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RELEVANT FACT

STATEMENT ON POSSIBLE CASH OFFER FOR AER LINGUS GROUP PLC ("AER LINGUS")

International Consolidated Airlines Group, SA ("IAG") confirms it has submitted an improved proposal to make an offer for Aer Lingus. The proposal consists of an offer of €2.55 per share, structured as a cash payment of €2.50 per share, payable upon completion, in addition to an ordinary dividend of €0.05 per share. The proposal is subject to certain pre-conditions.

The Board of Aer Lingus has indicated to IAG that the financial terms of the proposal are at a level at which it would be willing to recommend to Aer Lingus shareholders, subject to being satisfied with the manner in which IAG proposes to address the interests of relevant parties. Accordingly the Board of Aer Lingus has granted IAG access to perform a limited period of confirmatory due diligence.

It is IAG's intention that under its ownership, Aer Lingus would:

- operate as a separate business with its own brand, management and operations, continuing to provide connectivity to Ireland, while benefitting from the scale of being part of the larger IAG group;
- join the oneworld alliance, of which British Airways and Iberia are key members; and
- join the joint business that IAG operates over the North Atlantic with American Airlines, leveraging the natural traffic flows between Ireland and the US and the advantageous geographical position of Dublin for serving connecting flows.

IAG believes that the proposal would secure and strengthen Aer Lingus's brand and long term future within a successful and profitable European airline group, offering significant benefits to both Aer Lingus and its customers.

IAG recognises the importance of direct air services and air route connectivity for investment and tourism in Ireland and intends to engage with the Irish Government in order to secure its support for the transaction.

A further statement will be made if and when appropriate.

Enrique Dupuy de Lôme
Chief Financial Officer

27 January 2015

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. This announcement does not constitute an announcement of a firm intention to make an offer under Rule 2.5 of the Irish Takeover Panel Act, 1997, Takeover Rules 2013 (Irish Takeover Rules). A person interested in (as defined in the Irish Takeover Rules) 1% or more of any class of relevant securities of Aer Lingus may have disclosure obligations under Rule 8.3 of the Irish Takeover Rules, effective from the date of this announcement. A copy of this announcement will be available on the IAG website at www.iagshares.com.