

## RELEVANT FACT

### IAG CONVERTS 20 A320neo OPTIONS INTO FIRM ORDERS

International Airlines Group (IAG) has converted 20 of the 100 Airbus A320neo options it announced in August 2013 into firm orders.

These aircraft will be delivered in 2018 and 2019 and will provide both cost savings and environmental benefits. New technology and improved aerodynamics will lower fuel burn and CO2 emissions by 15 per cent, as well as providing both noise and NOx performance advantages.

Last year IAG announced that, as part of a Vueling order for up to 120 Airbus A320 family aircraft, it had also secured 100 A320neo options. The remaining options can be used for any of the airlines in the Group - British Airways, Iberia or Vueling - for aircraft replacement requirements. These aircraft are currently intended to replace 21 shorthaul British Airways' aircraft but will be reallocated if the airline cannot make a profitable return from its shorthaul business.

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Chief Financial Officer

*July, 14 2014*

#### Notes to editors:

- The aircraft list price, as at January, 2012, is US\$92.0 million (being the sum of the airframe list price, engine option list price and the price of certain assumed specification change notices) against which price concessions are made. IAG has negotiated a substantial discount from the list price.
- IAG has a range of financing options and will choose the most appropriate source closer to the delivery time.
- As previously disclosed, IAG expects, in the long term, that its assets will have at least a 12 per cent return on invested capital.
- IAG is the parent company of British Airways, Iberia and Vueling.

**Forward-looking statements:**

Certain statements included in this report are forward-looking and involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such forward-looking statements.

Forward-looking statements can typically be identified by the use of forward-looking terminology, such as “expects”, “may”, “will”, “could”, “should”, “intends”, “plans”, “predicts”, “envisages” or “anticipates” and include, without limitation, any projections relating to results of operations and financial conditions of International Consolidated Airlines Group S.A. and its subsidiary undertakings from time to time (the ‘Group’), as well as plans and objectives for future operations, expected future revenues, financing plans, expected expenditures and divestments relating to the Group and discussions of the Group’s Business plan. All forward-looking statements in this report are based upon information known to the Group on the date of this report. The Group undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

It is not reasonably possible to itemise all of the many factors and specific events that could cause the forward-looking statements in this report to be incorrect or that could otherwise have a material adverse effect on the future operations or results of an airline operating in the global economy. Further information on the primary risks of the business and the risk management process of the Group is given in the Annual Report and Accounts 2013; these documents are available on [www.iagshares.com](http://www.iagshares.com).