

Q1 2007 Results

Highlights

- **Strong revenues, especially in the passenger and maintenance business**
- **Good performance of traffic figures with record level of load factor and increase in unit revenues**
- **Restructuring of the network focused in the long haul growth with excellent behaviour of Business Plus class**
- **Important cost reductions**
- **New labour agreement with flight attendants, still negotiating with pilots**

First Quarter Results 2007

Q1 2007

07/06

Operating Revenue	1,309.5	+8.5%
Ebitdar	174.6	+74.2%
<i>Ebitdar margin</i>	<i>13.3 %</i>	<i>+ 5.0 p.p</i>
EBIT	13.1	n.m.
EBIT (ex IAS 39)	13.4	n.m.
EBT	18.7	n.m.
Net Income	12.2	n.m.

MM/€

Operating Revenues

<i>(million €)</i>	2007	% s/06
Passenger	1,026.7	+ 8.1
Cargo	82.3	+ 8.4
Handling	62.9	- 2.7
Maintenance	68.5	+ 40.9
Rest	68.8	+ 1.8

• Total Operating Revenues + 8.5%

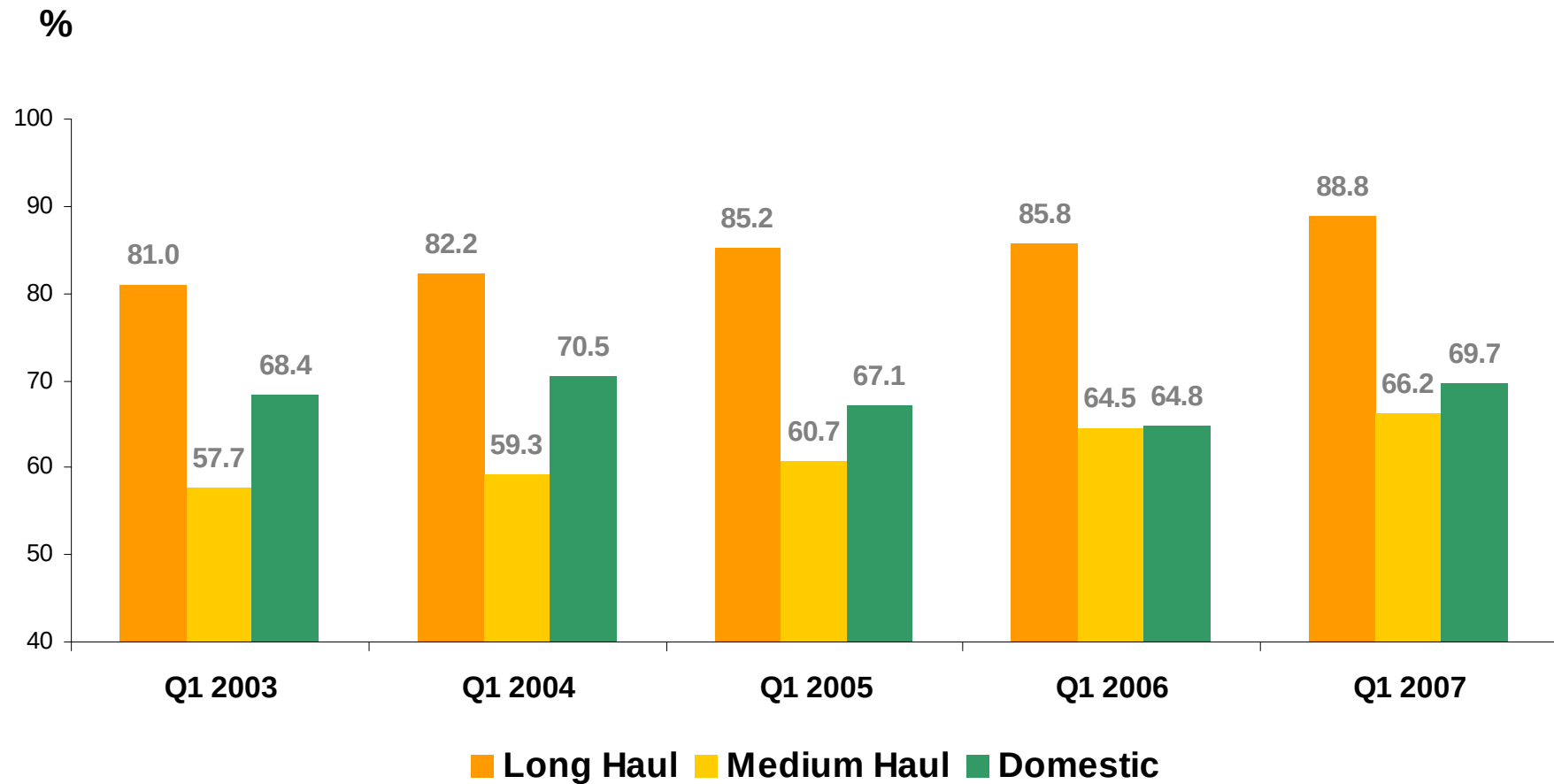
• Revenue / ASK + 4.9%

SELECTIVE GROWTH. MAIN Statistics

Q1 2007	ASK	RPK	L.F.
Domestic	- 12.0%	- 5.4%	+ 4.9 p.p.
Europe	- 2.1%	- 0.1%	+ 1.3 p.p.
Other Int. Medium Haul	+19.7%	+ 25.4%	+ 3.3 p.p.
Long Haul	+ 10.0%	+13.8%	+ 3.0 p.p.
Total	+ 2.6%	+7.8%	+ 3.8 p.p.

Successful restructuring of the network following one of
the main pillars of the Director Plan

