INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER OF THE FINANCIAL YEAR 2011

Your Airline.

KEY FINANCIAL FIGURES

	Q1 2011	Q1 2010 pro forma*)	Q1 2010 reported
Revenues (EURm)	**751.6**	736.6	690.9
thereof: ticket sales (EURm)	**673.6**	673.0	628.1
EBITDAR (EURm)	**(25.7)**	40.2	44.1
EBIT (EURm)	**(188.3)**	(106.5)	(98.6)
Consolidated profit (loss) (EURm)	**(120.6)**	(102.4)	(93.6)
Earnings (loss) per share (EUR; basic)	**(1.42)**	n.a.	(1.10)
Total assets (EURm)	**2,592.3**	n.a.	2,550.0
Employees (31 March)	**8,956**	n.a.	8,519

*) 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,

Following the Icelandic volcanic ash last year, the disaster in Japan and the political upheavals in North Africa caused airlines to cancel many flights in 2011 once again. airberlin was also affected, since we service many tourist destinations in Egypt and Tunisia and accordingly lost a significant amount of revenue there. Nonetheless, we increased our revenues in the reporting quarter by 2.0 per cent on a pro forma basis as compared to the previous year. At the same time, we welcomed nearly 6.9 million passengers, a nearly identical increase of 1.9 per cent. Additionally, the air travel tax introduced in Germany at the beginning of the year has obviously not stimulated demand. In light of all of these factors, and given the continuing tough competition, the development in our passenger numbers and revenues is still satisfying overall.

Sharply rising commodity prices have made their mark in the first three months of the year. Compared with the same quarter of last year, pro forma fuel expenses are 22.2 per cent higher. The expense ratio for fuel rose from 23.8 per cent of flight revenue to 29.0 per cent. Our successes in limiting other cost factors did not compensate for this development. In addition, rising fuel surcharges could not fully compensate for the increase in fuel prices as such increase was too strong and happened too rapidly.

However, we are still cautiously optimistic for the remainder of this financial year. We are expanding our service range in 2011 with a slightly increased number of flights on offer – also through our code share partners – and a comfort initiative. Regarding the flight network, the focus is on a further strengthening of our Berlin, Düsseldorf and Palma de Mallorca hubs. airberlin is also working intensely to prepare for its membership in the **one**world® airline alliance planned for next year. As part of this process, airberlin will adjust and optimise its entire IT infrastructure in 2011. On the cost side, we will tap synergies with the full integration of our subsidiary LTU. In all, we anticipate an increase in passenger numbers of 4 to 5 per cent and a higher seat load factor. Despite the fact that we finished the first quarter behind expectations and if external risks are overcome, we still anticipate higher revenues and positive EBIT for 2011 as a whole.

Berlin, May 2011

Joachim Hunold
Chief Executive Officer

THE AIRBERLIN SHARE

Share price performance

The airberlin share price performed poorly in the first three months of 2011. However, the first quarter of the calendar year is traditionally rather slow for airline shares. This is reflected in the performance of the Dow Jones STOXX industry index for European airlines: It dropped by 13.8 per cent in the first quarter. With a quarterly closing price of EUR 3.12 (EXTRA) the airberlin share dropped by 17.5 per cent versus the first trading day of 2011, when it was EUR 3.78. At the same time, the SDAX price index dropped 2.1 per cent.

Coverage

As at the end of the first quarter of 2011, airberlin was being tracked by a total of 14 research institutions and brokers. The forecasts were mixed: Two analysts recommended buying the shares, while six analysts assessed the share neutrally (“hold” or “neutral”). Three analysts recommended underweighting the stock, one forecasted below-average price developments, and two recommended to sell.

Changes in voting rights after the quarter under review

In the period under review, and at the time this 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 31 March 2011

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

Shareholder structure by nationality as of 31 March 2011

Germany	69.62 per cent
Turkey	16.48 per cent
Switzerland	8.75 per cent
USA	2.13 per cent
United Kingdom	1.60 per cent
Austria	1.33 per cent
Others	0.09 per cent
Free float according to the standards of Deutsche Börse	63.19 per cent

Distribution of share capital as of 31 March 2011

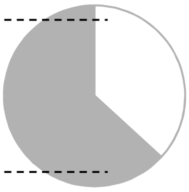
Private stock owners	46.95 per cent
Insurance companies, investment companies and banks	42.31 per cent
Investment companies, banks and insurance companies	10.74 per cent

SHAREHOLDERS WITH MORE THAN FIVE PER CENT HOLDINGS

36.81 %

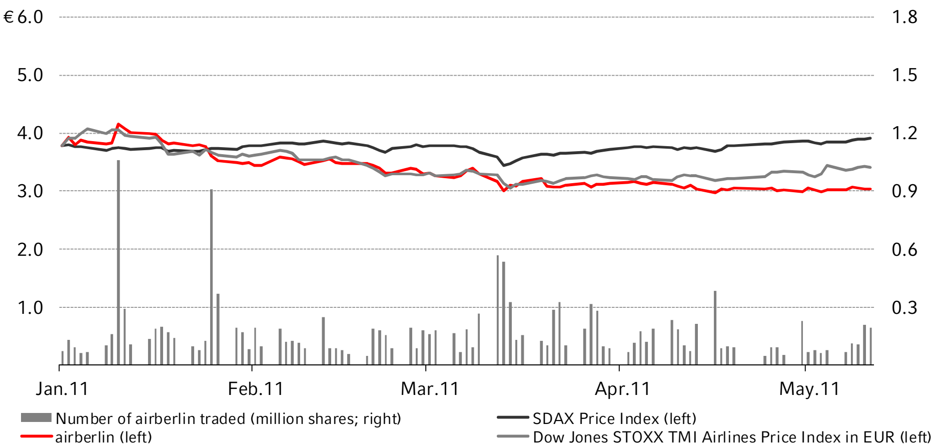
FREE FLOAT DEFINITION DEUTSCHE BÖRSE AG

63.19 %



SHAREHOLDER STRUCTURE AT AIR BERLIN PLC ON 31 March 2011

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



Source: Reuters

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

Share capital:	EUR 21,306,549 and GBP 50,000
Total number of issued and fully paid shares as of 31 March 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 3M 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 31 March 2011:	EUR 265.9 million
Free Float according to Deutsche Börse AG as of 31 March 2011:	63.19 per cent
Capitalisation of free float as of 31 March 2011:	EUR 168.0 million
Average trading volume 3M 2011 (XETRA / Total market):	165,114 / 194,903 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 first quarter of 2011 was rather mixed in terms of global economic development. Accordingly, the trend that began in the second half of 2010 continued. While developments in Germany remained positive, the rest of Europe showed significantly weaker trends. The US economy also clearly lost momentum in the first quarter; the gross domestic product grew by just 1.8 per cent after rising 3.1 per cent in the last quarter of 2010. Nearly all components revealed a lower increase, but in particular, consumer spending and investments were low.

