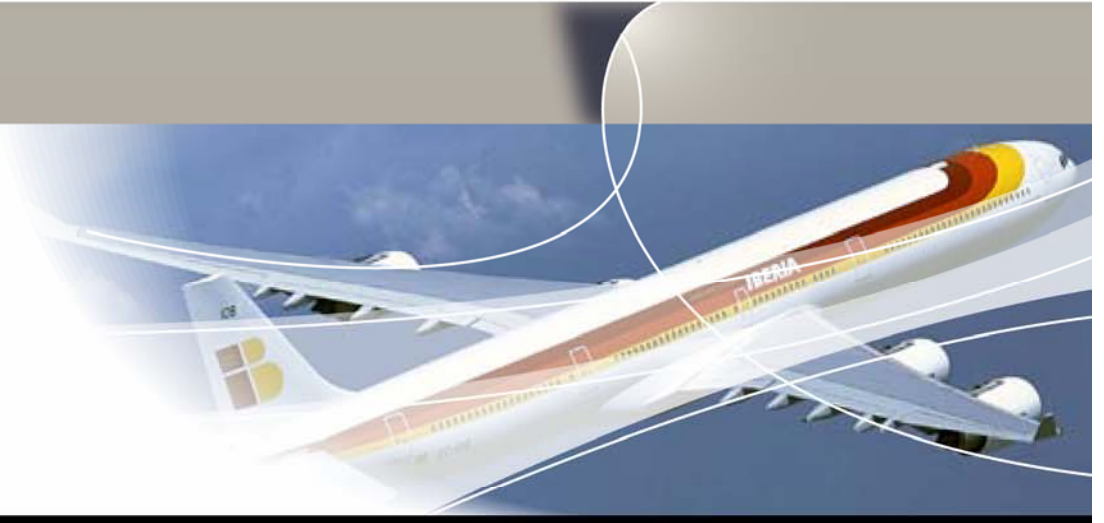




Q1 2007 Results





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Highlights

- **Strong revenues, especially in the passenger and maintenance business**
- **Good performance of traffic figures with record level of load factor and increase in unit revenues**
- **Restructuring of the network focused in the long haul growth with excellent behaviour of Business Plus class**
- **Important cost reductions**
- **New labour agreement with flight attendants, still negotiating with pilots**



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First Quarter Results 2007

	Q1 2007	07/06
Operating Revenue	1,309.5	+8.5%
Ebitdar	174.6	+74.2%
<i>Ebitdar margin</i>	<i>13.3 %</i>	<i>+ 5.0 p.p</i>
EBIT	13.1	n.m.
EBIT (ex IAS 39)	13.4	n.m.
EBT	18.7	n.m.
Net Income	12.2	n.m.

MM/€



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Operating Revenues

<i>(million €)</i>	2007	% s/06
Passenger	1,026.7	+ 8.1
Cargo	82.3	+ 8.4
Handling	62.9	- 2.7
Maintenance	68.5	+ 40.9
Rest	68.8	+ 1.8

• Total Operating Revenues + 8.5%

• Revenue / ASK + 4.9%



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Selective Growth: Traffic Statistics

