



Q3'11 Results presentation

Vueling Airlines, 14 November 2011

Agenda

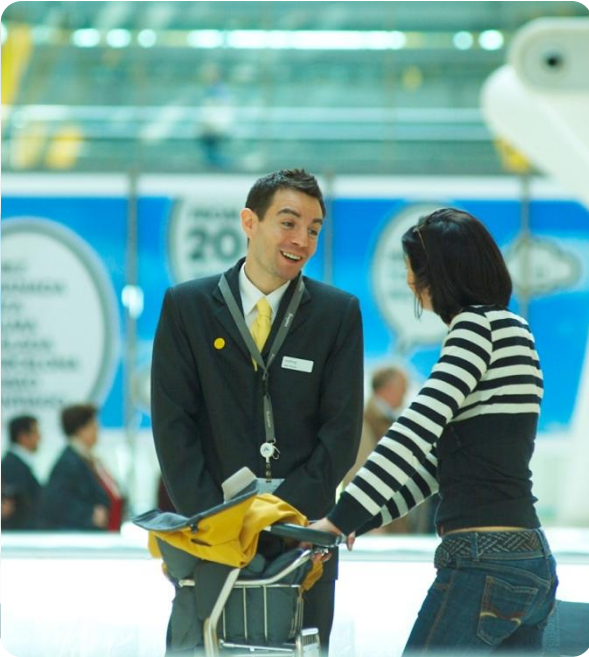
- A. Highlights & Market
- B. Financial Review
- C. Business Review
- D. Outlook



A.

Highlights & Market

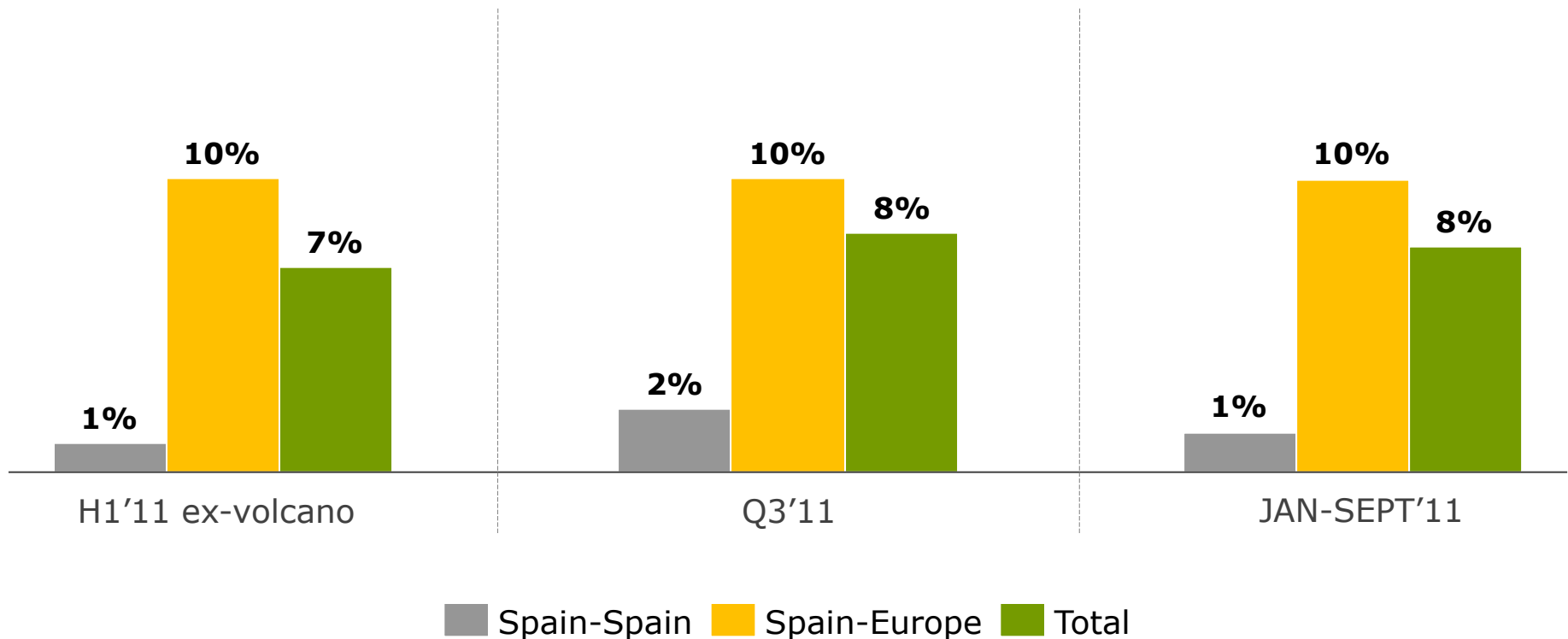
1. Highlights
2. Market evolution
3. Fuel and dollar



- Vueling Q3'11 EBIT amounted to €60.8m
- Significant capacity increase (+12% ASK and +17% seats) driven by new international bases and Madrid operation as a result of the agreement with Iberia
- Positive RASK performance (+7%), showing a reversal on previous quarters trends
- CASK increases (+11%) driven by higher fuel prices, 48% higher than last year
- Despite fuel cost increase, improvement of EBIT result by 2% year-on-year, reaching a net income for the period of €41m
- Vueling continued to maintain a strong cash position, strengthening further its solid balance sheet structure (€285m in net cash, as of September 30th 2011)

Spanish market grew driven by European traffic as domestic demand remains weak

Market Growth (% passenger change year-on-year)

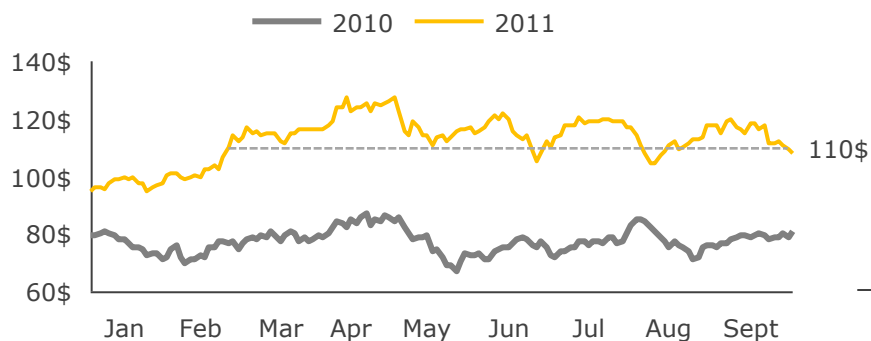


Source: Aena and Vueling estimates.

