

FEBRUARY 2011 - GROUP TRAFFIC AND CAPACITY STATISTICS

- In February 2011, Group traffic measured in Revenue Passenger Kilometres rose by 1.4 per cent versus February 2010. Available Seat Kilometres were up 6.0 per cent.
- Group premium traffic for the February grew by 8.2 per cent compared to the previous year, with 0.2 per cent growth in non-premium traffic.
- IAG continues to experience the same market conditions as described in the results announcement on 25th February 2011: we continue to focus on yield over load factor, with the aim of maximising revenue, and expect this trend to persist as we experience the bounceback from the disrupted H1 2010.

Strategic Developments

Both airlines launched new routes this month. British Airways started a five per week service between London Heathrow and Haneda, Tokyo. It will continue to operate its daily service to Narita, Tokyo. Iberia launched flights from Madrid to Recife and Fortaleza in north east Brazil which will operate three times each week.

British Airways is to expand its successful engineering apprenticeship scheme, with the inclusion of a fourth partner college. This year, BA will be looking for 120 students, up from 90 students in 2010.

Iberia is the official airline of the Spain-Russia Year. The airline flies twice daily between Madrid and Moscow all year round and flies to St Petersburg from Madrid in the summer months.

March 3rd, 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 February			Year to Date		
	2011	2010	Change	2011	2010	Change
Passengers Carried ('000s)	3,610	3,659	-1.3%	7,359	7,254	1.4%
Domestic (UK & Spain)	878	949	-7.5%	1,733	1,809	-4.2%
Europe	1,472	1,465	0.5%	2,913	2,842	2.5%
North America	453	450	0.6%	986	936	5.3%
Latin America & Caribbean	363	333	8.9%	775	704	10.1%
Africa & Middle East	333	354	-6.0%	716	729	-1.8%
Asia & Pacific	111	108	2.1%	236	234	1.1%
Revenue Passenger Km (millions)	11,564	11,403	1.4%	24,509	23,597	3.9%
Domestic (UK & Spain)	529	571	-7.4%	1,053	1,111	-5.2%
Europe	1,764	1,773	-0.5%	3,519	3,467	1.5%
North America	3,048	3,030	0.6%	6,642	6,298	5.5%
Latin America & Caribbean	2,978	2,750	8.3%	6,365	5,797	9.8%
Africa & Middle East	2,108	2,164	-2.6%	4,492	4,480	0.3%
Asia & Pacific	1,137	1,115	2.0%	2,438	2,444	-0.2%
Available Seat Km (millions)	15,885	14,979	6.0%	33,452	31,020	7.8%
Domestic (UK & Spain)	784	846	-7.3%	1,607	1,692	-5.0%
Europe	2,744	2,684	2.2%	5,651	5,421	4.2%
North America	4,532	4,146	9.3%	9,640	8,482	13.6%
Latin America & Caribbean	3,559	3,136	13.5%	7,550	6,584	14.7%
Africa & Middle East	2,790	2,835	-1.6%	5,934	5,900	0.6%
Asia & Pacific	1,476	1,332	10.8%	3,070	2,941	4.4%
Passenger Load Factor (%)	72.8	76.1	-3.3 pts	73.3	76.1	-2.8 pts
Domestic (UK & Spain)	67.4	67.5	-0.1 pts	65.5	65.7	-0.2 pts
Europe	64.3	66.0	-1.7 pts	62.3	64.0	-1.7 pts
North America	67.3	73.1	-5.8 pts	68.9	74.3	-5.4 pts
Latin America & Caribbean	83.7	87.7	-4.0 pts	84.3	88.0	-3.7 pts
Africa & Middle East	75.6	76.3	-0.7 pts	75.7	75.9	-0.2 pts
Asia & Pacific	77.1	83.7	-6.6 pts	79.4	83.1	-3.7 pts
Cargo and Total Capacity (millions)						
Cargo Tonne Km	489	446	9.6%	952	884	7.6%
Total Revenue Tonne Km	1,586	1,531	3.6%	3,288	3,143	4.6%
Available Tonne Km	2,235	2,065	8.2%	4,697	4,285	9.6%
Overall Load Factor	71.0	74.2	-3.2 pts	70.0	73.4	-3.4 pts

Performance by Airline	Month of February			Year to Date		
	2011	2010	Change	2011	2010	Change
<i>IBERIA</i>						
Revenue Passenger Km (millions)	3,672	3,600	2.0%	7,823	7,531	3.9%
Available Seat Km (millions)	4,744	4,465	6.2%	10,051	9,376	7.2%
Cargo Tonne Km (millions)	115	92	25.1%	224	184	21.8%
<i>BRITISH AIRWAYS</i>						
Revenue Passenger Km (millions)	7,893	7,802	1.2%	16,686	16,066	3.9%
Available Seat Km (millions)	11,140	10,513	6.0%	23,401	21,645	8.1%
Cargo Tonne Km (millions)	374	355	5.6%	729	701	4.1%