INTERIM FINANCIAL REPORT FOR THE FIRST THREE MONTHS OF THE FINANCIAL YEAR 2010

KEY FINANCIAL FIGURES

	Q1 2010	Q1 2009 pro forma*)	Q1 2009 reported
Revenues (EURm)	**690.9**	714.2	661.2
thereof: ticket sales (EURm)	**628.1**	642.7	595.9
EBITDAR (EURm)	**44.1**	30.2	27.1
EBIT (EURm)	**(98.6)**	(107.6)	(87.3)
Consolidated loss for the period (EURm)	**(93.6)**	(108.9)	(88.4)
Net Cash generated from operations (EURm)	**41.1**	n.a.	60.0
Earnings per share (EUR; undiluted)	**(1.10)**	n.a.	(1.35)
Net Operating Cashflow per share (EUR)	**0.65**	n.a.	0.91
Total assets (EURm)	**2,550.0**	n.a.	2,517.3
Employees (31 March)	**8,519**	n.a.	8,159

*) Air Berlin Group including TUIfly City Carrier Business; n.a.: not available

DISCLAIMER – RESERVATION REGARDING FORWARD-LOOKING STATEMENTS

This interim financial 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 has, as evidenced by our results for the first quarter, made a good start to the new year despite some adversity. The beginning of the year was marked by one thing in particular: the long, cold, snowy winter. For airlines, and for us as well, snow and ice mean, above all, high additional costs. The driving snow prolongs flight times, which increases fuel consumption, the wings must be de-iced more often, the aircraft are on the ground longer and heated with external units, along with many other effects. Air Berlin experienced a harsh winter, as a result of which, additional costs in the two digit million Euro range were incurred.

With reference to the pro forma consolidated income statement (page 16) the operational results as well as net results have improved. This is partially attributable to the lower price of jet fuel but especially to cost cutting measures over the last two years. We will continue to pursue these measures during the current financial year. Furthermore, we are continuing to expand our market position. We plan to extend our services in the current financial year by introducing numerous new routes and higher frequencies to attractive destinations. Ultimately, overall economic conditions have brightened and general market risks have become more manageable.

However, these remain turbulent times, as shown by the latest spectacular developments relating to the euro and the eruption of Eyjafjallajökull on Iceland, which has wreaked havoc with flight schedules more than once. At this point, I would like to apologise to all our passengers for any inconvenience they may have experienced as a result of this.

Based on our expectations that we will experience a noticeable increase in passenger numbers over the 30-million mark, we are optimistic that EBIT for 2010 will surpass the previous year's figure. This is however based on the assumption of a normal operation, one that is not affected by volcanic ash clouds.

Berlin, May 2010

J. Hunold

Joachim Hunold
Chief Executive Officer

THE AIR BERLIN SHARE

Shares in Air Berlin PLC developed largely in line with the general market trend in the first quarter of 2010, with no major deviations in relation to either the German small caps index (SDAX) or the Dow Jones STOXX sector index for airlines. This development then continued when the markets entered a consolidation phase from the second half of April owing to the escalation of debt problems in the Eurozone.

Shares in European airlines, and therefore shares in Air Berlin, came under additional pressure during this period as a result of the cancellation of flights caused by the ash cloud from Eyjafjallajokull in Iceland.

Air Berlin shares began the year at EUR 3.97 and reached their highest price of EUR 4.47 on 19 January. At the end of the quarter, the shares were trading five per cent higher at EUR 4.17. These figures relate to the respective daily closing prices.

As at the end of the first three months of 2010, Air Berlin was being tracked by a total of 13 research institutes and brokers. Five analysts recommended buying the share, while five recommendations were for “hold” or “neutral” (“equal weight”). Only three institutions gave a ‘sell’ recommendation.

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.

Major Shareholders of Air Berlin PLC as of 31 March 2010

ESAS Holding A.S.	16.48 %
Leibniz-Service GmbH / TUI Travel PLC	7.90 %
Hans-Joachim Knieps	7.39 %
Reidun Lundgren (Metolius Foundation, Ringerike GmbH & Co. Luftfahrtbeteiligungs KG)	5.97 %
Werner Huehn	3.82 %
JP Morgan Chase & Co.	3.70 %
Rudolf Schulte	2.93 %
Severin Schulte	2.93 %
Joachim Hunold (CEO Air Berlin PLC)	2.64 %
Moab Investments Ltd.	2.39 %
Johannes Zurnieden (Chairman Air Berlin PLC)	1.58 %
Heinz-Peter Schlüter	1.40 %

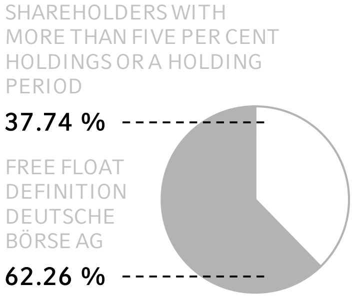
Shareholder structure by nationality as of 31 March 2010

Germany	71.71 %
Turkey	16.48 %
Switzerland	5.80 %
United Kingdom	3.18 %
USA	1.25 %
Austria	1.39 %
Others	0.19 %
Free float according to the standards of Deutsche Börse	62.26 %

Distribution of share capital as of 31 March 2010

Private stock owners	38.16 %
Insurance companies, investment companies and banks	44.99 %
Other institutional investors and companies	16.85 %

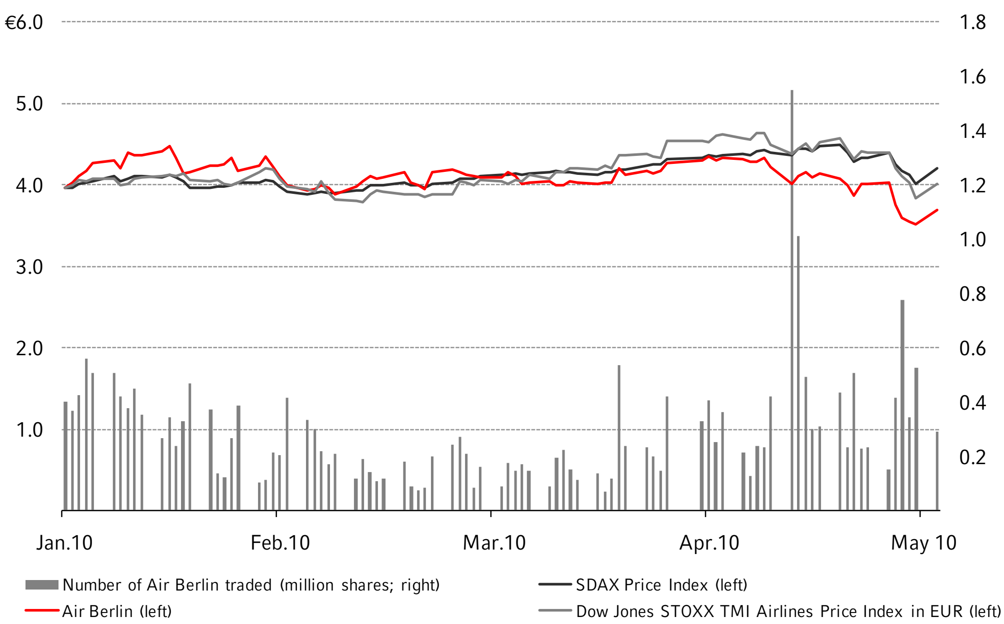
01) The Air Berlin Share



SHAREHOLDER STRUCTURE AT AIR BERLIN PLC ON 31 MARCH 2010

.

