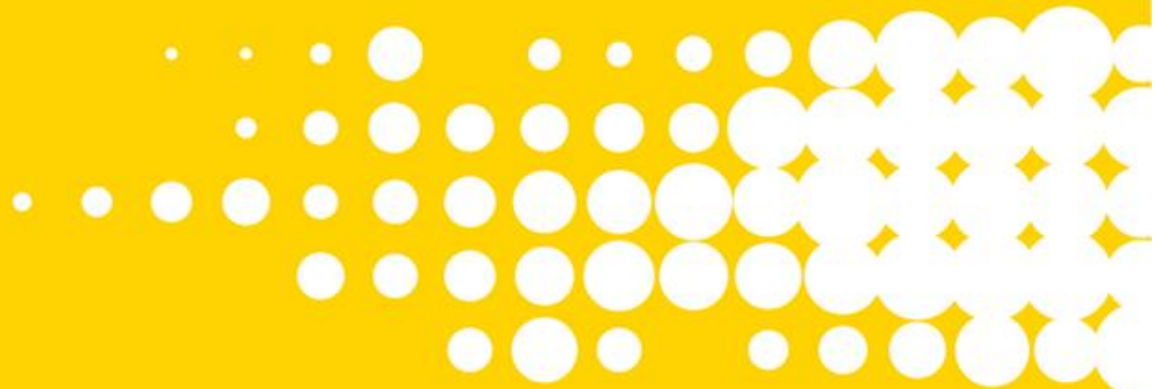




Q2 Results Presentation
27th July 2010

vueling

Executive summary



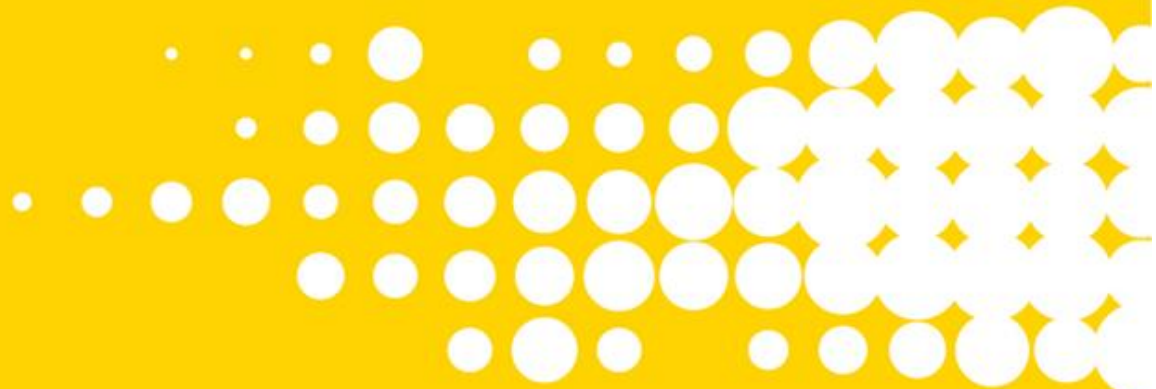
Executive Summary

- Vueling achieved an EBIT of €75.8m in the first 12 months of the merger, multiplying X 4 the EBIT generated in the 12 previous months
- Vueling has doubled its revenues on the second quarter of 2010
- Despite the negative effect of fuel price increases, dollar appreciation and the ash cloud effect on the second quarter, Vueling has improved its net profit
- Second quarter 2010 ex-fuel CASK has decreased 1% over the last year, mainly due to the cost reduction plan started in the company at the beginning of this year, as well to the synergies from the merger
- GDS channel sales have grown in the second quarter of 2010: from 19% in 2009 to 33% in 2010
- EBIT has increased by 59% over same period last year
- After the year of the merger, 2009, and the year of consolidation, 2010, Vueling is now ready for growth in 2011

Vueling has obtained a €13.5M net profit on the second quarter of 2010

	Q2 10	Q2 09	YOY growth ▼	H1 10	H1 09	YOY growth ▼
Revenues (K€)	211,079	105,416	+100%	352,917	179,521	+97%
EBITDAR Margin (%)	22%	25%	(3pp)	16%	17%	(1pp)
EBIT (K€)	21,189	13,362	+59%	8,188	3,732	+119%
EBIT Margin (%)	10%	13%	(3pp)	2%	2%	0pp
Net Profit (K€)	13,455	2,987	+350%	7,127	(5,011)	+242%