The German economy, however, has continued its upswing. The employment boom is increasingly stimulating domestic demand, which is also benefiting from heavy corporate capex. At the same time, exports are still thriving. German companies remained very optimistic according to the ifo Institute economic test of March and assessed their business situation better than previously. The consumer climate index by the Gesellschaft für Konsumforschung (GfK) had risen by March 2011; this trend began in mid-2010. The natural and reactor disasters in Japan had not made a major impact on consumer and company sentiment as at the end of Q1 2011.

In many other European countries, however, high government debt and the necessary savings programs and budget cuts put a strain on their economies. These measures are reflected in weak domestic economic demand; because unemployment remains high in these countries consumer sentiment in particular remained poor.

Air travel sector

The International Air Transport Association (IATA) reported on significant regional declines in passenger numbers following the natural and reactor disasters in Japan and political uprisings in a number of Arab and North African nations. Thus, while the year began well for international air travel, the trend weakened significantly during Q1 2011.

After an 8.2 per cent increase in traffic volume (measured in passenger kilometres; revenue passenger kilometres or RPK), growth rates dropped significantly in February (+5.8 per cent) and March (+3.8 per cent). The IATA estimates that the March disaster in Japan resulted in a global decrease in traffic of 1.0 per cent and the events in the Middle East and North Africa resulted in a decrease of 0.9 per cent. According to the IATA, the Egyptian market, key for airberlin, dropped similarly to the Tunisian market by 15-25 per cent.

The airlines were not able to reduce their capacity at the same speed as demand. Thus, the seat load factor dropped by 3.5 per centage points in March to 74.6 per cent. In Q1, the seat load factor was 74.5 per cent following 78.0 per cent.

The German airport association (ADV) reports that the trend in Europe and Germany was similar to global developments. In Q1, year-on-year growth for European travel was 8.3 per cent, while domestic German travel grew by just 2.4 per cent. In all, German airports recorded 4.6 per cent more passengers in the first quarter. In March 2011, however, the passenger numbers were stagnant. Firstly, Easter travel, which is generally heavy, began in March of last year, while the 2011 Easter holidays did not start until April. Secondly, the aforementioned political unrest and steep rise in oil prices suppressed developments. According to the ADV, the air travel tax introduced at the beginning of this year has put a strain on the situation, particularly as there is a lower supply in terms of domestic German air travel.

KEY EVENTS IN THE QUARTER UNDER REVIEW

28 January: airberlin, LTU and trade union Vereinigung Cockpit (VC) accepted the tariff regulations agreed on 22 December 2010. The tariff agreement includes accompanying regulations to integrate LTU into airberlin, regular adjustments to working conditions, and no raise for 2011. The new tariff agreement has a term of three years.

8March: airberlin received the world's first B737-700 with the new Sky Interior cabin design by Boeing. The delivery of the first B737-800 with luxury interior took place on 15 February 2011. airberlin is thus the only airline that offers the new cabin design in the Boeing 737-700 and Boeing 737-800. All newly delivered Boeing Next Generation airberlin planes will have the improved interior in future. The new Sky Interior is part of a luxury programme for airberlin's entire fleet.

16 March: Marketing journal "absatzwirtschaft" and Deutsche Marketing Verband (DMV) gave airberlin the 2011 Brand Award in the category of "Best Brand Extension." The airline was honoured for its successful launch of the business travel market. The award is a clear indication that airberlin’s hybrid model is well situated on the market place and receives high acceptance especially from business customers.

21 March: The groundbreaking ceremony was held for the new airberlin and Germania maintenance hangar at the BBI airport in the capital, with Klaus Wowereit, Mayor of Berlin, and Ralf Christoffers, Minister for Economic and European Affairs for the State of Brandenburg. The new hangar will double the maintenance capacity of airberlin technik in Berlin starting June 2012. With space of more than 12,000 square metres, the hangar can accommodate at least six Airbus A319/A320 aircraft or, in the alternative, two long-haul A330 aircraft. Two-thirds of the space will be used by airberlin technik and one third by Germania. Additionally, more than 5,000 square metres of office, storage and workshop space is being built, also leased to both airlines. After the hangar has been commissioned, around 130 airberlin technik employees will be able to work on up to four medium-haul aircraft at the same time. Thanks to the new hangar, airberlin technik will be able to work on a long-haul aircraft, type Airbus 330 in its own space for the first time in Berlin. The hangar will be completed in time for the BBI opening on 3 June 2012.

23 March: GE Capital Aviation Services and airberlin sign a financing agreement for 12 aircraft. The package includes five Airbus A320, three Airbus A321 and four Boeing 737-800 that are equipped with CEM engines. The sale and lease back transaction includes deliveries until Q3 2012. The total package has a list price of around one billion US dollars.

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 rose by a total of 1.9 per cent from 6,742,088 million last year to 6,871,801 million in the quarter under review. In line with industry developments, passenger figures stagnated for airberlin in the first quarter. Following +5.7 per cent in January and +1.0 per cent in February, the figures dropped slightly in March, by 0.2 per cent. It must be remembered that the Easter season was very late this year in the second half of April and thus had no stimulating effect in the first quarter. Additionally, the drop in passenger numbers on North African destinations, particularly Egypt and Tunesia, had a particularly negative impact on airberlin.

