

EL AL

Israel Airlines Ltd.

2008



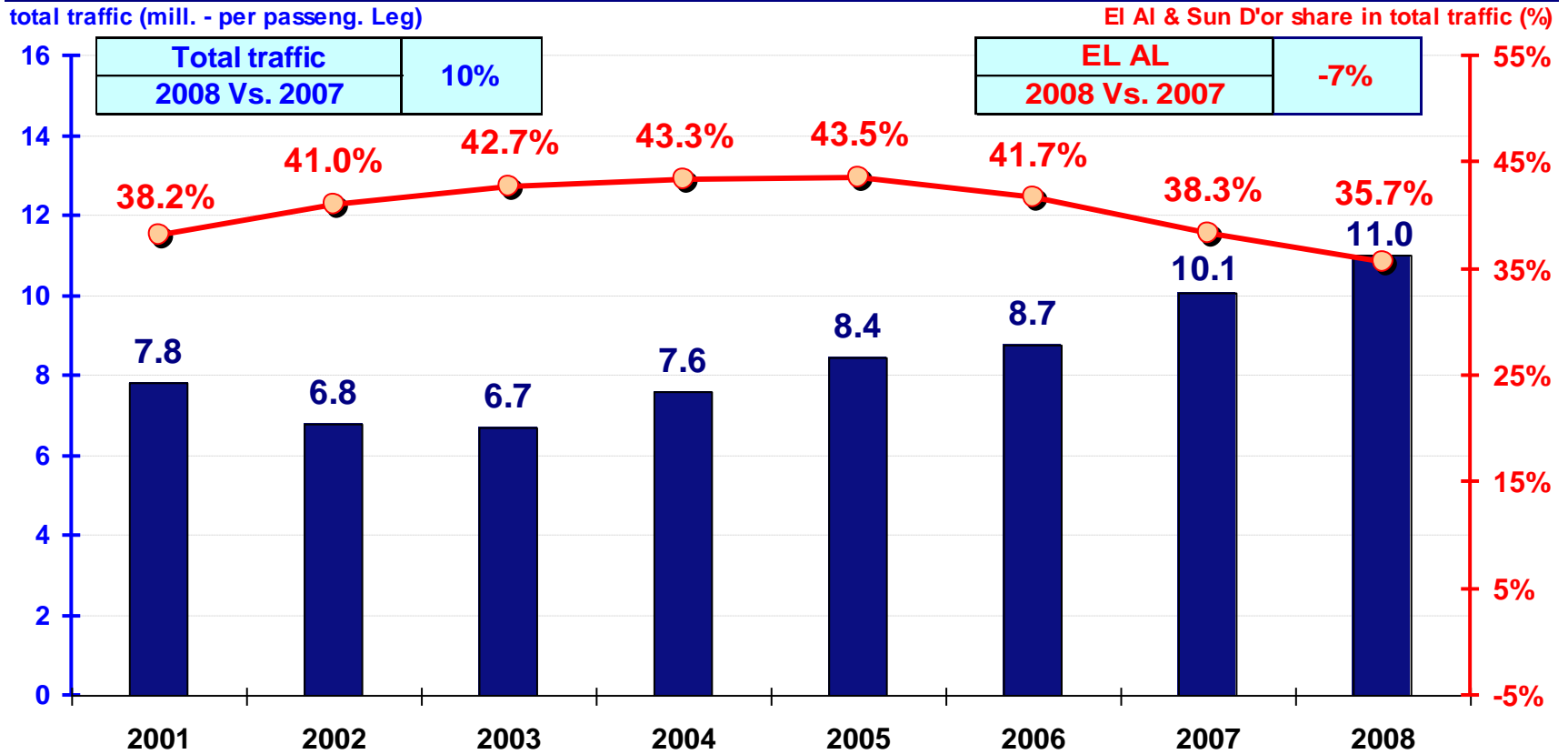
Consolidated Statements of Operations 2008

(in millions USD)

	2008		2007		2008 VS 2007	
	\$	% of operating revenues	\$	% of operating revenues	difference	%
Operating revenues	2,101.1	100%	1,932.5	100%	168.6	9%
Operating expenses	1,775.8	84.5%	1,517.7	78.5%	258.2	17%
Gross profit	325.2	15.5%	414.8	21.5%	(89.5)	-22%
Selling expenses	228.8	10.9%	230.9	11.9%	(2.1)	-1%
General and administr. Expenses	97.1	4.6%	91.6	4.7%	5.4	6%
Other expenses (income),net	1.0	0.0%	(2.4)	-0.1%	3.4	
Income (Loss) before income tax	(1.6)	-0.1%	94.7	4.9%	(96.3)	
Net financing expenses	44.6	2.1%	36.6	1.9%	8.0	22%
Income (Loss) before income tax	(46.2)	-2.2%	58.1	3.0%	(104.3)	
Income Tax (savings) expenses	(7.4)	-0.4%	13.3	0.7%	(20.7)	
Net Income (Loss) for the period	(38.8)	-1.8%	44.8	2.3%	(83.6)	

