INTERIM FINANCIAL REPORT
AS OF 30 JUNE 2011

airberlin
Your Airline.

KEY FINANCIAL FIGURES

	Q2 2011	Q2 2010 pro forma*)	H1 2011	H1 2010 pro forma*)	Q2 2010 reported	H1 2010 reported
Revenues (EURm)	**1,116.2**	957.9	**1,897.8**	1,694.5	877.0	1,567.9
thereof: ticket sales (EURm)	**983.8**	876.0	**1,657.4**	1,549.1	796.8	1,424.9
EBITDAR (EURm)	**142.3**	129.6	**116.6**	169.7	124.3	168.3
EBIT (EURm)	**(32.2)**	(27.8)	**(220.5)**	(134.3)	(28.2)	(126.9)
Consolidated loss (EURm)	**(43.9)**	(57.2)	**(164.5)**	(159.6)	(56.9)	(150.5)
Loss per share (EUR)	**(0.51)**	n.a.	**(1.93)**	n.a.	(0.67)	(1.77)
Total assets (EURm)	**2,636.3**	n.a.	**2,636.3**	n.a.	2,455.5	2,455.5
Employees (30 June)	**9.082**	n.a.	**9.082**	n.a.	8,741	8,741

*) airberlin group including NIKI Luftfahrt GmbH; n.a.: not available

DISCLAIMER – RESERVATION REGARDING FORWARD-LOOKING STATEMENTS

This interim financial report contains forward-looking statements on airberlin's business and earnings performance, which are based upon our current plans, estimates, forecasts and expectations. The statements entail risks and uncertainties as there are a variety of factors which influence our business and to a great extent lie beyond our sphere of influence. Actual results and developments may, therefore, diverge considerably from our current assumption, which, for this reason, are valid only at the time of publication. We undertake no obligation to revise our forward-looking statements in the light of either new information or unexpected events.

LETTER TO SHAREHOLDERS

Dear Shareholders,

After a weak start to the year, we are also not satisfied with the second quarter of the current financial year. The German aviation tax introduced at the beginning of the year resulted in decreases in revenue and caused distortions in the competitive environment. Especially air travel between smaller airports and European destinations from German airports close to the border were impacted. Many travellers switched to nearby foreign airports, where the German tax is not collected. Additionally, the political unrest in our important tourist destination North Africa continued to negatively impact bookings. For these reasons, the increase in quarterly revenues at 16.5 per cent was lower than expected.

On the cost side, the aviation tax amounted to around EUR 44.55 million in the quarter and a good EUR 74.4 million in the first half of the year. Price competition made passing on the costs of the aviation tax in the tourist-relevant second quarter extremely difficult. The sharp increase in fuel prices also had a negative impact: in the reporting quarter, fuel was more than 34 per cent more expensive than in the prior-year period. As we effectively limited the other expense items, the second quarter EBITDAR operating result still increased almost 10 per cent on a comparable basis from EUR 129.6 million to EUR 142.3 million. Without the aviation tax, we would have generated a positive EBIT of over EUR 12 million. Instead, the operating loss increased from EUR 27.8 million to EUR 32.2 million. For this reason, our previous guidance of a positive EBIT in the financial year 2011 will possibly not be achieved.

The effects of the unrest in North Africa, the high oil price and the aviation tax are continuing negative factors that considerably aggravated the competitive situation once again. Since also the aviation industry is subject to the fundamental law of supply and demand, price-conscious customers in particular are buying less when the total price for an airline ticket rises because of the additional tax.

In reaction to this and in order to increase our profitability, we have created an extensive package of measures that will take effect in the short term in order to limit the negative influences of the distortions in competition. Nevertheless, it is not likely that we will be able to return to black EBIT figures in the current financial year.

The “shape & size” initiative aims to optimise the route network and adjust the fleet. In the second half of the current financial year, the route network will be adjusted by removing routes that no longer provide any cost coverage in the new environment and at the same time are no longer strategically important. This pertains mostly to connections between smaller airports, but also other destinations like those in North Africa. At the same time, we will adjust the frequency of flights to destinations where utilisation after the decline in demand is currently not satisfactory.

On the other hand, we intend to focus even more on heavily traveled routes. Income from additional feeder services to our four European hubs in Berlin, Düsseldorf, Vienna and Palma de Mallorca will improve utilisation rates there and profitability. Long-haul flights will be concentrated in two hubs with the cooperation of our **one**world® partners.

Along with the optimisation of the route network come adjustments in the number of seats: We will reduce capacity vis-à-vis our previous planning by approximately five per cent and keep capacity for the most part of 2012 at the 2010 level, thus saving a good 16,000 flights and around 2.2 million seats.

This package of measures will adjust our route network to the changed market conditions, considerably increase its efficiency and noticeably reduce specific costs and thus the airberlin Group's break-even point.

Berlin, August 2011

J. Hunold

Joachim Hunold
Chief Executive Officer

THE AIRBERLIN SHARE

Share price performance

The continuing debt crisis in the euro zone, increasing inflation figures and signals of a new growth dip in the US economy negatively impacted the stock markets in the second quarter of 2011. The most recent rating downgrade of some euro countries and especially the US loss of its triple A rating put additional pressure on the market, which also further squeezed airberlin shares. As a consequence, airberlin's share price performance in 2011 was unsatisfactory. All in all, the price remained very close to the Dow Jones STOXX industry index for European airlines and therefore the general performance of the industry. Starting at EUR 3.78 on the first trading day in 2011, the price fell by 19.0 per cent to EUR 3.10 (XETRA) in the first half. The industry index shed 13.2 per cent in the same time period, while the SDAX price index, which contains the airberlin stock, rose slightly by 1.6 per cent.

Since the beginning of the second half of 2011, airberlin shares corrected by another 18.7 per cent, the STOXX Airlines Index by 7.9 per cent and the SDAX by 11.3 per cent as of 12 August. On 12 August, the day after airberlin had ad-hoc published the half year figures and the announcement that the previous expectation of a positive EBIT for the financial year 2011 could probably not be reached, the airberlin share lost six per cent.

Coverage

As at the end of the second quarter of 2011, airberlin was being tracked by a total of 14 research institutions and brokers. The forecasts were mixed: one analyst recommended buying the shares, five analysts assessed the share neutrally ("hold"), two analysts recommended underweighting the stock, one forecasted below-average price developments, and five recommended selling.

Changes in voting rights after the quarter under review

In the period under review, and at the time this half-year interim report went to press, the company had received no notices of changes in voting rights. The same applies to directors' dealings.

Major Shareholders of Air Berlin PLC as of 30 June 2011

ESAS Holding A.S.	16.48 %
Hans-Joachim Knieps	7.51 %
Leibniz-Service GmbH / TUI Travel PLC	6.85 %
Reidun Lundgren (Metolius Foundation, Ringerike GmbH & Co. Luftfahrtbeteiligungs KG)	5.97 %
Werner Huehn	3.82 %
JP Morgan Chase & Co.	3.70 %
Rudolf Schulte	2.93 %
Severin Schulte	2.93 %
Joachim Hunold (CEO Air Berlin PLC)	2.64 %
Moab Investments Ltd.	2.39 %
Johannes Zurnieden	1.58 %
Heinz-Peter Schlüter	1.40 %

Shareholder structure by nationality as of 30 June 2011

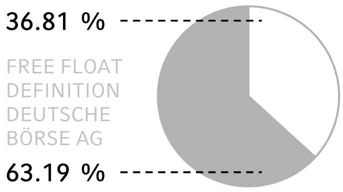
Germany	68.99 %
Turkey	16.48 %
Switzerland	5.09 %
USA	1.90 %
United Kingdom	1.64 %
Luxemburg	1.60 %
Others	4.30 %
Free float according to the standards of Deutsche Börse	63.19 %

Distribution of share capital as of 30 June 2011

Private stock owners	47.68 %
Insurance companies, investment companies and banks	39.57 %
Investment companies, banks and insurance companies	12.75 %

