



EL AL

Israel Airlines Ltd.

Q2/08

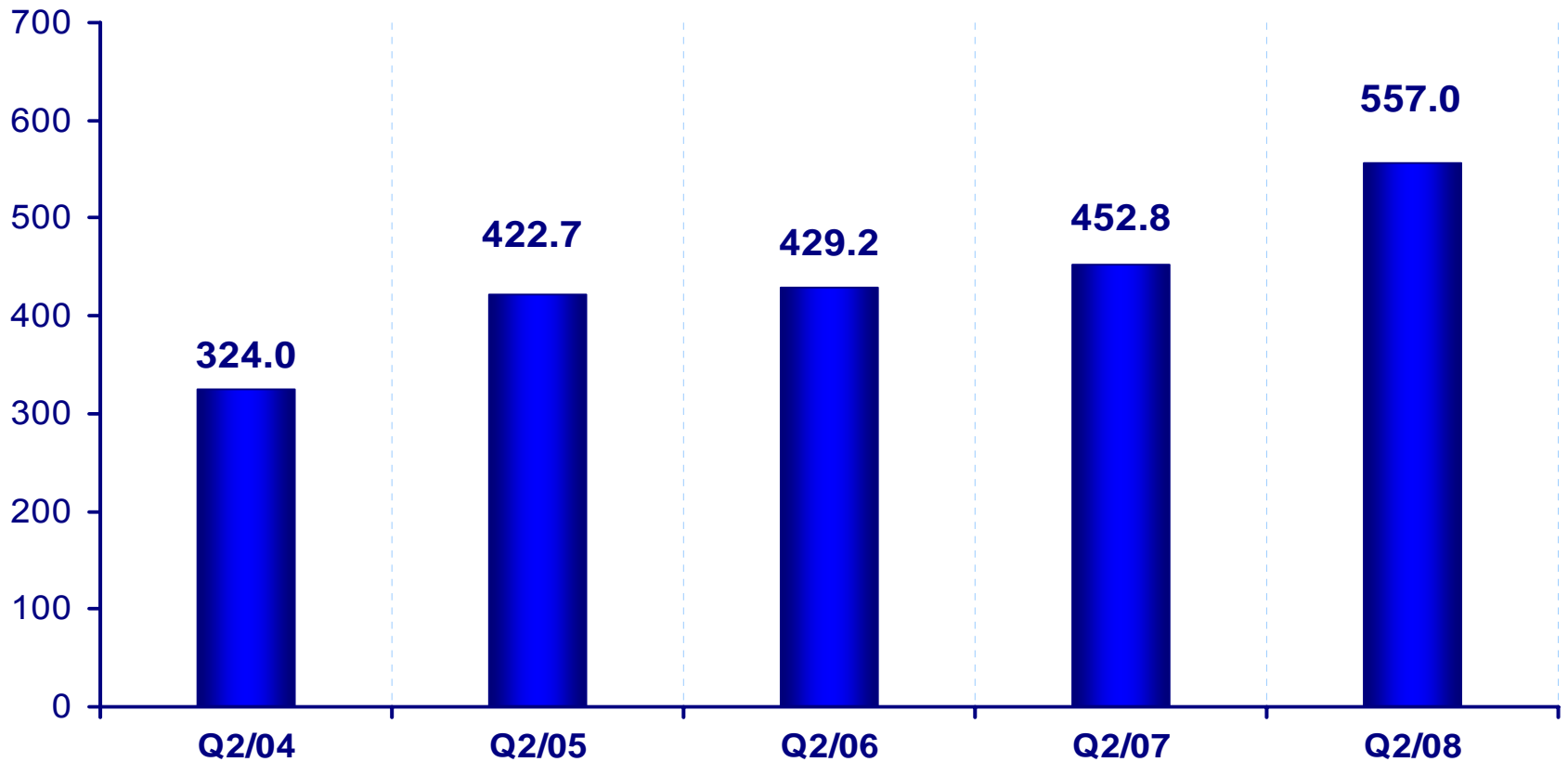
Statement of Operations for quarter Q2 - Consolidated

