March 2015

Results Report

January – December 2014

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CONTENTS

1. KEY HIGHLIGHTS

- Strong traffic growth (+4.5% vs. 2013) and solid financial performance, with a 16.5% EBITDA [1] growth compared to 2013, reaching €1.875 billion and an EBITDA [1] margin of 59.3%, one of the highest in the industry.
- Significant cash flow [2] generation of €1.300 billion, which allows for a reduction in the leverage ratio from a Net Financial Debt/EBITDA ratio [3] of 6.9x in 2013 to 5.6x in 2014.

Passenger traffic	• Traffic in 2014 reached 195.9 million passengers, a 4.5% increase with regard to 2013. • The proportion of international and domestic traffic remains at a 70/30 ratio, led by an increasing international passenger base (+5.7%) and a recovery of domestic traffic (+2.0%). • Consolidation of passenger traffic recovery in Adolfo Suarez Madrid-Barajas (+5.3% in 2014).
Income statement	• Total revenue in 2014 increased to €3.165 billion (+8.0% compared to 2013), of which commercial revenue (Commercial plus Off-Terminal) accounts for 25.7%. • Strong **improvement in Commercial and Off-terminal Total revenue** (combined growth of +15.2 y/y) due to new contracts and commercial actions. • EBITDA [1] for 2014 was €1.875 billion, which means a 16.5% growth with regard to 2013, and the EBITDA [1] margin reached 59.3% as a result of the cost efficiency measures implemented over the last three years. • EBITDA [1] of loss making airports decreased from €104.8 million in 2011 to €42 million in 2014. • Net profit of €479 million (-19.8%) was affected by one-offs [4] (expropriations in 2014 and deductions in 2013). Like-for-like net profit reached €595 million in 2014, a 70.3% increase compared to 2013 (+€245 million).

Financial discipline	• Cash flow [2] reached €1,300m, a significant increase vs. 2013 (€846m).
	  ◦ Aena's **accounting Net Financial Debt** [5] as at 31 December 2014, amounted to **€10,733m** (including Luton's consolidated debt of €344m) vs. €11,394m in 2013.
	  ◦ Reduction of leverage ratio [3] from 6.9x in 2013 to 5.6x in 2014.
	• The investment paid in 2014 totalled €316 million (including €8.3 million in Luton), the airports having the necessary capacity to absorb future increases in traffic. The new regulatory framework limits the volume of annual investment to €450 million.

(1) Adjusted EBITDA. Excludes impairment of fixed assets and provision Voluntary Separation Plan (VSP).
(2) Cash flow calculated as adjusted EBITDA – CAPEX – Payment of interest.
(3) Net financial debt / EBITDA ratio calculated according to the criteria defined in the debt novation contracts undertaken with the financial institutions on 29 July 2014.
(4) Provision of late payment interest for expropriations (€117 million after tax) made in 2014 and deductions for investments activated and applied (€246 million) in 2013 tax, as it was the first year of profitability.
(5) Calculated as: Financial debt (current and non-current) less Cash and cash equivalents less cash pooling.

1.1 Key highlights

Aena is the world's first operator in terms of passenger volume, which in 2014 reached a total of 195.9 million passengers (+4.5% compared to 2013). It also owns two of the top ten airports in the European Union in terms of passengers: Madrid (5th position in the ranking, according to Airports Council International "ACI") and Barcelona (9th position). Aena's extensive airport network (46 airports and 2 heliports in Spain), coupled with their diversity, has enabled the Company to gain ample experience in the management of airports of different types and sizes. In addition, Aena, together with other concessionaire companies, manages airports outside of Spain, with an international presence spanning 15 airports (12 in Mexico, 2 in Colombia and 1 in the United Kingdom).

The growth in traffic registered in 2014 is a change in the trend, after two consecutive years where traffic dropped. This recovery is based on the growth of international traffic, given that in 2014 Spain registered the second consecutive annual record in the number of tourists received, which totalled nearly 65 million tourists who visited the country (+7.1% compared to 2013). Amongst others, one of the results of this greater influx of tourists is that Aena has, once again, registered a new record in the number of international passengers, up +5.7% compared to 2013 (70% of the total number of commercial passengers in the network). Also contributing to this change in traffic trends is the start of the recovery of domestic traffic which, in 2014, registered a 2% growth compared to 2013 after three consecutive years of decreasing, and Adolfo Suarez Madrid-Barajas airport which, following the decreases registered since 2011, experienced a 5.3% growth in 2014. The data for the first two months of 2015 (accumulated growth as of February of 5.7%; 6.8% in international traffic and 4.3% in domestic traffic), confirms the traffic growth trend shown in 2014.

As concerns revenue, the increase in total revenue from commercial activities (+15.2% in the period), both commercial and off-terminal, is worthy of mention. This increase results from the improvement of the contract conditions of the recent tenders for Duty Free Shopping and restaurants, the extension and refurbishment of areas used for commercial activities (shops and duty free) and the implementation of the new car park business model, amongst other efforts.

Internationally, on 16 October 2014, Aena, through Aena Internacional, exercised the purchase option it had on 11% of the capital of London Luton Airport Holding III Limited (hereafter "LLAH III"), the parent company of the company managing Luton airport (4th airport in London), going on to own 51% of said company.

One of the main pillars that, together with the increase in volume of aeronautical and commercial income, has made it possible to achieve the Company's viability has been the improvement in the efficiency and cost reduction.

In this regard, it is worth noting the drop in the Company's operating expenses (Raw materials and consumables, Staff expenses, excluding provisions of the Voluntary Separation Plan, and other operating expenditure) by €296 million between 2011 and 2014. During 2014, the comparable operating costs base (ex Luton) dropped by €70.3 million as a result of the restructuring measures started in 2012, including a staff voluntary separation plan.

These measures include the implementation of the Airport Efficiency Plan, which has meant the implementation of different efficiency measure in services, operating and labour measures in all airports, with special relevance in those with lesser traffic volumes. In this regard, EBITDA [1] for airports with a negative EBITDA [1] dropped from €75 million in 2012 to €42 million in 2014.

[1] Adjusted EBITDA. Excludes impairment of fixed assets and provision for VSP.

Over the last decade, Aena has made significant investments that have placed its airports amongst the world's most modern and competitive, with first class infrastructures and a high growth potential. There has been a significant reduction in investment requirements as a result of having provided the network’s airports with the necessary capacity to absorb future traffic growth in the coming years. During the 2009-2013 period, annual average CAPEX reached approximately €1.119 billion, compared to 2014’s CAPEX of €316 million. After concluding a period of important investments in new infrastructures, a new scenario is being considered, giving priority maintenance and investment in security, without reducing the quality of services.

This set of measures that has had an impact on both revenues and expenses, has meant that the restructuring of the Company has already been achieved and its profitability has been secured, with EBITDA (1) increasing to €1.875 billion at the end of 2014, which entails 16.5% growth compared to 2013 and means reaching an EBITDA margin (1) of 59%, which is one of the highest in the industry, with an improvement of 23 percentage points since 2011.

In turn, Aena achieved pre-tax profit of €672.4 million in 2014, compared to €497.5 million in 2013, whereas net profit totalled €478.7 million in 2014, 19.8% less than that registered during the previous year (€596.7 million). The drop in net profit is due, on the one hand, to the allocation of late payment interest for expropriations (€117 million after taxes) made in 2014 and, on the other hand, to deductions for investments activated and applied (€246 million) to tax in 2013, given that it was the first year of profitability. Without said effects, net profit on a like-for-like basis would have reached €595 million (growth of approximately €245 million).

The aforementioned improvement in results is reflected in the Company's cash flow generation (€1.3 billion as of 31 December 2014, calculated as EBITDA (1) – CAPEX – Interest Paid), and in the decrease of leverage, which have led to reducing the Net Financial Debt/EBITDA ratio (according to what is established in the debt novation contracts for the calculation of the covenants) of 6.9x in 2013 to 5.6x in 2014.

(1) Adjusted EBITDA. Excludes impairment of fixed assets and provision for VSP.

2. MACROECONOMIC ENVIRONMENT AND ACTIVITY DETAILS

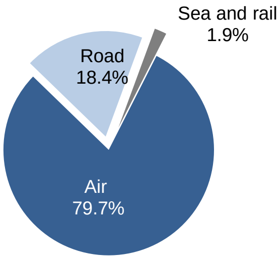
2.1 Macroeconomic and industry situation

The Spanish economy continued with its gradual recovery reflected in the main economic figures. According to data from the Spanish National Institute of Statistics, in 2014 Spain's GDP increased by 1.4%, improving by one decimal point compared to the last forecast offered by the Bank of Spain, which means that the Spanish economy has returned to growth following 3 consecutive years of recession.

Air transport is a strategic sector for Spain due to its economic and social impact. Furthermore, it contributes in terms of connectivity, accessibility, cohesion and territorial connection.

Tourism-related indicators have continued the favourable trend witnessed in 2013, which saw a record number of foreign tourists, 60.7 million (+5.6% compared to 2012), an aspect of significant relevance given that tourism accounts for 10.9% of Spain's GDP. According to the data published by the Spanish Institute of Tourism Studies, during 2014, a total of 65 million international tourists visited Spain, up by 7.1% compared to 2013. The main countries of origin have contributed to this growth, with the year-on-year growth figures for Belgium (+16.4%), Italy (+14.6%) and France (+11.3%) standing out especially. In absolute terms, the United Kingdom, France and Germany lead the ranking of countries of origin and jointly make up 55.4% of the total number of tourists who visited Spain during 2014. Autonomous regions all registered year-on-year increases, the greatest increases being recorded in the Canary Islands, Andalusia, Catalonia and Madrid.

