

EBITDA POSITIVE IN FIRST-QUARTER

- EBITDA positive by USD 1.1 million, as compared to a negative outcome of USD 2.3 million last year
- Positive impact of low fuel prices on performance
- 21% increase in passenger numbers on international flights and favourable passenger load factor
- Total revenue up by 14%
- Equity ratio 37% at the end of March
- Net cash provided by operating activities USD 148.8 million, as compared to USD 117.7 million in the preceding year

USD thousand	Q1 2016	Q1 2015	Change	% Change	12M 2015
Operating results					
Total income	211,837	186,075	25,762	14%	1,139,699
EBITDAR	9,503	6,204	3,299	53%	254,026
EBITDA	1,097	-2,268	3,365	148%	218,982
EBIT	-20,671	-19,279	-1,392	-7%	135,156
EBT	-21,284	-18,304	-2,980	-16%	140,223
Loss/profit for the period	-16,996	-14,552	-2,444	-17%	111,223
Balance sheet					
Total assets	1,152,537	992,963	159,574	16%	971,979
Total equity	421,742	335,616	86,126	26%	456,531
Interest bearing debt	62,928	80,787	-17,859	-22%	65,530
Cash and short term investment	301,684	321,943	-20,259	-6%	214,119
Net interest bearing debt	-238,756	-241,156	2,400	-1%	-148,589
Cash flow					
Working capital from operations	3,023	1,164	1,859	160%	211,260
Net cash from operating activities	148,792	117,687	31,105	26%	245,136
Net cash used in investing activities	-99,801	-37,611	-62,190	165%	-219,942
Net cash used in/from financing activities	-3,295	19,880	-23,175	-117%	-14,320
Cash and cash equivalents end of period	241,816	282,655	-40,839	-14%	194,586
Key Ratios					
Profit/loss per share expressed in US Cent	-0.34	-0.29	-0.05	17%	2.24
Intrinsic value	10.39	8.27	2.12	26%	11.24
Equity ratio	37%	34%	3.0 ppt	-	47%
Current ratio	0.74	0.84	-0.10	-12%	0.80
CAPEX USD thousand	56,718	26,347	30,371	115%	210,400
Transport revenue as % of total revenues	67%	69%	-2.0 ppt	-	74%
EBITDAR ratio	4.5%	3.3%	1.2 ppt	-	22.3%
EBITDA ratio	0.5%	-1.2%	1.7 ppt	-	19.2%
Share information ISK					
Highest price in period	38.35	23.20	15.15	65%	35.40
Lowest price in period	32.65	20.95	11.70	56%	20.95
Price at period end	37.55	21.10	-	-	35.40
Market Cap at period end (millions)	187,750	105,500	-	-	177,000

BJÖRGÓLFUR JÓHANSSON, PRESIDENT AND CEO

"The year is off to a good start. The first quarter of the year is always difficult, as many of the Company's expenses are incurred in the course of the quarter which relate to the increased scope of business in the peak season, so it is very satisfying that the Group's EBITDA for the first quarter is now positive, the first time since 2010. Passenger numbers on international flights increased significantly between years and the passenger load factor continues to improve. Our hotel room occupancy was good over the quarter and other business activities of the Company also showed success. Wage costs increased by 25% between years as a result of the increased scope of our operations, contractual wage increases and the strengthening of the Icelandic króna against the US dollar.

The outlook for Icelandair Group's international Route Network continues to be favourable. The booking status for the summer is in line with expectations, and Icelandair will take into commission two Boeing 767 widebody aircraft in the coming weeks. A Canopy Reykjavik City Center, hotel of 112 rooms will open downtown Reykjavik in early June in co-operation with the Hilton Hotel chain. Also, Air Iceland has taken into use two of the three Bombardier aircraft that will replace the company's Fokker aircraft. The growth in the number of tourists visiting Iceland presents an exciting challenge for the Company's staff and management, and it is clear that the infrastructure of Iceland's tourist services will be put to a strenuous test in the coming summer. I am confident that the experience and knowledge of Icelandair Group's staff will prove as valuable to the Company as it has in the past.

