, Japan Airlines, LAN, Malév Hungarian Airlines, Mexicana, Qantas and Royal Jordanian, and around 20 affiliates including American Eagle, Dragonair, LAN Argentina, LAN Ecuador and LAN Peru. Russia's S7 Airlines will join the alliance in 2010 with India's Kingfisher Airlines also a member elect and Air Berlin now lining up to join. Between them, these airlines: •Serve almost 900 airports in nearly 150 countries, with some 9,500 daily departures. •Offer more than 550 airport lounges for premium customers. •Carry 340 million passengers a year. •Operate a combined fleet of almost 2,500 aircraft. •Generate around US\$90 billion annual revenues in

total.

oneworld enables its members to offer their customers more services and benefits than any airline can provide on its own. These include a broader route network, opportunities to earn and redeem frequent flyer miles and points across the combined oneworld network and more airport lounges. oneworld also offers more alliance fares than any of its competitors.

oneworld was named the World's Best Alliance two weeks ago in the 2010 World Airline Awards and has been voted the World's Leading Airline Alliance for the past seven years in the World Travel Awards. It is the only winner of this award since it was introduced in 2003.

Webcast

A webcast of today's press briefing announcing these developments is available for viewing on-demand, featuring: •Air Berlin Chief Executive Joachim Hunold •British Airways Chief Executive Willie Walsh •American Airlines President Tom Horton •Finnair Chief Executive Mika Vehviläinen •oneworld Managing Partner John McCulloch

To view the webcast in German, go to airberlin.com/pk_oneworld

To view the webcast in English, go to airberlin.com/pressconference_oneworld

Pictures and logos

High resolution pictures and logos are available for downloading on-line: •Air Berlin, go to http://www.airberlin.com/site/presse_service.php?LANG=eng •oneworld and its member airlines, go to <http://www.oneworld.com/ow/news-and-information/corporate-image-gallery>

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