

RELEVANT FACT

SECURED BOND UPDATE

On July 9, 2012, International Airlines Group (IAG) announced that its wholly owned subsidiary British Airways was planning to issue a sterling secured bond. This was subject to investor feedback and market conditions.

Despite this week's improvement in the underlying credit rating of British Airways, there was a lack of demand for this bond at a price which would compare with other financing alternatives. IAG has therefore decided not to progress with the bond issue.

July 20, 2012

Enrique Dupuy de Lome
Chief Financial Officer

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 of the business and the risk management process of the group is given in the Annual Report and Accounts 2011; this document is available on www.iagshares.com.