IAG results presentation

Full Year 2018

28 February 2019

INTERNATIONAL AIRLINES GROUP

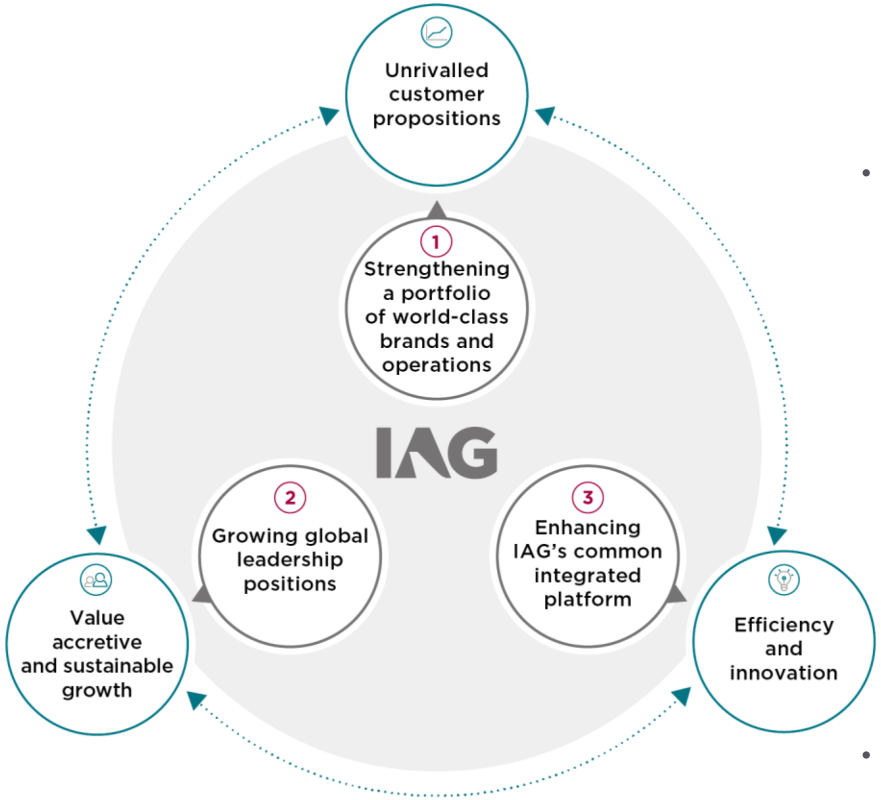
2018 Highlights

Willie Walsh, Chief Executive Officer

INTERNATIONAL AIRLINES GROUP

Effective progress against strategic objectives

FY 2018 strategic highlights



- **Strengthen portfolio of world-class brands and operations**
  - LEVEL expansion at Barcelona and roll-out to Paris and Vienna
  - Further customer proposition enhancements at British Airways and Iberia
  - British Airways and Iberia Basic Economy fares introduced on long-haul routes
  - Improved NPS at British Airways but decline at Vueling due to challenging ATC environment

- **Grow global leadership positions**
  - Passenger unit revenue at constant currency growth of 2.4% on 6.1% capacity growth
  - 8% capacity growth on North Atlantic, including new routes launched:
    - Aer Lingus: Dublin to Philadelphia and Seattle
    - British Airways: Heathrow to Nashville, Gatwick to Las Vegas and Toronto
    - Iberia: Madrid to San Francisco
    - LEVEL: Barcelona to Boston, Paris to Montreal and Newark
  - c.9% growth on Latin American routes by BA, Iberia and LEVEL
  - c.7% growth on intra-Europe routes, mostly Spain and including new route Dublin to London City for Aer Lingus
  - 12% growth at Gatwick, facilitated by Monarch acquired slots
  - Cut Vueling's growth from 13.0% to 8.9% due to ATC disruption

- **Enhance IAG's common integrated platforms**
  - Non-fuel unit cost at constant currency down 0.8% in 2018 – 11.1% down since IAG formation in 2011
  - 25 new generation aircraft deliveries: 18 A320/A321 NEOs, 2 A350s and 5 B787s
  - NDC/API distribution steadily growing and already at 17% of total indirect sales across the group
  - UK Avios and BA Executive Club programmes merged
  - Further digital transformation initiatives (e.g. 3rd Hangar 51 programme, Wi-Fi)

Continued strong financial performance

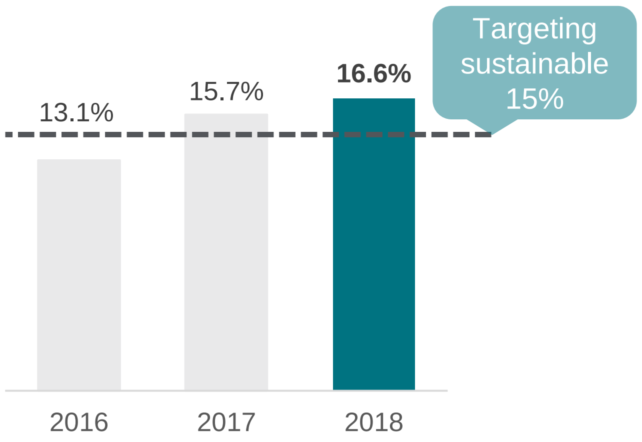
FY 2018 financial highlights and FY 2019 guidance

- Another strong performance with an operating profit of €3,230m (13.2% margin, +0.2 pts), 9.5% higher than €2,950m in 2017
  - Better underlying results at all operating companies
  - Start-up costs at LEVEL Paris and Vienna and higher disruption costs, especially at Vueling
  - Adjusted EPS (pre-exceptional) growth of +15.1%, ahead of our target
  - Total dividend per share of 31 € cents, +14.8% vs. 27 € cents for 2017
- Strong operating result driven by positive unit revenue and unit cost ex-fuel trends
  - Continuation of positive trends in unit passenger revenue of 2.4% at constant currency
  - Non-fuel unit costs at constant currency continue to reduce (-0.8%) in 2018, in line with our target
  - Fuel cost headwind of €673m (+14.6% on +6.1% ASK increase)
- RoIC increased to 16.6% from 15.7% in FY 2017, significantly ahead of target of 15%
- In 2018, IAG completed our second share buyback for an amount of €500m in respect of 2017. In addition, we will be returning more than €1.3bn in respect of 2018, around €260m higher than in 2017; €615m through ordinary dividends and approximately €700m through a special dividend
- Balance sheet strength endorsed by investment grade ratings from S&P Global (BBB- Stable) and Moody's (Baa3 Stable)
- On January 24 we announced we will not proceed to make an offer for Norwegian Air Shuttle ASA. IAG's 3.93% shareholding has been sold
- Guidance for FY 2019: At current fuel prices and exchange rates, IAG expects its 2019 operating profit before exceptional items and impacts of IFRS16 to be in line with €3,230m reported in 2018. Passenger unit revenue is expected to improve at constant currency and non-fuel unit cost is expected to be flat at constant currency

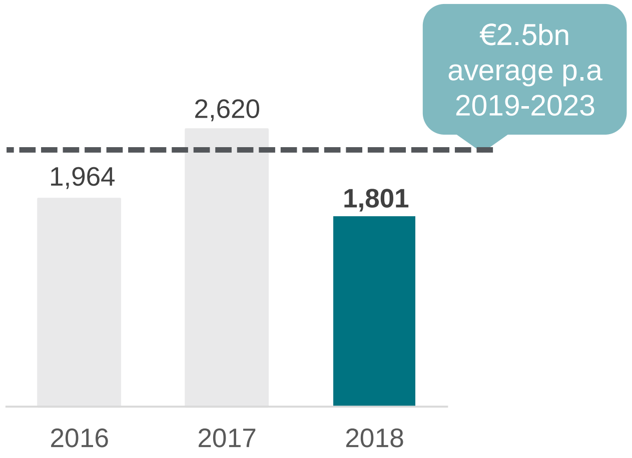
Delivering on our financial targets

FY 2018 financial highlights

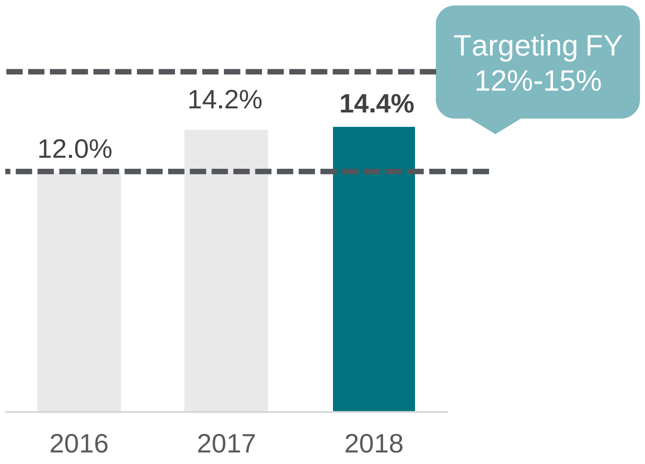
RoIC
(%)



