

INTERNATIONAL CONSOLIDATED AIRLINES GROUP, S.A.

NOTICE OF RELEVANT FACT

Madrid, May 8, 2014.

The Board of Directors of INTERNATIONAL CONSOLIDATED AIRLINES GROUP, S.A. (the “**Company**”) has resolved to call the Annual General Shareholders' Meeting to be held in Madrid, at Palacio de la Bolsa, Plaza de la Lealtad, 1, on June 17, 2014 at 12 noon (CET), on first call, and on the following day, June 18, 2014 at 12 noon (CET), at the same venue, on second call. In light of the fact that it is unlikely that the quorum required by law and the corporate bylaws for the Shareholders’ Meeting is met on first call, shareholders are informed that the Shareholders’ Meeting will be held on second call.

The Shareholders’ Meeting is called in accordance with the following agenda:

- 1.- Approval of the individual annual financial statements and management report of the Company and the consolidated annual financial statements and management report of the Company and its subsidiaries for the financial year ended on December 31, 2013.
- 2.- Approval of the proposal for the allocation of results corresponding to the financial year ended on December 31, 2013.
- 3.- Approval of the management of the Board of Directors for the financial year ended December 31, 2013.
- 4.- Re-election of auditors:
 - a) Re-election of Ernst & Young, S.L. as auditor for the financial statements of the Company and of its consolidated group for financial year 2014.
 - b) Delegation to the Board of Directors to determine the terms and conditions of re-election and remuneration of Ernst & Young, S.L. as auditor.
- 5.- Amendment of Article 36 of the corporate bylaws to reduce to one year the term of office of the directors of the Company.
- 6.- Ratification of the appointment of directors by co-option and re-election of directors for the new corporate bylaws mandated one-year term:
 - a) To re-elect Mr. Antonio Vázquez Romero as a director, classified as other external director.
 - b) To re-elect Sir Martin Broughton as a director, classified as external independent director.
 - c) To re-elect Mr. William Walsh as a director, classified as executive director.

- d) To re-elect Mr. César Alierta Izuel as a director, classified as external independent director.
 - e) To re-elect Mr. Patrick Cescau as a director, classified as external independent director.
 - f) To re-elect Mr. Enrique Dupuy de Lôme as a director, classified as executive director.
 - g) To re-elect Baroness Kingsmill as a director, classified as external independent director.
 - h) To re-elect Mr. James Lawrence as a director, classified as external independent director.
 - i) To re-elect Mr. José Pedro Pérez-Llorca as a director, classified as external independent director.
 - j) To re-elect Mr. Kieran Poynter as a director, classified as external independent director.
 - k) To re-elect Mr. Alberto Terol Esteban as a director, classified as external independent director.
 - l) To ratify the appointment by co-option of, and to re-elect, Dame Marjorie Scardino as a director, classified as external independent director.
 - m) To ratify the appointment by co-option of, and to re-elect, Ms. María Fernanda Mejía Campuzano as a director, classified as external independent director.
- 7.- Authorisation, for a term ending at the end of next year's annual Shareholders' Meeting (or, if earlier, fifteen months from the date of passing of this resolution), for the derivative acquisition of the Company's own shares by the Company itself and/or by its subsidiaries, upon the terms provided by applicable law and subject to the following conditions: (a) the maximum aggregate number of ordinary shares which are authorised to be purchased shall be the lower of the maximum amount permitted by the law and such number as represents ten per cent. of the aggregate nominal amount of the Company's issued ordinary share capital as at the date of passing this resolution; (b) the minimum price which may be paid for an ordinary share is zero; (c) the maximum price which may be paid for an ordinary share is the highest of: (i) an amount equal to five per cent. above the average of the middle market quotations for the ordinary shares as taken from the relevant stock exchange for the five business days immediately preceding the day on which that ordinary share is contracted to be purchased; and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out at the relevant time; in each case, exclusive of expenses.
- 8.- Authorisation to the Board of Directors, with the express power of substitution, for a term ending at the end of next year's annual Shareholders' Meeting (or, if earlier, fifteen months from the date of passing of this resolution), to increase the share capital pursuant to the provisions of Article 297.1.b) of the Companies Law, by: (a) up to one-third of the aggregate nominal amount of the Company's issued ordinary share capital as at the date

of passing this resolution (such amount to be reduced by the amount that the share capital has been increased by and the maximum amount that the share capital may need to be increased on the conversion or exchange of any securities issued under paragraph (a) of Resolution 9); and (b) up to a further one-sixth of the aggregate nominal amount of the Company's issued ordinary share capital as at the date of passing this resolution in connection with an offer by way of a rights issue (such amount to be reduced by the amount that the share capital has been increased by and the maximum amount that the share capital may need to be increased on the conversion or exchange of any securities issued under paragraph (b) of Resolution 9).

