

EL AL

Israel Airlines Ltd.

Q2-11



Consolidated Statements of Operations

(in millions USD)

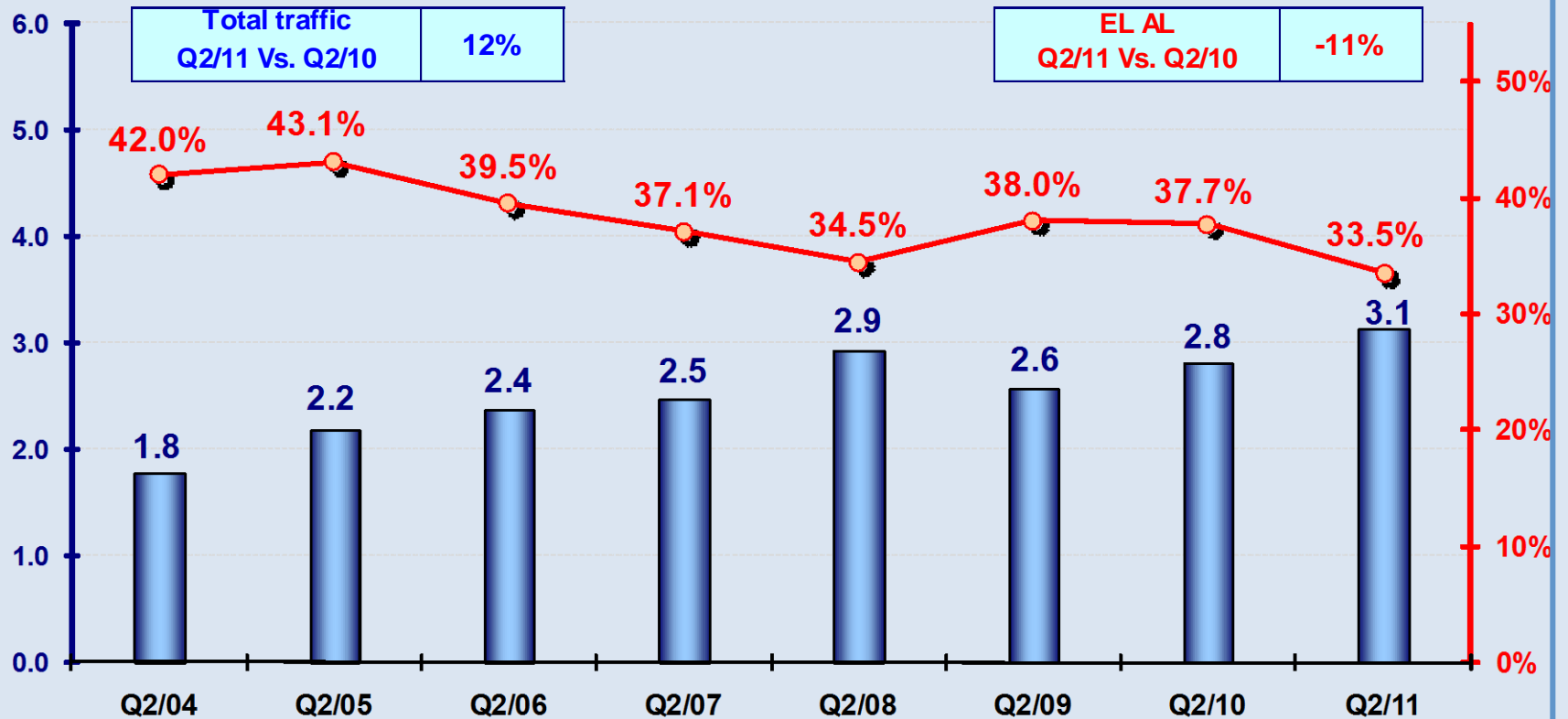
	Q2/11		Q2/10		Q2/11 Vs. Q2/10	
	\$	% of operating revenues	\$	% of operating revenues	difference	%
Operating revenues	530.5	100%	502.4	100%	28.1	6%
Operating expenses	470.2	88.6%	400.9	79.8%	69.2	17%
Gross profit	60.3	11.4%	101.4	20.2%	(41.1)	-41%
Selling expenses	55.9	10.5%	52.9	10.5%	3.0	6%
General and administr. Expenses	24.9	4.7%	22.8	4.5%	2.2	10%
Other expenses ,net	2.6	0.5%	0.7	0.1%	1.9	259%
Operating profit (loss)	(23.2)	-4.4%	25.0	5.0%	(48.2)	
Net financing expenses (income)	(0.5)	-0.1%	5.3	1.0%	(5.8)	
Income (Loss) before income tax	(22.7)	-4.3%	19.7	3.9%	(42.4)	
Income Tax (savings) expenses and the Company's share of the profits of subsidiaries	(2.9)	-0.6%	4.9	1.0%	(7.9)	
Net Income (Loss) for the period	(19.7)	-3.7%	14.8	3.0%	(34.6)	