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



Source: Reuters

01) The Air Berlin share

The Air Berlin PLC share in the first three months 2010

Share capital:	EUR 21,306,549 and GBP 50,000
Total number of issued and fully paid shares as of 31 March 2010:	85,226,196
Class:	Individual share certificates
Nominal value:	EUR 0.25
Bloomberg symbol:	AB1 GR / AB GY
Reuters symbol:	AB1.DE
ISIN:	GB00B128C026
WKN:	AB1000
Accounting standard:	IAS/IFRS

Market data 3M 2010

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 as of 31 March 2010:	EUR 355.4 million
Free Float according to Deutsche Börse AG as of 31 March 2010:	62.26 per cent
Capitalisation of free float as of 31 March 2010:	EUR 221.3 million
Average trading volume Q1 2010 (Xetra / Total market):	210,238 / 242,024 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, Germany.
- "Class A" shares have also been issued.

INTERIM MANAGEMENT REPORT

GENERAL CONDITIONS

Global economy

In the last few months, there has been a gradual improvement in assessments regarding the development of the global economy. In its spring forecast, the International Monetary Fund (IMF) assumes global economic growth of 4.2 per cent, an increase of 0.3 percentage points on previous forecasts. Among industrialised nations, the US economy is to take the lead with growth of 3.1 per cent. For Germany, however, the IMF has revised its growth forecast downwards by 0.3 percentage points to 1.2 per cent. In the Eurozone as a whole, economic growth expectations remain unchanged at 1.0 per cent. Emerging countries are once again driving the global economy: while industrialised nations are expected to record overall growth of 2.3 per cent, emerging countries are expected to grow by 6.3 per cent.

The institutes ifo (Germany), INSEE (France) and ISAE (Italy) are similarly cautious regarding the Eurozone in their joint report. They forecast growth of only 0.2 per cent in the first quarter of 2010, 0.3 per cent in the second quarter and 0.2 per cent in the third quarter. The end of the stimulus provided by fiscal policy, restrictive lending by banks and high unemployment in the Eurozone represent the most important negative factors.

Despite continued risks, Germany's leading economic research institutes believe that the recovery in the German economy will progress in 2010. In their spring report, they predict growth in the gross domestic product of 1.5 per cent in real terms. In line with the typical trend in Germany, the economy will initially benefit from rising exports and then once again from domestic demand.

Air travel sector

According to the International Air Transport Association (IATA), the international air travel sector recorded strong growth in the first quarter of 2010 compared with the same quarter of the previous year – although using the low from the first quarter 2009 which was affected by the international financial crisis as the basis of comparison.

With an increase of just 1.6 per cent in the available seat kilometres (ASK), the seat kilometres sold (RPK) rose by 8.6 per cent, leading to an increase in utilisation to a seat-load factor of 76.6 per cent. In the same quarter of the previous year, it had dropped to 71.6 per cent. Development has accelerated during the first quarter of this year, as shown by the figures for March. In particular, utilisation has risen to a record level of 78.0 per cent, according to the IATA.

As in 2009, development varied considerably in the individual regions during the quarter under review. While the Middle East once again achieved growth that was well above average, with an increase in RPK of 25 per cent, the growth of 4.3 per cent seen in Europe was well below the worldwide average for the sector. However, with a further reduction in the available seat kilometres (ASK -0.6 per cent), utilisation also rose significantly in Europe from 71.3 per cent in the same quarter of the previous year to 75.7 per cent in the quarter under review.

KEY EVENTS IN THE QUARTER UNDER REVIEW

Air Berlin PLC and Air Berlin PLC & Co. Luftverkehrs KG agreed in a contract with the Private Lauda Foundation (Privatstiftung Lauda) in February that Air Berlin PLC & Co. Luftverkehrs KG will indirectly acquire 25.9 per cent of the shares of NIKI Luftfahrt GmbH and thereby increase its participation in NIKI Luftfahrt GmbH from 24.0 per cent to 49.9 per cent. A purchase price of EUR 21.0 million was agreed. In conjunction with the increase of its shareholding, Air Berlin PLC & Co. Luftverkehrs KG will grant the Private Lauda Foundation (Privatstiftung Lauda) a loan of EUR 40.5 million. The Private Lauda Foundation has the option to settle the loan in three years in cash or by transferring the remaining 50.1 per cent. Andreas Nikolaus (Niki) Lauda will remain available to NIKI Luftfahrt GmbH for at least another three years. From the date of closing, NIKI Luftfahrt GmbH will be fully consolidated within the Air Berlin Group. It will remain a legally independent company with its own management. The NIKI name is also to be retained in the foreseeable future.

At the beginning of the year, Air Berlin announced a series of contracts for engine maintenance with SR Technics, one of the world's leading independent providers of technical services in the civil aviation industry. The SR Technics Group, which is headquartered at Zurich airport, will take on the maintenance of a substantial proportion of the engines in Air Berlin's fleet during the ten-year contract term. The agreement also includes an off-balance sheet financing agreement with the parent company of SR Technics, Mubadala Development Company, for up to twelve spare engines valued at approximately USD 100 million. SR Technics will also be responsible for the maintenance of these engines.

The cooperation with SR Technics will enable Air Berlin to achieve significant savings through more streamlined and efficient workflow, giving it better cost control. Moreover, Air Berlin is the first European airline, which through such an off-balance sheet financing arrangement, has been able to gain direct access to this source of financing and can, as a result, noticeably reduce net debt and associated tied-up capital for its engine pool. This will allow savings of tens of millions of US dollars over the term of the contract.

As part of the optimisation of its aircraft fleet, particularly its ongoing fleet renewal, Air Berlin entered into several extensive agreements with renowned partners in the quarter under review. In light of the changed market and operating conditions, an agreement was reached with the aircraft manufacturer Boeing regarding the optimisation of the order book. The order for the Boeing 787 was reduced from 25 to 15 firm orders, while the number of options was reduced from ten to five. The reduction of the orders by ten aircraft represented an equivalent list price of approximately USD 1.7 billion as at mid-March 2010, the time at which the agreement was reached. In addition, it was agreed that an order for nine Boeing 737 aircraft will be postponed from 2010/11 to after 2015.

