Results Presentation

for the nine-month period

ending on 30 September 2018

31 October 2018

aena

Disclaimer

This report includes the most significant data regarding Aena S.M.E., S.A. and its subsidiary companies (hereafter “Aena” or “the Company”) and its management throughout the first nine months of 2018, including information relevant to all business areas, the main figures and the lines of action that have guided the management of the Company.

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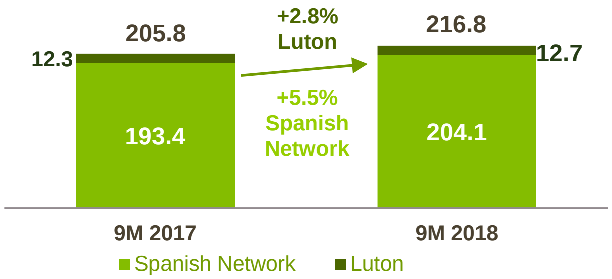
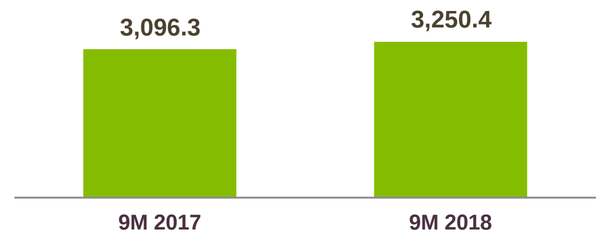
Contents

I. Key highlights

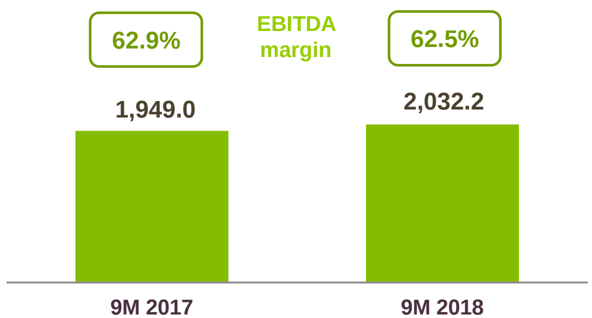
Passengers[1] (millions): +5.4%



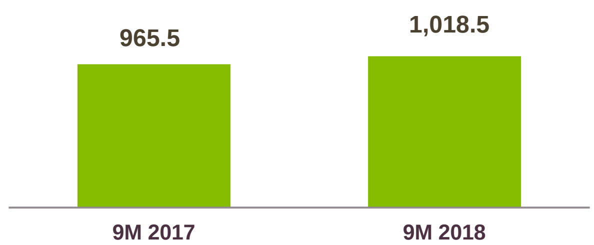
Total Revenue (€ million): +5.0%



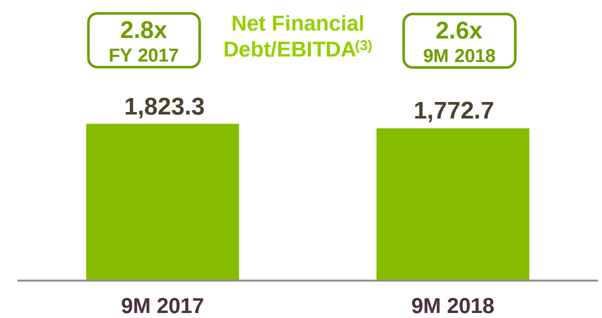
EBITDA[2] (€ million): +4.3%



Net profit (€ million): +5.5%



Operating Cash Flow (€ million): -2.8%



The decline in operating cash flow was affected by the collection in 2017 of a refund of corporation tax for 2015 and the change in payment method by an airline from pre-payment to guarantee. Excluding both effects (€148.7M) operating cash flow would have increased by +5.7%.

On 10 October, the Strategic Plan 2018-2021 was presented to the markets, having been approved by the Board of Directors at its meeting held on 29 May 2018.

(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: Loans and Borrowings (current and non-current) less Cash and cash equivalents, total consolidated.