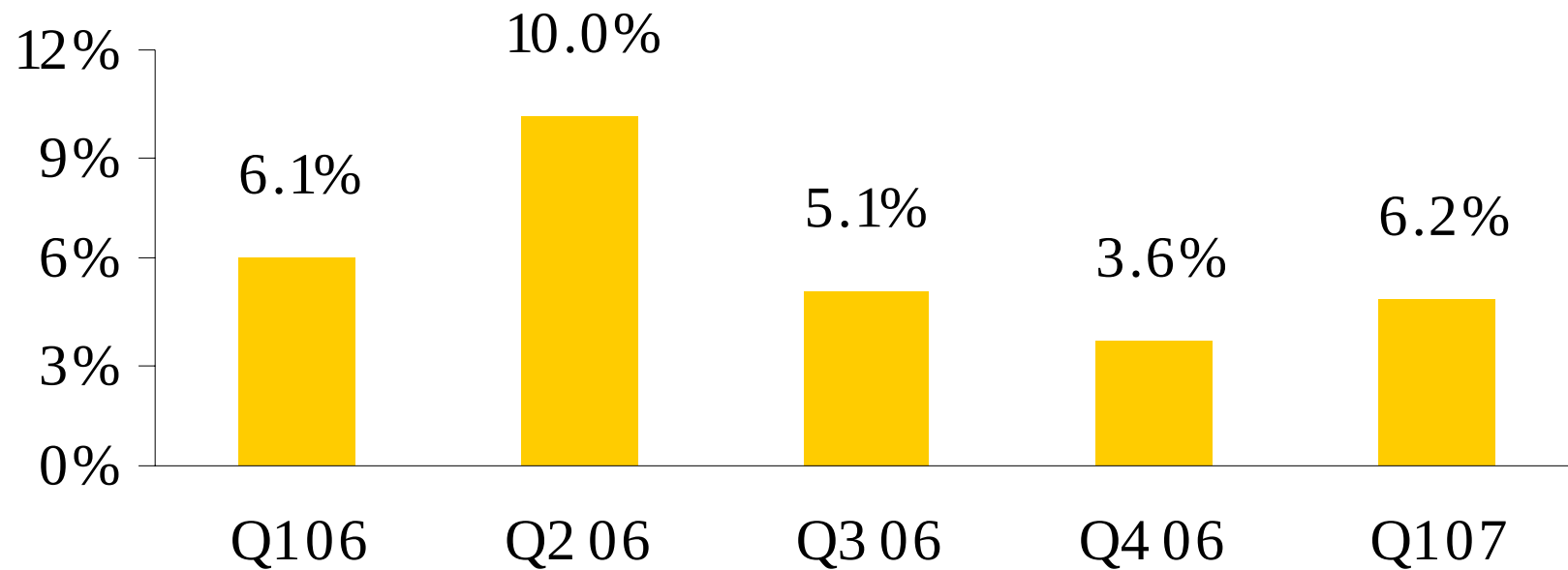
Improvement in Load Factor



UNIT REVENUE EVOLUTION

Q1 2007 vs. Q1 2006

