

MAY 2011 - GROUP TRAFFIC AND CAPACITY STATISTICS

- In May 2011, Group traffic measured in Revenue Passenger Kilometres rose by 14.1 per cent versus May 2010, capacity measured in Available Seat Kilometres was up 7.3 per cent.
- Group premium traffic for the month of May grew by 30.7 per cent compared to the previous year, with 11.4 per cent growth in non-premium traffic.
- There are two specific factors to consider when looking at May's statistics: the continued restructuring of the Spanish domestic operations and the positive comparison with a period last year affected by disruption at British Airways.
- Behind these factors, we believe that underlying revenue trends are in line with last month.

June 3rd, 2011

STRATEGIC DEVELOPMENTS

British Airways and the Unite trade union reached an agreement to resolve the cabin crew dispute. The agreement is currently being voted upon by crew members, with a union recommendation for acceptance. The ballot will close on Wednesday June 22. All threats by Unite of industrial action based on its ballot in March have been removed.

Iberia's code has been placed on British Airways flights to Accra, Lusaka, Jeddah and Riyadh while British Airways' code has been placed on Iberia flights to Santiago de Chile, Guatemala and San Salvador.

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 May			Year to Date		
	2011	2010	Change	2011	2010	Change
Passengers Carried ('000s)	4,399	4,135	6.4%	20,283	19,011	6.7%
Domestic (UK & Spain)	911	1,023	-10.9%	4,557	4,803	-5.1%
Europe	1,954	1,797	8.7%	8,487	7,720	9.9%
North America	735	596	23.3%	3,000	2,591	15.8%
Latin America & Caribbean	376	328	14.6%	1,938	1,694	14.4%
Africa, Middle East & S.Asia	308	295	4.4%	1,704	1,675	1.7%
Asia Pacific	115	96	19.8%	597	528	13.1%
Revenue Passenger Km (millions)	14,073	12,332	14.1%	65,904	59,369	11.0%
Domestic (UK & Spain)	556	632	-12.0%	2,796	2,957	-5.4%
Europe	2,426	2,305	5.2%	10,399	9,660	7.7%
North America	4,929	3,994	23.4%	20,132	17,364	15.9%
Latin America & Caribbean	3,115	2,705	15.2%	15,916	13,941	14.2%
Africa, Middle East & S.Asia	1,878	1,712	9.7%	10,522	9,994	5.3%
Asia Pacific	1,169	983	18.9%	6,139	5,453	12.6%
Available Seat Km (millions)	18,023	16,794	7.3%	86,790	78,089	11.1%
Domestic (UK & Spain)	748	875	-14.5%	3,991	4,290	-7.0%
Europe	3,241	3,155	2.7%	15,074	14,059	7.2%
North America	5,877	5,221	12.6%	26,225	22,573	16.2%
Latin America & Caribbean	3,927	3,365	16.7%	19,329	16,497	17.2%
Africa, Middle East & S.Asia	2,680	2,765	-3.1%	14,291	13,854	3.2%
Asia Pacific	1,550	1,413	9.7%	7,880	6,816	15.6%
Passenger Load Factor (%)	78.1	73.4	+4.7 pts	75.9	76.0	-0.1 pts
Domestic (UK & Spain)	74.4	72.2	+2.2 pts	70.0	68.9	+1.1 pts
Europe	74.9	73.1	+1.8 pts	69.0	68.7	+0.3 pts
North America	83.9	76.5	+7.4 pts	76.8	76.9	-0.1 pts
Latin America & Caribbean	79.3	80.4	-1.1 pts	82.3	84.5	-2.2 pts
Africa, Middle East & S.Asia	70.1	61.9	+8.2 pts	73.6	72.1	+1.5 pts
Asia Pacific	75.4	69.5	+5.9 pts	77.9	80.0	-2.1 pts
Cargo and Total Capacity (millions)						
Cargo Tonne Km	534	520	2.7%	2,562	2,360	8.6%
Total Revenue Tonne Km	1,871	1,687	10.9%	8,823	8,006	10.2%
Available Tonne Km	2,544	2,391	6.4%	12,228	10,989	11.3%
Overall Load Factor	73.5	70.6	+2.9 pts	72.2	72.9	-0.7 pts

Performance by Airline

	Month of May			Year to Date		
	2011	2010	Change	2011	2010	Change
IBERIA						
Revenue Passenger Km (millions)	4,217	4,218	0.0%	20,605	19,814	4.0%
Available Seat Km (millions)	5,251	5,164	1.7%	25,918	24,474	5.9%
Cargo Tonne Km (millions)	110	109	0.9%	566	518	9.3%
BRITISH AIRWAYS						
Revenue Passenger Km (millions)	9,856	8,114	21.5%	45,299	39,555	14.5%
Available Seat Km (millions)	12,772	11,630	9.8%	60,872	53,614	13.5%
Cargo Tonne Km (millions)	424	411	3.2%	1,996	1,842	8.4%