

## ICELANDAIR GROUP'S EBITDA IN Q2 IMPROVES BETWEEN YEARS

- | EBITDA positive by USD 50.3 million, as compared to USD 45.2 million in the second quarter of 2014
- | Improvement between years explained largely by profitable organic growth and lower fuel prices
- | Transport revenue up by 2%, with total revenue down by 1%
- | Equity ratio 36% at the end of June
- | Net cash from operations amounted to USD 86.7 million

USD thousand	Q2 2015	Q2 2014	Change	% Change	6M 2015	6M 2014	Change	% Change
<b>Operating results</b>								
Total income	294,212	297,793	-3,581	-1%	480,287	489,070	-8,783	-2%
EBITDAR	59,140	54,918	4,222	8%	65,344	51,781	13,563	26%
EBITDA	50,265	45,240	5,025	11%	47,997	31,936	16,061	50%
EBIT	28,393	25,850	2,543	10%	9,114	-4,750	13,864	-
EBT	27,923	24,776	3,147	13%	9,619	-8,586	18,205	-
Profit / loss from continuing operations	22,365	19,800	2,565	13%	7,813	-6,921	14,734	-
Profit / loss for the period	22,365	22,393	-28	0%	7,813	-4,328	12,141	-
<b>Balance sheet</b>								
Total assets	-	-	-	-	1,038,402	947,590	90,812	10%
Total equity	-	-	-	-	373,186	323,543	49,643	15%
Interest bearing debt	-	-	-	-	78,499	60,205	18,294	30%
Cash and marketable securities	-	-	-	-	351,208	283,287	67,921	24%
Net interest bearing debt	-	-	-	-	-272,709	-223,082	-49,627	22%
<b>Cash flow</b>								
Working capital from operations	49,611	50,270	-659	-1%	50,775	37,721	13,054	35%
Net cash from operating activities	86,724	83,625	3,099	4%	204,411	204,996	-585	0%
Net cash used in investing activities	-34,559	-14,009	-20,550	147%	-72,170	-47,955	-24,215	50%
Net cash used in financing activities	-20,716	-52,916	32,200	-61%	-836	-82,054	81,218	-99%
Cash and cash equivalents end of period	314,903	266,993	47,910	18%	314,903	266,993	47,910	18%
<b>Key Ratios</b>								
Profit / loss per share expressed in US Cent	0.45	0.45	0.00	0%	0.16	-0.09	0.25	-
Intrinsic value	-	-	-	-	9.20	7.97	1.23	15%
Equity ratio	-	-	-	-	36%	34%	1.8 ppt	5%
Current ratio	-	-	-	-	0.90	0.85	0.05	6%
CAPEX USD thousand	36,726	10,663	26,063	244%	63,073	41,601	21,472	52%
Transport revenue as % of total revenues	76.3%	73.8%	2.4 ppt	-	73.4%	69.8%	3.6 ppt	-
EBITDAR ratio	20.1%	18.4%	1.7 ppt	-	13.6%	10.6%	3.0 ppt	-
EBITDA ratio	17.1%	15.2%	1.9 ppt	-	10.0%	6.5%	3.5 ppt	-
<b>Share information ISK</b>								
Highest price in period	24.95	18.15	6.80	37%	24.95	19.95	5.00	25%
Lowest price in period	21.00	16.45	4.55	28%	20.95	16.45	4.50	27%
Price at period end	-	-	-	-	24.95	17.10	7.85	46%
Market Cap at period end (millions)	-	-	-	-	124,750	85,500	39,250	46%

## **BJÖRGÓLFUR JÓHANNSSON, PRESIDENT AND CEO**

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"The Group's second quarter performance was good, with EBITDA at USD 50.3 million, up by USD 5.0 million, as compared to the results of the second quarter of 2014. The principal reason for the Company's success was the profitable growth in the Company's international flight operations. Capacity on international flights was increased by 15% over the quarter from last year and at the same time the number of passengers increased by 17%. The passenger load factor was favourable, amounting to 81.8% and up by 1.8 percentage points between years. In addition, the fall in the price of fuel between years had a positive impact on the Company's results. Operation of other business activities of the Company was also successful in the quarter.

