

MAY 2012 - GROUP TRAFFIC AND CAPACITY STATISTICS

- In May 2012, Group traffic measured in Revenue Passenger Kilometres rose by 6.6 per cent versus May 2011 (up 3.8 per cent on a like for like basis); Group capacity measured in Available Seat Kilometres was up 5.9 per cent (up 2.5 per cent on a like for like basis).
- Group premium traffic for the month of May grew by 1.7 per cent compared to the previous year, with 7.5 per cent growth in non-premium traffic.
- Trends for June appear stronger than those in May. Underlying market conditions at our London Heathrow hub continue to be firm, particularly in long haul premium. However, commercial performance at our Madrid hub has deteriorated further due to the ongoing effects of the Spanish and wider Eurozone macroeconomic conditions and the after-effects of prolonged industrial action.

June 7th, 2012

STRATEGIC DEVELOPMENTS

On May 25th, IAG and Japan Airlines' (JAL) joint business was granted anti-trust immunity from the Japanese Ministry of Land, Infrastructure, Transport and Tourism. The agreement will allow British Airways and JAL to cooperate commercially on flights between the EU and Japan.

On June 1st, IAG completed the sale of bmi Regional to Sector Aviation Holdings Ltd. This follows the binding agreement signed on May for a total consideration of £8 million in cash.

The arbiter appointed by the Spanish government announced its binding resolution on the arbitration process between Iberia and its pilots. Iberia is studying the report fully and will provide more detailed comment in due course.

Recently, Iberia Express launched European flights with routes from Madrid to Dublin and Naples. It also added new domestic flights to Fuerteventura, La Palma and Santiago de Compostela. This brings to 14 the total number of destinations offered by the airline.

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 May				Year to Date			
	2012	2011	Change	Like for like change ²	2012	2011	Change	Like for like change ²
Passengers Carried ('000s)	4,807	4,400	9.3%	3.6%	20,675	20,283	1.9%	0.3%
Domestic (UK & Spain)	1,097	911	20.4%		4,374	4,557	-4.0%	
Europe	2,053	1,954	5.1%		8,658	8,487	2.0%	
North America	779	735	6.0%		3,257	3,000	8.6%	
Latin America & Caribbean	376	377	-0.3%		1,927	1,938	-0.6%	
Africa, Middle East & S.Asia	382	308	24.0%		1,847	1,704	8.4%	
Asia Pacific	120	115	4.3%		612	597	2.5%	
Revenue Passenger Km (millions)	15,000	14,076	6.6%	3.8%	68,767	65,907	4.3%	3.5%
Domestic (UK & Spain)	674	557	21.0%		2,760	2,796	-1.3%	
Europe	2,517	2,426	3.8%		10,430	10,399	0.3%	
North America	5,269	4,929	6.9%		22,073	20,133	9.6%	
Latin America & Caribbean	3,132	3,118	0.4%		16,099	15,919	1.1%	
Africa, Middle East & S.Asia	2,203	1,877	17.4%		11,222	10,521	6.7%	
Asia Pacific	1,205	1,169	3.1%		6,183	6,139	0.7%	
Available Seat Km (millions)	19,087	18,026	5.9%	2.5%	88,471	86,795	1.9%	1.0%
Domestic (UK & Spain)	921	748	23.1%		3,767	3,991	-5.6%	
Europe	3,388	3,241	4.5%		14,714	15,074	-2.4%	
North America	6,196	5,877	5.4%		27,678	26,226	5.5%	
Latin America & Caribbean	3,857	3,930	-1.9%		19,243	19,333	-0.5%	
Africa, Middle East & S.Asia	3,050	2,680	13.8%		15,042	14,291	5.3%	
Asia Pacific	1,675	1,550	8.1%		8,027	7,880	1.9%	
Passenger Load Factor (%)	78.6	78.1	+0.5 pts	+1.0 pts	77.7	75.9	+1.8 pts	+2.0 pts
Domestic (UK & Spain)	73.2	74.5	-1.3 pts		73.3	70.1	+3.2 pts	
Europe	74.3	74.9	-0.6 pts		70.9	69.0	+1.9 pts	
North America	85.0	83.9	+1.1 pts		79.7	76.8	+2.9 pts	
Latin America & Caribbean	81.2	79.3	+1.9 pts		83.7	82.3	+1.4 pts	
Africa, Middle East & S.Asia	72.2	70.0	+2.2 pts		74.6	73.6	+1.0 pts	
Asia Pacific	71.9	75.4	-3.5 pts		77.0	77.9	-0.9 pts	
Cargo and Total Capacity (millions)								
Cargo Tonne Km	517	534	-3.2%	-4.6%	2,503	2,562	-2.3%	-2.6%
Total Revenue Tonne Km	1,946	1,871	4.0%		9,058	8,823	2.7%	
Available Tonne Km	2,683	2,544	5.5%		12,575	12,228	2.8%	
Overall Load Factor	72.5	73.5	-1.0 pts	-1.1 pts	72.0	72.2	-0.2 pts	-0.2 pts

Performance by Airline



	Month of May			Year to Date		
	2012	2011	Change	2012	2011	Change
Revenue Passenger Km (millions)	4,146	4,220	-1.8%	19,562	20,608	-5.1%
Available Seat Km (millions)	5,162	5,255	-1.8%	24,160	25,922	-6.8%
Cargo Tonne Km (millions)	93	110	-15.5%	498	566	-12.0%



	Month of May				Year to Date			
	2012	2011	Change	Like for like change ²	2012	2011	Change	Like for like change ²
Revenue Passenger Km (millions)	10,853	9,856	10.1%	6.1%	49,206	45,299	8.6%	7.4%
Available Seat Km (millions)	13,925	12,771	9.0%	4.2%	64,311	60,873	5.6%	4.3%
Cargo Tonne Km (millions)	424	424	0.0%	-1.7%	2,005	1,996	0.5%	0.0%

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