



Q2 2010 Results









Antonio Vázquez
Chairman & Chief Executive Officer



Highlights Q2 2010



-  **Clear improvement in results and margins**
-  **Good progress in passenger and cargo revenues especially in long haul**
-  **Mix and yield improvement in all segments, especially in international routes**
-  **Containment of operating costs and advances in productivity and efficiency**

Main Figures Q2 2010



€ million	Q2 2010	Q2 2009
EBITDAR	121	2
EBIT	3	-130
<i>Adjusted EBIT</i>	27	-102
Profit from operations	21	-126
EBT	42	-122
Net Income	31	-73



Rafael Sánchez-Lozano
Managing Director & Chief Operating Officer



Operating revenues Q2 2010



€ million	Q2 2010	YoY %
Passenger	891	+10.3
Cargo	75	+45.6
Handling	69	+2.5
Maintenance	76	-2.9
Rest	67	+5.0
Total	1,177	10.2%
Revenue/ASK		+12.7%

Traffic statistics Q2 2010



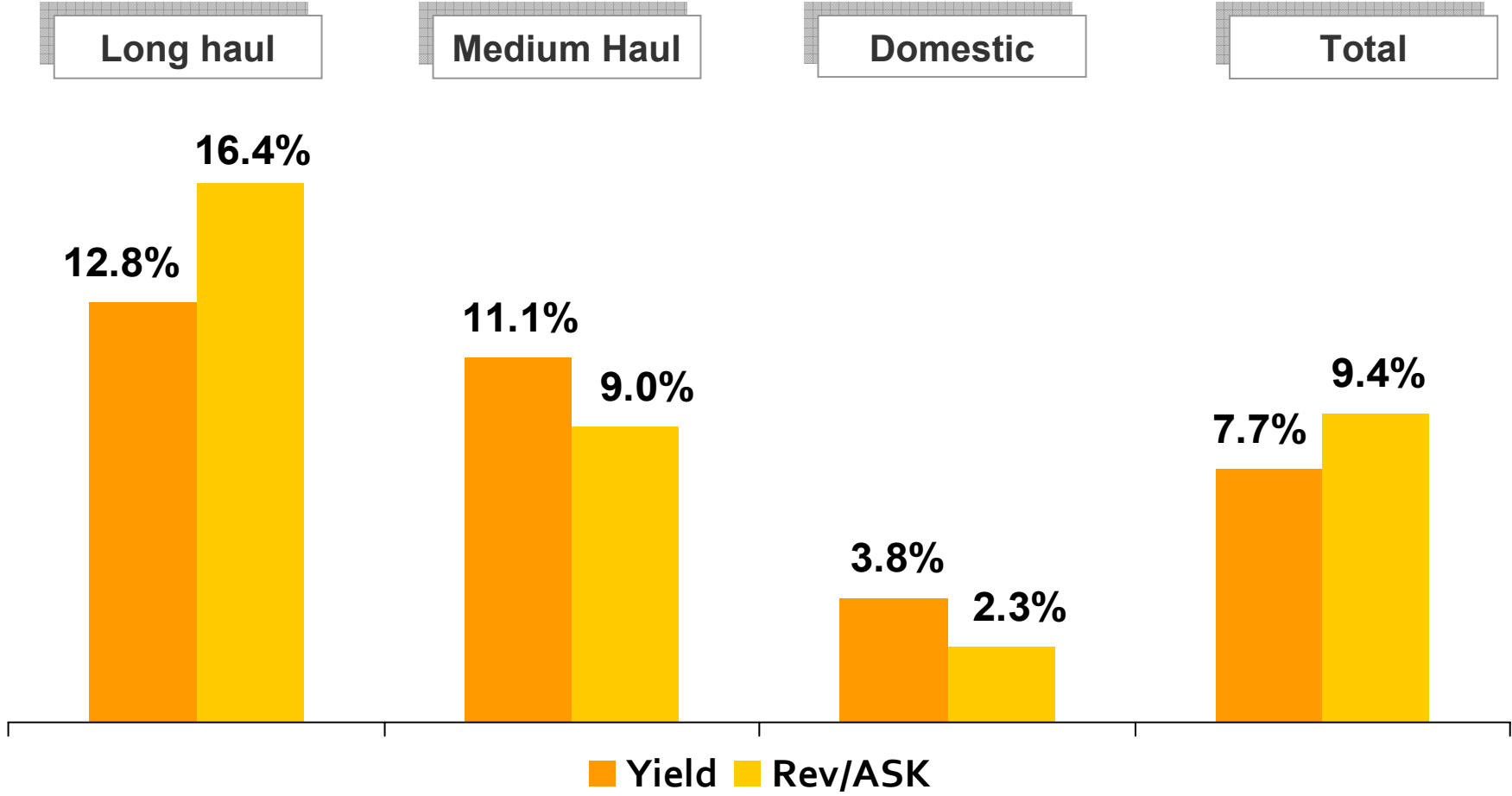
<i>Change Q2 2010/09 (%)</i>	ASK	RPK	LF
Domestic	-8.0	-9.4	-1.1 pp
Europe	-9.7	-12.0	-2.1 pp
Other medium haul	-2.3	1.8	3.0 pp
Long haul	1.9	5.1	2.6 pp
Total	-2.2	-0.7	1.3pp

