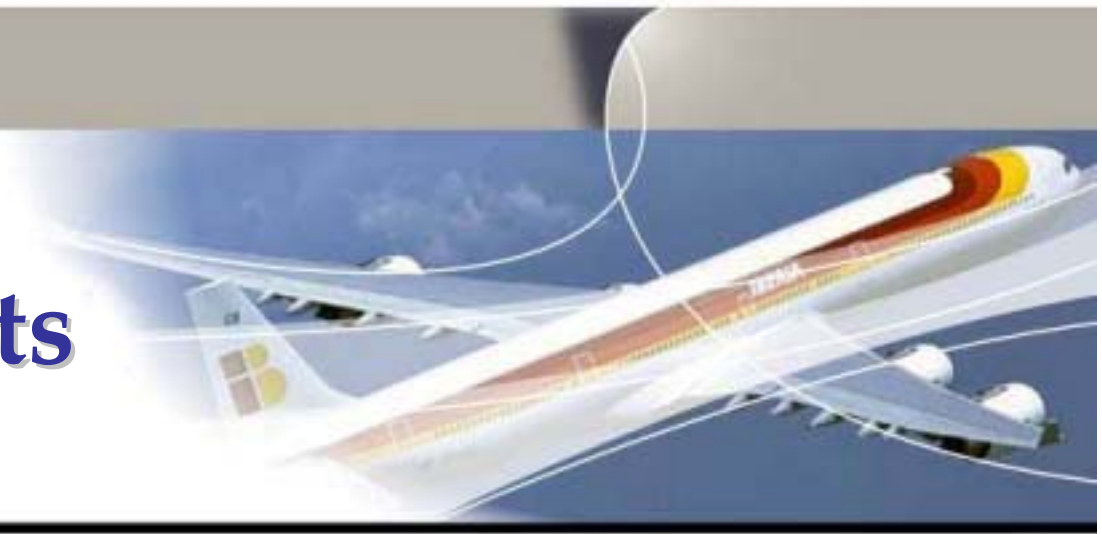




# Q2 2008 Results



## Highlights Q2 2008

- Results hit by the hike in fuel prices
- Positive change in trend of unit passenger revenues
- Good evolution of unit costs ex fuel thanks to the achievement of the Director Plan initiatives
- Increase in staff productivity and fleet utilisation
- Good progression of our Maintenance business

## Main Figures

<i>MM/€</i>	Q2 2008	08/07
<b>Operating Revenues</b>	<b>1,369.9</b>	<b>+ 0.9%</b>
<b>Ebitdar</b>	<b>135.4</b>	<b>- 38.3%</b>
<b><i>Ebitdar margin</i></b>	<b>9.9 %</b>	<b>- 6.3 p.p</b>
<b>EBIT</b>	<b>- 4.0</b>	<b>n.m.</b>
<b>Profit from operating activities</b>	<b>12.9</b>	<b>- 84.8%</b>
<b>EBT</b>	<b>29.2</b>	<b>- 67.3%</b>
<b>Net Income</b>	<b>21.2</b>	<b>- 66.2%</b>

## Q2 2008 Operating Revenues

<i>(million €)</i>	2008	% 08/07
Passenger	1,061.5	- 0.8
Cargo	84.8	+ 2.9
Handling	71.9	+ 8.9
Maintenance	78.6	+ 25.5
Rest	73.1	- 4.7