At the beginning of the year we issued an EBITDA-forecast projecting earnings of USD 160-165 million, and the accuracy of the forecast was confirmed with the publication of the first quarter report last April. The Company's operations have been successful in the first six months of the year, and in addition trends in external conditions have been favourable since the publishing of Q1 Financial report in April. Updated projections now assume an average EUR/USD cross rate of 1.10 instead of 1.07, which will have a positive impact on our operations. Also, the booking status for the coming months in international flight operations has strengthened beyond the Company's projections which, all other things being equal, will have a positive impact on performance in the second half of the year, in particular performance in the third quarter. Taking all these factors into account, it is now assumed that the Company's EBITDA for 2015 will be in the range of USD 180-185 million."

## TRANSPORT FIGURES

- | **Passengers on international flights were 819 thousand, up by 17%**
- | **The passenger load factor on international flights was 81.8%**
- | **Hotel room occupancy was 77.0%, up by 0.9 percentage points between years**

	Q2 2015	Q2 2014	Change
<b>INTERNATIONAL FLIGHTS</b>			
Number of passengers ('000)	819.4	703.3	17%
Load factor (%)	81.8	80.1	1.8 ppt
Available seat kilometres (ASK'000.000)	3,008.1	2,625.7	15%
<b>REGIONAL- AND GREENLAND FLIGHTS</b>			
Number of passengers ('000)	74.9	73.5	2%
Load factor (%)	71.8	69.6	2.2 ppt
Available seat kilometres (ASK'000.000)	36.6	35.9	2%
<b>CHARTER FLIGHTS</b>			
Fleet Utilisation (%)	100.0	92.0	8.0 ppt
Sold Block Hours	5,838	4,551	28%
<b>CARGO</b>			
Available Tonne Kilometres (ATK'000)	64,783	57,225	13%
Freight Tonne Kilometres (FTK'000)	24,892	24,703	1%
<b>HOTELS</b>			
Available Hotel Room Nights	83,587	81,684	2%
Sold Hotel Room Nights	64,373	62,188	4%
Utilisation of Hotel Rooms (%)	77.0	76.1	0.9 ppt

Capacity on international flights increased by 15% in the second quarter of the year. The capacity was increased by 17% on routes to North America and 12% on routes to Europe. Passengers on international flights were approximately 819 thousand in the second quarter, up by 17% from the second quarter of last year. The largest proportional increase in passenger numbers was in the North Atlantic market, at 25%. This was also the Company's largest market, accounting for 52% of the total number of passengers. The passenger load factor was favourable, at 81.8%, as compared to 80.1% over the same period last year.

Passengers on domestic and Greenland flights were around 75 thousand over the quarter, up by 2% from last year. Capacity was 2% above last year's second quarter. The passenger load factor was 71.8%, up by 2.2 percentage points between years. Sold block hours on charter flights over the quarter were up by 28% between years. Transported cargo increased by 1% from the preceding year. The number of sold hotel nights increased by 4% between years, with occupancy at 77.0%, as compared to 76.1% over the same period last year.

## CURRENCY TRENDS AND IMPACT ON OPERATIONS

Icelandair Group's financial reporting currency is the US dollar and the exchange rate trends of other currencies against the dollar can have a significant impact on the Company's results, particularly if the fluctuations are severe, as they have been over the past years. Historically, the majority of the Company's revenues has been in European currencies while about a half of its expenses are in US dollars. The table below shows how the distribution of currencies is changing and the weight of the US dollar increasing. The reason is that the growth between years in international flight operations has been greater in North America than in Europe. The table below shows the division of revenues and expenses between currencies in the second quarter of this year, as compared to the entire year 2014.

