



IBERIA 

Year 2008



Highlights 2008



- Demand reflected more clearly the weakness in the economy
- Results hit by the hike in fuel prices
- 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



MM/€

	2008E	% YoY
Operating Revenues	5,450	- 1.3%
EBITDAR	500	- 46.4%
EBIT	-79	n.m
<i>Adjusted EBIT</i>	40	-90.4%
Profit from operations	5	- 98.8%
EBT	36	- 91.9%
Net Income	32	- 90.2%

Operating Revenue



€M

	2008E	% YoY
Passenger	4,218	- 2.5
Cargo	346	+ 1.0
Handling	275	- 1.8
Maintenance	297	+ 8.7
Rest	312	+ 4.1
Total	5,450	- 1.3

Flat capacity and moderate reduction of Load factor

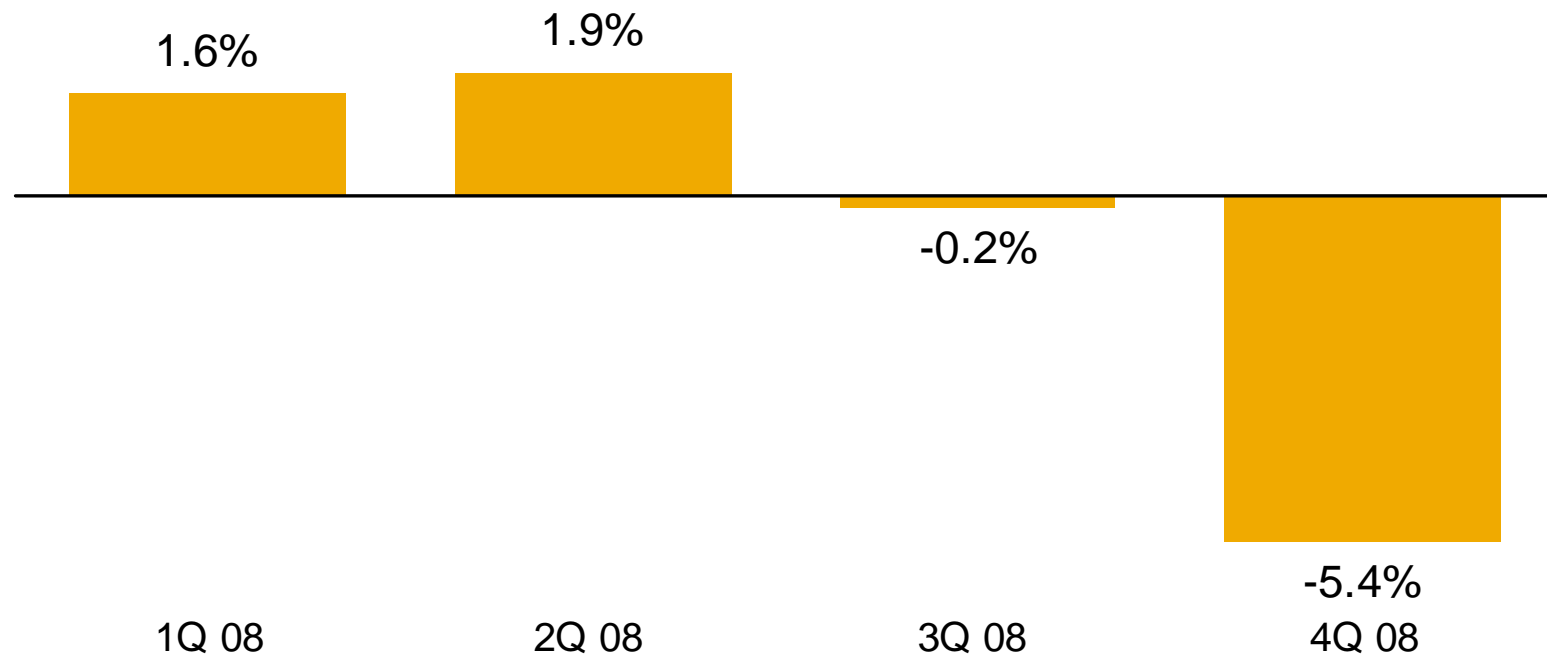


	ASK %YoY	Load Factor %	YoY	
Domestic	-17.1	71.3	-4.5p	←
Europe	+2.9	72.7	+0.3p	←
<i>Madrid - Europe</i>	+14.9	73.4	+0.3p	
Other Inter. Medium haul	+2.8	75.6	+0.7p	
Long haul	+3.0	85.2	-2.1p	
Total Network	-0.5	80.0	-1.6p	