Air Berlin is to enter into a transaction with Jackson Square Aviation, LLC, an aircraft leasing company based in San Francisco, USA with respect to a total of eight aircraft. In accordance with this arrangement, Jackson Square will in 2010 acquire three Boeing 737-800 aircraft owned by Air Berlin and currently leased out. Financing was also secured for a further five aircraft in Air Berlin's fleet, in the form of sale and leaseback agreements. Air Berlin also is to sell four Airbus A320 aircraft from its own portfolio to the Canadian-based Lionhart Aviation Limited. The transactions with Jackson Square and Lionhart will provide a considerable reduction in Air Berlin's net debt.

Air Berlin has signed a purchase and leaseback agreement for three new Boeing 737-800 aircraft with MCAP Europe Limited, a member of the MCAP Group, with two such agreements concluded in mid-April 2010. The first delivery took place in January. The remaining aircraft are expected later in the year.

BUSINESS PERFORMANCE

Report on the operating development

The operating development of the Air Berlin Group is presented below on the basis of comparable figures (pro forma view). The previous year's figures include that full year's traffic figures for the TUIfly's city carrier business (as reported for this allotment by TUIfly). The city carrier business was acquired in autumn last year and included in the consolidated financial statements from 25 October 2009.

On this basis, the capacity (number of available seats) rose by 3.6 per cent to 8.8 million. The passenger volume (pax) grew by 2.4 per cent to 6,235,175 passengers (2009: 6,087,147). The utilisation (seat-load factor) fell slightly by 0.8 percentage points to 70.76 per cent.

As the proportion of short-haul and medium-haul flights with smaller aircraft was increased as part of route optimisation, the average route distance fell by 6.0 per cent and the average capacity per flight was reduced by 1.8 per cent. In line with the more frequent services on short-haul and medium-haul routes, the number of take-offs rose by 5.5 per cent year-on-year to 52,880. The number of flight hours also rose by 4.5 per cent. However, the number of available seat kilometres (ASK) was reduced by 2.62 per cent to 11.5 billion.

Against the backdrop of reduced long haul flights and the lower, weather influenced yields, the yield development for the booked flights in the first quarter of 2010 was satisfactory. Although flight revenue per passenger dropped by 4.6 per cent to EUR 100.73 in the quarter under review, compared with EUR 105.58 in the same quarter of the previous year, and total revenue per passenger fell by 5.6 per cent to EUR 110.81 compared with EUR 117.32, the total revenue per ASK was only slightly lower in the quarter under review at 6.01 eurocent compared with 6.05 eurocent, while the total revenue per passenger kilometre (RPK) remained unchanged at 8.5 eurocent.

Key operating figures for the first three months 2010 (pro forma)

	+/- per cent	Q1 2010	Q1 2009
Aircraft (as of 31 March)	+2.7	**150**	146
Flights	+5.50	**52,880**	50,121
Destinations	+6.5	**114**	107
Passengers ("Pax")	+2.43	**6,235,175**	6,087,147
Available seats (Capacity)	+3.58	**8,811,671**	8,506,715
Available seat-kilometres (millions; "ASK")	-2.62	**11,502**	11,811
Revenue passenger kilometres (millions; "RPK")	-3.68	**8,136**	8,447
Passenger load factor (per cent; Pax/capacity)	-0.8*	**70.76**	71.56
Number of block hours	+5.05	**101,927**	97,024

* percentage points

Fleet Air Berlin Group (proforma)

	Number end of Q1 2010	Number end of Q1 2009
A319	**16**	18
A320	**37**	31
A321	**8**	6
A330-200	**10**	10
A330-300	**3**	3
B737-300	**-**	2
B737-700	**27**	28
B737-800	**37**	39
B757	**2**	2
B767	**-**	1
Q400	**10**	6
Total	**150**	146

Report on results

The following report on results is presented on the basis of comparable figures, i.e. the previous year's figures have been adjusted for the activities of TUIfly's city carrier business, which has been taken into account in the consolidated financial statements from 25 October 2009 (pro forma comparison). In the table on page 20, the figures for the quarter under review are compared with the previous year's figures on a pro forma basis with the figures as originally reported.

Consolidated revenue fell by 3.3 per cent year-on-year to EUR 690.9 million in the first quarter of 2010, compared with EUR 714.2 million. Flight revenue (charter flights plus single-seat tickets) decreased by 2.3 per cent from EUR 642.8 million to EUR 628.1 million. Charter revenue was down 10.1 per cent at EUR 209.4 million in the quarter under review (EUR 232.9 million). In contrast, revenue from single-seat ticket sales increased by 2.1 per cent from EUR 409.9 million to EUR 418.9 million.

In the quarter under review, revenue from ground and other services declined from EUR 61.8 million to EUR 55.9 million. Revenue from in-flight sales fell by 28.3 per cent from EUR 9.6 million to EUR 6.9 million, owing to streamlining the long-haul route network. Other operating income fell by 16.0 per cent from EUR 4.9 million to EUR 4.1 million. Total operating performance in the first quarter of the current financial year thus amounted to EUR 695.0 million, compared with EUR 719.1 million in the same period of the previous year.

A slightly higher reduction of 4.0 per cent was achieved in operating expenses, which fell from EUR 826.7 million in the same period of the previous year to EUR 793.6 million in the quarter under review. This was mainly due to the sharp drop of 22.1 per cent in fuel costs, which amounted to EUR 148.6 million in the quarter under review, compared with EUR 190.8 million in the previous year.

Within expenses for material and services, which registered an overall drop of 5.9 per cent from EUR 569.4 million to EUR 535.8 million, there was also higher reduction in expenses for in-flight catering, which fell by 5.5 per cent. As with revenue from in-flight sales, this was due to streamlining the long-haul route network. Conversely, owing to increased use of leased aircraft, the related expenses increased by 5.5 per cent from EUR 111.0 million to EUR 117.1 million.

The cold winter led to a significant increase in expenses, both on the ground and in the air. Longer waiting times caused by delays in processing required, among others, increased use of external heating units for jet fuel and cabins, while high de-icing costs were incurred as a result of the severe cold. In particular, the adverse visibility conditions caused by the unusually large quantities of snow lengthened the average flight duration by eight minutes. This not only led to higher jet fuel consumption and thus higher costs per flight; the cold and snowy winter also had a negative impact on other cost ratios (per ASK, RPK etc.).

This affected several expense items, both in expenses for materials and in other operating expenses. The total additional costs brought about by the cold winter amounted to approximately EUR 28 million. Without the optimisation of the route network, which had already had a positive overall effect in 2009, the material expenses ratio would have been noticeably less favourable.

At EUR 113.1 million, personnel costs were up 3.3 per cent in the quarter under review as compared with the previous year (EUR 109.5 million). In contrast to leasing expenses, depreciation and amortisation fell by 4.4 per cent to EUR 25.6 million. Despite the effects of the weather, other operating expenses were reduced slightly from EUR 121.0 million to EUR 119.1 million.

