

INTERNATIONAL CONSOLIDATED AIRLINES GROUP, S.A.

2012 SHAREHOLDERS' MEETING

SHAREHOLDERS' GUIDE

1. INTRODUCTION

The shareholders' guide is designed exclusively to provide information to enable shareholders and holders of CREST Depository Interests linked to the Company's shares ("**CDI holders**") to exercise their rights in relation to the first Shareholders' Meeting of International Airlines Group, S.A. ("**IAG**" or the "**Company**") to be held on June 20, 2012, on first call, and June 21, 2012, on second call in Madrid (Spain) (the "**Shareholders' Meeting**").

2. CALL NOTICE

2.1 When is the Shareholders' Meeting going to be held?

Although the notice sets out two dates for convening, the meeting is expected to be held on June 21, 2012, at 12:00 hours (CET), on second call.

2.2 Where is the Shareholders' Meeting going to be held?

As a Spanish company IAG is subject to Spanish legislation and therefore the Shareholders' Meeting will always be **held in Spanish** at a venue in Spain.

The venue for the 2012 Shareholders' Meeting will be in Madrid (Spain) in Auditorio Sur de IFEMA, Feria de Madrid, Campo de las Naciones.

A map with access routes to the building and directions for getting there is available on the following website:

http://www.ifema.es/Institucional_01/informacion_general/situacion_y_accesos/mapa/index.htm

In addition, IAG has set up a venue in London, the Queen Elizabeth II Conference Centre, where the Deputy Chairman Sir Martin Broughton will be in attendance. This London venue is for CDI holders to observe the conduct of the meeting in real time **without the right to exercise their vote or speak.**

To be able to exercise the right to vote or speak at the Shareholders' Meeting, CDI holders must attend the meeting in Madrid as a proxy in respect of the underlying shares their CDI represent. To appoint themselves as proxy, CDI holders must return the form of instruction to Computershare Investor Services, PLC ("**Computershare**") by 11:00 (BST) on June 17, 2012. CDI holders shall follow the procedure established by Computershare for such purposes.

2.3 Where can the call notice be found?

The call notice has been published in the *Boletín Oficial del Registro Mercantil* and in the newspaper "*Cinco Días*" on May 14, 2012 and has been sent to all shareholders and CDI holders, either by post or electronically, and is available on the CNMV (Spanish Securities Commission)'s website (www.cnmv.es) and on IAG's website (www.iairgroup.com) together with all additional information and documentation relating to the Shareholders' Meeting.

3. RIGHT TO INFORMATION PRIOR TO THE HOLDING OF THE SHAREHOLDERS' MEETING

3.1 How can we obtain the information relating to the Shareholders' Meeting?

Notwithstanding the shareholders' right to examine and obtain a copy of the legally required documents at the Company's registered office (calle Velázquez, 130, Madrid, c/o the IAG Shareholder Office, Monday to Friday, from 09:00 to 14:00 and from 15:00 to 18:00 hours (CET)), or to make a request to the Company to have them delivered or sent, immediately and free of charge, after the publication date of the call notice, IAG has placed all of the necessary documents relating to the Shareholders' Meeting on its website (www.iairgroup.com), including:

- (a) the call notice;
- (b) proposed resolutions and explanations of the resolutions;
- (c) the Company's separate financial statements and directors' report and the consolidated financial statements and directors' report for the Company and

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its affiliates relating to the fiscal year ended December 31, 2011 and the respective auditor's reports and directors' liability statements;

- (d) the required Board reports in relation to the proposed resolutions;
- (e) the document relating to the amendments to the Board of Directors Regulations;
- (f) the annual report on directors' remuneration;
- (g) the attendance, proxy and remote vote card form;
- (h) the number of existing voting rights on the publication date of the call notice; and
- (i) this shareholders' guide.

3.2 Can questions be submitted prior to the Shareholders' Meeting being held?

Shareholders may request any information or clarification they consider necessary, or submit in writing any questions they wish to be asked up to seven days prior to the Shareholders' Meeting (June 14, 2012).

This right to information can only be exercised in relation to:

- (a) the items on the agenda;
- (b) any publicly available information that the Company has provided to the CNMV (Spanish Securities Commission) since it was listed; and
- (c) the auditor's report.

