airberlin

Quarterly Financial Report Q2/2008

KEY FINANCIAL FIGURES

	Q2 2008	Q2 2007	Q2 2007 pro forma*	**H1 2008**	H1 2007	H1 2007 pro forma*
Revenues (in million euros)	**869.5**	547.4	814.8	**1,523.9**	920.5	1,446.2
Including: Ticket sales (in million euros)	**793.5**	510.6	739.8	**1,379.6**	852.7	1,304.3
EBITDAR (in million euros)	**132.2**	104.0	136.6	**173.4**	109.4	153.9
EBIT (in million euros)	**13.8**	23.5	18.7	**−53.9**	−37.3	−66.3
Consolidated profit (loss) for the period	**8.3**	12.1	6.0	**−50.8**	−29.3	−60.4
Cash generated from operations (in million euros)	**71.1**	37.2	n/a	**27.9**	95.2	n/a
Earnings per share (EUR)	**0.13**	0.18	n/a	**−0.77**	−0.47	n/a
Operating cash flow per share (EUR)	**1.08**	0.57	n/a	**0.43**	1.52	n/a
Total Assets (in million euros)	**2,681.0**	2,519.2	n/a	**2,681.0**	1,963.0	n/a
Employees (30 June)				**8,583**	4,578	7,788

* Air Berlin including the subsidiaries LTU and Belair

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,

Air Berlin is mastering the turbulence currently being experienced by the international airline industry. We have been able to handle the extreme price hikes for aviation fuel far better than some of our competitors. Though just a short while ago many scoffed at our move to hedge most of our aviation fuel requirements against increases at what appeared to be considerably high prices, we are now reaping the benefits. Our fuel costs increased only ten percent over the last twelve months, while the price of aviation fuel has doubled. During this same time period we transported over 800,000 additional passengers, selling an extra 370 million seat-kilometres.

However, we intend to continue keeping rising costs in check while improving performance. Capacity and yield management optimisation measures are taking increasing effect, with ticket sales per available seat-kilometre increasing at a double-digit rate in the second quarter. In so doing we focus on our unique market position as the European quality airline with lower prices: In particular, the number of our discerning business clients has increased above average.

With the measures comprising the Jump initiative we are creating efficiency, which will allow us to offset much of the additional costs still being incurred for rising fuel prices this financial year. Air Berlin still expects to pay an additional amount of around EUR 88 million for fuel costs, which will be counteracted by Jump savings in the second half year of nearly EUR 35 million. Despite the many challenges posed by a softening global economy and exploding fuel prices, we remain confident of posting positive EBIT for the current year.

I would like to take this opportunity to again introduce our new colleague on the Board of Directors, Wolfgang Kurth, who was appointed Chief Maintenance Officer for the Air Berlin Group on 1 June. Mr. Kurth has been a successful manager in our industry for over 30 years. With this appointment we have again improved the importance of our technical area.

Berlin, August 2008

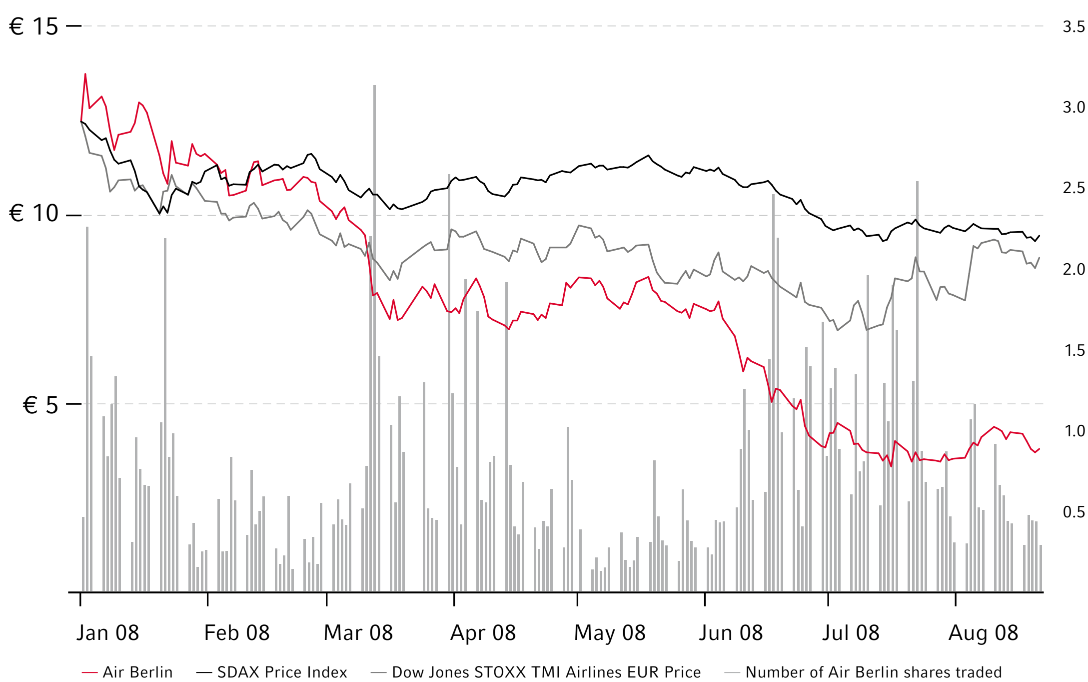
J. Hunold

Joachim Hunold
Chief Executive Officer

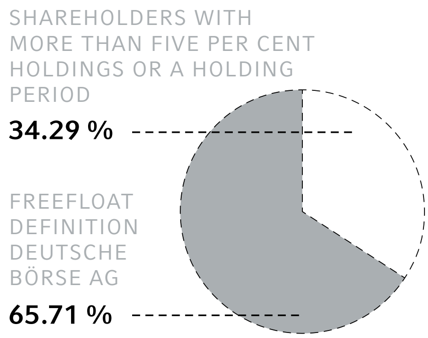
THE AIR BERLIN SHARE

In a difficult macroeconomic environment that is marked by an explosive increase in the price of oil, high inflation rates and widespread recession anxiety, airline stocks belong to the most affected branches. Air Berlin as well could not avoid this trend.

Relative Performance Air Berlin vs. SDAX and Dow Jones STOXX Airlines (rebased on Air Berlin)



Source: Reuters



SHAREHOLDER STRUCTURE AT AIR BERLIN PLC ON 30 JUNE 2008

The Air Berlin PLC share in the second quarter and the first half year 2008

Share capital:	EUR 16,501,803.00
Authorised share capital:	EUR 100,000,000.00 and GBP 50,000
Total number of issued and registered shares on 30 June 2008:	65,717,103
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

Q2 and H1 2008 market data

Trading segment:	Official trading (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 on 30 June 2008:	EUR 249,725 Mio.
Free Float according to Deutsche Börse AG of 30 June 2008:	65.71 %
Capitalisation for free float on 30 June 2008:	EUR 164,094 Mio.
Average trading volume Q2 / H1 2008	703,995/733,816 shares per day

- The shares are officially traded on XETRA and on the Frankfurt Securities Exchange and traded on the regulated unofficial market at the exchanges in Berlin-Bremen, Düsseldorf, Hamburg, Munich and Stuttgart.
- Air Berlin shares are registered common shares. In accordance with the Air Transport Agreement and the EU Directives, entry in an appropriate schedule of names giving information on the distribution of the shares by nationalities 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, www.ir.airberlin.com.

JUMP: ENHANCING PERFORMANCE THROUGHOUT THE GROUP

In the spring of 2008, Air Berlin identified a range of optimisation measures to be systematically implemented over the course of the year. These include discontinuing unprofitable routes, eliminating redundancies in the form of similar offerings by different Group companies, harmonising price structures, centralising yield management, replacing the old Fokker 100s with modern, fuel-saving turboprop aircraft and substantially reducing expensive, short-term wet leases. All these measures are currently being implemented and some sub-projects have already been completed. A uniform sales structure has also been implemented within the Air Berlin Group. Bringing different wage agreements into alignment within the Group has additionally afforded Air Berlin a high level of certainty for the purpose of medium-term planning.