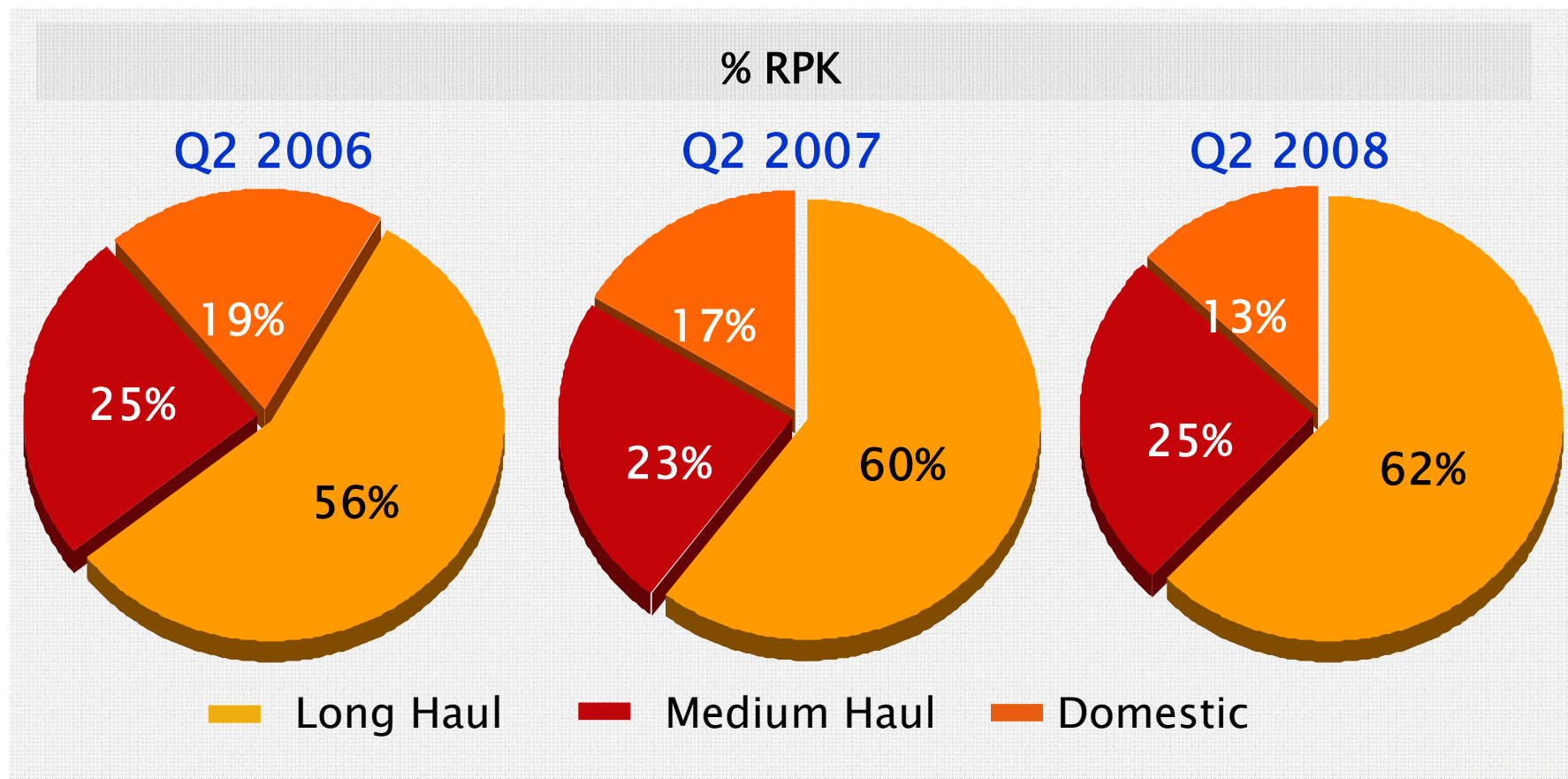
<b>Total Operating Revenue</b>	<b>+ 0.9%</b>
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## Selective Growth: Traffic Statistics