Any requests for information must be in writing to the IAG Shareholder Office and handed in directly at the registered office (calle Velázquez, 130, Madrid, Monday to Friday, from 09:00 to 14:00 and from 15:00 to 18:00 (CET)) or sent by post to the registered office or by e-mail to shareholder.services@iairgroup.com, mentioning the name of the shareholder making the request and the address for the purpose of replying.

Details on how to ask and receive a reply to a question in the Shareholders' Meeting can be found later in this guide.

3.3 What about CDI holders?

Any CDI holder wishing to submit questions or request clarification on the terms and subject to the restrictions in paragraph 3.2 must submit their questions or requests to the IAG Investor Relations team via email to shareholder.services@iairgroup.com and include their shareholder reference number and address.

4. RIGHT TO ATTEND

4.1 Who can attend the Shareholders' Meeting?

All shareholders who have shares entered in their name on the relevant book entry register in Spain at least five days before the scheduled date for the Shareholders' Meeting (up to June 15, 2012) will be entitled to attend the Shareholders' Meeting in a speaking and voting capacity.

CDI holders wishing to attend the Shareholders' Meeting to be held in Madrid must have been appointed as a proxy as previously advised in this shareholders' guide.

4.2 What documents are needed to be able to attend the Shareholders' Meeting?

To be able to attend, shareholders must present the attendance, proxy and remote vote card, completed and signed by them, at the entrance to the building where the Shareholders' Meeting is to be held, together with their identity card, passport or any other equivalent official identity document.

In the case of institutional shareholders, a copy of a sufficient power of attorney must be also be produced, evidencing the powers of the individual signing the attendance, proxy and remote vote card on behalf of the institutional shareholder.

CDI holders or their proxies wishing to attend the Shareholders' Meeting to be held need to bring with them a form of identification. At registration they will be presented with their proxy appointment.

4.3 What time will access to the venue be allowed?

Shareholders and CDI holders (attending as a proxy), in accordance with the requirements mentioned, will be allowed into the Madrid venue from 10:00 (CET), two hours before the start of the Shareholders' Meeting. CDI holders will be allowed into the London venue from 09:30 (BST).

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4.4 What is the latest time of arrival that will count as attendance at the Shareholders' Meeting?

Attendance, proxy and remote vote cards from the shareholders will only be accepted from those who arrive before, or by the latest, at the time set for the start of the Shareholders' Meeting, that is, until 12:00 (CET) on the date of the meeting.

4.5 Will people be allowed into the Shareholders' Meeting if they arrive after it starts?

Any shareholders or CDI holders (attending as a proxy), or their representatives, who arrive late at the venue for the Shareholders' Meeting, after the attendance, proxy and remote vote cards have stopped being accepted, will be allowed into the meeting but will not be included on the list of attendees and, therefore, will not be allowed to speak or vote.

4.6 Is it possible to be accompanied at the Shareholders' Meeting by another person?

A shareholder or a CDI holder (attending as a proxy) or their representative can be accompanied at the Shareholders' Meeting by another person, only if that other person is also a shareholder or a CDI holder with the right to attend or their representatives.

Otherwise, a request to issue an invitation must be made by email to the IAG Investor Relations team for the companion to be able to attend. Given the limited capacity of the auditorium where the Shareholders' Meeting will be held, there is no guarantee that invitations will be given to every person who requests one.

4.7 If more than one holder appears on the attendance, proxy and remote vote card, who will be able to attend the Shareholders' Meeting?

Only one of the holders will have the right to attend the Shareholders' Meeting, and the attending holder will be deemed to have been appointed to exercise the shareholder rights by the other shareholders.

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4.8 What steps are needed to be able to attend at the London venue?

The London venue is for CDI holders only; they need to bring with them their attendance card (which will be sent to the CDI holder together with the form of instruction).

5. RIGHT TO BE REPRESENTED

5.1 Who can appoint a proxy for the Shareholders' Meeting?

Every shareholder with the right to attend the Shareholders' Meeting can appoint anyone as proxy and that person need not be a shareholder.

5.2 How can a shareholder be represented at the Shareholders' Meeting?

For the proxy authorisation to be valid, it must be accepted by the representative. Unless provided otherwise in relation to remote proxy authorisations, the representative's acceptance must appear on the attendance, proxy and remote vote card duly signed by the representative.

5.3 How can proxy authorisations be granted?

Shareholders can grant proxy authorisations by completing the proxy section on the attendance, proxy and remote vote card.