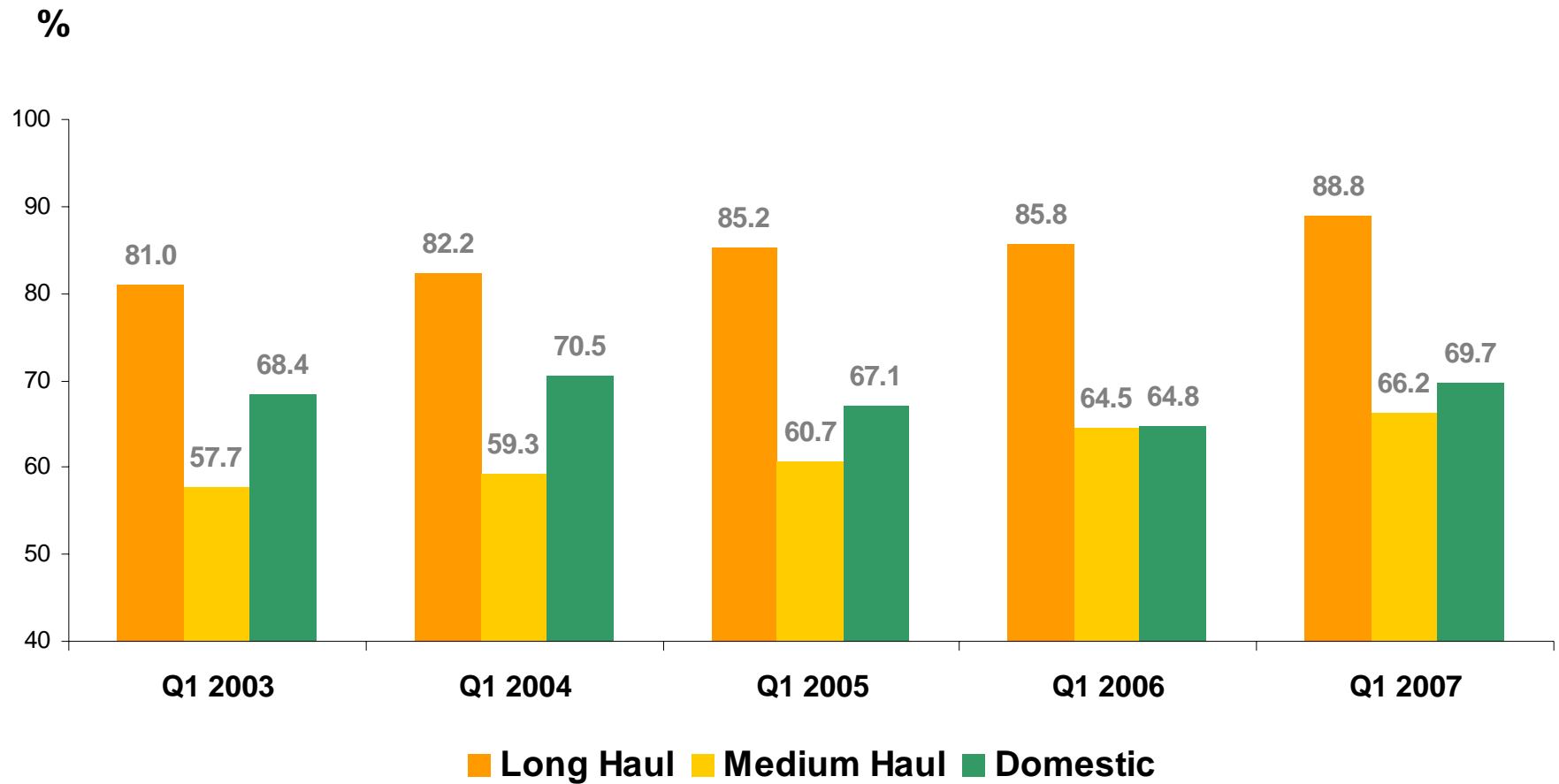
Q1 2007	ASK	RPK	L.F.
Domestic	- 12.0%	- 5.4%	+ 4.9 p.p.
Europe	- 2.1%	- 0.1%	+ 1.3 p.p.
Other Int. Medium Haul	+19.7%	+ 25.4%	+ 3.3 p.p.
Long Haul	+ 10.0%	+13.8%	+ 3.0 p.p.
Total	+ 2.6%	+7.8%	+ 3.8 p.p.