Finance review

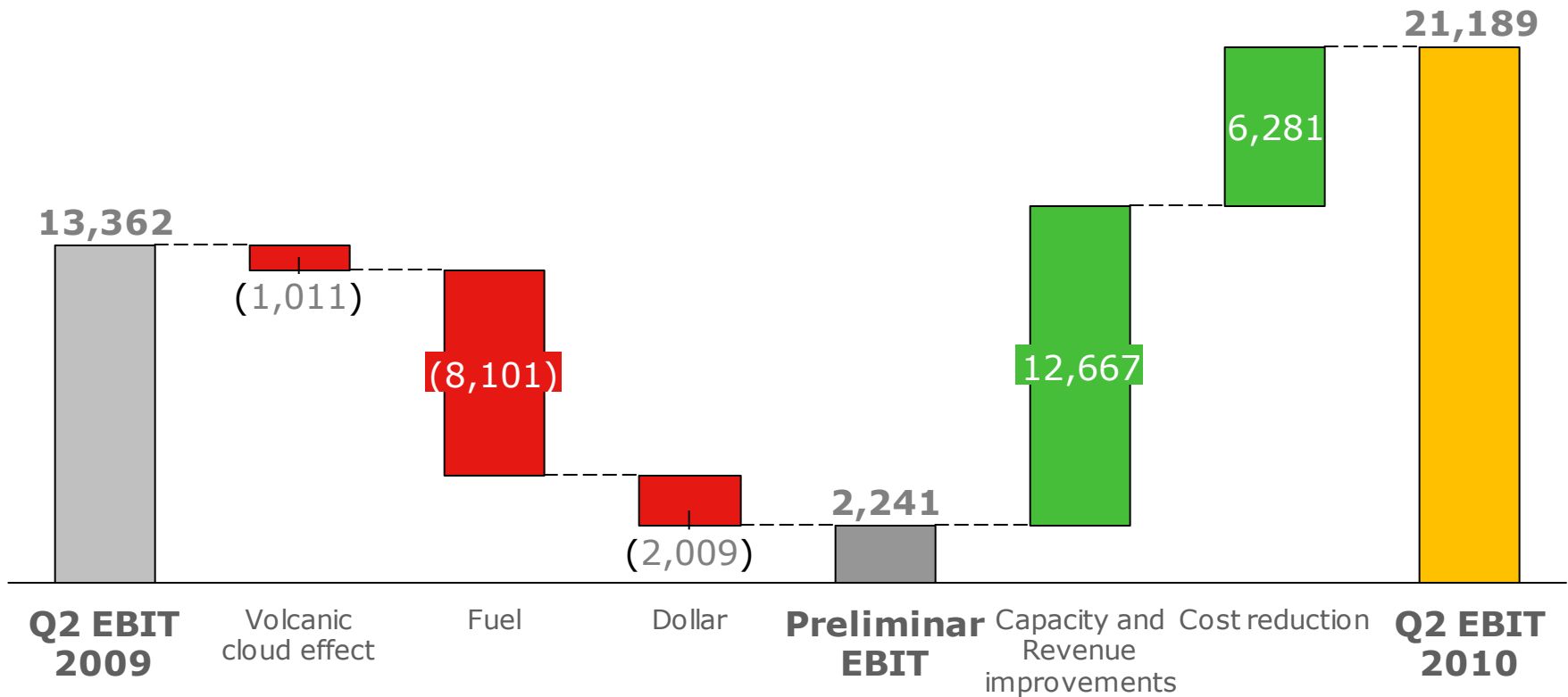


Vueling doubled its size after the merger, as fuel price increased 52% year on year

	Q2 10	Q2 09	YOY growth	H1 10	H1 09	YOY growth
ASKs	3.5m	1.8m	+90%	6.3m	3.3m	+89%
Passengers	2.8m	1.4m	+102%	5.1m	2.5m	+104%
Fuel (\$/tm)	723	476	+52%	700	470	+40%
Dollar (€/\$)	1.28	1.36	(6%)	1.34	1.33	1%

Source: Vueling

Improved cost control and revenue management have offset the negative impact of external factors

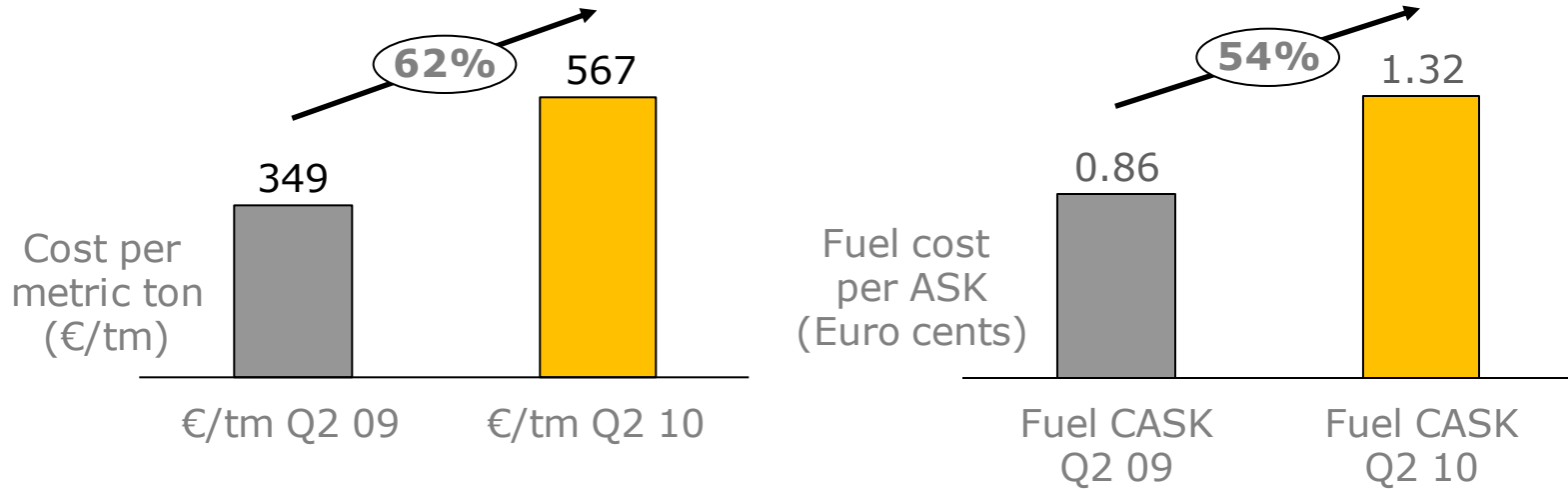


Vueling has maintained its revenue figures in a tougher competitive environment

	Q2 10	Q2 09	YOY growth ▼	H1 10	H1 09	YOY growth ▼
RASK(c€)	6.02	5.70	+6%	5.58	5.36	+4%
Revenues (K€)	211,079	105,416	+100%	352,917	179,521	+97%
Revenue / Pax (€/pax)	74.6	75.3	(1%)	69.8	72.3	(4%)
Load factor (PKTs/ASK)	72%	73%	(1pp)	71%	70%	1pp
Sector length (km)	886	962	(8%)	884	943	(6%)

