

RESULTS IN LINE WITH EXPECTATIONS

- Total income up by 5% between years, to USD 222.4 million
- EBITDA negative by USD 16.2 million
- Continued downward pressure on average air fares
- 14% increase in passenger numbers on international flights and favourable passenger load factor
- Income from hotel accommodations nearly doubled between years, amounting to USD 10.4 million, as compared to USD 5.4 million in the first quarter of 2016
- Equity ratio 36% at the end of March
- Cash and short-term investments amounted to USD 322.9 million, USD 42.3 million in excess of interest-bearing debt

USD thousand	Q1 2017	Q1 2016	Change	% Change	12M 2016
Operating results					
Total income	222,372	211,837	10,535	5%	1,285,574
EBITDAR	-7,890	10,160	-18,050	-	254,960
EBITDA	-16,241	1,754	-17,995	-	219,845
EBIT	-42,128	-20,014	-22,114	-	118,437
EBT	-43,602	-21,284	-22,318	-	120,111
Loss for the period	-34,895	-16,996	-17,899	-	89,068
Balance sheet					
Total assets	1,415,728	1,152,537	263,191	23%	1,292,493
Total equity	505,054	421,742	83,312	20%	568,213
Interest bearing debt	280,531	62,928	217,603	-	242,382
Cash and short term investment	322,850	301,684	21,166	7%	250,125
Net cash in excess of interest bearing debt	42,319	238,756	-196,437	-82%	7,743
Cash flow					
Working capital to/from operations	-15,555	3,023	-18,578	-	210,801
Net cash from operating activities	125,497	148,792	-23,295	-16%	209,024
Net cash used in investing activities	-75,782	-99,785	24,003	-24%	-291,759
Net cash from/used in financing activities	23,520	-3,311	26,831	-	113,643
Cash and cash equivalents end of period	300,172	241,816	58,356	24%	226,889
Key Ratios					
Loss/profit per share expressed in US Cent	-0.71	-0.34	-0.37	109%	1.79
Intrinsic value	12.65	10.39	2.26	22%	13.99
Equity ratio	36%	37%	-1.3 ppt	-	44%
Current ratio	0.88	0.74	0.14	19%	0.92
CAPEX USD thousand	47,280	56,718	-9,438	-17%	243,397
Transport revenue as % of total revenues	67.0%	67.0%	0.1 ppt	-	73.7%
EBITDAR ratio	-3.5%	4.8%	-8.3 ppt	-	19.8%
EBITDA ratio	-7.3%	0.8%	-8.1 ppt	-	17.1%
Share information ISK					
Highest price in period	23.53	38.35	-14.82	-39%	38.90
Lowest price in period	13.75	32.65	-18.90	-58%	22.95
Price at period end	13.91	37.55	-23.64	-63%	23.10
Market Cap at period end (millions)	69,550	187,750	-118,200	-63%	115,500

BJÖRGÓLFUR JÓHANSSON, PRESIDENT AND CEO

The results for the first quarter are in line with the guidance we presented in early February. We have taken a variety of measures in our operations to improve efficiency and increase revenues. Work on streamlining projects is progressing well and in line with plans. We are confident that through these measures we will achieve the aim we presented: to improve the Company's results by USD 30 million on an annual basis when the measures are fully implemented in early 2018.

The change in results between years is primarily a result of declining prices of international air fares. In addition, foreign exchange rate trends have been unfavourable. Income from hotel operations increased significantly between years, and first-quarter room occupancy has never been better despite significantly increased availability.

The Company's booking flow is strong, but due to the downward pressure on average air fares, we are anticipating challenging conditions this year. Nevertheless, we are projecting moderate growth; the increase in the number of tourists visiting Iceland is expected to continue, new destinations have been added, the outlook for hotel operations is favourable and the Company's cargo operations are returning good results. The Company's financial position is very strong and it is therefore well equipped to take on any external fluctuations and seize opportunities that may arise in the market. Since our last EBITDA guidance, external factors in the Company's operations have improved slightly resulting in an increase in the EBITDA guidance to USD 145-155 million.