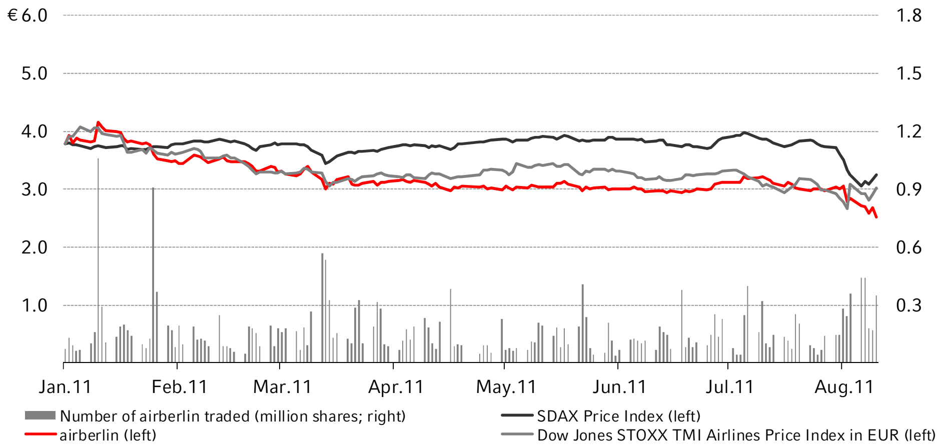
03) The airberlin Share

SHAREHOLDERS WITH MORE THAN FIVE PER CENT HOLDINGS



SHAREHOLDER STRUCTURE AT AIR BERLIN PLC ON 30 June 2011

Relative performance airberlin versus SDAX and Dow Jones STOXX Airlines (based on airberlin)



Source: Reuters

The Air Berlin PLC share in the first six months of 2011

Share capital:	EUR 21,306,549 and GBP 50,000
Total number of issued and fully paid shares as of 30 June 2011:	85,226,196
Class:	Individual share certificates
Nominal value:	EUR 0.25
Bloomberg symbol:	AB1 GR / AB GY
Reuters symbol:	AB1.DE
ISIN:	GB00B128C026
WKN:	AB1000
Accounting standard:	IAS/IFRS

Market data 6M 2011

Trading segment:	Regulated market (Prime Standard)
Primary industry:	Transport and logistics
Industry group:	Airlines
Indices:	SDAX, Prime All Share, Classic All Share
Designated Sponsors:	Commerzbank AG, Morgan Stanley Bank AG
Market capitalisation as of 30 June 2011:	EUR 264.2 million
Free Float according to Deutsche Börse AG as of 30 June 2011:	63.19 per cent
Capitalisation of free float as of 30 June 2011:	EUR 166.9 million
Average trading volume 6M 2011 (XETRA / Total market):	139,564 / 164,612 shares per day

- The shares are officially traded on Xetra as well as on the Frankfurt Stock Exchange and traded on the regulated official markets at the exchanges in Berlin-Bremen, Düsseldorf, Hamburg, Munich and Stuttgart.
- airberlin shares are registered common shares. In accordance with various Air Transport Agreements and EU Directives, entry in an appropriate schedule of names giving information on the distribution of the shares by nationality ensures that a majority of the shares are held by German and European investors. The registry agency is Registrar Services GmbH in Eschborn, Germany.
- "Class A" shares have also been issued.

Current investor relations information, press releases and ad hoc notifications, investor and analyst presentations and all other mandatory reports and disclosures can be found on the airberlin investor relations website, **ir.airberlin.com**.

INTERIM MANAGEMENT REPORT

GENERAL CONDITIONS

Global economy

The clear recovery trend in the global economy last year has continued initially in the first half of 2011, albeit at a weaker rate. In general, the global economy was exposed to the unfavourable influences of high commodities prices in particular, which have a strong negative impact on real income. Growth also continued to differ widely from region to region. For example, emerging markets, especially in Asia and South America, produced close to their capacity limits and in some cases even over, and therefore reported a correspondingly high upturn. In contrast to this, the economies of many Western industrialised counties such as the US were sluggish. Due to the earthquake, Japan even fell back into a recession again. Even in the EU, the UK and the countries on the southern edge of the EU experienced recession or recorded only very low growth rates. Germany and other North European countries benefited at an above-average rate from the global upturn and, continuing the development of the previous year, even posted record-breaking growth rates in some cases.

Real GDP in the euro currency area rose by a strong 0.8 per cent in the first quarter of 2011 compared with the previous quarter's rate of 0.3 per cent. The most recent data indicates that the euro zone economy improved in the second quarter at a somewhat slower pace. Exports continued to benefit from the global economic expansion, while domestic demand also contributed to growth due to the positive sentiment among companies. Germany remains the European growth driver still. With real GDP growth of 1.5 per cent above the previous quarter, German first quarter economic growth was almost twice that of the euro zone. This dynamism most likely continued in the second quarter, although the sentiment indicators deteriorated noticeably even in Germany and exports declined in June.

Air travel sector

In its report on industry performance in the first half of 2011, the International Air Transport Association (IATA) also points to a flattening of the aviation trend due to the general calming of the global economy. After a good start to the year, passenger numbers fell noticeably over the first quarter of 2011 due to the natural disaster and reactor disaster in Japan and political unrest in several Arabic and North African countries. There was a clear upturn in April again with the increase in traffic volume (measured in passenger miles; revenue passenger kilometres or RPK) of 11.9 per cent following 5.8 per cent in February and only 3.8 per cent in March. In May (+6.8 per cent) and June (+4.4 per cent), the trend flattened out again considerably.

The total RPK of the IATA companies rose by 6.5 per cent in the first half of 2011 as compared with the previous year's period. Measured by available seat kilometres (ASK), the airlines expanded their capacities by 7.1 per cent in the same period. Accordingly, the seat load factor dropped slightly by 0.4 percentage points to 76.7 per cent. However, the seat load factor in the first quarter was still 74.5 per cent.

The German airport association (ADV) reports that the trend in Europe and Germany showed a significant improvement in passenger numbers over the course of the first half of 2011. Year-on-year growth in European traffic was still 8.3 per cent in the first quarter (within Germany: +2.4 per cent), but a considerably stronger second quarter brought total growth in the first half of the year to 12.1 per cent (within Germany: +5.0 per cent). In all, German airports recorded 8.1 per cent more passengers in the first half.

According to the ADV, the aviation tax introduced at the beginning of this year has put a strain on the situation in Germany, particularly as a lower growth rate has been observed in domestic German air travel. According to ADV analyses, low-cost travel also suffered in particular, falling by 0.8 per cent in total in German airports in the first half of 2011. After capacity reductions and redirections, some airlines recorded a drop of 22.6 per cent in German domestic low-cost travel. In contrast, foreign airports close to the German border experienced much larger increases in the same period. Some locations had significant double-digit growth rates such as Eindhoven, Netherlands that was up by 29.7 per cent and Maastricht, Netherlands that was up by 71.8 per cent.

The German aviation tax has turned out to be a significant location disadvantage, especially compared with foreign airports close to the German border.

KEY EVENTS IN THE QUARTER UNDER REVIEW

1 April 2011: airberlin is completely integrating LTU International Airways, which was acquired in August 2007. The consolidation of flight operations is one of the key elements of the integration. The second important element of the LTU integration is the consolidation of all airberlin group technical operations (Berlin, Düsseldorf and Cologne) under the new company "airberlin technik GmbH" headquarted in Berlin.

10 April 2011: Barbara Cassani, 50, and Saad Hammad, 48, are appointed as at 1 May as new Non-Executive Directors to the Board of Air Berlin PLC. airberlin is thus expanding its Non-Executive Board to nine members. American Barbara Cassani was founder and CEO of the low-cost airline Go Fly and Chairwoman of the Committee for London's bid for the 2012 Summer Olympics. Most recently, Ms. Cassani worked as the Executive Chairwoman of a British-Irish hotel group. After holding different managing functions at a number of leading international companies, British and Lebanese Saad Hammad came to easyJet as Chief Commercial Officer in 2005. He has been a Managing Director of a private equity company since 2009.

12 April 2011: After issuing a new bond with a coupon of 8.25 per cent, Air Berlin PLC closed the order book early on the first day of subscriptions due to high demand. The order volume had reached EUR 150 million and therefore exceeded the maximum issue amount. The bond was issued at 100 per cent of the nominal value and, should no early repayment occur, will be repaid on 19 April 2018 at 100 per cent of the nominal value.

1 May 2011: airberlin starts service between Berlin and New York with four non-stop flights per week. Connecting flights originate in various German and European cities. Codeshare connecting flights to eight American Airlines destinations exist in New York. After Miami, New York is the second North American destination that airberlin offers non-stop from Berlin-Tegel.

7 June 2011: The Annual General Meeting of Air Berlin PLC at London Stansted Airport approves the 2010 financial statements by a large majority. In addition to CFO Ulf Hüttmeyer, Directors

Barbara Cassani, Saad H. Hammad, Nicholas Teller and Johannes Zurnieden were re-elected to the Board.

15 June 2011: airberlin and British Airways sign a codesharing agreement for select flights within Europe. The new cooperation agreement applies to flights from 5 July 2011 and includes more than 40 connections on European routes of both airlines.

