

INTERNATIONAL CONSOLIDATED AIRLINES GROUP, S.A.

RELEVANT EVENT

PARTIAL PREPAYMENT 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, 17 July 2015 and 31 July 2015, IAG announced certain updates to the Financing Arrangements.

IAG and AERL Holding also entered into arrangements to partially refinance the Financing Arrangements by entering into a facility agreement (the "**Term Loan Facility Agreement**") under which a €600 million amortising term loan facility (the "**Term Loan Facility**") was 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**") were cancelled.

On 12 November 2015, IAG announced its launching and pricing of two tranches of senior unsecured bonds convertible into ordinary shares of IAG (the "**Issue**"). The first tranche of the Issue was made for a principal amount of EUR 500 million and due 2020 (the "**2020 Bonds**") and the second tranche was made for a principal amount of EUR 500 million and due 2022 (the "**2022 Bonds**" and, together with the 2020 Bonds, the "**Bonds**").

IAG have announced today that: (i) the public deeds formalising the issues of the Bonds have been registered with the Mercantile Registry of Madrid and (ii) that today, being the closing date of the Issue, the Bonds have been issued, fully subscribed and settled.

It is hereby formally communicated as a relevant event pursuant to article 228 of Royal Legislative Decree 4/2015, of October 23, approving the recast text of the Spanish Securities Market Act (*Real Decreto Legislativo 4/2015, de 23 de octubre, por el que se aprueba el texto refundido de la Ley del Mercado de Valores*) and its developing regulation, that part of the funds obtained from the Issue have been used today to fund the voluntary prepayment in full of the Bridge Facility Agreement by AERL Holding.

Enrique Dupuy de Lôme
Chief Financial Officer

November 17, 2015

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