

RELEVANT FACT

Reference is made to the buy-back programme of International Consolidated Airlines Group, S.A. (the “**Company**”) announced by means of a relevant fact of 6 March 2017 (n. 249214) (the “**Buy-back Programme**”).

The Company announces that, following the last acquisition communicated by means of the relevant fact of 5 December 2017 (n. 259178), the Company has concluded the Buy-back Programme as the purposes for which it was launched has been fully accomplished.

Under the Buy-back Programme, the Company has acquired a total of 74,999,449 ordinary shares, representing approximately 3.52% of its share capital.

In accordance with the objectives of the Buy-back Programme and pursuant to the capital reduction resolution adopted by the Annual Shareholders’ Meeting held on 15 June 2017, the Company will proceed in the forthcoming days to implement such resolution by reducing its share capital in the amount of 37,499,724.50 euros through the cancellation of 74,999,449 treasury shares. The share capital resulting from the reduction will be 1,028,994,647 euros, divided into 2,057,989,294 ordinary shares of the same class and series and with a nominal value of 0.50 euros each, fully subscribed and paid.

The capital reduction does not entail a return of contributions because the Company itself is the holder of the cancelled shares and it will be carried out with a charge to unrestricted reserves by funding a retired capital reserve in an amount equal to the nominal value of the cancelled shares, and such reserve could only be used by complying with the same requirements as those applicable to a reduction in share capital, as provided by article 335 c) of the Companies Law.

Accordingly, pursuant to article 335 c) of the Companies Law, the creditors of the Company will not have the right of objection provided for in article 334 of the Companies Law.

The required announcement of reduction of share capital will be published in the corporate web page of the Company (www.iairgroup.com) and in the Official Gazette of the Commercial Register (*Boletín Oficial del Registro Mercantil*) in the forthcoming days. Thereafter, the public deed regarding the reduction of share capital and the amendment of the by-laws will be granted before a notary and registered with the Commercial Register of Madrid and the Company will request the exclusion of the 74,999,449 shares cancelled from the corresponding Stock Exchanges.

Enrique Dupuy de Lôme
Chief Financial Officer

5 December 2017