Contents

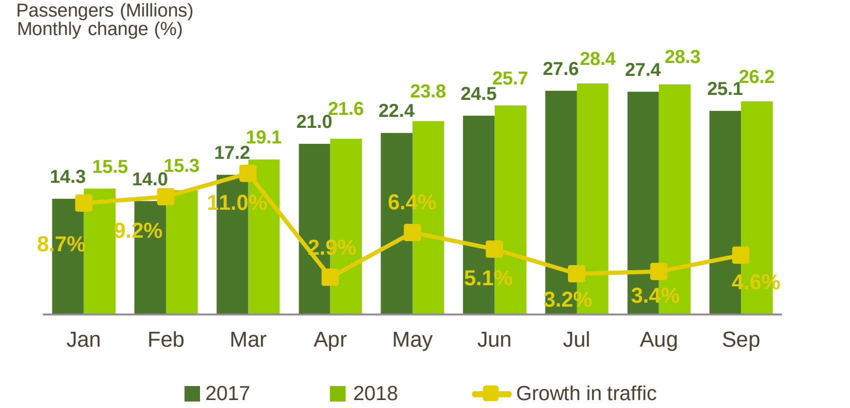
II. Traffic data

Passengers, aircraft movements and cargo

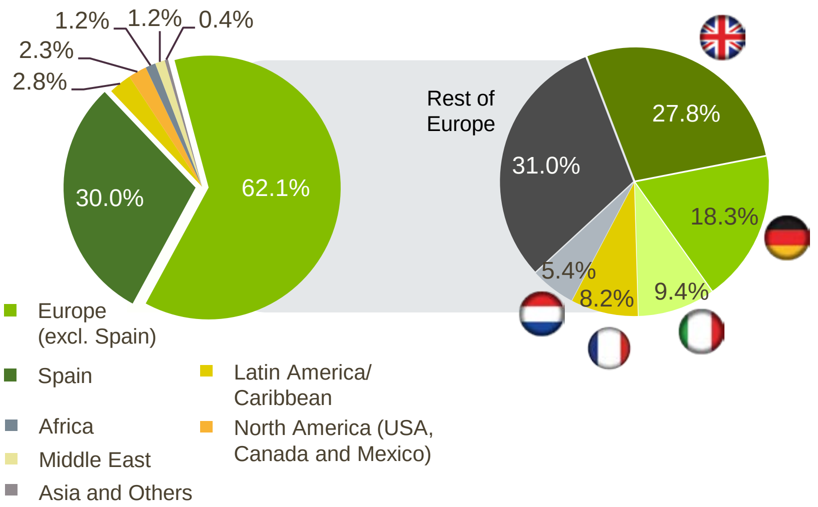
Spanish Network	9M 2018	9M 2017	Variation
Passengers	204,103,181	193,436,239	+5.5%
Operations	1,762,521	1,667,388	+5.7%
Cargo (kg.)	735,226,214	662,500,510	+11.0%

Luton	9M 2018	9M 2017	Variation
Passengers	12,672,000	12,323,000	+2.8%
Operations	103,663	104,870	-1.2%
Cargo (kg.)	17,954,000	17,245,000	+4.1%

Monthly evolution of passenger traffic(1)



Breakdown of passenger traffic(1) by markets

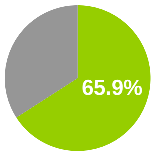
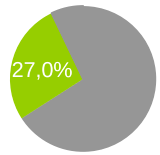
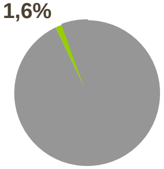
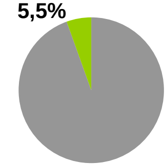
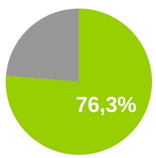
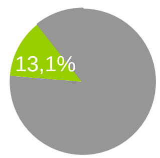
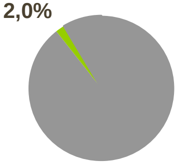
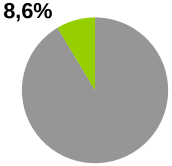
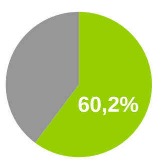
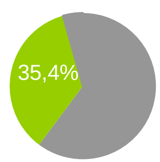
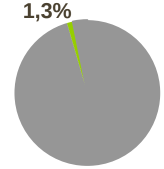
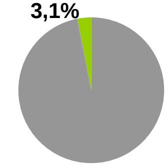