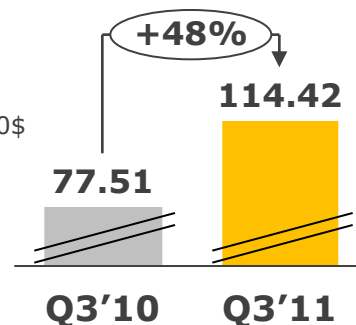
Without excluding volcano effect: H1'11 SPA-SPA=+2%/H1'11 SPA-EUR=+14%/Q2'11 TOTAL=+11%, JAN-SEP SPA-SPA=+2%/JAN-SEP SPA-EUR=+12%/JAN-SEP TOTAL=+10%

High oil prices remained, but appeared stable around \$110-\$115 per barrel

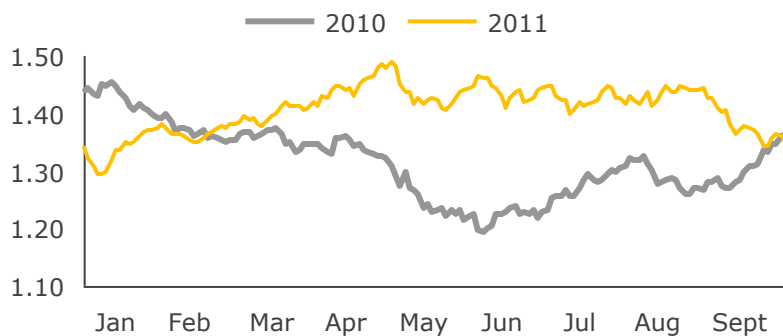
Brent barrel price evolution



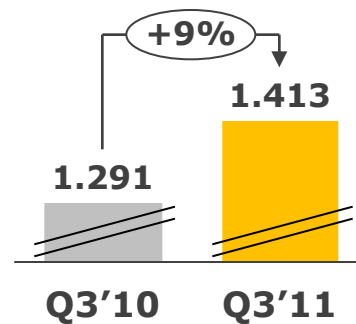
\$/bbl % change



€/USD evolution



€/USD % change



- Oil price rose 48%* vs. last year in the Q3'11
- The oil price appears stabilized around \$110-\$115 per barrel
- The euro / dollar exchange rate improved 9%, insufficient to offset the fuel price increase

Source: Reuters *Brent barrel, Jet fuel raised 46%

B.

Financial Review

1. P&L Overview
2. Revenues
3. Costs
4. EBIT Review
5. Balance Sheet



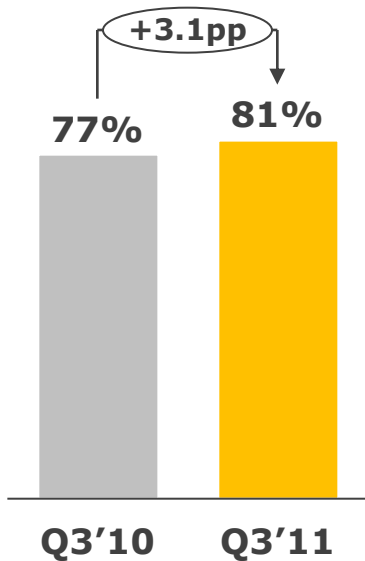
Despite the increase in fuel cost Vueling had a significant increase in capacity and improved its EBIT result by 2%

| | Q3'11 | Q3'10 | YoY change |
|---------------------------|---------------|---------------|-------------|
| ASK (m) | 4,643 | 4,138 | +12% |
| Revenues (€m) | 330,5 | 276,6 | +20% |
| Fuel (€m) | -87.4 | -58.1 | +51% |
| Opex (€m) | -152.0 | -133.2 | +14% |
| D&R (€m) | -30.3 | -25.9 | +17% |
| EBIT (€m) | +60.8 | +59.4 | +2% |
| Net cash flow (€m) | +8.5 | +25.8 | -17m |

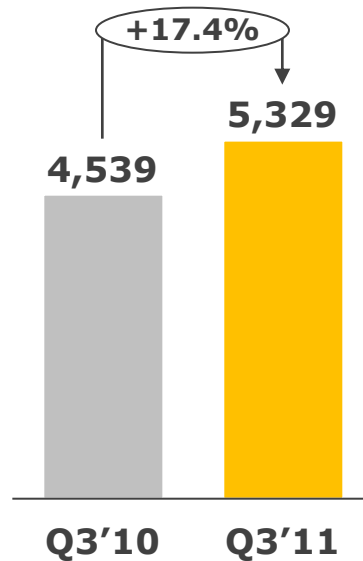
Source: Vueling Note: D&R: Depreciation + Aircraft Rent, Opex: Other operating expenses

Vueling managed significant growth in capacity while achieving a higher load factor

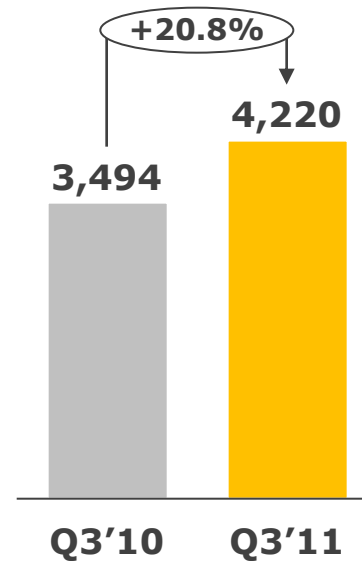
Load factor¹



Seats ('000)



Pax ('000)

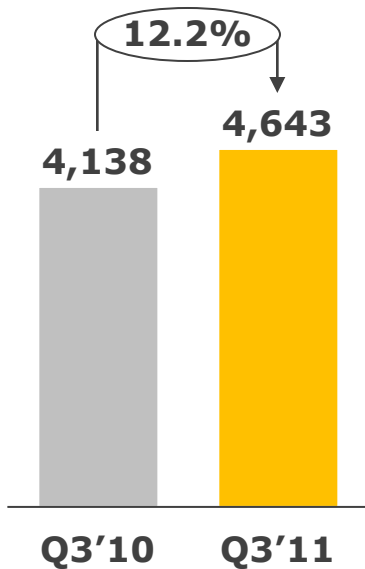


- Capacity, measured in seats, grew by 17.4%
- Vueling managed the capacity increase efficiently, improving load factor by +3.1pp
- Passengers were up by 20.8%

