2018 Results Presentation

2018 full year results

27 February 2019

Disclaimer

This report shows the most significant data of Aena S.M.E., S.A. and its subsidiaries (“Aena” or “the Company”) and its management during 2018, including the most significant information on all business areas, the main figures and the lines of action that have guided the management of the Company.

The Presentation has been prepared:

(i) Only for use during the presentation of the 2018 financial results; accordingly the Presentation does not constitute an offer or invitation: (a) to purchase or subscribe shares, in accordance with the provisions of Law 24/1988 of 28 July (as amended and recast) on the securities market and its enabling regulations; or (b) to purchase, sell, exchange or solicit an offer to purchase, sell or exchange securities, or to request any vote or authorisation, in any other jurisdiction; nor should it be interpreted in this sense.

(ii) For informative purposes, given that the information it contains is purely explanatory; to this end, it should be indicated that the information and any opinion or statement made in the Presentation (including the information and statements on forecasts, as defined below) (hereinafter the “Information”) has not been the subject of revision or verification by any independent third party or any auditor of the Company, and certain financial and statistical information of this Presentation is subject to rounding adjustments. Consequently, neither the Company nor its directors, managers, employees, or any of its subsidiaries or other companies in the Company’s group:

(a) offers any guarantee, express or implicit, with regard to the impartiality, accuracy, completeness or correctness of the Information.

(b) assumes any kind of responsibility, whether for negligence or any other reason, for any damage or loss resulting from any use of the Presentation, its content or any Information it contains.

The Presentation contains information and statements on forecasts regarding the Company and its group (the "Information and Statements on Forecasts"); said Information and Statements on Forecasts (which, in general terms, are identified by means of the words 'expects', 'anticipates', ‘foresees', 'considers', 'estimates', ‘hopes', 'determines' or similar expressions, among others) may include statements regarding the expectations or forecasts of the Company, as well as assumptions, estimations or statements about future operations, future results, future economic data and other conditions such as the development of its activities, trends in the activity sector, future capital expenditure and regulatory risks and acquisitions. However, it is important to take into account that the Information and Statements on Forecasts:

(i) is not a guarantee of expectations, future results, operations, capital expenditure, prices, margins, foreign exchange rates or other data or events;.

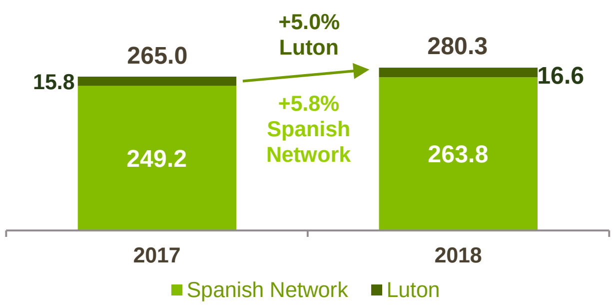
(ii) is subject to material and other kinds of uncertainties and risks (including, among others, the risks and uncertainties described in any presentation that the Company might make to Spain’s CNMV (National Securities Commission), changes and other factors that may escape the control of the Company or may be difficult to foresee, which could condition and cause the results to be different (in their entirety or in part) from those contemplated in the Information and Statements on Forecasts.

It must also be borne in mind that, except when required by the legislation in force, the Company does not commit to updating the Information and Statements on Forecasts if the facts are not exactly as described, or following any event or circumstance that may take place after the date of the Presentation, even if such events or circumstances make it possible to determine clearly that the Information and Statements on Forecasts will not materialise or make such Information and Statements on Forecasts inexact, incomplete or incorrect.

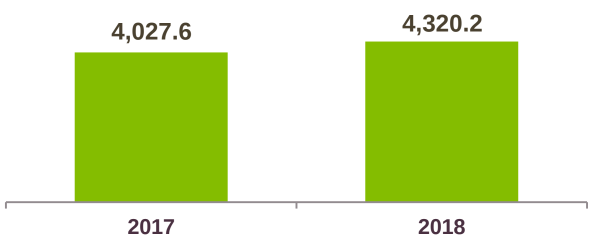
Table of Contents

I. Key highlights

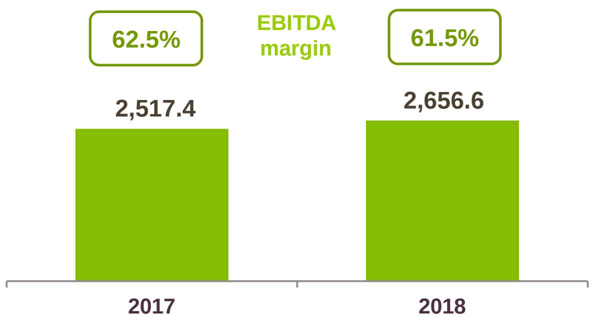
Passengers[1] (M): +5.8%



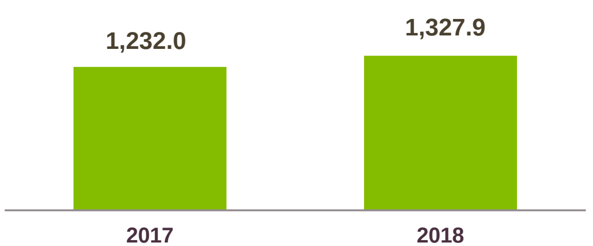
Total Revenue (€M): +7.3%



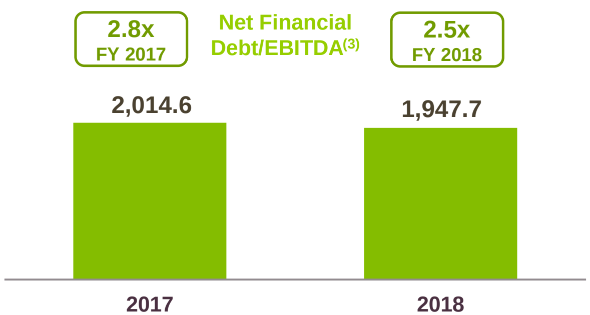
EBITDA[2] (€M): +5.5%



Net profit (€M): +7.8%



Operating Cash Flow (€M): -3.3%



The Board of Directors of Aena S.M.E., S.A. proposes to the Ordinary General Shareholders Meeting the distribution of a gross dividend of 6.93 euros per share[4] out of 2018 net profit. This dividend, which implies distributing 80% of net profit, representing a 6.6% growth.

(1) Total passengers in the Spanish airport network and at Luton airport. Not including traffic at airports of non-consolidated associates.
(2) Reported EBITDA
(3) Accounting net financial debt calculated as: Total consolidated Financial Debt (current and non-current) minus Cash and cash equivalents.
(4) Calculated as: 80% of the Net Profit of the issuer (Aena, SM.E. S.A.) in 2018

Table of Contents

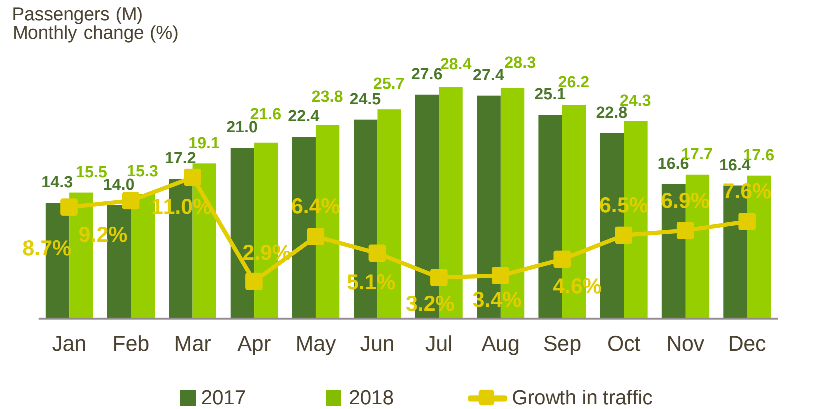
II. Traffic data

Passengers, aircraft movements and cargo

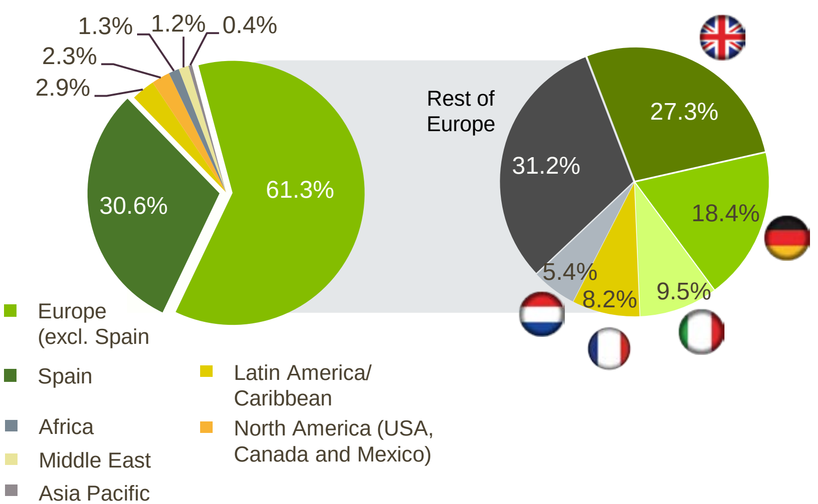
Spanish Network	2018	2017	Variation
Passengers	263,753,406	249,218,316	+5.8%
Operations	2,300,189	2,174,424	+5.8%
Cargo (kg.)	1,010,873,428	919,913,456	+9.9%

Luton	2018	2017	Variation
Passengers	16,581,850	15,799,219	+5.0%
Operations	136,270	135,538	+0.5%
Cargo (kg.)	27,096,000	22,061,000	+22.8%

Monthly evolution of passenger traffic(1)



Breakdown of passenger traffic(1) by markets



Passenger traffic(1) by airports and groups of airports

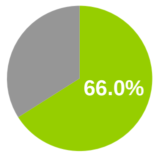
Airports/Groups(2)	Passengers(1) (M)	Var. (%)	Share (%)	% Var. Domestic	% Var. International
A.S. Madrid-Barajas	57.9	8.4%	21.9%	7.4%	8.8%
Barcelona - El Prat	50.2	6.1%	19.0%	5.7%	6.2%
Palma de Mallorca	29.1	4.0%	11.0%	9.9%	2.2%
Canary Islands Group	45.3	2.8%	17.2%	15.5%	-3.3%
Group I	66.2	6.0%	25.1%	11.2%	4.1%
Group II	13.6	6.5%	5.2%	8.9%	3.1%
Group III	1.5	18.2%	0.6%	14.7%	73.4%
TOTAL	**263.8**	**5.8%**	**100.0%**	**10.0%**	**4.1%**

(1) Total passengers in the Spanish airport network.
(2) Group I: Alicante-Elche, Bilbao, Girona, Ibiza, Málaga-Costa del Sol, Menorca, Seville and Valencia.
Group II: A Coruña, Almería, Asturias, FGL Granada-Jaén, Jerez de la Frontera, Murcia-San Javier, Reus, Santiago, SB-Santander, Vigo and Zaragoza.
Group III: Albacete, Algeciras-Heliport, Badajoz, Burgos, Ceuta-Heliport, Córdoba, Huesca-Pirineos, Logroño, Madrid-Cuatro Vientos, Melilla, Pamplona, Sabadell, Salamanca, San Sebastián, Son Bonet, Valladolid and Vitoria.

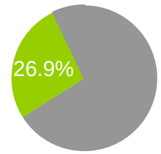
II. Performance by business lines

2018	Airports: Aeronautical	Airports: Commercial	Real estate services	International

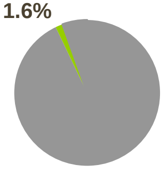
Total revenue €4,320.2 M +7.3%



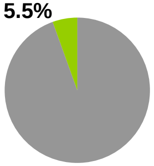
€2,852.8 M (+6.0%)



€1,162.4 M (+9.6%)

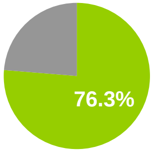


€69.0 M (+12.9%)

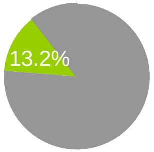


€238.1 M (+10.5%)

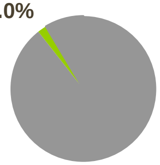
Total operating expenses €2,470.0 M +6.9%



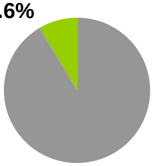
€1,885.0 M (+6.2%)



€326.8 M (+11.0%)

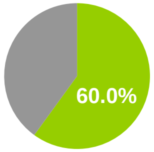


€48.9 M (+3.9%)

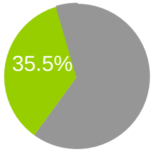


€211.3 M (+7.9%)

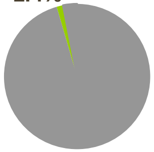
EBITDA €2,656.6 M +5.5%



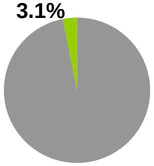
€1,594.8 M (+3.0%)



€942.9 M (+8.0%)



€36.7 M (+20.3%)



€82.2 M (+27.3%)

2018	Aeronautical	Commercial	Real estate services	International
EBITDA margin 61.5%	**EBITDA margin 55.9%**	**EBITDA margin 81.1%**	**EBITDA margin 53.2%**	**EBITDA margin 34.5%**

II. Commercial Information. Ordinary revenue

Business lines (Thousands of euros)	Revenue		Variation		MAG[1]	
	2018	2017	Thousands of €	%	2018	2017
Duty Free Shops	318,046	309,017	9,029	2.9%		
Food & Beverage	200,690	175,643	25,047	14.3%		
Specialty shops	106,428	91,703	14,725	16.1%		
Car Parks	143,797	132,013	11,784	8.9%		
Car Rental	152,739	149,373	3,366	2.3%		
Advertising	33,171	31,561	1,610	5.1%		
Leases	33,591	32,129	1,462	4.6%		
VIP services[2]	64,228	41,053	23,175	56.5%		
Other commercial revenue[3]	91,460	86,759	4,701	5.4%		
Commercial	**1,144,150**	**1,049,251**	**94,899**	**9.0%**	**123,989**	**79,224**
Average commercial revenue (€) / passenger	**4.34**	**4.21**	**0.13**	**3.0%**		

(1) Minimum Annual Guaranteed Rent.
(2) Includes use of lounges and free access zones and fast track.
(3) Includes: Commercial operations, commercial supplies, filming and recording and aircraft hangaring.

Total ordinary commercial revenue includes the minimum guaranteed rents (MAG) recognised under contracts in the following business lines: Duty free shops, Food and beverage, Specialty shops, Advertising and Other commercial activities.

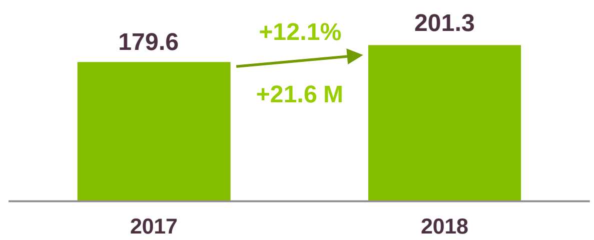
In 2018 the minimum annual guaranteed rents (MAGs) account for 16.5% of the revenue for business lines with contracts that include these clauses (11.4% in 2017).

II. International shareholdings

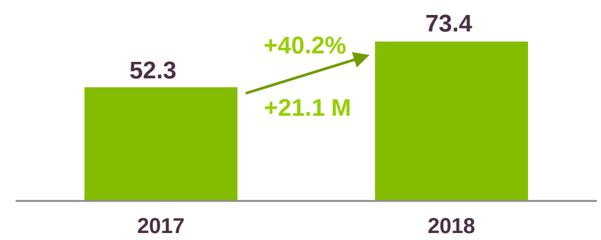
Luton

Passengers (M)

Revenue (£M)

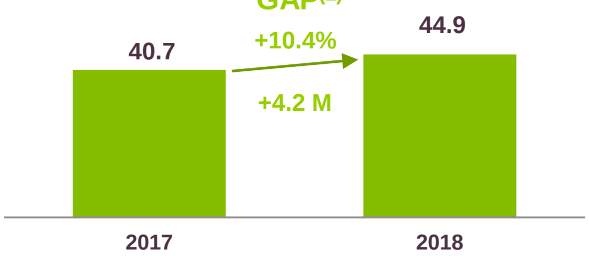


EBITDA (£M)

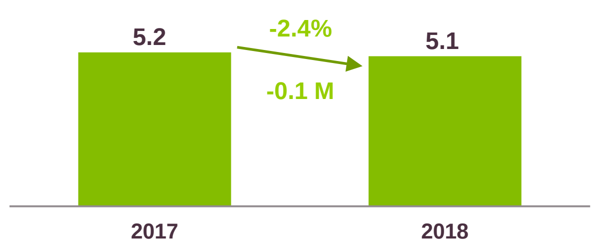


Other shareholdings: Evolution of passenger traffic (M)

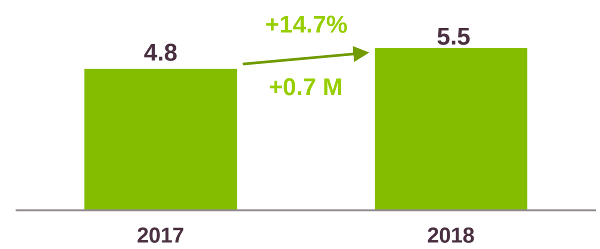
GAP(1)



Aerocali



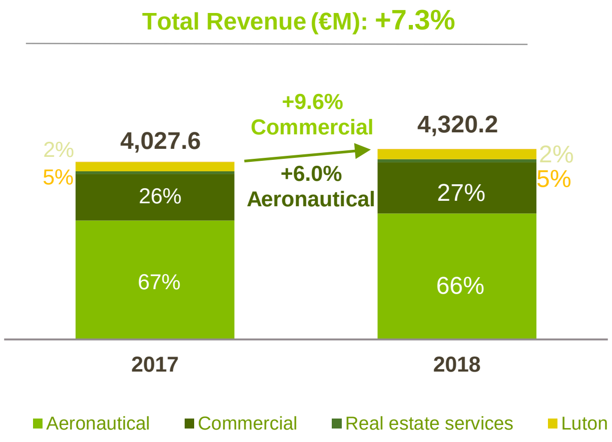
SACSA

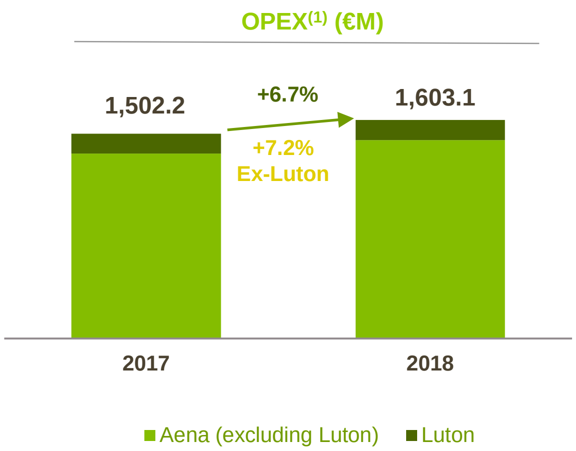


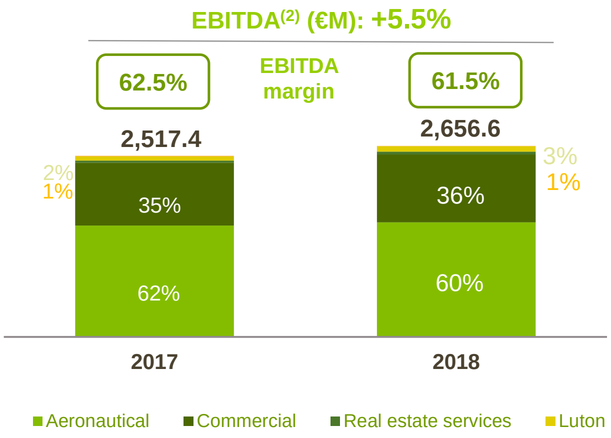
(1) Includes traffic at Sangster International Airport, Montego Bay, Jamaica.

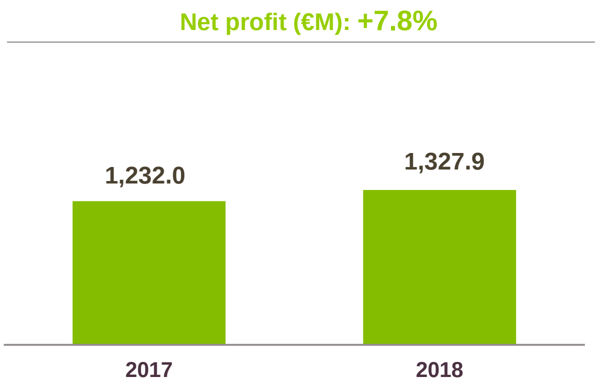
Table of Contents

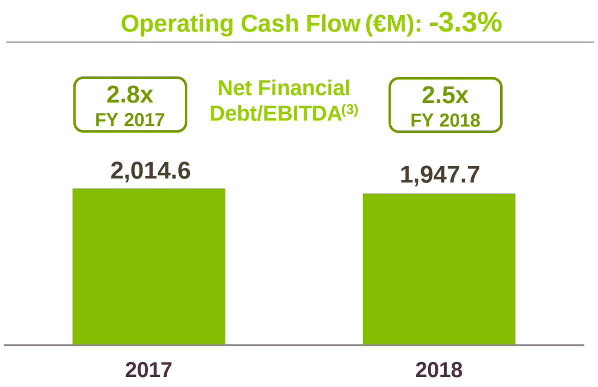
III. Financial results

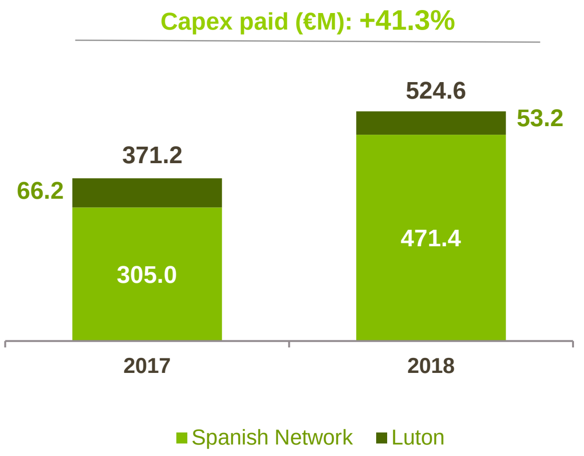












(1) OPEX includes: Supplies, Staff costs and Other operating expenses
(2) Reported EBITDA
(3) Accounting net financial debt calculated as: Total consolidated financial debt (current and non-current) less Cash and cash equivalents.