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

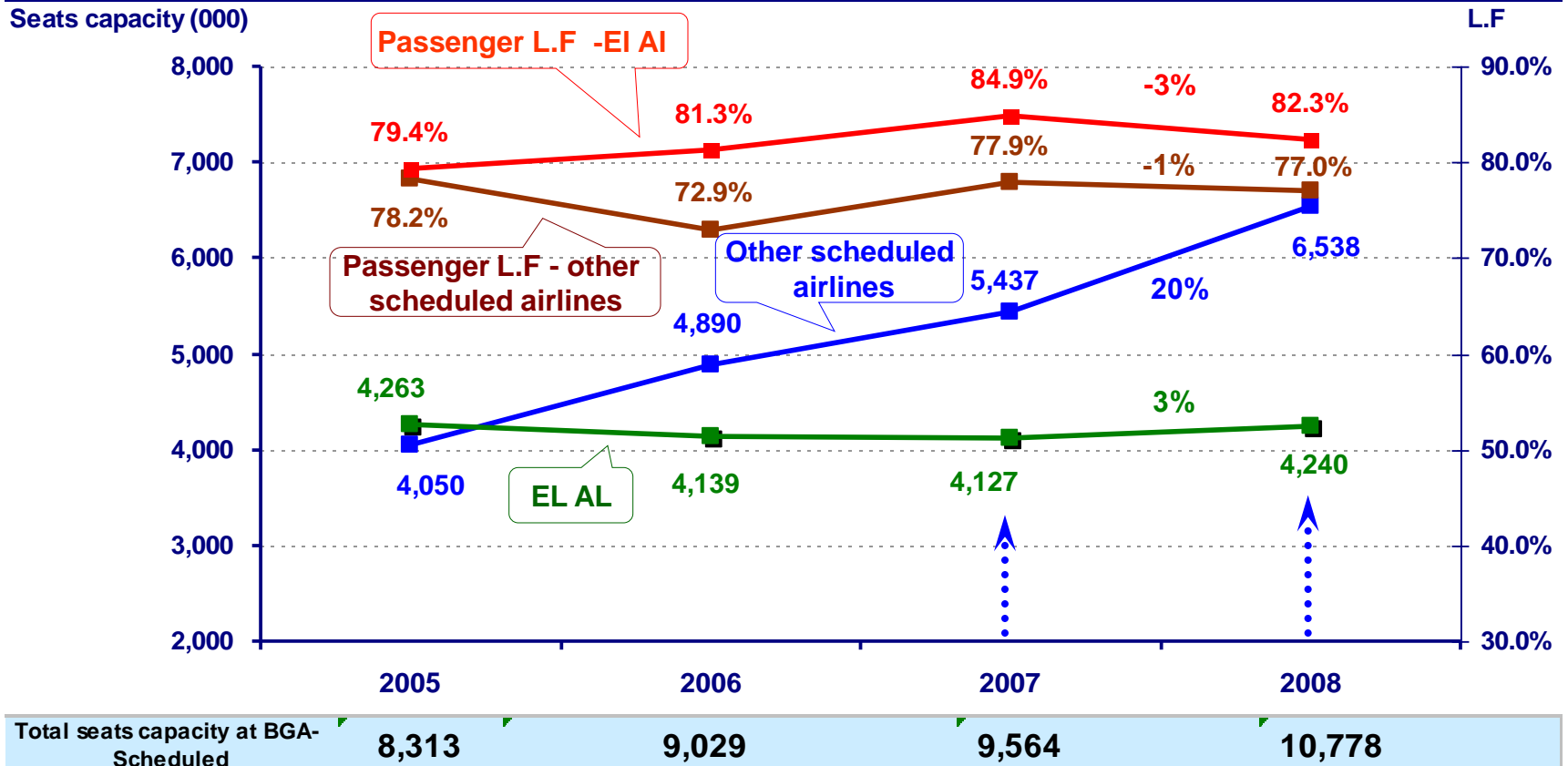
for period January-December in years 2001-2008



