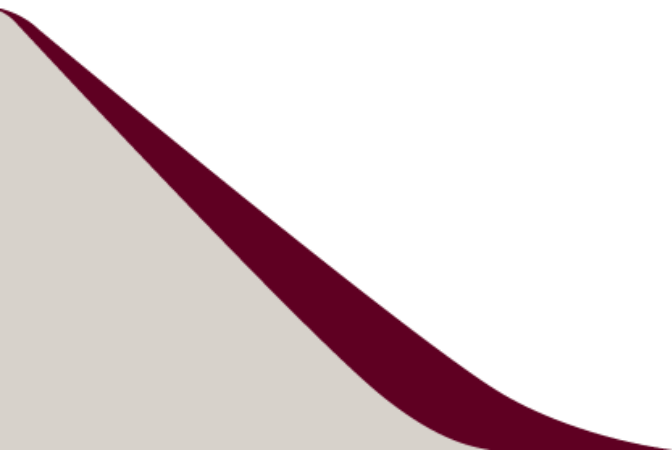


IAG results presentation

Quarter Three 2012

9th November 2012



Operating result summary

- Q3 operating results: €301 million profit pre-bmi; €270 million profit after bmi trading; €263 million profit after bmi trading and exceptional items
- Reported passenger unit revenue up 9.1%. Like for like (pre-bmi at constant currency) passenger unit revenue flat
- Revenue performance for the quarter impacted by temporary mix distortion due to the Olympic Games
- Reported fuel unit costs up 15.4%; on a like for like basis up 1.6%. Reported non-fuel unit costs up 8.5%; like for like non-fuel unit costs flat
- bmi trading losses and restructure costs approximately €40 million impact in the quarter
- Continuing difference in the performance of British Airways and Iberia. Operating result Q3: BA €300 million profit, pre-bmi and Iberia breakeven.

Financial summary

Reported

	Q3 2012 (€m)	Q3 2011 (€m)	vly
Revenue	5,056	4,490	+12.6%
Fuel costs	1,660	1,373	+20.9%
Ex-fuel costs	3,126	2,754	+13.5%
OPERATING RESULT	270	363	-93
Operating margin	5.3%	8.1%	-2.8 pts
OP. RESULT (post excptnl)	263		
ASK (m)	58,260	55,661	+4.7%
CTK (m)	1,511	1,494	+1.1%
Seat factor	84.7%	84.5%	0.2 pts
Passenger rev per ASK	7.47	6.85	+9.1%
Cargo rev per CTK	19.72	19.28	+2.3%
Cost per ASK	8.21	7.41	+10.8%
Ex-fuel costs per ASK	5.37	4.95	+8.5%

'Pre bmi'