20 June 2011: With the inclusion of the new airberlin connection between Berlin-Tegel and New York JFK, airberlin and American Airlines expand their codesharing agreement. With this new flight connection, the codeshare between airberlin and American Airlines includes airberlin's entire route network in the US.

25 June 2011: On the occasion of the Germany premiere of the Boeing 787 Dreamliner, airberlin, manufacturer Boeing and the Berlin airports send out invitations to a festive ceremony at Berlin-Tegel airport. airberlin will be the first airline in Germany to receive a Boeing 787 Dreamliner.

BUSINESS PERFORMANCE

Report on the operating performance

The operating performance of the airberlin group is presented below on the basis of comparable figures (pro forma view). Figures from last year include Austrian subsidiary NIKI Luftfahrt GmbH which was consolidated at the start of Q3 2010.

On the basis of the above mentioned comparison, the number of passengers (PAX) rose by a total of 8.8 per cent from 8,782,450 last year to 9,551,365 in the period under review. Regardless of this, passenger numbers for North African tourism destinations have recovered only slightly in the second quarter after collapsing in the first quarter. Overall, passenger numbers in the first half of the year rose by 5.8 per cent to EUR 16.42 million after EUR 15.52 million.

Capacity (number of available seats) was increased at a below-average rate by 3.7 per cent year-on-year from EUR 11.90 million to EUR 12.35 million in the quarter under review. The increase just compensated for last year's losses caused by the Icelandic volcano eruption. Due to previously announced adjustment measures, it was reeled in by 1.2 per cent in the first quarter. Overall, capacity in the first half of the year therefore rose by 1.5 per cent to EUR 21.82 million after EUR 21.49 million in the same period of the previous year. The seat-load factor increased accordingly in the quarter under review by 3.58 percentage points to 77.36 per cent and in the half by 3.04 percentage points to 75.27 per cent.

The number of flights in the reporting quarter rose by 3.3 per cent from 71,613 to 73,982, while this figure dropped by 0.4 per cent back in the first quarter. In the first half, the number of flights increased by 1.7 per cent year-on-year from 129,285 to 131,420. Due to a slight increase in the number of long-haul flights, the average flight length increased by 1.5 per cent in the reporting quarter and by 2.7 per cent in the first half and the number of flight hours rose by 4.3 per cent to 147,270 after 141,144 in the quarter and by 2.9 per cent to 259,162 after 251,810 in the first half of 2010.

At 16.59 billion, the number of available seat kilometres (ASK) increased by 5.3 per cent from 15.77 billion in the previous year to 16.59 billion in the reporting quarter. In the first half of the year, ASK rose by 4.3 per cent to 29.35 billion after 28.16 billion in the previous year. As in the first quarter of the year, the second quarter also saw a significant quarter-on-quarter increase in the number of revenue passenger kilometres (RPK). They rose by 16.4 per cent from EUR 11.72 billion to EUR 13.64 billion. In the first half, RPK increased by 17.6 per cent year-on-year from 20.51 billion to 24.12 billion.

At EUR 107.68, flight revenue per passenger increased by 7.9 per cent from EUR 99.75 in the prior-year quarter. In the first half, this indicator rose by 5.7 per cent to EUR 105.48 after EUR 99.81 in the first half of 2010. Total revenues per passenger also increased in the quarter under review. They rose by 7.1 per cent from EUR 109.10 million to EUR 116.89 million. In the first half, this indicator rose by 5.9 per cent to EUR 115.58 after EUR 109.18 in the first half of 2010. Total revenue per ASK reached 6.73 eurocents in the second quarter of 2011 following 6.07 eurocents, representing an increase of 10.9 per cent. In the first half, this indicator rose by 7.5 per cent to 6.47 eurocents after 6.02 eurocents in the first half of 2010. Total revenue per RPK in the reporting quarter was 8.18 eurocents after 8.17 eurocents and 7.87 eurocents in the first half after 8.26 eurocents. Price competition that still prevails in the industry as well as the business shortfall in North Africa is reflected in the entire first half of 2011. In addition, the German aviation tax that has been in place since the beginning of the year was not fully passed on.

In contrast to this, the cost side is developing favourably – but only if the dramatic increase in fuel prices and the aviation tax is not considered. Before these cost items, total costs on the EBITDAR level declined by 1.7 per cent in the reporting quarter to 3.95 eurocents per ASK after 4.02 eurocents in the previous year, while in the first half there was an increase of 4.2 per cent to 3.41 eurocents after 3.27 eurocents. However, since fuel costs per ASK jumped by 27.7 per cent in the reporting quarter (to 1.67 eurocents from 1.31 eurocents) and by 23.9 per cent in the first half (1.61 eurocents after 1.30 eurocents), total costs per ASK increased by 10.4 per cent to 5.89 eurocents after 5.33 eurocents in the quarter and by 11.2 per cent to 6.08 eurocents after 5.47 eurocents in the first half.

Key operating figures for Q2 2011

	+/- per cent	Q2 2011	Q2 2010
Aircraft (as of 30 June)	+0.6	168	167
Flights	+3.3	73,982	71,613
Destinations	+4.3	170	163
Passengers (million)	+8.8	9.55	8.78
Available seats (million; Capacity)	+3.7	12.35	11.90
Available seat-kilometres (millions; "ASK")	+5.3	16,594	15,767
Revenue passenger kilometres (millions; "RPK")	+16.4	13,641	11,723
Passenger load factor (per cent; Pax/capacity)	+3.58*	77.36	73.78
Number of block hours	+4.3	147,270	141,144

* per centage points
Q2 2010 pro forma

Key operating figures for H1 2011

	+/- per cent	H1 2011	H1 2010
Aircraft (as of 30 June)	+0.6	168	167
Flights	+1.7	131,420	129,285
Destinations	+4.3	170	163
Passengers (million)	+5.8	16.42	15.52
Available seats (million; Capacity)	+1.5	21.82	21.49
Available seat-kilometres (millions; "ASK")	+4.3	29,353	28,158
Revenue passenger kilometres (millions; "RPK")	+17.6	24,117	20,511
Passenger load factor (per cent; Pax/capacity)	+3.04*	75.27	72.23
Number of block hours	+2.9	259,162	251,810

* per centage points
H2 2010 pro forma

Fleet airberlin group

	Number end of H1 2011	Number end of H1 2010
A319	13	18
A320	47	49
A321	14	11
A330-200	10	10
A330-300	3	3
B737-700	26	26
B737-800	38	36
Q400	10	10
E-190	7	4
Total	168	167

H1 2010 pro forma

Report on results

The following report on results is presented on the basis of comparable figures, i.e. the previous year's figures have been adjusted (pro forma comparison) and include the figures from Austrian subsidiary NIKI Luftfahrt GmbH, which was consolidated at the beginning of the third quarter of 2010. In the tables on pages 20 and 21, the figures for the quarter under review and for the first half of 2011 are compared with the previous year's figures on a pro forma basis and as originally reported. The examination of the revenue development includes the aviation tax levied in Germany for the first time from the beginning of the current year. It amounted to EUR 44.5 million in the quarter under review and EUR 74.4 million in the first half of 2011. The tax item is also considered in the position "expenses for materials and services".

Consolidated revenue increased by 16.5 per cent from EUR 957.9 million in the prior-year period to EUR 1,116.2 million in the quarter under review. Flight revenue (charter plus single seat tickets) saw an increase of 12.3 per cent to EUR 983.9 million after EUR 876.0 million in the same quarter of the previous year. While single seat tickets posted a considerably higher-than-average rise of 18.2 per cent (EUR 682.7 million following EUR 577.4 million), charter sales increased only slightly by 0.9 per cent (EUR 301.2 million following EUR 298.6 million). Although the market situation eased again somewhat in the second quarter as compared to the first – which recorded a decline still – this low increase is still due to the cancellation of flights to North Africa. These destinations are booked almost exclusively by charter clients. If these flights had not been cancelled, the charter revenue would have grown in both quarters.

Consolidated revenue increased by 12.0 per cent from EUR 1,694.5 million to EUR 1,897.8 million in the first half of 2011. Flight revenue climbed by 7.0 per cent to EUR 1,657.5 million after EUR 1,549.1 million, with revenue from single-seat sales rising by 11.1 per cent to EUR 1,140.4 million after EUR 1,026.6 million while charter revenue decreased slightly by 1.0 per cent to EUR 517.1 million after EUR 522.5 million.