EL AL & Sun D'or (scheduled+charter) share in total traffic at BGA

for quarter Q2 in years 2004-2011

total traffic (mill. - per passeng. Leg)

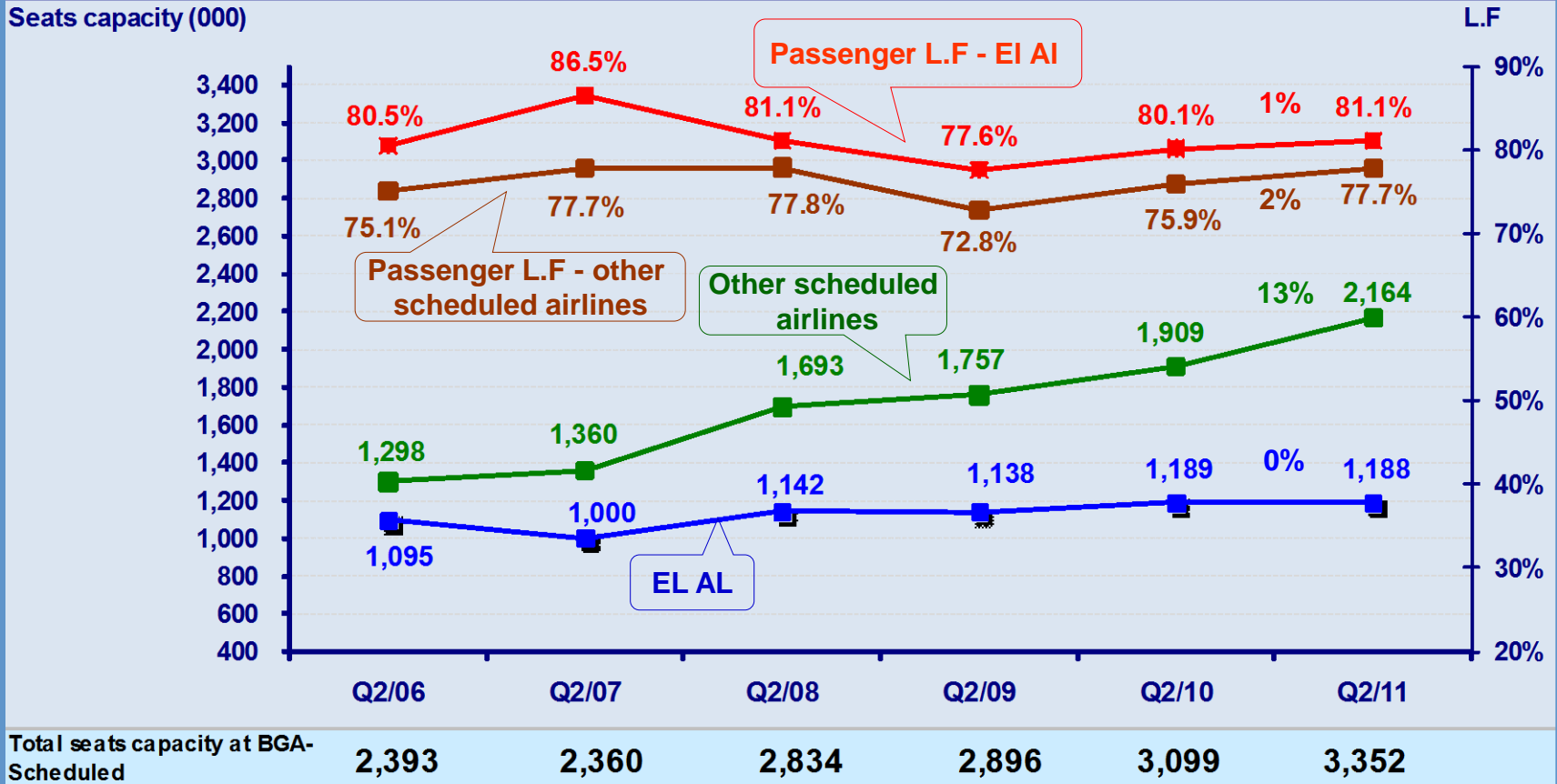
EL AL & Sun D'or share in total traffic (%)