Source: Vueling

The company hedging policy has helped in reducing the impact of recent fuel price increases



Fuel	Q2 10	Q3 10	Q4 10
<i>% hedged</i>	48%	54%	61%
Avg. price \$/TM	\$717	\$710	\$743

Dollar	Q2 10	Q3 10	Q4 10
<i>% hedged</i>	59%	54%	50%
Avg. price \$/€	1.46	1.39	1.30

2Q 2010 ex-fuel CASK has decreased (3%) year on year, at constant currency rates

	Q2 10	Q2 09	YOY Growth ▼	H1 10	H1 09	YOY Growth ▼
CASK (c€)	5.42	4.98	+9%	5.45	5.25	+4%
Ex-fuel CASK (c€)	4.10	4.12	(1%)	4.17	4.32	(4%)
Ex-fuel CASK at constant currency (c€) ⁽¹⁾	4.00	4.12	(3%)	4.15	4.32	(4%)

(1) Excluding the volcanic cloud effect

In the last 12 months Vueling has achieved an EBIT of €75.8M

	12 months after the merger	12 months before the merger	YOY Growth ▼
Passengers	10.8m	5.5m	x2
Revenues	772.5m	418.9m	x2
EBITDAR Margin	23%	17%	
EBIT	75.8m	16.7m	x4
Net profit	38.2m	1.0m	x38

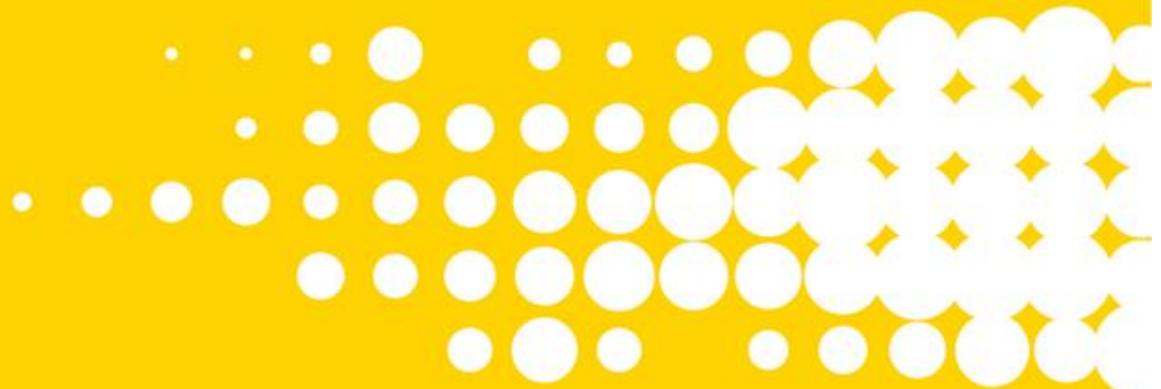
Vueling has a strong balance sheet with a strong cash position

	Q2 10	Q2 09	YOY Growth ▼
Debt (M€) (1)	(19.8)	0	100%
Total cash (M€) (2)	229.3	108.8	280%
<hr style="border-top: 1px dashed black;"/>			
Net cash(M€)	209.5	108.8 ⁽¹⁾	93%