Fuel prices have increased somewhat from their lowest point in January and we are now assuming a 14% higher price on average for the remainder of the year than at the time when we issued our EBITDA forecast in early February. Increased expenses, especially increased wage costs, and fare price reductions in excess of earlier projections weigh heavily in the decision to lower the Company's EBITDA guidance from USD 245-250 million to USD 235-245 million."

TRANSPORT FIGURES

- **Passengers on international flights 576 thousand, up by 21%**
- **Load factor on international flights 79.4%, a first-quarter record**
- **Room occupancy in Company hotels similar to last year's, at 75.1%**

	Q1 2016	Q1 2015	Change
INTERNATIONAL FLIGHTS			
Number of passengers ('000)	575.9	477.1	21%
Load factor (%)	79.4	79.2	0.3 ppt
Available seat kilometers (ASK'000,000)	2,142.7	1,775.8	21%
DOMESTIC- AND GREENLAND FLIGHTS			
Number of passengers ('000)	65.9	63.1	4%
Load factor (%)	73.4	71.8	1.6 ppt
Available seat kilometers (ASK'000,000)	28.9	28.3	2%
CHARTER			
Fleet Utilisation (%)	100.0	100.0	0.0 ppt
Sold Block Hours	6,091	5,217	17%
CARGO			
Freight Tonne Kilometers (FTK'000)	26,510	24,493	8%
HOTELS			
Available Hotel Room Nights	71,435	66,510	7%
Sold Hotel Room Nights	53,671	49,989	7%
Utilisation of Hotel Rooms (%)	75.1	75.2	0.0 ppt

Seating capacity on international flights increased by 21% in the first three months of the year. Passengers on international flights were approximately 576 thousand, up by 21% from the first quarter of last year. The increase in passenger numbers occurred in all markets, but was proportionally greatest in the tourist market to Iceland, which was also the Company's largest market in the quarter, accounting for 49% of the total number of passengers. The increase in the market across the Atlantic was also significant, at 22%. The passenger load factor was favourable, at 79.4%, up by 0.3 percentage points between years; this is the Company's highest first-quarter passenger load factor ever.

Passengers on domestic and Greenland routes were just under 66 thousand over the quarter, up by 4% from last year. Capacity was 2% above last year's first quarter. The passenger load factor was 73.4%, as compared to 71.8% last year. Sold block hours on charter flights were up by 17% between years. Freight increased by 8% from last year. The number of sold hotel room nights increased by 7%, and the hotel room occupancy was 75.1%

CURRENCY TRENDS AND IMPACT ON OPERATIONS

Icelandair Group's financial reporting currency is the US dollar; however, since the Company operates and sells its services around the world the exchange rate trends of other currencies against the dollar can have a significant impact on the Company's results. The table below shows the division of revenues and expenses between currencies.

Revenues	Q1 2016	Q1 2015	12M 2015	Expenses	Q1 2016	Q1 2015	12M 2015
USD	42%	41%	43%	USD	43%	51%	52%
ISK	29%	31%	23%	ISK	38%	34%	30%
EUR	13%	12%	17%	EUR	13%	10%	13%
GBP	8%	8%	6%	GBP	4%	2%	2%
CAD	3%	3%	4%	CAD	1%	1%	1%
Other*	6%	6%	7%	Other*	2%	2%	2%
Total	100%	100%	100%	Total	100%	100%	100%

* Other mainly Scandinavian currencies

The USD weakened against the ISK, but strengthened against most of the Company's other business currencies in the first quarter of 2016, as compared to 2015. The ISK is thus 4% stronger against the USD, while the EUR is 6% weaker. Revenue in Q1 of 2016 was 14% above the corresponding quarter of 2015. At a fixed exchange rate revenue grew by 15% between years.