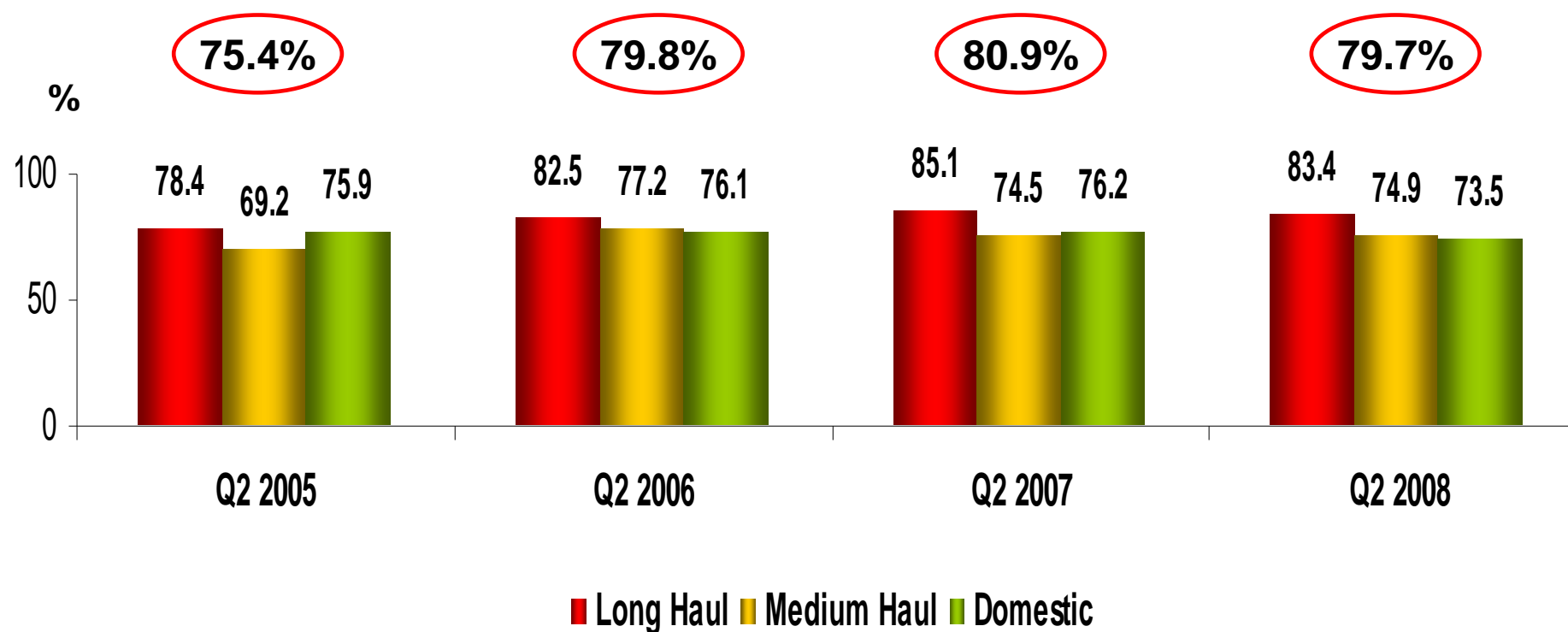
Q2 2008	ASK	RPK	L.F.
Domestic	- 17.3%	- 20.2%	- 2.7 p.p.
Europe	+ 6.5%	+ 6.5%	+ 0.1 p.p.
Other Int. Medium Haul	+ 3.8%	+ 8.7%	+ 3.3 p.p.
Long Haul	+ 5.9%	+ 3.7%	- 1.7 p.p.
Total	+ 1.9%	+ 0.5%	- 1.1 p.p.