Revenue	Q2 2015	Q2 2014	12M 2014	Expenses	Q2 2015	Q2 2014	Q2 2014
USD	45%	39%	41%	USD	51%	51%	53%
ISK	22%	26%	24%	ISK	31%	32%	30%
EUR	16%	17%	17%	EUR	13%	11%	11%
GBP	5%	4%	4%	GBP	2%	3%	3%
CAD	5%	5%	5%	CAD	1%	1%	1%
Other*	7%	9%	8%	Other*	2%	2%	2%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

\*Primarily Scandinavian currencies

The US dollar has remained strong over the year against most currencies, as compared to 2014. In the second quarter the EUR was 19% weaker against the USD than in the corresponding period of last year, and the ISK was weaker by 15%. Revenue in Q2 of 2015 was 1% below the corresponding quarter of 2014. At a fixed exchange rate revenue grew by 9.8% between years.

Currency	Average rate Q2 2015	Chg. from Q2 2014	Closing rate 30.06 2015	Chg. from 30.06 2014
ISK	0,007	-15%	0,008	-15%
EUR	1,116	-19%	1,115	-19%
GBP	1,523	-9%	1,572	-8%
CAD	0,811	-11%	0,801	-15%
DKK	0,150	-19%	0,149	-19%
NOK	0,129	-22%	0,127	-22%
SEK	0,120	-23%	0,120	-19%

## SECOND QUARTER OPERATIONS

USD thousand	Q2 2015	Q2 2014	Change
EBITDAR	59,140	54,918	4,222
EBITDA	50,265	45,240	5,025
EBIT	28,393	25,850	2,543
EBT	27,923	24,776	3,147
Profit from continuing operations	22,365	19,800	2,565
Profit for the period	22,365	22,393	-28
EBITDAR %	20.1%	18.4%	1.7 ppt
EBITDA %	17.1%	15.2%	1.9 ppt

EBITDA amounted to USD 50.3 million in the second quarter, as compared to USD 45.2 million last year. The EBITDA ratio was 17.1%, up by 1.9 percentage points between years. The principal reason is the success of the Company's international flight operations, with performance improving between years as a result of reduced fuel prices and increased passenger revenue. EBIT amounted to USD 28.4 million, up by USD 2.5 million between years.

Profit after taxes amounted to USD 22.4 million, remaining unchanged between years. In the second quarter of 2014 a credit entry was recognised in the amount of USD 2.6 million in connection with discontinued operations. The entry reversed a precautionary provision relating to guarantees and loans recognised by Icelandair Group when SmartLynx, a former subsidiary of the Group, was sold in 2011.

## INCOME

- | **Total revenue 1% below the second quarter of 2014**
- | **Passenger revenue increased by 3% between years**
- | **Currency trends reduced the growth in income between years**

USD thousand	Q2 2015	Q2 2014	Change	% Change	% of rev. '15
Transport revenue:	224,415	219,918	4,497	2%	76%
Passengers	214,240	208,614	5,626	3%	73%
Cargo and mail	10,175	11,304	-1,129	-10%	3%
Aircraft and aircrew lease	18,266	16,539	1,727	10%	6%
Other operating revenue	51,531	61,336	-9,805	-16%	18%
<b>Total</b>	<b>294,212</b>	<b>297,793</b>	<b>-3,581</b>	<b>-1%</b>	<b>100%</b>

Total revenue in the second quarter fell by 1% between years in spite of an increase in the scope of operations. The reason is the weakening of European currencies against the US dollar. Calculated at a fixed exchange rate the increase in revenue was approximately 9.8%. Passenger revenue increased by USD 5.6 million between years, or 3%. Income from aircraft and aircrew lease increased by USD 1.7 million, or 10%. Other operating revenue amounted to USD 51.5 million, down by USD 9.8 million, or 16%, as compared to the second quarter of 2014. Sales of merchandise in hotels, airports and aircraft fell as the Company no longer operates a restaurant service in Keflavik International Airport. Also, income from maintenance services was short of the level at the corresponding time last year. The table below shows an itemisation of other operating revenue.

