



QUARTERLY FINANCIAL REPORT Q3/2008

KEY FINANCIAL FIGURES

	Q3 2008	Q3 2007	Q3 2007 pro forma*	9M 2008	9M 2007	9M 2007 pro forma*
Revenues (EURm)	1,062.1	857.6	977.7	2,586.0	1,778.0	2,423.8
thereof: Ticket sales (EURm)	981.8	787.0	895.0	2,361.5	1,639.7	2,203.6
EBITDAR (EURm)	209.7	174.9	177.8	383.1	284.3	331.6
EBIT (EURm)	89.1	69.8	56.8	34.5	32.5	(9.6)
Consolidated profit (loss) for the period (EURm)	45.6	60.8	31.9	(5.6)	31.5	(28.7)
Cash generated from operations (EURm)	43.7	59.3	n.a.	71.6	154.5	n.a.
Earnings per share (EUR, basic)	0.70	0.93	n.a.	(0.09)	0.48	n.a.
Operating cashflow per share (EUR)	0.66	0.91	n.a.	1.09	2.36	n.a.
Total assets (EURm)			n.a.	2,409.6	2,613.5	n.a.
Employees (Sept. 30)				8,520	8,179	

* Air Berlin incl. its subsidiaries LTU and Belair; n.a.: not available

DISCLAIMER – RESERVATION REGARDING FORWARD-LOOKING STATEMENTS

This interim report contains forward-looking statements on Air Berlin's business and earnings performance, which are based upon our current plans, estimates, forecasts and expectations. The statements entail risks and uncertainties as there are a variety of factors which influence our business and to a great extent lie beyond our sphere of influence. Actual results and developments may, therefore, diverge considerably from our current assumption, which, for this reason, are valid only at the time of publication. We undertake no obligation to revise our forward-looking statements in the light of either new information or unexpected events.

LETTER TO SHAREHOLDERS

Dear shareholders,

if the global economy is on the brink of recession, then it will be particularly difficult for the aviation industry. That is at least how the IATA statistics for global passenger and cargo volume are to be interpreted. Although at this point there are only current figures for September, the sharp declines of 2.9 percent in passenger numbers and 7.7 percent in cargo in this month alone are hardly likely to improve in the weeks to come.

Of course, Air Berlin is also feeling the pressure of the headwinds brought on by the general economic downturn. However, we introduced the right measures to strengthen our profitability in good time. The Group-wide programme to improve general performance, "Jump", is taking effect and delivering the success hoped for. We are optimising our use of resources and increasing our productivity on the ground as well as in the air with targeted capacity adjustments, rigorous cost control and the further refinement of route and price management.

This is shown in the development of yields, i.e. revenue per available seat-kilometre. We steadily widened this figure in the current financial year – and with rising growth rates! After an increase of barely 4 percent in the first quarter, we improved the yields in the second quarter by a good 11 percent and by over 14 percent in the third quarter. And lastly, in October, we were even able to increase them by 21 percent. We have achieved this success in an environment that has not been very positive for the industry as a whole.

Due to these positive profitability results, the Board of Directors continues to assume that "Jump" will have a positive effect on earnings in the current financial year. With respect to passenger volume in the Group, we also still expect a small increase in financial year 2008 – despite targeted capacity adjustments. And we are also maintaining our previous forecasts for consolidated revenue and EBIT: we still anticipate revenue expansion to over EUR 3 billion and a positive EBIT in the financial year 2008.

Berlin, November 2008



Joachim Hunold
Chief Executive Officer



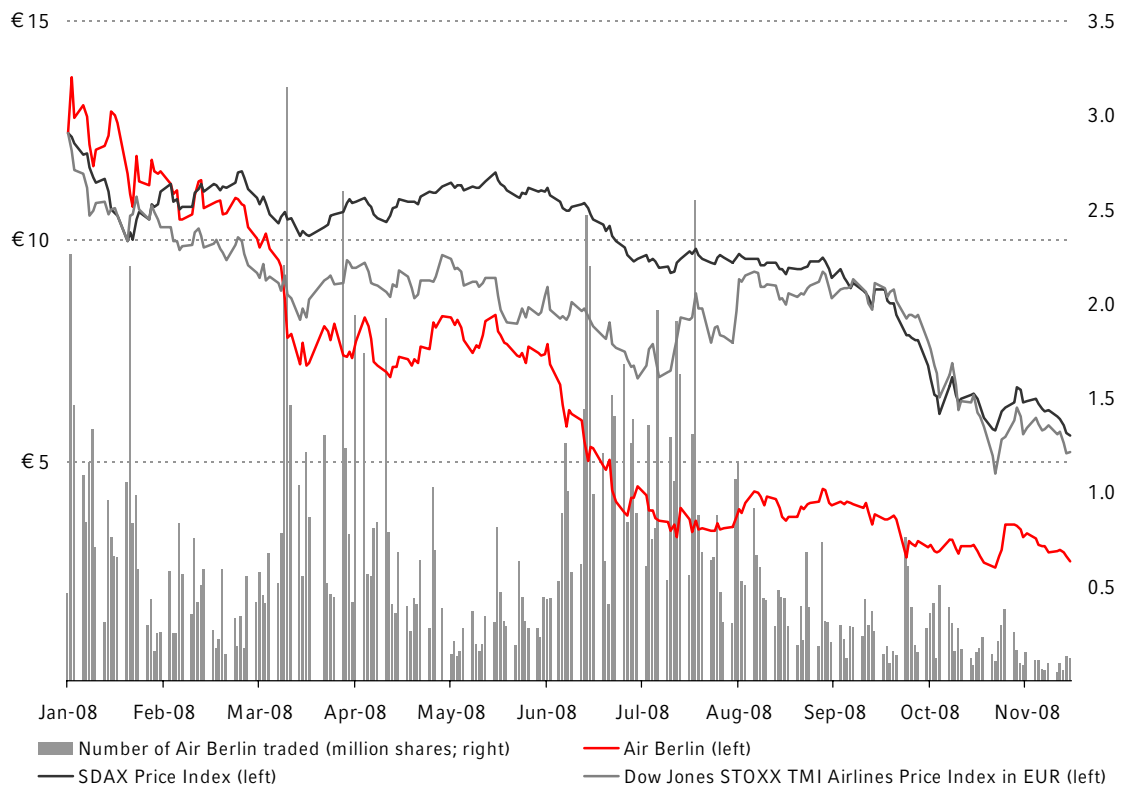
THE AIR BERLIN SHARE

Since late summer, international stock markets have been characterised by the crisis on global financial markets and a rapidly declining global economy. The weak trend that was already apparent at the start of 2008 intensified during September, resulting in global lows in October not seen for many years. Share prices, with high daily fluctuations, have not yet been able to recover permanently from this sharp fall.

In this environment, airline stocks are among the most severely affected. Even after the sharp increase in the oil price during the first half of the year and the subsequent equally significant adjustments, airline stocks were only boosted for a short period in the third quarter. They then adjusted sharply again in line with the market as a whole. During the year, the Air Berlin share underperformed in comparison to both the SDAX index and the European Dow Jones STOXX Airlines Index. Yet for the most part, it has been able to defy the deep plunge of share prices on the stock exchange since the beginning of September. On the contrary, in the second half of the year 2008, overall it has moved only in a slightly declining sideward trend. The success of the programme to increase efficiency, "Jump", mainly apparent in the monthly yield increases in the third quarter, had a significant share here.

Air Berlin was tracked by a total of 14 research institutes as of the end of October. As of the middle of the year, the ratio of "Sell" or "Underweight" to "Neutral" or "Hold" was 10 to 2, and had improved to 8 to 6 by the end of October.