# Focus in the Long-Haul

Long Haul RPKs represent 62.2% of total traffic



## Maintaining High Load Factor Levels



# Unit Revenue Evolution

Ex dollar effect

Domestic

Europe

Long Haul

TOTAL

-1.0%

+ 3.5%

- 3.5%

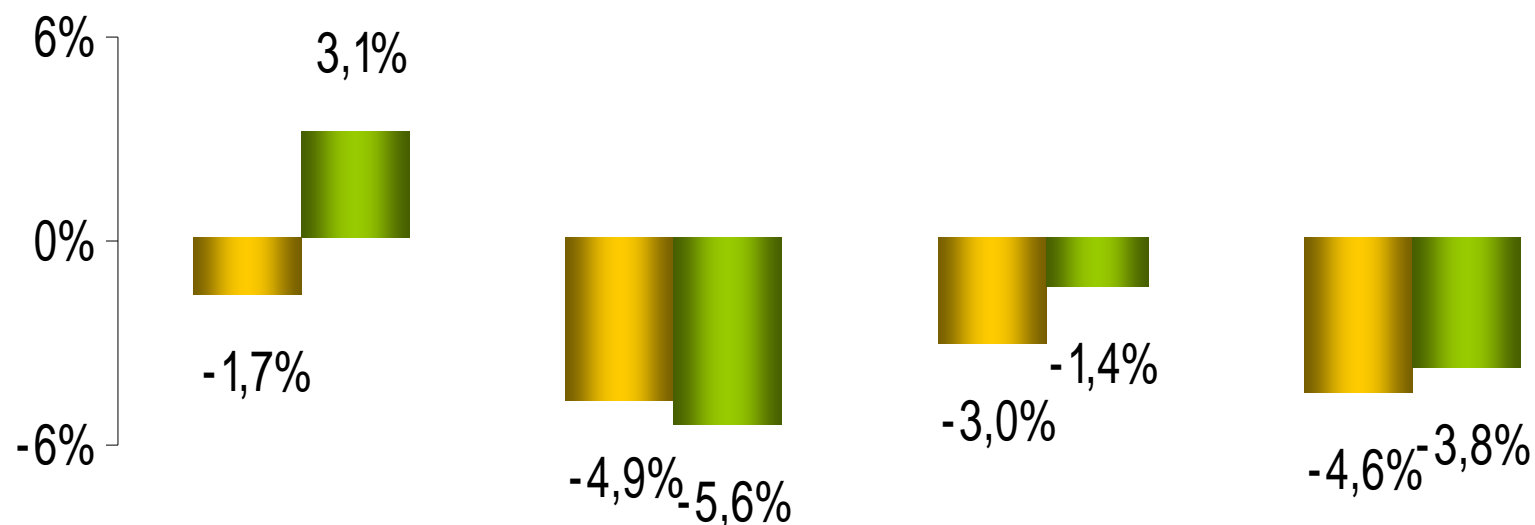
- 2.6%

+ 0.5%

+ 4.2%

- 2.8%

- 0.4%





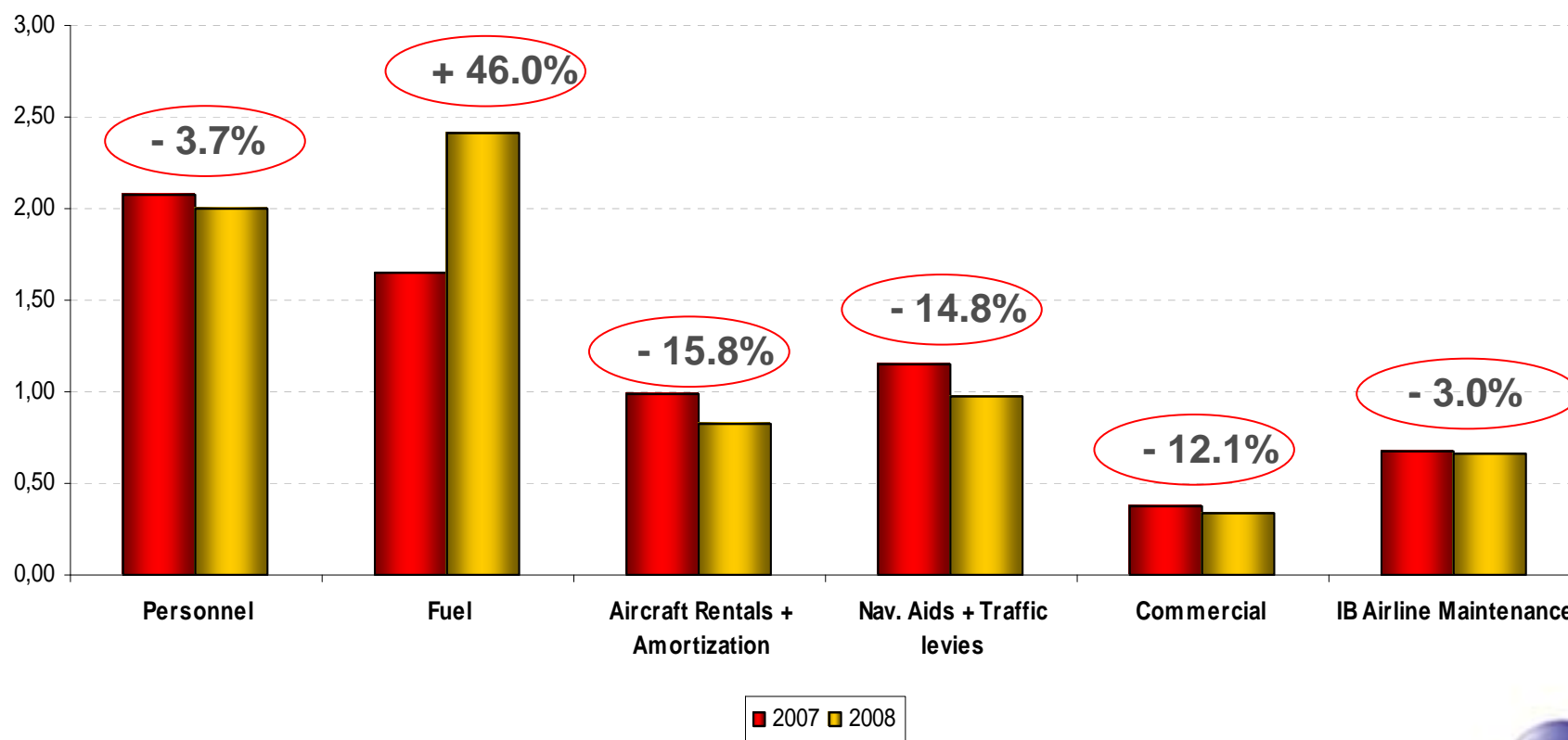
## Q2 2008 Operating Costs

<i>(million €)</i>	2008	%08/07
Personnel	336.0	- 2.5
Commercial	56.2	- 10.4
Fuel	404.6	+ 48.8
Aircraft rentals + Depreciation	139.4	- 14.2
Nav.charges + Traffic services	164.4	- 12.9
<b>Total Operating Costs</b>		<b>+ 5.6%</b>
<b>Total Operating Costs Ex Fuel</b>		<b>- 5.8%</b>

