



# 1st Quarter Results 2006



## Highlights

- **5th of February Iberia moved to the new Terminal 4 at Barajas Airport**
- **Results impacted by strong increase in fuel expenses, extra costs from moving to the new terminal and some IFRS adjustments**
- **Good performance of traffic figures with a better picture for unit revenues**
- **New labour agreement with ground staff, still negotiating with pilots and flight attendants**

## Key Figures First Quarter 2006

	1 Q 2006	06/05
Revenue	1,206.8	+7.9%
Ebitdar	100,2	-7.1%
<i>Ebitdar margin</i>	<b>8.3 %</b>	<b>-1.3 p.p</b>
EBIT	-63.5	-104.1%
Net Income	- 44.9	- 179.3%

MM/€

## Operating Revenues

<i>(million €)</i>	Q1 2006	% 06/05
<b>Passenger</b>	<b>949.8</b>	<b>+ 8.8</b>
<b>Cargo</b>	<b>75.9</b>	<b>+ 1.3</b>
<b>Handling</b>	<b>64.7</b>	<b>- 5.4</b>
<b>Maintenance</b>	<b>48.6</b>	<b>+ 26.5</b>
<b>Rest</b>	<b>67.7</b>	<b>+ 6.0</b>

• **Total Revenues** **+ 7.9%**

• **Revenue / ASK** **+ 5.0%**

- **Good performance of passenger revenues**
- **Strong increase in maintenance**

## Traffic Statistics 1st Quarter 2006

	ASK	RPK	L.F.
Domestic	+ 0.2%	- 3.1%	- 2.2 p.p
Europe	+ 3.7%	+ 10.4%	+ 3.9 p.p
Other Int. Medium Haul	+ 6.6%	+ 12.4%	+ 3.6 p.p
Long Haul	+ 3.3%	+ 4.0%	+ 0.6 p.p
Total	+ 2.8%	+ 4.0%	+ 0.9 p.p

Record load factor of 75.7%

All the capacity achieved through seat reconfiguration +3.2%



## Traffic Statistics March-April 2006 vs 2005

	ASK	RPK	L.F.
Domestic	-1.8%	- 2.0%	- 0.1 p.p
Europe	+ 1.4%	+ 12.1%	+ 7.2 p.p
Other Int. Medium Haul	+ 6.1%	+ 19.4%	+ 8.2 p.p
Long Haul	+10.2%	+ 14.8%	+ 3.4 p.p
Total	+ 5.3%	+10.8%	+ 3.9 p.p

