

**SECOND QUARTER EARNINGS AMOUNTED TO USD 11 MILLION – EBITDA GUIDANCE INCREASED**

- Total income up by 11% between years, to USD 368.9 million
- EBITDA USD 42.3 million, as compared to USD 53.9 million last year
- Passenger load factor on international routes favourable, at 83.6%, up by 2.4 percentage points between years
- 34% equity ratio at the end of June
- Cash and short-term investments USD 360.1 million, USD 75.4 million in excess of interest-bearing debt
- Changes in product offerings and implementation of streamlining measures on schedule
- EBITDA guidance for 2017 increased to USD 150-160 million

| USD thousands                              | Q2 2017 | Q2 2016 | Change   | % Chg | 6M 2017   | 6M 2016   | Change   | % Chg |
|--|---------|---------|----------|-------|-----------|-----------|----------|-------|
| <b>Operating results</b>                   |         |         |          |       |           |           |          |       |
| Total income                               | 368,887 | 331,355 | 37,532   | 11%   | 591,259   | 543,192   | 48,067   | 9%    |
| EBITDAR                                    | 50,187  | 62,438  | -12,251  | -     | 42,297    | 72,598    | -30,301  | -     |
| EBITDA                                     | 42,257  | 53,889  | -11,632  | -     | 26,016    | 55,643    | -29,627  | -     |
| EBIT                                       | 11,407  | 30,691  | -19,284  | -     | -30,721   | 10,677    | -41,398  | -     |
| EBT  | 13,427  | 32,764  | -19,337  | -     | -30,175   | 11,480    | -41,655  | -     |
| Profit /Loss for the period                | 11,256  | 26,169  | -14,913  | -     | -23,639   | 9,173     | -32,812  | -     |
| <b>Balance sheet</b>                       |         |         |          |       |           |           |          |       |
| Total assets                               | -       | -       | -        | -     | 1,521,372 | 1,217,275 | 303,647  | 25%   |
| Total equity                               | -       | -       | -        | -     | 516,727   | 470,558   | 46,169   | 10%   |
| Interest bearing debt                      | -       | -       | -        | -     | 284,659   | 61,481    | 223,178  | -     |
| Cash and short term investment             | -       | -       | -        | -     | 360,092   | 287,612   | 72,480   | 25%   |
| Cash in excess of interest bearing debt    | -       | -       | -        | -     | 75,433    | 226,131   | -150,698 | -     |
| <b>Cash flow</b>                           |         |         |          |       |           |           |          |       |
| Working capital from operations            | 39,565  | 57,310  | -17,745  | -31%  | 24,010    | 60,333    | -36,323  | -60%  |
| Net cash from operating activities         | 90,801  | 119,636 | -28,835  | -24%  | 216,298   | 268,428   | -52,130  | -19%  |
| Net cash used in investing activities      | -51,297 | -58,277 | 6,980    | -12%  | -127,079  | -158,078  | 30,999   | -20%  |
| Net cash used in/from financing activities | -6,416  | -28,500 | 22,084   | -77%  | 17,104    | -31,795   | 48,899   | -     |
| Cash and cash equivalents end of period    | 336,022 | 274,416 | 61,606   | 22%   | 336,022   | 274,416   | 61,606   | 22%   |
| <b>Key Ratios</b>                          |         |         |          |       |           |           |          |       |
| P/L per share expressed in US Cent         | 0.23    | 0.52    | -0.29    | -56%  | -0.48     | 0.18      | -0.66    | -     |
| Intrinsic value                            | -       | -       | -        | -     | 13.07     | 11.60     | 1.47     | 13%   |
| Equity ratio                               | -       | -       | -        | -     | 34%       | 39%       | -5.0 ppt | -13%  |
| Current ratio                              | -       | -       | -        | -     | 0.85      | 0.72      | 0.13     | 18%   |
| CAPEX USD thousand                         | 37,649  | 100,325 | -62,676  | -62%  | 84,928    | 157,043   | -72,115  | -46%  |
| Transport revenue as % of total revenues   | 74%     | 75%     | -0.6 ppt | -     | 71%       | 72%       | -0.3 ppt | 0%    |
| EBITDAR ratio                              | 13.6%   | 18.8%   | -5.2 ppt | -     | 7.2%      | 13.4%     | -6.2 ppt | -46%  |
| EBITDA ratio                               | 11.5%   | 16.3%   | -4.8 ppt | -     | 4.4%      | 10.2%     | -5.8 ppt | -57%  |
| <b>Share information ISK</b>               |         |         |          |       |           |           |          |       |
| Highest price in period                    | 16.15   | 38.90   | -22.75   | -58%  | 23.53     | 38.90     | -15.37   | -40%  |
| Lowest price in period                     | 13.13   | 29.85   | -16.72   | -56%  | 13.13     | 29.85     | -16.72   | -56%  |
| Price at period end                        | -       | -       | -        | -     | 14.50     | 31.25     | -16.75   | -54%  |
| Market Cap at period end (millions)        | -       | -       | -        | -     | 72,500    | 156,250   | -83,750  | -54%  |