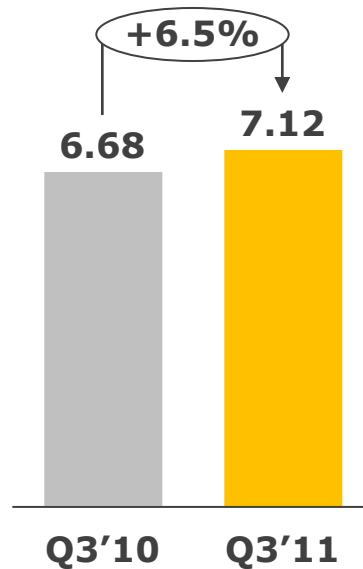
Source: Vueling (1): RPK/ASK

Revenues increased by 19% driven by growth and RASK improvement

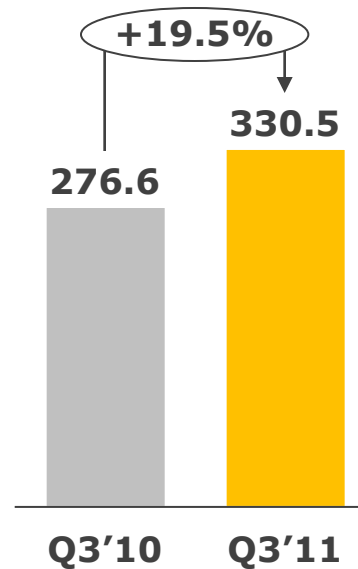
ASK (m)



RASK (€c)



Revenues (€m)

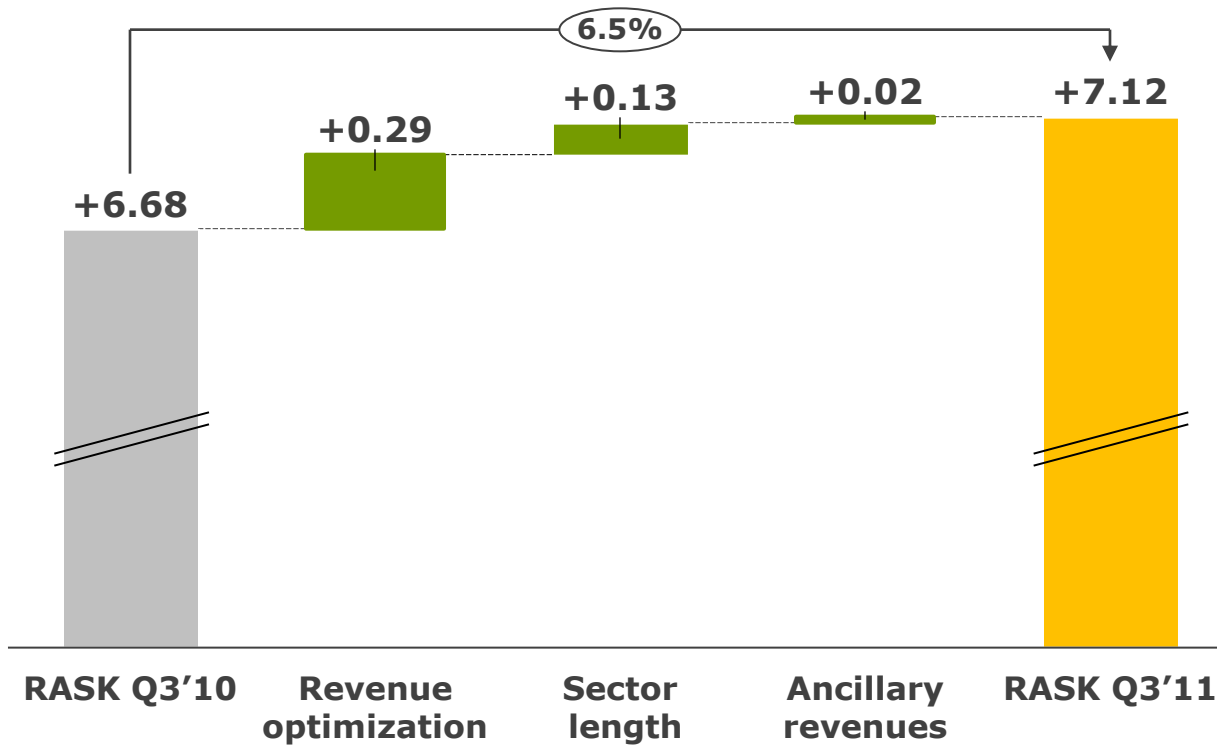


- Activity increased significantly (+12.2% ASK)
- A higher load factor (+3.1pp) contributed to RASK improvement
- Total revenues increased by 19.5%

Source: Vueling

RASK improved by 6% driven by better performance and routing

Impact of key factors on RASK (€c)

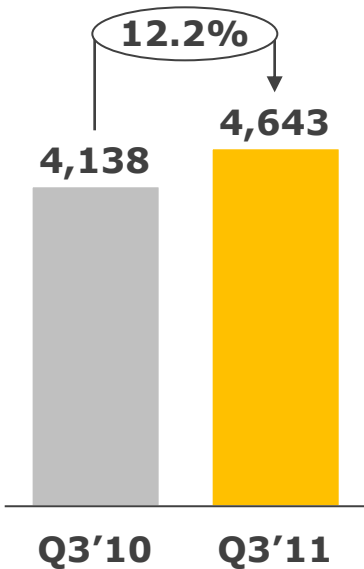


- Enhanced revenue management initiatives resulted in a positive revenue performance in Q3'11, a trend reversal versus previous quarters
- Shorter average sector length contributed to RASK improvement
- Positive contribution of ancillaries to RASK due to the optimization of pricing and the maturity of existing products

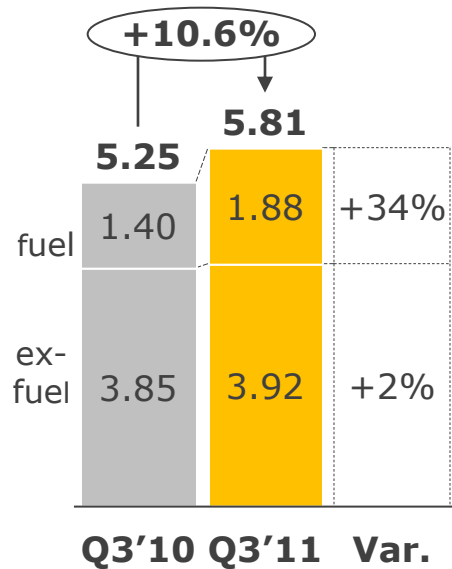
Source: Vueling

CASK increased due to a 48% increase in fuel price

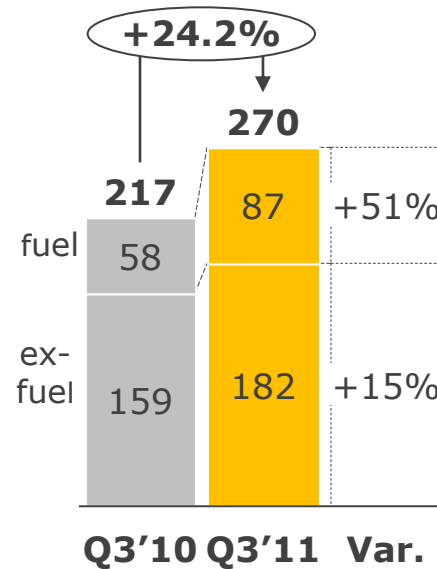
ASK (m)



CASK (€c.)