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



Source: Reuters



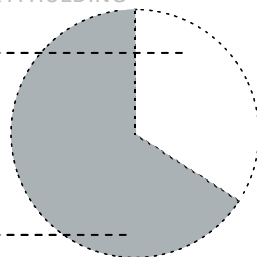
01) The Air Berlin share

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

34.29 %

FREE FLOAT DEFINITION DEUTSCHE BÖRSE AG

65.71 %



SHAREHOLDER STRUCTURE AT AIR BERLIN PLC ON 30 SEPTEMBER 2008

The Air Berlin PLC share in the third quarter and in the first nine months 2008

Share capital:	EUR 16,501,803.00
Authorised share capital:	EUR 100,000,000 and GBP 50,000
Total number of issued and registered shares as of September 30, 2008:	65,717,103
Class:	Individual share certificates
Nominal value:	EUR 0.25
Bloomberg symbol:	AB1 GR
Reuters symbol:	AB1.DE
ISIN symbol:	GB00B128C026
WKN symbol:	AB1000
Accounting standard:	IAS/IFRS

Q3 and 9M 2008 market data

Trading segment:	Official trading (prime standard)
Primary industry:	Transport and logistics
Industry group:	Airlines
Indices:	SADX, Prime All Share, Classic All Share
Designated Sponsors:	Commerzbank AG, Morgan Stanley Bank AG
Market capitalisation as of September 30, 2008:	EUR 208 million
Free Float according to Deutsche Börse AG as of September 30, 2008	65.71%
Capitalisation of free float as of September 30, 2008:	EUR 137 million
Average trading volume Q3 / 9M 2008:	649,422 / 701,254 shares per day

- The shares are officially traded on XETRA and on the Frankfurt Securities Exchange and traded on the regulated unofficial market at the exchanges in Berlin-Bremen, Düsseldorf, Hamburg, Munich and Stuttgart.
- Air Berlin shares are registered common shares. In accordance with the Air Transport Agreement and the EU Directives, entry in an appropriate schedule of names giving information on the distribution of the shares by nationalities ensures that a majority of the shares are held by German and European investors. The registry agency is Registrar Services GmbH in Eschborn.
- "Class A" shares have also been issued.

Current investor relations information, press releases and ad hoc notifications, investor and analyst presentations and all other mandatory reports and disclosures can be found on the Air Berlin website, www.ir.airberlin.com.

BUSINESS DEVELOPMENT

THE GLOBAL ECONOMY AND THE AVIATION SECTOR

According to the definition of the IMF, the global economy is on the brink of recession. In its November update on the global economic outlook, it significantly revised growth rates downwards for 2008 and 2009. Jitters on the markets caused by the international financial crisis, which have since started to affect the real economy, were cited as the primary reasons for this. Company and consumer confidence is shattered and expectations regarding future income and profit have rapidly declined in the last few months, resulting in a significant reluctance to invest and buy.

The high momentum of the economic downturn is particularly noticeable within the Eurozone and in Germany. After real gross domestic product fell by 0.2 percent for the second time in the third quarter of 2008, the Eurozone slid into recession for the first time in its history. Recession is also prevailing in Germany: After -0.4 percent in the second quarter, German GDP fell again by 0.5 percent in the third quarter.

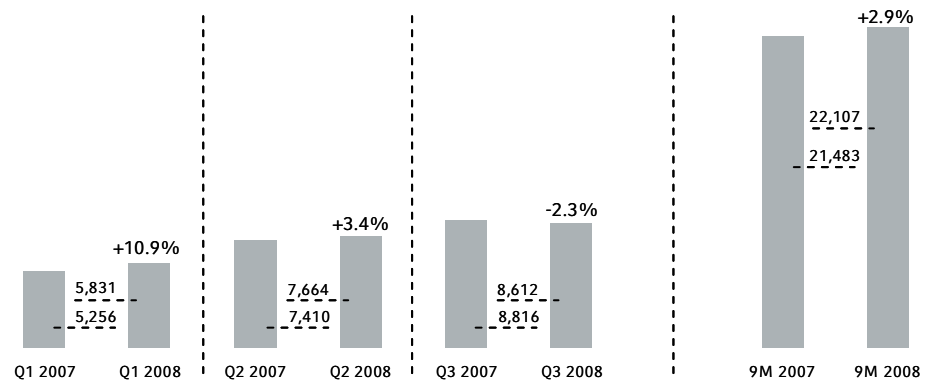
The IATA expects a kerosene price calculation of approximately USD 79 billion for the current year and thus losses amounting to USD 5.2 billion for the global aviation industry. Overall, profitability has significantly regressed throughout the course of the year. Growth rates of passenger and cargo volume have been strongly declining since the second quarter: In its September financial outlook, the IATA anticipated passenger growth of only 2.8 percent for 2008 in comparison to +5.3 percent in the previous year, whilst the USA was likely to decline to a level of near stagnation. Although a flatter increase was also anticipated in Europe, +3.2 percent would still be noticeable growth in comparison to +4.7 percent.

The Revenue Passenger Kilometres (RPK) of its member airlines strongly declined in the third quarter: In June it had been 3.8 percent higher than in the corresponding month of the previous year, but in September it was 2.9 percent lower.



02) Business Development

PASSENGERS (THOUSAND)



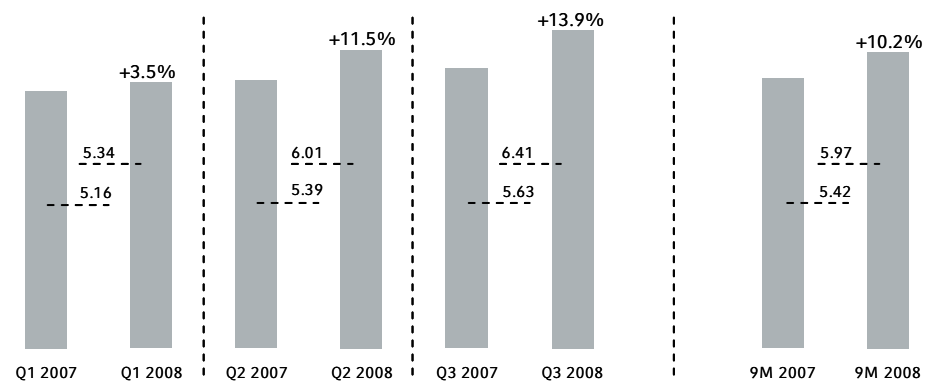
With -0.5 percent, Europe has shown a certain amount of stability. In September, the load factor of IATA airlines was 74.8 percent compared to 77.6 percent in June. The available seat kilometres (ASK) rose by +1.1 percent – not such a sharp rise compared to 5.5 percent. With 187.7 million passengers as of August 2008, the 33 flag carriers in the Association of European Airlines (AEA) achieved no year-on-year growth. The RPK increased by 2.3 percent, and with capacity up 3.3 percent, the utilisation rate declined 0.7 percentage points to 68.6 percent. In the first three quarters of 2008, the German Airports Association reported a 2.8 percent rise in passenger numbers at German airports to 146.9 million, and a 1.6 percent expansion of the number of aircraft movements to 1.93 million. All of these indicators point towards a weakening trend over the course of the year.

OPERATING DEVELOPMENT

Since the second quarter of 2008, the operating development of the Air Berlin Group has been characterized clearly by the “Jump” programme for improved Group-wide performance. The programme is effective on three levels – operational, organisational and financial. Clearly defined individual modules address optimising route and fleet management, identifying and utilising potential for price differentiation and revenue increases, improving cost efficiency with respect to purchasing and staff and optimising organisational measures both on board and on the ground.