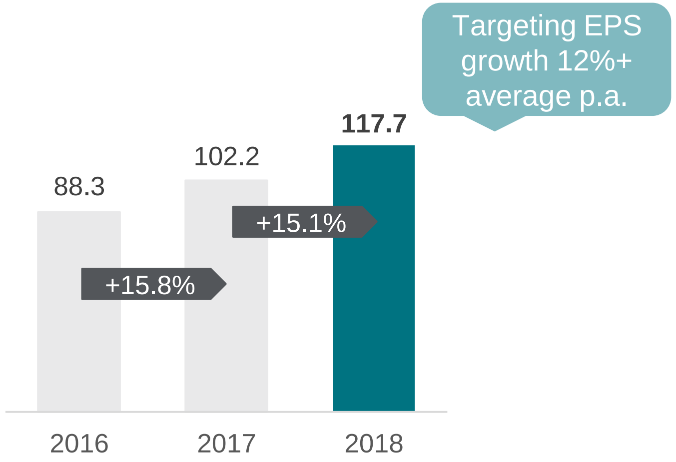
Equity free cash flow
(€m)



Lease adjusted margin
(%)



Adjusted EPS
(€ cents)



2017 and 2016 figures have been restated for IFRS 15 and IFRS 9

Financial results

Enrique Dupuy, Chief Financial Officer

INTERNATIONAL AIRLINES GROUP

9.5% growth in full year operating profit, despite fuel and FX headwinds

FY 2018 financial summary

OPERATING PROFIT	TOTAL UNIT REVENUE	PAX UNIT REVENUE
€3,230m (reported before exceptional)	+2.9% (constant currency)	**+2.4%** (constant currency)
+€409m (constant currency change)	+0.6% (reported) (€183m translation drag) (€389m transaction headwind)	+0.1% (reported)
+€280m (reported change)		

TRAFFIC/CAPACITY	TOTAL UNIT COST	NON-FUEL UNIT COST
ASKs: +6.1% (reported)	+2.3% (constant currency)	-0.8% (constant currency)
RPKs: +7.1% (reported)	+0.2% (reported) (€163m translation benefit) (€280m transaction tailwind)	**-2.5%** (constant FX, net of other revenue gain)
		-2.2% (reported)

'Translation' = drag/benefit from translation of British Airways and Avios financial results from GBP into EUR; 'Transaction' = FX headwind/tailwind at company level
2017 figures have been restated for IFRS 15

IAG

19.1% increase in 4Q operating profit

4Q 2018 financial summary

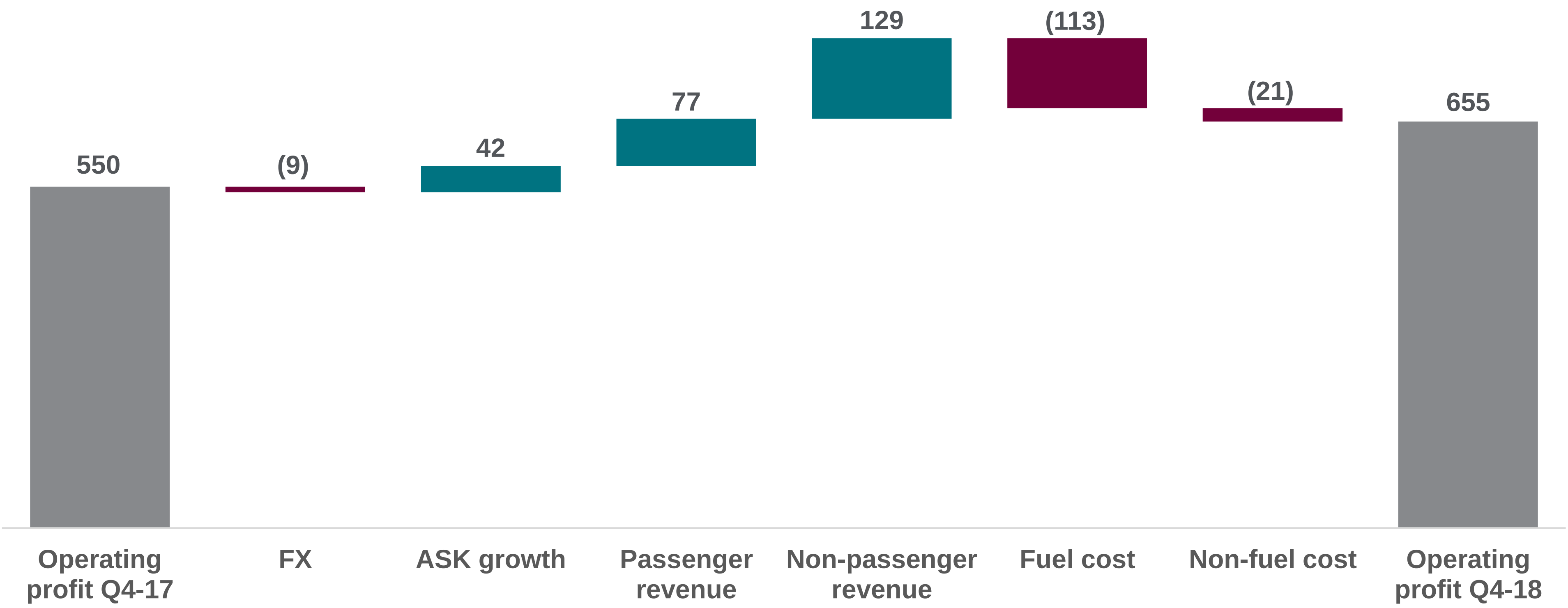
OPERATING PROFIT	TOTAL UNIT REVENUE	PAX UNIT REVENUE
€655m (reported before exceptional) **+€114m** (constant currency change) +€105m (reported change)	+3.5% (constant currency) +3.7% (reported) (€2m translation benefit) (€8m transaction tailwind)	**+1.5%** (constant currency) +1.6% (reported)

TRAFFIC/CAPACITY	TOTAL UNIT COST	NON-FUEL UNIT COST
ASKs: +7.6% (reported) RPKs: +7.4% (reported)	+2.6% (constant currency) +2.9% (reported) (€2m translation drag) (€17m transaction headwind)	+0.5% (constant currency) **-3.8%** (constant FX, net of other revenue gain) +0.9% (reported)

‘Translation’ = drag/benefit from translation of British Airways and Avios financial results from GBP into EUR; ‘Transaction’ = FX headwind/tailwind at company level
2017 figures have been restated for IFRS 15

Positive revenue performance offsetting fuel headwind

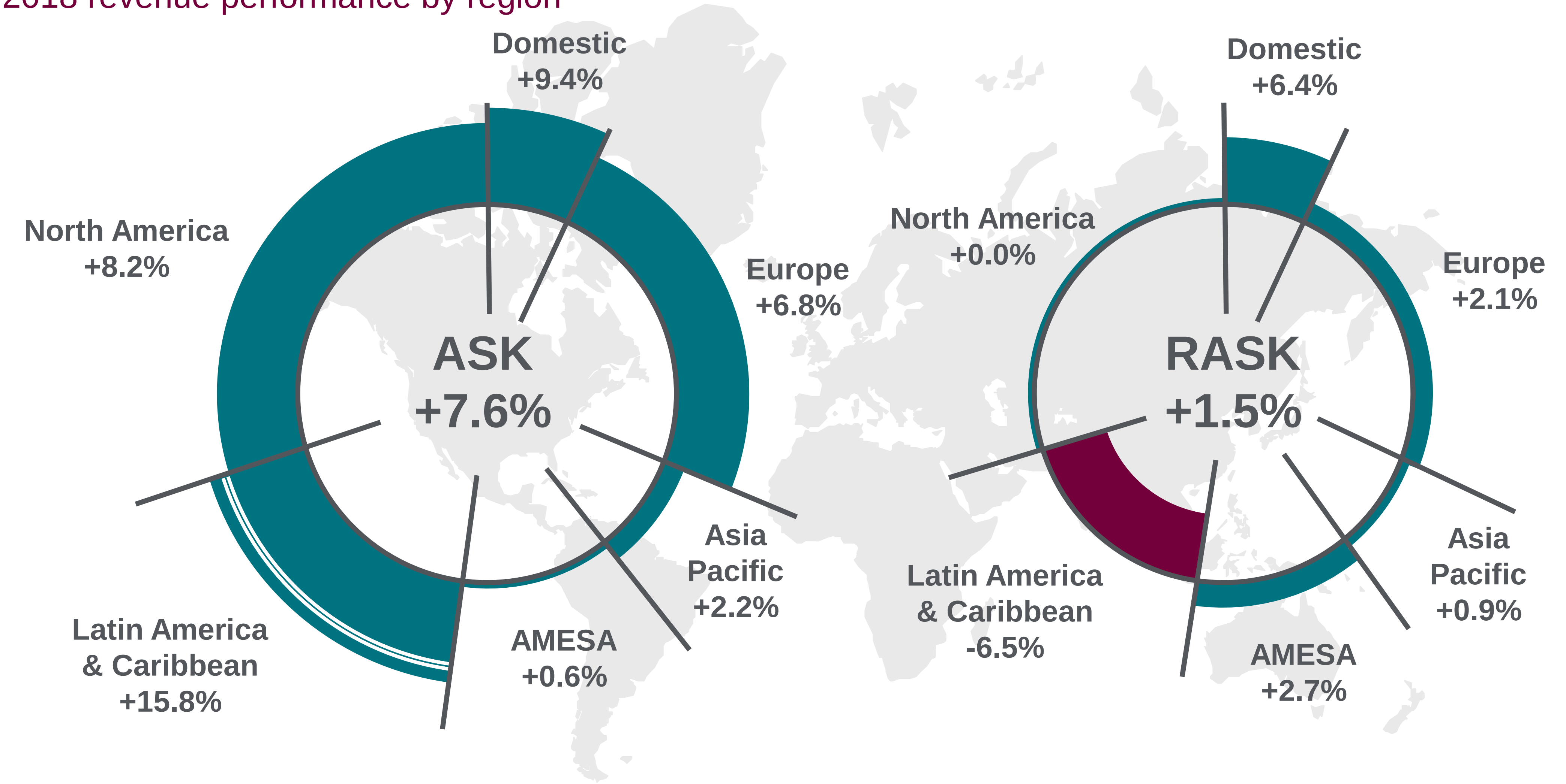
4Q 2018 operating profit contribution drivers