Source of data: Commercial Planning & Market Research

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

2005-2008

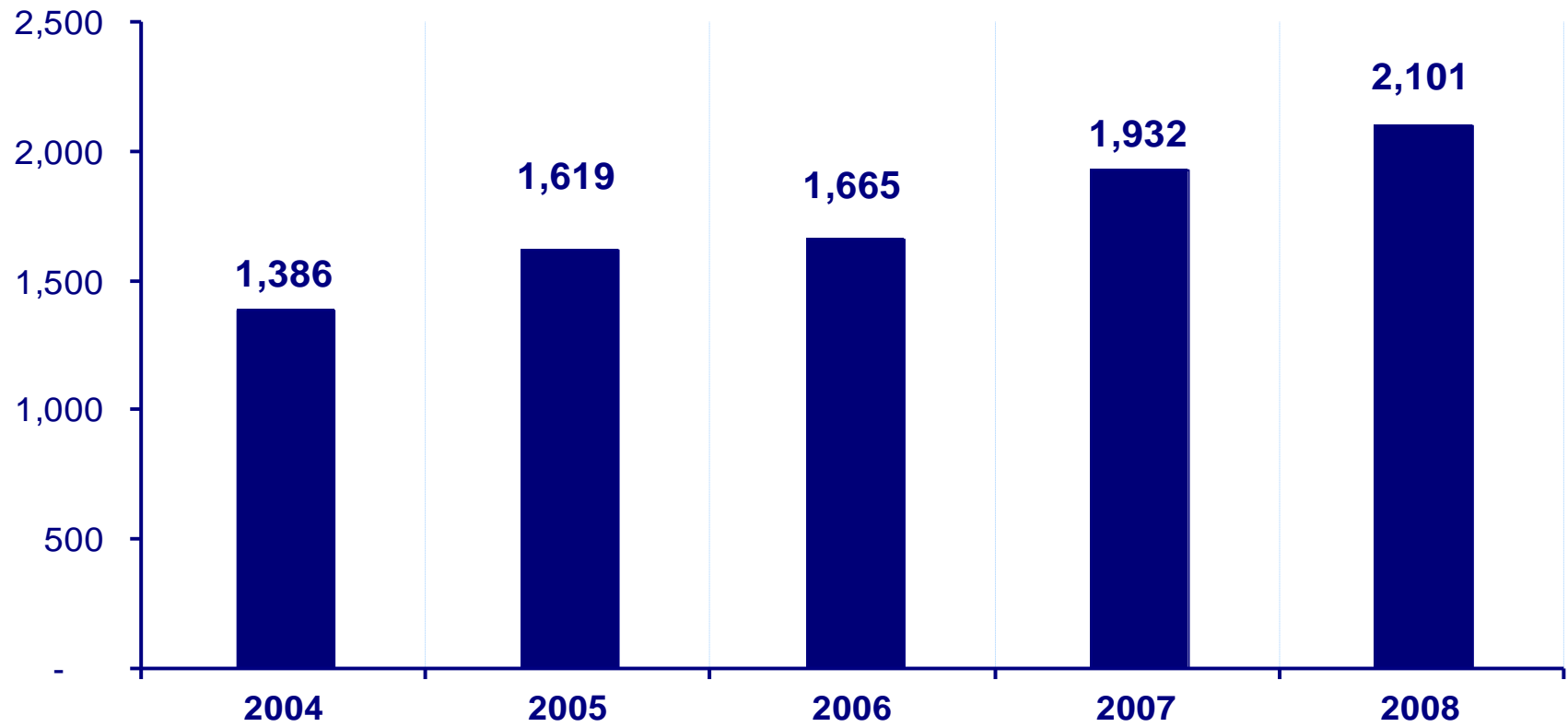


Source of data: Commercial Planning

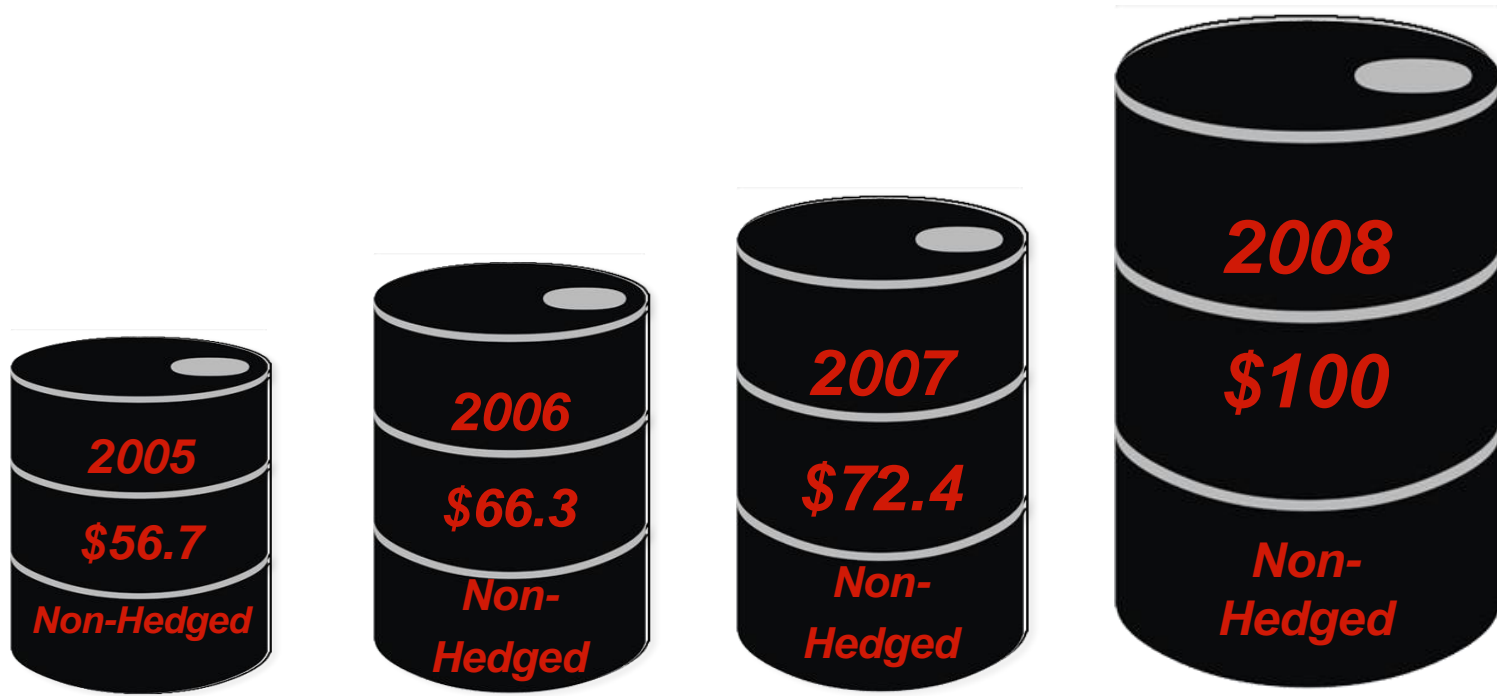
(*) LF of other scheduled airlines - Percentage of total passenger occupancy of available