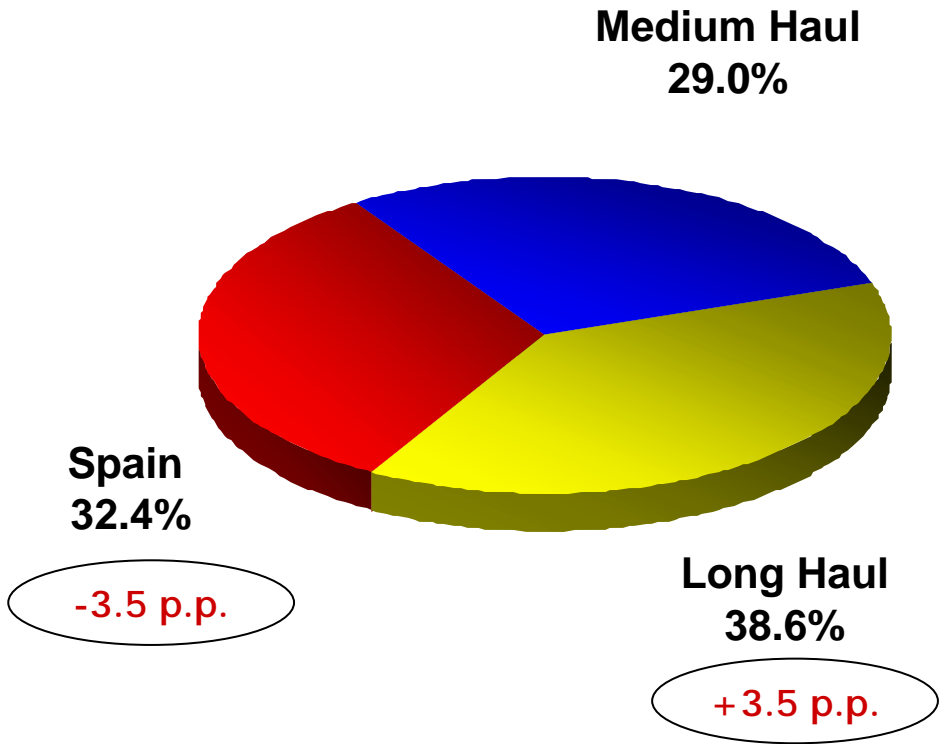
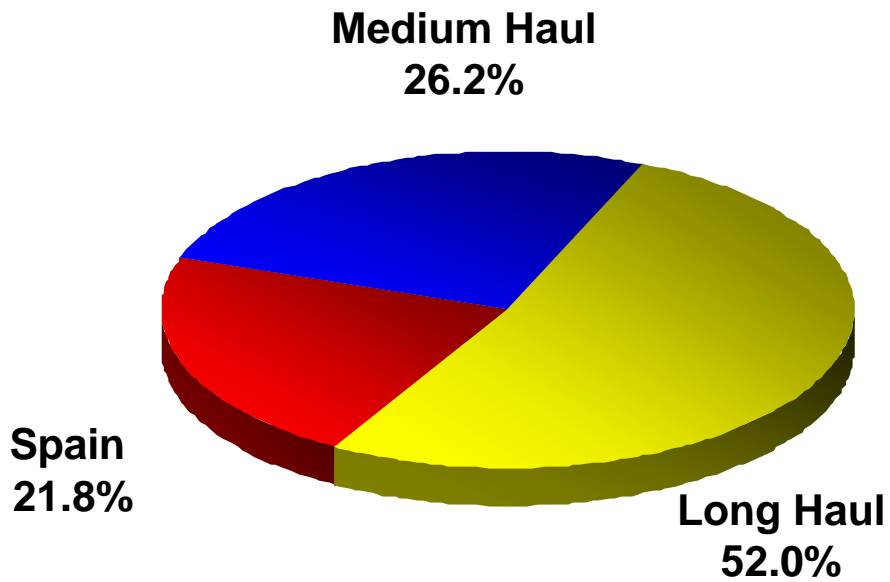
Record load factor of 80.0%

# Passenger Transportation: Three Main Markets

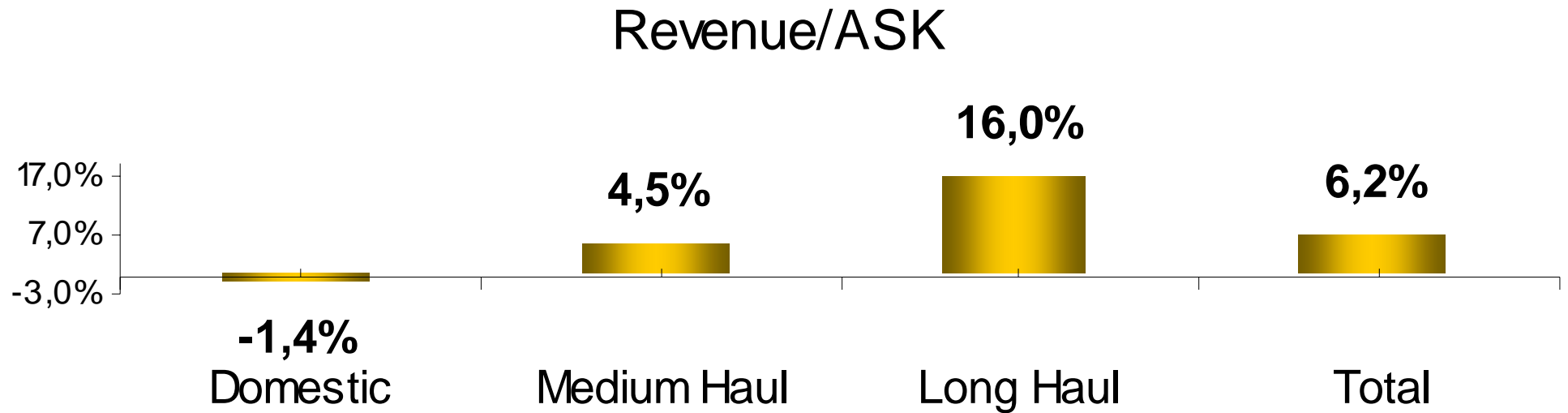
## Increasing the weight of the long haul