By type of access, of the total foreign tourists that visited Spain during 2014, 51.8 million (79.7% of the total figure) travelled by air, 18.4% travelled by road and 1.9% used other means of transport (rail and sea). Having said this, it should not be forgotten that Spain is the gateway to Latin America by air.



Total:

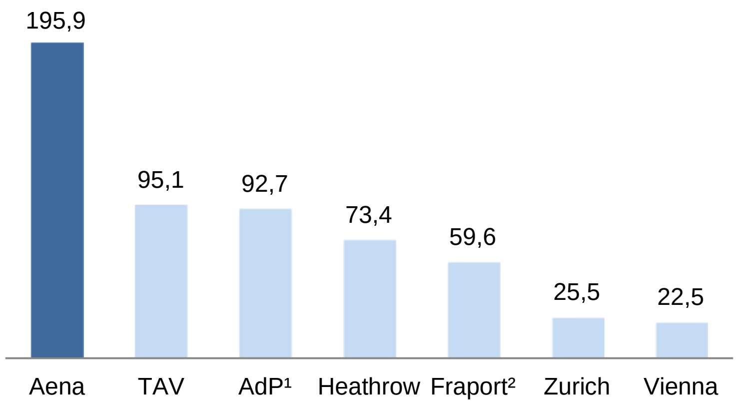
65.0 million international tourists

Source: Turespaña data. Frontier Tourist Movements (Frontur) – December 2014

2.2 Aena, world leader in airport management

Since its beginnings, Aena has worked incessantly to be where it is today: the world's leading airport operator by passenger volume.

Traffic figures for the main airport operators in 2014



* AdP only includes the Paris airports
[2] Fraport only includes Frankfurt airport
Source: Data published by the companies

Aena's airports and heliports, taken as a whole, include two of the European Union's top ten airports in terms of passenger volume: Madrid-Barajas and Barcelona-El Prat, in fifth and ninth place, respectively.

Ranking of European airports by passenger volume 2014

Rk	Airport	Million Passengers
1	London -Heathrow	73.4
2	Paris-Charles de Gaulle	63.8
3	Frankfurt	59.6
4	Amsterdam	55.0
5	Adolfo Suárez Madrid-Barajas	41.8
6	Munich	39.7
7	Rome-Fiumicino	38.6
8	London -Gatwick	38.1
9	Barcelona-El Prat	37.6
10	Paris-Orly	28.9

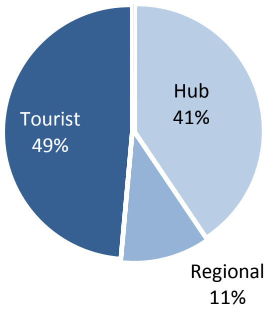
Source: Data published by ACI

2.3 Main figures of the Aena network

The 46 airports and 2 heliports have provided Aena with a broad and diverse network that has enabled it to gain experience in managing airports of different types and sizes.

Affected by a recovering macroeconomic climate, in 2014, the airports in the Aena network handled a total of 195.9 million passengers, up 4.5% from the previous year, operated more than 1.8 million flights (+2.3%) and transported around 685,200 tonnes of cargo (+7.2%). With the growth registered in December, there are now fourteen months of consecutive growth, confirming the change in trend in passenger traffic that started in November 2013.

In 2014, Aena's 14 tourist airports accounted for 49% of the total passengers, the 2 hubs accounted for 41% and the 25 regional airports accounted for 11%.



Source: Data from Turespaña. Tourist border crossings (Frontur) – December 2014

Typology of the Aena network's airports

Typology of airports	Number of airports	Passengers 2014 (million)
TOURIST Palma Mallorca, Malaga, Alicante, Gran Canaria, Tenerife Sur, Ibiza, Lanzarote, Valencia, Fuerteventura, Girona, Menorca, Reus, La Palma and Almeria	14	95.1
HUB Adolfo Suárez Madrid-Barajas and Barcelona-El Prat	2	79.4
REGIONAL Seville, Bilbao, Tenerife Norte, Santiago, Asturias, Santander, Jerez, A Coruña, Vigo, FGL Granada-Jaén, Zaragoza, Melilla, San Sebastián, Pamplona, El Hierro, Burgos, La Gomera, Vitoria, Logroño, Murcia-San Javier, Valladolid, León, Badajoz, Salamanca and Albacete	25	21.3
HELIPORTS (Ceuta and Algeciras) GENERAL AVIATION (Córdoba, Huesca-Pirineos, Madrid-Cuatro Vientos, Son Bonet and Sabadell)	7	0.02
TOTAL	**46 airports + 2 heliports**	**195.9**

Note: The references in this document to Aena's traffic data must be understood as referring to the details to the preliminary close as of the date of publication of this document.

International presence

Aena has a significant presence outside of Spain, with direct interest in 15 international airports through its shares in the subsidiary Aena Desarrollo Internacional, S.A. In 2014, these airports registered joint passenger traffic of 43.5 million, 6.6% higher than in 2013.

2014 total traffic passengers in investee airports

(Million passengers)	2013	2014	% Variation	% Aena share
Grupo Aeroportuario del Pacífico (GAP)	23.2	24.7	6.7%	5.8%
Luton	9.7	10.5	8.1%	51.0%
AeroCali (Cali)	4.5	4.9	7.3%	50.0%
SACSA (Cartagena de Indias)	3.4	3.4	1.3%	37.9%
TOTAL	**40.8**	**43.5**	**6.6%**	**n/a**

Source: Company data

Note: Except where indicated otherwise, references in this document to "the Aena airports", "the Aena airport network" or similar indications should be understood as referring to the airports and heliports located only in Spain, therefore not including the figures for the investee airports indicated in the previous table.

2.4 Aena's Airport Network

The broad and diverse network sets Aena apart as the leading airport management company in terms of passenger volume. This management model structure makes it possible to optimise costs through synergies and economies of scale that result from a higher turnover, thus enabling it to offer a higher and more standardised level of quality. The network's structure also enables each airport to operate independently, thus offering its customers a service that is tailored to their needs and demands.

To improve co-ordination amongst all its airports, the Aena network is structured as shown in the following diagram, with airports being differentiated according to passenger volume so as to better coordinate their services:

The three main airports in the network are: Adolfo Suárez Madrid-Barajas, Barcelona-El Prat and Palma de Mallorca, with the rest coming under one of the following groups:

Canary Islands Group: comprising all 8 airports of the Autonomous Community of the Canary Islands. Given their distance from the mainland and the importance of inter-insular traffic, the features of these airports set them apart from the rest of the network.

Group I: comprising large airports that handle more than 2 million passengers per year. This Group comprises 8 airports: Malaga-Costa del Sol, Alicante-Elche, Ibiza, Valencia, Bilbao, Seville, Girona-Costa Brava and Menorca.

Group II: comprising airports that handle between 0.5 and 2 million passengers per year. This group comprises 11 airports: Almería, Asturias, FGL Granada-Jaén, Jerez, A Coruña, Reus, Santander, Santiago, Vigo and the air bases of Murcia-San Javier and Zaragoza.

Group III: comprising airports that handle less than 0.5 million passengers a year. It is a mixed group that comprises:

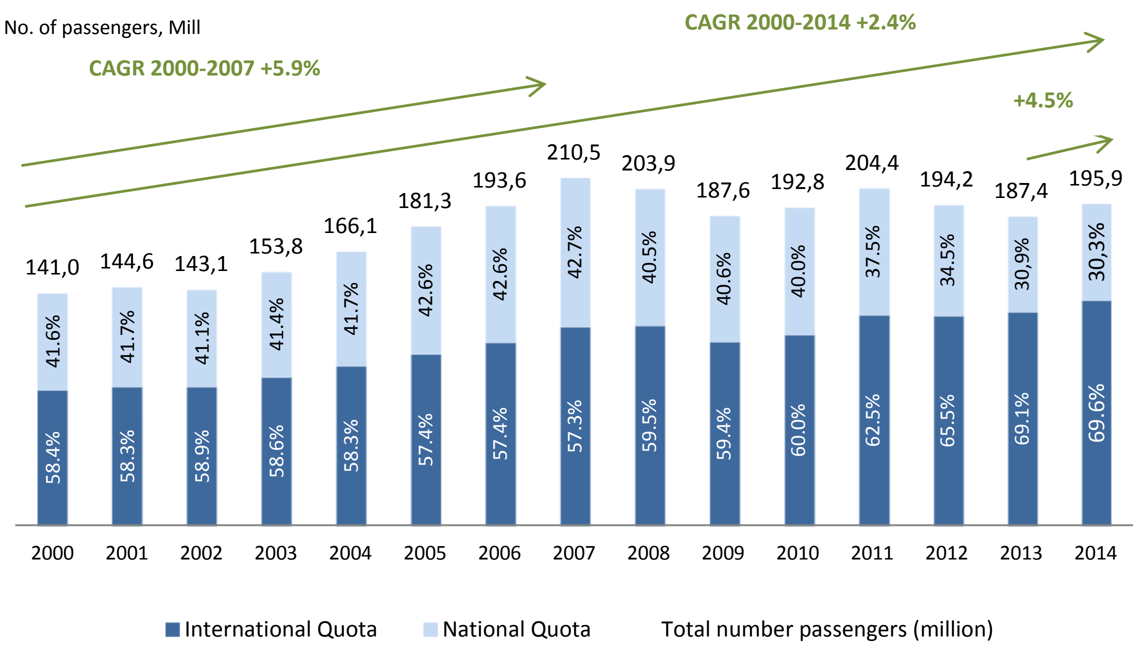
- Air bases open to civil traffic: Valladolid, León, Badajoz, Salamanca and Albacete.
- Civil airports with commercial traffic: Melilla, San Sebastián, Pamplona, Burgos and Logroño-Agoncillo.
- Cargo airport: Vitoria.
- Heliports: Ceuta and Algeciras.
- General aviation airports: Córdoba, Sabadell, Son Bonet, Madrid-Cuatro Vientos and Huesca-Pirineos.