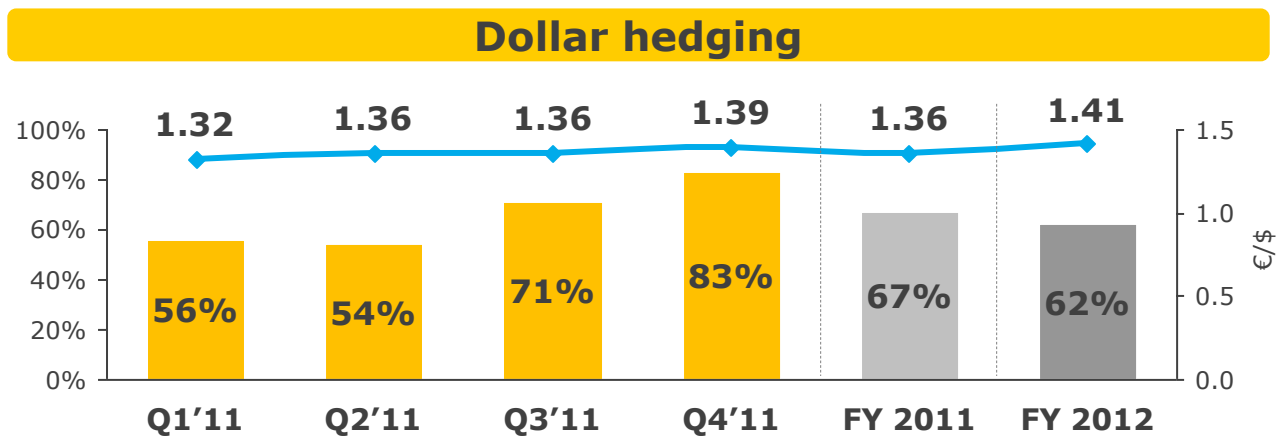
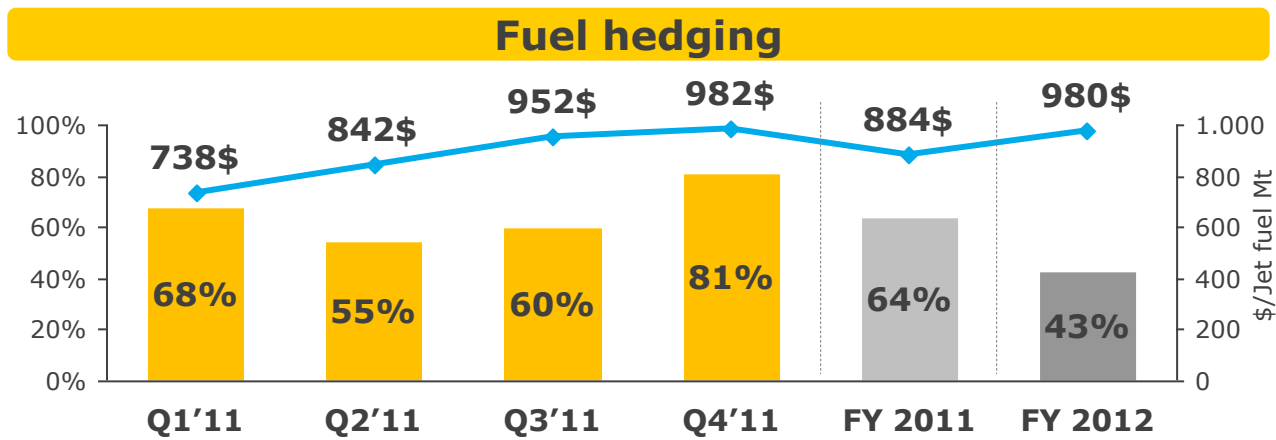
Costs (€m)



- Fuel increase drove total CASK performance up
- CASK ex-fuel increased slightly (+2%) due to a lower stage length (-4%)
- CASK fuel increased by 34%, less than the 48% increase in the fuel price, due to hedging