€70.7M in tax credits on the second quarter of 2010

(1) Cash before the merger

Business review



Making our margin sustainable

Market leadership

Multi-channel strength

Ticket revenue advantage

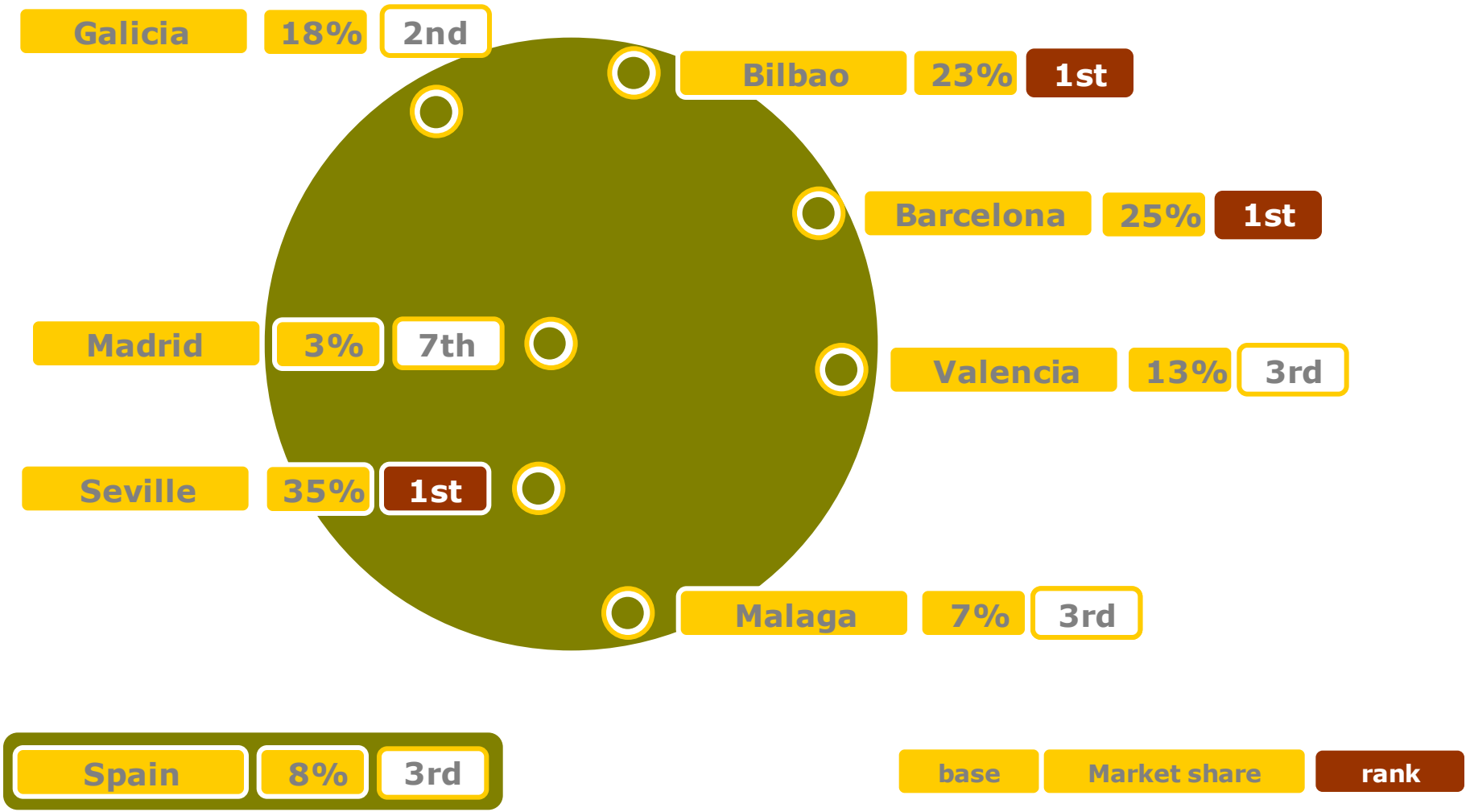
New product opportunities

Non stop ancillaries

Continuous cost improvement

Vueling remains the leader at its main markets (Barcelona, Seville and Bilbao)

- Market leadership
- Multi-channel strength
- Ticket revenue advantage
- New product opportunities
- Non stop ancillaries
- Continuous cost improvement