Compared to an individualised management, the network management model allows Aena to optimize costs through the synergies and economies of scale achieved with its larger business volume, and to offer superior and consistent quality. The network structures also enables each airport to operate with autonomy and tailor services to customer needs and demands.

2.5 Typology of traffic

The relationship between traffic and world economic growth has shaped domestic and international traffic growth at Aena's airports, with international traffic outperforming domestic traffic during the financial crisis.

Total passenger traffic by traffic type (domestic/international share)



During 2014, a total of 195.9 million passengers were managed in Aena's network of airports, 4.5% more than the previous year. There are now fourteen months of consecutive growth, which confirms the change in trend of the passenger traffic evolution started in November 2013.

International traffic improves the positive trend registered in 2013 (+2.1%), having grown by +5.7% during 2014, due to the effects of the incipient economic recovery in the tourist sending countries and the political instability in some alternative tourist destinations that has attracted more tourists towards Spain, boosting the growth of air traffic in the Aena network.

In terms of domestic traffic, there are signs of recovery, given that in 2014 there was a +2% increase to 58.5 million domestic passengers (compared to the drops registered in both 2012 and 2013), despite the still difficult economic environment and competition from the high speed train.

The combination of both effects has maintained the market-share quotas practically unaltered between the domestic traffic (30%) and international traffic (70%).

With regard to the distribution of traffic by geographical area, the following should be noted:

- the +5.7% increase in traffic with Europe, whose share goes from 61.9% in 2013 to 62.6% in 2014 (a 6.6 million increase of passengers in quantitative terms); and conversely,

- the slight loss of market share of domestic traffic. In 2014 domestic traffic registered an improvement of +2% (+1,094,979 passengers) but this growth was below the total growth (+4.5%), and therefore its share drops from 30.9% in 2013 to 30.1% in 2014.

Distribution of traffic by geographic areas (number of passengers)

Region	Passengers 2013	Passengers 2014	Change %	Change Passengers	Share of total (%) 2013	Share of total (%) 2014
Europe[1]	116,031,530	122,598,883	5.7%	6,567,353	61.9%	62.6%
Spain	57,837,728	58,932,707	1.9%	1,094,979	30.9%	30.1%
Latin America and the Caribbean	5,431,982	5,579,301	2.7%	147,319	2.9%	2.8%
North America[2]	3,596,898	3,835,735	6.6%	238,837	1.9%	2.0%
Africa	2,418,282	2,573,765	6.4%	155,483	1.3%	1.3%
Middle East	1,726,866	1,957,087	13.3%	230,221	0.9%	1.0%
Asia-Pacific	361,843	383,800	6.1%	21,957	0.2%	0.2%
TOTAL	**187,405,129**	**195,861,278**	**4.5%**	**8,456,149**	**100%**	**100%**

[1] Excludes Spain

[2] Includes the USA and Canada

As regards the airline companies, the evolution of IAG companies is worthy of note: jointly, they grew by 8.8% in 2014, with a total of 48.4 million commercial passengers in the Aena network. Likewise, there have been significant increases for Air Europa with a 7.9% increase up to 14.8 million commercial passengers and Norwegian Air with a 44.6% growth (reaching 4.7 million commercial passengers).

2.6 Details of the traffic in the main airports of the network

Traffic concentrates significantly in the network's main airports.

Main traffic figures by airports and Groups of Airports of the Aena network.

Airports and Groups of Airports	Passengers			Aircraft movements			Cargo		
	Million	Change 2014/2013	Share % of Total	Thousand	Change 2014/2013	Share % of Total	Tonnes	Change 2014/2013	Share % of Total
Adolfo Suarez Madrid-Barajas	41.8	5.3%	21.4%	343	2.9%	18.7%	366,645	5.8%	53.5%
Barcelona-El Prat	37.6	6.7%	19.2%	284	2.7%	15.5%	102,693	2.4%	15.0%
Palma Mallorca	23.1	1.5%	11.8%	173	1.5%	9.4%	11,516	-5.9%	1.7%
Canary Islands Group	34.8	6.9%	17.8%	325	8.8%	17.7%	40,824	3.5%	6.0%
Total Group I	47.3	3.5%	24.2%	427	1.6%	23.3%	29,678	4.4%	4.3%
Total Group II	10.2	-1.7%	5.2%	158	-3.4%	8.6%	88,995	19.9%	13.0%
Total Group III	1.1	-2.2%	0.5%	124	-4.0%	6.8%	44,859	19.0%	6.5%
TOTAL	**195.9**	**4.5%**	**100%**	**1,833**	**2.3%**	**100%**	**685,209**	**7.2%**	**100%**

The Adolfo Suárez Madrid-Barajas airport is the network's top airport by traffic of passengers, operations and cargo. Since February 2014 and after twenty-five months of consecutive year-on-year drops, its traffic data is once again positive. In 2014, the number of passengers increased by +5.3% with regard to the previous year (+6.9% in international traffic and +1.6% in domestic traffic). By markets, passengers from Europe (Germany), Latin America

(Brazil), Africa and the Middle East show the highest growth rate. By airlines, the growth of IAG (+3.7%) and Air Europa (+12.8%) stands out especially.

In terms of the operations, in 2014 this airport operated a total of 342,601 movements, 2.9% more than the previous year. Cargo, which accounts for more than half of the total volume that passes through the network, registered an increase of +5.8% up to 366,645 tonnes transported, reflecting a recovery both in movements and in volume of goods.

At Barcelona-El Prat airport, passengers have increased by +6.7% with regard to 2013 (+8.9% in international traffic and +1% in domestic traffic), to 37.6 million, with the increase in passengers of the Vueling airline (+12.6%) standing out especially. A total of 283,850 aircraft operations were registered, which accounts for an increase of 2.7% compared to 2013, and cargo has continued its growth trend with a +2.4% increase in the volume of goods to 102,693 tonnes.

Palma de Mallorca airport has reached a traffic of 23.1 million passengers (+1.5%), offsetting the drops caused by the seasonal character of its traffic registered in the first quarter of the year. International traffic reached 18 million (+0.9%) and domestic traffic reached 5.1 million (+3.7%).

With regard to the Canary Islands Group, the number of passengers that passed through the airports in the Canary Islands rose to 34.8 million (up 6.9% compared to 2013), of which 11.3 million correspond to domestic flight passengers (up 3.5% compared to 2013) and 23 million international flights (up 9.0%).

In 2014, the set of 8 airports that make up Group I grew by +3.5% to 47.3 million passengers, with growth registered in Ibiza (+8.5%), Malaga-Costa del Sol (+6.4%) and Bilbao (+5.6%) standing out especially.

All 11 airports of Group II registered a global drop in the passenger traffic of -1.7% during 2014, which dropped to a total of 10.2 million passengers. Despite the drop in traffic registered in 2014, there is an improvement trend compared to the -9.1% drop registered in 2013. In this group, we should point out the variations in the behaviours of the different airports that comprise it. Zaragoza airport maintained its position as the network's third cargo operator, with 86,311 tonnes, and registered a growth of 20.4% compared to 2013, contributing to a 19.9% growth of the joint cargo handled by airports within this group.

Group III airports, with lower volumes of traffic, registered 1,069,712 passengers during 2014, equivalent to a -2.2% drop compared to the previous year. In the cargo chapter, this group reached 44,859 tonnes, a 19% increase compared to 2013, resulting from the growth experienced at Vitoria airport, which specialises in handling goods and which registered 44,658 tonnes (+19.1%).

Throughout 2014, a total of 325 new routes were established from Aena network's airports, with domestic, European and international destinations. Specifically, the airports with the greatest number of routes were Palma de Mallorca (56 new routes), Barcelona-El Prat (50), Adolfo Suárez Madrid-Barajas (32), Canary Islands Group (70) and Group I (88). New routes are those that had fewer than 500 passengers in 2013 and exceeded 5,000 passengers in 2014.

Regarding the airline companies that established new bases or expanded already existing ones in Spanish airports in 2014, compared to 2013, there are 3 airports that stand out especially. Specifically, the increase at Adolfo Suarez Madrid-Barajas with 17 aircrafts (Air Europa with 6, Ryanair with 3, Norwegian with 2 and Iberia Express with 6) and Barcelona-El Prat with 10 aircrafts (Vueling with a further 7 aeroplanes and Norwegian with 3) and at Alicante-Elche one aircraft from the company Air Nostrum and a Jet2 aircraft.

