

JULY 2014 - GROUP TRAFFIC AND CAPACITY STATISTICS

- In July 2014, Group traffic measured in Revenue Passenger Kilometres increased by 7.1 per cent versus July 2013; Group capacity measured in Available Seat Kilometres rose by 9.2 per cent.
- Group premium traffic for the month of July increased by 7.6 per cent compared to the previous year.

5 August 2014

STRATEGIC DEVELOPMENTS

On 1 August, IAG announced that it is converting eight Airbus A350-900 aircraft options into firm orders and securing eight A330-200 aircraft for Iberia. These aircraft will replace 16 A340 family aircraft in the airline's long-haul fleet and will be delivered between 2015 and 2020. The new technology and improved aerodynamics will lower fuel burn and CO₂ emissions per seat by 18 per cent, as well as providing both noise and NO_x performance advantages.

On 31 July, IAG Board approved the settlement by Iberia of the derivative transaction on its entire stake in Amadeus that it entered into in August 2012. The transaction was a risk management exercise and allowed IAG to safeguard the value of that stake at 2012 levels to fund Iberia's transformation plan.

On 24 July, Iberia and its trade unions reached an agreement on collective redundancies for pilots and ground staff. This could lead to an additional reduction of up to 1,427 jobs at the airline. The agreement enables Iberia to continue with its transformation plan to introduce permanent structural changes across the airline and to facilitate profitable growth in the future.

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 2013; these documents are available on www.iagshares.com.

Group Performance¹
Month of July
Year to Date

	2014	2013	Change	2014	2013	Change	Pro-forma ²
Passengers Carried ('000s)	7,841	7,247	8.2%	43,321	36,384	19.1%	7.8%
Domestic (UK, Spain & Italy)	2,069	1,923	7.6%	11,105	8,508	30.5%	6.5%
Europe	3,899	3,531	10.4%	20,420	16,653	22.6%	10.5%
North America	863	829	4.1%	5,166	4,956	4.2%	
Latin America & Caribbean	366	361	1.4%	2,387	2,425	-1.6%	
Africa, Middle East & S.Asia	470	447	5.1%	3,219	2,902	10.9%	
Asia Pacific	174	156	11.5%	1,024	940	8.9%	
Revenue Passenger Km (m)	19,402	18,123	7.1%	114,733	104,501	9.8%	6.1%
Domestic (UK, Spain & Italy)	1,367	1,250	9.4%	7,367	5,392	36.6%	7.7%
Europe	4,808	4,303	11.7%	24,144	19,411	24.4%	12.3%
North America	5,798	5,576	4.0%	34,774	33,454	3.9%	
Latin America & Caribbean	3,115	3,046	2.3%	20,296	20,364	-0.3%	
Africa, Middle East & S.Asia	2,611	2,407	8.5%	18,021	16,481	9.3%	
Asia Pacific	1,703	1,541	10.5%	10,131	9,399	7.8%	
Available Seat Km (m)	23,485	21,507	9.2%	144,377	130,148	10.9%	7.0%
Domestic (UK, Spain & Italy)	1,737	1,555	11.7%	9,677	7,315	32.3%	5.8%
Europe	5,942	5,211	14.0%	31,388	25,314	24.0%	11.5%
North America	6,845	6,325	8.2%	42,578	39,799	7.0%	
Latin America & Caribbean	3,746	3,614	3.7%	24,863	24,626	1.0%	
Africa, Middle East & S.Asia	3,268	3,059	6.8%	23,328	21,488	8.6%	
Asia Pacific	1,947	1,743	11.7%	12,543	11,606	8.1%	
Passenger Load Factor (%)	82.6	84.3	-1.7 pts	79.5	80.3	-0.8 pts	-0.6 pts
Domestic (UK, Spain & Italy)	78.7	80.4	-1.7 pts	76.1	73.7	+2.4 pts	+1.3 pts
Europe	80.9	82.6	-1.7 pts	76.9	76.7	+0.2 pts	+0.5 pts
North America	84.7	88.2	-3.5 pts	81.7	84.1	-2.4 pts	
Latin America & Caribbean	83.2	84.3	-1.1 pts	81.6	82.7	-1.1 pts	
Africa, Middle East & S.Asia	79.9	78.7	+1.2 pts	77.3	76.7	+0.6 pts	
Asia Pacific	87.5	88.4	-0.9 pts	80.8	81.0	-0.2 pts	
Cargo Tonne Km (m)							
Cargo CTK	454	468	-3.0%	3,146	3,224	-2.4%	

Performance by Airline
Month of July
Year to Date


	2014	2013	Change	2014	2013	Change	Pro-forma
Revenue Passenger Km (m)	2,567	2,078	23.5%	11,577	5,512	110.0%	26.6%
Available Seat Km (m)	3,252	2,530	28.5%	14,655	6,943	111.1%	24.9%
Cargo Tonne Km (m)	0	0	n/a	0	0	n/a	



Revenue Passenger Km (m)	4,136	3,991	3.6%	24,080	24,056	0.1%	
Available Seat Km (m)	5,118	4,884	4.8%	30,743	30,504	0.8%	
Cargo Tonne Km (m)	82	77	6.5%	549	574	-4.4%	



Revenue Passenger Km (m)	12,699	12,054	5.4%	79,076	74,933	5.5%	
Available Seat Km (m)	15,115	14,093	7.3%	98,979	92,701	6.8%	
Cargo Tonne Km (m)	372	391	-4.9%	2,597	2,650	-2.0%	

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

² Pro-forma figures include Vueling in the baseline.