Successful restructuring of the network following one of the main pillars of the Director Plan



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Improvement in Load Factor

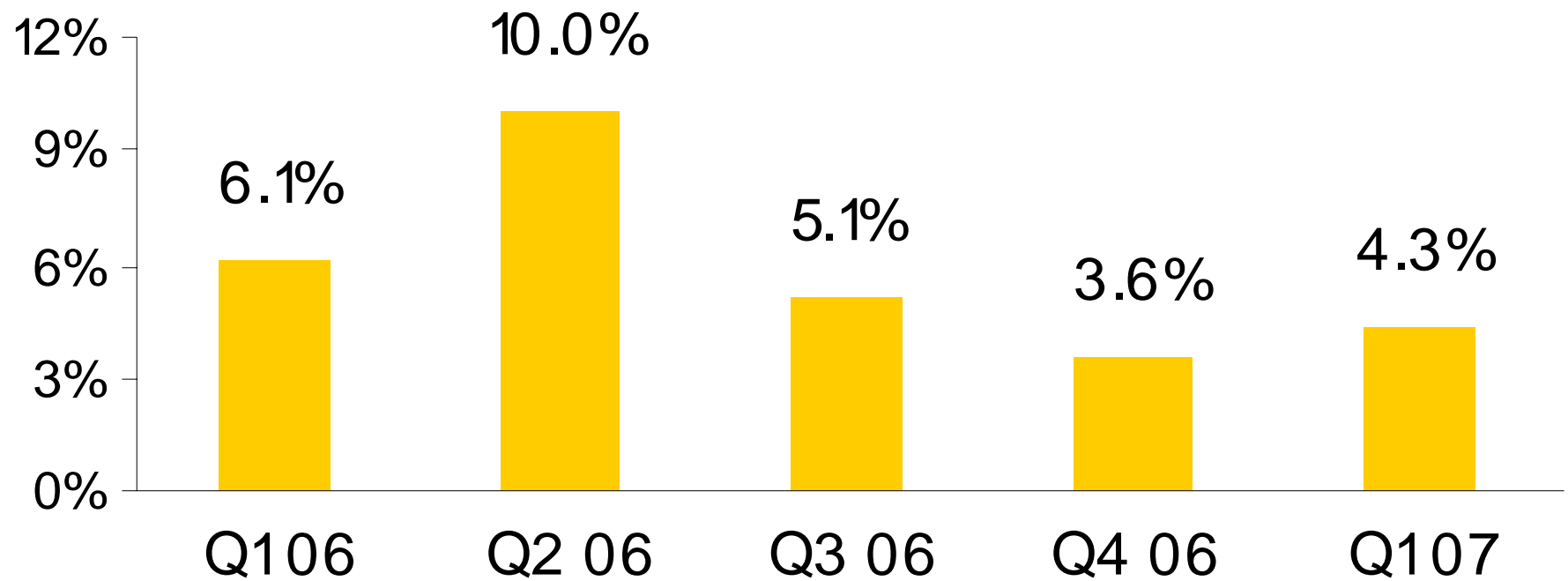




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Unit Revenue Evolution Q1 2007 vs. Q1 2006