Overall load factor of 82.5%

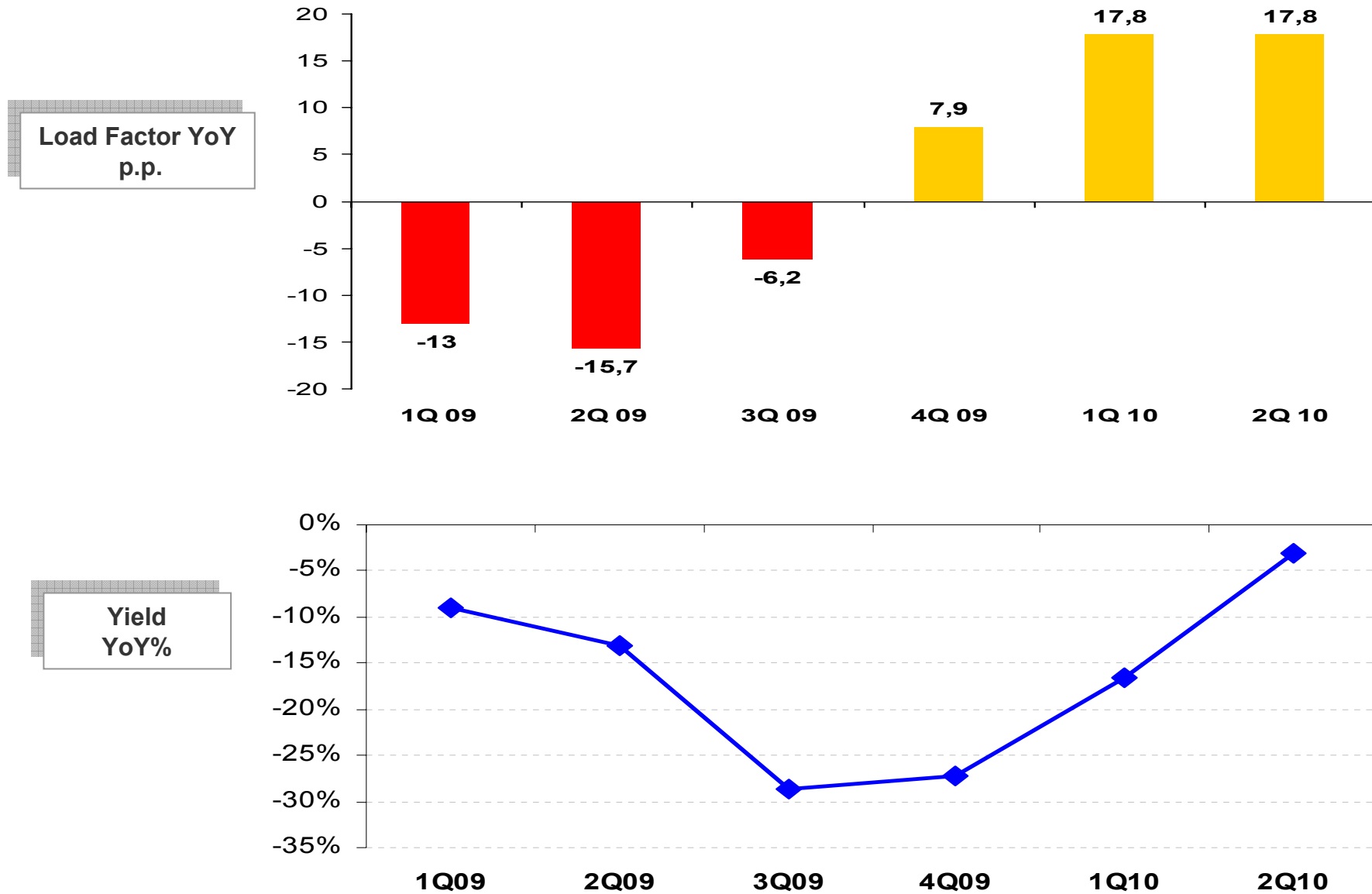
Pax unit revenue



Q2 2010 vs. Q2 2009



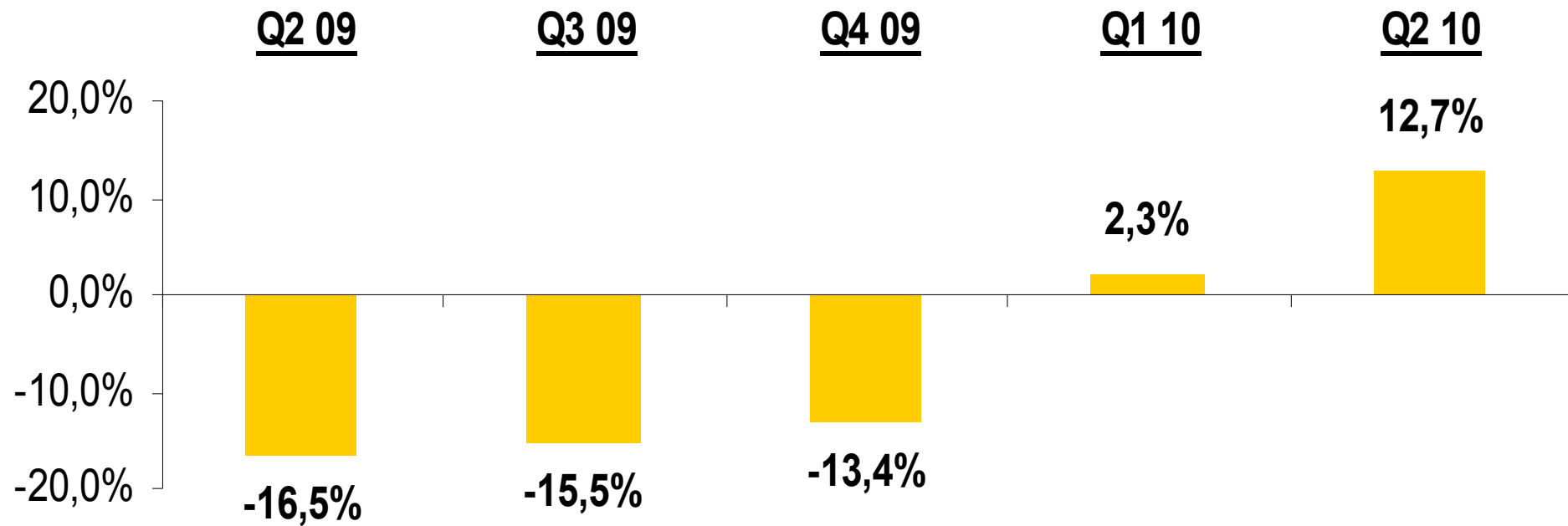
Cargo evolution



Operating unit revenue improvement



YoY%



Operating costs Q2 2010

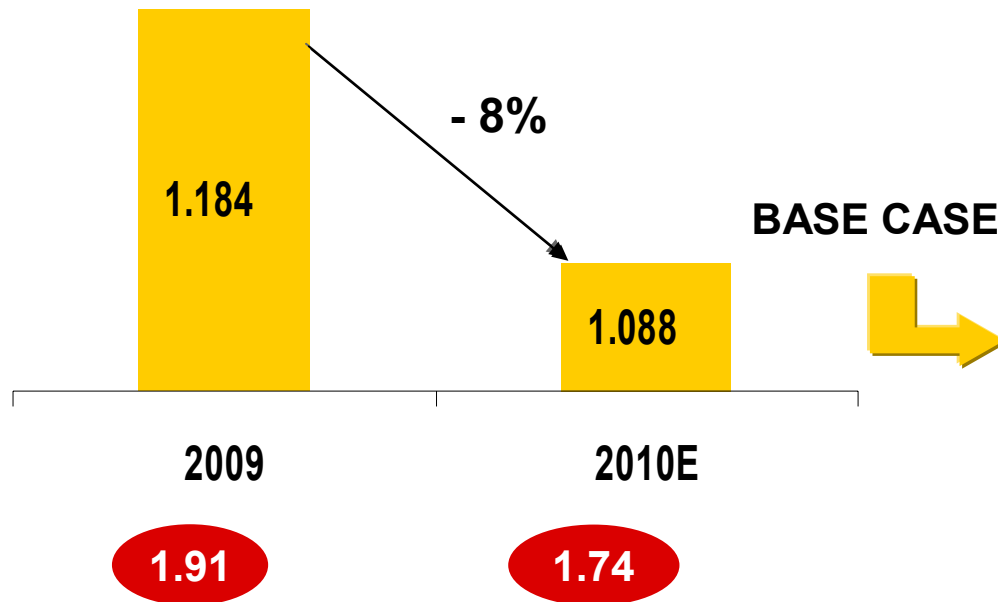


€ million	Q2 2010	YoY %
Personnel	322	-0.5
Fuel	266	-8.5
Depreciation + Fleet leases	117	-11.1
Traffic services + Nav.Charges	164	-0.9
Commercials	43	63.7
Rest	262	0.8
Total costs	1.174	-2.0%
Operating Costs/ASK		0.2%