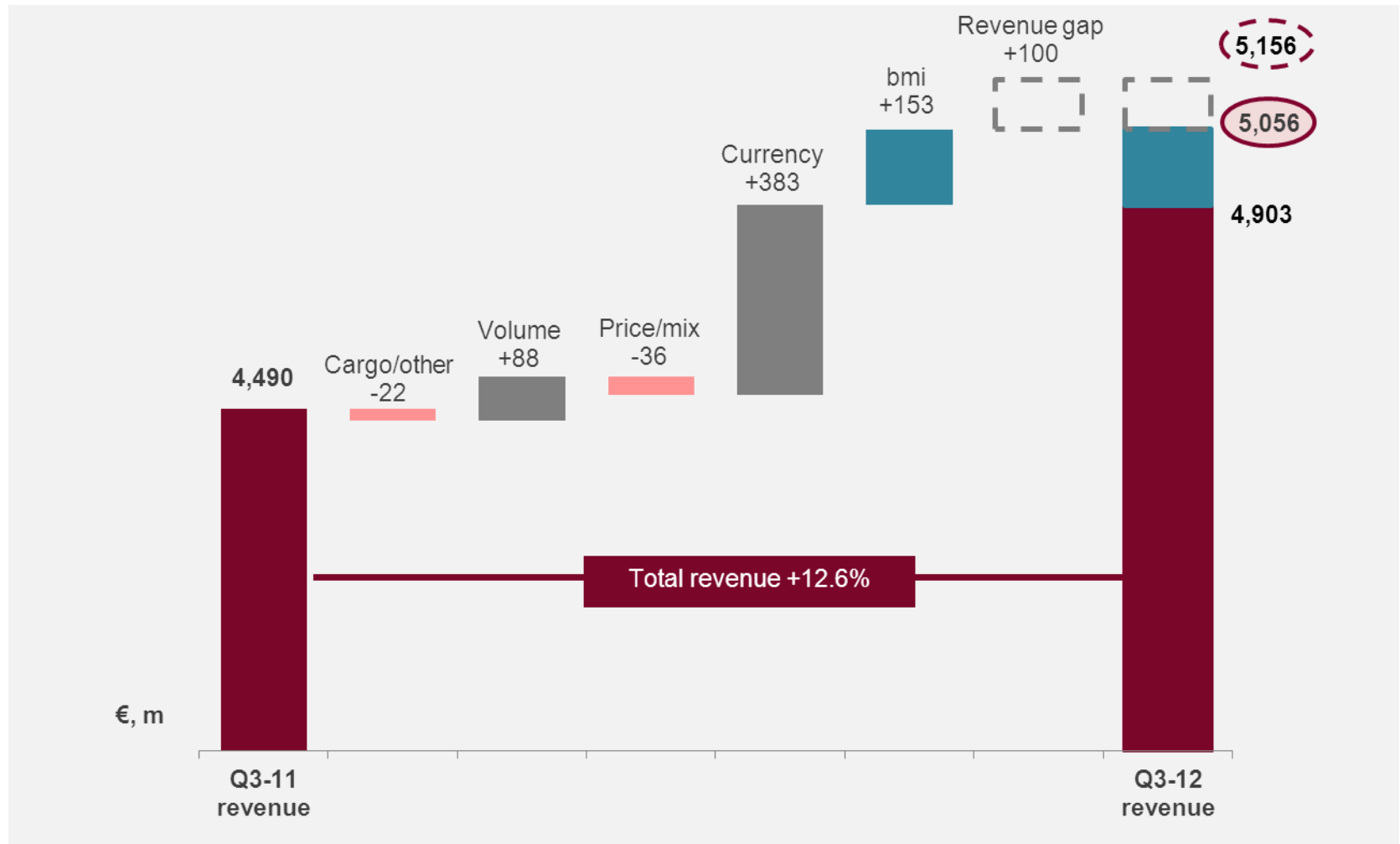
Q3 2012 (€m)	vly
4,903	+9.2%
1,616	+17.7%
2,986	+8.4%
301	-62
6.1%	

'Like for like'

Q3 2012	vly
6.83	-0.3%
18.32	-5.0%
7.47	+0.8%
4.96	+0.2%

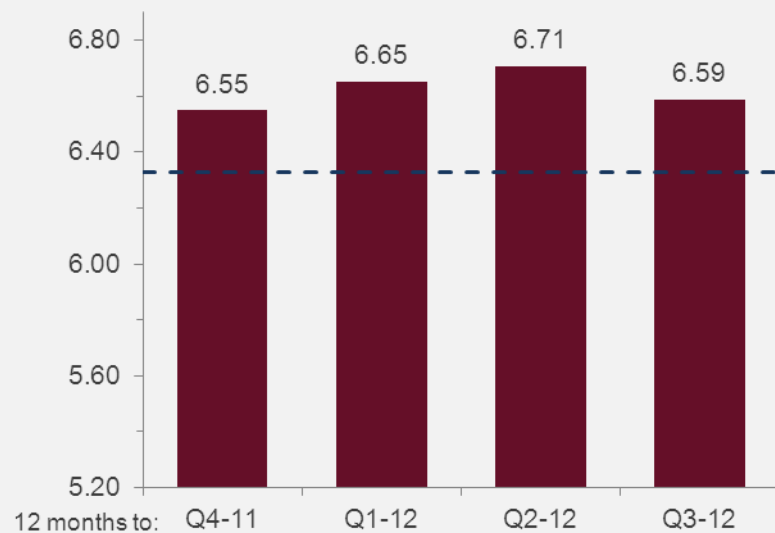
IAG reported: Iberia + BA (incl bmi mainline). **IAG pre BMI:** Iberia + BA pre BMI. **IAG LfL:** IAG pre BMI at constant FX