Source: AENA

Developing the channels with higher average fares

Market leadership

Multi-channel strength

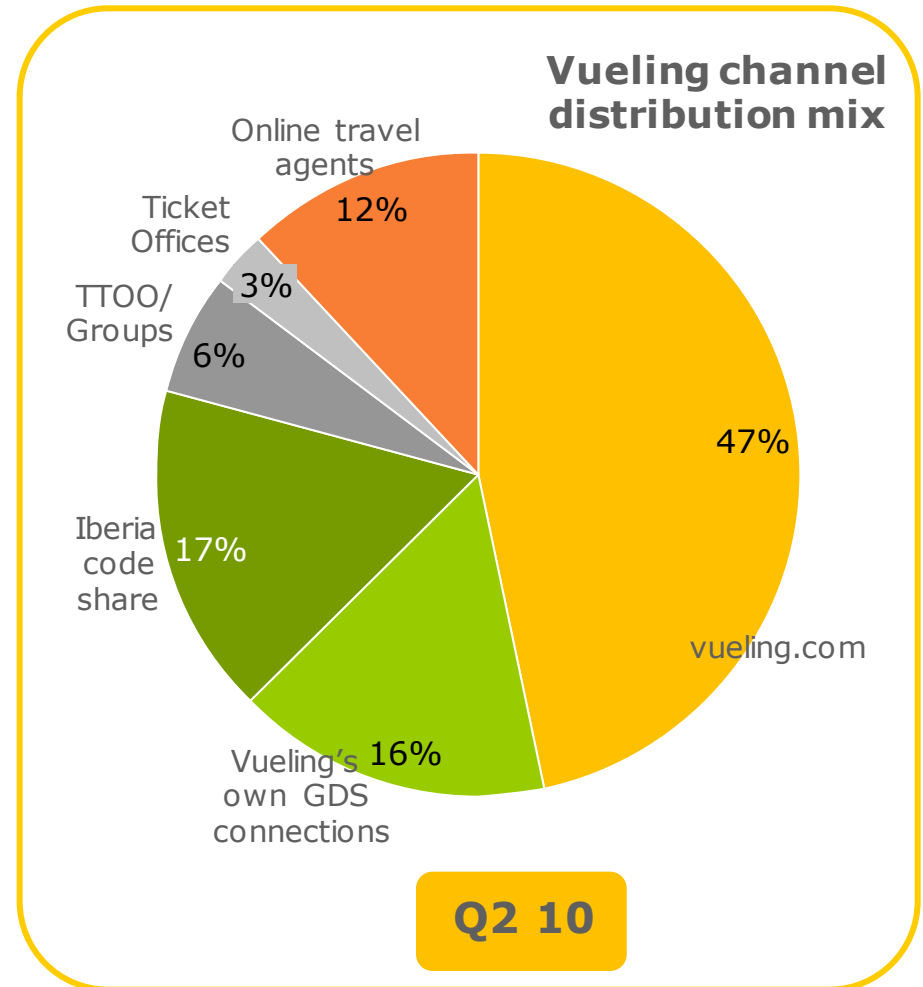
Ticket revenue advantage

New product opportunities

Non stop ancillaries

Continuous cost improvement

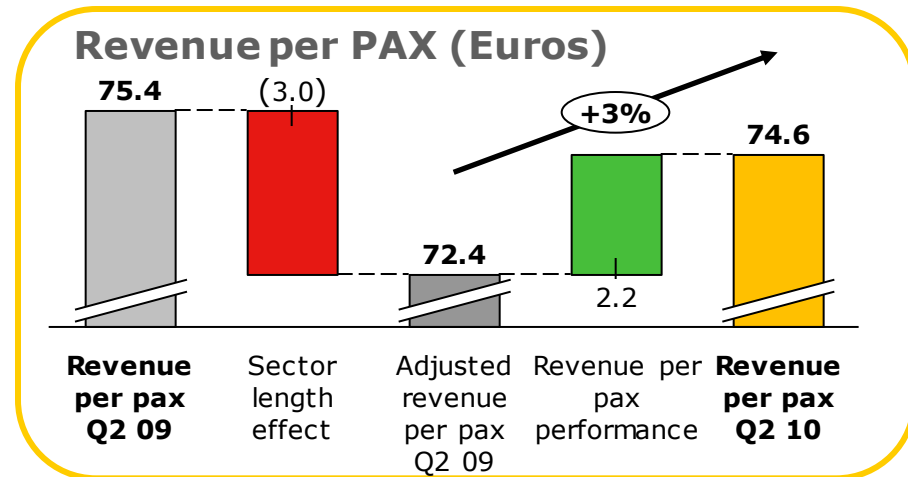
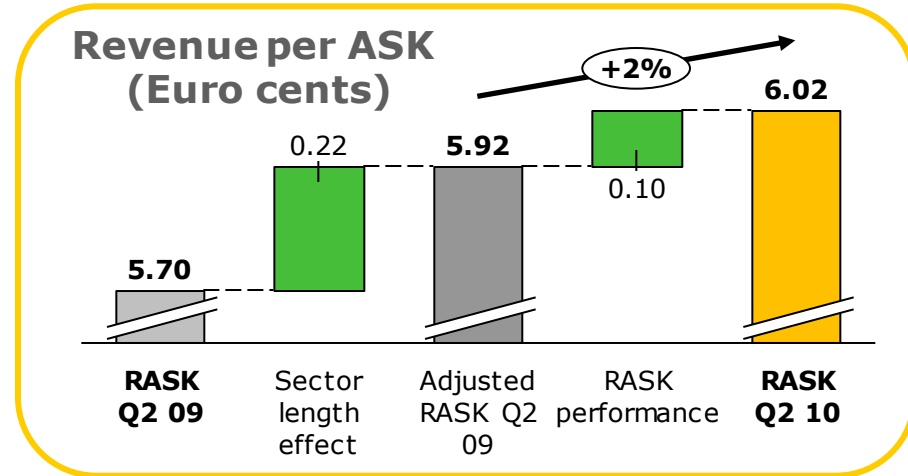
- Non-Internet sales usually group the basic ancillaries and other fees driving a higher passenger fare
- GDS channel sales have grown from 19% in 2009 of total sales to 33% in 2010
- The Revenue per pax in the GDS channel grew by 3% year-on-year due to new corporate agreements with Carlson WagonLit and American Express/Barcelona



Adjusted RASK has increased 2% over the previous year

Market leadership	Multi-channel strength
Ticket revenue advantage	New product opportunities
Non stop ancillaries	Continuous cost improvement

- Adjusted ticket revenue per pax has increased 3% year-on-year due to:
 - GDS tickets mean higher fares
 - GDS channel has grown
 - Larger number of business passengers
 - New revenue management policies
- The load factor has decreased (1%)
 - Easter effect
 - Focus on increasing average fare per passenger