Passenger revenue contribution includes price and mix effects. Fuel cost contribution includes price and efficiency. Non-fuel contribution includes inflation and efficiency.
2017 figures have been restated for IFRS 15

Strong revenue in core markets: Europe, North and Latin America

4Q 2018 revenue performance by region



Data in the chart represents flown passenger revenue in unit terms at constant currency before transfer payments, Avios redemption and ancillaries
2017 figures have been restated for IFRS 15

IAG

Strong non-fuel unit cost performance

4Q 2018 unit cost performance

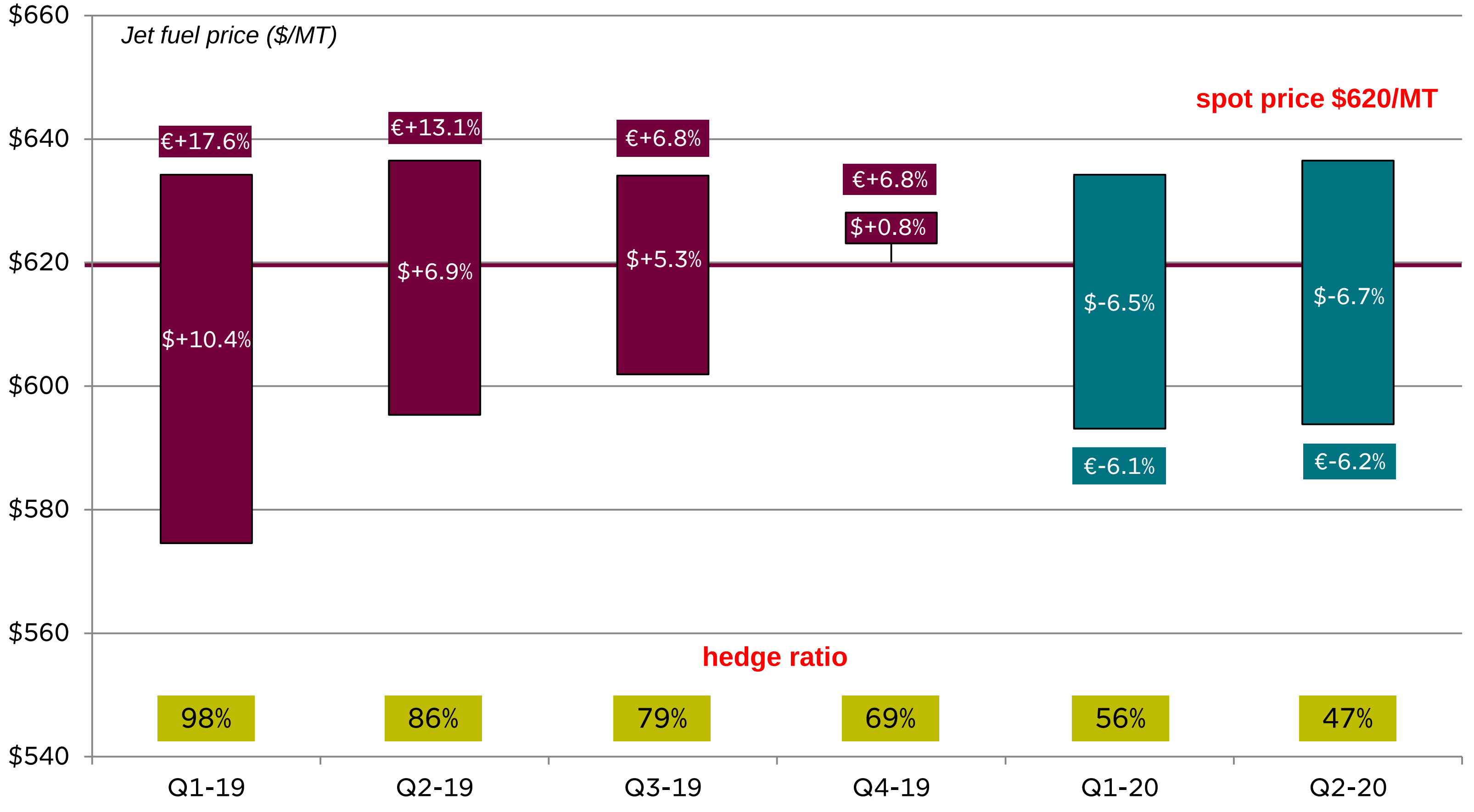
	4Q 2017 reported unit costs (€ cents)	4Q 2018 reported unit costs (€ cents)	% vly reported	% vly constant currency
Fuel	**1.53**	**1.68**	**+9.5%**	**+9.2%**
Employee	1.58	1.52	-3.5%	-3.6%
Supplier	2.74	2.83	+3.5%	+3.0%
Ownership	0.68	0.69	+0.6%	-0.0%
Non-fuel	**5.00**	**5.04**	**+0.9%**	**+0.5%**
TOTAL	**6.53**	**6.72**	**+2.9%**	**+2.6%**

-3.8% net of other revenue gain

2017 figures have been restated for IFRS 15

Fuel headwind continues in 2019

Fuel scenario: detailed modelling in appendix



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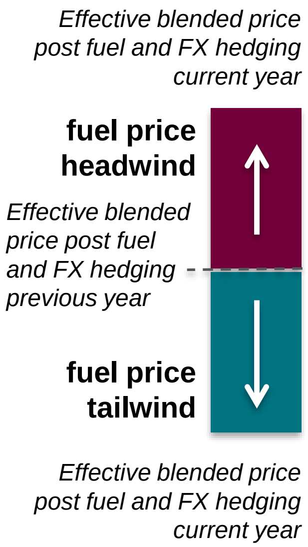
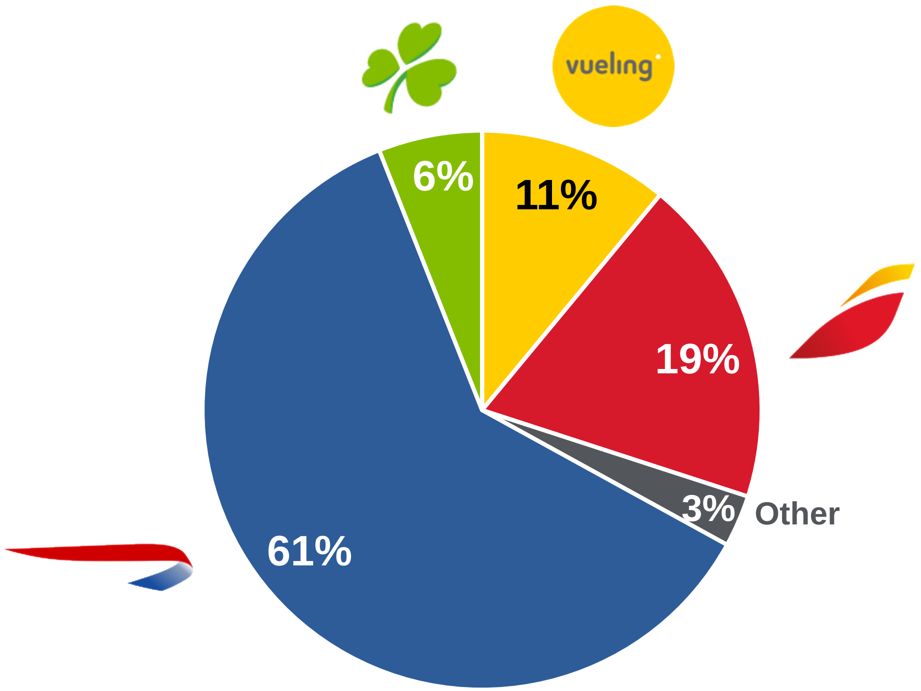