Passenger traffic(1) by airports and groups of airports

Airports/Groups(2)	Passengers1) (Millions)	Var. (%)	Share (%)	% Var. Domestic	% Var. International
A.S. Madrid-Barajas Airport	43.6	8.4%	21.4%	8.2%	8.4%
Barcelona-El Prat	38.7	5.4%	19.0%	5.4%	5.3%
Palma de Mallorca	24.1	3.3%	11.8%	10.3%	1.4%
Canary Islands Group	33.5	3.7%	16.4%	17.8%	-3.2%
Group I	52.3	5.1%	25.6%	11.1%	3.0%
Group II	10.7	6.5%	5.3%	8.7%	3.8%
Group III	1.1	21.3%	0.6%	15.3%	122.2%
TOTAL	**204.1**	**5.5%**	**100.0%**	**10.6%**	**3.5%**

(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

9M 2018	Airports: Aeronautical	Airports: Commercial	Real estate services	International
Total revenue €3,250.4 M +5.0%	 €2,142.3 M (+3.2%)	 €877.4 M (+8.2%)	 €51.3 M (+12.9%)	 €180.9 M (+8.6%)
Total operating expenses €1,820.6 M +4.6%	 €1,388.8 M (+4.3%)	 €239.0 M (+6.1%)	 €37.2 M (+6.1%)	 €157.0 M (+4.4%)
EBITDA €2,032.2 M +4.3% EBITDA margin 62.5%	 €1,223.2 M (+1.0%)	 €718.5 M (+8.0%)	 €26.5 M (+18.6%)	 €64.1 M (+28.6%)

II. Commercial Information. Ordinary revenue

Business lines (Thousands of euros)	Revenue		Variation		MAG(1)	
	9M 2018	9M 2017	Thousands of €	%	9M 2018	9M 2017
Duty free Shops	241,892	237,362	4,530	1.9%		
Food & Beverage	155,782	136,703	19,079	14.0%		
Specialiy shops	80,190	71,526	8,664	12.1%		
Car Parks	108,031	99,033	8,998	9.1%		
Car rental	118,289	115,625	2,664	2.3%		
Advertising	25,328	24,340	988	4.1%		
Leases	25,259	23,783	1,476	6.2%		
VIP services(2)	47,953	30,723	17,230	56.1%		
Other commercial revenue(3)	68,789	64,497	4,292	6.7%		
Commercial	**871,513**	**803,592**	**67,921**	**8.5%**	**93,236**	**59,077**
Average commercial revenue (€) / passenger	**4.3**	**4.2**	**0.1**	**2.8%**		

(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.

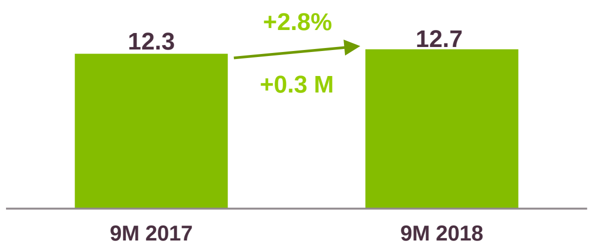
Total ordinary commercial revenue includes the minimum guaranteed rents (MAG) recognised under contracts in the following business lines: Duty free shops, Food and beverage, Specialty shops, Advertising and Other commercial activities.

In the first nine months of 2018, the amount recorded as revenue from minimum guaranteed rent (MAG) accounts for 16.3% of revenue from business lines with contracts that include these clauses (11.1% in 9M 2017).