USD thousand	Q2 2015	Q2 2014	Change	% Change
Sale at airports and hotels	17,432	20,901	-3,469	-17%
Revenue from tourism	22,230	24,322	-2,092	-9%
Aircraft and cargo handling services	7,114	8,767	-1,653	-19%
Maintenance revenue	533	3,420	-2,887	-84%
Gain/loss on sale of operating assets	55	70	-15	-21%
Other operating revenue	4,167	3,856	311	8%
<b>Total</b>	<b>51,531</b>	<b>61,336</b>	<b>-9,805</b>	<b>-16%</b>

## EXPENSES

- | **Total expenses amounted to USD 244.0 million, down by USD 8.6 million between years**
- | **Fuel expenses fell between years as a result of the significant drop in fuel prices**

USD thousand	Q2 2015	Q2 2014	Change	% Change	% of exp. '15
Salaries and other personnel expenses	71,359	77,405	-6,046	-8%	29%
Aviation expenses	115,636	120,636	-5,000	-4%	47%
Other operating expenses	56,952	54,512	2,440	4%	23%
<b>Total</b>	<b>243,947</b>	<b>252,553</b>	<b>-8,606</b>	<b>-3%</b>	<b>100%</b>

Salaries and other personnel expenses amounted to USD 71.4 million, down by USD 6.0 million, or 8%, between years, despite the increased scope of business and contractual wage increases. The reason is the positive impact of exchange rate trends, as a large part of the Company's wage costs are in ISK, which has weakened against the US dollar. Aviation expenses amounted to USD 115.6 million, down by USD 5.0 million, or 4%. The reduced expenses are largely a result of lower fuel prices.

USD thousand	Q2 2015	Q2 2014	Change	% Change
Aircraft fuel	67,105	74,631	-7,526	-10%
Aircraft lease	6,398	7,032	-634	-9%
Aircraft handling, landing and communication	21,852	22,231	-379	-2%
Aircraft maintenance expenses	20,281	16,742	3,539	21%
<b>Total</b>	<b>115,636</b>	<b>120,636</b>	<b>-5,000</b>	<b>-4%</b>

Fuel expenses amounted in total to USD 67.1 million, down by USD 7.5 million, or 10%, from the corresponding period of last year. The average world market price of fuel was 38% lower in the second quarter of 2015, as compared to the same quarter of 2014. Because of the Company's fuel hedging, the benefit of the falling world market price is not fully reflected in the present financial statement. The Company's effective price paid in the quarter, taking hedging into account, was on average USD 739/ton, which is 22% above the world market price. The section on the Outlook for Icelandair Group hf. below provides an overview of the position of the Company's fuel hedging position at the end of June. Aircraft lease decreased in comparison with the second quarter of 2014 by USD 0.6 million, or 9%. The reason is fewer aircraft on lease, as around mid-year last year one cargo aircraft was returned which had been employed in charter flight operations. Aircraft handling, landing and navigation expenses decreased by USD 0.4 million between years, or 2%. Maintenance expenses amounted to USD 20.3 million, up by USD 3.5 million between years.

Other operating expenses amounted to USD 57.0 million, up by USD 2.4 million between years. The table below shows a breakdown of principal items and trends between years.

USD thousand	Q2 2015	Q2 2014	Change	% Change
Operating cost of real estate and fixtures	5,650	5,286	364	7%
Communication	4,301	4,252	49	1%
Advertising	4,445	4,059	386	10%
Booking fees and commission expenses	11,615	10,986	629	6%
Cost of goods sold	5,682	6,283	-601	-10%
Customer services	6,060	5,774	286	5%
Tourism expenses	13,488	14,633	-1,145	-8%
Allowance for bad debt	384	-3,064	3,448	-113%
Other operating expenses	5,327	6,303	-976	-15%
<b>Total</b>	<b>56,952</b>	<b>54,512</b>	<b>2,440</b>	<b>4%</b>

## FINANCIALS

### Positive currency effect over the period

USD thousand	Q2 2015	Q2 2014	Change	% Change
Interest income	811	741	70	9%
Interest expenses	-1,740	-2,031	291	-14%
Currency effect	459	214	245	114%
<b>Net finance income</b>	<b>-470</b>	<b>-1,076</b>	<b>606</b>	<b>56%</b>

Financial expenses in the second quarter amounted to USD 1.7 million, as compared to USD 2.0 million in the second quarter of last year. The currency effect in the quarter was positive, corresponding to USD 0.4 million. Owing to liabilities in excess of assets in Icelandic krónur in the balance sheet, the weakening of the Icelandic króna against the dollar resulted in an exchange rate gain over the quarter.