The operating profit before depreciation, amortisation and leasing expenses (EBITDAR) amounted to EUR 44.1 million in the quarter under review, compared with EUR 30.2 million in the same quarter of the previous year. This corresponds to an increase of 46.0 per cent. With the aforementioned increase of 5.6 per cent in leasing expenses, the EBITDA improved from EUR -80.8 million to EUR -73.0 million. EBIT improved by 8.4 per cent from EUR -107.6 million to EUR -98.6 million.

At EUR -32.9 million, the financial result for the first quarter of 2010 decreased by 4.8 per cent against the previous year's figure (EUR -31.4 million). Earnings before tax improved by 7.7 per cent from EUR -139.0 million to EUR -128.3 million in the quarter under review, including the profit share of associates (EUR 3.3 million following EUR 0.0 million).

The net result for the quarter under review was EUR -93.6 million compared with EUR -108.9 million in the same period of the previous year, following tax revenue of EUR 34.7 million (2009: EUR 30.1 million).

Earnings per share for the first quarter were therefore EUR -1.10 (basic and diluted), compared with EUR -1.35 (basic and diluted) as originally reported in the previous year.

Pro forma consolidated income statement

In EUR million	reported 1/10-3/10	pro forma 1/09-3/09	reported 1/09-3/09
Single-seat ticket sales	418.7	409.9	363.5
Charter sales	209.4	232.9	232.5
Codeshare	6.9	9.6	6.5
Ancillary revenues	55.9	61.8	58.7
Total revenue	**690.9**	**714.2**	**661.2**
Other operating income	**4.1**	**4.9**	**4.2**
Expenses for materials and services	(535.8)	(569.4)	(504.0)
thereof leasing expenses	(117.1)	(111.0)	(87.7)
Expenses for materials and services before leasing	**(418.7)**	**(458.4)**	**(416.3)**
Personnel expenses	**(113.1)**	**(109.5)**	**(107.7)**
Other operating expenses	**(119.1)**	**(121.0)**	**(114.3)**
Operating expenses before leasing and depreciation	**(650.9)**	**(688.9)**	**(638.3)**
EBITDAR	**44.1**	**30.2**	**27.1**
Leasing expenses	(117.1)	(111.0)	(87.7)
EBITDA	**(73.0)**	**(80.8)**	**(60.6)**
Depreciation and amortisation	(25.6)	(26.8)	(26.7)
EBIT	**(98.6)**	**(107.6)**	**(87.3)**
Net financing costs	(32.9)	(31.4)	(31.3)
Share of profit of associates	3.2	0.0	0.0
Loss before tax	**(128.3)**	**(139.0)**	**(118,6)**
Income tax benefit (expense)	34.7	30.1	30.2
Loss for the period	**(93.6)**	**(108.9)**	**(88.4)**

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

The following analysis compares the balance sheet values reported on the respective reporting dates. The consolidated statement of financial position at the end of the first three months of the 2010 financial year was extended by 5.7 per cent to EUR 2,550.0 million compared with the balance sheet date of 31 December 2009. Non-current assets totalled EUR 1,500.2 million, down 8.7 per cent on the 2009 balance sheet date. The main cause of this reduction was the decision made towards the end of the quarter under review to sell eight aircraft (four Airbus A320, three Boeing 737-800 and one Airbus A319).

As the related transactions had not yet been concluded at the time of publication of this interim financial report, the carrying amounts of the aircraft (EUR 190.0 million) were transferred from property, plant and equipment to non-current assets held for sale within current assets (see Note No. 6). Accordingly, there was a substantial increase of 36.6 per cent in current assets. Without this transfer, non-current assets – largely due to deferred tax assets and higher non-current receivables – would have risen slightly by 2.9 per cent and current assets would have increased by 11.8 per cent owing to higher trade receivables and higher market values of derivatives. Cash and cash equivalents increased slightly compared with the 2009 balance sheet date, rising from EUR 373.2 million to EUR 374.8 million at the end of the quarter.

As is not unusual in the first quarter of a financial year, equity declined by EUR 71.8 million or 11.8 per cent from EUR 610.0 million to EUR 538.2 million, driven by income. A higher fair value for hedging instruments had a positive impact. As at 31 March 2010, the equity ratio was 21.1 per cent following 25.3 per cent at the end of the 2009 financial year.

Non-current liabilities fell by 13.2 per cent compared with the end of 2009 from EUR 978.4 million to EUR 849.2 million. This decline was also largely due to the planned sale of aircraft, as their non-current share in liabilities due to banks from assignment of future lease payments was transferred to current liabilities due to banks from assignment of future lease payments. In addition, the long-term negative market value of derivatives was virtually halved to EUR 36.8 million.

Current liabilities include the transferred assignment of future lease payments amounting to EUR 133.8 million, which were used to finance the aircraft to be sold. These liabilities wil be repaid in connection with the sale of the aircraft. Without this process, current liabilities would have risen by 25.0 per cent, largely owing to the much higher advance payments received, as is typical for the season, in connection with the accumulation of bookings for the summer flight schedule. At EUR 485.7 million at the end of the quarter, these were up EUR 198.2 million or 68.9 per cent on the end of 2009. The overall increase in current liabilities was 41.2 per cent from EUR 823.1 million to EUR 1,162.6 million.

Net cash flow from operating activities after interest and taxes paid/received amounted to EUR 41.1 million in the first quarter of the current financial year, after EUR 60.0 million in the same period of the previous year. In line with seasonal trends, most of the operating cash inflow involved an increase in other current liabilities in connection with the above-mentioned bookings for the summer flight schedule.

Cash flow from investing activities totalled EUR -14.6 million over the quarter, as compared with EUR -39.6 million in the previous year. The investments and advance payments made, essentially to maintain the portfolio, in the amount of EUR -14.9 million (2009: EUR -47.9 million) stood in contrast to only a low income from the sale of non-current assets amounting to EUR 0.3 million (2009: EUR 8.3 million).

Cash flow from financing activities amounted to EUR -28.8 million, following EUR 9.9 million in the same period of the previous year. Only interest-bearing liabilities were repaid in the quarter under review, while in net terms loans had been taken up in the same quarter of the previous year. At EUR 373.0 million, total liquidity holdings at the end of the first three months of 2010 were virtually unchanged compared with the end of 2009, when they amounted to EUR 372.0 million.

EMPLOYEES

At the end of the first quarter, the Air Berlin Group employed 8,519 staff, compared with 8,159 at the end of the corresponding quarter of the previous year. Expressed in terms of full-time equivalents (FTE), the figure rose from 7,003.1 to 7,303.7. 8,391 employees (2009: 3,615) were ground staff and 4,628 (2009: 4,544) were flying crew. The flying crew consisted of 3,278 cabin crew and 1,341 cockpit crew (2009: 3,187 and 1,357, respectively). As at 31 March 2010, there were 108 young people in training at Air Berlin (2009: 83).