Passenger revenue/ASK

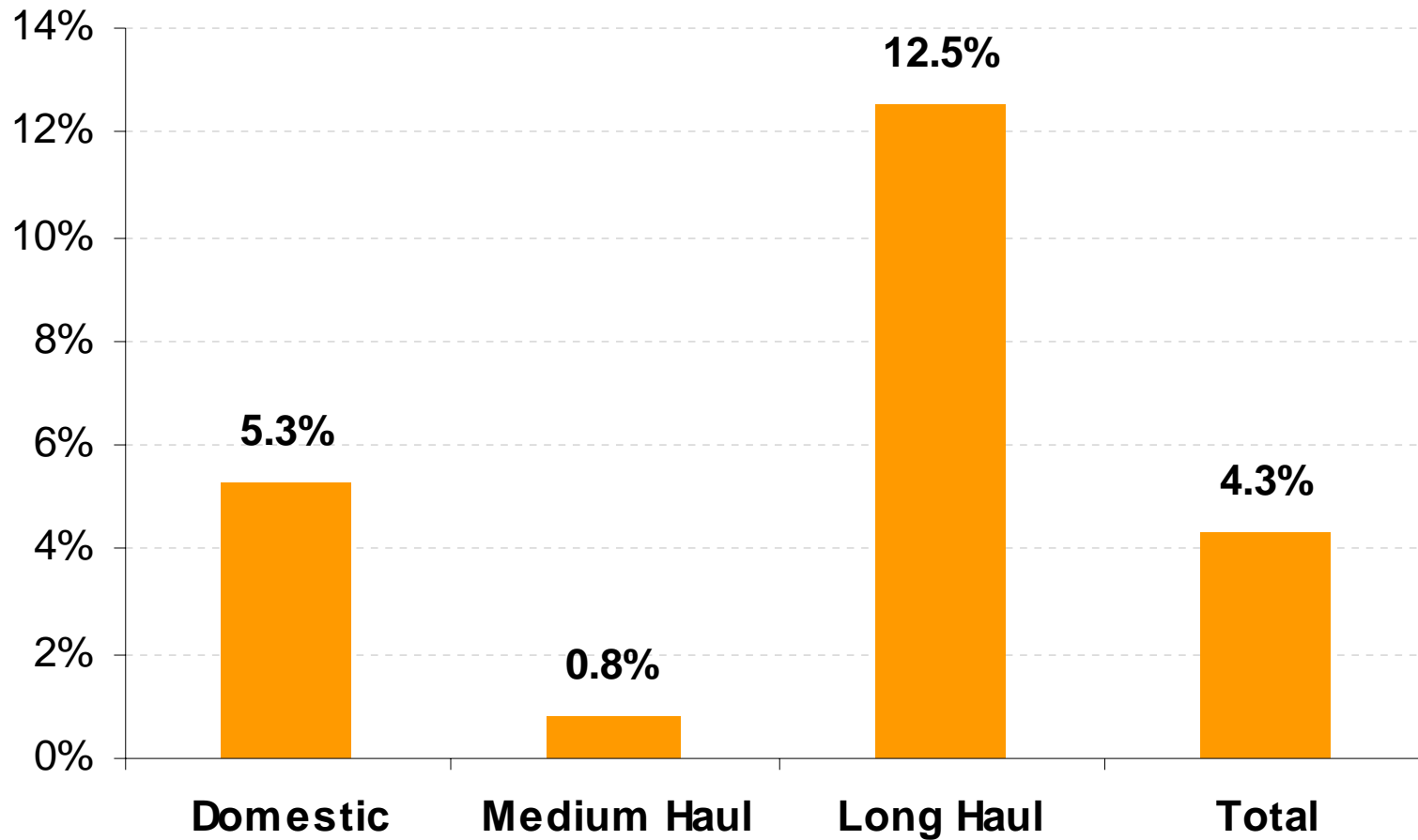




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Unit Revenue Evolution Q1 2007 vs. Q1 2006

Passenger revenue/ASK



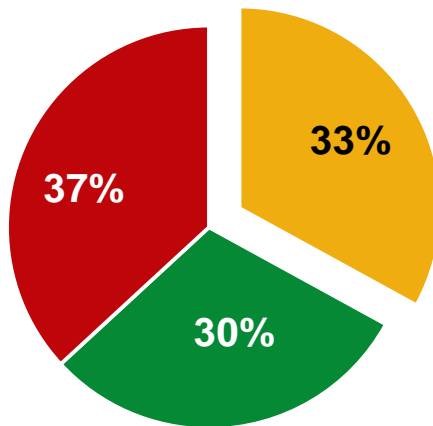


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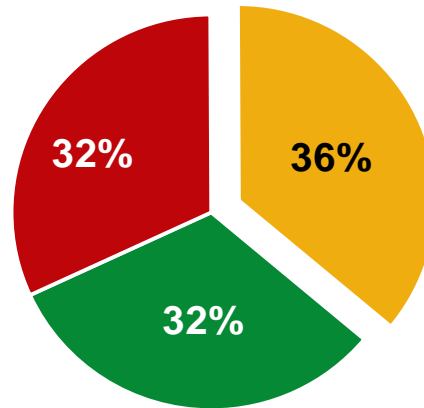
Long haul is gradually increasing its weight