## BALANCE SHEET AND FINANCIAL POSITION

### Total assets amounted to USD 1.0 billion at the end of the second quarter

### Equity ratio was 36%

### Interest-bearing debt amounted to USD 78.5 million, increasing from the level of the beginning of the year as a result of a bond issue

USD thousand	30.06.2015	31.12.2014	Change	30.06.2014
Total assets	1,038,402	849,220	189,182	947,590
Total equity	373,186	365,055	8,131	323,543
Interest bearing debt	78,499	61,934	16,565	60,205
Net interest bearing debt	-272,709	-153,707	-119,002	-223,082
Cash and marketable securities	351,208	215,641	135,567	283,287
Equity ratio	36%	43%	-7 ppt	34%
Current ratio	0.90	0.83	8%	0.85

Operating assets amounted to USD 336.8 million, up by USD 17.5 million from the beginning of the year. For a further discussion of investments in operating assets see the section on cash flow and investments. The Company's largest asset is its fleet of aircraft. At the end of the quarter the fleet comprised 39 aircraft, of which 30 are owned by the Company. The table below shows an overview of the Company's fleet at the end of the second quarter.

Type	Icelandair	Cargo	Loftleiðir	Air Iceland	Group fleet 30.06.15	Group fleet 31.12.14	Of which own	Of which leased	Ch. as of 31.12.14
B757 200	23	2	1		26	24	22	4	2
B757 300	1				1	1	1		0
B767 300			2		2	2		2	0
B737 700			1		1	1		1	0
B737 800			2		2	2		2	0
Fokker F-50				5	5	5	5		0
Dash 8-200				2	2	2	2		0
<b>Total</b>	<b>24</b>	<b>2</b>	<b>6</b>	<b>7</b>	<b>39</b>	<b>37</b>	<b>30</b>	<b>9</b>	<b>2</b>

Equity amounted to USD 373.2 million at the end of the second quarter and the equity ratio was 36%, as compared to 34% at the same time last year.

Interest-bearing liabilities amounted to USD 78.5 million, as compared to USD 61.9 million at the beginning of the year. The reason for the increase is a bond issue launched at the beginning of the year in the amount of USD 23.7 million. Payments on long-term liabilities in the second quarter amounted to USD 2.8 million. Cash and marketable securities amounted to a total of USD 351.2 million at the end of the second quarter of 2015, as compared to USD 283.3 million at the same time last year. Net interest-bearing debt was therefore negative in the amount of USD 272.7 million at the end of the quarter.

USD thousand	30.06.2015	31.12.2014	Change	30.06.2014
Loans and borrowings non-current	66,056	49,671	16,385	46,553
Loans and borrowings current	12,443	12,263	180	13,652
Marketable securities	36,305	30,879	5,426	16,294
Cash and cash equivalents	314,903	184,762	130,141	266,993
<b>Net interest bearing debt</b>	<b>-272,709</b>	<b>-153,707</b>	<b>-119,002</b>	<b>-223,082</b>

## CASH FLOW AND INVESTMENTS

- | **Cash and cash equivalents at the end of June amounted to USD 314.9 million**
- | **Investments amounted to a total of USD 36.7 million**

USD thousand	Q2 2015	Q2 2014	Change
Working capital from operations	49,611	50,270	-659
Net cash from operating activities	86,724	83,625	3,099
Net cash used in investing activities	-34,559	-14,009	-20,550
Net cash used in financing activities	-20,716	-52,916	32,200
Increase in cash and cash equivalents	31,449	16,700	14,749
<b>Cash and cash equivalents, end of period</b>	<b>314,903</b>	<b>266,993</b>	<b>47,910</b>

Net cash provided by operating activities in the second quarter amounted to USD 86.7 million, up by USD 3.0 million from the second quarter of 2014. Investments in operating assets amounted to USD 36.7 million. Of this figure the largest share resulted from investments in aircraft and related equipment; one Boeing 757 was purchased in the quarter. Investments in long-term expense and intangible assets amounted to a total of USD 6.7 million.