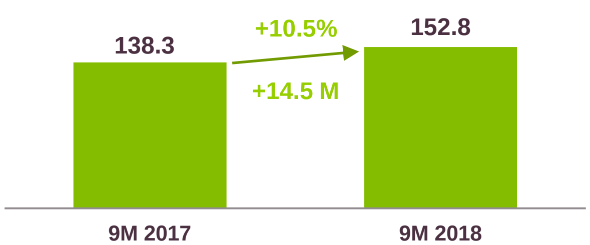
II. International shareholdings

Luton

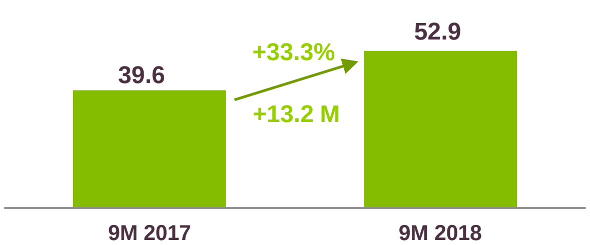
Passengers (millions)



Revenue (£ million)

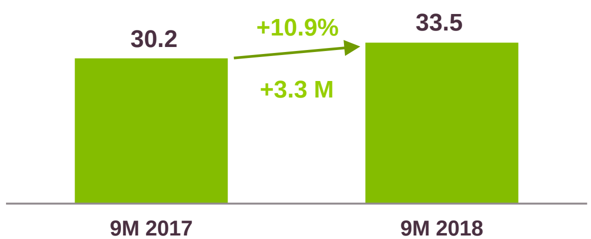


EBITDA (£ million)

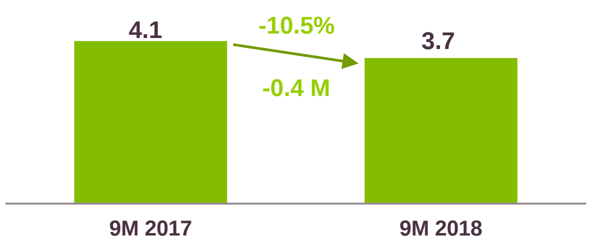


Other shareholdings: Evolution of passenger traffic (millions)

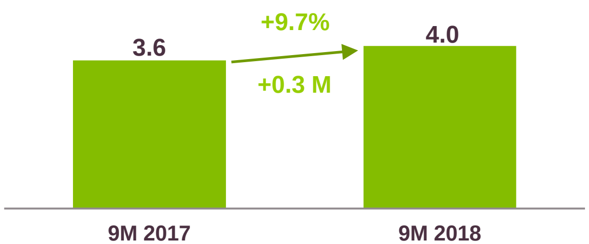
GAP(1)



Aerocali



SACSA



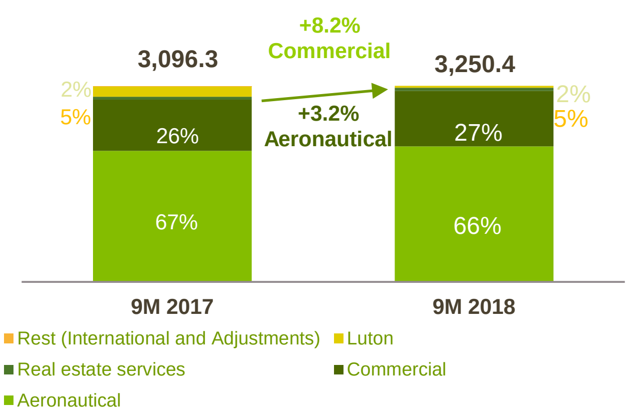
On 10 October, Grupo Aeroportuario del Pacífico (GAP) announced the agreement to close the transaction with the Government of Jamaica to operate the Norman Manley International Airport in the city of Kingston, through the signing of a contract for concession for 25 years with a possible extension of 5 years.

