

RELEVANT FACT

IBERIA TO SETTLE ITS HEDGING TRANSACTION OVER ITS ENTIRE STAKE IN AMADEUS

The Board of International Airlines Group (IAG) has today approved the settlement by Iberia Líneas Aéreas de España, Sociedad Anónima Operadora (Iberia) of the derivative transaction over its entire stake in Amadeus IT Holding, S.A. (Amadeus) that it entered into in August 2012 with Nomura International Plc (Nomura).

The derivative transaction comprised a collar arrangement around Iberia's total Amadeus shareholding of 33,562,331 ordinary shares. The transaction was a risk management exercise that allowed Iberia to protect and lock-in the value of its Amadeus shares held in August 2012 and retain any improvement in that price by up to 10 per cent.

As part of the settlement, Iberia will transfer (by way of set-off and without there being any physical movement of the shares) its ongoing interest in the shares to Nomura in exchange for EUR 578 million in cash, recording a gain of EUR 576 million before taxes. Settlement will occur in equal instalments over a 100 trading day period commencing on 7 August 2014.

IAG's gain on disposal in its income statement will be EUR 84 million before taxes (assuming the Amadeus share price remains above €18.15 through the settlement period). The value of the gross assets which are the subject of this transaction at 31 December 2013 was EUR 1,044 million.

The proceeds of the sale will strengthen Iberia's liquidity and provide funding for the airline's Transformation Plan.

Álvaro López-Jorrín
Secretary of the Board

July 31, 2014

Notes to editors:

- IAG is the parent company of British Airways, Iberia and Vueling.
- Amadeus is a provider of technology solutions for the global travel industry. It was originally founded by four airlines (Air France, Lufthansa, SAS and Iberia) and this stake represents the residual Iberia founders' equity. Iberia has been steadily disposing of its original stake in Amadeus since its IPO in 1999.

Forward-looking statements:

Certain statements included in this report are forward-looking and involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements can typically be identified by the use of forward-looking terminology, such as “expects”, “may”, “will”, “could”, “should”, “intends”, “plans”, “predicts”, “envisages” or “anticipates” and include, without limitation, any projections relating to results of operations and financial conditions of International Consolidated Airlines Group S.A. and its subsidiary undertakings from time to time (the ‘Group’), as well as plans and objectives for future operations, expected future revenues, financing plans, expected expenditures and divestments relating to the Group and discussions of the Group’s Business plan. All forward-looking statements in this report are based upon information known to the Group on the date of this report. The Group 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 forward-looking statements in this report 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 2013; these documents are available on www.iagshares.com.