Currency	Average rate Q1 2016	Chg. from Q1 2015	Closing rate 31.03 '16	Chg. from 31.03 '15
ISK	0.008	4%	0.008	11%
EUR	1.102	-6%	1.139	-5%
GBP	1.432	-9%	1.438	-13%
CAD	0.728	-13%	0.772	-12%
DKK	0.148	-6%	0.153	-5%
NOK	0.116	-14%	0.121	-12%
SEK	0.118	-5%	0.123	-4%

FIRST-QUARTER OPERATIONS

USD thousand	Q1 2016	Q1 2015	Change	% Change
EBITDAR	9,503	6,204	3,299	53%
EBITDA	1,097	-2,268	3,365	148%
EBIT	-20,671	-19,279	-1,392	-7%
EBT	-21,284	-18,304	-2,980	-16%
Loss for the period	-16,996	-14,552	-2,444	-17%
EBITDAR %	4.5%	3.3%	1.2 ppt	-
EBITDA %	0.5%	-1.2%	1.7 ppt	-

The scope of the Company's business increased considerably; for example, the Company's international flight schedule was 21% larger than a year ago, the number of hotel room nights increased by 7%, carried freight increased by 8% and sold block hours in charter projects increased by 17%. The first quarter of the year is always difficult, as many of the Company's expenses are charged in the course of the quarter which in fact relate to the increased scope of business in the peak season, such as marketing costs, booking fees and training costs. EBITDA was positive by USD 1.1 million, up by USD 3.4 million between years. The EBITDA ratio was 0.5% in the first quarter, as compared to -1.2% over the same period in 2015. EBIT was USD -20.7 million, as compared to USD -19.3 million at the same time in 2015. Loss after taxes came to USD 17.0 million, as compared to a loss of USD 14.6 in the corresponding quarter of 2015. EBITDAR was positive by USD 9.5 million, as compared to USD 6.2 million at the same time last year.

INCOME

- **Total revenue 14% in excess of the first quarter of 2015**
- **Passenger revenue increased by 11% between years**

USD thousand	Q1 2016	Q1 2015	Change	% Change	% of rev. '16
Transport revenue:	141,858	128,339	13,519	11%	67%
Passengers	130,829	118,157	12,672	11%	62%
Cargo and mail	11,029	10,182	847	8%	5%
Aircraft and aircrew lease	26,337	20,179	6,158	31%	12%
Other operating revenue	43,642	37,557	6,085	16%	21%
Total	211,837	186,075	25,762	14%	100%

Total revenue increased by 14%. Calculated at a fixed exchange rate the increase in revenue was approximately 15%. Transport revenue increased by USD 13.5 million between years, or 11%. Passenger revenue on international flights increased in all markets, with most of the increase in the tourist market to Iceland, where passenger numbers were up by 25%. Income from aircraft and aircrew lease increased by USD 6.2 million, or 31%, as a result of an increase in the number of charter projects. Other operating revenue amounted to USD 43.6, up by USD 6.1 million, or 16%, as compared to the first quarter of 2015. The principal reason was the increased scope of business between years.

USD thousand	Q1 2016	Q1 2015	Change	% Change
Sale at airports and hotels	14,767	12,503	2,264	18%
Revenue from tourism	16,303	14,201	2,102	15%
Aircraft and cargo handling services	7,280	6,535	745	11%
Maintenance revenue	371	516	-145	-28%
Gain on sale of operating assets	0	103	-103	-
Other operating revenue	4,921	3,699	1,222	33%
Total	43,642	37,557	6,085	16%

EXPENSES

- **Total expenses amounted to USD 210.7 million**
- **Fuel cost down by 22%**
- **Other expenses up as a result of expanded business activities**

USD thousand	Q1 2016	Q1 2015	Change	% Change	% of exp. '16
Salaries and other personnel expenses	71,476	57,087	14,389	25%	34%
Aviation expenses	80,149	81,903	-1,754	-2%	38%
Other operating expenses	59,115	49,353	9,762	20%	28%
Total	210,740	188,343	22,397	12%	100%

Salaries and other personnel expenses amounted to USD 71.5 million, as compared to USD 57.1 million in the first quarter of last year. The reasons are the increased scope of business, contractual wage increases and the strengthening of the ISK against the USD over the comparison period, as most of the Company's wage costs are in ISK.