3. BUSINESS PERFORMANCE

Aena has carried out a significant turnaround process which has laid down the basis for its future growth. The main pillars upon which this turnaround is based are: (i) improved efficiency and cost rationalisation; (ii) increase in revenue both from aviation and commercial activities; (iii) suitability of investments; and lastly, (iv) a new international strategy approach.

3.1 Improvement of management efficiency and cost rationalisation

Since 2012, Aena has developed an ambitious plan to reduce costs, as well as measures for improving operational and productivity efficiency, which has already yielded results.

This effort to reduce costs is reflected in a saving of almost €70.3 million in operating expenditure (ex Luton) in 2014 compared to 2013, which represents a 5.3% drop.

Trend of current expenses

(Million euros)	2013	2014	Variation	% Var
Supplies	196.1	180.4	-15.7	-8.0%
Staff expenses[1]	339.9	349.7	+9.8	+2.9%
Other operating expenses	796.4	761.0	-35.3	-4.4%
Total current expenses	**1,332.4**	**1,291.2**	**-41.2**	**-3.1%**
Total current expenses (ex Luton)	**1,332.4**	**1,262.1**	**-70.3**	**-5.3%**

[1] Excluding provisions for Voluntary Separation Plan (-€5.6 million in 2013 and -€1.2 million in 2014)

The end of the process of the air traffic control service liberalisation in 12 airports, has generated the greatest part of the savings produced in the supplies chapter, with total savings reaching €15.7 million (-8.0%) compared to 2013.

In the staff expenses (excluding the provisions of the Voluntary Redundancy Plan), the +2.9% year-on-year increase, €9.8 million, is attributed to the incorporation of the staff expenses in Luton airport. Excluding both effects, staff expenses would have dropped by 0.5% (€1.6 million).

Other operating expenses have dropped by 4.4% (€35.3 million). The drop in this line, despite the consolidation of Luton which contributes with an increase of €17.6 million is the result, on the one hand, of efficiency measures implemented throughout 2012 and 2013 and, on the other, of fewer provisions in 2014 for risks (-€18.7 million) and the reversal of provisions for insolvencies (-€13.8 million).

Efficiency Plan for Group III Airports

Among the main measures adopted to cut operating expenses in Group III airports is the Airport Efficiency Plan. This plan entailed service, operational and labour-related efficiency measures and was designed to reduce recurring losses at airports with lower traffic volumes, thereby ensuring their viability. The three main axes of the plan were as follows:

- Adaptation of operating hours to airport demand, adjusting new schedules to the busiest times for airlines and their users.
- Adaptation of airport personnel to the needs of the new operational schedules established.
- Reduction of other operating expenses by reducing consumption, adjusting the scope of other work,etc.

Following the implementation of said Efficiency Plan, results in 2013 showed significant improvement compared to previous years. The improvement has continued in 2014, with EBITDA for all the loss-making airports going from a negative EBITDA (1) of €55 million in 2013 to €42 million in 2014.

(1) Adjusted EBITDA. Excludes impairment of fixed assets and provision for VSP.

3.2 Increase in revenue

3.2.1 Commercial and off-terminal income

In 2014, ordinary commercial revenue (originating from the operation of services both inside and outside terminals) reached €789.9 million, a +13.0% increase compared to 2013. The generation of commercial revenues originating from Retail (Tax free/Duty free shops, shops and restaurants), continues to improve as a result of the recent tender for new contracts for these activities and the increase in commercial space. Revenue from car parks has also improved thanks to the management of prices and promotions.

Aena continues on its path to boost commercial revenues through actions geared to generating higher returns on its commercial activities. Highlights include:

- Further growth in business at duty free shops (+32.0% year-on-year) driven by the creation of new walk-through shops in commercial areas and their addition to the Canary Island airports.
- The number of commercial premises (stores and premises for food & beverage outlets) in Aena's airport network increased by more than 7% during 2014, reaching more than 900 premises.
- The addition of leading Spanish and international restaurant and retail chains. Specifically: (i) in restaurants, brands adapted to user profiles covering a range of concepts; e.g. ethnic cuisine, fast food and Michelin rated restaurants, (ii) the new strategy for shops focused on thorough remodeling, including tenders for new anchors and the creation of a new luxury business line designed to spur sales in the high-end fashion and accessories segments. The newly added luxury stores offer Aena passengers more than 40 Spanish and international brands.
- Promotion of Aena's VIP lounges, adopting an integrated management approach, including remodeling of the lounges.
- New integrated parking management business model for the parking lots at the network's 32 airports, which includes improved pricing and promotion policies.
- The hiring of two large hangars to use for activities related to aircraft maintenance, one at Malaga- Costa del Sol Airport and another at Gran Canaria Airport.

- The awarding of executive and business aviation activity (FBOs) to two new operators at Palma de Mallorca Airport, as well as the tender for this activity at Malaga-Costa del Sol Airport in late 2014.

In addition to the actions above, the favourable behaviour of traffic also contributed and will continue contributing to promoting commercial revenue, having a positive effect on the Company's profitability.

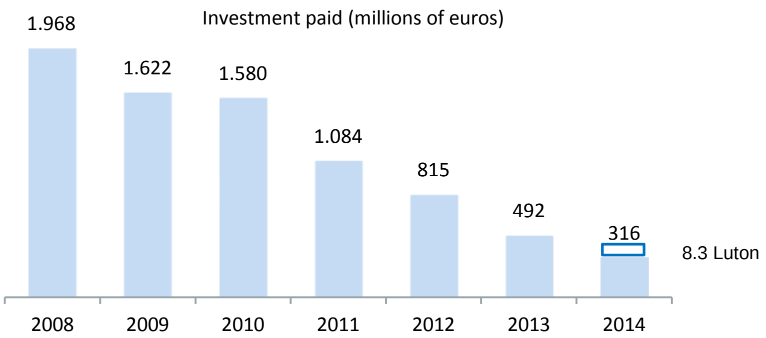
3.2.2 **Legal framework for airport charges**

Pursuant to Law 22/2013, of December 23, establishing the General State Budget for 2014, airport charges have been increased an average of 0.9% since March 2014.

3.3 Suitability of investments

Aena has invested heavily over the past decade to make its airports among the most modern and competitive in the world, with top-flight infrastructure and strong growth potential. Investment needs have decreased sharply now that the network has the necessary capacity to absorb future growth in traffic in the coming years, as borne out by the trends in investment over the past few years.

At the end of 2014, the investment paid had reached €316.1 million (this figure includes €8.3 million invested in Luton airport).



By volume of payments made in 2014, the following works completed during this period stand out: the 'Extension to the Terminal Building' of Vigo Airport, the last phase of the 'Extension to the Terminal Building' of Gran Canaria Airport, the 'Extension to the North Platform' of Gran Canaria and the 'Regeneration of the Platform' of Seville.

It is also worth noting that the following have been put into service in 2014: the 'Car Park Building P3' of Gran Canaria Airport, the 'Renovation of the Commercial Areas' of Malaga-Costa del Sol Airport, the 'Improvement of the Departure Level at the Terminal T1 Building' of Lanzarote Airport and the 'Improvement of Runway Paving 32L/14R' of Adolfo Suárez Madrid-Barajas Airport. Amongst the ongoing efforts, the 'Extension of the Flight Runway' of the A Coruña airport stands out due to the amount of investment paid. The previous investments correspond to the sections on constructions, installations and fixed assets under construction of the tangible fixed assets.

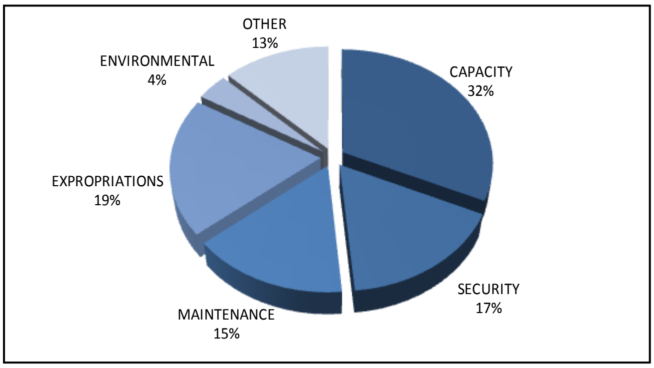
3.3.1 Analysis of investments by areas of action

Aena's current infrastructures are adequately sized to take on future increases in activity and, therefore, investments during this period have concentrated on previously initiated capacity investment projects; payment of expropriations; new investments geared mainly to improving the installations and the maintenance of service quality, as well as the operational security and the support to the strategy of the increase of commercial revenues, all while remaining committed to the environment and without compromising service quality.

Total investment made in 2014 (according to payment criteria) in the Spanish airports of the network reached €307.8 million, a 37% drop with regard to 2013. This reduction illustrates the efforts made in recent years to scale back investment, undertaking those that are strictly necessary to maintain the current infrastructure with jeopardizing security or the environment.

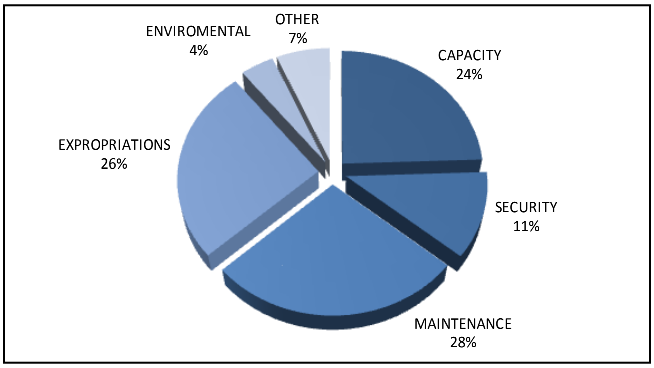
Specifically, in the year 2014, significant infrastructure works were completed such as the 'Extension of the Terminal Building' of Vigo or the 'Extension of the Terminal Building' of Gran Canaria, which added to the fact that no new works of such significant cost were started in 2014, resulted in a drop in the execution of investments.