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

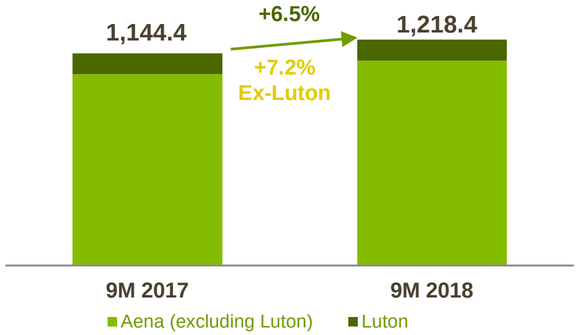
Contents

III. Financial results

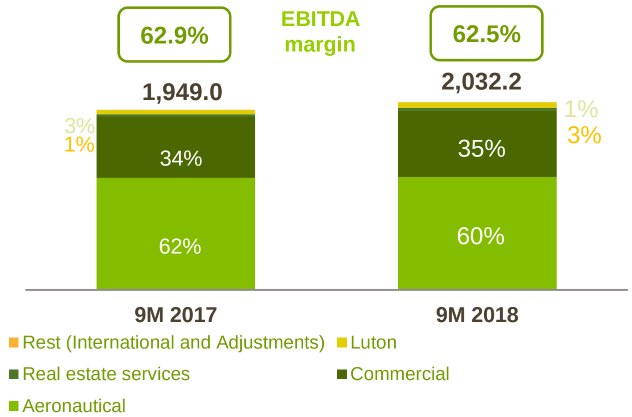
Total Revenue (€ million): +5.0%



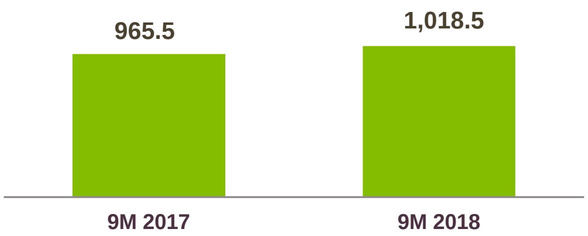
OPEX(1) (€ million)



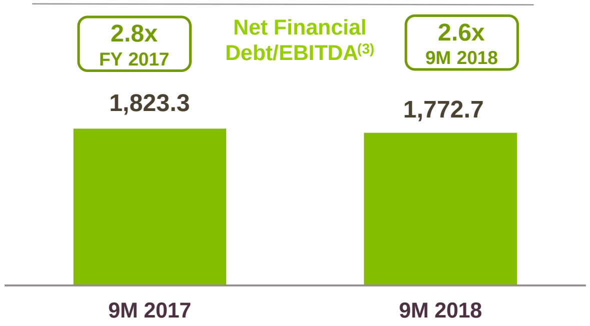
EBITDA(2) (€ million): +4.3%



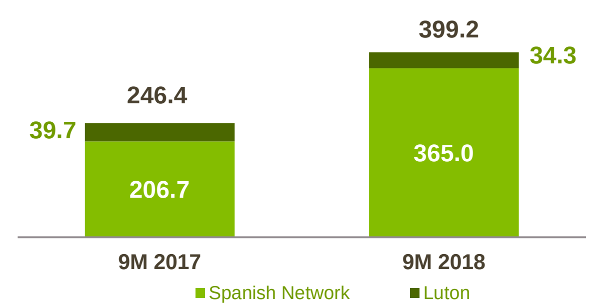
Net profit (€ million): +5.5%



Operating Cash Flow (€ million): -2.8%



Capex paid (€ million): +62.0%



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

III. Some explanations to the financial results

In the first nine months of 2018, the revenue from Minimum Guaranteed Rents (MAG) rose to €93.2 million (9M 2017: €59.1 million), representing 16.3% of the revenue of the business lines that have contracts with these clauses (11.1% in 9M 2017). This difference is due, in large part, to the sales evolution (€16.2 million), to the conditions agreed in the new contracts (€10.4 million) and to the increase reflected from the current contracts (€2.5 million).

Ordinary revenue of the Real Estate Services segment grew by €5.9 M or 13.4% 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 6.0%.

Operating expense (Supplies, Staff Costs and Other Operating Expenses) grew by +6.5% (+7.2% excluding Luton) as a result of the increased volumes of traffic, the improved quality of services provided and the increasing inflationary pressure reflected in the new contracts.

Luton's reported EBITDA in GBP has increased to 13.2 M compared to the same period in 2017, impacted by the exceptional expense in 2017 of GBP 6.9 M (€8.0 M) to recognise the cost associated with one of the agreements reached with Luton Airport employees to close the defined benefits pension plan, which took place on 31 January 2017, and the charge on 30 June 2018 of an extraordinary bonus of GBP 3.0 M for employees for the period 2013-2018. Excluding both effects, EBITDA in GBP would have increased by GBP 9.3 M and would have meant growth of 20.1%.

The decline in operating cash flow by 2.8% to €1,772.7 M from the €1,823.3 M of the first nine months of 2017 was affected by the collection in 2017 of a refund of corporation tax for 2015 (€110.5M) and the change in payment method by an airline from pre-payment to guarantee (€38.2M). Excluding both effects, operating cash flow would have increased by +5.7%.