(in millions USD)

	Q2/08		Q2/07		Q2/08 vs. Q2/07	
	\$	% of operating revenues	\$	% of operating revenues	difference	index (%)
Operating revenues	557.0	100%	452.8	100%	104.2	123%
Operating expenses	485.2	87.1%	353.3	78.0%	131.9	137%
Gross profit	71.8	12.9%	99.5	22.0%	(27.7)	72%
Selling expenses	60.6	10.9%	51.2	11.3%	9.3	118%
General and administrative expenses	26.2	4.7%	21.9	4.8%	4.3	119%
Operating Income (Loss) before other expenses	(14.9)	-2.7%	26.4	5.8%	(41.3)	
Other expenses (income),net	2.7	0.5%	(0.8)	-0.2%	3.5	
Operating income (loss)	(17.7)	-3.2%	27.1	6.0%	(44.8)	
Net financing (income) expenses	(3.1)	-0.6%	4.5	1.0%	(7.6)	
Income (Loss) before income tax	(14.5)	-2.6%	22.6	5.0%	(37.2)	
Income Tax (savings) expenses	(3.3)	-0.6%	6.0	1.3%	(9.3)	
Net Income (Loss) for the period	(11.2)	-2.0%	16.6	3.7%	(27.8)	

Total income for quarter Q2 in the years 2004-2008

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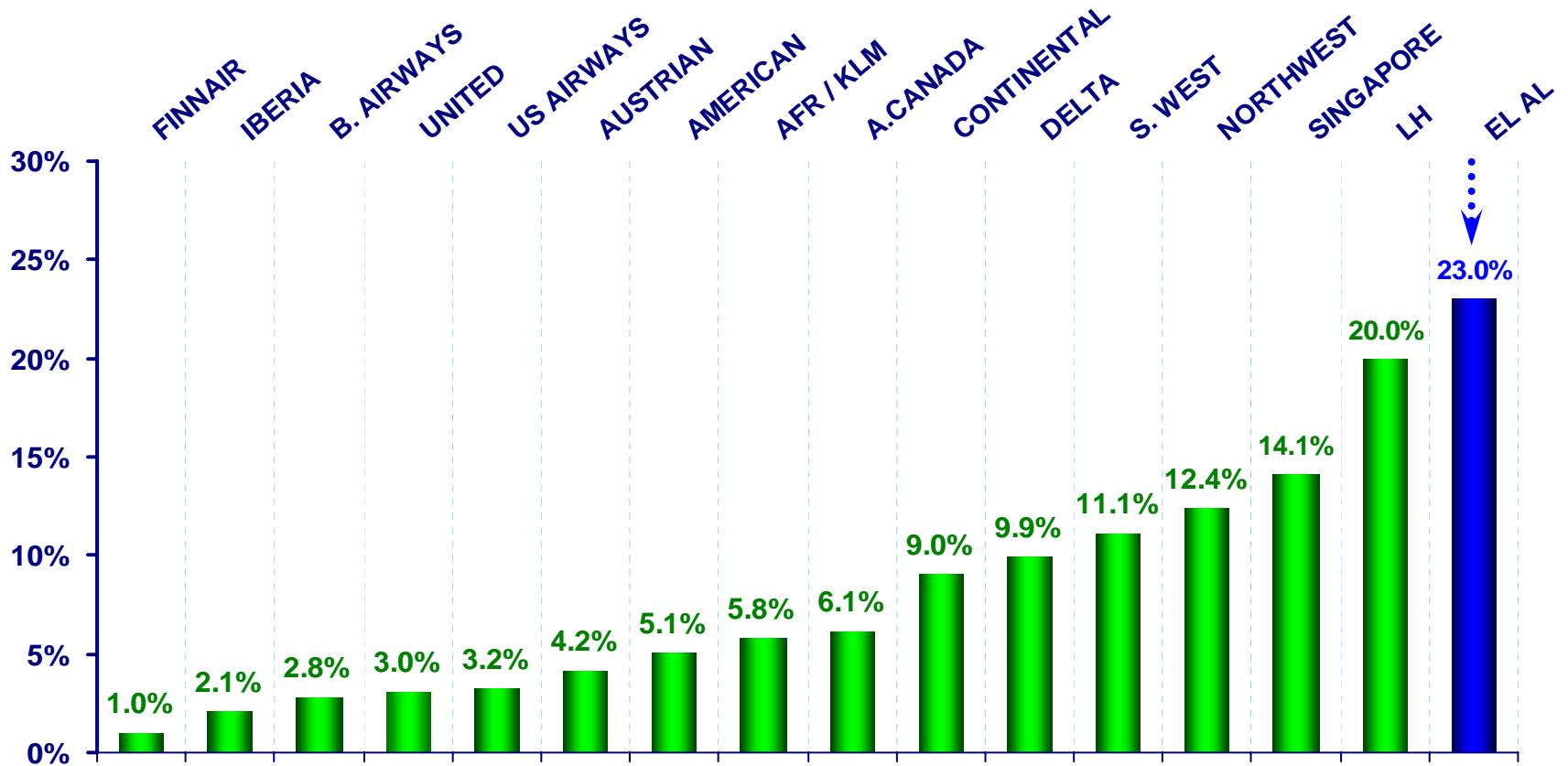


