

Alex Cruz (CEO of ClickAir) October 2007

How do you currently analyze the Spanish market of low-cost carriers? What is the position of clickair in this market?

Whilst 2006 worked as the confirmation of the relevance of LCCs in the Spanish market, 2007 has seen a huge investment by all players, particularly Ryanair, Air Berlin, and new entrant, clickair. 2007's over capacity in the Spanish market and its results have forced all players to revisit their cost structure. Looking at the cost structure and other cost drivers of the different LCCs operating in Spain, it is clear that some have done their homework and others haven't.

As you recently noticed, seat capacities in Spain are 59% while demand is only 44%, how does clickair plan to grow in this "overcapacity" market?

Our business plan has anticipated several waves of increased competitive intensity and we are prepared to deal with it from a planning perspective. Having said that, we believe that our product (frequencies, network, service) is slowly becoming market leader in the routes we fly. Nowhere else in Europe is able to offer low fares through traditional distribution channels; no airline in the world has been able to skip the check-in process as we do with the Click&Fly product; the list goes on and it will not stop. We plan to continue to using innovation as a tool to increase our competitiveness.

But most of all, we have a low cost operating structure; indeed, we are the lowest operating cost airline flying to main airports in Europe, and second to Ryanair overall. This is our main "hidden" weapon.

How do you analyze Vueling's current situation which has a net loss of €33.7m on the first semester? Could such situation happen to clickair ?

We do not like making comments about our competitors. We can say, however, that there are a number of fundamental choices which we can see Vueling has had to make over the last two years. Faced with similar challenges, clickair has already made different decisions and is likely to deal with some of the same issues differently. Ultimately, there is a core difference between us: we have more than strict financial investors as shareholders, we have industrial partners. The deep expertise that our team brings to clickair, coupled with the regional market experience of our industrial shareholders creates a very powerful combination.

Some analysts believe that clickair strategy and pressure on Madrid and Barcelona has accelerated Vueling's fall. What is your point of view?

We are unable to comment on this point at this time.

What is the strategy of clickair to face Islanders' invasion of Spain (Ryanair and easyJet)?

easyJet and Ryanair have two fundamental differences: one is a higher cost operating carrier flying to main airports with a poor product and the other is a very low cost operator, such as ourselves, flying to secondary airports with not much concern for product.

clickair is readying itself to withstand their pressure, financially and commercially — our high percentage of business passengers choose main airports, assigned seats, and major alliance frequent flier points every time. We plan to continue expanding these services without compromising our cost base.