OPPORTUNITIES AND RISKS

Industry risks

The risks discussed in the section on opportunities and risks in the 2009 Annual Report continue to apply to the aviation industry in general and remain particularly relevant for low-cost carriers.

New and very substantial risks to the entire sector in the form of loss of revenue and associated risks to the liquidity of individual companies lie in flight cancellations owing to the volcanic eruptions in Iceland, which are still continuing at the time of final editing of this report, and the associated flight bans imposed by European air traffic control authorities. The volume and duration of these flight cancellations are impossible to calculate. Airlines with a large proportion of routes within Europe – which include the Air Berlin Group – are of course particularly affected by this. Although the possibility of compensation or support measures from governments has been discussed, this has not been approved as yet, nor is it quantifiable. Since there are no respective offers on the market, Air Berlin has not subscribed for insurance against the possible implications caused by flight cancellations owing to volcanic eruptions or flight bans imposed by air traffic control authorities.

The latest overall economic data indicate that the severe worldwide recession has bottomed out. The risks to the global economy and thus risks to the development of results and financial position, particularly in the aviation industry, must nevertheless still be regarded as high, in view of the imponderables resulting from the crisis, with escalating government debt.

Financial risks

The financial risks discussed in the 2009 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 aviation fuel prices 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.

The Company's general financial risks have been reduced considerably through the significant strengthening of equity in the context of capital measures undertaken during the 2009 financial year. Debt has been cut significantly and the equity ratio has been raised.

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.

OUTLOOK

Overall economic and industry environment

Overall economic data for May 2010 sent out wildly contrasting signals. On the one hand, there was increasing evidence in the real economies of many industrialised nations of an accelerating recovery. Global trade in particular showed strong growth; in Germany, incoming orders, production and exports have recently recorded growth rates that in some cases had not been seen for many years. As the German job market also remains robust, consumer confidence has increased.

On the other hand, the debt crisis escalated in some Eurozone countries, sending shockwaves through the financial markets. Fears arose of a repeat of the financial market crisis that followed the Lehman Brothers insolvency, as a result of which the interbank markets dried up and the euro came under severe speculative pressure. Central banks and governments helped restore calm to the financial markets with large-scale counter-measures and record support packages.

However, the risks that escalating public debt has caused for the financial markets and the real economy – and therefore indirectly for the aviation industry – remain virulent and their extent cannot be foreseen, including for Air Berlin. In concrete terms, air traffic to and from certain countries, in particular Greece, could be affected by a decline in demand. Air Berlin will react promptly to this kind of development with flexible adjustments to capacity. Future demand for both pleasure and business will remain heavily dependent on the development of the global economy, which is once again difficult to assess, as well as on national economies, overall employment levels, consumer confidence and the availability of consumer and business credit.

These risks, which are of particular relevance to the aviation industry, have recently been compounded in Europe by an additional variant: the volcanic eruptions in Iceland, which in April led to massive losses of revenue in the European aviation sector. As it is still completely unclear how long the ash clouds drifting over Europe will continue to restrict air traffic, all forecasts regarding business performance in the current year are subject to this incalculable but very real natural risk.

Business development

With the addition of new destinations, Air Berlin has switched its focus in the current financial year back to growth on strategically important markets and has increased the density of its route network. Along with several additional destinations in Italy and Spain, this includes the Scandinavia network and growth markets in Eastern Europe. The services available have been made more attractive through optimised flight times, and not only for tourists: business travellers also have numerous opportunities to fly with Air Berlin at affordable prices, with times and destinations that closely match their needs.

The Spanish market has traditionally been one of Air Berlin's most important markets. For eight consecutive years, Air Berlin has been the market leader at Palma airport on Mallorca. In order to secure the strategically important role of the Mallorca hub for the future, Air Berlin has further optimised the structure of the hub. This means that, from summer 2010 onwards, flights are timed in such a way that the excellent connections to Germany, Austria and Switzerland are maintained while simultaneously allowing new non-stop flights between Germany and the Spanish mainland to be integrated. The offer to business customers will be extended with even more attractive flight times and more non-stop flights from major Spanish cities to Germany, Austria and Switzerland. With NIKI, passengers can now also fly non-stop via Vienna to Barcelona and Jerez de la Frontera for the first time.

The hub structure in Berlin will also be optimised in summer 2010. This will give a strong boost to connecting flights and growth in passenger numbers. In six waves per day, Air Berlin will offer over 6,000 weekly connections to and from Berlin with up to 22 aircraft. The dense route network within Germany will also be improved, with the integration of the TUIfly city connections playing an important part. For example, Air Berlin passengers from Cologne and Stuttgart will have numerous additional flights and destinations to choose from, for example, and new non-stop connections to Algiers, Brindisi, Rimini and Tel Aviv will be available several times a week with the commencement of the summer flight schedule.

Our presence in Israel has also been expanded significantly with another seven non-stop flights per week from Germany to Tel Aviv. Two more are to be added in June 2010. Connecting flights are to be offered from various German cities. On the Eastern European market, Air Berlin is to expand its existing route network with non-stop flights to Romania and Gdansk. In collaboration with its partner airline, NIKI, Air Berlin offers convenient connections from numerous German and European airports to Bucharest and Belgrade via the Vienna hub. Several important connections to Scandinavia are to be expanded in the summer flight schedule. The number of connections on the Gothenburg-Berlin route is to be increased to two daily on weekdays, and the same applies to flights from Oslo and Helsinki to Berlin. The increase in the frequency of services also enables passengers to reach yet more destinations in Air Berlin's route network, which currently includes over 150 destinations in 39 countries.

Despite the traffic disruption due to volcanic ash in April and May Air Berlin continues its strategic expansion of the route network during the current financial year. Due to the recovery in the overall economy, Air Berlin is cautiously optimistic for the future despite the new and continuing risks. Subject to the development of the risks outlined, above, we maintain the forecast for 2010 as set forth in the 2009 Annual Report. As a result of network growth, we expect passenger volume will, for the first time, exceed the 30-million mark. Further, due to the TUIfly business for the full year, we expect an increase in revenue of over 10 percent. With regard to costs, further progress is anticipated in the current financial year. Based on the above and on the assumption that operational conditions normalize, we are of the opinion that an EBIT for 2010 in excess of the previous year remains attainable.

CHANGES IN THE BOARD OF DIRECTORS

On 28 February 2010, Dieter Pfundt resigned as Non-Executive Director of Air Berlin PLC. On 1 March 2010, Peter R. Oberegger, personally liable partner of Vorwerk & Co. KG, was appointed Non-Executive Director. Peter R. Oberegger is 44 years old and married with two daughters.