Operating revenues in Q2/08 vs. Q2/07

(in millions USD)

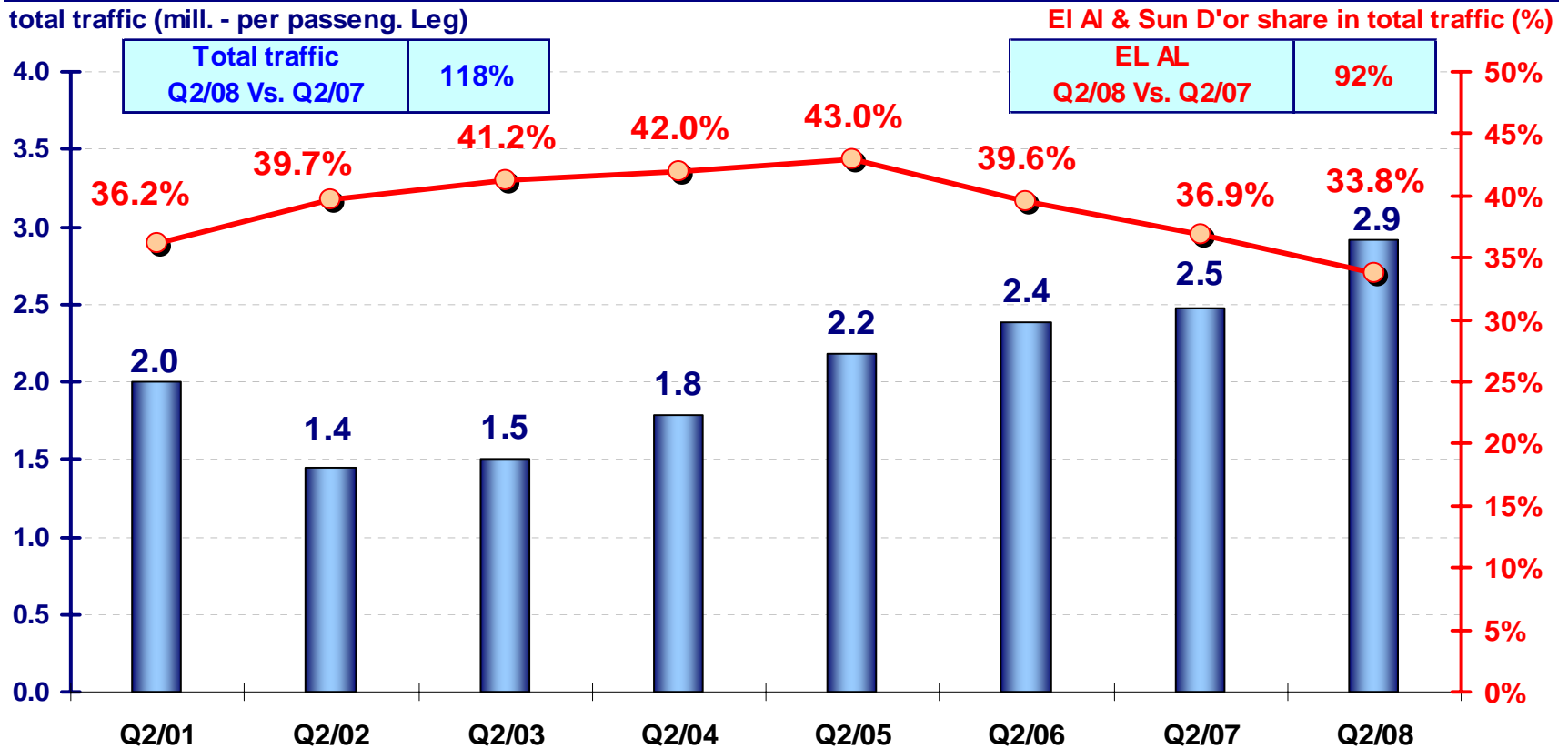
	ACT Q2/08	ACT Q2/07	ACT Q2/08 Vs Q2/07	
			Increase / Decrease	%
Passenger Revenues	451.0	358.3	92.7	126%
Cargo	63.5	67.7	(4.2)	94%
Other revenues	42.6	26.8	15.7	159%
Total operating revenues	557.0	452.8	104.2	123%