(1) Sector length effect is calculated using common industry methods

Business passenger numbers continue to grow at Vueling

Market leadership

Multi-channel strength

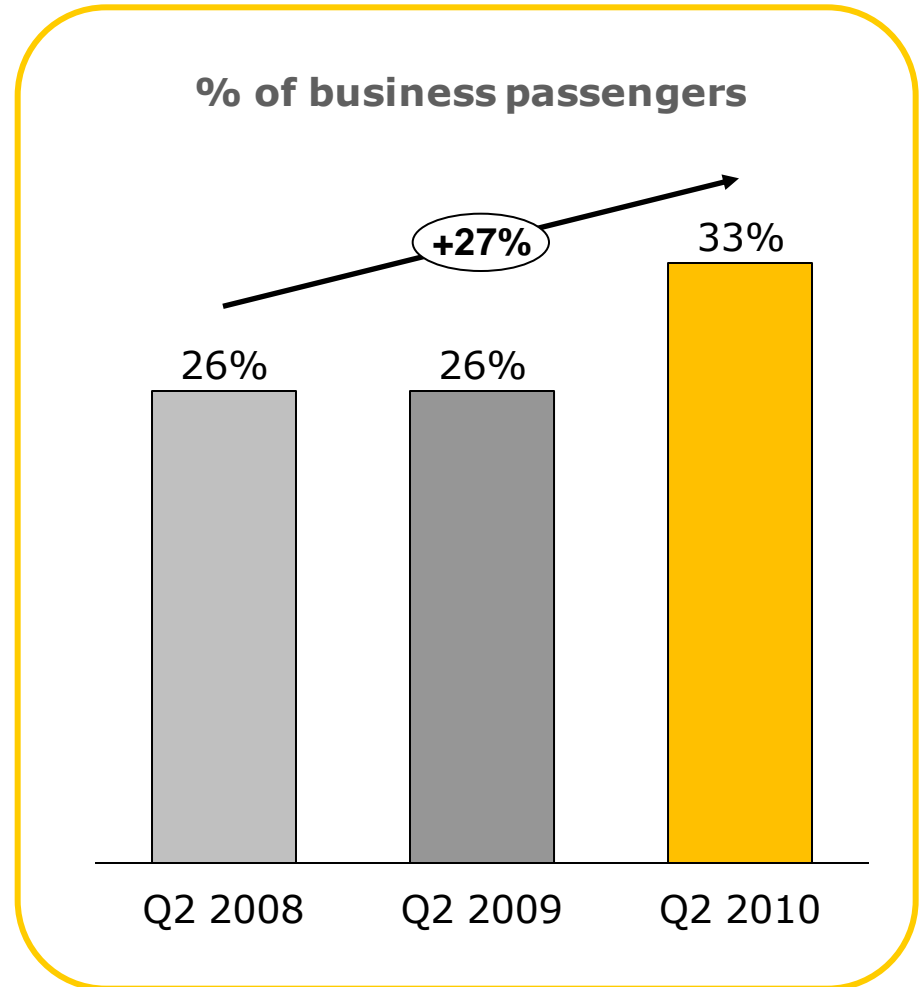
Ticket revenue advantage

New product opportunities

Non stop ancillaries

Continuous cost improvement

- Both aggressive channel and product initiatives have driven an increase in the number of higher-yield business passengers
- Some of the routes reach levels of 80% during work days; 39% was achieved system-wide in May
- The level of business passengers recommending Vueling has increased year-on-year 3% to nearly 90%



Source: Vueling

Passenger connections through BCN

Market leadership

Multi-channel strength

Ticket revenue advantage

New product opportunities

Non stop ancillaries

Continuous cost improvement

- Sales started 1st June via Internet
- Airport operation started 5th July, successfully
- Vueling has achieved over €2M in sales already
- Soon, will add international-to-international city pairs, and a new channel: IB5000



Continuous investment in web channel to drive higher conversion

- Market leadership
- Multi-channel strength
- Ticket revenue advantage
- New product opportunities
- Non stop ancillaries
- Continuous cost improvement

My Vueling

- Home
- My account
- My data
- Frequently asked
- My reservations
- Punto

Frequent passengers

What is myvueling?

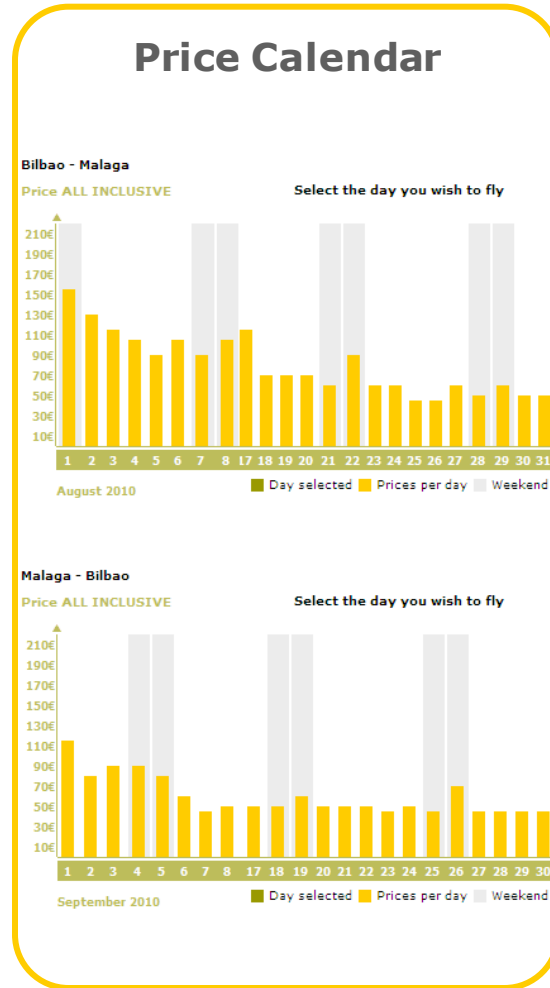
Fill in your

The

My data

81% of your data is complete.

Complete →



Budget Driven Search

Tell us your budget and we'll tell you can fly

Find the best travel proposals. Enter your data and we'll offer you the best suit your budget!

- Slide the bar to decide on your budget.

Budget: (per return passenger)

- Choose your travel preferences.

Departure city:

Departure date:

Trip duration:

Guests:

- Hit the search button and that's it! We'll offer you the best you could visit.

Continued focus on ancillaries innovation – new ones every quarter

Market leadership	Multi-channel strength
Ticket revenue advantage	New product opportunities
Non stop ancillaries	Continuous cost improvement

Pack go! - Great repeat rate!

go!



What is go!?

go! offers you the best of Vueling services in a single pack. For just €20 in domestic flights and €25 in international flights, you will enjoy the following benefits



Move your flight earlier or later in the day.



Priority check-in counter in Barcelona and Madrid.



Select your seat.



Preferred boarding.

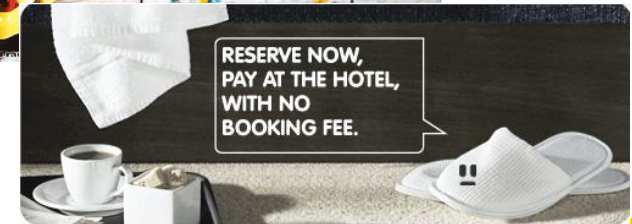
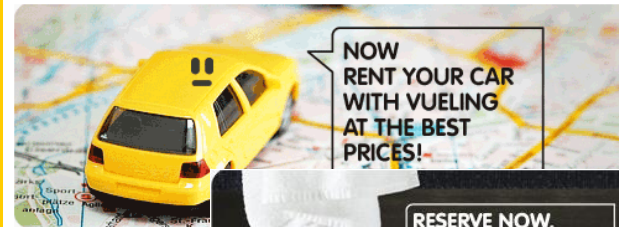


Boarding pass in your e-mail and on your cell phone.



