airberlin

INTERIM FINANCIAL REPORT 9M/2009

KEY FINANCIAL FIGURES

	Q3 2009	Q3 2008*	9M 2009	9M 2008*
Revenues (EURm)	**974.0**	1,061.4	**2,471.0**	2,583.8
thereof: ticket sales (EURm)	**898.7**	981.1	**2,268.9**	2,359.2
EBITDAR (EURm)	**228.7**	209.0	**390.7**	380.9
EBIT (EURm)	**118.0**	88.4	**48.3**	32.3
Consolidated profit (loss) for the period (EURm)	**95.2**	45.1	**13.8**	(7.1)
Net Cash generated from operations (EURm)	**89.3**	40.2	**150.5**	50.1
Earnings per share (EUR; undiluted)	**1.24**	0.69	**0.20**	(0.11)
Net Operating Cashflow per share (EUR)	**1.17**	0.61	**1.96**	0.76
Total assets (EURm)			**2,543.9**	2,409.1
Employees (30 September)			**8,292**	8,524

* adjusted for IFRIC 13

LETTER TO SHAREHOLDERS

Dear Shareholders,

In light of the severe downturn that affected the international aviation industry following the the global economic crisis, we can be satisfied with the results of the first nine months of the current financial year 2009. Timely and consistently, we have undertaken all necessary action to overcome this crisis while at the same time creating conditions for future growth and higher profitability. We involved all areas of corporate management in these efforts, from strategic and financial planning to material, organisation and personnel management. Concurrently we also took account of “soft” factors in an open, transparent and targeted manner, and by involving the employees at Air Berlin we ensured their abilities and motivation were fully employed for the task at hand.

In terms of figures, this means that we lowered costs throughout the Company – which was helped by lower fuel prices – and substantially increased profitability. We focused business on our attractive value for money and the quality of our services. As a result, the yield per passenger kilometre – which was 7.65 euro cents in the first nine months of the previous year – was increased by almost eight per cent to 8.24 euro cents in the current year. All in all, we more than doubled net profit in the reporting quarter and achieved an overall profit for the nine-month period following a loss in the previous year. We can therefore maintain our EBIT forecast for 2009. It will exceed that of the previous year.

A particularly important and decisive factor in our future success is the strengthening of our financial position through successful capital measures. At 30 September 2009, equity was 53 per cent higher than at 31 December 2008. With strengthened liquidity, lower debt, an extended range of services and cooperations with preferred partners, we are well on course. Air Berlin is well equipped to benefit from the emerging recovery of international air travel.

Berlin, November 2009

J. Hunold

Joachim Hunold
Chief Executive Officer

THE AIR BERLIN SHARE

In net terms, the Air Berlin share remained at the same level in the third quarter and did not depart from the price range of between three and four euros established at the beginning of February. With a Xetra price of EUR 3.73 as at 30 September 2009, it has risen by more than 21 per cent since the annual low on 22 June. There has been no change in this trend up to the editorial deadline of this report.

After a brief dip in the middle of the year, international stock markets continued their upwards trend, established since March, into October, with a correction occurring only in the last few weeks. At mid-year 2009, the DAX remained at 4,808, after which it consistently exceeded its closing price for the year 2008 of 4,810 points. At its peak, the DAX reached an increase of 21 per cent. The SDAX had a stronger performance. It had already achieved a slight increase by the mid-year point and then reached an annual high of 3,630 points as at 20 October, a rise of close to 30 per cent.

As at the end of the first nine months of 2009, Air Berlin was being tracked by a total of 14 research institutes and brokers. The analysts' optimism has increased considerably since the middle of the year, with a rise from two to five recommendations to purchase the share. Correspondingly, the number of Hold recommendations / neutral assessments decreased from seven to five and that of Sell / Underweight recommendations decreased from five to four.

SUCCESSFUL CAPITAL MEASURES

In the second quarter of 2009, Air Berlin successfully executed two capital increases, issuing a total of 11,071,700 new shares at a subscription price of EUR 3.50. On completion of these capital increases, there were in total 76,788,803 ordinary shares in issue.

The agreement between Air Berlin PLC and Leibniz-Service GmbH (a group company of TUI Travel PLC) dated 7 September 2009 was implemented in October 2009 and in a further capital increase, 8,437,393 new Air Berlin PLC shares were issued to Leibniz-Service GmbH at a price of EUR 3.97 per share.

Air Berlin received in connection with the share issue an amount of EUR 33.5 million which as at 30 September 2009 was presented in the statement of financial position as "cash and cash equivalents (restricted cash)" and "trade and other payables – current" respectively. Upon such issuance Leibniz-Service GmbH acquired as agreed a stake of 9.9 per cent in Air Berlin. As at the end of October, there were a total of 85,226,196 ordinary shares in issue.

Major Shareholders of Air Berlin PLC as per 31 October 2009

ESAS Holding A.S.	16.48 %
Leibniz-Service GmbH / TUI Travel PLC	9.90 %
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)	2.61 %
Moab Investments Ltd.	2.39 %
Johannes Zurnieden (Chairman Air Berlin PLC)	1.58 %

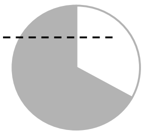
On 20 August 2009, Air Berlin issued convertible bonds in an aggregate principal amount of EUR 125 million to institutional investors outside the United States, Canada, Australia and Japan. A portion of the proceeds was used to buy back existing bonds (outstanding bonds with a total nominal amount of EUR 79 million from the 1.5 per cent convertible bond issued in 2007). The remainder was retained for refinancing future aircraft deliveries and liquidity improvement.

The convertible bonds, guaranteed by Air Berlin PLC, were issued by Air Berlin Finance B.V. and are convertible into shares of Air Berlin PLC. The convertible bonds are denominated into units with a nominal value of EUR 50,000 and have a maturity of 5 years and a coupon of 9 per cent. The conversion price per share was agreed between Air Berlin PLC and the institutional investors and was set at EUR 4.01.