Total income in the years 2004-2008

M'\$

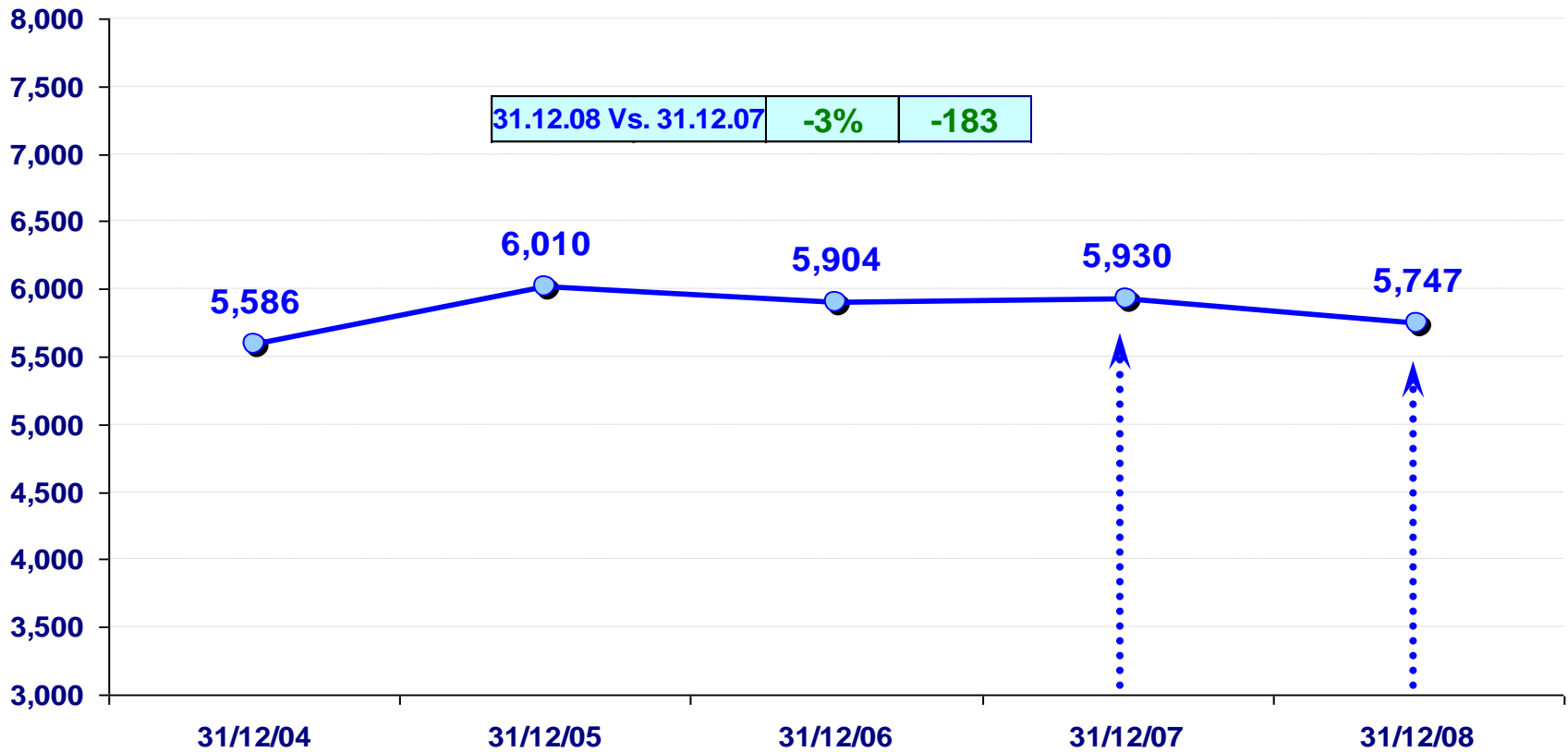


WTI Crude oil (\$ / bbl) in the years 2005-2008



Total employees (positions)

As of December 31 in the years 2004-2008



Source data: Human Resources

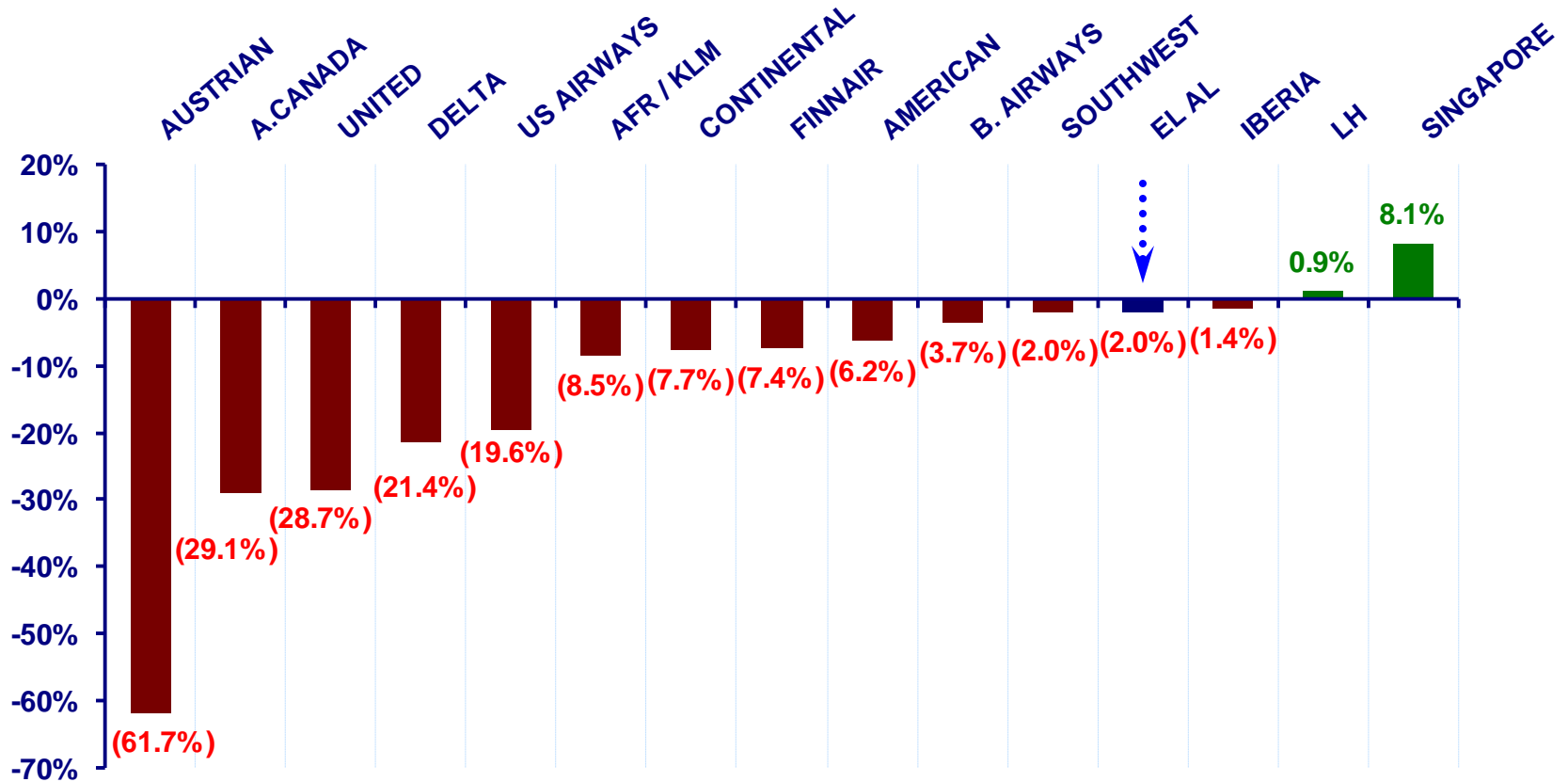
Consolidated Statements of Operations Q4/08

(in millions USD)