For this reason, significant improvements in key profit ratios are at the forefront of judging operating development, whilst pure volume effects for measuring success tend to shift into the background. In this way, in the third quarter aircraft capacity and the density of air and fleet plans continued to be reduced as scheduled in areas where improvements in utilisation and profit figures were not regarded as achievable. Resources were systematically re-allocated into areas that promise operating performance improvements. As against the corresponding quarter of the previous year, in the third quarter passenger volume was cut back by 2.31 percent, capacity (number of available seats) by 1.30 percent and the total number of flights by 2.77 percent.

TOTAL PERFORMANCE* / ASK (IN € CENT)



Total Performance = Total Revenue + Other Operating Income

The number of aircraft only increased slightly and less efficient aircraft were replaced with more modern fuel-saving models. As a result of these measures, the available seat-kilometres (ASK) were cut back by a strong 4.82 percent during the quarter under review. Revenue growth rates per available seat-kilometre increased steadily throughout the year. This is to a good part also the result of synergies released by the successful integration of the LTU subsidiary. After a +3.92 percent increase in the first quarter of 2008, revenue increased by 11.40 percent in the second quarter and by a further 14.21 percent in the quarter under review as against the corresponding periods of the previous year. This represents a 10.45 percent increase for the first nine months of 2008 compared to the same period of the previous year (5.92 euro cents compared to 5.36 euro cents). Yield increased in the third quarter to an average of 6.35 (2007: 5.56) as against an average of 5.96 euro cents in the second quarter (2007: 5.35 euro cents) and 5.30 euro cents in the first quarter (2007: 5.10 euro cents).

In terms of expenses, the success of optimisation and the synergies from the LTU integration are clearly evident from the significantly above average development of specific operating costs. In the third quarter, operating costs per ASK before fuel increased by only 2.21 percent to 4.16 euro cents as against 4.07 euro cents in the previous year. After nine months, the increase was 4.28 percent (up from 4.21 euro cents to 4.39 euro cents). Including fuel costs, they were 5.87 euro cents in the third quarter – up 10.55 percent on the previous year (5.31 euro cents). After nine months, the corresponding increase was 8.46 percent (up from 5.44 to 5.90 euro cents). Fuel costs per ASK rose by 39.02 percent in the quarter and by 22.76 percent in the nine-month period.

The operating result (EBIT) per ASK including fuel costs thus increased 65.63 percent in the third quarter – up from 0.32 euro cents in the corresponding quarter of the previous year to 0.53 euro cents. After nine months results are nearly balanced (-0.02), after a gain of 0.08 euro cents in the same period of the previous year. Yet the success of “Jump” before fuel costs, which cannot be easily controlled, is particularly apparent. In the third quarter, the operating result before fuel costs per ASK increased by 0.69 euro cents or 44.23 percent to 2.25 euro cents, up from 1.56 euro cents and in the nine-month period by 0.38 euro cents or 31.40 percent to 1.59, up from 1.21 euro cents.



Key operating figures for the third quarter

	+/- %	Q3 2008	Q3 2007
Aircraft (as of September 30)	+1.49	130	134
Flights	-2.77	62,990	64,786
Destinations	-0.01	130	131
Passengers (thousands; „Pax“)	-2.31	8,612	8,816
Available seats (thousands; Capacity)	-1.30	10,387	10,524
Available seat-kilometres (millions; „ASK“)	-4.82	16,734	17,582
Revenue passenger kilometres (millions; „RPK“)	-5.79	13,874	14,727
Passenger load factor (%; Pax/capacity)	-0.86*	82.91	83.77
Number of block hours	-0.86	136,195	137,374

Data for Air Berlin incl. its subsidiaries LTU and Belair

*Percentage points

Key operating figures for the first nine months

	+/- %	9M 2008	9M 2007
Aircraft (as of September 30)	+1.49	130	134
Flights	-0.30	171,236	171,744
Destinations	-0.01	130	131
Passengers (thousands; „Pax“)	+2.90	22,107	21,483
Available seats (thousands; Capacity)	+0.84	27,896	27,664
Available seat-kilometres (millions; „ASK“)	-3.39	43,670	45,202
Revenue passenger kilometres (millions; „RPK“)	-1.36	34,635	35,114
Passenger load factor (%; Pax/capacity)	+1.60*	79.25	77.65
Number of block hours	-0.52	355,987	357,853

Data for Air Berlin incl. its subsidiaries LTU and Belair

*Percentage points

RESULTS, FINANCIAL POSITION AND NET ASSETS

Results

The following remarks present a pro forma analysis, i.e. the previous year's figures reflect the applicable consolidated group as at 30 September 2008 (Air Berlin including its subsidiaries LTU and Belair. For a comparison of the reported and pro forma figures, see the table on page 14). In the first nine months of 2008, consolidated revenue increased by 6.7 percent year-on-year from EUR 2,423.8 million to EUR 2,586.0 million. Revenue for the quarter under review rose by 8.6 percent from EUR 977.7 million to EUR 1,062.1 million.

In the first nine months, charter revenues declined by 4.7 percent from EUR 986.9 million to EUR 940.7 million. However, in the third quarter, they were at the level of the previous year, totalling EUR 412.4 million (2007: EUR 412.9 million). Single-seat ticket sales followed the trend of the previous quarters and rose again considerably. In the first nine months, they increased by 16.8 percent from EUR 1,216.7 million to EUR 1,420.8 million, and in the quarter under review by 18.1 percent from EUR 482.1 million to EUR 569.4 million.

Over the nine month period, revenue from ground and other services increased from EUR 191.1 million to EUR 197.4 million, despite reduced technical revenues. However, in the third quarter, they showed a decrease of 2,8 percent from EUR 71.6 million to EUR 69.6 million. In this regard, the slightly decreased in-flight sales due to lower passenger numbers, and lower technical sales, were partially compensated by additional sales from other flight-related services.

In the quarter under review, airport taxes, which are a pass-through item included in revenue, did not rise as sharply as in the previous two quarters. After nine months, they had increased by 35.8 percent year-on-year, from EUR 48.8 million to EUR 66.2 million. Over the nine month period, other operating income totalled EUR 22.6 million, compared to EUR 27.3 million in the previous year. In the third quarter, it decreased to EUR 10.2 million from EUR 12.5 million.



After nine months, EBITDAR increased by 15.5 percent and reached EUR 383.1 million, up from EUR 331.6 million in the previous year. The figure for the quarter under review was EUR 209.7 million compared to EUR 177.8 million, an increase of 17.9 percent. As a result, the EBITDAR margin widened again - after six months it was still at 11.4 percent, up from 10.6 percent, and after nine months it was 14.8 percent, up from 13.7 percent. In the third quarter, it reached 19.7 percent, up from 18.2 percent in the previous year. This positive margin trend is the result of the "Jump" programme for increasing efficiency, which has resulted in significant advances in both revenues and costs.

As a result, significant savings were made, particularly in essential cost positions, and the increase in material expenditure was held in check, despite significantly higher average kerosene prices. Whilst over nine months, labour costs were 6.8 percent higher in absolute terms due to this year's collective wage agreements, they could be held constant in the third quarter. At the end of the third quarter, Air Berlin employed 8,520 staff, compared to 8,179 at the end of the previous year's quarter (including the subsidiaries LTU and Belair). Other operating expenses were also clearly restricted. In the first nine months, they decreased by 4.2 percent. In the quarter under review, they even decreased by 11.3 percent in absolute terms.

Over the nine month period, lease expenses increased by 3.7 percent from EUR 261.6 million to EUR 271.2 million. However, in the third quarter, they showed a much smaller increase of 1.9 percent from EUR 92.8 million to EUR 94.6 million. Over the nine month period, EBITDA therefore rose sharply by 59.9 percent to EUR 111.9 million, up from EUR 70.0 million. The quarter under review reported an increase of 35.4 percent from EUR 85.0 million to EUR 115.1 million. Over the nine month period, EBIT returned to positive figures, posting EUR 34.5 million compared to EUR -9.6 million as a result of the scheduled decreased depreciation. In the quarter under review, it increased by 56.9 percent year-on-year from EUR 56.8 million to EUR 89.1 million.