01) The Air Berlin Share

SHAREHOLDERS WITH MORE THAN FIVE PER CENT HOLDINGS OR A HOLDING PERIOD

32.96 %



FREE FLOAT DEFINITION DEUTSCHE BÖRSE AG

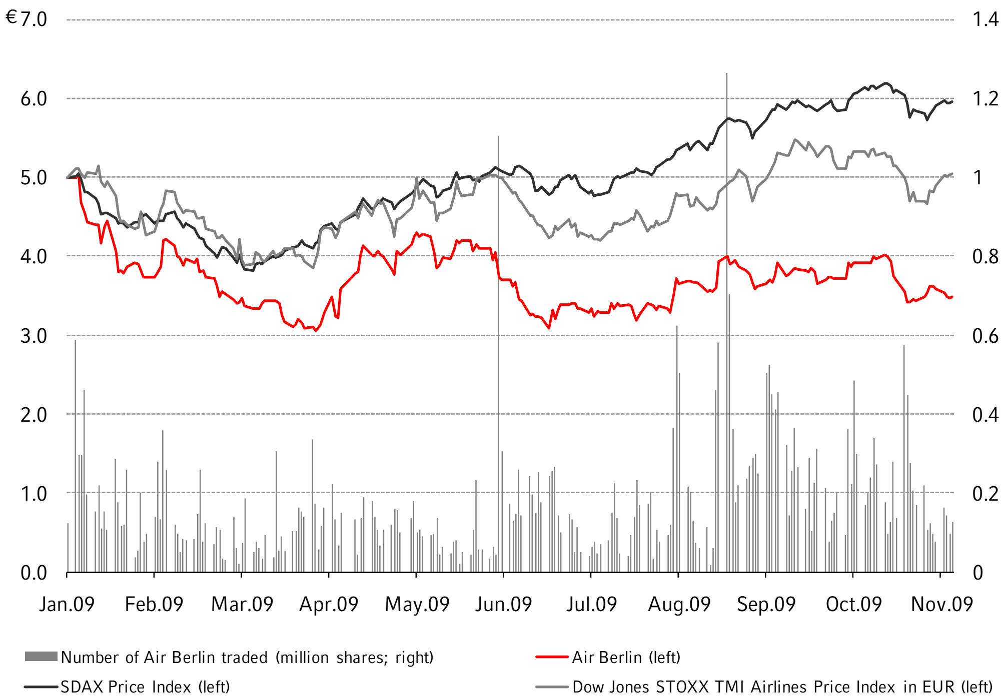
67.04 %

SHAREHOLDER STRUCTURE AT AIR BERLIN PLC ON 30 September 2009

Through these measures, as well as increased profitability, Air Berlin has achieved a significant improvement in its capital resources. As at 30 September 2009, equity was increased by a net amount of EUR 195.8 million, or 52.6 per cent, to EUR 567.8 million compared to EUR 372.0 million at the 2008 balance sheet date. As at 30 September 2009, the equity ratio was 22.3 per cent following 15.4 per cent at the end of the 2008 financial year.

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.

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 nine months 2009

Share capital:	EUR 19,197,200.75 plus GBP 50,000
Authorised share capital:	EUR 100,000,000 and GBP 50,000
Total number of issued and fully paid shares as of 30 September 2009:	76,788,803
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 9M 2009

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,
	Sal. Oppenheim jr. & Cie. KGaA
Market capitalisation as of 30 September 2009:	EUR 286.4 million
Free Float according to Deutsche Börse AG as of 30 September 2009:	67.04%
Capitalisation of free float as of 30 September 2009:	EUR 192.0 million
Average trading volume Q3 / 9M 2009:	203,391 / 154,913 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.

BUSINESS DEVELOPMENT

GENERAL CONDITIONS

Global economy

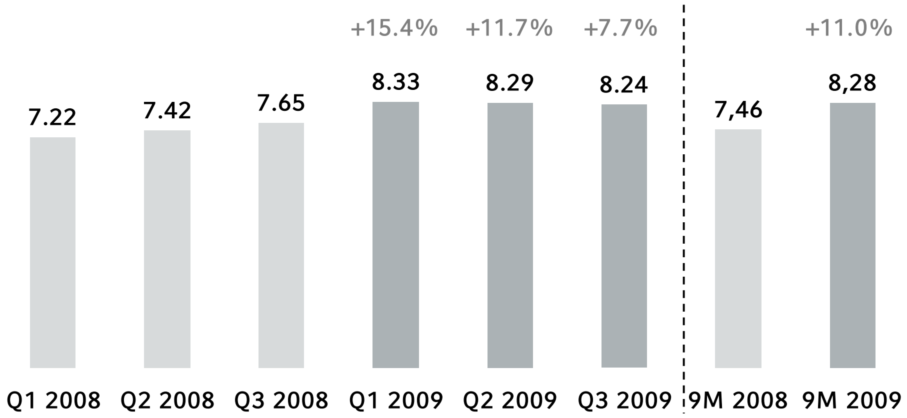
Over the summer, economic development improved considerably worldwide. Most industrialised nations – with the exception of the UK – are, after the second quarter, expected to show positive results in the third quarter, with slightly higher growth rates. However, the recovery is occurring with very little momentum and notwithstanding the massive state stimulus programmes, shows few signs of self-supporting strength so far. Important key industries remain unchanged at recession levels or threaten to slump again, such as the automotive industry after the expiry of government schemes to encourage sales. Consumers therefore generally remain reticent, even though reduced working hours ("Kurzarbeit") have continued to support consumption in Germany.

Because the global economy has developed more favourably than was feared in the spring, forecasts for the current year and particularly for 2010 have been raised. The German Federal Government and economic research institutes have raised their estimate for German gross domestic product (GDP) for the current year to –5.0 per cent, whereas previously a drop of more than 6.0 per cent was feared. Rising unemployment and an increase in company insolvencies are cited as the main risks for the forecast.

Air travel sector

Likewise, a slight trend towards improvement in the international air travel sector is emerging. In its latest traffic report for September 2009 the International Air Transport Association (IATA) diagnoses an improving trend in both passenger and freight traffic, although it is too early to characterise it as a recovery. Revenue passenger kilometres (RPK) worldwide were down 2.9 per cent year-on-year in July. In August the decrease was smaller at 1.1 per cent and in September there was a slight increase of 0.3 per cent. However, in September 2008 there had been a plunge in RPK, meaning that the basis for comparison is very low. In fact, seasonally adjusted there was a month-on-month decline from August to September 2009. As compared to the low in March, global RPK has risen 5.0 per cent.

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



This most recent development was driven by sustained high growth rates in the Middle East (+18.2 per cent compared to September 2008). There were slight improvements in the Far East (+2.1 per cent) and Latin America (+3.4 per cent), but there was no indication of recovery in North America (–2.4 per cent) or Europe (–4.2 per cent) in September.

According to IATA, the decline in the first nine months amounts to 5.9 per cent in Europe, 6.7 per cent in North America and as much as 8.8 per cent in the Far East. The Middle East was the only region to post growth in this period (+9.4 per cent). The year-on-year decline for the first nine months of 2009 amounts to 5.3 per cent worldwide. In August this figure was still at 6.0 per cent.

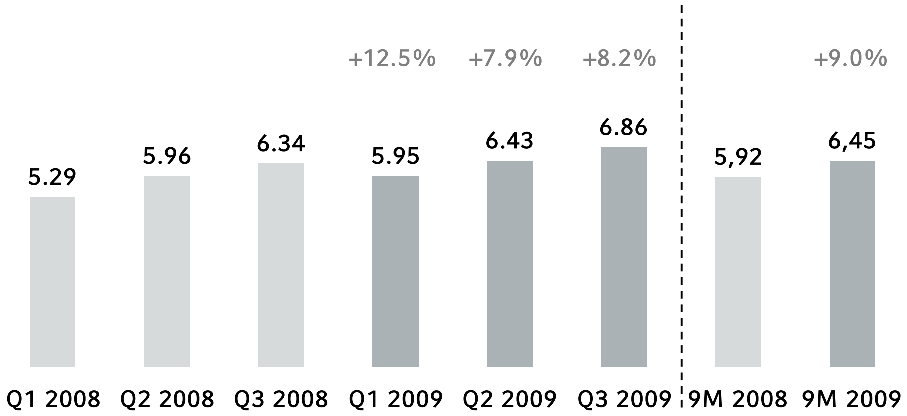
Because available seat kilometres (ASK) in the nine-month period were down 3.4 per cent worldwide, utilisation stabilised at 75.0 per cent. In September, total utilisation of 77.1 per cent reached the pre-crisis level. Overall, only a modest development is expected in international air travel in the final quarter of 2009. The very negative forecasts made in the spring are unlikely to occur.

BUSINESS PERFORMANCE

Report on the operating development

In the first nine months of 2009, the Air Berlin Group's operating performance is testament to the success of the performance enhancement programme "Jump" and its targeted effect. Capacity, flight schedules and fleet plans were further optimised in the third quarter and new, attractive routes and cooperations were begun or announced. This allowed for the decrease in passengers resulting from the recession to be countered in the reporting quarter and utilisation to be stabilised. Revenue development also continued to benefit from the rigorous pricing policies and the focus on attractive connections.

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



Compared to the previous year, take-offs in the third quarter 2009 were reduced in line with plan by 7.1 per cent to 58,549, while available seat kilometres (ASK) were reduced by 15.1 per cent to 14.2 billion. Capacity (the number of available seats) decreased by 4.4 per cent and passenger volume (Pax) dropped 4.1 per cent. Utilisation was accordingly increased by 0.31 percentage points to 83.22 per cent.

