

British Airways receives commitments for £2.0 billion UK Export Finance guaranteed 5-year loan facility

International Airlines Group (IAG) announces that British Airways has received commitments for a 5-year term-loan Export Development Guarantee Facility of £2.0 billion underwritten by a syndicate of banks, partially guaranteed by UK Export Finance (UKEF). British Airways expects to drawdown the facility in January 2021 subject to agreement of final terms with the lenders and UKEF.

UKEF is the UK's export credit agency and provides the Export Development Guarantee to support the working capital and capital expenditure needs of UK exporters that meet certain criteria.

British Airways is entitled to repay the loan at any time on notice. The arrangement contains some non-financial covenants, including restrictions on dividend payments by the airline to IAG.

The proceeds from the UKEF facility will be used to enhance liquidity and provide British Airways with the operational and strategic flexibility to take advantage of a partial recovery in demand for air travel in 2021 as COVID-19 vaccines are distributed worldwide.

IAG continues to have strong liquidity with cash and undrawn facilities of €8.0 billion as at 30 November, excluding the UKEF facility.

In addition to the UKEF facility, the Group is exploring other debt initiatives to improve further its liquidity and will update the market in due course.

Stephen Gunning
Chief Financial Officer

31 December 2020

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This announcement contains inside information and is disclosed in accordance with the Company's obligations under the Market Abuse Regulation