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RELEVANT FACT

IAG OFFERS ADDITIONAL SAFEGUARDS ON AER LINGUS CONNECTIVITY TO IRISH GOVERNMENT

International Consolidated Airlines Group SA’s (IAG) previous announcements about its proposal to make an offer for Aer Lingus Group plc (“Aer Lingus”) have repeatedly highlighted the importance of direct air services and connectivity for investment and tourism in Ireland.

IAG believes its proposal would secure and strengthen Aer Lingus’ long term future and brand as a member of a successful and profitable European airline group, offering significant benefits to both Aer Lingus and its customers.

To secure the support of the Irish Government, IAG has proposed to offer legally binding commitments that go well beyond the protections currently available to the Government and would give it an important role in securing the future of Aer Lingus.

At a meeting of the Irish Joint Committee on Transport and Communications (Oireachtas) in Dublin today Willie Walsh, IAG chief executive said that he believed that there would be a compelling commercial case to continue Aer Lingus flights between Cork and Shannon to London Heathrow. However, as a sign of IAG’s confidence in the routes, IAG has offered to enhance the protections already offered to the Irish Government by offering a specific commitment relating to the operation of slots to serve the London Heathrow – Shannon and London Heathrow – Cork routes. This commitment has been offered following engagement with the Irish Government and in response to concerns raised by, in particular, the Minister of Tourism, Transport and Sport. The commitment would apply for five years.

In total, the proposed commitments would ensure that, unless there is explicit Irish Government agreement:

- Aer Lingus’ slots at London Heathrow (“Aer Lingus Heathrow Slots”), cannot be sold, including to other IAG airlines;
- Aer Lingus’ name, head office location or place of incorporation in the Republic of Ireland, cannot be changed; and

- The Aer Lingus Heathrow Slots would be operated on Irish routes for at least five years and, within that general commitment, 3 daily slots would be operated on London Heathrow – Shannon and 4 daily slots would be operated on London Heathrow – Cork.

These are protections that the Government does not have today.

The commitments will be subject to Irish Takeover Rules and EU competition review.

Enrique Dupuy de Lôme
Chief Financial Officer

12 February 2015

Notes to Editors

IAG has submitted a 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.

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.