Capacity (number of available seats) in Q1 2011 was 9.47 million, 1.2 per cent above the prior-year period. Accordingly, the seat-load factor decreased by 2.2 per centage points to 72.5 per cent. The number of flights was also reduced by 0.4 per cent to 57,438 from 57,672. Due to a slight increase in the number of long-haul flights total flight hours rose by 2.3 per cent to 97,143 (previously 96,496) and the average flight length rose by 4.2 per cent.

All in all, the number of available seat kilometres increased by 3.0 per cent from 12.39 billion in the previous year to 12.76 billion. Passenger kilometers were greatly expanded: they rose by 5.2 per cent to 10.48 billion (previously 9.96 billion).

Flight revenue per passenger dropped by 1.8 per cent in the first quarter of 2011 to EUR 98.03 (prior quarter: EUR 99.83). Total revenues per passenger increased slightly in the quarter under review due to higher service revenues. They rose by 0.1 per cent to EUR 109.37 million from EUR 109.26 million. Total revenue per ASK reached 5.89 eurocent in Q1 2011 following 5.95 eurocent. Total revenue per RPK reached 7.17 eurocent in Q1 2011 following 7.40 eurocent. This overall unsatisfactory yield development reflects the tough price competition that still prevails in the industry as well as the business shortfall in North Africa.

Key operating figures for the first quarter of 2011

	+/- per cent	Q1 2011	Q1 2010
Aircraft (as of 31 March)	+4.3	**170**	163
Flights	-0.4	**57,438**	57,672
Destinations	+3.4	**123**	119
Passengers (million)	+1.9	**6.87**	6.74
Available seats (million; Capacity)	-1.1	**9.47**	9.59
Available seat-kilometres (millions; "ASK")	+3.0	**12,759**	12,391
Revenue passenger kilometres (millions; "RPK")	+5.2	**10,476**	9,962
Passenger load factor (per cent; Pax/capacity)	+2.22*	**72.54**	70.32
Number of block hours	+1.1	**111,892**	110,666

* per centage points

Q1 2010 pro forma

Fleet airberlin group

	Number end of Q1 2011	Number end of Q1 2010
A319	18	18
A320	46	44
A321	13	10
A330-200	10	10
A330-300	3	3
B737-700	28	27
B737-800	36	37
B757	–	2
Q400	10	10
E-190	6	2
Total	170	163

Q1 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 table on page 16, the figures for the quarter under review and the prior year's figures are compared with the previous year's figures on a pro forma basis and as originally reported.

Consolidated revenue increased by 2.0 per cent from EUR 736.6 million in the prior-year period to EUR 751.6 million in the quarter under review. Flight revenue (charter plus single seat tickets) was nearly unchanged at EUR 673.6 million following EUR 673.0 million. While single seat tickets rose by 1.9 per cent (EUR 457.7 million following EUR 449.2 million) charter sales dropped by 3.5 per cent (EUR 215.9 million following EUR 223.8 million). This decrease is due to the cancellation of flights to North Africa, which resulted in lost sales in the double digit millions. These destinations are exclusively booked by charter clients. If these flights had not been cancelled, the charter revenue would have grown.

In the quarter under review, revenue from ground and other services rose by 22.4 per cent from EUR 63.6 million to EUR 77.9 million. Revenue from in-flight sales rose, due to somewhat higher long-haul flight numbers, by 4.1 per cent from EUR 7.3 million to EUR 7.6 million. Other proceeds, particularly for ground services, rose sharply by 24.9 per cent from EUR 56.3 million to EUR 70.3 million. Other operating income, which was not significant in terms of absolute volume, dropped slightly. It decreased from EUR 3.8 million to EUR 1.7 million. As a result, total operating performance in the first quarter of the current financial year expanded by 1.7 per cent to EUR 753.3 million, compared with EUR 740.4 million in the same period of the previous year.

Operating expenses rose overproportionally with 11.2 per cent from EUR 846.9 million in the previous year to EUR 941.6 million in the quarter under review. Within expenses for materials and services, which increased by 13.7 per cent from EUR 578.4 million to EUR 657.6 million, an above-average increase in fuel costs of 22.2 per cent (EUR 195.5 million compared to EUR 160.0 million in 2010) was recorded. The expense ratio for fuel increased from 23.8 per cent of flight revenue in Q1 2010 to 29.0 per cent in the quarter under review. Airport charges rose at an above-average rate of 5.4 per cent from EUR 188.8 million in the previous year to EUR 199.0 million. 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 19.7 per cent from EUR 118.3 million to EUR 141.6 million. This effect was also seen in previous quarters.

At EUR 113.0 million, personnel costs were down 0.9 per cent in the quarter under review as compared with the previous year (EUR 114.0 million). Due to the increased use of leases, and in line with the trend from previous quarters, depreciation fell by 26.2 per cent to EUR 21.0 million after EUR 28.4 million. Other operating expenses were increased noticeably by 18.9 per cent from EUR 126.1 million to EUR 150.0 million. This is reflected in particular in higher expenses for advertising, MRO and IT.

The operating result before depreciation and leasing expenses (EBITDAR) was negative in the quarter under review at EUR –25.7 million (Q1 2010: EUR 40.2 million) due first to unsatisfactory revenue development – mainly as a result of the crisis in North Africa – and second to a large increase in material expense positions that could not be influenced. The result after leasing expenses (EBITDA) amounted to EUR –167.3 million compared with EUR –78.1 million in the previous year. EBIT was EUR –188.3 million compared with EUR –106.5 million.

The financial result for the first quarter of 2011 was positive at EUR 14.6 million (compared with EUR –33.9 million in the previous year). Interest expense dropped from EUR 17.3 million to EUR 15.3 million. In the period under review there was income from foreign currency and derivative financial instruments, while a loss was posted in Q1 2010 (EUR 27.3 million after EUR –17.5 million). There was no profit contribution from associates in the quarter under view. Earnings before tax in the period under review were EUR –173.7 million following EUR –137.1 million. The net result, after tax income of EUR 53.1 million (2010: EUR 34.7 million), was EUR –120.6 million compared with EUR –102.4 million in 2010.

