

AUGUST 2012 - GROUP TRAFFIC AND CAPACITY STATISTICS

- In August 2012, Group traffic measured in Revenue Passenger Kilometres rose by 5.0 per cent versus August 2011 (up 2.3 per cent on a like for like basis); Group capacity measured in Available Seat Kilometres was up 5.6 per cent (up 2.5 per cent on a like for like basis).
- Group premium traffic for the month of August grew by 12.6 per cent compared to the previous year, with 3.9 per cent growth in non-premium traffic.
- Underlying market conditions remain unchanged from guidance given at Quarter Two results. Trading conditions at our London hub remain firm. Performance at Madrid continues to be impacted by weak economic conditions, with short haul traffic particularly affected.

September 5th, 2012

STRATEGIC DEVELOPMENTS

After a review of options for bmibaby and following formal consultation with union and employee representatives, the bmibaby business will be closed with the last flight departing September 9th 2012.

Iberia Express has carried more than one million passengers in its first five months of operations. The airline also announced a new route between Madrid and Amsterdam and a codeshare agreement with American Airlines.

British Airways will launch a new service to Colombo, Sri Lanka, from London Gatwick starting on March 31, 2013. The three times a week service will be via Male in the Maldives.

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 August				Year to Date			
	2012	2011	Change	Like for like change ²	2012	2011	Change	Like for like change ²
Passengers Carried ('000s)	5,212	4,841	7.7%	2.3%	36,373	34,652	5.0%	1.7%
Domestic (UK & Spain)	1,138	899	26.6%		7,917	7,333	8.0%	
Europe	2,230	2,226	0.2%		15,355	15,025	2.2%	
North America	840	786	6.9%		5,729	5,340	7.3%	
Latin America & Caribbean	415	436	-4.8%		3,159	3,197	-1.2%	
Africa, Middle East & S.Asia	447	356	25.6%		3,180	2,748	15.7%	
Asia Pacific	142	138	2.9%		1,033	1,009	2.4%	
Revenue Passenger Km (millions)	16,613	15,829	5.0%	2.3%	118,069	112,361	5.1%	3.4%
Domestic (UK & Spain)	767	603	27.2%		5,039	4,564	10.4%	
Europe	2,827	2,821	0.2%		18,860	18,612	1.3%	
North America	5,622	5,296	6.2%		38,668	35,879	7.8%	
Latin America & Caribbean	3,452	3,558	-3.0%		26,377	26,212	0.6%	
Africa, Middle East & S.Asia	2,525	2,149	17.5%		18,719	16,764	11.7%	
Asia Pacific	1,420	1,402	1.3%		10,406	10,330	0.7%	
Available Seat Km (millions)	19,683	18,642	5.6%	2.5%	146,685	142,007	3.3%	1.5%
Domestic (UK & Spain)	986	766	28.7%		6,680	6,234	7.2%	
Europe	3,560	3,369	5.7%		25,249	25,067	0.7%	
North America	6,275	5,917	6.1%		46,245	44,018	5.1%	
Latin America & Caribbean	4,000	4,163	-3.9%		31,067	31,404	-1.1%	
Africa, Middle East & S.Asia	3,125	2,716	15.1%		24,332	22,322	9.0%	
Asia Pacific	1,737	1,711	1.5%		13,112	12,962	1.2%	
Passenger Load Factor (%)	84.4	84.9	-0.5 pts	-0.1 pts	80.5	79.1	+1.4 pts	+1.6 pts
Domestic (UK & Spain)	77.8	78.7	-0.9 pts		75.4	73.2	+2.2 pts	
Europe	79.4	83.7	-4.3 pts		74.7	74.2	+0.5 pts	
North America	89.6	89.5	+0.1 pts		83.6	81.5	+2.1 pts	
Latin America & Caribbean	86.3	85.5	+0.8 pts		84.9	83.5	+1.4 pts	
Africa, Middle East & S.Asia	80.8	79.1	+1.7 pts		76.9	75.1	+1.8 pts	
Asia Pacific	81.8	81.9	-0.1 pts		79.4	79.7	-0.3 pts	
Cargo and Total Capacity (millions)								
Cargo Tonne Km	495	481	2.9%	1.8%	4,016	4,064	-1.2%	-1.8%
Total Revenue Tonne Km	2,084	1,988	4.8%		15,276	14,744	3.6%	
Available Tonne Km	2,747	2,606	5.4%		20,725	20,005	3.6%	
Overall Load Factor	75.9	76.3	-0.4 pts	-0.5 pts	73.7	73.7	+0.0 pts	-0.1 pts

Performance by Airline

	Month of August				Year to Date			
	2012	2011	Change	Like for like change ²	2012	2011	Change	Like for like change ²
IBERIA ³								
Revenue Passenger Km (millions)	4,732	4,743	-0.2%		33,690	34,585	-2.6%	
Available Seat Km (millions)	5,613	5,608	0.1%		40,670	42,246	-3.7%	
Cargo Tonne Km (millions)	88	98	-10.2%		768	879	-12.6%	
BRITISH AIRWAYS ³								
Revenue Passenger Km (millions)	11,881	11,086	7.2%	3.4%	84,379	77,777	8.5%	6.1%
Available Seat Km (millions)	14,071	13,035	7.9%	3.5%	106,015	99,760	6.3%	3.7%
Cargo Tonne Km (millions)	407	383	6.3%	5.0%	3,248	3,185	2.0%	1.2%

Notes:

¹ Group Performance comprises British Airways (including bmi Mainline, excluding 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 bmibaby