FX sensitivity in 2019 fuel bill: EURUSD ±10% = ±5% fuel cost at current hedging

2019 fuel bill scenario - €6.1bn **(at $620/MT and 1.14$/€)**

Higher RoIC at all airlines, except slightly down at Vueling

Financial target tracker: profitability trend by airline



IAG capital allocation 4Q 2018

IAG

Op. margin: 4Q 2018	12.0%
Op. margin trend vly	+0.6pts
Nml. margin: last 4Qs	14.1%
RoIC: last 4Qs	16.6%

Aer Lingus

Op. margin: 4Q 2018	6.8%
Op. margin trend vly	-3.6pts
Nml. margin: last 4Qs	16.1%
RoIC: last 4Qs	26.8%

IBERIA

Op. margin: 4Q 2018	7.1%
Op. margin trend vly	+1.3pts
Nml. margin: last 4Qs	9.9%
RoIC: last 4Qs	13.2%

BRITISH AIRWAYS

Op. margin: 4Q 2018	15.3%
Op. margin trend vly	+1.1pts
Nml. margin: last 4Qs	14.8%
RoIC: last 4Qs	17.3%

vueling

Op. margin: 4Q 2018	5.1%
Op. margin trend vly	+1.9pts
Nml. margin: last 4Qs	12.3%
RoIC: last 4Qs	13.3%

2017 figures have been restated for IFRS 15
Iberia excludes LEVEL

Op margin: Reported margin, lease adjusted
Nml. Margin: As above, adjusted for inflation, for comparability with Invested Capital
Invested Capital: Tangible fixed assets NBV, fleet inflation and lease adjusted

Operating profits and margins improved at all airlines, except Vueling

Financial performance at airline level

	Aer Lingus FY 2018 (€m)	vly	British Airways FY 2018 (£m)	vly	Iberia FY 2018 (€m)	vly	Vueling FY 2018 (€m)	vly
Revenue	2,020	+8.8%	13,020	+5.7%	5,182	+6.6%	2,398	+12.7%
Cost	1,715	+7.9%	11,068	+4.8%	4,745	+5.8%	2,198	+13.5%
Operating result	305	+37	1,952	+203	437	+61	200	+12
Operating margin	15.1%	+0.7pts	15.0%	+0.8pts	8.4%	+0.7pts	8.3%	-0.5pts
Lease adjusted margin	16.2%	+0.5pts	15.6%	+0.8pts	10.0%	+0.4pts	11.8%	-1.0pts
ASK (m)	29,030	+10.0%	184,547	+2.5%	68,179	+7.1%	37,431	+8.9%
RPK (m)	23,516	+9.8%	152,177	+3.3%	58,272	+8.9%	31,973	+9.8%
Sector length (km)	2,001	+5.4%	3,171	+1.1%	2,726	-3.9%	965	-0.9%
RASK	6.96	-1.2%	7.06	+3.2%	7.60	-0.3%	6.41	+3.6%
CASK	5.91	-1.9%	6.00	+2.2%	6.96	-1.1%	5.87	+4.2%
CASK ex-fuel	4.59	-4.8%	4.41	-0.9%	5.46	-2.2%	4.57	+4.0%

2017 figures have been restated for IFRS 15
Aer Lingus lease adjusted margin includes an adjustment for the ownership element of wet leases
Iberia excludes LEVEL

15.1% growth in underlying EPS in FY 2018

Below the line

€m	FY 2017	FY 2018
Operating profit (pre-exceptional)	2,950	3,230
Net finance income/(expense)	(180)	(190)
Net financing credit/(charge) relating to pensions	(28)	27
Other	27	(28)
Profit before tax (pre-exceptional)	2,769	3,039
Tax	(538)	(558)
Profit after tax (pre-exceptional)	2,231	2,481
Diluted EPS (pre-exceptional) € cents	102.2	117.7

2017 figures have been restated for IFRS 15 and IFRS 9

Slight increase in leverage, although well within acceptable range

Leverage

€m	Dec 2017	Dec 2018
Gross debt	7,331	7,509
Cash, cash equivalents & interest-bearing deposits	6,676	6,274
On balance sheet net debt / (cash)	655	1,235
Aircraft lease capitalisation (x8)	7,104	7,120
Adjusted net debt	7,759	8,355
Adjusted net debt / EBITDAR	1.5x	1.6x

S&P Global	BBB- Stable
Moody's	Baa3 Stable

Investment grade ratings 2 Nov 2018

2017 figures have been restated for IFRS 15

IFRS 16 ‘Leases’ will be adopted from January 1, 2019

The new standard eliminates the classification of leases as either operating leases or finance leases and introduces a single lessee accounting model

- Group has a number of operating leases for assets including aircraft, property and other equipment
- The main changes arising on the adoption of IFRS 16 will be as follows:

1) Interest-bearing borrowings and non-current assets will increase on implementation of the standard as obligations to make future payments under leases currently classified as operating leases will be recognised on the Balance sheet, along with the related ‘right-of-use’ (ROU) asset. The Group has opted to use the practical expedients in respect of leases of less than 12 months duration and leases for low value items and excluded them from the scope of IFRS 16. Rental payments associated with these leases will be recognised in the Income statement on a straight-line basis over the life of the lease
2) There will be a reduction in expenditure on operations and an increase in finance costs as operating lease costs are replaced with depreciation and lease interest expense
3) The adoption of IFRS 16 will require the Group to make a number of judgements, estimates and assumptions. These include:
    - The approach to be adopted on transition
    - The estimated lease term
    - The discount rate used to determine the lease liability
    - Terminal arrangements
    - Restoration obligations
4) For future reporting periods after adoption, foreign exchange movements on lease obligations, which are predominantly denominated in US dollars, will be remeasured at each balance sheet date, however the ROU asset will be recognised at the historic exchange rate. This will create volatility in the Income statement. The Group intends to manage this volatility as part of its risk management strategy

IFRS 16 – Impacts on balance sheet and income statement

Operating leases on balance sheet in the form of right of use (ROU) aircraft fleet and property and associated right of use debt liabilities

Consolidated balance sheet 2018 (€m)	As reported pre IFRS 16	IFRS 16 Impact
Non-current assets		
Fleet	10,790	↑
Property and equipment	1,647	↑
Deferred tax assets	536	↑
Other non-current assets	4,968	=
Current assets		
Other current assets	10,093	↓
Total assets	**28,034**	↑
Total equity	**6,720**	↓
Non-current liabilities		
Interest-bearing long term borrowings	6,633	↑
Deferred tax liability	453	↓
Provisions for liabilities and charges	2,268	↑
Other non-current liabilities	910	↓
Current liabilities		
Current portion of long term borrowings	876	↑
Other current liabilities	10,174	↓
Total liabilities	**21,314**	↑
Total equities and liabilities	**28,034**	↑

Increase in operating profit offset by increase in finance cost; impact on PBT neutral but subject to revaluation of ROU liabilities due to currency

Consolidated income statement 2018 (€m)	As reported pre IFRS 16	IFRS 16 Impact
Total revenue	**24,406**	=
Employee costs	4,812	=
Fuel, oil costs and emissions charges	5,283	=
Other supplier costs	8,019	↓
Property, IT and other costs	918	↓
EBITDAR	**5,374**	↑
Aircraft operating lease costs	890	X
EBITDA	**4,484**	↑
Depreciation, amortisation and impairment	1,254	↑
Operating profit	**3,230**	↑
Net non-operating costs	(191)	↑
Revaluation of ROU obligations	-	↑ ↓
Gains/(losses) on hedge accounting	-	↑ ↓
Profit before tax (before exceptional items)	3,039	↑ ↓
Profit before tax (after exceptional items)	3,487	↑ ↓