After the card has been completed and signed in the proxy section by both the shareholder and the representative, shareholders can hand it over to their representative to be submitted at the registration desks on the date of the Shareholders' Meeting or by sending it to IAG:

- (a) by post: by sending their original attendance, proxy and remote vote card, with the relevant section duly completed and signed, to the Company at the following address: IAG Shareholder Office, Velázquez, 130, 28006 Madrid – Shareholder Office (IAG); or
- (b) electronically: on the Company's website (www.iairgroup.com), by following the instructions given and using their electronic DNI (DNIe) or their digital signature based on a recognized and valid certificate issued by the Spanish Public Certification Entity (CERES) attached to *Fábrica Nacional de Moneda y Timbre*.

Note: reference to 'shareholder' in this guide means holders of Company's shares traded through the Spanish Stock Exchanges; reference to 'CDI holder' in this guide means holders of CREST depositary interests linked to the Company's shares, traded on the London Stock Exchange.

Only one electronic step will be allowed for either one type of transaction or the other (proxy or vote), otherwise, if both take place electronically, the vote will prevail.

5.4 Is there a time limit for exercising the right to appoint a proxy?

The grant of proxy authorisation above must have been received by the Company by midnight (CET) on June 20, 2012. If not received by this time the grant of the proxy authorisation will not be considered to have taken place.

After that time limit has passed only proxy authorisations granted on paper and submitted by the proxy attending the Shareholders' Meeting in person on the date and at the venue of the meeting will be accepted.

5.5 Can a proxy authorisation be revoked?

Yes it can. The fact of a shareholder attending the Shareholders' Meeting in person or casting a remote vote will revoke any proxy authorisation granted, regardless of the date of that authorisation.

5.6 What documents does the proxy need to be able to attend the Shareholders' Meeting in person?

In the case of a proxy authorisation, the person attending the meeting must produce at the entrance to the venue the attendance, proxy and remote vote card in which the shareholder has granted proxy authorisation, signed and completed (by both the shareholder attending in person and by the proxy), together with the proxy's identity card, passport or any other equivalent official identity document of the person attending the meeting.

5.7 What about CDI holders?

Any CDI holders wishing to grant proxy authorisation in relation to the underlying shares must complete the form of instruction and return it to Computershare or via website (www.eproxyappointment.com) by 11:00 (BST) on June 17, 2012.

6. REMOTE VOTING RIGHT AT THE SHAREHOLDERS' MEETING

6.1 Who can vote by remote means prior to the Shareholders' Meeting?

Every shareholder with the right to attend the Shareholders' Meeting can vote by remote means prior to the Shareholders' Meeting.

6.2 Can votes be cast by remote means during the Shareholders' Meeting?

No, they cannot.

6.3 How can we vote by remote means?

Shareholders can vote by remote means by completing the remote vote section on the attendance, proxy and remote vote card and using the following remote means of communication:

- (a) by post: send the original completed signed attendance, proxy and remote vote card to the following address: calle Velázquez, 130, 28006 Madrid – IAG Shareholder Office; or
- (b) electronically: on the Company's website (www.iairgroup.com), by following the instructions given and using their electronic DNI (DNIe) or their digital signature based on a recognized and valid certificate issued by the Spanish Public Certification Entity (CERES) attached to *Fábrica Nacional de Moneda y Timbre*.

Only one electronic step will be allowed for either one type of transaction or the other (proxy or vote); otherwise, if both take place electronically, the vote will prevail.

6.4 Is there a time limit for remote voting?

Any votes cast on any of the remote means of communication mentioned above must be received by the Company by midnight (CET) on June 20, 2012. Otherwise, the remote vote will be considered not to have been cast.

6.5 Can the remote vote be changed after it has been cast?

Once the remote vote has been cast, it cannot be changed, unless the shareholder that cast the remote vote attends the Shareholders' Meeting in person.

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6.6 What about CDI holders?

Any CDI holders wishing to vote by remote means in relation to the underlying shares must complete the form of instruction and return it to Computershare or via website (www.eproxyappointment.com) by 11:00 (BST) on June 17, 2012.

7. PRIORITY RULES FOR PROXY, REMOTE VOTE AND ATTENDANCE IN PERSON

7.1 Priority among proxy, remote vote and attendance in person

Where the shareholder has appointed a representative or voted earlier, regardless of the means used, the fact of that shareholder attending the Shareholders' Meeting in person will render the proxy authorisation or vote invalid.

