

JUNE 2012 - GROUP TRAFFIC AND CAPACITY STATISTICS

- In June 2012, Group traffic measured in Revenue Passenger Kilometres rose by 8.9 per cent versus June 2011 (up 5.9 per cent on a like for like basis); Group capacity measured in Available Seat Kilometres was up 5.8 per cent (up 2.6 per cent on a like for like basis).
- Group premium traffic for the month of June grew by 5.3 per cent compared to the previous year, with 9.6 per cent growth in non-premium traffic.
- Underlying market conditions remain unchanged from last month. As we had indicated earlier in the year there is likely to be some near-term softness in premium traffic due to the Olympic Games.

July 4th, 2012

STRATEGIC DEVELOPMENTS

On June 21st, IAG held its Annual General Meeting in Madrid, shareholders approved all proposed resolutions.

On June 22nd, Iberia appealed the arbitrator's decision in relation to the pilots' union Seppla. The appeal relates to concerns that, among other reasons, the arbitrator went beyond his mandate and made a decision that will adversely affect management's ability to maintain an appropriate cost base for the business and that the decision will impede future growth prospects.

Iberia Express launched new flights between Madrid and Riga. The airline now offers a total of 15 destinations.

British Airways announced new routes for its winter schedule from London Heathrow to Seoul, Zagreb and Leeds Bradford and from London Gatwick to Las Vegas and Barcelona. It will also start operations between London City and Aberdeen. Following the acquisition of bmi by IAG, British Airways relaunched services between Belfast City Airport in Northern Ireland and London Heathrow after an 11-year gap.

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.

Group Performance ¹

	Month of June				Year to Date			
	2012	2011	Change	Like for like change ²	2012	2011	Change	Like for like change ²
Passengers Carried ('000s)	5,048	4,525	11.6%	6.1%	25,731	24,809	3.7%	1.4%
Domestic (UK & Spain)	1,160	925	25.4%		5,536	5,482	1.0%	
Europe	2,142	2,024	5.8%		10,800	10,511	2.7%	
North America	802	756	6.1%		4,060	3,757	8.1%	
Latin America & Caribbean	388	378	2.6%		2,315	2,316	0.0%	
Africa, Middle East & S.Asia	421	314	34.1%		2,273	2,018	12.6%	
Asia Pacific	135	128	5.5%		747	725	3.0%	
Revenue Passenger Km (millions)	15,777	14,488	8.9%	5.9%	84,561	80,403	5.2%	4.0%
Domestic (UK & Spain)	714	567	25.9%		3,474	3,364	3.3%	
Europe	2,675	2,539	5.4%		13,105	12,938	1.3%	
North America	5,397	5,090	6.0%		27,481	25,229	8.9%	
Latin America & Caribbean	3,254	3,101	4.9%		19,355	19,021	1.8%	
Africa, Middle East & S.Asia	2,382	1,885	26.4%		13,608	12,406	9.7%	
Asia Pacific	1,355	1,306	3.8%		7,538	7,445	1.2%	
Available Seat Km (millions)	18,782	17,744	5.8%	2.6%	107,276	104,543	2.6%	1.3%
Domestic (UK & Spain)	927	734	26.3%		4,694	4,726	-0.7%	
Europe	3,390	3,231	4.9%		18,104	18,303	-1.1%	
North America	6,000	5,796	3.5%		33,686	32,026	5.2%	
Latin America & Caribbean	3,799	3,723	2.0%		23,045	23,059	-0.1%	
Africa, Middle East & S.Asia	3,011	2,609	15.4%		18,064	16,898	6.9%	
Asia Pacific	1,655	1,651	0.2%		9,683	9,531	1.6%	
Passenger Load Factor (%)	84.0	81.7	+2.3 pts	+2.6 pts	78.8	76.9	+1.9 pts	+2.1 pts
Domestic (UK & Spain)	77.0	77.2	-0.2 pts		74.0	71.2	+2.8 pts	
Europe	78.9	78.6	+0.3 pts		72.4	70.7	+1.7 pts	
North America	90.0	87.8	+2.2 pts		81.6	78.8	+2.8 pts	
Latin America & Caribbean	85.7	83.3	+2.4 pts		84.0	82.5	+1.5 pts	
Africa, Middle East & S.Asia	79.1	72.2	+6.9 pts		75.3	73.4	+1.9 pts	
Asia Pacific	81.9	79.1	+2.8 pts		77.8	78.1	-0.3 pts	
Cargo and Total Capacity (millions)								
Cargo Tonne Km	507	504	0.6%	-0.6%	3,010	3,066	-1.8%	-2.3%
Total Revenue Tonne Km	2,010	1,881	6.9%		11,069	10,705	3.4%	
Available Tonne Km	2,642	2,513	5.1%		15,220	14,746	3.2%	
Overall Load Factor	76.1	74.9	+1.2 pts	+1.0 pts	72.7	72.6	+0.1 pts	+0.1 pts

Performance by Airline

	Month of June				Year to Date			
	2012	2011	Change	Like for like change ²	2012	2011	Change	Like for like change ²
IBERIA ³								
Revenue Passenger Km (millions)	4,471	4,333	3.2%		24,037	24,941	-3.6%	
Available Seat Km (millions)	5,241	5,105	2.7%		29,411	31,027	-5.2%	
Cargo Tonne Km (millions)	90	105	-14.3%		588	671	-12.4%	
BRITISH AIRWAYS ³								
Revenue Passenger Km (millions)	11,306	10,156	11.3%	7.1%	60,524	55,461	9.1%	7.4%
Available Seat Km (millions)	13,542	12,639	7.1%	2.6%	77,864	73,516	5.9%	4.0%
Cargo Tonne Km (millions)	417	399	4.5%	3.0%	2,422	2,395	1.1%	0.5%

Notes:

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

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

³ Iberia Performance includes Iberia Express. British Airways Performance excludes bmi Regional and bmibaby