## BJÖRGÓLFUR JÓHANNSSON, PRESIDENT AND CEO

Second-quarter operations were favourable. The Company's growth continues, and for the first time we transported over one million passengers on international flights in the second quarter, an increase of 13% between years. It is a matter of great satisfaction that our passenger load factor is improving at the same time that our capacity has increased. The number of passengers on Air Iceland Connect grew somewhat between years, and the growth in the Company's chartering and cargo operation has been satisfactory. In the Company's hotels, the number of sold nights grew between years, but hotel room occupancy declined somewhat. We are updating our EBIDTA guidance for the year to USD 150-160 million. The main reason is a favourable currency trend since the last guidance was published.

The booking situation in July and August is good, and the measures taken in our operations are proceeding according to plan. Although these are certainly busy times in the Icelandic tourist industry, the strengthening of the Icelandic króna and significant cost increases have had the effect that the margin in the sector has fallen.

The Company enjoys a strong position and benefits from an outstanding staff, which is the basis for our success.

## TRANSPORT FIGURES

- **Passengers on international flights 1.1 million, up by 13%**
- **Passenger load factor on international flights 83.6%, up by 2.4 percentage points between years**
- **Hotel room occupancy down from last year**

|   | Q2 2017 | Q2 2016 | Change   |
|---|---------|---------|----------|
| <b>INTERNATIONAL FLIGHTS</b>            |         |         |          |
| Number of passengers ('000)             | 1,093.5 | 969.8   | 13%      |
| Load factor (%)                         | 83.6    | 81.1    | 2.4 ppt  |
| Available seat kilometres (ASK'000,000) | 4,086.9 | 3,671.3 | 11%      |
| <b>DOMESTIC- AND GREENLAND FLIGHTS</b>  |         |         |          |
| Number of passengers ('000)             | 88.7    | 81.4    | 9%       |
| Load factor (%)                         | 66.2    | 67.2    | -1.0 ppt |
| Available seat kilometres (ASK'000,000) | 52.0    | 47.8    | 9%       |
| <b>CHARTER</b>                          |         |         |          |
| Fleet utilisation (%)                   | 96.0    | 100.0   | -4.0 ppt |
| Sold block hours                        | 6,584   | 5,547   | 19%      |
| <b>CARGO</b>                            |         |         |          |
| Freight tonne kilometres (FTK'000)      | 29,298  | 26,558  | 10%      |
| <b>HOTELS</b>                           |         |         |          |
| Available hotel room nights             | 95,703  | 84,847  | 13%      |
| Sold hotel room nights                  | 73,764  | 67,994  | 8%       |
| Hotel room occupancy (%)                | 77.1    | 80.1    | -3.1 ppt |

## EXCHANGE RATE TRENDS

Icelandair Group's reporting currency is the USD. The USD weakened against the ISK in the second quarter of 2017, as compared to the second quarter of 2016, but strengthened against all the Company's other trading currencies. The ISK was 22% stronger against the USD, while the EUR is 19% weaker. Revenue in Q2 of 2017 was 11% above the corresponding quarter of 2016. Calculated at a fixed exchange rate, revenue grew by 13% between years.

| Currency | Av. rate Q217 | Chg. from Q216 | Closing rate 30.06 '17 | Chg. from 30.06 '16 |
|----------|---------------|----------------|------------------------|---------------------|
| ISK      | 0.010         | 22%            | 0.010                  | 21%                 |
| EUR      | 1.099         | -19%           | 1.141                  | -15%                |
| GBP      | 1.278         | -27%           | 1.299                  | -19%                |
| CAD      | 0.744         | -16%           | 0.769                  | -18%                |
| DKK      | 0.148         | -18%           | 0.153                  | -15%                |
| NOK      | 0.117         | -17%           | 0.119                  | -17%                |
| SEK      | 0.113         | -22%           | 0.118                  | -17%                |