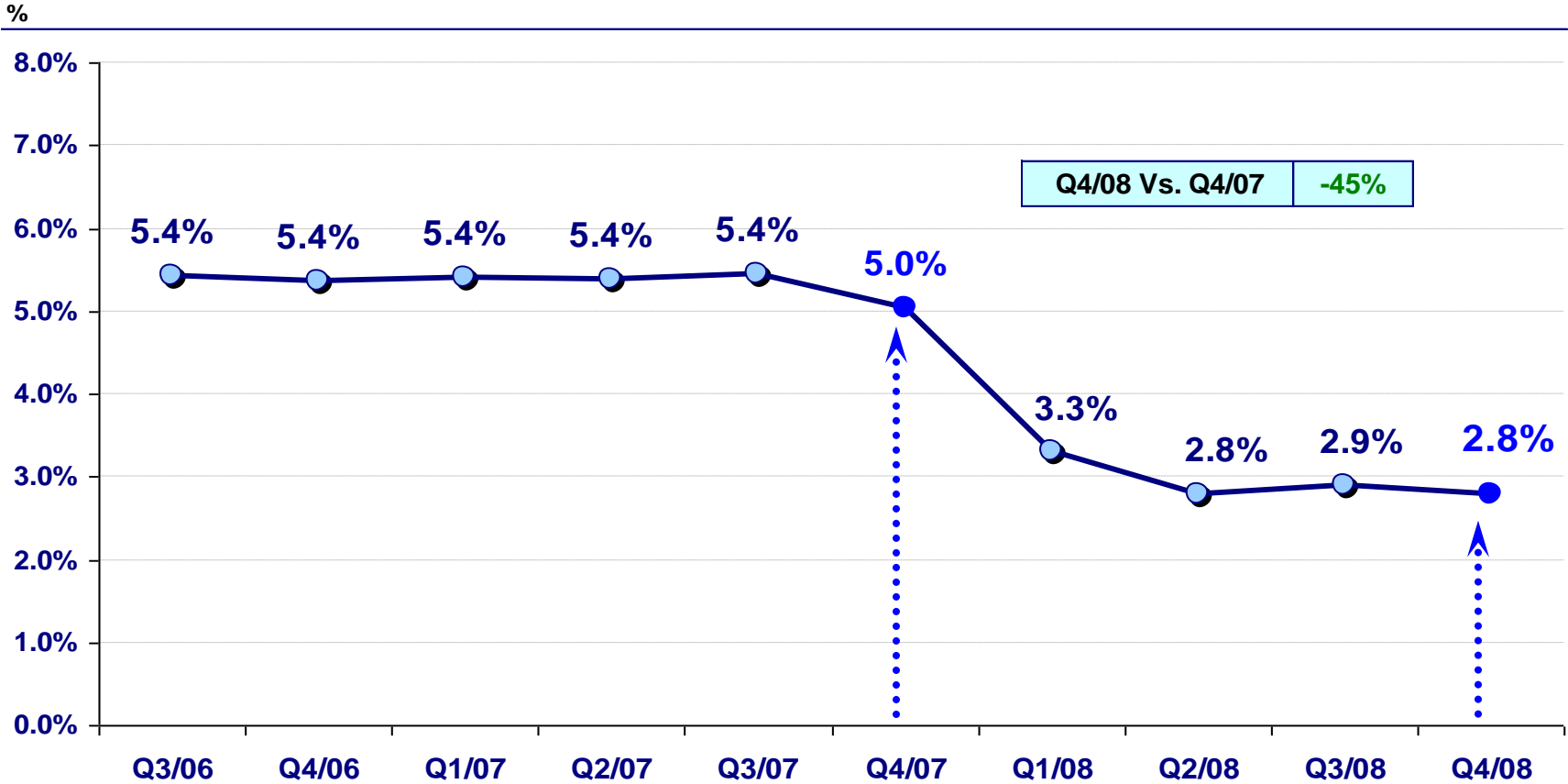
	Q4/08		Q4/07		Q4/08 vs. Q4/07	
	\$	% of operating revenues	\$	% of operating revenues	difference	%
Operating revenues	465.3	100%	524.3	100%	(59.0)	-11%
Operating expenses	402.0	86.4%	421.2	80.3%	(19.2)	-5%
Gross profit	63.3	13.6%	103.0	19.7%	(39.7)	-39%
Selling expenses	48.4	10.4%	71.3	13.6%	(23.0)	-32%
General and administr. Expenses	21.4	4.6%	24.9	4.8%	(3.5)	-14%
Other expenses (income),net	(17.7)	-3.8%	1.8	0.3%	(19.5)	
Operating income	11.2	2.4%	5.0	1.0%	6.2	123%
Net financing expenses	24.9	5.4%	10.1	1.9%	14.9	147%
Loss before income tax	(13.7)	-2.9%	(5.0)	-1.0%	(8.7)	172%
Income Tax (savings) expenses	(4.3)	-0.9%	0.3	0.1%	(4.6)	
Loss for the period	(9.4)	-2.0%	(5.3)	-1.0%	(4.1)	78%

Net income percentage - compared to other airlines

Q4/08

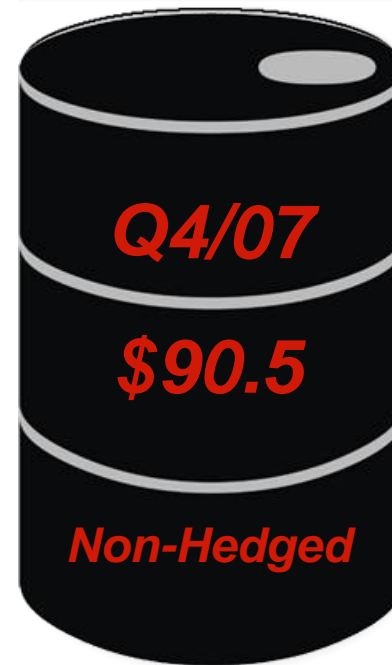
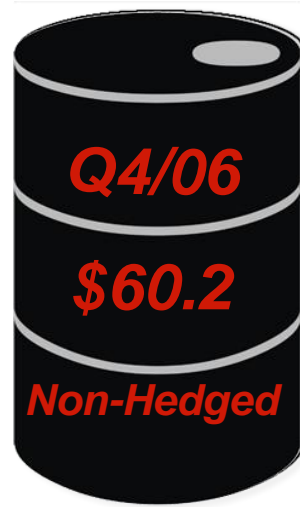