Source of data: Commercial Planning & Market Research

Seats capacity and passenger load factor of scheduled airlines at Ben Gurion (*)

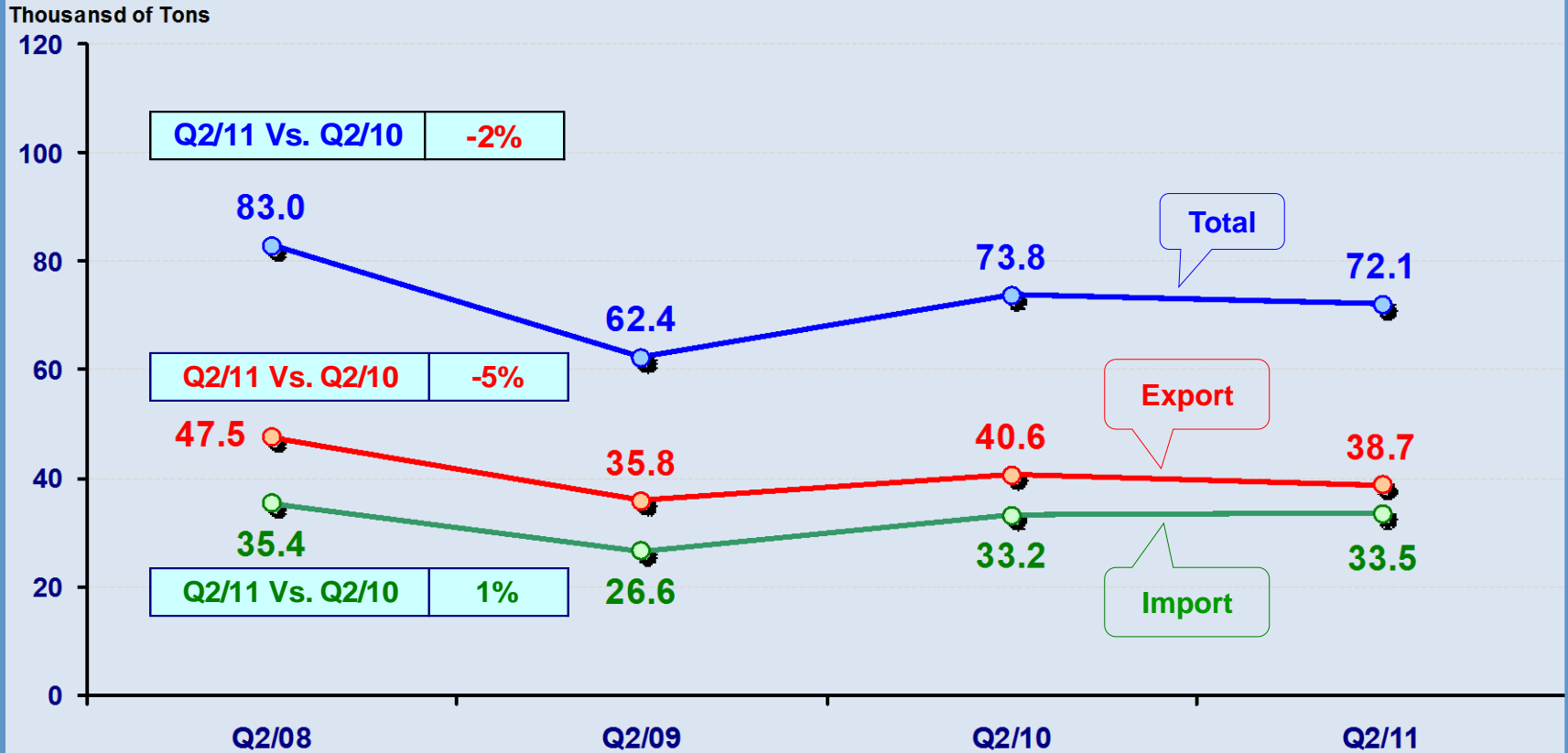
for quarter Q2 in years 2006-2011



(*) LF of other scheduled airlines - Percentage of total passenger occupancy of available seats