Earnings per share for Q1 2011 were EUR –1.42 (diluted and basic), compared with EUR –1.10 (diluted and basic) in the previous year. 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 Q1 2011

In EUR million	reported 1/11-3/11	pro forma 1/10-3/10	reported 1/10-3/10
Single-seat ticket sales	457.7	449.2	418.7
Charter sales	215.9	223.8	209.4
Onboard sales	7.6	7.3	6.9
Ground services / others	70.3	56.3	55.9
Total revenue	**751.6**	**736.6**	**690.9**
Other operating income	**1.7**	**3.8**	**4.1**
Expenses for materials and services	(657.6)	(578.4)	(535.8)
thereof leasing expenses	(141.6)	(118.3)	(117.1)
Expenses for materials and services before leasing	**(516.0)**	**(460.1)**	**(418.7)**
Personnel expenses	**(113.0)**	**(114.0)**	**(113.1)**
Depreciation	**(21.0)**	**(28.4)**	**(25.6)**
Other operating expenses	**(150.0)**	**(126.1)**	**(119.1)**
Operating expenses before leasing and depreciation	**(779.0)**	**(700.2)**	**(650.9)**
EBITDAR	**(25.7)**	**40.2**	**44.1**
EBITDA	**(167.3)**	**(78.1)**	**(73.0)**
EBIT	**(188.3)**	**(106.5)**	**(98.6)**
Net financing costs	14.6	(33.9)	(32.9)
Share of profit of associates	0.0	3.3	3.3
Profit before tax	**(173.7)**	**(137.1)**	**(128.3)**
Income tax benefit (expense)	53.1	34.7	34.7
Profit for the period	**(120.6)**	**(102.4)**	**(93.6)**

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

The following presentation compares the balance sheet values reported on 31 March 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 three months of the 2011 financial year increased by 9.4 per cent to EUR 2,592.3 million compared with the balance sheet dated as at 31 December 10. Non-current assets totalled EUR 1,637.1 million, up 8.3 per cent from the 2010 balance sheet date. The main reason for this increase is 8.1 per cent higher property, plant and equipment (primarily aircraft) and higher deferred tax assets. Current assets increased by 11.2 per cent to EUR 955.2 million. This is primarily due to higher receivables and a higher derivative market value as at the balance sheet date. Cash and cash equivalents remained at EUR 411.5 million (2010: EUR 411.1 million).

Equity declined by 25.4 per cent from EUR 505.3 million as at the balance sheet date 2010 to EUR 376.8 million. Regardless of the one-off effects mentioned in the chapter on operating developments for the quarter under review, this type of development is not unusual for the first quarter of a financial year, as air travel is generally stagnant in the beginning of the year. The equity ratio as at 31 March 2011 was 14.5 per cent. It was 21.3 per cent as at 31 December 2010.

Non-current liabilities rose by 3.7 per cent compared with the end of 2010 from EUR 944.7 million to EUR 979.7 million. This largely resulted from higher financial liabilities (EUR 606.3 million after EUR 565.9 million). In addition, the long-term negative market value of derivatives increased to EUR 29.8 million from EUR 25.9 million.

Advanced payments received rose by 87.0 per cent to EUR 601.1 million in the quarter under review as compared with the (due to seasonality) typically low level of EUR 321.5 million at the end of 2010. All in all, current liabilities after the first three months of 2011 were EUR 1,235.9 million, up by 34.3 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 40.8 million in the first quarter of the current financial year. Cashflow from investments was EUR -89.6 million. Cashflow from financing activities was EUR 52.4 million from borrowing and repayment of long-term borrowings. Cash and cash equivalents did not change significantly in the first quarter of 2011 compared with the end of 2010. It was EUR 409.9 million, compared with EUR 409.7 million.

EMPLOYEES

At the end of the first quarter of 2011, the airberlin group employed 8.956 staff, compared with 8,519 at the end of the corresponding quarter or 8,900 at the end of 2010. Of these, 4,193 employees (end of 2010: 4,169 were employed as ground staff and 4,763 (end of 2010: 4,731) were part of the flying crew. The flying crew consisted of 3,388 cabin crew and 1,375 cockpit crew (end of 2010: 3,361 and 1,370, respectively). As at 31 March 2011, there were 136 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 have been overcome. However, global economic risks persist, particularly with regard to high international debt issues which are harmful to developments in the earnings and financial situation. This applies in particular to air travel. High government debt puts a strain on private households in particular and thus impacts consumer sentiment. 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 develop in the opposite direction and are thus closely watched by airberlin. Additionally, there are special earnings risks such as the air travel tax which, due to its disproportionate distribution among the competition, 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.

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 the greater share of its 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

Economic optimism in Germany has greatly improved over the last months. In their spring forecasts, the Federal Government and the German economic research institutes expect higher real GDP growth rates for 2011 and 2012 than before. The German Government is now forecasting real growth of 2.6 per cent for 2011; the institutes are even more optimistic in their joint forecast with 2.8 per cent.

Both forecasts are based on expectations of further increased momentum in Germany. Private consumption (mainly driven by further employment growth) is expected to contribute three times as much to growth in 2011 as it did in 2010 (the institutes expect +1.2 per cent; the government expects +1.3 per cent). Equipment investments are expected to continue their double-digit growth (+10.5 and +10.7 per cent) and foreign trade will also continue to drive growth with a forecast increase in net exports of 9.8 or 7.5 per cent.

The International Monetary Fund (IMF) has many risks for the global economy on its 2011 agenda. In particular these are the economic effects of Japan's natural and nuclear disaster, the risk of overheating in numerous emerging markets, the global debt problem, the global inequities and in particular the sharp rise in commodities prices and related inflation risks. Nonetheless, the IMF expects only a slight decrease in global economic growth of 5.0 per cent in 2010 to 4.4 per cent this year. Once again, the developing and emerging markets (+6.5 per cent) are expected to have much higher rates of growth than the industrialized nations (+2.4 per cent).

The IMF remains optimistic for Germany as well (GDP +2.5 per cent); in the euro zone however it anticipates much lower growth (+1.6 per cent) particularly due to high sovereign debt in some European countries and the savings programmes this will necessitate. According to the IMF, the US will see +2.8 per cent steady growth, while Japan will see just 1.4 per cent growth due to the disaster.