2013



€492.3 million

2014



€307.8 million

Note: Analysis of the investments by fields of action refers to the airports and heliports only located in Spain, and therefore does not include investments relating to investee airports outside of Spain.

- The percentage of investment to be used for the improvement of facilities (service maintenance) grew significantly from 15% in 2013 to 28% in 2014 (€84.7 million), with the most relevant actions being the regeneration of the platform of Seville airport and the supply and installation of boarding bridges and equipment to serve aircraft in different airports.
- Regarding Expropriations (excluding late payment interest) in 2014, a total of €79.7 million (26% of the total) was paid, mostly corresponding to payments related to rulings to seize the plots that were expropriated for the development of the Adolfo Suárez Madrid Barajas Airport Master Plan.
- The investments in Capacity made in 2014 total €75.2 million, amounting to 24% of Aena's total investment (compared to 32% of the total in 2013). Within this chapter of investments, the most significant investment projects are: the extension of the terminal building of Gran Canaria airport, the extension of the terminal building of Vigo airport and the extension of the flight runway of A Coruña airport, started in 2009, 2010 and 2011, respectively.
- Investments made in 2014 in the field of Security amount to 11% of the total of Aena's investment. They include the renovation of automatic explosive and liquid explosive detector units in several airports, and the refurbishment of drain pipes and RESAs at Barcelona airport's air field.

- In the field of Environment, €12.7 million was invested (4% of Aena's total investment). This amount has mainly concentrated on the actions derived from the environmental impact statements (acoustic insulation) in several airports.
- The investments classified as 'Other' include the commercial investments made in 2014. Amongst them, it is worth mentioning the refurbishment of the restaurant and duty free areas of T4 of Adolfo Suárez Madrid-Barajas airport and the shopping areas of Gran Canaria airport.

3.4 International Strategy

Aena, through its subsidiary Aena Desarrollo Internacional, S.A., has a long history of investment in airport assets in international markets, which dates back to the year 1997. As of 16 October 2014, Aena increased its shares in Luton by exercising the option to purchase 11% of the capital stock of London Luton Airport Holding III. As a result of this operation, Aena has acquired the control of LLAH III (51% share).

4. PROFIT AND LOSS ANALYSIS

4.1 Consolidated income statement

(Thousands of euros)	2013	2014(1)	Variation	% Variation
Ordinary revenue	2,876,762	3,076,044	199,282	6.9%
Other operating income	54,883	88,958	34,075	62.1%
Total revenue	**2,931,645**	**3,165,002**	**233,357**	**8.0%**
Supplies	(196,135)	(180,401)	-15,734	-8.0%
Staff costs	(334,338)	(348,511)	14,173	4.2%
Other operating expenses	(796,365)	(761,029)	-35,336	-4.4%
Fixed asset depreciation	(817,732)	(814,850)	-2,882	-0.4%
Impairment and profit/loss on fixed asset disposals	(56,062)	(9,927)	-46,135	-82.3%
Other net profit/loss	10,775	1,527	9,248	85.8%
Total Expenditure	**(2,189,857)**	**(2,113,191)**	**-76,666**	**3.5%**
EBITDA	**1,559,520**	**1,866,661**	**307,141**	**19.7%**
Voluntary Separation Plan (VSP)	5,559	1,230	4,329	77.9%
Impairment loss on fixed asset disposal	(56,062)	(9,927)	-46,135	-82.3%
Adjusted EBITDA	**1,610,023**	**1,875,358**	**265,335**	**16.5%**
OPERATING PROFIT/LOSS	**741,788**	**1,051,811**	**310,023**	**41.8%**
Financial income and expenditure	(235,269)	(199,968)	-35,302	15.0%
Interest expenses on expropriations	(13,776)	(191,119)	177,344	-
NET FINANCE INCOME/(COSTS)	**(249,045)**	**(391,087)**	**142,042**	**57.0%**
Equity accounted earnings	4,718	11,716	6,998	148.3%
PRE-TAX PROFIT/LOSS	**497,461**	**672,440**	**174,979**	**35.2%**
Capital gains tax	99,194	(196,743)	-295,937	-298.3%
NET PROFIT/LOSS FOR THE FISCAL YEAR	**596,655**	**475,697**	**-120,958**	**-20.3%**
Profit/Loss for year attributable to minority interests	0	(2,921)	2,921	100.0%
PROFIT/LOSS FOR THE YEAR ATTRIBUTABLE TO THE PARENT COMPANY SHAREHOLDER	**596,655**	**478,618**	**-118,037**	**-19.8%**

(1) Includes consolidation of Luton Airport from the date of takeover.

Aena's **total revenue** increased to €3,165 million in 2014, up 8.0% compared to the 2013 fiscal year. Income from the commercial area (both outside and inside terminals) represents 25.7% of the total in 2014, having increased its percentage share from 24.1% in 2013.

Ordinary revenue increased to €3,076 million in 2014, up 6.9% compared to the 2013 fiscal year. The increase of €199.3 million is fundamentally due to:

- The positive impact on airport revenue (an increase in ordinary aviation revenue of €70.2 million, +3.2% y/y) of, on the one hand, the improvement in traffic, with growth in operations of 2.3% and in passengers of 4.5% and, on the other hand but to a lesser degree, the 0.9% tariff increase and the new meteorological charge applied from March 2014. Revenue growth was undermined by the cost of measures approved to boost traffic (fee credits to provide incentives for passenger growth in terms of both routes and airports) incurred in the period (€23.8 million). However, these measures are expected to provide a positive impact in the medium term. Similarly, the increase in the discount applied to connecting passengers (from 20% in 2013 to 30% in 2014) meant lower revenue of €16.1 million.
- The effect on commercial income of new long-term contracts (notably the World Duty Free Group contract), the expansion and remodelling of areas intended for commercial activity and the design of a new business model for integrated car park management have driven the growth in commercial revenue (both inside and outside the terminals) to €91 million (+13.0%).
- The 11% acquisition in Luton Airport, taking Aena's shareholding to 51%, has, together with other factors, led to an increase in international business revenue of €37.9 million.

Other operating income was up €34.1 million compared to the same period in the 2013 fiscal year (+62.1%), mainly due to higher income from the reversal of provisions recorded in 2014 relating to outstanding litigation that delivered favourable rulings compared to the 2013 fiscal year (€27.6 million) and grants related to assets (€6.5 million) from the FEDER. In 2014, corresponding grant receipts rose to €78.9 million, compared to €16.1 million in 2013.

Operating expenses reflect a significant reduction driven by savings measures introduced in previous years, which have resulted in an overall decrease in OPEX. In terms of specific expenditure items, the most important changes correspond to:

- <u>Supplies</u>, with an 8% reduction in expenditure representing a saving of €15.7 million compared to 2013, mainly as a result of the completion of the air traffic control service liberalisation process in 12 towers, which has meant net savings of €22.6 million. These lower costs offset the new expenditure for the meteorological service from March 2014 onwards, the value of which reached €8.3 million.
- With regard to <u>staff costs</u>, the year-on-year change of 4.2% (€14.2 million) is due to the consolidation of Luton Airport, which has meant an increase of €11.4 million. Excluding its effect and the variation of the Voluntary Separation Plan (VSP) provision, staff costs would have been reduced by 0.5% (€1.6 million).
- The most significant reduction was in the <u>other operating expenses</u> section, which decreased by 4.4% (€35.3 million) to €761 million. The reduction in this expenditure is a result of the efficiency and operational measures implemented in 2012 and 2013 and provisions for risks and doubtful trade receivables. A lower provision for bad debts was recorded in 2014 compared with the same period in the previous year of -€13.8 million and a lesser provision for risks related to court judgements of -€18.7 million. On the other hand, higher expenditure was recorded for the incorporation of Luton Airport into the Company's activities (€17.6 million).

Amongst the measures that have enabled costs to be rationalised and streamlined, those implemented in the following services are worth highlighting: maintenance, security filters, private security, shuttle bus transport at Adolfo Suárez Madrid-Barajas and Barcelona-El Prat airports, energy consumption, technical assistance as well as measures in other areas of expenditure (communications, office equipment, etc.).

- Depreciation and amortization expense was €814.8 million, down €2.9 million (-0.4%) compared to 2013. Excluding depreciation in the international business, which increased due to costs incurred in Luton Airport (€13 million), depreciation would have been reduced by €15.9 million (-1.9%) due to the end of useful life of some assets, the change in useful life of the walkways (from 12 years to 22 years) and the fall in capital expenditure, resulting in no year-on-year increase.
- Impairment and profit/loss on fixed asset disposals rose to €9.9 million, mainly due to the unexpected fall in the operational value of land in the coming years at Barcelona and Valencia airports, which was partially offset by the sale of fixed assets that have been subject to renovation. In 2013, a figure of €56.1 million was recorded as a result of the reduction in the Investment Plan for the coming years.
- The reduction under the other net profit/loss heading is due to the non-recurring nature of income in 2013, mainly resulting from a VAT return paid and not deducted.