III. Some explanations to the financial results

In 2018, the revenue from minimum annual guaranteed rents (MAG) rose to €124.0 million (€79.2 million in 2017), representing 16.5% of the revenue of the business lines that have contracts with these clauses (11.4% in 2017). This difference is due, in large part, to the sales evolution (€22.2 million), to the conditions agreed in the new contracts (€15.0 million) and to the increase collected from the current contracts (€3.4 million).

Ordinary revenue of Real Estate Services grew by +€7.5 million or +12.6% due in part to the coming into force at the end of 2017 of new contracts at Adolfo Suárez Madrid-Barajas Airport, the amounts of which were recognised entirely in 2018. Excluding regularisations, growth would have been 7.0%.

Operating expense (Supplies, Staff Costs and Other Operating Expenses) grew by +6.7% (+7.2% excluding Luton) as a result of the increased volumes of traffic, the improved quality of services provided and the inflationary pressure reflected in the new contracts.

Reported EBITDA has increased to €2,656.6 million, which represents an increase of 5.5% compared to 2017, including €78.7 million of the consolidation of Luton and the exceptional impact of €19.6 million derived from the interruption of the civil operations at the Murcia San Javier airport. Excluding this effect, EBITDA would have reached €2,676.1 million, which would have represented growth of 6.3%.

Luton's reported EBITDA in GBP has increased by 21.0 million impacted by the exceptional expense in 2017 of GBP 6.9 million (€8.0 million) (closure of the defined benefits pension plan, which took place on 31 January 2017), and the charge on 30 June 2018 of an exceptional staff bonus of GBP 3.0 million for the period 2013-2018. Excluding both effects, EBITDA in GBP would have increased by GBP +14.3 M and would have meant growth of 24.5%.

The decline in operating cash flow by -3.3%% to €1,947.7 million from €2,014.6 million in 2017 was affected by the collection in 2017 of a refund of corporation tax for 2015 (€110.5 million) and the change in payment method by an airline in 2018 (from pre-payment to guarantee, €28.4 million). Excluding both effects, operating cash flow would have increased by +3.8%.

III. Income statement

€M	2018	2017	Variation €M	Variation %
Ordinary revenue	**4,201.4**	**€3,960.6**	**240.8**	**6.1%**
Airports: Aeronautical	2,754.2	2,638.5	115.7	4.4%
Airports: Commercial	1,144.2	1,049.3	94.9	9.0%
Real Estate Services	67.2	59.7	7.5	12.6%
International	237.9	215.3	22.5	10.5%
Adjustments(1)	-2.1	-2.2	0.1	-6.4%
Other operating revenue	**118.8**	**67.0**	**51.8**	**77.3%**
Total Revenue	**4,320.2**	**4,027.6**	**292.7**	**7.3%**
Supplies	-172.9	-174.2	-1.2	-0.7%
Staff costs	-423.7	-417.2	6.6	1.6%
Other operating expenses	-1,008.3	-910.9	97.4	10.7%
Losses, impairments and change in trading provisions	1.8	0	1.8	-
Impairment and net gain or loss on disposals of fixed assets	-62.4	-10.9	51.4	471.3%
Other results	1.8	3.0	-1.1	-38.4%
Depreciation and amortization	-806.4	-800.0	6.3	0.8%
Total operating expenses	**-2,470.0**	**-2,310.2**	**159.8**	**6.9%**
Reported EBITDA	**2,656.6**	**2,517.4**	**139.2**	**5.5%**
% Margin (on Total Revenue)	*61.5%*	*62.5%*	-	-
EBIT	**1,850.2**	**1,717.4**	**132.8**	**7.7%**
% Margin (on Total Revenue)	*42.8%*	*42.6%*	-	-
Finance expenses and Other financial results	-132.7	-144.2	-11.5	-8.0%
Interest expense on expropriations	-0.3	4.6	4.9	106.8%
Share in profit from affiliates	20.2	18.9	1.2	6.5%
Profit/ (loss) before tax	**1,737.4**	**1,596.7**	**140.6**	**8.8%**
Corporate Income tax	-409.6	-374.7	34.9	9.3%
Consolidated profit (/loss) for the period	**1,327.8**	**1,222.0**	**105.8**	**8.7%**
Profit / (loss) for the period attributable to minority interest	-0.1	-10.0	9.9	98.7%
Profit/loss for the period attributable to shareholders of the parent company	**1,327.9**	**1,232.0**	**95.9**	**7.8%**

(1) Adjustments among segments.

III. Cash Flow statement

€M	2018	2017	Variation €M	Variation %
Profit/ (loss) before tax	**1,737.4**	**1,596.7**	140.6	*8.8%*
Depreciation and amortisation	806.4	800.0		
Changes in working capital	-181.2	-107.6		
Financial results	133.0	139.6		
Shareholding in affiliates	-20.2	-18.9		
Interest flows	-130.9	-131.7		
Tax flows	-396.8	-263.5		
Operating cash flow	**1,947.7**	**2,014.6**	*-67.0*	*-3.3%*
Acquisition of property, plant and equipment	-524.6	-371.2		
Operations with affiliates	5.0	5.4		
Dividends received	20.1	17.1		
(Repayment) / Obtaining financing	-765.3	-784.5		
Other flows from investment / financing activities / dividends distribution	-886.4	-592.6		
Cash flow from Investing/Financing	**-2,151.2**	**-1,725.9**	*-425.3*	*24.6%*
Exchange rate impact	0.0	1.6		
Cash and cash equivalents at the start of the period	855.0	564.6		
Net (decrease)/increase in cash and cash equivalents	-203.6	290.4	*-494.0*	*-170.1%*
Cash and cash equivalents at the end of the period	**651.4**	**855.0**	*-203.6*	*-23.8%*

Table of Contents

IV. Outlook for 2019

Passenger traffic scenario	• Passenger volume (1) in 2019 is estimated to grow by 2.0%. This growth could vary by around ± 0.5%.
Regulated business	• In relation to airport tariffs, in 2019 they remain stable compared to 2018 at €10.42 per passenger. • The fulfilment of the objectives established in the Airport Regulation Document (DORA) will be prioritized.
Commercial Activity	• Implementation of an Action Plan to improve the commercial performance of the Duty Free business and definition of a contractual strategy for the renewal of the Duty Free contract in 2020. • Awarding of the new Advertising contract. • Renewal of the commercial offer of Specialty shops and Food & Beverage for the contracts that expire in 2019.
Real Estate Services	• Definition and design of the corporate and legal business model for the Real Estate development plans of Madrid and Barcelona. • Start of the tender process to select potential partners.
International Growth	• Analysis of opportunities with special emphasis on the Latin American and European markets. • Consolidation of current assets.
Shareholder remuneration policy	• Commitment of a dividend distribution of an amount equivalent to 80% of the annual net profit of the parent company Aena, SME, S.A. in the terms detailed in the shareholder remuneration policy.

(1) Passengers on the network of airports in Spain.

Table of Contents

V. Appendix. Other financial information. Key figures. Quarterly evolution

€M	First Quarter			Second Quarter			Third Quarter			Fourth Quarter			Total		
	2018	2017	Var.	2018	2017	Var.	2018	2017	Var.	2018	2017	Var.	2018	2017	Var.
Consolidated traffic (thousands of passengers)[1]	**53,160.2**	**48,701.6**	**9.2%**	**75,631.8**	**72,191.3**	**4.8%**	**87,983.2**	**84,861.5**	**3.7%**	**63,560.1**	**59,263.1**	**7.3%**	**280,335.3**	**265,017.5**	**5.8%**
Traffic in Aena's Spanish network (thousands passengers)	**49,883.6**	**45,454.3**	**9.7%**	**71,184.4**	**67,901.0**	**4.8%**	**83,035.2**	**80,074.1**	**3.7%**	**59,650.2**	**55,788.7**	**6.9%**	**263,753.4**	**249,218.3**	**5.8%**
Total Revenue	**841.8**	**794.2**	**6.0%**	**1,123.5**	**1,067.4**	**5.3%**	**1,285.1**	**1,234.7**	**4.1%**	**1,069.9**	**931.3**	**14.9%**	**4,320.3**	**4,027.6**	**7.3%**
Aeronautical Revenue	544.3	515.9	5.5%	729.5	702.0	3.9%	834.1	817.7	2.0%	638.6	603.0	5.9%	2,746.5	2,638.6	4.1%
Commercial Revenue	220.1	203.6	8.1%	299.0	273.6	9.3%	352.4	326.4	8.0%	268.0	245.7	9.1%	1,139.5	1,049.2	8.6%
Real Estate Services	16.3	14.9	9.1%	16.9	14.4	17.4%	17.2	15.2	13.3%	16.7	15.2	10.6%	67.1	59.7	12.6%
Aeropuerto Int. Región de Murcia	0.0	0.0	-	0.0	0.0	-	0.0	0.0	-	12.4	0.0	-	12.4	0.0	-
International[2]	47.2	44.0	7.3%	63.0	57.9	8.8%	68.9	62.9	9.5%	56.8	48.3	17.6%	235.9	213.1	10.7%
Other revenue	13.9	15.8	-12.0%	15.1	19.5	-22.6%	12.5	12.6	-0.6%	77.4	19.1	304.7%	118.9	67.0	77.5%
Total operating expenses	**-677.8**	**-673.5**	**0.6%**	**-562.6**	**-530.7**	**6.0%**	**-580.2**	**-536.7**	**8.1%**	**-649.5**	**-569.2**	**14.1%**	**-2,470.1**	**-2,310.2**	**6.9%**
Supplies	-42.8	-44.2	-3.2%	-43.9	-43.6	0.7%	-42.8	-43.7	-2.1%	-43.4	-42.7	1.7%	-172.9	-174.2	-0.7%
Staff costs	-103.1	-109.4	-5.8%	-107.3	-101.2	6.0%	-102.4	-96.6	6.0%	-111.0	-109.8	1.0%	-423.8	-417.0	1.6%
Other operating expenses[3]	-331.5	-319.5	3.8%	-207.2	-186.6	11.0%	-232.0	-199.7	16.2%	-235.8	-205.2	14.9%	-1,006.4	-911.1	10.5%
Depreciation and Amortisation	-200.2	-199.5	0.4%	-201.4	-197.5	2.0%	-200.7	-196.7	2.0%	-204.1	-206.4	-1.1%	-806.4	-800.1	0.8%
Impairment and profit/(loss) on fixed asset disposals and other results	-0.2	-1.0	-78.9%	-2.8	-1.8	55.6%	-2.3	0.0	-	-55.3	-5.1	-991.1%	-60.6	-7.9	670.2%
Total operating expenses (excl. Luton)	**-633.7**	**-623.3**	**1.7%**	**-507.7**	**-483.2**	**5.1%**	**-526.3**	**-488.3**	**7.8%**	**-598.5**	**-525.1**	**14.0%**	**-2,266.2**	**-2,120.0**	**6.9%**
Supplies	-42.8	-44.2	-3.2%	-43.9	-43.6	0.7%	-42.8	-43.7	-2.1%	-43.4	-42.7	1.7%	-172.9	-174.2	-0.7%
Staff costs	-93.3	-91.9	1.5%	-93.0	-91.0	2.3%	-91.2	-86.0	6.0%	-99.4	-100.4	-1.0%	-376.9	-369.3	2.1%
Other operating expenses[3]	-309.5	-297.9	3.9%	-180.2	-160.6	12.2%	-203.4	-172.7	17.8%	-211.7	-182.4	16.0%	-904.8	-813.5	11.2%
Depreciation and Amortisation	-187.9	-188.4	-0.2%	-187.9	-186.3	0.8%	-186.7	-185.9	0.4%	-188.9	-195.4	-3.4%	-751.3	-756.0	-0.6%
Impairment and profit/(loss) on fixed asset disposals and others results	-0.2	-1.0	-80.0%	-2.8	-1.8	53.3%	-2.1	0.0	-	-55.3	-4.1	1,253.3%	-60.3	-6.9	82.3%
EBITDA	**364.2**	**320.2**	**13.7%**	**762.3**	**734.2**	**3.8%**	**905.6**	**894.7**	**1.2%**	**624.5**	**568.4**	**9.9%**	**2,656.6**	**2,517.5**	**5.5%**
EBITDA (excl. Luton)	**350.8**	**317.4**	**10.5%**	**742.5**	**714.8**	**3.9%**	**879.0**	**871.5**	**0.9%**	**605.5**	**555.1**	**9.1%**	**2,577.9**	**2,458.8**	**4.8%**
Consolidated profit (/loss) for the period	**111.2**	**80.8**	**37.5%**	**403.3**	**380.0**	**6.1%**	**504.0**	**504.5**	**-0.1%**	**309.4**	**266.5**	**16.1%**	**1,327.9**	**1,231.9**	**7.8%**

(1) Total passengers in the Spanish airport network and at Luton Airport.
(2) Net of adjustment among segments.
(3) Net of losses, impairment and changes in provisions in trading provisions (€1.8 million in 2018)

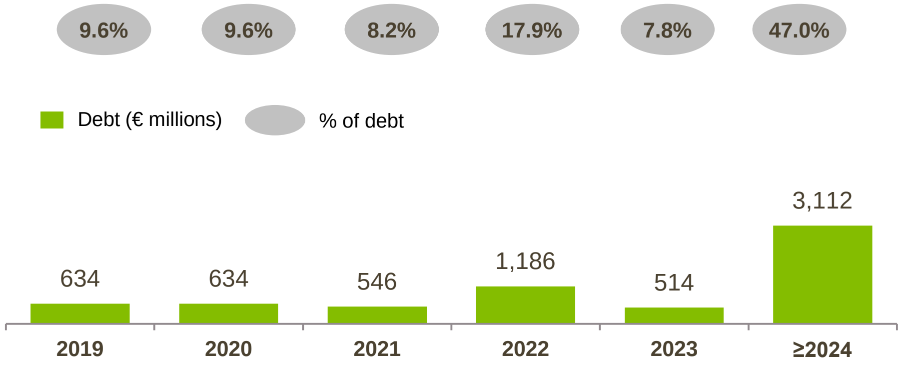
V. Appendix. Other financial information. Balance sheet

€M	2018	2017
Property, plant and equipment	12,872.8	13,205.9
Intangible assets	507.0	491.2
Investment properties	138.2	135.1
Investments in affiliates	65.4	64.0
Other non-current assets	202.2	197.4
Non-current assets	**13,785.6**	**14,093.6**
Inventories	7.3	7.1
Trade and other receivables	454.8	351.8
Cash and cash equivalents	651.4	855.0
Current assets	**1,113.5**	**1,213.8**
Total assets	**14,899.1**	**15,307.4**

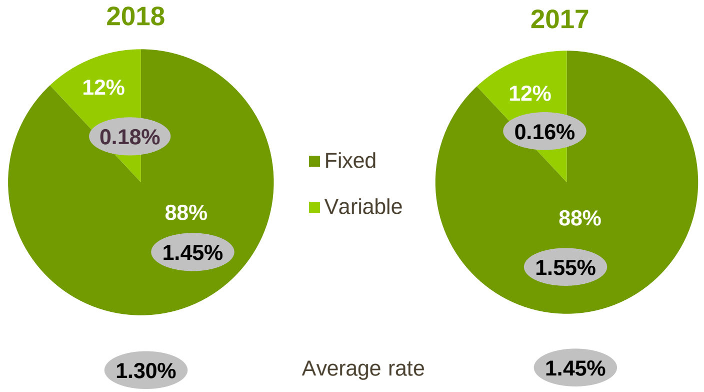
€M	2018	2017
Share capital	1,500.0	1,500.0
Share premium	1,100.9	1,100.9
Retained profit/(losses)	3,534.6	3,180.0
Other reserves	-100.6	-98.5
Minority interests	-11.1	5.4
Total equity	**6,023.8**	**5,687.9**
Financial debt	6,573.1	7,276.0
Provision for other liabilities and expenses	84.7	70.9
Grants	495.6	511.9
Other non-current liabilities	223.4	276.3
Non-current liabilities	**7,376.8**	**8,135.2**
Financial debt	732.4	734.9
Provision for other liabilities and expenses	60.2	83.9
Grants	35.2	40.2
Other current liabilities	670.7	625.4
Current liabilities	**1,498.5**	**1,484.4**
Total liabilities	**8,875.3**	**9,619.6**
Total net equity and liabilities	**14,899.1**	**15,307.4**

V. Appendix. Other financial information. Aena debt excl. Luton

Debt maturity profile(1)
Total: €6,626.2 million; Average life: 10.3 years



Debt structure



Net Financial Debt (covenants)

€M	2018	2017
Gross Financial Debt (Covenants)	(6,892)	(7,666)
Cash and cash equivalents	467	718
Net Financial Debt (Covenants)	(6,425)	(6,948)
Net Financial Debt (Covenants) / EBITDA(2)	2.5x	2.8x

(1) As of 31 December 2018.
(2) Net financial debt / EBITDA ration calculated according to the criteria set in the debt novation agreements reached with banks on 29 July 2014. It does not include non-recourse debt of Luton.

V. Appendix. Passenger figures by airport group(1) .Traffic 2018 vs 2017

(1) Passengers on the network of airports in Spain.

V. Appendix. Traffic information: Traffic by airline (Top 10)

Carrier	Passengers[1] 2018	Passengers[1] 2017	Variation %	Variation Passengers	Share (%) 2018	Share (%) 2017
Ryanair [2]	46,834,426	44,026,566	6.4%	2,807,860	17.8%	17.7%
Vueling	39,388,231	34,802,550	13.2%	4,585,681	14.9%	14.0%
Iberia	19,280,728	17,465,094	10.4%	1,815,634	7.3%	7.0%
Air Europa	17,362,329	15,655,282	10.9%	1,707,047	6.6%	6.3%
Easyjet[3]	16,753,696	15,433,064	8.6%	1,320,632	6.4%	6.2%
Norwegian Air [4]	9,996,446	9,771,993	2.3%	224,453	3.8%	3.9%
Iberia Express	9,532,184	8,577,197	11.1%	954,987	3.6%	3.4%
Air Nostrum	8,414,781	7,748,597	8.6%	666,184	3.2%	3.1%
Jet2.Com	7,241,470	6,058,120	19.5%	1,183,350	2.7%	2.4%
Binter Group[5]	7,051,906	6,148,173	14.7%	903,733	2.7%	2.5%
Total Top 10	**181,856,197**	**165,686,636**	**9.8%**	**16,169,561**	**68.9%**	**66.5%**
Total Low Cost Passengers[6]	**146,228,689**	**135,345,861**	**8.0%**	**10,882,828**	**55.4%**	**54.3%**

(1) Total passengers in the Spanish airport network.
(2) Includes Ryanair Ltd. and Ryanair Sun, SA
(3) Includes Easyjet Switzerland, S.A. and Easyjet Airline Co. Ltd.
(4) Includes Norwegian Air International and Norwegian Air Shuttle A.S.
(5) Includes Binter Canarias, Naysa and Canarias Airlines.
(6) Includes traffic of low-cost carriers on regular flights. Provisional data pending final publication.

Thank you

Consolidated management report

for the financial year closed on 31 December 2018

Aena S.M.E., S.A. and subsidiaries

Webcast/Conference-call:
27 February 2019
13:00 (Madrid time)
https://edge.media-server.com/m6/p/e6ogn9y7

Telephones:
Spain: +34 914 146 280
United Kingdom: +44 (0) 844 571 8892
+44 (0) 207 192 8000
USA: +1 631 510 7495

Access code: 4754058

1. Executive summary

2018 continues to show Aena's[1] outstanding performance in terms of both, operations and results.

The following aspects can be highlighted in this period:

- In relation to the Airport Regulation Document (DORA) for the period 2017-2021, on 24 July 2018 the Board of Directors of Aena approved the proposed charges for 2019, consisting of the freezing of the adjusted maximum annual income per passenger (Spanish acronym: IMAAJ) for 2019 in relation to the maximum annual income per passenger (IMAAJ) for 2018. Said freeze is a consequence of the adjustments the regulation provides in relation to the quality-based performance incentive, the execution of investments and the factor of 100% fulfilment of the adjusted maximum annual income per passenger (Spanish acronym: IMAAJ) at the close of 2017.

  As Independent Supervisory Authority, the National Commission for Markets and Competition (Spanish acronym: CNMC) resolved on 10 December 2018 to declare the rate update approved by Aena applicable.

- At operative level, traffic at the airports managed by Aena continues to break records, with a volume of 280.3 million passengers in the period (+5.8% in comparison with the previous year), including Luton Airport.

  In the airports of the Spanish network, traffic also grew by 5.8%, reaching a new historical record of 263.8 million passengers, driven by the continuity of positive figures from the tourism sector and the excellent performance of national traffic. This growth was in line with Aena's passenger traffic forecast for 2018, estimated to increase by 5.5% (with a ± 1% margin) in the Spanish airport network.

  International traffic continues to grow strongly (4.1%); however, we are witnessing a decline in the number of passengers to and from the UK (-3.0%). Among other things, this is due to the recovery of alternative tourist destinations to Spain and the depreciation of the pound against the euro.

  On the other hand, national traffic is up 10.0%, favoured by the positive evolution of the Spanish economy and the increase of the state bonus for inter-island traffic from 50% to 75%, applied since 28 June 2017 and trips to the Peninsula by residents of the islands, Ceuta and Melilla since 16 July 2018.

- Growth in traffic at Aena's airports contributed to the increase in total revenue to €4,320.2 million (up 7.3% on the same period of 2017[2]), partly offset by the 2.22% reduction in airport charges from 1 March 2017 and a further 2.22% from 1 March 2018.

- In commercial activity, it is worth mentioning that May saw the opening of 49 food and beverages points of sale awarded in the first quarter of 2018 at Barcelona-El Prat Airport. The new offering will occupy a surface area of approximately 16.000 m², which will mean an increase of 19% at this airport and the incorporation of the latest trends in gastronomy.
  The new contracts involve an estimated increase in revenue from this business line in Barcelona of close to 30% relative to 2017 on a full-year basis and with the new minimum annual guaranteed rents.

  Regarding the renewal of the food and beverages offering at Málaga-Costa del Sol Airport, the new tenants opened for business in September. The new offer will maintain a total surface area of more than 6500 m², divided into 25 premises, and the implementation works of the new brands will be completed in the first half of 2019. The new contracts represent an estimated improvement of 30% in revenue from this activity in Málaga relative to 2017 (on a full-year basis and with the new minimum annual guaranteed rents).

- EBITDA for the period reached €2,656.6 million, an increase of 5.5% compared to 2017, including the €78.7 million of the consolidation of Luton and the extraordinary net impact of €19.6 million from the interruption of civil operations at Murcia San Javier airport, once the International Airport of the Region of Murcia (AIRM) has started operations.

  Excluding this impact, EBITDA for the period increased by 6.3% to €2,676.1 million.

  In this financial year, the increase in the costs of services provided by third parties in tenders launched since the end of 2016 has been highlighted, which have come into force with higher associated costs, reflecting the significant increase in traffic experienced in the airports of Aena's network in Spain in recent years, the conditions agreed upon in sectoral collective agreements, as well as the service requirements linked to compliance with DORA's quality levels.