In the nine-month period, take-offs were decreased by 7.7 per cent and ASK by 12.3 per cent. With passenger volume down 5.1 per cent, this results in a 1.32 percentage point decrease in utilisation, at 77.93 per cent. The Air Berlin Group thereby outperformed the global and European industry in terms of passenger volume both in the third quarter and in the first nine months of 2009.

Due to a higher proportion of short-haul and medium-haul flights – and the resulting substantial reduction in average route lengths by 11.2 per cent and in flight hours by 12.1 per cent – flight revenue per passenger decreased by 4.5 per cent to EUR 108.77 in the reporting quarter after EUR 113.92 in the same quarter of the previous year. Total revenue per passenger fell 4.4 per cent from EUR 123.24 to EUR 117.87. In the first half of the year, flight revenue per passenger had risen by 5.5 per cent to EUR 107.76 following EUR 102.12, and total revenue per passenger by 4.4 per cent to EUR 117.73 following EUR 112.81. In the first nine months, there was an increase in flight revenue per passenger of 1.4 per cent (EUR 108.15 after EUR 106.72) and total revenue per passenger rose by 0.8 per cent (EUR 117.79 after EUR 116.88).

The yield (total revenue per ASK) once again saw a substantial year-on-year increase of 8.1 per cent from 6.34 euro cents to 6.86 euro cents in the quarter under review, while total revenue per passenger kilometre (RPK) increased by 7.7 per cent from 7.65 euro cents to 8.24 euro cents. After the first nine months, there was a yield of 6.45 euro cents (up 9.0 per cent) and revenue per RPK of 8.28 euro cents (up 11.0 per cent). These specific revenue increases, also in double digits in percentage terms in the quarter under review, allowed for productivity and profitability to be improved, as in the first six months of the current financial year.

Key operating figures for the third quarter 2009

	+/- %	Q3 2009	Q3 2008
Aircraft (as of 30 September)	-0.1	**129**	130
Flights	-7.1	**58,549**	62,990
Destinations	-2.3	**127**	130
Passengers (thousands; "Pax")	-4.1	**8,263**	8,612
Available seats (thousands; Capacity)	-4.4	**9,929**	10,387
Available seat-kilometres (millions; "ASK")	-15.1	**14,205**	16,734
Revenue passenger kilometres (millions; "RPK")	-14.8	**11,822**	13,874
Passenger load factor (%; Pax/capacity)	+1.12*	**83.22**	82.91
Number of block hours	-12.1	**119,656**	136,195

* percentage points

Key operating figures for the first nine months 2009

	+/- %	9M 2009	9M 2008
Aircraft (as of 30 September)	-0.1	**129**	130
Flights	-7.7	**158,007**	171,236
Destinations	-2.3	**127**	130
Passengers (thousands; "Pax")	-5.1	**20,978**	22,107
Available seats (thousands; Capacity)	-3.5	**26,920**	27,896
Available seat-kilometres (millions; "ASK")	-12.3	**38,307**	43,670
Revenue passenger kilometres (millions; "RPK")	-13.9	**29,838**	34,635
Passenger load factor (%; Pax/capacity)	-1.32*	**77.93**	79.25
Number of block hours	-10.5	**318,533**	355,987

* percentage points

Fleet Air Berlin Group

	Number end of 9M 2009	Number end of 9M 2008
A319	16	13
A320	33	32
A321	6	4
A330-200	10	10
A330-300	3	3
B737-300	0	7
B737-700	16	15
B737-800	33	37
B757	2	2
B767	1	1
Q400	9	0
F100	0	6
Total	129	130

Report on results

The quarter under review and the first nine months of 2009 are comparable to the data from the previous year as the basis of consolidation has not changed. The previous year's figures have been adjusted retrospectively due to the adoption of the accounting standard IFRIC 13 (Accounting for Customer Loyalty Programmes; see Note 3 on page 29) implemented for the first time as at 1 January 2009.

In the third quarter of 2009, consolidated revenue declined by 8.2 per cent year-on-year from EUR 1,061.4 million to EUR 974.0 million. Flight revenue (charter flights plus single-seat tickets) decreased by 8.4 per cent from EUR 981.1 million to EUR 898.7 million. In the quarter under review, charter revenue fell by 13.3 per cent from EUR 412.4 million to EUR 357.6 million, while revenue from single-seat ticket sales declined by 4.8 per cent from EUR 568.7 million to EUR 541.2 million.

In the nine-month period, total revenue was down 4.4 per cent to EUR 2,470.9 million as compared to EUR 2,583.8 million in the previous year. Flight revenue totalled EUR 2,268.9 million following EUR 2,359.2 million, a 3.8 per cent decrease. Single-seat revenue fell 2.3 per cent from EUR 1,418.6 million to EUR 1,385.3 million, while charter revenue declined 6.1 per cent from EUR 940.7 million to EUR 883.5 million.

In the quarter under review, revenue from ground and other services declined from EUR 69.6 million to EUR 65.6 million. Duty free sales decreased by 10.3 per cent from EUR 10.7 million to EUR 9.6 million, driven by the higher than average decrease in long-haul flights. Other operating income stood at EUR 8.4 million (previous year: EUR 10.2 million), thus bringing total operating performance in the third quarter to EUR 982.4 million, an 8.3 per cent decrease from EUR 1,071.6 million in the previous year.

In the first nine months of 2009, revenue from ground and other services fell from EUR 197.5 million to EUR 176.9 million. Duty free sales amounted to EUR 25.2 million following EUR 27.1 million. Other operating income totalled EUR 19.6 million following EUR 22.6 million. After the first nine months, total operating performance amounted to EUR 2,490.5 million as compared to EUR 2,606.4 million in the same period of the previous year.

In the quarter under review, operating expenses were reduced substantially by 12.1 per cent from EUR 983.2 million in the previous year to EUR 864.4 million. The 31.1 per cent decrease in fuel costs as part of expenses for material and services (–16.7 per cent) contributed significantly to this reduction, which, aside from the lower US-Dollar jet fuel prices, also is a reflection of the stronger Euro. In addition, catering expenses were reduced by 20.0 per cent. The other major expense items such as airport fees, navigation charges and operating lease expenses also decreased, in some cases substantially. In the third quarter, as in the previous quarters, the optimisation of the route network resulted, independent of the lower fuel expenses, in a significantly lower material expenses ratio.

At EUR 106.1 million, personnel costs were down 5.4 per cent in the quarter under review as compared to the previous year (EUR 112.1 million). As in the previous quarter, there was an increase in depreciation – primarily due to further modernisation of the aircraft fleet – by 4.5 per cent to EUR 27.1 million. Other operating expenses rose from EUR 129.6 million to EUR 135.0 million.

After the first nine months of 2009, operating expenses amounted to EUR 2,442.3 million as against EUR 2,574.1 million in the same period of the previous year, a decrease of 5.1 per cent. The fact that this overall decrease is lower than that for the quarter under review continues to reflect the above-average increase in personnel costs in the first quarter. After nine months, depreciation totalled EUR 80.4 million (previous year: EUR 77.4 million) and other operating expenses amounted to EUR 375.7 million (previous year: EUR 377.8 million).

The operating profit before depreciation, amortisation and leasing expenses (EBITDAR) amounted to EUR 228.7 million in the quarter under review compared to EUR 209.0 million in the same quarter of the previous year, an increase of 9.4 per cent. Leasing expenses decreased by 11.6 per cent in the quarter under review from EUR 94.6 million to EUR 83.6 million, primarily due to the weaker US dollar. EBITDA thus rose 26.9 per cent from EUR 114.3 million to EUR 145.1 million, and EBIT increased by 33.5 per cent to EUR 118.0 million following EUR 88.4 million in the same quarter of the previous year.