Income growth rate of El Al compared to other airlines (Q2/08 Vs. Q2/07)



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

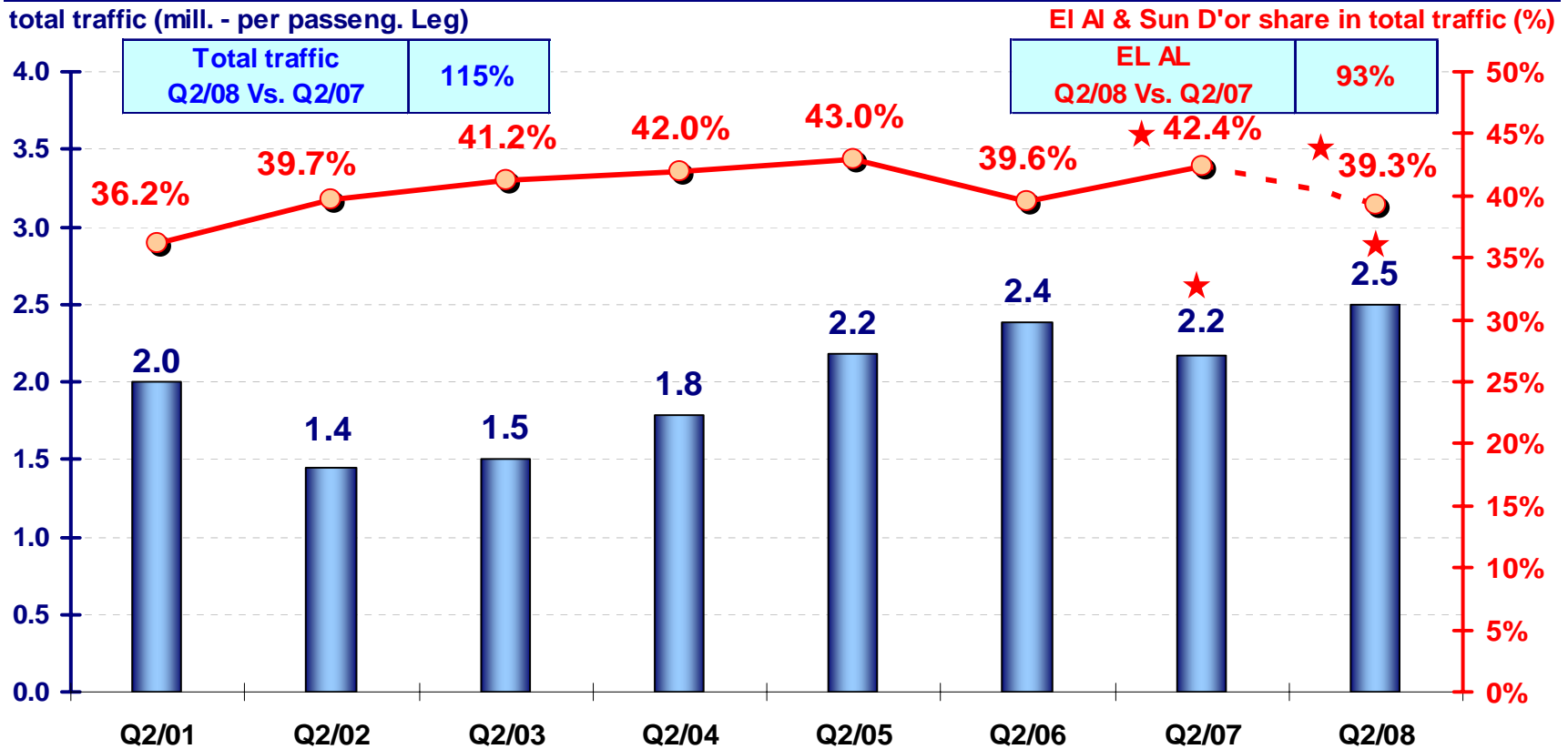
for quarter Q2 in years 2001-2008



Source of data: Commercial Planning

