

RELEVANT FACT

REGULATORY APPROVAL FOR BMI DEAL

The European Commission (EC) has today given regulatory approval for International Airlines Group's purchase of bmi from Lufthansa.

Some technical conditions need to be finalised before completion, which is anticipated to take place around April 20, 2012. Following completion, it is intended that bmi mainline will be integrated into British Airways during the coming months.

IAG has offered the following commitments to the EC as part of the regulatory process:

- Seven daily slot pairs to be used between Heathrow and either Edinburgh and/or Aberdeen.
- Five daily slot pairs to be used between Heathrow and the following destinations – Nice, Cairo, Riyadh, Moscow, Edinburgh and/or Aberdeen.
- Two Heathrow daily slot pairs will be leased to Transaero for use on flights to Moscow.
- Other airlines can apply for seats on the integrated BA/bmi short and midhaul network for their transfer passengers, on normal commercial terms.

IAG chief executive Willie Walsh said: "We're delighted the EC has given competition approval for our acquisition of bmi. Their decision follows a thorough review during which the views of key stakeholders have been taken into account.

"This is great news for Britain. Over time we will launch new longhaul routes to key trading nations that are currently not served from Heathrow while supporting our shorthaul network. This is good for UK business and UK consumers. We have already announced that British Airways will re-start flights from Belfast to Heathrow, maintaining important economic links.

"Expanding our longhaul network also helps Heathrow grow as an international hub airport despite its infrastructure constraints.

"This deal will maintain high quality jobs at bmi and create similar jobs when we expand. More British jobs will be saved than if bmi had closed. British Airways will consult with bmi staff and their unions as soon as possible.

"We plan to operate bmi's summer schedule and will update their customers once the transaction has been completed".

The acquisition cost of bmi is unchanged at £172.5m in cash, on a debt-free, cash-free basis, but is subject to significant price reductions if Lufthansa does not opt to sell bmi baby.

IAG's Heathrow slot portfolio, excluding the commitments made to the EC, will increase by at least an average of 42 daily slot pairs. The transaction is still expected to be earnings accretive by 2014 at the latest. The commitments do not affect IAG's plans to increase its 2015 operating profit target of €1.5 billion by €100 million and its target of delivering a 12 per cent return on capital employed. IAG estimates that restructuring costs related to the integration of bmi will be around £100 million spread over three years with the majority in year one.

IAG plans to hold an investor update after completion of the deal, at which it will give more detail on the bmi integration plan.

ends

March 30, 2012

Enrique Dupuy de Lome
Chief Financial Officer

Forwarding-looking statements:

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 some of the most important risks in this regard is given in the shareholder documentation in respect of the merger issued on October 26, 2010 and in the Securities Note and Summary issued on January 10, 2011; these documents are available on www.iagshares.com