

## RELEVANT FACT

### **Notice of redemption of British Airways Plc £350,000,000 5.80 per cent. convertible bonds due 2014**

International Consolidated Airlines Group, S.A. ("**IAG**") announces that its subsidiary, British Airways Plc, has exercised its option to redeem all of its outstanding £350,000,000 5.80 per cent. convertible bonds due 2014 (the "**Bonds**"), which are guaranteed by IAG, on 30 September 2013 in accordance with the terms and conditions of the Bonds.

As an alternative to the redemption of the Bonds, bondholders have the option to exercise their right to convert their Bonds into ordinary shares of IAG by no later than the close of business on 23 September 2013.

As at today's date, the conversion price for holders of the Bonds is £1.89 per ordinary share in IAG, which means that if all bondholders exercise their conversion rights in respect of all outstanding Bonds, the maximum number of new IAG ordinary shares which would be issued in respect of the conversion would be 184,708,994 (representing 9.96% of the current share capital of IAG). The closing price of an ordinary share in IAG was £3.08 (€3.62) on 15 August 2013.

IAG calculates earnings per ordinary share on a fully diluted basis, and as such the conversion of the Bonds will not affect IAG's target earnings per ordinary share.

16 August 2013

Enrique Dupuy de Lôme  
Chief Financial Officer