

Q1/2016

QUARTERLY STATEMENT



▶ UTILISATION RISES AGAINST THE MARKET TREND

▶ CONSOLIDATED RESULT IMPROVES

▶ FINANCING SECURED

CONSOLIDATED FIGURES

Q1

FINANCIAL PERFORMANCE INDICATORS

	+/- in per cent	1/16-3/16	1/15-3/15
Revenue (in million euros)	-7.1	737.1	793.7
Revenue from ticket sales (in million euros)	-8.7	630.3	690.0
EBITDAR (in million euros)	./.	7.7	-13.9
EBIT (in million euros)	-7.7	-172.2	-159.9
Consolidated profit/loss for the period (in million euros)	+13.2	-182.3	-210.1
Earnings per share (in euros; basic / diluted)	+12.4	-1.62	-1.85
Total assets (in million euros) in comparison to 2015 financial year-end	+8.6	1,540.4	1,418.4
Employees (as of 31 March)	-4.9	8,708	9,155

OPERATING PERFORMANCE INDICATORS

	+/- in per cent	1/16-3/16	1/15-3/15
Passengers (PAX)	-6.8	5,416,618	5,810,397
Flight revenue per PAX (average fare; in euros)	-2.0	116.36	118.75
Available seat kilometres (in billion; ASK)	-7.2	10.98	11.83
Total revenue per ASK (RASK; in EURct)	+/-0.0	6.71	6.71
Total costs per ASK (CASK; in EURct)	+1.4	8.32	8.20
Revenue passenger kilometres (in billion; RPK)	-7.0	9.15	9.84
Load factor (in per cent; RPK/ASK)	+0.2*	83.4	83.2
Destinations (as of 31 March)	-6.1	93	99
Number of aircraft at the end of the reporting period (operational fleet)	-1.3	148	150

* percentage points

PLEASE NOTE THE FOLLOWING INFORMATION:

In this report, Air Berlin PLC is referred to as "the Company". References to "airberlin", "airberlin group", "we", or "our" refer to Air Berlin PLC and/or, depending on the context, Air Berlin PLC and its subsidiaries.

This report uses the generic masculine form, which refers equally to both male and female persons.

DISCLAIMER – RESERVATION REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Statement contains forward-looking statements on Air Berlin PLC's and the airberlin group's business and earnings performance, which are based upon our current plans, estimates, forecasts, and expectations. These statements contain risks and uncertainties as there are a variety of factors which influence our business and to a great extent lie beyond our control. Actual results and developments may, therefore, vary considerably from our current assumptions. We undertake no obligation to revise our forward-looking statements in light of either new information or unexpected events.

BUSINESS DEVELOPMENT

IMPORTANT EVENTS

15 January 2016: The Higher Administrative Court of Lüneburg decides that 26 of the 31 codeshare routes with Etihad Airways that are under discussion should receive approval from the Federal Office of Civil Aviation (Luftfahrt-Bundesamt [LBA]) until the end of the winter schedule.

25 January 2016: Etihad Airways grants airberlin a shareholder loan in the amount of EUR 75,000,000.

1 March 2016: The fundamental realignment of airberlin's management team is nearly complete. airberlin brought two internationally experienced top managers on board: Mr Neil Mills, appointed as the new Chief Strategy & Planning Officer (CSPO), and Mr Oliver Iffert, appointed as the new Chief Operations Officer (COO). Marco Ciomperlik assumes the newly created position of Director Group Synergies.

15 March 2016: The Federal Office of Civil Aviation approves the codeshare connections for the 2016 summer schedule, which had already been approved for the winter schedule by the Higher Administrative Court of Lüneburg in January 2016.

15 April 2016: Oliver Lackmann becomes the new managing director of the Austrian subsidiary NIKI Luftfahrt GmbH.

24 April 2016: Abu Dhabi Commercial Bank PJSC grants the Company a loan of AED 726,425,000. The loan is guaranteed by Etihad Airways PJSC. National Bank of Abu Dhabi PJSC grants the Company a revolving loan in the amount of EUR 75,000,000. This loan is also guaranteed by Etihad Airways PJSC.

DEVELOPMENT OF OPERATIONS

As a central component of airberlin's realignment, the Company adjusted its capacity in the 2015 financial year in order to optimise its network. Adjustments continue to be carried out in the current financial year and have resulted in a 5.9 per cent decline in capacity from 7,481,909 seats in the previous year's comparable quarter to 7,040,210 seats in the reporting quarter. The fleet was reduced by two aircraft to a total of 148 aircraft as at 31 March 2016 compared to the number of aircraft at the end of the previous year's comparable quarter and continued to be harmonised systematically using more aircraft from the Airbus family. At the end of the first three months of the previous year, the Company had 91 Airbus aircraft, and on 31 March 2016 this number totalled 106. The number of Boeing aircraft fell by a total of 16 to 23 aircraft during this same period.

