

Form of Conversion Notice

INTERNATIONAL CONSOLIDATED AIRLINES GROUP, S.A.

€390,000,000 1.75 per cent. Convertible Bonds due 2018

*[Please read the terms and conditions of the Bonds (the “**Conditions**”) and the terms below before completing this Conversion Notice]*

Name of Bondholder:

Contact name:

Contact address:

.....

.....

Contact telephone no.:

Contact fax no.:

Date:

Failure to properly complete and deliver this Conversion Notice and the Nationality Declaration (in the determination of the principal Paying, Transfer and Conversion Agent, and in accordance with Condition 6(g)) may result in this Conversion Notice being treated as null and void. Once properly completed and delivered, this Conversion Notice is irrevocable.

To: Deutsche Bank AG, London Branch (the “**Fiscal Agent**” or the “**Paying, Transfer and Conversion Agent**”)

I/We, being the holder(s) of the Bond(s)/interest in the Global Bond specified below, hereby irrevocably elect to convert the principal amount of such Bonds as specified below of which I am/we are the holders(s) or in which I/we have an interest (as specified below) in accordance with the Conditions into Ordinary Shares.

1 Total principal amount of Bonds and, as applicable, either the certificate numbers of Definitive Registered Bonds or the clearing system account details of the Bonds to which this Conversion Notice applies:

Total principal amount of Bonds¹:

[Certificate numbers of Definitive Registered Bonds (if applicable):

.....]²

N.B. If necessary, the certificate numbers of Definitive Registered Bonds can be attached separately.

¹ The total principal amount of Bonds must be an integral multiple of €100,000.

² Not required for Bonds evidenced by the Global Bond.

[Clearing system in which the Bonds are held:

Clearing system account number:]³

2 Pursuant to this Conversion notice I/we elect to receive:

- Ordinary Shares in accordance with section 3.1 below.
- Depository Interests in accordance with section 3.2 below.

In accordance with Condition 6(g) of the Conditions, in the absence of an explicit election in this section 2, the Bondholder shall be deemed to have elected to hold Depository Interests through CREST. However, if the Bondholder does not supply the required settlement details in section 3 below, in accordance with Condition 6(g) the Conversion Notice may be deemed to have not been duly completed and may therefore be treated as null and void.

3 Please complete either section 3.1 or section 3.2.

3.1 [I/We request that the Ordinary Shares to be issued and delivered pursuant to this Conversion Notice be credited to [my/our] [Iberclear proprietary account/securities account with the participant entity in Iberclear]⁴ set out below:

Iberclear participant entity:

Account number (*cuenta corriente de valores*):

Participant address:

.....

Participant country:]⁵

OR

3.2 [I/We request that the Ordinary Shares to be issued and delivered pursuant to this Conversion Notice be credited to the Iberclear account of a depository (or its nominated custodian), appointed by the Issuer, who will (a) hold the Ordinary Shares for my/our benefit and (b) issue and deliver dematerialised depository interests representing the Ordinary Shares (“**Depository Interests**”) into CREST and such Depository Interests shall be credited to the CREST account, details of which are specified below:

CREST Participant ID:

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CREST Member Account ID:

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³ Required for Bonds evidenced by the Global Bond.

⁴ A Bondholder who is a participant entity in Iberclear must specify its own proprietary account in Iberclear.

⁵ To be completed where Ordinary Shares are to be held directly and settled in Iberclear.

Participant name:

Participant address:

.....]⁶

If valid settlement instructions are not provided above, in accordance with Condition 6(g), the Conversion Notice may be deemed to have not been duly completed and may therefore be treated as null and void.

- 4** I/We hereby represent and agree that I/we or the person(s) who has/have a beneficial interest in such Bond(s) am/is/are in compliance with all applicable fiscal or other laws and regulations as provided in the Conditions and have/has paid or will pay, to the extent required by the Conditions, all taxes and capital, stamp, issue, registration and transfer taxes and duties arising in connection with the conversion of the Bonds.
- 5** [The relevant definitive registered certificate in respect of Definitive Registered Bonds converted hereby accompanies this Conversion Notice]⁷

Signature⁸:

Name:

Title:

Date:

Terms

- (i) This Conversion Notice will be void unless the introductory details and all required sections are duly completed.
- (ii) Your attention is drawn to Condition 6 of the Bonds with respect to the conditions relating to conversion.
- (iii) This Conversion Notice may be completed by or on behalf of an accountholder of Euroclear or Clearstream, Luxembourg or any clearing system in which the relevant Bond is held at such time which has an interest in such Bond.
- (iv) The holding of an interest in a Bond by an accountholder of Euroclear or Clearstream, Luxembourg or any clearing system in which the relevant Bond is held in respect of which Conversion Rights are being exercised will be confirmed by the Fiscal Agent with the relevant clearing system.

⁶ To be completed where Ordinary Shares are to be held through a depository who shall issue depository interests in such Ordinary Shares which may be settled in CREST.

⁷ Not required for Bonds evidenced by the Global Bond.

⁸ Where the Bonds in respect of which this Conversion Notice is given are evidenced by a Global Bond, this Conversion Notice need not be signed. In such a case, delivery of the Conversion Notice will constitute confirmation by the beneficial owner of interests in the Bonds to be converted that the information and the representations in the Conversion Notice are true and accurate on the date of delivery. **For the avoidance of doubt, the Nationality Declaration must be signed in all cases.**

- (v) In order for the Ordinary Shares to be capable of trading on the Spanish Stock Exchanges, the relevant Bondholder must indicate an account with a direct participant in Iberclear and must instruct the relevant participant to accept the Ordinary Shares for the account of the relevant Bondholder.
- (vi) Terms used in this Conversion Notice and not otherwise defined have the meanings set forth in the Fiscal, Transfer and Conversion Agency Agreement, dated 31 May 2013, between, among others, the Issuer and Deutsche Bank AG, London Branch as Fiscal Agent.

For Paying, Transfer and Conversion Agent's use only:

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- (A) Bond conversion identification reference:
- (B) Date of delivery of Conversion Notice to Paying, Transfer and Conversion Agent:
.....
- (C) Conversion Date:

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- (A) Aggregate principal amount of Bonds deposited for conversion/represented by the Global Bonds being converted:
- (B) Conversion Price on Conversion Date:
- (C) Number of Ordinary Shares to be issued (if any): (disregard fractions)

N.B. The Paying, Transfer and Conversion Agent must complete items 6 and 7.