airberlin

Interim Financial Report H1/2009

KEY FINANCIAL FIGURES

	Q2 2009	Q2 2008*	H1 2009	H1 2008*
Revenues (EURm)	**836.2**	868.9	**1,497.0**	1,522.4
thereof: ticket sales (EURm)	**772.0**	792.9	**1,370.1**	1,378.1
EBITDAR (EURm)	**134.9**	131.6	**162.0**	171.9
EBIT (EURm)	**17.6**	13.2	**-69.7**	-55.4
Consolidated profit (loss) for the period (EURm)	**7.1**	7.8	**-81.4**	-51.8
Net Cash generated from operations (EURm)	**1.1**	59.0	**61.1**	9.9
Earnings per share (EUR)	**0.11**	0.12	**-1.23**	-0.79
Net Operating Cashflow per share (EUR)	**0.01**	0.90	**0.80**	0.15
Total assets (EURm)			**2,528.3**	2,681.0
Employees (30 June)			**8,214**	8,673

* adjusted for IFRIC 13

Disclaimer – reservation regarding forward-looking statements

This interim report contains forward-looking statements on Air Berlin'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,

We can feel satisfied with the business performance in the second quarter and thus also the first half of the current financial year. While the sector continued to suffer from the negative impact of the major economic crisis, Air Berlin returned to profitability in the second quarter. Our "Jump" programme for counteracting the crisis and rigorously enhancing performance in the Group, which was introduced in mid-2008 in good time before the crisis set in, is showing the desired effect. All the specific performance indicators are pointing upwards, in some cases with double-digit growth rates.

In addition to strengthening earning power, we are also working on broadening our financial resources and are continuing to increase our competitiveness in a targeted way with long-term partnerships, also in terms of capital with a capital increase during the second quarter. With Turkish ESAS Holding A.S., we also gained an attractive and long term partner, with whom we plan to take advantage of the excellent prospects for air travel in the Middle East. The same goes for our strategic partnership with TUI Travel PLC which still remains subject to antitrust approval.

I am grateful for the expertise and the experience, gained over decades, of our Board members. Not least due to this, I am very happy to be able to announce that, following the departure of the highly esteemed Board member Claus Wülfers, we have gained Hartmut Mehdorn as his successor as Non-Executive Director. The thanks of the entire Board of Directors of Air Berlin PLC are due to Claus Wülfers for his tireless work and his contributions to the development of our Company. Hartmut Mehdorn brings us decades of experience as a manager in the aviation and logistics sector. Last but not least, we have strengthened the Board of Directors with Christoph Debus, an experienced manager and proven aviation expert. As an Executive Director, he is responsible for sales, the flight network and the IT infrastructure.

Berlin, August 2009

Joachim Hunold
Chief Executive Officer

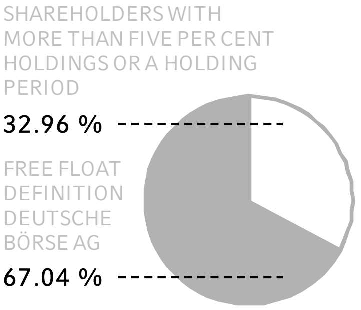
THE AIR BERLIN SHARE

Following a significant slump up until the beginning of March, the international stock markets recovered strongly and broadly in the second quarter. By mid-year 2009, the DAX was only a few points below its closing level for 2008 of 4,810 points, at 4,808 points. The SDAX even achieved a slight increase of 3.7 per cent by the end of June, trading at 2,905 points following 2,801. This upwards trend has persisted: at the end of the week prior to the publication of this report, the DAX evidenced a 13.6 per cent increase at 5,463 points and the SDAX achieved an improvement of 17.6 per cent at 3,295 points.

The Air Berlin PLC share ended the 2008 financial year trading on Xetra at EUR 4.73, moved down to EUR 3.06 by 31 March and has since recovered by a good 11 per cent to EUR 3.40 by the end of June, and by 28.4 per cent to EUR 3.93 at the end of the week prior to the publication of this report. The regularly published monthly traffic figures, which so far have shown significant year-on-year yield improvements, have had a particular positive impact on the share price.

As at the end of the first half of 2009, Air Berlin was being tracked by a total of 14 research institutes and brokers. Their assessments differed widely at this point, with two recommendations to buy the share as against seven "Hold" and five "Sell"/"Underperform" recommendations.

The Annual General Meeting of Air Berlin PLC was held on 10 June 2009 in Stansted, London. All resolutions were adopted with the necessary majority. These resolutions included those concerning the re-election of the newly appointed Directors Christoph Debus, Dieter Pfundt and Ali Sabanci – the latter two as Non-Executive Directors. In accordance with the Company's Articles of Association and the Combined Code of Corporate Governance, Directors appointed between Annual General Meetings must be re-elected by the shareholders at the next Annual General Meeting.



SHAREHOLDER STRUCTURE AT AIR BERLIN PLC ON 31 July 2009

Ali Sabanci was initially appointed to the Board on 8 May 2009 as representative of the largest shareholder ESAS Holding A.S., Dieter Pfundt on 26 November 2008 as personally liable partner of the bank Sal. Oppenheim Jr. & Cie., and Christoph Debus on 1 June 2009. At the AGM, Claus Wülfers resigned from his position as a Non-Executive Director. In addition, Hartmut Mehdorn was appointed onto the Board of Air Berlin PLC as a Non-Executive Director with effect from 1 July 2009.

The Board of Air Berlin PLC therefore currently consists of the three Executive Directors Joachim Hunold, CEO, Ulf Hüttmeyer, CFO and Christoph Debus, CCO, as well as the Non-Executive Directors.

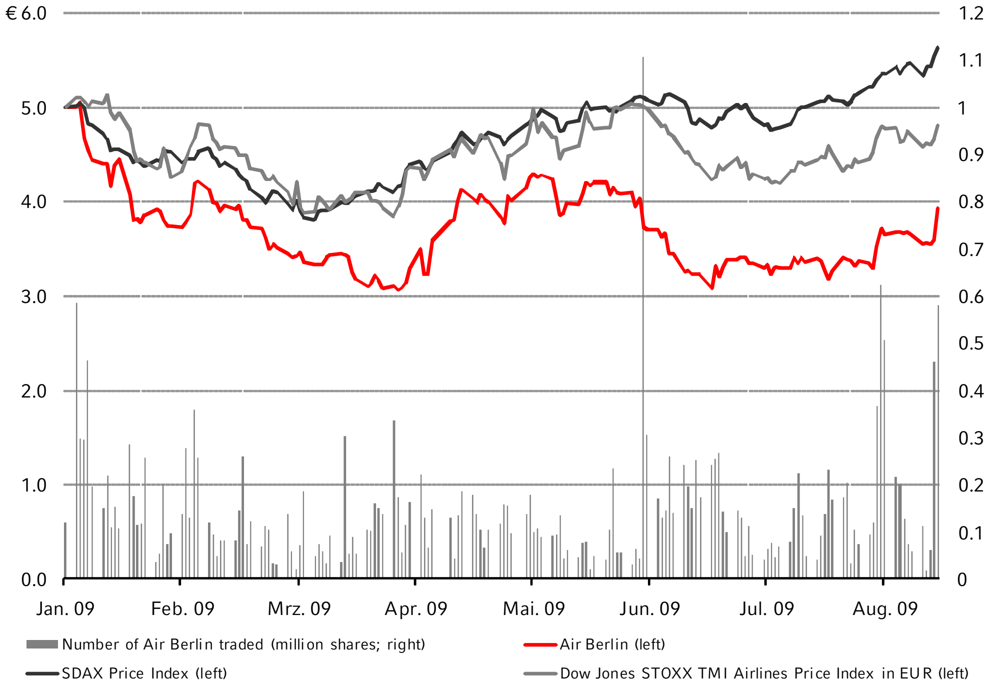
SUCCESSFUL CAPITAL INCREASES

In June 2009, Air Berlin successfully carried out two capital increases. On 4 June 2009, 6,571,700 new shares were issued at a purchase price of EUR 3.50 without subscription rights for existing shareholders. The new shares, which were in great demand, were sold to institutional and qualified investors by means of an accelerated book-building process. Following this first capital increase, a total of 72,288,803 Air Berlin PLC ordinary shares were outstanding.