In the quarter under review, revenue from ground and other services rose by 8.1 per cent from EUR 71.9 million to EUR 77.7 million. Revenue from in-flight sales increased slightly by 3.0 per cent from EUR 10.0 million to EUR 10.3 million. Other operating income, which was not significant in terms of absolute volume, dropped slightly, chiefly due to the loss of revenue from disposals of fixed assets that was still generated in the prior-year period (EUR 8.5 million). It decreased from EUR 12.6 million to EUR 2.6 million. As a result, total operating performance in the second quarter of the current financial year expanded by 15.3 per cent to EUR 1,118.8 million, compared with EUR 970.5 million in the same period of the previous year.

In the first six months of the year, revenue from ground and other services rose by 15.4 per cent from EUR 128.2 million to EUR 148.0 million. In-flight sales generated revenue of EUR 17.9 million, up 3.5 per cent from EUR 17.3 million. Other revenue rose by 15.4 per cent to EUR 148.0 million after EUR 128.2 million. Other operating income declined in the first half of the year from EUR 16.4 million to EUR 4.3 million. Total operating performance increased by 11.2 per cent from EUR 1,710.9 million to EUR 1,902.1 million in the first half of 2011.

As in the first quarter, operating expenses posted a higher than average increase of 15.3 per cent from EUR 998.3 million in the previous year to EUR 1,151.0 million in the quarter under review. Within expenses for materials and services, which increased by 21.4 per cent from EUR 709.4

million to EUR 860.9 million, another above-average increase in fuel costs of 34.4 per cent (EUR 277.2 million compared to EUR 206.2 million in 2010) was recorded. The expense ratio for fuel increased from 23.5 per cent of flight revenue to 28.2 per cent in the quarter under review. Rising volume led to 2.5 per cent higher Airport fees (EUR 233.3 million after EUR 227.5 million). Not including the external cost factors of fuel, airport fees, and the aviation tax, expenses for materials and services rose by 11.0 per cent, in line with the expansion of business. Due to a further increased number of leased aircraft last year as well as currency effects (expenses for leasing are incurred in USD), related expenses increased by 17.2 per cent from EUR 130.6 million to EUR 153.0 million.

Operating expenses rose by 15.0 per cent from EUR 1,845.2 million in the previous year to EUR 2,122.6 million in the first six months of the year. Expenses for materials and services increased by 20.2 per cent from EUR 1,287.8 million to EUR 1,548.5 million, with fuel costs climbing by 29.1 per cent from EUR 366.1 million to EUR 472.7 million. Airport fees rose by 3.8 per cent (EUR 432.3 million after EUR 416.3 million) and leasing expenses were up 18.4 per cent to EUR 294.6 million after EUR 248.8 million.

The considerably lower than average increases in the other expense items show the success of the cost containment measures in the past quarters. At EUR 117.9 million in the quarter under review, personnel expenses were at the previous year's level. Depreciation fell from EUR 26.8 million to EUR 21.5 million due to the increased use of leases. Other operating expenses increased by 4.5 per cent from EUR 144.2 million to EUR 150.7 million. In the first six months of the year, personnel expenses even decreased slightly to EUR 231.0 million from EUR 231.9 million, depreciation fell from EUR 55.2 million to EUR 42.5 million, and other operating expenses rose by 11.2 per cent to EUR 300.7 million after EUR 270.3 million, in line with the expansion of business.

In the quarter under review – as in the first quarter – the operating result before depreciation and leasing expenses (EBITDAR) was negatively influenced firstly by the unfavourable impact on the revenue development resulting from the political unrest in North Africa and secondly by the substantial increase in major expense items that could not be influenced. However, the effects were much more pronounced in the first quarter of the year. EBITDAR nonetheless rose by 9.8 per cent to EUR 142.3 million after EUR 129.6 million in the same quarter of the previous year. At EUR -10.7 million, the result after leasing expenses (EBITDA) was lower than the previous year's level of EUR -1.0 million. EBIT was EUR -32.2 million compared with EUR -27.8 million.

In the first six months of the year, EBITDAR amounted to EUR 116.6 million after EUR 169.7 million, EBITDA was EUR –178.0 million after EUR –79.0 million and EBIT was EUR –220.5 million after EUR –134.3 million.

The financial result for the second quarter of 2011 was negative at EUR -47.3 million (compared with EUR -40.5 million in the previous year). Interest expense dropped from EUR 19.4 million to EUR 16.9 million. Whereas in the previous quarter there was income from foreign currencies and derivative financial instruments, in the quarter under review losses were incurred. Considerable fluctuations can arise here during the year due to reporting date effects. The profit contribution from associates was not material. Earnings before tax in the period under review were EUR -79.4 million following EUR -68.5 million. The net result, after tax income of EUR 35.6 million (2010: EUR 11.3 million), was EUR -43.9 million compared with EUR -57.2 million in 2010.

The financial result for the first half of 2011 was EUR –32.7 million after EUR –74.3 million. With a profit contribution from associates that was not material in this period either, earnings before tax amounted to EUR –253.1 million after EUR –205.5 million. The net result, after tax income of EUR 88.7 million (2010: EUR 46.0 million), was EUR -164.5 million compared with EUR -159.6 million.

Earnings per share for Q2 2011 were EUR -0.51 (diluted and basic), compared with EUR -0.67 (diluted and basic) in the previous year. After six months, they amounted to EUR –1.93 after EUR –1.77. The previous-year's EPS figures correspond to the originally reported figures and are not calculated on a pro forma basis.

Pro forma consolidated income statement Q2 2011

In EUR million	reported 4/11-6/11	pro forma 4/10-6/10	reported 4/10-6/10
Single-seat ticket sales	682.7	577.4	537.6
Charter sales	301.2	298.6	259.2
Onboard sales	10.3	10.0	9.3
Ground services / others	77.7	71.9	70.9
Aviation tax	44.5	0	0
Total revenue	**1,116.2**	**957.9**	**877.0**
Other operating income	**2.6**	**12.6**	**12.5**
Expenses for materials and services	(860.9)	(709.4)	(644.6)
thereof leasing expenses	(153.0)	(130.6)	(129.8)
Expenses for materials and services before leasing	**(707.9)**	**(578.8)**	**(514.8)**
Personnel expenses	**(117.9)**	**(117.9)**	**(116.7)**
Depreciation	**(21.5)**	**(26.8)**	**(22.8)**
Other operating expenses	**(150.7)**	**(144.2)**	**(133.7)**
Operating expenses before leasing and depreciation	**(976.5)**	**(840.9)**	**(765.2)**
EBITDAR	**142.3**	**129.6**	**124.3**
EBITDA	**(10.7)**	**(1.0)**	**(5,5)**
EBIT	**(32.2)**	**(27.8)**	**(28,2)**
Net financing costs	(47.3)	(40.5)	(39,7)
Share of profit of associates	0,1	(0,2)	(0,2)
Loss before tax	**(79,4)**	**(68,5)**	**(68,2)**
Income tax benefit	35,6	11,3	11,3
Loss for the period	**(43,9)**	**(57,2)**	**(56,9)**

Pro forma consolidated income statement H1 2011

In EUR million	reported 1/11-6/11	pro forma 1/10-6/10	reported 1/10-6/10
Single-seat ticket sales	1,140.4	1,026.6	956.3
Charter sales	517.1	522.5	468.6
Onboard sales	17.9	17.3	16.2
Ground services / others	148.0	128.2	126.8
Aviation tax	74.4	0	0
Total revenue	**1,897.8**	**1,694.5**	**1,567.9**
Other operating income	**4.3**	**16.4**	**16.6**
Expenses for materials and services	(1,548.5)	(1,287.8)	(1,180.5)
thereof leasing expenses	(294.6)	(248.8)	(246.8)
Expenses for materials and services before leasing	**(1,253.9)**	**(1,039.0)**	**(933.7)**
Personnel expenses	**(231.0)**	**(231.9)**	**(229.8)**
Depreciation	**(42.5)**	**(55.2)**	**(48.4)**
Other operating expenses	**(300.7)**	**(270.3)**	**(252.8)**
Operating expenses before leasing and depreciation	**(1,785.6)**	**(1,541.2)**	**(1,416.3)**
EBITDAR	**116.6**	**169.7**	**168.3**
EBITDA	**(178.0)**	**(79.0)**	**(78.5)**
EBIT	**(220.5)**	**(134.3)**	**(126.9)**
Net financing costs	(32.7)	(74.3)	(72.6)
Share of profit of associates	0.1	3.1	3.1
Loss before tax	**(253.1)**	**(205.5)**	**(196.4)**
Income tax benefit	88.7	46.0	46.0
Loss for the period	**(164.5)**	**(159.6)**	**(150.5)**

Report on net assets, financial position, capital expenditure and financing

The following presentation compares the balance sheet values reported on 30 June 2011 and 31 December 2010. These have the same scope of consolidation and can thus be compared.