Libor rates during Q3/06 - Q4/08



Source of data: Telerate

WTI Crude oil (\$ / bbl) for Q4 in the years 2005-2008



Losses on fuel hedges Q4/08 (M'\$)

	S.WEST	JET BLUE	DELTA	EL AL	U.S AIRWAYS	UNITED
Cash gains (losses) on fuel hedges	+32	(58)	(507)	(36)	(202)	(370)
Non-cash, mark-to-market losses	(117)		(91)	(31)	(234)	(566)
Total losses on fuel hedges	(85)	(58)	(598)	(67)	(436)	(936)
% of operating revenues	(3%)	(7%)	(9%)	(14%)	(16%)	(21%)

Losses on fuel hedges Q4/08 (M' \$)

	S.WEST	JET BLUE	DELTA	EI AL	U.S AIRWAYS	UNITED
Cash gains (losses) on fuel hedges	+32	(58)	(507)	(36)	(202)	(370)
% of operating revenues	1%	(7%)	(8%)	(7%)	(7%)	(8%)

EBITDA - for Q4 in the years 2004-2008

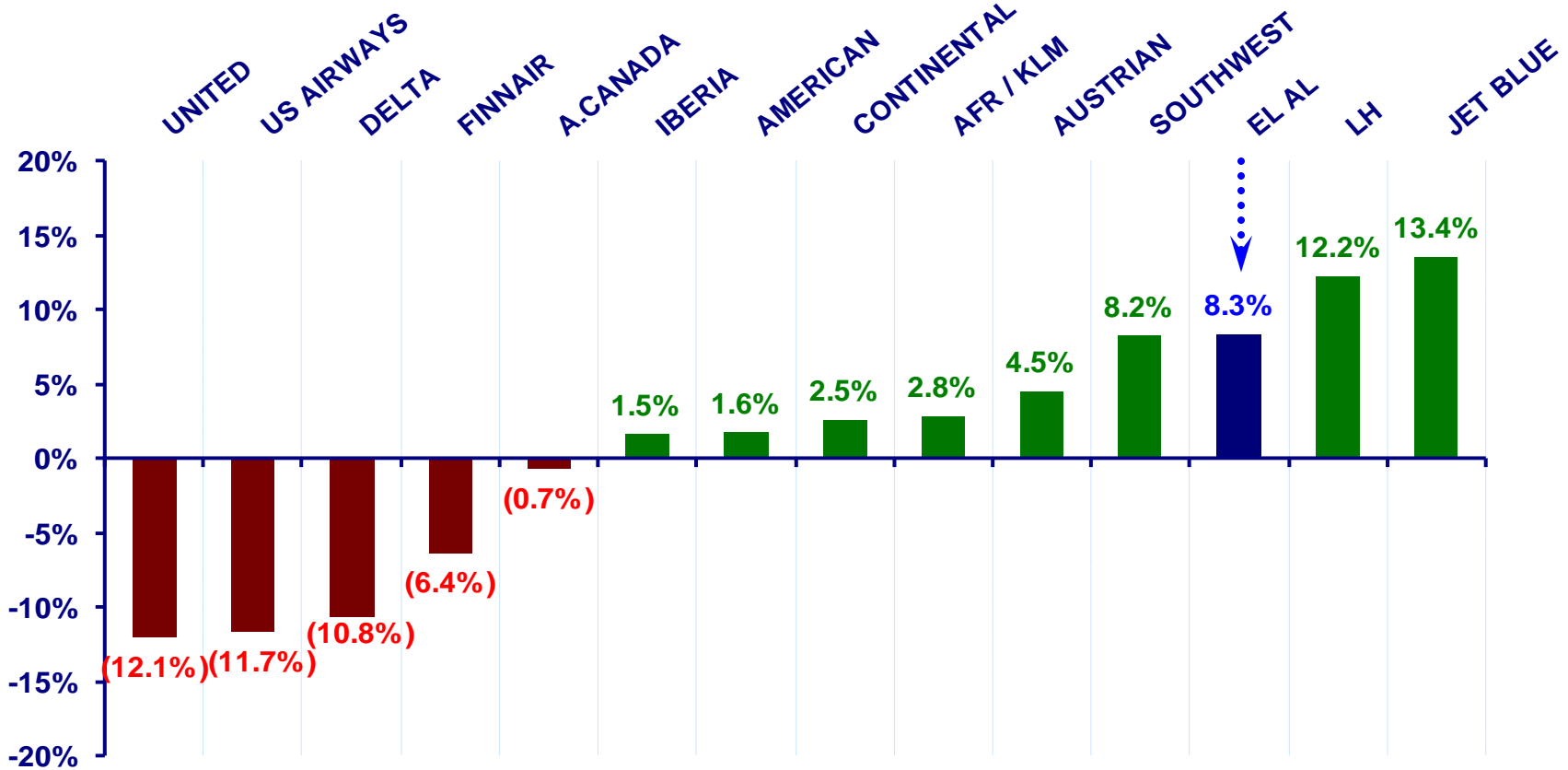
M' \$

	2008	2007	2006	2005	2004
Operating revenues	465.3	524.3	416.7	392.2	345.9
EBIDTA	38.7	30.8	18.6	30.5	-0.2
% of operating revenues	8.3%	5.9%	4.5%	7.8%	-0.1%

Years 2004-6: Excluding adjustment for IFRS Years 2004-5: Excluding adjustment for accounting standard no. 27 (fixed assets)