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

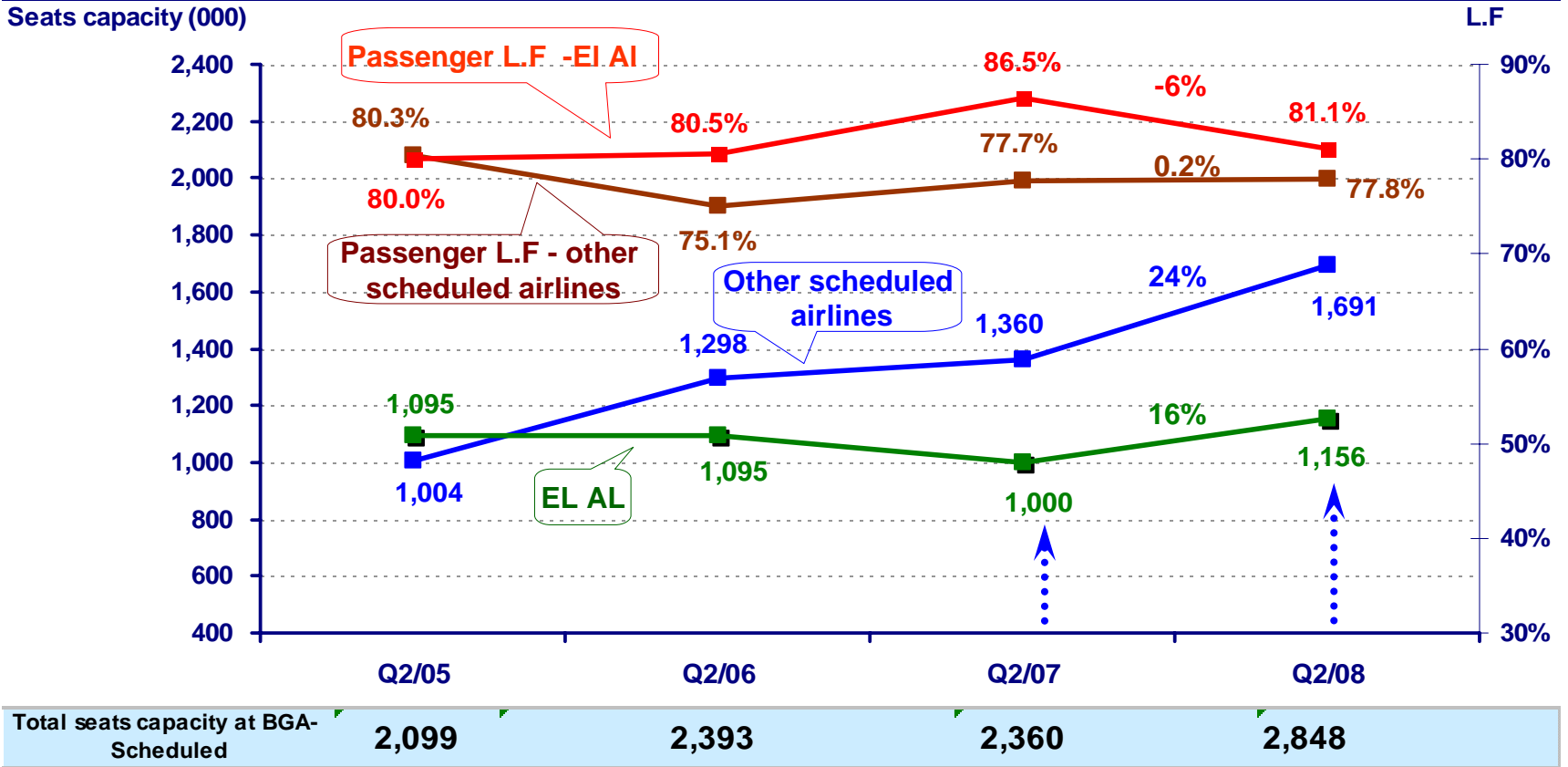
for quarter Q2 in years 2001-2008



Source of data: Commercial Planning

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