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
Peter R. Oberegger
Ali Sabanci
Heinz-Peter Schlüter
Nicolas Teller

EVENTS AFTER THE REPORTING DATE

19 April 2010: Explosions at the Icelandic volcano Eyjafjallajökull caused governments to shut down airspace over wide stretches of Europe for several days in mid-April. Many thousands of flights were cancelled before German airspace was, subject to special conditions, gradually reopened on 21 April 2010. Recommcement of air traffic was slow and experienced considerable disturbances. IATA estimates the industry's financial losses from cancelled flights during this period at USD 1.7bn. The damage to the Group so far is estimated at EUR 40 m. At present it is not possible to determine whether the volcanic activity will continue and, if so, whether further closure of European airspace with the corresponding disturbances to operations can be expected over the course of the year.

26 April 2010: The German federal anti-trust authority (Bundeskartellamt) granted its approval of the indirect increase of Air Berlin PLC & Co. Luftverkehrs KG's shareholding in NIKI Luftfahrt GmbH, as agreed among the Private Lauda Foundation (Privatstiftung Lauda), Air Berlin PLC and Air Berlin PLC & Co. Luftverkehrs KG. The German federal anti-trust authority also approved the acquisition of the remaining stake of NIKI Luftfahrt GmbH's shares through Air Berlin PLC & Co. Luftverkehrs KG, if a loan to be issued by Air Berlin PLC & Co. Luftverkehrs KG to the Private Lauda Foundation in connection with the above-mentioned transaction is settled by means of an indirect transfer of said shareholding.

07 May 2010: Through the withdrawal of its request to the Cartel Court for an investigation with respect to the indirect increase in Air Berlin PLC & Co. Luftverkehrs KG's shareholding in Niki Luftfahrt GmbH as agreed among the Private Lauda Foundation (Privatstiftung Lauda), Air Berlin PLC and Air Berlin PLC & Co. Luftverkehrs KG, the Austrian Federal Competition Authority (Bundeswettbewerbsbehörde) approved the transaction under Austrian competition law. The clearance also extends to the acquisition of the remaining 50.1% of NIKI Luft-fahrt GmbH's shares.

Approved by the directors on 18 May 2010

Joachim Hunold **Ulf Hüttmeyer**

Air Berlin PLC

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

for the period ended 31 March 2010

	1/10-3/10	1/09-3/09
	€ 000	€ 000
Revenue	**690,922**	661,163
Other operating income	**4,085**	4,290
Expenses for materials and services	**(535,848)**	(504,009)
Personnel expenses	**(113,080)**	(107,727)
Depreciation and amortisation	**(25,627)**	(26,746)
Other operating expenses	**(119,099)**	(114,301)
Operating expenses	**(793,654)**	(752,783)
Result from operating activities	**(98,647)**	(87,330)
Financial expenses	**(16,421)**	(16,066)
Financial income	**878**	925
Losses on foreign exchange and derivatives, net	**(17,353)**	(16,135)
Net financing costs	**(32,896)**	(31,276)
Share of profit of associates, net of tax	**3,287**	0
Loss before tax	**(128,256)**	(118,606)
Income tax benefit	**34,661**	30,163
Loss for the period – all attributable to the shareholders of the Company	**(93,595)**	(88,443)
Basic earnings per share in €	**(1.10)**	(1.35)
Diluted earnings per share in €	**(1.10)**	(1.35)

Air Berlin PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

for the period ended 31 March 2010

	1/10-3/10	1/09-3/09
	€ 000	€ 000
Loss for the period	**(93,595)**	(88,443)
Foreign currency translation differences	**147**	22
Effective portion of changes in fair value of hedging instruments	**34,155**	42,534
Net change in fair value of hedging instruments transferred from equity to profit or loss	**(2,565)**	27,482
Income tax on other comprehensive income	**(9,531)**	(21,135)
Other comprehensive income for the period, net of tax	**22,206**	48,903
Total comprehensive income – all attributable to the shareholders of the Company	**(71,389)**	(39,540)

Air Berlin PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

as of 31 March 2010

	31/03/2010	31/12/2009
	€ 000	€ 000
Assets		
Non-current assets		
Intangible assets	**318,045**	318,060
Property, plant and equipment	**1,017,508**	1,209,743
Trade and other receivables	**125,674**	106,252
Deferred tax asset	**22,044**	0
Positive market value of derivatives	**2,663**	14
Deferred expenses	**7,840**	5,825
Investments in associates	**6,415**	3,183
Non-current assets	**1,500,189**	1,643,077
Current assets		
Inventories	**39,757**	38,724
Trade and other receivables	**341,283**	297,663
Positive market value of derivatives	**55,503**	23,720
Deferred expenses	**48,456**	35,120
Assets held for sale	**189,989**	0
Cash and cash equivalents	**374,815**	373,233
Current assets	**1,049,803**	768,460
Total assets	**2,549,992**	2,411,537

Air Berlin PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

as of 31 March 2010

	31/03/2010	31/12/2009
	€ 000	€ 000
Equity and liabilities		
Shareholders' equity		
Share capital	21,379	21,379
Share premium	373,923	374,319
Equity component of convertible bond	51,598	51,598
Other capital reserves	217,056	217,056
Retained earnings	(155,910)	(62,323)
Hedge accounting reserve, net of tax	29,277	7,218
Foreign currency translation reserve	914	767
Total equity – all attributable to the shareholders of the Company	538,237	610,014
Non-current liabilities		
Liabilities due to bank from assignment of future lease payments	482,834	583,158
Interest-bearing liabilities	277,442	273,355
Provisions	9,223	10,298
Trade and other payables	42,877	36,401
Deferred tax liabilities	0	4,327
Negative market value of derivatives	36,777	70,853
Non-current liabilities	849,153	978,392
Current liabilities		
Liabilities due to bank from assignment of future lease payments	200,009	77,228
Interest-bearing liabilities	14,634	13,580
Current tax liabilities	6,426	7,526
Provisions	5,880	11,177
Trade and other payables	364,757	334,926
Negative market value of derivatives	18,656	12,756
Deferred income	66,585	78,390
Advanced payments received	485,655	287,548
Current liabilities	1,162,602	823,131
Total equity and liabilities	2,549,992	2,411,537

Air Berlin PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

for the period ended 31 March 2010

	Share capital € 000	Share premium € 000	Equity component of convertible bond € 000	Other capital reserves € 000	Retained earnings € 000	Hedge accounting reserve, net of tax € 000	Foreign currency translation reserve € 000	Equity attributable to the shareholders of the Company € 000	Minority interest € 000	Total equity € 000
Balances at 31 December 2008	**16,502**	**307,501**	**27,344**	**217,056**	**(62,654)**	**(135,294)**	**936**	**371,391**	**629**	**372,020**
Share based payment					34			34		34
Total transactions with shareholders					**34**			**34**		**34**
Loss for the period					(88,443)			(88,443)		(88,443)
Other comprehensive income						48,881	22	48,903		48,903
Total comprehensive income					**(88,443)**	**48,881**	**22**	**(39,540)**		**(39,540)**
Balances at 31 March 2009	**16,502**	**307,501**	**27,344**	**217,056**	**(151,063)**	**(86,413)**	**958**	**331,885**	**629**	**332,514**
Balances at 31 December 2009	**21,379**	**374,319**	**51,598**	**217,056**	**(62,323)**	**7,218**	**767**	**610,014**	**0**	**610,014**
Share based payment					8			8		8
Transaction costs on issue of shares, net of tax		(396)						(396)		(396)
Total transactions with shareholders		**(396)**			**8**			**(388)**		**(388)**
Loss for the period					(93,595)			(93,595)		(93,595)
Other comprehensive income						22,059	147	22,206		22,206
Total comprehensive income					**(93,595)**	**22,059**	**147**	**(71,389)**		**(71,389)**
Balances at 31 March 2010	**21,379**	**373,923**	**51,598**	**217,056**	**(155,910)**	**29,277**	**914**	**538,237**	**0**	**538,237**