The restructuring of the network is enhancing the long haul market

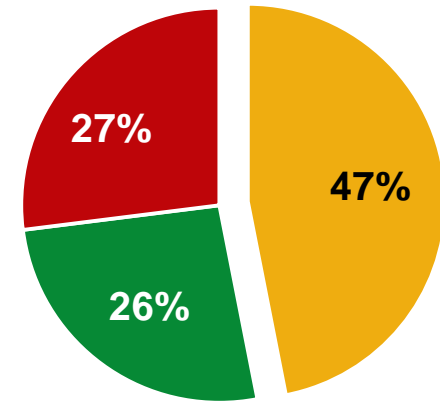
Q1 2003



Q1 2005



Q1 2007



% of transport revenue/market

Long Haul Medium Haul Domestic

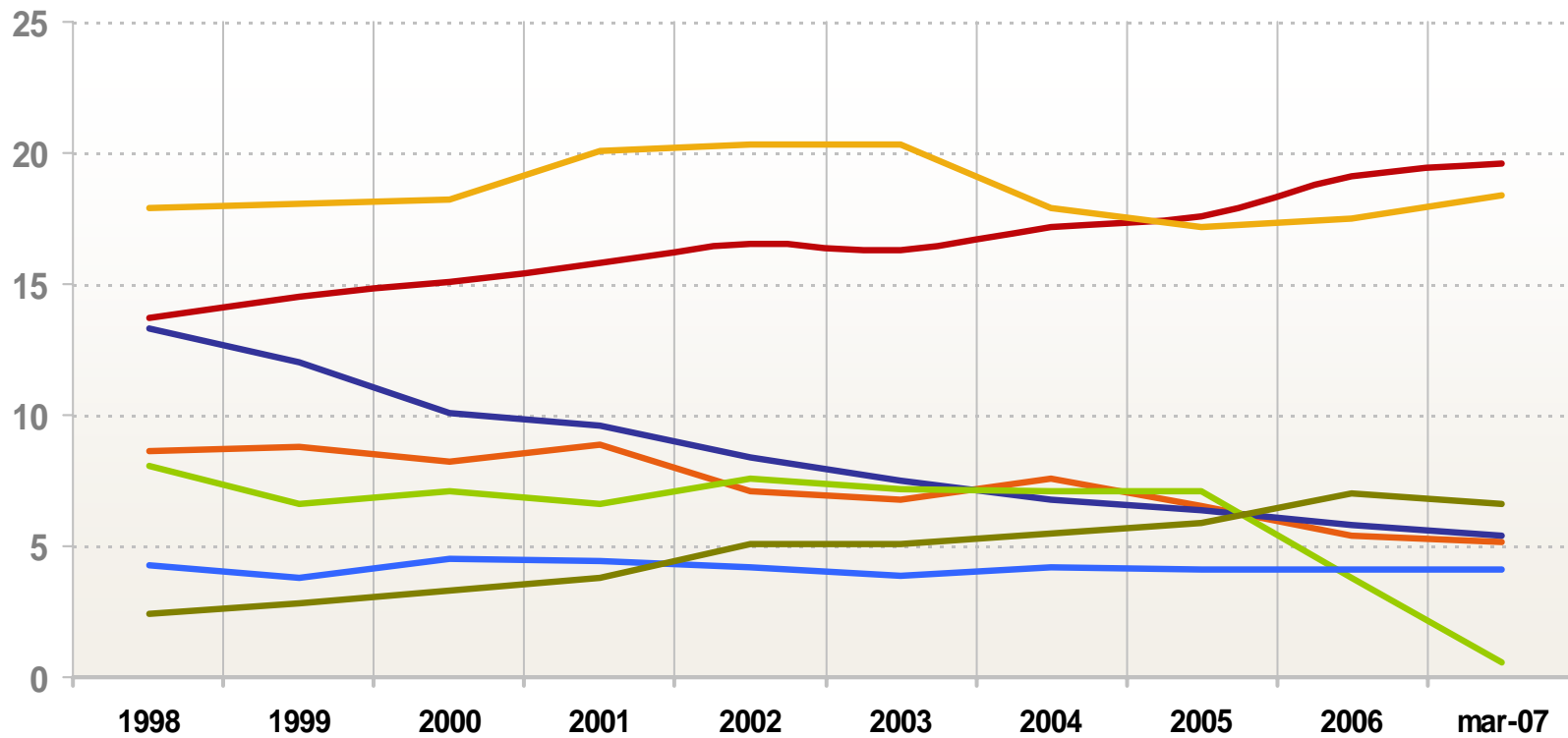


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Latin America: Gap with Main Competitors Continues to Widen

Iberia market share : 19.6% (+0.6 p.p.)