Cargo traffic through BGN

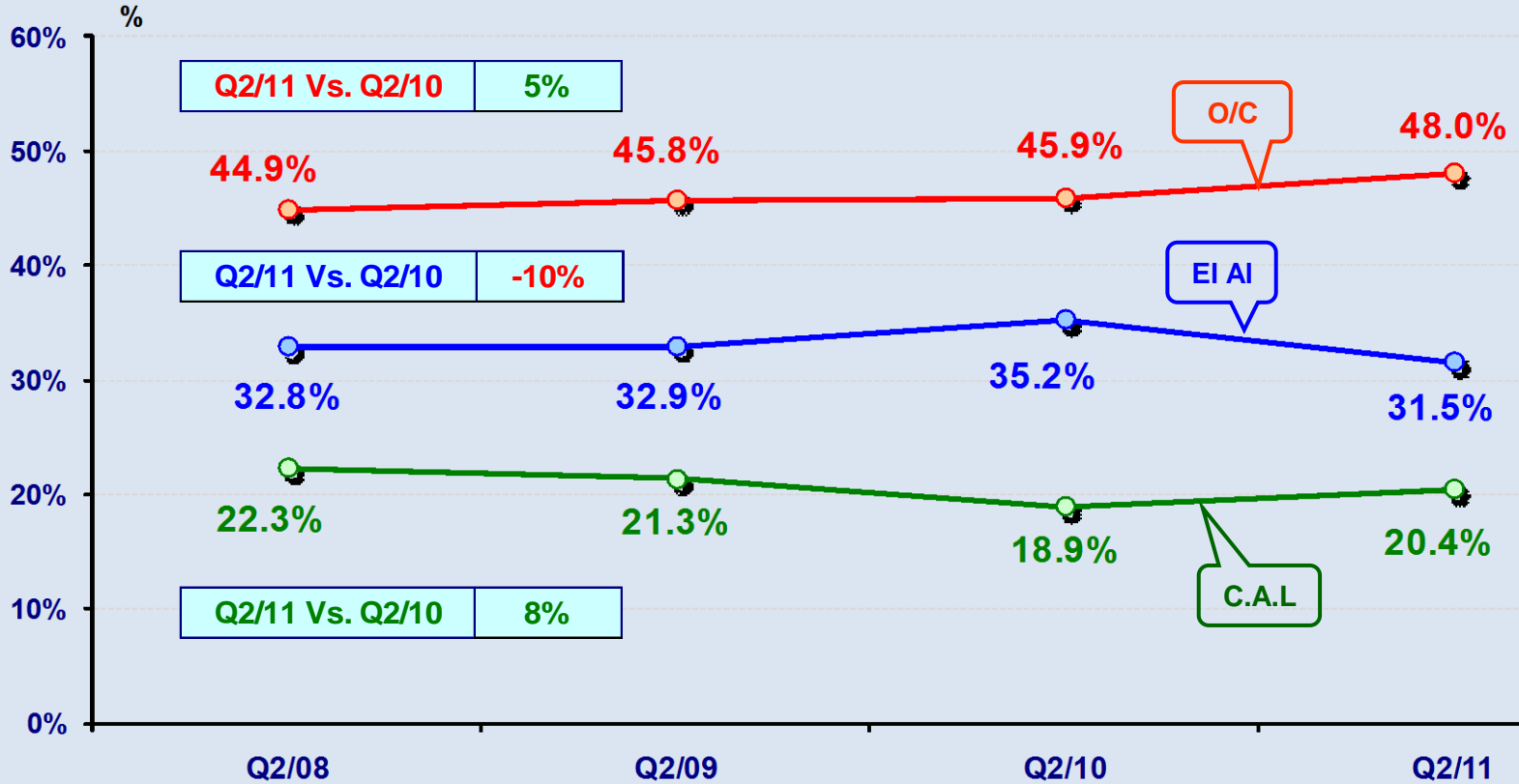
for quarter Q2 in years 2008-2011



Source: Cargo division, EL AL

Cargo market share at BGA