Revenue development



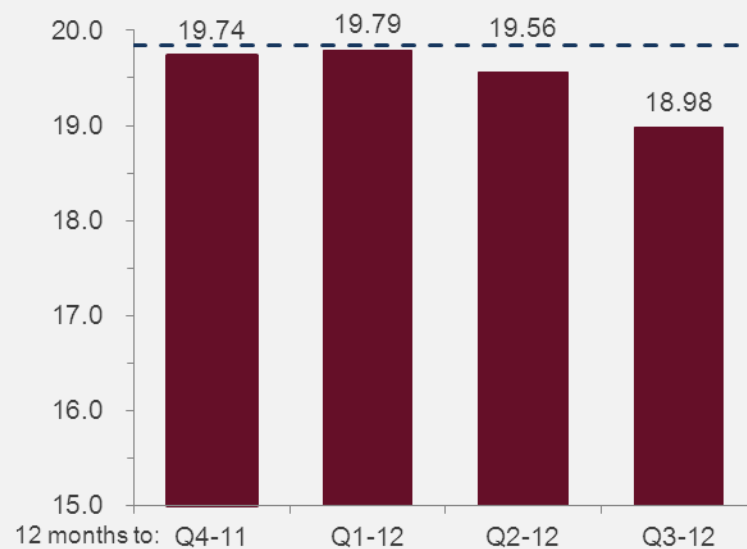
Passenger and cargo unit revenue

IAG like for like* passenger revenue per ASK, rolling 12 months, € cents



--- High water mark (12 months to Q1-09)

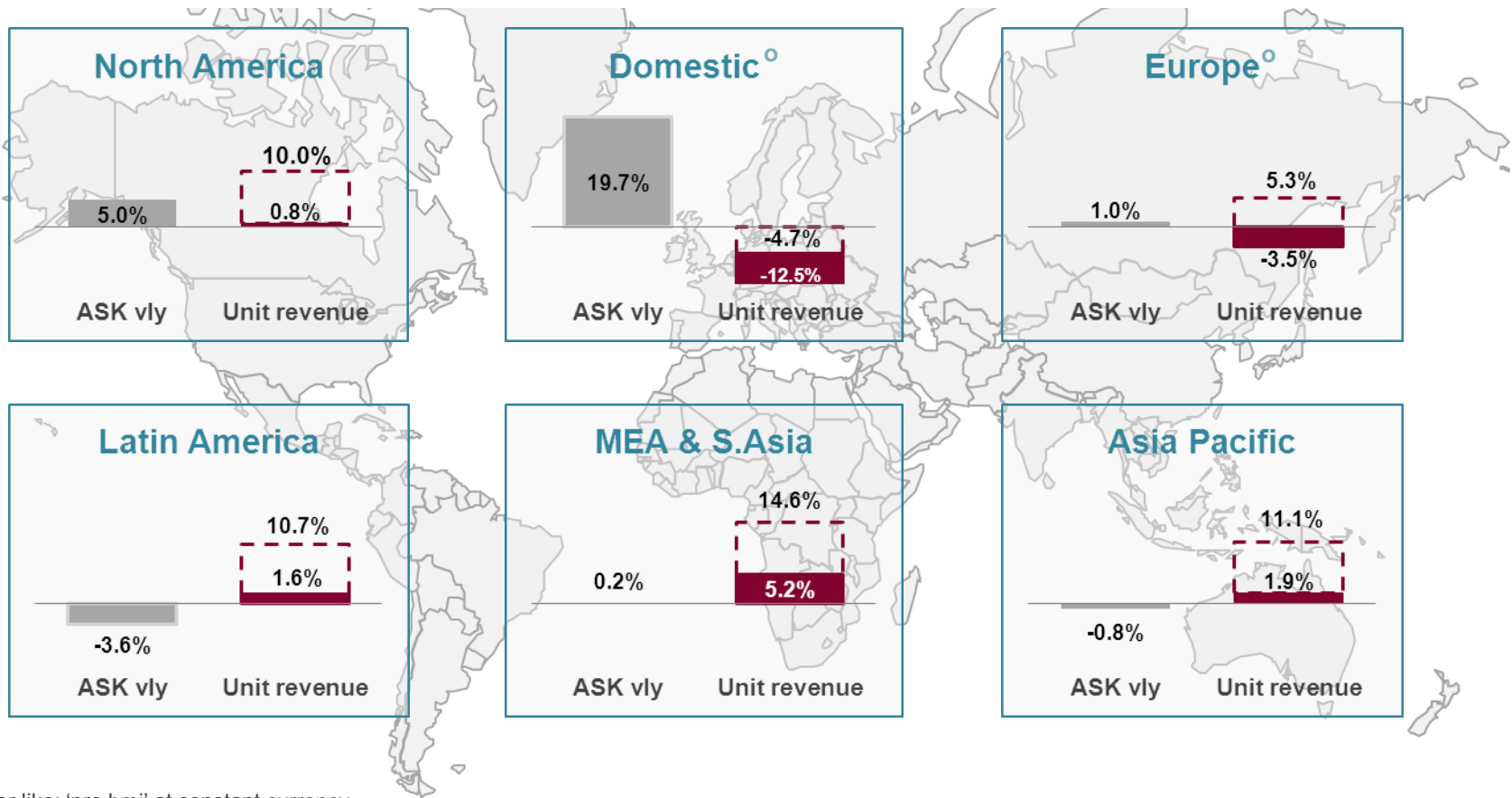
IAG like for like* cargo per CTK, rolling 12 months, € cents