quarter Q2 in the years 2005-2008



Source of data: Commercial Planning

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

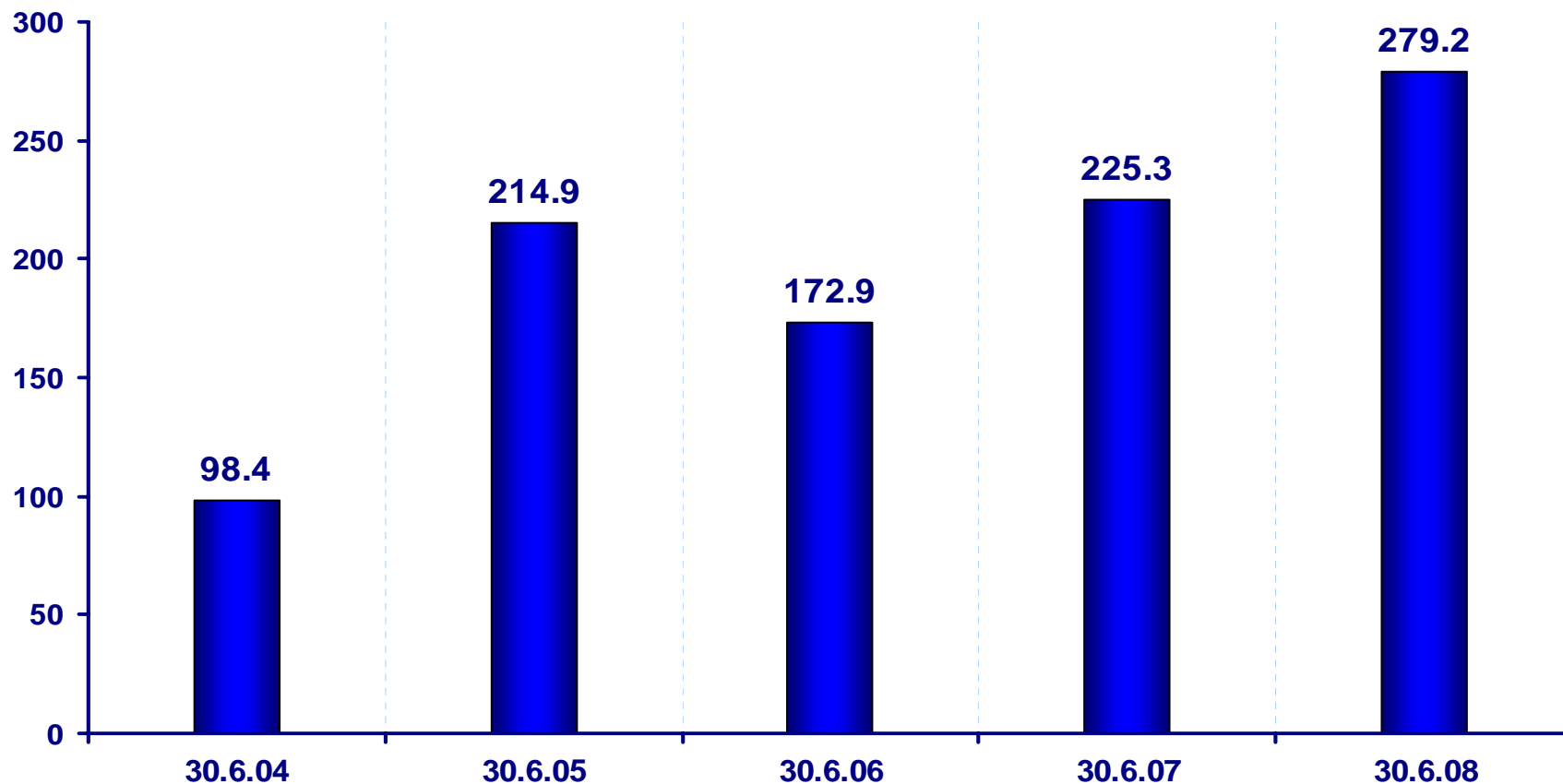
Consolidated Statements of Operations 1-6/08