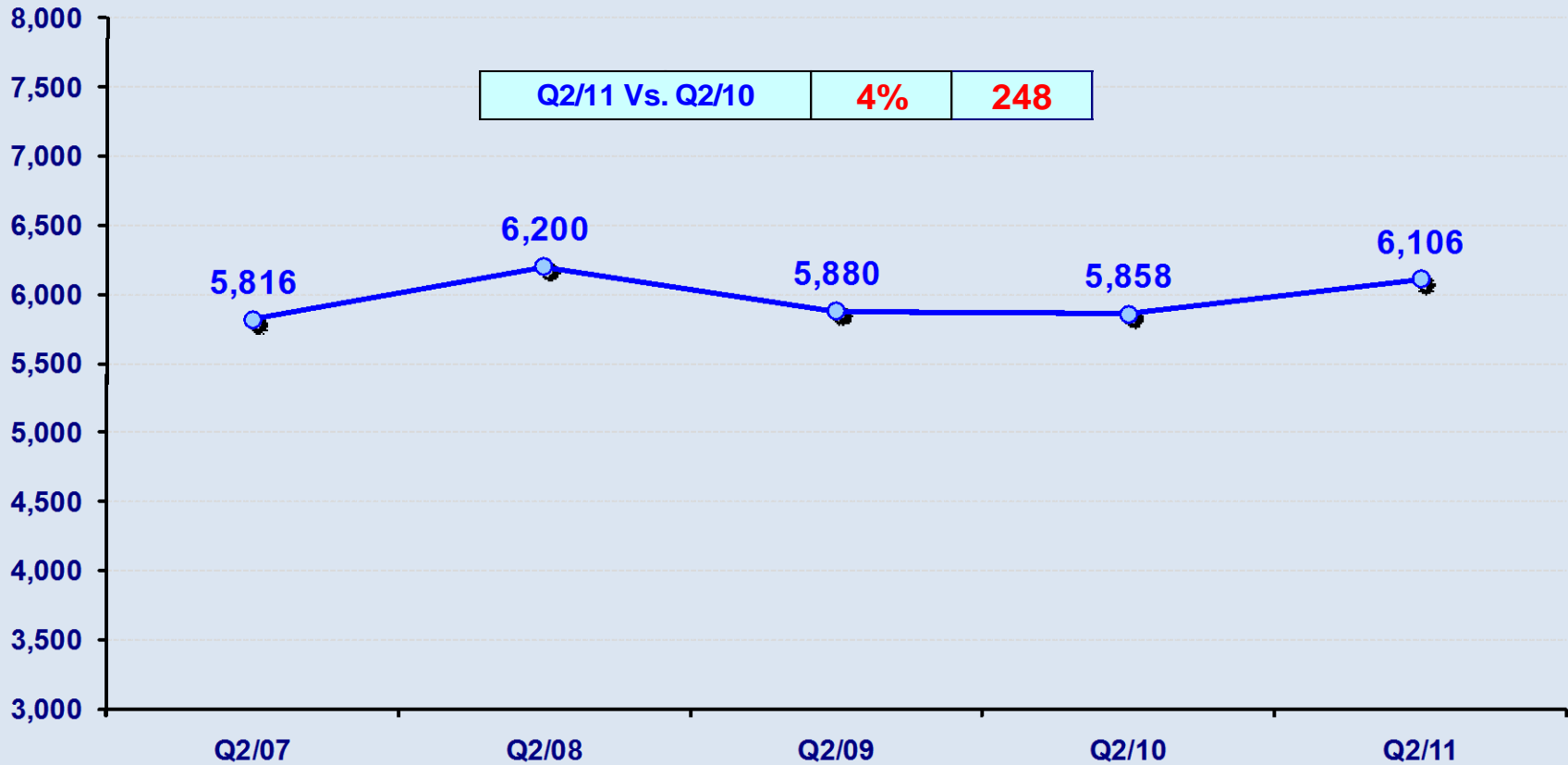
for quarter Q2 in years 2008-2011



Source: Cargo division, EL AL
Excluding transit cargo

Total employees (positions, average)

