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In compliance with article 82 of the Spanish Securities Market Act (*Ley 24/ 1988, de 28 de julio, del Mercado de Valores*) and its development regulation, International Consolidated Airlines Group, S.A. (“**IAG**” or the “**Issuer**”) hereby reports and releases the following:

RELEVANT EVENT

CONVERTIBLE BOND FINAL TERMS

Following the launch of its offer of two tranches of senior unsecured bonds convertible into ordinary shares of IAG (the “**Shares**”) (the “**Offering**”) earlier today, IAG has now set the final terms of the Bonds. The aggregate offer size was fixed at EUR 1,000 million.

The first tranche due 2020 will have a principal amount of EUR 500 million (the “**2020 Bonds**”).

The second tranche due 2022 will have a principal amount of EUR 500 million (the “**2022 Bonds**”, and together with the 2020 Bonds, the “**Bonds**”).

The Offering does not require approval by IAG shareholders and is being issued by IAG under the powers delegated to its board at its Annual General Meeting held on 18 June 2015.

The Bonds will carry a fixed rate of interest of 0.25 per cent and of 0.625 per cent per annum payable semi-annually in arrear for the 2020 Bonds and 2022 Bonds, respectively. The conversion price of the Bonds has been set at EUR 13.8088 per Share, which represents a premium of 62.5 per cent over the volume weighted average price of the Shares on the London Stock Exchange in the period from launch to pricing.

The Bonds will be issued at 100 per cent of their principal amount and, unless previously redeemed, converted or purchased and cancelled, will be redeemed at 100 per cent of their principal amount on the respective maturity dates of the Bonds.

The net proceeds from the Offering will be used by IAG for general corporate purposes, including (without limitation) the repayment of a bridge facility entered into by IAG’s subsidiary, AERL Holding Limited, to finance its acquisition of Aer Lingus Group Plc.

These Bonds contain dividend protection, consistent with IAG’s intention to pay a sustainable dividend. In this respect, they differ from the terms and conditions of IAG’s 2013 convertible bond, which was issued before the formulation of IAG’s dividend policy.

An application will be made for the Bonds to be admitted to trading on the Open Market (*Freiverkehr*) of the Frankfurt Stock Exchange.



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Settlement of the Bonds is expected to take place on or about November 17, 2015.

Under the terms of the Offering, IAG will agree not to issue or sell any Shares for a lock-up period ending 90 days after the settlement of the Bonds, subject to customary exceptions.

BofA Merrill Lynch, BNP PARIBAS and Deutsche Bank AG, London Branch acted as Joint Global Coordinators and Joint Bookrunners. Barclays Bank PLC, J.P. Morgan Securities plc and UBS Limited acted as Co-Bookrunners. Banco Bilbao Vizcaya Argentaria, Banco Santander, Bankia, Bankinter, CaixaBank, Crédit Agricole Corporate and Investment Bank and UniCredit Bank acted as Co-Lead Managers.

Enrique Dupuy de Lôme
Chief Financial Officer

November 12, 2015

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No prospectus is required to be published pursuant to the Prospectus Directive in connection with the offering of the Bonds.

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