On 18 July 2018 Aena made early repayment in full of the outstanding loan from Depfa Bank in the amount of €166.1 M. In accordance with the contractual conditions of this loan, Aena paid a compensation for the swap breakage amounting to €17.2 M. This amount has been accrued in full at the time of payment.

III. Income statement

€M	9M 2018	9M 2017	Variation €M	Variation %
Ordinary revenue	**3,208.9**	**3,048.4**	**160.5**	**5.3%**
Airports: Aeronautical	2,107.9	2,035.5	72.3	3.6%
Airports: Commercial	871.5	803.6	67.9	8.5%
Real Estate Services	50.4	44.5	5.9	13.4%
International	180.7	166.4	14.3	8.6%
Adjustments(1)	-1.6	-1.6	0.0	-0.6%
Other operating revenue	**41.5**	**47.9**	**-6.4**	**-13.3%**
Total Revenue	**3,250.4**	**3,096.3**	**154.1**	**5.0%**
Supplies	-129.5	-131.5	-1.9	-1.5%
Staff costs	-312.7	-307.3	5.4	1.8%
Losses, impairment and change in trading provisions	5.4	0.0	-5.4	-
Other operating expenses	-776.1	-705.7	70.5	10.0%
Impairment and net gain or loss on disposals of fixed assets	-6.9	-4.2	2.6	62.3%
Other results	1.6	1.4	0.2	15.9%
Depreciation and amortization	-602.4	-593.7	8.7	1.5%
Total operating expenses	**-1,820.6**	**-1,741.0**	**79.6**	**4.6%**
Reported EBITDA	**2,032.2**	**1,949.0**	**83.2**	**4.3%**
% Margin (on Total Revenue)	*62.5%*	*62.9%*	-	-
EBIT	**1,429.8**	**1,355.3**	**74.5**	**5.5%**
% Margin (on Total Revenue)	*44.0%*	*43.8%*	-	**-**
Finance expenses and Other financial results	-101.8	-103.9	-2.1	-2.0%
Interest expense on expropriations	-0.2	3.6	3.9	106.4%
Share in profit obtained by affiliates	14.4	15.5	-1.1	-7.2%
Profit / (loss) before tax	**1,342.2**	**1,270.6**	**71.6**	**5.6%**
Corporate Income tax	-322.9	-310.5	-12.5	4.0%
Consolidated profit (/loss) for the period	**1,019.3**	**960.1**	**59.2**	**6.2%**
Profit / (loss) for the period attributable to minority interests	0.8	-5.4	6.1	114.2%
Profit/loss for the period attributable to shareholders of the parent company	**1,018.5**	**965.5**	**53.0**	**5.5%**

(1) Adjustments among segments.

III. Cash Flow statement

€M	9M 2018	9M 2017	Variation €M	Variation %
Profit / (loss) before tax	**1,342.2**	**1,270.6**	71.6	*5.6%*
Depreciation and amortisation	602.4	593.7		
Changes in working capital	-118.9	-95.2		
Financial results	102.0	100.2		
Shareholding in affiliates	-14.4	-15.5		
Interest flows	-103.2	-107.2		
Tax flows	-37.3	76.8		
Operating cash flow	**1,772.7**	**1,823.3**	*-50.6*	*-2.8%*
Acquisition of property, plant and equipment	-399.2	-246.4		
Operations with affiliates	5.0	5.4		
Dividends received	11.7	12.2		
(Repayment) / Obtaining financing	-616.6	-619.0		
Other flows from investment / financing activities / dividends distribution	-964.7	-571.2		
Cash flow from Investing/Financing	**-1,963.7**	**-1,419.0**	*-544.7*	*38.4%*
Exchange rate impact	0.1	-1.4		
Cash and cash equivalents at the start of the period	855.0	564.6		
Net (decrease)/increase in cash and cash equivalents	-190.9	402.9	*-593.8*	*-147.4%*
Cash and cash equivalents at the end of the period	**664.1**	**967.5**	*-303.4*	*-31.4%*