[1] Aena S.M.E., S.A. and Subsidiaries ("Aena" or "the Company")
[2] In this executive summary, the variation percentages for financial figures have been calculated by taking the figures in thousands of euros as the base.

Thus, said increase in costs of services provided by third parties has been reflected in the item "Other operating expenses", which grew by 10.5%, affected by the entry into force in 2018 of the contracts corresponding to the new services of assistance to people with reduced mobility (PMR), the new private security contracts, as well as the start of the cleaning services and luggage trolleys awarded between the second and the third quarter.

- Profit before tax reached €1,737.4 Million compared with €1,596.7 million in 2017, and net profit for the period amounted to €1,327.9 million, 7.8% up on 31 December 2017 (€1,232.0 million).

- Cash flow from operating activities came to €1,947.7 million at the close of the year, down 3.3% compared with €2,014.6 million in 2017, affected by an extraordinary tax refund in 2017 (€110.5 million) and, in 2018, the change of payment method by one airline from pre-payment to guarantee payment (€28.4 million). Excluding both effects, the increase in net cash from operating activities would have increased by 3.8% (€71.9 million).

  The consolidated financial net debt ratio of the Aena Group (calculated as Current financial debt plus Non-current financial debt minus Cash and cash equivalents) has been reduced to 2.5x as of 31 December 2018 compared to 2.8x at 31 December 2017.

  This financial solidity was reflected in Moody's upgrade of Aena's credit rating in April, from "Baa1" to "A3", with the outlook held at stable, confirmed in November (following publication of the Strategic Plan 2018-2021) and in Fitch's confirmation of its "A" credit rating, with outlook stable in May.

- As for the execution of capital expenditure, the amount paid out in the period amounted to €524.6 million (including €53.2 Million invested in Luton airport), representing an increase of €153.4 million relative to the same period of last year, of which €101.8 million corresponded to payments for capex made and certified at the end of 2017. Capital expenditure in the network of airports in Spain centred mainly on security and maintenance, in accordance with the regulated capex programme established in the DORA.

- On October 10, Aena presented its Strategic Plan for the period 2018-2021. The Plan, which was approved by the Board of Directors on 29 May, aims to consolidate the Company's strong growth and promote new lines of business that generate value, through nine lines of action that revolve around the two pillars of the company: the regulated business and the unregulated business.

  In the regulated business, associated with aeronautical activity, the strategy focuses on consolidating leadership, providing the airports with greater capacity, maintaining competitive rates and improving service quality levels.

  In the unregulated business, work is to be carried out on the diversification and search for new opportunities as a source of future growth. To do this, commercial services will be redesigned and optimized, the development of real estate projects will be carried out and international expansion will be promoted.

- Furthermore, in the framework of the Strategic Plan 2018-2021, Aena's Board of Directors approved a shareholder remuneration policy consisting in the distribution as dividends of an amount equivalent to 80% of the annual net profit of the parent company Aena S.M.E, S.A., excluding exceptional items. This policy will be applied to the distribution of profits for 2018, 2019 and 2020. However, the Board of Directors may change it in exceptional circumstances, in the terms set forth in the policy.

- With the presentation of the 2018-2021 Strategic Plan, the Company announced that it estimates a growth in passenger volume in the airports network in Spain of 2,0% for fiscal year 2019. This estimate is considered to vary by around ± 0.5%.

- The Board of Directors of Aena has agreed to propose to the General Shareholders' Meeting the distribution of a gross dividend of €6.93 per share charged to the results of 2018. This dividend implies sharing out 80% of the net profit of Aena SA and represents an increase of 6.6% with respect to the previous year.

- In 2018, Aena's stock varied between a maximum of €179.50 and a minimum of €133.0. The share closed the period at €135.8, down 19.7%, reflecting the general evolution of the Spanish market in this period, in which the IBEX35 lost 15.0%.

2. Macroeconomic environment and business figures

2.1. Macroeconomic situation and sector details

The Spanish economy continues along its path of growth and air transport stands as one of its main industries.

According to figures provided by the National Institute of Statistics, the growth of the GDP throughout 2018 in comparison with 2017 is estimated at 2.5% and the fourth quarter registered a year-on-year growth of 2.4%, a rate similar to that of the third quarter.

For its part, the contribution made by air transport is particularly relevant (according to ACI-Interviews in Spain, it generates approximately 5.9% of the GDP) and is strongly linked to one of the main industries: tourism, which according to Exceltur, accounted for 11.8% of Spain's GDP in 2018, with indicators that continue to evolve favourably, reaching record figures in terms of foreign tourists.

Thus, the data given by the National Institute of Statistics show that Spain welcomed 82.8 million tourists in 2018, 1.1% more than the previous year, with the United Kingdom (18.5 million tourists), Germany (11.4 million) and France (11.3 million) being the main sources.

However, in 2018 these markets showed a variation of -1.6%, -4.1% and + 0.7% respectively, clearly lower than the growth of recent years. This is due, among other reasons, to the recovery of alternative tourist destinations to Spain and, in addition, in the case of tourists from the United Kingdom (which, on the Aena network, accounted for 16.7% of passenger traffic in 2018) to the evolution of the price of the pound against the euro and, in general, the current trading environment of the date and United Kingdom's departure from the European Union (Brexit).

By communities, Catalonia was the leading autonomous community in 2018, assuming 23.1% of the total number of tourists, followed by the Balearic Islands (16.7%) and the Canary Islands (16.6%).

Even more remarkable for Aena is that more than 81% of tourists travel to Spain by air and therefore used one of our airports.

Mention must also be made of the fact that Spain has a significant position as a gateway to and from Latin America by air.

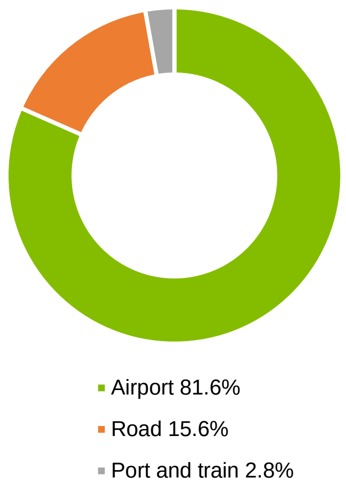


Figure 1. Distribution of tourists by means of access

2.2. Traffic in the Aena airport network in Spain

In 2018, passenger traffic in the airport network in Spain grew by +5.8%, reaching 263.8 million, a new record of passengers carried. More specifically, the months of July and August were the best two months in Aena's history. In the fourth quarter, traffic increased by 6.9% (compared to an increase of 9.7% in the first quarter, 4.8% in the second quarter and 3.7% in the third quarter).

The growth seen in 2018 has been favoured by the positive evolution of domestic traffic (+10.0%), which reached 80.8 million passengers and represents 30.6% of total network traffic, driven by the upward trend of the Spanish economy and the increase of the state bonus for inter-island traffic from 50% to 75%, applied since June 28, 2017, and, from July 16, 2018, journeys to the Peninsula by residents on the islands, Ceuta and Melilla.

International traffic has increased 4.1%, reaching 183.0 million passengers. Its contribution to total traffic fell to 69.4% (70.5% in 2017), involving a decrease in the number of passengers to and from the UK (-3.0%), due among other reasons to the progressive recovery of alternative tourist destinations that, in a stable environment, are very competitive and to the impact of Brexit being reflected in the trends in exchange rates.

In terms of aircraft movements, 2,300,189 flights were recorded, up 5.8% on the same period of last year.

The volume of freight continued to increase significantly, up 9.9% to 1 million metric tons.

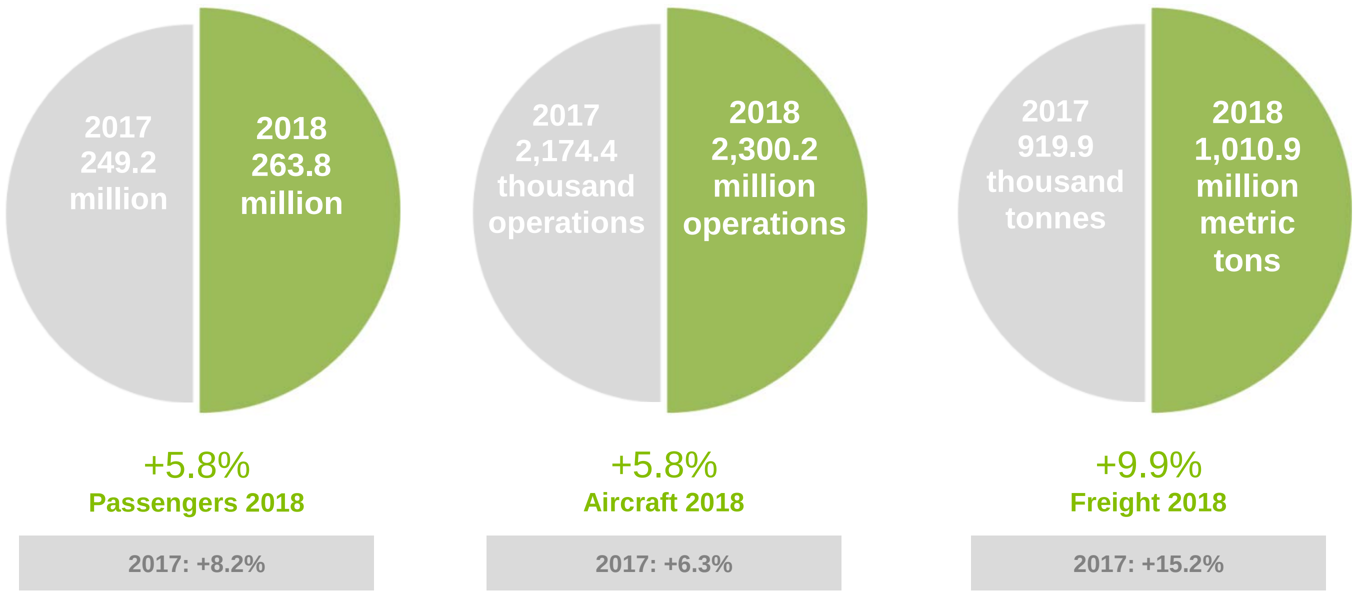


Figure 2. Traffic on the Aena airport network in Spain

2.3. Analysis of air passenger traffic by airport and airline

The distribution of passengers in terms of percentage shows that the volume remains concentrated at the network's seven main airports:

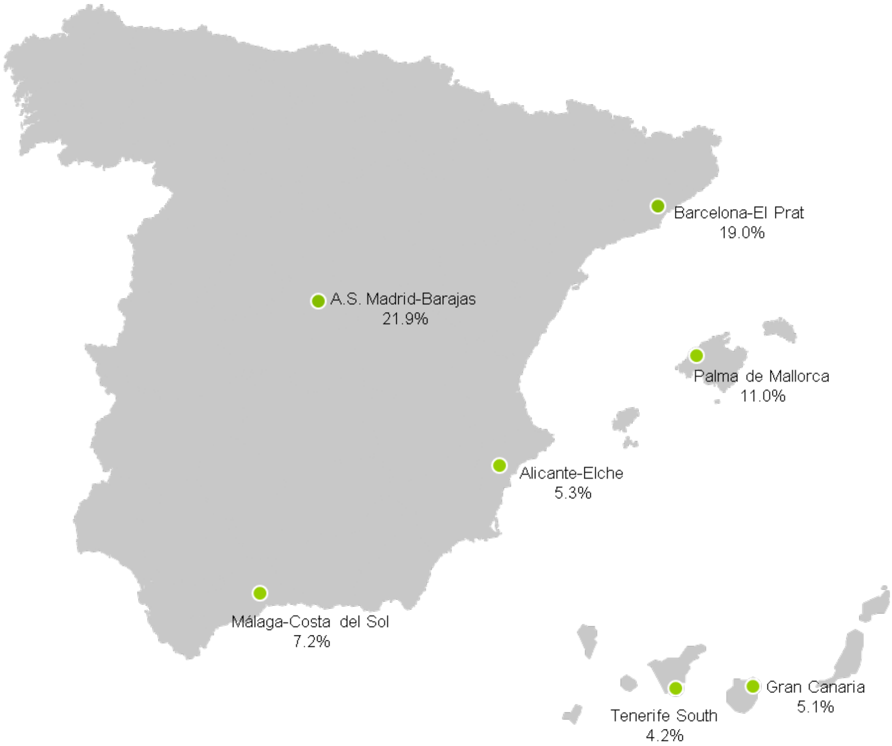


Figure 3. Share of passenger traffic at major airports in Spain

The evolution of traffic by airport in 2018 is as follows:

	Passengers			Aircraft			Cargo		
Airports and Airport groups	**Million**	**Variation 2018/2017**	**Share according to total**	**Thousands**	**Variation 2018/2017**	**Share according to total**	**Metric tons**	**Variation 2018/2017**	**Share according to total**
Adolfo Suárez Madrid-Barajas	57.9	8.4%	21.9%	409.8	5.7%	17.8%	518,859	9.9%	51.3%
Barcelona - El Prat	50.2	6.1%	19.0%	335.7	3.7%	14.6%	172,940	10.8%	17.1%
Palma de Mallorca	29.1	4.0%	11.0%	220.3	5.5%	9.6%	10,018	-1.7%	1.0%
Total Canary Islands Group	45.3	2.8%	17.2%	416.5	9.3%	18.1%	37,433	-0.4%	3.7%
Total Group I	66.2	6.0%	25.1%	548.0	5.1%	23.8%	38,032	2.0%	3.8%
Total Group II (1)	13.6	6.5%	5.2%	187.5	4.1%	8.2%	171,121	17.3%	16.9%
Total Group III	1.5	18.2%	0.6%	182.4	6.0%	7.9%	62,471	3.0%	6.2%
TOTAL	**263.8**	**5.8%**	**100.0%**	**2,300.2**	**5.8%**	**100.0%**	**1,010,873**	**9.9%**	**100.0%**

Traffic data pending definitive close, not subject to significant variations.

(1) *Includes data on civil air operations at the Murcia San Javier Air Base (1.3 million passengers and 9,179 aircraft movements in 2018), which were interrupted on 15 January 2019, when the International Airport of the Region of Murcia (AIRM) started up operations (see Note 2.2 of the Consoldated Financial Statements).*

Table 1. Analysis of air traffic by airport and groups of airports

Adolfo Suárez Madrid-Barajas is the leading airport of the network in terms of passenger traffic, aircraft and freight, accounting for 21.9% of the total number of passengers in the Spanish network (57.9 million). In 2018, the number of passengers increased by 8.4% in comparison with the same period of last year (+7.4% domestic traffic and +8.8% international traffic).

In terms of aircraft movements, a total of 409,832 flights operated out of this airport, 5.7% up on the same period of 2017.

Freight, which accounts for more than half of the total volume passing through the network, increased by 9.9% to 518,859 metric tons transported.

At Barcelona-El Prat Airport, passenger traffic grew by 6.1% (domestic by +5.7% and international by +6.2%) to 50.2 million.

There were 335,651 movements, a year-on-year increase of 3.7%, while freight maintained its significant growth trend with a 10.8% increase in volume to 172,940 metric tons (17.1% of the total freight handled in the network).

Passenger traffic at Palma de Mallorca Airport reached 29.1 million, up by 4.0% year-on-year (domestic up +9.9% and international by 2.2%).

Aircraft operations increased by 5.5% to 220,329.

In the Canary Islands Group, the number of passengers passing through the islands' eight airports increased by 2.8% to 45.3 million (those on domestic flights increasing by +15.5% and those on international flights falling by 3.3%).

The eight airports in Group I grew by 6.0% in passenger traffic, to 66.2 million, the main increases being seen in Seville (+24.9%), Valencia (+15.2%) and Bilbao (+10.0%).

Traffic at Malaga-Costa del Sol Airport grew by 2.1% (to 19.0 million passengers) and Alicante-Elche by 2.0% (to 14.0 million passengers). Domestic traffic in this group grew by 11.2% and international traffic was up 4.1%.

The 11 airports in Group II posted overall growth in passenger traffic of 6.5%, reaching 13.6 million. This growth was seen in both domestic and international traffic (+8.9% and +3.1% respectively).

In this group it is worth highlighting the 17.3% increase in the volume of freight handled at Zaragoza airport, which accounted for 16.5% of the freight handled in the network.

The airports in Group III, those with the lowest volumes of traffic, posted an increase of 18.2% (to 1.5 million passengers).

In this group the 2.8% growth in freight volumes seen at Vitoria airport stands out (6.1% of all cargo handled in the network).

Airport marketing has had a very positive impact in 2018 resulting in the opening of 343 new routes[1] from the airports on Aena's network: 38 with domestic destinations, 285 medium-haul[2] and 20 long-haul[3].

The airports opened with the highest numbers of new routes were: Palma de Mallorca (64), Adolfo Suárez Madrid-Barajas (28), Málaga-Costa del Sol (26), Tenerife South (21) and Barcelona - El Prat (21). By airline, Ryanair has been the airline with the highest number of new routes (59), followed by Laudamotion (40), easyJet (22) and Vueling (15).

By destination, special mention must be made of the new routes opened from Adolfo Suárez Madrid-Barajas Airport with Shenzen (operated by Hainan Airlines), San Francisco (Iberia), Los Angeles and New York (Norwegian). From Barcelona-El Prat Airport, Level has established a new route with Boston, Asiana with Seoul and Ethiad with Abu-Dhabi. From the Málaga-Costa del Sol Airport, another four long-haul routes have been opened: Doha (operated by Qatar), Jeddah and Riyadh (Saudia Airlines) and Kuwait (Kuwait Airlines). And finally, from Tenerife North, Plus Ultra has opened a connection with Caracas.

In addition, in 2018, three bases of the companies Volotea, SAS and Thomas Cook Balearics were opened at the airports of Bilbao, Malaga and Palma de Mallorca, respectively.

In terms of traffic distribution by geographical area, besides the increase in the share of domestic passengers already commented on (30.6% in 2018), mention must be made of the significant growth in traffic to Asia (+29.6%) and North America (+16.6%), which, despite being lightweight markets in absolute terms, shows the positive impact of the Company's airport marketing measures.

The growth of traffic with Asia is particularly relevant and has tripled over the last three years. Today, this market has 16 destinations and 1.1 million passengers (compared to 6 destinations and 368,000 passengers in 2015).

Region	**Passengers 2018**	**Variation %**
Europe (1)	161,592,201	3.2%
Spain	80,773,105	10.0%
Latin America	7,638,118	7.1%
North America (2)	5,973,719	16.6%
Africa	3,393,658	9.5%
Middle East	3,240,858	8.3%
Asia Pacific	1,141,747	29.6%
TOTAL	**263,753,406**	**5.8%**

(1) Excluding Spain
(2) Including the USA, Canada and Mexico

Table 2. Breakdown of traffic by geographical area

[1] Routes with more than 5,000 passengers in 2018 and fewer than 1,000 in 2017.
[2] Routes of less than 4,000 km and destination in the EEA (excluding Spain).
[3] Routes of more than 4,000 km and destination non-EEA.

Figure 4. Map of traffic distribution by geographic area

By countries, total traffic on the airport network remains concentrated in Spain (30.6%), the UK, Germany, Italy and France, which together account for a 38.8% market share (40.3% in 2017).

Of these countries it is worth noting, as already mentioned, the decrease in the number of passengers with origin/destination in the United Kingdom (-3.0%) affected by the recovery of alternative tourist destinations to Spain as well as the impact of Brexit and its reflection on the evolution of exchange rates.

Country	Passengers		Variation		Share (%)	
	2018	2017	%	Passengers	2018	2017
Spain	80,773,105	73,441,642	10.0%	7,331,463	30.6%	29.5%
United Kingdom	44,114,652	45,460,047	-3.0%	-1,345,395	16.7%	18.2%
Germany	29,735,131	28,676,583	3.7%	1,058,548	11.3%	11.5%
Italy	15,322,572	14,024,888	9.3%	1,297,684	5.8%	5.6%
France	13,229,644	12,354,027	7.1%	875,617	5.0%	5.0%
Holland	8,771,402	8,603,723	1.9%	167,679	3.3%	3.5%
Switzerland	6,411,587	6,391,259	0.3%	20,328	2.4%	2.6%
Belgium	6,088,932	5,990,013	1.7%	98,919	2.3%	2.4%
Portugal	4,877,201	4,295,889	13.5%	581,312	1.8%	1.7%
Ireland	4,332,257	4,162,682	4.1%	169,575	1.6%	1.7%
United States	4,408,673	3,719,791	18.5%	688,882	1.7%	1.5%
Sweden	3,873,457	4,048,144	-4.3%	-174,687	1.5%	1.6%
Denmark	3,455,567	3,442,023	0.4%	13,544	1.3%	1.4%
Norway	3,118,163	3,190,928	-2.3%	-72,765	1.2%	1.3%
Poland	2,660,779	2,472,060	7.6%	188,719	1.0%	1.0%
Total Top 15	**231,173,122**	**220,273,699**	**4.9%**	**10,899,423**	**87.6%**	**88.4%**
Rest of the world	**32,580,284**	**28,944,617**	**12.6%**	**3,635,667**	**12.4%**	**11.6%**
Total Passengers	**263,753,406**	**249,218,316**	**5.8%**	**14,535,090**	**100.0%**	**100.0%**

Table 3. Air traffic distribution by country

With regard to distribution of passenger traffic by type of airline company, low-cost carriers are continuing to increase their share and account for 55.4% of the total (54.3% in 2017) while the remaining 44.6% are legacy carriers (45.7% in 2017). Nonetheless, the degree of concentration remains moderate.

Aena's main client airlines continue to be the IAG Group and Ryanair. The former, comprising Iberia, Iberia Express, Vueling, British Airways, Aer Lingus and the Level brand, increased its share of total passenger traffic from 26.2% in 2017 to 27.8%, while Ryanair also increased its share, albeit only slightly, from 17.7 to 17.8%. Among other airlines, mention must be made of the increase in Eurowings business, the sustained growth of Jet2.com (passengers travelling mainly from the United Kingdom to tourist destinations in Spain), the growth of the Binter Group, which mainly operates traffic between airports of the Canary Group, and Air Europa, mainly at Madrid-Barajas Airport, and EasyJet.

As for the long-haul flights started by low-cost carriers Norwegian and Level (IAG Group) in June 2017 with new routes from Barcelona, mention must be made of the fact that, albeit still at an early-stage in Spain, it continues its upward trend and, from when it opened for business to the close of 2018, it has carried more than 1,100,000 passengers, exceeding the figure of 840,000 edges in 2018. Furthermore, in July, Norwegian started two new routes from Madrid (Los Angeles and New York) and, since October, Level has been operating a new route from Barcelona (San Francisco).

In addition, the consolidation trend of airlines, which involves the progressive re-absorption of passengers by other airlines, has been evident in 2018 in the cases of Air Berlin, Niki and Monarch, companies that operated in relevant markets (Air Berlin and Niki in Germany and Monarch in United Kingdom), which ceased operations in 2018.

