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### Operating Evolution

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In June load factor improved 1.9 percentage points, reaching 83.0% in the **overall network** and reflecting an efficient adjustment of capacity to the demand evolution. Traffic in terms of RPKs dropped 5.1%, while capacity was reduced by 7.3%. In all the markets the decreases were lower than the ones registered in May and load factors showed also a better evolution. However, unit revenues decreased further due to the highly competitive pressure over yields and especially due to the strong reduction of business travellers.

In the **long haul** sector traffic went up 0.4 compared to June 2008, reaching 85.7%. RPKs went down 5.3%, and capacity (ASKs) reduced by 5.7%. In Latin America both ASKs and RPKs fell around 3.4% and load factor remained stable at 85.3%. In North Atlantic load factor improved 0.8 points to 87.5%, after a reduction of capacity of 11.5%.

In **Europe** load factor improved 5.3 points with respect to the previous year, reaching 81.1%, with a drop of 5.5% in traffic and a decrease in capacity of 11.6%. In this segment unit revenues showed a significant reduction. In European flights with origin or destination Madrid, traffic went down 1.4% and load factor improved 4.8 percentage points. In **Africa and the Middle East** capacity grew by 4% and traffic went down by 0.3% with respect to the same period in 2008. Load factor reached 71.2% (-3.0 points).

In the **domestic sector**, load factor rose by 3.7 points to 76.6%, demand decreased 4.8% and capacity 9.5%, with lower reductions in the flights between Madrid and Barcelona. The average stage length in this segment grew around 3.4%.

In the **second quarter** load factor improved 1.5% in the overall network to 81.3%, decreasing both capacity and demand 6.6% and 4.8%, respectively.

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### Highlights

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- Last 4th of July Iberia launched a new route between Madrid and Zagreb, that will be operated till September 20<sup>th</sup>. The company has also resumed its summer flights between Madrid and Dubrovnik and between Madrid and St Petersburg. During this summer Iberia will also operate two new flights from Santiago de Compostela to Zurich and Geneva, and a weekly flight without stopover between Tenerife and Caracas. Iberia has also increased frequencies to different international (Guatemala, Panama, Montevideo, Milán, Praga, Stockholm, Copenhagen, Algeria, Dakar and Cairo). From 15<sup>th</sup> of July, for the first time, Iberia will offer flights to Sydney, operated under code share with Qantas, a partner in **oneworld**.
- On the 9<sup>th</sup> of July the integration between Clickair and Vueling became effective. Iberia, with a participation of 45.85%, is the main shareholder of the new Vueling, whose headquarters remain in Barcelona. The new merged company has a fleet of 35 Airbus A320 and operates 92 routes to 45 main airports in 17 countries of Europe and North Africa.
- Iberia has signed two new contracts to maintain Rolls-Royce aircraft engines. The first one with Russian Yakutia Airlines, and the other one with India's Blue Dart Aviation Ltd.
- The Board of Directors of Iberia in a meeting held on the 9<sup>th</sup> of July accepted the voluntary resignation of its Chairman, Fernando Conte and agreed to name Antonio Vázquez Romero Chairman of the Board of Directors and Chief Executive Officer of the company. The Board of Directors also named Rafael Sánchez-Lozano as Chief Operating Officer. Mr Sanchez-Lozano has been a member of the Board of Directors since 2007.



	June			Accumulated		
	2009	2008	%	2009	2008	%
<b>ASK (million)</b>	<b>5,233</b>	<b>5,645</b>	<b>-7.3</b>	<b>31,037</b>	<b>33,130</b>	<b>-6.3</b>
Domestic	710	784	-9.5	4,225	5,000	-15.5
Medium Haul	1,320	1,464	-9.9	7,925	8,635	-8.2
Europe	1,147	1,297	-11.6	6,912	7,646	-9.6
Africa* and Middle East	173	167	4.0	1,013	989	2.5
Long Haul	3,204	3,397	-5.7	18,887	19,496	-3.1
<b>RPK (million)</b>	<b>4,343</b>	<b>4,578</b>	<b>-5.1</b>	<b>24,485</b>	<b>26,362</b>	<b>-7.1</b>
Domestic	544	571	-4.8	3,008	3,562	-15.5
Medium Haul	1,052	1,106	-4.9	5,792	6,177	-6.2
Europe	929	983	-5.5	5,077	5,438	-6.6
Africa* and Middle East	123	124	-0.3	715	739	-3.3
Long Haul	2,747	2,901	-5.3	15,684	16,623	-5.6
<b>Load factor (%)</b>	<b>83.0</b>	<b>81.1</b>	<b>1.9 p.p.</b>	<b>78.9</b>	<b>79.6</b>	<b>-0.7 p.p.</b>
Domestic	76.6	72.9	3.7 p.p.	71.2	71.2	0.0 p.p.
Medium Haul	79.7	75.6	4.2 p.p.	73.1	71.5	1.5 p.p.
Europe	81.0	75.7	5.3 p.p.	73.5	71.1	2.3 p.p.
Africa* and Middle East	71.2	74.2	-3.0 p.p.	70.5	74.7	-4.2 p.p.
Long Haul	85.7	85.4	0.4 p.p.	83.0	85.3	-2.2 p.p.

\* Excluding South Africa