A vote, regardless of the means by which it was cast, will render invalid any proxy authorisation, even if it was granted before the vote, in which case it will be considered to have been revoked, or after the vote, in which case it will be considered not to have been cast.

7.2 Priorities according to the means to be used to appoint a proxy or cast a vote

If a shareholder appoints a proxy electronically, on the one hand, and on the printed paper attendance, proxy and remote vote card, on the other, the paper card will prevail, regardless of their respective dates.

A vote cast on the attendance, proxy and remote vote card (on paper) will render invalid a vote cast electronically, whether before or after.

8. ATTENDANCE, PROXY AND REMOTE VOTE CARD/FORM OF INSTRUCTION/ ATTENDANCE CARDS / PROXY CARD

8.1 How can we obtain the attendance, proxy and remote vote cards/forms of instruction/attendance cards/proxy card?

The attendance, proxy and remote vote cards for shareholders and for CDI holders the form of instruction and attendance card for the London venue were issued and sent by the Company to addresses held on shareholder and CDI registers, from Monday May 21, 2012.

Note: reference to 'shareholder' in this guide means holders of Company's shares traded through the Spanish Stock Exchanges; reference to 'CDI holder' in this guide means holders of CREST depositary interests linked to the Company's shares, traded on the London Stock Exchange.

On entering the Shareholders' Meeting to be held in Madrid, the CDI holders (attending as a proxy) will receive the proxy card.

The attendance, proxy and remote vote card form is also available on the Company's website (www.iairgroup.com).

8.2 What should we do if we do not receive the attendance, proxy and remote vote card/forms of instruction/attendance cards?

(a) For shareholders: a duplicate can be requested by the following channels:

- by calling the IAG Shareholder Office on + 34 915 878 974 between 09:00 and 14:00 and 15:00 and 18:00 (CET), Monday to Friday;
- by post: by sending a letter with all of the holder's details to the following address: calle Velázquez, 130, 28006 Madrid – IAG Shareholder Office.
- electronically: by sending an e-mail with all of the holder's details to the following address: shareholder.services@iairgroup.com;
- at the venue building for the Shareholders' Meeting, before it starts, by producing an identity card, passport or equivalent official identification document.

(b) CDI holders should contact Computershare on + 44 (0)870 702 0110 between 09:00 and 17:00 Monday to Friday (BST).

8.3 What should we do if we have to change any of the personal details appearing on the attendance, proxy and remote vote card/form of instruction/attendance card?

You must notify the change on any of the channels mentioned in the preceding paragraph 8.2.

8.4 What should we do if the number of shares appearing on the attendance, proxy and remote vote card does not match the number of shares owned?

The details issued on the attendance, proxy and remote vote cards are the details contained in the Company's records on the date of issue. Therefore, if any share transfer or acquisition transactions have taken place following the issue date, these transactions will not appear on the attendance, proxy and remote vote cards.

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Shareholders will hold the voting rights attached to the shares registered in their names in the relevant accounting records five days before the Shareholders' Meeting is held on first call.

In any event, a duplicate attendance, proxy and remote vote card can be requested with the details updated and any errors corrected, on the channels mentioned in paragraph 8.2 above.

9. HOLDING THE SHAREHOLDERS' MEETING

9.1 What quorum is needed for the Shareholders' Meeting to be validly convened and to be able to approve the items on the agenda?

The Shareholders' Meeting will be validly convened, on first call, where attended in person or by proxy by shareholders or CDI holders (attending as a proxy) owning at least fifty per cent of the voting share capital.

On second call, twenty-five per cent of that share capital will be sufficient.

9.2 How will the Shareholders' Meeting take place?

The Shareholders' Meeting will take place with the following order of events:

- Opening of the meeting by the Chairman.
- Legal formalities relating to the convening of the Shareholders' Meeting.
- Chairman's speech.
- Chief Executive's speech.
- Questions asked by shareholders.
- Response to questions by the Chairman of IAG or other Board Members as directed by the Chairman
- Vote on resolutions.
- Announcement of results.
- Closure of the meeting.

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9.3 Which language will the Shareholders' Meeting be held in?

The meeting will be held in Spanish with simultaneous translation into English at both venues (Madrid and London).