Airline	Passengers		Variation		Share (%)	
	2018	2017	%	Passengers	2018	2017
Ryanair [(1)]	46,834,426	44,026,566	6.4%	2,807,860	17.8%	17.7%
Vueling	39,388,231	34,802,550	13.2%	4,585,681	14.9%	14.0%
Iberia	19,280,728	17,465,094	10.4%	1,815,634	7.3%	7.0%
Air Europa	17,362,329	15,655,282	10.9%	1,707,047	6.6%	6.3%
Easyjet [(2)]	16,753,696	15,433,064	8.6%	1,320,632	6.4%	6.2%
Norwegian Air [(3)]	9,996,446	9,771,993	2.3%	224,453	3.8%	3.9%
Iberia Express	9,532,184	8,577,197	11.1%	954,987	3.6%	3.4%
Air Nostrum	8,414,781	7,748,597	8.6%	666,184	3.2%	3.1%
Jet2.Com	7,241,470	6,058,120	19.5%	1,183,350	2.7%	2.4%
Grupo Binter [(4)]	7,051,906	6,148,173	14.7%	903,733	2.7%	2.5%
Eurowings	5,612,244	3,803,852	47.5%	1,808,392	2.1%	1.5%
Thomson Airways	4,813,506	5,108,094	-5.8%	-294,588	1.8%	2.0%
Lufthansa	4,246,828	3,703,650	14.7%	543,178	1.6%	1.5%
Transavia	3,689,599	3,741,371	-1.4%	-51,772	1.4%	1.5%
Condor	3,394,319	3,035,958	11.8%	358,361	1.3%	1.2%
Total Top 15	**203,612,693**	**185,079,561**	**10.0%**	**18,533,132**	**77.2%**	**74.3%**
Other airlines	60,140,713	64,138,755	-6.2%	-3,998,042	22.8%	25.7%
Total Passengers	**263,753,406**	**249,218,316**	**5.8%**	**14,535,090**	**100.0%**	**100.0%**
Total Low Cost Passengers [(5)]	**146,228,689**	**135,345,861**	**8.0%**	**10,882,828**	**55.4%**	**54.3%**

[(1)] Includes Ryanair Ltd. and Ryanair Sun, S.A.

[(2)] Includes Easyjet Switzerland, S.A. and Easyjet Airline Co. Ltd.

[(3)] Includes Norwegian Air International and Norwegian Air Shuttle AS

[(4)] Includes Binter Canarias, Naysa and Canarias Airlines.

[(5)] Includes traffic of low-cost carriers on regular flights.

Table 4. Distribution of air traffic by airlines

2.4. International activity

Aena has a direct interest in fifteen airports outside Spain (twelve in Mexico, two in Colombia and one in the United Kingdom), and indirectly through GAP in the Montego Bay and Kingston airports in Jamaica. The evolution of traffic at these airports has been as follows:

Millions of passengers	2018	2017	Change [(1)] %	% Aena share
London Luton United Kingdom)	16.6	15.8	5.0%	51.0%
Grupo Aeroportuario del Pacífico (GAP) [(2)] (Mexico)	44.9	40.7	10.4%	5.8%
Aerocali (Cali, Colombia)	5.1	5.2	-2.4%	50.0%
SACSA (Cartagena de Indias, Colombia)	5.5	4.8	14.7%	37.9%
TOTAL	**72.0**	**66.5**	**8.4%**	-

[(1)] *Percentage changes calculated in passengers*

[(2)] *GAP includes traffic at Montego Bay Airport, MBJ (Jamaica)*

Table 5. Passenger traffic in investee airports

London Luton Airport saw its passenger traffic increase by 5.0%. This growth reflects the recovery of the traffic operated by Monarch (which applied for bankruptcy in October 2017), and the growth provided by Wizz Air (9%), which has based 6 new aircraft at the airport over the year. At the end of 2018, the airport had 149 destinations (6 more than the previous year).

Total passenger traffic of GAP ("Grupo Aeroportuario del Pacífico") grew by a significant 10.4% in the period, in line with the annual estimate published by this Company, with traffic performing particularly well at the group's main Mexican airports: Guadalajara, Guanajuato, Mexicali and Tijuana, the latter driven by the increase of users of the CBX (*Cross Border Xpress*).

In addition, it is relevant to mention that on 10 October 2018, GAP closed the agreement with the Jamaican Government to operate, modernize and expand the Norman Manley International Airport in the city of Kingston by signing a 25-year Concession Agreement with a possible extension of five years. With this operation, GAP now operates the two commercial airports of Jamaica (Montego Bay and Kingston), which manage and process 99% of the country's traffic.

With respect to the Cali Airport**,** traffic was down 2.4% in 2018 due to the effects of the Avianca pilots strike at the end of 2017. In November 2018, the number of national frequencies operated before the aforementioned strike was recovered and the last quarter of the year witnessed a slight improvement in passenger traffic due to the new Easyfly routes and the recovery of the routes operated by Avianca. International traffic also grew by 11.2% in 2018, partially offsetting the fall in domestic traffic, driven by new international routes and improved international performance by Avianca and Copa.

The Cartagena de Indias Airport has experienced an increase of 14.7%. Despite having also been affected by the effects of the Avianca strike in 2018, the lower dependence of this airport on its airline and its increased tourist component, has brought about a rapid recovery of routes and a moderate growth of national traffic. The significant increase in international traffic at Cartagena de Indias Airport (39.7%) has boosted growth in 2018 through the introduction of new routes and airlines.

With regard to the targets of the Strategic Plan 2018-2021, Aena is working to analyse new international development opportunities and consolidate and develop current assets. In terms of capital expenditure of equity-accounted associates, on 29 June 2018 the feasibility study on a Public-Private Partnership (PPP) was presented to the Colombian National Infrastructure Agency to obtain a new concession for Cali Airport and other secondary airports in the region.

Apart from this, at Cartagena de Indias Airport negotiations are currently under way with the National Infrastructure Agency for the development of a private initiative PPP, the objective of which is to sign a new concession on completion of the current contract in 2020.

2.5. Commercial Activity

One fundamental part of the experience Aena offers passengers travelling through its airports integrates the commercial business. Accordingly, Aena focuses its efforts on meeting the needs and demands of various user profiles, adapting the commercial range and making it increasingly attractive to clients.

In 2018, commercial revenues reached €1,162.4 million, up 9.6% on the previous year. This growth is mainly due to the improved contractual conditions of the new tenders, which include higher minimum annual guaranteed rent (MAGR), the increase in guaranteed minimum rents included in the current contracts and the evolution of sales of own businesses, parking and VIP services, where income continues to evolve significantly. The increase in the traffic mix of low-cost passengers with lower propensity to spend, Brexit and the devaluation of the pound sterling continue to affect revenue from this business.

In per-passenger terms, commercial revenue remained at €4.34, 3.0% up on the same period of 2017 (€4.21). This ratio includes revenue from commercial activities inside the terminal and from car parks, but does not take into account income from real estate services, which form a different business segment.

As for contractual conditions, we would point out that most of Aena's commercial contracts stipulate a variable income based on sales made (these percentages can vary according to the category of the product and/or service) and a minimum annual guaranteed rent (MAGR) which ensures that the lessee pays a minimum amount by compromising a percentage of its Business Plan. The following graph shows how the minimum annual guaranteed rents for each business line will evolve until 2022 for contracts in force at 31 December 2018:

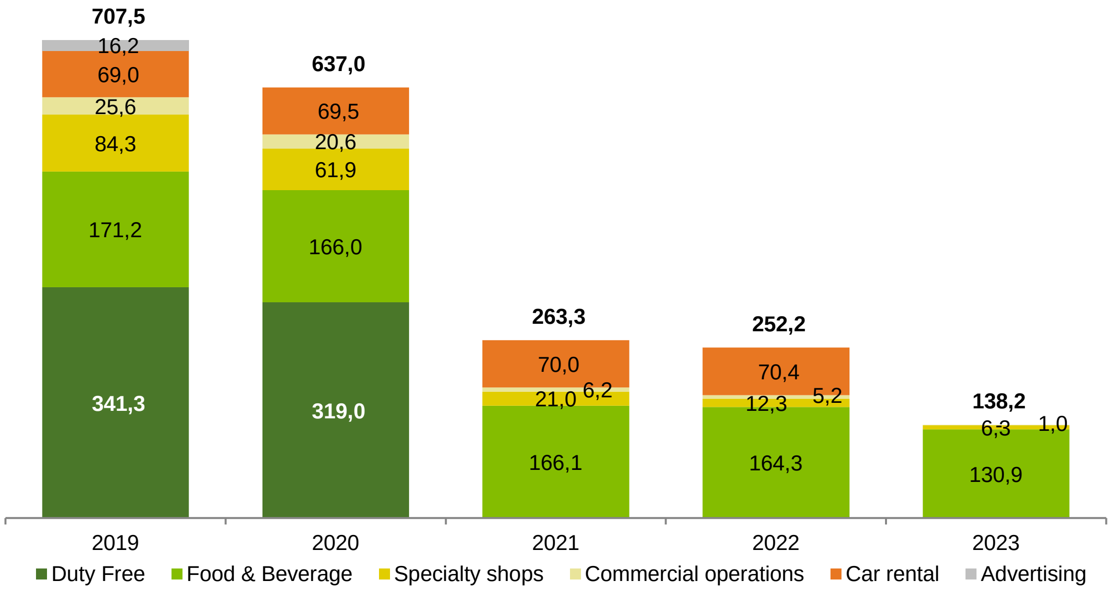


Figure 5. Minimum annual guaranteed rents (MAGR) by business line

The MAGR has been prorated to the actual days at the beginning and end of the contracts.
Commercial operations include contracts for financial and regulated services (currency exchange, pharmacies, tobacco shops, etc.)
Duty Free: the current contract ends in October 2020.
Advertising: the new contract is at tender stage and the rents correspond to the extension of the previous contract to June 30.

As targets included in the Strategic Plan 2018-2021, progress has been made in 2018 on the definition of projects which form part of the commercial digitalization strategy and will be developed and implemented throughout 2019. These projects focus on strengthening relations with passengers on digital media and increasing points of contact with them. This will provide access to services and information in order to improve their experience through a newcomer personalized and fluent offer that helps maximize commercial business.

3. Business lines

The main figures for Aena's results 2018 are shown below itemized by business area: The airports segment accounts for 95.5% of total EBITDA (aeronautical activity represents 60.0% and commercial activity contributes 35.5%), the real estate services segment contributes 1.4%, and international business accounts for 3.1%.

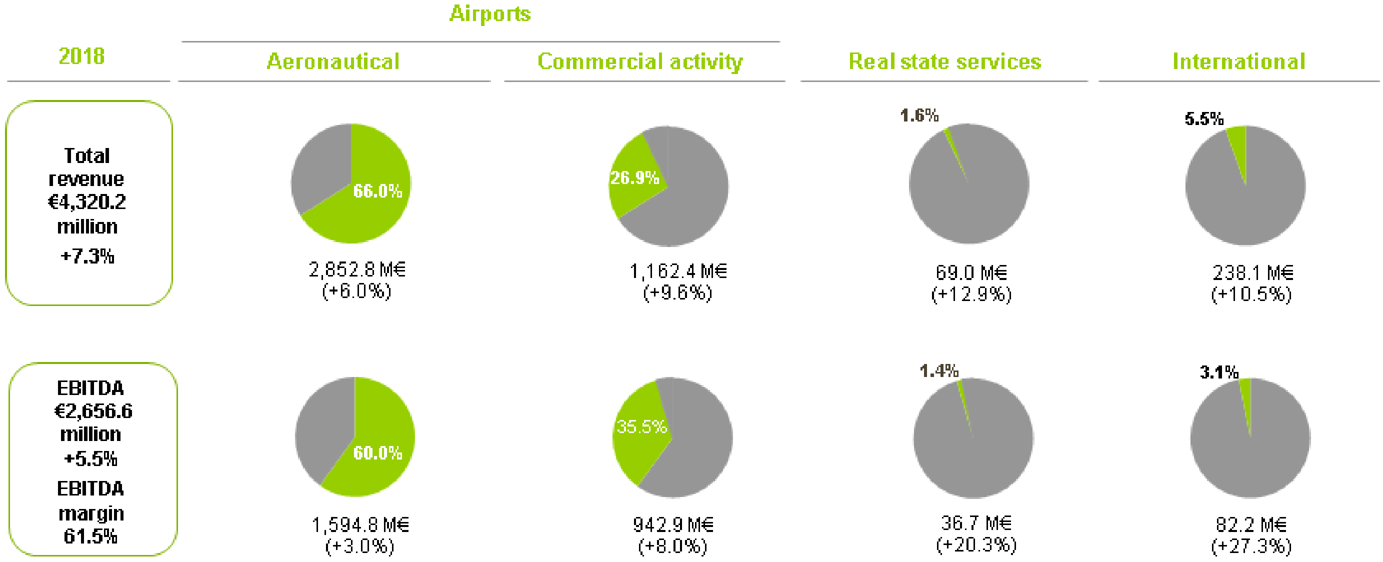


Figure 6. Aena's main results by business area

3.1 Airports segment

3.1.1 Aeronautical

Process of consultation on airport charges 2019

In accordance with the provisions of the legislation (Law 18/2014 and Directive 2009/12/EC on airport charges), in May and July the process of consultation took place between Aena and the associations of airlines using the airports on the revision of airport charges for 2019.

In the course of this consultation process Aena has provided users and the CNMC (Spain's National Authority for Markets and Competition), which performs the functions of Independent Supervisory Authority, with the information required by the legislation and a proposal of charges which meets the requirements given in the Airport Regulation Document (DORA) and in Law 18/2014.

The first meeting in the consultation process was held on 21 May, the second on 21 June, and a third on 13 July, at which the definitive charges proposal for 2019 was presented to the Board of Directors of Aena, which approved it on 24 July and communicated to the CNMC, the users' associations and the General Directorate for Civil Aviation (DGAC).

The users called upon by Aena to take part in the consultation process belong to the following airline associations and airlines not represented by said associations:

- IATA: International Air Transport Association
- A4E: Airlines for Europe
- AIRE: Airlines International Representation in Europe
- ACETA: Asociación de Compañías Españolas de Transporte Aéreo (Association of Spanish Air Transport Companies)
- ALA: Asociación de Líneas Aéreas
- AECA: Asociación Española de Compañías Aéreas (Spanish Airline Association)
- AOC España: Comité de Operadores de Líneas Aéreas (Committee of Airline Operators)
- RACE: Real Aeroclub de España (Royal Aero-Club of Spain)
- RFAE: Real Federación Aeronáutica Española (Spanish Royal Aeronautical Federation)
- AOPA: Aircraft Owners and Pilots Association
- Ryanair
- Norwegian
- Jet2.com

The meetings of this process were also attended by the CNMC, the DGAC and AESA (the Spanish Aviation Safety and Security Agency) as observers.

As a result of this process, the Board of Directors of Aena approved the proposed charges applicable from 1 March 2019, consisting of the freezing of the adjusted maximum annual income per passenger (IMAAJ) for 2019 relative to the maximum annual income per passenger (IMAAJ) for 2018 as a result of the adjustments established by the DORA regarding the performance incentive for levels of quality, the completion of investments and the 100% compliance factor for the adjusted maximum annual revenue per-passenger (IMAAJ) corresponding to year-end 2017.

As the Independent Supervision Authority, in December 2018 the CNMC approved the freezing of the airport tariffs as of March 2019 and compliance with the legal requirements of transparency and consultation with airport users given in the regulations applied by Aena to update the rates.

Aeronautical activity

During the period there have been some important changes in the provision of airport services. These include the new assistance service for persons with reduced mobility, the start-up of new contracts for the private security service and the cleaning and luggage cart services at 19 airports.

In the area of facilities and maintenance, we started up the Strategic Airport Maintenance Plan for 2018-2021 (PEMA in the Spanish acronym), which aims to rationalize and standardize maintenance services in the network.

As regards airport security, it is important to highlight the awarding of the contract to provide passenger assistance service at the passport control point of the main airports in support of the National Police. Also, in line with the foregoing, automated border control (ABC) equipment has been installed at Adolfo Suárez Madrid-Barajas, Barcelona, Palma de Mallorca, Málaga, Alicante, Menorca and Ibiza airports.

Furthermore, airport security, border control and customs control are the three basic features affected at operational level by Brexit, on which Aena has been working throughout 2018, also taking part in the National Security Committee with all the players involved.

On 14 January 2019, the last operation took place at the civil airport of Murcia San Javier, leaving way for the International Airport of the Region of Murcia (AIRM), which started up operations the following day, i.e. 15 January (see Note 2.2 in the Consoldated Financial Statements).

Since the signing of the contract for the management, operation, maintenance and conservation of the International Airport of the Region of Murcia for a term of 25 years in February 2018, signed by the Company “Aena Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia S.M.E., S.A.”, all the necessary actions were taken for the airport to start up as scheduled.

The financial information corresponding to the new Company "Aena Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia S.M.E., S.A." is included in the Airports segment (see Note 5 of the Consoldated Financial Statements).

The following is a summary of the most significant figures of the aeronautical activity during the period:

Thousand euros	2018	2017	Variation	% Variation
Ordinary revenue	2,754,249	2,638,505	115,744	4.4%
Airport charges[(1)]	2,676,491	2,562,051	114,440	4.5%
Passengers	1,227,104	1,166,406	60,698	5.2%
Landings	732,952	697,341	35,611	5.1%
Security	426,749	419,869	6,880	1.6%
Telescopic boarding bridges	106,830	110,166	-3,336	-3.0%
Handling	100,830	90,432	10,398	11.5%
Fuel	33,747	33,535	212	0.6%
Parking facilities	37,431	34,188	3,243	9.5%
Catering	10,848	10,114	734	7.3%
Other Airport Services[(2)]	77,758	76,454	1,304	1.7%
Other revenue	98,569	53,848	44,721	83.1%
Total revenue	2,852,818	2,692,353	160,465	6.0%
Total expenses (including depreciation)	-1,885,003	-1,774,813	110,190	6.2%
EBITDA[(3)]	1,594,781	1,548,960	45,821	3.0%

[(1)] The amounts for passenger fees, landing charges and security charges are shown net of commercial incentives: €20.9 million in 2018 (€36.4 million in 2017).

[(2)] Includes: Check-in counters, use of 400 Hz gateways, fire service, luggage lockers and other revenue.
[(3)] Earnings before interest, tax, depreciation and amortization.

Table 6. The most significant figures in aeronautical activity

Total revenue from the aeronautical activity increased to €2,852.8 million (up +6.0% on 2017) driven by the growth in traffic (5.8% increase in passenger traffic and number of aircraft).

Conversely, the impact of the -2.22% reduction in charges from 1 March 2017 and a further -2.22% from 1 March 2018 amounted to €58.3 million.

The effect of the traffic incentives entailed provisioning €20.9 million in the period (net of the reversal of €4.4 million of provisions from previous years) as against €36.4 million in 2017 (net of the reversal of €3.9 million), it being important to point out that the commercial incentive for 2017 started on 1 April, coinciding with the start of the summer season, so no incentives were accrued in respect of traffic of the first quarter of 2017.

Rebates for passengers on connecting flights amounted to €73.5 million, higher than the amount for the same period of 2017 (€69.7 million).

On the other hand, the item of other revenue includes the extraordinary effect of the application to income of €26.7 million from capital grants associated with assets related to civil operations at Murcia San Javier Airport, interrupted once the International Airport of the Region of Murcia has started up operations.

Total expenses of the aeronautical activity increased by 6.2% in comparison with the same period of 2017. Excluding amortizations, as well as €46.2 million for the impairment of the assets affected by the civil operations of Murcia San Javier Airport, which cannot be reused at another airport, upon the interruption of civil air operations at the airport, once the International Airport of the Region of Murcia started up operations (see Notes 6 and 7 of the Consoldated Financial Statements), the total expenses have increased by 6.0%. This increase was due to the increase in employee benefits and other operating expenses as explained in section 4. Income Statement.

EBITDA for the period stood at €1,594.8 million, up €45.8 million on 2017 (+ 3.0%) impacted by a net extraordinary expense of 19.6 million derived from the recognition of impairment of the assets affected by the civil operations of Murcia San Javier Airport for €46.2 million and €26.7 million for the application of income from capital grants related to the aforementioned impaired assets. Excluding this effect, the EBITDA for aeronautical activity increased by 4.2% (€65.4 million) to €1,614.3 million.

As for the main actions carried out at the airports in the network and with the main objective of maintaining the quality of service provided to passengers and airlines, the following are particularly noteworthy:

Passenger services

To improve the passenger experience at its airports, Aena continuously carries out actions in the terminal buildings and other access points by improving cleaning services, assistance services for persons with reduced mobility (PRM), passenger information and other services.

- Cleanliness

In the framework of the Strategic Cleaning Plan, in 2018, the provision of this service was tendered at 21 airports on the network and the services have been awarded at 19 of them.

The new contracts came into force between May and November and account for €27.4 million and a period of one year (including two possible annual extensions).

The award of the contracts for the cleaning services of the Madrid and Barcelona airports is scheduled for the first quarter of 2019. The tender amounts to €134.8 million over a period of 3 years, extendible for 2 annuities.

The main objectives of the new contracts are to improve the quality offered to passengers in compliance with the quality standards given in the Airport Regulation Document 2017-2021 (DORA). It provides a model that focuses on the values of quality, efficiency and flexibility, modernizing the service by means of a digital platform for resolving incidents in real time.

- PRM service

From February to April, the new service entered into operation to assist persons with reduced mobility at the 20 main airports on the network. The price of the four-year contract is €272.5 million.

The new service seeks to improve the quality offered to passengers and airlines, with more demanding requirements, increasing the support elements (ambulift, vans and wheelchairs) in comparison with the previous service.

It is also complemented by the implementation of mobile devices for passenger care and the development of assistance, improvements included in the digitalization project for the PRM assistance service.

- Passenger information

In 2018, the *Contact Centre* has also come into operation, replacing the former *Call Centre*, to provide services in addition to telephone assistance, such as chats on websites, the processing of complaint and suggestion boxes and the telephone booking of PRM and parking services, which make it possible to extend the channels of communication with and services to passengers.

- Other activities

Furthermore, in order to offer a continuous improvement of the passenger experience at its airports, Aena actively participates in different forums that promote good practices to guarantee the highest quality standards.

In 2018, Aena sat on the Facilitation Committees of ACI Europe (Airports Council International), which focuses on good practices, in the first global summit for *Airport Service Quality* (ASQ) *Forum and Customer Excellence Global Summit ACI WORLD* organized by ACI , and on the AQC Committee (*Airports Quality Club*) for the continuous improvement of the passenger experience.