## SECOND-QUARTER OPERATIONS

| USD thousand          | Q2 2017 | Q2 2016 | Change   | % Change |
|-----------------------|---------|---------|----------|----------|
| EBITDAR               | 50,187  | 62,438  | -12,251  | -20%     |
| EBITDA                | 42,257  | 53,889  | -11,632  | -22%     |
| EBIT                  | 11,407  | 30,691  | -19,284  | -63%     |
| EBT                   | 13,427  | 32,764  | -19,337  | -59%     |
| Profit for the period | 11,256  | 26,169  | -14,913  | -57%     |
| EBITDAR %             | 13.6%   | 18.8%   | -5.2 ppt | -        |
| EBITDA %              | 11.5%   | 16.3%   | -4.8 ppt | -        |

The Company's operating results fell between years in the second quarter. EBITDA amounted to USD 42.3 million and the EBITDA ratio was 11.5%, down by 4.8 percentage points between years. The decline in results between years is mostly due to the reduction in average fares in the Company's flight operations and the adverse currency effect resulting from the strengthening of the ISK.

## INCOME

- Total revenues up by 11% between years in the second quarter
- Passenger revenue up by 10% between years

| USD thousand               | Q2 2017        | Q2 2016        | Change        | % Change   | % of rev. '17 |
|----------------------------|----------------|----------------|---------------|------------|---------------|
| Transport revenue:         | 272,684        | 246,987        | 25,697        | 10%        | 74%           |
| Passengers                 | 257,026        | 234,347        | 22,679        | 10%        | 70%           |
| Cargo and mail             | 15,658         | 12,640         | 3,018         | 24%        | 4%            |
| Aircraft and aircrew lease | 20,432         | 20,713         | -281          | -1%        | 6%            |
| Other operating revenue    | 75,771         | 63,655         | 12,116        | 19%        | 21%           |
| <b>Total</b>               | <b>368,887</b> | <b>331,355</b> | <b>37,532</b> | <b>11%</b> | <b>100%</b>   |

Total income increased by 11% between years; calculated at a fixed exchange rate the increase in income was 13%. Passenger revenue increased by USD 22.7 million between years, or 10%. Icelandair's passenger revenue increased in all markets, but the greatest increases were in the North Atlantic market and the tourist market to Iceland. Revenue from aircraft and aircrew lease was similar

between years, at USD 20.4 million. Other operating revenue amounted to USD 75.8 million, up by USD 12.1 million, or 19%, as compared to the second quarter of 2016. The principal reason was the increased income from tourist services and hotel operations. Revenue from aircraft and cargo handling services declined between years by USD 1.8 million, or 26%. 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 decline.

| USD thousand                            | Q2 2017       | Q2 2016       | Change        | % Change   |
|---|---------------|---------------|---------------|------------|
| Sale at airports and hotels             | 25,522        | 20,999        | 4,523         | 22%        |
| Revenue from tourism                    | 36,522        | 28,668        | 7,854         | 27%        |
| Aircraft and cargo handling services    | 5,246         | 7,058         | -1,812        | -26%       |
| Maintenance revenue                     | 1,097         | 751           | 346           | 46%        |
| (Loss) gain on sale of operating assets | -70           | 305           | -375          | -123%      |
| Other operating revenue                 | 7,454         | 5,874         | 1,580         | 27%        |
| <b>Total</b>                            | <b>75,771</b> | <b>63,655</b> | <b>12,116</b> | <b>19%</b> |

## EXPENSES

- **Total expenses amounted to USD 326.6 million**
- **Expanded scope of business and strengthening of the ISK primary reasons for increased expenses**

| USD thousand                          | Q2 2017        | Q2 2016        | Change        | % Change   | % of exp. '17 |
|---------------------------------------|----------------|----------------|---------------|------------|---------------|
| Salaries and other personnel expenses | 125,787        | 90,509         | 35,278        | 39%        | 39%           |
| Aviation expenses                     | 115,838        | 116,057        | -219          | 0%         | 35%           |
| Other operating expenses              | 85,005         | 70,900         | 14,105        | 20%        | 26%           |
| <b>Total</b>                          | <b>326,630</b> | <b>277,466</b> | <b>49,164</b> | <b>18%</b> | <b>100%</b>   |