TRANSPORT FIGURES

- **Passengers on Icelandair flights 658 thousand, up by 14%**
- **Passenger load factor on international flights 77.5%, down by 1.8% between years**
- **Hotel room occupancy was good, at 80.1%, up by 5.0 percentage points between years**

	Q1 2017	Q1 2016	Change
INTERNATIONAL FLIGHTS			
Number of passengers ('000)	657.5	575.0	14%
Load factor (%)	77.5	79.4	-1.8 ppt
Available seat kilometers (ASK'000,000)	2,566.6	2,140.2	20%
REGIONAL FLIGHTS			
Number of passengers ('000)	71.8	67.0	7%
Load factor (%)	64.1	71.9	-7.8 ppt
Available seat kilometers (ASK'000,000)	38.8	30.9	26%
CHARTER			
Fleet Utilisation (%)	96.3	97.8	-1.5 ppt
Sold Block Hours	6,132	6,173	-1%
CARGO			
Freight Tonne Kilometers (FTK'000)	24,927	26,510	-6%
HOTELS			
Available Hotel Room Nights	80,730	71,435	13%
Sold Hotel Room Nights	64,657	53,671	20%
Utilisation of Hotel Rooms (%)	80.1	75.1	5.0 ppt

Icelandair's seating capacity increased by 20% in the first three months of the year. Passengers were approximately 658 thousand, up by 14% from the first quarter of last year. The largest increase in passenger numbers was in the North Atlantic market, at 40%. The increase in the tourist market to Iceland was 6%; this was also the Company's largest market over the quarter, accounting for 45% of total passenger numbers. The number of passengers in the home market from Iceland declined by 12% between years. The passenger load factor was 77.5%, down by 1.8 percentage points between years.

Passengers on Air Iceland flights were 72 thousand over the quarter, up by 7% between years. Capacity was 26% in excess of the corresponding period last year due to the flights to Aberdeen offered in partnership with Icelandair, starting in March 2016. The passenger load factor over the quarter was 64.1%. Sold block hours on charter flights were down by 1% between years. Transported cargo was down by 6% from the preceding year as a result of the Icelandic seamen's strike early in the year. The number of sold hotel nights increased by 20% between years, with hotel room occupancy at 80.1%, up by 5.0 percentage points.

EXCHANGE RATE TRENDS

Icelandair Group's reporting currency is the USD, but since the Company operates and sells its services around the world the exchange rate trends of other currencies against the USD significantly affect the Company's results. The USD weakened against the ISK in the first quarter of 2017, as compared to the first quarter of 2016, but strengthened against all the Company's other trading currencies. The ISK is thus 15% stronger against the USD, while the EUR is 16% weaker. Revenue in Q1 of 2017 was 5%

above the corresponding quarter of 2016. Calculated at a fixed exchange rate, revenue grew by 6% between years.

Currency	Average rate Q1 2017	Chg. v. Q1 2016	Closing rate 31.03 2017	Chg. v. 31.03 2016
ISK	0,009	15%	0,009	9%
EUR	1,065	-16%	1,069	-14%
GBP	1,238	-25%	1,252	-20%
CAD	0,756	-10%	0,750	-11%
DKK	0,143	-16%	0,144	-14%
NOK	0,119	-11%	0,116	-12%
SEK	0,112	-17%	0,112	-17%

FIRST-QUARTER OPERATIONS

USD thousand	Q1 2017	Q1 2016	Change
EBITDAR	-7,890	10,160	-18,050
EBITDA	-16,241	1,754	-17,995
EBIT	-42,128	-20,014	-22,114
EBT	-43,602	-21,284	-22,318
Loss for the period	-34,895	-16,996	-17,899
EBITDAR %	-3.5%	4.8%	-8.3 ppt
EBITDA %	-7.3%	0.8%	-8.1 ppt