USD thousand	Q2 2015
Operating assets:	
Aircraft and aircraft components	15,032
Overhaul own aircraft	9,387
Other	5,569
Total operating assets	29,988
Long term cost	
Overhaul leased aircraft	6,256
Intangible assets	482
<b>Total Capex</b>	<b>36,726</b>

Cash increased by 31.4 million over the quarter. The increase over the same period last year was USD 16.7 million.

## OUTLOOK FOR ICELANDAIR GROUP HF.

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- | **Continued profitable organic growth projected**
- | **Favourable prospects in international flight operations, particularly in the third quarter**
- | **Increased co-operation with the Hilton Hotel Group**

Prospects in Icelandair Group's international operations are positive. Operations in the first six months of the year were favourable, passenger numbers increased by 18% and the passenger load factor was favourable at 80.8% over the period, up by a substantial 2.9 percentage points, as compared to the first six months of 2014. Passenger numbers increased in all the Company's markets, although the increase in the North America market was greatest. The bookings during last weeks for the second half of the year exceed previous projections. Good performance is therefore expected in the second half of the year, particularly in the third quarter.

The Company announced a change in focus this spring regarding its fleet of aircraft on international routes. In the spring of 2016 two B767-300 aircraft with seating capacities of 260 passengers will be added to the fleet. These aircraft are larger than the aircraft operated by the Company to date, as the B757-200 aircraft currently in use have a seating capacity of 183 passengers. The high passenger load factor on many of the Company's routes year-round, in addition to limits on slot availability at some airports, makes the introduction of larger aircraft a feasible option. The new aircraft have a far greater range than the B757-200 aircraft, so their introduction will open opportunities for advances into new markets.

Hotel operations have been successful so far this year with increases both in occupancy rates and prices. Among other things, Icelandair Group's increased focus on gearing our marketing efforts to more affluent passengers has returned this result and we anticipate that our co-operation with the Hilton Hotel Chain on the development of the Canopy Hotel in central Reykjavik will place an even stronger foundation under our product offerings for more affluent tourists.

The purchase of three Q400 aircraft for the Group's regional flight operations has been finalised. The aircraft are 2000 and 2001 models and the first aircraft is expected to fly in the Company's service in December 2015. The five Fokker-50 aircraft currently owned by the Company will be sold. After that, regional flight operations will have five aircraft in service, three Q400s and two Q200s. With the purchase the Company sees opportunities for expanding into new markets and providing improved services to the current domestic market with larger aircraft and shorter flight times. Improved efficiency is also anticipated in these operations, as all the aircraft will be from the same manufacturer and they will be fewer in number.

The Group's business operations in tourism-related services is showing success and growing as the number of passengers to Iceland increases and the Route Network grows. The prospects in cargo operations are favourable and an increase is anticipated between years in both imports and exports. Charter operations are showing success and the project situation is good.

The Company's fuel hedging situation at the end of June is highlighted in the table below. In addition to contractual hedges, the Company defines the interaction of the USD/EUR and fuel prices as an internal hedge.

Period	Estimated usage (tons)	Option volume	Swap volume	Total swap and option contracts	%hedged	Av. Hedge price USD	Bought call strike	Sold put strike
Jul '15	36,777	6,000	14,620	20,620	56%	800	987	871
Aug '15	36,679	8,000	12,610	20,610	56%	778	965	854
Sep '15	30,956	6,000	10,470	16,470	53%	789	960	859
Oct '15	24,181	4,000	9,570	13,570	56%	662	900	831
Nov '15	20,109	0	10,640	10,640	53%	658	0	0
Dec '15	19,092	0	11,620	11,620	61%	596	0	0
Jan '16	19,188	0	10,460	10,460	55%	608	0	0
Feb '16	17,446	0	10,410	10,410	60%	642	0	0
Mar '16	19,791	0	10,390	10,390	52%	615	0	0
Apr '16	18,480	0	8,430	8,430	46%	653	0	0
May '16	26,891	0	15,420	15,420	57%	677	0	0
Jun '16	34,695	0	20,400	20,400	59%	655	0	0
<b>Total</b>	<b>304,285</b>	<b>24,000</b>	<b>145,040</b>	<b>169,040</b>	<b>56%</b>	-	-	-

