

MAY 2017 - GROUP TRAFFIC AND CAPACITY STATISTICS

- Group traffic in May, measured in Revenue Passenger Kilometres, increased by 1.8 per cent versus May 2016; Group capacity measured in Available Seat Kilometres rose by 0.9 per cent.
- Group premium traffic for the month of May increased by 5.2 per cent compared to the previous year.

6 June 2017

STRATEGIC DEVELOPMENTS

On 27 May, British Airways was affected by a power failure leading to severe disruption to flights. The airline cancelled 479 flights (59 per cent of operations) on that day and 193 flights (23 per cent of operations) on 28 May. By 29 May, the airline was flying the vast majority of its schedule. An independent investigation will examine every aspect of the power failure. British Airways is working hard to compensate affected passengers as quickly as possible.

On 1 June, LEVEL began its twice per week service from Barcelona to Los Angeles. The inaugural flight on IAG's longhaul low cost airline brand was completely full with 314 passengers on board a new Airbus A330. On 2 June, LEVEL commenced its three per week service to San Francisco (Oakland). This was Spain's first longhaul low cost operation and is the first step towards LEVEL's expansion from other European cities. In 2018, LEVEL will increase its fleet to five aircraft. LEVEL's sales are well ahead of expectations in all markets with more than 134,000 tickets sold since its launch on 17 March.

In May, Iberia launched its new Premium Economy cabin on board its flights to Chicago, New York and Bogota.

On 3 May, British Airways announced that its new Club Europe cabin on domestic UK flights had proved a hit with nearly 70,000 customers choosing the premium service in the first six weeks of its operation.

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*This announcement contains inside information and is disclosed in accordance with the company's obligations under the Market Abuse Regulation (EU) No 596/2014.
Enrique Dupuy, Chief Financial Officer, (responsible for arranging the release of this announcement).*

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 expenditures 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. The Group 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 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 2016; these documents are available on www.iagshares.com.

Group Performance¹

	Month of May			Year to Date		
	2017	2016	Change	2017	2016	Change
Passengers Carried ('000s)	9,109	8,874	2.6%	39,054	37,223	4.9%
Domestic ²	2,133	1,975	8.0%	9,117	8,557	6.5%
Europe	4,981	4,918	1.3%	20,516	19,572	4.8%
North America	986	989	-0.3%	4,210	4,083	3.1%
Latin America & Caribbean	374	374	0.0%	1,942	1,916	1.4%
Africa, Middle East & S,Asia	451	438	3.0%	2,342	2,236	4.7%
Asia Pacific	184	180	2.2%	927	859	7.9%
Revenue Passenger Km (m)	21,290	20,919	1.8%	96,279	92,274	4.3%
Domestic	1,455	1,343	8.3%	6,344	5,917	7.2%
Europe	5,896	5,828	1.2%	23,303	22,331	4.4%
North America	6,509	6,540	-0.5%	27,865	27,067	2.9%
Latin America & Caribbean	3,207	3,118	2.9%	16,465	16,017	2.8%
Africa, Middle East & S,Asia	2,377	2,312	2.8%	12,982	12,364	5.0%
Asia Pacific	1,846	1,778	3.8%	9,320	8,578	8.7%
Available Seat Km (m)	26,450	26,211	0.9%	120,083	116,714	2.9%
Domestic	1,793	1,678	6.9%	7,938	7,628	4.1%
Europe	7,386	7,447	-0.8%	29,503	29,385	0.4%
North America	7,876	7,799	1.0%	35,354	33,691	4.9%
Latin America & Caribbean	4,006	4,025	-0.5%	19,844	19,579	1.4%
Africa, Middle East & S,Asia	3,135	2,991	4.8%	16,321	15,762	3.5%
Asia Pacific	2,254	2,271	-0.7%	11,123	10,669	4.3%
Passenger Load Factor (%)	80.5	79.8	+0.7 pts	80.2	79.1	+1.1 pts
Domestic	81.1	80.0	+1.1 pts	79.9	77.6	+2.3 pts
Europe	79.8	78.3	+1.5 pts	79.0	76.0	+3.0 pts
North America	82.6	83.9	-1.3 pts	78.8	80.3	-1.5 pts
Latin America & Caribbean	80.1	77.5	+2.6 pts	83.0	81.8	+1.2 pts
Africa, Middle East & S,Asia	75.8	77.3	-1.5 pts	79.5	78.4	+1.1 pts
Asia Pacific	81.9	78.3	+3.6 pts	83.8	80.4	+3.4 pts
Cargo Tonne Km (m)						
Cargo CTK	474	453	4.6%	2,307	2,225	3.7%

Performance by Airline

	Month of May			Year to Date		
	2017	2016	Change	2017	2016	Change
vueling						
Revenue Passenger Km (m)	2,625	2,509	4.6%	10,108	9,327	8.4%
Available Seat Km (m)	3,216	3,105	3.6%	12,338	11,637	6.0%
Cargo Tonne Km (m)	0	0	n/a	0	0	n/a
Aer Lingus						
Revenue Passenger Km (m)	1,985	1,794	10.6%	7,294	6,417	13.7%
Available Seat Km (m)	2,495	2,249	10.9%	9,525	8,332	14.3%
Cargo Tonne Km (m)	14	11	27.3%	64	52	23.1%
IBERIA						
Revenue Passenger Km (m)	4,356	4,064	7.2%	20,521	19,371	5.9%
Available Seat Km (m)	5,387	5,214	3.3%	24,899	24,306	2.4%
Cargo Tonne Km (m)	86	82	4.9%	423	437	-3.2%
BRITISH AIRWAYS						
Revenue Passenger Km (m)	12,324	12,552	-1.8%	58,356	57,159	2.1%
Available Seat Km (m)	15,352	15,643	-1.9%	73,321	72,439	1.2%
Cargo Tonne Km (m)	374	360	3.9%	1,820	1,736	4.8%

¹ Group performance comprises Aer Lingus, British Airways, Iberia (including Iberia Express) and Vueling. Vueling traffic is currently accounted as non-premium traffic

² Domestic includes routes within UK, Spain, Ireland and Italy