In the first and third quarters of the nine month period, financial results decreased to EUR -36.0 million from EUR -26.5 million (Q3: EUR -15.0 million from EUR -11.9 million), mainly as a result of imputed currency losses. A pre-tax loss of EUR -1.5 million was thus posted for the first nine months, compared to EUR -34.7 million. In the quarter under review, a pre-tax result of EUR 74.1 million was posted, compared to EUR 44.9 million.

The net result for the first nine months of 2008 totalled EUR -5.6 million, including income taxes of EUR 4.1 million, following a net result of EUR -28.7 million. In the third quarter, the net result increased by 42.9 percent to EUR 45.6 million, up from EUR 31.9 million in the previous year. In the third quarter, the tax ratio totalled 38.5 percent with a tax charge of EUR 28.5 million. As reported and published, net profit after the first nine months of the financial year 2007 stood at EUR 31.5 million, with a net profit of EUR 60.8 million in the third quarter.

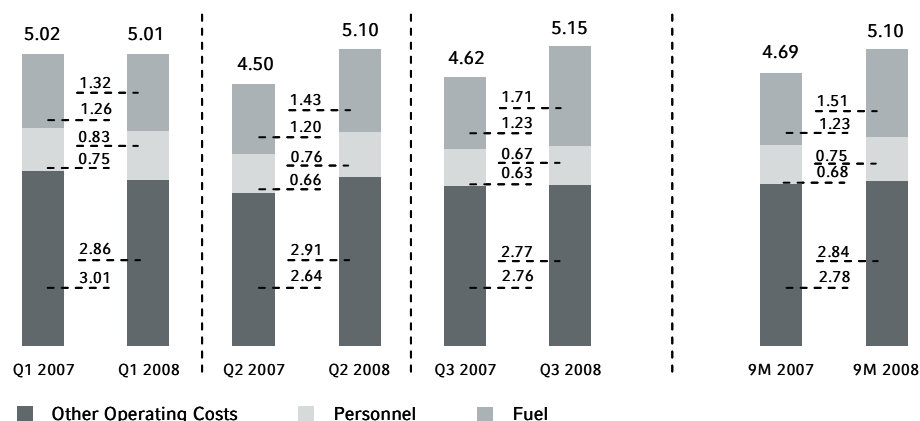
For the first nine months of 2008, earnings per share were EUR -0.09 (diluted and basic) compared to EUR 0.49 (diluted) and EUR 0.48 (basic) in the previous year. In the third quarter, diluted earnings per share amounted to EUR 0.63 and basic earnings per share to EUR 0.70, compared to EUR 0.83 and EUR 0.93.



Pro forma consolidated income statement

in EURm	reported 1/08-9/08	reported 1/07-9/07	pro forma 1/07-9/07	reported 7/08-9/08	reported 7/07-9/07	pro forma 7/07-9/07
Single-seat ticket sales	1,420.8	1,022.7	1,216.7	569.4	448.1	482.1
Charter sales	940.7	617.0	986.9	412.4	338.9	412.9
Codeshare	27.1	17.7	29.1	10.7	9.3	11.1
Ancillary revenues	197.4	120.6	191.1	69.6	61.3	71.6
Total revenue	2,586.0	1,778.0	2,423.8	1,062.1	857.6	977.7
Other operating income	22.6	10.0	27.3	10.2	4.1	12.5
Expenses for materials and services	(1,792.9)	(1,231.3)	(1,681.5)	(715.5)	(562.2)	(647.7)
thereof leasing expenses	(271.2)	(185.9)	(261.6)	(94.6)	(81.0)	(92.8)
Expenses for materials and services before leasing	(1,521.7)	(1,045.4)	(1,419.9)	(620.9)	(481.2)	(554.9)
Personnel expenses	(326.0)	(199.5)	(305.2)	(112.1)	(90.8)	(111.4)
Other operating expenses	(377.8)	(258.8)	(394.4)	(129.6)	(114.8)	(146.1)
Operating expenses before leasing and depreciation	(2,225.5)	(1,503.7)	(2,119.5)	(862.6)	(686.8)	(812.4)
EBITDAR	383.1	284.3	331.6	209.7	174.9	177.8
Leasing expenses	(271.2)	(185.9)	(261.6)	(94.6)	(81.0)	(92.8)
EBITDA	111.9	98.4	70.0	115.1	93.9	85.0
Depreciation and amortisation	(77.4)	(65.9)	(79.6)	(26.0)	(24.1)	(28.2)
EBIT	34.5	32.5	(9.6)	89.1	69.8	56.8
Net financing costs	(36.0)	(22.1)	(26.5)	(15.0)	(11.0)	(11.9)
Share of profit (loss) of associates	0.0	0.2	1.4	0.0	0.0	0.0
Profit (loss) before tax	(1.5)	10.6	(34.7)	74.1	58.8	44.9
Income tax benefit (expense)	(4.1)	20.9	6.0	(28.5)	2.0	(13.0)
Profit (loss) for the period	(5.6)	31.5	(28.7)	45.6	60.8	31.9

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



Financial position and net assets

Against the 31 December 2007 reporting date, total assets at the end of the third quarter of 2008 decreased by 3.7 per cent to EUR 2,409.6 million, primarily as a result of a lower funds tied up in current assets. Structurally, it has not changed significantly; changes are reflected largely in financial reporting effects. As a result, trade and other receivables increased noticeably, as is usual at the end of the seasonally important third quarter. Correspondingly, cash and cash equivalents decreased.

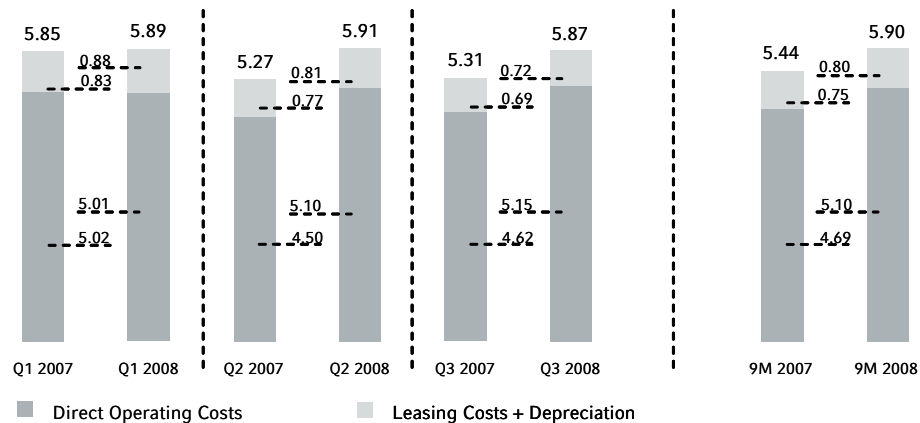
Equity, driven by income and due to a slight increase in currency differences from hedging activities included in equity, decreased slightly by 1.1 per cent to EUR 587.8 million. Nevertheless, its share of the total assets rose from 23.7 per cent to 24.4 per cent. Current and non-current liabilities were reduced by 6.4 per cent and 2.7 per cent respectively, a total of EUR 87.1 million. After the first nine months of the current financial year, net debt totalled EUR 624.2 million, compared to EUR 561.7 EUR as at the 2007 reporting date. Net debt is scheduled to be reduced significantly again by the disposal of aircraft, operationally not necessary assets, and through further optimization of working capital.