Airline services

The actions carried out by Aena on a regular basis include offering a better service to airlines and, in particular in 2018, those offered for the provision of handling and fuel assistance:

- Handling

Various projects were started up in 2018 for the expansion and improvement of handling services, including the creation of a new luggage self-check-in service (*Self BagDrop*) for the airports of Madrid, Barcelona, Palma de Mallorca, Malaga, Alicante, Gran Canary, Tenerife South, Ibiza, Bilbao and Seville. This service will provide passengers with an automated system for completing the check-in process without the intervention of external personnel.

Similarly, in order to propose improvements to the distribution of passenger traffic and increase service capacity, a study has been carried out on the current use of conventional check-in counters at Adolfo Suárez Madrid-Barajas and Barcelona-El Prat.

- Fuel and Into-Plane services

In relation to the provision of the fuel assistance service to third parties, 2018 closed with the award of this service at 41 airports on the Aena network for a period of 7 years.

Increased competition, improved service quality and price limitation are the key factors in the tenders.

Air traffic services

In ATC (*Air Traffic Control*) and AFIS (*Aerodrome Flight Information System*), in the last quarter the change of supplier has been published at the airports of El Hierro, La Gomera, Burgos and Huesca. A transition stage is planned between the new provider of these services (Saerco) and the previous provider, scheduled to end in March 2019.

Likewise, in the last quarter of 2018 so completion of the actions associated with the transition of the provision of air traffic services the International Airport of the Region of Murcia (AIRM).

Operational systems

Throughout 2018, progress has been made in the integration of the airports on the Aena network into the "A-CDM" (Airport-Collaborative Decision Making) and Advanced Tower programs sponsored by Eurocontrol. These programs encourage the exchange of information among all the players involved in operating a flight to encourage joint decision making, improve punctuality, reduce the cost of movements and soften the environmental impact.

Accordingly, in 2018, Ibiza, Menorca, Lanzarote and Fuerteventura obtained the Advanced Tower Certification. As a result, the operational data of these airports are integrated into the European real-time data network managed by Eurocontrol, reaching approximately 70% of the network operation traffic in Spain in 2018.

The necessary changes were also made to Operational Systems at the new International Airport of the Region of Murcia for the start of operations.

Operations

- ### Airfield and platform

In order to define the new standardized information model for flight crews to ensure a more accurate adaptation of runway operations in cases of snow, ice or water, in 2018, Aena formed part of a joint working party with ENAIRE and AESA (State Agency for Air Security) to define the new model for reporting ground conditions to be applied as from November 2020.

Mention must also be made of the fact that actions have been started up at airports on the Aena network for the implementation of the *European Action Plan for the Prevention of Runway Incursions* (EAPPRI) published by EUROCONTROL.

- ### Safety

Here, it is important to note that, in relation to the Operational Safety Management System, in Aena supervised 30 airports on the network and AESA (State Agency for Air Security) performed inspections at 27 airports in 2018.

Furthermore, in the fourth quarter of 2018, the process ongoing with the aeronautical authority (AESA) to define the standards for encoding incidents associated with wildlife ended and became ready for implementation at all Aena airports. This will improve the quality of the data used to manage the risks associated with wildlife and their notification to the SNS (Event Notification Service).

- ### Operating capacity

As regards actions in relation to the operational capacity, in the fourth quarter of 2018, the analysis was drawn up to increase the operational capacity of departures from the Terminal Building of the Seve Ballesteros-Santander Airport.

Furthermore, in preparation for the 2018 summer season, the runway operating capacity of the Alicante-Elche and Málaga-Costa del Sol airports has been increased.

- ### Meteorological service

In 2018, Aena has continued the process of implementing the Automated Meteorological Reporting System (METAR) at medium and small airports.

This is an important technological advance that will improve the meteorological information provided to users in terms of time and accuracy. These reports are used by airlines to plan flights and by airports for various procedures, such as reduced visibility and actions in the event of adverse weather conditions.

Furthermore, the AENA-AEMET Mixed Commission held its second meeting as given in the current contract between both organizations. The main topics dealt with are the optimization of information exchange processes and the definition of service levels of meteorological performance.

- ### Aircraft rescue and fire fighting (ARFF)

In the fourth quarter, the SSEI category of the airports was reviewed, taking into account programming for the winter season, and several sieges were awarded for the renewal of personal protective equipment (PPE) for fire-fighting staff.

- ### Emergency management

The Emergency Drills Plan for the Aena airport network includes the simulation schedule to be performed by each airport and/or heliport in compliance with the corresponding AESA Technical Instruction. In 2018, a total of 29 aeronautical drills have been carried out and the Emergency Plan of the International Airport of the Region of Murcia (AIRM) has been prepared and put in place. Both obtained approval by the aeronautical authority (AESA) and the different groups and local and autonomous authorities involved.

In operational security and emergency management, we successfully implemented the Business Continuity and Disaster Recovery Plan at the seven busiest airports on the network. This plan defines the sequence of actions to be performed at the airport following an emergency to ensure continuity of activities and operations in strict conditions of safety to avoid or minimize associated potential risks.

- ### Management of the risks associated with wildlife

In accordance with European regulations, the third quarter of 2018 so the definition of the control and monitoring methodology for the defence measures in place at each of the airports with which the Wildlife Risk Management Programmes were equipped during the second quarter.

Security

Here, special reference must be made to the award of the private airport security service for all the airports on the network in 2018. The service came into operation between the months of June and July (in the month of October at the Canarian airports of Tenerife North, Tenerife South and La Palma).

The total value of the new contracts amounts to €345.5 million for a period of two years, and the contracts have the dual objective of continuous improvement of the levels of quality provided in the security service, in accordance with the DORA, and maintaining the highest quality standards reached in the past few years, endorsed by the AESA and European Commission audits. Based on the annual cost of this service in 2017, the new contracts represent a cost increase of more than 20%.

These contracts include the requirements set by the Airport Regulation Document 2017-2021 (DORA) and the conditions agreed upon at the negotiation table for the State Collective Agreement for private security companies for 2017-2020, signed on November 8, 2017 .

They also establish different management models focused on boosting effectiveness, efficiency and quality depending on the specifications of each airport and the involvement of all players (security companies and guards) by including target-linked bonuses and penalties.

- Border control

To enable passport control by the National Police, in July the first phase of installation of automatic border control equipment (ABC) was completed and the assistance service for passengers at passport controls at various airports on the network was awarded in the second quarter of 2018. Madrid, Barcelona, Palma de Mallorca, Málaga, Alicante, Gran Canaria, Tenerife South, Lanzarote and Fuerteventura.

The ABC equipment installed at the airports of Madrid, Palma de Mallorca, Barcelona, Malaga and Alicante is now in operation and pending final configuration at the airports of Menorca and Ibiza.

Furthermore, the installation of the new equipment at Gran Canary, Tenerife South, Lanzarote and Fuerteventura is at project phase.

- Security Equipment

In order to improve safety processes, 2018 saw commencement of the automation of the connections filter T4 at Madrid airport. The system came into operation on several lines at the end of the year.

These actions have continued at the airports of Ibiza, Seville and Santiago, which are currently at equipment deployment phase.

In addition, in November 2018, the Board of Directors of Aena awarded the supply and installation of the hold baggage inspection equipment which, in compliance with European regulations, will replace the machines for the automatic detection of explosives in checked-in baggage.

This investment amounts to €380 million, awarded under the Framework Agreement to companies: Telefónica, Cotelsa, Proselec, Excem and Tecosa. It is to be implemented in phases between 2019 and 2023 at 27 airports on the network.

Within the scope of this Framework Agreement, the replacement of equipment for the airport of Menorca was tendered in December 2018.

- Other actions.

Finally, in the area of physical security at airports, Aena has checked the application of the National Civil Aviation Security Program at 32 airports. The State Agency for Air Security (AESA) has audited airport security regulations at 32 airports and compliance with European security regulations has been inspected at the airports of Madrid and Ibiza.

Facilities and Maintenance

During the second quarter of 2018, the first phase of the Strategic Airport Maintenance Plan (PEMA) 2018-2021 began with the hiring of technical assistance to achieve its objectives.

The purpose of the Plan is to streamline and standardize maintenance services at all airports on the Aena network over a period of three years.

In 2019, implementation will focus on the grouping of projects to create synergies in the provision of services and greater efficiency in their management.

3.1.2 Commercial activity

The following table shows the most significant figures for commercial activity.

Thousand euros	2018	2017	Variation	% Variation
Ordinary revenue	1,144,150	1,049,251	94,899	9.0%
Other revenue	18,200	11,299	6,901	61.1%
Total revenue	1,162,350	1,060,550	101,800	9.6%
Total expenses (including depreciation)	-326,764	-294,427	32,337	11.0%
EBITDA (1)	942,889	873,387	69,502	8.0%

(1)Earnings before interest, tax, depreciation and amortization.

Table 7. Most relevant figures for commercial activity

In 2018, total revenue from commercial activity increased by 9.6% compared to 2017, to €1,162.4 million. Ordinary revenue, accounting for 27.2% of the Group's total revenue, reached €1,144.2 million, representing an increase of 9.0% relative to 2017.

This growth is mainly due to the improved contractual conditions of the new tenders, which include higher minimum annual guaranteed rents (MAGR), the increase in guaranteed minimum rents included in the current contracts and the evolution of sales of own businesses, parking and VIP services, where income continues to evolve significantly.

The detail and analysis of ordinary revenue from the commercial business lines are as follows:

	Income		Variation		Minimum Guaranteed Rent	
Thousand euros	2018	2017	Thousand euros	%	2018	2017
Duty-free shops	318,046	309,017	9,029	2.9%		
Specialty shops	106,428	91,703	14,725	16.1%		
Food and Beverages	200,690	175,643	25,047	14.3%		
Car Rental	152,739	149,373	3,366	2.3%		
Car Parks	143,797	132,013	11,784	8.9%		
VIP services	64,228	41,053	23,175	56.5%		
Advertising	33,171	31,561	1,610	5.1%		
Leases	33,591	32,129	1,462	4.6%		
Other commercial revenue (1)	91,460	86,759	4,701	5.4%		
Ordinary revenue	1,144,150	1,049,251	94,899	9.0%	**123,998**	**79,224**

(1) This includes various commercial activities carried out at airports such as banking services, baggage wrapping machines, other vending machines and regulated services (pharmacies, tobacco shops and lotteries).

Table 8. Analysis of commercial business lines

The amount posted in revenue from commercial activity corresponding to minimum annual guaranteed rents represented 16.5% of the revenue of the business lines that have contracts with these clauses, compared with 11.4% in 2017. This difference was due mainly to the trend in sales in current contracts (€22.2 million), the conditions agreed in new contracts (€15.0 million) and to the increase in existing contracts (€3.4 million).

Total expenses for this activity increased by 11.0%, or by 17.3% if depreciation and amortization are excluded. This increase in the commercial activity, impacted by the increase in costs that has affected the Company as explained in section 4. Income Statement, shows the increase in operating expenses of the new VIP lounges amounting to €8.6 million, associated with the incorporation during the period of new lounges at the airport of Barcelona (January). They are now managed in-house according to the strategy of this line of business and have included an increase in the income for this line of business (+65.5%). Excluding this effect, commercial expenses would have grown by 8.4%.

EBITDA stood at €942.9 million, 8.0% up on the same period of 2017.

By business lines, the following commercial actions developed during the period include:

Duty-free Shops

Revenue from duty free shops grew by 2.9% in the period relative to 2017 and represented 27.8% of revenue of Aena's commercial activity, generated at 86 points of sale (76 shops and 10 *Buy-Byes*) with a total area of approximately 44,400m², managed by Dufry under the trade name World Duty Free Group (WDFG), through contracts signed with Aena divided into three lots.

This business generates assured revenue through the application of minimum annual guaranteed rents in the contracts.

In 2018, in collaboration with Aena, Dufry launched a project at 5 airport pilots (T2 Barcelona-El Prat, Malaga-Costa del Sol, Alicante-Elche, Gran Canary and Bilbao) to identify actions to optimize commercial performance. Dufry has also completed marketing and surface improvement actions to reinforce sales and the supply at airport shops.

The analysis and diagnosis project and action plan at duty-free shops at the 5 airports began in June 2018 and the actions implemented will be extended during the first half of 2019, based on five levers:

- Actions in the terminal building.
- Review of the interior design and layout of products in the shop.
- Improvements to the sales force.
- Optimization of the commercial offer (brands, categories, prices, services)
- Digitalization.

In terms of the marketing and improvement to surfaces during the year, following is a note:

- The remodelling and opening of the shops at Malaga airport (those located in the bays and the main pass-through shop), the remodelling of the T4 *Atrio* store at Madrid airport, the Millennium shop *at T2-T3* and the opening of the new pass-through shop at Bilbao airport.

  The refurbishment of the T1 non-Schengen shop at Madrid airport remains ongoing.

- Promotions were carried out to enhance purchases of products in categories with the greatest appeal to British passengers, in order to offset the effect of the depreciation of sterling, which seems still to be affecting purchases by these passengers.

- A campaign advertising guaranteed best prices at Madrid, Barcelona and tourist airports to change passengers' perceptions of prices in our duty free shops. With this action, Dufry proposed discounts of up to 40% in perfumery and up to 30% in spirits , as well as the promotion of the third item at 50% in perfumery.

It is also relevant to mention the positive support for duty-free sales provided by new routes to emerging countries, such as those to Asia and Latin America from Madrid and Barcelona Airports and to the Middle East from Málaga Airport.

Furthermore, the offer of duty-free shops in the new non-Schengen areas has been adapted, strengthening the presence of brands sought by Russian and British passengers, stemming from the expansion of the ABC filters at the airports of Barcelona and Malaga and the installation of the new line of filters at the airports of Alicante, Ibiza and Reus.

It should also be noted that the duty-free shop of the International Airport of the Region of Murcia is planned to be up and running during the first quarter of 2019 after the premises have been refurbished. Temporarily the operator (Dufry) has a mobile store from the day on which the airport started up operations.

Bilbao Airport

Specialty shops

In 2018, Aena ran 389 shop premises (22 in the luxury segment), generating €106.4 million in revenue, up 16.1% on the same period in 2017.

To boost the revenues of this commercial line and following the trend of continuous improvement in the commercial offer, said premises have been refurbished at different airports in 2018:

- At the Adolfo Suárez Madrid-Barajas Airport, the refurbishment work was completed on the stores in terminals T1, 2 and 3 with the opening of the 22 new premises awarded in 2017.

  Furthermore, 2 shops have been tendered and awarded on the land side of the T4, in addition to 3 surfaces on the air side to maintain the quality of the commercial offer until the start of the redesign works for the commercial area planned for said terminal.

- At the Barcelona-El Prat Airport, the renewal of the T2 commercial offer, which began in 2017, has moved on with the opening of 7 stores in the departures area and 1 multi-store in arrivals. The stores occupy more than 1,400 m² and offer new brands such as Victoria's Secret and the Real Madrid Store for the first time in the terminal.

  To complete the renewal of the commercial offer of the T2A, contracts are being drawn up for another 4 stores and 2 multi-stores (almost 650 m²), planned for opening to the public in 2019.

- In the last quarter of 2018, an important part of the Malaga-Costa del Sol Airport offer was put up for tender. It includes 15 stores totalling more than 1,700 m2, accounting for 75% of the commercial surface on the air side.

  The new offer, scheduled for award in the first quarter of 2019, will introduce local single-brand companies such as Natura, Vidal & Vidal and Tous, maintaining others of recognized prestige, such as Victoria's Secret and Adolfo Domínguez.

- In addition, mention must be made of the December award of the press and convenience stores to the company Lagardère at the airports of Gran Canaria, Lanzarote, Fuerteventura and Tenerife-South, increasing the number of stores from 8 to 12.

- Furthermore, the commercial offer in various locations of other airports on the network, such as Alicante (3 locations), Lanzarote (4), Ibiza (2) and Girona (2) must also be taken into consideration, together with the emergence of new brands, such as ALEHOP, at the Airport of Valencia.

In order to continue providing specialized assistance to passengers and improve the customer experience, following the trends set at other international airports, Aena has incorporated the *Personal Shopper* service since at Malaga airport since 2018. This free service has been available at the airports of Madrid (T1, T4 and T4S), Barcelona since 2017.

The service is scheduled to start at Alicante Airport in February 2019.

Finally, with regard to the International Airport of Murcia (AIRM), 3 stores have been awarded and are scheduled to open in the first quarter of 2019. The offer for users of these airport facilities will be completed with at least 1 additional store.

Food and Beverages

In 2018, Aena has managed 352 premises dedicated to food and beverages, occupying more than 105,000 m². Their performance levels remain very high with revenues for the period amounting to €200.7 million, up 14.3%.

In this period, mention must be made of the commencement of the activity of the new premises at the airports of Barcelona, Malaga and Gran Canary, the refurbishment of certain premises at the airports of Madrid and Palma de Mallorca and the tenders for refurbishment work at the airports of Alicante, Seville, Jerez and Girona.

- At the Barcelona-El Prat Airport, the new lessees started refurbishment work at the 49 points of sale in terminals T1 and T2 on May 8. In 2018, 22 stores have been opened with new brands and the remaining stores are to be refurbished during the first half of 2019.

  The food and beverages operators awarded the greatest numbers of outlets were the EatOut Group (Pansfood) with 19 premises, Áreas with 15, Select Service Partner (SSP) with 7 and Autogrill with 5.

  The new food and beverages range will occupy an area of close to 16,000 m², representing an increase of nearly 19% relative to the existing area.

- On 14 September, the new tenants of the 25 points of sale awarded at the end of June began the restoration activity at Malaga-Costa del Sol Airport.

  The new establishments will continue to occupy a total area of more than 6,500 m² and the works for the new brands, which began in the last quarter of 2018, are scheduled for completion in the first half of 2019.

  The operators who placed successful bids for food and beverages were: Select Service Partner (SSP) with 8 premises, the EatOut Group with 6, Lagardère Travel Retail with 4 and Áreas with 7.

- Regarding the 19 premises awarded at the airport of Gran Canary at the end of 2017, in April 2018 they started to operate 11 with the new brands and the rest are scheduled to open for business in 2019, once the reforms have been completed during the first half of the year.

  The complete food and beverages range comprises 19 points of sale spread among five concessions, of which the operator Select Service Partner (SSP) manages ten premises, the EatOut Group six and Autogrill three.

- The new premises of the *Starbucks*, *Paul* and *O'Learys* brands opened to the public at the airport of Ibiza.

- At Alicante Airport, at the end of July, the offer for the refurbishment of 18 stores divided into 10 procedures was offered for tender.

- The new offer (scheduled for award in the first quarter of 2019) is to occupy an area of approximately 5,600 m². This represents an increase of 15% compared with the existing area.

- The tenders for refurbishment work at the airport of Seville airport awarded four points of sale to Select Service Partner (SSP) and two other points of sale and 52 vending machines to Areas.

- At the airport of Jerez, 3 points of sale and vending machines were awarded to the Lagardère Travel Retail company.

- At the airport of Girona-Costa Brava, 5 points of sale and vending machines were awarded to the company Areas. The new offer includes well-known brands.

- Other refurbishment work has been carried out at different locations at the airports of Madrid and Palma de Mallorca.
  The T4 of Madrid saw the opening of a new Café Pans, the brands *Eat*, *La Place* and *Paul* have been renewed, with the start-up of *Mama Campo* scheduled for the first quarter of 2019. Likewise, *Origins by Enrique Tomás* opened in the T4S and a *Santa Gloria* and another *Rodilla*, *Farine* and *Paul* opened in the T2.

  At the airport of Palma de Mallorca, the local cafeteria brands *Forn d'es Pont* and the vermouth bar *Es Rebost* opened up for business, together with the expansion of the *Burger King* premises.

Furthermore, at the International Airport of the Region of Murcia (AIRM) the operation of 4 catering establishments (and vending machines) was awarded to the operator Airfoods for the well-known brands *Costa Coffee* and *Subway*, as well as a cafeteria with multi-store in the boarding area and a general-purpose restaurant in the check-in and arrivals area.

Gran Canaria Airport

Car rental

In 2018, its revenues amounted to €152.7 million, up 2.3% on the previous year as a result of improved sales of 2.4% and 1,3% in the number of contracts. This line of business continues to grow thanks to the improvement of total passenger numbers, and there is a rebound effect on the client company in the airports with the largest business segment.

In the third quarter, the operations of the multinational SIXT began in the airports of Coruña, Vigo, Asturias and Santander. This has meant occupying 4 more licences which brings the total number of licences occupied to 162 at 36 airports on the network.

In December 2018, two new positions were tendered for the International Airport of the Region of Murcia (AIRM) in response to the demand by operators in the sector. These licenses will be awarded in the first quarter of 2019.

Car park

The 8.9% increase in revenues from the parking business in 2018 (up to €143.8 million) was mainly due to the improvement of the segment without bookings, online bookings at the main airports (a total of 870,000, which represents an improvement of 20% over the same period of 2017), as well as the positive effect of the new express parking service in Madrid and Barcelona.

The Aena network of car parks has more than 80 car parks and more than 130,000 parking spaces, distributed across 32 airports.

This business line is managed by Aena, which ensures control of all operational processes as well as the marketing actions, pricing policy and the structuring of the various parking services, with the aim of meeting the needs of the wide range of passengers (low-cost/long-stay, general, preferential, express, VIP service with pick-up and drop-off, with driver, and additional services).

In 2018 marketing campaigns were launched to increase the number of customers and the number of reservations, boosting the knowledge and positioning of the Aena Parking brand combined with promotional actions to advertise the payment service by registration number at the airport of Madrid (to be extended to the airports of Barcelona, Alicante and Bilbao during the first quarter of 2019).

The bookings made along the different channels have reached 1.5 million customers in 2018, exceeding 40 million in sales.

Aena also offers an online channel via a web platform from the Aena APP (where customers can book in advance at special prices), as well as from different distribution channels.

VIP services

The VIP Services business includes income from the operation of the VIP lounges, the Premium Lounge and the preferred security access points: *Fast Lane* and *Fast Track*.

The network has 24 VIP lounges and one Premium Room at 15 airports, operated through a proprietary management model that provides Aena with the option to set the commercial policy and hire a supplier to operate the service at each airport.

The *Fast Lane* service provides passengers with preferential access to security controls at 7 airports on the network (Barcelona, Palma de Mallorca, Malaga, Alicante, Gran Canary, Tenerife South and Valencia) and the *Fast Track* service corresponds to the independent security control offered only at the

Adolfo Suárez Madrid-Barajas Airport.

In 2018, revenue from the VIP services activity stood at €64.2 million, up 56.5% on the previous year.

Revenues from VIP lounges contributed €56.4 million, up 65.5% (€22.3 million), mainly due to the addition of the 4 VIP lounges at the Barcelona airport (+€13.8 million) into the in-house management model, to an increase of 17.8% in number of users and the effect of marketing actions and pricing policies implemented in the management of this line of business by Aena.

Excluding the effect on revenues of the VIP lounges in Barcelona, revenues from the VIP lounges are up 26.9%, above the increase in the number of users, which stands at 23.5%.