Because of the lower fuel prices in the period, as compared to the same period of last year, aviation expenses fell by USD 1.8 million despite the significant increase in the scope of the Company's business.

USD thousand	Q1 2016	Q1 2015	Change	% Change	% of exp. '16
Aircraft fuel	34,137	43,610	-9,473	-22%	43%
Aircraft lease	5,418	5,688	-270	-5%	7%
Aircraft handling, landing and communication	19,643	14,882	4,761	32%	25%
Aircraft maintenance expenses	20,951	17,723	3,228	18%	26%
Total	80,149	81,903	-1,754	-2%	100%

Fuel expenses amounted in total to USD 34.1 million, down by USD 9.5 million, or 22%, from the corresponding period of last year. The world market price of fuel was 41% lower in the first quarter of 2016, as compared to the same quarter of 2015. The Company's reporting price in the quarter, taking hedging into account, was on average USD 486/ton, which is 42% 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. Aircraft lease amounted to USD 5.4 million over the quarter, down slightly in comparison with the first quarter of 2015. Aircraft handling, landing and navigation expenses increased by USD 4.8 million between years, or 32%, as a result of price hikes and increased scope of business. Maintenance expenses amounted to USD 21.0 million, up by USD 3.2 million between years.

Other operating expenses amounted to USD 59.1 million, up by USD 9.8 million between years. The principal reasons are the increased scope of business in the quarter and increased expenditures relating to sales and marketing activities in preparation for the peak season. The table below shows a breakdown of principal items and trends between years.

USD thousand	Q1 2016	Q1 2015	Change	% Change
Operating cost of real estate and fixtures	5,685	5,058	627	12%
Communication	4,889	4,363	526	12%
Advertising	7,520	5,963	1,557	26%
Booking fees and commission expenses	15,364	12,377	2,987	24%
Cost of goods sold	4,848	4,213	635	15%
Customer services	5,340	3,997	1,343	34%
Tourism expenses	8,312	6,989	1,323	19%
Allowance for bad debt	375	-182	557	-
Other operating expenses	6,782	6,575	207	3%
Total	59,115	49,353	9,762	20%

NET FINANCE INCOME

▪ Negative currency effect over the period

USD thousand	Q1 2016	Q1 2015	Change	% Change
Interest income	720	575	145	25%
Interest expenses	-1,128	-1,542	414	-27%
Currency effect	-260	1,852	-2,112	-
Total	-668	885	-1,553	-

Interest expenses in the first quarter amounted to USD 1.1 million, as compared to USD 1.5 million in the first quarter of last year. The currency effect over the quarter was negative by USD 0.3 million, as compared to a positive effect of USD 1.9 million in the corresponding quarter of 2015. Owing to liabilities in excess of assets in Icelandic krónur in the balance sheet the strengthening of the Icelandic króna against the US dollar resulted in an exchange rate loss over the quarter.

BALANCE SHEET AND FINANCIAL POSITION

- **Total assets amounted to USD 1.2 billion at the end of the first quarter**
- **Equity ratio was 37%**
- **Interest-bearing liabilities amounted to USD 62.9 million**

USD thousand	31.03.2016	31.12.2015	Change
Total assets	1,152,537	971,979	180,558
Operating assets	456,590	419,071	37,519
Cash and short term investment	301,684	214,119	87,565
Total equity	421,742	456,531	-34,789
Interest bearing debt	62,928	65,530	-2,602
Net interest bearing debt	-238,756	-148,589	-90,167
Equity ratio	37%	47%	-10 ppt
Current ratio	0.74	0.80	-8%

Operating assets amounted to USD 456.6 million, up by USD 37.5 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 45 aircraft, of which 36 are owned by the Company. The Company's F-50 aircraft are in the process of being sold. The table below shows an overview of the Company's fleet at the end of the first quarter.

