

## SEPTEMBER 2012 - GROUP TRAFFIC AND CAPACITY STATISTICS

- In September 2012, Group traffic measured in Revenue Passenger Kilometres rose by 5.1 per cent versus September 2011 (up 2.7 per cent on a like for like basis); Group capacity measured in Available Seat Kilometres was up 3.6 per cent (up 0.9 per cent on a like for like basis).
- Group premium traffic for the month of September grew by 8.0 per cent compared to the previous year, with 4.6 per cent growth in non-premium traffic.
- Underlying market conditions remain unchanged from guidance given at Quarter Two results. Trading conditions at our London hub remain firm. Performance at Madrid continues to be impacted by weak economic conditions, with short haul traffic particularly affected.

October 3<sup>rd</sup>, 2012

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## STRATEGIC DEVELOPMENTS

British Airways has been engaging in heavy promotional activity during and post the Olympic and Paralympic Games culminating in the 'Thank-you Great Britain sale', which ended on September 25<sup>th</sup>. This has positively impacted our volumes in both premium and non-premium cabins.

British Airways and Japan Airlines began a joint business agreement on October 1<sup>st</sup>, with the two airlines sharing revenue on applicable flights between Europe and Japan. The joint business offers customers a better range of fares, flight schedules and frequent flyer benefits.

Iberia's subsidiary, Iberia Express, celebrated its first six months of operation. The airline has carried 1.5 million passengers in the period and has achieved a 94 per cent punctuality rating. This winter, Iberia Express will operate to 16 destinations - 7 international and 9 domestic.

British Airways and Iberia both received awards this month. British Airways won four awards from Business Traveller magazine - best airline, business class, short haul and frequent flyer programme. Iberia won an award from Future Travel Experience for the best initiative to assist passengers at Terminal 4 in Madrid-Barajas.

Certain information included in these statements is forward-looking and involves risks and uncertainties that could cause actual results to differ materially from those expressed or implied by the forward-looking statements. Forward-looking statements include, without limitation, projections relating to results of operations and financial conditions and the Company's plans and objectives for future operations, including, without limitation, discussions of the Company's Business Plan, expected future revenues, financing plans and expected expenditures and divestments. All forward-looking statements in this report are based upon information known to the Company on the date of this report. The Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

It is not reasonably possible to itemise all of the many factors and specific events that could cause the Company's forward-looking statements 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 to the Company and its risk management process is given in the Annual Report and Accounts 2011; this document is available on [www.iagshares.com](http://www.iagshares.com).