Consolidated total assets at the end of the first six months of the 2011 financial year increased by 11.2 per cent to EUR 2,636.3 million compared with the balance sheet dated as at 31 December 2010. Non-current assets totalled EUR 1,637.0 million, up 8.3 per cent from the 2010 balance sheet date. This increase is largely due to higher deferred taxes and prepaid expenses. Current assets increased by 16.4 per cent to EUR 999.3 million, primarily as a result of higher trade receivables. Cash and cash equivalents are at a high level of EUR 434.7 million, up 5.7 per cent as compared to EUR 411.1 million as of the 2010 balance sheet date.

Equity declined by 39.0 per cent from EUR 505.3 million as at the balance sheet date 2010 to EUR 308.4 million. This development is mainly attributable to the very weak first quarter of the financial year, which already represents a traditionally weak phase in the aviation industry but was further exacerbated this year by special effects such as the unrest in North Africa. The equity ratio as at 30 June 2011 was 11.7 per cent. It was 21.3 per cent as at 31 December 2010.

Non-current liabilities rose by 16.5 per cent compared with the end of 2010 from EUR 944.7 million to EUR 1,100.8 million. This largely resulted from higher financial liabilities (EUR 742.2 million after EUR 565.9 million). In April 2011, airberlin issued corporate bonds amounting to EUR 150.0 million that will mature in 2018 and carry a coupon of 8.25 per cent. After transaction costs of EUR 5.1 million, net proceeds from the issue amounted to EUR 144.9 million. In addition, the long-term negative market value of derivatives increased to EUR 34.0 million from EUR 25.9 million.

Advanced payments received rose by 66.9 per cent to EUR 536.6 million as of 30 June 2011 as compared with the typically low level (due to seasonality) of EUR 321.5 million at the end of 2010. All in all, current liabilities after the first six months of 2011 were EUR 1,227.1 million, up by 33.4 per cent from the 2010 balance sheet date (EUR 920.1 million).

Net cash flow from operating activities after interest and taxes paid/received amounted to EUR -37.8 million in the first six months of the current financial year. Cash flow from investing activities amounted to EUR -81.4 million. Cash flow from financing activities was EUR 147.4 million from borrowing and repayment of long-term borrowings. This reflects the cash inflow from issuing the bond. Cash and cash equivalents rose by 5.8 per cent to EUR 433.5 million as of the end of the second quarter compared with EUR 409.7 million at the end of 2010.

EMPLOYEES

At the end of the first six months of 2011, the airberlin group employed 9,082 staff, compared with 8,741 at the end of the corresponding quarter of 2010 and 8,900 at the end of 2010. Of these, 4,251 employees (end of 2010: 4,169) were employed as ground staff and 4,831 (end of 2010: 4,731) were part of the flying crew. The flying crew consisted of 3,423 cabin crew and 1,408 cockpit crew (end of 2010: 3,361 and 1,370, respectively). As at 30 June 2011, there were 122 young people in training at airberlin (end of 2010: 132).

OPPORTUNITIES AND RISKS

Industry risks

The risks discussed in the section on opportunities and risks in the 2010 Annual Report continue to apply to the aviation industry in general and remain particularly relevant for low-cost carriers.

The global recession caused by the financial market crisis seems to be overcome now, but at the same time the risks of a backslide into recession in numerous industrialised countries has recently increased again considerably. Thus, global economic risks persist, particularly with regard to the problem in many countries of escalating government debt, and therefore also those risks that are harmful to developments in the earnings and financial situation of the aviation industry and airberlin. The strong increase in commodities prices is an additional burden on the global economy and doubly so for the aviation industry in particular. In addition to their effect as a direct cost factor in flight operations, rising commodities prices also affect private households in particular and, accordingly, their consumer behaviour and thus inclination to book flights.

The German market, which is important to airberlin, is the exception to the rule; the upturn has been reinforced specifically by rising employment and greater consumer spending. However, other market places in Europe are developing in the opposite direction and are thus closely watched by airberlin. Additionally, there are special earnings risks such as the aviation tax which, due to the very tough competition on the German market and the disproportionate distribution among the market participants, cannot be fully reflected in ticket prices. In general, the same applies to the sharp rise in fuel prices. Here too, it is difficult to pass these on rising costs.

airberlin's business development continued to be impacted by the political upheavals in North Africa, in particular at the tourist destinations in Egypt and Tunesia. In particular, bookings to Egypt were negatively impacted by the North African incidents. Numerous travellers cancelled their bookings by reason of travel warnings issued by the German Federal Government.

Financial risks

The financial risks discussed in the 2010 Annual Report generally continue to apply for the current financial year. airberlin will be employing the same instruments outlined therein to manage these risks effectively. The foreign currency risk remains a material financial risk, particularly in relation to fuel purchasing due to the high correlation between aviation fuel prices and crude oil prices, quoted in US dollars. airberlin hedges a majority share of the currency risk exposure, and will continue to do so on a rolling twelve month basis. airberlin has responded to the risk of generally incalculable price fluctuations in connection with fuel acquisition by entering into extensive hedging arrangements. This practice will be continued.

Purchasing risks

In addition to the commercial criteria used in connection with the acquisition of jet fuel, airberlin verifies the ability of all fuel suppliers at a given airport to provide airberlin with a stable supply of fuel. Moreover, airberlin monitors compliance with quality standards pertaining to jet fuel storage and into-aircraft fuelling as per the IATA Fuel Quality Pool guidelines.

OUTLOOK

Overall economic and industry environment

The growth prospects for the global economy have worsened considerably over the past months. The main risks for the further development of the economyinclude in particular the high level of debt and the budget deficits of many industrialised nations, primarily the US but also several European countries; even national bankruptcies still cannot be ruled out here. In light of a fundamental decline in confidence in the capacity of politicians to take action, the international currency system, the role of the US dollar as an international reserve currency and the future of the euro have also come under scrutiny, resulting in extreme price fluctuations on the capital markets and particularly on the stock exchanges.

Leading indicators in Europe are sending clear economic warning signals. The ifo indicator of the economic climate in the euro zone fell again in the third quarter of 2011 for the first time since the beginning of 2009 and is only slightly above its long-term average. The assessments of the current situation decreased only slightly as against the second quarter but substantially for the next six months. The economic situation is expected to deteriorate in many countries. Specifically, the current situation in Germany and Austria in particular continued to be rated as excellent, whereas in France and the Netherlands it was rated as satisfactory, in Italy as unfavourable and in Ireland, Spain and Portugal as worse and very weak. Unsurprisingly, Greece is rated the worst.

There has been a change in the mood indicators in Germany, too, in the past weeks. The ifo business climate for industry deteriorated significantly in July, after having just seen an improvement in the previous month. Companies are no longer quite as satisfied with their current business situations. With regard to the assessment of the situation in the manufacturing industry, there is no turnaround to be observed yet (despite a slight decrease), but expectations have weakened considerably.

IATA adjusted its sector forecast downwards in June for the second time this year. In its industry outlook from early March 2011, it already forecast a significant drop in earnings of 46 per cent to USD 8.6 billion compared with USD 16.0 billion in 2010. It now anticipates just USD 4.0 billion.

With expected revenue of just under USD 600 billion, this would result in only a minimal profit margin of 0.7 per cent. In addition to the effects of the earthquake in Japan and the political unrest in the Middle East and North Africa, the cause of these much more cautious estimates is primarily the large increase in fuel prices. For 2011, IATA now expects the price of Brent crude oil to rise by 38 per cent over the previous year, to USD 110 per barrel. In spring, IATA was still anticipating “only” USD 96, equivalent to a 20 per cent increase. Every additional dollar costs the industry USD 1.6 billion. According to the industry association, the fuel cost ratio for airlines has risen to 30 per cent, as compared to 13 per cent in 2001. At airberlin, the ratio in the quarter under review was 28.2 per cent in relation to flight revenues and 24.8 per cent in relation to total revenues.

In addition to a further increase in costs, IATA also anticipates lower growth in passenger numbers. After a 5.6 per cent increase in March, in its June forecast it expects an increase of only 4.4 per cent. As well as the higher fuel prices, there is also a negative impact in Europe from the aviation tax, as customers of low-cost airlines are very price-conscious. Budget airlines in particular are therefore suffering from a decrease in their passenger numbers, which amounted to just under 4 per cent during the first five months of 2011. For premium demand, which is less price-sensitive, growth is also expected to be lower but IATA still anticipates a growth rate of close to 6 per cent in the context of the long-term trend. For the European airlines, IATA anticipates net profits of USD 0.5 billion after USD 1.9 billion in the previous year. According to the industry association, one of the reasons for this significantly weaker development in comparison to the rest of the world is the unfavourable development of supply and demand: at 4.8 per cent, the increase in capacity will be considerably higher than the expected rise in demand of 3.9 per cent.