ASK Distribution

Contribution to Revenues 06 vs 05



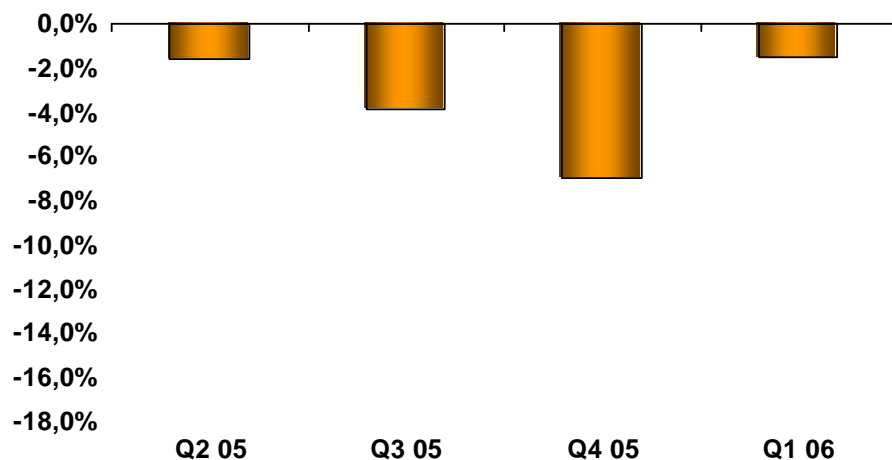
## 1st Quarter Passenger Unit Revenue Evolution