* Like for like: 'pre bmi' at constant currency

Regional performance

% change in IAG* passenger revenue per ASK



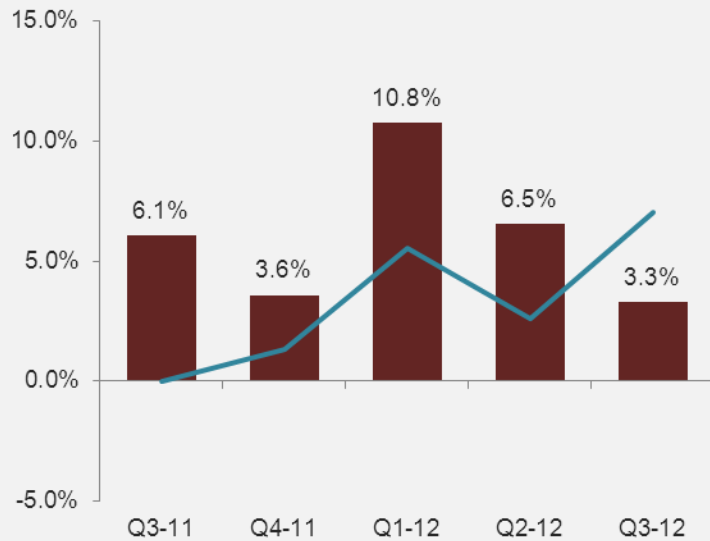
■ Like for like: 'pre bmi' at constant currency

□ IAG reported: 'pre bmi'

○ Domestic and Europe regions include Iberia Express in 2012, previously outsourced to Air Nostrum and Vueling and therefore excluded from 2011 data

