

JANUARY 2011 - GROUP TRAFFIC AND CAPACITY STATISTICS

- In January 2011, Group traffic measured in Revenue Passenger Kilometres rose by 6.1 per cent versus January 2010. Available Seat Kilometres were up 9.5 per cent.
- Capacity and traffic comparisons were impacted by severe weather in Northern Europe in January 2010. Load factors have now reverted to more normal levels, without significant adverse impact on revenues. Excluding weather impact, we do not see any material change to trend: our longhaul business remains strong, but the shorthaul European market continues to be highly competitive.
- January premium traffic for the IAG airlines grew by 7.4 per cent against the previous year, with a 4.0 per cent gain in non-premium traffic. Excluding weather impact, we believe that premium traffic trends are broadly in line with last month.

Strategic Developments

The merger of British Airways and Iberia was completed and shares in the new holding company International Airlines Group started trading on January 24 on the London and Spanish stock exchanges.

Iberia staff at Madrid airport are trialling the use of iPads loaded with the latest airport information. This enables them to provide customers with real time information anywhere in the airport and respond more quickly and effectively to their needs.

British Airways announced that it had completed contracts with Rolls-Royce for Trent 900 and Trent 1000 engines to power up to 61 new wide-body aircraft. The Trent 900 engines will power Airbus A380s, while the Trent 1000s will be fitted to Boeing 787s. The agreement includes a long-term maintenance and care package for the engines.

Iberia increased frequencies from Madrid to several longhaul destinations. It now flies 14 times each week to Mexico City, 13 times each week to Bogota and 11 times each week to Lima. The airline has also added an extra weekly flight from Madrid to New York, Panama, Quito, Santo Domingo and Sao Paulo.

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 January			Year to Date		
	2011	2010	Change	2011	2010	Change
Passengers Carried ('000s)	3,752	3,592	+4.5%	3,752	3,592	+4.5%
Domestic (UK & Spain)	855	859	-0.5%	855	859	-0.5%
Europe	1,442	1,377	+4.7%	1,442	1,377	+4.7%
North America	533	486	+9.7%	533	486	+9.7%
Latin America & Caribbean	412	371	+11.1%	412	371	+11.1%
Africa & Middle East	384	374	+2.7%	384	374	+2.7%
Asia & Pacific	126	125	+0.8%	126	125	+0.8%
Revenue Passenger Km (millions)	12,944	12,195	+6.1%	12,944	12,195	+6.1%
Domestic (UK & Spain)	524	540	-3.0%	524	540	-3.0%
Europe	1,755	1,694	+3.6%	1,755	1,694	+3.6%
North America	3,594	3,269	+9.9%	3,594	3,269	+9.9%
Latin America & Caribbean	3,386	3,047	+11.1%	3,386	3,047	+11.1%
Africa & Middle East	2,384	2,316	+2.9%	2,384	2,316	+2.9%
Asia & Pacific	1,301	1,329	-2.1%	1,301	1,329	-2.1%
Available Seat Km (millions)	17,568	16,044	+9.5%	17,568	16,044	+9.5%
Domestic (UK & Spain)	822	846	-2.8%	822	846	-2.8%
Europe	2,908	2,737	+6.2%	2,908	2,737	+6.2%
North America	5,108	4,337	+17.8%	5,108	4,337	+17.8%
Latin America & Caribbean	3,992	3,448	+15.8%	3,992	3,448	+15.8%
Africa & Middle East	3,144	3,066	+2.5%	3,144	3,066	+2.5%
Asia & Pacific	1,594	1,610	-1.0%	1,594	1,610	-1.0%
Passenger Load Factor (%)	73.7	76.0	-2.3 pts	73.7	76.0	-2.3 pts
Domestic (UK & Spain)	63.7	63.8	-0.1 pts	63.7	63.8	-0.1 pts
Europe	60.4	61.9	-1.5 pts	60.4	61.9	-1.5 pts
North America	70.4	75.4	-5.0 pts	70.4	75.4	-5.0 pts
Latin America & Caribbean	84.8	88.4	-3.6 pts	84.8	88.4	-3.6 pts
Africa & Middle East	75.8	75.5	+0.3 pts	75.8	75.5	+0.3 pts
Asia & Pacific	81.6	82.5	-0.9 pts	81.6	82.5	-0.9 pts
Cargo and Total Capacity (millions)						
Cargo Tonne Km	464	438	+5.8%	464	438	+5.8%
Total Revenue Tonne Km	1,702	1,612	+5.6%	1,702	1,612	+5.6%
Available Tonne Km	2,462	2,221	+10.9%	2,462	2,221	+10.9%
Overall Load Factor	69.1	72.6	-3.4 pts	69.1	72.6	-3.4 pts

Performance by Airline



	Month of January			Year to Date		
	2011	2010	Change	2011	2010	Change
Revenue Passenger Km (millions)	4,151	3,931	+5.6%	4,151	3,931	+5.6%
Available Seat Km (millions)	5,307	4,911	+8.1%	5,307	4,911	+8.1%
Cargo Tonne Km (millions)	109	92	+17.9%	109	92	+17.9%



Revenue Passenger Km (millions)	8,793	8,264	+6.4%	8,793	8,264	+6.4%
Available Seat Km (millions)	12,261	11,132	+10.1%	12,261	11,132	+10.1%
Cargo Tonne Km (millions)	355	346	+2.6%	355	346	+2.6%