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### Operating performance

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Load Factor improved 3.0 percentage points compared to March 2009 and reached 81.7% in the **overall network** with significant progress in all the sectors. Traffic dropped 3.2% and capacity was reduced 6.8%. Despite an increase of 3.0% in the average stage length, yield was higher than one year ago and helped to maintain the positive trend in unit revenues per ASK that Iberia has experienced since January.

In **long haul** load factor went up 2.6 points to 86.4%. RPKs fell by 2.2% and capacity went down 5.2%. Mix continues to improve with an increase of 4.0% in the number of Business Plus passengers. In Latin America load factor stood at 86.1%, 1.9 points above the level reached in the previous year, with a decrease of 4.1% in the ASKs and 1.9% in RPKs. In the North Atlantic seat factor improved 7.0 points, reaching 89.2%. Traffic dropped by 1.2%, after an adjustment of 8.9% in capacity.

In **Europe** load factor grew by 2.6 points, to 74.6%. RPKs went down by 6.5% and capacity fell by 9.7%, both decreases were mainly motivated by adjustments in point to point routes. In the European flights with origin or destination Madrid, the reductions in traffic and capacity were lower (-1.3% and -3.4% respectively), and load factor gained 1.6 points. The good behaviour of the demand in **Africa y Middle East** continued in March, with an increase of 11.5% in ASKs, 1.0% above the level of previous year. Therefore, load factor reached 79.2% (+7.5 points).

Load factor grew in the **domestic** sector by 3.5 points (72.6%), with declines both in capacity (-10.8%) and in traffic (-6.3%). The capacity reduction in the routes to the Canary Islands was -6.1% and -14.4% in the rest of the flights.

In the **first quarter** of 2010 and for the overall network, load factor improved by 4.4 points, reaching 80.8%, capacity declined by 6.6% and traffic dropped 1.2%.


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### Highlights

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- In April 8th, Iberia and British Airways signed merger agreement in relation to the integration of both companies, that implements and specifies the terms of the merger transactions agreed, consistently in all significant aspects with the binding agreement (MoU) signed on November 12, 2009. Both airlines will retain their current operations and operate under their individual brands, and will be owned by a new 'holding' company called *International Consolidated Airlines Group, S.A. (IAG)*.

- Iberia has been chosen, for the third consecutive year, to be incorporated in the corporate responsibility index "FTSE4Good IBEX2. This index is a selection of the most socially responsibility stock market investments among medium and large corporations listed on Spanish stock exchanges. Meanwhile, Iberia had held its place for the fourth consecutive year in the Dow Jones World Sustainability index, which recognises enlightened economic, social and environmental policies in the world's largest companies. There are just three airlines included in this index.

	March			Accumulated		
	2010	2009	%	2010	2009	%
<b>ASK (million)</b>	<b>4,984</b>	<b>5,348</b>	<b>-6.8</b>	<b>14,360</b>	<b>15,369</b>	<b>-6.6</b>
Domestic	659	739	-10.8	1,928	2,071	-6.9
Medium Haul	1,269	1,386	-8.4	3,514	3,876	-9.3
Europe	1,097	1,216	-9.7	3,018	3,388	-10.9
África* and Middle East	172	170	1.0	496	488	1.7
Long Haul	3,057	3,223	-5.2	8,918	9,422	-5.4
<b>RPK (million)</b>	<b>4,074</b>	<b>4,209</b>	<b>-3.2</b>	<b>11,605</b>	<b>11,752</b>	<b>-1.2</b>
Domestic	479	511	-6.3	1,324	1,366	-3.0
Medium Haul	954	997	-4.3	2,510	2,571	-2.4
Europe	818	875	-6.5	2,132	2,234	-4.6
África* and Middle East	136	122	11.5	379	337	12.3
Long Haul	2,642	2,702	-2.2	7,771	7,815	-0.6
<b>Load factor (%)</b>	<b>81.7</b>	<b>78.7</b>	<b>3.0 p.p.</b>	<b>80.8</b>	<b>76.5</b>	<b>4.4 p.p.</b>
Domestic	72.6	69.1	3.5 p.p.	68.7	65.9	2.7 p.p.
Medium Haul	75.2	71.9	3.3 p.p.	71.4	66.3	5.1 p.p.
Europe	74.6	72.0	2.6 p.p.	70.6	65.9	4.7 p.p.
África* and Middle East	79.2	71.7	7.5 p.p.	76.3	69.1	7.2 p.p.
Long Haul	86.4	83.8	2.6 p.p.	87.1	82.9	4.2 p.p.

- Excluding South Africa