

Share Buy-Back Programme

Further to the announcement by International Consolidated Airlines Group, S.A. (“**IAG**” or the “**Company**”) on 24 February 2017 that it intends to carry out a share buy-back of €500 million during the course of 2017, IAG announces that it has now agreed the terms of the share buy-back programme (the “**Programme**”). The Programme will be carried out in accordance with the authorisation granted by the Annual General Shareholders’ Meeting held on 16 June 2016 and the provisions of Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016.

The Programme will have the following characteristics:

- a) *Purpose*: the reduction of the capital of the Company, subject to the approval of such reduction by a Shareholders’ Meeting of the Company.
- b) *Regulated market*: the shares will be purchased on both the London Stock Exchange and the Spanish Stock Exchanges (each an “**Exchange**”).
- c) *Maximum pecuniary amount allocated to the programme*: €500,000,000.
- d) *Maximum number of shares to be acquired*: up to 190,000,000 shares, which represent 8.9% of the Company’s share capital as of the date hereof.
- e) *Maximum consideration per share*: the shares will be purchased at a maximum price of the higher of the price of the last independent trade and the highest current independent purchase bid on the relevant Exchange.
- f) *Maximum volume*: no more than 25% of the average daily volume of the shares traded on the relevant Exchange in the 20 trading days preceding the date of purchase.
- g) *Duration*: the Programme will start on 6 March 2017 and end no later than 29 December 2017.

The Company will announce any market purchases of shares no later than 7.30 a.m. (GMT) on the business day following the calendar day on which the purchase occurred. Shares purchased under the Programme will be held in treasury pending approval to cancel such Shares being granted by a Shareholders’ Meeting of the Company.

Deutsche Bank AG, London Branch (“**Deutsche Bank**”) has been engaged to implement the Programme. Deutsche Bank will make the share purchases on the Company’s behalf and all trading decisions are to be made by Deutsche Bank independently of, and uninfluenced by, the Company.

Enrique Dupuy de Lôme
Chief Financial Officer

6 March 2017