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International Consolidated Airlines Group, S.A.

RELEVANT FACT

PARTIAL REFINANCING OF FINANCING ARRANGEMENTS

International Consolidated Airlines Group, S.A. (“**IAG**”) and its wholly owned subsidiary AERL Holding Limited (“**AERL Holding**”) entered into arrangements to finance AERL Holding’s offer (“**Offer**”) for Aer Lingus Group plc (“**Aer Lingus**”) (the “**Financing Arrangements**”) as described in paragraph 9 of the letter from AERL Holding set out in Part II of the offer document posted to Aer Lingus Shareholders on 19 June 2015 (the “**Offer Document**”). On 22 June 2015 and 17 July 2015, IAG announced certain updates to the Financing Arrangements.

IAG and AERL Holding have now entered into arrangements to partially refinance the Financing Arrangements by entry into a facility agreement (the “**Term Loan Facility Agreement**”) under which a €600 million amortising term loan facility (the “**Term Loan Facility**”) is to be made available to AERL Holding for the purpose, amongst other things, of funding the consideration payable by it in respect of the Offer and certain transaction costs relating to the Offer and AERL Holding’s financing of the Offer. As a consequence of entering into the Term Loan Facility Agreement, €600 million of the commitments of the lenders under the previously announced €1.4 billion bridge facility made available to AERL Holding (the “**Bridge Facility**”) have been cancelled. The Term Loan Facility was arranged by Landesbank Hessen-Thüringen Girozentrale (“**Helaba**”). Helaba is also agent for the benefit of the finance parties under the Term Loan Facility.

Other than as described above, the summary of the terms of the Financing Arrangements and the Bridge Facility described in the Offer Document, as amended by the IAG announcements on 22 June 2015 and 17 July 2015, remain unchanged.

Deutsche Bank, financial adviser to IAG and AERL Holding, is satisfied that sufficient resources are available to AERL Holding to satisfy in full the consideration payable to Aer Lingus Shareholders under the terms of the Offer.

Copies of the Term Loan Facility Agreement, together with copies of the new fee letters entered into with the finance parties, will be available for inspection at the offices of William Fry, 2 Grand Canal Square, Dublin 2, Ireland, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) until the end of the Offer Period. Copies of these documents will also be available on IAG’s website at www.iairgroup.com and on Aer Lingus’ website at www.aerlingus.com. For the avoidance of doubt, the content of such website is not incorporated into, and does not form part of, this announcement.

Defined terms used but not defined in this announcement have the meanings set out in the Offer Document.

Enrique Dupuy de Lôme
Chief Financial Officer

31 July 2015

Statements Required by the Irish Takeover Rules

This announcement does not constitute or form part of any offer or invitation to sell or purchase any securities or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, pursuant to the Offer or otherwise. The Offer is being made solely by the Offer Document, which contains the full terms and conditions of the Offer, including details of how the Offer may be accepted and, in the case of certificated shares only, the Form of Acceptance. Please carefully read the Offer Document in its entirety before making a decision with respect to the Offer.

The Directors of IAG accept responsibility for the information contained in this announcement. To the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in this announcement for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

Deutsche Bank AG is authorised under German Banking Law (competent authority: BaFIN - Federal Financial Supervisory Authority). Deutsche Bank AG, London Branch, is further authorised by the Prudential Regulation Authority and is subject to limited regulation by the Financial Conduct Authority and the Prudential Regulation Authority. Details about the extent of its authorisation and regulation by the Prudential Regulation Authority and regulation by the Financial Conduct Authority are available on request. Deutsche Bank is acting as financial adviser to IAG and AERL Holding and no one else in connection with the Offer or the contents of this announcement and will not be responsible to anyone other than IAG and AERL Holding for providing the protections afforded to clients of Deutsche Bank or for providing advice in relation to the Offer or any other matters referred to herein.

Goodbody Stockbrokers trading as Goodbody, which is authorised and regulated by the Central Bank of Ireland, is acting as financial adviser to IAG and AERL Holding and no one else in connection with the Offer and will not be responsible to anyone other than IAG and AERL Holding for providing the protections afforded to clients of Goodbody or for providing advice in relation to the Offer or any other matters referred to herein.