In early February 2017 the Company published an announcement warning of a decline in financial results in 2017, as compared to 2016. This forecast is reflected in the Company's first-quarter performance, with EBITDA negative by USD 16.2 million. The EBITDA ratio was negative by 7.3%, as compared to a positive figure of 0.8% over the same period last year. Average yield in the international market have continued to decline. Between years the Company experienced 13% yield decrease. The biggest drop was on the market between North America and Europe. Currency development also negatively affected the operations and the seamen's strike in the first two months of the year had a negative impact on the Company's cargo operations. With exports falling by 18% between years over. However, the number of passengers traveling to Iceland increased substantially between years, by 54%. This had a beneficial impact on the performance of the Company's hotels, where the number of sold nights increased by 20% from the preceding year, with the average price of each night also up from the first quarter of last year. The increased number of tourists visiting Iceland also had a positive impact on the Company's other tourist-related services, although this was offset by the significant strengthening of the ISK, resulting in higher cost ratios. Other operations of the Group were successful over the period.

INCOME

- **Total income 5% in excess of the first quarter of 2016**
- **Passenger revenue increased by 4% between years**

USD thousand	Q1 2017	Q1 2016	Change	% Change	% of rev. '17
Transport revenue:	149,056	141,858	7,198	5%	67%
Passengers	136,496	130,829	5,667	4%	61%
Cargo and mail	12,560	11,029	1,531	14%	6%
Aircraft and aircrew lease	20,627	26,337	-5,710	-22%	9%
Other operating revenue	52,689	43,642	9,047	21%	24%
Total	222,372	211,837	10,535	5%	100%

Total income increased by 5% between years; calculated at a fixed exchange rate the increase in income was 6%. Transport revenue increased by USD 7.2 million between years, or 5%. Income from aircraft and aircrew lease declined by USD 6.0 million, or 22%. Other operating revenue amounted to USD 52.7 million, up by USD 9.0 million, or 21%, as compared to the first quarter of 2016. The principal reason was the increased income from tourist services and hotel operations. Income from hotel occupancy came close to doubling between years, amounting to USD 10.4 million in the first quarter of this year, as compared to USD 5.4 million last year. Not only did the hotel room occupancy increase significantly between years, but success was also achieved in raising the average price of sold hotel nights. Revenue from aircraft and cargo handling services declined between years by USD 3.3 million, or 45%. As of 1 June 2016, a part of the revenue from aircraft and cargo handling services was defined as cargo revenue, which accounts for the reduction.

USD thousand	Q1 2017	Q1 2016	Change	% Change
Sale at airports and hotels	21,570	14,767	6,803	46%
Revenue from tourism	19,803	16,303	3,500	21%
Aircraft and cargo handling services	3,998	7,280	-3,282	-45%
Maintenance revenue	652	371	281	76%
Other operating revenue	6,666	4,921	1,745	35%
Total	52,689	43,642	9,047	21%

EXPENSES

- **Total expenses amounted to USD 238.6 million**
- **Expanded scope of business and strengthening of the ISK primary reasons for increased expenses**

USD thousand	Q1 2017	Q1 2016	Change	% Change	% of exp. '17
Salaries and other personnel expenses	86,261	70,832	15,429	22%	36%
Aviation expenses	81,546	80,136	1,410	2%	34%
Other operating expenses	70,806	59,115	11,691	20%	30%
Total	238,613	210,083	28,530	14%	100%

Salaries and other personnel expenses amounted to USD 86.3 million, as compared to USD 70.8 million in the first quarter of last year. The reasons for the increase include the Company's expanded scope of business and the strengthening of ISK against the USD over the comparison period, as most of the Company's wage costs are in ISK. Proceeds from foreign exchange hedging, which is balanced against the wage costs over the quarter, amounted to USD 4.1 million.