9.4 When and how can we speak at Shareholders' Meeting?

Any shareholder, or CDI holder (attending as a proxy), or their representatives, attending the Shareholders' Meeting venue to be held in Madrid who wish to address the Shareholders' Meeting and, where necessary, request information or clarification in relation to the agenda or make proposals must provide their identity to the notary or the notary's assistant stating their name and surname(s), the number of shares they hold and the number of shares they represent by proxy, before the end of the Chief Executive's speech.

The Chairman of the Shareholders' Meeting may ask those who take the floor to hand over at that point the wording of their statement to the notary or to the notary's assistants. In any case, if the shareholders or CDI holders (or their representatives) want their statements to be transcribed word for word in the minutes of the Shareholders' Meeting they must deliver it in writing to the notary for him to compare it against the statement made by the shareholder or by the CDI holder (or their representatives).

Statements by shareholders or CDI holders (or their representatives) will take place in the order in which they are called to the floor by the Secretary of the Shareholders' Meeting, after the times allowed for those statements have been determined by the Chairman of the Shareholders' Meeting. No shareholder or CDI holder (or their representatives) may make any statement dealing with business not included on the agenda or on a subject on which they do not have a right to information, or without being granted the floor by the Chairman of the Shareholders' Meeting.

Initially the shareholders, or CDI holders (or their representatives) will have up to five minutes for each statement, although the Chairman of the Shareholders' Meeting has the discretion to allow more time. Where the number of statements requested or other circumstances so require, the Chairman of the Shareholders' Meeting may set a maximum statement period of less than five minutes, giving due regard in each case to the equal treatment of presenting shareholders or CDI holders and the principle of non-discrimination.

Once all questions have been asked the Chairman will respond.

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9.5 Can those attending at the London venue ask questions?

No, they cannot. Those attending the London venue can only follow the Shareholders' Meeting by video link without the right to exercise their vote or speak.

Those attending at the London venue can, when they register, submit questions or request clarification in writing (exclusively in relation to the business on the agenda, any publicly available information that may have been provided by the Company to the CNMV (Spanish Securities Market Commission) since it was listed and regarding the auditor's report) which will be sent to the Shareholders' Meeting venue and, if possible, will be answered by the Chairman in Madrid.

9.6 How will the voting procedure take place?

On entering the Shareholders' Meeting to be held in Madrid, the shareholders and the CDI holders (attending as a proxy) or their representatives will receive a voting card which they can complete with their vote and hand over at the notary's office before the end of the meeting.

In any event, as mentioned in the Shareholders' Meeting Regulations, in the voting process, once the Chairman of the Shareholders' Meeting has evidence of the existence of sufficient favourable votes, the Chairman of the Shareholders' Meeting will declare the resolutions to be adopted without prejudice to the statements that the attending shareholders or CDI holders (or their representatives) may make to the notary (or, in the absence of a notary, to the Secretary of the Shareholders' Meeting) or his assistant personnel, regarding the direction of their vote in accordance with the preceding paragraph.

9.7 Can those attending at the London address vote?

No, they cannot. CDI holders wishing to vote must appoint themselves as proxy and attend the Shareholders' Meeting to be held in Madrid or must appoint another person as their proxy.

10. FURTHER QUESTIONS

10.1 What is the difference between the four voting options?

- For: if you are in favour of the resolution please mark this option;
- Against: if you are against the resolution please mark this option;
- Abstention: if you decline to vote please mark this option;
- Blank: if you want to vote but not for nor against, mark this option.

The approval of resolutions requires the vote in favour of more than half of the shares present in person (votes casted by remote means will be counted as present in person) or by proxy at the Shareholders' Meeting. Notwithstanding the above, for approval of items 4, 7, 8 and 9 of the agenda, it is required the favourable vote of two thirds of the shares present in person or by proxy at the Shareholders' Meeting, whereas on second call shareholders or CDI's holders (attending as a proxy), representing twenty-five percent or more but less than fifty percent of share capital of the Company, are present.

10.2 How can the resolutions adopted at the Meeting be founded out if I am unable to attend?

The Company will publish on its website www.iairgroup.com, the results of the votes, the proportion of share capital those votes represent, the total number of votes validly cast and the number of votes cast for and against each resolution and the number of abstentions, if any.

10.3 Will those attending the Shareholders' Meeting receive a gift?

No gifts will be handed out for attending the Shareholders' Meeting.

10.4 Will attendance fees be awarded for attending the Shareholders' Meeting?

No attendance fees will be awarded.

10.5 Will there be a dividend?

No. The Board of IAG has decided not to recommend the payment of a dividend.

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