Throughout the period, Aena has also incorporated into the proprietary management model the new 200 m² VIP room at the airport of Santiago (June). It has also continued remodelling the existing rooms (Palma de Mallorca and Barcelona), started expansion works (in the VIP room of Malaga), extended agreements of use with airlines and other companies and awarded the management of the T1 Business Centre at Barcelona Airport (25 rest units) that opened on July 1.

Furthermore, in relation to the integral management of the rooms, the services have been awarded at the airports of Seville, Lanzarote, Alicante and Palma de Mallorca. The tender for the management of this service at the airports of Tenerife South, Bilbao, Valencia and Gran Canary is ongoing.

Mention must also be made of the fact that new projects for the redesign and extension of the rooms are under-way (in Madrid, Gran Canary and Alicante), together with the necessary works project and bidding for the corresponding management procedures, for the new rooms of the airports of Menorca, Fuerteventura and Vigo, which are scheduled to open in 2019.


New VIP lounge at Santiago Airport

Advertising

At Aena, advertising is carried out under a concession model, where the companies that operate the advertising spaces in the network are also responsible for marketing them: JFT in the Canary Islands airports and JCDecaux in the airports on the Spanish mainland and the Balearic Islands.

These contracts have expired in 2018 and the new advertising contract has been tendered in September. It will give continuity to the current contract, which is expected to be awarded in the first quarter of 2019.

The new agreement seeks to attract local, Spanish and international operators through tendering eight lots by geographic distribution with relevant interest: Centre, North, Levante, Catalonia, Balearic Islands, Canary Islands, South and Northwest.

The tender, currently under evaluation, has received bids for all the lots.

As far as advertising at the airports is concerned, it is important to mention that although the airports sector accumulated an improvement in sales over 10% in the year, the outdoor advertising sector in Spain maintains moderate growth, according to the report by the consultancy "I2p", which places estimated total growth for 2018 below 1%.

3.2 Real estate services segment

The activity of the real estate services segment consist of the provision of leasing or transfer of use of land (built on or not), office buildings, warehouses, hangars and cargo sheds to airlines, airfreight operators, handling agents and other providers of airport services aimed at supporting the activity and developing complementary services, such as the 24 service stations (15 land-side and 9 air-side) at 12 airports and the FBO (fixed-base operator) terminals at five of the major airports in the network, where private jets are handled exclusively.

As regards the real estate development plans for Adolfo Suárez Madrid-Barajas and Barcelona-El Prat Airports, both have been publicly presented.

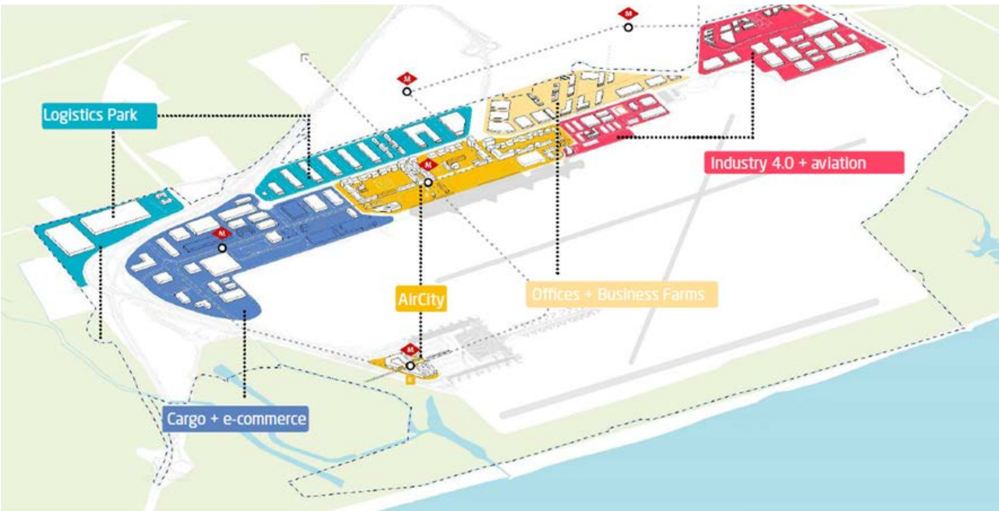
The real estate plan for Adolfo Suárez Madrid-Barajas Airport involves the development, in the next 40 years, of 562 hectares of the 902 hectares of potentially saleable free land, with 244 hectares of available land remaining to provide capacity for continued real estate growth at the airport in the future.

The objective is to position Adolfo Suárez Madrid-Barajas Airport as a global connectivity gate, a major logistics centre in Spain, a global business hub and a zone of services for passengers and zones of influence. The plan is to build on nearly 2.7 million m^2 for mixed uses, notably logistics, e-commerce, offices and hotels and a commercial leisure centre, which will be complemented by aviation facilities such as airfreight and hangars. To carry out this development, the capital expenditure required is estimated at nearly €2,997 million from numerous players.

Real estate development proposal for Adolfo Suárez Madrid-Barajas Airport

The Barcelona-El Prat real estate plan involves developing 328 hectares of the 543 hectares of potentially marketable free land, over 20 years, while preserving 215 hectares of land due to its high environmental value.

The objective of this development is to position Barcelona-El Prat Airport as an economic and digital services hub in the metropolitan area. In the course of the development period it is planned to build more than 1.8 million m^2 for mixed uses, in particular logistics, e-commerce, offices and hotels, and Industry 4.0, which will be supplemented by air cargo and hangar services. To carry out this development it has been estimated that capital expenditure of €1,264 million will be required, on the part of numerous agents.



Real estate development proposal for Barcelona-El Prat Airport

For the implementation of these real estate plans, Aena has hired the services of three of the four external advisers that are to provide support to determine the most appropriate corporate model in terms of financial, legal and corporate matters: Deloitte (as financial adviser), Garrigues (as legal adviser) and Valtecnic (as independent valuer).

In the first quarter of 2019, the tender was put out to select the expert adviser in urban planning. The work of these advisers will allow the Company define the strategy for implementing the business model, based on which the process for selecting partners by public tender will begin in the third quarter of 2019.
Furthermore, at the end of December, the tender was put out to hire a consultant to provide Aena with support for its real estate development plans at other airports in which the Company has land that can be developed. Palma de Mallorca, Malaga-Costa del Sol, Valencia and Seville.

Key financial data for the real estate services segment is set out below:

Thousand euros	2018	2017	Variation	% Variation
Ordinary revenue	67,215	59,687	7,528	12.6%
Real estate services[(1)]	67,215	59,687	7,528	12.6%
Other revenue	1,743	1,382	361	26.1%
Total revenue	68,958	61,069	7,889	12.9%
Total expenses (including depreciation)	-48,889	-47,065	1,824	3.9%
EBITDA [(2)]	36,745	30,550	6,195	20.3%

[(1)]*Includes warehouses, hangars, real estate operations, off-terminal supplies and others.*
[(2)]*Earnings before interest, tax, depreciation and amortization.*

Table 9. Key financial data for the real estate services segment

In 2018, revenue from these activities totalled €67.2 million, 12.6% more than in 2017 due to signing new contracts at the end of the last year for Adolfo Suárez Madrid-Barajas Airport, the amounts of which were recognized entirely in 2018. Excluding the adjustment for 2017, growth would have stood at 7.0%.

Total expenses increased by 3.9%. Excluding depreciation and amortization, total expenses increased by 5.6%. This increase is explained in Section 4. Income Statement.

The most noteworthy actions in the period were:

Hangar activity:

- The award of two hangers at Adolfo Suárez Madrid-Barajas Airport: one of approximately 15,000 m^2 and another of 22,000 mm^2, and the commencement of work on another hangar of 8,500 m^2.
- Additionally, construction work continues on two new large-capacity hangars, which together with a third (in the zone known as Ramp 7) that recently came into service, will provide support for airlines operating at the airport.
- At Seville Airport, a hangar measuring approximately 6,000 m^2 is being constructed for an operator and is expected to be commissioned for the last quarter of 2019.
- At Santiago Airport, construction began on a new 1,200 m^2 hangar, also due to become operational at the beginning of 2019.
- Finally, in 2018 mention must be made of the fact that two hangars were awarded at Madrid-Cuatro Vientos Airport (700 and 300 m²), together with one at Sabadell Airport (550 m²) and one at the Huesca-Pyrenees Airport (1,600 m^2).

Cargo:

Regarding the commercialization of spaces for air cargo, the following actions have been completed:

- At Adolfo Suárez Madrid-Barajas Airport, the pre-emptive right was exercised to acquire a new warehouse with office space measuring 7,200 m2 from the company DHL. This will allow us to increase goods handling capacity at the airport.

  In addition, almost 4,900 m² of offices have been awarded to the company DHL in the General Services Building of the Air Cargo Centre, together with a cargo terminal of more than 1,500 m² built for the company WFS.

  A second-line cargo building of 1,000 m² was awarded at the same airport in August.

  Furthermore, the construction on the new cargo facilities in the zone known as 'Rejas' continue to progress. In one of the warehouses, work will be completed and operations will begin in October, while in the other, the construction project is being drawn up.
- At the Barcelona-El Prat airport, there is a first-line cargo terminal of 3,311 m² under construction.
- At Tenerife North Airport, the contract for the two modules of the new cargo terminal, with a built area of nearly 1,500 m², was awarded to Eurotransmex. The Terminal was handed over to the client on 6 July.
- At Seville Airport the contract for the approximately 1,200 m2 built-up area of the cargo terminal was awarded to Groundforce Cargo.

Executive aviation:

- The fixed bases of operations for executive aviation (FBOs) of the two main airports in the network have been awarded: Adolfo Suárez Madrid-Barajas and Barcelona-El Prat, after renewing a service that has been provided successfully in recent years. The new awardees started up operations in the first week of January 2019.

Service stations:

- The service stations at two airports of the Canary group have been awarded: La Palma and Gran Canary. The new operators commence operations at the beginning of January (La Palma) and in March (Gran Canary).

Other assets:

- The contracting by Jet2.com of almost 700 m² in the old Terminal 2 of the Elche-Alicante Airport to house its headquarters in Spain. The space initially rented may be increased in the coming months and is an important milestone for re-marketing the spaces in this old terminal.
- In December, work began on the construction of two warehouses for handling equipment maintenance at the Barcelona El Prat Airport. Completion is scheduled for mid-2019.

3.3 International activity

Financial data for the international business segment include the consolidation of Luton Airport in London (5th airport in the United Kingdom by number of passengers), as well as advisory services to international airports. Total international business revenues improved €22.6 million in 2018.

Thousand euros	2018	2017	Variation	% Variation
Ordinary revenue	237,856	215,344	22,512	10.5%
Other revenue	201	163	38	23.3%
Total revenue	238,057	215,507	22,550	10.5%
Total expenses (including depreciation)	-211,274	-195,717	15,557	7.9%
EBITDA (1)	82,221	64,595	17,626	27.3%

(1) Earnings before interest, tax, depreciation and amortization.

Table 10. Key data for the international segment

Consolidation of London Luton Airport entailed allocating €78.7 million to EBITDA, compared with €58.7 million in 2017, affected by the exceptional recognition in January 2017 of €8.0 million for extraordinary expenses associated with one of the agreements reached with Luton Airport employees to close the defined pension plan as well as due to the accrual, on 30 June 2018, of an extraordinary bonus of €3.4 million for employees corresponding to the 2013-2018 period. Excluding the impact of these exceptional expenses, EBITDA in GBP would have increased by €15.4 million, which would have meant growth of 23.1%.

(Thousand euros)(1)	2018	2017	Variation	% Variation
Airport charges	102,521	95,420	7,101	7.4%
Commercial revenue	125,028	109,432	15,596	14.3%
Total revenue	**227,549**	**204,852**	**22,697**	**11.1%**
Staff	46,877	47,852	-975	-2.0%
Other operating expenses	101,689	97,301	4,388	4.5%
Depreciation and impairments	55,288	44,999	10,289	22.9%
Total expenses	**203,854**	**190,152**	**13,702**	**7.2%**
EBITDA(2)	**78,714**	**58,683**	**20,031**	**34.1%**
Operating income	**23,695**	**14,700**	**8,995**	**61.2%**
Net finance result	-23,418	-36,651	13,233	36.1%
Profit/(loss) before tax	**277**	**-21,951**	**-22,228**	**-101.3%**

(1) Euro-sterling exchange rate: 0.8847 in 2018 and 0.8767 in 2017.

(2) Earnings before interest, taxes, depreciation and amortization.

Table 11. Detailed financial information on the evolution of Luton Airport

At operational level, traffic at Luton Airport shows a moderate increase in passengers of 5.0%, to 16.6 million which, together with the positive evolution of commercial revenue, place revenue for the period at €227.5 million, 11.1% up on the same period of 2017 (€204.9 million).

In 2018, the airport celebrated its 80th anniversary and a new business record.

In GBP, Luton's revenues have grown in the period to 201.3 million (12.1% vs. 2017) driven by healthy commercial revenues.

- Aeronautical revenue grew by 8.6% in sterling terms, and commercial revenue by 15.1%.

  Within the income from the commercial activity, there was good performance in food and beverage, shops and car parking. Food and beverages and speciality shops also increased by 21.3% thanks to the opening of new shops as part of the terminal expansion project, a more varied selection on offer, improved concession royalties and the shift in passenger flows. Furthermore, car park revenues have also evolved very positively (+16.2%) reflecting the management strategies and prices applied and the healthy demand in the Drop-off zone, which has benefited from improvements in design and access.

- The EBITDA in GBP is up 40.2% on 2017 and has reached 73.4 million. The EBITDA margin for the period was 34.6% compared to 28.6% in 2017.

  In addition to the above mentioned performance in revenues, this increase reflects the extraordinary effect of the accounting in January 2017 of one of the agreements associated with closing the defined benefit pension plan for the amount of 6.9 million GBP (€8.0 million), as well as for the accrual of an extraordinary bonus in June 2018 amounting to 3 million GBP (€3.4 million) for the period 2013-2018. Excluding the impact of these exceptional expenses, which had no cash impact, EBITDA in GBP would have increased by £14.3 million, which would have meant growth of 24.5% and the EBITDA margin would have reached 36.1%.

As regards the results of equity-accounted investees, their evolution is shown hereunder as per equity accounting:

	Equity method profit/loss				Exchange rates [1]			
Thousand euros	**2018**	**2017**	**Variation**	**% Variation**	**Foreign exchange rate**	**2018**	**2017**	**Variation**
AMP (Mexico)	13,579	12,890	689	5.3%	€ - MXN	22.71	21.33	-6.5%
SACSA (Colombia)	5,159	3,476	1,683	48.4%	€ - COP	3,489.44	3,336.16	-4.6%
AEROCALI (Colombia)	1,417	2,561	-1,144	-44.7%	€ - COP	3,489.44	3,336.16	-4.6%
Total Income from associates	**20,155**	**18,927**	**1,227**	**6.5%**				

[1] *Average rate for the period*

Table 12. Equity method for investee companies

4. Income statement

Thousand euros	2018	2017	Variation	% Variation
Ordinary revenue	4,201,406	3,960,582	240,824	6.1%
Other revenue	118,843	67,012	51,831	77.3%
Total revenue	**4,320,249**	**4,027,594**	**292,655**	**7.3%**
Supplies	-172,936	-174,176	-1,240	-0.7%
Staff costs	-423,725	-417,155	6,570	1.6%
Other operating expenses	-1.008.289	-910.912	97.377	10,7%
Losses, impairment and change in trading provisions	1.813	0	1.813	100,0%
Depreciation and amortization	-806,383	-800,035	6,348	0.8%
Impairment of fixed assets	-46.248	-	46.248	100,0%
Income from disposal of fixed assets	-16.107	-10.915	5.192	47,6%
Other results	1,829	2,969	-1,140	-38.4%
Total expenses	**-2,470,046**	**-2,310,224**	**159,822**	**6.9%**
EBITDA (1)	**2,656,586**	**2,517,405**	**139,181**	**5.5%**
Operating income	**1,850,203**	**1,717,370**	**132,833**	**7.7%**
Financial expenses and Other financial results	-132,695	-144,183	-11,489	-8.0%
Interest expense on expropriations	-310	4,593	-4,904	-106.8%
Net finance expense	**-133,005**	**-139,590**	**-6,585**	**-4.7%**
Share of profits in associates	20,155	18,927	1,228	6.5%
Profit/(loss) before tax	**1,737,353**	**1,596,707**	**140,646**	**8.8%**
Income tax	-409,602	-374,738	34,864	9.3%
Consolidated result of the period	**1,327,751**	**1,221,969**	**105,782**	**8.7%**
Profit/(loss) for the period attributable to non-controlling interest	-131	-10,036	-9,905	98.7%
Profit/loss for the period attributable to shareholders of the Parent Company	**1,327,882**	**1,232,005**	**95,877**	**7.8%**

(1)*Earnings before interest, taxes, depreciation and amortization.*

Table 13. Income statement

As a result of the positive evolution of all business lines, Aena's **total revenue** increased to €4,320.2 million in the period, representing a 7.3% increase on the same period of 2017.

Growth in **ordinary revenue** was 6.1%, to €4,201.4 million. This increase of €240.8 million has been explained above in the analysis of the various business lines.

Revenue from commercial activity increased as a percentage of the total to 27.2%, compared with 26.5% in the same period of 2017.

As for the item of **other operating revenue** reflects an increase of 77.3%, mainly resulting from the application of grants from the collection in 2018 of higher resources granted by the European Regional Development Fund (Spanish acronym: FEDER) for operational programs for the development of airport infrastructures. It also includes the application to results of €26.7 million for the capital grants associated with assets affected by the civil operations of the Murcia San Javier Airport, interrupted once the International Airport of the Region of Murcia has started up operations.

Regarding to the change in **expenses**, this period shows an increase of 6.9% in the total (€159.8 million), or 10.2% if depreciation and amortization are excluded, due to the effect of changes in the following items:

- Supplies were reduced by 0.7% (€1.2 million), due mainly to the new conditions of the air navigation services agreement (ATM/CNS) signed with ENAIRE until 2021.
- Staff costs increased by 1.6% (€6.6 million) which is affected by the recognition at Luton of an €8.0 million (£6.9 million) charge

associated with one of the agreements reached with Luton Airport employees regarding pensions recognized in January 2017, as well as the accrual of an exceptional bonus of €3.4 million (£3.0 million) for all employees for the period 2013-2018.
Excluding Luton, staff cost reflect an increase of 2.0% (€7.5 million) due mainly to provisions for the salary increase expected for 2018 and new hires.

- Other operating expenses increased by 10.7% (€97.4 million), mainly due to the effect of the entry into force of new contracts with higher associated costs, such as in private security services (€20.2 million, +14.4%), the service for people with reduced mobility (€19.3 million, + 52.4%), cleaning (€6.0 million, + 10.7%), the increase in maintenance expenditure (€5.6 million, +2.9%), as well as in the new VIP lounge management contracts (€8.7 million, + 69.2%) due to the incorporation of new lounges under the in-house management model. Likewise, the management expenses associated with the closing of the Murcia San Javier Air Base (€7.4 million) and technical service costs (€5.6 million) have increased.

- The depreciation of fixed assets has increased €6.3 million (0.8%), mainly due to the amortization of the new investment associated with the extension project of the Luton airport terminal and parking at height (€10.5 million), as well as the amortization of investments in runways and taxiways on the network, which has been partially offset by the completion of the amortization of certain assets.

- The impairments and disposals of fixed assets show €46.2 million associated with the recognition of the impairment of the assets affected by the civil operations of Murcia San Javier Airport, not reusable at another airport, following the interruption of commercial operations at the airport, once the International Airport of the Region of Murcia started up operations (see Notes 6 and 7 of the Consoldated Financial Statements). The recognition of this extraordinary loss has entailed the application of grant income explained when commenting on the variation in **other operating revenue.**

EBITDA (earnings before interest, taxes, depreciation and amortization) has increased to €2,656.6 million, which represents an increase of 5.5% with respect to 2017, including €78.7 million from the consolidation of Luton and the extraordinary net impact of €19.6 million from the interruption of the civil operations at Murcia San Javier Airport, once the International Airport of the Region of Murcia (AIRM) has started up operations.

Excluding the extraordinary net effect derived from the recognition of the impairment of the assets affected by the civil operations of Murcia San Javier Airport for the amount of €46.2 million, and the application of €26.7 million of income from grants from capital related to the aforementioned impaired assets, EBITDA for the period grew by 6.3%, to €2,676.1 million.

The EBITDA margin for the period was 61.5% (62.5% in 2017) and 61.9%, excluding the aforementioned extraordinary impacts.

Net finance income expense shows a year-on-year reduction of €6.6 million in expenses.

The heading "Financial expenses and Other financial results" fell by €11.5 million (8.0%), mainly due to the reduction in debt volume and the interest rate of Aena loans (€11.6 million), as well as the variation caused by the financial costs of Luton recognized in 2017 as a result of the refinancing of the debt completed the previous year (€12.7 million). These reductions are partially offset by the accrual of the cost of unwinding the corresponding interest rate hedge associated with the loan with Depfa Bank, which was cancelled in July (€17.2 million).

Income tax expense amounted to €409.6 million, an increase of €34.9 million, as a result of higher earnings for the period. The effective tax rate for the period was 23.6% (23.5% in the same period of 2017).

The **consolidated profit (/loss) for the period** reached €1,327.8 million. Earnings for the period attributable to non-controlling interests came to €0.1 million (corresponding to 49% of Luton's net profit/(loss), which places **Profit for the period attributable to shareholders of the Parent Company** at €1,327.9 million, 7.8% more than at the end of the same period in 2017.

5. Investments

The total amount of capital expenditure paid during the period (property, plant and equipment, intangible assets and real estate investments) came to €524.6 million, including €53.2 million in Luton.

In terms of execution, the volume of investment amounted to €508.7 million (€509.0 million in 2017).

On the airport network, payments for investments during the period amounted to €470.3 million representing an increase of €165.2 million (+54.2%) compared to 2017, which was €305.0 million, mainly due to investments paid in infrastructure maintenance.

Based on execution, the volume of capex in the network amounted to €460.1 million, up €17.7 million on 2017.

The main actions put into service in 2018 have focused mainly on the airfield and, in particular, include the regeneration of the runway paving at the airports of Barcelona, Tenerife South and Fuerteventura and the improvement of various areas of the airfield in Santiago and Palma de Mallorca. In the terminal area, the expansion of the climate -controlled system in Palma de Mallorca and new flooring in the Adolfo Suárez Madrid-Barajas Airport stand out as the main projects in 2018. In reference to actions on installations, mention must be made of the increase in the peak capacity of the automatic baggage transport system (SATE) in the north check-in area of Palma de Mallorca.