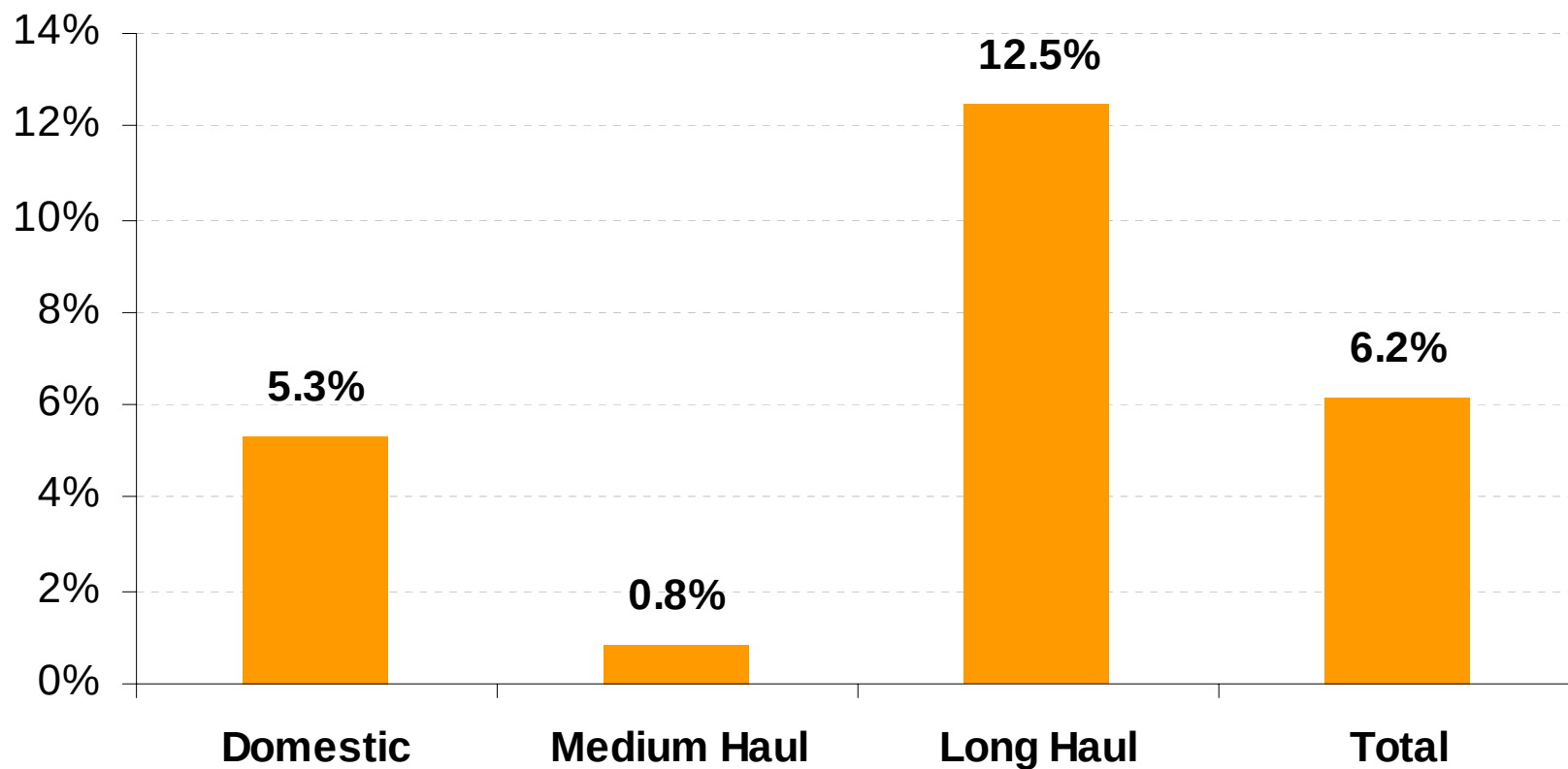
Passenger revenue/ASK



Unit Revenue Evolution Q1

