

22nd February 2013

airberlin records profit in 2012

- Positive operating result (EBIT) of EUR 70.2 million – an improvement of more than EUR 300 million over the previous year
- Net profit of EUR 6.8 million
- Group revenue of EUR 4.31 billion, capacity utilization increased from 78.21 to 79.80 per cent, Yield improved by 7.7 per cent to EUR 120.05
- “Shape & Size” efficiency program contributed EUR 250 million to income
- Strategic partnership with Etihad Airways, delivered EUR 50 million in additional revenues, with synergies and cost savings starting to take effect
- Retroactive value adjustment of deferred tax assets reduces net results in fiscal year 2011 to EUR -420.4 million (previously EUR -271.8 million)

airberlin, the second largest German airline, has returned to profitability. Air Berlin PLC recorded an operating profit before interest and tax (EBIT) of EUR 70.2 million in 2012, reflecting a significant improvement of EUR 317.2 million as compared to 2011. The Company’s net income of EUR 6.8 million marks a return to profitability for the first time since 2007 and follows a loss of EUR -420,4 million in 2011 (restated, reported: EUR - 271.8 million). In the past year, airberlin successfully increased its group revenue to EUR 4.31 billion (2011: EUR 4.23 billion).

airberlin’s CEO, Mr Wolfgang Prock-Schauer, commented: “We were able to conclude the past year with an operating profit. Moreover, we are also pleased to have returned a net profit. We managed to accomplish this despite increased competition and the continued extremely challenging environment. Nevertheless, we have not yet reached our target and are mindful that non-recurring events also contributed to the result of the 2012 financial year.

“We are confident that our recently launched turnaround programme, “Turbine”, will enable airberlin to be competitive in the future and achieve sustainable profitability. One of the programme’s key elements is a focus on cost efficiency which involves implementing a range of initiatives, including a staff reduction.”

EBITDA (earnings before interest, taxes, depreciation and amortization) improved from EUR -161.6 million for the 2011 financial year, to EUR 144.3 million in 2012. EBITDAR (earnings before interest, taxes, depreciation, amortization and leasing expenses) improved from EUR 425.9 by 72.9 per cent to EUR 736.4 million in the same period.

Earnings per share based on an annual average of 114.552.461 shares outstanding amounted to EUR 0.06 (undiluted and diluted) compared to EUR -4.94 in financial year 2011 (restated, previously reported EUR -3.12).

The financial result has improved from EUR -111.9 million to EUR -73.6 million, and was driven in particular by a small gain in foreign exchange.

Due to a retroactive adjustment of deferred tax assets, airberlin has corrected the EUR -271.8 million net result in fiscal year 2011 by EUR -148.6 million to EUR -420.4 million. In connection with this value adjustment the EUR 253.7 million equity reported as of 31 December 2011 was reduced to EUR 105.2 million.

The German Financial Reporting Enforcement Panel (DPR e.V.) requested information on the valuation of deferred tax assets. In this context, Air Berlin PLC has decided that deferred tax assets as at 31 December 2011 will be restated retroactively. This restatement is non-cash relevant, independent from management's assessment of expected business developments and takes account of the strict requirements of the International Financial Reporting Standards (IFRS) regarding deferred tax assets.

Total assets of Air Berlin PLC as at 31 December 2012 amounted to EUR 2.217,6 million (previous year: EUR 2,125.6 million), total equity amounted to EUR 130.2 million (previous year: following value adjustment EUR 105.2 million), its cash position amounted to EUR 327.9 million (2011: EUR 239.6 million) and net debt amounted to EUR 770.2 million (previous year: EUR 813.0 million).

While the number of passengers decreased in 2012 by 5.5 per cent to 33.3 million (previous year: 35.3 million), capacity utilisation increased by 1.6 percentage points to 79.80 per cent (previous year: 78.21 per cent). This was achieved by a further reduction of the fleet by 15 aircraft to 155 aircraft and optimising the flight schedule. Yield (revenue per passenger) improved by 7.7 percent to EUR 120.05 (previous year: EUR 111.43).

The efficiency programme Shape & Size contributed significantly to the positive developments, generating significant earnings contribution of EUR 250 million. This contribution has helped to considerably offset an increase in fuel prices of EUR 80 million.

The strategic partnership with Etihad Airways has generated additional income for airberlin. By combining both airlines' flight networks and the frequent-flyer programmes, the number of available flights for both airlines increased to include 239 destinations in 77 countries. In 2012, Etihad Airways brought 219,000 passengers into airberlin's network, generating revenue of EUR 50 million.

Mr Wolfgang Prock-Schauer, commented: "Our results are just now reflecting the first 12 months of a long term partnership which will deliver substantial commercial and operational benefits. In 2013, we are confident that we'll achieve further revenue enhancements and, above all, further cost synergies with our partner, Etihad Airways."

airberlin's membership in the global airline alliance, **oneworld**[®], presents further opportunities for growth by providing airberlin with access to new destinations and additional passengers.

airberlin will publish detailed information with respect to the past financial year and the Annual Financial Statements as at 31 December 2012 on 20 March 2013 as of 7.45 h CET on the Internet as well as in connection with the Annual Results press conference.

airberlin is one of Europe's leading airlines and flies to 150 destinations in 40 countries. The second largest airline in Germany carried more than 33 million passengers in 2012. airberlin offers a global route network through its strategic partnership with Etihad Airways, which is a 29.21 per cent stakeholder, and membership in the **oneworld** airline alliance. The airline with the award-winning service operates codeshare flights worldwide with 14 airlines. The fleet has an average age of five years and is among the most modern and eco-efficient in Europe.

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