

## RELEVANT FACT

### **IAG €390,000,000 1.75 per cent. convertible bonds due 2018 (the “Bonds”)**

#### **Delivery of Optional Redemption Notice**

International Consolidated Airlines Group, S.A. (the “**Issuer**”) announces that, under the terms and conditions of the Bonds, it has exercised its option to redeem all of its outstanding Bonds on 21 June 2016 (the “**Optional Redemption Date**”) at their principal amount (being, as at 5 May 2016, € 386,100,000 in aggregate) plus accrued but unpaid interest in respect of such Bonds up to, but excluding, the Optional Redemption Date.

As an alternative to the redemption of the Bonds, the bondholders have the option under the terms and conditions of the Bonds to request the conversion of their Bonds for ordinary shares in the Issuer by delivering a duly completed and signed conversion notice and nationality declaration to Deutsche Bank AG, London Branch (acting as Fiscal, Paying, Transfer and Conversion Agent) by no later than the close of business on 14 June 2016 (the “**Conversion Deadline**”).

As of the date of this announcement, the conversion price of the Bonds is €4.1976 per ordinary share in the Issuer of which €0.50, in the case of a conversion, per share corresponds to the nominal value and €3.6976 per share corresponds to share premium. The closing price of an ordinary share in the Issuer was € 6.4671 on 5 May 2016.

The Conversion Deadline represents the final opportunity for bondholders to convert the Bonds into ordinary shares in the Issuer before the redemption of all outstanding Bonds on the Optional Redemption Date.

6 May 2016

Enrique Dupuy de Lôme  
Chief Financial Officer