In the first six months, net cash generated from operating activities after interest paid amounted to only EUR 9.9 million; after nine months, it reached EUR 50.1 million. In the third quarter, operating cash in-flows totalling EUR 40.2 million (compared to EUR 59.0 million in the second quarter and EUR -49.1 million in the first) are particularly noteworthy due to the fact that a strong increase in trade and trade receivables also needed to be financed (EUR 86.6 million). These will be reduced again in the fourth quarter.



02) Business Development

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



In the first nine months, cash outflows for capital expenditure totalled EUR 82.6 million. Capital expenditure and payments for non-current assets, largely for aircraft, totalled EUR 145.1 million. This was offset by proceeds from the disposal of such assets to the value of EUR 60.2 million, which fell largely in the third quarter. In this way, capital expenditure for aircraft was financed almost entirely from scheduled depreciation and disposal proceeds. In the first nine months, cash flow from financing activities totalled EUR -124.5 million. Total non-current assets were reduced by this amount, which came to EUR 47.7 million in the third quarter alone.

FORECAST REPORT AND OUTLOOK

Overall economic and industry solution

In 2009, according to the IMF, the world economy will enter a recession. Next year, global growth will be only 2.2 percent in real terms, compared to 5.0 percent in 2007 and 3.75 percent in the current year. It will thus fall below the three percent threshold, at which the IMF considers global economic growth to have stalled. In particular, economic performance in the industrialised countries will decline substantially and will shrink by 0.3 percent in real terms next year, compared to growth of +1.4 percent in 2008. Declining growth rates are also forecast for the newly industrialising countries and Russia. Nevertheless, overall, they should continue to grow visibly, with a growth rate of +5.1 percent against +6.6 percent in 2008.

According to the IATA, the prospects for international air travel are therefore worsening. For several months, the organisation has assessed the industry's prospects as decidedly negative, because growth rates in passenger volume have been declining since May, and cargo volume has even been falling since the middle of the year. The latest available traffic statistics for September show a 2.9 percent decline in international passenger volume against the previous month (Europe: -0.5 percent) and a 7.7 percent decline in cargo volume.

Even in the Middle East, which has been growing strongly for several years, passenger numbers decreased by 2.8 percent. In September, the average load factor for IATA members fell by 4.4 percentage points to 74.8 percent against the August figure. Correspondingly, the already cautious forecasts for the profitability of the industry for the rest of the current year and for 2009 are being called into question.

Business development

Over the course of the year to date, Air Berlin has largely been able to escape these adverse market trends, as the trend in passenger volume and profitability show impressively. In October, the number of passengers decreased by 4.4 percent even at Air Berlin, down from 2,826,198 in 2007 to 2,703,179 in 2008, and utilisation also decreased by 1.6 percentage points against the previous month to 80.1 percent. However, this must be seen entirely as the result of the targeted capacity reduction of approximately 80,000 seats. From January to October 2008, Air Berlin transported a total of 24,810,294 passengers. This represents an increase of 2.1 percent year-on-year (2007: 24,308,820). In the first ten months of 2008, fleet utilisation improved by 1.2 percentage points from 78.1 percent to 79.3 percent.

With regard to profitability, the continued clear improvement in yield per ASK is particularly significant. In October, the yield increased by 20.9 percent year-on-year from 5.13 to 6.20 euro cents. Thus, the focussing on the earning power of the route network is clearly bearing fruit.

Despite weakening economic prospects, Air Berlin expects the Group to report an increase in passenger volume for the financial year 2008. Overall, in the financial year 2008, consolidated revenue is expected to increase to over EUR 3 billion. Air Berlin also continues to expect to generate positive EBIT.



OPPORTUNITIES AND RISKS

Industry risks

The risks discussed in the section on opportunities and risks in the 2007 Annual Report continue to apply to the aviation industry in general and remain particularly relevant for low-cost carriers. As a result, in the final months of the current financial year and beyond, business development remains influenced by strong price competition particularly in the low-cost carrier sector. In addition to the above, the international aviation industry as a whole is suffering from the significantly weakening world economy. This is also negatively impacting the development of passenger volume and ticket prices. The surge in kerosene prices in the first half of 2008 has now been brought down by equally strong price declines; correspondingly, earnings risks, which increased in the first half of the year due to the kerosene price, weakened again.

Financial risks

The financial risks discussed in the 2007 Annual Report will for the most part continue to apply throughout the remaining months of the present 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 kerosene and crude oil prices, quoted in US dollars. Air Berlin hedges its entire currency risk exposure, and will continue to do so throughout the rest of the financial year.

Purchasing risks

Air Berlin engages in extensive hedging in order to counter uncertainty in price risks in connection with fuel purchasing. This continues to take place at present, largely unaffected by the fact that the kerosene price has now dropped sharply back down from the record highs it reached in the middle of the year. As at the end of September 2008, the hedging ratio for kerosene for the remainder of 2008 was 93.5 percent. The success of these systematic hedging strategies in raw materials and currencies is underlined by the fact that, in the first nine months of 2008, kerosene costs increased by 18 percent year-on-year, whilst the average kerosene price in euros increased by almost 50 percent, and the price in US dollars by almost 70 percent.

EVENTS AFTER THE REPORTING DATE

16 October 2008: Air Berlin, its partner airline NIKI and S7 Airlines, Russia's largest domestic airline, concluded a number of code-sharing agreements. Subject to approval by the authorities, these agreements concern the routes between Moscow and Frankfurt am Main, Moscow and Düsseldorf, Moscow and Munich, Moscow and Hanover, and Moscow and Vienna. They allow all three airlines to extend their range of services on offer to passengers significantly.

It is planned to offer the respective flights without restrictions. For example, S7 Airlines and Air Berlin will offer up to seven flights a day to Germany, depending on the destination airport. S7 Airlines passengers will book their flights direct with S7, and will be able to select many destinations on the Air Berlin and NIKI route maps. In addition, all three airlines have expressed their intention to strengthen their business relationships in other areas in future.

15 November 2008: From the end of November, following the termination of the administration and technical operations of the subsidiary dba, whose functions have now been taken over by other companies in the Group, dba's flight operations will be permanently discontinued. From 15 November 2008, scheduled air service have already been taken over by aircraft and crews of the parent company Air Berlin.

There will be sufficient jobs offered to the 120 pilots and 175 flight attendants in their current places of work. A redundancy programme is planned for employees of dba who do not wish to take up this offer. Discussions with employee representatives and the unions concern are being held on this matter. Of the nine aircraft maintained by the company, three older Boeing 737-300 aircraft were phased out in November.



02) Business Development

18 November 2008: Hans-Christoph Noack (54), previously responsible for the management column in the economic section of the Frankfurter Allgemeinen Zeitung newspaper, has been appointed as Head of Corporate Communications of Air Berlin PLC from 1 January 2009. He will succeed Peter Hauptvogel, who has served as Director of Corporate Communications for the company since 1992. Peter Hauptvogel will remain with the company as adviser to the board of management and editor-in-chief of the Air Berlin magazine.