Fuel 2010 E



Total Fuel Costs mm €



Price sensitivity (1.25 USD/€)

Price	Fuel Bill	YoY %	Unit cost (€ cents)
800	1,102	-7%	1.76
700	1,088	-8%	1.74
600	1,075	-9%	1.72

Unit Fuel Costs € cents

Around 70% hedged for 2010

Sound financial position



€ million	June 2010	Dec 2009
Gross cash	2,029	1,919
In balance-sheet debt	544	502
In balance- sheet net debt	-1,485	-1,417
Capitalised operating leasing (x8)	2,422	2,658
Adjusted net debt	936	1,241
LEVERAGE	32.4%	44.4%



Update 2010



Developments 2010



 Plan 2012

 IB-BA Merger

 IB-BA-AA Joint Business Agreement


IB-BA Merger



- ✓ June 29th : Signed Merger Plan
- ✓ July 14th: EU approves merger
- ✓ July 20th: DoT approves merger
- ✓ End of July: Regulator approval of BA Recovery Plan
-  30th September: Deadline for Iberia
-  November: Shareholder Meetings
-  December: Closing

IB-BA-AA Joint Business Agreement



- ✓ July 14th: Final approval of the UE
- ✓ July 20th: Final Order of the DoT, ATI granted
-  Implementation in autumn 2010



Questions & Answers

