

RELEVANT FACT

Exercise of IAG Convertible bond

International Consolidated Airlines Group, S.A. (the “**Issuer**”) announces that it has received a conversion request in respect of a principal amount of € 100,000 of the Issuer’s € 390,000,000 1.75 per cent. convertible bonds due 2018 (the “**Bonds**”), exchangeable into ordinary shares in the Issuer.

In this regard, the Issuer has completed a share capital increase through the issuance of 23,823 ordinary shares by means of the corresponding public deed recording the issuance of such shares.

As a consequence of the above referred capital increase, the share capital of the Issuer will be increased by €11,911.50, amounting to a total of €1,020,503,812.50, divided into 2,041,007,625 ordinary shares of the same class and series and with a nominal value of € 0.50 each, fully subscribed and paid.

Pursuant to the terms and conditions of the Bonds, the new shares are issued at the applicable conversion price, which is € 4.1976 per share, of which €0.50 per share corresponds to the nominal value and € 3.6976 per share corresponds to share premium.

1 April 2016

Enrique Dupuy de Lôme
Chief Financial Officer