

RELEVANT FACT

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CASH TENDER OFFER FOR 100 PER CENT OF VUELING SHARE CAPITAL

Veloz Holdco SLU, a wholly owned subsidiary of International Airlines Group (IAG), is to make a cash tender offer to buy 100 per cent of the share capital of Vueling, the Spanish low cost carrier based in Barcelona.

The offer will be launched exclusively on the Spanish stock markets. Veloz Holdco SLU has been created as an IAG subsidiary for this transaction.

IAG's subsidiary Iberia owns 45.85 per cent of Vueling's shares currently and the Iberia board has agreed not to tender them in the offer. This means that Iberia would retain their shareholding in Vueling with IAG seeking to acquire the remaining 54.15 per cent.

The offer will be €7.00 per ordinary share of Vueling with the total cost of acquiring 54.15 per cent anticipated to be €113 million. It will be funded using internal IAG resources.

IAG chief executive Willie Walsh said: "With its leading position in Barcelona, European growth strategy and low cost base, Vueling has much to offer IAG. It has significantly increased capacity while remaining profitable, despite the Spanish economic slowdown, and already has extensive commercial arrangements with Iberia. We would plan to retain the current Vueling management team.

"This would be good news for Vueling as there are many advantages for the airline in this deal. It will benefit from the financial strength of a larger airline group, making it better able to compete with other airlines and invest in new customer products and services. The airline will also be able to generate some cost and revenue synergies as part of IAG mainly through joint financing and procurement.

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“This acquisition would be positive for Spain. We would retain Vueling’s Barcelona base and create new Spanish jobs”.

Vueling would be managed as a separate operating company with its chief executive reporting directly to the IAG chief executive.

The total consideration of the 54.15 per cent of the outstanding shares is anticipated to be €113 million.

The reported total assets of Vueling as at September 30 2012 were €805 million and in the nine months to September 30 2012 it generated profits before tax of €59 million.

An application for authorisation of the offer, along with the prospectus and other legal documents, will be submitted within the next month to the Comisión Nacional del Mercado de Valores (CNMV). Subject to authorisation from the CNMV, the offer will be launched to Vueling’s shareholders in Q1 2013 and, if accepted, the deal is expected to be completed in Q2 2013.

The offer will be subject to a minimum acceptance condition of 90 per cent of the voting rights of the Vueling shares not already owned by Iberia. It is not subject to regulatory approval by the European Commission.

Ends

November 8, 2012

IAG12

For media enquiries contact the IAG press office on +44 208 564 2810

Forward-looking statements:

Certain information included in these statements is forward-looking and involves risks and uncertainties that could cause actual results to differ materially from those expressed or implied by the forward-looking statements.

Forward-looking statements include, without limitation, projections relating to results of operations and financial conditions and International Consolidated Airlines Group S.A. (the ‘Group’) plans and objectives for future operations, including, without limitation, discussions of the Company’s Business Plan, expected future revenues, financing plans and expected expenditures and divestments. All forward-looking statements in this report are based upon information known to the Company on the date of this report. The Company 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 Company’s forward-looking statements 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 2011; these documents are available on www.iagshares.com.