Air Berlin PLC

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

for the period ended 31 March 2010

	31/03/2010	31/03/2009
	€ 000	€ 000
Loss for the period	(93,595)	(88,443)
Adjustments to reconcile loss to cash flows from operating activities:		
Depreciation and amortisation of non-current assets	25,627	26,746
Gain on disposal of tangible and intangible assets	(564)	(3,305)
Share based payments	8	34
Increase in inventories	(1,033)	(1,076)
Increase in trade accounts receivables	(37,201)	(13,279)
Increase in other assets and prepaid expenses	(28,069)	(8,939)
Deferred tax benefit	(35,733)	(37,315)
(Decrease) increase in provisions	(6,372)	52,221
Increase (decrease) in trade accounts payables	15,285	(37,615)
Increase in other current liabilities	186,347	143,978
Losses on foreign exchange and derivatives, net	17,353	15,505
Interest expense	16,391	15,822
Interest income	(872)	(925)
Income tax expense	1,072	7,151
Share of profit of associates	(3,287)	0
Other non-cash changes	147	22
Cash generated from operations	55,504	70,582
Interest paid	(12,740)	(10,652)
Interest received	515	760
Income taxes paid	(2,172)	(694)
Net cash flows from operating activities	41,107	59,996
Purchase of tangible and intangible assets	(8,623)	(48,491)
Net advanced payments for non-current items	(6,274)	594
Proceeds from sale of tangible and intangible assets	336	8,268
Cash flow from investing activities	(14,561)	(39,629)
Principal payments on interest-bearing liabilities	(28,216)	(31,736)
Proceeds from long-term borrowings	0	41,601
Transaction costs related to issue of new shares	(565)	0
Cash flow from financing activities	(28,781)	9,865
Change in cash and cash equivalents	(2,235)	30,232
Cash and cash equivalents at beginning of period	372,010	267,809
Foreign exchange gains on cash balances	3,207	3,430
Cash and cash equivalents at end of period	372,982	301,471
thereof bank overdrafts used for cash management purposes	(1,833)	(2,436)
thereof cash and cash equivalents in the statement of financial position	374,815	303,907

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2010

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

1. REPORTING ENTITY

The consolidated interim financial statements of Air Berlin PLC for the three months ended 31 March 2010 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 2009 prepared in accordance with IFRS as adopted by the EU and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, are available from the Company's registered office and at ir.airberlin.com.

Statutory accounts for 2009 have been delivered to the registrar of Companies in England and Wales. The auditors have reported on those accounts and their report (i) was unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 408 of the Companies act 2006.

The comparability of the figures of the current reporting period versus the figures of the 1st quarter 2009 is restricted due to the transfer of the TUIfly routes at the end of October 2009.

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 reviewed or 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 2009.

This condensed set of financial statements was approved by the directors on 18 May 2010.

3. ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING

This interim report up to 31 March 2010 has been drawn up in accordance with IAS 34 and in compliance with the standards and interpretations applicable from 1 January 2010 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 2009.

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 2009.

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 travelers. For the twelve months ended 31 March 2010 the Group had revenue of € 3,270,103 (twelve months ended 31 March 2009: € 3,408,279) and loss for the period after tax of € 14,620 (twelve months ended 31 March 2009: loss for the period after tax of € 103,821). Furthermore, for the twelve months ended 31 March 2010 the EBIT amounted to € 17,150 (twelve months ended 31 March 2009: € –4,588).

6. NON-CURRENT ASSETS

During the three months ended 31 March 2010 the Group acquired fixed assets with a cost of € 28,459 (three months ended 31 March 2009: € 63,621).Assets with a carrying amount of € 7,754 were disposed of during the three months ended 31 March 2010 (three months ended 31 March 2009: € 4,734).

Assets held for sale

On 25 March 2010 Air Berlin decided to sell eight of its own aircrafts. The aircrafts consist of four Airbus A320, three Boeing 737-800 and one Airbus A319. When publishing these financial statements the transactions were not finanlly settled. The carrying amount of the respective aircrafts is € 189,989 and was reclassified from property, plant and equipment to assets held for sale. The fair value less costs to sell of the aircrafts held for sale exceeds its carrying amounts.

Current liabilities include liabilities due to bank from assignment of future lease payments of € 133,771 relating to financing of the aircrafts held for sale. These liabilities will be settled on disposal of the aircrafts.

7. SHARE CAPITAL

Of Air Berlin's authorized share capital, 85,226,196 ordinary shares of € 0,25 each and 50,000 A shares of £1,00 each were issued and fully paid up as of 31 March 2010. Included in this amount are 177,600 treasury shares held by Air Berlin (through the Air Berlin Employee Share Trust).

8. REVENUE

in thousands of Euro	**1/10-3/10**	1/09-3/09
Single-seat ticket sales	**418,698**	363,447
Bulk ticket sales to charter and package tour operators	**209,395**	232,446
Ground and other services	**55,914**	58,725
Duty free / in-flight sales	**6,915**	6,545
	690,922	661,163

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

Segment information

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

9. OTHER OPERATING INCOME

in thousands of Euro	1/10-3/10	1/09-3/09
Income from insurance claims	552	100
Income from services provided to Niki	432	351
Gain on disposal of fixed assets	252	3,305
Other	2,849	534
	4,085	4,290

10. EXPENSES FOR MATERIALS AND SERVICES

in thousands of Euro	1/10-3/10	1/09-3/09
Airport & handling charges	172,318	150,457
Fuel for aircraft	148,619	174,462
Operating leases for aircraft and equipment	117,061	87,715
Navigation charges	52,204	45,861
Catering costs and cost of materials for in-flight sales	24,671	23,187
Other	20,975	22,327
	535,848	504,009

The expenses for operating leases for aircraft and equipment include expenses of € 25,048 (2009: € 7,491) that do not directly relate to the lease of assets.