In mid-June, Air Berlin launched the Jump programme, a package of measures to enhance efficiency and substantially cut costs throughout the Group. In particular, the programme is expected to significantly offset the estimated EUR 88 million in additional expenses projected for 2008 as a result of the dramatic rise in the price of aviation fuel. In total, improvement potential of more than EUR 150 million for a full financial year has been identified with Jump, with savings of nearly EUR 35 million by the end of 2008 thanks to fast-acting measures.

The Jump programme is a three-pronged initiative involving operational, organisational and financial measures. For the current financial year, Jump's activities in these three directions of impact are focused on six modules:

- Route network/fleet: flight plan optimisation; frequency compression and elimination of redundancies; fleet plan optimisation geared towards significantly reducing complexity.
- Pricing: harmonisation; passing on costs including higher fuel costs in particular; increased pricing.
- Revenue: focus on business customer acquisition; improved travel agency incentive schemes; greater cross-selling for flights.
- Operating costs: even stricter budgeting; increasing fuel efficiency, further optimisation in areas including marketing, ground, catering.
- HR: implementing Group-wide crew benchmarking; further optimisation of crew staff costs and on-board productivity.
- Maintenance: operational optimisations.

These measures are to be implemented by the start of the 2008/2009 winter schedule. As a specific example, fleet modernisation efforts continue, and only 120 aircraft will be deployed at the end of 2008 instead of the 134 originally planned. Further capacity adjustments are not out of the question. Overall, capacity is to be reduced by 10 percent; long-haul by as much as 30 percent.

Four fewer wide-body Airbus A330 jets will be deployed on long-haul routes than in the past. Three of these will be used on mid-range routes, primarily from the Nuremberg hub; the fourth Airbus will be available during scheduled maintenance and will also be transporting passengers to cruise ships around the world. The flights to Beijing and Shanghai that began on 1 May will be suspended in winter 2008/2009 as the issue of overflight rights for Russia has still not been clarified and the longer southern route is prohibitively expensive given current fuel prices. A decision will be made in the summer of 2009 as to whether to resume these flights as circumstances may at that time permit. The Düsseldorf – New York connection will also be discontinued in the winter, and there will be reductions in the frequency of flights to Cape Town, Windhoek and Bangkok. Flights to Mauritius and Sri Lanka will be discontinued.

Frequencies will increase, however, for high-demand destinations of interest to business travellers.

To eliminate organisational redundancies, administration is being centralised in Berlin, the dba Luftfahrtgesellschaft administrative office in Munich will be dissolved in October 2008.

Due to Management's very efficient and prompt implementation of the management of the various components of the "Jump" programme, the rapidly implemented cost reducing measures have already proved to be effective.

FURTHER INFORMATION

Joint wage agreement for pilots

The managements of Air Berlin, LTU and dba signed a joint wage agreement for pilots employed by the three companies with the pilots' union Vereinigung Cockpit on 15 April 2008. The joint agreement outlines uniform terms of employment on the basis of the current Air Berlin wage agreement, and is effective retroactively to 1 April 2008 with a ten-year term.

Air Berlin signs deal with Gate Gourmet

In future, Air Berlin will be working with global airline caterer Gate Gourmet, to which it has sold five galleys. These were formerly operated by SCK DUS GmbH & Co. KG, a joint venture between Air Berlin and SCK Sky Catering Kitchen GmbH Bordverpflegung & Co. Service KG of Ulm, with which Air Berlin still operates at other German locations. In Düsseldorf alone, around 10,000 meals are produced for Air Berlin passengers each year. A total of 18,000 flights are catered for each year at the Düsseldorf, Cologne/Bonn, Münster/Osnabrück, Leipzig/Halle and Paderborn airports, making Gate Gourmet the Air Berlin Group's biggest caterer. Gate Gourmet also operates Air Berlin flight galleys for the locations Hamburg, Hanover, Frankfurt, Munich, Zurich, Amsterdam, Copenhagen and Shanghai.

"LTU plus" sold

On 23 May 2008 Air Berlin sold the LTU plus service centre in Düsseldorf, formerly an LTU subsidiary. MIC GmbH, owned by former LTU shareholder Jürgen Marbach, acquired a 55 percent interest, the other 45 percent being acquired by Intro Aviation GmbH, owned by the Nuremberg entrepreneur Rudolf Wöhrl, who was a majority shareholder of LTU before it was bought by Air Berlin. "LTU plus", a service provider for the Air Berlin Group, employs a staff of 65 personnel.

Air Berlin Group appoints new Chief Maintenance Officer

Wolfgang Kurth (60) joined the Air Berlin PLC Board of Directors on 1 June 2008 and is responsible for the entire technical area in the Air Berlin Group, organised under the Air Berlin Technik Ltd. unit. Mr. Kurth has been a successful manager in the tourism and aviation industry for over 30 years. His most recent position was as managing director for the Munich air carrier dba from July 2007 until March 2008, where he played a major role in implementing the company's smooth and rapid integration into the Air Berlin Group. He is married and has two children.

INTERIM GROUP MANAGEMENT REPORT AS AT 30 JUNE 2008

THE GLOBAL ECONOMY AND THE AVIATION SECTOR

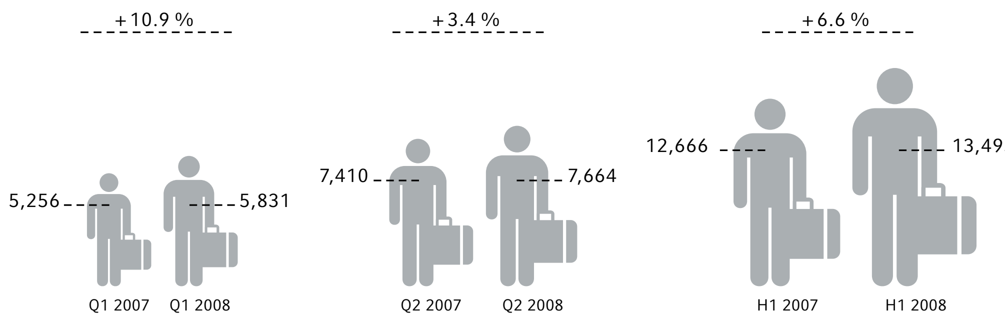
Economic activity worldwide is slowing at what many economic analysts consider a rapid pace. Corporate and consumer confidence are faltering, as indicated by incoming orders data in the last weeks as well as trend indicators such as the ifo Institute business climate index, the ZEW economic sentiment indicator and the GfK economic institute consumer climate indicator. In July the ZEW index slumped to its lowest level since December 1991.

High oil prices, a weak US dollar, a persistent and serious international financial markets crisis and record inflation in the euro zone have combined to create extremely unfavourable economic conditions especially in Europe. German GDP thus declined by 0.5 percent in real terms in the second quarter of 2008 compared to the first quarter. The German government and many economic analysts anticipate significantly lower growth rates in the second half of 2008 and in 2009. For 2008 real growth is likely to register 1.7 percent, primarily on the strength of the solid first quarter, forecasts for 2009 are substantially below this figure.

The outlook for the global economy has likewise deteriorated significantly, with real estate prices continuing to fall, worsening the banking crisis, and declining consumer spending increasing the risk of recession in the USA. Newly industrialised nations are likewise having to revise projections downwards, albeit to levels that are still quite considerable.

The IATA reported that revenue passenger kilometres (RPKs) for its member airlines in June was only 3.8 percent higher as against the same month of the previous year. This represents the lowest increase since 2003, the year of the SARS crisis. Europe posted an even smaller increase, up 3.2 percent. The load factor for IATA companies declined 1.2 percentage points to 77.6 percent, while capacity in terms of available seat-kilometres (ASK) rose 5.5 percent. With freight volumes also falling, the IATA estimates that its members could post losses totalling USD 6 billion this year. The 33 flag carriers in the Association of European Airlines (AEA) carried 1.5 percent or 136.2 million more passengers in H1 2008 than in the same period of the previous year. RPK rose by 3.6 percent. With capacity up 4.1 percent, the utilisation rate thus declined 0.3 percentage points to 66.6 percent. The German Airports Association reported a 4.9 percent rise in passenger numbers at German

PASSENGERS (THOUSAND)



airports in H1 2008 to 92.28 million, and a 2.5 percent increase in aircraft movements to 1.25 million. Though the +6.0 percent year-on-year increase in aircraft movements in June was substantially above the six-month average, the mere +3.2 percent change in passenger numbers reveals a declining trend.

