

28 September 2016

Far-reaching restructuring of airberlin to deliver long-term growth

- **Dedicated, focused network carrier will serve higher-yielding markets from Berlin and Dusseldorf, with a core fleet of 75 aircraft, as a leaner, more efficient business**
- **Touristic business separated into an independently operating business unit as strategic options are evaluated**
- **Up to 40 aircraft to be provided to the Lufthansa Group*, reducing excess capacity while protecting employment and minimising restructuring costs**

airberlin today unveiled a far-reaching restructuring of its business, which will see the company concentrate its core operations as a dedicated, focused network carrier serving higher-yielding markets, from its two key hubs in Berlin and Dusseldorf, with a core fleet of 75 aircraft.

Its leisure flying will be combined into an independently operating business unit.

To employ excess aircraft and crew capacity, airberlin intends to provide up to 40 Airbus A320 family aircraft to the Lufthansa Group with up to 38 aircraft to be wet-leased under a six year wet-lease agreement.*

The restructuring follows a comprehensive, bottom-up review of all operations, seeking to improve efficiency, limit seasonality and re-establish a clear market proposition for the airline.

airberlin's core operations will be served by a fleet of 75 aircraft from summer 2017, consisting of 17 A330 wide body aircraft for long-haul flights, 40 A320 family aircraft and 18 Q400 aircraft for short-/medium-haul flights including to major business centres throughout Europe.

Fewer staff will be required, with up to 1,200 positions becoming redundant. The company will enter discussions with works councils' representatives with an aim to confirm voluntary and compulsory redundancies by February 2017.

Stefan Pichler, airberlin's Chief Executive Officer, said: "This far-reaching restructuring of our operations is about a new focus, giving us a new future.

"Now more than ever, we are faced with significant external market pressures which dictate a change to our current complicated business model. airberlin has sought to serve all market segments with one operating platform, covering both business and leisure travellers.

"The core airberlin proposition in future is now clear: a dedicated focused network carrier serving higher-yielding markets from two hubs in Dusseldorf and Berlin.

“A leaner, fitter, stronger airberlin has a bright future.”

airberlin's touristic flying operations will be operated in a separate touristic-focused business unit, as strategic options are evaluated.

Mr Pichler added: “Our leisure business has great underlying value which will be stronger in a separate touristic-focused business unit.

“In turn, this allows airberlin to focus on its core operation as a network scheduled airline.”

With the announcement of the new strategy, airberlin also announced that it intends to provide up to 40 A320 aircraft to the Deutsche Lufthansa Group, with up to 38 aircraft to be operated under a six year wet lease agreement or ACMIO arrangement, which includes aircraft, crew, maintenance, insurance and overhead services. This arrangement allows airberlin to reduce excess capacity while reducing restructuring costs. The wet lease is to be fully operational by the 2017 summer season.

Going forward, airberlin's profitable long-haul programme will be expanded with new routes and additional frequencies, particularly to the United States.

The airline's short- and medium-haul programme will concentrate on year-round business markets with a strong focus on Italy, Scandinavia and Eastern Europe. It will also aim to build a higher share of domestic business travel.

airberlin will collaborate closely with the works councils and trade unions which will be involved throughout the process of change.

airberlin intends, subject to all required co-determination rights of the employee representatives, to offer voluntary redundancies where possible. Redeployment opportunities within the Etihad Airways Partners group of airlines, which include Jet Airways, Air Serbia, Etihad Regional, Alitalia, Air Seychelles and Etihad Airways, will endeavour to be offered to airberlin employees.

Mr Pichler said: “Of course, we understand that redundancies are unwelcome, even in a dynamic market such as Germany. We have to make reductions but we will aim to do so in a supportive manner, offering new opportunities to employees where possible.

“airberlin will be a lean business focused on long-haul and higher-yield routes from Dusseldorf and Berlin, which are our two strong catchment areas.

“We are implementing a size and structure for the business that is fit for purpose. We will see revenues grow and costs contained as a result of this restructuring of our business.”

* Subject to regulatory clearance

About airberlin

airberlin is one of the leading airlines in Europe and flies to 131 destinations worldwide each year. The second largest airline in Germany carried more than 30.2 million passengers in 2015. airberlin offers a global route network through its strategic partnership with Etihad Airways, which has a 29.21 per cent share in airberlin, and through membership of the **oneworld**[®] airline alliance. topbonus, the frequent flyer programme of airberlin, is one of the leading programmes in Europe with more than 4 million members. The airline with the award-winning service operates codeshare flights worldwide with 23 airlines. The fleet is among the most modern and eco-efficient in Europe. Together with other airlines, airberlin belongs to Etihad Airways Partners, a new brand with which Etihad has been uniting shared activities since the end of 2014.

Press contact:

airberlin Corporate Communications

Tel: +49 30 3434 1500

Fax: +49 30 3434 1509

E-mail: abpresse@airberlin.com

www.airberlin.com

www.facebook.com/airberlin