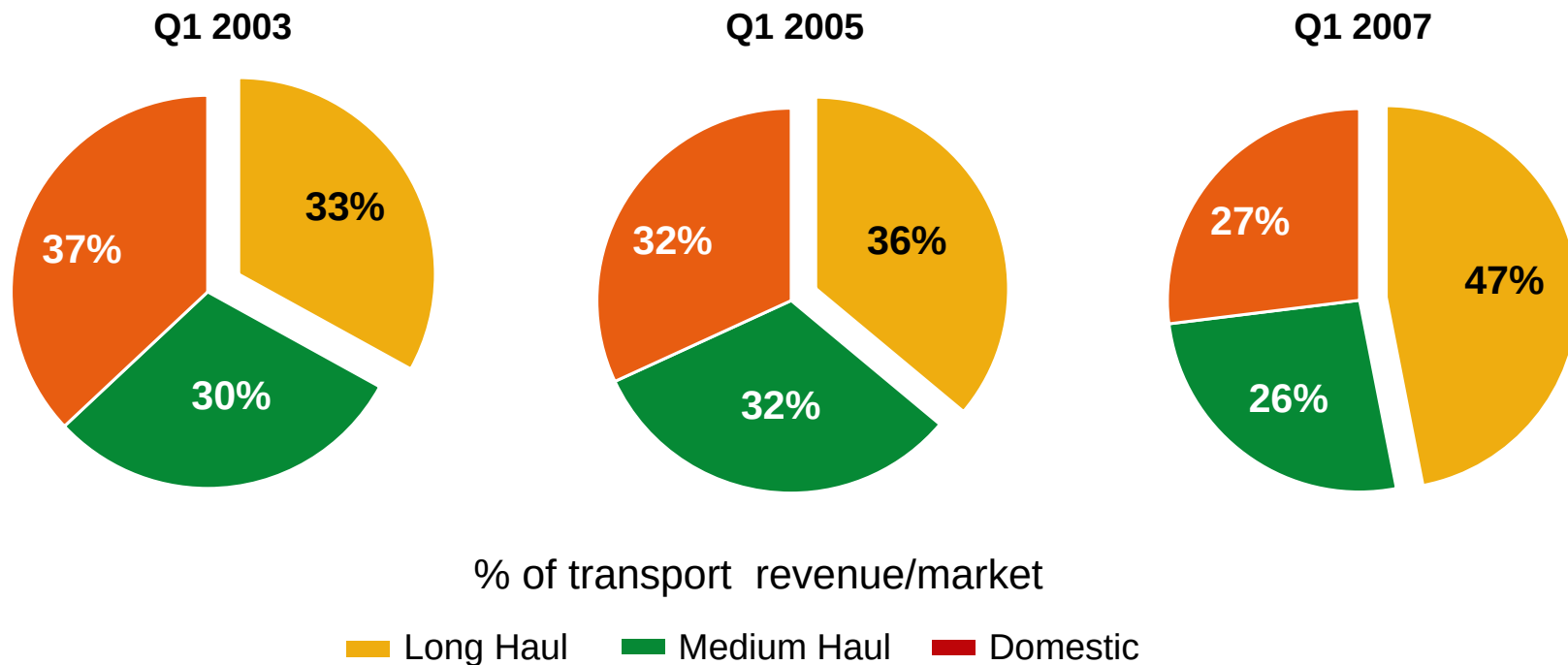
2007 vs. Q1 2006

Passenger revenue/ASK



Long haul is gradually increasing its weight