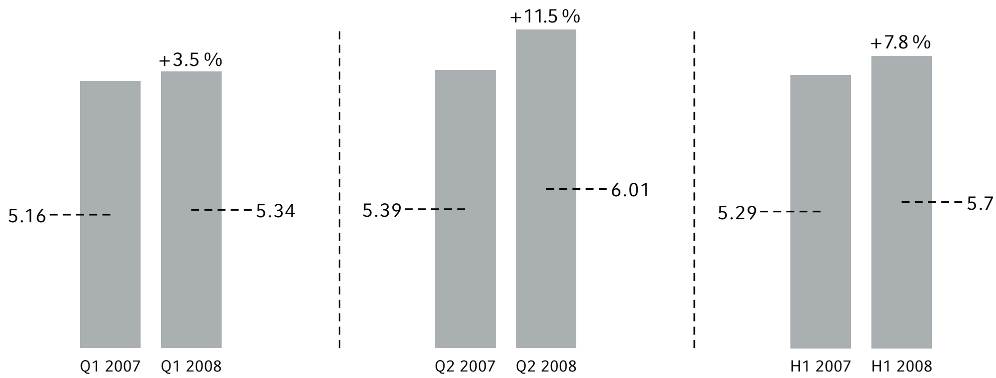
OPERATING DEVELOPMENT

The Air Berlin Group's organic growth was again above-average in the first half of 2008 compared to the national and European air travel industry: passenger volume (including the subsidiaries LTU and Belair) was up by 6.54 percent from 12.67 million to 13.50 million. Passenger numbers increased 3.43 percent in the second quarter to 7.66 after 7.41 million. Here it is especially gratifying that in particular the number of business clients has increased above average. Revenue passenger kilometres increased 1.84 percent in the first half of the year to 20.76 billion after 20.39 billion (Q2: down 0.86 percent to 11.71 billion after 11.81 billion). Capacity utilisation increased by 3.18 percentage points to 77.08 percent in the first half of 2008 (Q2: up 2.75 percentage points to 80.25 percent). The higher than average increase of passenger numbers (as compared to the airline industry average) as well as the higher utilisation ratio demonstrate that clients reward Air Berlin's market position as a quality airline providing a high level of punctuality and superior service for lower prices.

In terms of available seat-kilometres, capacity decreased slightly for both the half-year (down 2.48 percent to 26.94 billion km after 27.62 billion km) and the quarter under review (down 4.28 percent to 14.59 billion km versus in a previous 15.24 billion km) due to route management optimisation measures. The number of available seats declined slightly by 0.13 percent to 9.55 million during the quarter under review, coming after a 5.02 percent rise in the first quarter. This figure increased slightly for the half-year, up 2.15 percent to 17.51 million.

Capacity and yield management optimisation measures took increasing effect over the course of the quarter under review. The growth rate in ticket sales per available seat-kilometre (yield) nearly tripled over the quarter, after a +4.17 percent increase in Q1 2008 it rose by 12.16 percent in the quarter under review as against the same period of the previous year. This represents a

TOTAL PERFORMANCE* / ASK (IN € CENT)



*Total Performance = Total Revenue + Other operating income

8.47 percent increase for the first half of 2008 compared to the prior year period. Yield increased in the second quarter to an average of 5.44 euro cents (2007: 4.85 euro cents) as against 4.75 euro cents in the first quarter (2007: 4.56 euro cents).

As announced on several occasions, the main priority for 2008 is to increase profitability. The success of our efforts towards this goal can be seen in the relatively low increase in operating costs (EBIT-Level) per ASK, which increased in the first half year 5.12 percent per ASK before fuel costs to 4.52 euro cents versus 4.30 euro cents one year ago. After fuel costs this figure was 5.90 euro cents, a 6.69 percent increased on the previous 5.53 euro cents. Fuel costs per ASK increased 12.20 percent.

Key Operating Figures for the Second Quarter

	+/– %	Q2 2008	Q2 2007
Aircraft (as at 30 June)	+1.59	**128**	126
Flights	−1.32	**59,466**	58,694
Destinations	−6.11	**123**	131
Passengers (thousands; “Pax”)	+3.43	**7,664**	7,410
Available seats (thousands; capacity)	−0.13	**9,550**	9,562
Available seat-kilometres (millions; “ASK”)	−4.28	**14,588**	15,241
Revenue passenger kilometres (millions; “RPK”)	−0.86	**11,711**	11,812
Passenger load factor (%; Pax/capacity)	+2.75*	**80.25**	77.50
Number of block hours	−2.17	**120,283**	122,945

Data for Air Berlin including subsidiaries LTU and Belair

* Percentage points

Key Operating Figures for the First Half-year

	+/– %	**H1 2008**	H1 2007
Aircraft (as at 30 June)	+1.59	**128**	126
Flights	+1.20	**108,246**	106,958
Destinations	−6.11	**123**	131
Passengers (thousands; “Pax”)	+6.54	**13,495**	12,667
Available seats (thousands; capacity)	+2.15	**17,509**	17,140
Available seat kilometres (millions; “ASK”)	−2.48	**26,936**	27,620
Revenue passenger kilometres (millions; “RPK”)	+1.84	**20,761**	20,386
Passenger load factor (%; Pax/capacity)	+3.18*	**77.08**	73.90
Number of block hours	−0.31	**219,792**	220,479

Data for Air Berlin including subsidiaries LTU and Belair
* Percentage points

RESULTS, FINANCIAL POSITION AND NET ASSETS

Results

The following remarks present a pro forma analysis, i.e. the previous year’s figures reflect the applicable consolidated group as at 30 June 2008 (Air Berlin including its subsidiaries LTU and Belair). A pro forma income statement is presented on page 14. Consolidated revenue for the first half of 2008 increased by 5.4 percent compared to the prior year period from EUR 1,446.2 million to EUR 1,523.9 million. Revenue for the quarter under review rose by 6.7 percent to EUR 869.5 million from EUR 814.8 million.

Charter sales fell 7.5 percent year-on-year from EUR 571.1 million to EUR 528.3 million (Q2: down 6.6 percent from EUR 327.6 million to EUR 306.1 million). In contrast, single-seat ticket sales again rose significantly by 16.1 percent in the first half of the year to EUR 851.3 million after EUR 733.2 million for H1 2007 (Q2: up 18.2 percent to EUR 487.4 million after EUR 412.2 million). Ancillary revenue rose to EUR 144.3 million for the first half of the year after EUR 137.7 million for H1 2007 (Q2: EUR 76.0 million after EUR 73.7 million). Airport taxes, which are a pass-through item included in revenue, nearly doubled in the first half of the year, up 73.8 percent to EUR 49.0 million. For the quarter under review this item increased 21.9 percent after more than tripling in the first

Pro Forma Consolidated Income Statement

In millions of Euro	reported 1/08–6/08	reported 1/07–6/07	pro forma 1/07–6/07	reported 4/08–6/08	reported 4/07–6/07	pro forma 4/07–6/07
Single-seat ticket sales	851.3	574.6	733.2	487.4	324.0	412.2
Charter sales	528.3	278.1	571.1	306.1	186.6	327.6
Codeshare	0.0	4.2	4.2	0.0	1.3	1.3
Ancillary revenue	144.3	63.6	137.7	76.0	35.5	73.7
Total revenue	**1,523.9**	**920.5**	**1,446.2**	**869.5**	**547.4**	**814.8**
Other operating income	**12.4**	**6.3**	**14.7**	**7.2**	**2.9**	**7.2**
Expenses for materials and services	−1,077.4	−669.1	−1,033.7	−599.4	−376.4	−554.3
thereof leasing expenses	176.5	104.9	168.8	93.0	58.5	91.3
Expenses for materials and services before leasing	**−900.9**	**−564.2**	**−864.9**	**−506.4**	**−317.9**	**−463.0**
Personnel expenses	**−213.8**	**−108.8**	**−193.8**	**−111.4**	**−57.4**	**−100.2**
Other operating expenses	**−248.2**	**−144.4**	**−248.3**	**−126.7**	**−71.0**	**−122.2**
Operating expenses before leasing and depreciation	**−1,362.9**	**−817.4**	**−1,307.0**	**−744.5**	**−446.3**	**−685.4**
EBITDAR	**173.4**	**109.4**	**153.9**	**132.2**	**104.0**	**136.6**
Leasing expenses	−176.5	−104.9	−168.8	−93.0	−58.5	−91.3
EBITDA	**−3.1**	**4.5**	**−14.9**	**39.2**	**45.5**	**45.3**
Depreciation and amortisation	−50.8	−41.8	−51.4	−25.4	−22.0	−26.6
EBIT	**−53.9**	**−37.3**	**−66.3**	**13.8**	**23.5**	**18.7**
Net financing costs	−21.1	−11.1	−14.6	−0.7	−3.6	−4.9
Share of profit (loss) of associates	0.0	0.2	1.5	0.0	0.2	0.3
Profit (loss) before tax	**−75.0**	**−48.2**	**−79.4**	**13.1**	**20.1**	**14.1**
Income tax benefit (expense)	24.2	18.9	19.0	−4.8	−8.0	−8.1
Profit (loss) for the period	**−50.8**	**−29.3**	**−60.4**	**8.3**	**12.1**	**6.0**