Meanwhile, the IATA is no longer as optimistic for 2011 as it was in December 2010, although it had assumed its member airlines would see a decrease in earnings. In its industry outlook from early March 2011, it forecasts a significant drop in earnings of 46 per cent to USD 8.6 billion compared with 16.0 billion in 2010. This would mean a profit margin of 1.4 per cent. The reasons for these much more cautious estimates are primarily due to a large increase in fuel prices. For 2011, the IATA expects the price of brent crude oil to rise by 20 per cent over the previous year, to USD 96 a barrel. IATA believes that this increase will not be made up for by higher revenues caused by general global economic growth. For the European airlines, IATA still anticipates that their net profits will be reduced by a third to USD 0.5 billion compared with USD 1.4 billion in 2010. However, the original forecast for 2011 was just USD 0.1 billion.

In terms of passenger traffic, the industry association expects a global increase of 5.6 per cent for 2011, compared with increased capacity of 6.0 per cent. The gap between supply and demand will narrow, which will in turn have a positive effect on yields. In passenger traffic, IATA has forecasted a 1.5 per cent higher yield. It still views the price of oil as the greatest risk to its forecast. There are also risks from rising taxes.

Business development

airberlin will expand its service range in 2011 with more flights on offer and a comfort initiative. Passengers will benefit from new codeshare flights with future **one**world® partners; new Boeing 737-700/800 aircraft will be launched with Sky Interior cabin design alongside Airbus 330-200 with more comfortable seats and the "RAVE" in-flight entertainment package. With the delivery of the world's first Boeing B737-700 with the new Sky Interior cabin design, airberlin is the only airline to offer the new interiors in the 737-700 and the Boeing 737-800. Customer demand for greater comfort will be met particularly for long-haul flights and improved service. Parking close to the gate, exclusive waiting areas in many airports and additional benefits for gold and silver card customers will be added.

More flights from the Berlin and Düsseldorf hubs and additional destinations in Italy are on the focus within the airline's flight network. airberlin is also working intensely to prepare for its membership in the **one**world® airline alliance planned for next year. This will include bilateral cooperation agreements for collecting and redeeming topbonus miles on all eligible flights in the **one**world® network and greater access to the airport lounges for **one**world® partners and bilateral agreements with the partner airlines to operate flights under a joint flight number. These codesharing agreements have already been executed with American Airlines, Finnair and S7; airberlin is in the advanced stages of negotiation with British Airways and Iberia.

Within the airberlin routes to the US, passengers can reach central hubs of codeshare partner American Airlines such as Miami, Los Angeles, and New York. From there they can continue to numerous business destinations in the US such as Atlanta, Boston, Washington, Dallas, Las Vegas, Seattle and San Diego, alongside tourist spots like Orlando, Tampa and the Bahamas. The partnership with Finnair will provide not only for connections via Helsinki to New Delhi but also to Singapore. There will also be new connections within Russia thanks to a partnership with Russian airline S7.

In its own route network, airberlin is adding flights to the hubs of Berlin, Düsseldorf, and Palma de Mallorca. Starting in May 2011, flights will be added from Berlin to New York's JFK Airport and to Linz, Austria. From Düsseldorf, airberlin is adding flights to Florence, Cagliari, and Rijeka starting in the summer. Since mid-April 2011 airberlin is offering non-stop flights to Guernsey and Innsbruck. Starting in the summer, there will be three (previously two) flights per day from Düsseldorf to Barcelona. There will also be additional flights to San Francisco, Fort Meyers, Los Angeles, and Vancouver.

airberlin is also adding more flights to Italy. The frequency of flights from Berlin to Rome will be increased to 14 departures per week and added to the Berlin hub structure so that there are additional transfer options. Since April, there have been flights almost every day from Berlin Tegel and from Düsseldorf. There are new routes from Düsseldorf to Bari and connections to nearby Brindisi that depart from Cologne/Bonn, Nuremberg, Munich and even Zurich. There are new flights from Berlin and Münster/Osnabrück to Olbia, Sardinia. The Spanish hub in Palma de Mallorca with 17 destinations has added more frequent flights to Vienna and a connection to Friedrichshafen.

In northern Europe, airberlin has added two new summer connections from Hamburg to Reykjavik. Flights from Basel are also being increased: starting in May 2011 to Malta and starting from June to Enfidha in Tunisia. Flights are being added to Russia as well. Starting in May 2011, flight frequency between Berlin and St. Petersburg will double, as will the frequency between Düsseldorf and Moscow. Moreover, there will be non-stop airberlin flights from Stuttgart to both Russian metropolises.

In terms of business development after the end of the quarter under review, traffic in April 2011 was much higher than in April 2010 when the volcano erupted in Iceland. The number of passengers rose by 22.5 per cent to 2,778,784 while capacity grew by 16.3 per cent. In April 2010, more than 3,500 flights had been cancelled. A year-on-year comparison shows fleet utilisation increased by 3.9 per centage points from 72.2 to 76.1 per cent. From January to April 2011, 9,650,585 passengers travelled in the airberlin route network. This is a 7.1 per cent increase year-on-year (2010: 9,009,886). Cumulative capacity rose by 3.1 per cent in a four-month comparison. In the first quarter of 2011, utilisation rose by 2.7 per cent from 70.8 per cent to 73.5 per cent.

The further development in passenger figures is significantly affected by the air travel tax in Germany. Although the impact of the tax on passenger figures in the quarter under review is not easy to calculate, the tax should by no means have stimulated demand. Generally and in light of competition, it will further increase the pressure on prices and remains a risk factor for earnings in the further course of the year.

On the cost side, with the full integration of the LTU subsidiary which will be merged into Air Berlin PLC & Co. Luftverkehrs KG, cost synergies will be tapped in 2011. However, there is still uncertainty about the future development of fuel prices. Despite extensive hedging programmes, the fluctuations cannot be fully absorbed at economically responsible costs. Accordingly, there is still some earnings risk. Financing for future company development has been secured with a bond issued in April in the amount of EUR 150 million.