Source: Vueling (*) Brent barrel. Jet fuel increased 46%

The hedging policy contributed to mitigate the fuel price increase

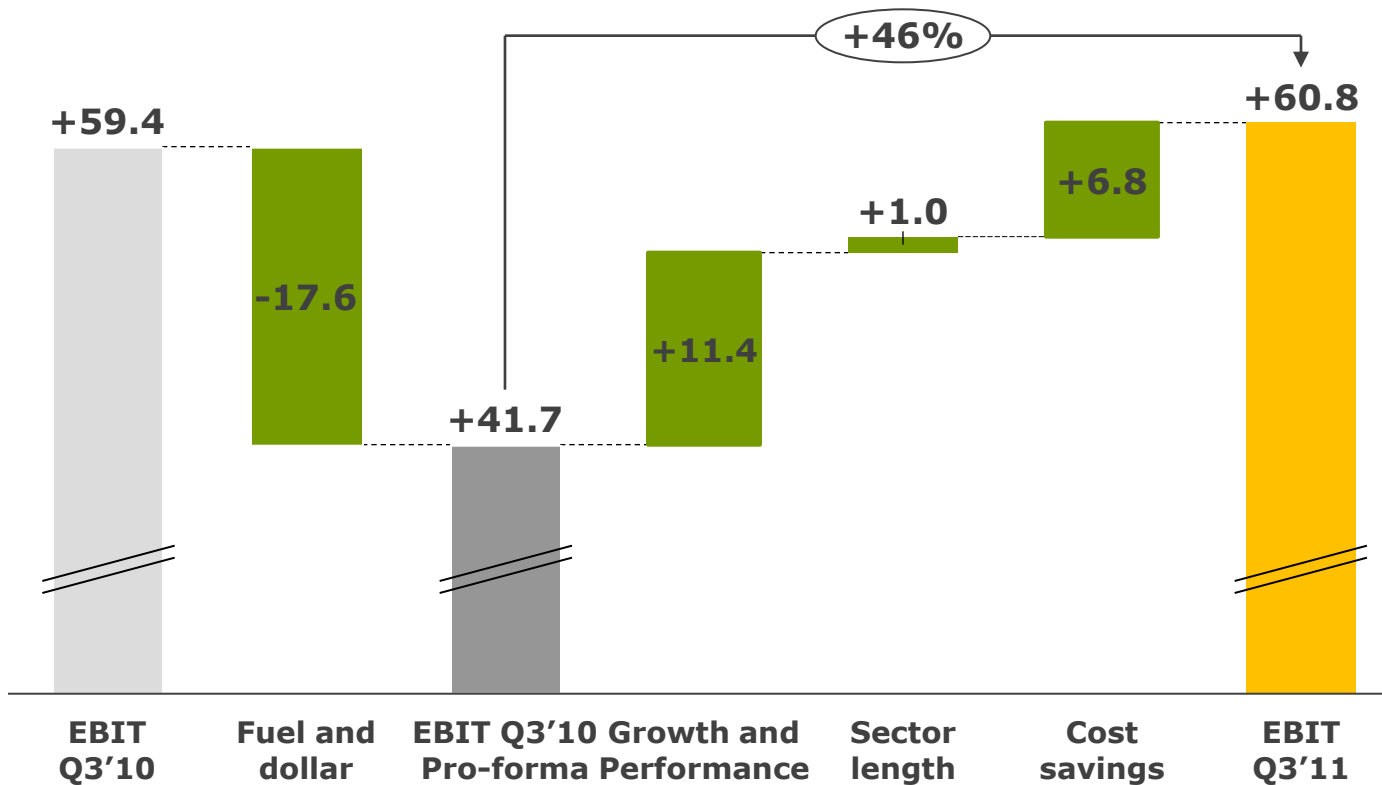


- 81% of the fuel needs for the remainder of the year are hedged at 884\$ per tonne
- 43% of the fuel needs for FY2012 are hedged at 980\$ per tonne
- 62% of the dollar needs for 2012 are hedged at 1.41\$/€

Source: Vueling (*) Brent barrel. Jet fuel increased 46%

Revenue optimization and cost savings offset the increase in fuel price

Impact of key factors EBIT (€m)



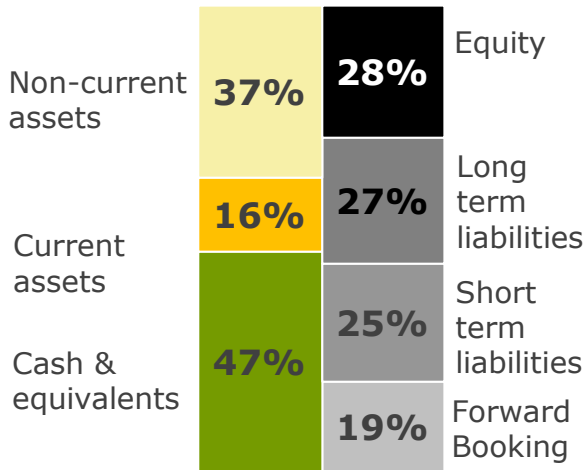
- External factors (fuel and dollar) had a negative net impact of €17.6m
- EBIT increased by 2% driven by revenue optimization and cost savings, which offset the fuel price increase

Source: Vueling

Vueling continued to strengthen its balance sheet, maintaining a solid cash position

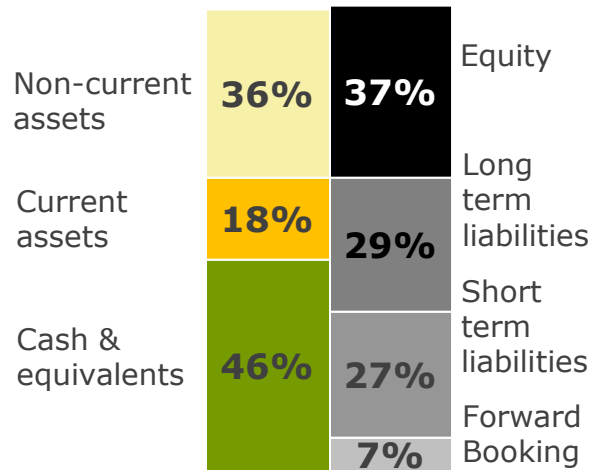
Balance Sheet as of Q2'11

Σ €609m

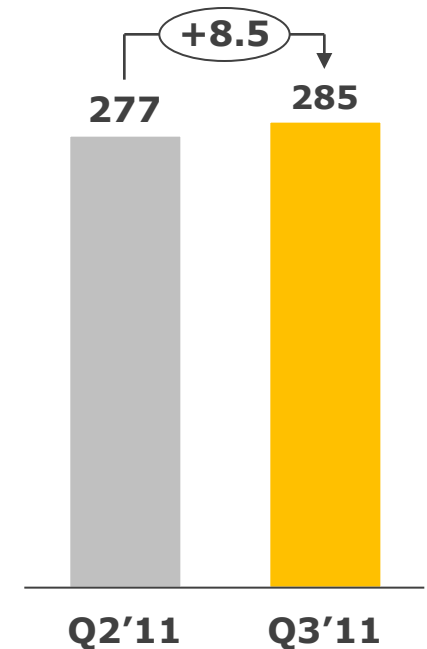


Balance Sheet as of Q3'11

Σ €639m



Net cash (€m)



Source: Vueling

C

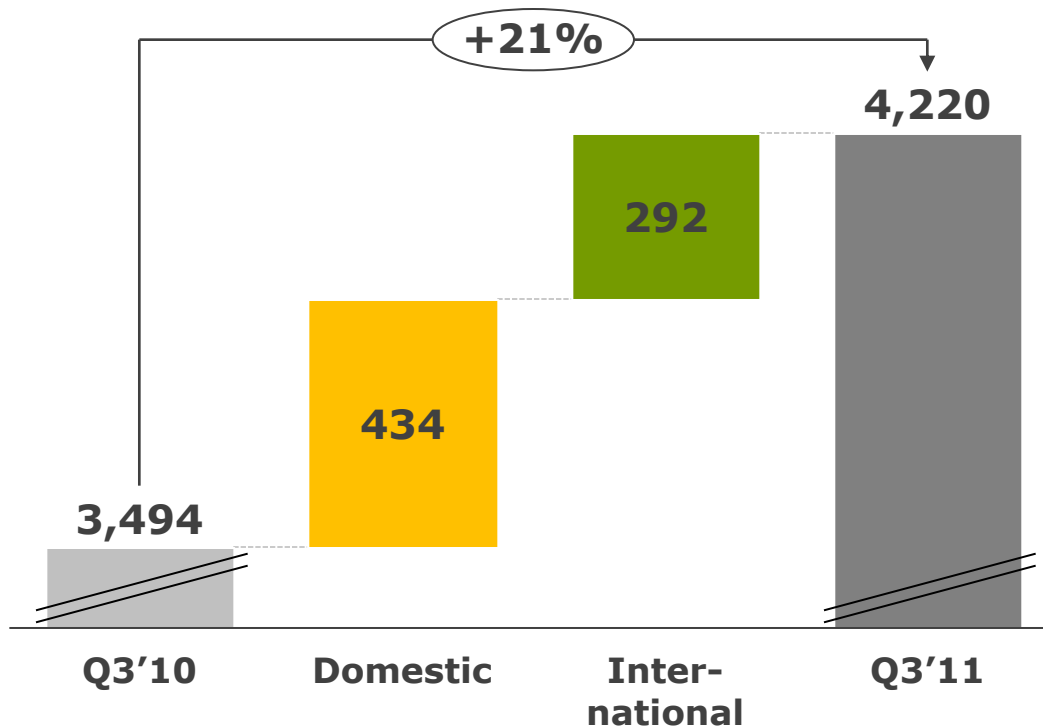
Business Review

1. Growth
2. Connecting passengers
3. Madrid operation
4. Winter routes
5. Internationalization
6. Business passenger
7. Operating performance
8. Cost control