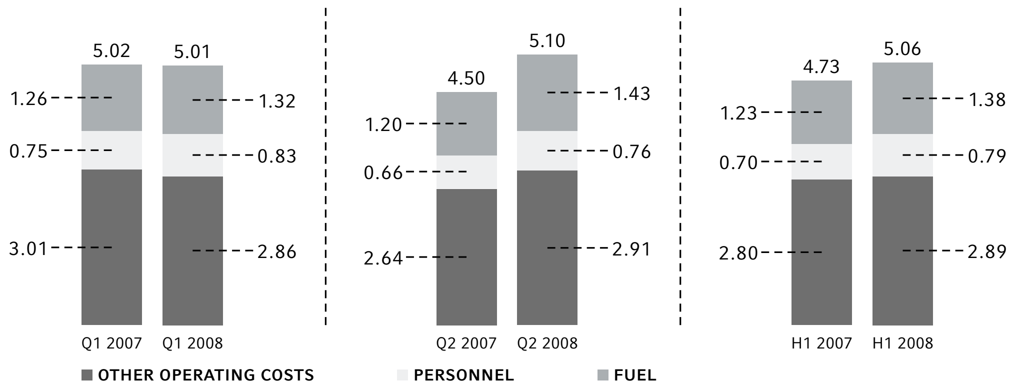
quarter. Other operating income came to EUR 12.4 million for the first half year after EUR 14.7 million in H1 2007 and was unchanged at EUR 7.2 million in the second quarter.

Operating profit (EBITDAR: earnings before interest, taxation, depreciation, amortisation and rent) for the first half of the year came in at EUR 173.4 million after EUR 153.9 million for the same period of the previous year. The figure for the quarter under review was EUR 132.2 million after EUR 136.6 million for Q2 2007. Transaction costs in the amount of EUR 3.1 Mio in connection with the originally planned purchase of Condor Flugdienst GmbH as well as one time investments in connection with the addition of flight destinations in China have burdened this quarter. The EBITDAR margin could nevertheless be increased from 10.6 percent to 11.4 percent year-on-year. In the second quarter this figure was 15.2 percent after 16.8 percent. The principal factor behind this overall satisfactory result was that the rise in expenses for materials and services excluding leases was limited to only single figures. Following a first-quarter decline in absolute terms, this item increased by a relatively minor 4.2 percent in the first half of the year.

Air Berlin systematically hedges fuel price risks to a large extent when doing so appears financially prudent. Hedging costs have, however, risen along with the latest unprecedented surge in aviation fuel prices. In addition, costs have naturally risen for the remaining unhedged portion of fuel demand. The relatively sharp increase in fuel costs in the second quarter (up 13.7 percent as against the previous year to EUR 208.6 million after EUR 183.4 million) was mainly responsible for the relatively large + 9.4 percent increase in expenses for materials and services excluding leases in the second quarter. Other operating expenses for the first half were nearly unchanged year-on-year. Personnel expenses rose substantially, up 10.3 percent from EUR 193.8 million to EUR 213.8 million for the half-year and 11.2 percent for the quarter from EUR 100.2 million to EUR 111.4 million. This mainly reflects the effect of this year's collective wage agreements and the larger headcount of 8,583 as at the end of the second quarter of 2008 as against 7,788 at the end of the previous year (including subsidiaries LTU and Belair). Despite spiking fuel prices, the increase in operating expenses excluding leases and depreciation was successfully limited to only 4.3 percent from EUR 1,307.0 million to EUR 1,362.9 million for the half-year and 8.6 percent from EUR 685.4 million to EUR 744.5 million for the quarter under review.

04) Interim Group Management Report

UNIT COSTS / ASK (IN € CENT) DIRECT OPERATING COSTS (EBITDAR-LEVEL)



Lease expenses rose 4.6 percent year-on-year to EUR 176.5 million from EUR 168.8 million for H1 2007 (Q2: up 1.9 percent to EUR 93.0 million after EUR 91.3 million). EBITDA thus improved to EUR – 3.1 million for the first half of the year after EUR – 14.9 million for H1 2007 (Q2: EUR 39.2 million after EUR 45.3 million). EBIT came to EUR – 53.9 million for the half-year after EUR – 66.3 million for H1 2007 and EUR 13.8 million for Q2 after EUR 18.7 million due to slightly lower depreciation and amortisation.

Net financing costs increased significantly to EUR – 21.1 million for the first half of the year from EUR – 14.6 million for H1 2007 due to exchange rate losses in the first quarter (Q2: EUR – 0.7 million after EUR – 4.9 million). A pre-tax loss of EUR – 75.0 million was thus posted for the first half of 2008 as against EUR – 79.4 million for H1 2007, and EUR 13.1 million for the quarter under review after EUR 14.1 million.

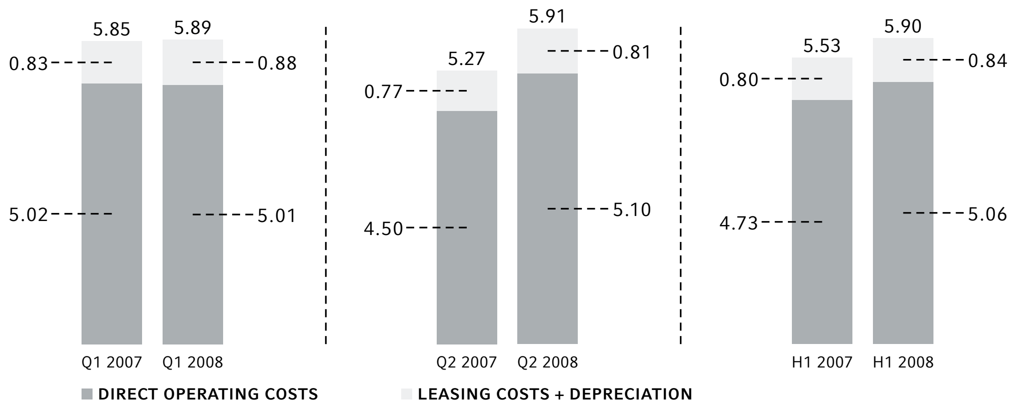
After positive taxes (mostly deferred) of EUR 24.2 million in the first half year of 2008 compared to EUR 19.0 million in the prior period, the net loss for the first half of 2008 was EUR –50.8 million after EUR – 60.4 million for H1 2007. A net profit of EUR 8.3 million was generated in the second quarter, a 38.3 percent increase as against the previous year's figure of EUR 6.0 million.

For the 2007 financial year, a net loss of EUR – 29.3 million was reported in the first six months and a net profit of EUR 12.1 million for the second quarter. Earnings per share – basic and diluted – for the first half of 2008 amounted to EUR – 0.77 after EUR – 0.47. Earnings per share for the second quarter amounted to EUR 0.13 after EUR 0.18 per share basic and diluted.