On 10 June 2009, Air Berlin resolved to issue a further 4.5 million new shares, also without subscription rights for existing shareholders. Johannes Zurnieden, Chairman of the Board of Directors, and Joachim Hunold, CEO, also had a participation in the placement of these shares, with the acquisition of 350,000 and 150,000 new shares respectively. The subscription price was the same as the allocation price for the capital increase on 4 June 2009. On completion of this second capital increase, there were a total of 76,788,803 ordinary shares outstanding. The proceeds of both capital increases are to be used for general business purposes.

01) The Air Berlin Share

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



Source: Reuters

The Air Berlin PLC share in the first six months 2009

Share capital:	EUR 19,197,200.75 plus GBP 50,000
Authorised share capital:	EUR 100,000,000 and GBP 50,000
Total number of issued and fully paid shares as of 30 June 2009:	76,788,803
Class:	Individual share certificates
Nominal value:	EUR 0.25
Bloomberg symbol:	AB1 GR
Reuters symbol:	AB1.DE
ISIN symbol:	GB00B128C026
WKN symbol:	AB1000
Accounting standard:	IAS/IFRS

Market data H1 2009

Trading segment:	Official trading (prime standard)
Primary industry:	Transport and logistics
Industry group:	Airlines
Indices:	SADX, Prime All Share, Classic All Share
Designated Sponsors:	Commerzbank AG, Morgan Stanley Bank AG
	Sal. Oppenheim jr. & Cie. KGaA
Market capitalisation as of 30 June 2009:	EUR 261.1 million
Free Float according to Deutsche Börse AG as of 30 June 2009:	67.04%
Capitalisation of free float as of 30 June 2009:	EUR 175.0 million
Average trading volume Q2 / H1 2009:	127,540 / 129,316 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.
- Air Berlin 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.
- "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 Air Berlin website, ir.airberlin.com.

BUSINESS DEVELOPMENT

GENERAL CONDITIONS

Global economy

The huge state stimulus packages and support measures by central banks are starting to take effect in many countries and the economic situation is consequently brightening. Following very negative economic data in the first quarter, numerous indicators are pointing towards a bottoming out in the second quarter.

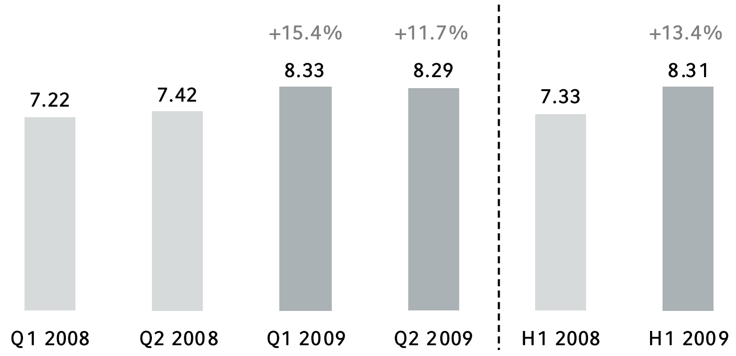
With respect to German exports, incoming orders in the manufacturing industry and industrial production have increased, in some cases substantially. In the second quarter, gross domestic product even rose slightly against the first quarter by 0.3 per cent in real terms. However, the 7.1 per cent decrease as against the equivalent quarter of the previous year clearly demonstrates the severity of the current recession. In the USA, gross domestic product shrank by an annual rate of just 1.0 per cent in the second quarter following a 6.4 per cent decrease in the first quarter. In China, economic growth is supported by the significant increase in public spending, despite the slump in exports.

However, there remains a risk of setbacks. In particular the continued rise in unemployment in most industrialised nations, as well as the increasing number of company insolvencies as a result of insufficient financing, could negatively impact consumer demand.

Air travel sector

For the first half of 2009, IATA reported a year-on-year decline of 7.6 per cent in global passenger figures for its members. Although the decrease in the first quarter was still relatively high at 11.1 per cent, there was, nonwithstanding seasonal effects, a certain degree of easing during the second quarter.

Revenues per RPK (Eurocent; per cent change vs. comparable period previous year)



However, there have been very different developments across different regions: whilst Europe and North America are roughly average at -7.6 per cent and -8.9 per cent respectively, the Asia/Pacific region and the Middle East differ considerably, with rates of -12.0 per cent and +7.1 per cent respectively. The airlines reduced their capacity by 3.9 per cent in the first half of 2009 (Q1: 4.4 per cent). The passenger load factor dropped by 2.3 percentage points, from 77.6 per cent to 75.3 per cent. Here, too, the downturn is slowing – in the first quarter it had dropped by 5.4 percentage points.

In the view of the German Airport Working Group (Arbeitsgemeinschaft Deutscher Verkehrsflughäfen – ADV), "a floor has been reached". Following the plunge in traffic figures in the winter months, cautious optimism is now shown. In the first half of 2009, 84.5 million passengers were checked in at the 23 international airports in Germany according to data from the ADV – a year-on-year decrease of 7.9 per cent.

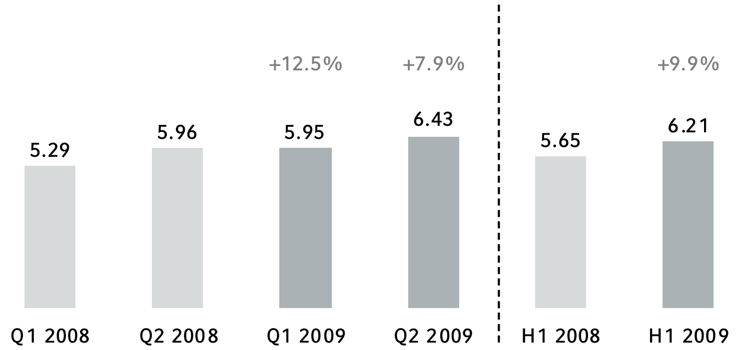
BUSINESS PERFORMANCE

Report on the operating development

The Air Berlin Group's operating performance in the first half of 2009 is testament to the success of the "Jump" programme. All of its objectives – optimising route and fleet management, price differentiation and revenue increases, improved cost efficiency with respect to purchasing and staff, and optimising the organisation on board and on the ground – are being implemented systematically and are showing the desired effect. In the second quarter, as in the first, both flight capacity and air and fleet plans were optimised to enhance performance further. In particular, this helped cushion the decrease in passengers resulting from the recession and stabilise utilisation and sales development.

In the quarter under review, take-offs were reduced as planned by 6.4 per cent as against the equivalent quarter of the previous year, and the available seat kilometres (ASK) by 10.9 per cent. With an overall reduction in capacity (number of available seats) by 2.2 per cent and a 5.5 per cent decline in the passenger volume (pax), utilisation fell by 2.7 percentage points to 77.5 per cent. In the first quarter, utilisation was at 71.5 per cent.