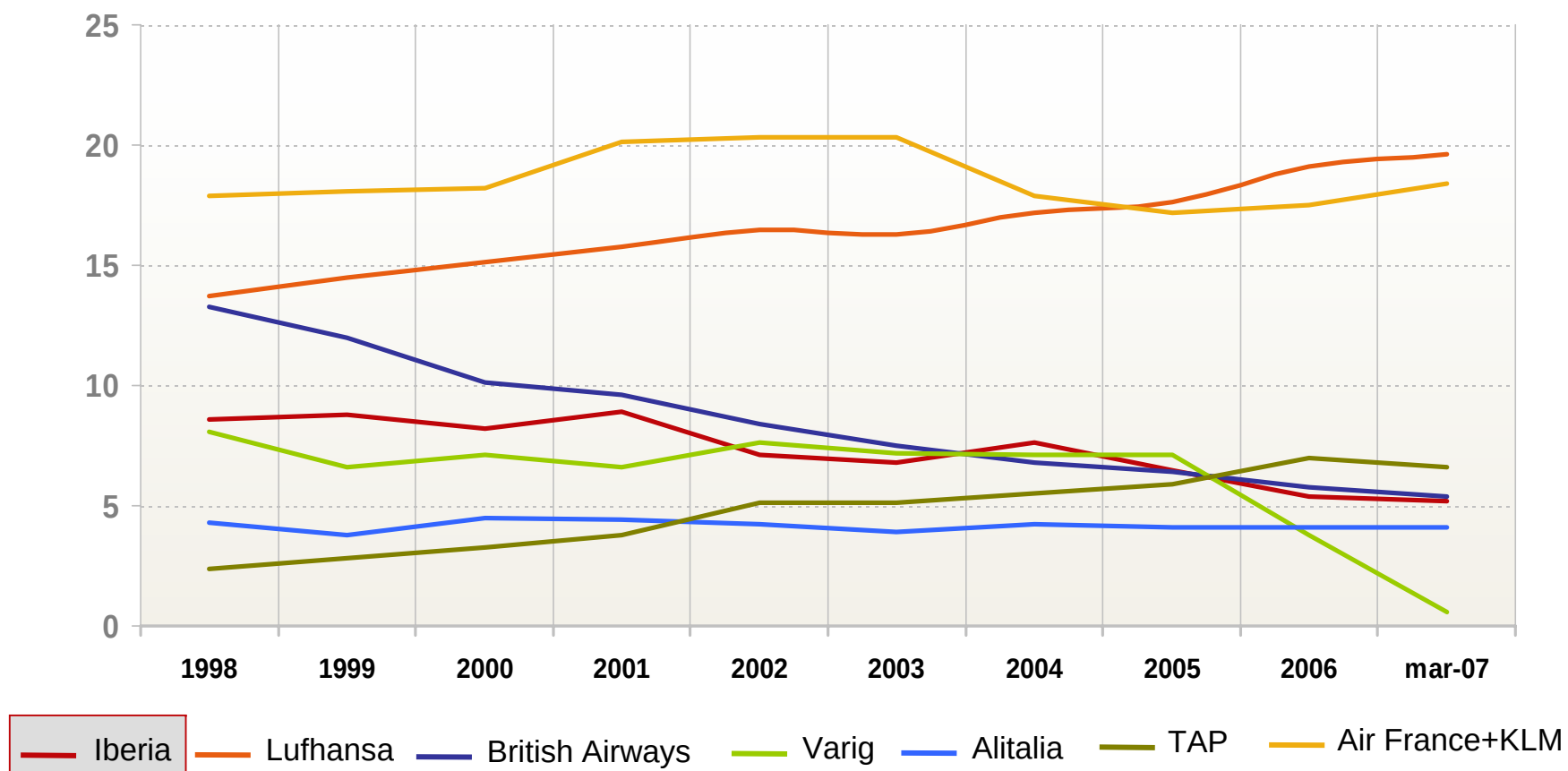
The restructuring of the network is enhancing the long haul market