In light thereof, we are expecting our passenger numbers to increase in the 2011 financial year by four to five per cent and a simultaneous increase in the seat load factor. Overall, airberlin anticipates higher revenues and expects that if the aforementioned risks can be managed and despite the fact that Q1's performance was lower than expected, EBIT for the year as a whole will be positive. However, specific quantification is still not possible due to the factors listed above.

EVENTS AFTER THE REPORTING DATE

1 April 2011: airberlin has fully integrated LTU, which it acquired in August 2007, as planned. Among the core elements of the integration is a merger of flight operations. Since 1 April 2011 flights have been operated only under the AOC (aircraft operation certificate) of airberlin. Further, all technical operations of the airberlin group (Berlin, Düsseldorf and Cologne) have been merged into the new company "airberlin technik GmbH" headquartered in Berlin. The merger will mean better organisation and communications along with further process improvements. The LTU integration is part of the "Accelerate 2012" programme. This efficiency programme is based on proceeds improvements, capacity adjustments, and cost reduction.

12 April 2011: In cooperation with Raiffeisen Bank International AG (RBI) airberlin and NIKI are offering the "airberlin & NIKI Visa Card." The credit card is linked to the airberlin/NIKI topbonus frequent flyer programme and is the first Austrian credit card including frequent flyer status.

12 April 2011: airberlin announced an extensive Croatian flight schedule for 2011. From 3 May to 11 October 2011, 34 non-stop flights per week will run between Germany and the holiday destinations on the Adriatic Sea to support holiday travel during the peak and off-peak season. Nine flights a week will go from Düsseldorf, Cologne/Bonn and Münster/Osnabrück to the harbour city of Rijeka. There will be four flights a week from Munich and Stuttgart to Dubrovnik in southern Croatia. Four times a week, flights from Nuremberg and Stuttgart will land in Split. There will also be nearly 70 connecting flights from other German cities and the Düsseldorf hub.

19 April 2011: Air Berlin PLC has issued a new bond with a volume of EUR 150 million. The bond, which is denominated in units with a nominal value of EUR 1,000 each, carries a coupon of 8.25 per cent. 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. Due to high demand, Air Berlin PLC closed the order books on the very day of the subscription period (12 April). The proceeds from the bond are available for refinancing and general corporate purposes.

1 May 2011: Barbara Cassani, 50, and Saad Hammad, 48, have been appointed as at 1 May as new Non-Executive Directors to the Board of Air Berlin PLC. airberlin now has nine members on its Non-Executive Board. Barbara Cassani, born in Boston, was founder and CEO of the low-cost airline Go Fly, which was initially a subsidiary of British Airways and sold to easyJet for a profit after a management buyout. Saad Hammad, who holds UK and Lebanese citizenship, has held many management functions with a number of leading international companies, including Procter & Gamble and the Boston Consulting Group. Hammad became CCO at easyJet in 2005. Since 2009 he has been managing director of private equity company The Gores Group in Europe.

1 May 2011: airberlin commences the connection between Berlin and New York with a non-stop flight. The connection between Berlin Tegel and New York is, after Miami, the second North American destination which airberlin offers non-stop and the 13th long-haul connection starting out in Berlin. The flight route Berlin-New York is serviced four times weekly (Mondays, Wednesdays, Fridays, Sundays). Connecting flights originate in various German and European cities. Codeshare connecting flights to eight American Airlines destinations are in existence in New York. airberlin's route network in North America now includes a total of six destinations, namely

New York, Miami, Fort Myers, Los Angeles, San Francisco and Vancouver. Non-stop connections with all six North American destinations also exist from Düsseldorf.

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
Hartmut Mehdorn
Peter R. Oberegger
Ali Sabanci
Heinz-Peter Schlüter
Nicolas Teller
Johannes Zurnieden

Approved by the Directors on 17 May 2011

Joachim Hunold Ulf Hüttmeyer

Air Berlin PLC

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

for the period ended 31 March 2011

	1/11-3/11	1/10-3/10
	€ 000	€ 000
Revenue	**751,597**	690,922
Other operating income	**1,732**	4,085
Expenses for materials and services	**(657,594)**	(535,848)
Personnel expenses	**(113,040)**	(113,080)
Depreciation and amortisation	**(20,963)**	(25,627)
Other operating expenses	**(150,004)**	(119,099)
Operating expenses	**(941,601)**	(793,654)
Result from operating activities	**(188,272)**	(98,647)
Financial expenses	**(15,337)**	(16,421)
Financial income	**2,602**	878
Gains (Losses) on foreign exchange and derivatives, net	**27,339**	(17,353)
Net financing costs	**14,604**	(32,896)
Share of profit of associates, net of tax	**0**	3,287
Loss before tax	**(173,668)**	(128,256)
Income tax benefit	**53,097**	34,661
Loss for the period – all attributable to the shareholders of the Company	**(120,571)**	(93,595)
Basic earnings per share in €	**(1.42)**	(1.10)
Diluted earnings per share in €	**(1.42)**	(1.10)

Air Berlin PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

for the period ended 31 March 2011

	1/11-3/11	1/10-3/10
	€ 000	€ 000
Loss for the period	(120,571)	(93,595)
Foreign currency translation reserve	278	147
Effective portion of changes in fair value of hedging instruments	1,434	34,155
Net change in fair value of hedging instruments transferred from equity to profit or loss	(13,145)	(2,565)
Income tax on other comprehensive income	3,437	(9,531)
Other comprehensive income for the period, net of tax	(7,996)	22,206
Total comprehensive income – all attributable to the shareholders of the Company	(128,567)	(71,389)

Air Berlin PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

as of 31 March 2011

	31/03/2011	31/12/2010
	€ 000	€ 000
Assets		
Non-current assets		
Intangible assets	388,310	387,420
Property, plant and equipment	959,252	887,664
Trade and other receivables	153,352	157,657
Deferred tax asset	107,996	51,283
Positive market value of derivatives	1,121	6,448
Deferred expenses	26,701	20,409
Investments in associates	405	405
Non-current assets	1,637,137	1,511,286
Current assets		
Inventories	45,027	42,890
Trade and other receivables	327,378	298,570
Positive market value of derivatives	106,672	53,662
Deferred expenses	64,561	52,618
Cash and cash equivalents	411,535	411,093
Current assets	955,173	858,833
Total assets	2,592,310	2,370,119