Revenues per ASK (Eurocent; per cent change vs. comparable period previous year)



Over the six-month period, there were declines of 8.1 per cent in take-offs and 10.5 per cent in the ASK, and – with passenger volume down 5.8 per cent – a 2.3 percentage point decrease in utilisation, at 74.8 per cent. The Air Berlin Group thus outperformed the global and European industry in terms of passenger volume both in the second quarter and in the first half of 2009.

Following the significant improvement in the first quarter, the major profit figures continued to improve in the quarter under review in comparison to the equivalent quarters of the previous year,. In the first quarter, flight revenue per passenger rose by 8.6 per cent and total revenue per passenger by 7.8 per cent. In the quarter under review, the first of these figures increased by 3.0 per cent to EUR 106.56 following EUR 103.46 and the second increased by 1.8 per cent to EUR 115.43 following EUR 113.37. In a six-month comparison, flight revenue per passenger rose by 5.5 per cent to EUR 107.76 following EUR 102.12, and total revenue per passenger by 4.4 per cent to EUR 117.73 following EUR 112.81.

The yield (total revenue per ASK) saw a 7.9 per cent year-on-year increase from 5.96 euro cents to 6.43 euro cents in the quarter under review, while total revenue per passenger kilometre (RPK) increased by 11.7 per cent from 7.42 euro cents to 8.29 euro cents. After the first six months, there was a yield of 6.21 euro cents (up 9.9 per cent) and revenue per RPK of 8.31 euro cents (up 13.4 per cent). With these specific revenue increases, some of them in the double digits in percentage terms, productivity and thus profitability were significantly improved and the effects of the dramatic declines in international air travel in some regions were cushioned effectively.

Key operating figures for the second quarter 2009

	+/- %	Q2 2009	Q2 2008
Aircraft (as of 30 June)	+/-0	128	128
Flights	-6.4	54,935	58,694
Destinations	+4.9	129	123
Passengers (thousands; "Pax")	-5.5	7,245	7,664
Available seats (thousands; Capacity)	-2.2	9,344	9,550
Available seat-kilometres (millions; "ASK")	-10.8	13,006	14,588
Revenue passenger kilometres (millions; "RPK")	-13.9	10,082	11,711
Passenger load factor (%; Pax/capacity)	-2.72*	77.53	80.25
Number of block hours	-8.1	110,480	120,283

* percentage points

Key operating figures for the first six months 2009

	+/- %	H1 2009	H1 2008
Aircraft (as of 30 June)	+/-0	128	128
Flights	-8.1	99,458	108,246
Destinations	+4.9	129	123
Passengers (thousands; "Pax")	-5.8	12,715	13,495
Available seats (thousands; Capacity)	-3.0	16,990	17,509
Available seat-kilometres (millions; "ASK")	-10.5	24,102	26,936
Revenue passenger kilometres (millions; "RPK")	-13.2	18,016	20,761
Passenger load factor (%; Pax/capacity)	-2.25*	74.83	77.08
Number of block hours	-9.5	198,877	219,792

* percentage points

Fleet Air Berlin Group

	Number end of H1 2009	Number end of H1 2008
A319	16	11
A320	30	32
A321	6	4
A330-200	10	10
A330-300	3	3
B737-300	0	7
B737-700	16	14
B737-800	36	36
B757	2	2
B767	1	1
Q400	8	0
F100	0	8
Total	128	128

Report on results

The quarter under review and the first half of 2009 are comparable to the data from the previous year as the basis of consolidation has not changed. The previous year's figures have been adjusted retrospectively due to the adoption of the accounting standard IFRIC 13 (Accounting for Customer Loyalty Programmes; also see Note 3 on page 32) implemented for the first time as at 1 January 2009.

In the second quarter of 2009, consolidated revenue declined by 3.8 per cent year-on-year from EUR 868.9 million to EUR 836.2 million. Flight revenue (charter flights plus single-seat tickets) decreased by 2.6 per cent from EUR 792.9 million to EUR 772.0 million. In the quarter under review, charter revenue fell by 4.1 per cent from EUR 306.1 million to EUR 293.5 million, while revenue from single-seat ticket sales declined by 1.7 per cent from EUR 486.8 million to EUR 478.5 million.

In the first six months, total revenue was down 1.7 per cent to EUR 1,497.0 million as compared to EUR 1,522.4 million in the previous year. Flight revenue totalled EUR 1,370.1 million following EUR 1,378.1 million, equivalent to a 0.6 per cent decrease. At EUR 526.0 million, charter revenue was only slightly lower than in the previous year (EUR 528.3 million).

In the quarter under review, revenue from ground and other services declined from EUR 66.7 million to EUR 55.2 million. As in the first quarter, this decrease was primarily due to the greater deployment of the technical division for internal maintenance as well as the decrease in earnings related to cargo. In contrast to the first quarter of the year, duty free sales decreased considerably less than passenger volume, with a 3.2 per cent drop from EUR 9.3 million to EUR 9.0 million. Other operating income totalled EUR 6.9 million compared to EUR 7.2 million in the same quarter of the previous year. In the quarter under review, total operating performance thus decreased by 3.8 per cent from EUR 876.0 million in the previous year to EUR 843.1 million.

In the first six months of the current financial year, revenue from ground and other services fell from EUR 127.9 million to EUR 111.3 million. Duty free sales amounted to EUR 15.6 million following EUR 16.4 million. At 4.9 per cent, this decrease is also lower than the decrease in passenger volume. Other operating income totalled EUR 11.2 million following EUR 12.4 million. Total operating performance amounted to EUR 1,508.1 million as compared to EUR 1,534.8 million in the previous year.

In the quarter under review, operating expenses decreased overproportionally as compared to total revenue, by 4.3 per cent from EUR 862.8 million in the previous year to EUR 825.5 million. Although higher fuel costs (EUR 174.5 million following EUR 163.1 million) as part of expenses for material and service still contributed significantly to an above-average increase in operating expenses in the first quarter, these decreased considerably by 8.1 per cent from EUR 208.6 million to EUR 191.6 million in the quarter under review. All other major expenses for material and service also decreased in the quarter under review. In particular, airport fees and handling costs saw a substantial decline of 9.8 per cent from EUR 193.7 million to EUR 174.8 million – a particularly significant success from optimising the route plan.

At EUR 111.2 million, staff costs were at a slightly lower level in the quarter under review than that of the previous year (EUR 111.4 million). At EUR 26.5 million, depreciation was 4.3 per cent higher than in the previous year, primarily due to further modernisation of the aircraft fleet. The other operating expenses amounted to EUR 126.8 compared to EUR 126.7 million last year.

Over the six-month period, operating expenses totalled EUR 1,577.9 million following EUR 1,590.2 million. The 0.8 per cent decrease was affected primarily by the above average increase in staff costs in the first quarter which was the result of wage increases, when the “Jump” programme had not yet been fully implemented with regard to personnel. After six months, depreciation totalled EUR 53.3 million (previous year: EUR 50.8 million), while other expenses amounted to EUR 240.7 million following EUR 248.2 million.

The operating profit before depreciation, amortisation and leasing expenses (EBITDAR) amounted to EUR 134.9 million in the quarter under review compared to EUR 131.6 million in the same quarter of the previous year. In the quarter under review, leasing expenses decreased by 2.4 per cent from EUR 93.0 million to EUR 90.8 million. EBITDA therefore amounted to EUR 44.1 million following EUR 38.6 million and EBIT rose 33.3 per cent to EUR 17.6 million following EUR 13.2 million in the same quarter of the previous year.

In the first half of the year, EBITDAR totalled EUR 162.0 million following EUR 171.9 million. With leasing expenses at EUR 178.5 million following EUR 176.5 million, this resulted in an EBITDA of EUR -16.5 million following EUR -4.6 million. EBIT for the first half of 2009 totals EUR -69.7 million following EUR -55.4 million in the previous year.

