

## SEPTEMBER 2011 - GROUP TRAFFIC AND CAPACITY STATISTICS

- In September 2011, Group traffic measured in Revenue Passenger Kilometres rose by 4.3 per cent versus September 2010, capacity measured in Available Seat Kilometres was up 4.2 per cent.
- Group premium traffic for the month of September grew by 9.3 per cent compared to the previous year, with 3.5 per cent growth in non-premium traffic.
- September performance represented a slight improvement over August in terms of the rates of change compared to last year. Indications so far for October point to a softer demand picture in premium traffic and cargo. We remain flexible in our capacity planning for Q4 2011 and have already taken steps to reduce our long-haul fleet by three aircraft during the course of 2012.
- We remain on course to produce significant growth in operating profit in 2011 compared to 2010.

October 5<sup>th</sup>, 2011

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## STRATEGIC DEVELOPMENTS

IAG approved the acquisition by British Airways of six daily slot pairs at London Heathrow from BMI, British Midland International. The slots will be used by British Airways from late October 2011 with the airline looking to expand both its long-haul and short-haul network at the airport.

Iberia and General Electric have signed an agreement which will allow the airline to provide third party maintenance and repair services of the CF34-8C/ engines licensed by General Electric.

British Airways has launched its biggest brand campaign in more than a decade to coincide with a £5bn programme of investment to improve customer service.

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](http://www.iagshares.com).

<u>Group Performance</u>	Month of September			Year to Date		
	2011	2010	Change	2011	2010	Change
<b>Passengers Carried ('000s)</b>	<b>4,708</b>	<b>4,795</b>	<b>-1.8%</b>	<b>39,362</b>	<b>38,325</b>	<b>2.7%</b>
Domestic (UK & Spain)	948	1,151	-17.6%	8,281	9,413	-12.0%
Europe	2,141	2,102	1.9%	17,167	16,121	6.5%
North America	731	686	6.6%	6,071	5,421	12.0%
Latin America & Caribbean	404	366	10.4%	3,601	3,194	12.7%
Africa, Middle East & S.Asia	344	364	-5.5%	3,093	3,148	-1.7%
Asia Pacific	140	126	11.1%	1,149	1,028	11.8%
<b>Revenue Passenger Km (millions)</b>	<b>15,061</b>	<b>14,435</b>	<b>4.3%</b>	<b>127,425</b>	<b>118,118</b>	<b>7.9%</b>
Domestic (UK & Spain)	584	685	-14.7%	5,149	5,837	-11.8%
Europe	2,687	2,687	0.0%	21,299	20,457	4.1%
North America	4,918	4,584	7.3%	40,799	36,271	12.5%
Latin America & Caribbean	3,399	3,039	11.8%	29,611	26,283	12.7%
Africa, Middle East & S.Asia	2,036	2,114	-3.7%	18,801	18,624	1.0%
Asia Pacific	1,437	1,326	8.4%	11,766	10,646	10.5%
<b>Available Seat Km (millions)</b>	<b>18,192</b>	<b>17,458</b>	<b>4.2%</b>	<b>160,204</b>	<b>148,700</b>	<b>7.7%</b>
Domestic (UK & Spain)	766	888	-13.7%	7,000	8,006	-12.6%
Europe	3,281	3,289	-0.2%	28,349	27,345	3.7%
North America	5,790	5,359	8.0%	49,811	44,423	12.1%
Latin America & Caribbean	4,070	3,671	10.9%	35,474	30,945	14.6%
Africa, Middle East & S.Asia	2,616	2,743	-4.6%	24,939	25,055	-0.5%
Asia Pacific	1,669	1,508	10.7%	14,631	12,926	13.2%
<b>Passenger Load Factor (%)</b>	<b>82.8</b>	<b>82.7</b>	<b>+0.1 pts</b>	<b>79.5</b>	<b>79.4</b>	<b>+0.1 pts</b>
Domestic (UK & Spain)	76.2	77.1	-0.9 pts	73.6	72.9	+0.7 pts
Europe	81.9	81.7	+0.2 pts	75.1	74.8	+0.3 pts
North America	84.9	85.5	-0.6 pts	81.9	81.6	+0.3 pts
Latin America & Caribbean	83.5	82.8	+0.7 pts	83.5	84.9	-1.4 pts
Africa, Middle East & S.Asia	77.8	77.1	+0.7 pts	75.4	74.3	+1.1 pts
Asia Pacific	86.1	87.9	-1.8 pts	80.4	82.4	-2.0 pts
<b>Cargo and Total Capacity (millions)</b>						
Cargo Tonne Km	497	489	1.6%	4,560	4,329	5.3%
Total Revenue Tonne Km	1,928	1,860	3.7%	16,672	15,554	7.2%
Available Tonne Km	2,552	2,450	4.2%	22,557	20,888	8.0%
Overall Load Factor	75.5	75.9	-0.4 pts	73.9	74.5	-0.6 pts

<u>Performance by Airline</u>	Month of September			Year to Date		
	2011	2010	Change	2011	2010	Change



Revenue Passenger Km (millions)	4,515	4,481	0.8%	39,100	38,657	1.1%
Available Seat Km (millions)	5,470	5,375	1.8%	47,716	46,518	2.6%
Cargo Tonne Km (millions)	111	103	7.8%	990	920	7.6%



Revenue Passenger Km (millions)	10,547	9,954	6.0%	88,325	79,461	11.2%
Available Seat Km (millions)	12,722	12,083	5.3%	112,487	102,181	10.1%
Cargo Tonne Km (millions)	386	386	0.0%	3,570	3,409	4.7%