Regarding investments in execution during this year, two be extended in coming months, it should be noted that they are also particularly focused on the airfield and on improving or expanding the platforms of the airports of Tenerife South, Palma de Mallorca, Ibiza, Lanzarote and Girona-Costa Brava. Similarly, the resurfacing of the runways at Bilbao and Tenerife North and improvements to the terminal buildings, including the new flooring at Palma de Mallorca and the extension of the terminal building at Reus. In facilities, special mention must be made of the supply and installation of gateways at the Malaga-Costa del Sol airport and work on the peak capacity of the automatic baggage transport system (SATE) in the south check-in area of Palma de Mallorca. There are also actions under-way for the environment: the thermal insulation of the Palma de Mallorca terminal building and a new lighting with LED technology for the automatic baggage transport system at the Adolfo Suárez Madrid-Barajas Airport. Finally, reference must be made to the general adaptation of the drainage system at the Alicante Airport.

As regards important actions begun in 2018 include the adaptation of VIP lounges at Barcelona-El Prat, the remodelling of the south bay building of said airport, the regeneration of runway 32R-14L of the Adolfo Suárez Madrid-Barajas Airport and the remodelling of the shopping gallery and boarding hall at Gran Canary.

Resurfacing of Tenerife South Airport Runway

At Luton airport, investments have continued focused on the maintenance and renovation of equipment, as well as the *Curium Project,* which aims to increase capacity to 18 million passengers and an investment of approximately 160 million. In December, work finished on the terminal and on the land side, which represent the most important part of the extension project.

In particular, work has been completed on the extension and remodelling of the terminal building (20,000 and 10,000 m², respectively); the new B-dock has been put into operation; and there are new boarding gates and additional security lines (with an increase in the security lobby space of 50%). On the air side, 6 new aircraft parking positions have been opened.

Furthermore, work is ongoing on the construction of the new Foxtrot taxiway, which is planned for completion mid-2019.

As part of the preliminary work for the construction of a light rail system that will connect the terminal building with *Luton Airport Parkway* railway station, to be financed by the local authority, the *drop-off* area has been moved to a provisional location, and construction of the new *Multi-Storey Car Park 2* has started.

As for investments by associates that are not fully consolidated in terms of the books, the new international terminal of the Airport of Cali was opened in June.

At GAP airports, in 2018, investments were made for 1,800 million Mexican pesos (approximately, €80 million), including investments in Montego Bay (Jamaica), which include the remodelling of terminal buildings at the Guadalajara airports (8,800 m², the T1, 9 new boarding gates, a new security control with 5 posts and extension of aircraft parking), Tijuana (2,000 m² terminal building and commercial area), Guanajuato (11,000 m² terminal building) and La Paz (1,500 m² terminal building, runway and roads).

5.1 Analysis of investments broken down by action area

The following shows the distribution of the payments for the investment in the Spanish airports network at 31 December 2018 and its comparison with 2017:

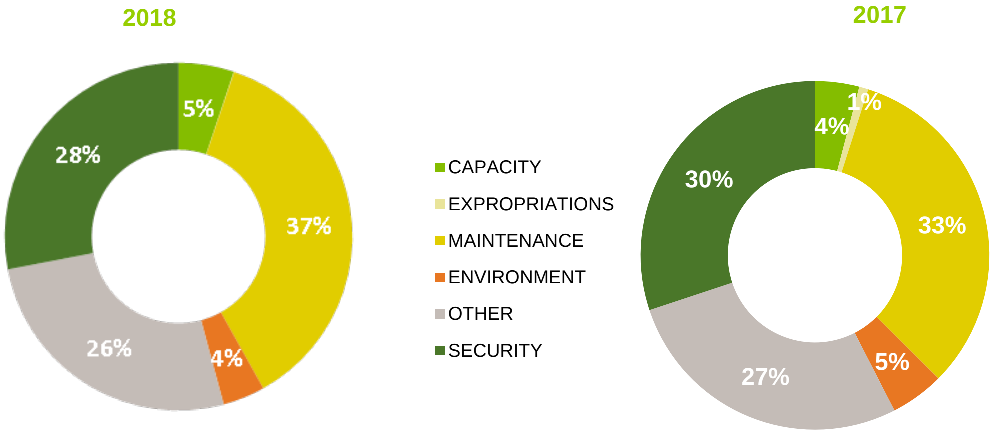


Figure 7. Analysis of investments by area of application

- Capex in security represented 28% of Aena's total capital expenditure (compared with 30% in the same period of 2017) and increased by €40 million, from €91.8 to €131.8 Million. Regarding the operations in operational safety in the aircraft movement area, special mention must be made of projects aimed at improving surfaces in various areas of the airfield at the Fuerteventura, Tenerife South, Girona Costa Brava and Bilbao airports. With regard to the security of people and facilities, actions have focused on providing the terminals with automatic systems (passport control systems, mobile X-ray equipment and access control).

- Capex allocated to improving facilities to ensure service continuity increased its weight from 33% in 2017 to 37% in 2018. It also increased in quantity terms during this period from €99.3 million to €172.5 million (+73.8%). The actions carried out include improvements to the Tenerife South, Palma de Mallorca (platforms B and C) and Lanzarote Airport aprons, as well as the provision of footbridges for Malaga Airport.

- Investments in capacity amounted to €24.3 million, compared to €12.5 million in investment paid in 2017. In the airfield, the reconfiguration of the south bay apron of the airports of Barcelona and Madrid, the supply and installation of apron assistance equipment and new parking spaces. The work on terminal capacity highlights the improvement of the automatic baggage transport system in Palma de Mallorca.

- In the environment, the investment made was €18.5 million (€3.2 million more than in 2017). This amount corresponds mainly to the sound insulation of homes in the areas near several airports, the installation of lighting systems with efficient technology at various airports on the network, the construction of a hydrocarbon separator at Valencia Airport and the adaptation cooling equipment at Adolfo Suárez Madrid-Barajas Airport to environmental regulations.

- In terms of expropriations, payments of €0.2 million were made in comparison with the €2.6 million paid in the same period in 2017.

- Capex classified as other investments amounted to €123.0 million, 47.0% higher than in 2017 (€83.7 million). This section includes investments in information technologies, especially those aimed at storing information and improving communication infrastructures at several airports. Mention must also be made of projects for improving commercial and real estate revenue, including the improvement of parking systems in Barcelona-El Prat and that of several car parks at the airport of Malaga-Costa del Sol.

6. Balance Sheet

6.1 Net assets and capital structure

Thousand euros	2018	2017	Variation	% Variation
ASSETS				
Non-current assets	13,785,594	14,093,595	-308,001	-2.2%
Current assets	1,113,476	1,213,837	-100,361	-8.3%
Total assets	**14,899,070**	**15,307,432**	**-408,362**	**-2.7%**
EQUITY AND LIABILITIES				
Equity	6,023,805	5,687,864	335,941	5.9%
Non-current liabilities	7,371,884	8,135,177	-758,404	-9.3%
Current liabilities	1,503,381	1,484,391	14,101	0.9%
Total equity and liabilities	**14,899,070**	**15,307,432**	**-408,362**	**-2.7%**

Table 14. Summary of the consolidated balance sheet

Effects of the entry into force of the new IFRS 15 and IFRS 9 accounting standards

IFRS 15 and IFRS 9 were applied in preparing the financial statements for the first time in 2018, as reported in note 2.1.2.1 to the Consolidated Financial Statements. The Aena Group has opted not to restate previous periods, and the impacts on Equity at the initial application date (1 January 2018) deriving from the coming into force of these standards was not significant, being limited exclusively to a €0.8 million reduction in Reserves deriving from the transition to IFRS 9.

Additionally, the available-for-sale financial assets shown in the financial statements for 2017 (€0.3 million) have been reclassified to “Other Financial Assets”.

Impacts on the Income Statement for 2018 were also insignificant, mainly as follows:

- Increase in financial expenses of €0.9 million, deriving from the application of the provisions of IFRS 9 to on debt restructuring.
- €1.1 million more profit deriving from the quantification of the amount of impairment of financial assets under the new “expected loss” methodology relative to that which would have been calculated under the previous IAS 39.

Main changes

Non-current assets decreased by €308.0 million, mainly due to the decrease of €333.2 million in "Property, plant and equipment", explained by the evolution of the investment in the Spanish network, which implies that the amount of the Fixed assets for the period are lower than the amortizations made, as well as recognition of the impairment amounting to €46,2million corresponding to the book value of all the assets of the Murcia San Javier Airport that could not be reused at the International Airport of the Region of Murcia (AIRM) or the remaining airports on the network (see Note 6 Consoldated Financial Statements).

This change was partly offset by the increase of €15.8 million of the “Intangible Asset” item, mainly associated with Aena's concluding the concession agreement for the management, operation, maintenance and conservation of the International Airport of the Region of Murcia and its zone of activities for a period of 25 years, the balancing entry for which is long-term “Financial Debt” (see Note 7 of the Consolidated Financial Statements).

Current assets have been reduced by €100.4 million due to the decrease in the balance of "Cash and cash equivalents" by €203.6 million (the variation of which is explained in section 7, Cash flow statement) and the increase in the balance of "Trade and other receivables" by €103.0 million, for the accrual as of 31 December 2018 of €117.8 million for minimum annual guaranteed rents (MAGR) (compared to the €75.8 million accrued for MAGR at the end of 2017), the change in the payment method of one airline company from pre-payment to guaranteed in 2018 (€28.4 million), and the increase in turnover for the period.

Equity increased by €335.9 million mainly as a result of the difference between the dividends distributed in the period (-€993.4 million) and consolidated profit for the period (+€1,327.9 million).

The €758.4 million reduction in Non-current liabilities was basically due to the €702.9 million reduction in “Financial Debt”, which in turn was mainly due to transfer of €766.6 million to current liabilities to meet the payment of €798.1 million corresponding to the amortization of the principal of Aena's debt to ENAIRE (as co-borrower with various financial institutions), in accordance with the repayment schedule established, and to prepay debt to Depfa Bank, in an amount of €132.9 million from the total amount

(€166.1 million) contained under this heading (see movement of Financial debt in Note 20 of the Consolidated Financial Statements).

The balance of "Other non-current liabilities" has decreased by €42.2 million, mainly due to the compensation of €41.7 million in turnover during the period, the advance charged by World Duty Free Group España, S.A. for the rental contracts of the commercial premises for the *duty free* and *duty paid* shops across the airport network in Spain (see Note 25 of the Consoldated Financial Statements).

The increase of €14.1 million in current liabilities mainly reflects the increase in the items "Current tax liabilities" and "Trade and other payables" by €49.5 million as a consequence of the increase in the credit balance with the Public Treasury due to the increase in Corporations Tax and the increase in turnover (see Notes 19 and 32 of the Consolidated Financial Statements). Furthermore, the balance of "Provision for other liabilities and charges" is down €23.7 million (see movement in Note 23 of the Consolidated Financial Statements).

Working capital, calculated as the difference between current assets and current liabilities, which is generally negative in the Company as a result of its operations and financing structure, stood at -€385.0 million at the end of the period (-€270.6 million at 31 December 2017), due to the changes in current assets and liabilities commented on previously.

6.2 Net financial debt

The Aena Group's consolidated net financial debt, calculated as Current financial debt plus Non-current financial debt less Cash and cash equivalents, stood at €6,654.1 million at 31 December 2018 (including €435.7 million from the consolidation of Luton Airport's debt), compared with €7,156.0 million at 31 December 2017 and the associated ratios continue to decrease:

Thousand euros	2018	2017
Gross financial debt for accounting purposes	7,305,506	8,010,959
Cash and cash equivalents	651,380	854,977
Net financial debt for accounting purposes	**6,654,126**	**7,155,982**
Net financial debt for accounting purposes/EBITDA(1)	**2.5x**	**2.8x**

(1)Earnings before interest, tax, depreciation and amortization.

Table 15. Accounting net financial debt of the Group

Net individual financial debt of Aena, for purposes of the covenants contained in the financing agreements novated on 29 July 2014, stood at €6,424.6 million at the close of the period, compared with €6,947.9 million at the close of 2017. The associated ratios have decreased relative to year-end 2017:

Thousand euros	2018	2017
Gross financial debt according to *covenants*	6,892,076	7,665,989
Cash and cash equivalents	467,444	718,115
Net financial debt according to *covenants*	**6,424,633**	**6,947,874**
Net financial debt covenants/EBITDA(1)	**2.5x**	**2.8x**

(1)Earnings before interest, tax, depreciation and amortization.

Table 16. Net financial debt *covenants* of Aena SME, S.A. .

During the period, debt amounting to €798.1 million was repaid, including €166.1 million corresponding to the early repayment of Depfa Bank's debt at a fixed interest rate.

The average interest rate of Aena's debt in the period stood at 1.30% (1.45% as of 31 December 2017).

With respect to the early repayment of the full ongoing loan Aena had with Depfa Bank for an amount of €166.1 million, it should be noted that it was completed on 18 July in response to the application of Circular 2/2016 of 2 February, sent by the Bank of Spain to credit institutions, on supervision and solvency. This Circular, which complemented the adaptation of the Spanish legal system to Directive 2013/36/EU and Regulation (EU) No. 575/2013, obliged some financial lenders to assign their exposures to ENAIRE (of which Aena is co-accredited) a risk weight different from that assigned to its exposures to the General State Administration, which is 0%.

In accordance with the contractual conditions of said loan, payment has also been made regarding the cost of unwinding the associated interest rate hedge for the amount of €17.2 million.

Furthermore, on 13 December 2018, Aena formalized a sustainable syndicated credit facility ("ESG-linked RCF") for an amount of €800 million to reinforce its commitment to the environment, social responsibility and good corporate governance.

With this operation, the Company extends the term of its financing for general corporate requirements to 5 years (with the possibility of an extension for 2 years) taking advantage of favourable market conditions. The most outstanding feature of this credit facility is that the interest rate is set based not only on the credit rating, but also on the evolution of Aena's sustainability parameters in environmental, social and good governance issues (ESG rating "Environmental, Social and Governance ").

At the same time, the Company cancelled its current bilateral credit facilities for an amount of €1,000 million due in 2019.

6.3 Information about the average payment period

Information on the average payment period to suppliers of Aena S.M.E., S.A. and Aena Desarrollo Internacional, S.M.E., S.A. is as follows:

Days	2018
Average term of payment to suppliers	48
Ratio of transactions paid	51
Ratio of transactions pending payment	21

Table 17. Average payment period

These parameters were calculated per Art. 5 of the Resolution *of 29 January 2016 published by the Accounting and Auditing Institute, on the information to be included in the financial statement report in relation to the average payment period to suppliers in commercial transactions*, as follows:

- Average payment period to suppliers = (Ratio of paid operations * total value of payments made + Ratio of outstanding payment operations * total amount outstanding payments)/(total amount of payments made + total amount of outstanding payments).
- Ratio of transactions paid = Σ (Days Payment Outstanding * amount of the transaction paid)/total amount of payments made. Days Payment Outstanding is understood to mean the calendar days that have elapsed since the date the calculation begins until the actual payment of the transaction.
- Ratio of outstanding payments = Σ (Days Payment Outstanding * amount of operations pending payment)/Total amount of outstanding payments. Days Payment Outstanding is understood to mean the calendar days that have elapsed since the date the calculation begins until the last day referred to in the financial statements.
- For the calculation of both the number of days of payment as well as the days' payment outstanding, the company calculates the term as of the date of provision of the services. However, given the lack of precise information on the time that this has taken place, the date of receipt of the invoice is used.

This balance refers to suppliers who, given their nature, are suppliers of goods and services, so that it includes data regarding the items “Trade creditors and other accounts payable” in the balance sheet.

Thousand euros	2018
Total payments made	850,582
Total payments outstanding	97,306

Table 18. Balance concerning suppliers

In the accumulated period, the average payment terms are adapted to the terms established by Law 15/2010. The cases in which a payment has been made outside of the legally binding period are due mainly to reasons not attributable to the Company: invoices not received on time, AEAT expired certificates, lack of certificates of proof of supplier bank accounts, amongst others. The weighted average price is calculated based on invoices received and endorsed pending payment. The balance of “Trade payables” is greater than that of “Payments pending”, because the former includes amounts of invoices pending receipt and/or approval, as well as balances brought in from Luton Airport.

7. Cash flow

Thousand euros	2018	2017	Variation	% Variation
Net cash flows from operating activities	1,947,658	2,014,612	-66,954	-3.3%
Net cash flows from investing activities	-502,307	-361,614	-140,693	-38.9%
Net cash used in financing activities	-1,648,908	-1,364,274	-284,634	-20.9%
Cash and cash equivalents at the beginning of the period	854,977	564,616	290,361	51.4%
Effect of exchange rate fluctuations	-40	1,637	-1,677	102.4%
Cash and cash equivalents at the end of the period	**651,380**	**854,977**	**-203,597**	**-23.8%**

Table 19. Summary of consolidated cash flow statement

The Group's financing needs and the €975 million of the payment of dividends (charged to the result of the parent company's 2017 fiscal year), were covered by the cash flows from operating activities (€1,947.7 million) and by the reduction of the treasury balance to €651.4 million, from the initial €855.0 million. The above mentioned financing needs, include the non-financial fixed assets investment program (€524.6 million), the payment of debt according to the established schedule (€632.0 million) as well as €166.1 million debt with Depfa Bank paid in advance.

Net cash flows from operating activities

The main cash inflows from operating activities related to payments from customers, both airlines and commercial tenants, while the main outflows involved payments for sundry services received, employee benefits and local and state taxes. Cash flow from operating activities before changes in working capital and other cash from operations (interest and tax on profits paid and received), increased in the period by +4.9% to €2,655.9 million, from €2,532.1 million in the same period of 2017, mainly as a result of the improvement in the Group's operations as reflected in EBITDA (earnings before interest, tax, depreciation and amortization) of €2,656.6 million for the period, as against €2,517.4 million in the same period of 2017.

Despite the foregoing, net cash from operating activities (€1,947.7 million) was down by 3.3% on the same period of 2017 due to the effect of the €110.5 million tax refund received in the first quarter of 2017 in respect of Corporation Tax for 2015 and, in 2018, the change of payment method by Vueling airline from pre-payment to guarantee (€28.4 million). Excluding both effects, the increase in net cash from operating activities would have increased by 3.8% (€71.9 million).

Net cash flow from investment activities

Net cash used in investment activities in this period amounted to €502.3 million, compared with €361.6 million in the same period of 2017, and mainly consisted of payments for acquisition and replacement of non-financial fixed assets relating to airport infrastructure for an amount of €524.6 million (€371.2 million in 2017).

These investments mainly focused on improvements to facilities and operational security of the airports in the network and the expansion project for London Luton Airport in the UK (see Section 5. Investments).

Long-term deposits were also established for the amount of €12.9 million.

Investment activities also include dividend proceeds from equity-accounted associates in an amount of €20.1 million and "Proceeds from other financial assets" for an amount of €10.1 million corresponding to the refund of the guarantee established for participation in the bidding process for the management, operation, maintenance and conservation of the International Airport of the Region of Murcia (AIRM) under a concession of the airport and its zone of complementary activities

Cash flow from financing activities

The main financing outflows corresponded to the payment of dividends and principal repayment of debt in accordance with contractually established payment schedules and the advance settlement of the debt with Depfa. Dividends paid amounted to a total of €993.4 million, of which €975.0 million was paid to Aena shareholders and the rest to the non-controlling shareholders of LLAH III (Luton Airport).
The main inflow of funds has corresponded to the collection of €88.1 million of the European Regional Development Fund (FEDER) (see Note 24 of the Consoldated Financial Statements).

8. Operational and financial risks

The main risks to which Aena is exposed in its operations and financial activity are outlined in Note 3 of the Consoldated Financial Statements ("Management of operational and financial risks").

In the operational sphere, this section on one hand covers the regulatory risks associated with the regulated sector in which Aena works, and which governs the determination of airport charges for the first Airport Regulation Document ("DORA"), as well as future changes and developments in the applicable regulations, both in Spain and internationally, regarding security, people and goods and environmental issues, which could limit the activities or growth of Aena airports, and/or require significant expenses.

The operational risks arising from various factors that may affect the Group's activity due to being directly related to the levels of passenger traffic and air operations at its airports are also listed, including the risks considered by the Company after the referendum in the United Kingdom in favour of its exit from the European Union (Brexit), whose final results is subject to both the negotiation process ongoing between the British Government and the European Union to determine the final conditions for its exit, and to the regulatory developments involving the United Kingdom and the European Union in the event of an exit without agreement.

With respect to the financial risks to which the operations of the Aena Group are exposed, Note 3 of the Consoldated Financial Statements specifies various risks: market risk (including exchange rate risk and fair value risk by interest rate), credit risk and liquidity risk.

This information is completed with the contents of chapter 3 of the non-financial information statement, which forms part of this report and which is presented separately in the NON-FINANCIAL INFORMATION STATEMENT: Corporate Responsibility Report 2018.

9. Main legal proceedings

As a result of aircraft overflying the town of Ciudad Santo Domingo (Algete, Madrid), some inhabitants of this area considered that their fundamental rights were violated due to excessive noise levels in their homes. These residents lodged an appeal for judicial review against Aena, ENAIRE and the Ministry of Public Works, in which they asked for a cessation of the alleged violation of their rights, which for them would mean stopping the use of runway 18R (one of the four at Adolfo Suárez Madrid- Barajas Airport). No Court has agreed to this measure. On 31 January 2006, the High Court of Justice in Madrid (TSJ) issued a judgement rejecting this appeal for judicial review. The ruling was appealed by five of the initial appellants, and the Supreme Court partially upheld the appeal in a ruling of 13 October 2008 on the grounds of violation of the right to privacy at home. Subsequently, there were various pronouncements and incidents of enforcement which were appealed by all the parties involved in the proceedings.

Under a third motion for enforcement, the High Court of Justice in Madrid (TSJ) issued an Order of 2 December 2014, communicated to ENAIRE and Aena on 5 December 2014, in which (i) it declared that the judgement of the Supreme Court of 13 October 2008 had not been executed, as it concluded that the breach of fundamental rights as a result of the distress caused by flyovers remained; and (ii) it ordered, via an enforcement writ, a 30% reduction in the number of flights flying over the area of Ciudad Santo Domingo, a percentage calculated on the basis of the number of flyovers in 2004, which amounted to 20,730 approaches to runway 18R.

The Court Order dated 2 December 2014 was resubmitted before the same Chamber of the High Court of Justice of Madrid and later in appeal before the Supreme Court, requesting the suspension of its enforcement, without it being necessary to initiate the reduction of the number of flyovers that were produced on Ciudad Santo Domingo until they were 30% inferior to the levels recorded in 2004.

Finally, the Supreme Court issued a judgement on 3 April 2017, revoking the Order of 18 December 2014, by which it was agreed to suspend the 30% reduction, although it does not state hat the Ruling passed on 13 October 2008 has been enforced as it lacks sufficient elements to assess the actual or non-compliance with said Ruling.
The Supreme Court ruling of 3 April 2017 has no material consequences for Aena since the current situation is maintained. Thus the Supreme Court ruling:

(i) does not entail any obligation for the Administration nor for AENA (for example, modification of routes, reduction of overflights, etc.); and
(ii) maintains the airport's current operating capacity.

