

## Major losses for Iberia prompt job cuts

LONDON - The International Airlines Group on Friday said it suffered a loss of €251-million (\$306-million) in the six months to June 30, compared with a net profit of €88-million euros in the first half of 2011 after soaring fuel prices sent profits crashing.

It says it plans to cut jobs at its Spanish unit Iberia, and warned that it was now expecting "a small operating loss in 2012" mainly as a result of Spain's weak economic performance. Earlier this year it forecast that it would break even.

IAG, which also owns British Airways, says that the British airline made an operating profit but Iberia's deep and structural problems mean that changes will have to be made according to IAG's chief executive Willie Walsh.

"We are currently working on a restructuring plan for Iberia which we anticipate will be finalised by the end of September" he said.

IAG said while BA made an operating profit of €13-million euros in the first half, Iberia suffered a loss of €263-million. Fuel charges soared for the company 25 percent in the reporting period compared with a year earlier.

Source: *AFP* via I-Net Bridge.

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