In the nine-month period, EBITDAR totalled EUR 390.7 million following EUR 380.9 million. With leasing expenses at EUR 262.0 million following EUR 271.2 million, EBITDA rose 17.3 per cent to EUR 128.7 million following EUR 109.7 million. EBIT for the first nine months of 2009 increased by 49.5 per cent to EUR 48.3 million following EUR 32.3 million in the same period of the previous year.

The financial result for the third quarter is influenced by the income of EUR 20 million from the buyback of a convertible bond. Foreign exchange losses were also lower in the quarter under review than in the previous year. Overall, the financial result improved from a negative value of EUR –15.0 million in the previous year to a significantly positive one of EUR 3.2 million. In the nine-month period, the financial result amounted to EUR –39.2 million, primarily due to higher foreign exchange losses in the first half of the year, following EUR –36.0 million.

Earnings before tax increased by 65.0 per cent from EUR 73.4 million to EUR 121.1 million in the third quarter, including the profit share of associates (EUR –0.1 million following EUR 0.0 million). After tax of EUR 26.0 million, net earnings for the quarter under review amounted to EUR 95.2 million, thus more than doubling from EUR 45.1 million in the same period of the previous year. After the first nine months, earnings before tax including the profit share of associates (EUR 0.8 million following EUR 0.0 million) totalled EUR 9.8 million as compared to EUR –3.8 million in the same period of the previous year. There was a net profit for the nine-month period of EUR 13.8 million following a net loss of EUR 7.1 million.

Diluted earnings per share for the third quarter came to EUR 1.01 as against EUR 0.63 and basic EPS were 1.24 as against EUR 0.69 in the previous year. For the first nine months of 2009, diluted EPS were at EUR 0.19 as against EUR –0.11 and basic EPS were EUR 0.20 as against EUR –0.11.

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

As at the end of the first nine months of 2009, total assets in the statement of financial position increased by 5.6 per cent to EUR 2,543.9 million compared with total assets in the statement of financial position dated 31 December 2008. There was no material increase compared with the reporting date for the second quarter. The balance sheet for the previous year has been adjusted by the effects of applying IFRIC 13. Application of IFRIC 13 has an influence on the retained earnings in shareholders' equity, deferred tax assets, and on deferred income (see Note 3 on page 29). Overall, the balance sheet was strengthened significantly in the first nine months of 2009, particularly in the second and third quarters, as a result of successful capital measures.

After nine months, non-current assets were down slightly by 2.6 per cent as against the 2008 balance sheet date. This results primarily from the considerable decrease in deferred tax assets, together with slightly higher property, plant and equipment due to purchasing aircraft and a higher investment value of associates. Non-current receivables also decreased. In turn, there was a significant rise of 27.2 per cent in current assets mainly due to an increase of approximately two thirds in cash and cash equivalents. Current receivables also increased by 12.9 per cent. The cash inflow results primarily from the capital measures undertaken in the second and third quarters.

The equity structure changed significantly. In addition to the equity inflow from the issuance of new shares in a net amount of EUR 37.4 million in the second quarter, there was an additional increase in equity as a result of the issuance of a convertible bond in a net amount of EUR 34.8 million in August 2009. Equity saw an income-driven increase of EUR 13.8 million in comparison to 31 December 2008. As planned, negative market assessments from hedging transactions to be recognised in equity declined further in the third quarter, amounting to EUR –25.3 million after the first nine months of the current financial year following EUR –135.3 million at the 2008 balance sheet date.

As a result, equity increased by a net amount of EUR 195.8 million, or 52.6 per cent, to EUR 567.8 million as against EUR 372.0 million at the 2008 balance sheet date. As at 30 September 2009, the equity ratio therefore increased to 22.3 per cent following 15.4 per cent at the end of the 2008 financial year.

Non-current and current liabilities decreased by 1.8 per cent and 4.2 per cent respectively. This is equivalent to a total amount of EUR 61.0 million. After nine months, net debt totalled EUR 548.2 million as compared to EUR 762.0 million at the 2008 balance sheet date – a decrease of EUR 213.8 million, or 28 per cent.

Net cash flow from operating activities after interest and taxes paid/received increased to EUR 150.5 million in the first nine months of 2009 after EUR 50.1 million in the same period of the previous year. In addition to the change from negative to positive net profit for the period and slightly higher depreciation, this was also caused by balance sheet effects with a positive impact on cash, particularly the much lower increase in trade receivables and the higher provisions.

Cashflow from investing activities totalled EUR –77.8 million over the nine-month period as compared to EUR –82.6 million in the previous year. Capital expenditures of EUR 156.5 million (previous year: EUR 99.1 million) in non-current assets, primarily aircraft, was countered by proceeds from the disposal of such assets in the amount of EUR 78.7 million (previous year: EUR 60.2 million). The adjustment of capacity as part of the “Jump” programme as well as the continued modernisation of the fleet, including particularly the acquisition of an additional high-efficiency

Q400 turboprop machine, three A320 Airbusses and one Boeing 737-800 in the quarter under review, are reflected here.

Cashflow from financing activities amounted to EUR 107.0 million in the nine-month period following EUR –124.5 million in the same period of the previous year. Whilst financial liabilities decreased by EUR 32.1 million, there was a net inflow of EUR 105.5 million as a result of capital increases and the issuance and buyback of convertible bonds. There was a further inflow of EUR 33.5 million in connection with the participation of a TUI Travel PLC entity in Air Berlin (see Note 21 on page 37). Overall, there was a cash inflow of EUR 179.7 million over the first nine months of 2009, following an outflow of EUR 157.0 million in the same period of the previous year

EMPLOYEES

At the end of the third quarter, the Air Berlin Group including its subsidiaries LTU and Belair employed 8,292 staff as compared to 8,524 at the end of Q3 2008. Expressed as a full-time equivalent (FTE) this figure comes to 7,116.3 (previous year: 7,382.2). 3,711 employees (previous year: 3,697) were ground staff and 4,581 (previous year: 4,827) were flying crew. The flying crew consisted of 3,276 cabin crew and 1,305 cockpit crew (previous year: 3,415 and 1,412 respectively). As at 30 September 2009, there were 119 young people in training at Air Berlin (previous year: 109).

OPPORTUNITIES AND RISKS

Industry risks

The risks discussed in the section on opportunities and risks in the 2008 Annual Report continue to apply to the aviation industry in general and remain particularly relevant for low-cost carriers. New or additional substantial risks have not been identified. The increased risks which result from the major global recession for the aviation industry in particular in terms of the development of results and the financial position, still apply despite the global trend towards recovery which has since emerged. Robust demand for Air Berlin's air transportation services depends largely on favourable general economic conditions, including the strength of the global and local economies, low unemployment levels, strong consumer confidence levels and the availability of consumer and business credit. For leisure travelers, air transportation is often a discretionary purchase that they can eliminate from their spending in difficult times.

Financial risks

The financial risks discussed in the 2008 Annual Report generally continue to apply for the current financial year. Air Berlin will be employing the same instruments outlined therein to manage these risks effectively. The foreign currency risk remains a material financial risk, particularly in relation to fuel purchasing due to the high correlation between 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 period under review and after 30 September 2009. The level of debt has also decreased and further means for reducing debt are available.

Purchasing risks

Air Berlin engages in extensive hedging in order to counter the general uncertainty in price in connection with fuel purchasing. This practice continues. Over the course of 2009 the crude oil price, which strongly influences fuel prices, dropped considerably from the record highs reached in mid 2008. However, the steep price increase which has since reoccurred is proof of the high level of volatility still prevalent in the market and the necessity of comprehensive hedging measures.