**Group Performance**<sup>1</sup>

	Month of September				Year to Date			
	2012	2011	Change	Like for like change <sup>2</sup>	2012	2011	Change	Like for like change <sup>2</sup>
<b>Passengers Carried ('000s)</b>	<b>5,117</b>	<b>4,708</b>	<b>8.7%</b>	<b>3.7%</b>	<b>41,491</b>	<b>39,362</b>	<b>5.4%</b>	<b>2.0%</b>
Domestic (UK & Spain)	1,167	948	23.1%		9,084	8,281	9.7%	
Europe	2,220	2,141	3.7%		17,575	17,167	2.4%	
North America	782	731	7.0%		6,512	6,071	7.3%	
Latin America & Caribbean	398	404	-1.5%		3,557	3,601	-1.2%	
Africa, Middle East & S.Asia	410	344	19.2%		3,589	3,093	16.0%	
Asia Pacific	140	140	0.0%		1,174	1,149	2.2%	
<b>Revenue Passenger Km (millions)</b>	<b>15,829</b>	<b>15,061</b>	<b>5.1%</b>	<b>2.7%</b>	<b>133,904</b>	<b>127,425</b>	<b>5.1%</b>	<b>3.4%</b>
Domestic (UK & Spain)	715	584	22.4%		5,754	5,149	11.7%	
Europe	2,772	2,687	3.2%		21,633	21,299	1.6%	
North America	5,258	4,918	6.9%		43,928	40,799	7.7%	
Latin America & Caribbean	3,368	3,399	-0.9%		29,746	29,611	0.5%	
Africa, Middle East & S.Asia	2,306	2,036	13.3%		21,027	18,801	11.8%	
Asia Pacific	1,410	1,437	-1.9%		11,816	11,766	0.4%	
<b>Available Seat Km (millions)</b>	<b>18,846</b>	<b>18,192</b>	<b>3.6%</b>	<b>0.9%</b>	<b>165,536</b>	<b>160,204</b>	<b>3.3%</b>	<b>1.4%</b>
Domestic (UK & Spain)	939	766	22.6%		7,619	7,000	8.8%	
Europe	3,390	3,281	3.3%		28,639	28,349	1.0%	
North America	6,097	5,790	5.3%		52,344	49,811	5.1%	
Latin America & Caribbean	3,904	4,070	-4.1%		34,976	35,474	-1.4%	
Africa, Middle East & S.Asia	2,887	2,616	10.4%		27,217	24,939	9.1%	
Asia Pacific	1,629	1,669	-2.4%		14,741	14,631	0.8%	
<b>Passenger Load Factor (%)</b>	<b>84.0</b>	<b>82.8</b>	<b>+1.2 pts</b>	<b>+1.5 pts</b>	<b>80.9</b>	<b>79.5</b>	<b>+1.4 pts</b>	<b>+1.6 pts</b>
Domestic (UK & Spain)	76.1	76.2	-0.1 pts		75.5	73.6	+1.9 pts	
Europe	81.8	81.9	-0.1 pts		75.5	75.1	+0.4 pts	
North America	86.2	84.9	+1.3 pts		83.9	81.9	+2.0 pts	
Latin America & Caribbean	86.3	83.5	+2.8 pts		85.0	83.5	+1.5 pts	
Africa, Middle East & S.Asia	79.9	77.8	+2.1 pts		77.3	75.4	+1.9 pts	
Asia Pacific	86.6	86.1	+0.5 pts		80.2	80.4	-0.2 pts	
<b>Cargo and Total Capacity (millions)</b>								
Cargo Tonne Km	503	497	1.2%	0.5%	4,521	4,560	-0.9%	-1.5%
Total Revenue Tonne Km	2,011	1,928	4.3%		17,289	16,672	3.7%	
Available Tonne Km	2,648	2,552	3.8%		23,378	22,557	3.6%	
Overall Load Factor	75.9	75.5	+0.4 pts	+0.3 pts	74.0	73.9	+0.1 pts	+0.0 pts

**Performance by Airline**

	Month of September				Year to Date			
	2012	2011	Change	Like for like change <sup>2</sup>	2012	2011	Change	Like for like change <sup>2</sup>
<b>IBERIA</b> <sup>3</sup>								
Revenue Passenger Km (millions)	4,478	4,515	-0.8%		38,169	39,100	-2.4%	
Available Seat Km (millions)	5,398	5,470	-1.3%		46,071	47,716	-3.4%	
Cargo Tonne Km (millions)	94	111	-15.3%		863	990	-12.8%	
<b>BRITISH AIRWAYS</b> <sup>3</sup>								
Revenue Passenger Km (millions)	11,351	10,547	7.6%	4.2%	95,735	88,325	8.4%	5.9%
Available Seat Km (millions)	13,448	12,722	5.7%	1.8%	119,465	112,487	6.2%	3.5%
Cargo Tonne Km (millions)	409	386	6.0%	4.9%	3,658	3,570	2.5%	1.6%

**Notes:**

<sup>1</sup> Group Performance comprises British Airways (including bmi Mainline, excluding bmibaby) and Iberia (including Iberia Express). Year to Date 2012 includes bmi Mainline from 20 April 2012.

<sup>2</sup> Like for like change compares 2012 IAG, excluding the impact of bmi on British Airways; against the 2011 reported IAG

<sup>3</sup> Iberia Performance includes Iberia Express. British Airways Performance excludes bmibaby