Europe – Latin America market share



Iberia Lufhansa British Airways Varig Alitalia TAP Air France+KLM



IBERIA

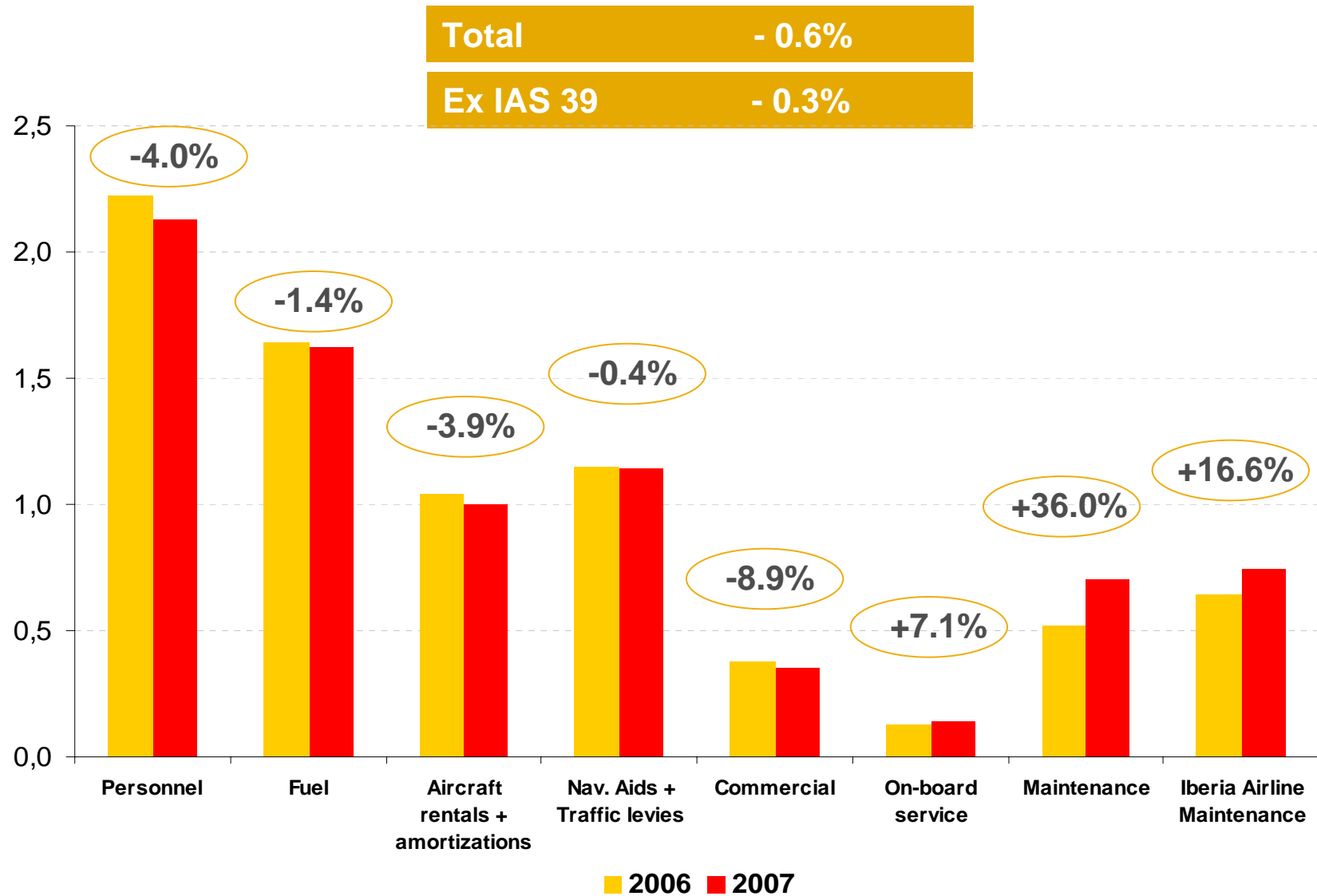
Operating Costs

<i>(million €)</i>	Q1 2007	%07/06
Personnel	344.8	- 0.9
Commercial	55.7	- 6.5
Fuel	260.6	+ 1.2
Aircraft rentals + Depreciation	161.5	- 1.3
