

JUNE 2011 - GROUP TRAFFIC AND CAPACITY STATISTICS

- In June 2011, Group traffic measured in Revenue Passenger Kilometres rose by 9.2 per cent versus June 2010, capacity measured in Available Seat Kilometres was up 6.8% per cent.
- Group premium traffic for the month of June grew by 25.2 per cent compared to the previous year, with 6.7 per cent growth in non-premium traffic.
- Traffic statistics for the month are once again impacted by the positive comparison from disruption at British Airways last year and the network restructuring in Iberia.
- We believe underlying revenue trends are in line with previous months, with demand continuing to show firm underlying growth particularly in the long haul premium segment.

July 5th, 2011

STRATEGIC DEVELOPMENTS

Iberia launched its new twice weekly route between Barcelona and Sao Paulo and resumed its summer only flights from Madrid to Dubrovnik which operate three times a week. The airline also started two new cargo routes - a twice-weekly service between Madrid and Brussels and a weekly service between Madrid and Nouakchott (Mauritania) via Gran Canaria.

British Airways cabin crew, who are members of the Unite union, voted 92 per cent in favour of a settlement to resolve their long running dispute with the airline.

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 some of the most important risks in this regard is given in the shareholder documentation in respect of the merger issued on October 26, 2010 and in the Securities Note and Summary issued on January 10, 2011; these documents are available on www.iagshares.com.

| <u>Group Performance</u> | Month of June | | | Year to Date | | |
|--|---------------|---------------|-----------------|----------------|---------------|-----------------|
| | 2011 | 2010 | Change | 2011 | 2010 | Change |
| Passengers Carried ('000s) | 4,525 | 4,358 | 3.8% | 24,809 | 23,368 | 6.2% |
| Domestic (UK & Spain) | 925 | 1,089 | -15.1% | 5,482 | 5,892 | -7.0% |
| Europe | 2,024 | 1,848 | 9.5% | 10,511 | 9,568 | 9.9% |
| North America | 756 | 655 | 15.4% | 3,757 | 3,245 | 15.8% |
| Latin America & Caribbean | 378 | 336 | 12.5% | 2,316 | 2,030 | 14.1% |
| Africa, Middle East & S.Asia | 314 | 318 | -1.3% | 2,018 | 1,993 | 1.3% |
| Asia Pacific | 128 | 112 | 14.3% | 725 | 640 | 13.3% |
| Revenue Passenger Km (millions) | 14,488 | 13,271 | 9.2% | 80,403 | 72,640 | 10.7% |
| Domestic (UK & Spain) | 567 | 676 | -16.1% | 3,364 | 3,633 | -7.4% |
| Europe | 2,539 | 2,383 | 6.5% | 12,938 | 12,043 | 7.4% |
| North America | 5,090 | 4,376 | 16.3% | 25,229 | 21,740 | 16.0% |
| Latin America & Caribbean | 3,101 | 2,763 | 12.2% | 19,021 | 16,704 | 13.9% |
| Africa, Middle East & S.Asia | 1,885 | 1,911 | -1.4% | 12,406 | 11,905 | 4.2% |
| Asia Pacific | 1,306 | 1,162 | 12.4% | 7,445 | 6,615 | 12.5% |
| Available Seat Km (millions) | 17,744 | 16,609 | 6.8% | 104,543 | 94,699 | 10.4% |
| Domestic (UK & Spain) | 734 | 899 | -18.4% | 4,726 | 5,189 | -8.9% |
| Europe | 3,231 | 3,098 | 4.3% | 18,303 | 17,157 | 6.7% |
| North America | 5,796 | 5,161 | 12.3% | 32,026 | 27,735 | 15.5% |
| Latin America & Caribbean | 3,723 | 3,292 | 13.1% | 23,059 | 19,789 | 16.5% |
| Africa, Middle East & S.Asia | 2,609 | 2,681 | -2.7% | 16,898 | 16,535 | 2.2% |
| Asia Pacific | 1,651 | 1,478 | 11.7% | 9,531 | 8,294 | 14.9% |
| Passenger Load Factor (%) | 81.7 | 79.9 | +1.8 pts | 76.9 | 76.7 | +0.2 pts |
| Domestic (UK & Spain) | 77.2 | 75.2 | +2.0 pts | 71.2 | 70.0 | +1.2 pts |
| Europe | 78.6 | 76.9 | +1.7 pts | 70.7 | 70.2 | +0.5 pts |
| North America | 87.8 | 84.8 | +3.0 pts | 78.8 | 78.4 | +0.4 pts |
| Latin America & Caribbean | 83.3 | 83.9 | -0.6 pts | 82.5 | 84.4 | -1.9 pts |
| Africa, Middle East & S.Asia | 72.2 | 71.3 | +0.9 pts | 73.4 | 72.0 | +1.4 pts |
| Asia Pacific | 79.1 | 78.6 | +0.5 pts | 78.1 | 79.8 | -1.7 pts |
| Cargo and Total Capacity (millions) | | | | | | |
| Cargo Tonne Km | 504 | 493 | 2.2% | 3,066 | 2,853 | 7.5% |
| Total Revenue Tonne Km | 1,881 | 1,749 | 7.5% | 10,705 | 9,756 | 9.7% |
| Available Tonne Km | 2,513 | 2,350 | 6.9% | 14,746 | 13,338 | 10.6% |
| Overall Load Factor | 74.9 | 74.4 | +0.5 pts | 72.6 | 73.1 | -0.5 pts |

| <u>Performance by Airline</u> | Month of June | | | Year to Date | | |
|-------------------------------|---------------|------|--------|--------------|------|--------|
| | 2011 | 2010 | Change | 2011 | 2010 | Change |



| | | | | | | |
|---------------------------------|-------|-------|-------|--------|--------|------|
| Revenue Passenger Km (millions) | 4,332 | 4,440 | -2.4% | 24,942 | 24,253 | 2.8% |
| Available Seat Km (millions) | 5,105 | 5,210 | -2.0% | 31,027 | 29,685 | 4.5% |
| Cargo Tonne Km (millions) | 105 | 100 | 5.0% | 671 | 619 | 8.4% |



| | | | | | | |
|---------------------------------|--------|--------|-------|--------|--------|-------|
| Revenue Passenger Km (millions) | 10,156 | 8,831 | 15.0% | 55,461 | 48,387 | 14.6% |
| Available Seat Km (millions) | 12,639 | 11,399 | 10.9% | 73,516 | 65,014 | 13.1% |
| Cargo Tonne Km (millions) | 399 | 393 | 1.5% | 2,395 | 2,234 | 7.2% |