USD thousand	Q1 2017	Q1 2016	Change	% Change	% of exp. '17
Aircraft fuel	37,857	34,124	3,733	11%	46%
Aircraft lease	5,575	5,418	157	3%	7%
Aircraft handling, landing and communication	20,286	19,643	643	3%	25%
Aircraft maintenance expenses	17,828	20,951	-3,123	-15%	22%
Total	81,546	80,136	1,410	2%	100%

Fuel expenses amounted in total to USD 37.9 million USD, up by USD 3.7 million, or 11%, from the corresponding time of last year. The Company's reporting price in the quarter, taking hedging into account, was on average USD 443/ton, which corresponds to a 9% reduction between years. The section on the Outlook for Icelandair Group below provides an overview of the position of the Company's fuel hedging position. Aircraft lease amounted to USD 5.6 million over the quarter, up slightly in

comparison with the first quarter of 2016. Aircraft handling, landing and navigation expenses increased slightly, by 3%, notwithstanding the fact that output increased in excess of that figure. The reason is primarily the strengthening of the USD against the European currencies. Maintenance expenses amounted to USD 17.8 million, down by USD 3.1 million between years

Other operating expenses amounted to USD 70.8 million, up by USD 11.7 million between years. Booking fees and commission expenses are not rising in line with the increased peak-season business; the reason is that bookings are now coming in later and closer to departure times than before. Tourism expenses are increasing significantly as a result of the expanded scope of operations, and the strengthening of the ISK also has an impact. The table below shows a breakdown of principal items and trends between years.

USD thousand	Q1 2017	Q1 2016	Change	% Change
Operating cost of real estate and fixtures	6,509	5,685	824	14%
Communication	5,979	4,889	1,090	22%
Advertising	8,490	7,520	970	13%
Booking fees and commission expenses	16,098	15,364	734	5%
Cost of goods sold	5,871	4,848	1,023	21%
Customer services	6,186	5,340	846	16%
Tourism expenses	12,717	8,312	4,405	53%
Other operating expenses	8,956	7,157	1,799	25%
Total	70,806	59,115	11,691	20%

FINANCIALS

▪ Positive currency effect over the period

USD thousand	Q1 2017	Q1 2016	Change	% Change
Interest income	612	720	-108	-15%
Interest expenses	-3,410	-1,128	-2,282	202%
Currency effect	854	-917	1,771	-193%
Total	-1,944	-1,325	-619	47%

Financial expenses in the first quarter amounted to USD 3.4 million, as compared to USD 1.1 million in the first quarter of last year. The increase in financial expenses resulted from an increase in interest-bearing debt. The currency effect in the quarter was positive by USD 0.9 million, as compared to a negative figure of USD 0.9 million in the corresponding quarter of 2016.

BALANCE SHEET AND FINANCIAL POSITION

- Total assets amounted to USD 1.4 billion at the end of the first quarter
- Equity ratio was 36%
- Interest-bearing liabilities amounted to USD 280.5 million

USD thousands	31.03.2017	31.12.2016	Change
Total assets	1,415,728	1,292,493	123,235
Operating assets	620,707	602,615	18,092
Cash and short term investment	322,850	250,125	72,725
Total equity	505,054	568,213	-63,159
Interest bearing debt	280,531	242,382	38,149
Cash in excess of interest bearing debt	42,319	7,743	34,576
Equity ratio	36%	44%	-8 ppt
Current ratio	0.88	0.92	-4%

Operating assets amounted to USD 620.7 million, increasing by USD 18.1 million from the beginning of the year. For a further discussion of investments in operating assets, see the section on cash flow and investments. At the end of the quarter the fleet comprised 48 aircraft, of which 40 were owned by the Company. The Company's F-50 aircraft were sold on 21 April 2017. The table below shows an overview of the Company's fleet at the end of the first quarter.