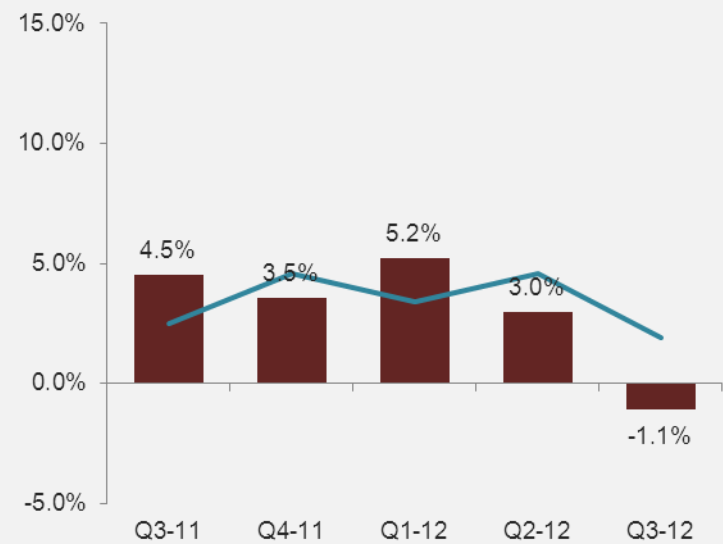
Cabin mix development

Premium unit revenue* and volume : % vly



■ Premium passenger rev per ASK
— Premium RPK change

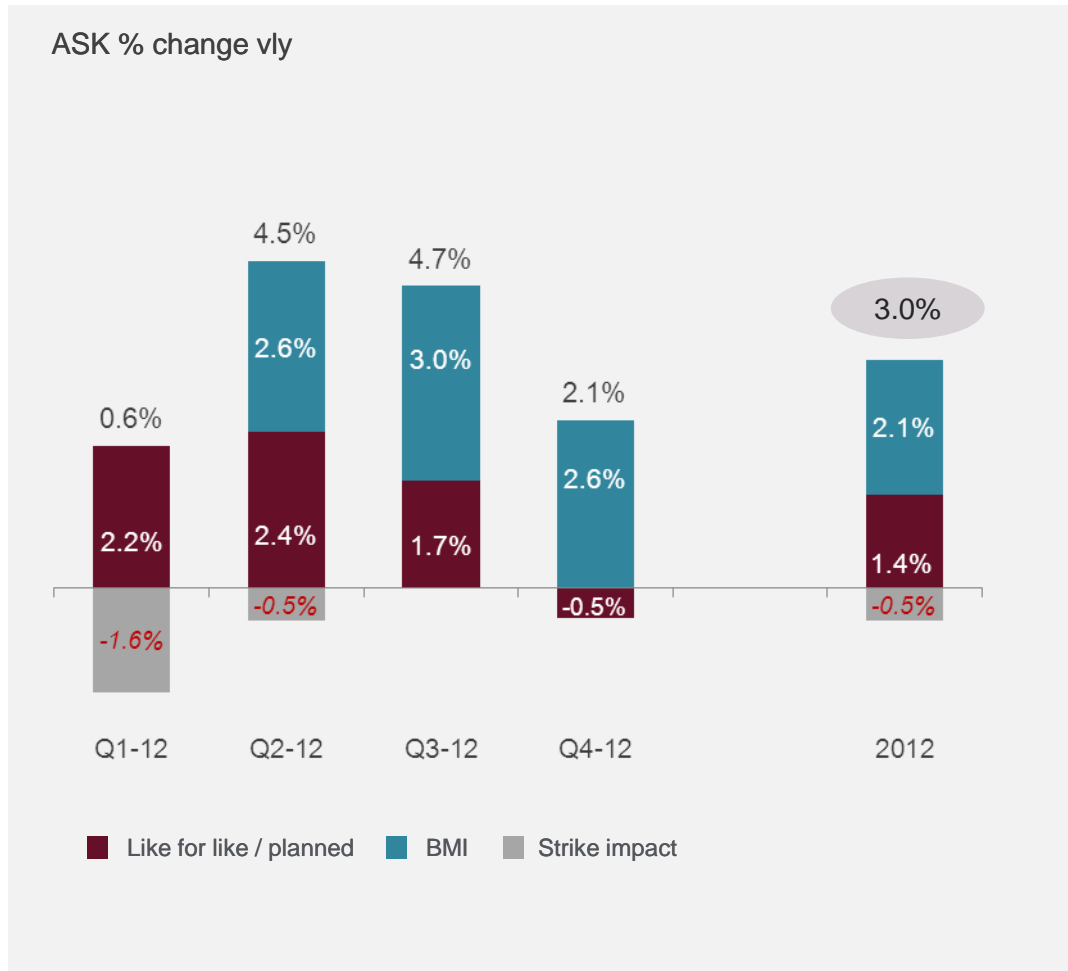
Non premium unit revenue* and volume : % vly



■ Non premium passenger rev per ASK
— Non premium RPK change

* Note revenue includes bmi; revenue at constant currency

Capacity plan



- 2012 reported growth 3.0%, with like for like +1.4%
- Planned 2013 capacity reduction of 1.0%:
BA growth from fleet replacement and Iberia reduction