With 43,611 take-offs, a total of 5.2 per cent fewer flights were conducted compared to the prior year's three-month period (46,022). The average flight distance fell by 1.4 per cent to 1,559 kilometres. airberlin's total number of flight hours decreased by 7.2 per cent (79,887 hours compared to 86,091 hours in the same period last year).

The number of passengers (PAX) declined 6.8 per cent from 5,810,397 passengers in the first three months of the previous year to 5,416,618 in the first three months of 2016. The somewhat stronger decline in passenger numbers compared to capacity is mainly due to the less favourable business environment for tourism as a result

of recent terrorist attacks, particularly in the eastern Mediterranean. Capacity adjustments also brought down the number of available/ flown seat kilometres (ASK). ASK were 7.2 per cent lower year-on-year and amounted to 10.98 billion (11.83 billion). A slightly lower decline was registered in revenue passenger kilometres (RPK), which fell 7.0 per cent from 9.84 billion to 9.15 billion. As a result, the load factor in the first three months of 2016 increased 0.2 percentage points to 83.4 per cent compared to 83.2 per cent in the prior year's comparable period.

Despite intense competition and the difficult international aviation environment resulting from the flare-up in terrorist activity, the Company managed to maintain the average ticket price in the first three months of the current financial year close to the level reported in the comparable prior-year period: Total revenue per PAX amounted to EUR 136.08 in the reporting quarter compared to EUR 136.60, and flight revenue (including taxes and security fees) per PAX was EUR 116.36 compared to EUR 118.75. Total revenue per ASK in the reporting quarter amounted to 6.71 eurocents and was unchanged compared to the same period last year. Total revenue per RPK in the reporting quarter was slightly below at 8.05 eurocents compared to 8.06 eurocents.

Operating expenses per ASK (at the EBIT level excluding other operating income) grew by 1.4 per cent year-on-year in the reporting quarter from 8.20 eurocents to 8.32 eurocents. This rise is mainly attributable to fixed costs that did not come down with lower capacity and, in particular, currency effects. A significant increase in cost resulted from the depreciation of the euro against the US dollar over the previous year, which diminished the positive effect of the lower USD fuel prices (1.26 eurocents compared to 1.66 eurocents). The euro's depreciation also resulted in significant increases in other expense items, particularly operating lease expenses (leasing expenses plus depreciation: 1.64 eurocents compared to 1.23 eurocents).

The challenging market situation in international aviation and especially the decline in tourism continued on after the end of the reporting quarter. Despite the market volatility felt throughout the industry, airberlin continued to improve its utilisation. At the end of April 2016, the accumulated reduction in capacity of 6.4 per cent and the 7.1 per cent drop in passengers resulted in a decrease in ASK of -7.8 per cent and a slightly lower decline of -7.5 per cent in RPK compared to the same period last year. This brought up the load factor for the first four months of 2016 to 82.9 per cent or 0.3 percentage points higher than in the same period last year. This trend took a strong upturn in April when the load factor increased by 0.7 percentage points year-on-year to 81.8 per cent.

RESULTS OF OPERATIONS

The 7.1 per cent year-on-year decline in group revenue in the reporting quarter from EUR 793.7 million to EUR 737.1 million is comparable to the drop in passenger numbers. The same trend was seen in flight revenue, which declined by 8.7 per cent from EUR 690.0 million to EUR 630.3 million. Revenues from ancillary services improved by 20.0 per cent to EUR 49.7 million after EUR 41.4 million in the previous year's comparable quarter. Other revenues declined to EUR 57.1 million from EUR 62.2 million. Other operating income in the reporting quarter totalled EUR 3.8 million after EUR 16.7 million in the previous year's quarter. The previous year's comparable quarter benefited from higher income from aircraft sales.

Operating expenses in the reporting quarter were 5.9 per cent lower falling from EUR 970.3 million in the prior year's quarter to EUR 913.1 million. Personnel expenses also fell 3.0 per cent from EUR 141.6 million to EUR 137.4 million as a result of planned staff reductions.

Expenses for materials and services were 6.4 per cent lower at EUR 604.4 million after EUR 646.0 million in the comparable period of the previous year. Fuel expenses declined by 29.2 per cent from EUR 196.2 million in the previous year's comparable period to EUR 138.9 million as a result of falling fuel prices and the lower number of flights. This decline, however, was limited due to the strength of the US dollar. Lease expenses rose sharply by 26.0 per cent rising from EUR 135.0 million in the previous year's quarter to EUR 170.1 million mainly as a result of the strong US dollar. The average EUR/USD effective exchange rate for the relevant quarter was 1.12, which is 12.6 per cent below the rate applied to the previous year's comparable quarter (EUR/USD 1.28). All other expense items declined. Other operating expenses in the reporting quarter fell to EUR 161.5 million compared to EUR 171.7 million in the same period of the previous year.