Financial position and net assets

The consolidated balance sheet as at the end of the second quarter of 2008 changed only minimally as against 31 December 2007. The 6.4 percent increase in total assets to EUR 2.68 billion primarily reflects the rise in the capitalised market value of derivatives. As these mainly represent current assets, the share of current assets increased by 2.1 percentage points to 36.8 percent of total assets. These changes largely reflect marking to market as at the reporting date. The effect of the decline in retained earnings on shareholders' equity was offset by this increase in the value of derivatives,

UNIT COSTS / ASK (IN € CENT)
TOTAL COSTS (EBIT-LEVEL)



changes in which are taken directly to equity. The equity ratio was 23.2 percent at the end of the second quarter, down only minimally as against the 23.6 percent reported at the end of the 2007 financial year. In absolute terms, equity increased 4.8 percent to EUR 622.8 million.

There was a slight change in the structure of liabilities: non-current liabilities were down over five percent due to the scheduled repayment of financial and lease liabilities. Under current liabilities, interest-bearing liabilities were down sharply by over 66 percent to EUR 41.3 million, offset by higher current lease liabilities as well as a seasonal increase in trade payables and advance payments received reflecting increased bookings in the holiday season. In total, current liabilities increased 19.8 percent to EUR 1.1 billion in line with seasonal expectations.

Net cash flow from operating activities after interest paid was EUR 9.9 million in the first half of the year. Negative operating cash flow of EUR –49.1 million in the first quarter, representing a seasonal effect, was offset by net cash inflows from operating activities of EUR 59.0 million in the second quarter. Before interest paid, operating cash flow for the second quarter came to EUR 71.2 million (EUR 28.0 million for the half year after EUR –43.2 million in the first quarter). Cash outflows for investments of EUR 91.5 million in the first six months of the year mainly related to aircraft. Cash flow from financing activities came to EUR –76.7 million, which represents the net repayment of non-current liabilities. Cash and cash equivalents decreased by EUR 158.3 million in the six-month period. Following cash outflows of EUR 181.4 million in the first quarter, a net inflow of EUR 23.1 million was recorded for the second quarter. At the end of the first half-year, cash and cash equivalents less bank overdrafts used for cash management purposes totalled EUR 302.6 million.

FORECAST REPORT AND OUTLOOK

Overall economic and industry situation

Overall economic prospects have dimmed significantly in relation to the situation discussed in the forecast report section of the 2007 annual report, as the economic drivers have since then lost momentum on a worldwide level. The primary causes for this are the still unresolved international financial markets crisis, record prices for commodities particularly crude oil, surging inflation and deteriorating consumer confidence around the world.

The IATA now sees the outlook for the air travel business worldwide as decidedly negative in view of sliding passenger volume growth rates, extreme oil price hikes and excessive airport charges burdening the industry. Air Berlin is responding to these adverse economic developments with a range of efficiency enhancement and cost management measures.

Business development

Air Berlin got off to a strong start in the financial year 2008, and the second quarter was also quite satisfactory considering the largely negative conditions facing the air carrier industry. In particular, the rise in costs was clearly limited compared to the rest of the sector, thereby visibly stabilising profitability. Implementation of the measures comprising the Jump programme, aimed at improving the Air Berlin Group's performance, is showing success in the cost structure as well as in earnings, with greater effect expected to be seen in the second half of the year. The Board of Directors estimates that the Jump programme will generate improvement potential of almost EUR 35 million in the current financial year.

Events in July indicate the accuracy of this assessment. Capacity was reduced 1.1 percent as against the previous year in line with planning through continued efforts to optimise the route network and aircraft fleet. Utilisation declined slightly from 83.6 to 83.3 percent on a 1.4 percent decline in passenger volume. However at the same time a significant performance improvement was achieved: Revenues per available seat-kilometre increased 14.6 percent in July 2008 to 5.86 euro cents after 5.11 euro cents for the same month of the previous year. A seven-month comparison shows that the Air Berlin Group transported 5.1 percent more passengers than in the same period of the previous year (16,403,054 after 15,615,031). Aircraft utilisation increased 2.5 percentage points to 78.1 percent from 75.6 percent.

Despite economic slowing, Air Berlin is still forecasting Group passenger volume to increase by a one-digit percentage in financial year 2008 as a whole. Also, capacity will continue to be adjusted as economic circumstances require. Long-haul routes will be affected in particular, unprofitable routes will be discontinued and network expansions delayed. Systematic efforts will continue to optimise the profitability of short and mid-range routes while moving the focus away from less profitable destinations. Air Berlin is still forecasting consolidated revenue of over EUR 3 billion for the financial year 2008 and a positive EBIT, thanks to the success of the broad package of general performance enhancement measures implemented. These projections are based on the current demand situation, advance bookings and price adjustments in reaction to rising fuel costs.

OPPORTUNITIES AND RISKS

Industry risks

The risks discussed in the section on opportunities and risks in the 2007 annual report continue to apply to the air travel and transport industry in general and low-cost carriers in particular. Price competition still poses a significant risk to the further business development in the second half of the year, which is especially bitter among low-cost carriers. The international air carrier industry as a whole is suffering from of a dramatic increase in fuel prices and slowing of the economic economy, negatively impacting the development of passenger volume and ticket prices.

Financial risks

The financial risks discussed in the 2007 annual report will for the most part continue to apply throughout the remaining six-month period of the present financial year. Air Berlin will be employing the same instruments outlined therein to effectively manage these risks. Exchange rates continue to pose a material ongoing financial risk, particularly related to fuel purchasing due to the high correlation between aviation fuel and crude oil prices, quoted in US dollars. Air Berlin hedges its entire currency risk exposure, and will continue to do so throughout the rest of the financial year.

The measures comprising the Jump initiative Air Berlin launched in mid-June are heightening efficiency across all areas of the company and significantly eliminating costs at all levels. This will absorb a significant portion of the financial risks arising through higher fuel prices in the current

2008 financial year. An anticipated amount of around EUR 88 million in additional fuel costs should be offset by cost-cutting measures yielding savings of nearly EUR 35 million in the second half of 2008.

Purchasing risks

Oil derivatives such as aviation fuel have become vastly more expensive over the last twelve months due to the sharp rise in the price of crude oil. Air Berlin engages in extensive hedging in order to counter uncertainty in price risks in connection with fuel purchasing, price movements being largely unpredictable. At the end of August 2008 the Air Berlin Group was nearly 90 percent hedged for the rest of 2008, quite a high rate for the industry. The strategy of systematic hedging has proven successful, as witnessed by the fact that aviation fuel costs only increased 9.6 percent year-on-year in the first half of 2008, whereas the price of aviation fuel nearly doubled within the same time period.

Events after the reporting date

9 July 2008: Following investigations lasting more than a year, the Stuttgart Office of the Public Prosecutor closed its insider trading investigation of Air Berlin Board of Directors Chairman Joachim Hunold, Supervisory Board Chairman Johannes Zurnieden and three other company executives citing a lack of evidence (section 170 (2) of the StPO – German Code of Criminal Procedure).

11 July 2008: Air Berlin PLC and Thomas Cook Group PLC notified the antitrust authorities of the withdrawal of Air Berlin's petition for approval to buy out Condor Flugdienst GmbH. The deal signed with Condor in September 2007 to buy out the company in a stock swap was rescinded by mutual consent. The two companies agreed to discuss the feasibility of alternative solutions. Both Air Berlin and Thomas Cook are interested in reviewing other options. In a letter to the antitrust authorities the parties cited the considerable changes in the economic environment since the agreement was signed as the reason for the petition being withdrawn.

14 July 2008: Air Berlin received approval from Germany's Federal Office of Civil Aviation to conduct test landings for the satellite navigation system entitled GBAS (Ground-based Augmentation System). The GBAS system has been installed in addition the established ILS Instrument Landing System on the new Boeing 737NGs delivered to the Air Berlin Group since June 2007. GBAS test landings are planned for the GBAS-equipped ground stations in Bremen and Malaga with both systems to be employed in parallel. GBAS ground stations are less expensive to buy and maintain than ILS, affording more precise and effective landing navigation. The improved airspace capacity utilisation thus achieved over airports and approach routes will mean reduced fuel consumption and noise. At this time, GBAS is used principally in the US. Air Berlin is the only European airline using this technology.

18 July 2008: The Group disposed of 65 percent of its share in the subsidiary Blitz 07-582 GmbH. In future periods the company will no longer included in the basis of consolidation and instead will be shown as a 35 percent investment in associates. Net proceeds from the sale of the subsidiary amounted to EUR 18, and no gain or loss was realised on the sale.

