vueling

Vueling Airlines, S.A. (hereinafter "Vueling"), in compliance with the terms set out in section 82 of the 24/1988 Stock Market Act, of July 28, informs the Spanish Securities and Exchange Commission and the public of the following maters by means of this document

## Vueling-Iberia agreement on operations in Madrid

Following a favourable report from the *Comisión de Operaciones Vinculadas* [Related-Party Transactions Committee], Vueling's Board of Directors has agreed to an extension from October of the agreement with Iberia Líneas Aéreas de España whereby Vueling offers both connection services with Iberia and point-to-point services between Madrid and various Spanish and European destinations. The term of the agreement will be for six months (October-March), which may be extended.

This agreement is an extension to the agreement reached previously between Vueling and Iberia for the period March-October. Over the course of the first three months of the agreement, Vueling has successfully implemented new operating and commercial procedures to adapt to the "hub feeding" requirements of Iberia at Barajas Airport. This task has been met with high rates of service, punctuality and connectivity with the inter-continental flights operated by Iberia.

For Vueling, this collaboration with a network airline represents a new milestone in the development of its business model and demonstrates that this can be replicated by collaborating with other airlines that may require feeder services for their future long-distance expansion. As was announced during the presentation of the latest results, Vueling will continue to expand this new functionality in Barcelona and at other European airports over the coming months.

Barcelona, 22 July 2011