Operating earnings before depreciation, amortisation, and leasing expenses (EBITDAR) in the reporting quarter turned around to a positive EUR 7.7 million compared to EUR -13.9 million in the previous year's quarter. Operating earnings after leasing expenses (EBITDA) amounted to EUR -162.4 million compared to EUR -148.9 million in the previous year's quarter and operating income (EBIT) totalled EUR -172.2 million compared to EUR -159.9 million. Net financing costs totalled EUR -9.8 million in the reporting quarter after EUR -52.3 million in the previous year's quarter. Currency and valuation effects from derivatives had a positive impact on these costs. The loss before tax in the first quarter of 2016 amounted to EUR -180.2 million after EUR -212.2 million in the same quarter last year. After tax expenses of EUR -2.1 million (previous year's comparable quarter: income tax benefit of EUR 2.1 million), the net loss was EUR -182.3 million compared to EUR -210.1 million in the same quarter last year. Basic and diluted earnings per ordinary share improved to EUR -1.62 after EUR -1.85 in the previous year's comparable quarter.

NET ASSETS, FINANCIAL POSITION, CAPITAL EXPENDITURE AND FINANCING

The group's total assets at the end of the first three months of the current financial year were 8.6 per cent higher than their level on 31 December 2015 (increasing from EUR 1,418.4 million to EUR 1,540.4 million). There was a shift from non-current assets to current assets. Within non-current assets, property, plant and equipment fell 28.3 per cent to EUR 131.3 million as a result of aircraft sales and due to reclassifications as current assets ("assets held for sale"). Non-current assets fell 7.3 per cent overall from EUR 700.1 million at the end of the 2015 financial year to EUR 649.1 million after the first three months of the current financial year.

Current assets grew 24.1 per cent from EUR 718.4 million at the end of the 2015 financial year to EUR 891.3 million. This amount included the increase of EUR 27.6 million in assets held for sale to a total of EUR 51.0 million. Material changes also occurred in the following items: Trade accounts receivables and other receivables had a seasonally related rise of 16.6 per cent to EUR 452.2 million. Cash and cash equivalents were 44.6 per cent higher at EUR 238.8 million. This rise largely corresponds to the rise in advance payments received under current liabilities on the liability and equity side of the balance sheet and from cash proceeds from the shareholder loan of EUR 75.0 million granted by Etihad Airways.

Equity declined from EUR –799.4 million as at 31 December 2015 to EUR –971.3 million as at 31 March 2016 due to the loss incurred in the reporting quarter. The hedge accounting reserve, net of taxes increased from EUR –82.6 million to EUR –71.9 million.

Non-current liabilities at the end of the reporting quarter amounted to EUR 1,060.3 million after EUR 1,091.9 million at the end of the 2015 financial year. Under this item, non-current financial liabilities from aircraft financings were eliminated completely. At the end of the 2015 financial year, non-current financial liabilities from aircraft financings still amounted to EUR 28.7 million. Other non-current financial liabilities also decreased (EUR 964.2 million after EUR 980.9 million).

Current financial liabilities from aircraft financings rose to EUR 38.0 million at the end of the reporting quarter compared to EUR 23.3 million at 31 December 2015. This rise mainly results from the reclassification of aircraft from non-current to current assets described above. Other current financial liabilities amounted to EUR 90.4 million at the end of the reporting quarter compared to EUR 10.1 million at the end of the 2015 financial year. Advance payments received contained in other current liabilities experienced a strong seasonal increase as at the end of the first quarter rising from EUR 373.9 million at the end of the 2015 financial year to EUR 618.6 million. The negative current market values of derivatives (the non-current portion is not material) amounted to EUR 83.7 million at the end of the reporting period compared to EUR 114.2 million at the end of the 2015 financial year. In total, current liabilities at the end of the first quarter of 2016 were 29.0 per cent higher than the level at the end of 2015 (EUR 1,451.4 million after EUR 1,125.9 million).

Net cash flows from operating activities after interest paid/received and taxes of EUR –15.6 million turned into a positive EUR 6.4 million compared to EUR –10.9 million in the comparable quarter of the prior year. Cash flow from investing activities had a net inflow of EUR 10.3 million due to the sale of assets. Net proceeds of EUR 60.9 million were received from financing activities. At the end of the reporting period, airberlin had cash and cash equivalents of EUR 238.8 million.

