

MARCH 2011 - GROUP TRAFFIC AND CAPACITY STATISTICS

- In March 2011, Group traffic measured in Revenue Passenger Kilometres rose by 8.8 per cent versus March 2010, capacity measured in Available Seat Kilometres was up 11.5 per cent.
- Taking account of disruption in March 2010, underlying traffic growth and capacity continue the same trend as February.
- Group premium traffic for the month of March grew by 18.1 per cent compared to the previous year, with 6.7 per cent growth in non-premium traffic. We estimate that the recovery from strike disruption in March 2010 accounts for roughly half this month's premium traffic growth: the underlying trend appears slightly better than last month.
- The Spanish short haul market continues to be highly competitive. In addition, volumes in long haul markets from Madrid have not kept pace with capacity increases in the market this month and therefore for the quarter, although forward bookings for April and May are more positive.

Strategic Developments

IAG has reached agreement with Airbus to purchase eight A330-300 aircraft and options for up to eight A330 family aircraft for Iberia's long haul fleet. The aircraft will be delivered between Autumn 2012 and Spring 2014 replacing up to 16 A340 aircraft.

The joint business between American Airlines, British Airways and Iberia now delivers more benefits to customers across the North Atlantic. From March 27, American Airlines and British Airways created UK-US transatlantic 'shuttle' services on top UK-US routes by aligning schedules between Heathrow and New York, Chicago and Miami, removing overlapping timings and providing a better spread of services.

British Airways launched flights from Gatwick to Marrakech in Morocco and San Juan in Puerto Rico, as well as changing Heathrow to Buenos Aires to a daily, non-stop service. Iberia launched three per week services from Madrid to Los Angeles and Barcelona to Miami.

Iberia Maintenance has converted an Airbus A330-200 passenger airliner into a Multi Role Tanker Transport (MRTT), equipped for mid-air refuelling for Airbus Military. It is the first time such a complex task has been performed in Spain and is part of the strategy of reorienting the maintenance business towards technologically challenging and high value-added activities.

April 5th, 2011

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.

Group Performance

	Month of March			Year to Date		
	2011	2010	Change	2011	2010	Change
Passengers Carried ('000s)	4,165	3,918	6.3%	11,526	11,172	3.2%
Domestic (UK & Spain)	993	1,013	-1.9%	2,727	2,822	-3.4%
Europe	1,730	1,568	10.3%	4,643	4,410	5.3%
North America	586	536	9.4%	1,572	1,472	6.8%
Latin America & Caribbean	391	346	13.0%	1,167	1,050	11.2%
Africa & Middle East	340	349	-2.5%	1,056	1,078	-2.0%
Asia & Pacific	125	106	18.2%	361	340	6.4%
Revenue Passenger Km (millions)	13,247	12,178	8.8%	37,768	35,775	5.6%
Domestic (UK & Spain)	602	616	-2.1%	1,656	1,727	-4.1%
Europe	2,105	1,959	7.4%	5,624	5,427	3.6%
North America	3,933	3,586	9.7%	10,577	9,884	7.0%
Latin America & Caribbean	3,186	2,852	11.7%	9,559	8,649	10.5%
Africa & Middle East	2,126	2,085	2.0%	6,619	6,564	0.8%
Asia & Pacific	1,295	1,080	19.9%	3,733	3,524	5.9%
Available Seat Km (millions)	17,660	15,837	11.5%	51,118	46,858	9.1%
Domestic (UK & Spain)	861	871	-1.2%	2,468	2,563	-3.7%
Europe	3,037	2,841	6.9%	8,688	8,263	5.2%
North America	5,143	4,543	13.2%	14,781	13,025	13.5%
Latin America & Caribbean	3,885	3,394	14.5%	11,444	9,978	14.7%
Africa & Middle East	3,021	2,905	4.0%	8,957	8,805	1.7%
Asia & Pacific	1,713	1,283	33.5%	4,780	4,224	13.2%
Passenger Load Factor (%)	75.0	76.9	-1.9 pts	73.9	76.3	-2.4 pts
Domestic (UK & Spain)	70.0	70.7	-0.7 pts	67.1	67.4	-0.3 pts
Europe	69.3	69.0	+0.3 pts	64.7	65.7	-1.0 pts
North America	76.5	78.9	-2.4 pts	71.6	75.9	-4.3 pts
Latin America & Caribbean	82.0	84.0	-2.0 pts	83.5	86.7	-3.2 pts
Africa & Middle East	70.4	71.8	-1.4 pts	73.9	74.6	-0.7 pts
Asia & Pacific	75.6	84.2	-8.6 pts	78.1	83.4	-5.3 pts
Cargo and Total Capacity (millions)						
Cargo Tonne Km	559	529	5.6%	1,514	1,413	7.1%
Total Revenue Tonne Km	1,815	1,685	7.7%	5,107	4,828	5.8%
Available Tonne Km	2,495	2,288	9.1%	7,196	6,573	9.5%
Overall Load Factor	72.7	73.6	-0.9 pts	71.0	73.5	-2.5 pts

Performance by Airline



	Month of March			Year to Date		
	2011	2010	Change	2011	2010	Change
Revenue Passenger Km (millions)	4,183	4,074	2.7%	12,015	11,605	3.5%
Available Seat Km (millions)	5,295	4,984	6.2%	15,355	14,360	6.9%
Cargo Tonne Km (millions)	125	113	10.5%	348	298	17.0%



Revenue Passenger Km (millions)	9,064	8,103	11.9%	25,752	24,169	6.6%
Available Seat Km (millions)	12,364	10,852	13.9%	35,763	32,497	10.0%
Cargo Tonne Km (millions)	433	416	4.3%	1,166	1,116	4.5%