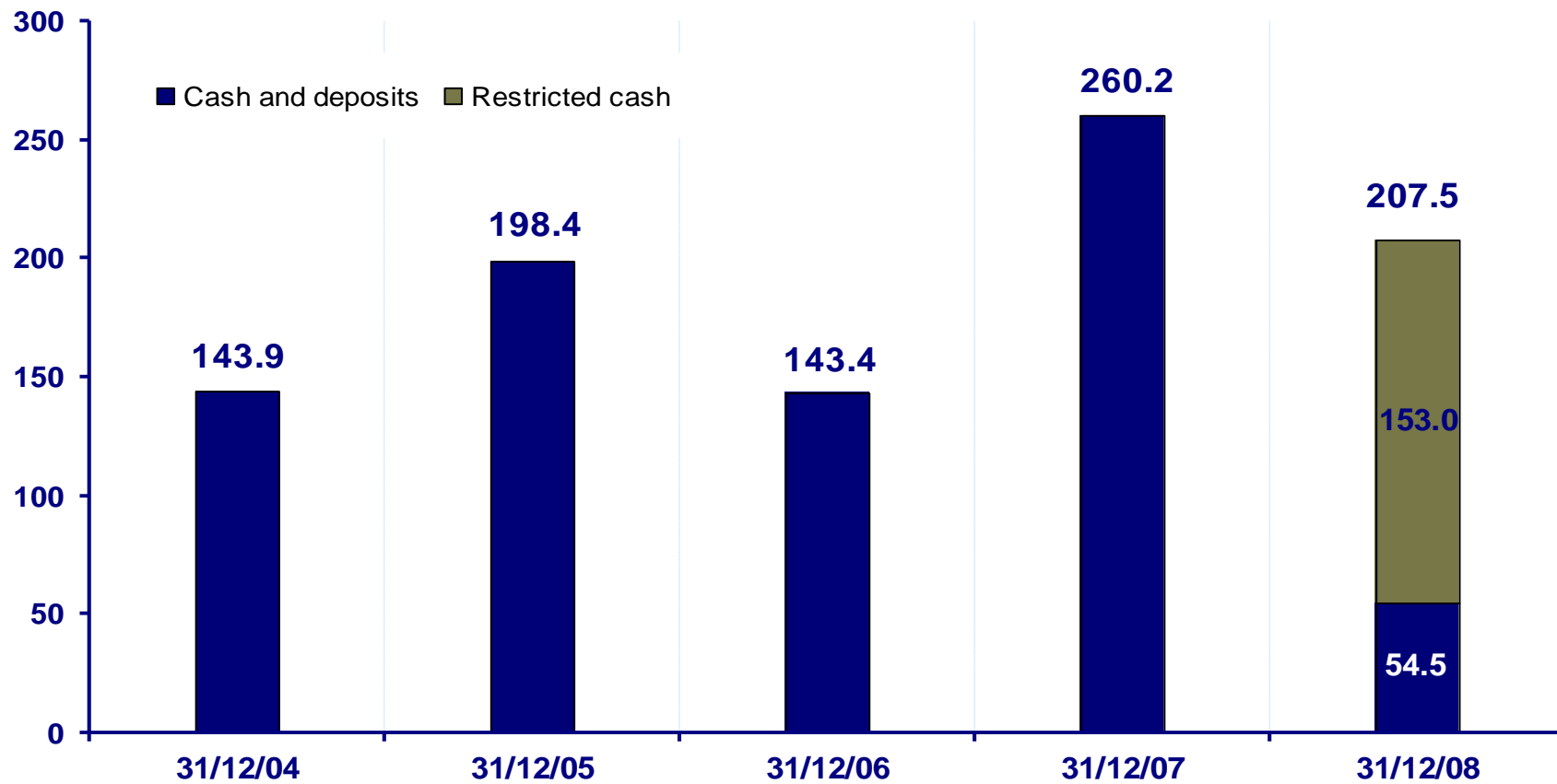
EBITDA percentage - compared to other airlines

Q4/08



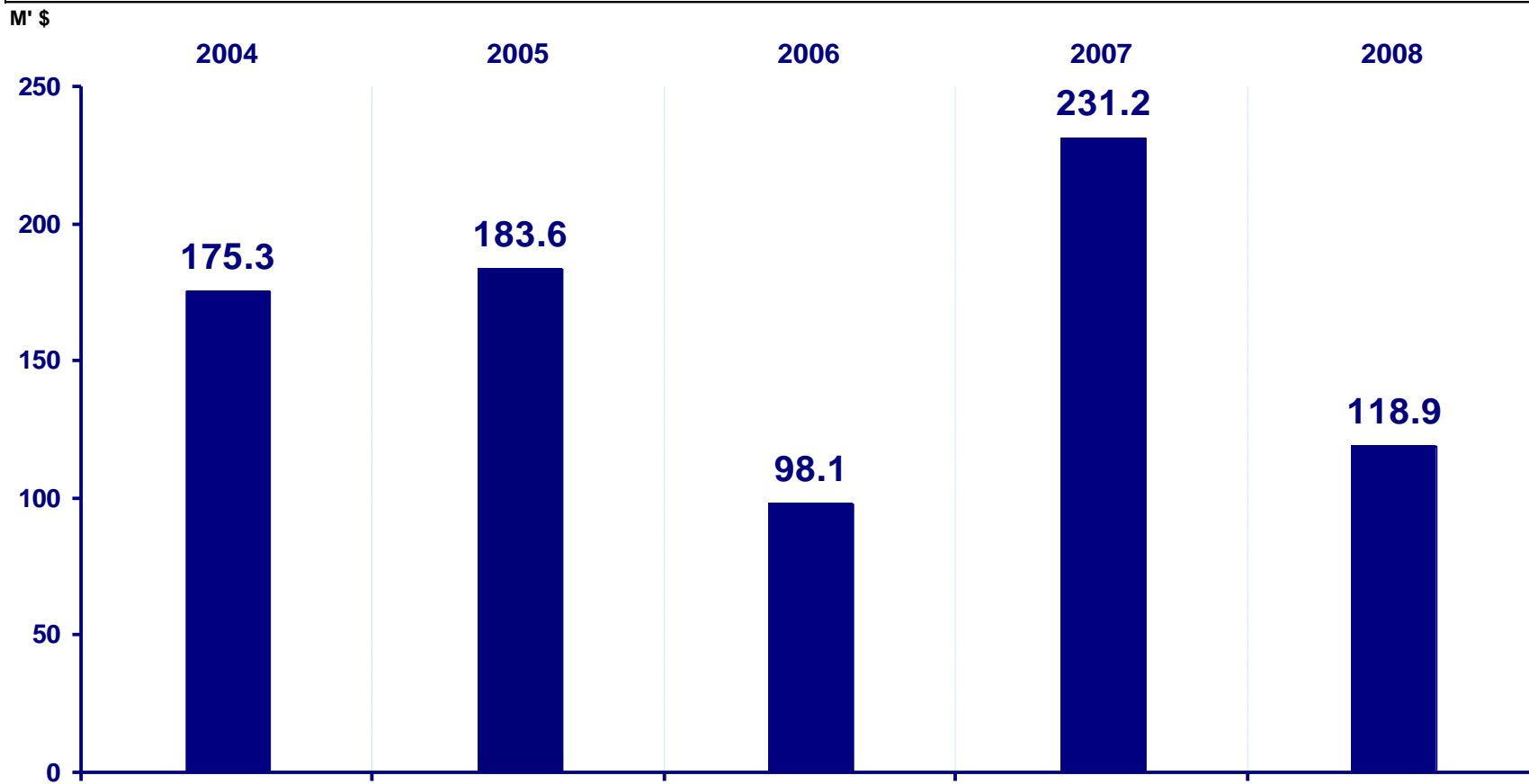
Cash balances, including deposits at December 31 for the years 2004-2008 (EI Al solo)