FINANCIAL STATEMENTS AND NOTES

Air Berlin PLC CONSOLIDATED INCOME STATEMENT (UNAUDITED) for the period ended 31 March 2016

EURk	1/16–3/16	1/15–3/15
Revenue	737,098	793,690
Other operating income	3,786	16,660
Expenses for materials and services	(604,380)	(645,996)
Personnel expenses	(137,394)	(141,565)
Depreciation, amortisation and impairment losses	(9,783)	(11,012)
Other operating expenses	(161,532)	(171,684)
Operating expenses	(913,089)	(970,257)
Result from operating activities	(172,205)	(159,907)
Financial expenses	(23,008)	(27,592)
Financial income	256	210
Result on foreign exchange and derivatives, net	12,929	(24,893)
Net financing costs	(9,823)	(52,275)
Share of at equity investments, net of tax	1,823	0
Result before tax	(180,205)	(212,182)
Income tax result	(2,141)	2,110
Result for the period	(182,346)	(210,072)
of which: attributable to hybrid capital investors	6,292	5,918
of which: attributable to Air Berlin PLC shareholders	(188,638)	(215,990)
Basic earnings per share in €	(1,62)	(1,85)
Diluted earnings per share in €	(1,62)	(1,85)
Consolidated Statement of other comprehensive income	1/16–3/16	1/15–3/15
Result for the period	(182,346)	(210,072)
Foreign currency translation reserve	(264)	1,770
Effective portion of changes in fair value of hedging instruments	(15,558)	33,969
Net change in fair value of hedging instruments transferred from equity to profit or loss	26,411	36,718
Income tax on other comprehensive income	(159)	(1,736)
Other comprehensive income for the period, net of tax	10,430	70,721
Total comprehensive income	(171,916)	(139,351)
of which: attributable to hybrid capital investors	6,292	5,918
of which: attributable to Air Berlin PLC shareholders	(178,208)	(145,269)

Air Berlin PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

as of 31 March 2016

EURk	31/03/2016	31/12/2015
Assets		
Non-current assets		
Intangible assets	402,577	405,031
Property, plant and equipment	131,301	182,956
Trade and other receivables	57,575	56,273
Positive market value of derivatives	6	0
Net defined benefit asset	176	176
Deferred expenses	52,790	52,768
At equity investments	4,670	2,848
Non-current assets	649,095	700,052
Current assets		
Inventories	63,325	64,654
Trade and other receivables	452,220	387,894
Positive market value of derivatives	5,793	26,311
Deferred expenses	80,066	50,856
Assets held for sale	51,045	23,419
Cash and cash equivalents	238,822	165,235
Current assets	891,271	718,369
Total assets	1,540,366	1,418,421

Air Berlin PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

as of 31 March 2016

EURk	31/03/2016	31/12/2015
Equity and liabilities		
Shareholders' equity		
Share capital	29,273	29,273
Share premium	435,085	435,085
Equity component of convertible bonds	597	597
Other capital reserves	217,056	217,056
Retained earnings	(1,907,804)	(1,719,166)
Hedge accounting reserve, net of tax	(71,860)	(82,554)
Foreign currency translation reserve	4,824	5,088
Remeasurement of the net defined benefit obligation	(10,451)	(10,451)
Equity attributable to shareholders of the Company	(1,303,280)	(1,125,072)
Equity attributable to the hybrid capital investors	331,978	325,686
Total equity	(971,302)	(799,386)
Non-current liabilities		
Interest-bearing liabilities due to aircraft financing	0	28,748
Interest-bearing liabilities	964,219	980,877
Provisions	5,934	6,203
Trade and other payables	70,497	54,406
Deferred tax liabilities	19,628	21,666
Non-current liabilities	1,060,278	1,091,900
Current liabilities		
Interest-bearing liabilities due to aircraft financing	37,961	23,323
Interest-bearing liabilities	90,375	10,181
Tax liabilities	6,349	2,507
Provisions	40,342	47,426
Trade and other payables	522,369	511,344
Negative market value of derivatives	83,692	114,217
Deferred income	51,715	42,996
Advanced payments received	618,587	373,913
Current liabilities	1,451,390	1,125,907
Total equity and liabilities	1,540,366	1,418,421