On board service	16.9	+ 9.2
Navigation charges + Traffic services	183.9	+ 2.2
Cost from Operating Activities		+ 2.4%
Total Operating Costs		+ 2.0%



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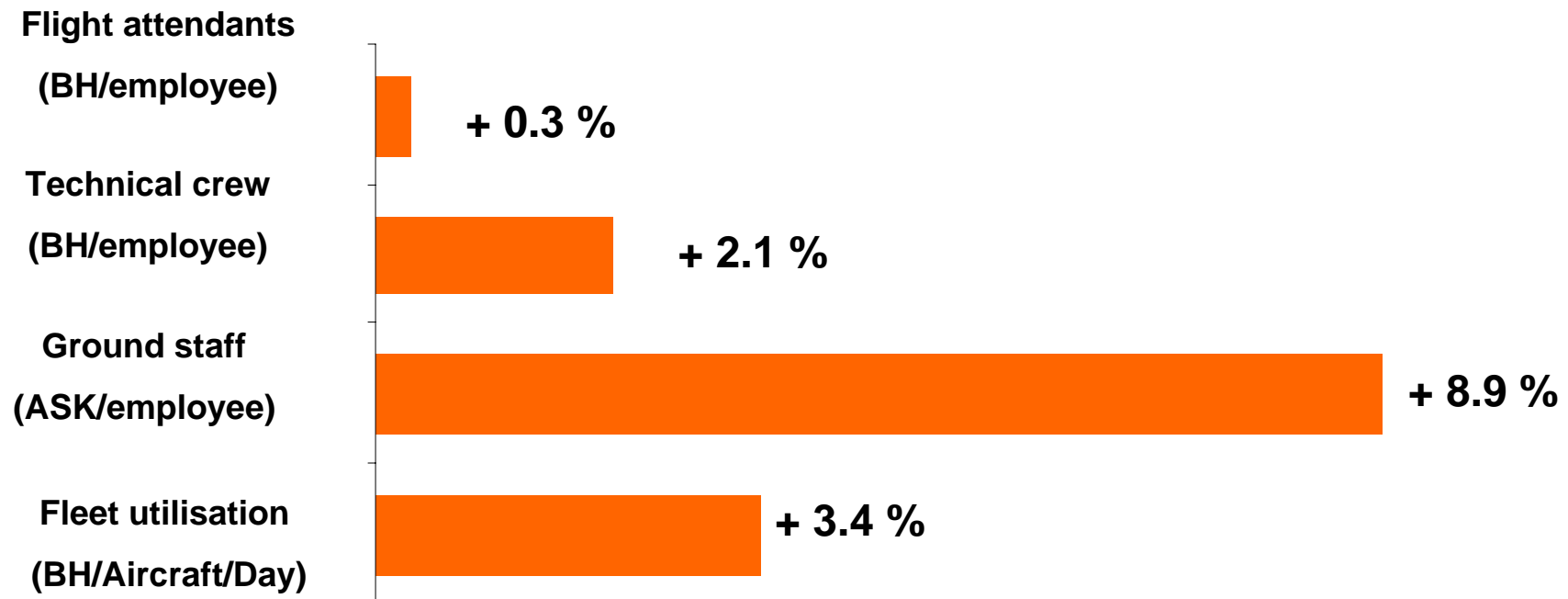
Unit Costs Evolution Q1 2007 vs. Q1 2006