Business development

In July 2011, passenger volume grew year-on-year by 2.9 percent to 3,809,401 passengers. Fleet utilisation increased by 3.3 percentage points from 81.2 to 84.5 per cent and capacity fell by 1.1 per cent compared to July of last year. From January to July, 20,232,567 passengers travelled in the airberlin route network, corresponding to a 5.2 per cent increase in the previous year’s period. In the first seven months of the year, utilisation rose by 3.1 percentage points from 73.8 per cent to 76.9 per cent. airberlin recorded an increase in cumulative capacity of 1.1 per cent.

Despite the improvements achieved, the latest development confirms the general tendency in the first half of the current year: the increase in passenger numbers that we had originally striven for in 2011 will not be achieved. High fuel prices and the aviation tax once again continued to aggravate the competitive situation, especially since demand from the important segment of price-conscious customers is falling, thus causing certain destinations to become unprofitable.

In reaction to this and in order to increase our profitability, we have created an extensive package of measures that will take effect in the short term. airberlin is using the "shape&size" package of measures to optimise its route network and adjust its fleet accordingly. The route network will already be adjusted during the second half of the current financial year to remove routes that no longer provide any cost coverage in the new environment and that are strategically less important. This pertains mostly to connections between smaller airports, but also other destinations like those in North Africa. At the same time, we will adjust the frequency of flights to those destinations for which utilisation is currently not satisfactory. In contrast to this, we will focus even more on our heavily traveled routes and additional feeder services to our four European hubs in Berlin, Düsseldorf, Vienna and Palma de Mallorca and thereby improve our utilisation rates. Long-haul flights will be concentrated in two hubs with the cooperation of our **one**world® partners.

Optimising the route network will include adjusting the number of flights and therefore also the number of seats: We will reduce capacity vis-à-vis our previous planning by approximately five per cent and therefore keep it in the current financial year as well as in 2012 for the most part at its 2010 level. This will save a good 16,000 flights and around 2.2 million seats.

In line with these measures – capacity adjustment and focusing on profitable routes – we expect higher utilisation rates and rising yields in the second half year and therefore also for the full year 2011. Total revenues are expected to exceed last year's level. With stringent cost control we are offsetting rising prices, especially for fuel. However, the shape & size program will also cause certain additional costs. The planned measures will possibly not suffice to obtain a positive operating result at the end of the year, because some of the savings related to the measures will not become effective until next year.

EVENTS AFTER THE REPORTING DATE

8 July 2011: airberlin and Iberia conclude a codeshare agreement, offering their customers selected flights under a joint flight number in future. The agreement improves connection options to and from Madrid for airberlin passengers. The codeshare also relates to the airberlin routes from Berlin, Düsseldorf, Hamburg and Stuttgart to Barcelona, from Düsseldorf to Bilbao and from Cologne/Bonn to Valencia.

19 July 2011: The airberlin Board appoints the President and CEO of the Dutch airline Martinair, Paul Gregorowitsch, 55, as a new, fourth member of the Executive Board. From September 2011, Gregorowitsch will assume the position of Chief Commercial Officer (CCO) with responsibility for networks and sales.

21 July 2011: airberlin and American Airlines expand their codeshare agreement in the domestic US route network to include additional flight connections from New York, Los Angeles and Miami. From New York, airberlin passengers can now also fly to Chicago, Cleveland, Dallas, Pittsburgh or St. Louis. From Miami, new connecting flights to Key West and Jacksonville have been introduced. airberlin is thus establishing itself as a Florida carrier, now flying to a total of six destinations in Florida including the existing connections to Miami, Fort Myers, Orlando and Tampa. San Juan, Puerto Rico is also among the new codeshare destinations. The codeshare expansion also includes flights from Los Angeles.

10 August 2011: airberlin and the Russian airline S7 expand their codeshare agreement to cover 47 joint routes. Passengers now fly under a joint flight number from Berlin via Moscow to Irkutsk, Samara, Kazan, Perm, Ufa or Rostov. Yekaterinburg has been added as a new destination. Like the other Russian cities, it can be flown to via Moscow from Düsseldorf, Munich, Frankfurt or Hannover. Flights from Stuttgart to Russia have also been integrated. Therefore, all routes covered by the cooperation are now incorporated uniformly as connecting flights in the joint flight network for the first time.

THE BOARD OF DIRECTORS

The Board of Air Berlin PLC is made up of the following Directors:

Executive Directors

Joachim Hunold, Chief Executive Officer
Ulf Hüttmeyer, Chief Financial Officer
Christoph Debus, Chief Operating Officer

Non-Executive Directors

Dr. Hans-Joachim Körber, Chairman of the Board of Directors
Barbara Cassani (since 1 May 2011)
Saad Hammad (since 1 May 2011)
Hartmut Mehdorn
Peter R. Oberegger
Ali Sabanci
Heinz-Peter Schlüter
Nicolas Teller
Johannes Zurnieden

Approved by the Directors on 17 August 2011

Joachim Hunold Ulf Hüttmeyer

DECLARATION OF THE LEGAL REPRESENTATIVES

DECLARATION BY THE LEGAL REPRESENTATIVES PURSUANT TO SECTION 37W WPHG AND THE UK DISCLOSURE AND TRANSPARENCY RULES

The Directors confirm that to the best of their knowledge and according to the applicable accounting standards for interim reporting the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and results of operations of the Group and that the interim Group management report gives a true and fair view of business performance including the financial performance and the situation of the Group, describes the main opportunities and risks relating to the Group's anticipated development in the remainder of the financial year, and includes a fair review of any information required by DTR 4.2.8R (disclosure of related party transactions and charges therein).

Berlin, 17 August 2011

[signed] Hunold [signed] Hüttmeyer

Air Berlin PLC

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

for the period ended 30 June 2011

	1/11-6/11	1/10-6/10	4/11-6/11	4/10-6/10
	€ 000	€ 000	€ 000	€ 000
Revenue	1,897,817	1,567,912	**1,116,239**	876,990
Other operating income	4,315	16,617	**2,583**	12,532
Expenses for materials and services	(1,548,491)	(1,180,477)	**(860,916)**	(644,628)
Personnel expenses	(230,958)	(229,792)	**(117,918)**	(116,712)
Depreciation and amortisation	(42,484)	(48,384)	**(21,521)**	(22,759)
Other operating expenses	(300,664)	(252,770)	**(150,660)**	(133,671)
Operating expenses	(2,122,597)	(1,711,423)	**(1,151,015)**	(917,770)
Result from operating activities	(220,465)	(126,894)	**(32,193)**	(28,248)
Financial expenses	(32,208)	(34,200)	**(16,871)**	(17,779)
Financial income	5,288	1,605	**2,686**	727
Losses on foreign exchange and derivatives, net	(5,825)	(40,015)	**(33,164)**	(22,662)
Net financing costs	(32,745)	(72,610)	**(47,349)**	(39,714)
Share of profit of associates, net of tax	97	3,059	**97**	(227)
Loss before tax	(253,113)	(196,445)	**(79,445)**	(68,189)
Income tax benefit	88,652	45,971	**35,555**	11,310
Loss for the period – all attributable to the shareholders of the Company	(164,461)	(150,474)	**(43,890)**	(56,879)
Basic earnings per share in €	(1.93)	(1.77)	**(0.51)**	(0.67)
Diluted earnings per share in €	(1.93)	(1.77)	**(0.51)**	(0.67)

Air Berlin PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

for the period ended 30 June 2011

	1/11-6/11	1/10-6/10
	€ 000	€ 000
Loss for the period	**(164,461)**	(150,474)
Foreign currency translation reserve	1,346	940
Effective portion of changes in fair value of hedging instruments	(25,781)	74,268
Net change in fair value of hedging instruments transferred from equity to profit or loss	(22,466)	(30,120)
Income tax on other comprehensive income	14,390	(13,326)
Other comprehensive income for the period, net of tax	**(32,511)**	31,762
Total comprehensive income – all attributable to the shareholders of the Company	**(196,972)**	(118,712)

Air Berlin PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

as of 30 June 2011

	30/06/2011	31/12/2010
	€ 000	€ 000
Assets		
Non-current assets		
Intangible assets	389,248	387,420
Property, plant and equipment	913,658	887,664
Trade and other receivables	142,540	157,657
Deferred tax asset	156,246	51,283
Positive market value of derivatives	146	6,448
Deferred expenses	34,946	20,409
Investments in associates	184	405
Non-current assets	1,636,968	1,511,286
Current assets		
Inventories	44,781	42,890
Trade and other receivables	410,705	298,570
Positive market value of derivatives	46,325	53,662
Deferred expenses	62,814	52,618
Cash and cash equivalents	434,701	411,093
Current assets	999,326	858,833
Total assets	2,636,294	2,370,119

