

**ICELANDAIR GROUP HF. - REDEMPTION OF
USD SENIOR UNSECURED CALLABLE BONDS 2016/2021
("NOTICE OF PARTIAL REDEMPTION")**

To: The Bondholders and the Agent under the Terms and Conditions (each as defined below)

Date: 10 January 2019

Reference is made to the aforementioned notice to the Bondholders published on 27 December 2018 regarding a partial redemption payment to be made to the Bondholders on 15 January 2019.

In the notice the Record Date for the payment was set to 8 January 2019. However, due to administrative reasons and the procedures of the Norwegian Central Security Depository (VPS), the Record Date has now instead been set to 10 January 2019.

ICELANDAIR GROUP HF.

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