EBITDA increased from €1,559.5 million in 2013 to €1,866.7 million in 2014, representing a 19.7% increase. 2014 includes €9.4 million for the consolidation of Luton Airport from the takeover date.

Adjusted EBITDA reached €1,875.4 million (+16.5% and +€265.3 million), which represents a margin of 59.3% (an increase of 23.6% since 2011) and which makes the Company's margins one of the highest in the sector.

Net financial expense amounted to €391.1 million (+57% compared to 2013, mainly due to the accrual and provision for accrued interest on expropriations of €191.1 million, compared to €13.8 million in 2013). Moreover, the capital gain (€14.6 million) generated by the valuation at fair value of the pre-existing 40% shareholding in Luton Airport was also recorded under this heading. Excluding these effects, net financial expense would have fallen by €20.7 million compared to 2013 (-9%), given the levels of debt over the year.

Equity accounted earnings increased by €7 million due to the improvement in the results of AMP (€2.2 million) and Aerocali (€1.1 million). The acquisition of a stake in the latter (which increased from 33% to 50% on May 29th 2014) also contributed to this increase. The comparison with 2013 is affected because Luton Airport was consolidated in 2014 through full consolidation compared to the previous year when it was integrated by the equity method (-€3.4 million).

With regard to **income tax**, the resulting expense was €196.7 million in 2014, an increase of €296 million compared to the previous year, comparatively affected by the application of €246.3 million of investment deductions in 2013 and **net profit/loss for the fiscal year (before minority interests)** reached €475.7 million.

The net profit/loss for consolidated Luton Airport was -€5.9 million, 49% (-€2.9 million) relating to the minority shareholding, which puts **profit/loss for the year attributable to the parent company** at €478.6 million, €118 million less than that achieved in 2013. The fall in net profit is due to the effect of (i) €246.3 million relating to tax deductions applied in the 2013 fiscal year and (ii) €116.9 million for the accrued interest from the three open land expropriation proceedings in the Adolfo Suarez Madrid-Barajas Airport. Without such effects, like-for-like net profit would have been €595.5 million, which would have meant an improvement of €245.1 million.

4.2. Consolidated balance sheet, capital structure and cash flow statement

Net assets and capital structure

Thousands of euros	2013	2014	Variation	% Variation
ASSETS				
Non-current assets	15,822,785	16,614,214	791,429	5.0%
Current assets	622,553	802,721	180,168	28.9%
Total assets	**16,445,338**	**17,416,935**	**971,597**	**5.9%**
EQUITY AND LIABILITIES				
Total equity	3,039,127	3,578,304	539,177	17.7%
Non-current liabilities	11,494,909	11,982,178	487,269	4.2%
Current liabilities	1,911,302	1,856,453	-54,849	-2.9%
Total equity and liabilities	**16,445,338**	**17,416,935**	**971,597**	**5.9%**

The total values of Aena Group Assets and Liabilities were impacted in 2014 by the acquisition of control of LLAH III, which meant full consolidation of its assets and liabilities after making the relevant eliminations in each case.

So, in relation to non-current assets, the increase of €791.4 million is to a large degree explained by incorporation in the Group's consolidated balance sheet of €703.4 million coming from LLAH III, the majority of which relates to €543.9 million of intangible assets of LLAH III, which include the administrative concession of London Luton Airport and contracts with airlines.

As regards the rest of the Group's non-financial fixed assets, the amount of €1,047.4 million from registrations was practically offset by the amount of depreciation (€814.9 million) and fixed asset deregistrations. The amount of additions of land (€886 million) includes the allocation to provisions of €758 million for three expropriation proceedings relating to Adolfo Suarez Madrid-Barajas Airport.

In turn, the increase in current assets comes from the incorporation of €45.6 million in various current assets of LLAH III (excluding consolidation adjustments), as well as the Company's improved cash generation and lower investment level, which is reflected in the increase of €277.9 million balance under the "Cash and cash equivalents" heading (of which €15.9 million relates to LLAH III Treasury Management). On the contrary, they have affected the application of tax credits for Corporation Tax deductions of €98.8 million and the receipt of €78.95 million in credits for FEDER grants awarded to the Company.

The improvement in the Company's operating cash flow and cost savings has contributed to improving the Company's working capital, usually negative owing to the Company's operations and financing, from -€1,288.7 million in 2013 to -€1,053.7 million at year-end 2014.

Equity has significantly increased as a result of profits for the period ended 31 December 2014 (€478.6 million). In the same way, as a result of taking over LLAH III with 51% of the shares, minority interests come about for the remaining 49%, the valuation of which at year-end was €62.1 million.

Non-current liabilities increased, on the one hand, as a consequence of the inclusion of €514.0 million for LLAH III (excluding consolidation adjustements). On the other hand, provisions for long-term contingencies and expenses increased to €872.4 million, mainly due to the expropriations mentioned in the section on non-current assets. Both effects have been partially offset by the amortisation of the principal of the Aena debt with ENAIRE for a total of €999.6 million and the provision of new debt amounting to €150 million.

The decrease in current liabilities is due to the improvement over the medium term of payment and cost savings and the previously mentioned investments, even when €46.3 million of LLAH III current liabilities have been included.

The net financial debt in Aena's accounts as of 31 December 2014 was €10,733 million (including €344 million as a consequence of the consolidation of the LLAH III debt) compared with €11,394 million recorded in 2013.

The Company's net financial debt, for the purposes of the "covenants" agreed in novation financing contracts on 29 July, totalled €10,382 million on 31 December 2014 compared with €11,332 million on 31 December 2013. The decrease was due to the accumulated effect of the improvement of EBITDA and the amortisation of debt:

Thousands of euros	**2013**	**2014**
Gross Financial Debt covenants	11,411,736	10,631,562
Cash and cash equivalents	80,143[1]	249,309
Net Financial Debt covenants	11,331,593	10,382,253
Net Financial Debt covenants / EBITDA[2]	**6.9x**	**5.6x**

[1] *Includes cash pooling (€67.8 million)*

[2] *Ratio of Net Financial Debt / EBITDA calculated in accordance with the criteria defined in novation contracts for debt signed with banking entities on 29 July 2014.*

The difference between the net financial debt in Aena's accounts on 31 December 2014 (€10,733 million) and the net financial debt calculated for the purposes of the covenants (€10,382 million) is essentially due to the fact that the latter does not include the debt (without recourse) associated with Aena subsidiaries (including that of LLAH III), short-term deposits and derivative financial instruments.

Explanations regarding the consolidated cash flow statement

Summary of consolidated cash flow statement

Thousands of euros	**2013**	**2014**	**Variation**	**% Variation**
Net cash generated from operating activities	1,196,912	1,346,229	149,317	12.5%
Net cash used in investment activities	-550,219	-280,864	269,355	-49.0%
Net cash generated from/(used in) financing activities	-642,526	-787,437	-144,911	22.6%
Cash and cash equivalents at the start of the fiscal year	8,210	12,377	4,167	50.8%
Cash and cash equivalents at the end of the fiscal	**12,377**	**290,305**	**277,928**	**N/A**

(N/A > 1.000%)

Note: Cash held in cash pooling in 2013 (€67.8 million).

Net cash flow from operating activities

The main cash inflows from operating activities related to payments from customers, by airlines and lessees of commercial space, and the main outflows to payments for sundry services received, personnel and local and state taxes.

Cash generated from operating activities before changes in working capital increased significantly in 2014 (13.9%), to €1,839.0 million from €1,615.2 million in 2013, mainly as a result of progress made by the Company's operations which is reflected in the EBITDA figure of €1,866.7 million at the end of 2014 compared with €1,559.5 million in 2013.

The net cash generated from operating activities increased considerably in 2014 reaching €1,346.2 million, up from

€1,196.9 million in 2013, as a consequence of the above as well as, amongst other things, the increase in tax paid (€189 million in 2014) due to the increase in the instalment payments over the year, deriving from compliance with the regulations on instalment payments for the said tax. In 2013, the following items were primarily reflected in the variations in working capital: in "Other current assets and liabilities", the receipt of €278.9 million in prepayments for World Duty Free; and in "Creditors and other receivables", non-recurrent payments corresponding to overdue debt with Enaire (€120 million) and the Voluntary Separation Plan (€104 million).

Net cash flow from investment activities

The main outflows from investing activities arise from purchases and replacements of non-financial assets related to airport infrastructure.

Net cash used in investment activities in 2014 amounted to €280.9 million compared with €550.2 million the previous year. The decrease was mainly due to the strategy to streamline investments. In this way, investment in non-financial fixed assets in 2014 mainly corresponded to investment in improving facilities and operational security, and payment of expropriations, given that significant investment to increase capacity was not necessary except for that relating to investment projects already underway.

Furthermore, in what regards financial investments, the investment of €78.5 million in LLAH III (partially offset by the €33.5 million in cash from said company) and the additional investment of €2.0 million in Aerocali have an impact on the overall Group figures. Finally, 2014 saw the receipt of the cash pooling debit balance that the Company maintained with Enaire as of 31 December 2013 (€67.8 million), together with receipts from ADI for dividends from its investees totalling €10.7 million and other minor receipts.

Cash flow from financing activities

The main positive financing flows in 2014 corresponded to receipts from FEDER grants of €78.9 million and the provision of restructured debt amounting to €150.0 million (2013: €294.8 million).