At the same time the share capital of the 35 percent associate was increased to EUR 1,100, of which EUR 385 is Air Berlin's share, and the articles of incorporation were completely revised. Blitz 07-582 GmbH was renamed to THBG BBI GmbH, whose purpose is the organisation, operation, maintenance and administration of a fuel station, a hydrant system and the transport of aircraft fuel at the airport BBI Schönefeld.

31 Juli 2008: The Group disposed of two A319 aircraft for net proceeds of EUR 49,435 and a gain on sale of fixed assets of EUR 5,343. The Group will lease the aircraft for a further 10.5 years under a leasing agreement which qualifies as an operating lease.

CONFIRMATION BY THE COMPANY'S MANAGEMENT

We confirm that, to the best of our knowledge, 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 the group management report gives a true and fair view of business performance including the results of operations and the situation of the Group, and describes the main opportunities and risks and anticipated development of the Group in accordance with applicable financial framework for interim financial reporting.

Berlin, 27 August 2008
Air Berlin PLC
Executive Directors

06) Financial Statements

Air Berlin PLC

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

for the period ended 30 June 2008

	1/08 – 6/08	1/07 – 6/07	**4/08 – 6/08**	4/07 – 6/07
	€ 000	€ 000	€ 000	€ 000
Revenue	1,523,928	920,499	**869,468**	547,410
Other operating income	12,387	6,322	**7,164**	2,860
Expenses for materials and services	(1,077,471)	(669,052)	**(599,385)**	(376,368)
Personnel expenses	(213,797)	(108,825)	**(111,353)**	(57,394)
Depreciation and amortisation	(50,779)	(41,810)	**(25,415)**	(22,068)
Other operating expenses	(248,184)	(144,397)	**(126,672)**	(70,965)
Operating expenses	(1,590,231)	(964,084)	**(862,825)**	(526,795)
Result from operating activities	(53,916)	(37,263)	**13,807**	23,475
Financial expenses	(25,212)	(20,810)	**(12,990)**	(11,567)
Financial income	6,623	5,734	**3,045**	3,656
Foreign exchange gains (losses), net	(2,455)	3,903	**9,292**	4,297
Net financing costs	(21,044)	(11,173)	**(653)**	(3,614)
Share of (loss) profit of associates, net of tax	(33)	239	**(33)**	239
Profit (loss) before tax	(74,993)	(48,197)	**13,121**	20,100
Income tax benefit	24,230	18,928	**(4,860)**	(8,025)
Profit (loss) for the period – all attributable to equity holders of the Company	(50,763)	(29,269)	**8,261**	12,075
Basic earnings per share in €	(0.77)	(0.47)	**0.13**	0.18
Diluted earnings per share in €	(0.77)	(0.47)	**0.13**	0.18

Air Berlin PLC

CONSOLIDATED BALANCE SHEET (UNAUDITED)

AS AT 30 JUNE 2008

	30/06/2008	31/12/2007
	€ 000	€ 000
Assets		
Non-current assets		
Intangible assets	**337,188**	339,220
Property, plant and equipment	**1,214,430**	1,201,214
Trade and other receivables, non-current	**125,791**	100,963
Positive market value of derivatives, non-current	**15,487**	2,077
Investments in associates	**771**	935
Non-current assets	**1,693,667**	1,644,409
Current assets		
Inventories	**33,421**	30,825
Trade and other receivables, current	**387,217**	260,199
Positive market value of derivatives, current	**232,054**	84,362
Assets held for sale	**2,657**	0
Prepaid expenses	**25,594**	30,751
Cash and cash equivalents	**306,363**	468,658
Current assets	**987,306**	874,795
Total assets	**2,680,973**	2,519,204
Equity and liabilities		
Shareholders' equity		
Share capital	**16,502**	16,502
Share premium	**307,501**	307,501
Equity component of convertible bond	**27,431**	27,431
Other capital reserves	**217,056**	217,056
Retained earnings	**(18,676)**	31,889
Hedge accounting reserve, net of tax	**72,606**	(6,639)
Foreign currency translation reserve	**(299)**	(201)
Equity available to the shareholders of the Company	**622,121**	593,539
Minority interest	**629**	629
Total equity	**622,750**	594,168
Non-current liabilities		
Deferred tax liabilities	**19,920**	16,103
Liabilities due to bank from assignment of future lease payments	**481,773**	528,907
Interest-bearing liabilities	**302,400**	316,148
Pension liabilities	**1,940**	1,205
Non-current provisions	**10,621**	11,036
Trade and other payables, non-current	**14,370**	26,164
Negative market value of derivatives, non-current	**96,109**	81,610
Non-current liabilities	**927,133**	981,173
Current liabilities		
Liabilities due to bank from assignment of future lease payments	**99,462**	62,935
Interest-bearing liabilities	**41,345**	122,402
Current tax liabilities	**6,972**	5,611
Provisions	**1,509**	13,350
Trade and other payables, current	**522,747**	442,289
Negative market value of derivatives, current	**138,613**	81,960
Liabilities in connection with assets held for sale	**1,589**	0
Deferred income	**47,339**	48,079
Advanced payments received	**271,514**	167,237
Current liabilities	**1,131,090**	943,863
Total equity and liabilities	**2,680,973**	2,519,204

Air Berlin PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE PERIOD ENDED 30 JUNE 2008

	Share capital	Share premium	Equity component of convertible bond
	€ 000	€ 000	€ 000
Balances at 31 December 2006	**15,009**	**214,190**	**0**
Share based payment			
Hedge reserve, net of tax			
Net currency translation differences			
Net income recognised directly in equity	0	0	0
Loss for the period			
Total recognised income and expense for the period	0	0	0
Issue of ordinary shares	1,493	96,485	
Transaction cost, net of tax		(2,980)	
Issue of convertible bond			24,983
Transaction cost, net of tax			(711)
Balances at 30 June 2007	**16,502**	**307,695**	**24,272**
Balances at 31 December 2007	**16,502**	**307,501**	**27,431**
Share based payment			
Hedge reserve, net of tax			
Net currency translation differences			
Net income recognised directly in equity	0	0	0
Loss for the period			
Total recognised income and expense for the period	0	0	0
Balances at 30 June 2008	**16,502**	**307,501**	**27,431**

Other capital reserves	Retained earnings	Hedge accounting reserve, net of tax	Foreign currency translation reserve	Equity available to the shareholders of the Company	Minority interest	Total equity
€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000
217,056	**10,522**	**(18,930)**	**(22)**	**437,825**	**0**	**437,825**
	202			202		202
		12,747		12,747		12,747
			(11)	(11)		(11)
0	202	12,747	(11)	12,938	0	12,938
	(29,269)			(29,269)		(29,269)
0	(29,067)	12,747	(11)	(16,331)	0	(16,331)
				97,978		97,978
				(2,980)		(2,980)
				24,983		24,983
				(711)		(711)
217,056	**(18,545)**	**(6,183)**	**(33)**	**540,764**	**0**	**540,764**
217,056	**31,889**	**(6,639)**	**(201)**	**593,539**	**629**	**594,168**
	198			198		198
		79,245		79,245		79,245
			(98)	(98)		(98)
0	198	79,245	(98)	79,345	0	79,345
	(50,763)			(50,763)		(50,763)
0	(50,565)	79,245	(98)	28,582	0	28,582
217,056	**(18,676)**	**72,606**	**(299)**	**622,121**	**629**	**622,750**

