



## **RELEVANT FACT NOTICE**

International Consolidated Airlines Group, S.A., in compliance with article 82 of Law 24/1988, of July 28, on the Securities Markets, article 17 of Royal Decree 1066/2007, July 27, on the rules for public tender offers for securities and Circular 8/2008, December 10, of the National Securities Market Commission, hereby announces that its wholly-owned subsidiary, Veloz Holdco, S.L. (Sociedad Unipersonal) has filed today with the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) the application for the authorisation of the tender offer for the acquisition of Vueling Airlines, S.A.'s shares. A copy of such application form is attached to this relevant fact notice as Annex.

In the application for authorisation of the offer Veloz Holdco, S.L. (Sociedad Unipersonal) has ratified in full the terms and conditions of tender offer contained in the prior announcement made public on November 8, 2012, and has confirmed that there have been no changes to the information and features of the transaction that will be included and detailed in the prospectus to be published when the authorisation is received.

December 10 2012

Enrique Dupuy de Lome  
Chief Financial Officer

*This application is made public by virtue of Section 17 of Royal Decree 1066/2007 of July 27 on the rules for public tender offers for securities (Royal Decree 1066/2007) and relates to an offer that is subject to the mandatory authorization of the National Securities Market Commission (Comisión Nacional del Mercado de Valores)*

*The described terms and conditions of the Offer will be included in the prospectus (the “Prospectus”) that will be published once the referred authorization is obtained.*

## **TO THE NATIONAL SECURITIES MARKET COMMISSION**

Veloz Holdco, S.L. (Sociedad Unipersonal) is a limited liability company (*sociedad limitada*) of Spanish nationality, with registered office in Madrid, at calle Velázquez 130, bearing tax identification number (NIF) B-86535846 (the “**Offering Company**” or “**Veloz Holdco**”), duly represented by Mr. Christopher Mark Haynes, of legal age, of British nationality, with domicile for these purposes at Madrid, calle Velázquez 130 and British passport number 8017000026, currently in force, in its capacity as director and being expressly authorized by virtue of the resolutions passed by the Board of Directors of the Offering Company dated as of 22 November 2012. Attached to this application is a copy of the deed raising to public status the aforementioned resolutions, granted on 29 November 2012 before the notary public of Madrid Mr. José Rivas Guardo, under the number 60 of his records,

## **DECLARES**

### **I. Decision to launch a tender offer**

That on 8 November 2012, the Offering Company approved to launch a voluntary tender offer to acquire the shares representing all the capital stock of Vueling Airlines, S.A. (“**Vueling**”, or the “**Target Company**”) in the terms and conditions hereof and in the attached Prospectus (the “**Offer**”).

The Offering Company is a wholly-owned subsidiary of International Consolidated Airlines Group, S.A. (“**IAG**”). IAG, in turn, is not controlled by any individual or legal entity for the purposes of Section 42 of the Commercial Code. The shares of IAG are admitted to listing on the London Stock Exchange and on the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia (*Bolsas de Valores de Madrid, Barcelona, Bilbao y Valencia*) for trading through the Stock Automated Quotation System (*Sistema de Interconexión Bursátil*) (Continuous Market).

As of today, the Offering Company does not hold any direct share in the Target Company. However, its parent company, IAG, holds indirectly an aggregate of 13,711,221 shares of the Target Company, representing 45.850% of its total capital stock, through Iberia Líneas Aéreas de España, Sociedad Anónima Operadora, S.A. (“**Iberia**”). Iberia, in turn, is a wholly-owned subsidiary of IB Opco Holding, S.L., a company in which IAG directly or indirectly holds 49.90% of the voting rights and practically all economic rights.

It is hereby noted that Iberia has declared to the Offering Company in writing its unconditional and irrevocable commitment to not to accept the Offer in respect of any of the 13,711,221 shares of Vueling representing 45.85 % of its capital stock it currently owns,

having blocked them as guarantee of that commitment. Therefore, the Offer will effectively target 16,193,297 shares of Vueling representing 54.15 % of its capital stock and an equal percentage of voting rights. The Vueling's shares blocked by Iberia together with the shares to which this Offer is addressed are Vueling's 100 % share capital (i.e., 29.904.518 shares).

Pursuant to the provisions of Section 5 of Royal Decree 1066/2007, the Target Company's shares held by Iberia, as well as the 13,483 additional shares of the Target Company, representing 0.045 % of its share capital, held by the members of the board of directors of IAG and of the companies belonging to its group and by the proprietary directors of the IAG group in Vueling's board of directors, are attributable to the group which the Offering Company belongs, resulting in an aggregate holding for these purposes of 45.895 % of Target Company's shares and voting rights (not excluding the treasury shares of Vueling that, according to its interim financial statements as of 30 June 2012, amount to 216,083 shares, representing 0.723% of the capital stock of the Target Company).

## **II. Guarantee of the Offer**

That in order to guarantee the performance and payment of the consideration offered, in accordance with Section 15 of Royal Decree 1066/2007, Banco Santander, S.A. has issued a bank guarantee in the total amount of 113,353,079 euros (a figure obtained by multiplying seven euros by the number of shares to which the Offer is effectively directed, i.e., 16.193.297 shares), guaranteeing full payment of all the obligations that may result from the Offer for Veloz Holdco.

## **III. Main features of the Offer**

On 8 November 2012 and registered under number 176526 the corresponding prior announcement of the Offer was published as a price-sensitive information in the terms of Annex I of Circular 8/2008 of December 10 of the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*), which approves the forms for the announcements and requests for authorisation of public tender offers.

Through this application, Veloz Holdco fully confirms and ratifies all information and features of the Offer contained in the aforementioned announcement. There have been no changes to the information and features that will be included and detailed in the Prospectus to be published when the authorisation is received.

## **IV. Documents attached to the application**

That pursuant to the provisions of Section 17.1 of Royal Decree 1066/2007, this application has attached (i) a duly executed copy of the Prospectus; (ii) the supporting documentation of the corporate resolutions of Veloz Holdco to launch the Offer; (iii) certification of Bankia Bolsa, S.V., S.A. evidencing that Iberia's stake in Vueling is blocked; (iv) a copy of the bank guarantee issued by Banco Santander, S.A.; (v) the certification of the Commercial Registry of Madrid evidencing the incorporation of the Offering Company and its current bylaws; and (vi) the letters of acceptance from Santander Investment Bolsa, S.V., S.A. and Santander Investment, S.A., as the institutions responsible for participation in and settlement of the Offer, as well as in the event of the mandatory purchase and sale of the shares covered by the Offer.

In accordance with Section 17.1 of Royal Decree 1066/2007, the remaining documentation necessary to complete the Offer authorisation file will be submitted to the CNMV within the seven business days following the filing of this application form.

In light of the above,

## REQUESTS

The National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) to deem this document as submitted, together with the Prospectus and other documents attached, and to consider the statements herein as duly made, declare them admissible, and upon the submission of the remaining mandatory documentation and the completion of the appropriate legal procedures, to authorise the launching of the Offer.

In addition, we hereby designate the following address for communication purposes in relation to this matter:

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London, 10 December 2012

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Mr. Christopher Mark Haynes