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Productivity Q1 2007 vs. Q1 2006

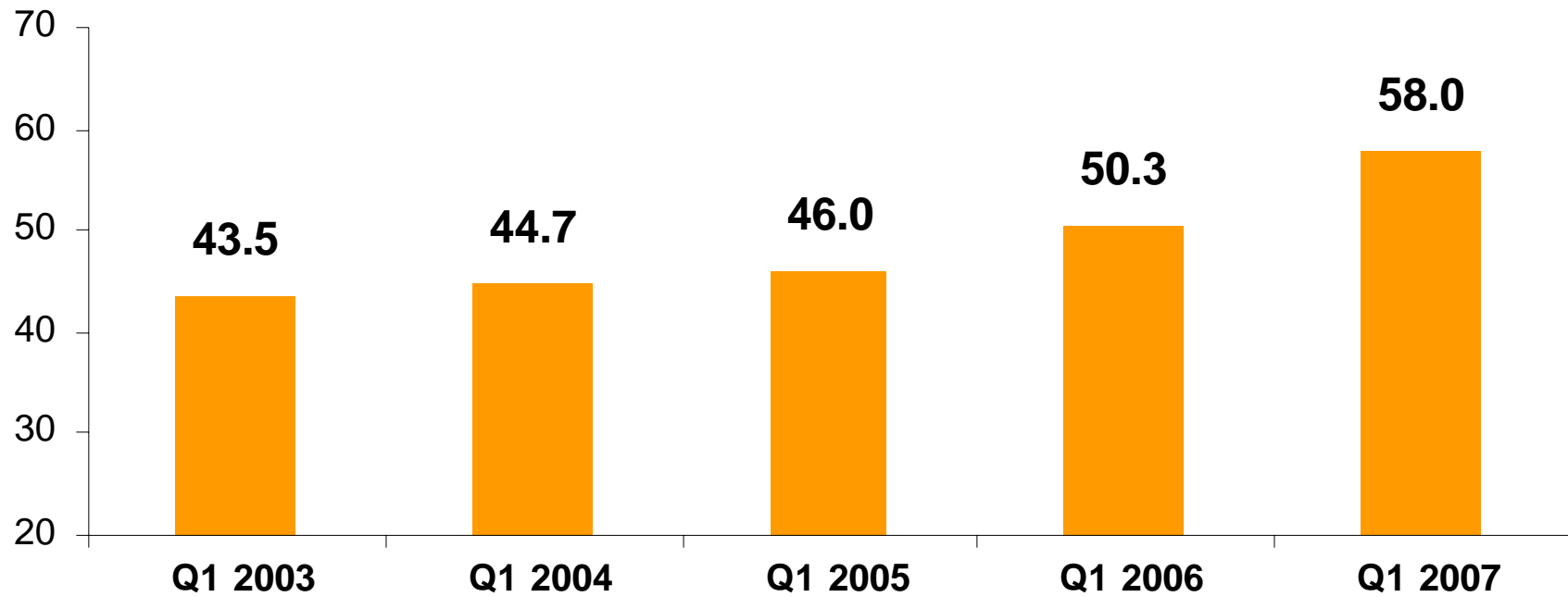




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Productivity Evolution

Operating Revenue/Employee (Thousand €)





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Strong Balance Sheet

	1Q 2007	Over December 06
In Balance-sheet net debt	-1,863.4	8.2%
Adjusted net debt	1,204.2	-10.6%
Gross cash	2,579.4	5.6%

MM/€



Q1 2007 Results

Q&A