Vueling showed a strong passenger growth during the summer peak

Passengers in Q3'11 ('000)

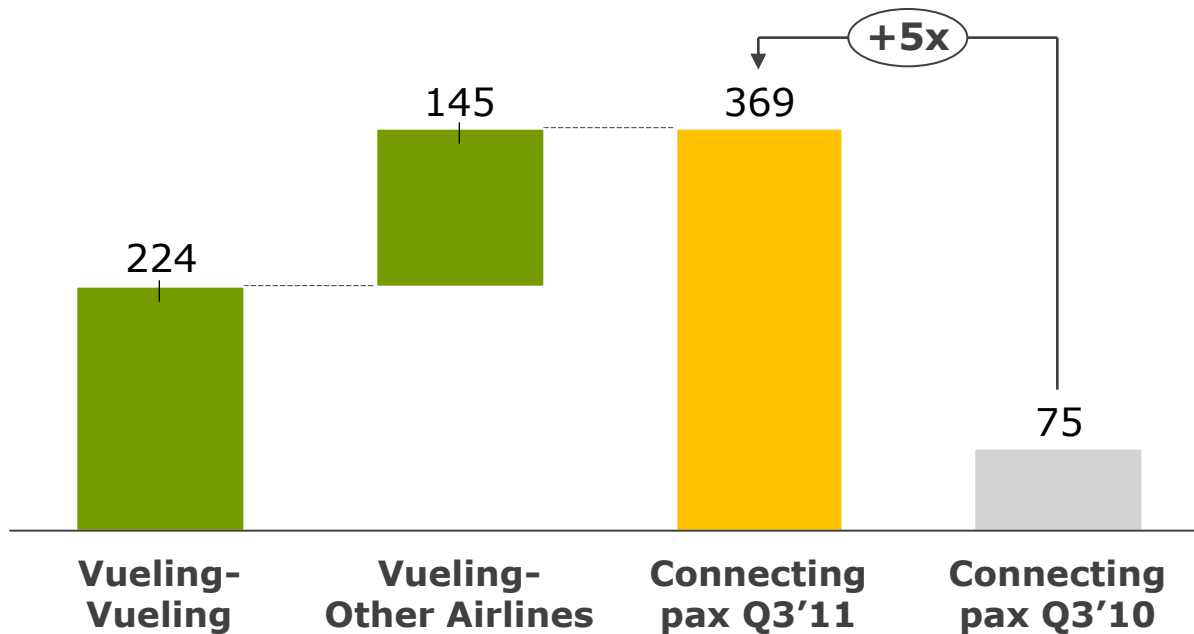


- The Iberia operation in Madrid drove domestic growth
- The new European bases in Amsterdam and Toulouse together with new summer routes contributed to the international growth

Source: Vueling

Q3'11 transfer passengers were up five fold year-on-year

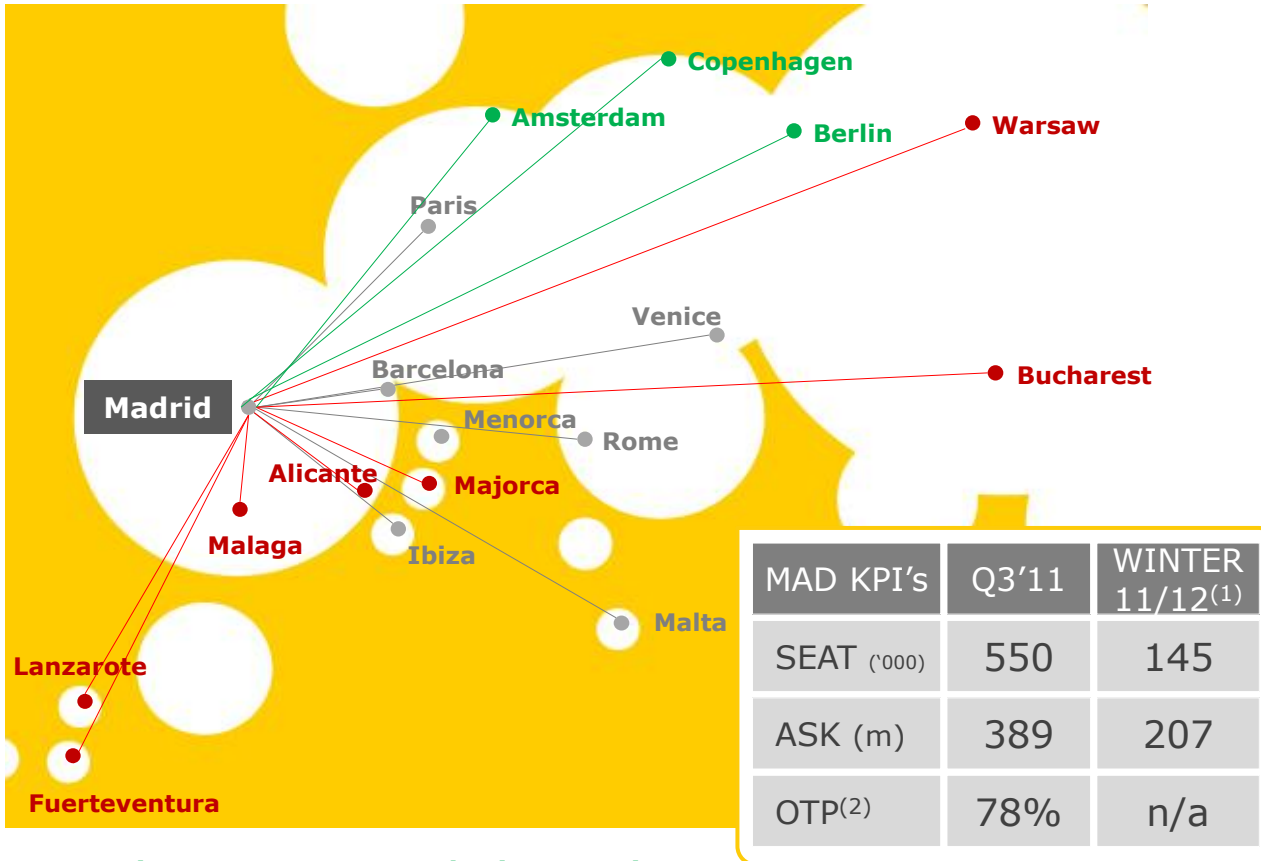
Connecting passengers Q3'11 ('000 pax)