(in millions USD)

	1-6/08		1-6/07		1-6/08 VS 1-6/07	
	\$	% of operating revenues	\$	% of operating revenues	difference	index (%)
Operating revenues	1,028.5	100%	841.4	100%	187.0	122%
Operating expenses	900.0	87.5%	681.6	81.0%	218.4	132%
Gross profit	128.5	12.5%	159.9	19.0%	(31.4)	80%
Selling expenses	116.6	11.3%	93.6	11.1%	23.0	125%
General and administrative expenses	51.1	5.0%	45.0	5.4%	6.1	113%
Operating Income (Loss) before other expenses	(39.1)	-3.8%	21.3	2.5%	(60.4)	
Other expenses (income),net	24.1	2.3%	(6.6)	-0.8%	30.7	
Operating income (loss)	(63.3)	-6.2%	27.9	3.3%	(91.1)	
Net financing expenses	9.6	0.9%	15.2	1.8%	(5.6)	63%
Income (Loss) before income tax	(72.9)	-7.1%	12.7	1.5%	(85.6)	
Income Tax (savings) expenses	(13.0)	-1.3%	3.3	0.4%	(16.4)	
Net Income (Loss) for the period	(59.8)	-5.8%	9.4	1.1%	(69.2)	

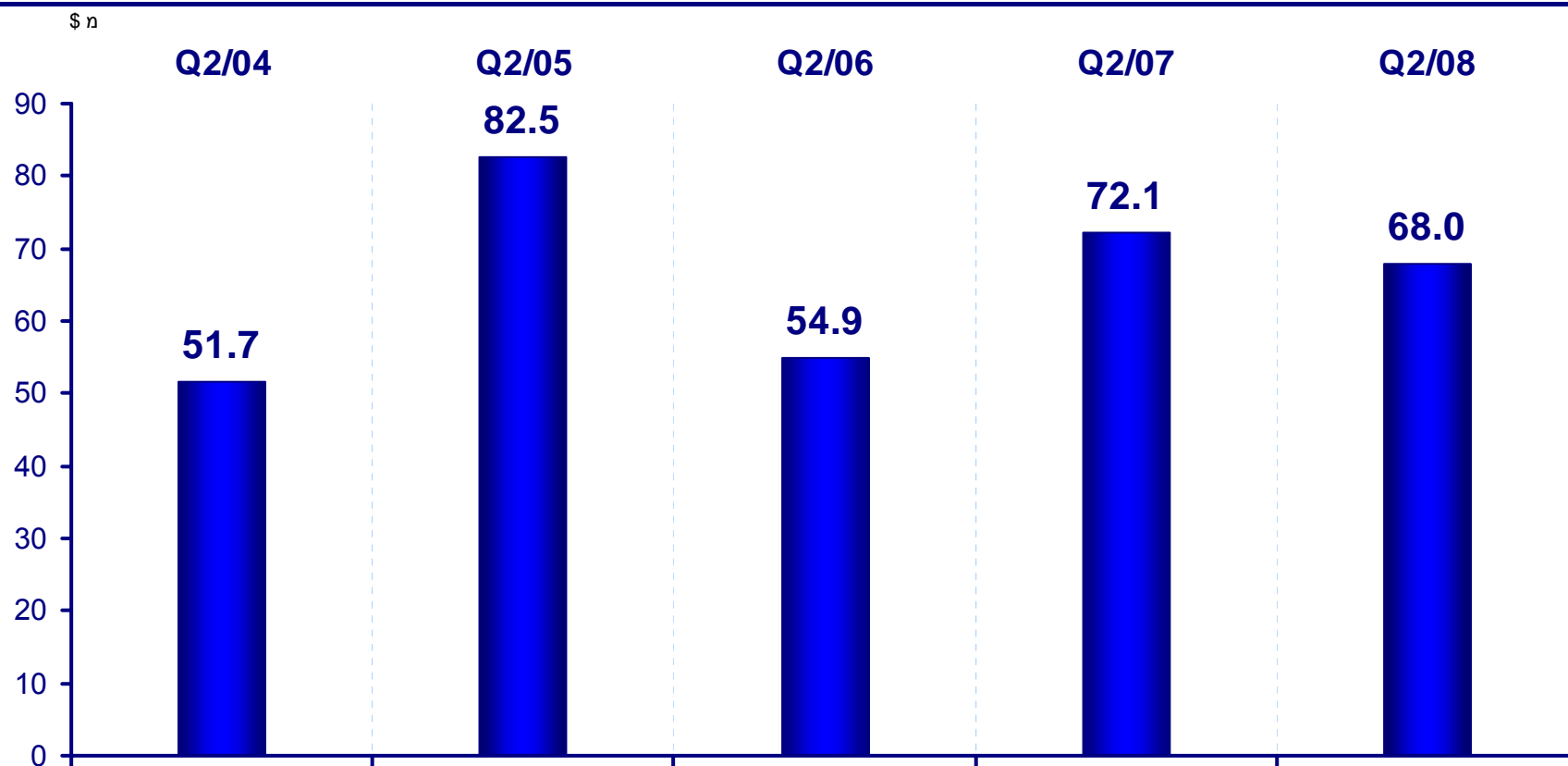
Cash balances, including deposits at June 30 for the years 2004-2008 (EI AI solo)

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Cash flows from operating activities for quarter Q2 in the years 2004-2008 (Consolidated)

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Years 2004-2006: Excluding adjustment for IFRS

Balance sheet 30/06/08

(in millions USD)

Assets			Liabilities		
	30/06/2008	31/12/2007		30/06/2008	31/12/2007
Current assets	648	500	Current liabilities	813	650
Non-current assets	1,324	1,304	Long-term liabilities	825	835
			Share holders' equity	334	319
Total	1,972	1,804	Total	1,972	1,804

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 kite is a simple diamond shape with a long tail. The woman's right arm is raised, and she appears to be looking up at the kite. The overall scene is bright and open, suggesting a sense of freedom and joy.

Thank you.