11. PERSONNEL EXPENSES

in thousands of Euro	1/10-3/10	1/09-3/09
Wages and salaries	93,235	90,105
Social security	15,245	10,733
Pension expense	4,600	6,889
	113,080	107,727

12. DEPRECIATION AND AMORTISATION

in thousands of Euro	1/10-3/10	1/09-3/09
Depreciation and amortisation	25,627	26,746

13. OTHER OPERATING EXPENSES

in thousands of Euro	1/10-3/10	1/09-3/09
Repairs and maintenance of technical equipment	42,229	45,128
IT expenses	15,082	13,720
Advertising	13,732	11,514
Expenses for premises and vehicles	8,033	5,851
Travel expenses for cabin crews	7,197	6,954
Sales commissions paid to agencies	4,830	4,999
Insurances	4,677	5,352
Bank charges	4,613	4,888
Training and other personnel costs	2,572	2,383
Auditing and consulting	1,848	4,632
Phone and postage	1,301	1,137
Allowances for receivables	617	517
Other	12,368	7,226
	119,099	114,301

14. FINANCIAL RESULT

in thousands of Euro	1/10-3/10	1/09-3/09
Financial expenses		
Interest paid on interest bearing liabilities	(16,391)	(15,822)
Other financing expenses	(30)	(244)
	(16,421)	(16,066)
Financial income		
Interest received on fixed deposits	227	627
Other	651	298
	878	925
Losses on foreign exchange and derivatives, net	(17,353)	(16,135)
Total	(32,896)	(31,276)

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

15. INCOME TAX AND 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	1/10-3/10	1/09-3/09
Current income taxes	(1,072)	(7,151)
Deferred income taxes	35,733	37,314
Total income tax benefit	34,661	30,163

16. CASH FLOW STATEMENT

in thousands of Euro	31/03/2010	31/03/2009
Cash	1,115	1,783
Bank balances	91,246	48,636
Fixed-term deposits	282,454	253,488
Cash and cash equivalents	374,815	303,907
Bank overdrafts used for cash management purposes	(1,833)	(2,436)
Cash and cash equivalents in the statement of cash flows	372,982	301,471

Cash and cash equivalents include restricted cash of € 84,320 as of 31 March 2010 (31 March 2009: € 68,970).

17. RELATED PARTY TRANSACTIONS

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

One of the Executive Directors of the Group controls a voting share of 2.64% of Air Berlin (31 March 2009: 3.15%).

The Chairman of the Board, also a shareholder of the Company with a voting share of 1.58% (31 March 2009: 1.52 %), is the controlling shareholder of Phoenix Reisen GmbH. The Group had revenues from ticket sales with Phoenix Reisen GmbH during the first three months of 2010 of € 5,546 (31 March 2009: € 4,542). At 31 March 2010 € 662 (31 March 2009: € 478) are included in trade receivables.

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

in thousands of Euro	**31/03/2010**	31/03/2009
IBERO-Tours		
Trade receivables	**0**	11
Expenses for services	**347**	308
Trade payables	**0**	132
THBG BBI GmbH		
Receivables from related parties	**1,928**	1,845
Interest income	**20**	0
Binoli GmbH		
Revenues from ticket sales	**9**	208
Trade receivables	**9**	18
Receivables from related parties	**93**	250
Interest income	**8**	0
Lee & Lex Flugzeugvermietung GmbH		
Receivables from related parties	**777**	877
Niki Luftfahrt GmbH		
Revenues	**53**	0
Other income from administrative services	**432**	1,378
Receivables from related parties	**32,996**	22,653

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

18. 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 Mar 2009	Delivered Jan to Mar 2010	Deliveries outstanding at 31 Mar 2010	Thereof Apr 2010 to Dec 2010
2004	Airbus	60	A319/320/321	2005-2012	1	2	17	11
2006-2007	Boeing	97	B737-700/800	2007-2015	4	2	83	7
2007	Boeing	15	B787	2015-2019	0	0	15	0

In March 2010 Air Berlin has reduced the number of firm orders of Boeing 787 aircraft from 25 to 15 and the number of options from 10 to 5. Furthermore the delivery of 9 Boeing 737 aircraft was rescheduled to 2015. These aircraft were originally scheduled for delivery in 2010 or 2011.

19. SUBSEQUENT EVENTS

Acquisition of NIKI Luftfahrt GmbH

On 17 February 2010 Air Berlin PLC & Co. Luftverkehrs KG acquired a further 25.9% of the share capital of NIKI Luftfahrt GmbH (NIKI) for a purchase price of € 21,000 from Privatstiftung Lauda (Private Lauda Foundation). The Group interest in the share capital of NIKI would be 49.9%. As a result of the analyses of the transaction, Air Berlin has to account for it in accordance with IFRS 3 Business Combinations, provided Air Berlin receives approval from the antitrust agency.

In connection with the increase of its shareholding, Air Berlin PLC & Co. Luftverkehrs KG provides the private Lauda foundation a loan of € 40,500. The Private Lauda Foundation has the option of repaying the loan in three years with cash or through transfer of the remaining 50.1% of NIKI Luftfahrt GmbH's shares.

The initial accounting of this business combination was incomplete at the time when these interim financial statements were authorized for issue, therefore, the disclosures about the major classes of consideration transferred, assets and liabilities acquired, recognized goodwill, accounting for non-controlling interest as well as disclosures for the business combination achieved in stages could not be made.

Airspace closed due to volcanic eruption

Explosions at the Icelandic volcano Eyjafjallajökull caused governments to shut down airspace over wide stretches of Europe for several days in mid-April. Many thousands of flights had to be cancelled before German airspace was gradually reopened from 21 April 2010 subject to special conditions. Air traffic only recommenced slowly and experienced considerable disturbances. IATA estimates the industry's financial losses from cancelled flights during this period at USD 1.7bn. Air Berlin puts the damage to the Group for that period at around EUR 40 m. At present it is not possible to say whether the volcanic activity will continue, and if so, whether further closures of European airspace with the corresponding disturbances to operations can be expected over the course of the year.

20. EXECUTIVE BOARD OF DIRECTORS/EXECUTIVE DIRECTORS

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

FINANCIAL CALENDAR

Traffic figures MAY	7 June 2010
AGM of Air Berlin PLC, London-Stansted	10 June 2010
Traffic figures JUNE	7 July 2010
Traffic figures JULY	5 August 2010
Publication of Interim Report as of 30 June 2010	26 August 2010
Analysts and Investors Conference Call (Q2)	
Traffic figures AUGUST	7 September 2010
Traffic figures SEPTEMBER	7 October 2010
Traffic figures OCTOBER	8 November 2010
Publication of Interim Report as of 31 September 2010	18 November 2010
Analysts and Investors Conference Call (Q3)	
Traffic figures NOVEMBER	7 December 2010

IMPRINT

REGISTERED OFFICE

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

INVESTOR-RELATIONS-CONTACT

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

OUTSIDE CONSULTANTS

Registrar

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

Auditors

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

Legal counsel

Freshfields Bruckhaus Deringer
Bockenheimer Anlage 44
60322 Frankfurt, Germany

www.airberlin.com

CONCEPTION

Strichpunkt GmbH, Stuttgart
www.strichpunkt-desgin.de

TEXT

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