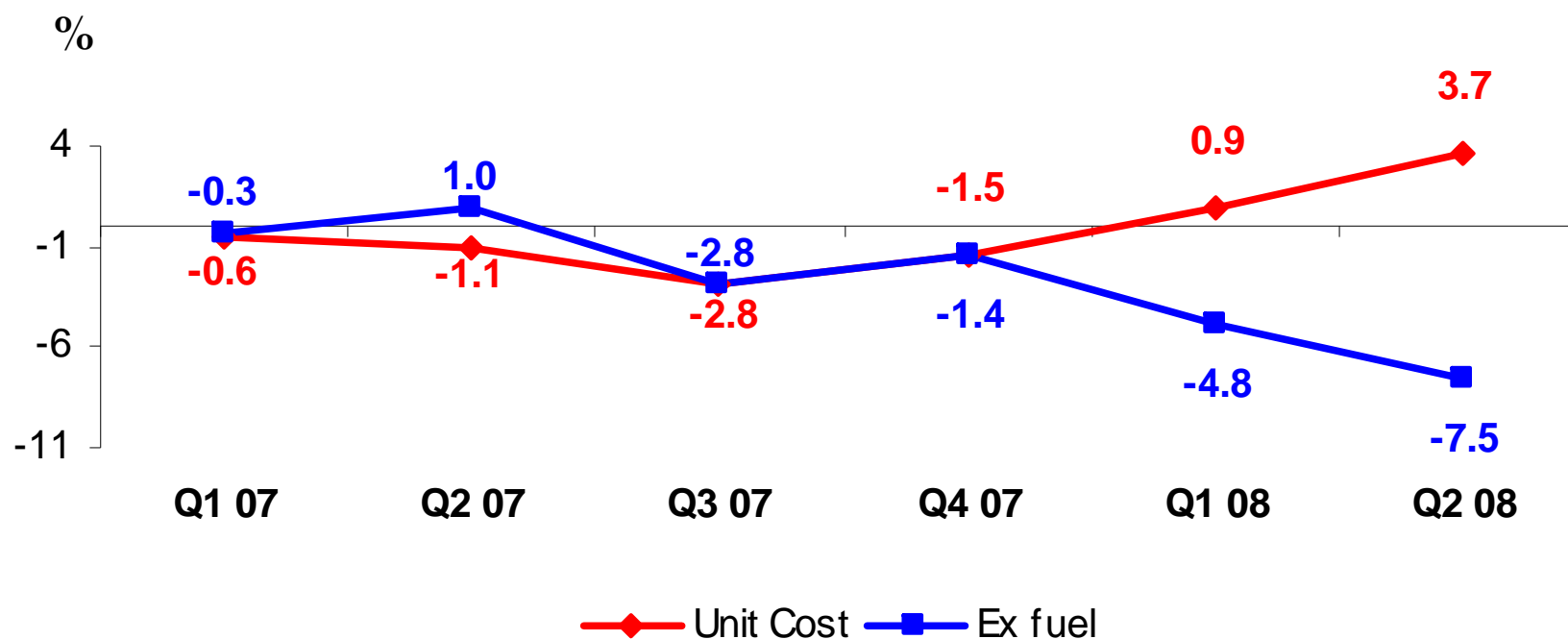
# Unit Cost Evolution Q2 2008/Q2 2007

**Total unit costs** + 3.7%

**Ex fuel** - 7.5%

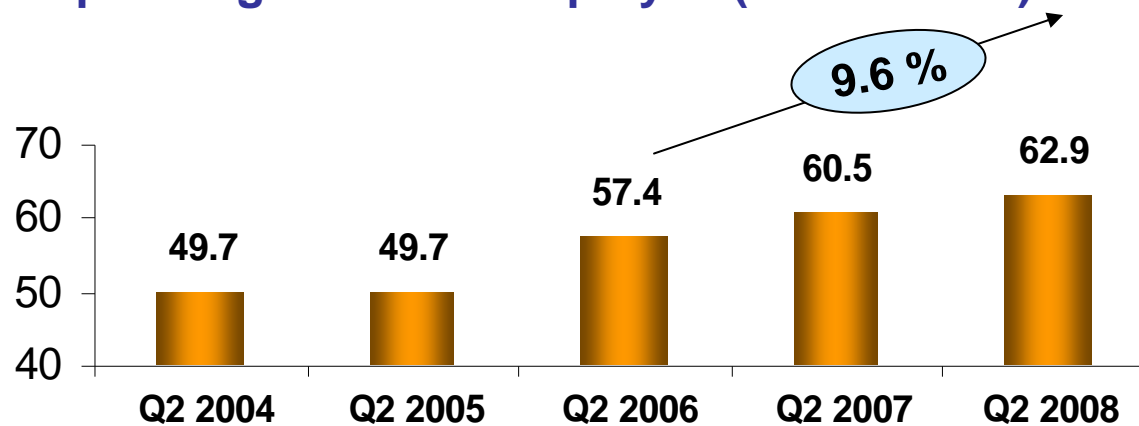


## Unit Cost Evolution 2007-2008

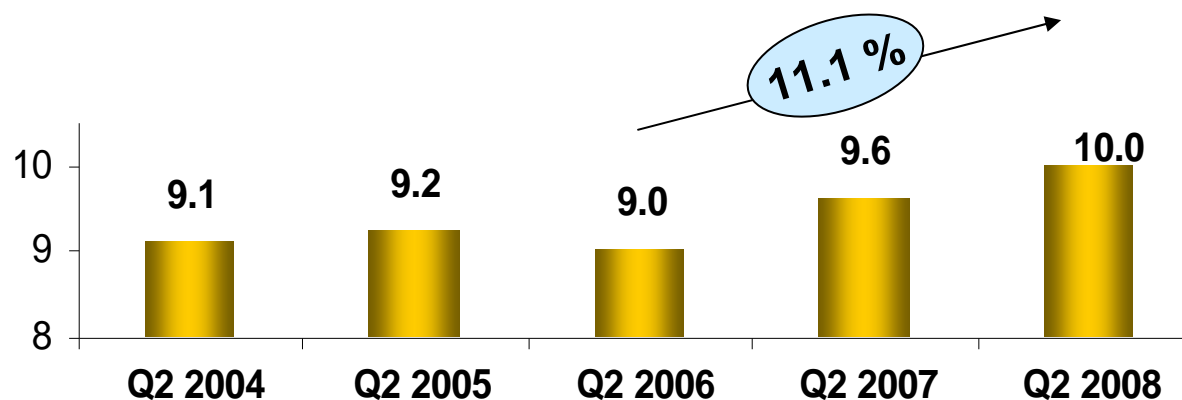


# Productivity Evolution

Operating Revenue/Employee (Thousand €)



Average Fleet Utilization (Block hours/day/aircraft)



## Main Figures

<i>MM/€</i>	H1 2008	08/07
<b>Operating Revenues</b>	<b>2,670.4</b>	<b>+ 0.1%</b>
<b>Ebitdar</b>	<b>259.4</b>	<b>- 34.2%</b>
<b><i>Ebitdar margin</i></b>	<b>9.7 %</b>	<b>- 5.1 p.p</b>
<b>EBIT</b>	<b>- 32.3</b>	<b>n.m.</b>
<b>Profit from operating activities</b>	<b>6.3</b>	<b>- 93.6%</b>
<b>EBT</b>	<b>28.1</b>	<b>- 73.9%</b>
<b>Net Income</b>	<b>20.7</b>	<b>- 72.3%</b>

## Strong Balance Sheet

	H1 2008	Over December 07
<b>In Balance-sheet net debt</b>	<b>-2,365.9</b>	<b>5.4%</b>
<b>Adjusted net debt</b>	<b>503.8</b>	<b>-13.4%</b>
<b>Gross cash</b>	<b>2,767.1</b>	<b>-6.8%</b>

*MM/€*

## Iberia & British Airways

- Board of Directors of IB and BA approved to start talks for an all-share merger
- Two brands and two operating companies maintained
- A new company will be established and will exchange its shares with both Iberia and BA shares
- The Newco will be listed in London and Madrid
- Iberia has acquired 2,99% of BA shares and has an exposure to a further 6,99% through financial derivatives

## Iberia & British Airways

- Important step in the industry consolidation process
- It will create one of the most important airlines in the world
- Both companies are highly complementary
- Significant synergies



**IBERIA** 

Q&A