In the financial result for the second quarter, higher net interest expenses from financial liabilities and lower profit from currency translation differences relating to the balance sheet date are reflected in a decline from EUR -0.7 million to EUR -11.2 million. The same effects resulted in a decrease from EUR -21.0 million to EUR -42.5 million over the six-month period.

Including the profit share of associates (EUR 0.9 million following EUR 0.0 million), earnings before tax came to EUR 7.3 million in the quarter under review, following EUR 12.5 million. After tax of EUR 0.2 million, net earnings for the quarter under review amounted to EUR 7.1 million as compared to EUR 7.8 million in the same period of the previous year. After the first six months, the pre-tax result including the profit share of associates (EUR 0.9 million following EUR 0.0 million) totalled EUR -111.3 million as compared to EUR -76.5 million in the same period of the previous year. There was a net loss for the period of EUR 81.4 million following a net loss of EUR 51.8 million.

Earnings per share (diluted and basic) for the second quarter came to EUR 0.11 as against EUR 0.12 in the previous year. For the first half of 2009, they were at EUR -1.23 as against EUR -0.79.

Report on net assets, financial position and capital expenditure

As at the end of the first half of 2009, the consolidated balance sheet increased by 4.9 per cent to EUR 2,528.3 million compared with the balance sheet date of 31 December 2008. The difference in comparison to the balance sheet date for the first quarter is insignificant. The balance sheet for the previous year has been adjusted by the effects of applying IFRIC 13. Application of IFRIC 13 has an influence on the retained earnings in Shareholders' Equity and provisions (see Note 3 on page 32). Overall, the balance sheet was strengthened considerably in the first half of 2009, particularly during the second quarter.

While non-current assets were only 0.9 per cent higher at the half-year point than at the 2008 balance sheet date, current assets increased by 15.8 per cent, primarily due to the 39.4 per cent increase in cash and cash equivalents, but also as a result of the 8.0 per cent rise in current receivables. The cash inflow results partly from the capital measures undertaken in the second quarter.

The equity structure changed correspondingly. 6,571,700 new ordinary shares were issued on 4 June 2009, and 4,500,000 on 10 June 2009, each at a price of EUR 3.50 per share. All shares were fully paid as at the reporting date of 30 June 2009. The number of ordinary shares each with a nominal value of EUR 0.25 therefore increased from 65,717,103 to 76,788,803. The share capital correspondingly rose from EUR 16.5 million at the end of the 2008 financial year to EUR 19.3 million as at 30 June 2009, while the share premium increased from EUR 307.5 million to EUR 342.7 million. The equity inflow from the issue of new shares thus amounts to a net total of EUR 38.0 million.

Equity underwent an income-driven decline of EUR 81.3 million in comparison to 31 December 2008. This includes EUR 19.4 million resulting from the net negative effect of IFRIC 13. Negative market assessments from hedging transactions to be recognised in equity declined further as planned, amounting to EUR -32.5 million after the first six months of the current financial year following EUR -135.3 million at the 2008 balance sheet date.

Consequently, equity increased by a net amount of EUR 59.2 million since the 2008 balance sheet date, with the increase as against the end of the first quarter as high as EUR 98.8 million. As at 30 June 2009, the equity ratio stood at 17.1 per cent as compared to 13.3 per cent at the end of the first quarter and 15.4 per cent at the end of the 2008 financial year.

Non-current and current liabilities increased by 0.7 and 5.2 per cent respectively in the first half of the year, i.e. by 3.0 per cent in total. There was a decrease in all cases in comparison to the end of the first quarter. After the first six months of the current financial year, net debt totalled EUR 638.2 million, compared to EUR 762.0 million as at the 2008 reporting date. At the end of the first quarter, the figure was EUR 778.6 million.

Net cash flow from operating activities after interest and taxes paid amounted to EUR 61.1 million in the first half of 2009 after EUR 9.9 million in the same period of the previous year. The higher loss for the period was countered by positive balance sheet effects impacting cash, particularly the much lower increase in current receivables and in inventories and other current assets (EUR 53.9 million following EUR 119.4 million). In addition, negative effects not impacting cash from currency losses, net interest and income tax expenses and market valuation of derivatives result in a net positive result of EUR 24.2 million in comparison to the previous year.

Net cash outflows for capital expenditure totalled EUR 35.7 million over the six-month period (of which Q1: EUR 39.6 million) as compared to EUR 91.5 million in the previous year. Net proceeds of EUR 68.5 million were generated from the disposal of non-current assets, primarily aircraft, in the quarter under review. This is a reflection of the adjustment of capacity to market developments as part of the “Jump” programme.

Cash flow from financing activities amounted to EUR 75.6 million in the half-year period (of which Q1: EUR 9.9 million) following EUR -76.7 million in the previous year. Whilst financial liabilities decreased by EUR 30.6 million, there was a net inflow of EUR 37.6 million from the two capital increases and of EUR 64.8 million from a payment of TUI Travel PLC to Air Berlin PLC in advance of the issuance of new shares for establishing cross ownership (see Note 20 on page 39). Overall, there was a cash inflow of EUR 101.0 million (Q1: EUR 30.2 million) in the first six months of 2009, following an outflow of EUR 158.4 million in the previous year.

EMPLOYEES

At the end of the first quarter, the Air Berlin Group including the subsidiaries LTU and Belair employed 8,117 staff as compared to 8,488 at the end of Q1 2008. At the end of the second quarter and the first half of 2009, there were 8,214 employees compared to the prior 8,673. 3,650 of these employees (previous year: 3,703) were ground staff and 4,564 (previous year: 4,970) were flying staff. The flying staff consisted of 3,237 cabin crew and 1,327 cockpit crew (previous year: 3,532 and 1,438 respectively). At the end of the first half of 2009, there were 86 young people in training at Air Berlin (previous year: 68).

OPPORTUNITIES AND RISKS

Industry risks

The risks discussed in the section on opportunities and risks in the 2008 Annual Report continue to apply to the aviation industry in general and remain particularly relevant for low-cost carriers. New or additional substantial risks have not been identified. The increased risks which result from the major global recession for the aviation industry in particular in terms of the development of results and the financial position, still apply despite the initial trend towards recovery observed in many industrialised and newly industrialising countries. In particular, the further increase in unemployment figures entails a risk for reduced desire to travel and accordingly fewer bookings.

Financial risks

The financial risks discussed in the 2008 Annual Report generally continue to apply for the current financial year. Air Berlin 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 jet fuel and crude oil prices, quoted in US dollars. Air Berlin hedges the greater share of its currency risk exposure, and will continue to do so on a rolling twelve month basis.

Purchasing risks

Air Berlin engages in extensive hedging in order to counter the general uncertainty in price in connection with fuel purchasing. This practice continues. Over the course of 2009 the crude oil price, which strongly influences fuel prices, dropped considerably from the record highs reached in mid 2008. However, the steep price increase which has reoccurred recently despite the global recession is proof of the high level of volatility still prevalent in the market and the necessity of comprehensive hedging measures. As at the end of June 2009, the hedging ratio for fuel for the remainder of 2009 was 75.9 per cent for the rest of the year.

OUTLOOK

Overall economic and industry environment

Developments in the past months indicate that the global economy has passed through the worst of the recession in the first quarter of the current financial year. The latest monthly reports point to an end to the slump in exports and capex activity in Germany, industrial production has recently picked up again and the German economy grew slightly in the second quarter as compared to the first. However, risks still remain which are of particular significance to the aviation industry. These include in particular future consumer behaviour, which – in Germany at least – has so far developed remarkably robustly. This could change for the worse during the second half of the year with further increases in unemployment and less of a stabilising effect from part time employment, which could then impact the desire to travel.