Salaries and other personnel expenses amounted to USD 125.8 million, as compared to USD 90.5 million in the second quarter of last year. The reasons for the increase include the Company's expanded scope of business and the strengthening of the ISK against the USD over the comparison period, as most of the Company's wage costs are in ISK.

| USD thousand                                 | Q2 2017        | Q2 2016        | Change      | % Change  | % of exp. '17 |
|--|----------------|----------------|-------------|-----------|---------------|
| Aircraft fuel                                | 60,484         | 61,035         | -551        | -1%       | 52%           |
| Aircraft lease                               | 5,238          | 5,543          | -305        | -6%       | 5%            |
| Aircraft handling, landing and communication | 31,863         | 29,205         | 2,658       | 9%        | 28%           |
| Aircraft maintenance expenses                | 18,253         | 20,274         | -2,021      | -10%      | 16%           |
| <b>Total</b>                                 | <b>115,838</b> | <b>116,057</b> | <b>-219</b> | <b>0%</b> | <b>100%</b>   |

Fuel expenses amounted in total to USD 60.5 million, down by 1%, from the corresponding time of last year. The Company's reporting price in the quarter, taking hedging into account, was on average USD 479/ton, which corresponds to a 10% reduction between years. The section headed Outlook and EBITDA guidance for 2017 below provides an overview of the Company's fuel hedging position at the end of June. Aircraft lease amounted to USD 5.2 million over the quarter, down slightly in comparison with the second quarter of 2016. Aircraft handling, landing and navigation expenses amounted to USD 31.9 million, up by 9% between years. Maintenance expenses amounted to USD 18.3 million, down by 10% between years.

Other operating expenses amounted to USD 85.0 million, up by USD 14.1 million between years. The table below shows a breakdown of principal items and trends between years.

| USD thousand                               | Q2 2017       | Q2 2016       | Change        | % Change   |
|--|---------------|---------------|---------------|------------|
| Operating cost of real estate and fixtures | 7,342         | 6,313         | 1,029         | 16%        |
| Communication                              | 6,721         | 5,807         | 914           | 16%        |
| Advertising                                | 6,730         | 6,415         | 315           | 5%         |
| Booking fees and commission expenses       | 16,209        | 13,364        | 2,845         | 21%        |
| Cost of goods sold                         | 7,361         | 6,764         | 597           | 9%         |
| Customer services                          | 8,831         | 6,590         | 2,241         | 34%        |
| Tourism expenses                           | 22,731        | 18,233        | 4,498         | 25%        |
| Allowance for bad debt                     | 360           | 224           | 136           | 61%        |
| Other operating expenses                   | 8,720         | 7,190         | 1,530         | 21%        |
| <b>Total</b>                               | <b>85,005</b> | <b>70,900</b> | <b>14,105</b> | <b>20%</b> |

## FINANCIALS

- **Currency effect positive by USD 4.7 million over the quarter**

| USD thousand      | Q2 2017      | Q2 2016      | Change      | % Change   |
|-------------------|--------------|--------------|-------------|------------|
| Interest income   | 1,587        | 906          | 681         | 75%        |
| Interest expenses | -4,343       | -1,092       | -3,251      | 298%       |
| Currency effect   | 4,715        | 2,317        | 2,398       | 103%       |
| <b>Total</b>      | <b>1,959</b> | <b>2,131</b> | <b>-172</b> | <b>-8%</b> |

## BALANCE SHEET AND FINANCIAL POSITION

- **Equity ratio 34%**
- **Cash in excess of interest bearing debt USD 75.4 million**

| USD thousands                           | 30.06.2017 | 31.12.2016 | Change  |
|---|------------|------------|---------|
| Total assets                            | 1,521,372  | 1,292,493  | 228,879 |
| Operating assets                        | 642,836    | 602,615    | 40,221  |
| Cash and short term investment          | 360,092    | 250,125    | 109,967 |
| Total equity                            | 516,727    | 568,213    | -51,486 |
| Interest bearing debt                   | 284,659    | 242,382    | 42,277  |
| Cash in excess of interest bearing debt | 75,433     | 7,743      | 67,690  |
| Equity ratio                            | 34%        | 44%        | -10 ppt |
| Current ratio                           | 0.85       | 0.92       | -8%     |