03) Financial Statements

Air Berlin PLC

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

for the period ended September 30, 2008

	1/08-9/08	1/07-9/07	7/08-9/08	7/07-9/07
	€ 000	€ 000	€ 000	€ 000
Revenue	2,586,029	1,778,043	1,062,101	857,545
Other operating income	22,596	10,045	10,209	4,137
Expenses for materials and services	(1,792,930)	(1,231,262)	(715,459)	(562,210)
Personnel expenses	(325,943)	(199,579)	(112,146)	(90,754)
Depreciation and amortisation	(77,419)	(65,936)	(25,971)	(24,126)
Other operating expenses	(377,821)	(258,819)	(129,637)	(114,836)
Operating expenses	(2,574,113)	(1,755,596)	(983,213)	(791,926)
Result from operating activities	34,512	32,492	89,097	69,756
Financial expenses	(39,641)	(35,853)	(14,429)	(15,043)
Financial income	9,612	9,523	2,989	3,790
Foreign exchange gains (losses), net	(5,972)	4,192	(3,517)	288
Net financing costs	(36,001)	(22,138)	(14,957)	(10,965)
Share of (loss) profit of associates, net of tax	(33)	249	(0)	9
Profit (loss) before tax	(1,522)	10,603	74,140	58,800
Income tax benefit	(4,058)	20,943	(28,498)	2,015
Profit (loss) for the period – all attributable to equity holders of the Company	(5,580)	31,546	45,642	60,815
Basic earnings per share in €	(0.09)	0.48	0.70	0.93
Diluted earnings per share in €	(0.09)	0.49	0.63	0.83



03) Financial Statements

Air Berlin PLC

CONSOLIDATED BALANCE SHEET (UNAUDITED)

as of September 30, 2008

	30/09/2008	31/12/2007 (adjusted)*
	€ 000	€ 000
Assets		
Non-current assets		
Intangible assets	313,727	314,593
Property, plant and equipment	1,181,827	1,203,610
Trade and other receivables, non-current	128,863	100,963
Deferred tax asset	7,216	6,128
Positive market value of derivatives, non-current	1,717	2,077
Investments in associates	1,156	935
Non-current assets	1,634,506	1,628,306
Current assets		
Inventories	34,285	30,825
Trade and other receivables, current	352,682	260,199
Positive market value of derivatives, current	45,101	84,362
Prepaid expenses	24,245	30,751
Cash and cash equivalents	318,792	468,658
Current assets	775,105	874,795
Total assets	2,409,611	2,503,101

* The balance sheet adjustments as of December 31, 2007 are related to the final valuation of the purchase price allocation of the LTU group. For further information see note 7.



03) Financial Statements

Air Berlin PLC

CONSOLIDATED BALANCE SHEET (UNAUDITED)

as of September 30, 2008

	30/09/2008	31/12/2007 (adjusted)*
	€ 000	€ 000
Equity and liabilities		
Shareholders' equity		
Share capital	16,502	16,502
Share premium	307,501	307,501
Equity component of convertible bond	27,431	27,431
Other capital reserves	217,056	217,056
Retained earnings	26,606	31,889
Hedge accounting reserve, net of tax	(8,378)	(6,639)
Foreign currency translation reserve	454	(201)
Equity available to the shareholders of the Company	587,172	593,539
Minority interest	629	629
Total equity	587,801	594,168
Non-current liabilities		
Liabilities due to bank from assignment of future lease payments	524,726	528,907
Interest-bearing liabilities	307,704	316,148
Pension liabilities	674	1,205
Non-current provisions	9,919	11,036
Trade and other payables, non-current	5,535	26,164
Negative market value of derivatives, non-current	54,534	81,610
Non-current liabilities	903,092	965,070
Current liabilities		
Liabilities due to bank from assignment of future lease payments	65,413	62,935
Interest-bearing liabilities	45,139	122,402
Current tax liabilities	7,202	5,611
Provisions	1,586	13,350
Trade and other payables, current	474,789	442,289
Negative market value of derivatives, current	57,608	81,960
Deferred income	51,949	48,079
Advanced payments received	215,032	167,237
Current liabilities	918,718	943,863
Total equity and liabilities	2,409,611	2,503,101

* The balance sheet adjustments as of December 31, 2007 are related to the final valuation of the purchase price allocation of the LTU group. For further information see note 7.



03) Financial Statements

Air Berlin PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

for the period ended September 30, 2008

	Share capital	Share premium	Equity component of the convertible bond	Other capital reserves	Retained earnings	Hedge accounting reserve, net of tax	Foreign currency translation reserve	Equity available to the shareholders of the Company	Minority interest	Total equity
	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000
Balances at December 31, 2006	15,009	214,190	0	217,056	10,522	(18,930)	(22)	437,825	0	437,825
Share based payment					303			303		303
Hedge reserve, net of tax						(7,922)		(7,922)		(7,922)
Net currency translation differences							(168)	(168)		(168)
Net income recognised directly in equity	0	0	0	0	303	(7,922)	(168)	(7,787)	0	(7,787)
Loss for the period					31,546			31,546		31,546
Total recognised income and expense for the period	0	0	0	0	31,849	(7,922)	(168)	23,759	0	23,759
Issue of ordinary shares	1,493	96,485						97,978		97,978
Transaction cost, net of tax		(5,642)						(5,642)		(5,642)
Issue of convertible bond			28,550					28,550		28,550
Transaction cost, net of tax			(829)					(829)		(829)
Balances at September 30, 2007	16,502	305,033	27,721	217,056	42,371	(26,852)	(190)	581,641	0	581,641
Balances at December 31, 2007	16,502	307,501	27,431	217,056	31,889	(6,639)	(201)	593,539	629	594,168
Share based payment					297			297		297
Hedge reserve, net of tax						(1,739)		(1,739)		(1,739)
Net currency translation differences							655	655		655
Net income recognised directly in equity	0	0	0	0	297	(1,739)	655	(787)	0	(787)
Loss for the period					(5,580)			(5,580)		(5,580)
Total recognised income and expense for the period	0	0	0	0	(5,283)	(1,739)	655	(6,367)	0	(6,367)
Balances at September 30, 2008	16,502	307,501	27,431	217,056	26,606	(8,378)	454	587,172	629	587,801



03) Financial Statements

Air Berlin PLC

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

for the period ended September 30, 2008

	30/09/2008	30/09/2007
	€ 000	€ 000
Loss for the period	(5,580)	31,546
Adjustments to reconcile profit or loss to cash flows from operating activities:		
Depreciation and amortisation of non-current assets	77,419	65,936
Loss (gain) on disposal of tangible and intangible assets	(7,853)	124
Loss (gain) on disposal of associates	(2,237)	0
Loss (gain) on disposal of subsidiaries	(82)	0
Share based payments	297	303
(Increase) decrease in inventories	(3,459)	(5,773)
(Increase) decrease in trade accounts receivable	(86,583)	(46,455)
(Increase) decrease in other assets and prepaid expenses	11,549	(16,946)
Deferred tax (credit) / expense	(336)	(21,861)
Increase (decrease) in accrued liabilities and provisions	11,280	80,521
Increase (decrease) in trade accounts payable	11,119	10,378
Increase (decrease) in other current liabilities	26,287	59,517
Foreign exchange (gains) losses	5,972	(4,192)
Interest expense	39,222	35,728
Interest income	(9,612)	(9,523)
Income tax expense	4,394	918
Share of (profit) loss of associates	33	(249)
Changes in fair value of derivatives	(863)	(2,656)
Other non-cash changes	655	(22,808)
Cash generated from operations	71,622	154,508
Interest paid	(29,606)	(29,320)
Interest received	9,196	8,814
Income taxes received (paid)	(1,130)	(506)
Net cash flows from operating activities	50,082	133,496
Purchases of tangible and intangible assets	(99,071)	(249,983)
Acquisition of subsidiary, net of cash	(1,006)	(32,124)
Proceeds from sale of subsidiary, net of cash	1,189	0
Advanced payments for non-current items	(46,042)	(62,770)
Proceeds from sale of tangible and intangible assets	60,246	42,592
Advanced receipts for sale of tangible assets, repaid in 2007	0	(40,000)
Dividends received from associates	211	279
Proceeds from sale of associate	2,283	0
Acquisition of investments in associates	(394)	0
Cash flow from investing activities	(82,584)	(342,006)

to be continued on the following page



03) Financial Statements

Air Berlin PLC

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

for the period ended September 30, 2008

continued from the previous page

	30/09/2008	30/09/2007
	€ 000	€ 000
Principal payments on interest-bearing liabilities	(212,929)	(100,978)
Proceeds from interest-bearing liabilities	88,452	202,217
Issue of ordinary shares	0	97,978
Transaction costs related to issue of new shares	0	(4,877)
Issue of convertible bonds	0	220,000
Transaction costs related to convertible bonds	0	(6,391)
Cash flow from financing activities	(124,477)	407,949
Change in cash and cash equivalents	(156,979)	199,439
Cash and cash equivalents at beginning of period	468,550	228,094
Foreign exchange (gains) losses on cash balances	5,403	0
Cash and cash equivalents at end of period	316,974	427,533
thereof bank overdrafts used for cash management purposes	(1,818)	(117)
thereof cash and cash equivalents in the balance sheet	318,792	427,650