Latin America: Gap with Main Competitors Continues to Widen

Iberia market share : 19.6% (+0.6 p.p.)

Europe – Latin America market share



Operating Costs

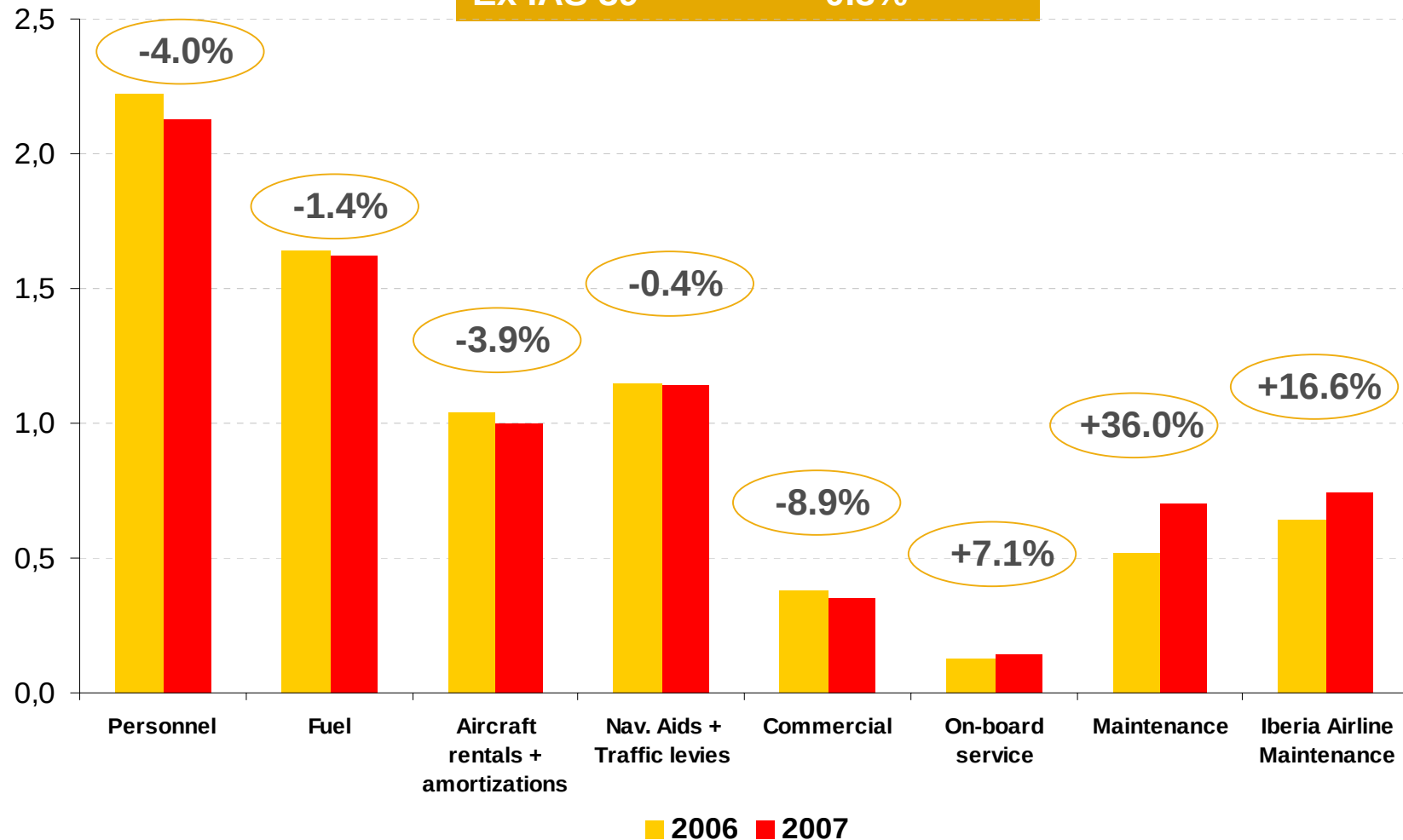
<i>(million €)</i>	Q1 2007	%07/06
Personnel	344.8	- 0.9
Commercial	55.7	- 6.5
Fuel	260.6	+ 1.2
Aircraft rentals + Depreciation	161.5	- 1.3
On board service	16.9	+ 9.2
Navigation charges + Traffic services	183.9	+ 2.2
Cost from Operating Activities	+ 2.4%	
Total Operating Costs	+ 2.0%	