OUTLOOK

Overall economic and industry environment

Since the second quarter of 2009, the economic conditions in most industrialised countries are recovering from a low level. This development has caused governments, institutions and economic research institutes to raise their forecasts slightly for the current and the coming year. In particular, visible growth is now anticipated in 2010, which is expected to be driven by further increases in global trade, which will create the impetus particularly for export-oriented countries such as Germany.

This entails a corresponding decrease in general business risks. However, as a large part of the economic recovery results from state stimulus schemes, the recovery remains fragile and is not yet self-supporting. This is reinforced by the very cautious forecasts with regard to the further development in employment, where rising unemployment is expected in 2010. Accordingly, there is no change in the risks that are relevant to the airline industry. In particular future demand for leisure and business travel remains highly dependent on the development of the global and local economies, unemployment levels and consumer confidence as well as on the availability of consumer and business credit.

According to IATA, the prospects for international air travel remain unclear. Despite stabilisation and smaller decreases in traffic figures in comparison to the same months of the previous year, IATA continues to expect a decline in global revenue passenger kilometres (RPK) as well as a continuation of the decrease in cargo traffic.

Business development

Air Berlin, Germany's second largest airline, has successfully carried out an extensive Company wide programme to enhance performance in one of the most difficult periods in international aviation. Yields per ASK and per RPK were also in this quarter substantially increased. Targets were achieved, particularly those concerning profitability, and further improvements are possible provided the global economy does not slide back into recession and there are no significant movements in the oil price.

The month of October indicates that business is stabilising. With a small 0.9 per cent decrease in passenger numbers and a 1.2 per cent decrease in capacity, fleet utilisation improved compared to the same month of the previous year, rising 0.2 percentage points to 80.2 per cent. At 6.13 euro cents, the yield per ASK was only slightly lower in October 2009 than the yield of 6.19 euro cents in the previous year. In sum, Air Berlin is maintaining its previous EBIT forecast that EBIT for the current financial year will be in excess of the prior year.

Air Berlin's October traffic figures include for the first time the former TUIfly routes. The figures for the previous year have been adjusted accordingly. As reported on 7 September 2009, Air Berlin and the group companies of TUI Travel PLC entered into an agreement for Air Berlin to assume TUIfly's city carrier route portfolio from 25 October, i.e. for the 2009/10 winter flight plan. TUIfly transported approximately 4.5 million passengers with this city carrier business in 2008. Total passenger volume in the Group therefore rises by a good 15 per cent. Under long-term lease agreements, Air Berlin has taken on aircraft capacity including crew from TUIfly of initially 13 aircraft (14 as of next summer). This strategic step has enabled Air Berlin to strengthen its presence in the markets Cologne, Stuttgart and Italy and to expand its European and domestic German route network. This will benefit in particular the important corporate business segment.

In addition, Air Berlin has extended its route network for the winter flight plan to include 10 new destinations, 54 new non-stop flights and numerous additional connecting flights. With four new destinations in Italy, Air Berlin is positioned as the largest German carrier and has further strengthened its presence in Austria.

Cooperations are also being extended to support future development. For instance, the cooperation with Turkey's largest private airline, Pegasus Airlines, began at the end of September with the linking of the two internet websites. Pegasus is a group company of ESAS Holding A.S., which is a shareholder of Air Berlin. 17 additional connections from Germany to Turkey and 26 domestic Turkish routes are available on the Air Berlin internet website and, in turn, selected Air Berlin flights can be retrieved on the Pegasus Airlines website. Air Berlin also strengthened its presence in Thailand through its cooperation with Bangkok Airways.

With considerably improved financial strength in the 2009 financial year, an attractive range of products and operating processes based on high returns, Air Berlin is well equipped to benefit from the emerging recovery of international air travel.

CHANGES IN THE BOARD OF DIRECTORS

Hartmut Mehdorn was appointed as a Non–Executive Director of the Board of Air Berlin PLC with effect from 1 July 2009.

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

Executive Directors

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

Non-Executive Directors

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

EVENTS AFTER THE REPORTING DATE

In implementation of the agreement made on 7 September 2009, a group company of TUI Travel PLC acquired newly issued Air Berlin PLC shares and thus a 9.9 per cent stake in Air Berlin on 19 October 2009. For details, see Note 21 on page 37.

Approved by the directors on 17 November 2009

Joachim Hunold Ulf Hüttmeyer

Air Berlin PLC

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

for the period ended 30 September 2009

	1/09-9/09	adjusted* 1/08-9/08	**7/09-9/09**	adjusted* 7/08-9/08
	€ 000	€ 000	€ 000	€ 000
Revenue	2,470,934	2,583,798	**973,964**	1,061,363
Other operating income	19,588	22,596	**8,408**	10,209
Expenses for materials and services	(1,661,269)	(1,792,930)	**(596,214)**	(715,459)
Personnel expenses	(324,939)	(325,943)	**(106,054)**	(112,146)
Depreciation and amortisation	(80,402)	(77,419)	**(27,147)**	(25,971)
Other operating expenses	(375,656)	(377,821)	**(134,978)**	(129,637)
Operating expenses	(2,442,266)	(2,574,113)	**(864,393)**	(983,213)
Result from operating activities	48,256	32,281	**117,979**	88,359
Financial expenses	(46,340)	(39,641)	**(15,614)**	(14,429)
Financial income	23,031	9,612	**21,449**	2,989
Foreign exchange gains (losses), net	(15,928)	(5,972)	**(2,609)**	(3,517)
Net financing costs	(39,237)	(36,001)	**3,226**	(14,957)
Share of profit (loss) of associates, net of tax	808	(33)	**(75)**	0
Profit (Loss) before tax	9,827	(3,753)	**121,130**	73,402
Income tax benefit (expense)	3,989	(3,385)	**(25,957)**	(28,275)
Profit (Loss) for the period – attributable to owners of Air Berlin PLC	13,816	(7,138)	**95,173**	45,127
Basic earnings per share in €	0.20	(0.11)	**1.24**	0.69
Diluted earnings per share in €	0.19	(0.11)	**1.01**	0.63

* The adjustments as of 30 September 2008 relate to the first time adoption of IFRIC 13 Customer Loyalty Programmes at 1 January 2009 with a retrospective effect in 2008. For further information please refer to Note 3.

Air Berlin PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

for the period ended 30 September 2009

	1/09-9/09	adjusted* 1/08-9/08
	€ 000	€ 000
Profit (Loss) for the period	**13,816**	(7,138)
Other comprehensive income		
Foreign currency translation differences for foreign operations	**(342)**	655
Effective portion of changes in fair value of hedging instruments	**157,616**	(2,491)
Income tax on other comprehensive income	**(47,580)**	752
Other comprehensive income for the period, net of tax	**109,694**	(1,084)
Total comprehensive income		
– attributable to owners of Air Berlin PLC	**123,510**	(8,222)

* The adjustments as of 30 September 2008 relate to the first time adoption of IFRIC 13 Customer Loyalty Programmes at 1 January 2009 with a retrospective effect in 2008. For further information please refer to Note 3.

Air Berlin PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

as of 30 September 2009

	30/09/2009	adjusted* 31/12/2008
	€ 000	€ 000
Assets		
Non-current assets		
Intangible assets	**310,614**	313,819
Property, plant and equipment	**1,288,789**	1,269,943
Trade and other receivables, non-current	**93,304**	108,254
Deferred tax asset	**8,184**	54,555
Positive market value of derivatives, non-current	**0**	664
Investments in associates	**3,183**	1,771
Non-current assets	**1,704,074**	1,749,006
Current assets		
Inventories	**38,524**	36,692
Trade and other receivables, current	**320,101**	283,427
Positive market value of derivatives, current	**4,074**	46,567
Prepaid expenses	**28,659**	25,110
Cash and cash equivalents	**448,435**	268,287
Current assets	**839,793**	660,083
Total assets	**2,543,867**	2,409,089

* The adjustments as of 31 December 2008 relate to the first time adoption of IFRIC 13 Customer Loyalty Programmes at 1 January 2009 with a retrospective effect in 2008. For further information please refer to Note 3.