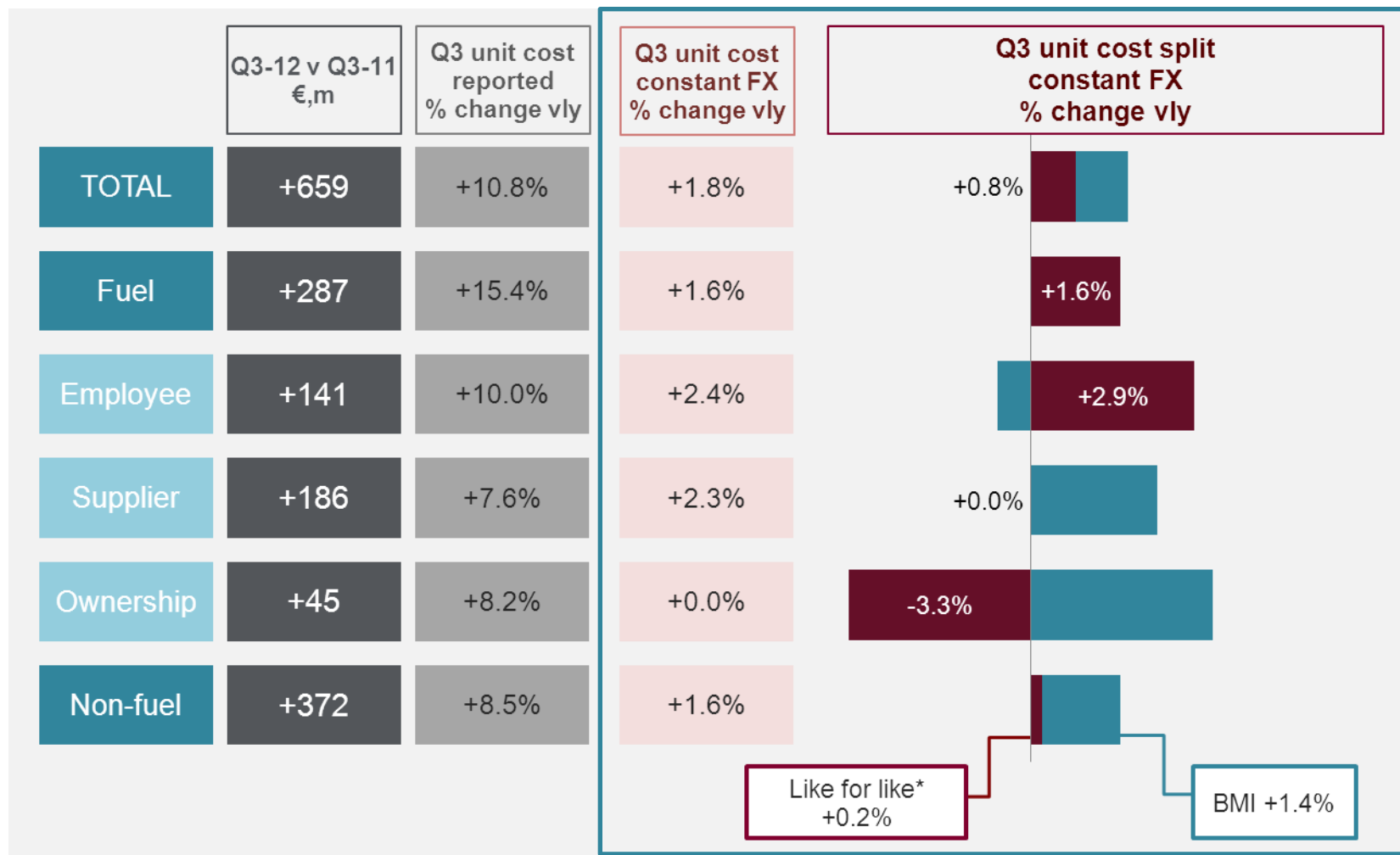
Underlying unit revenue environment

	Short haul	Long haul
Non premium	➔ Competitive	➔ Competitive
Premium	➔ Soft	➔ Stable
Cargo		➔ Weak

- Q4 has now reverted to 'normal' booking patterns
- Spanish market weakness continues
- Cargo outlook remains weak