Contents

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

€M	First Quarter			Second Quarter			Third Quarter			Total		
	2018	2017	Var.	2018	2017	Var.	2018	2017	Var.	2018	2017	Var.
Consolidated traffic (thousands of passengers)[1]	**53,160.2**	**48,703.1**	**9.2%**	**75,631.8**	**72,192.0**	**4.8%**	**87,983.2**	**84,865.9**	**3.7%**	**216,775.2**	**205,760.0**	**5.4%**
Traffic in Aena's Spanish network (thousands of passengers)	**49,883.6**	**45,455.8**	**9.7%**	**71,184.4**	**67,902.4**	**4.8%**	**83,035.2**	**80,078.1**	**3.7%**	**204,103.2**	**193,436.2**	**5.5%**
Total Revenue	**841.8**	**794.2**	**6.0%**	**1,123.5**	**1,067.4**	**5.3%**	**1,285.1**	**1,234.7**	**4.1%**	**3,250.4**	**3,096.3**	**5.0%**
Aeronautical Revenue	544.3	515.9	5.5%	729.5	702.0	3.9%	834.1	817.7	2.0%	2,107.9	2,035.6	3.6%
Commercial Revenue	220.1	203.6	8.1%	299.0	273.6	9.3%	352.4	326.4	8.0%	871.5	803.6	8.5%
Real Estate Services	16.3	14.9	9.1%	16.9	14.4	17.4%	17.2	15.2	13.3%	50.4	44.5	13.4%
International[2]	47.2	44.0	7.3%	63.0	57.9	8.8%	68.9	62.9	9.5%	179.1	164.8	8.7%
Other revenue	13.9	15.8	-12.0%	15.1	19.5	-22.6%	12.5	12.6	-0.6%	41.5	47.9	-13.3%
Total operating expenses	**-677.8**	**-673.5**	**0.6%**	**-562.6**	**-530.8**	**6.0%**	**-580.2**	**-536.7**	**8.1%**	**-1,820.6**	**-1,741.0**	**4.6%**
Supplies	-42.8	-44.2	-3.1%	-43.9	-43.6	0.7%	-42.8	-43.7	-2.1%	-129.5	-131.5	-1.5%
Staff costs	-103.1	-109.4	-5.8%	-107.3	-101.2	6.0%	-102.3	-96.6	5.9%	-312.7	-307.2	1.8%
Other operating expenses[3]	-331.5	-319.5	3.8%	-207.2	-186.6	11.0%	-232.0	-199.7	16.2%	-770.7	-705.8	9.2%
Depreciation and Amortisation	-200.2	-199.5	0.4%	-201.4	-197.5	2.0%	-200.7	-196.7	2.0%	-602.3	-593.7	1.5%
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	-	-5.3	-2.8	89.4%
Total operating expenses (excl. Luton)	**-633.7**	**-623.3**	**1.7%**	**-507.7**	**-483.3**	**5.1%**	**-526.3**	**-488.3**	**7.8%**	**-1,667.8**	**-1,594.9**	**4.6%**
Supplies	-42.8	-44.2	-3.1%	-43.9	-43.6	0.7%	-42.8	-43.7	-2.1%	-129.5	-131.5	-1.5%
Staff costs	-93.3	-91.9	1.5%	-93.0	-91.0	2.3%	-91.2	-86.0	6.0%	-277.6	-268.9	3.2%
Other operating expenses[3]	-309.5	-297.9	3.9%	-180.2	-160.6	12.2%	-203.4	-172.7	17.8%	-693.1	-631.1	9.8%
Depreciation and Amortisation	-187.9	-188.4	-0.2%	-187.9	-186.3	0.8%	-186.7	-185.9	0.4%	-562.5	-560.6	0.3%
Impairment and profit/(loss) on fixed asset disposals and other results	-0.2	-1.0	-80.0%	-2.8	-1.8	53.3%	-2.1	0.0	-	-5.1	-2.8	82.3%
Reported EBITDA	**364.2**	**320.2**	**13.7%**	**762.3**	**734.1**	**3.8%**	**905.6**	**894.7**	**1.2%**	**2,032.2**	**1,949.0**	**4.3%**
Reported EBITDA (excl. Luton)	**350.8**	**317.4**	**10.5%**	**742.5**	**714.7**	**3.9%**	**879.0**	**871.5**	**0.9%**	**1,972.3**	**1,903.7**	**3.6%**
Consolidated profit (/loss) for the period	**111.2**	**80.8**	**37.5%**	**403.3**	**380.0**	**6.1%**	**504.0**	**504.5**	**-0.1%**	**1,018.5**	**965.5**	**5.5%**