Type	Icelandair	Cargo	Loftleiðir	Air Iceland	Fleet 31.03.16	Fleet 31.12.15	Of which owned	Of which leased	Ch. as of 31.12.15
B757 200	22	2	4		28	26	25	3	2
B757 300	1				1	1	1		0
B767 300	2		2		4	4	1	3	0
B737 700			1		1	1		1	0
B737 800			2		2	2		2	0
Fokker F-50				4	4	4	4		0
Bombardier Q200				2	2	2	2		0
Bombardier Q400				3	3	3	3		0
Total	25	2	9	9	45	43	36	9	2

Equity amounted to USD 421.7 million at the end of the first quarter, and the equity ratio was 37%. A dividend approved at the annual general meeting was entered under liabilities as a reduction in equity. The dividend was paid out on 7 April 2016 and amounted to USD 0.54 cents per share, for a total of USD 27.0 million. The equity ratio at the end of 2015 was 47%.

USD thousands	31.03.2016
Balance at 1.1. 2016	456,531
Total comprehensive income	-7,821
Dividend (0.54 US cent per share)	-26,968
Balance at 31.03. 2016	421,742

Interest-bearing liabilities amounted to USD 62.9 million, as compared to USD 65.5 million at the beginning of the year. Payments on long-term liabilities in the first quarter amounted to USD 3.3 million. Cash and marketable securities amounted to a total of USD 301.7 million at the end of the first quarter of 2016, as compared to USD 214.1 million at the beginning of the year. Cash and short time investments in excess of interest-bearing debt therefore amounted to USD 238.8 million at the end of the quarter.

USD thousands	31.03.2016	31.12.2015	Change
Loans and borrowings non-current	52,631	55,387	-2,756
Loans and borrowings current	10,297	10,143	154
Short term investment	59,868	19,533	40,335
Cash and cash equivalents	241,816	194,586	47,230
Net interest bearing debt	-238,756	-148,589	-90,167

CASH FLOW

- **Cash and cash equivalents from operations totalled USD 148.8 million**
- **Cash and cash equivalents at the end of March amounted to USD 241.8 million**

USD thousand	Q1 2016	Q1 2015	Change
Working capital from operations	3,023	1,164	1,859
Net cash from operating activities	148,792	117,687	31,105
Net cash used in investing activities	-99,801	-37,611	-62,190
Net cash used in/from financing activities	-3,295	19,880	-23,175
Cash and cash equivalents change	45,696	99,956	-54,260
Cash and cash equivalents, end of period	241,816	282,655	-40,839

Net cash provided by operating activities in the first quarter amounted to USD 148.8 million, up by USD 31.1 million from the first quarter of 2015. Payments on long-term liabilities amounted to USD 3.3 million in the quarter. Cash increased by USD 45.7 million over the quarter. The positive currency effect on cash amounted to USD 1.5 million.

INVESTMENTS

- **Investments amounted to a total of USD 56.7 million**

Investments in operating assets amounted to USD 56.0 million, for the most part due to investments in aircraft and aircraft components, as two Boeing 757 aircraft were purchased in the course of the quarter. The Company also invested in two apartment buildings at Keflavik airport to accommodate employees working at the airport.

USD thousand	Q1 2016
Operating assets:	
Aircraft and aircraft components	37,386
Overhaul own aircraft	10,844
Other	7,756
Total operating assets	55,986
Long term cost	
Overhaul leased aircraft	370
Intangible assets	362
Total Capex	56,718

Substantial investments will also be made in the second quarter, e.g. the purchase of the property that accommodates Icelandair Hotel Akureyri.

OUTLOOK FOR ICELANDAIR GROUP HF.