(in millions USD)



Cash flows from operating activities for Jan. - Dec. in the years 2004-2008 (Consolidated)

(in millions USD)



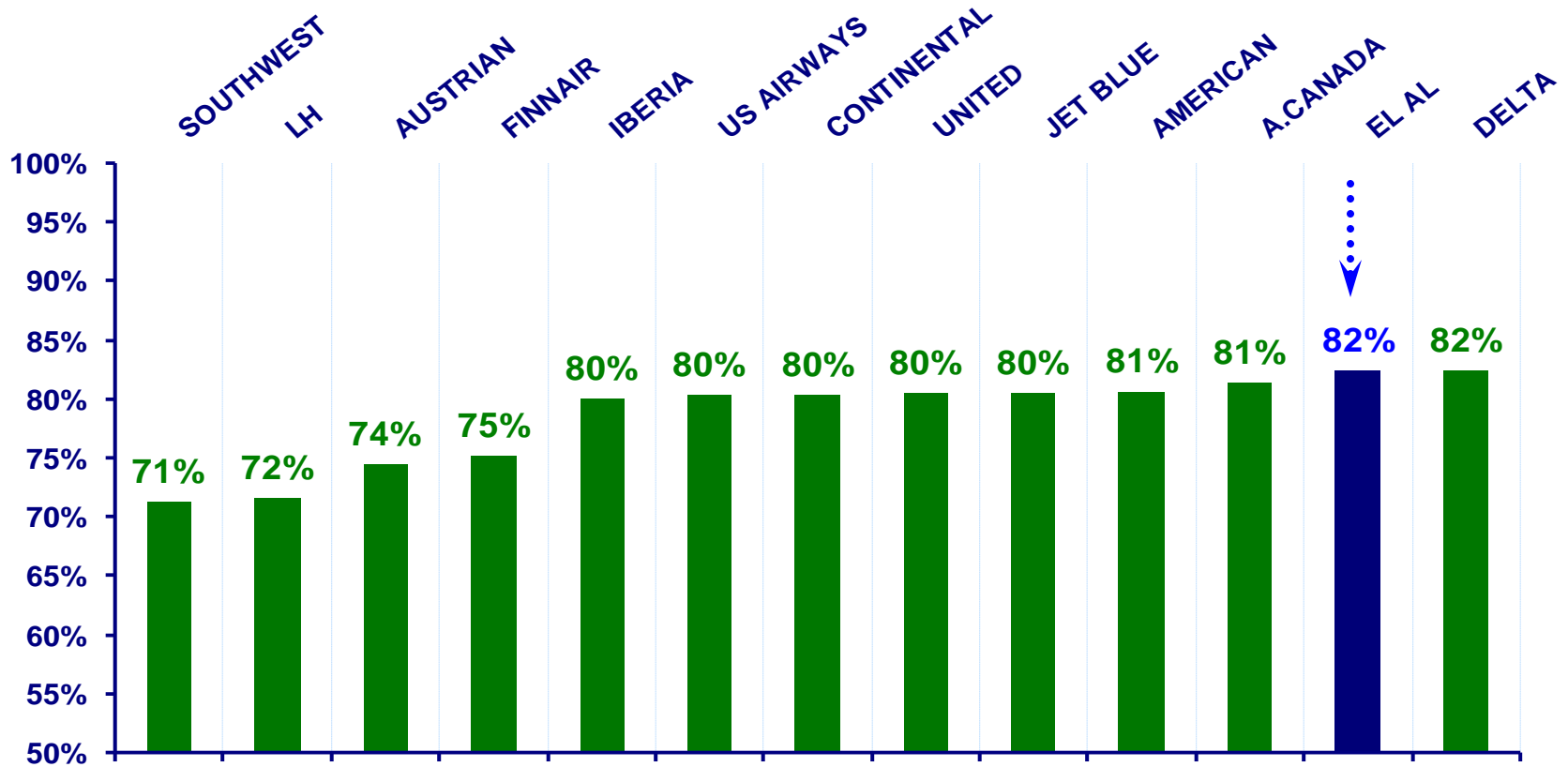
Balance sheet 31/12/08

(in millions USD)

Assets			Liabilities		
	31/12/2008	31/12/2007		31/12/2008	31/12/2007
Current assets	372	500	Current liabilities	707	650
Non-current assets	1,366	1,338	Long-term liabilities	870	869
			Share holders' equity	161	319
Total	1,738	1,838	Total	1,738	1,838

Load Factor - compared to other airlines

2008



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 tail.

Thank you.