INTERNATIONAL AIRLINES GROUP

APRIL 2013 - GROUP TRAFFIC AND CAPACITY STATISTICS

- In April 2013, Group traffic measured in Revenue Passenger Kilometres decreased by 5.6 per cent versus April 2012; Group capacity measured in Available Seat Kilometres was down 2.9 per cent.
- Group premium traffic for the month of April increased by 1.8 per cent compared to the previous year. Non-premium traffic decreased by 6.9 per cent.
- Traffic and load factor were affected by Easter and a Group policy to improve unit revenues through yield, rather than load. To look through the Easter effect, it is necessary to aggregate March and April. In doing so, load factor reduction was 0.6 points, premium traffic increased by 0.6 per cent and non-premium traffic decreased by 3.2 per cent.
- Underlying market conditions remain unchanged from those described at the publication of Quarter Four results on 28th February.

May 8th, 2013

STRATEGIC DEVELOPMENTS

On April 23, IAG announced that Vueling will become part of the group, after the majority of its shareholders accepted IAG’s cash tender offer for the airline, following recommendation by the Vueling board. IAG group owns 90.51 per cent of Vueling which is a standalone company within IAG with its chief executive Alex Cruz reporting into IAG chief executive Willie Walsh. The acquisition was completed on April 26, 2013.

On April 22, IAG announced that it has placed firm orders for 18 Airbus A350-1000, plus 18 options for British Airways. These are in addition to 18 Boeing 787 options which IAG announced previously that it plans to convert into firm orders. The A350 and Boeing 787 firm orders will be used to replace 30 Boeing 747-400 aircraft between 2017 and 2023. For Iberia, IAG reached agreement with Airbus as well as Boeing to secure commercial terms and delivery slots that could lead to firm orders for A350s and/or Boeing 787s. Firm orders will only be made when the airline is in a position to grow profitably, having restructured and reduced its cost base.

On April 30, the UK Civil Aviation Authority (CAA) published its initial proposals on airport charges at London airports for five years from 2014. The CAA has proposed Heathrow charges at inflation minus 1.3 per cent level. At Gatwick, it has set out a cap at inflation plus 1 per cent. In response, Willie Walsh, chief executive of IAG, said that “Heathrow is over-priced, over-rewarded and inefficient and these proposals, which will result in an increase in prices, fail to address this situation”. He added that Heathrow “is now the most expensive hub airport in the world”. The CAA will make its final proposals in September 2013 with a decision on the licence conditions made in January 2014.

Group Performance

	Month of April			Year to Date		
	2013	2012*	Change	2013	2012	Change
Passengers Carried ('000s)	**4,371**	**4,483**	**-2.5%**	**16,143**	**15,866**	**1.7%**
Domestic (UK & Spain)	842	933	-9.8%	3,186	3,277	-2.8%
Europe	1,994	1,933	3.2%	7,049	6,603	6.8%
North America	729	733	-0.5%	2,468	2,476	-0.3%
Latin America & Caribbean	313	375	-16.5%	1,396	1,553	-10.1%
Africa, Middle East & S.Asia	360	374	-3.7%	1,534	1,467	4.6%
Asia Pacific	133	135	-1.5%	510	490	4.1%
Revenue Passenger Km (millions)	**13,805**	**14,621**	**-5.6%**	**52,780**	**53,778**	**-1.9%**
Domestic (UK & Spain)	508	603	-15.8%	1,921	2,085	-7.9%
Europe	2,355	2,385	-1.3%	8,119	7,911	2.6%
North America	4,920	4,942	-0.4%	16,731	16,802	-0.4%
Latin America & Caribbean	2,638	3,116	-15.3%	11,658	12,982	-10.2%
Africa, Middle East & S.Asia	2,061	2,214	-6.9%	9,222	9,020	2.2%
Asia Pacific	1,323	1,361	-2.8%	5,129	4,978	3.0%
Available Seat Km (millions)	**17,431**	**17,951**	**-2.9%**	**67,790**	**69,398**	**-2.3%**
Domestic (UK & Spain)	738	789	-6.5%	2,909	2,844	2.3%
Europe	3,059	3,119	-1.9%	11,205	11,326	-1.1%
North America	5,935	5,839	1.6%	20,950	21,476	-2.4%
Latin America & Caribbean	3,276	3,701	-11.5%	14,110	15,407	-8.4%
Africa, Middle East & S.Asia	2,734	2,820	-3.0%	12,093	11,993	0.8%
Asia Pacific	1,689	1,683	0.4%	6,523	6,352	2.7%
Passenger Load Factor (%)	**79.2**	**81.4**	**-2.2 pts**	**77.9**	**77.5**	**+0.4 pts**
Domestic (UK & Spain)	68.8	76.4	-7.6 pts	66.0	73.3	-7.3 pts
Europe	77.0	76.5	+0.5 pts	72.5	69.8	+2.7 pts
North America	82.9	84.6	-1.7 pts	79.9	78.2	+1.7 pts
Latin America & Caribbean	80.5	84.2	-3.7 pts	82.6	84.3	-1.7 pts
Africa, Middle East & S.Asia	75.4	78.5	-3.1 pts	76.3	75.2	+1.1 pts
Asia Pacific	78.3	80.9	-2.6 pts	78.6	78.4	+0.2 pts
Cargo and Total Capacity (millions)						
Cargo Tonne Km	468	503	-7.0%	1,832	1,985	-7.7%
Total Revenue Tonne Km	1,783	1,880	-5.2%	6,898	7,098	-2.8%
Available Tonne Km	2,470	2,533	-2.5%	9,684	9,875	-1.9%
Overall Load Factor	72.2	74.2	-2.0 pts	71.2	71.9	-0.7 pts

Performance by Airline

	Month of April			Year to Date		
IBERIA	2013	2012	Change	2013	2012	Change
Revenue Passenger Km (millions)	3,254	4,031	-19.3%	12,928	15,438	-16.3%
Available Seat Km (millions)	4,206	4,837	-13.0%	16,668	19,029	-12.4%
Cargo Tonne Km (millions)	90	96	-6.3%	332	406	-18.2%
BRITISH AIRWAYS *						
Revenue Passenger Km (millions)	10,551	10,589	-0.4%	39,853	38,340	3.9%
Available Seat Km (millions)	13,225	13,116	0.8%	51,122	50,372	1.5%
Cargo Tonne Km (millions)	378	407	-7.1%	1,500	1,579	-5.0%

* British Airways figures for 2012 include 10 days of bmi