## EBITDA FORECAST FOR 2015

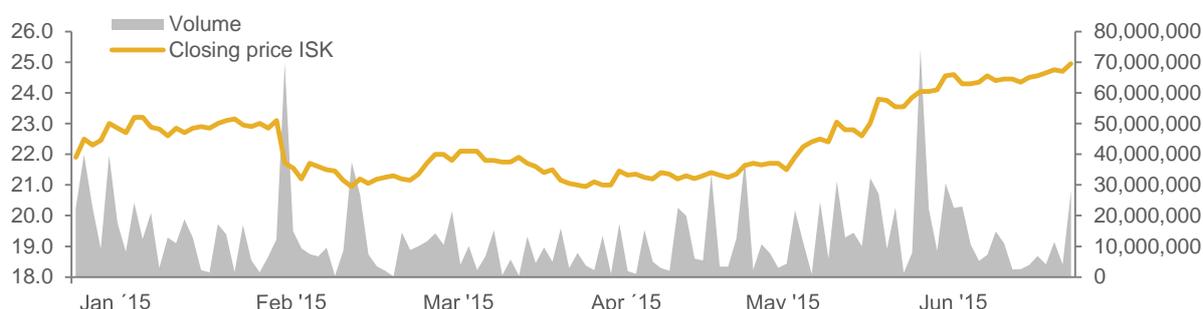
The updated EBITDA for 2015 is USD 180-185 million, up by USD 20 million from the April projection. The increase is a result of the Company's success in the first half of the year and the fact that the booking situation in international transport has been strengthening in recent weeks, in particular in the third quarter. The average exchange rate of the EUR against the USD is projected at 1.10 in the period from July to December, while the April forecast assumed an average cross rate of 1.07 over the same period; this change also has a positive impact on the earnings estimate for the year. It is assumed that the jet fuel price (net of hedges) will be USD 606/ton in July, USD 555/ton in August and USD 600/ton on average in the last four months of the year.

## SHAREHOLDERS

- | Icelandair Group's share price was ISK 24.95 at the end of the second quarter
- | The market value at the end of June was ISK 124.8 billion

The highest close-of-day price per share of the second quarter was ISK 24.95, the lowest price was ISK 21.00 per share, and the average price over the period was ISK 22.88 per share. Trades in Icelandair Group shares were 737 over the quarter and the volume of trading was ISK 17.4 billion. The average size of individual trades was ISK 23.6 million. The price of shares in the Company rose by 18.2% over the quarter and the number of shareholders was 2,118 at the end of the quarter, as compared to 2,099 at the beginning of the year. The number of issued shares on 30 June 2015 was 5,000,000,000, and the number of outstanding shares at the same time was 4,974,540,000.

### Share prices and volume of trading– trend in the first six months of 2015:



### PRESENTATION MEETING 28 JULY 2015

An open presentation for stakeholders will be held on Tuesday, 28 July 2015, 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 3, starting at 16:30. The presentation material will be available after the meeting on the Icelandair Group website, [www.icelandairgroup.is](http://www.icelandairgroup.is), and on the Nasdaq OMX Iceland hf. news system.

The meeting can be followed in real time on the Company's website <http://www.icelandairgroup.is/investors/reports-and-presentations/>

### APPROVAL OF QUARTERLY STATEMENT

The consolidated accounts of Icelandair Group for the second quarter of 2015 were approved at a meeting of the Board of Directors on 27 July 2015.

### FINANCIAL CALENDAR

- | Financial statement for the third quarter – week 44, 2015
- | Financial statement for the fourth quarter – week 06, 2016
- | Annual General Meeting – Week 11, 2016

### FOR FURTHER INFORMATION PLEASE CONTACT:

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