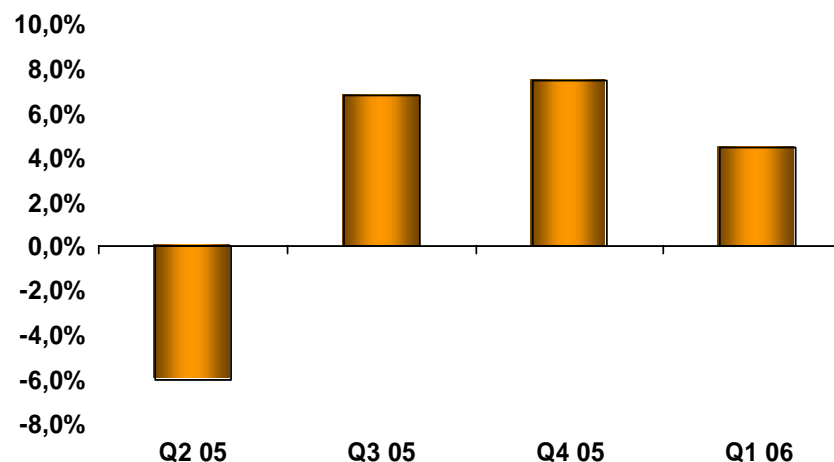


# Quarterly Unit Revenue Evolution (Revenue/ASK)

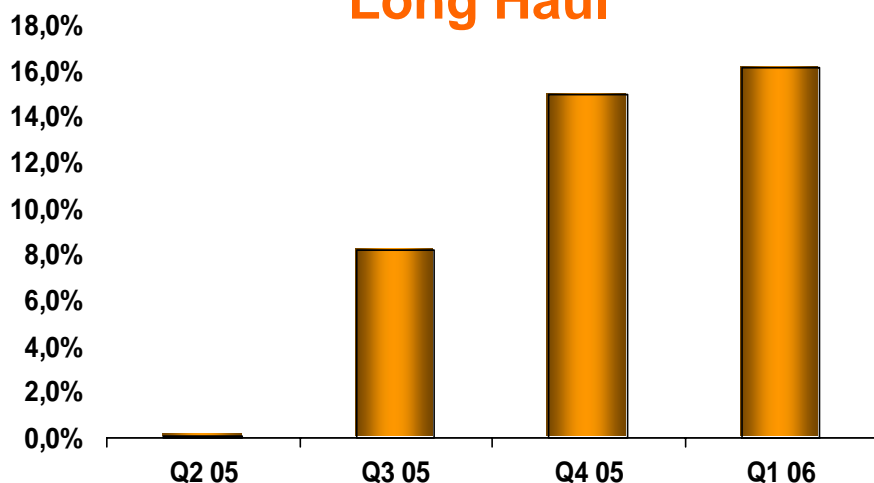
## Domestic



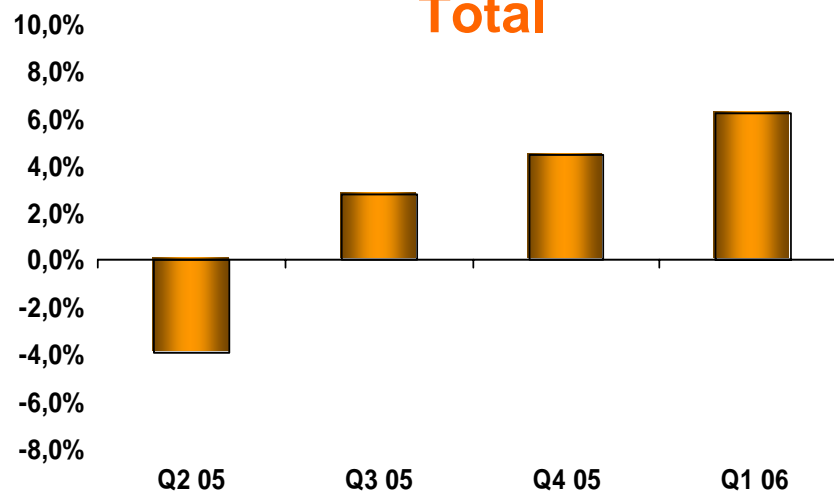
## Medium Haul



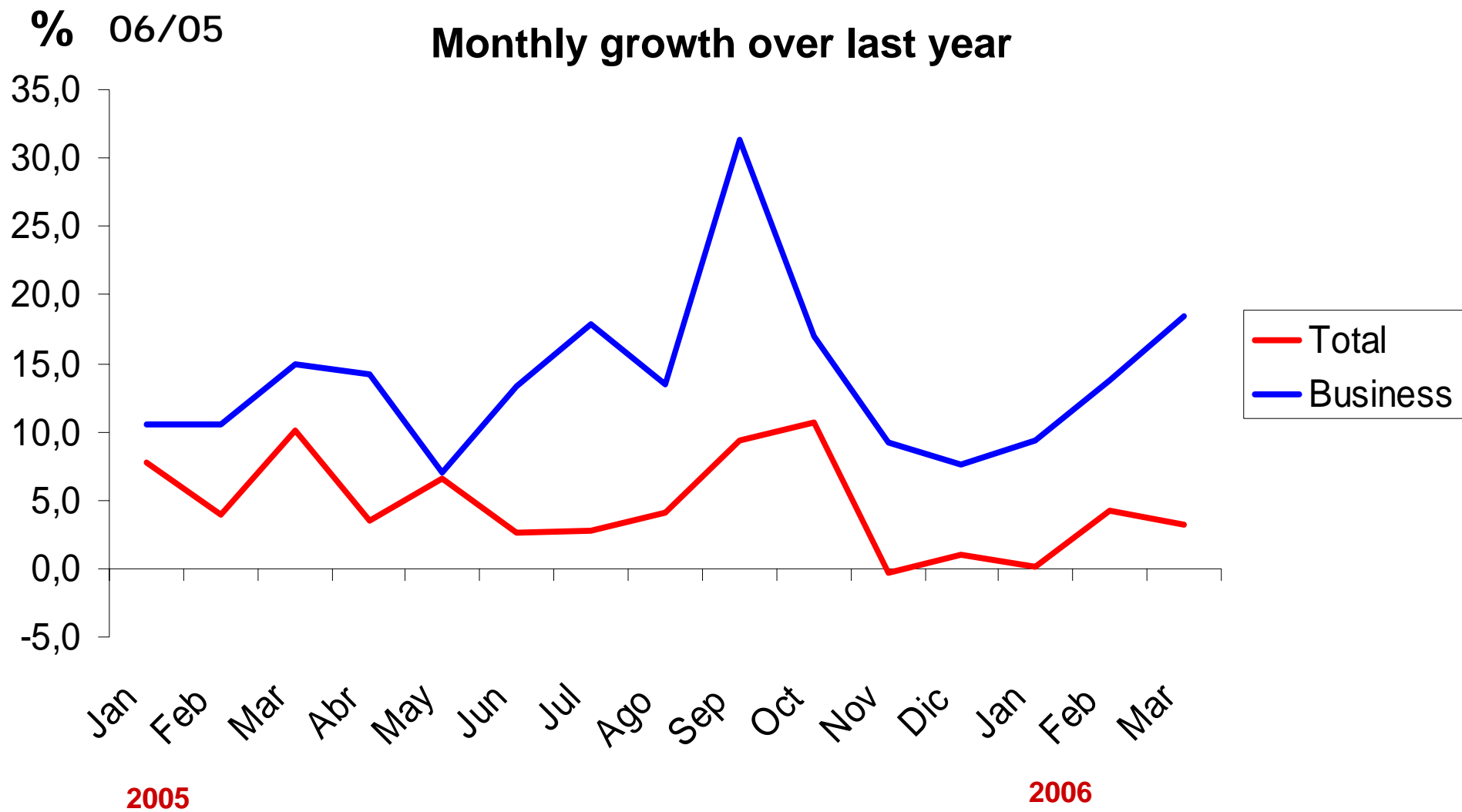
## Long Haul



## Total



# Long Haul Mix Evolution



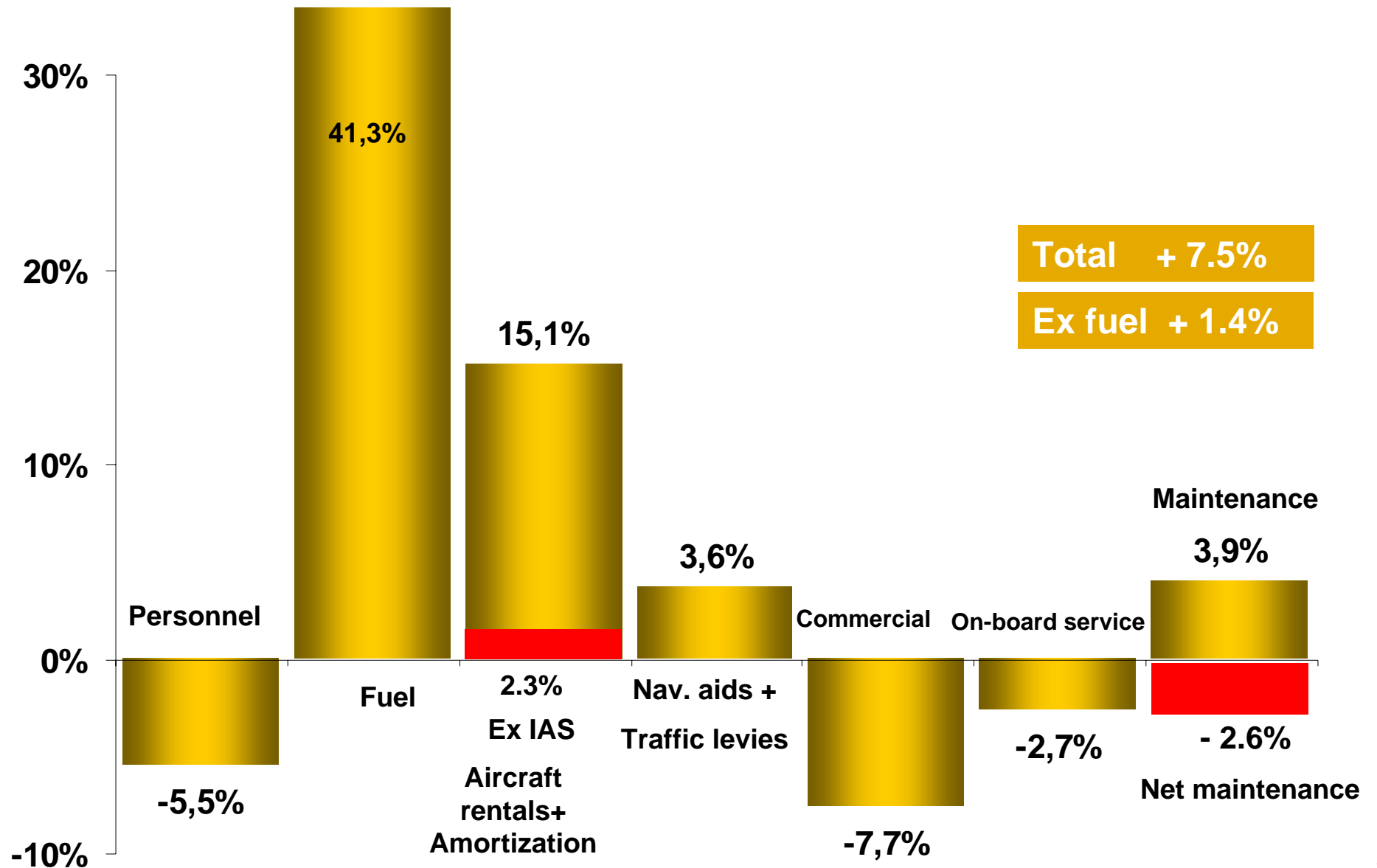
## Operating Costs

<i>(million €)</i>	Q1 2006	%04/05