Air Berlin PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

for the year ended 31 March 2016

TEUR	Share capital	Share premium	Equity component of convertible bonds	Other capital reserves	Retained earnings	Hedge accounting reserve, net of tax	Foreign currency translation reserve	Reassessment of the net defined benefit obligation	Equity attributable to the shareholders of the Company	Equity attributable to the hybrid-capital investors	Total equity
Balances at 31 December 2014	29,273	435,085	597	217,056	(1,248,200)	(153,433)	3,654	(8,976)	(724,944)	309,356	(415,588)
Loss for the period					(215,990)				(215,990)	5,918	(210,072)
Other comprehensive income						68,951	1,770		70,721		70,721
Total comprehensive income	0	0	0	0	(215,990)	68,951	1,770	0	(145,269)	5,918	(139,351)
Balances at 31 March 2015	29,273	435,085	597	217,056	(1,464,190)	(84,482)	5,424	(8,976)	(870,213)	315,274	(554,939)
Balances at 31 December 2015	29,273	435,085	597	217,056	(1,719,166)	(82,554)	5,088	(10,451)	(1,125,072)	325,686	(799,386)
Loss for the period					(188,638)				(188,638)	6,292	(182,346)
Other comprehensive income						10,694	(264)		10,430		10,430
Total comprehensive income	0	0	0	0	(188,638)	10,694	(264)	0	(178,208)	6,292	(171,916)
Balances at 31 March 2016	29,273	435,085	597	217,056	(1,907,804)	(71,860)	4,824	(10,451)	(1,303,280)	331,978	(971,302)

Air Berlin PLC
CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
for the period ended 31 March 2016

EURk	31/03/2016	31/03/2015
Result for the period	(182,346)	(210,072)
Adjustments to reconcile profit or loss to cash flows from operating activities:		
Depreciation and amortisation of non-current assets	9,783	11,012
Gain on disposal of long-term assets	(1,589)	(13,248)
Decrease (Increase) in inventories	1,329	(2,498)
Increase in trade accounts receivables	(52,391)	(73,812)
Increase in other assets and prepaid expenses	(31,073)	(70,183)
Deferred tax benefit	(2,198)	(2,585)
Decrease in provisions	(7,353)	(7,009)
Increase in trade accounts payable	12,165	24,878
Increase in other current liabilities	265,743	291,892
Result on foreign exchange and derivatives, net	(12,929)	24,893
Interest expense	23,008	27,004
Interest income	(256)	(211)
Income tax expense	4,338	475
Share of profit of equity investments	(1,823)	0
Other non-cash changes	(2,324)	1,406
Cash generated from operations	22,084	1,942
Interest paid	(15,339)	(12,523)
Interest received	178	176
Income taxes paid	(478)	(464)
Net cash flows from operating activities	6,445	(10,869)
Purchases of non-current assets	4,966	(4,921)
Net advanced payments for non-current items	(19,913)	2,502
Loans issued	0	(4,000)
Proceeds from sale of tangible and intangible assets	25,257	72,526
Cash flow from investing activities	10,310	66,107
Principal payments on interest-bearing liabilities	(54,817)	(63,608)
Proceeds from issue of interest-bearing liabilities	115,700	29,131
Cash flow from financing activities	60,883	(34,477)
Change in cash and cash equivalents	77,638	20,761
Cash and cash equivalents at beginning of period	165,210	259,180
Foreign exchange gains on cash balances	(4,054)	7,596
Cash and cash equivalents at end of period	238,794	287,537
thereof bank overdrafts used for cash management purposes	(28)	(47)
thereof cash and cash equivalents in the statement of financial position	238,822	287,584

NOTES TO THE CONDENSED FINANCIAL STATEMENTS AS OF 31 MARCH 2016

(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 2016 comprise Air Berlin PLC (the “**Company**”) and its subsidiaries (together referred to as “**airberlin**” or the “**Group**”) and the Group’s interest in equity investments. Air Berlin PLC is a company incorporated in England and Wales with its registered office in London. The corporate headquarters of airberlin 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 2015 prepared in accordance with IFRSs 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 2015 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.

2. STATEMENT OF COMPLIANCE

These consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 “Interim Financial Reporting” as adopted by the EU. They have been neither reviewed nor 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 2015.

This condensed set of financial statements was approved by the Directors on 11 May 2016.

3. ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING

This interim report up to 31 March 2016 has been drawn up in accordance with IAS 34 and in compliance with the standards and interpretations applicable from 1 January 2016 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 2015.

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2016. None of them have material impact on the Group.

The group changed presentation by type of revenue for this interim report up to 31 March 2016. The new presentation helps better understanding of the development of flight revenue and related ancillary services. The prior year comparative figures have been adjusted accordingly:

EURk	1/15-3/15		1/15-3/15
	As reported	Adjustment	Adjusted
Flight revenue	706,869	(16,864)	690,005
Ground and other services	81,368	(81,368)	0
Ancillary services	0	41,436	41,436
Other revenue	0	62,249	62,249
Duty-free / Inflight sales	5,453	(5,453)	0
	793,690		793,690

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 2015.