Air Berlin PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

as of 30 September 2009

	30/09/2009	adjusted* 31/12/2008
	€ 000	€ 000
Equity and liabilities		
Shareholders' equity		
Share capital	**19,270**	16,502
Share premium	**342,146**	307,501
Equity component of convertible bond	**52,307**	27,344
Other capital reserves	**217,056**	217,056
Retained earnings	**(38,918)**	(62,654)
Hedge accounting reserve, net of tax	**(25,258)**	(135,294)
Foreign currency translation reserve	**594**	936
Equity attributable to the shareholders of the Company	**567,197**	371,391
Minority interest	**629**	629
Total equity	**567,826**	372,020
Non-current liabilities		
Liabilities due to bank from assignment of future lease payments	**578,470**	610,463
Interest-bearing liabilities	**299,669**	302,783
Non-current provisions	**10,020**	10,661
Trade and other payables, non-current	**27,462**	31,263
Negative market value of derivatives, non-current	**80,505**	58,767
Non-current liabilities	**996,126**	1,013,937
Current liabilities		
Liabilities due to bank from assignment of future lease payments	**99,824**	73,011
Interest-bearing liabilities	**18,647**	44,012
Current tax liabilities	**14,782**	8,076
Provisions	**12,113**	15,562
Trade and other payables, current	**420,800**	316,121
Negative market value of derivatives, current	**41,631**	236,735
Deferred income	**70,211**	72,795
Advanced payments received	**301,907**	256,820
Current liabilities	**979,915**	1,023,132
Total equity and liabilities	**2,543,867**	2,409,089

* The adjustments as of 31 December 2008 relate to the first time adoption of IFRIC 13 Customer Loyalty Programmes at 1 January 2009 with a retrospective effect in 2008. For further information please refer to Note 3.

Air Berlin PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

for the period ended 30 September 2009

	Share capital € 000	Share premium € 000	Equity component of convertible bond € 000	Other capital reserves € 000	Retained earnings € 000	Hedge accounting reserve, net of tax € 000	Foreign currency translation reserve € 000	Equity attributable to the shareholders of the Company € 000	Minority interest € 000	Total equity € 000
Balances at 31 December 2007 (reported)	**16,502**	**307,501**	**27,431**	**217,056**	**31,889**	**(6,639)**	**(201)**	**593,539**	**629**	**594,168**
First time adoption IFRIC 13					(10,882)			(10,882)		(10,882)
Balances at 31 December 2007 (adjusted)	**16,502**	**307,501**	**27,431**	**217,056**	**21,007**	**(6,639)**	**(201)**	**582,657**	**629**	**583,286**
Share based payment					297			297		297
Loss for the period					(7,138)			(7,138)		(7,138)
Other comprehensive income						(1,739)	655	(1,084)		(1,084)
Balances at 30 September 2008 (adjusted)	**16,502**	**307,501**	**27,431**	**217,056**	**14,166**	**(8,378)**	**454**	**574,732**	**629**	**575,361**
Balances at 31 December 2008 (reported)	**16,502**	**307,501**	**27,344**	**217,056**	**(43,273)**	**(135,294)**	**936**	**390,772**	**629**	**391,401**
First time adoption IFRIC 13					(19,381)			(19,381)		(19,381)
Balances at 31 December 2008 (adjusted)	**16,502**	**307,501**	**27,344**	**217,056**	**(62,654)**	**(135,294)**	**936**	**371,391**	**629**	**372,020**
Share based payment					101			101		101
Profit for the period					13,816			13,816		13,816
Other comprehensive income						110,036	(342)	109,694		109,694
Issue of ordinary shares	2,768	35,983						38,751		38,751
Transaction costs on issue of shares, net of tax		(1,338)						(1,338)		(1,338)
Redemption of convertible bonds			(9,819)		9,819			0		0
Issue of convertible bonds, net of tax			36,548					36,548		36,548
Transaction costs on issue of convertible bonds, net of tax			(1,766)					(1,766)		(1,766)
Balances at 30 September 2009	**19,270**	**342,146**	**52,307**	**217,056**	**(38,918)**	**(25,258)**	**594**	**567,197**	**629**	**567,826**

Air Berlin PLC

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

for the period ended 30 September 2009

	30/09/2009	adjusted* 30/09/2008
	€ 000	€ 000
Profit/(Loss) for the period	13,816	(7,138)
Adjustments to reconcile profit or loss to cash flows from operating activities:		
Depreciation and amortisation of non-current assets	80,402	77,419
Gain on disposal of tangible and intangible assets	(4,997)	(7,853)
Gain on disposal of associates	0	(2,237)
Gain on disposal of subsidiaries	0	(82)
Share based payments	101	297
Increase in inventories	(1,832)	(3,459)
Increase in trade accounts receivable	(30,847)	(86,583)
(Increase) decrease in other assets and prepaid expenses	(8,826)	11,549
Deferred tax income	(15,523)	(1,009)
Increase in accrued liabilities and provisions	69,396	11,280
(Decrease) increase in trade accounts payable	(9,756)	11,119
Increase in other current liabilities	45,690	28,518
Foreign exchange losses	15,928	5,972
Interest expense	45,928	39,222
Interest income	(3,025)	(9,612)
Profit from redemption of convertible bonds	(20,006)	0
Income tax expense	11,534	4,394
Share of (profit) loss of associates	(808)	33
Changes in fair value of derivatives	(884)	(863)
Other non-cash transactions	(342)	655
Cash generated from operations	185,949	71,622
Interest paid	(33,102)	(29,606)
Interest received	1,915	9,196
Income taxes paid	(4,298)	(1,130)
Net cash flows from operating activities	150,464	50,082
Purchases of tangible and intangible assets	(156,454)	(99,071)
Acquisitions of subsidiaries, net of cash	0	(1,006)
Proceeds from sale of subsidiaries, net of cash	0	1,189
Net-advanced payments for non-current items	(72)	(46,042)
Proceeds from sale of tangible and intangible assets	78,724	60,246
Dividends received from associates	0	211
Proceeds from sale of associates	0	2,283
Acquisitions of investments in associates	(17)	(394)
Cash flow from investing activities	(77,819)	(82,584)

to be continued on the following page

Air Berlin PLC

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

for the period ended 30 September 2009

continued from previous page

	30/09/2009	adjusted* 30/09/2008
	€ 000	€ 000
Principal payments on interest-bearing liabilities	**(154,209)**	(212,929)
Proceeds from interest-bearing liabilities	**122,074**	88,452
Proceeds from issue of ordinary shares	**38,751**	0
Payment of transaction costs related to issue of ordinary shares	**(1,916)**	0
Redemption of convertible bonds (issued in 2007)	**(50,153)**	0
Proceeds from issue of convertible bonds	**125,000**	0
Payment of transaction costs related to issue of convertible bonds	**(6,037)**	0
Investments from TUI Travel PLC	**33,496**	0
Cash flow from financing activities	**107,006**	(124,477)
Change in cash and cash equivalents	**179,651**	(156,979)
Cash and cash equivalents at beginning of period	**267,809**	468,550
Foreign exchange (gains) losses on cash held	**(1,014)**	5,403
Cash and cash equivalents at end of period	**446,446**	316,974
thereof bank overdrafts used for cash management purposes	**(1,989)**	(1,818)
thereof cash and cash equivalents in the statement of financial position	**448,435**	318,792

* The adjustments as of 30 September 2008 relate to the first time adoption of IFRIC 13 Customer Loyalty Programmes at 1 January 2009 with a retrospective effect in 2008. For further information please refer to Note 3.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2009

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

1. REPORTING ENTITY

The consolidated interim financial statements of Air Berlin PLC for the nine months ended 30 September 2009 comprise Air Berlin PLC ("the Company") and its subsidiaries (together referred to as "Air Berlin" or the "Group") and the Group's interest in associates. Air Berlin PLC is a company incorporated in England and Wales with its registered office in London. The corporate headquarters of Air Berlin are located in Berlin. The Company's ordinary shares are traded on the Frankfurt Stock Exchange.