Air Berlin PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

as of 30 June 2011

	30/06/2011	31/12/2010
	€ 000	€ 000
Equity and liabilities		
Shareholders' equity		
Share capital	21,379	21,379
Share premium	373,923	373,923
Equity component of convertible bond	21,220	21,220
Other capital reserves	217,056	217,056
Retained earnings	(317,703)	(153,242)
Hedge accounting reserve, net of tax	(10,694)	23,163
Foreign currency translation reserve	3,183	1,837
Total equity – all attributable to the shareholders of the Company	308,364	505,336
Non-current liabilities		
Liabilities due to bank from assignment of future lease payments	208,661	244,770
Interest-bearing liabilities	742,233	565,898
Provisions	7,038	8,090
Trade and other payables	81,748	73,261
Deferred tax liabilities	27,118	26,733
Negative market value of derivatives	33,999	25,913
Non-current liabilities	1,100,797	944,665
Current liabilities		
Liabilities due to bank from assignment of future lease payments	61,645	56,533
Interest-bearing liabilities	38,303	33,140
Tax liabilities	2,806	10,616
Provisions	1,622	3,282
Trade and other payables	455,717	394,635
Negative market value of derivatives	59,204	25,166
Deferred income	71,265	75,223
Advanced payments received	536,571	321,523
Current liabilities	1,227,133	920,118
Total equity and liabilities	2,636,294	2,370,119

Air Berlin PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

for the period ended 30 June 2011

	Share capital € 000	Share premium € 000	Equity component of convertible bond € 000	Other capital reserves € 000	Retained earnings € 000	Hedge accounting reserve, net of tax € 000	Foreign currency translation reserve € 000	Equity attributable to the share-holders of the Company € 000
Balances at 31 December 2009	**21,379**	**374,319**	**51,598**	**217,056**	**(62,323)**	**7,218**	**767**	**610,014**
Share based payment					16			16
Transaction costs on issue of shares, net of tax		(396)						(396)
Total transactions with shareholders	**0**	**(396)**	**0**	**0**	**16**	**0**	**0**	**(380)**
Loss for the period					(150,474)			(150,474)
Other comprehensive income						30,822	940	31,762
Total comprehensive income	**0**	**0**	**0**	**0**	**(150,474)**	**30,822**	**940**	**(118,712)**
Balances at 30 June 2010	**21,379**	**373,923**	**51,598**	**217,056**	**(212,781)**	**38,040**	**1,707**	**490,922**
Balances at 31 December 2010	**21,379**	**373,923**	**21,220**	**217,056**	**(153,242)**	**23,163**	**1,837**	**505,336**
Total transactions with shareholders	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Loss for the period					(164,461)			(164,461)
Other comprehensive income						(33,857)	1,346	(32,511)
Total comprehensive income	**0**	**0**	**0**	**0**	**(164,461)**	**(33,857)**	**1,346**	**(196,972)**
Balances at 30 June 2011	**21,379**	**373,923**	**21,220**	**217,056**	**(317,703)**	**(10,694)**	**3,183**	**308,364**

Air Berlin PLC

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

for the period ended 30 June 2011

	30/06/2011	30/06/2010
	€ 000	€ 000
Loss for the period	(164,461)	(150,474)
Adjustments to reconcile profit or loss to cash flows from operating activities:		
Depreciation and amortisation of non-current assets	42,484	48,384
Loss (gain) on disposal of non-current assets	6,045	(8,125)
Share based payments	0	16
Increase in inventories	(1,891)	(3,035)
Increase in trade accounts receivables	(46,467)	(46,325)
Increase in other assets and prepaid expenses	(70,249)	(26,203)
Deferred tax benefit	(90,187)	(52,573)
Decrease in provisions	(2,712)	(8,452)
Increase in trade accounts payables	71,023	59,423
Increase in other current liabilities	207,052	182,579
Losses on foreign exchange and derivatives, net	9,250	40,015
Interest expense	32,193	34,156
Interest income	(1,563)	(1,592)
Income tax expense	1,536	6,602
Share of profit of associates	(97)	(3,059)
Other non-cash changes	1,346	940
Cash generated from operations	**(6,698)**	72,277
Interest paid	(23,521)	(28,744)
Interest received	1,806	835
Income taxes paid	(9,346)	(6,952)
Net cash flow from operating activities	**(37,759)**	37,416
Purchases of non-current assets	(125,182)	(18,536)
Net-advanced payments for non-current items	(8,997)	(3,657)
Proceeds from sale of tangible and intangible assets	52,779	177,038
Cash flow from investing activities	**(81,400)**	154,845
Principal payments on interest-bearing liabilities	(111,222)	(177,548)
Proceeds from long-term borrowings	263,724	0
Transaction costs related to issue of long-term borrowings	(5,115)	0
Transaction costs related to issue of ordinary shares	0	(565)
Cash flow from financing activities	**147,387**	(178,113)
Change in cash and cash equivalents	**28,228**	14,148
Cash and cash equivalents at beginning of period	**409,673**	372,010
Foreign exchange (losses) gains on cash balances	(4,425)	7,498
Cash and cash equivalents at end of period	**433,476**	393,656
thereof bank overdrafts used for cash management purposes	(1,225)	(1,283)
thereof cash and cash equivalents in the statement of financial position	434,701	394,939

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2011

(Euro/USD/CHF in thousands, except share data)

1. REPORTING ENTITY

The consolidated interim financial statements of Air Berlin PLC for the six months ended 30 June 2011 comprise Air Berlin PLC ("the Company") and its subsidiaries (together referred to as "airberlin" or the "Group") and the Group's interest in associates. Air Berlin PLC is a company incorporated in England and Wales with its registered office in London. The corporate headquarters of airberlin are located in Berlin. The Company's ordinary shares are traded on the Frankfurt Stock Exchange.

The group financial statements as at, and for, the year ended 31 December 2010 prepared in accordance with IFRSs as adopted by the EU and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, are available from the Company's registered office and at ir.airberlin.com.

Statutory accounts for 2010 have been delivered to the registrar of Companies in England and Wales. The auditors have reported on those accounts and their report (i) was unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 408 of the Companies act 2006.

The comparability of the figures of the current reporting period versus the figures of the prior year is restricted due to the first time consolidation of NIKI Luftfahrt GmbH, Vienna, as at 5 July 2010.

2. STATEMENT OF COMPLIANCE

These consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 "Interim Financial Reporting" as adopted by the EU. They have been neither reviewed nor audited and do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2010.

This condensed set of financial statements was approved by the Directors on 16 August 2011.

3. ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING

This interim report up to 30 June 2011 has been drawn up in accordance with IAS 34 and in compliance with the standards and interpretations applicable from 1 January 2011 as adopted by the EU. The Group has used the same accounting and valuation methods as for the consolidated financial statements for the year ended 31 December 2010.

4. ESTIMATES

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of uncertainty related to estimates were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2010.

5. SEASONLITY

The aviation industry is subject to seasonal fluctuations. Due to holiday travellers, the summer months generally show the highest revenue from ticket sales. The Group attempts to minimise seasonal impacts by expanding the number of business travellers. For the twelve months ended 30 June 2011 the Group had revenue of € 3,979,052 (prior year: € 3,311,287) and loss for the period after tax of € 111,146 (prior year: € 78,586). Furthermore, for the twelve months ended 30 June 2011 the EBIT amounted to € –102,912 (prior year: € –28,707).

6. NON-CURRENT ASSETS

During the six months ended 30 June 2011 the Group acquired fixed assets with a cost of € 143,223 (prior year: € 37,905). Assets with a carrying amount of € 76,882 were disposed of during the six months ended 30 June 2011 (prior year: € 177,916).

Capital commitments for property, plant and equipment amount to 5.6 bn USD (prior year: 6.4 bn USD).

7. SHARE CAPITAL

Of airberlin's authorized share capital, 85,226,196 ordinary shares of € 0.25 each and 50,000 A shares of £1,00 each were issued and fully paid up as of 30 June 2011. Included in this amount are 177,600 treasury shares held by airberlin (through the Air Berlin Employee Share Trust).

8. CORPORATE BONDS

On 19 April 2011 the group issued € 150,000 corporate bonds due 2018. The bond issue is made up of 150,000 bonds with a principal amount of € 1 each, earning yearly interest of 8.25%. Gross proceeds from the bond issue amounted to € 150,000. Transaction costs incurred were € 5,115. The bonds are measured at amortized cost.