- Vueling carried 369K connecting passengers in Q3'11
- Connecting passengers in Barcelona doubled versus last year in the same period
- Vueling-Other Airlines connections open the door to future agreements

Source: Vueling

The Madrid operation showed a good performance after six months



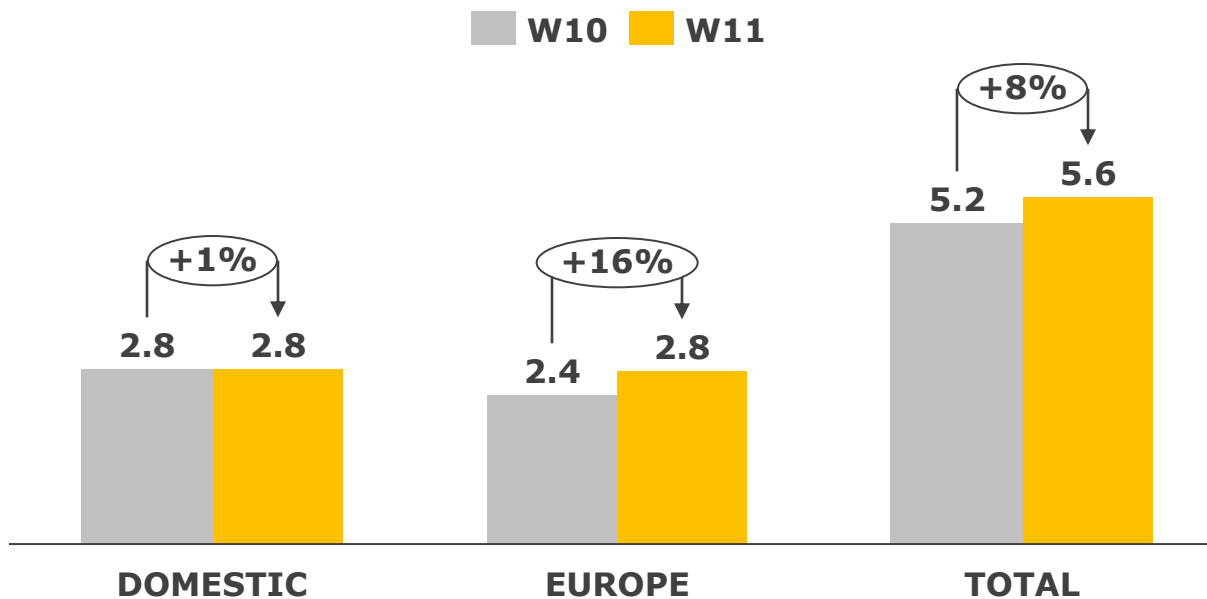
New winter season routes Iberia operation
Summer season routes Iberia operation
 Non Iberia operation routes

- The Madrid operation showed a good overall performance
- The operation has been extended to the winter season Q4'11/Q1'12
- Capacity equivalent to 2 aircraft in winter'11

(1) Expected for November'11 – March'12
 (2) On time performance

Vueling will focus winter capacity growth in the European market

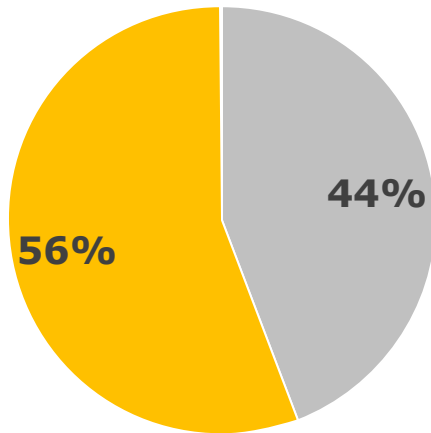
Winter capacity (million seats)



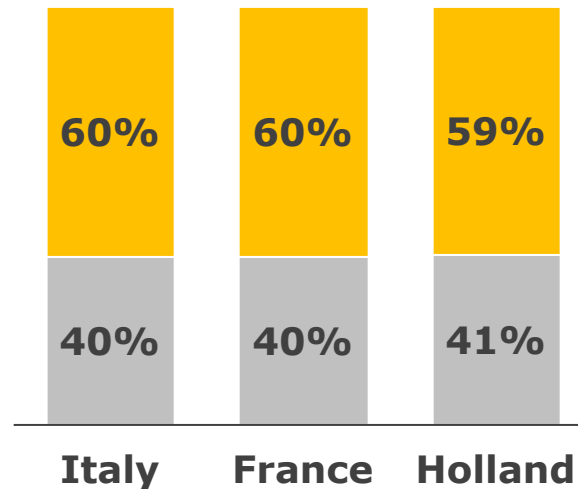
- The total number of seats will increase 8% vs. last winter
- International capacity will increase by 16%
- Domestic frequencies added in business and connecting routes

Vueling has a growing presence in the European market

Q3'11 Origin of sales in international routes













Q3'11 Origin of sales across the network



■ Spain ■ Other countries

- Vueling showed the ability to consolidate its presence in the European market
- Diversification of revenue origin is increasing
- New bases outside of Spain are contributing to Vueling internationalization