<b>Personnel</b>	<b>348.0</b>	<b>- 4.2</b>
<b>Commercial</b>	<b>59.5</b>	<b>- 5.1</b>
<b>Fuel</b>	<b>257.5</b>	<b>+ 45.3</b>
<b>Aircraft rentals + Depreciation.</b>	<b>163.7</b>	<b>+ 17.7</b>
<b>On board service</b>	<b>15.4</b>	<b>+ 3.4</b>
<b>Navigation charges + Traffic services</b>	<b>179.9</b>	<b>+ 5.8</b>

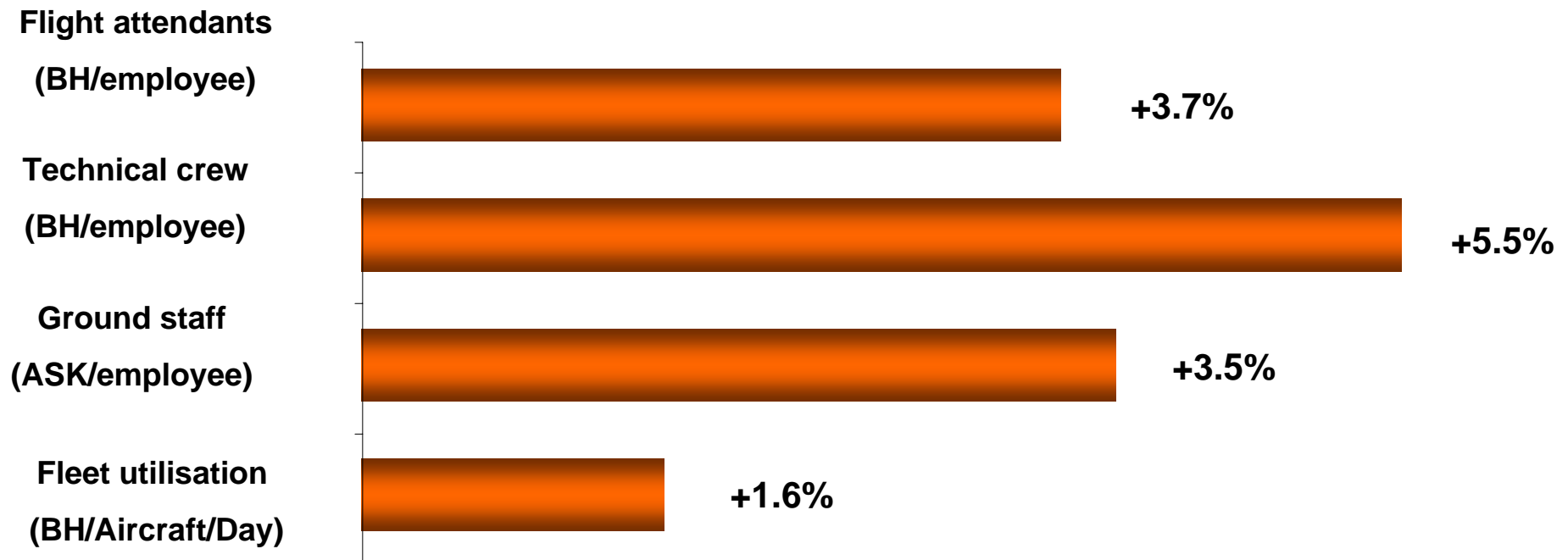
**Total Operating Costs + 10.1%**

**Cost / ASK + 7.5%**

# Unit Costs Evolution Q1 2006 vs. Q1 2005



## Productivity Q1 2006 vs. Q1 2005



## Strong Balance Sheet

	1 Q 2006	Over December 05
<b>In Balance-sheet net debt</b>	<b>-1,169</b>	<b>2.3%</b>
<b>Adjusted net debt</b>	<b>1,848.4</b>	<b>6.3%</b>
<b>Gross cash</b>	<b>2,016.9</b>	<b>0.3%</b>
<b>Leverage</b> (Total adjusted debt/Equity+Total adjusted debt)		<b>52.2%</b>

*MM/€*



# 1st Quarter Results 2006

## Q&A