- 9.- Authorisation to the Board of Directors, with the express power of substitution, for a term ending at the end of next year's annual Shareholders' Meeting (or, if earlier, fifteen months from the date of passing of this resolution), to issue securities (including warrants) convertible into and/or exchangeable for shares of the Company, up to a maximum limit of 1,000,000,000 euros or the equivalent thereof in another currency, provided that the aggregate share capital that may need to be increased on the conversion or exchange of all such securities may not be higher than: (a) one-third of the aggregate nominal amount of the Company's issued ordinary share capital as at the date of passing this resolution (such amount to be reduced by the amount that the share capital has been increased under paragraph (a) of Resolution 8); and (b) a further one-sixth of the aggregate nominal amount of the Company's issued ordinary share capital as at the date of passing this resolution in connection with an offer by way of rights issue (such amount to be reduced by the amount that the share capital has been increased under paragraph (b) of Resolution 8). Establishment of the criteria for determining the basis for and terms and conditions applicable to the conversion or exchange. Authorisation to the Board of Directors, with the express power of substitution, to develop the basis for and terms and conditions applicable to the conversion or exchange of such securities, as well as to increase the share capital by the required amount on the conversion.
- 10.- Authorisation to the Board of Directors, with the express power of substitution, to exclude pre-emptive rights in connection with the capital increases and the issuances of convertible or exchangeable securities that the Board of Directors may approve under the authority given under Resolution 8 or Resolution 9 for the purposes of allotting ordinary shares or convertible or exchangeable securities in connection with a rights issue or in any other circumstances for the purposes of allotting ordinary shares or convertible or exchangeable securities subject to an aggregate maximum nominal amount of the ordinary shares so allotted and that may be allotted on conversion or exchange of such securities of five per cent. of the aggregate nominal amount of the Company's issued ordinary share capital as at the date of passing this resolution.
- 11.- Authorisation to the Board of Directors, with the express power of substitution, for a term ending at the end of next year's annual Shareholders' Meeting (or, if earlier, fifteen months from the date of passing of this resolution), to issue: (a) bonds or simple debentures and other debt securities of a like nature (other than notes), up to a maximum amount of 1,000,000,000 euros or the equivalent thereof in another currency; and (b) notes (*pagarés*) up to a maximum amount at any given time, independently of the foregoing, of 500,000,000 euros or the equivalent thereof in another currency. Authorisation for the Company to guarantee, within the limits set forth above, new issuances of securities by subsidiaries.

- 12.- Application of the Spanish consolidation tax regime, whereby the tax group as a whole is treated as taxpayer, rather than its individual members, to the group formed by the Company and its Spanish subsidiaries in which the Company directly or indirectly owns at least 75% of their share capital.
- 13.- Consultative vote on the 2013 annual report on the remuneration of the directors of the Company.
- 14.- Delegation of powers to formalise and execute all resolutions adopted by the shareholders at this Shareholders' Meeting, for conversion thereof into a public instrument, and for the interpretation, correction and supplementation thereof or further elaboration thereon until the required registrations are made, if applicable.

The call notice will be published in the form required by the law and the corporate bylaws.

From the publication of the call notice, the call notice and the proposed resolutions prepared by the Board of Directors, together with the remaining documentation relating to the Shareholders' Meeting, shall be available to shareholders at the registered office (El Caserío, Iberia Zona Industrial nº 2 (La Muñoza), Camino de La Muñoza, s/n, 28042 Madrid), at the Shareholder Office (IAG) (calle Martínez Villergas, 49, 28027 Madrid) on the corporate website of the Company (www.iairgroup.com).

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Álvaro López-Jorrín Hernández
Secretary of the Board of Directors