On the other hand, the prospects for international air travel remain uncertain. For 2009, IATA is expecting a further substantial global decline in revenue passenger kilometres (RPK) and a significantly lower volume of cargo. The traffic statistics for the past months confirm the stabilising trend observed since April.

Business development

Air Berlin, Germany's second largest airline, can boast of some considerable successes in one of the most difficult periods for international aviation and is rigorously implementing its targets. For instance, in the worst recession since the Second World War, Air Berlin has not only performed better than the industry in terms of passenger volume and utilisations, has also continually improved profitability over the first half of 2009, with the yield per ASK, per passenger and per passenger kilometre increasing, in some cases at a double-digit percentage rate. This trend has continued beyond the first half of the year: in July, the yield per ASK increased further by 5.9 per cent to 6.20 euro cents. At the same time, the "Jump" programme for generally enhancing performance in the Group is still being implemented rigorously.

Air Berlin therefore remains well on track at an economically difficult time. In view of the slight improvement in the economic environment, and despite the risks still present with regard to the development of consumer behaviour with increasing unemployment, Air Berlin is still anticipating to generate a positive EBIT for the 2009 financial year above the previous year's level.

As already reported in the financial report for the first quarter of the current financial year, the reduction in negative valuation of hedging instruments affecting equity has continued and – together with the successful capital increases – has led to significant strengthening of the equity position in the balance sheet.

TUI Travel PLC and Air Berlin PLC have agreed to enter into a long-term strategic partnership for their German flight business and in furtherance thereof to establish a cross ownership. This structure will result in TUI Travel PLC holding an interest of up to 19.9 per cent in Air Berlin PLC through a subsidiary and vice versa Air Berlin PLC will hold up to 19.9 per cent of

Hapag-Lloyd Fluggesellschaft mbH/TUIfly. Provided the competition authorities approve, the two companies intend to fully implement the partnership on 25 October 2009.

CHANGES IN THE BOARD OF DIRECTORS

In accordance with the company's Articles of Association and the Combined Code of Corporate Governance, the Annual General Meeting of Air Berlin PLC on 10 June 2009 re-elected the following Directors who had been newly appointed since the previous Annual General Meeting: Dieter Pfundt (appointed on 26 November 2008), Ali Sabanci (appointed on 8 May 2009) and Christoph Debus (appointed on 1 June 2009). At the same time, Claus Wülfers resigned from his position as a Non-Executive Director. Hartmut Mehdorn was appointed his successor as a Non-Executive Director on the Board of Air Berlin PLC with effect from 1 July 2009. The Board of Air Berlin PLC is thus made up of the following Directors:

Executive Directors

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

Non-Executive Directors

Johannes Zurnieden, Chairman of the Board of Directors
Dr. Hans Joachim Körber
Hartmut Mehdorn (as of 1 July 2009)
Dieter Pfundt
Ali Sabanci
Heinz-Peter Schlüter
Nicolas Teller

EVENTS AFTER THE REPORTING DATE

20 August 2009 – Air Berlin PLC priced and placed convertible bonds in an aggregate principal amount of EUR 125 million with institutional investors outside the United States, Canada, Australia and Japan. The convertible bonds, guaranteed by Air Berlin PLC, were issued by Air Berlin Finance B.V. and will be convertible into shares of Air Berlin PLC. Regarding the conditions of the convertible bonds see Note 20 on page 39 of this report.

20 August 2009: Air Berlin PLC repurchased outstanding bonds in the aggregate principal amount of approximately EUR 90 million of the 1.5 per cent convertible bonds issued in 2007.

Approved by the directors on 24 August 2009

Joachim Hunold Ulf Hüttmeyer

DECLARATION OF THE LEGAL REPRESENTATIVES

DECLARATION BY THE LEGAL REPRESENTATIVES PURSUANT TO SECTION 37W WPHG

We confirm that to the best of our knowledge and according to the applicable accounting standards for interim reporting the interim consolidated financial statements give a true and fair view of the net assets, 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, and describes the main opportunities and risks relating to the Group's anticipated development in the remainder of the financial year.

Berlin, 24 August 2009

[signed] Hunold [signed] Hüttmeyer [signed] Debus

INDEPENDENT REVIEW REPORT

INDEPENDENT REVIEW REPORT TO AIR BERLIN PLC

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2009 which comprises the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Consolidated statement of Changes in Equity and the Consolidated Statement of Cash Flows and the related explanatory notes together with the interim group management report. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of § 37 w Abs. 3 of the German Securities Trading Act (Wertpapierhandelsgesetz or “WpHG”). Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the WpHG.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements and the interim group management report in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the codensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2009 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU or that the interim group management report has not been prepared in accordance with the WpHG.

Melvyn Egglenton
For and on behalf of KPMG Audit Plc
Chartered Accountants

2 Cornwall Street
Birmingham
B3 2DL
United Kingdom

24 August 2009

Air Berlin PLC

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

for the period ended 30 June 2009

	1/09-6/09	adjusted* 1/08-6/08	4/09-6/09	adjusted* 4/08-6/08
	€ 000	€ 000	€ 000	€ 000
Revenue	1,496,969	1,522,435	**836,245**	868,859
Other operating income	11,180	12,387	**6,890**	7,164
Expenses for materials and services	(1,065,055)	(1,077,471)	**(561,046)**	(599,385)
Personnel expenses	(218,884)	(213,797)	**(111,158)**	(111,353)
Depreciation and amortisation	(53,254)	(50,779)	**(26,508)**	(25,415)
Other operating expenses	(240,678)	(248,184)	**(126,815)**	(126,672)
Operating expenses	(1,577,871)	(1,590,231)	**(825,527)**	(862,825)
Result from operating activities	(69,722)	(55,409)	**17,608**	13,198
Financial expenses	(30,727)	(25,212)	**(14,660)**	(12,990)
Financial income	1,582	6,623	**657**	3,045
Foreign exchange gains (losses), net	(13,318)	(2,455)	**2,816**	9,292
Net financing costs	(42,463)	(21,044)	**(11,187)**	(653)
Share of profit (loss) of associates, net of tax	883	(33)	**883**	(33)
(Loss) profit before tax	(111,302)	(76,486)	**7,304**	12,512
Income tax benefit (expense)	29,946	24,681	**(217)**	(4,676)
(Loss) profit for the period – all attributable to equity holders of the Company	(81,356)	(51,805)	**7,087**	7,836
Basic earnings per share in €	(1.23)	(0.79)	**0.11**	0.12
Diluted earnings per share in €	(1.23)	(0.79)	**0.11**	0.12

* The income statement adjustments as of 30 June 2008 relate to the first time adoption of IFRIC 13 at January 1, 2009 with a retrospective effect in 2008.

Air Berlin PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

for the period ended 30 June 2009

	1/09-6/09	adjusted* 1/08-6/08
	€ 000	€ 000
(Loss) for the period	**(81,356)**	(51,805)
Other comprehensive income		
Exchange differences on translating foreign operations	**(164)**	(98)
Cash Flow Hedges	**147,161**	113,490
Income tax relating to components of other comprehensive income	**(44,407)**	(34,246)
Other comprehensive income for the period, net of tax	**102,590**	79,146
Total comprehensive income	**21,234**	27,341
Total comprehensive income attributable to minority interests	**0**	0
Total comprehensive income attributable to shareholders of Air Berlin PLC	**21,234**	27,341

* The adjustments as of 30 June 2008 relate to the first time adoption of IFRIC 13 at January 1, 2009 with a retrospective effect in 2008.