5. SEASONALITY

The aviation industry is subject to seasonal fluctuations. Due to holiday travellers, the summer months generally show the highest revenue from ticket sales. The Group attempts to minimise seasonal impacts by expanding the number of business travellers. For the twelve months ended 31 March 2016 the Group had revenue of € 4,025,163 (prior year: € 4,192,044) and result for the period after tax of € -418,910 (prior year: € -376,939). Furthermore, for the twelve months ended 31 March 2016 the EBIT amounted to € -319,253 (prior year: € -270,838).

6. NON-CURRENT ASSETS

During the three months ended 31 March 2016 the Group acquired fixed assets with a cost of € 4,966 (prior year: € 14,281). Assets with a carrying amount of € 23,668 (prior year: € 879) were disposed of during the three months ended 31 March 2016.

Capital commitments for property, plant and equipment amount to 0.15 bn USD (prior year: 0.4 bn USD).

ASSETS HELD FOR SALE

Assets held for sale position include two aircraft which is expected to be sold by the Group. When publishing these financial statements one transaction was finally settled. The aircraft held for sale was written down to its

fair values less costs to sell, based upon sale contract from prospective purchaser. Non-current liabilities relating to aircraft financing of the aircraft held for sale have been classified to current liabilities.

7. SHARE CAPITAL

Of the Company's share capital, 116,800,508 ordinary shares of € 0.25 each and 50,000 A shares of £ 1.00 each were issued and fully paid up. Included in this amount are 177,600 treasury shares held by the Company (through the Air Berlin Employee Share Trust).

8. HYBRID CAPITAL

On 27 April 2014 the Group issued perpetual bonds to its shareholder Etihad Airways PJSC in the total amount of € 300,000. The drawdown of the bonds was divided in three tranches each € 100,000 and was paid out at 20 May 2014, 28 August 2014 and 23 October 2014. The perpetual bonds have no maturity and bears an interest coupon of 8.0 % per annum. Interest coupons can be deferred indefinitely at the discretion of the Group. Settlement of all arrears of interest is payable only in the event that the Group declares or pays dividend or repurchases its own shares. The perpetual bonds bear a conversion right to convert the bonds into ordinary shares at a conversion price of € 1.79 per ordinary share. Conversion to ordinary shares is at the discretion of the bond holder and can be exercised from the date of issue but is subject to the limitations imposed by the Company's Articles of Association that the Group must at all times be controlled or majority owned by nationals of the European Community or European Economic Area. As there is no obligation on the Group to repay the capital and the Group can indefinitely defer payments of interest until dividend is declared (which is at the discretion of the Group) the perpetual bonds constitute equity in the Group's consolidated statement of financial position according to IFRS. An amount of € 39,978 was transferred from retained earnings to hybrid capital to reflect the amount of interest payable in such an event, thereof € 6,292 in the reporting period (prior year: € 5,918).

9. REVENUE

EURk	1/16-3/16	1/15-3/15
Flight revenue	630,292	690,005
Ancillary services	49,708	41,436
Other revenue	57,098	62,249
	737,098	793,690

airberlin 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 "Advanced payments received" until such time the transportation is provided.

10. SEGMENT INFORMATION

airberlin 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 airberlin'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 of Directors 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.

11. OTHER OPERATING INCOME

EURk	1/16-3/16	1/15-3/15
Gain on disposal of long-term assets, net	1,589	13,248
Income from insurance claims	805	147
Other	1,392	3,265
	3,786	16,660

12. EXPENSES FOR MATERIALS AND SERVICES

EURk	1/16-3/16	1/15-3/15
Fuel for aircraft	138,850	196,208
Airport and handling charges	164,176	170,934
Operating leases for aircraft and equipment	170,094	134,959
Navigation charges	46,899	52,909
Air transportation tax	32,288	32,415
Catering costs and cost of materials for in-flight sales	22,874	26,450
Other	29,199	32,121
	604,380	645,996

The expenses for operating leases for aircraft and equipment include expenses of € 35,210 (prior year: € 31,801) that do not directly relate to the lease of assets.