- **Profitable organic growth projected in 2016**
- **New aircraft types introduced in the fleet**
- **Extensive development of the Company's hotel operations**
- **Significant opportunities in tourism-related business in Iceland**

The prospects for Icelandair Group's international operations in 2016 are favourable. The flight schedule for 2016 provides for a 24% increase in available seat kilometres between years. The number of passengers is projected at 3.7 million, as compared to 3.1 million in 2015. Flights will be offered to 43 destinations, four more than last year. The new destinations are Chicago in the U.S., Montreal in Canada, Aberdeen in Scotland and Orly Airport in Paris, France. However, the increase in capacity is mostly a result of the increase in flights to the Company's existing destinations in North America and Europe. Twenty-eight aircraft will be used on scheduled air services, four more than in 2015. Two Boeing 767-300 are being added to the Company's fleet. The new aircraft will seat 262 passengers, while the Company's Boeing 757 aircraft carry 183 passengers.

The Company's Route Network is based on two connection banks in Iceland. The main bank features departures from Keflavik International Airport to Europe in the morning and to North America in the afternoon. In recent years the Company has been developing a second connection bank based on departures from Keflavik International Airport to North America just before noon and to Europe around midnight; the focus in 2016 will be on developing this connection bank further. The year is off to a good start, with a large increase in passenger numbers between years and a positive passenger load factor. The booking status for the coming months is favourable, with bookings for the summer in line with projections. The assumption is that average air fares will fall in the course of the year as prices in fuel hedging contracts are generally declining, in addition to the fact that fuel prices have remained low.

A milestone was passed in the history of Air Iceland when the first Bombardier Q-400 arrived in Iceland in early March. A total of three Q-400 aircraft will replace the Company's Fokker aircraft. Two Q-200 aircraft that the Company has been using for about a decade will continue in service. The Bombardier Q-400s are faster than the Fokkers, which will enable flights to farther destinations, such as Aberdeen in Scotland in partnership with Icelandair, and the addition of a new destination in Greenland, Kangerlussuaq, the Company's fifth destination in that country. The great 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.

Icelandair Group's hotel operations have expanded greatly in recent years, and further large hotel projects have been announced. A Canopy Reykjavik City Centre, hotel of 112 rooms, will open downtown Reykjavik in early June in co-operation with the Hilton Hotel chain. An agreement has also been reached with the Hilton Hotel chain on the operation of two high-quality hotels in the heart of Reykjavik under the Curio-collection brand, a chain of unique high-quality hotels in the world. The first will have 50 rooms and is scheduled to open in 2017. The second will have 160 rooms and is expected to open in 2018. Work is also in progress on developing a hotel at Lake Mývatn in northern Iceland. The plan is to open a hotel with 40-50 rooms within two years, which reflects the Company's strategy of strengthening winter tourism and building up the tourism infrastructure around the country.

For years the increase in numbers of tourists to Iceland has exceeded world averages and this trend is projected to continue. The figures on the growth in the number of tourists to Iceland reflect this trend, with the growth between years at 35%. The opportunities for the Company's expansion in tourism-related services therefore remain extensive, and work will continue on increasing the proportion of tourists outside the peak season, in addition to increasing their distribution throughout the country in order to reduce the pressure on overloaded tourist spots.

The Company's fuel hedging position 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)	Swap volume	% hedged	Av. swap price USD
Apr 16	22,045	12,630	57%	616
May 16	32,435	19,720	61%	643
Jun 16	41,200	23,700	58%	637
Jul 16	43,760	23,800	54%	592
Aug 16	43,816	24,700	56%	536
Sep 16	38,878	22,600	58%	521
Oct 16	31,472	18,500	59%	514
Nov 16	24,340	12,500	51%	499
Dec 16	23,738	13,500	57%	470
Jan 17	24,727	11,250	45%	399
Feb 17	21,251	10,250	48%	399
Mar 17	24,722	12,000	49%	443
12 months	372,384	205,150	55%	539*
Apr 17	27,174	-	-	-
May 17	32,618	-	-	-
Jun 17	40,836	4,000	10%	456
Jul 17	43,147	4,000	9%	471
Aug 17	43,281	4,000	9%	469
Sep 17	38,306	-	-	-
13-18 months	225,363	12,000	5%	465*