The group financial statements as at, and for, the year ended 31 December 2008 prepared in accordance with IFRSs as adopted by the EU and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS, are available from the Company's registered office and at ir.airberlin.com.

The prior year comparative set out above does not constitute the Company's statutory accounts for the year ended 31 December 2008 but is derived from those accounts. Statutory accounts for 2008 have been delivered to the registrar of Companies in England and Wales. The auditors have reported on those accounts and their report (i) was unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 237 (2) or (3) of the Companies act 1985.

2. STATEMENT OF COMPLIANCE

These consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 "Interim Financial Reporting" as adopted by the EU. They have 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 2008.

This condensed set of financial statements was approved by the directors on 17 November 2009.

3. ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING

This interim report up to 30 September 2009 has been drawn up in accordance with IAS 34 and in compliance with the standards and interpretations applicable from 1 January 2009 as adopted by the EU. The Group has used the same accounting and valuation methods as for the consolidated financial statements for the year ended 31 December 2008 except for the changes by IFRIC 13 "Customer Loyalty Programmes".

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

The implementation of IFRIC 13 at the 1 January 2009 impacts equity, deferred tax assets and deferred income, i.e. it changes the comparatives in the consolidated balance sheet position as of 31 December 2008. Due to the first time adoption of IFRIC 13 at the 1 January 2009 the equity decreased from € 391,400 to € 372,020. The deferred tax assets increased by € 8,375. The obligation under the “Top Bonus Program” (deferred income - miles earned but not used) increased by € 27,756.

In the period ended 30 September 2009 the impact of IFRIC 13 is to reduce revenue by € 2,679. The impact of IFRIC 13 in the nine months of 2008 is to reduce revenue by € 2,231.

4. ESTIMATES

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these consolidated interim financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of uncertainty related to estimates were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2008.

5. SEASONALITY

The aviation industry is subject to seasonal fluctuations. Due to holiday travellers, the summer months generally show the highest revenue from ticket sales. The Group attempts to minimise seasonal impacts by expanding the number of business travelers. For the twelve months ended 30 September 2009 the Group had revenue of € 3,287,828 (twelve months ended 30 September 2008: € 3,342,255) and loss for the period after tax of € 54,065 (twelve months ended 30 September 2008: loss for the period after tax of € 15,476). Furthermore, for the twelve months ended 30 September 2009 the EBIT amounted to € 30,140 (twelve months ended 30 September 2008: € 21,208).

6. ACQUISITIONS AND DISPOSALS

LTU/Belair

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

E190 Flugzeugvermietung GmbH

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

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

7. NON-CURRENT ASSETS

During the nine months ended 30 September 2009 the Group acquired fixed assets with a cost of € 186,219 (nine months ended 30 September 2008: € 105,123). This amount includes the acquisition of seven Bombardier and two Airbus aircrafts.

Assets with a carrying amount of € 90,175 were disposed of during the nine months ended 30 September 2009 (nine months ended 30 September 2008: € 51,202). This amount includes two A319 aircrafts, which were disposed of on 28 April 2009 for net proceeds of € 47,765 and a gain on sale of fixed assets of € 269. Furthermore, the company disposed components of engines and aircrafts, which were sold for net proceeds of € 40,293.

8. SHARE CAPITAL

Of Air Berlin's authorised share capital, 76,788,803 ordinary shares (before issue of new shares: 65,717,103 ordinary shares) of € 0,25 each and 50,000 A shares of £1,00 each were issued and fully paid up as of 30 September 2009. Included in this amount are 177,600 treasury shares held by Air Berlin (through the Air Berlin Employee Share Trust).

Issue of new shares

On 4 June 2009 the company issued 6,571,700 new shares at a share price of € 3,50. Gross proceeds on the issue of new shares amounted to k€ 23,001 which was received on 4 and 9 June 2009. The shares were fully paid up as of 30 September 2009.

On 10 June 2009 the company issued 4,500,000 new shares at a share price of € 3,50. Gross proceeds on the issue of new shares amounted to k€ 15,750, which was received on 10 and 11 June 2009. The shares were fully paid up as of 30 September 2009.

Transaction costs incurred in the nine months of 2009 amounted to k€ 1,916 thousands.

9. CONVERTIBLE BONDS

Redemption of convertible bonds

On 23 and 27 July and 20 August 2009 the Group redeemed 790 convertible bonds issued in 2007 with a principle amount of € 79,000 in total. Payments related to the redemption amount to € 50,153. The profit from the redemption equals € 20,006 and is presented as part of the financial income in the statement of comprehensive income.

The equity component of the redeemed convertible bonds of € 10,117 less transaction costs net of tax of (€ 299) was transferred to the retained earnings within equity.

Issue of convertible bonds

On 20 August 2009 the Group issued € 125,000 convertible bonds due in 5 years. The bond issue is made up of 2,500 bonds with a principal amount of € 50 each, earning yearly interest of 9.0 %. The initial conversion price is € 4.01 which results in an initial conversion ratio of 12,469 ordinary shares per bond. Proceeds from the bond issue amount to € 125,000. Transaction costs incurred till 30 September 2009 were € 6,037.

The convertible bond was split into its equity and debt component in accordance with IAS 32. The equity component, less transaction costs net of tax, is shown as a separate line item within equity. The debt component of the convertible bond is included under interest-bearing liabilities in the statement of financial position as follows:

in thousands of Euro	30/09/2009
Proceeds from issue of convertible bonds	125,000
Transaction costs	(6,037)
Net proceeds	118,963
Amount classified as equity	(49,675)
Accreted interest	1,684
Carrying amount on 30 September 2009	**70,972**

The equity component comprises of:

in thousands of Euro	30/09/2009
Equity component of convertible bond	52,196
Transaction costs allocated to equity component	(2,521)
Total amount classified as equity	**49,675**
Taxes on equity component 29.98%	(14,893)
Equity component of convertible bond, net of tax	**34,782**

10. REVENUE

in thousands of Euro	1/09-9/09	1/08-9/08	**7/09-9/09**	7/08-9/08
Single-seat ticket sales	1,385,328	1,418,560	**541,197**	568,700
Bulk ticket sales to charter and package tour operators	883,526	940,670	**357,550**	412,400
Duty free	25,180	27,101	**9,601**	10,713
Ground and other services	176,900	197,467	**65,616**	69,550
	2,470,934	2,583,798	**973,964**	1,061,363

Air Berlin recognises ticket sales as income at the time when the transportation is provided. When the fare is for a round-trip and the return flight has not yet been provided at the reporting date, the unearned revenue is deferred in the consolidated balance sheet under “deferred income” until such time the transportation is provided. Deferred income is estimated based on historical experience and past general passenger behaviour.