06) Financial Statements

Air Berlin PLC

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE PERIOD ENDED 30 JUNE 2008

	30/06/2008	30/06/2007
	€ 000	€ 000
Loss for the period	(50,763)	(29,269)
Adjustments to reconcile profit or loss to cash flows from operating activities:		
Depreciation and amortisation of non-current assets	50,779	41,810
Loss (gain) on disposal of tangible and intangible assets	(851)	33
Loss (gain) on disposal of associates	(2,237)	0
Share based payments	198	202
(Increase) decrease in inventories	(2,598)	(4,019)
(Increase) decrease in trade accounts receivable	(58,209)	(41,972)
(Increase) decrease in other assets and prepaid expenses	(58,594)	(23,218)
Deferred tax (credit) / expense	(28,200)	(19,343)
Increase (decrease) in accrued liabilities and provisions	28,136	77,425
Increase (decrease) in trade accounts payable	191	5,375
Increase (decrease) in other current liabilities	137,443	76,900
Foreign exchange (gains) losses	2,455	(3,903)
Interest expense	24,968	23,209
Interest income	(6,623)	(5,734)
Income tax expense	3,970	415
Share of (profit) loss of associates	33	(239)
Changes in fair value of derivatives	(12,060)	(2,451)
Other non-cash changes	(97)	(11)
Cash generated from operations	27,941	95,210
Interest paid	(20,634)	(19,082)
Interest received	6,458	5,155
Income taxes received (paid)	(3,885)	(68)
Net cash flows from operating activities	9,880	81,215
Purchases of tangible and intangible assets	(65,519)	(157,505)
Acquisition of subsidiary, net of cash	(584)	(142,187)
Proceeds from sale of subsidiary, net of cash	(412)	0
Advanced payments for non-current items	(34,338)	(33,091)
Proceeds from sale of tangible and intangible assets	6,861	40,553
Advanced receipts for sale of tangible assets, repaid in 2007	0	(40,000)
Dividends received from associates	211	279
Proceeds from sale of associate	2,283	0
Cash flow from investing activities	(91,498)	(331,951)
Principal payments on interest-bearing liabilities	(143,712)	(47,013)
Proceeds from interest-bearing liabilities	66,977	126,716
Issue of ordinary shares	0	97,978
Transaction costs related to issue of new shares	0	(4,877)
Issue of convertible bonds	0	220,000
Transaction costs related to convertible bonds	0	(6,257)
Cash flow from financing activities	(76,735)	386,547
Change in cash and cash equivalents	(158,353)	135,811
Cash and cash equivalents at beginning of period	468,550	228,094
Reclassification to assets held for sale	(2,645)	0
Foreign exchange (gains) losses on cash balances	(4,949)	0
Cash and cash equivalents at end of period	302,603	363,905
Thereof bank overdrafts used for cash management purposes	(3,760)	(110)
Thereof cash and cash equivalents in the balance sheet	306,363	364,015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2008

(Euro/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 2008 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 consolidated financial statements of the Group for the year ended 31 December 2007 are available at www.airberlin.com. The comparability is limited because LTU and Belair are not included in the prior year comparative figures for Q2/07.

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 not been audited or reviewed 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 2007.

3. SIGNIFICANT ACCOUNTING POLICIES

This interim report up to 30 June 2008 has been drawn up in accordance with the rules of IAS 34 and in compliance with the standards and interpretations applicable from 1 January 2008 as adopted by the EU. The Group has used the same accounting and valuation methods as for the consolidated financial statements for the year 2007.

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 2007.

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 2008 the Group had revenue of € 3,139,929 (twelve months ended 30 June 2007: € 1,870,905) and profit (loss) for the period of € −517 (twelve months ended 30 June 2007: € 11,767).

6. ACQUISITIONS AND DISPOSALS

LTU/Belair

The purchase price allocations for LTU and Belair are not yet finalised. There were no significant changes to the presentation in the Annual Report 2007. Further transaction costs amounting to € 175 for LTU and € 68 for Belair were incurred in the first six months of 2008 and have been included in the calculation of goodwill. In addition, the Company agreed upon a € 340 increase in the purchase price of Belair, of which € 85 has been settled and € 255 is shown under Trade and other payables in the balance sheet.

Condor

On 20 September 2007 Air Berlin PLC concluded an agreement with the Thomas Cook Group plc ("Thomas Cook"), in which Thomas Cook would transfer its shares in the airline Condor Flugdienst GmbH ("Condor") in a two-step acquisition by means of a share swap. Air Berlin would acquire 75.1 percent of the shares in Condor in February 2009 and the remaining 24.9 percent of the shares in February 2010 in return for newly issued shares of up to 29.99 percent in Air Berlin as well as a cash settlement – as necessary so that the total value would amount to between € 380,000 and € 475,000. The transaction was subject to the approval by the responsible cartel authorities. On 11 July 2008 the parties have agreed that the existing agreement would be terminated and informed the German

Bundeskartellamt (Federal Cartel Office) that they are withdrawing their current application for approval of the proposed acquisition. Discussions with Thomas Cook continue with respect to the feasibility of an alternative transaction.
Transaction costs of € 3,118 were incurred in connection with the acquisition and capitalised under Prepaid expenses in the Balance sheet at 31 March 2008, of which € 519 were incurred in 2008 and € 2,599 were already capitalised at 31 December 2007. The transaction costs have been fully recognised as expense in the second quarter of 2008.

DISPOSALS

With effect 1 January 2008 the Group, in connection with its concentration on its core business, disposed of 51 percent of its share in Buy.bye Touristik GmbH. The company is no longer included in the basis of consolidation, and instead is shown as a 49 percent investment in associates. No gain or loss was realised on the sale. The net proceeds from the sale of the subsidiary, less cash and cash equivalents of € 543, was € −412.
Also in connection with its concentration on its core business, the Group has disposed of its 24,8 percent share in its associate SCK DUS GmbH & Co. KG. Net proceeds from the sale of the associate amounted to € 2,283, and a gain of € 2,330 was realised on the sale.

NON-CURRENT ASSETS AND DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE

The Group has entered into a contract to dispose of 100 percent of its share in LTU Plus as of 1 July 2008. No gain or loss is expected on the sale. LTU Plus is not considered a separate cash generating unit, but qualifies as a disposal group. The assets and liabilities are shown under Assets held for sale or Liabilities in connection with assets held for sale in the balance sheet at 30 June 2008.

7. NON-CURRENT ASSETS

During the six months ended 30 June 2008 the Group acquired fixed assets with a cost of € 66,740 (six months ended 30 June 2007: € 168,279).
Assets with a carrying amount of € 4,774 were disposed of during the six months ended 30 June 2008 (six months ended 30 June 2007: € 2,344).

8. SHARE CAPITAL

Of Air Berlin's authorised share capital, 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 2008. Included in this amount are 177,600 treasury shares held by Air Berlin (through the Air Berlin Employee Share Trust).

9. REVENUE

See table on page 31.

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 been provided at 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.
All revenues derive nearly exclusively from the principal activity as an airline and include flights, commissions, technical services, in-flight and related sales. Since Air Berlin's aircraft fleet is employed across its scheduled destinations on an as needed basis, there is no proper basis of allocating such assets and related liabilities, income and expenses to geographical segments.

REVENUE

in thousands of Euro	1/08 – 6/08	1/07 – 6/07	**4/08 – 6/08**	4/07 – 6/07
Single-seat ticket sales	851,353	574,616	**487,437**	323,960
Bulk ticket sales to charter and package tour operators	528,270	278,053	**306,075**	186,566
Duty free	16,388	8,486	**9,295**	5,154
Ground and other services	127,917	59,344	**66,661**	31,730
	1,523,928	920,499	**869,468**	547,410

10. OTHER OPERATING INCOME

in thousands of Euro	1/08 – 6/08	1/07 – 6/07	**4/08 – 6/08**	4/07 – 6/07
Gain on disposal of fixed assets and associates	3,850	0	**3,850**	0
Income from services provided to Niki	412	322	**302**	179
Income from insurance claims	1,196	568	**803**	323
Other	6,929	5,432	**2,209**	2,358
	12,387	6,322	**7,164**	2,860

11. EXPENSES FOR MATERIALS AND SERVICES

in thousands of Euro	1/08 – 6/08	1/07 – 6/07	**4/08 – 6/08**	4/07 – 6/07
Fuel for aircraft	371,751	201,175	**208,646**	115,412
Catering costs and cost of materials for in-flight sales	58,689	31,116	**32,601**	18,018
Airport & handling charges	339,477	243,958	**193,736**	134,613
Operating leases for aircraft and equipment	176,535	104,904	**93,003**	58,426
Navigation charges	105,717	75,855	**58,869**	43,837
Other	25,302	12,044	**12,530**	6,062
	1,077,471	669,052	**599,385**	376,368

12. PERSONNEL EXPENSES

The aggregate payroll costs were as follows:

in thousands of Euro	1/08 – 6/08	1/07 – 6/07	**4/08 – 6/08**	4/07 – 6/07
Wages and salaries	179,085	92,663	**93,112**	49,236
Pension expense	13,443	7,065	**6,473**	3,787
Social security	21,269	9,097	**11,768**	4,371
	213,797	108,825	**111,353**	57,394