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2008

(Euro/CHF in thousands, except share and bond data)

1. REPORTING ENTITY

The consolidated interim financial statements of Air Berlin PLC for the nine months ended 30 September 2008 comprise Air Berlin PLC ("the Company") and its subsidiaries (together referred to as "Air Berlin" or the "Group") and the Group's interest in associates. Air Berlin PLC is a company incorporated in England and Wales with its registered office in London. The corporate headquarters of Air Berlin are located in Berlin. The Company's ordinary shares are traded on the Frankfurt Stock Exchange.

The consolidated financial statements of the Group for the year ended 31 December 2007 are available at www.airberlin.com.

The comparability is limited because LTU and Belair are not included in the prior year comparative figures for the full period ending 30 September 2007 (LTU as of 1 August 2007 and Belair as of 1 November 2007).

2. STATEMENT OF COMPLIANCE

These consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 Interim Financial Reporting as adopted by the EU. They have not been audited or reviewed and do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2007.

3. SIGNIFICANT ACCOUNTING POLICIES

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

4. ESTIMATES

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported

amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of uncertainty related to estimates were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2007.

5. SEASONALITY

The aviation industry is subject to seasonal fluctuations. Due to holiday travellers, the summer months generally show the highest revenue from ticket sales. The Group attempts to minimise seasonal impacts by expanding the number of business travellers. For the twelve months ended 30 September 2008 the Group had revenue of € 3,344,486 (twelve months ended 30 September 2007: € 2,218,404) and profit (loss) for the period of € -16,149 (twelve months ended 30 September 2007: € 33,894).

6. INVESTMENTS IN ASSOCIATES

In connection with its concentration on its core business, the Group has disposed of its 24,8% share in its associate SCK DUS GmbH & Co. KG in the second quarter of 2008. Net proceeds from the sale of the associate amounted to € 2,283, and a gain of € 2,330 was realised on the sale.

7. ACQUISITIONS AND DISPOSALS

LTU

On 26 March 2007 the Group acquired 100 percent of the shares of the LTU Group ("LTU") for total cash consideration of € 160,384 (€ 144,384 as at 30 September 2007) including transaction costs. Goodwill of € 182,573 (€ 264,285 as at 30 September 2007) has been recorded on this transaction. The transaction has been described in detail in the Annual Report 2007. The purchase price allocation for LTU has since been finalised. Assets and liabilities arising from the acquisition of LTU are as follows:



03) Financial Statements

in thousands of Euro	Fair value at acquisition date	Revaluation to purchase accounting	Acquiree's carrying amount
Land and Buildings	28,834	(1,854)	30,688
Aircrafts	140,160	(53,555)	193,715
Landing rights	28,200	28,200	0
Trademark LTU	4,575	4,575	0
Customer relations	3,036	3,036	0
Other tangible assets	37,443	2,396	35,047
Inventories	19,507	0	19,507
Accounts receivable	40,521	0	40,521
Liability to Air Berlin Group	(22,639)	68,585	(91,224)
Other assets and prepaid expenses	77,106	0	77,106
Cash and cash equivalents	113,997	0	113,997
Deferred tax assets	36,528	14,870	21,658
Interest-bearing liabilities	(191,320)	(1,128)	(190,192)
Accrued liabilities	(228,103)	(35,468)	(192,635)
Trade payables	(50,011)	0	(50,011)
Other liabilities	(60,023)	0	(60,023)
Net identifiable assets acquired	(22,189)	29,657	(51,846)
Goodwill	182,573		
Cash consideration	160,384		
<u>less</u>			
Cash and cash equivalents acquired	(113,997)		
Net cash outflow	46,387		
thereof in 2007	45,790		
thereof in 2008	597		

The main changes to the presentation in the Annual Report 2007 relate to the final valuation of deferred tax assets, trademarks and other intangible assets. There was no significant impact on the income statement as a result of these adjustments. Total transaction costs included in the calculation of

goodwill amount to € 5,384, of which € 597 which incurred in 2008.

Belair

The purchase price allocation for Belair has not yet been finalised. There were no significant changes to the presentation in the Annual Report 2007. Further transaction costs amounting to € 69 were incurred in the first nine months of 2008 and have been included in the calculation of goodwill. In addition, the Company agreed upon a provision-related, technical € 340 increase in the purchase price of Belair, of which € 169 has been settled and € 171 is shown under Trade and other payables in the balance sheet.

Disposals

With effect 1 January 2008 the Group, in connection with its concentration on its core business, disposed of 51% of its share in Buy.by Touristik GmbH. The company is no longer included in the basis of consolidation, and instead is shown as a 49% investment in associates. No gain or loss was realised on the sale. The net proceeds from the sale of the subsidiary, less cash and cash equivalents of € 543, was € -412.

Also in connection with its concentration on its core business the Group disposed of 100% of its share in LTU Plus as of 1 July 2008 for net proceeds of € 1,050, less cash and cash equivalents of € 2,645. As a result the company is no longer included in the basis of consolidation as of 1 July 2008. A loss of € -85 was realised on the sale.

On 18 July 2008 the Group disposed of 65% of its share in the subsidiary Blitz 07-582 GmbH. As such the company is no longer included in the basis of consolidation and instead is shown as a 35% investment in associates. Net proceeds from the sale of the subsidiary amounted to € 19 less cash and cash equivalents of € 25, and a gain of € 3 was realised on the sale. At the same time the share capital of the 35% associate was increased to € 1,100, of which € 385 is Air Berlin's share, and the articles of incorporation were completely revised. Blitz 07-582 GmbH was renamed to THBG BBI GmbH, whose purpose is the organisation, operation, maintenance and administration of a fuel station, a hydrant system and the transport of aircraft fuel at the airport BBI Schönefeld.

Proceeds from the sale of subsidiaries, net of cash are summarised as follows:

in thousands of Euro	Proceeds on sale of subsidiaries	less: cash	Net proceeds on sale of subsidiaries
Buy.by	131	(543)	(412)
Blitz 07	19	(25)	(6)
LTU Plus	1,050	(2,645)	(1,595)
	1,200	(3,213)	(2,013)



03) Financial Statements

8. NON-CURRENT ASSETS

During the nine months ended 30 September 2008 the Group acquired fixed assets with a cost of € 105,123 (nine months ended 30 September 2007: € 737,411).

Assets with a carrying amount of € 51,202 were disposed of during the nine months ended 30 September 2008 (nine months ended 30 September 2007: € 2,470). This amount includes two A319 aircraft, which were disposed of on 31 July 2008 for net proceeds of € 49,340 and a gain on sale of fixed assets of € 5,456. The Group will lease the aircraft for a further 10.5 years under a leasing agreement which qualifies as an

operating lease. Furthermore we refer to note 6 (sale of SCK DUS).

