

OCTOBER 2016 - IAG GROUP TRAFFIC AND CAPACITY STATISTICS

- Group traffic in October, measured in Revenue Passenger Kilometres, increased by 3.1 per cent versus October 2015; Group capacity measured in Available Seat Kilometres rose by 5.0 per cent.
- Group premium traffic for the month of October increased by 4.7 per cent compared to the previous year.

4 November 2016

STRATEGIC DEVELOPMENTS

On 27 October, IAG's Board of Directors approved the distribution in cash of a gross interim dividend against the 2016 financial results of euro 0.11 per share, a 10 per cent increase on last year. As in 2015, IAG expects the interim dividend to be around half the full year dividend.

On 26 October, IAG announced that British Airways had signed an agreement in principle with the trustees of its New Airways Pension Scheme (NAPS) on the scheme's regular triennial valuation. The valuation is based on the scheme's funding position as at March 31, 2015 and reflects the airline's improved financial position since the March 2012 valuation. The agreement states a technical deficit of £2.8 billion and establishes that British Airways will make fixed deficit contributions of £300 million per year until 2027. It also provides the airline with the flexibility to make dividend payments to IAG.

On 25 October, the UK Government disclosed its preference to expand Heathrow and said the cost to customers must not increase from today's level if the airport is to have a future. IAG said it is pleased that a decision has finally been made and that the Government's directive to cap customer charges at today's level is fundamental. Heathrow is the world's most expensive hub airport so it's critical that new capacity is affordable.

On 30 October, British Airways and Qatar Airways' joint business between London and Doha commenced. The airlines also expanded their existing codeshare agreement providing customers with better links between the UK, continental Europe, Asia, Middle East and Africa.

On 18 October Iberia commenced its flights between Madrid and Tokyo. The airline also launched its new Premium Economy cabin that will be available on flights from summer 2017 and progressively deployed on 37 of its longhaul aircraft. Iberia will be the first airline to offer Premium Economy on direct flights between Spain and Latin America.

*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 2015; these documents are available on www.iagshares.com.

Group Performance¹
Month of October
Year to Date

	Month of October			Year to Date			Pro-forma ²
	2016	2015	Change	2016	2015 ⁴	Change	
Passengers Carried ('000s)	8,836	8,508	3.9%	86,361	74,710	15.6%	6.5%
Domestic ³	1,930	1,925	0.3%	19,328	18,118	6.7%	5.1%
Europe	4,863	4,562	6.6%	47,338	38,252	23.8%	8.9%
North America	1,003	976	2.8%	9,261	8,132	13.9%	2.5%
Latin America & Caribbean	397	402	-1.2%	3,984	3,885	2.5%	
Africa, Middle East & S,Asia	450	462	-2.6%	4,603	4,643	-0.9%	
Asia Pacific	193	181	6.6%	1,847	1,680	9.9%	
Revenue Passenger Km (m)	21,396	20,754	3.1%	207,122	186,901	10.8%	4.7%
Domestic	1,361	1,319	3.2%	13,386	12,176	9.9%	8.7%
Europe	5,765	5,361	7.5%	56,055	45,649	22.8%	9.1%
North America	6,587	6,388	3.1%	61,251	54,500	12.4%	3.0%
Latin America & Caribbean	3,334	3,378	-1.3%	33,379	32,737	2.0%	
Africa, Middle East & S,Asia	2,420	2,510	-3.6%	24,657	25,186	-2.1%	
Asia Pacific	1,929	1,798	7.3%	18,394	16,653	10.5%	
Available Seat Km (m)	26,104	24,870	5.0%	252,460	228,251	10.6%	4.5%
Domestic	1,609	1,616	-0.4%	16,458	15,537	5.9%	4.5%
Europe	7,157	6,595	8.5%	69,662	57,183	21.8%	8.1%
North America	7,873	7,304	7.8%	73,378	64,561	13.7%	4.2%
Latin America & Caribbean	4,031	4,055	-0.6%	39,957	39,146	2.1%	
Africa, Middle East & S,Asia	3,085	3,176	-2.9%	30,822	32,017	-3.7%	
Asia Pacific	2,349	2,124	10.6%	22,183	19,807	12.0%	
Passenger Load Factor (%)	82.0	83.4	-1.4 pts	82.0	81.9	+0.1 pts	+0.1 pts
Domestic	84.6	81.6	+3.0 pts	81.3	78.4	+2.9 pts	+3.1 pts
Europe	80.6	81.3	-0.7 pts	80.5	79.8	+0.7 pts	+0.8 pts
North America	83.7	87.5	-3.8 pts	83.5	84.4	-0.9 pts	-0.9 pts
Latin America & Caribbean	82.7	83.3	-0.6 pts	83.5	83.6	-0.1 pts	
Africa, Middle East & S,Asia	78.4	79.0	-0.6 pts	80.0	78.7	+1.3 pts	
Asia Pacific	82.1	84.7	-2.6 pts	82.9	84.1	-1.2 pts	
Cargo Tonne Km (m)							
Cargo CTK	504	476	5.9%	4,490	4,347	3.3%	1.1%

Performance by Airline
Month of October
Year to Date


	2016	2015	Change	2016	2015 ⁴	Change	Pro-forma ²
Revenue Passenger Km (m)	2,490	2,227	11.8%	24,638	21,738	13.3%	
Available Seat Km (m)	3,001	2,678	12.1%	29,570	26,657	10.9%	
Cargo Tonne Km (m)	0	0	n/a	0	0	n/a	



Revenue Passenger Km (m)	1,850	1,638	12.9%	16,569	4,339	n/a	8.8%
Available Seat Km (m)	2,249	1,945	15.6%	20,128	5,044	n/a	9.2%
Cargo Tonne Km (m)	11	13	-15.4%	103	31	n/a	-17.6%



Revenue Passenger Km (m)	4,434	4,316	2.7%	43,113	40,891	5.4%	
Available Seat Km (m)	5,342	5,201	2.7%	52,372	50,089	4.6%	
Cargo Tonne Km (m)	111	104	6.7%	894	851	5.1%	



Revenue Passenger Km (m)	12,622	12,573	0.4%	122,802	119,933	2.4%	
Available Seat Km (m)	15,512	15,046	3.1%	150,390	146,461	2.7%	
Cargo Tonne Km (m)	382	359	6.4%	3,493	3,465	0.8%	

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

² Year to Date pro-forma includes Aer Lingus in the base

³ Domestic includes routes within UK, Spain, Ireland and Italy

⁴ 2015 figures include Aer Lingus from the acquisition date of August 18, 2015