Operating assets amounted to USD 642.8 million, up by USD 40.2 million from the beginning of the year. Investments in operating assets are discussed in further detail in the section below on investments. At the end of the quarter the fleet comprised 45 aircraft, of which 37 were 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      |         | Fleet     | Fleet     | Of which  | Of which | Ch. as of |
|-----------------|------------|----------|------------|----------|---------|-----------|-----------|-----------|----------|-----------|
|                 |            |          |            | Iceland  | Connect |           |           |           |          |           |
| Boeing 757 200  | 25         | 2        | 2          |          |         | 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 |            |          |            | 3        |         | 3         | 2         | 3         |          | 1         |
| Bombardier Q400 |            |          |            | 3        |         | 3         | 3         | 3         |          | 0         |
| Fokker F-50     |            |          |            |          |         |           | 4         |           |          | -4        |
| <b>Total</b>    | <b>30</b>  | <b>2</b> | <b>7</b>   | <b>6</b> |         | <b>45</b> | <b>48</b> | <b>37</b> | <b>8</b> | <b>-3</b> |

Equity amounted to USD 516.7 million at the end of June, and the equity ratio was 34%. The table below shows the principal changes in equity from the turn of the year.

| <b>USD thousands</b>              |                |
|-----------------------------------|----------------|
| Balance at 1.1. 2017              | 568,213        |
| Purchase of treasury shares       | -15,230        |
| Total comprehensive loss          | -31,212        |
| Dividend (0.10 US cent per share) | -5,044         |
| <b>Balance at 30.06. 2017</b>     | <b>516,727</b> |

Interest-bearing debt amounted to USD 284.7 million, as compared to USD 242.4 million at the beginning of the year. The increase results from a subsequent bond issue in the amount of USD 40.0 million in February. Payments on long-term debts in the second quarter amounted to USD 2.3 million. Cash and short term investments in excess of interest-bearing debt amounted to USD 75.4 million at the end of the quarter.

| <b>USD thousands</b>                           | <b>30.06.2017</b> | <b>31.12.2016</b> | <b>Change</b> |
|--|-------------------|-------------------|---------------|
| Loans and borrowings non-current               | 233,836           | 196,722           | 37,114        |
| Loans and borrowings current                   | 50,823            | 45,660            | 5,163         |
| Short term investment                          | 24,070            | 23,236            | 834           |
| Cash and cash equivalents                      | 336,022           | 226,889           | 109,133       |
| <b>Cash in excess of interest bearing debt</b> | <b>75,433</b>     | <b>7,743</b>      | <b>67,690</b> |

## CASH FLOW AND INVESTMENTS

- **Net cash provided by operating activities was USD 90.8 million**
- **Cash and cash equivalents at the end of June amounted to USD 336.0 million**
- **Investments amounted to USD 37.6 million**

| <b>USD thousand</b>                             | <b>Q2 2017</b> | <b>Q2 2017</b> | <b>Change</b> |
|---|----------------|----------------|---------------|
| Working capital from operations                 | 39,565         | 57,310         | -17,745       |
| Net cash from operating activities              | 90,801         | 119,636        | -28,835       |
| Net cash used in investing activities           | -51,297        | -58,277        | 6,980         |
| Net cash used in financing activities           | -6,416         | -28,500        | 22,084        |
| Cash and cash equivalents change                | 33,088         | 32,859         | 229           |
| <b>Cash and cash equivalents, end of period</b> | <b>336,022</b> | <b>274,416</b> | <b>61,606</b> |

Net cash provided by operating activities in the second quarter amounted to USD 90.8 million, down by USD 28.8 million from the second quarter of 2016. Investments over the quarter amounted to a total of USD 37.6 million, of which USD 7.1 million concerned aircraft and related equipment. The cost of engine overhauls for own aircraft amounted to a total of USD 16.0 million, and other investments in operating assets amounted to USD 12.5 million. These included investments in enlarging the Company's hangar and the flight kitchen at Keflavik Airport, in addition to renewals of airport equipment.

| USD thousand                     | Q2 2017       |
|----------------------------------|---------------|
| Operating assets:                |               |
| Aircraft and aircraft components | 7,067         |
| Overhaul own aircraft            | 16,059        |
| Other                            | 12,522        |
| Total operating assets           | 35,648        |
| Long term cost                   |               |
| Overhaul leased aircraft         | 101           |
| Intangible assets                | 1,900         |
| <b>Total Capex</b>               | <b>37,649</b> |

## OUTLOOK AND EBITDA GUIDANCE FOR 2017

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- **Prospects for air transport services unchanged**
- **Strengthening of the ISK reduces margin in domestic tourist services**
- **EBITDA forecast for 2017 increased to USD 150-160 million**

Measures launched at the beginning of the year and designed to improve efficiency and increase revenue in the Group's operations are proceeding according to plan. 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 outlook for the Company's international flight operations remains unchanged. Competition remains fierce in the North Atlantic, and average air fares are expected to remain low. Bookings in the Company's in July and August are favourable and in line with the increase in capacity between years. Sales and marketing activities are focused on the last four months of the year.