9. SHARE CAPITAL

Of Air Berlin's authorised share capital, 65,717,103 ordinary shares of € 0.25 each and 50,000 A shares of £1.00 each were issued and fully paid up as of 30 September 2008. Included in this amount are 177,600 treasury shares held by Air Berlin (through the Air Berlin Employee Share Trust).

10. REVENUE

in thousands of Euro	1/08-9/08	1/07-9/07	7/08-9/08	7/07-9/07
Single-seat ticket sales	1,420,791	1,022,724	569,438	448,108
Bulk ticket sales to charter and package tour operators	940,670	616,978	412,400	338,925
Duty free	27,101	17,743	10,713	9,257
Ground and other services	197,467	120,598	69,550	61,255
	2,586,029	1,778,043	1,062,101	857,545

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.

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

11. OTHER OPERATING INCOME

in thousands of Euro	1/08-9/08	1/07-9/07	7/08-9/08	7/07-9/07
Gain on disposal of fixed assets and associates	11,212	0	7,362	0
Income from services provided to Niki	456	450	44	128
Income from insurance claims	1,479	1,095	283	528
Other	9,449	8,500	2,520	3,481
	22,596	10,045	10,209	4,137

12. EXPENSES FOR MATERIALS AND SERVICES

in thousands of Euro	1/08-9/08	1/07-9/07	7/08-9/08	7/07-9/07
Fuel for aircraft	658,545	385,699	286,794	184,524
Catering costs and cost of materials for in-flight sales	95,935	60,572	37,246	29,456
Airport & handling charges	547,399	438,003	207,922	194,045
Operating leases for aircraft and equipment	271,161	185,864	94,626	80,960
Navigation charges	174,091	135,675	68,374	59,821
Other	45,799	25,449	20,497	13,404
	1,792,930	1,231,262	715,459	562,210

13. PERSONNEL EXPENSES

in thousands of Euro	1/08-9/08	1/07-9/07	7/08-9/08	7/07-9/07
Wages and salaries	273,887	170,064	94,802	77,401
Pension expense	21,615	12,838	8,172	5,773
Social security	30,441	16,677	9,172	7,580
	325,943	199,579	112,146	90,754

14. DEPRECIATION AND AMORTISATION

in thousands of Euro	1/08-9/08	1/07-9/07	7/08-9/08	7/07-9/07
Depreciation and amortisation	77,419	65,936	25,971	24,126



03) Financial Statements

15. OTHER OPERATING EXPENSES

in thousands of Euro	1/08-9/08	1/07-9/07	7/08-9/08	7/07-9/07
Sales commissions paid to agencies	25,662	21,719	10,439	9,668
Repairs and maintenance of technical equipment	130,554	73,715	46,300	37,902
Advertising	46,445	38,193	15,540	14,652
Insurances	14,921	15,370	5,277	5,436
Hardware and software expenses	33,932	31,849	11,597	12,172
Bank charges	18,573	12,443	8,430	5,141
Travel expenses for cabin crews	23,603	12,815	8,182	6,506
Expenses for premises and vehicles	20,956	13,242	6,984	5,334
Losses from disposal of fixed assets	1,076	124	359	504
Training and other personnel costs	12,508	9,259	3,519	3,589
Phone and postage	3,870	3,412	1,359	1,328
Allowances for receivables	977	936	(75)	277
Auditing and consulting	16,365	5,567	4,041	2,969
Other	28,379	20,175	7,685	9,358
	377,821	258,819	129,637	114,836

16. FINANCIAL RESULT

in thousands of Euro	1/08-9/08	1/07-9/07	7/08-9/08	7/07-9/07
Financial expenses				
Interest paid on interest bearing liabilities	(39,222)	(35,728)	(14,254)	(14,295)
Other financing expenses	(419)	(125)	(175)	(748)
	(39,641)	(35,853)	(14,429)	(15,043)
Financial income				
Interest received on fixed deposits	7,564	8,066	2,554	2,482
Other	2,048	1,457	435	1,308
	9,612	9,523	2,989	3,790
Foreign exchange gains (losses), net	(5,972)	4,192	(3,517)	288
Total	(36,001)	(22,138)	(14,957)	(10,965)

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 BENEFIT / 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	1/08-9/08	1/07-9/07	7/08-9/08	7/07-9/07
Current income taxes	(4,394)	(918)	(424)	(503)
Deferred income taxes	336	21,861	(28,074)	2,518
Total income tax benefit (expense)	(4,058)	20,943	(28,498)	2,015

In accordance with IAS 12, the Group recognised deferred tax income of € 22,782 in the third quarter of 2007 relating to the effect of the change in deferred tax liabilities resulting from the German corporate tax reform 2008, which was

concluded by the German "Bundesrat" (upper chamber of German parliament) on 6 July 2007.

18. CASH FLOW STATEMENT

in thousands of Euro	30/09/2008	31/12/2007
Cash and cash equivalents	318,792	468,658
Bank overdrafts used for cash management purposes	(1,818)	(108)
Cash and cash equivalents in the statement of cash flows	316,974	468,550

Cash and cash equivalents include restricted cash of € 59,961 as of 30 September 2008 (31 December 2007: € 18,253).

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 3.15 % of Air Berlin.

The Chairman of the Board, also a shareholder of the Company with a voting share of 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 2008 of € 12,999 (2007: € 8,379). At 30 September 2008 € 318 (2007: € 66) are included in the balance sheet in trade receivables.



03) Financial Statements

During the nine-month period ended 30 September 2008 the Group had transactions with associates as follows:

in thousands of Euro	30/09/2008	30/09/2007
IBERO-Tours		
Revenues from ticket sales	0	325
Trade and other receivables, current	0	0
Expenses for services	1,013	708
Trade and other payables, current	38	0
SCK DUS GmbH & Co. KG		
Revenues	3	8
Trade and other receivables, current	2	0
Catering expenses	7,073	14,820
Trade and other payables, current	0	785
Accrued liabilities	0	0
THBG BBI		
Trade and other receivables, current	0	0
Buy.by Touristik (Binoli)		
Revenues from ticket sales	358	0
Trade and other receivables, current	412	0
Lee & Lex Flugzeugvermietung GmbH		
Trade and other receivables, non-current	1,357	1,529
Niki Luftfahrt GmbH		
Other income from administrative services	456	450
Trade and other receivables, current	11,128	10,310

Other receivables from Lee & Lex Flugzeugvermietung GmbH ("Lee & Lex") relate to a loan receivable of € 607 and a partial debenture of € 750 (30 debentures at € 25 each). The Group disposed of its investment in SCK DUS GmbH & Co. KG in the second quarter of 2008 (see Note 6 above).

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

20. CAPITAL COMMITMENTS

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

Date of contract	Supplier	Number of aircraft ordered	Type of aircraft	Delivery dates	Delivered Jan. to Sep. 2007	Delivered Jan. to Sep. 2008	Deliveries outstanding as of Sept. 30, 2008	thereof Oct. 2008 to Dec. 2008
A320/319/								
2004	Airbus	60	321	2005-2012	11	4	32	5
B737-700/								
2006-2007	Boeing	100	800	2007-2014	0	3	96	3
7/2007	Boeing	25	B787	2013-2017	0	0	25	0
10/2007	Bombardier	10	Q400	2008-2009	0	0	10	2

21. EXECUTIVE BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

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



FINANCIAL CALENDAR

Traffic figures NOVEMBER	December 8, 2008
Traffic figures DECEMBER	January 7, 2009
Press conference on 2008 results Analysts & Investors conference	March 2009
Publication of Interim Financial Report as of March 31, 2009 (Q1) Analysts & Investors Conference Call	May 2009
Publication of Interim Financial Report as of June 30, 2009 (Q2) Analysts & Investors Conference Call	August 2009

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