for quarter Q2 in years 2007-2011

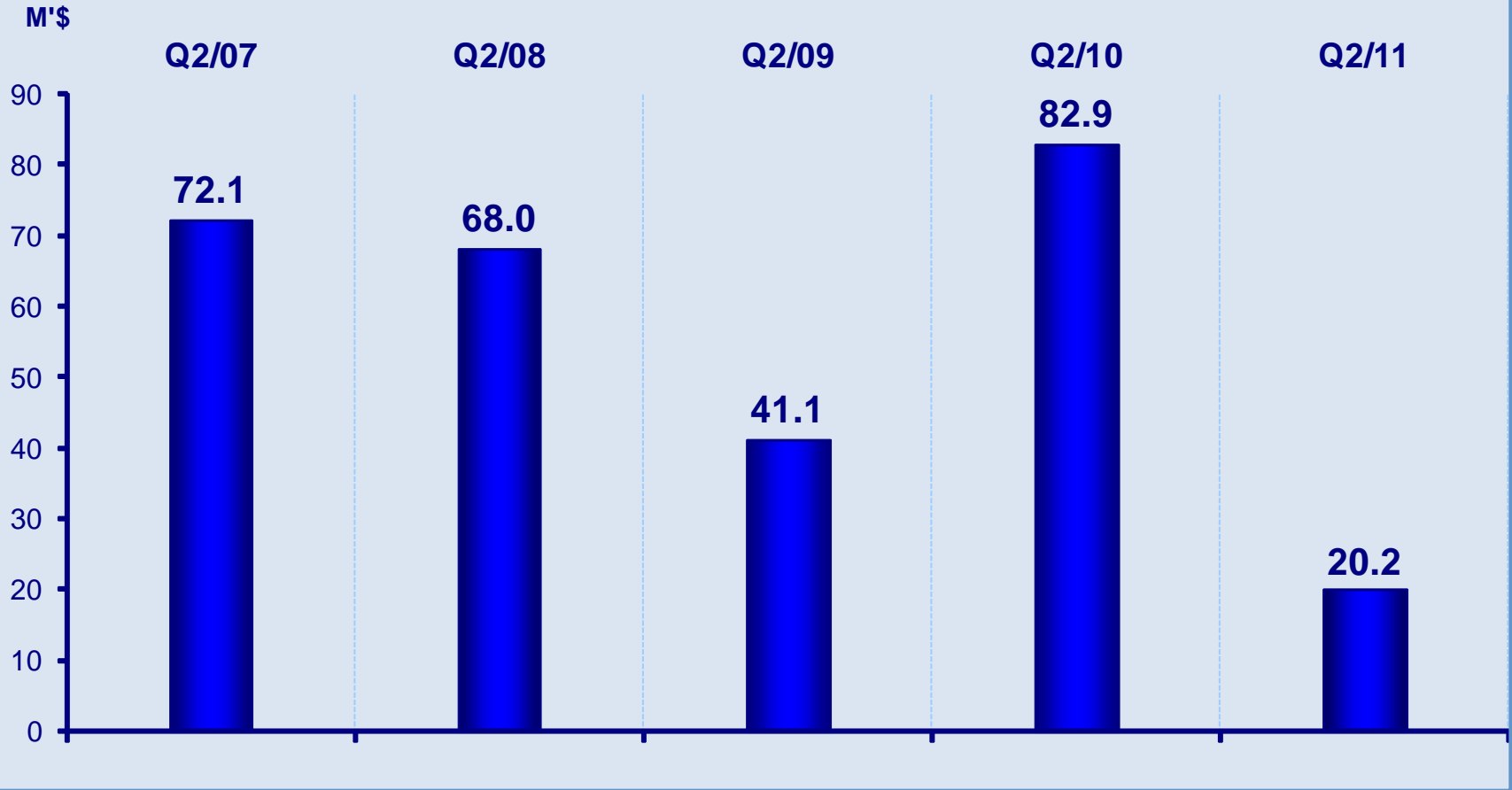


Cash balances, including deposits at June 30 (El Al solo)



Cash flows from operating activities

2007-2011



Balance sheet

(in millions USD)

Assets			Liabilities		
	30/06/2011	31/12/2010		30/06/2011	31/12/2010
Current assets	483	416	Current liabilities	885	732
Non-current assets	1,298	1,305	Long-term liabilities	703	741
			Share holders' equity	193	248
Total	1,781	1,721	Total	1,781	1,721

Consolidated Statements of Operations

(in millions USD)

	1-6/11		1-6/10		1-6/11 Vs. 1-6/10	
	\$	% of operating revenues	\$	% of operating revenues	difference	%
Operating revenues	955.7	100%	925.6	100%	30.1	3%
Operating expenses	873.6	91.4%	764.5	82.6%	109.0	14%
Gross profit	82.1	8.6%	161.0	17.4%	(78.9)	-49%
Selling expenses	100.9	10.6%	101.5	11.0%	(0.6)	-1%
General and administr. Expenses	49.3	5.2%	46.6	5.0%	2.6	6%
Other expenses ,net	8.7	0.9%	2.6	0.3%	6.0	230%
Operating profit (loss)	(76.7)	-8.0%	10.3	1.1%	(87.0)	
Net financing expenses (income)	(1.7)	-0.2%	12.4	1.3%	(14.1)	
Loss before income tax	(74.9)	-7.8%	(2.1)	-0.2%	(72.8)	3482%
Income Tax savings and the Company's share of the profits of subsidiaries	(12.3)	-1.3%	(0.4)	0.0%	(11.9)	
Loss for the period	(62.6)	-6.6%	(1.7)	-0.2%	(61.0)	3607%

A woman in a white dress is seen from behind, standing in a vast field of golden wheat. She is holding a string that goes up to a white kite flying in a clear blue sky with scattered white clouds. The scene is bright and open, symbolizing freedom and gratitude.

Thank you.