



Vueling Airlines, S.A. ("Vueling"), in compliance with Section 82 of the Securities Market Act 24/1988 from the 28 July, and through this written communication informs the *Comisión Nacional del Mercado de Valores* [National Securities Exchange Commission] and to the public of the following

SIGNIFICANT EVENT

Vueling-Iberia Madrid operations agreement

The Board of Directors of the Company after receiving the approval from *Comisión de Operaciones Vinculadas* [Related-Party Transactions Committee], has approved an agreement with Iberia Líneas Aéreas de España that enables Vueling to increase its number of routes from Madrid to other Spanish and European cities, offering not only point to point services but also connecting services with Iberia. This temporary production will increase Vueling's current Madrid-based fleet of three aircraft (vs. 24 planes based in Barcelona). Tickets will be sold through a "codeshare" agreement between both Vueling and Iberia, in the same way both companies are currently doing in the rest of Vueling's network.

This operation is in addition to the previously announced passenger feeding of long-haul Iberia flights from Barcelona airport as well as the additional 875,000 seats which Vueling will introduce in the Barcelona market during 2011. Vueling becomes the first European "low cost" airline to offer the whole range of short haul products: point to point, own company connecting flights and connecting flights with other companies.

The length of this renewable agreement is eight months long. The Company will deploy six A320 planes that will be leased for the period of the agreement with Iberia. The start of these operations is expected for the beginning of 2nd Quarter 2011.

Barcelona, 28th January 2011

Antonio Grau

Corporate Officer

NOTICE: The present document is a translation of a duly approved document in the Spanish language, and it is only provided for informative purposes. Should there be a discrepancy between the present translation and the original document in the Spanish language, the text of the original Spanish-language document shall always prevail