Air Berlin PLC

CONSOLIDATED BALANCE SHEET (UNAUDITED)

as of 30 June 2009

	30/06/2009	adjusted* 31/12/2008
	€ 000	€ 000
Assets		
Non-current assets		
Intangible assets	311,741	313,819
Property, plant and equipment	1,279,435	1,269,943
Trade and other receivables, non-current	120,490	108,254
Deferred tax asset	48,984	54,555
Positive market value of derivatives, non-current	807	664
Investments in associates	2,671	1,771
Non-current assets	1,764,128	1,749,006
Current assets		
Inventories	38,110	36,692
Trade and other receivables, current	306,199	283,427
Positive market value of derivatives, current	24,390	46,567
Prepaid expenses	21,484	25,110
Cash and cash equivalents	373,956	268,287
Current assets	764,139	660,083
Total assets	2,528,267	2,409,089

* The balance sheet adjustments as of 31 December 2008 relate to the first time adoption of IFRIC 13 at 1 January 2009 with a retrospective effect in 2008.

Air Berlin PLC

CONSOLIDATED BALANCE SHEET (UNAUDITED)

as of 30 June 2009

	30/06/2009	adjusted* 31/12/2008
	€ 000	€ 000
Equity and liabilities		
Shareholders' equity		
Share capital	**19,270**	16,502
Share premium	**342,666**	307,501
Equity component of convertible bond	**27,344**	27,344
Other capital reserves	**217,056**	217,056
Retained earnings	**(143,943)**	(62,654)
Hedge accounting reserve, net of tax	**(32,540)**	(135,294)
Foreign currency translation reserve	**772**	936
Equity available to the shareholders of the Company	**430,625**	371,391
Minority interest	**629**	629
Total equity	**431,254**	372,020
Non-current liabilities		
Liabilities due to bank from assignment of future lease payments	**617,335**	610,463
Interest-bearing liabilities	**298,948**	302,783
Non-current provisions	**10,172**	10,661
Trade and other payables, non-current	**26,804**	31,263
Negative market value of derivatives, non-current	**67,500**	58,767
Non-current liabilities	**1,020,759**	1,013,937
Current liabilities		
Liabilities due to bank from assignment of future lease payments	**70,144**	73,011
Interest-bearing liabilities	**25,768**	44,012
Current tax liabilities	**12,912**	8,076
Provisions	**18,305**	15,562
Trade and other payables, current	**431,698**	316,121
Negative market value of derivatives, current	**70,476**	236,735
Deferred income	**67,131**	72,795
Advanced payments received	**379,820**	256,820
Current liabilities	**1,076,254**	1,023,132
Total equity and liabilities	**2,528,267**	2,409,089

* The balance sheet adjustments as of 31 December 2008 relate to the first time adoption of IFRIC 13 at 1 January 2009 with a retrospective effect in 2008.

Air Berlin PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

for the period ended 30 June 2009

	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 available to the share holders of the Company € 000	Minority interest € 000	Total equity € 000
Balances at 31 December 2007 (reported)	**16,502**	**307,501**	**27,431**	**217,056**	**31,889**	**(6,639)**	**(201)**	**593,539**	**629**	**594,168**
First time adoption IFRIC 13					(10,882)			(10,882)		(10,882)
Balances at 31 December 2007 (adjusted)	**16,502**	**307,501**	**27,431**	**217,056**	**21,007**	**(6,639)**	**(201)**	**582,657**	**629**	**583,286**
Share based payment					198			198		198
Loss for the period					(51,805)			(51,805)		(51,805)
Other neutral changes						79,244	(98)	79,146		79,146
Balances at 30 June 2008	**16,502**	**307,501**	**27,431**	**217,056**	**(30,600)**	**72,605**	**(299)**	**610,196**	**629**	**610,825**
Balances at 31 December 2008 (reported)	**16,502**	**307,501**	**27,344**	**217,056**	**(43,273)**	**(135,294)**	**936**	**390,772**	**629**	**391,401**
First time adoption IFRIC 13					(19,381)			(19,381)		(19,381)
Balances at 31 December 2008 (adjusted)	**16,502**	**307,501**	**27,344**	**217,056**	**(62,654)**	**(135,294)**	**936**	**371,391**	**629**	**372,020**
Share based payment					67			67		67
Loss for the period					(81,356)			(81,356)		(81,356)
Other neutral changes						102,754	(164)	102,590		102,590
Issue of ordinary shares	2,768	35,983						38,751		38,751
Transaction cost, net of tax		(818)						(818)		(818)
Balances at 30 June 2009	**19,270**	**342,666**	**27,344**	**217,056**	**(143,943)**	**(32,540)**	**772**	**430,625**	**629**	**431,254**

Air Berlin PLC

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

for the period ended 30 June 2009

	30/06/2009	adjusted* 30/06/2008
	€ 000	€ 000
Loss for the period	(81,356)	(51,805)
Adjustments to reconcile profit or loss to cash flows from operating activities:		
Depreciation and amortisation of non-current assets	53,254	50,779
Gain on disposal of tangible and intangible assets	(3,705)	(851)
(Gain) Loss on disposal of associates	0	(2,237)
Share based payments	67	198
Increase in inventories	(1,418)	(2,598)
Increase in trade accounts receivable	(32,094)	(58,209)
Increase in other assets and prepaid expenses	(20,415)	(58,594)
Deferred tax credit	(38,482)	(28,651)
Increase in accrued liabilities and provisions	61,151	29,629
(Decrease) increase in trade accounts payable	(20,725)	191
Increase in other current liabilities	121,683	137,443
Foreign exchange losses	13,318	2,455
Interest expense	30,314	24,968
Interest income	(1,582)	(6,623)
Income tax expense	8,536	3,970
Share of (profit) loss of associates	(883)	33
Changes in fair value of derivatives	(3,247)	(12,060)
Other non-cash changes	(164)	(97)
Cash generated from operations	84,252	27,941
Interest paid	(24,463)	(20,634)
Interest received	1,366	6,458
Income taxes paid	(22)	(3,885)
Net cash flows from operating activities	61,133	9,880
Purchases of tangible and intangible assets	(109,086)	(65,519)
Acquisition of subsidiary, net of cash	0	(584)
Proceeds from sale of subsidiary, net of cash	0	(412)
Net-advanced payments for non-current items	(3,383)	(34,338)
Proceeds from sale of tangible and intangible assets	76,759	6,861
Dividends received from associates	0	211
Proceeds from sale of associate	0	2,283
Acquisitions of investments in associates	(17)	0
Cash flow from investing activities	(35,727)	(91,498)

to be continued on the following page

Air Berlin PLC

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

for the period ended 30 June 2009

continued from the previous page

	30/06/2009	adjusted* 30/06/2008
	€ 000	€ 000
Principal payments on interest-bearing liabilities	(113,069)	(143,712)
Proceeds from interest-bearing liabilities	86,288	66,977
Issue of ordinary shares	38,751	0
Transaction costs related to issue of new shares	(1,171)	0
Investments from TUI Travel PLC	64,817	0
Cash flow from financing activities	75,616	(76,735)
Change in cash and cash equivalents	101,022	(158,353)
Cash and cash equivalents at beginning of period	267,809	468,550
Reclassification to assets held for sale	0	(2,645)
Foreign exchange (gains) losses on cash balances	2,715	(4,949)
Cash and cash equivalents at end of period	371,546	302,603
Thereof bank overdrafts used for cash management purposes	(2,410)	(3,760)
Thereof cash and cash equivalents in the balance sheet	373,956	306,363

* The cash flow statement adjustments as of 30 June 2008 relate to the first time adoption of IFRIC 13 at 1 January 2009 with a retrospective effect in 2008.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2009

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

1. REPORTING ENTITY

The consolidated interim financial statements of Air Berlin PLC for the six months ended 30 June 2009 comprise Air Berlin PLC ("the Company") and its subsidiaries (together referred to as "Air Berlin" 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 Air Berlin 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 2008 prepared in accordance with IFRSs as adopted by the EU and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS, are available from the Company's registered office and at ir.airberlin.com.