Outlook

Willie Walsh, Chief Executive Officer

INTERNATIONAL AIRLINES GROUP

2019 capacity growth and contributions

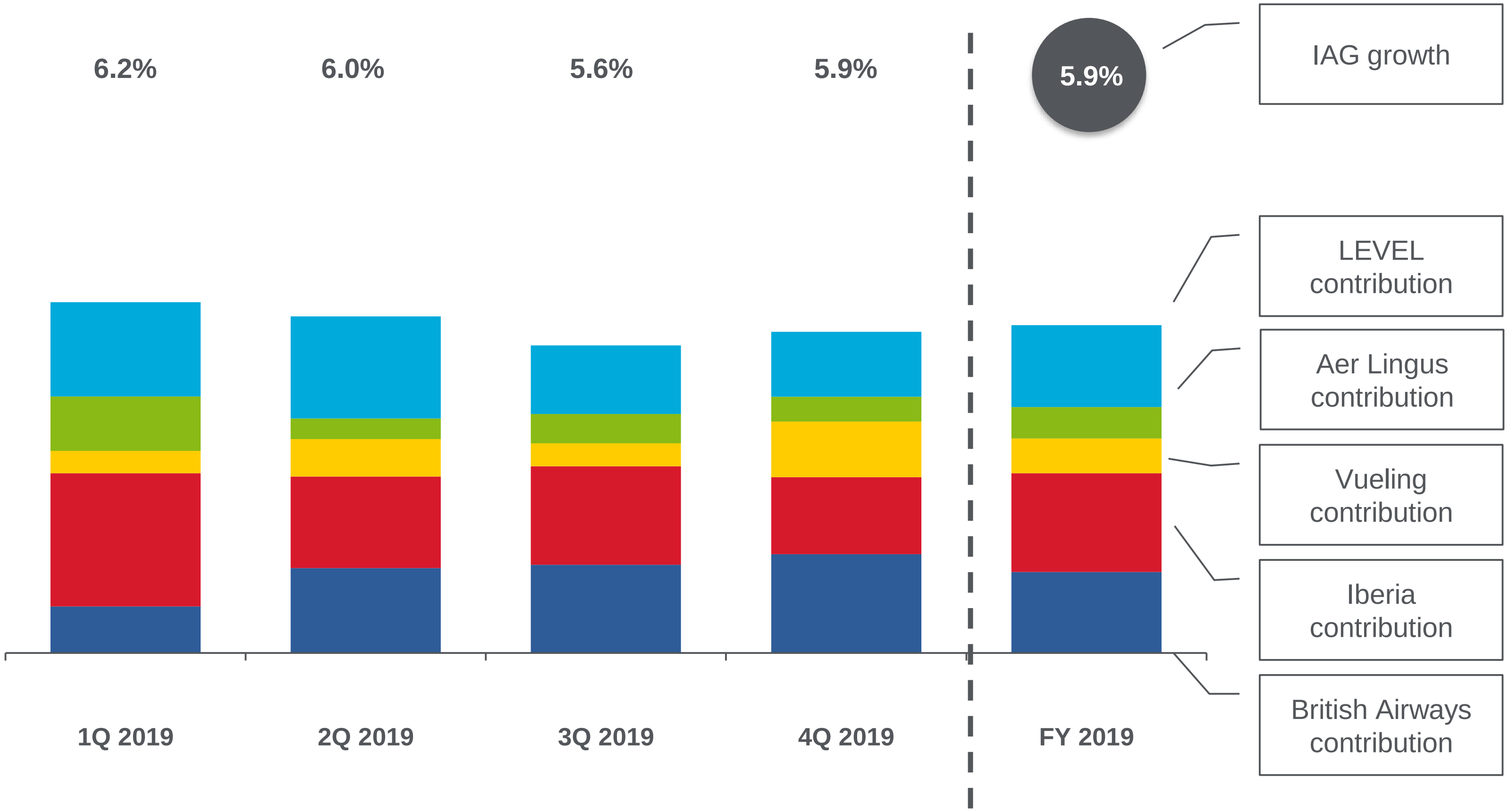
Aer Lingus: 1Q 2019 and FY 2019 capacity planned to be +14.1% and +6.5% respectively

British Airways: 1Q 2019 and FY 2019 capacity planned to be +1.4% and +2.6% respectively

Iberia: 1Q 2019 and FY 2019 capacity planned to be +11.8% and +8.7% respectively

LEVEL: 1Q 2019 and FY 2019 capacity planned to be +180.9% and +94.9% respectively

Vueling: 1Q 2019 and FY 2019 capacity planned to be +4.1% and +5.5% respectively



Guidance for FY 2019

At current fuel prices and exchange rates, IAG expects its 2019 operating profit before exceptional items and impacts of IFRS16 to be in line with €3,230m reported in 2018. Passenger unit revenue is expected to improve at constant currency and non-fuel unit cost is expected to be flat at constant currency.

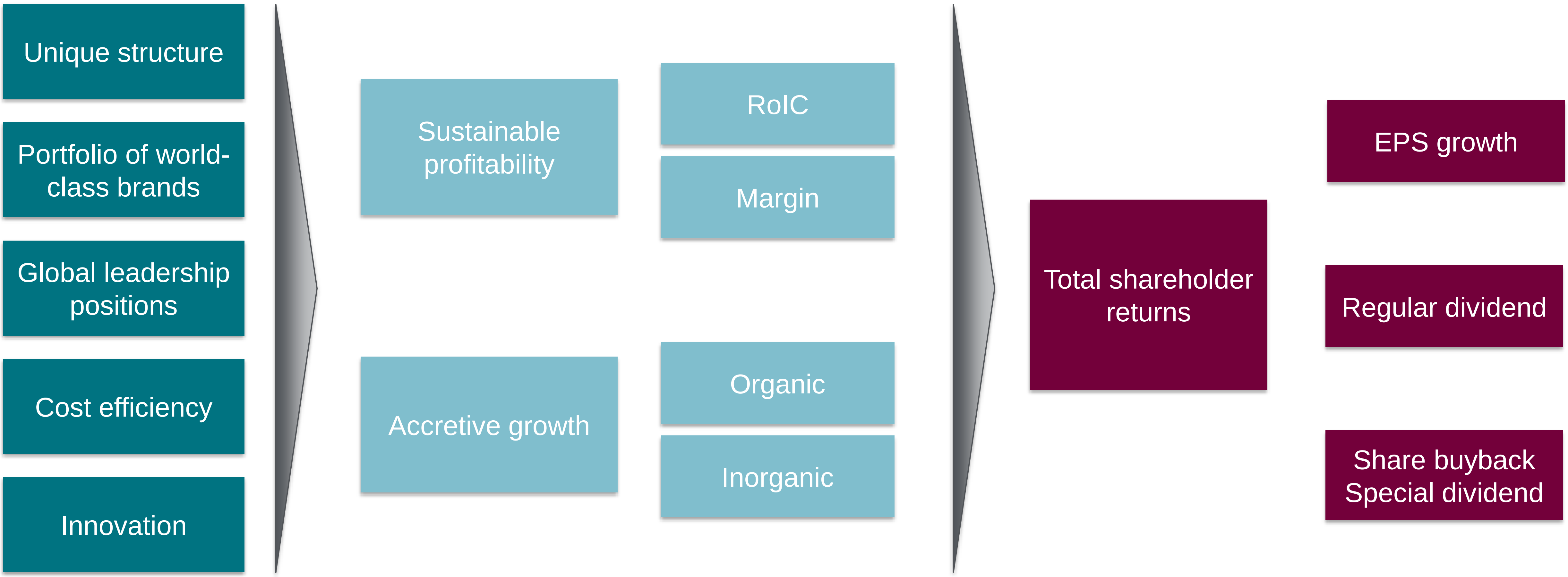
Investment case and topics

Willie Walsh, Chief Executive Officer

INTERNATIONAL AIRLINES GROUP

The IAG investment case

A unique structure that drives growth and innovation to generate superior shareholder returns



The IAG investment case

A unique structure that drives growth and innovation to generate superior shareholder returns

Unique structure
- Disciplined capital allocation
- Active portfolio management approach
- Flexibility and rapid decision making
- Platform with centralised functions to enable scale and plug & play