Aircraft type	Icelandair	Cargo	Loftleidir	Air Iceland	Fleet 31.03.17	Fleet 31.12.16	Of which owned	Of which leased	Ch. as of 31.12.16
Boeing 757 200	23	2	4		29	29	26	3	0
Boeing 757 300	1				1	1	1		0
Boeing 767 300	4		2		6	6	4	2	0
Boeing 737 700			1		1	1		1	0
Boeing 737 800			2		2	2		2	0
Bombardier Q200				2	2	2	2		0
Bombardier Q400				3	3	3	3		0
Fokker F-50				4	4	4	4		0
Total	28	2	9	9	48	48	40	8	0

Equity amounted to USD 505.1 million at the end of the first quarter, with the equity ratio at 36%. Repurchases of own shares were entered as a reduction in equity in the amount of USD 10.0 million, together with a dividend payment approved at the Company's annual general meeting in March. The dividend amounted to 0.10 US cents per share, for a total of USD 5.0 million. The equity ratio at the end of 2016 was 44%.

USD thousand	31.03.2017
Balance at 1.1. 2017	568,213
Purchase of own shares	-10,019
Total comprehensive loss	-48,096
Dividend (0.10 US cent per share)	-5,044
Balance at 31.03.2017	505,054

Interest-bearing debt amounted to USD 280.5 million, as compared to USD 242.4 million at the beginning of the year. In October 2016 Icelandair Group issued an unsecured bond in the amount of USD 150 million. The bond was placed at a coupon of 3 month LIBOR + 3.50% with no LIBOR floor. In February 2017 the Company completed a subsequent bond issue in the amount of USD 40.0 million on the same terms. Payments on long-term liabilities in the first quarter amounted to USD 3.7 million. Cash and short term investments amounted to a total of USD 322.9 million at the end of the first quarter of 2017, as compared to USD 250.1 million at the beginning of the year. Cash and short term investments in excess of interest-bearing debt therefore amounted to USD 42.3 million at the end of the quarter.

USD thousands	31.03.2017	31.12.2016	Change
Loans and borrowings non-current	233,744	196,722	37,022
Loans and borrowings current	46,787	45,660	1,127
Short term investment	22,678	23,236	-558
Cash and cash equivalents	300,172	226,889	73,283
Cash in excess of interest bearing debt	42,319	7,743	34,576

CASH FLOW

- **Net cash from operating activities was USD 125.5 million**
- **Cash and cash equivalents at the end of March amounted to USD 300.2 million**

USD thousand	Q1 2017	Q1 2016	Change
Working capital to/from operations	-15,555	3,023	-18,578
Net cash from operating activities	125,497	148,792	-23,295
Net cash used in investing activities	-75,782	-99,785	24,003
Net cash from/used in financing activities	23,520	-3,311	26,831
Cash and cash equivalents change	73,235	45,696	27,539
Cash and cash equivalents, end of period	300,172	241,816	58,356

Net cash from operating activities in the first quarter amounted to USD 125.5 million, down by USD 23.3 million from the first quarter of 2016. Financing activities amounted to a total of USD 23.5 million, as shown in the table below:

USD thousand	Q1 2017	Q1 2016	Change
Purchase of own shares	-10,019	0	-10,019
Dividend paid	-5,044	0	-5,044
Proceeds from non-current borrowings	40,000	0	40,000
Repayment of non-current borrowings	-3,695	-3,311	-384
Proceeds from short term borrowings	2,278	0	2,278
Net cash from/used in financing activities	23,520	-3,311	26,831

Cash increased by USD 73.2 million over the quarter, amounting to USD 300.2 million at the end of March. The impact of exchange rates had an insignificant impact on financial assets.

INVESTMENTS

Investments in fixed tangible assets amounted to USD 47.3 million, most of them relating to investments in aircraft equipment, including new seats and interior fittings. In the course of the period the Company also invested in a hotel at Mývatn, a hangar at Keflavik airport and started implementation of a new flight simulator. Investments in long-term cost and intangible assets amounted to a total of USD 2.5 million.