In addition, the Conclusions of the Supreme Court ruling preclude court decisions that may restrict the operational capacity of the airport. This reduction may only be adopted by the competent administrations, in accordance with the provisions of Regulation (EU) 598/2014 of 16 April[1] ("Regulation 598/2014"). Following the pronouncement of the aforementioned ruling, the High Court of Justice of Madrid must continue enforcement. Thus, this Court requested information that has been communicated by the Technical General Secretariat of the Ministry of Public Works:

(i) That the bodies responsible for compliance with the judgement are Aena, ENAIRE and the General Directorate of Civil Aviation as a specific body of the Ministry of Public Works.
(ii) On 31 July 2017, the State Attorney provided the Court with the technical report prepared jointly by Aena, ENAIRE and the DGAC, which outlined how the judicial mandate would be enforced. In addition, the State Attorney's Office requested the extension of the period of enforcement provided for in Article 104.2 LJCA in order to bring it into line with the deadlines set forth in the report.

This report indicated that the Supreme Court ruling of 3 April 2017 required a check to be carried out on the noise levels inside and outside the homes using the methodology referred to by Regulation (EU) 598/2014. Consequently, the actions carried were as follows:

(i) Checking the exterior noise level in the years 2016 and 2004 so that the variations produced can be compared.

(ii) Checking the noise level inside the dwellings using the formula defined in the technical standard UNE EN 12354-3:2001 *Acoustic Performance of Buildings. Estimation of the acoustic characteristics of buildings based on the features of their elements. Part 3: Sound insulation to block out external overhead noise.*

The expected periods for the finalization of these verifications and the presentation of results to the TSJ was the end of November 2017, providing it were possible to access the dwellings whose noise level must be verified in the dates estimated for said purposes.
On 4 September 2017, a ruling was received from the TSJ (High Court) of Madrid handed down previously on 1 September in which, in response to the request from the State Attorney, an extension of one month was granted for the execution period with respect to the provisions

[1] Regulation (EU) 598/2014, of the European Parliament and of the Council, of April 16, 2014, concerning the establishment of norms and procedures for the introduction of operational restrictions related to noise at Union airports as part of a balanced approach, repealing Directive 2002/30/EC.

of Article 104.2 LJCA, pointing out that the specific content of the report provided should be decided upon by the rapporteur of the proceedings.

This extension expired on 4 October 2017, and the State Attorney proceeded to request a new extension of the period, informing the TSJ of the status of enforcement and of the proceedings already carried out. In response to this request, the TSJ issued a new ruling on 17 October 2017, extending the term of execution for a period of 1 month. This extension period ended on 23 November 2017, at which point the work to be done on the residents' homes had not been completed, and the State Attorney accordingly applied for a further extension of the deadline. Following this request, the TSJ passed a ruling on 22 December 2017, through which a new extension was granted to complete execution for two months, meaning that the term to finalize actions concluded on 22 February 2018.

On 6 March 2018 a ruling from the TSJ was received through which the State Attorney's Office was required to inform the Court within a period of five days, "if for the technical validation pending on noise issues necessary for the passing of the ruling means it is essential to enter into the home of one of the residents, given the numerous difficulties arising in the measuring of the same". Said request was be made once all of the actions that had to be performed had been completed, with the exception of the evaluation of the noise levels in the dwelling of the resident mentioned above, in which, until now, the permission on the part of the occupant (tenant) has not been forthcoming to access the same.

In its written brief dated 15 March, the State Attorney's Office, providing the reports drafted for this purpose, asked the TSJ to state that it was not necessary to enter the dwelling of the resident referred to in order for the order to be considered to have been executed, adding that in any case the parties charged with execution (Ministry of Public Works, ENAIRE and Aena) would undertake such actions as the Court might consider necessary to complete the execution. By a ruling of 22 March 2018, the parties and the Public Prosecution Service were granted one month in which to react to the documentation that had been presented by the State Attorney's Office relating to all the actions taken and reports produced so far in fulfilment of the Supreme Court order.
By successive requests of the parties the deadline for submitting allegations was extended, the period for which ended on 15 June 2018, after which the Supreme Court of Madrid issued an order dated 30 July 2018 which agreed:

(i) To dismiss the allegation of the lack of a resident's legitimacy.

(ii) To declare the 13 October 2008 Supreme Court ruling executed.

Subsequently, several Ciudad Santo Domingo residents filed a motion for reconsideration before the Supreme Court on 30 July 2018, on which, on September 14, 2018, Aena filed a writ of recourse.

By Order of December 21, 2018 the TSJ dismissed the appeal for reversal against which an appeal for review can be lodged. On 1 February 2019, the neighbours announced an appeal against the Rulings handed down on 30 July and 21 December 2018. The Supreme Court must now decide on the admission of the appeal and summon Aena to appear before the Supreme Court.

10. Non-financial information

The NON-FINANCIAL INFORMATION STATEMENT: Corporate Responsibility Report 2018, which forms part of this report, is presented separately and has been available since the date of publication of the annual accounts on the Aena website (www.aena.es). The statement, has been prepared in line with the requirements given in Law 11/2018 of December 28, 2018 on non-financial information and diversity, approved on December 13, 2018 by the Congress of Deputies, amending the Commercial Code, the revised text of the Corporations Act approved by Royal Legislative Decree 1/2010 of July 2 and Law 22/2015 of July 20 on Accounts Auditing, regarding non-financial information and diversity (from Royal Decree Law 18/2017 of November 24).

11. Human resources

In the area of human resources, to promote the actions given in the Strategic Plan 2018-2021, actions have been defined to plan and anticipate the people and the organizational changes necessary to undertake the increase in activity and new roles and challenges. Measures have also been given to improve working conditions, enable the training and development of talent and professional skills and the promotion of diversity and equality.

The most relevant actions carried out during 2018 regarding recruitment, development/promotion and training at Aena S.M.E., S.A., as listed below, are completed with the information on human resources contained in chapter 7 of the NON-FINANCIAL INFORMATION STATEMENT: Corporate Responsibility Report 2018 (section "People at Aena").

Recruitment processes

In 2018, several processes have been completed:

- Completion of the In-house Provision of 18 December 2017 for non-university graduates By means of this process, 211 vacancies have been filled, 128 of which have been awarded with candidates from the internal job opportunities system, 79 vacancies with external candidates and 4 are pending a new internal job opportunities process.
- Finalization of the Call for External Selection for University Graduates. This call began in 2017 and ended in 2018, leaving the vacancies covered and the job opportunities system in place.
- Call for Candidate Exchanges through the Public Employment Services for support personnel and personnel for attending passengers, users and customers.
- On 28 June 2018 and November 22, 2018, two selection processes were carried out for non-fixed contracts at 16 airports on the network for non-university technicians.
- Call for internal employment for university graduates, dated December 13, 2018, which will give all the company's fixed employees the opportunity to apply for promotion, development and/or reorientation of their professional career.
- Scholarships:72 final-year university students have been given scholarships for academic practicums in 2018. This has given them the possibility to acquire practical knowledge of real business situations at Aena.

Training, Professional Development and Talent Management

We have continued training actions focused on the cultural and digital transformation. Training in behaviour and technology has been given to ensure better and greater knowledge of Aena by all employees to increase the sense of belonging and the involvement of all workers. Training for diversity and equality has continued to ensure regulatory compliance. As in previous years, one of the main pillars of the training has been to ensure levels of physical and operational safety at all our airports.

Digital transformation

In 2018, the main items of the Digital Transformation roadmap were established to address the future modernization of Human Resources management systems for two reasons: to harness the support of the human resources department in the form of specific training and information schemes; and, at the same time, continue with process automation and development of proprietary applications to increase work efficiency and boost the modernization of the department.

12. Procurement

In terms of hiring, as a complement to the information given on the NON-FINANCIAL INFORMATION STATEMENT: Corporate Responsibility Report 2018 ("Social cash flow" section) on the volumes of procurement awarded by Aena in 2018, the Company is digitally transforming its procurement processes.

The entry into force on 9 March 2018 of Law 9/2017 of 8 November on Public Sector Procurement is worthy of particular mention*. Said law transposes Directives 2014/23/EU and 2014/24/EU of the European Parliament and of the Council of February 26, 2014 into Spanish legislation*, affecting the procurement processes of Aena's suppliers.

The *definition and implementation of the electronic procurement program at Aena* is multi-annual and consists of more than 10 different projects, related to each other. They will enable the automation and improvement of procurement processes and the reduction of administrative deadlines and procedures for economic operators and the procurement units of Aena.

In compliance with the Additional Provision 15 of Law 9/2017 on Public Sector Contracts, in 2018 the electronic presentation platform for PPO offers was defined, analysed, developed and implemented to enable bidders to submit their proposals or offers in the projects telematically.

13. Stock performance

In 2018, Aena's stock varied between a maximum of €179.50 and a minimum of €133.0. The share closed the period at €135.8, down 19.7%, reflecting the general evolution of the Spanish market in this period, in which the IBEX35 lost 15.0%.

Figure 8. Stock performance

The main performance figures for Aena's price on the continuous market of the Madrid Stock Exchange in 2018 are summarized as follows:

2018	AENA.MC
Total volume traded (no. shares)	87,945,064
Daily average volume traded in the period (No. of shares)	344,883
Capitalization €	20,362,500,000
Closing price €	135.75
Number of shares	150,000,000
Free Float (%)	49%
Free Float (shares)	73,500,000
Turnover	119.7%

Table 20. Main data on Aena's evolution

In connection with the acquisition and disposal of treasury shares at 31 December 2018, Aena does not own shares. For the foregoing, there has been no impact for this reason on the yield obtained by the shareholders or on the value of the shares.

14. Subsequent events

Subsequent to 31 December 2018 and up to the date of publication of this report, the International Airport of the Region of Murcia (AIRM) was opened on 15 January 2019, following the start-up of operations. With this entry into operation of AIRM, as provided in the "Protocol to establish the bases for the development of civil aviation in the Autonomous Community of the Region of Murcia" and in the offer presented by Aena in the public tender for the management and operation of the AIRM, Murcia San Javier Airport is exclusively for military aviation.

APPENDICES:

I. Consolidated financial statements
II. Summary of relevant facts published
III. Corporate Governance Report

APPENDIX I: Consolidated financial statements

Consolidated statement of financial position at 31 December 2018 and 2017

Thousand euros	2018	2017
ASSETS		
Non-current assets		
Property, plant and equipment	12,872,781	13,205,946
Intangible assets	506,996	491,173
Investment properties	138,183	135,108
Equity-accounted investees	65,433	63,955
Other receivables	3,259	2,831
Deferred tax assets	124,944	122,369
Available for sale financial assets	-	347
Other financial assets	72,854	71,506
Derivative financial instruments	1,144	360
	13,785,594	**14,093,595**
Current assets		
Inventories	7,258	7,051
Trade and other receivables	454,838	351,809
Cash and cash equivalents	651,380	854,977
	1,113,476	**1,213,837**
Total assets	**14,899,070**	**15,307,432**
EQUITY AND LIABILITIES		
Equity		
Share capital	1,500,000	1,500,000
Share premium	1,100,868	1,100,868
Retained earnings	3,534,635	3,180,024
Accumulated translation differences	-20,301	-22,523
Other reserves	-80,333	-75,931
Non-controlling interests	-11,064	5,426
	6,023,805	**5,687,864**
Liabilities		
Non-current liabilities		
Borrowings	6,573,078	7,276,016
Derivative financial instruments	56,543	45,645
Deferred tax liabilities	70,995	80,153
Provisions for employee benefit obligations	46,622	59,126
Provision for other liabilities and charges	84,700	70,901
Grants	495,594	511,927
Other non-current liabilities	49,241	91,409
	7,376,773	**8,135,177**
Current liabilities		
Trade and other payables	613,049	588,419
Current tax liabilities	24.889	3.279
Borrowings	732,428	734,943
Derivative financial instruments	32,740	37,010
Grants	35,217	40,152
Provision for other liabilities and charges	60,169	83,867
	1,498,492	**1,484,391**
Total liabilities	**8,875,265**	**9,619,568**
Total equity and liabilities	**14,899,070**	**15,307,432**

APPENDIX I: Consolidated financial statements

Consolidated income statement for the years ended on 31 December 2018 and 2017

Thousand euros	2018	2017
Continuing operations		
Ordinary revenue	4,201,406	3,960,582
Other operating revenue	11,107	10,852
Work carried out by the Company for its assets	4,981	4,751
Supplies	-172,936	-174,176
Staff costs	-423,725	-417,155
Losses, impairment and change in trading provisions	1,813	-
Other operating expenses	-1,008,289	-910,912
Depreciation and amortization	-806,383	-800,035
Capital grants taken to income	95,076	42,504
Provisions surpluses	7,679	8,905
Impairment of fixed assets	-46,248	-
Income from disposal of fixed assets	-16.107	-10,915
Other net gains/(losses)	1,829	2,969
Operating income	**1,850,203**	**1,717,370**
Financial income	2,985	6,891
Financial expenses	-135,248	-142,134
Other net financial income/(expenses)	-742	-4,347
Net financial expenses	**-133,005**	**-139,590**
Share of profits in associates	20,155	18,927
Profit/(loss) before tax	**1,737,353**	**1,596,707**
Income tax	-409,602	-374,738
Consolidated profit (/loss) for the period	**1,327,751**	**1,221,969**
Profit/(loss) for the period attributable to non-controlling interest	**-131**	**-10,036**
Profit/(loss) for the period attributable to the equity holders of the Parent Company	**1,327,882**	**1,232,005**
Earnings per share (Euro per share)		
Basic earnings per share	8.85	8.21
Diluted earnings per share	8.85	8.21

APPENDIX I: Consolidated financial statements

Consolidated cash flow statement for the years ended on 31 December 2018 and 31 December 2017

Thousand euros	2018	2017
Profit/(loss) before tax	**1,737,353**	**1,596,707**
Adjustments for:	**918,553**	**935,380**
Depreciation and amortization	806,383	800,035
Impairment adjustments	-1,813	-6,072
Changes in provisions	30,729	50,222
Impairment of fixed assets	46,248	-
Grants taken to income	-95,076	-42,504
(Profit)/(loss) on disposal of fixed assets	16,107	10,915
(Profit)/(loss) on disposal of financial instruments	229	7
Financial income	-2,985	-6,891
Financial expenses	97,915	101,604
Exchange differences	513	4,340
Losses/(gains) in the fair value of financial instruments	37,333	40,530
Other revenue and expenses	3,125	2,121
Share in profits/(losses) of equity method companies	-20,155	-18,927
Changes in working capital:	**-180,504**	**-122,326**
Inventories	-211	552
Trade and other receivables	-115,020	-4,587
Other current assets	-184	-117
Trade and other payables	-7,871	-73,779
Other current liabilities	-56,427	-43,007
Other non-current assets and liabilities	-791	-1,388
Other cash generated from operating activities	**-527,744**	**-395,149**
Interest paid	-131,539	-134,661
Interest received	1,143	4,311
Taxes paid	-396,836	-263,490
Other income (received)	-512	-1,309
Net cash flows from operating activities	**1,947,658**	**2,014,612**
Cash flow from investing activities		
Acquisitions of property, plant and equipment	-498,865	-339,189
Acquisitions of intangible assets	-21,328	-31,220
Acquisitions of investment properties	-4,410	-831
Payments for acquisitions of other financial assets	-12,905	-12,933
Proceeds on disposal of/loans to companies of the Group and associates	5,044	5,376
Proceeds from property, plant and equipment divestment	34	-
Proceeds from other financial assets	10,071	124
Dividends received	20,052	17,059
Net cash flows from investing activities	**-502,307**	**-361,614**

APPENDIX I: Consolidated financial statements

Consolidated cash flow statement for the years ended on 31 December 2018 and 31 December 2017 (continued)

Thousand euros	2018	2017
Cash flow from financing activities		
Proceeds from ERDF grants	88,097	9,340
Shareholder contributions	3,392	-
Proceeds from borrowing	32,779	991,053
Other proceeds	31,730	22,794
Repayment of bank debts	-	-278,285
Repayment of Group financing	-798,059	-1,497,288
Dividends paid	-993,390	-592,232
Other payments	-13,457	-19,656
Net cash used in financing activities	**-1,648,908**	**-1,364,274**
Effect of exchange rate fluctuations	**-40**	**1,637**
Net (decrease)/increase in cash and cash equivalents	-203,597	290,361
Cash and cash equivalents at the beginning of the period	**854,977**	**564,616**
Cash and cash equivalents at the end of the period	**651,380**	**854,977**

APPENDIX II: Summary of relevant facts published

Register	Date	Type of fact	Description
260536	10/01/2018	Composition of the Board of Directors	The Company reports the resignation of a member of the Board of Directors
260991	25/01/2018	Composition of the Board of Directors	The Company announces changes in the composition of the Board of Directors and in the Nominations and Remuneration Committee
260992	25/01/2018	Composition of the Board of Directors	The Company announces changes in the composition of the Board of Directors and in the Nominations and Remuneration Committee
261748	20/02/2018	Calls for meetings or informative events	Aena, S.M.E, S.A. announces the holding of the presentation of earnings corresponding to FY 2017
262159	27/02/2018	Interim financial information	The company sends information on results for the second half of 2017.
262162	27/02/2018	Corporate Governance Annual Report	The Company submits the Corporate Governance Annual Report for 2017.
262164	27/02/2018	Annual report on remuneration for directors	The Company submits the Annual Report directors' remuneration for 2017
262165	27/02/2018	Information on results	Presentation of results and Consolidated Management Report for 2017
262170	27/02/2018	Information on dividends	Dividend for 2017
262171	27/02/2018	Strategic plans, forecasts and presentations	Passenger traffic forecast for 2018
262172	27/02/2018	Calls for and resolutions adopted by General Meetings of Shareholders	The Company announces the calling of the General Meeting of Shareholders
262602	07/03/2018	Calls for and resolutions adopted by General Meetings of Shareholders	The Company announces the calling of the 2018 AGM
262955	15/03/2018	Composition of the Board of Directors	The Company reports the resignation of the Vice-Secretary of the Board of Directors
263764	05/04/2018	Others on corporate operations	The Company announces that it will not exercise its purchase option on 49% of London Luton Airport Holding III Ltd
263927	10/04/2018	Calls for and resolutions adopted by General Meetings of Shareholders	The Company announces the approval of the Resolutions of the General Meeting of Shareholdings.
263928	10/04/2018	Calls ad resolutions for General Meetings of Shareholders - Composition of the Board of Directors	The Company announces the approval of the appointment of directors by the General Meeting of Shareholdings.
263929	10/04/2018	Information on dividends. - Calls and resolutions for General Meetings of Shareholders	The Company announces the approval by the General meeting of Shareholders of the payment of the dividend
264212	17/04/2018	Credit ratings	Moody's Investors Service Ltd upgrades Aena's credit rating
264217	17/04/2018	Calls for meetings or informative events	Aena, S.M.E, S.A. announce the presentation of 1T 2018 results
264560	25/04/2018	Interim financial information	The Company sends information on results for the first quarter of 2018.
265651	14/05/2018	Credit ratings	Fitch Ratings confirms its "A" credit rating with stable outlook for Aena S.M.E., S.A.
265695	15/05/2018	Placing of large numbers of shares (block trades)	Citigroup Global Markets Limited and UBS Limited are carrying out on behalf of TIC Luxembourg, S.Á.R.L. and Talos Capital Designated Activity Company a private placement among professional investors of a package of Aena, S.M.E S.A. shares representing approximately 2.6% of its share capital.
265702	16/05/2018	Placing of large numbers of shares (block trades)	Citigroup Global Markets Limited and UBS Limited submit details of the private placement among professional investors of a package of shares in Aena, S.M.E S.A., representing approximately 2,7% of its share capital, on behalf of TIC Luxembourg, S.Á.R.L. and Talos Capital Designated Activity Company.
266240	29/05/2018	Strategic plans, forecasts and presentations	The Company announces the lines of action of the Strategic Plan approved by the Board of Directors and the proposed date for its presentation.

APPENDIX II: Summary of relevant facts published (continued)

Register	Date	Type of fact	Description
266242	29/05/2018	Information on dividends	The Company announces that the Board of Directors has approved the dividend policy
266371	01/06/2018	Strategic plans, forecasts and presentations	Strategic Plan: Postponement of presentation
267046	21/06/2018	Composition of the Board of Directors	The Company announces the resignation of members of the Board of Directors and Committees of Aena S.M.E., S.A.
267916	16/07/2018	Composition of the Board of Directors	The Company announces changes in the composition of the Board of Directors, the Audit Committee and the Executive Committee.
267917	16/07/2018	Composition of the Board of Directors	The Company announces changes in the composition of the Board of Directors, the Audit Committee and the Executive Committee. The English version is modified
267971	17/07/2018	Calls for meetings or informative events	Aena, S.M.E, S.A. announce the presentation of 1S 2018 results
268251	24/07/2018	Interim financial information	The Company sends information on results for the first half of 2018.
268252	24/07/2018	Information on results	H1 2018 results presentation
269270	03/09/2018	Composition of the Board of Directors	The Company reports the resignation of a member of the Board of Directors
269682	18/09/2018	Calls for meetings or informative events. - Strategic plans, forecasts and presentations	The Company communicates the Strategic Plan presentation date
269837	24/09/2018	Composition of the Board of Directors	The Company reports the resignation of a member of the Board of Directors
270376	10/10/2018	Strategic plans, forecasts and presentations	The company publishes the presentation of the Strategic Plan 2018-2021 to analysts and investors
270377	10/10/2018	Strategic plans, forecasts and presentations	The company announces the forecast for passenger traffic for 2019
270383	10/10/2018	Strategic plans, forecasts and presentations	The Company attached Press release regarding the presentation of the strategic plan 2018-2021
270752	23/10/2018	Calls for meetings or informative events	Aena, S.M.E, S.A. announces the presentation of results for the nine-month period closed on 30 September 2018.
271028	30/10/2018	Interim financial information	The Company sends information on results for the third quarter of 2018.
271029	30/10/2018	Composition of the Board of Directors	The company announced the appointment of a Proprietary Director
271030	30/10/2018	Others on corporate governance	The company announces a change of registered office
271043	30/10/2018	Others on corporate governance	The company announces a change of registered office
271045	30/10/2018	Composition of the Board of Directors	The company announces the appointment of a Proprietary Director
271950	27/11/2018	Composition of the Board of Directors	The company announces the appointment of a Proprietary Director and member of the Audit Committee

APPENDIX III: Corporate Governance Report

Aena's Corporate Governance Annual Report for the year 2018 is part of the Management Report, and has been available since the date of publication of the annual accounts on the website of the National Securities Market Commission and on the Aena website (www.aena.es).