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

11. OTHER OPERATING INCOME

in thousands of Euro	1/09-9/09	1/08-9/08	**7/09-9/09**	7/08-9/08
Gain on disposal of fixed assets and investments	9,314	11,212	**3,997**	7,362
Income from services provided to Niki	1,573	456	**509**	44
Income from insurance claims	874	1,479	**532**	283
Other	7,827	9,449	**3,370**	2,520
	19,588	22,596	**8,408**	10,209

12. EXPENSES FOR MATERIALS AND SERVICES

in thousands of Euro	1/09-9/09	1/08-9/08	**7/09-9/09**	7/08-9/08
Fuel for aircraft	563,598	658,545	**197,521**	286,794
Catering costs and cost of materials for in-flight sales	81,599	95,935	**29,794**	37,246
Airport & handling charges	526,224	547,399	**200,991**	207,922
Operating leases for aircraft and equipment	262,032	271,161	**83,556**	94,626
Navigation charges	165,558	174,091	**62,616**	68,374
Other	62,258	45,799	**21,736**	20,497
	1,661,269	1,792,930	**596,214**	715,459

13. PERSONNEL EXPENSES

Personnel expenses include the following items:

in thousands of Euro	1/09-9/09	1/08-9/08	**7/09-9/09**	7/08-9/08
Wages and salaries	272,097	273,887	**88,850**	94,802
Pension expense	22,437	21,615	**10,746**	8,172
Social security	30,405	30,441	**6,458**	9,172
	324,939	325,943	**106,054**	112,146

14. DEPRECIATION AND AMORTISATION

in thousands of Euro	1/09-9/09	1/08-9/08	**7/09-9/09**	7/08-9/08
Depreciation and amortisation	80,402	77,419	**27,147**	25,971

15. OTHER OPERATING EXPENSES

in thousands of Euro	1/09-9/09	1/08-9/08	**7/09-9/09**	7/08-9/08
Sales commissions paid to agencies	14,478	25,662	**4,909**	10,439
Repairs and maintenance of technical equipment	139,726	130,554	**48,649**	46,300
Advertising	38,391	46,445	**13,835**	15,540
Insurances	15,035	14,921	**5,148**	5,277
Hardware and software expenses	39,472	33,932	**13,318**	11,597
Bank charges	19,471	18,573	**7,392**	8,430
Travel expenses for cabin crews	21,174	23,603	**6,942**	8,182
Expenses for premises and vehicles	21,588	20,956	**8,103**	6,984
Losses from disposal of fixed assets	4,316	1,076	**2,704**	359
Training and other personnel costs	8,645	12,508	**2,989**	3,519
Phone and postage	3,332	3,870	**1,161**	1,359
Allowances for receivables	1,707	977	**629**	(75)
Auditing and consulting	16,406	16,365	**5,291**	4,041
Other	31,915	28,379	**13,908**	7,685
	375,656	377,821	**134,978**	129,637

16. FINANCIAL RESULT

in thousands of Euro	1/09-9/09	1/08-9/08	**7/09-9/09**	7/08-9/08
Financial expenses				
Interest paid on interest bearing liabilities	(45,928)	(39,222)	**(15,614)**	(14,254)
Other financing expenses	(412)	(419)	**0**	(175)
	(46,340)	(39,641)	**(15,614)**	(14,429)
Financial income				
Interest received on fixed deposits	1,284	7,564	**256**	2,554
Profit from redemption of convertible bonds	20,006	0	**20,006**	0
Other	1,741	2,048	**1,187**	435
	23,031	9,612	**21,449**	2,989
Foreign exchange gains (losses), net	(15,928)	(5,972)	**(2,609)**	(3,517)
Total	(39,237)	(36,001)	**3,226**	(14,957)

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

17. INCOME TAX / DEFERRED TAX

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

in thousands of Euro	1/09-9/09	1/08-9/08	**7/09-9/09**	7/08-9/08
Current income taxes	(11,534)	(4,394)	**(2,998)**	(424)
Deferred income taxes	15,523	1,009	**(22,959)**	(27,851)
Total income tax benefit (expense)	3,989	(3,385)	**(25,957)**	(28,275)

18. CASH FLOW STATEMENT

in thousands of Euro	**30/09/2009**	30/09/2008
Cash	**630**	1,469
Bank balances	**102,445**	51,744
Fixed-term deposits	**345,360**	265,579
Cash and cash equivalents	**448,435**	318,792
Bank overdrafts used for cash management purposes	**(1,989)**	(1,818)
Cash and cash equivalents in the statement of cash flows	**446,446**	316,974

Cash and cash equivalents include restricted cash of € 111,430 as of 30 September 2009 (30 September 2008: € 59,961), thereof € 33,496 relating to the investment of TUI Travel PLC.

19. 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 2.90 % of Air Berlin (30 September 2008: 3.15 %).

The Chairman of the Board, also a shareholder of the Company with a voting share of 1.76 % (30 September 2008: 1.52 %), is the controlling shareholder of Phoenix Reisen GmbH. The Group had revenues from ticket sales with Phoenix Reisen GmbH during the first nine months of 2009 of € 12,581 (30 September 2008: € 12,999). At 30 September 2009 € 724 (30 September 2008: € 318) are included in trade receivables line.

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

in thousands of Euro	30/09/2009	30/09/2008
IBERO-Tours		
Trade and other receivables, current	9	0
Expenses for services	43	1,013
Trade and other payables, current	0	38
SCK DUS GmbH & Co, KG*		
Revenues	0	3
Trade and other receivables, current	0	2
Catering expenses	0	7,073
THBG BBI GmbH (formerly: Blitz 07-582 GmbH)		
Long-term loans due from related parties	1,887	0
Binoli GmbH (formerly: Buy,bye Touristik GmbH)		
Revenues from ticket sales	396	358
Trade and other receivables, current	15	412
Long-term loans due from related parties	500	0
Lee & Lex Flugzeugvermietung GmbH		
Trade and other receivables, non-current	685	1,357
Niki Luftfahrt GmbH		
Other income from administrative services	1,573	456
Trade and other receivables, current	13,992	11,128

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

Other receivables from Lee & Lex Flugzeugvermietung GmbH ("Lee & Lex") relate to a loan receivable in the amount of USD 960 (€ 653) and a partial debenture of € 750 (30 debentures at € 25 each), which have been written down by € 718 in connection with the recognition of the Group's share of losses in the associate.

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

20. 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 Sep. 2008	Delivered Jan. to Sep. 2009	Deliveries outstanding at 30 Sep. 2009	Thereof Oct. 2009 to Dec. 2009
2004	Airbus	60	A320/319/321	2005-2012	4	6	21	2
2006-2007	Boeing	97	B737-700/800	2007-2014	3	5	87	2
2007	Boeing	25	B787	2013-2017	0	0	25	0
2007	Bombardier	10	Q400	2008-2009	0	7	1	1

21. SUBSEQUENT EVENTS

On 19 October 2009 Leibniz-Service GmbH, a TUI Travel PLC group company, has acquired 8,437,393 new shares of Air Berlin PLC for a price of € 3.97 per share in accordance with the agreement dd. 7 September 2009. As result of this transaction Leibniz-Service GmbH holds 9.9 % investment in share capital of the Group. The issuance of the new shares and their acceptance for trading took place on 19 October 2009. The proceeds of the Group thereby equal € 33.5 Mio. The payment received is presented in the statement of financial position as at 30 September 2009 as "cash and cash equivalents (restricted cash)" and "trade and other payables – current" respectively.

22. EXECUTIVE BOARD OF DIRECTORS/EXECUTIVE DIRECTORS

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

FINANCIAL CALENDAR

Traffic figures NOVEMBER	7 December 2009
Traffic figures DECEMBER	11 January 2010
Traffic figures JANUARY	5 February 2010
Traffic figures FEBRUARY	5 March 2010
Analysts & Investors Conference, Berlin	March 2010
Press Conference on 2009 results	
Traffic figures MARCH	7 April 2010

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