The prior year comparative set out above does not constitute the Company's statutory accounts for the year ended 31 December 2008 but is derived from those accounts. Statutory accounts for 2008 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 237 (2) or (3) of the Companies act 1985.

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 reviewed, but not 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 2008.

This condensed set of financial statements was approved by the directors on 24 August 2009.

3. ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING

This interim report up to 30 June 2009 has been drawn up in accordance with IAS 34 and in compliance with the standards and interpretations applicable from 1 January 2009 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 2008 except for the changes by IFRIC 13.

Within the scope of the "Top Bonus Program" of Air Berlin miles earned are valued at the fair value using the deferred-income-method in accordance with IFRIC 13 "Customer Loyalty Programmes" which is mandatory from 1 January 2009. The value of one mile was previously valued using the marginal-cost method until 31 December 2008. In accordance with IAS 8 "Accounting policies, changes in accounting estimates and errors", the impact of IFRIC 13 has been applied retrospectively.

The implementation of IFRIC 13 at the 1 January 2009 impacts equity, deferred tax assets and deferred income, i.e. it changes the comparatives in the consolidated balance sheet positions as of 31 December 2008. Due to the first time adoption of IFRIC 13 at the 1 January 2009 the equity decreased from € 391,400 to € 372,020. The deferred tax assets increased by € 8,375. The obligation under the "Top Bonus Program" (deferred income - miles earned but not used) increased by € 27,756. In the period ended of 30 June 2009 the impact of IFRIC 13 is to reduce revenue by € 1,759. The impact of IFRIC 13 in the two quarters of 2008 is to reduce revenue by € 1,493.

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 2008.

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 30 June 2009 the Group had revenue of € 3,375,226 (twelve months ended 30 June 2008: € 3,138,436) and loss for the period after tax of € 104,570 (twelve months ended 30 June 2008: loss for the period after tax of € 1,559). Furthermore, for the twelve months ended 30 June 2009 the EBIT amounted to € -148 (twelve months ended 30 June 2008: € 3,273).

6. ACQUISITIONS AND DISPOSALS

LTU/Belair

The purchase price allocations for LTU and Belair were finalized in 2008. There were no changes to the presentation in the Annual Report 2008.

E190 Flugzeugvermietung GmbH

On 22 April 2009 the company founded E190 Flugzeugvermietung GmbH, Vienna, Austria, together with NL Holding GmbH, Vienna, Austria, by signing the company agreement. Air Berlin acquired 24 percent of the shares. The share capital of the founded company amounts to € 70. Air Berlins share of € 17 is fully paid up as of 30 June 2009.

The purpose of the company is the acquisition, sales, renting and leasing of aircrafts.

7. NON-CURRENT ASSETS

During the six months ended 30 June 2009 the Group acquired fixed assets with a cost of € 133,540 (six months ended 30 June 2008: € 66,740). This amount includes the acquisition of six Bombardier and one Airbus aircrafts.

Assets with a carrying amount of € 72,871 were disposed of during the six months ended 30 June 2009 (six months ended 30 June 2008: € 4,774). This amount includes two A319 aircraft, which were disposed of on 28 April 2009 for net proceeds of € 47,765 and a gain on sale of fixed assets of € 269. Furthermore, the company disposed components of engines and aircrafts, which were sold for net proceeds of € 21,500.

8. SHARE CAPITAL

Of Air Berlin's authorised share capital, 76,788,803 ordinary shares (before issue of new shares: 65,717,103 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 2009. Included in this amount are 177,600 treasury shares held by Air Berlin (through the Air Berlin Employee Share Trust).

Issue of new shares

On 4 June 2009 the company issued 6,571,700 new shares at a share price of € 3.50. Gross proceeds on the issue of new shares amounted to € 23,001, which was received on 4 and 9 June 2009. The shares were fully paid up as of 30 June 2009.

On 10 June 2009 the company issued 4,500,000 new shares at a share price of € 3.50 which were not yet registered at the share register. Gross proceeds on the issue of new shares amounted to € 15,750, which was received on 10 and 11 June 2009. The shares were fully paid up as of 30 June 2009.

Transaction cost incurred in the first six months of 2009 amounted to € 1,171.

Acceptance for trading on the Deutsche Börse is still pending.

9. REVENUE

in thousands of Euro	1/09-6/09	1/08-6/08	**4/09-6/09**	4/08-6/08
Single-seat ticket sales	844,130	849,860	**478,466**	486,828
Bulk ticket sales to charter and package tour operators	525,977	528,270	**293,530**	306,075
Duty free	15,579	16,388	**9,034**	9,295
Ground and other services	111,283	127,917	**55,215**	66,661
	1,496,969	1,522,435	**836,245**	868,859

Air Berlin recognises 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. Deferred income is estimated based on historical experience and past general passenger behaviour.

Air Berlin has determined its flight operations as the single operating segment whose results are regularly reviewed by the Company's chief operating decision maker and for which discrete financial information is available. No other operating segment has been identified.

10. OTHER OPERATING INCOME

in thousands of Euro	1/09-6/09	1/08-6/08	**4/09-6/09**	4/08-6/08
Gain on disposal of fixed assets	5,318	3,850	**2,012**	3,850
Income from services provided to Niki	1,065	412	**714**	302
Income from insurance claims	341	1,196	**241**	803
Other	4,456	6,929	**3,923**	2,209
	11,180	12,387	**6,890**	7,164

11. EXPENSES FOR MATERIALS AND SERVICES

in thousands of Euro	1/09-6/09	1/08-6/08	**4/09-6/09**	4/08-6/08
Fuel for aircraft	366,076	371,751	**191,614**	208,646
Catering costs and cost of materials for in-flight sales	51,805	58,689	**28,618**	32,601
Airport & handling charges	325,233	339,477	**174,776**	193,736
Operating leases for aircraft and equipment	178,475	176,535	**90,760**	93,003
Navigation charges	102,943	105,717	**57,082**	58,869
Other	40,523	25,302	**18,196**	12,530
	1,065,055	1,077,471	**561,046**	599,385

12. PERSONNEL EXPENSES

Personnel expenses include the following items:

in thousands of Euro	1/09-6/09	1/08-6/08	**4/09-6/09**	4/08-6/08
Wages and salaries	183,246	179,085	**93,142**	93,112
Pension expense	11,691	13,443	**4,802**	6,473
Social security	23,947	21,269	**13,214**	11,768
	218,884	213,797	**111,158**	111,353

13. DEPRECIATION AND AMORTISATION

in thousands of Euro	1/09-6/09	1/08-6/08	**4/09-6/09**	4/08-6/08
Depreciation and amortisation	53,254	50,779	**26,508**	25,415