Air Berlin PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

as of 31 March 2011

	31/03/2011	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	(273,813)	(153,242)
Hedge accounting reserve, net of tax	14,889	23,163
Foreign currency translation reserve	2,115	1,837
Total equity – all attributable to the shareholders of the Company	376,769	505,336
Non-current liabilities		
Liabilities due to bank from assignment of future lease payments	238,641	244,770
Interest-bearing liabilities	606,339	565,898
Provisions	7,764	8,090
Trade and other payables	71,905	73,261
Deferred tax liabilities	25,204	26,733
Negative market value of derivatives	29,833	25,913
Non-current liabilities	979,686	944,665
Current liabilities		
Liabilities due to bank from assignment of future lease payments	61,093	56,533
Interest-bearing liabilities	36,642	33,140
Tax liabilities	11,088	10,616
Provisions	1,111	3,282
Trade and other payables	403,626	394,635
Negative market value of derivatives	62,801	25,166
Deferred income	58,407	75,223
Advanced payments received	601,087	321,523
Current liabilities	1,235,855	920,118
Total equity and liabilities	2,592,310	2,370,119

Air Berlin PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

for the period ended 31 March 2011

	Share capital € 000	Share premium € 000	Equity component of convertible bonds € 000	Other capital reserves € 000	Retained earnings € 000	Hedge accounting reserve, net of tax € 000	Foreign currency translation reserve € 000	Equity attributable to the owners 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					8			8
Transaction costs on issue of shares, net of tax		(396)						(396)
Total transactions with shareholders	**0**	**(396)**	**0**	**0**	**8**	**0**	**0**	**(388)**
Loss for the period					(93,595)			(93,595)
Other comprehensive income						22,059	147	22,206
Total comprehensive income	**0**	**0**	**0**	**0**	**(93,595)**	**22,059**	**147**	**(71,389)**
Balances at 31 March 2010	**21,379**	**373,923**	**51,598**	**217,056**	**(155,910)**	**29,277**	**914**	**538,237**
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					(120,571)			(120,571)
Other comprehensive income						(8,274)	278	(7,996)
Total comprehensive income					**(120,571)**	**(8,274)**	**278**	**(128,567)**
Balances at 31 March 2011	**21,379**	**373,923**	**21,220**	**217,056**	**(273,813)**	**14,889**	**2,115**	**376,769**

Air Berlin PLC

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

for the period ended 31 March 2011

	31/03/2011	31/03/2010
	€ 000	€ 000
Loss for the period	(120,571)	(93,595)
Adjustments to reconcile profit or loss to cash flows from operating activities:		
Depreciation and amortisation of non-current assets	20,963	25,627
Loss (gain) on disposal of non-current assets	1,464	(564)
Share based payments	0	8
Increase in inventories	(2,137)	(1,033)
Increase in trade accounts receivables	(22,776)	(37,201)
Increase in other assets and prepaid expenses	(23,671)	(28,069)
Deferred tax benefit	(54,805)	(35,733)
Decrease in provisions	(2,497)	(6,372)
Increase in trade accounts payables	3,224	15,285
Increase in other current liabilities	266,118	186,347
(Gains) losses on foreign exchange and derivatives, net	(27,339)	17,353
Interest expense	15,337	16,391
Interest income	(2,602)	(872)
Income tax expense	1,708	1,072
Share of profit of associates	0	(3,287)
Other non-cash changes	278	147
Cash generated from operations	52,694	55,504
Interest paid	(11,598)	(12,740)
Interest received	938	515
Income taxes paid	(1,236)	(2,172)
Net cash flows from operating activities	40,798	41,107
Purchases of non-current assets	(102,536)	(8,623)
Net-advanced payments for non-current items	(4,051)	(6,274)
Proceeds from sale of tangible and intangible assets	17,011	336
Cash flow from investing activities	(89,576)	(14,561)

to be continued on the following page

Air Berlin PLC

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

for the period ended 31 March 2011

continued from previous page

	31/03/2011	31/03/2010
	€ 000	€ 000
Principal payments on interest-bearing liabilities	**(43,754)**	(28,216)
Proceeds from long-term borrowings	**96,178**	0
Transaction costs related to issue of ordinary shares	**0**	(565)
Cash flow from financing activities	**52,424**	(28,781)
Change in cash and cash equivalents	**3,646**	(2,235)
Cash and cash equivalents at beginning of period	**409,673**	372,010
Foreign exchange (losses) gains on cash balances	**(3,385)**	3,207
Cash and cash equivalents at end of period	**409,934**	372,982
thereof bank overdrafts used for cash management purposes	**(1,601)**	(1,833)
thereof cash and cash equivalents in the statement of financial position	**411,535**	374,815

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2011

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

1. REPORTING ENTITY

The consolidated interim financial statements of Air Berlin PLC for the three months ended 31 March 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 17 May 2011.

3. ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING

This interim report up to 31 March 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 judgements 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. SEASONALITY

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 31 March 2011 the Group had revenue of € 3,784,253 (prior year: € 3,270,103) and loss for the period after tax of € 124,135 (prior year: € 14,620). Furthermore, for the twelve months ended 31 March 2011 the EBIT amounted to € -98,966 (prior year: € 17,150).

6. NON-CURRENT ASSETS

During the three months ended 31 March 2011 the Group acquired fixed assets with a cost of € 120,934 (prior year: € 28,459). Assets with a carrying amount of € 27,508 were disposed of during the three months ended 31 March 2011 (prior year: € 7,754).

Capital commitments for property, plant and equipment amount to 5.9 bn USD (prior year: 6.8 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 31 March 2011. Included in this amount are 177,600 treasury shares held by airberlin (through the Air Berlin Employee Share Trust).

8. REVENUE

in thousands of Euro	1/11-3/11	1/10-3/10
Single-seat ticket sales	457,715	418,698
Bulk ticket sales to charter and package tour operators	215,911	209,395
Ground and other services	70,322	55,914
In-flight sales	7,649	6,915
	751,597	690,922

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.