Double points on Punto or Iberia Plus.

New Hotel/Car Vendors



Connection Fee – amply covers costs

Extras for connecting flights

At Vueling we want you to make the most of your time in Barcelona's airport, so we've prepared a number of extras to make your layover more pleasurable.

Click on each of the categories to discover the discounts and free gifts we offer.

- | | | |
|-----------------------------|-----------------|------------------|
| » Snacks | » Duty free | » Wellness & Spa |
| » Fashion and accessories | » Variety shops | » Rest areas |
| » Leisure and entertainment | » Dining | » Hairdresser's |
| » Gifts and home | » Press | » VIP Lounges |

Improved seat functionality

Seats

04A - Assigned according to preferences



The reduction of ex-fuel CASK to 4 euro cents remains one of the main objectives for 2010

Market leadership	Multi-channel strength
Ticket revenue advantage	New product opportunities
Non stop ancillaries	Continuous cost improvement

CASK ex-fuel	Q1	Q2 ⁽¹⁾	Q3	Q4	Full Year
2009 (c€)	4.57	4.12	4.01	4.16	4.18
2010 (c€)	4.27	4.10	-	-	<4.0
Δ	(7%)	(1%)			(5%)
Reduction (in M€)	9.6	6.3			34.4

(1) The Q2 has been affected by the volcanic cloud effect (0.04c€) as well the stage length

Good results on costs reduction initiatives

Market leadership

Multi-channel strength

Ticket revenue advantage

New product opportunities

Non stop ancillaries

Continuous cost improvement

- The 2010 cost reduction plan has all of its initiatives in progress and on track

- The effect of merger synergies will be completed during this year: €15.5M in costs

	2010
Synergies	15.5m
Fuel initiatives	3.5m
Ex-fuel initiatives	15.4m
TOTAL SAVINGS	34.4m

Collective Bargaining Agreements

Market leadership

Multi-channel strength

Ticket revenue advantage

New product opportunities

Non stop ancillaries

Continuous cost improvement

- Collective bargaining agreements have been signed for 4.5 years with cockpit crew and for 5 years with cabin crew and office staff
- The agreements keep a high level of flexibility in costs by maintaining the weight of the variable remuneration
- Lower entry salaries allow more growth at lower costs
- Clickair and Vueling sourced staff now in equal terms



The blocks for a sustainable margin

We don't believe a short-haul operation can survive today without obsessing on having the lowest cost structure

We won't stop implementing "traditional" products/services as long as we don't break the first premise