Notice to US Holders of Aer Lingus Shares

The Offer is being made for securities of an Irish company and United States investors should be aware that the Offer Document and any other documents relating to the Offer have been or will be prepared in accordance with the Irish Takeover Rules and Irish disclosure requirements, format and style, all of which differ from those in the United States. Aer Lingus' financial statements, and all financial information that is included or incorporated by reference in the Offer Document or any other documents relating to the Offer, have been or will be prepared in accordance with Irish generally accepted accounting principles or International Financial Reporting Standards and thus may not be comparable to financial statements of United States companies or companies whose financial statements are prepared in accordance with US generally accepted accounting principles.

The Offer is being made in the United States pursuant to the Tier I exemption from the tender offer rules under the US Exchange Act and otherwise in accordance with the requirements of the Irish Takeover Rules. Accordingly, the Offer is subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that are different from those applicable under US domestic tender offer procedures and law. No action has been taken in any state of the United States to qualify the Offer under the laws of any such state.

IAG and AERL Holding are incorporated under the laws of Spain and England and Wales (respectively) and Aer Lingus is incorporated under the laws of Ireland. Some or all of their directors are residents of jurisdictions other than the United States. As a result, it may not be possible for United States shareholders of Aer Lingus to effect service of process within the United States upon IAG, AERL Holding, Aer Lingus or their directors or to enforce against any of them judgments of the United States predicated upon the civil liability provisions of the federal securities laws of the United States. It may not be possible to sue IAG, AERL Holding, Aer Lingus or their directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgment.

While the Offer is being made available to holders of Aer Lingus Shares in the United States, the right to tender Aer Lingus Shares is not being made available in any jurisdiction within the United States in which the making of such offer or the right to tender such Aer Lingus Shares would not be in compliance with the laws of such jurisdiction.

The receipt of cash pursuant to the Offer by a United States holder of Aer Lingus Shares generally will be a taxable transaction for United States federal income tax purposes and under applicable US state and local, as well as non-US and other tax laws. Each United States holder of Aer Lingus Shares is urged to consult his independent professional adviser immediately regarding the tax consequences of acceptance of the Offer.

Overseas jurisdictions

The Offer will not be made, directly or indirectly, in or into any jurisdiction where it would be unlawful to do so, or by use of mail, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce, or by any facility of a national securities exchange of any jurisdiction where it would be unlawful to do so, and the Offer will not be capable of acceptance by any such mail, means, instrumentality or facility from or within any jurisdiction where it would be unlawful to do so. The release, publication or distribution of copies of the Offer Document and the Form of Acceptance and any accompanying document in or into certain jurisdictions may be restricted by the laws of those jurisdictions. Accordingly, copies of the Offer Document and the Form of Acceptance and any accompanying document are not being, and must not be, released, published, mailed or otherwise forwarded, distributed or sent in, into or from any such jurisdiction. Persons receiving such documents (including, without limitation, nominees, trustees and custodians) should observe these restrictions. Failure to do so may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies involved in the Offer disclaim any responsibility or liability for the violations of any such restrictions by any person.

Rule 8 dealing disclosure requirements

Under the provisions of Rule 8.3 of the Irish Takeover Rules, if any person is, or becomes, 'interested' (directly or indirectly) in 1% or more of any class of 'relevant securities' of Aer Lingus, all 'dealings' in any 'relevant securities' of Aer Lingus (including by means of an option in respect of, or a derivative referenced to, any such 'relevant securities') must be publicly disclosed by not later than 3:30 pm (Irish time) on the 'business day' following the date of the relevant transaction. This requirement will continue until the date on which the Offer becomes effective or on which the 'offer period' otherwise ends. If two or more persons co-operate on the basis of any agreement, either express or tacit, either oral or written, to acquire an 'interest' in 'relevant securities' of Aer Lingus, they will be deemed to be a single person for the purpose of Rule 8.3 of the Irish Takeover Rules.

Under the provisions of Rule 8.1 of the Irish Takeover Rules, all 'dealings' in 'relevant securities' of Aer Lingus by IAG or AERL Holding, or by any party acting in concert with either of them, must also be disclosed by no later than 12 noon (Irish time) on the 'business day' following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose 'relevant securities' 'dealings' should be disclosed, can be found on the Panel's website at www.irishtakeoverpanel.ie.

'Interests in securities' arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an 'interest' by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the Irish Takeover Rules, which can be found on the Panel's website. If you are in any doubt as to whether you are required to disclose a dealing under Rule 8, please consult the Panel's website at www.irishtakeoverpanel.ie or contact the Panel on telephone number +353 1 678 9020 or fax number +353 1 678 9289.

A copy of this announcement will be available on the IAG website at www.iagshares.com.