14. OTHER OPERATING EXPENSES

in thousands of Euro	1/09-6/09	1/08-6/08	4/09-6/09	4/08-6/08
Sales commissions paid to agencies	9,568	15,223	**5,008**	7,560
Repairs and maintenance of technical equipment	91,974	84,254	**46,328**	42,609
Advertising	24,556	30,905	**13,042**	13,742
Insurances	9,887	9,644	**4,535**	4,842
Hardware and software expenses	26,154	22,335	**12,434**	12,246
Bank charges	12,079	10,143	**7,191**	6,480
Travel expenses for cabin crews	14,233	15,421	**7,278**	7,726
Expenses for premises and vehicles	12,588	13,972	**7,255**	7,419
Losses from disposal of fixed assets	1,613	717	**1,613**	663
Training and other personnel costs	5,656	8,989	**3,273**	4,352
Phone and postage	2,172	2,511	**1,034**	1,330
Allowances for receivables	1,077	1,052	**560**	595
Auditing and consulting	11,116	12,324	**6,484**	7,260
Other	18,005	20,694	**10,780**	9,848
	240,678	248,184	**126,815**	126,672

15. FINANCIAL RESULT

in thousands of Euro	1/09-6/09	1/08-6/08	4/09-6/09	4/08-6/08
Financial expenses				
Interest paid on interest bearing liabilities	(30,314)	(24,968)	**(14,491)**	(12,802)
Other financing expenses	(413)	(244)	**(169)**	(188)
	(30,727)	(25,212)	**(14,660)**	(12,990)
Financial income				
Interest received on fixed deposits	1,028	5,010	**401**	2,380
Other	554	1,613	**256**	665
	1,582	6,623	**657**	3,045
Foreign exchange gains (losses), net	(13,318)	(2,455)	**2,816**	9,292
Total	(42,463)	(21,044)	**(11,187)**	(653)

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 foreign currency 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 results.

16. INCOME TAX / DEFERRED TAX

Profit or loss before tax is primarily attributable to Germany. The income tax benefit (expense) for the period is as follows:

in thousands of Euro	1/09-6/09	1/08-6/08	**4/09-6/09**	4/08-6/08
Current income taxes	(8,536)	(3,970)	**(1,384)**	(1,270)
Deferred income taxes	38,482	28,651	**1,167**	(3,406)
Total income tax benefit (expense)	29,946	24,681	**(217)**	(4,676)

17. CASH FLOW STATEMENT

in thousands of Euro	**30/06/2009**	30/06/2008
Cash	**1,077**	412
Bank balances	**91,679**	52,461
Fixed-term deposits	**281,200**	253,490
Cash and cash equivalents	**373,956**	306,363
Bank overdrafts used for cash management purposes	**(2,410)**	(3,760)
Cash and cash equivalents in the statement of cash flows	**371,546**	302,603

Cash and cash equivalents include restricted cash of € 148,774 as of 30 June 2009 (30 June 2008: € 21,260).

18. 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 2.89 % of Air Berlin (30 June 2008: 3.15 %).

The Chairman of the Board, also a shareholder of the Company with a voting share of 1.76 %, is the controlling shareholder of Phoenix Reisen GmbH (30 June 2008: 1.52 %). The Group had revenues from ticket sales with Phoenix Reisen GmbH during the first six months of 2009 of € 8,331 (30 June 2008: € 7,578). At 30 June 2009 € 1,237 (30 June 2008: € 673) are included in the balance sheet in trade receivables.

During the six-month period ended 30 June 2009 the Group had transactions with associates as follows:

in thousands of Euro	30/06/2009	30/06/2008
IBERO-Tours		
Expenses for services	12	640
SCK DUS GmbH & Co. KG*		
Revenues	0	2
Trade and other receivables, current	0	1
Catering expenses	0	7,073
Trade and other payables, current	0	1
THBG BBI GmbH (formerly: Blitz 07-582 GmbH)**		
Long-term loans	1,866	0
Binoli GmbH (formerly: Buy.bye Touristik GmbH)**		
Revenues from ticket sales	1,733	0
Trade and other receivables, current	49	0
Long-term loans	500	250
Lee & Lex Flugzeugvermietung GmbH		
Trade and other receivables, non-current	837	1,357
Niki Luftfahrt GmbH		
Other income from administrative services	1,065	422
Trade and other receivables, current	19,668	14,077

* the Group disposed of its share in this associate in the second quarter 2008

** accounted for as subsidiary as of 30 June 2008

Other receivables from Lee & Lex Flugzeugvermietung GmbH ("Lee & Lex") relate to a loan receivable in the amount of USD 960 (€ 679) and a partial debenture of € 750 (30 debentures at € 25 each), which have been written down by € 592 in connection with the recognition of the Group's share of losses in the associate.

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

19. CAPITAL COMMITMENTS

The Group's contracts to purchase aircrafts are set out as follows:

Date of contract	Supplier	Number of aircrafts ordered	Type of aircraft	Delivery dates	Delivered Jan. to Jun. 2008	Delivered Jan. to Jun. 2009	Deliveries outstanding at 30 Jun. 2009	Thereof Jul. 2009 to Dec. 2009
2004	Airbus	60	A320/319/321	2005-2012	2	3	24	5
2006-2007	Boeing	100	B737-700/800	2007-2014	1	4	91	3
2007	Boeing	25	B787	2013-2017	0	0	25	0
2007	Bombardier	10	Q400	2008-2009	0	6	2	2

20. SUBSEQUENT EVENTS

TUI Travel PLC and Air Berlin PLC are to enter into a long-term strategic partnership for their German flight business. A corresponding agreement was signed on 27 March 2009. The agreement is based on a cross ownership in which TUI Travel PLC through a subsidiary, will have an interest of up to 19.9 percent in Air Berlin PLC and vice versa Air Berlin PLC will hold up to 19.9 percent of Hapag-Lloyd Fluggesellschaft mbH/TUIfly. The Supervisory Boards of Air Berlin, TUI Travel PLC and TUI AG have already approved of the plan. Provided the competition authorities approve of our intention, the transfer of economic responsibility will take effect as of 1 October 2009. Due to the issuance of new shares relating to this contract TUI Travel PLC paid € 64,817 to Air Berlin PLC. The payment is accounted for in the balance sheet under the position "cash and cash equivalents" (restricted cash) respectively "trade and other payables – current".

On 20 August 2009 Air Berlin PLC, under exclusion of the pre-emptive rights of Air Berlin PLC's shareholders, priced and placed convertible bonds in an aggregate principal amount of € 125,000 with institutional investors outside the United States, Canada, Australia and Japan. The convertible bonds, guaranteed by Air Berlin PLC, were issued by Air Berlin Finance B.V. and will be convertible into shares of Air Berlin PLC. The convertible bonds denominated into units with a nominal value of € 50,000 will have a maturity of 5 years and a coupon of 9.0 per cent. The conversion price per share was agreed between Air Berlin PLC and the institutional investors and was set at € 4.01. The convertible bonds will be issued at 100 per cent of their principal amount and will be redeemed at 100 per cent of their principal amount on 24 August 2014, subject to prior conversion into shares of Air Berlin PLC or early redemption. Air Berlin used proceeds from the sale of the convertible bonds for refinancing (including buyback a portion of the outstanding 2007/2027 convertible bonds) and general corporate purposes.

Also on 20 August 2009 Air Berlin PLC repurchased outstanding bonds in the aggregate principal amount of approximately € 90,000 of the 1.5 per cent convertible bonds issued in 2007.

21. EXECUTIVE BOARD OF DIRECTORS/EXECUTIVE DIRECTORS

Joachim Hunold	Chief Executive Officer
Ulf Hüttmeyer	Chief Financial Officer
Christoph Debus	Chief Commercial Officer (since 1 June 2009)

FINANCIAL CALENDAR

Traffic figures AUGUST	7 September 2009
Traffic figures SEPTEMBER	6 October 2009
Traffic figures OCTOBER	5 November 2009
Publication of Interim Financial Report as of September 30, 2009 (Q3) Analysts & Investors Conference Call	19 November 2009
Traffic figures NOVEMBER	7 December 2009

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