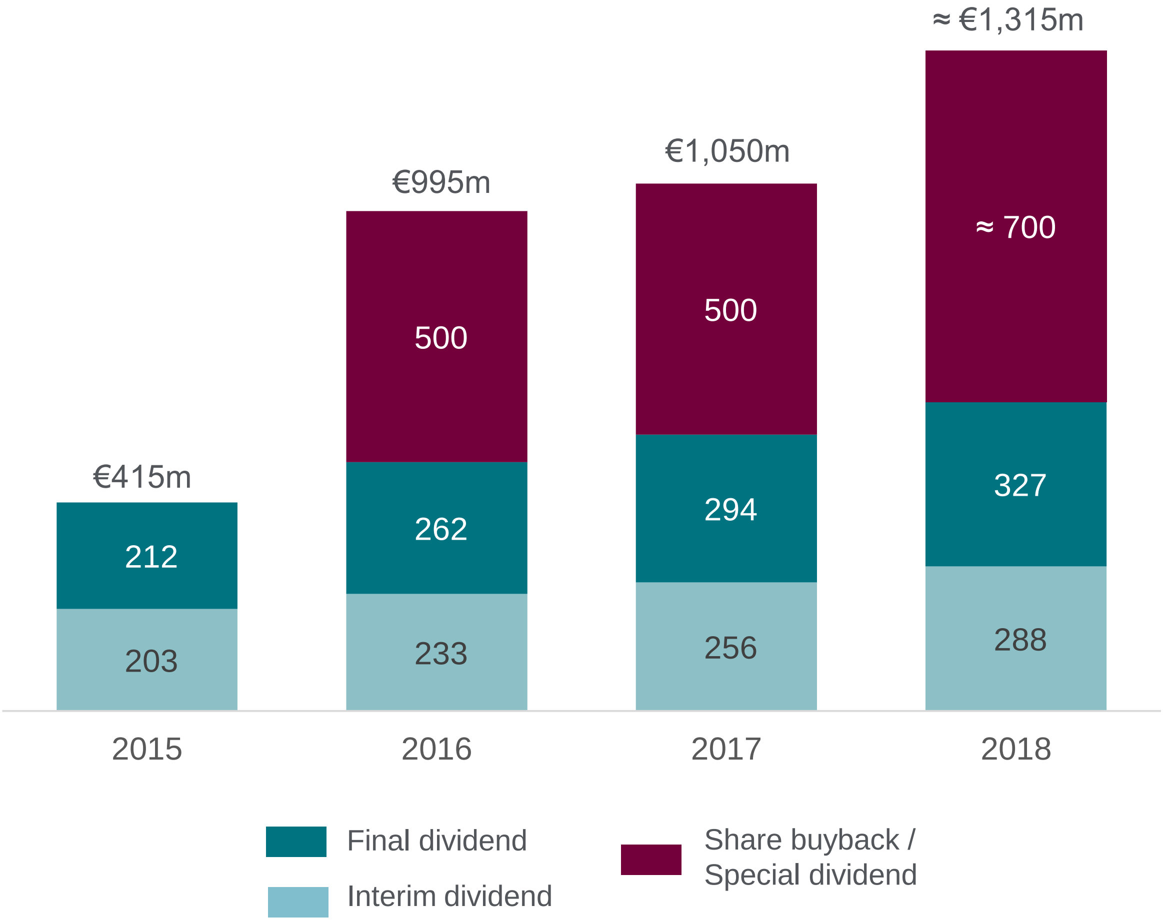
Portfolio of world-class brands
- Operationally focused companies
- Distinct brands
- Diversified customer base
- Complimentary networks

Global leadership positions
- Leading the consolidation of the airline sector
- Barcelona, Dublin, London, Madrid
- North Atlantic, South Atlantic, and intra-Europe

Cost efficiency
- 11.1% reduction in CASK ex-fuel at constant currency since IAG's founding in 2011
- 5% further reduction targeted by 2023

Innovation
- Dynamic and creative culture
- At the forefront of digital innovation in the airline industry
- Digital platform to grow revenues streams, enhance customer loyalty and drive cost efficiencies

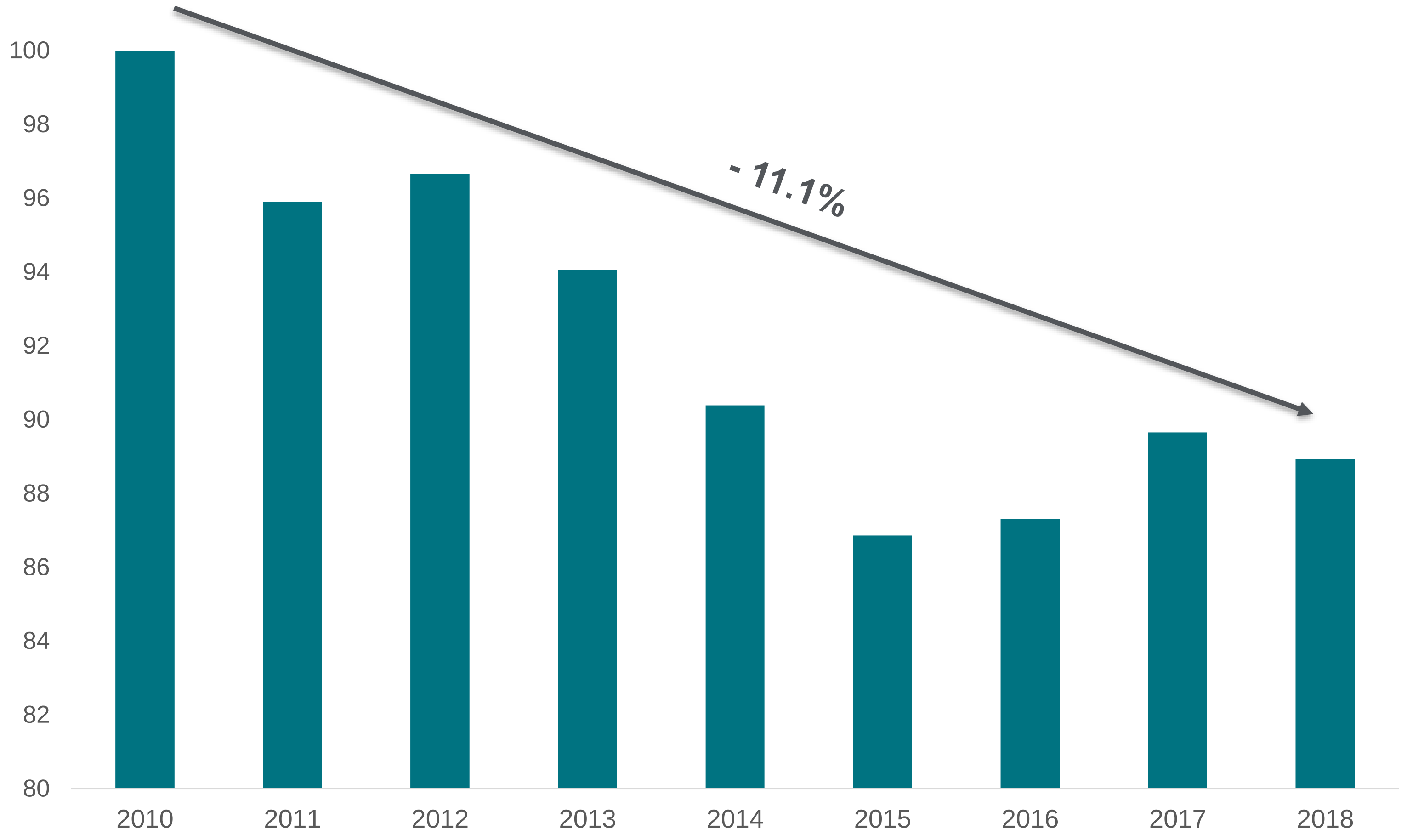
€2.7bn returned to shareholders since 2015; at least €1bn more in 2019



- **Cash priorities**
  - Reinvest in the business through accretive organic growth
  - Commitment to a sustainable dividend
  - Surplus cash returned to shareholders if no inorganic opportunities exist
- **Full year 2018**
  - More than €1.3bn returns to shareholders
  - Second share buyback completed (3.2% of shares outstanding)
  - Ordinary pay-out ratio maintained at 25%

2018 proposed final ordinary dividend of 16.5 € cents per share and proposed special dividend of 35.0 € cents per share in 2019, subject to approval at the Annual General Meeting

11.1% non-fuel unit cost reduction delivered; 5% more to come by 2023



2010 - 2018 delivered through:

- Group synergies
- British Airways – Plan4
- Iberia – Plan de Futuro I and II
- Vueling – Darwin and NEXT
- Aer Lingus – value model
- GBS roll-out

Still to come:

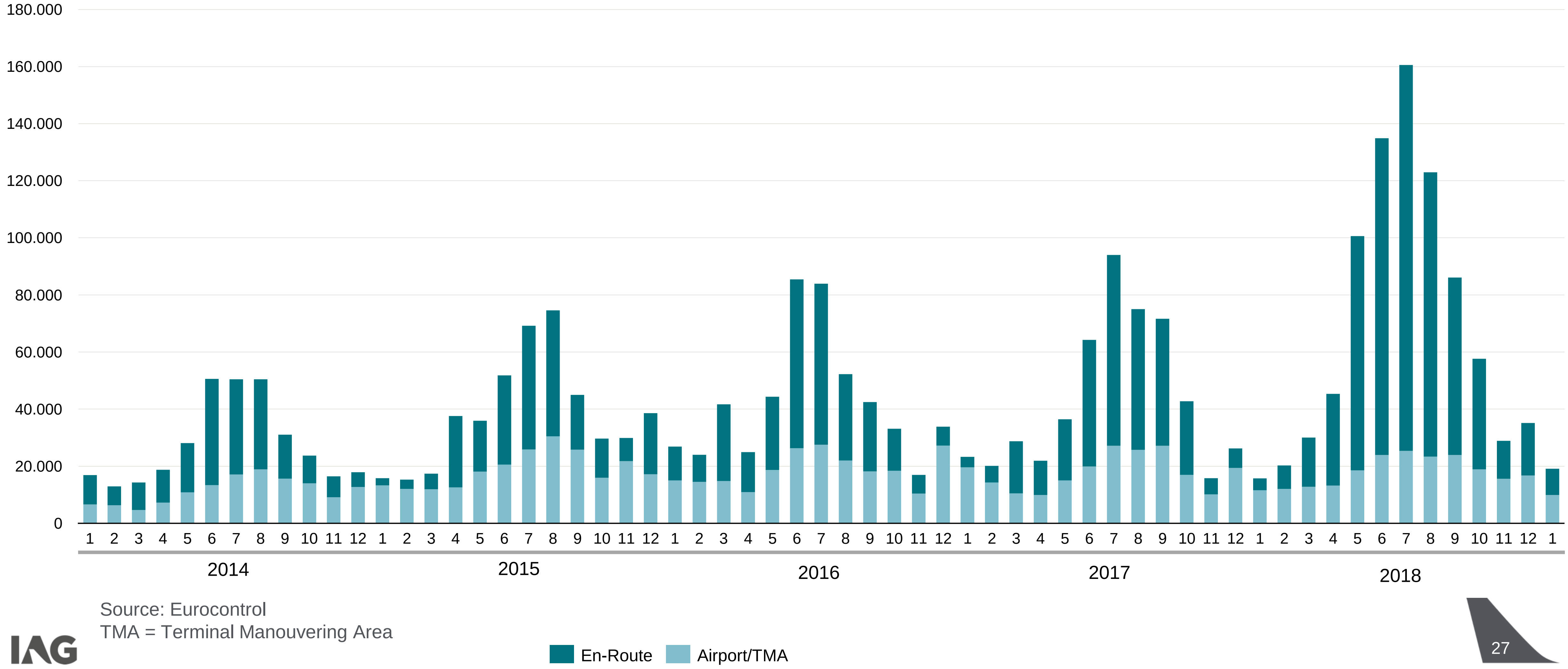
- British Airways – BP23
- Iberia – Plan de Futuro II
- Vueling – NEXT
- Aer Lingus – value model
- LEVEL expansion

Ex-fuel unit cost indexed to 2010 at constant currency
2018 figures have been restated for IFRS 15

ATC disruption in Europe remains above historical levels

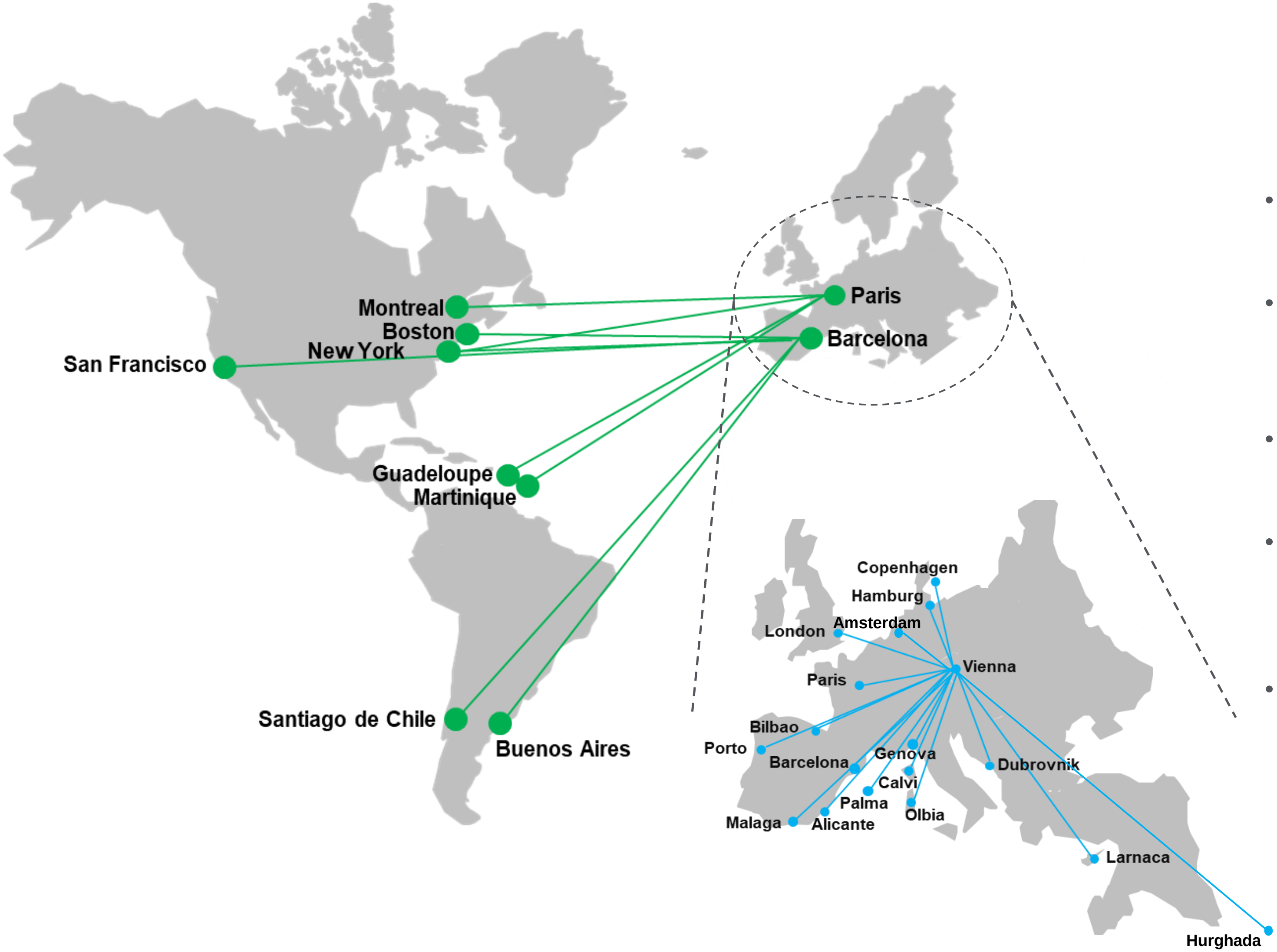
Average daily delay has increased by over 60% in 2018 and c.80% in peak summer

Total Europe ATC delays, 2014 - Jan 2019 (average daily delays in minutes)



Source: Eurocontrol
TMA = Terminal Manouvering Area

LEVEL – Barcelona still growing, Paris and Vienna in early stages



- Expansion of IAG's new low cost brand is a great example of IAG's creativity, innovation, flexibility and rapid decision-making
- In 2018 LEVEL carried 888k passengers to 25 destinations with 9 aircraft throughout Europe, North America and Latin America, up from 2 aircraft in 2017
- LEVEL France (long haul) and LEVEL Austria (short haul) both launched in July 2018, demonstrating scalability of LEVEL model
- New long-haul markets from Barcelona to Boston, San Francisco, New York and Santiago de Chile and from Paris to Guadeloupe, Martinique, Montreal and New York
- Positive customer response to LEVEL's low cost long haul service model and new short haul operation in Austria

LEVEL

IAG long haul aircraft order

Order already included as part of the 2023 fleet plan disclosed in CMD 2018

- 18 B777-9s orders plus 24 options for British Airways for delivery 2022-2026
- They will be used to replace 14 Boeing 747-400 and four Boeing 777-200 between 2022 and 2025
- Each aircraft will be fitted with 325 seats in four cabins
- British Airways' 777-9 will be powered by General Electric GE9X engines

15 B777-9s to be delivered between 2022 and 2023

Long-haul	2018	2019	2020	2021	2022	2023
A318	1	1	1	1	1	1
A321	4	4	4	4	4	4
A321 NEO LR	-	4	8	8	8	8
A330	38	40	40	40	39	38
A340	17	16	11	10	4	-
A350	2	10	21	25	34	38
A380	12	12	12	12	12	12
B744	35	32	27	20	13	3
B757/B767	4	1	-	-	-	-
B772	46	46	43	43	43	43
B773	12	12	16	16	16	16
B787	30	30	36	38	39	42
To be decided	-	-	5	20	32	44
Total long-haul	201	208	224	237	245	249