The main outflows related to the repayment of the principal of the debt corresponding to the Enaire debt. Debt repayments increased from €807.8 million in 2013 to €966.5 million in 2014 as the result of compliance with the schedule of payments established in the contract. Additionally, the heading "Repayment of Group financing" included €13.3 million debt novation fees as well as €19.7 million of payments of other financial debt with Enaire.

The dividends paid out reach €6.5 million corresponded to the dividends paid out by LLAH III to minority shareholders.

5 BUSINESS AREAS

The table below shows the income statement for Aena as of 31 December 2014 broken down into business areas.

(Thousands of euros)	Airports: Aviation	Airports: Commercial	Services outside the terminal	International[(1)]	Adjustments for consolidation	Consolidated total
Ordinary revenue	2,241,536	629,418	160,528	46,027	(1,465)	3,076,044
Other operating income	63,287	13,238	11,803	630	0	88,958
Total Income	**2,304,823**	**642,656**	**172,331**	**46,657**	**(1,465)**	**3,165,002**
Raw materials and consumables	(181,862)	0	0	0	1,461	(180,401)
Accrued wages and salaries	(297,954)	(26,264)	(11,048)	(13,245)	0	(348,511)
Other operating expenses	(602,185)	(83,187)	(55,209)	(20,452)	4	(761,029)
Depreciation and Amortisation	(684,571)	(67,071)	(49,640)	(13,568)	0	(814,851)
Impairment loss on fixed asset disposal	(2,416)	(587)	(6,924)	0	0	(9,927)
Other profits/(losses)	(670)	166	2,031	0	0	1,527
Total expenditure	**(1,769,658)**	**(176,943)**	**(120,790)**	**(47,265)**	**1,465**	**(2,113,191)**
EBITDA	**1,219,736**	**532,784**	**101,180**	**12,960**	**0**	**1,866,662**
Voluntary Separation Plan (VSP)	1,108	88	35	0	0	1,230
Impairment loss on fixed asset disposal	(2,416)	(587)	(6,924)	0	0	(9,927)
Adjusted EBITDA [(2)]	**1,221,044**	**533,283**	**108,070**	**12,960**	**0**	**1,875,358**
Operating profit/loss	**535,164**	**465,713**	**51,541**	**(608)**	**0**	**1,051,811**
Financial expense	(359,471)	(15,949)	(25,400)	9,733	0	(391,087)
Share in profits obtained by associates	0	0	0	11,716	0	11,716
Pre-tax profit/loss	**175,693**	**449,764**	**26,141**	**20,841**	**0**	**672,440**

(1) Includes consolidation of Luton Airport from date of assumption of control (51%).
(2) Excludes impairments of fixed assets and Voluntary Separation Plan (VSP) provision.

The airport segment is the main contributor to the Groups EBITDA with 65.1% of total; commercial activity contributed 28.4% and the services outside the terminal segment represented 5.8%. International business, following the purchase of Luton Airport, amounted to 0.7%.

5.1 Airport segment

5.1.1 Aviation activity

The main items of the aviation activity profit and loss account are set out below.

(Thousands of euros)	2013	2014	Variation	% Variation
Ordinary revenue	2,171,357	2,241,536	70,179	3.2%
Other operating income	46,160	63,287	17,127	37.1%
Total recenues	**2,217,517**	**2,304,823**	**87,306**	**3.9%**
Total expenditure (including amortisation)	**(1,849,845)**	**(1,769,658)**	**-80,187**	**-4.3%**
EBITDA	**1,067,541**	**1,219,736**	**152,195**	**14.3%**
Adjusted EBITDA [(1)]	**1,102,198**	**1,221,044**	**118,846**	**10.8%**
Operating profit/loss	**367,672**	**535,164**	**167,492**	**45.6%**
Financial expense	(220,289)	(359,471)	139,182	63.2%
Share in profits obtained by associates	0	0	0	0.0%
Pre-tax profit/loss	**147,383**	**175,693**	**28,310**	**19.2%**

(1) Excludes impairments of fixed assets and

Total revenues from aviation activity increased to €2,304.8 million in 2014, +3.9% compared to 2013. Ordinary revenue reached €2,241.5 million, an increase with respect to the same period of 2013 of 3.2%. This increase reflects the positive growth in traffic in 2014.

With regard to aviation activity capital expenditure, this amounted to €1,769.6 million, down 4.3% with respect to 2013. The decrease was possible due to the cost-saving measures implemented in recent years and the decrease in the volume of investment which, coupled with assets reaching the end of their useful lives, led to lower amortisation.

The above effects have allowed: an improvement in adjusted EBITDA of 10.8% and the posting of a positive operating profit of €535.2 million (+45.6%).

Furthermore, the pre-tax profit/loss for 2014 was €175.7 million, an increase of 19.2% compared with the previous year. The allocation of the provision for late-payment interest for land expropriation due to legal proceedings relating to the expansion of the Adolfo Suárez Madrid-Barajas Airport entailed a financial expense that was much greater than in 2013, a fact that negatively influenced the healthy performance of the profit/loss for the segment.

5.1.2 Commercial activity

One of Aena's main targets is to optimise the commercial revenue deriving from its different lines of business at airports, while at the same time meeting the needs and requests of the various users.

The main items of the commercial activity profit and loss account are set out below.

(Thousands of euros)	**2013**	**2014**	**Variation**	**% Variation**
Ordinary revenue	552,789	629,418	76,629	13.9%
Other operating income	5,016	13,238	8,222	163.9%
Total revenues	**557,805**	**642,656**	**84,851**	**15.2%**
Total expenditure (including amortisation)	**(199,339)**	**(176,943)**	**-22,396**	**-11.2%**
EBITDA	**424,398**	**532,784**	**108,386**	**25.5%**
Adjusted EBITDA [(1)]	**429,657**	**533,283**	**103,626**	**24.1%**
Operating profit/loss	**358,466**	**465,713**	**107,247**	**29.9%**
Financial expense	(15,897)	(15,949)	-52	-0.3%
Share in profits obtained by associates	(539)	0	539	100.0%
Pre-tax profit/loss	**342,030**	**449,764**	**107,734**	**31.5%**

[(1)] *Excludes impairments of fixed assets and Voluntary Separation Plan (VSP) provision.*

Total revenue from commercial activity increased by 15.2% in 2014 compared with 2013, rising to €642.6 million. Ordinary revenue amounted to €629.4 million (20.5% of the total ordinary revenue) having increased by 13.9% compared with the same period of 2013 (€552.8 million).

This increase is a result of the improvement of the contractual terms of the recent tenders of Duty-Free Shops, and the enlargement and remodelling of the spaces for commercial activity (shops, duty free and eateries).

The detail and analysis of the commercial lines of business (inside the terminal) is set out below:

Commercial Services *(Thousands of euros)*	2013	2014	Variation	% Variation
Leases	30,015	26,917	-3,099	-10.3%
Stores	72,929	69,919	-3,010	-4.1%
Duty-Free Shops	140,925	186,054	45,129	32.0%
Food & Beverage	92,417	112,892	20,476	22.2%
Car Rental	98,529	100,355	1,826	1.9%
Advertising	25,904	27,610	1,706	6.6%
Other commercial revenue (1)	92,070	105,671	13,601	14.8%
Ordinary revenue from commercial services	**552,789**	**629,418**	**76,630**	**13.9%**

(1) Includes Other Commercial Operations, Banking Services, Travel Agencies, Vending Machines, Commercial Supplies, Use of Conference Rooms, and Filming and Recording.

As in the case of aviation activity, the cost cutting policy in place has also been reflected in this activity, generating savings compared to 2013 of €22.4 million, -11.2%.

The increase in revenue and decrease in expenses has resulted in an adjusted EBITDA of €533.2 million, an improvement of 24.1% with respect to 2013.

Net financial expenses improved versus those of 2013 due to the lower level of average debt and the improvement in equity accounted earnings of the holding in RAESA (Corporation in the process of liquidation whose profit/loss in 2013 was negative).

These results have contributed to the improvement of the pre-tax profit/loss that has grown 31.5% to €449.8 million.

This performance was possible thanks to the impact of the various strategies adopted in 2013 designed to increase and refocus the commercial business, the two most important of which were:

- Optimization of commercial space (i.e. redesign of walk-through duty free shops) with a view to taking maximum advantage of passenger traffic.
- Optimization of commercial tenders (i.e. improvement in the commercial mix, adding renowned Spanish and international brands) and the development of promotional and marketing activities.

Duty-Free Shops

In 2014, the activity of the duty-free shops accounted for 29.6% of Aena's commercial activity revenue, with an increase of 32.0% compared to the same period in 2013.

Aena has more than 75 duty-free shops in 26 airports. Almost half of the points of sale are concentrated in the Adolfo Suarez Madrid-Barajas and Barcelona El-Prat airports, amounting to 35 shops. Duty-free shops, with more than 20 walkthrough shops, offer products that fall into the key categories of this duty-free sector: alcoholic beverages, tobacco, perfume and cosmetics, food and others.

To encourage purchases and improve passengers’ experience, renovations were carried out in the commercial areas of various airports in order to transform 20 of the main shops of this type into “walkthrough shops”.

Stores

In 2014, this business line accounted for 11.1% of the revenue from commercial activity, and its decline of 4.1% compared with the same period in 2013 is primarily due to the reclassification in the revenue accounts of the Gran Canaria, Lanzarote and Tenerife South airports, given that part of the shops’ business line became part of the duty-free business line and was no longer reflected in the accounts under the heading of ‘shops’.