9. REVENUE

in thousands of Euro	1/11-6/11	1/10-6/10	**4/11-6/11**	4/10-6/10
Single-seat ticket sales	1,140,375	956,297	**682,660**	537,599
Bulk ticket sales to charter and package tour operators	517,067	468,616	**301,156**	259,221
Ground and other services	147,995	126,780	**77,673**	70,866
Air transportation tax	74,431	0	**44,450**	0
In-flight sales	17,949	16,219	**10,300**	9,304
	1,897,817	1,567,912	**1,116,239**	876,990

airberlin recognizes ticket sales as income at the time when the transportation is provided. When the fare is for a round-trip and the return flight has not yet been provided at the reporting date, the unearned revenue is deferred in the consolidated balance sheet under "deferred income" until such time the transportation is provided.

Segment information

The company is managed by the Board of Directors as a single business unit in one geographical area and one service. The key figures and ratios presented to the Board of Directors in managing the company are: Result from operating activities, net debt, revenues, passengers, yield and block hours. The financial measures are IFRS measures and are shown in the primary statements. Resource allocation decisions are made based on the entire route network and the deployment of the entire fleet. Revenues derive nearly completely from the principal activity as an airline and include flights, commissions, in-flight and related sales that are generated in Europe. Since airberlin's fleet is employed across its scheduled destinations on an as needed basis all assets and liabilities are allocated to the one segment. The Board has also determined that there is no reasonable basis of allocating assets and related liabilities, income and expenses to geographical areas other than Europe or to individual groups of customers.

10. OTHER OPERATING INCOME

in thousands of Euro	1/11-6/11	1/10-6/10	**4/11-6/11**	4/10-6/10
Gain on disposal of long-term assets, net	0	8,741	**0**	8,489
Income from services provided to Niki and cost transfer	0	2,989	**0**	2,557
Income from insurance claims	738	767	**196**	215
Other	3,577	4,120	**2,387**	1,271
	4,315	16,617	**2,583**	12,532

11. EXPENSES FOR MATERIALS AND SERVICES

in thousands of Euro	1/11-6/11	1/10-6/10	**4/11-6/11**	4/10-6/10
Airport and handling charges	432,313	376,328	**233,337**	204,010
Fuel for aircraft	472,706	334,699	**277,181**	186,080
Operating leases for aircraft and equipment	294,574	246,846	**152,995**	129,785
Navigation charges	139,142	120,669	**79,603**	68,465
Air transportation tax	74,431	0	**44,450**	0
Catering costs and cost of materials for in-flight sales	66,726	54,037	**38,430**	29,366
Other	68,599	47,898	**34,920**	26,922
	1,548,491	1,180,477	**860,916**	644,628

The expenses for operating leases for aircraft and equipment include expenses of € 59,064 (prior year: € 58,016) that do not directly relate to the lease of assets.

12. PERSONNEL EXPENSES

in thousands of Euro	1/11-6/11	1/10-6/10	**4/11-6/11**	4/10-6/10
Wages and salaries	190,891	191,900	**98,230**	98,665
Social security	19,864	22,355	**9,414**	7,110
Pension expense	20,203	15,537	**10,274**	10,937
	230,958	229,792	**117,918**	116,712

13. OTHER OPERATING EXPENSES

in thousands of Euro	1/11-6/11	1/10-6/10	**4/11-6/11**	4/10-6/10
Repairs and maintenance of technical equipment	110,743	91,669	**57,634**	49,440
Hardware and software expenses	35,666	30,079	**16,480**	14,997
Advertising	34,190	29,978	**13,200**	16,246
Expenses for premises and vehicles	17,951	16,415	**9,355**	8,382
Travel expenses for cabin crews	13,726	14,887	**7,504**	7,690
Bank charges	12,998	10,935	**7,939**	6,322
Sales commissions paid to agencies	11,871	9,974	**7,095**	5,144
Insurance	10,352	8,500	**5,089**	3,823
Auditing and consulting	9,378	6,324	**5,472**	4,476
Training and other personnel expenses	8,610	5,865	**4,669**	3,293
Loss on disposal of long-term assets, net	5,743	0	**4,234**	0
Phone and postage	2,694	2,723	**1,201**	1,422
Allowances for receivables	654	1,199	**201**	582
Other	26,088	24,222	**10,587**	11,854
	300,664	252,770	**150,660**	133,671

14. NET FINANCING COSTS

in thousands of Euro	1/11-6/11	1/10-6/10	4/11-6/11	4/10-6/10
Interest expense on interest bearing liabilities	(28,928)	(34,156)	**(15,224)**	(17,765)
Expense on valuation of liability from put-option at fair value	(3,265)	0	**(1,632)**	0
Other financial expenses	(15)	(44)	**(15)**	(14)
Financial expenses	(32,208)	(34,200)	**(16,871)**	(17,779)
Interest income on fixed deposits	1,001	483	**565**	256
Other financial income	4,287	1,122	**2,121**	471
Financial income	5,288	1,605	**2,686**	727
Losses on foreign exchange and derivatives, net	(5,825)	(40,015)	**(33,164)**	(22,662)
Net financing costs	(32,745)	(72,610)	**(47,349)**	(39,714)

Foreign exchange gains or losses result from actual exchange rate differences at the settlement date (realised gains or losses), from the revaluation of interest-bearing liabilities, liabilities due to bank from assignment of future lease payments and other financial assets and liabilities which are to be settled in a foreign currency at the balance sheet date as well as from changes in the fair value of derivatives. Realised exchange rate gains or losses not arising from interest-bearing liabilities and other financing activities are reclassified to the various income and expense line items from which they arose within operating result.

15. INCOME TAX EXPENSES AND DEFERRED TAX

Loss before tax is primarily attributable to Germany. The income tax benefit for the period is as follows:

in thousands of Euro	1/11-6/11	1/10-6/10	4/11-6/11	4/10-6/10
Current income taxes	(1,536)	(6,602)	**172**	(5,530)
Deferred income taxes	90,188	52,573	**35,383**	16,840
Total income tax benefit	88,652	45,971	**35,555**	11,310

16. CASH FLOW STATEMENT

in thousands of Euro	30/06/2011	30/06/2010
Cash	**510**	1,098
Bank balances	**101,683**	128,473
Fixed-term deposits	**332,508**	265,368
Cash and cash equivalents	**434,701**	394,939
Bank overdrafts used for cash management purposes	**(1,225)**	(1,283)
Cash and cash equivalents in the statement of cash flows	**433,476**	393,656

Cash and cash equivalents include restricted cash of € 110,195 as of 30 June 2011 (prior year: € 86,902).

17. RELATED PARTY TRANSACTIONS

The Group has related party relationships with its Directors and associates.

One of the Executive Directors of the Group controls a voting share of 2.64 % of airberlin (prior year: 2.64 %).

One of the non-executive directors, also a shareholder of the Company with a voting share of 1.58 % (prior year: 1.58 %), is the controlling shareholder of Phoenix Reisen GmbH. The Group had revenues from ticket sales with Phoenix Reisen GmbH during the first six months of 2011 of € 6,825 (prior year: € 9,496). At 30 June 2011 € 905 (prior year: trade receivables € 104) are included in trade payables line.

During the six-month period ended 30 June 2011 respectively 2010 the Group had transactions with associates as follows:

in thousands of Euro	2011	2010
THBG BBI GmbH		
Receivables from related parties	1,996	1,891
Interest Income	55	42
Follow Me Entertainment GmbH		
Receivables from related parties	75	0
Binoli GmbH		
Revenues from ticket sales	245	18
Receivables from related parties	682	251
Interest Income	15	15
Lee & Lex Flugzeugvermietung GmbH		
Receivables from related parties	0	848
E190 Flugzeugvermietung GmbH		
Expenses for leasing	2,697	0
Receivables from related parties	6,922	0

Transactions with associates are priced on an arm’s length basis.

The group disposed its 24.0% share in Lee & Lex Flugzeugvermietung GmbH, Vienna, in the second quarter of 2011.

18. EXECUTIVE DIRECTORS

Joachim Hunold	Chief Executive Officer
Ulf Hüttmeyer	Chief Financial Officer
Christoph Debus	Chief Operating Officer

FINANCIAL CALENDAR

Traffic figures August 2011	6 September 2011
Traffic figures September 2011	6 October 2011
Traffic figures October 2011	7 November 2011
Publication of Interim Report as of 30 September 2011 (Q3 and 9M) Analysts and Investors Conference Call	17 November 2011
Traffic figures November 2011	6 December 2011

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