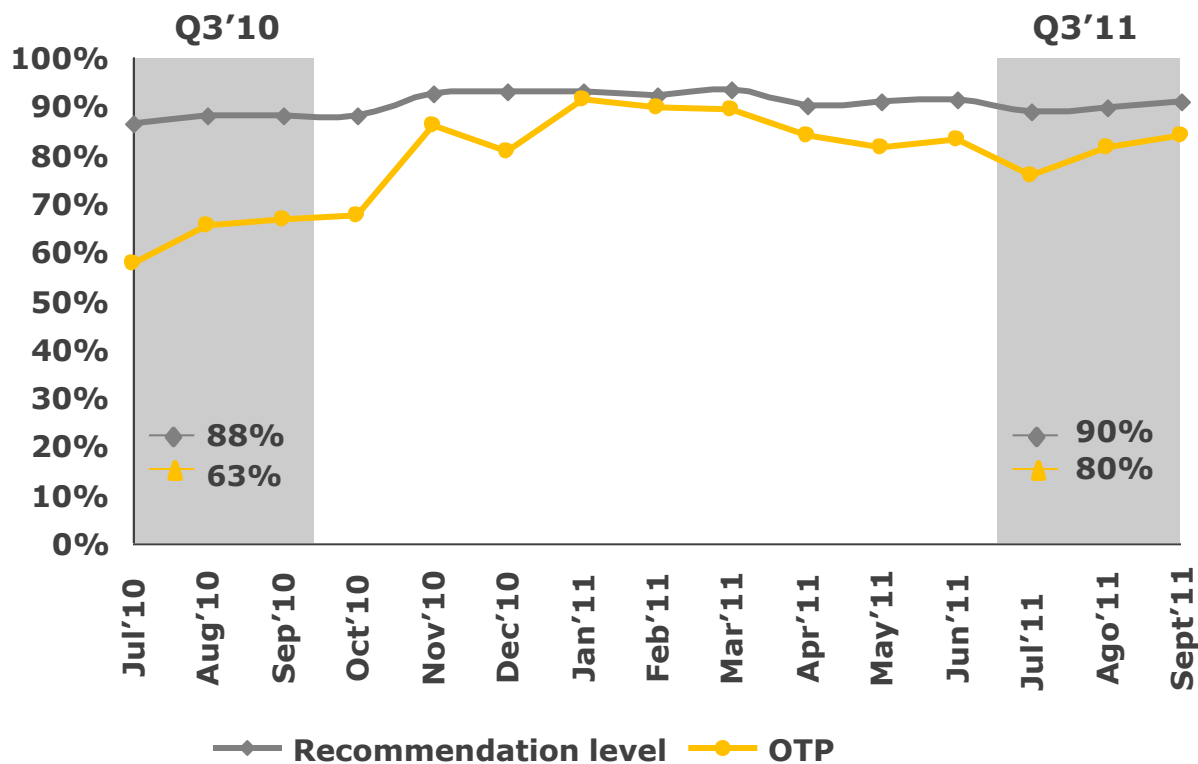
"It's Vueling Time, It's Business Time" ...just a curtain away from traditional business!

| | go! Fare | flex Fare | duo Fare |
|---|----------|-----------|----------|
| Exclusive check-in desk in Barcelona and Madrid  | • | • | • |
| Preferential boarding  | • | • | • |
| Change of flight on the same day  | • | • | • |
| Selection of Optimum or Basic seats  | • | • | |
| Selection of XL seats  | | • | |
| Total flexibility when making changes  | | • | • |
| Refunds  | | • | • |
| Snack and drink  | | | • |
| Guaranteed rack space for your hand luggage  | | | • |
| Empty middle seat, guaranteed  | | | • |

- Vueling continues innovating in its services aimed at business passengers
- The new Duo service offers more features: snack & drink, empty middle seat, preferential treatment and guaranteed hand luggage space
- Maximizes yield in business routes

Excellent execution: consistently high On Time Performance and passenger recommendation levels

OTP and passenger recommendation levels Q3'10 vs. Q3'11

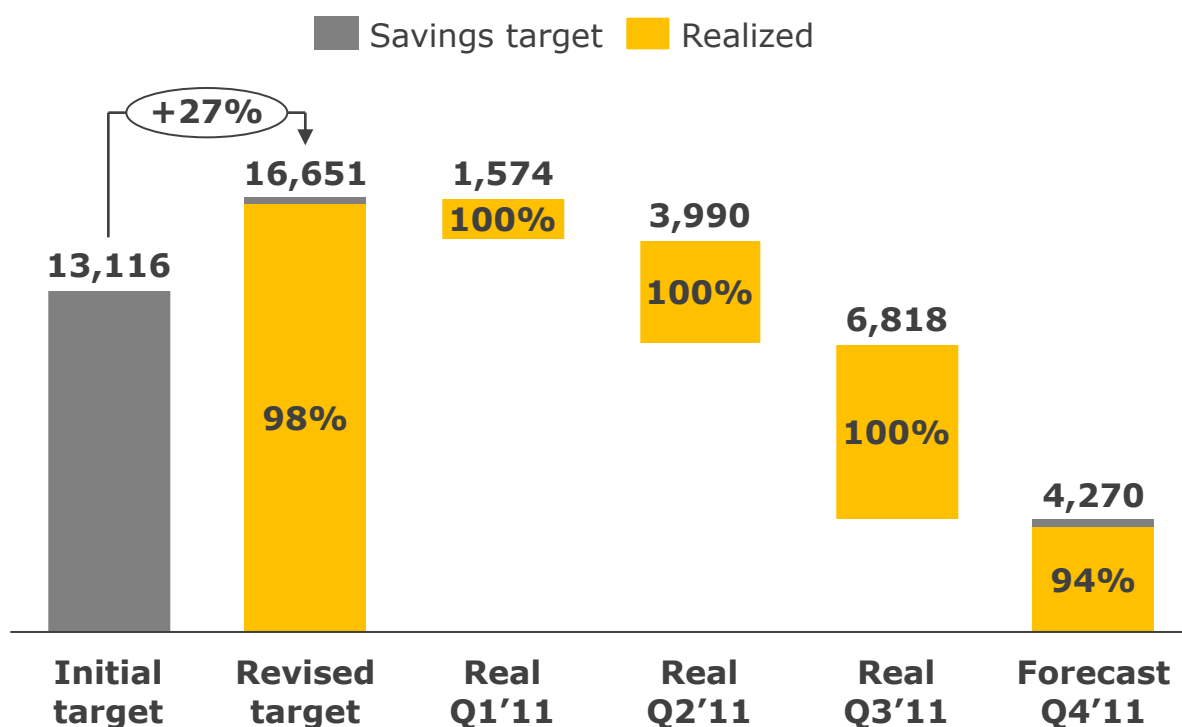


- Despite busy summer, OTP is at 80%
- Recommendation level is at 90%
- "9 out of 10 business passengers recommend Vueling"⁽¹⁾

(1) Source: Market surveys conducted by independent third parties.

Vueling is on track to obtain further structural cost reduction in 2011

Cost savings expected during 2011 (€ '000)



- Cost saving program target revised from the initial €13m to the present €16.6m, a 27% improvement
- 98% of the planned savings are already captured for FY2011
- Most cost savings are sustainable and will be maintained

Source: Vueling

D. Outlook

1. Opportunities

2. Risks

3. Outlook



Risks

- Potential increase in competitive pressure
- Continued weak Spanish domestic demand
- Long term sustained high fuel price environment
- CO₂ emissions, an additional cost for the industry

Outlook

- FY2011 expected annual growth of 10% in passengers and 6% in ASK
- FY2011 RASK and ex-fuel CASK similar to 2010 at comparable stage length
- Despite high fuel prices and a difficult operating environment, positive EBIT is expected for FY2011

Opportunities

- Continued industry consolidation
- European market continues to grow
- Exploring potential new agreements with other airlines

flying hoy means **vueling**

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 77 16
Internet: www.vueling.com/investors