Food & Beverage

In 2014, food & beverage accounted for 17.9% of the revenue from commercial activity, up by 22.2% compared to 2013.

Aena has more than 300 food & beverage establishments (primarily bars, cafes and restaurants). As in the rest of the commercial area, the catering areas are being renovated and improved with the incorporation of new renowned brands. The main activities carried out have been:

- Adolfo Suarez Madrid-Barajas airport: upgrade of the commercial offering, with the gradual addition of more than 40 new establishments awarded to Areas, S.A. in 2013, featuring leading brands such as McDonald’s, Kirei Kabuki (the first restaurant in our network), Subway, Rodilla, Burger King, Paul, Mas Q Menos and Starbucks, among others.
- Lanzarote airport: improvement in the variable income component (from 22.6% under the previous lease to 33%).
- Also noteworthy were the renegotiations and improvement in food and beverage offerings at Palma de Mallorca airport, which generated higher variable income, and new developments outside the terminals at Ibiza, Barcelona-El Prat and Alicante-Elche airports.

Car Rental

Car rental services, which in 2014 accounted for 15.9% of commercial revenue, showed revenue growth of 1.9%, mainly due to the increase in the arrivals of international passengers and the incorporation of second brands on the part of the main contractors (Avis, Hertz, Europcar, Atesa and Gold Car).

Advertising

In January 2013, the tender for this activity was awarded in four lots of airports, starting their activity.

In 2014, this activity accounted for 4.4% of the commercial activity revenue, with an increase of 6.6%. In spite of the unfavourable economic conditions in the sector, these revenues have remained virtually stable due to the minimum rent guarantees.

Other commercial revenue

The remainder of the commercial revenue, which comes from the activities of the VIP Lounges, Business Centres, banking services, travel agencies, vending machines, commercial supplies, and filming and recording, has registered growth of 14.8% in 2014 compared with the previous year.

With regard to the income from the VIP Lounges, the positive developments shown here are mainly due to the new pricing strategy, as well as the commercial activities, with new distribution channels and marketing activities that are leading to an increased number of users, which in 2014 increased by 10.8% as a result of the penetration rate.

With regard to revenue from other commercial operations (which in addition to banking services include plastic-wrapping machines, other vending machines, telecommunications services, regulated services and other operations), at the end of 2014 this amounted to €34.1 million, an increase of 15.5% compared with 2013.

5.2 Off-terminal services

Key data for the segment of commercial services outside the terminal is set out below.

(Thousands of euros)	2013	2014	Variation	% Variation
Ordinary revenue	146,178	160,528	14,350	9.8%
Other operating income	3,545	11,803	8,258	232.9%
Total revenue	**149,723**	**172,331**	**22,608**	**15.1%**
Total Expenditure (including amortisation)	**(135,574)**	**(120,790)**	**-14,784**	**-10.9%**
EBITDA	**65,456**	**101,180**	**35,724**	**54.6%**
Adjusted EBITDA (1)	**76,043**	**108,070**	**32,027**	**42.1%**
Operating profit/loss	**14,149**	**51,541**	**37,392**	**264.3%**
Financial expense	(17,984)	(25,400)	-7,416	-41.2%
Share in profits obtained by associates	0	0	0	0.0%
Pre-tax profit/loss	**(3,835)**	**26,141**	**29,976**	**781.6%**

(1) *Excludes impairments of fixed assets and Voluntary Separation Plan (VSP) provision.*

Commercial services supplied outside the terminals comprise car parks and various assets of an immovable nature, such as land, warehouses, hangars and air cargo. In 2014, total income increased +15.1%, up to €172.3 million. Ordinary revenue reached €160.5 million, an increase of 9.8% compared to the same period in 2013.

Services outside the terminal *(Thousands of euros)*	2013	2014	Variation	% Variation
Parking	89,152	102,601	13,449	15.1%
Land	13,284	13,161	-123	-0.9%
Warehouses and hangars	18,556	19,349	793	4.3%
Cargo Logistic Centres	21,776	21,270	-506	-2.3%
Real Estate Operations	3,410	4,147	737	21.6%
Ordinary revenue from services outside the terminal	**146,178**	**160,528**	**14,350**	**9.8%**

Parking

Its turnover reached €102.6 million in 2014 (63.9% of the revenue from services outside the terminal) with an increase of 15.1% compared with 2013.

These favourable results have been the result, in addition to the improved traffic levels, of the new strategy concerning the integral management of the car parks of 32 airports in the Aena network, expanding the product offer and improving the quality of customer services. Amongst other actions, the dynamic and proactive marketing stand out, where significant efforts have been made in expanding the portfolio of products, incorporating pricing and marketing strategies (communication and promotion), as well as implementing the booking system and reaching agreements with different channels (aggregators, travel agencies, etc.), which has contributed to the achievement of these positive results.

In this regard, it is worth noting that the booking system has been positioned as a fundamental business tool, amounting to approximately 370,000 reservations. In addition, the booking system has become the main tool in the face of competitors from outside the terminal, enabling us to position ourselves as a competitive and attractive product. A call centre has also been opened for the receipt and management of reservations at the centralised level.

The introduction of a new business model has made it possible to reverse the ever so negative trend of these past few years, offsetting the competition from other means of transport and the emergence of new car parks in the vicinity of the airports.

Immovable Property (land, warehouses and hangars, cargo logistic centres and real estate operations)

In 2014, revenue from Immovable Property accounted for 36.1% of revenue from outside the terminal and yielded €57.9 million, 1.6% more than in 2013.

5.3 International Segment

Key data for the international activity segment is set out below.

(Thousands of euros)	2013	2014	Variation	% Variation
Ordinary revenue	8,091	46,027	37,936	468.9%
Other operating income	162	630	468	288.9%
Total revenue	**8,253**	**46,657**	**38,404**	**465.3%**
Total Expenditure (including amortisation)	**(6,752)**	**(47,265)**	**40,513**	**600.0%**
EBITDA	**2,125**	**12,960**	**10,835**	**509.9%**
Adjusted EBITDA [1]	**2,125**	**12,960**	**10,835**	**509.9%**
Operating profit/loss	**1,501**	**(608)**	**-2,109**	**-140.5%**
Financial profit/loss	4,370	9,733	5,363	122.7%
Share in profits obtained by associates	5,257	11,716	6,459	122.9%
Pre-tax profit/loss	**11,128**	**20,841**	**9,713**	**87.3%**

[1] Excludes impairments of fixed assets and Voluntary Separation Plan (VSP) provision.

In the analysis of this data, it is necessary to take into account the impact that the takeover of Luton Airport has had on the 2014 figures when exercising the option to purchase 11%.

The Luton Airport consolidation meant a contribution of €9.4 million at EBITDA level. The fair value measurement of the 40% share in Luton Airport has generated a capital gain of €14.6 million (including €2.2 million from forex), which is registered in the financial expense line.

Luton Airport

For accounting purposes, the 40% share in Luton Airport in 2013 was equity accounted, while in 2014, the 51% share was fully consolidated.

Luton's impact in terms of consolidation on the International segment

(Thousands of euros)	2014
Ordinary revenue	38,422
Total Income	**38,422**
Accrued wages and salaries	(11,431)
Other operating expenses	(17,594)
Depreciation and Amortisation	(12,989)
Total expenditure	**(42,014)**
EBITDA	**9,397**
Operating profit/loss	**(3,592)**
Financial expense	(6,550)
Capital gain implemented at fair value 40%	14,615
Share in profits obtained by associates	0
Pre-tax profit/loss	**4,473**

The full consolidation of Luton (as of October 16, 2014) impacted €9.4m at Group EBITDA and €-10.1m at Net Income level (+€4.5m including the capital gain of €14.6m).

Luton (LAOL) has recorded in full year 2014 revenues of €163.2 million (+11.6% year on year) and EBITDA of amounted to €50.7m, 4.3% higher than in the 2013 fiscal year (with traffic growth of +8.1%). The holdco (LLAH III) recorded net losses of €19.7m due to the financial structure of the acquisition and the amortization of the concession agreement.

Another fact to consider in terms of the profit/loss for the segment is the equity of the investee companies, the details of which is set out below:

(Thousands of euros)	**2013**	**2014**	**Variation**	**% Variation**
SACSA	2,203	1,881	-322	-14.6%
AMP	4,754	7,004	2,250	47.3%
AEROCALI	1,678	2,831	1,153	68.7%
LUTON	-3,377	0	3,377	100.0%
Total share in profit/(loss) of associates	**5,257**	**11,716**	**6,459**	**122.9%**

Two facts must be considered in previous holdings: on the one hand, the companies' operating results and, on the other, the application of the exchange rates.

As for SACSA, both the profit/loss at the end of 2014 and the exchange rate have led to a decline in income, still less than the income in 2013 by €0.3 million (-14.6%).

As for AMP and Aerocali, the year-on-year improvement of equity is due to an improvement in their results and an exchange rate higher than that recorded in 2013.

With regard to Luton Airport, as previously discussed, the acquisition of 11% in 2014 has led to consolidation by full consolidation and not by the equity method.

All of the above, coupled with the management of Aena International, whose operating profit/loss led to an increase in EBITDA in 2014, compared with 2013, of €1.4 million, has brought about an improvement in the pre-tax profit/loss for this segment of 87.3%, +€9.7 million (€20.8 million in 2014 compared to €11.1 million in 2013).