* weighted average price

EBITDA GUIDANCE FOR 2016

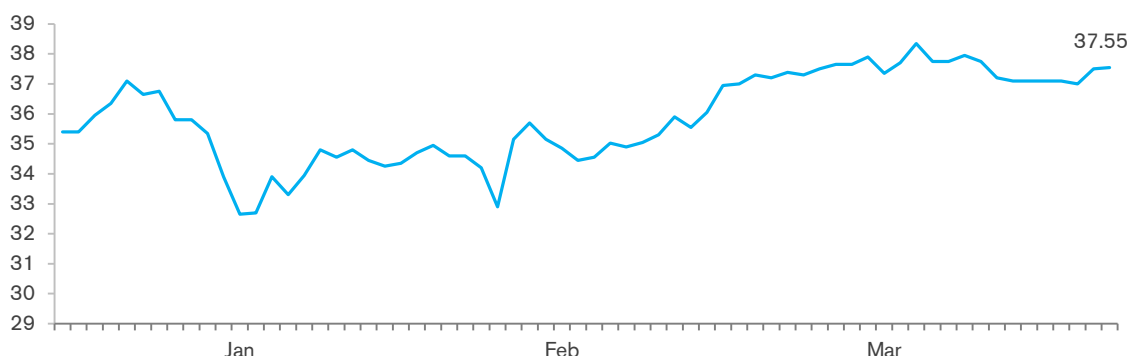
The updated EBITDA guidance for 2016 is USD 235-245 million, which is a decrease from the February guidance of USD 245-250 million. Fuel price development, cost increases, especially salary hikes, and falls in air fares are the main factors for the reduction.

The revised forecast assumes a fuel price (net of hedging) of USD 378/ton in April and USD 400/ton in May – December, as compared to 350 USD/ton in the February forecast. The ISK is forecasted on average 191 for the remainder of 2016 which is a 5% strengthening from the February forecast. About a third of the Company's expenses are in ISK. On the other hand, the average rate of the EUR against the USD is now projected at 1.12 over the period, as compared to 1.08 in the February forecast.

SHAREHOLDERS

- Icelandair Group's share price was ISK 37.55 at the end of the first quarter
- The market value at the end of March was ISK 187.8 million

The highest close-of-day price per share of the first quarter was ISK 38.35, the lowest price was ISK 32.65 per share, and the average price over the period was ISK 35.88 per share. Trades in Icelandair Group shares were 1,782 in the quarter and the total turnover of trading was ISK 45.4 billion. The average size of individual trades was ISK 25.5 million. The price of shares in the Company rose by 6% over the quarter and the number of shareholders was 2,475 at the end of the quarter, increasing by 88 from the beginning of the year. The number of issued shares on 31 March 2016 was 5,000,000,000, and the number of outstanding shares at the same time was 4,974,540,000. The Chart below shows the share-price trend in 2016 in ISK:



PRESENTATION MEETING 29 APRIL 2016

An open presentation for stakeholders will be held on Friday 29 April 2016 at the Icelandair Hotel Reykjavik Natura. Bogi Nils Bogason, CFO of Icelandair Group, 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/>

APPROVAL OF QUARTERLY STATEMENT

The consolidated accounts of Icelandair Group for the first quarter of 2016 were approved at a meeting of the Board of Directors on 28 April 2016.

FINANCIAL CALENDAR

- Financial statement for the second quarter – 28 July 2016
- Financial statement for the third quarter – 28 October 2016
- Financial statement for the fourth quarter – week 06, 2017
- Annual General Meeting – Week 11, 2017

FOR FURTHER INFORMATION PLEASE CONTACT:

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