We are currently at the height of the Icelandic tourist season, with heavy traffic at Keflavik International Airport. At peak hours, delays have occurred in services, with resulting inconvenience and expense. This ongoing situation has had an impact on Icelandair's operations, and it may be expected to continue. The company regards it as a matter of great urgency to take measures at Keflavik Airport to facilitate services in the current circumstances and to take firm decisions at the earliest possible time regarding ways to support further growth in the future.

Despite the disruptive impact of the seamen's strike at the start of the year, the prospects for the Company's cargo operations in 2017 are favourable. Demand for imports has increased sharply and is expected to remain strong. The Company's charter operations continue successful, with 8-9 aircraft engaged in long-term assignments, depending on season.

The ISK has strengthened substantially against the Company's principal business currencies. The effect of the strengthening is that the contribution margin from the Company's tourist-related services is declining, notwithstanding the surge in the number of tourists visiting Iceland. Cancellations of the Company's hotel rooms are more frequent than at the same time last year, and in addition the demand for reservations at short notice has fallen. Sales in restaurant services have also fallen, and the same applies to the demand for tourist-related services.

The price of jet fuel (excluding hedging) is estimated at USD 500/ton on average over the second half of 2017, the same as in the last EBITDA guidance. Taking hedging into account, a 10% increase in fuel prices may be expected to have a USD 4.6 million adverse impact on EBITDA. The Company's fuel hedging position at the end of June is highlighted in the table below.

| Period              | Estimated usage (tons) | Swap volume    | % hedged   | Av. Swap price USD |
|---------------------|------------------------|----------------|------------|--------------------|
| Jul 17              | 49,333                 | 29,750         | 60%        | 497                |
| Aug 17              | 49,189                 | 26,750         | 54%        | 502                |
| Sep 17              | 42,810                 | 23,550         | 55%        | 538                |
| Oct 17              | 31,418                 | 17,550         | 56%        | 516                |
| Nov 17              | 26,497                 | 14,550         | 55%        | 547                |
| Dec 17              | 25,246                 | 15,550         | 62%        | 552                |
| Jan 18              | 24,869                 | 14,250         | 57%        | 558                |
| Feb 18              | 22,557                 | 12,250         | 54%        | 556                |
| Mar 18              | 27,201                 | 15,250         | 56%        | 544                |
| Apr 18              | 28,909                 | 14,000         | 48%        | 543                |
| May 18              | 35,076                 | 18,000         | 51%        | 528                |
| Jun 18              | 46,527                 | 25,000         | 54%        | 514                |
| <b>12 months</b>    | <b>409,632</b>         | <b>226,450</b> | <b>55%</b> | <b>528</b>         |
| Jul 18              | 49,531                 | 4,000          | 8%         | 551                |
| Aug 18              | 49,154                 | 4,000          | 8%         | 565                |
| Sep 18              | 43,037                 | 4,000          | 9%         | 534                |
| Oct 18              | 33,039                 | 3,000          | 9%         | 519                |
| Nov 18              | 26,929                 | 4,000          | 15%        | 515                |
| Dec 18              | 25,638                 | 0              | 0%         | -                  |
| <b>13-18 months</b> | <b>227,328</b>         | <b>19,000</b>  | <b>8%</b>  | <b>538</b>         |

\* weighted average price

Based on revised assumptions, the average exchange rate index is projected at 160 for the remainder of the year, as compared to 156 in the last forecast, and the average exchange rate of the EUR against the USD is projected at 1.16 in the period of July to December, as compared to 1.08 in the April forecast.

The updated EBIDTA guidance for 2017 is USD 150-160 million.

## PRESENTATION MEETING 28 JULY 2017

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Icelandair Group will publish its financial statement for the second quarter of 2017 on 27 July 2017. An open presentation for stakeholders will be held on Friday 28 July 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 Rooms 4-5, starting at 08:30. 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 website

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

## APPROVAL OF QUARTERLY STATEMENT

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



## **FINANCIAL CALENDAR**

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

## **FOR FURTHER INFORMATION PLEASE CONTACT:**

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