Unit Costs Evolution

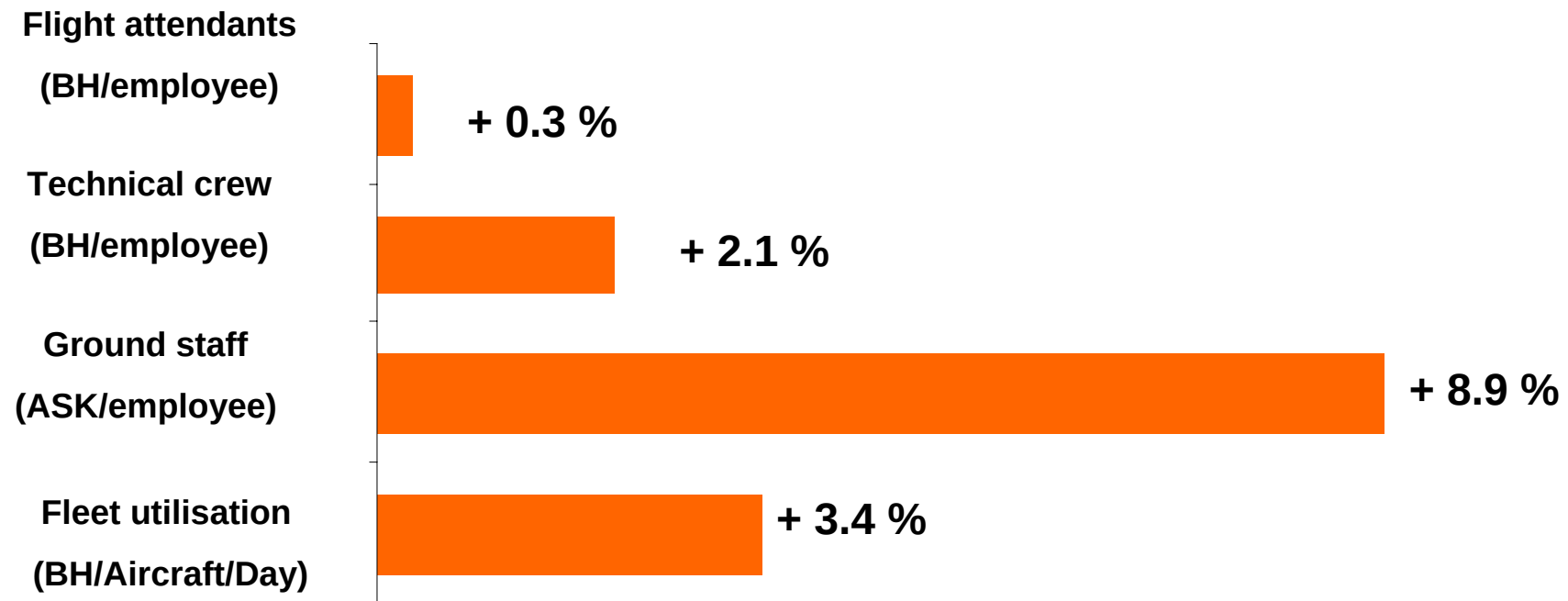
Q1 2007 vs. Q1 2006

Total - 0.6%

Ex IAS 39 - 0.3%

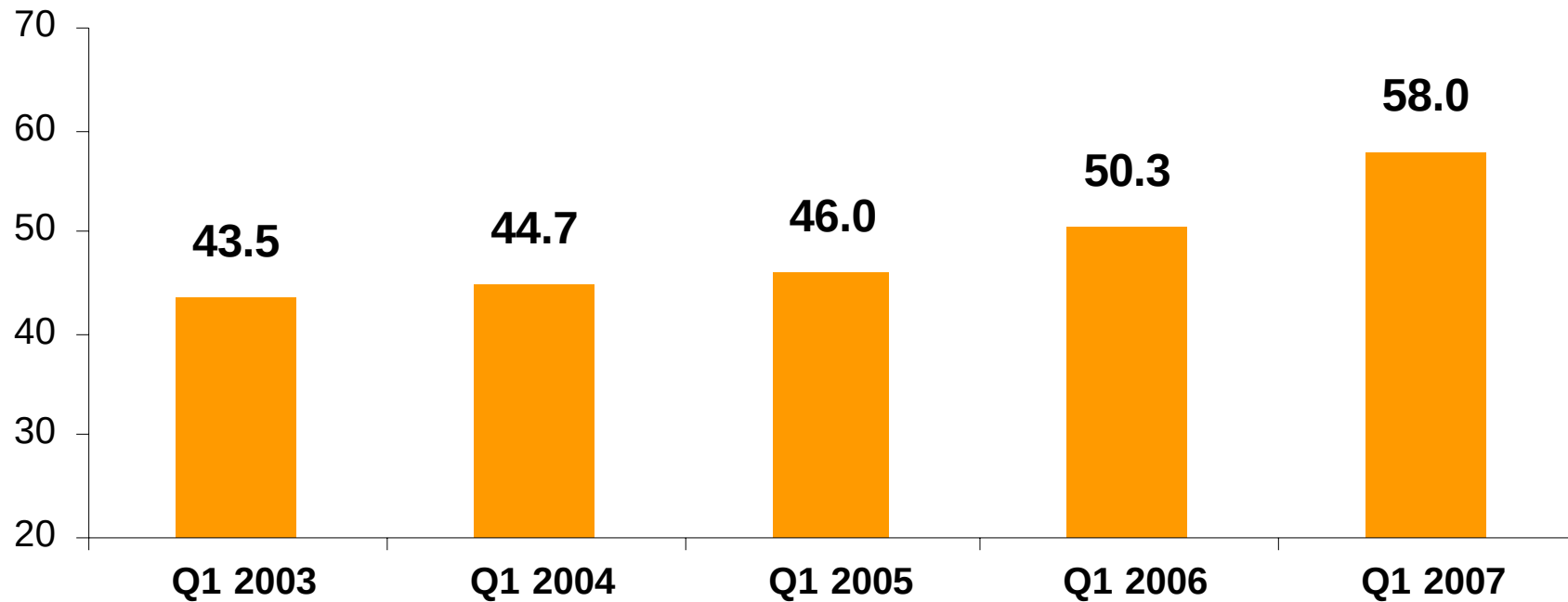


Productivity Q1 2007 vs. Q1 2006



Productivity Evolution

Operating Revenue/Employee (Thousand €)



Strong Balance Sheet

	1Q 2007	Over December 06
In Balance-sheet net debt	-1,863.4	8.2%
Adjusted net debt	1,204.2	-10.6%
Gross cash	2,579.4	5.6%

MM/€

Q1 2007 Results

Q&A