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### Operating Evolution

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Total load factor stood at 82.4%, 1.8 points below August 2008, with a decrease of 4.4% in capacity and 6.5% in traffic (measured in RPK). The company is gradually curbing the fall in yields, although demand is still weak, especially in the business segment, and is quite sensitive to prices, mainly in the long haul.

In the **long haul** the load factor reached 83.4% (-4.3 points compared to the previous year); capacity -measured in available seat kilometre (ASK)- dropped 3.2% and RPK fell by 7.9%. In August, as in July, the *mix* improved compared with the deterioration suffered in first half of the year; thus, the *Business Plus* passengers reached the same weight over total traffic than one year earlier. In Latin America, the load factor stood at 82.0% (-4.7 points), with a reduction of 1.4% in ASK. We expect further capacity adjustments in the next months. In the North Atlantic, the load factor reached 89.3% (-2.2 points); capacity reduced by 8.4% and traffic went down 10.6%, with an important improvement in the *mix*.

The **European** load factor improved by 1.0 points, to 83.0%, as RPK dropped (-8.8%) in a lower proportion than ASK (-9.9%); the average stage length grew by 4.3% compared to August 2008. In European flights to/from Madrid the capacity cuts were smaller (-6.6%) and traffic fell by -5.6%, improving the load factor by 0.9 points. In **Africa and the Middle East**, traffic rose by 4.3% and capacity went up 8.4%; consequently, the load factor stood at 77.4% (-3.1 points).


The **Domestic** load factor improved by 4.7 points on the previous year, reaching 78.6%; traffic went up 2.8%, mainly driven by traffic increases in flights to the Canary Islands, and capacity fell by 3.3%, as a result of the adjustments carried out in the mainland.

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### Highlights

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- The Company has reorganised its top management structure in order to reinforce its competitive position. The Airline Division is split into two new management units: a Commercial and Clients Division, focusing on generating income and to be headed by the current manager of the Maintenance and Engineering Division, Manuel López Aguilar; and a Production Division, charged with enhancing operations, and to be managed by the head of the current production management unit, Juan Bujía. In addition, a new Purchasing and Services Division has been created, to be led by José María Fariza, previously responsible for control and administration with the aim of rationalising expenditures. Lastly, José Luis Ruiz de Castañeda de la Llave, currently Iberia's industrial maintenance unit manager, has been appointed manager of the Maintenance and Engineering Division.
- From 9 September all Iberia and its partners operate in the new Terminal 1 of Barcelona-El Prat. This new location allows a reduction of 10 minutes in flights from Madrid to Barcelona, due to the reduction of the taxiing time. Likewise, the Air Shuttle customers will enjoy exclusive facilities that will speed up the service. Iberia and its partners will offer 336 daily flights to 43 domestic and international destinations from this terminal, representing the highest number of operations at Barcelona airport.
- Iberia has signed an agreement to sponsor the candidacy of the city of Madrid as host of the Olympic and Paralympic Games in 2016.

	August			Accumulated		
	2009	2008	%	2009	2008	%
<b>ASK (million)</b>	<b>5,532</b>	<b>5,788</b>	<b>-4.4</b>	<b>42,151</b>	<b>44,724</b>	<b>-5.8</b>
Domestic	759	785	-3.3	5,743	6,593	-12.9
Medium Haul	1,403	1,521	-7.8	10,735	11,659	-7.9
Europe	1,214	1,347	-9.9	9,351	10,324	-9.4
Africa* and Middle East	189	174	8.4	1,384	1,335	3.7
Long Haul	3,369	3,482	-3.2	25,674	26,473	-3.0
<b>RPK (million)</b>	<b>4,559</b>	<b>4,876</b>	<b>-6.5</b>	<b>33,777</b>	<b>36,151</b>	<b>-6.6</b>
Domestic	597	581	2.8	4,198	4,728	-11.2
Medium Haul	1,154	1,245	-7.3	8,118	8,638	-6.0
Europe	1,007	1,105	-8.8	7,111	7,622	-6.7
Africa* and Middle East	146	140	4.3	1,007	1,016	-0.9
Long Haul	2,809	3,051	-7.9	21,462	22,785	-5.8
<b>Load factor (%)</b>	<b>82.4</b>	<b>84.2</b>	<b>-1.8 p.p.</b>	<b>80.1</b>	<b>80.8</b>	<b>-0.7 p.p.</b>
Domestic	78.6	74.0	4.7 p.p.	73.1	71.7	1.4 p.p.
Medium Haul	82.2	81.8	0.4 p.p.	75.6	74.1	1.5 p.p.
Europe	83.0	82.0	1.0 p.p.	76.0	73.8	2.2 p.p.
Africa* and Middle East	77.4	80.5	-3.1 p.p.	72.7	76.1	-3.4 p.p.
Long Haul	83.4	87.6	-4.3 p.p.	83.6	86.1	-2.5 p.p.

\* Excluding South Africa