

RELEVANT FACT

INTERNATIONAL AIRLINES GROUP TO BUY NIKI ASSETS

International Airlines Group (IAG) is to buy assets of the Austrian airline NIKI, which was formerly part of the Air Berlin group, for €20 million and provide liquidity to NIKI of up to €16.5 million.

The transaction is being made by a newly formed subsidiary of Vueling which will be incorporated as an Austrian company and run initially as a separate operation. It is subject to customary closing conditions such as the EC competition approval.

The assets include up to 15 A320 family aircraft and an attractive slot portfolio at various airports including Vienna, Dusseldorf, Munich, Palma and Zurich.

The new company plans to employ approximately 740 former NIKI employees to run the operation.

Willie Walsh, IAG chief executive, said: "NIKI was the most financially viable part of Air Berlin and its focus on leisure travel means it's a great fit with Vueling. This deal will enable Vueling to increase its presence in Austria, Germany and Switzerland and provide the region's consumers with more choice of low cost air travel".

More details about the new subsidiary's branding and route network will be provided in due course, when appropriate.

Enrique Dupuy de Lôme

Chief Financial Officer

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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 2016; these documents are available on www.iagshares.com.