Cost and cash flow trends

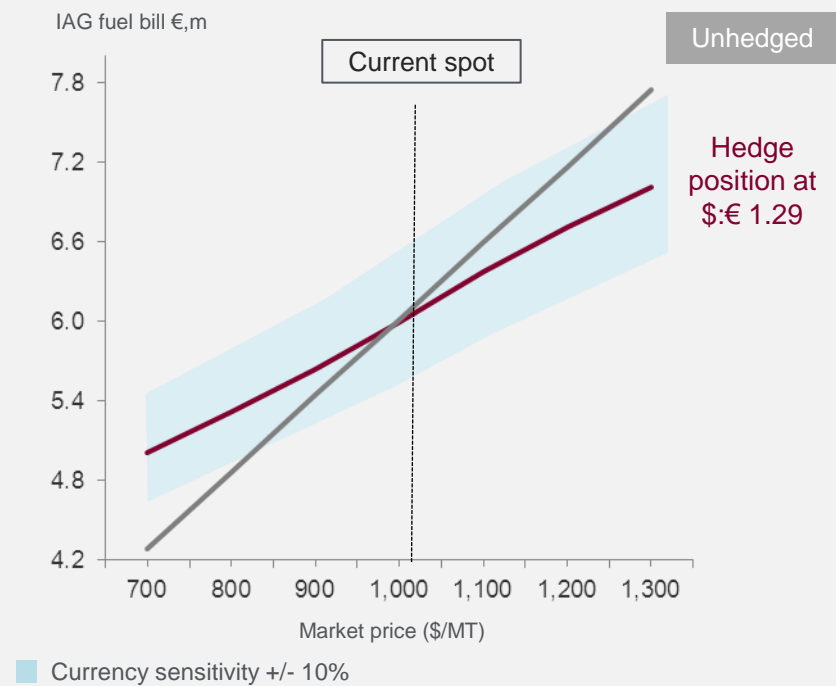
Overall unit operating cost growth



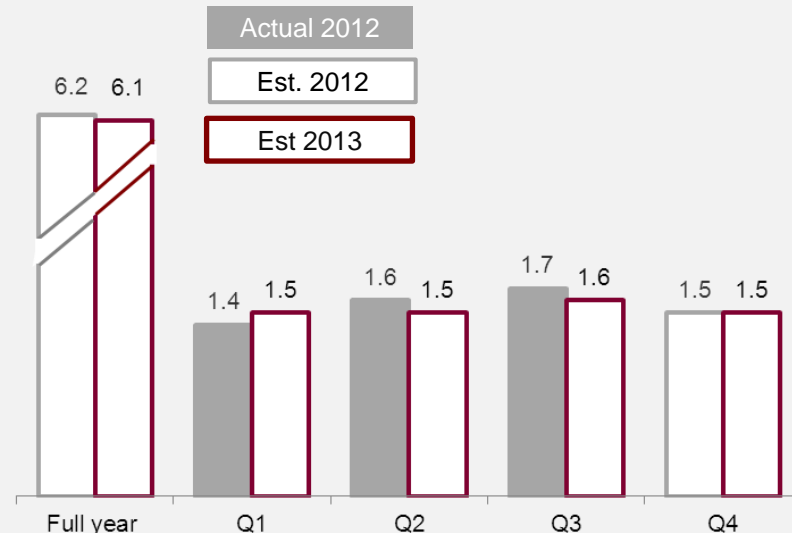
* Like for like: 'pre bmi' at constant currency

Fuel hedging & guidance: 2013

IAG fuel bill including bmi mainline €bn



IAG fuel bill including bmi mainline €bn



Current fuel hedging (%)