Iberia has adjusted its capacity to the evolution of the markets



% Capacity YoY

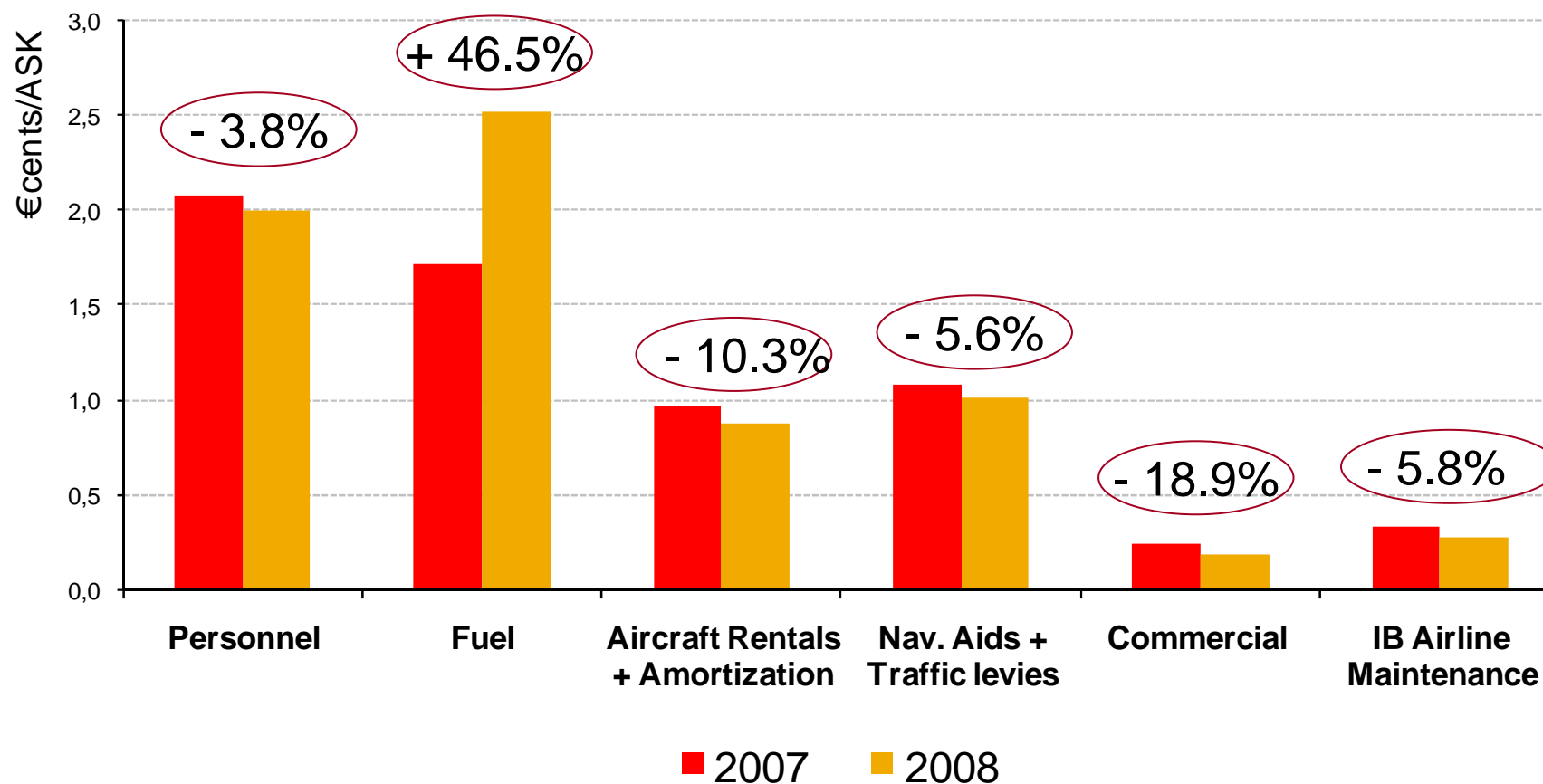


Unit operating cost



Total unit costs + 6.1%

Ex fuel - 5.1%



Strong Balance Sheet



MM/€

Dec 2008

Over December 07

In Balance-sheet net debt	-1,803	-27.9%
Adjusted net debt	1,012	90.3%
Gross cash	2,272	-23.4%

