

DECEMBER 2017 – GROUP TRAFFIC AND CAPACITY STATISTICS

- Group traffic in December, measured in Revenue Passenger Kilometres, increased by 6.1 per cent versus December 2016; Group capacity measured in Available Seat Kilometres rose by 4.0 per cent.
- Group premium traffic for the month of December increased by 3.9 per cent compared to the previous year.

4 January 2018

STRATEGIC DEVELOPMENTS

On 8 December, British Airways launched a flexible benefits scheme incorporating a new defined contribution pension scheme, following consultation with its trade unions and employees. The scheme will open on April 1 2018 and will replace the main UK defined benefit scheme, the New Airways Pension Scheme (NAPS), and the main UK defined contribution scheme, the British Airways Retirement Plan (BARP). The changes are subject to NAPS trustees agreeing to amend the scheme's rules to enable closure to future accrual.

On December 29, IAG announced that it is to buy assets of the Austrian airline NIKI, which was formerly part of the Air Berlin group, for €20 million and provide liquidity to NIKI of up to €16.5 million. The transaction, which is being made by a newly formed subsidiary of Vueling that will be incorporated as an Austrian company and run initially as a separate operation, is subject to customary closing conditions such as the EC competition approval. The assets include up to 15 A320 family aircraft and an attractive slot portfolio at various airports including Vienna, Dusseldorf, Munich, Palma and Zurich.

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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

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 2016; these documents are available on www.iagshares.com.

Group Performance¹

	Month of December			Year to Date		
	2017	2016	Change	2017	2016	Change
Passengers Carried ('000s)	7,670	7,065	8.6%	104,829	100,675	4.1%
Domestic ²	1,847	1,608	14.9%	24,363	22,718	7.2%
Europe	3,867	3,583	7.9%	56,236	54,567	3.1%
North America	853	836	2.0%	11,265	10,933	3.0%
Latin America & Caribbean	413	386	7.0%	4,854	4,738	2.4%
Africa, Middle East & S,Asia	519	480	8.1%	5,854	5,522	6.0%
Asia Pacific	171	172	-0.6%	2,257	2,197	2.7%
Revenue Passenger Km (m)	19,358	18,241	6.1%	252,819	243,474	3.8%
Domestic	1,335	1,142	16.9%	16,994	15,761	7.8%
Europe	4,250	3,955	7.5%	65,551	64,040	2.4%
North America	5,584	5,453	2.4%	74,551	72,161	3.3%
Latin America & Caribbean	3,509	3,220	9.0%	41,387	39,673	4.3%
Africa, Middle East & S,Asia	2,951	2,729	8.1%	31,626	29,922	5.7%
Asia Pacific	1,729	1,742	-0.7%	22,710	21,917	3.6%
Available Seat Km (m)	23,949	23,030	4.0%	306,185	298,431	2.6%
Domestic	1,645	1,420	15.8%	20,435	19,397	5.4%
Europe	5,504	5,189	6.1%	79,911	80,101	-0.2%
North America	6,958	6,840	1.7%	90,624	86,992	4.2%
Latin America & Caribbean	4,192	3,949	6.2%	49,254	47,747	3.2%
Africa, Middle East & S,Asia	3,549	3,473	2.2%	39,126	37,615	4.0%
Asia Pacific	2,101	2,159	-2.7%	26,835	26,579	1.0%
Passenger Load Factor (%)	80.8	79.2	+1.6 pts	82.6	81.6	+1.0 pts
Domestic	81.2	80.4	+0.8 pts	83.2	81.3	+1.9 pts
Europe	77.2	76.2	+1.0 pts	82.0	79.9	+2.1 pts
North America	80.3	79.7	+0.6 pts	82.3	83.0	-0.7 pts
Latin America & Caribbean	83.7	81.5	+2.2 pts	84.0	83.1	+0.9 pts
Africa, Middle East & S,Asia	83.2	78.6	+4.6 pts	80.8	79.5	+1.3 pts
Asia Pacific	82.3	80.7	+1.6 pts	84.6	82.5	+2.1 pts
Cargo Tonne Km (m)						
Cargo CTK	484	480	0.8%	5,762	5,454	5.6%

Performance by Airline

	Month of December			Year to Date		
	2017	2016	Change	2017	2016	Change
vueling						
Revenue Passenger Km (m)	1,935	1,686	14.8%	29,125	28,046	3.8%
Available Seat Km (m)	2,443	2,147	13.8%	34,378	33,884	1.5%
Cargo Tonne Km (m)	0	0	n/a	0	0	n/a
Aer Lingus						
Revenue Passenger Km (m)	1,447	1,276	13.4%	21,412	19,194	11.6%
Available Seat Km (m)	1,904	1,703	11.8%	26,386	23,533	12.1%
Cargo Tonne Km (m)	14	12	16.7%	155	127	22.0%
IBERIA						
Revenue Passenger Km (m)	4,452	4,046	10.0%	54,941	51,064	7.6%
Available Seat Km (m)	5,355	4,997	7.2%	65,351	62,282	4.9%
Cargo Tonne Km (m)	99	103	-3.9%	1,107	1,094	1.2%
BRITISH AIRWAYS						
Revenue Passenger Km (m)	11,524	11,233	2.6%	147,341	145,170	1.5%
Available Seat Km (m)	14,247	14,183	0.5%	180,070	178,732	0.7%
Cargo Tonne Km (m)	371	365	1.6%	4,500	4,233	6.3%

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

² Domestic includes routes within UK, Spain, Ireland and Italy