High punctuality

25m turnaround

890 hr/yr crews

High a/c util

Single fleet type

No overnights

Big online sales

High ancillaries

Lowest fares

Lowest costs

Low cost carriers

Code share

oneworld FFP

Flexible fares

GDS sales

Travel agencies

40% biz travel

Connecting Pax

Multi-frequency

Still low fares

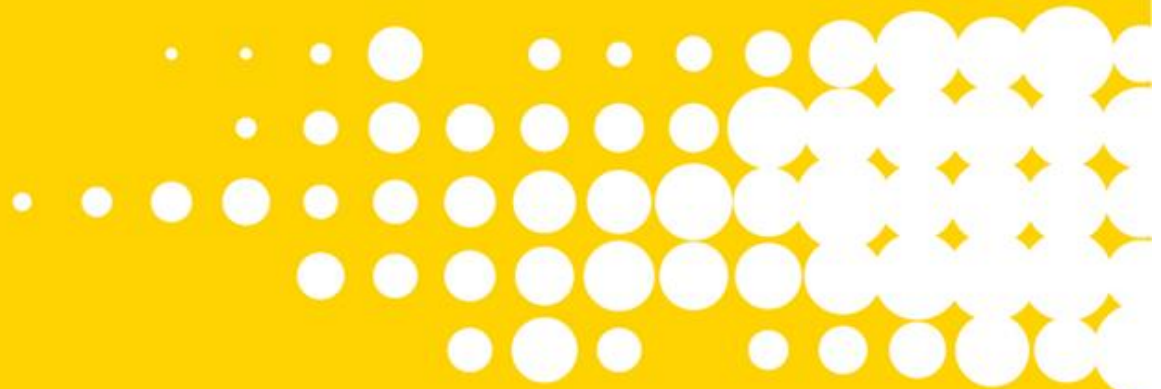
Lounge access

Legacy carriers

Vueling is here now

vueling

Outlook

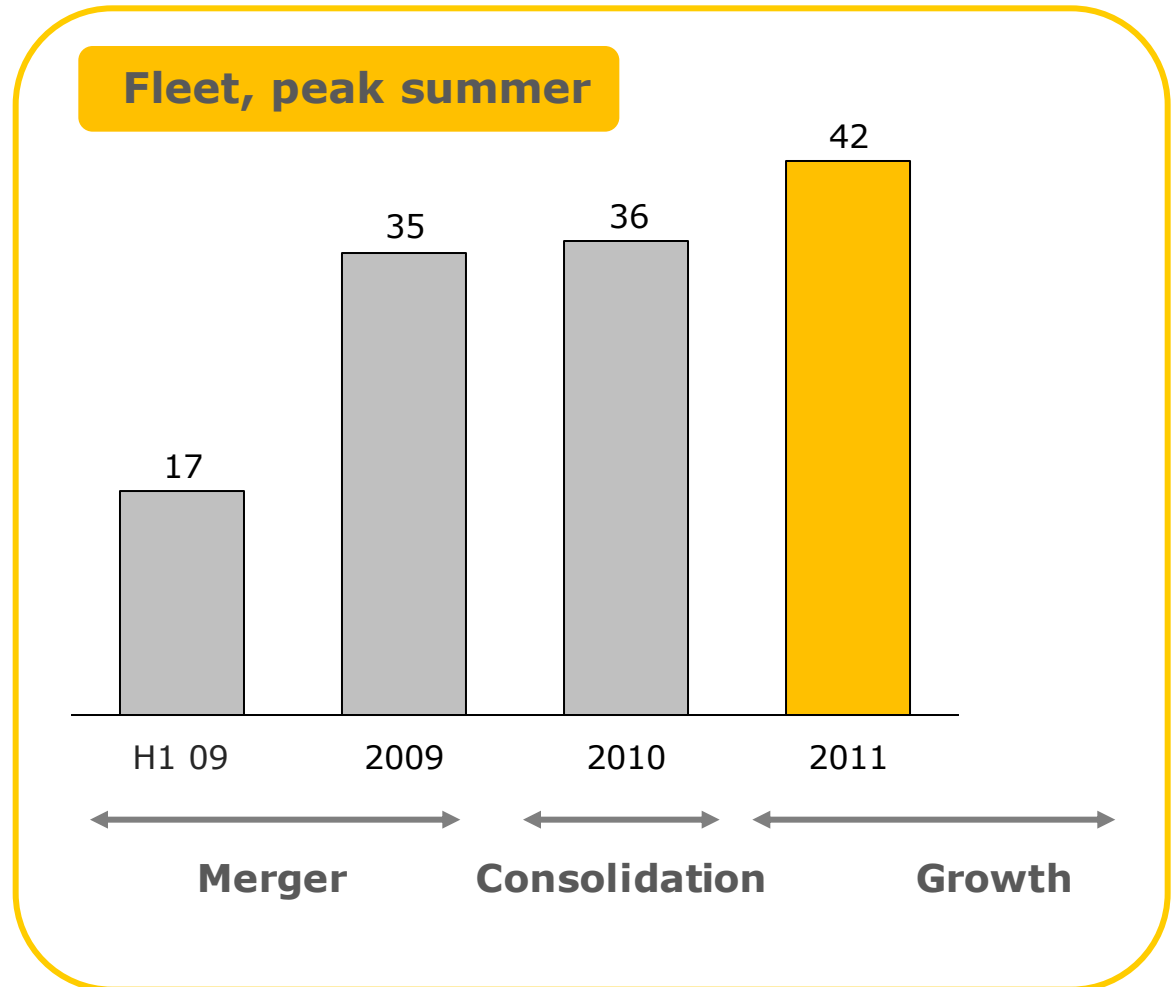


Outlook

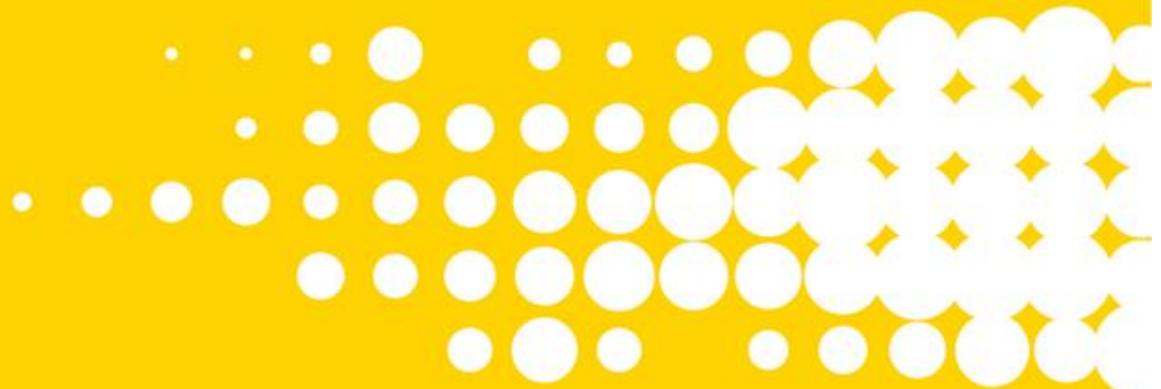
- Despite the negative effect of fuel and dollar in 2010 and the ash cloud effect, Vueling maintains the guidance for an improved net profit in 2010
- The reduction of CASK ex-fuel to 4 euro cents remains one of the main objectives for 2010
- We expect stronger competition in Q3 and Q4 2010
- We expect cash levels to significantly increase in 2010

One final note: after completing its merger process, Vueling is now ready to resume its growth

- Both Vueling and clickair reduced their fleets pre-merger
- After the merger, the new profitable Vueling is building a sustainable model
- Vueling is now ready to begin growing again
- First objective: 16% in 2011 = 6 aircraft



Questions and Answers



Vueling Airlines SA

Parque de Negocios Mas Blau II
Pl. del Pla de l'Estany, 5
08820 El Prat de Llobregat
Barcelona· Spain

Investor Relations

e-mail: investors@vueling.com
Phone: +34 93 378 71 16
Internet: www.vueling.com/investors

flying hoy means **vueling**