13. DEPRECIATION AND AMORTISATION

in thousands of Euro	1/08 – 6/08	1/07 – 6/07	**4/08 – 6/08**	4/07 – 6/07
Depreciation and amortisation	50,779	41,810	**25,415**	22,068

14. OTHER OPERATING EXPENSES

in thousands of Euro	1/08 – 6/08	1/07 – 6/07	**4/08 – 6/08**	4/07 – 6/07
Sales commissions paid to agencies	15,223	12,052	**7,560**	6,796
Repairs and maintenance of technical equipment	84,254	35,813	**42,609**	15,973
Advertising	30,905	23,540	**13,742**	10,348
Insurances	9,644	9,934	**4,842**	4,863
Hardware and software expenses	22,335	19,678	**12,246**	10,032
Bank charges	10,143	7,303	**6,480**	4,075
Travel expenses for cabin crews	15,421	6,309	**7,726**	3,677
Expenses for premises and vehicles	13,972	7,908	**7,419**	4,006
Losses from disposal of fixed assets	717	33	**663**	0
Training and other personnel costs	8,989	5,669	**4,352**	2,581
Phone and postage	2,511	2,084	**1,330**	982
Allowances for receivables	1,052	659	**595**	294
Auditing and consulting	12,324	2,599	**7,260**	1,184
Other	20,694	10,816	**9,848**	6,154
	248,184	144,397	**126,672**	70,965

15. FINANCIAL RESULT

in thousands of Euro	1/08 – 6/08	1/07 – 6/07	**4/08 – 6/08**	4/07 – 6/07
Financial expenses				
Interest paid on interest bearing liabilities	(24,968)	(20,109)	**(12,802)**	(11,349)
Other financing expenses	(244)	(701)	**(188)**	(218)
	(25,212)	(20,810)	**(12,990)**	(11,567)
Financial income				
Interest received on fixed deposits	5,010	5,585	**2,380**	3,562
Other	1,613	149	**665**	94
	6,623	5,734	**3,045**	3,656
Foreign exchange gains (losses), net	(2,455)	3,903	**9,292**	4,297
Total	(21,044)	(11,173)	**(653)**	(3,614)

Foreign exchange gains (losses) result from exchange rate differences at the settlement date or revaluation of interest-bearing liabilities and liabilities due to bank from assignment of future intra-group lease payments at the balance sheet date. Exchange rate differences 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 BENEFIT / DEFERRED TAX

Profit or loss before tax is primarily attributable to Germany. Income tax benefit is as follows:

in thousands of Euro	1/08 – 6/08	1/07 – 6/07	**4/08 – 6/08**	4/07 – 6/07
Current income taxes	(3,970)	(415)	**(1,270)**	(253)
Deferent income taxes	28,200	19,343	**(3,590)**	(7,772)
Total income tax benefit (expense)	24,230	18,928	**(4,860)**	(8,025)

17. RELATED PARTY TRANSACTIONS

The Group has related party relationships with its Directors and associates.
One of the Executive Directors of the Group controls a voting share of 3.15 percent of Air Berlin.
The Chairman of the Board, also a shareholder of the Company with a voting share of 1.52 percent, is the main shareholder of Phoenix Reisen GmbH. The Group had revenues from ticket sales with Phoenix Reisen GmbH during the first six months of 2008 of € 7,578 (2007: € 5,327). At 30 June 2008 € 673 (2007: € 1,000) are included in the balance sheet in trade receivables.
During the six-month period ended 30 June 2008 associates purchased or delivered goods and services as follows:

in thousands of Euro	**30/06/2008**	30/06/2007
IBERO-Tours		
Revenues from ticket sales	**0**	326
Trade receivables	**0**	98
Expenses for services	**640**	433
Trade payables	**0**	0
SCK DUS GmbH & Co. KG		
Revenues	**2**	0
Trade receivables	**1**	0
Catering expenses	**7,073**	8,585
Trade payables	**1**	317
Accrued liabilities	**0**	0
Buy.bye Touristik (Binoli)		
Other current assets	**250**	0
Lee & Lex Flugzeugvermietung GmbH		
Trade and other receivables, non-current	**1,357**	1,529
Niki Luftfahrt GmbH		
Other income from administrative services	**422**	322
Other current assets	**14,077**	10,431

Other receivables from Lee & Lex Flugzeugvermietung GmbH (“Lee & Lex”) relate to a loan receivable of € 607 and a partial debenture of € 750 (30 debentures at € 25 each). The Group disposed of its investment in SCK DUS GmbH & Co. KG in the second quarter of 2008 (see Note 6 above).
Transactions with associates are priced on an arm’s length basis.

18. CAPITAL COMMITMENTS

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

Date of contract	Supplier	Number of aircraft ordered	Type of aircraft	Delivery dates	Delivered Jan. to Jun. 2007	Delivered Jan. to Jun. 2008	Deliveries outstanding at 30 Jun. 2008	Thereof Jul. 2008 – Dec. 2008
2004	Airbus	60	A 320/319/321	2005 – 2012	7	2	34	7
2006 – 2007	Boeing	100	B 737-700/800	2007 – 2014	0	1	98	7
7/2007	Boeing	25	B 787	2013 – 2017	0	0	25	0
10/2007	Bombardier	10	Q 400	2008 – 2009	0	0	10	4

19. SUBSEQUENT EVENTS

Sale and leaseback of aircraft

On 31 July 2008 the Group disposed of two A319 aircraft for net proceeds of € 49,435 and a gain on sale of fixed assets of € 5,343. The Group will lease the aircraft for a further 10.5 years under a leasing agreement which qualifies as an operating lease.

Sale of associate

On 18 July 2008 the Group disposed of 65 percent of its share in the subsidiary Blitz 07-582 GmbH. In future periods the company will no longer included in the basis of consolidation and instead will be shown as a 35 percent investment in associates. Net proceeds from the sale of the subsidiary amounted to € 18, and no gain or loss was realised on the sale.
At the same time the share capital of the 35 percent associate was increased to € 1,100, of which € 385 is Air Berlin's share, and the articles of incorporation were completely revised. Blitz 07-582 GmbH was renamed to THBG BBI GmbH, whose purpose is the organisation, operation, maintenance and administration of a fuel station, a hydrant system and the transport of aircraft fuel at the airport BBI Schönefeld.

20. EXECUTIVE BOARD OF DIRECTORS

Executive directors

Joachim Hunold	Chief Executive Officer
Ulf Hüttmeyer	Chief Financial Officer
Karl Lotz	Chief Operating Officer
Elke Schütt	Chief Commercial Officer
Wolfgang Kurth	Chief Maintenance Officer

07) Appendix

FINANCIAL CALENDAR

Publication of Interim Report as of 30 June 2008	28 August 2008
Analysts & Investors Conference Call	
Traffic figures AUGUST	05 September 2008
Traffic figures SEPTEMBER	07 October 2008
Traffic figures OCTOBER	06 November 2008
Publication of Interim Report as of 30 September 2008	27 November 2008
Analysts & Investors Conference Call	
Traffic figures NOVEMBER	08 December 2008

PUBLICATION DATA

REGISTERED OFFICE
The Hour House, 32 High Street,
Rickmansworth, WD3 1ER Herts,
Großbritannien

INVESTOR RELATIONS MANAGER
Dr. Ingolf T. Hegner
Head of Investor Relations
Saatwinkler Damm 42–43
13627 Berlin, Germany
E-Mail: ihegner@airberlin.com

OUTSIDE CONSULTANTS
Registrar
Registrar Services GmbH
Postfach 60630
Frankfurt am Main
Büro: Frankfurter Strasse 84–90a,
65760 Eschborn, Germany

Auditors
KPMG Audit Plc
Birmingham
2 Cornwall Street
Birmingham B3 2DL
Großbritannien

Legal counsel
Freshfields Bruckhaus Deringer
Bockenheimer Anlage 44
60322 Frankfurt am Main
Germany

CONCEPTION, GRAPHIC DESIGN, TEXT
Strichpunkt GmbH, Stuttgart
www.strichpunkt-design.de

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