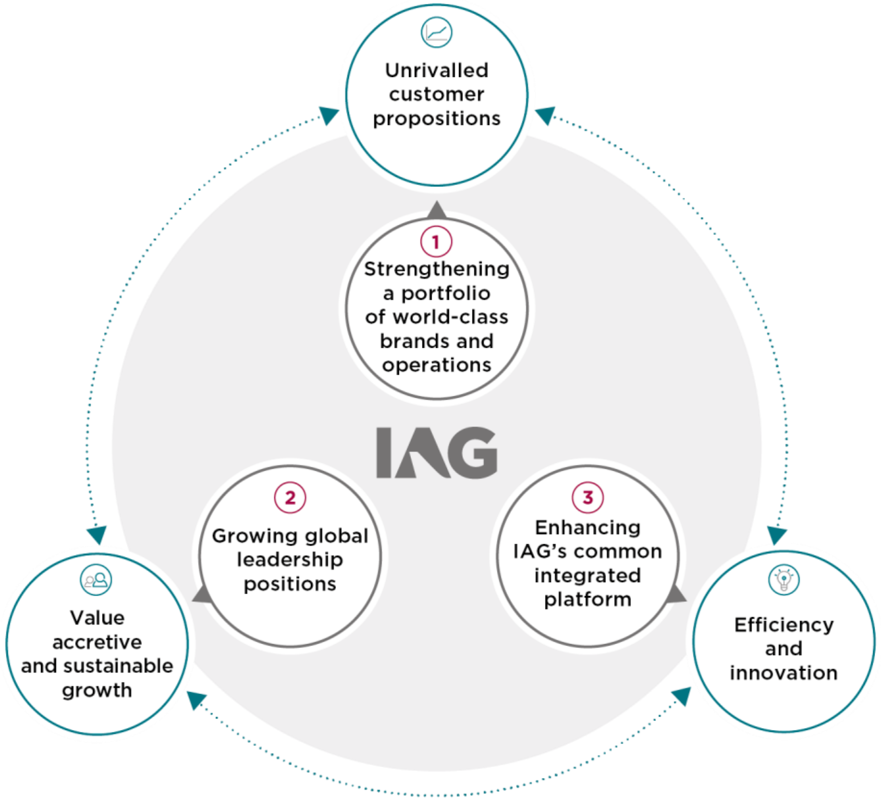
Changes since CMD 2018

Brexit planning progress

- We are confident that a comprehensive air transport agreement will be agreed between the EU and UK – as stated in the EU/UK Political Declaration
- If the EU/UK withdrawal agreement is ratified, transition applies until December 2020 (and possibly beyond, if extended); the status quo will continue
- Aviation regulators, the European Commission and national governments have made significant progress to ensure continuity in the event of no deal (final ratification is expected shortly). Key areas include:
  - Aviation security
  - Aviation safety
  - UK-EU market access
  - Ownership and control
- The UK Government has concluded air services agreements with countries such as the US, Canada, Israel, Switzerland and Norway
- We have done extensive contingency planning work for a no-deal scenario, covering all aspects of our business
- Specifically, we have had detailed and constructive engagement with our national regulators and governments about ownership and control. Those discussions will continue, including with the European Commission, and we remain confident that our operating companies will comply with relevant rules post Brexit
- IAG is a Spanish company. Its airlines have long-established AOCs and substantive businesses in France, Ireland, Spain and the UK employing around 71,000 people and operating 573 aircraft
- IAG has other structures and protections in its by-laws since it was set up in 2011

2019: Continued progress towards strategic objectives

FY 2019 strategic initiatives



- **Strengthen portfolio of world-class brands and operations**
  - British Airways – further product investments (amenities, catering, lounges, new generation Club World seat on A350s and B777s, new World Traveller Plus seat, Wi-Fi roll-out, Euro Traveller improvements) and promotions in centenary year
  - LEVEL growth continues
- **Grow global leadership positions**
  - New routes on North Atlantic (Aer Lingus – Minneapolis, Montreal; British Airways – Charleston, Pittsburgh; LEVEL – Barcelona to New York)
  - New routes on South Atlantic (LEVEL – Barcelona to Santiago)
  - New routes by British Airways to Asia (Osaka) and AMESA (Islamabad)
  - Expansion at London City and Gatwick
  - Vueling – slowing growth at Barcelona in summer to preserve resilience to ATC disruption
- **Enhance IAG's common integrated platforms**
  - Fleet – deliveries expected of 29 A320/A321 NEOs, 4 A321 NEO LRs, 8 A350s, 15 other
  - Digital – roll out of autonomous vehicle in a live operational environment and further use of predictive maintenance and AI pricing.
  - Hybrid cloud roll-out

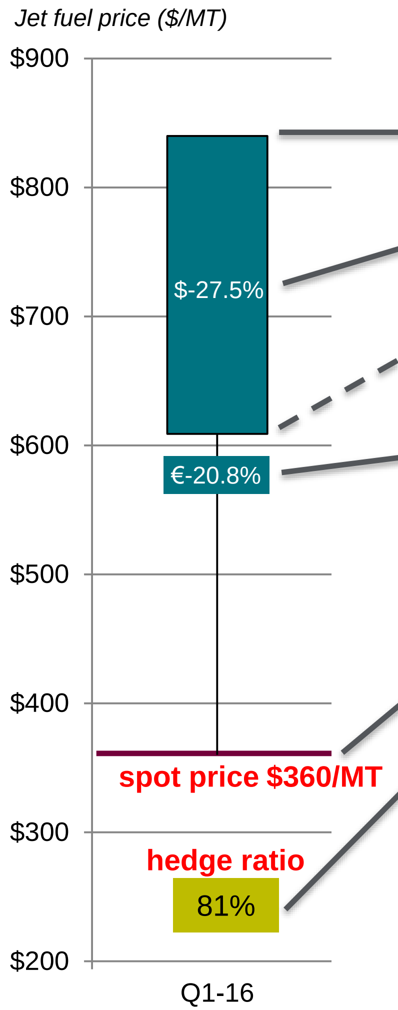
Conclusions

- IAG has a unique structure that drives growth and innovation to generate superior returns to shareholders
- Strong portfolio of world-class brands with global leadership positions supported by common integrated platforms
- More than 11% non-fuel unit cost at constant currency reduction since 2011 with 5% further reduction targeted by 2023
- Strong financial performance in 4Q 2018 and FY 2018
- Overall financial targets continued to be exceeded in 2018 with upside to RoIC targets at Iberia, Vueling and LEVEL still to come
- Strong balance sheet, as recognised by S&P Global and Moody's investment grade ratings
- Announced dividend per share of 31 € cents in respect of 2018, 14.8% higher than 27 € cents in 2017
- More than €2.7 billion cash returned to shareholders since 2015 with at least another €1 billion to be returned in 2019, including approximately €700 million special dividend, subject to shareholder approval at our Annual General Meeting in June 2019
- Guidance for 2019: At current fuel prices and exchange rates, IAG expects its 2019 operating profit before exceptional items and impacts of IFRS16 to be in line with €3,230m reported in 2018. Passenger unit revenue is expected to improve at constant currency and non-fuel unit cost is expected to be flat at constant currency

Appendices

INTERNATIONAL
AIRLINES
GROUP

Fuel modelling



$ 50	A	intoplane costs
$ 840	B	Last year blended USD jet fuel price
(27.5%)	C	Latest guidance, current year USD jet fuel price benefit
$ 609	D	calc: D = B x (1 + C) [curr yr blended USD jet fuel price]
$ 1.10	E	Latest guidance EUR/USD scenario
€ 599	F	calc: F = (D + A) / E [curr yr blended EUR jet fuel price]
(20.8%)	G	Previous EUR jet fuel price benefit
€756	H	calc: H = F / (1 + G) [last yr implied EUR jet fuel price]
$ 360	I	Latest guidance jet fuel spot price scenario
81%	J	Current year % hedged
$ 667	K	calc: K = (D - (1 - J) x I) / J [implied hedge price]
$ 400	L	Your chosen modelling assumption for jet fuel spot
$ 617	M	calc: M = K x J + L x (1 - J) [modelled blended USD jet fuel price]
$ 1.15	N	Your chosen modelling assumption for EUR/USD
€ 580	O	calc: O = (M + A) / N [modelled all-in EUR fuel price]
(23.4%)	P	calc: P = O / H - 1 [modelled all-in EUR fuel price change vly]

2016 fuel bill scenario - €4.8bn (at $360/MT and 1.10$/€)

IAG

Disclaimer

Forward-looking statements:

Certain statements included in this report are forward-looking and involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such forward-looking statements.

Forward-looking statements can typically be identified by the use of forward-looking terminology, such as “expects”, “may”, “will”, “could”, “should”, “intends”, “plans”, “predicts”, “envisages” or “anticipates” and include, without limitation, any projections relating to results of operations and financial conditions of International Consolidated Airlines Group S.A. and its subsidiary undertakings from time to time (the ‘Group’), as well as plans and objectives for future operations, expected future revenues, financing plans, expected expenditure and divestments relating to the Group and discussions of the Group’s Business plan. All forward-looking statements in this report are based upon information known to the Group on the date of this report. Other than in accordance with its legal or regulatory obligations, the Group does not undertake to update or revise any forward-looking statement to reflect any changes in events, conditions or circumstances on which any such statement is based.

It is not reasonably possible to itemise all of the many factors and specific events that could cause the forward-looking statements in this report to be incorrect or that could otherwise have a material adverse effect on the future operations or results of an airline operating in the global economy. Further information on the primary risks of the business and the risk management process of the Group is given in the Annual Report and Accounts 2017; these documents are available on www.iagshares.com.