13. PERSONNEL EXPENSES

EURk	1/16-3/16	1/15-3/15
Wages and salaries	113,179	118,724
Social security	15,583	13,261
Pension expense	8,632	9,580
	137,394	141,565

14. OTHER OPERATING EXPENSES

EURk	1/16-3/16	1/15-3/15
Repairs and maintenance of technical equipment	59,515	69,197
Sales and distribution expenses (incl. commissions)	27,281	27,509
Advertising	14,902	15,685
Expenses for premises and vehicles	9,856	10,502
Bank charges	7,442	5,880
Travel expenses for cabin crews	6,657	6,957
Training and other personnel expenses	4,438	6,378
IT related expenses	4,338	4,325
Auditing and consulting fees	3,814	2,946
Insurance	2,572	3,377
Phone and postage	899	878
Allowances for receivables	291	951
Other	19,527	17,099
	161,532	171,684

15. NET FINANCING COSTS

EURk	1/16-3/16	1/15-3/15
Interest expense on interest-bearing liabilities	(23,008)	(27,004)
Other financial expenses	0	(588)
Financial expenses	(23,008)	(27,592)
Interest income on fixed deposits	74	16
Other financial income	182	194
Financial income	256	210
Result on foreign exchange and derivatives, net	12,929	(24,893)
Net financing costs	(9,823)	(52,275)

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, interest-bearing liabilities due to aircraft financing 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 result.

16. INCOME TAX AND DEFERRED TAX

Result before tax is primarily attributable to Germany. The income tax result for the period is as follows:

EURk	1/16-3/16	1/15-3/15
Current income tax expense	(4,339)	(475)
Deferred income tax benefit	2,198	2,585
Total income tax result	(2,141)	2,110

17. FAIR VALUE HIERARCHY

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 March 2016.

EURk	Level 1	Level 2	Level 3	Total
Assets				
Derivatives classified held for trading	0	6	0	6
Derivatives classified hedge accounting	0	5,793	0	5,793
Total assets	0	5,799	0	5,799
Liabilities				
Derivatives classified held for trading	0	2,702	0	2,702
Derivatives classified hedge accounting	0	80,990	0	80,990
Total liabilities	0	83,692	0	83,692

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2015:

EURk	Level 1	Level 2	Level 3	Total
Assets				
Derivatives classified held for trading	0	1,186	0	1,186
Derivatives classified hedge accounting	0	25,125	0	25,125
Total assets	0	26,311	0	26,311
Liabilities				
Derivatives classified held for trading	0	5,996	0	5,996
Derivatives classified hedge accounting	0	108,221	0	108,221
Total liabilities	0	114,217	0	114,217

Level 2 derivatives comprise forward exchange, interest rate and fuel price derivatives which have been fair valued using option pricing models and the discounted cashflow method. Material input factors were forward exchange rates, interest forward rates and fuel forward rates that are quoted in an active market. Level 2 interest bearing liabilities relate to an embedded derivative of convertible bonds issued and have been valued using the volatility of the airberlin share, credit risk of airberlin and interest forward rates.

18. FINANCIAL INSTRUMENTS FAIR VALUE

The fair values of the financial assets and liabilities, the carrying amount disclosed and the relevant category as of 31 March 2016 are as follows:

EURk	Loans & receivables	Held for trading	Hedge-Accounting	Financial liabilities at amortised costs	Total carrying amount	Fair value at 31 March 2016
Trade receivables and other assets	348,331	0	0	0	348,331	348,331
Derivatives classified as held for trading with positive market values	0	6	0	0	6	6
Derivatives classified as hedge accounting with positive market values	0	0	5,793	0	5,793	5,793
Cash and cash equivalents	238,822	0	0	0	238,822	238,822
	587,153	6	5,793	0	592,952	592,952
Derivatives classified as held for trading with negative market values	0	2,702	0	0	2,702	2,702
Derivatives classified as hedge accounting with negative market values	0	0	80,990	0	80,990	80,990
Financial liabilities at amortised costs	0	0	0	1,235,196	1,235,196	1,166,077
Finance lease liabilities	0	0	0	38,642	38,642	38,642
Bank overdrafts used for cash management purposes	0	0	0	28	28	28
	0	2,702	80,990	1,273,866	1,357,558	1,288,439

19. CASH FLOW STATEMENT

EURk	31/03/2016	31/03/2015
Cash	77	104
Bank balances	112,285	175,760
Fixed-term deposits	126,460	111,720
Cash and cash equivalents	238,822	287,584
Bank overdrafts used for cash management purposes	(28)	(47)
Cash and cash equivalents in the statement of cash flows	238,794	287,537

Cash and cash equivalents include restricted cash of € 124,916 as of 31 March 2016 (prior year: € 110,887).

20. RELATED PARTY TRANSACTIONS

TRANSACTIONS WITH DIRECTORS OF THE GROUP

Members of the Board of Directors control a voting share of 3.13% of the Company (prior year: 3.28%).

One of the non-executive directors, also a shareholder of the Company, is the controlling shareholder of Phoenix Reisen GmbH. The group had revenues from ticket sales with Phoenix Reisen GmbH of € 341 (prior year: € 907). At 31 March 2016, € 80 (prior year: € 242) are included in the trade receivables line.