9. OTHER OPERATING INCOME

in thousands of Euro	1/11-3/11	1/10-3/10
Gain on disposal of long-term assets, net	0	252
Income from services provided to Niki and cost transfer	0	432
Income from insurance claims	542	552
Other	1,190	2,849
	1,732	4,085

10. EXPENSES FOR MATERIALS AND SERVICES

in thousands of Euro	1/11-3/11	1/10-3/10
Airport and handling charges	198,976	172,318
Fuel for aircraft	195,525	148,619
Operating leases for aircraft and equipment	141,579	117,061
Navigation charges	59,539	52,204
Catering costs and cost of materials for in-flight sales	28,296	24,671
Other	33,679	20,975
	657,594	535,848

The expenses for operating leases for aircraft and equipment include expenses of € 26,367 (prior year: € 25,048) that do not directly relate to the lease of assets.

11. PERSONNEL EXPENSES

in thousands of Euro	1/11-3/11	1/10-3/10
Wages and salaries	92,661	93,235
Social security	10,450	15,245
Pension expense	9,929	4,600
	113,040	113,080

12. OTHER OPERATING EXPENSES

in thousands of Euro	1/11-3/11	1/10-3/10
Repairs and maintenance of technical equipment	53,109	42,229
Advertising	20,990	13,732
Hardware and software expenses	19,186	15,082
Expenses for premises and vehicles	8,596	8,033
Travel expenses for cabin crews	6,222	7,197
Insurance	5,263	4,677
Bank charges	5,059	4,613
Sales commissions paid to agencies	4,776	4,830
Training and other personnel expenses	3,941	2,572
Auditing and consulting	3,906	1,848
Loss on disposal of long-term assets, net	1,509	0
Phone and postage	1,493	1,301
Allowances for receivables	453	617
Other	15,501	12,368
	150,004	119,099

13. NET FINANCING COSTS

in thousands of Euro	1/11-3/11	1/10-3/10
Interest expense on interest bearing liabilities	(13,704)	(16,391)
Expense on valuation of liability from put-option at fair value	(1,633)	0
Other financial expenses	0	(30)
Financial expenses	**(15,337)**	(16,421)
Interest income on fixed deposits	436	227
Other financial income	2,166	651
Financial income	2,602	878
Gains (losses) on foreign exchange and derivatives, net	**27,339**	(17,353)
Net financing costs	**14,604**	(32,896)

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 the operating result.

14. INCOME TAX EXPENSES AND DEFERRED TAXES

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

in thousands of Euro	1/11-3/11	1/10-3/10
Current income taxes	(1,708)	(1,072)
Deferred income taxes	54,805	35,733
Total income tax benefit	**53,097**	34,661

15. CASH FLOW STATEMENT

in thousands of Euro	31/03/2011	31/03/2010
Cash	421	1,115
Bank balances	128,988	91,246
Fixed-term deposits	282,126	282,454
Cash and cash equivalents	**411,535**	374,815
Bank overdrafts used for cash management purposes	(1,601)	(1,833)
Cash and cash equivalents in the statement of cash flows	**409,934**	372,982

Cash and cash equivalents include restricted cash of € 97,805 as of 31 March 2011 (prior year: € 84,320).

16. 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 with Phoenix Reisen GmbH during the first three months of 2011 of € 2,899 (prior year: € 5,546). At 31 March 2011 € 487 (prior year: € 662) are included in trade receivables line.

During the three-month period ended 31 March 2011 and 2010 the Group had transactions with associates as follows:

in thousands of Euro	2011	2010
THBG BBI GmbH		
Receivables from related parties	2,424	1,928
Interest Income	28	20
Follow Me Entertainment GmbH		
Receivables from related parties	50	0
Binoli GmbH		
Revenues from ticket sales	165	9
Trade receivables	179	9
Receivables from related parties	93	93
Interest Income	8	8
Lee & Lex Flugzeugvermietung GmbH		
Receivables from related parties	1,530	777
Liabilities against related parties	1,462	0
E190 Flugzeugvermietung GmbH		
Expenses for leasing	1,303	0
Receivables from related parties	7,399	0

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

17. SUBSEQUENT EVENTS

On 19 April 2011 Air Berlin PLC issued a new bond with a volume of € 150,000. The bond, divided into debentures with a nominal value of € 1 each, comes with a coupon of 8.25 per cent. The bond is issued at 100 per cent of its nominal value and, subject to an early repayment, will be repaid on 19 April 2018 at 100 per cent of its nominal value.

18. EXECUTIVE DIRECTORS

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

FINANCIAL CALENDAR

Traffic Figures May 2011	6 June 2011
Annual General Meeting Air Berlin PLC, London-Stansted	7 June 2011
Traffic Figures June 2011	6 July 2011
Traffic Figures July 2011	5 August 2011
Publication of Interim Report as of 30 June 2011 (Q2 und H1) Analysts and Investors Conference Call	18 August 2011
Traffic Figures August 2011	6 September 2011
Traffic Figures September 2011	6 October 2911
Traffic Figures October 2011	7 November 2011
Publication of Interim Report as of 30 September 2011 (Q3 und 9M) Analysts and Investors Conference Call	17 November 2011
Traffic Figures November 2011	6 December 2011

IMPRINT

REGISTERED OFFICE

The Hour House, 32 High Street,
Rickmansworth, WD3 1ER Herts,
Great Britain

INVESTOR-RELATIONS-CONTACT

Dr. Ingolf T. Hegner
Head of Investor Relations
Saatwinkler Damm 42-43
13627 Berlin, Germany
Email: ihegner@airberlin.com

OUTSIDE CONSULTANTS

Registrar

Registrar Services GmbH
PO Box 60630
Frankfurt / Main
Office: Frankfurter Straße 84-90a,
65760 Eschborn, Germany

Auditors

KPMG Audit Plc
One Snowhill
Snow Hill Queensway
Birmingham B4 6GH
Great Britain

Legal counsel

Freshfields Bruckhaus Deringer
Bockenheimer Anlage 44
60322 Frankfurt, Germany

CONCEPTION

Strichpunkt GmbH, Stuttgart
www.strichpunkt-desgin.de

TEXT

Frenzel & Co. GmbH, Oberursel
www.frenzelco.de

www.airberlin.com