USD thousand	Q1 2017
Operating assets:	
Aircraft and aircraft components	14,271
Overhaul own aircraft	10,494
Other	19,994
Total operating assets	44,760
Long term cost	
Overhaul leased aircraft	840
Intangible assets	1,680
Total Capex	47,280

OUTLOOK AND EBITDA GUIDANCE FOR 2017

- **Good progress in implementing measures to improve efficiency and increase revenue**
- **Prospects for hotel operations are favourable**
- **Unchanged operating conditions in air transport services**
- **Strong cash flow and solid financial position**

Fierce competition and increased capacity on North Atlantic market has resulted in a significant decrease in average air fares. Action has already been taken in the Group's operations which is expected to improve efficiency and increase revenue. The Company's target is for these measures on the revenue and expenditure side to improve performance by USD 30 million per year when they are in full effect at the start of 2018. The implementation of the measures is proceeding according to plan. The measures taken include changes in Icelandair's fare structure and product offerings, which will be announced in greater detail in the coming weeks. The Company's sales network has been reorganised, with closures of several offices in Central Europe and Scandinavia. The decision has also been made to increase the number of seat rows on board the Company's B757-200, which will reduce the Company's unit cost by about 2-3%. A review of the Company's aircraft and passenger handling in Keflavik is progressing well with the assistance and support of consultants from IATA. In addition to these measures, various other streamlining projects are in preparation within the Group's operating companies, all designed to render the Company more capable of addressing the challenges ahead.

Notwithstanding the negative impact of the seamen's strike at the beginning of the year, the outlook for the Company's cargo operations in 2017 is favourable and increased demand is anticipated in both exports and imports. The principal emphasis will remain on transport in the cargo holds of passenger aircraft. In the course of this year two Boeing 767-300 wide-body jets will be added to the two existing aircraft of the same type in the Route Network, which will increase cargo hold capacity still further. The Company's charter operations are returning success, with 8-9 aircraft engaged in long-term assignments, depending on season.

The increase in the number of tourists visiting Iceland has resulted in a growing number of foreign travellers on domestic flights, and this trend is expected to continue. In 2016 foreign tourists accounted for 18% of the total number of the domestic passengers. Air Iceland will fly to two new destinations, Aberdeen in Scotland and Belfast in Northern Ireland, in partnership with Icelandair. As of February 2017 the Company is offering direct flights between Keflavik and Akureyri with links to international flights to and from Keflavik.

Icelandair Group's hotel operations have seen extensive development in recent years. The outlook for operations in 2017 is favourable, with expectations of continuing good hotel room occupancy.

Record numbers of tourists are expected to visit Iceland this year. Demand for the Company's tourist-related services in Iceland is strong, but the significant strengthening of the ISK between years will have the consequence that the contribution margin from these operations will decline from last year's level.

The price of jet fuel (not taking hedging into account) is estimated at USD 500/ton on average over 2017. Taking hedging into account, a 10% increase in fuel prices may be expected to have a USD 6.6 million adverse impact on EBITDA. The Company's fuel hedging position is highlighted in the table below.

Period	Estimated usage (tons)	Swap volume	% hedged	Av. swap price USD
Apr 17	26,412	19,550	74%	489
May 17	33,069	24,550	74%	493
Jun 17	46,659	26,550	57%	484
Jul 17	49,333	26,750	54%	500
Aug 17	49,059	26,750	55%	502
Sep 17	42,618	23,550	55%	538
Oct 17	31,076	17,550	56%	516
Nov 17	25,339	14,550	57%	547
Dec 17	24,123	15,550	64%	552
Jan 18	23,582	14,000	59%	549
Feb 18	21,358	12,000	56%	556
Mar 18	25,396	15,000	59%	544
12 months	398,024	236,350	59%	517*
Apr 18	24,820	6,000	24%	546
May 18	32,428	3,000	9%	578
Jun 18	45,612	8,000	18%	548
Jul 18	47,934	4,000	8%	551
Aug 18	47,607	4,000	8%	565
Sep 18	41,518	0	0%	-
13-18 months	239,919	25,000	10%	554*