TRANSACTIONS WITH MAJOR SHAREHOLDER AND RESPECTIVE RELATED PARTIES

During the three months ended 31 March 2016 respectively 2015 the Group had transactions with major shareholder and respective related parties as follows:

EURk	2016	2015
Etihad Airways PJSC		
Long-term secured loans including accrued interest	273,728	0
Interest expense	5,125	0
Commission expense from code-share-agreement	392	2,582
Commission income from code-share-agreement	2,932	4,066
Trade and other accounts receivable	3,320	14,145
Trade and other accounts payable	47,712	273
Advances received	20,000	0
Etihad Airways Engineering LLC		
Repairs and maintenance of technical equipment	1,654	2,603
Trade and other accounts payable	0	151
Etihad Airport Services - Catering LLC		
Catering	1,035	1,354
Trade and other accounts payable	437	305
Etihad Airport Services - Ground LLC		
Handling expense	1,051	945
Trade and other accounts receivable	372	0
Trade and other accounts payable	6	4
Etihad Airport Services - Cargo LLC		
Revenue from other services	283	474
Other operating expense	3	23
Trade and other accounts receivable	60	215
Trade and other accounts payable	1	0
EA Partners I B.V.		
Long-term loans including accrued interest	114,792	0
Deposit	6,691	0
Interest expense	3,242	0
Stichting EA Partners I		
Long-term loans receivable including accrued interest	2,360	0
Air Serbia A.D.		
Commission expense from code-share-agreement	15	6
Air Seychelles Ltd.		
Commission expense from code-share-agreement	9	14
Commission income from code-share-agreement	3	5
Darwin Airline SA		
Operating leasing for aircraft	2,541	0
Jet Airways Ltd		
Commission expense from code-share-agreement	19	0

TRANSACTIONS WITH AT EQUITY INVESTMENTS

During the three months ended 31 March 2016 respectively 2015 the Group had transactions with at equity investments as follows:

EURk	2016	2015
THBG BBI GmbH		
Loans receivable from related parties	3,108	2,976
Interest Income	35	33
Income from other services	0	30
airberlin holidays GmbH		
Receivables from related parties	0	150
Payables to related parties	79	0
Revenues from ticket sales	3,055	340
Other operating expenses	10	15
E190 Flugzeugvermietung GmbH		
Receivables from related parties	0	1,892
Expenses for leasing	0	1,599
Topbonus Ltd		
Receivables from related parties	2,428	1,761
Payables to related parties	5,527	4,859
Revenues from ticket sales	776	1,061
Expenses for miles	5,692	6,171
AuSoCon Berlin Call Center GmbH		
Payables to related parties	0	570
Revenues	0	5
Expenses for services	0	2,154

Transactions with all related parties are priced on an arm's length basis.

21. SUBSEQUENT EVENTS

24 April 2016:

Abu Dhabi Commercial Bank PJSC is granting a loan of AED 726,425,000 to the Company. The loan is guaranteed by Etihad Airways PJSC.

National Bank of Abu Dhabi PJSC is granting a revolving loan of EUR 75,000,000 to the Company. The loan is guaranteed by Etihad Airways PJSC.

22. EXECUTIVE DIRECTOR

Stefan Pichler Chief Executive Officer

23. MANAGEMENT BOARD

Stefan Pichler	Chief Executive Officer
Arnd Schwierholz	Chief Financial Officer
Julio Rodriguez	Chief Commercial Officer
Marco Ciomperlik	Chief Production Officer (until 1 March 2016)
Oliver Lackmann	Chief Flight Operations Officer (until 1 March 2016)
Oliver Iffert	Chief Operations Officer (since 1 March 2016)
Neil Mills	Chief Strategy & Planning Officer (since 1 March 2016)
Dr. Martina Niemann	Chief Human Resources Officer

FINANCIAL CALENDAR

2016

REPORTING DATES

15 June 2016	Annual General Meeting (AGM) Air Berlin PLC, London Heathrow
11 August 2016	Publication of the Interim Report as of 30 June 2016 (Q2 – H1) Analyst & Investor Conference Call
16 November 2016	Publication of the Quarterly Statement as of 30 September 2016 (Q3) Analyst & Investor Conference Call

RELEASE OF TRAFFIC FIGURES

8 June 2016	Traffic figures May 2016
7 July 2016	Traffic figures June 2016
5 August 2016	Traffic figures July 2016
8 September 2016	Traffic figures August 2016
7 October 2016	Traffic figures September 2016
4 November 2016	Traffic figures October 2016
8 December 2016	Traffic figures November 2016

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