Q4-12	Q1-13	Q2-13	Q3-13	Q4-13	FY2013
80%	80%	62%	42%	30%	54%

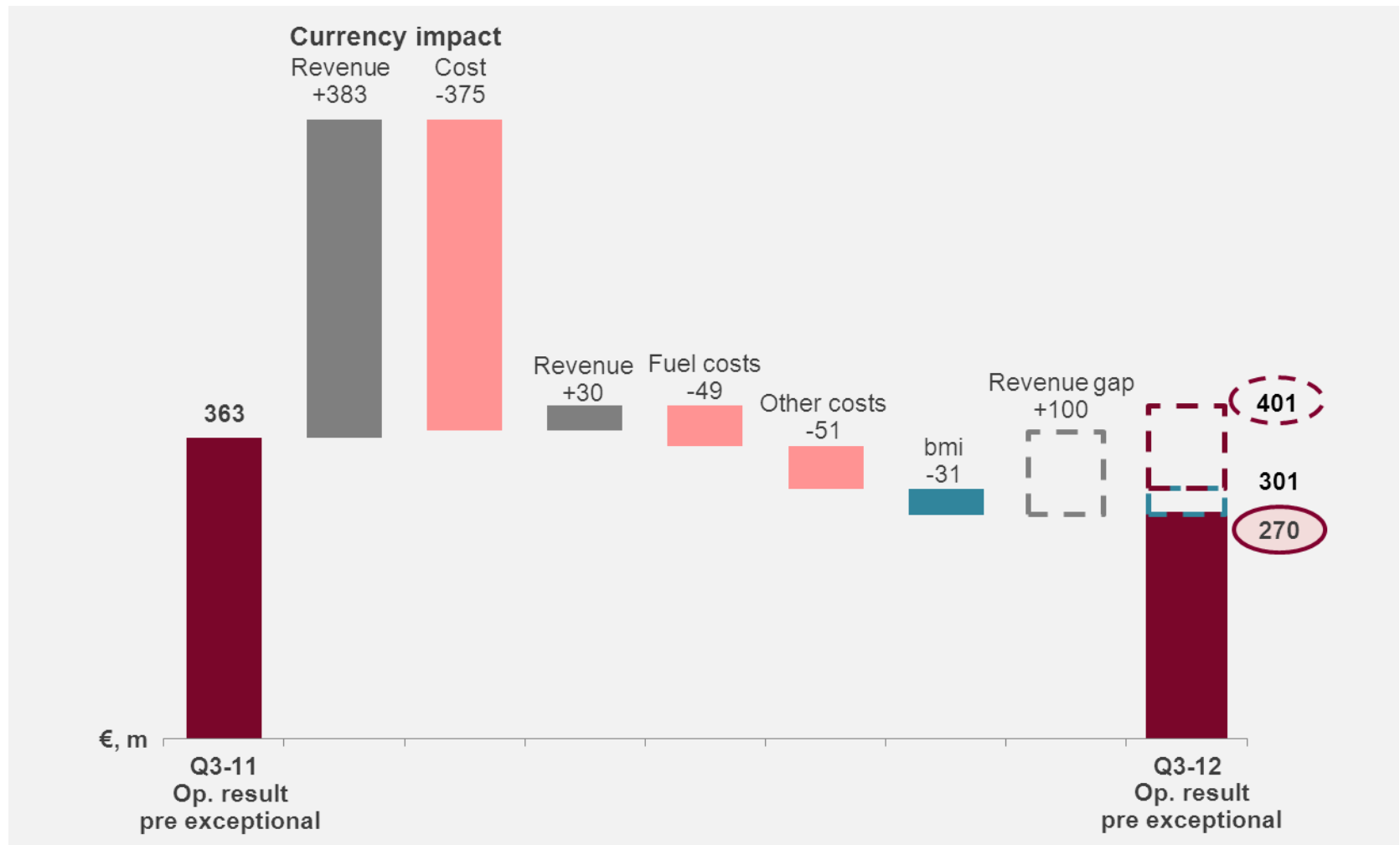
Blended price (\$/MT)

Q4-12	Q1-13	Q2-13	Q3-13	Q4-13	FY2013
1,021	1,021	996	1,019	1,014	1,013

Estimates based on \$:€ 1.29 and a spot rate of \$1,008/MT

Blended price: average price paid for hedged and non-hedged fuel

Operating result evolution



Balance sheet summary

€m	Sep 2012	Dec 2011	Change
Equity	6,036	5,686	+350
Cash, cash equivalents & interest bearing deposits	3,565	3,735	-170
Gross debt	5,073	4,883	+190
On balance-sheet net debt	1,508	1,148	+360
<hr/>			
Gearing	20%	17%	
<hr/>			
Aircraft lease cap (x8)	3,435	3,224	+211
Adjusted net debt	4,943	4,372	+571
Adjusted gearing	45%	44%	

Outlook for 2012

The revenue trend in quarter 3 was restrained somewhat due to the London Olympics, but we are so far observing that underlying unit revenue is returning to its positive trend in quarter 4.

Including the impact of Hurricane Sandy and continued weakness in Iberia, we now expect to make an operating loss for 2012 in the region of €120 million, after bmi trading losses and exceptional items.

The expectation does not take into account any impact of the Iberia restructuring plans.

Questions and Answers

Disclaimer

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. All subsequent oral or written forward-looking statements attributable to IAG or any of its members, directors, officers, employees or any persons acting on its behalf are expressly qualified in their entirety by the cautionary statement above. 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 the primary risks of the business and the risk management process of the Group is given in the Annual Report and Accounts 2011; this document is available on www.iagshares.com.