Main cash outflows

- BA shares 332 MM€
- Dividend 07 158 MM€

Recent figures

Traffic Statistics January 2009



	ASK %YoY	Load Factor %	YoY
Domestic	-26.8	59.6	-7.5p
Europe	-13.7	59.3	-1.0p
Other Inter. Medium haul	+3.3	65.1	-8.9p
Long haul	-1.3	82.3	-4.5p
Total Network	-8.1	74.0	-3.3p

2009



 Uncertainty on demand

 Load factor decline

 Weaker premium traffic

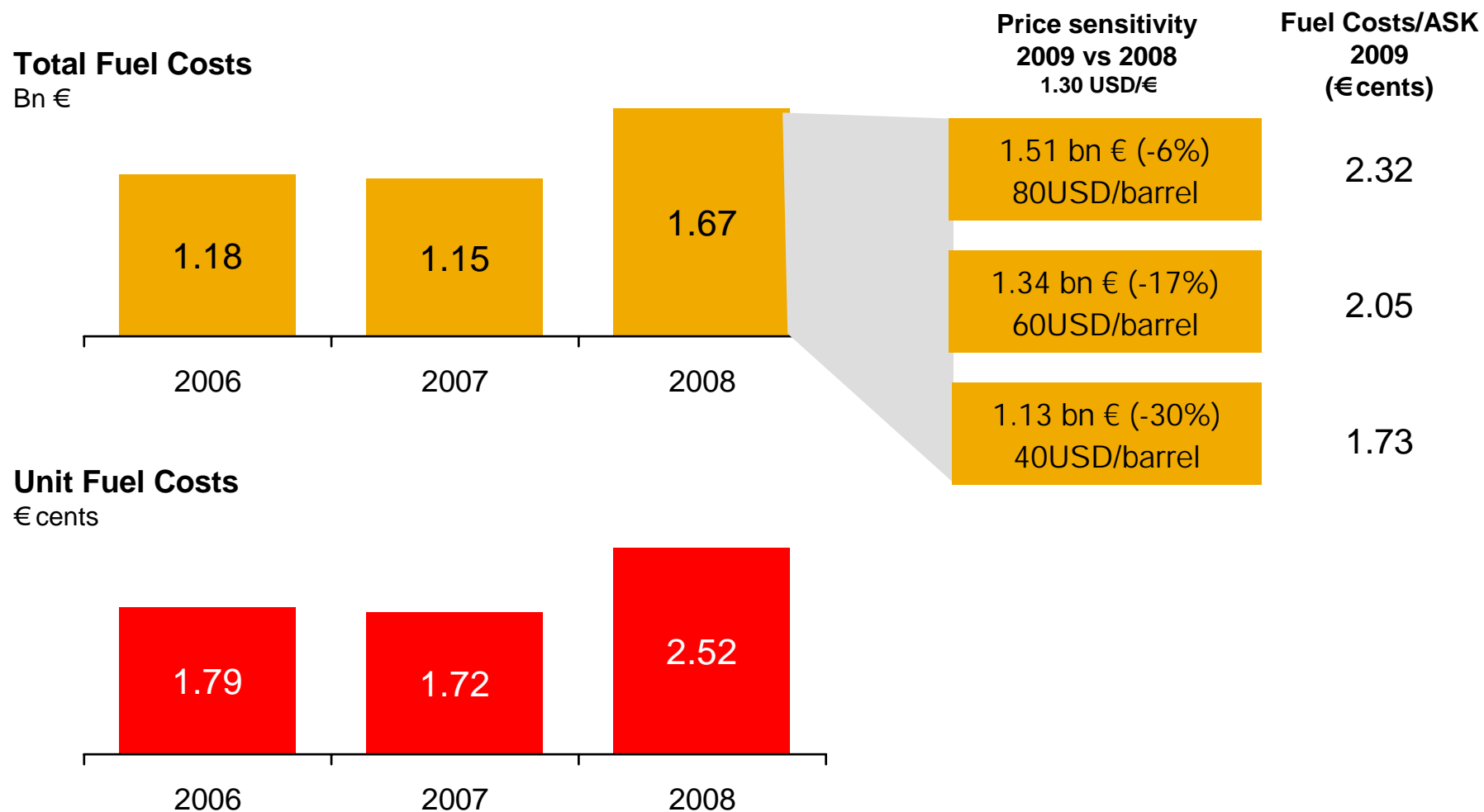
 Unit revenue deterioration


 Unit costs will be further reduced

Jet Fuel 2009 E



Around 50% hedged : Position that allows opportunities for fuel reductions



 Stronger reductions in capacity (-4% vs -1.7%)
especially in the short and medium haul

 Contingency plan