* weighted average price

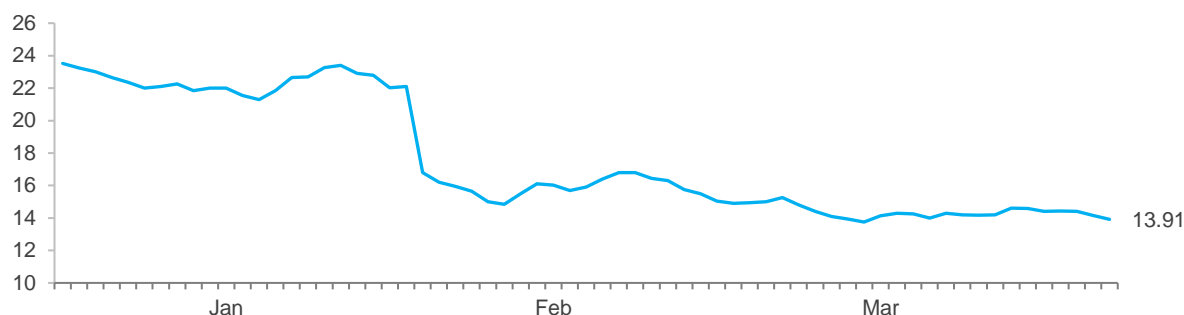
Updated assumptions predict the exchange rate index of the ISK at an average of 156 for the remainder of the year, compared to 164 in the last forecast, and the exchange rate of the EUR against the USD is projected at an average of 1.08 in the period from April to December, compared to 1.07 in the February forecast. The Company hedges cash flow risk resulting from currency mismatches up to twelve months in advance.

The overall outlook has improved slightly since the last EBITDA guidance was published resulting in an increase in the EBITDA guidance to USD 145-155 million.

SHAREHOLDERS

- Icelandair Group's share price was ISK 13.91 at the end of the first quarter
- The market value at the end of March was ISK 69.6 billion

The highest closing price per share of the first quarter was ISK 23.53, the lowest closing price was ISK 13.75 per share, and the average closing price over the period was ISK 17.56 per share. Trades in Icelandair Group shares were 2,222 over the quarter, and the total turnover was ISK 28.1 billion. The average size of individual trades was ISK 12.6 million. The price of shares in the Company fell by 39.8% over the quarter and the number of shareholders was 2,737, increasing by 177 from the beginning of the year. The number of issued shares on 31 March 2017 was 5,000,000,000, and the number of outstanding shares at the same time was 4,900,678,656. In the course of the first quarter of 2017 the Company acquired 74,321,344 own shares. The total amount of the purchase was ISK 1,094,443,522. The transactions are in line with Icelandair Group's repurchase program, which was approved by the Company's shareholders' meeting held on 10 March 2016 and implemented on 20 February 2017. The Chart below shows the share-price trend in 2017 in ISK:



PRESENTATION MEETING 28 APRIL 2017

Icelandair Group will publish its financial statement for the first quarter of 2017 on Thursday, 27 April 2017. An open presentation for stakeholders will be held on Friday 28 April 2017 at the Icelandair Hotel Reykjavik Natura. Björgólfur Jóhannsson, President and CEO of Icelandair Group, and Bogi Nils Bogason, CFO, will present the Company's results and respond to questions, together with other senior management. The presentation will be held in Room 2, starting at 08:30. The presentation material will be available after the meeting on the Icelandair Group website, www.icelandairgroup.is, and on the Nasdaq OMX Iceland hf. news system.

The meeting can be followed in real time on the website

<http://www.icelandairgroup.is/investors/reports-and-presentations/webcast-next/>

APPROVAL OF QUARTERLY STATEMENT

The consolidated accounts of Icelandair Group for the first quarter of 2017 were approved at a meeting of the Board of Directors on 27 April 2017.

FINANCIAL CALENDAR

- **Financial statement for the second quarter – 27 July 2017**
- **Financial statement for the third quarter – 26 October 2017**
- **Financial statement for the fourth quarter – week 06, 2018**
- **Annual General Meeting – Week 11, 2018**

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