(1) Total passengers in the Spanish airport network and at Luton Airport.
(2) Net of adjustment among segments.
(3) Net of Losses, impairment and change in trading provisions (€5.4M in 2018)

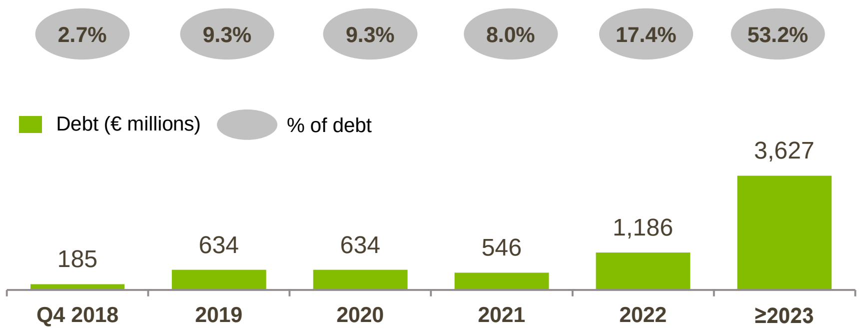
IV. Appendix. Other financial information. Balance sheet

€M	9M 2018	2017
Property, plant and equipment	12,943.6	13,205.9
Intangible assets	518.8	491.2
Investment properties	134.0	135.1
Investments in affiliates	61.4	64.0
Other non-current assets	189.5	197.4
Non-current assets	**13,847.2**	**14,093.6**
Inventories	7.0	7.1
Trade and other receivables	574.7	351.8
Cash and cash equivalents	664.1	855.0
Current assets	**1,245.9**	**1,213.8**
Total assets	**15,093.1**	**15,307.4**

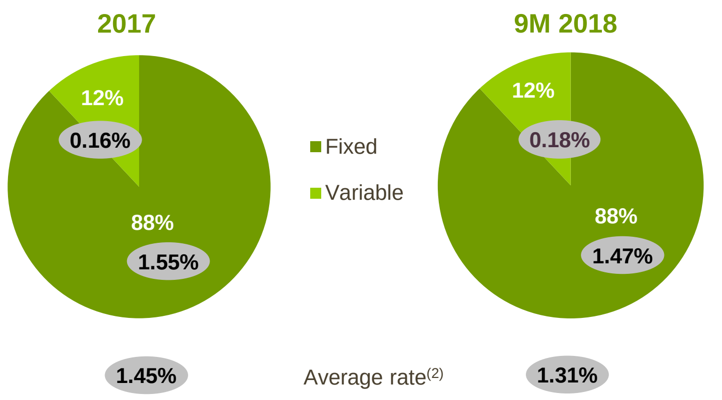
€M	9M 2018	2017
Share capital	1,500.0	1,500.0
Share premium	1,100.9	1,100.9
Retained profits/(losses)	3,224.7	3,180.0
Other reserves	-81.8	-98.5
Minority interests	0.7	5.4
Total net equity	**5,744.5**	**5,687.9**
Financial debt	6,764.9	7,276.0
Provision for other liabilities and expenses	89.8	70.9
Grants	514.0	511.9
Other non-current liabilities	226.4	276.3
Non-current liabilities	**7,595.2**	**8,135.2**
Financial debt	693.2	734.9
Provision for other liabilities and expenses	54.5	83.9
Grants	39.4	40.2
Other current liabilities	966.3	625.4
Current liabilities	**1,753.4**	**1,484.4**
Total liabilities	**9,348.6**	**9,619.6**
Total net equity and liabilities	**15,093.1**	**15,307.4**

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

Schedule of Aena debt maturity(1)
Total: €6,811.1 M; Average life: 10.5 years



Distribution of debt by interest regime and average interest rate of the period

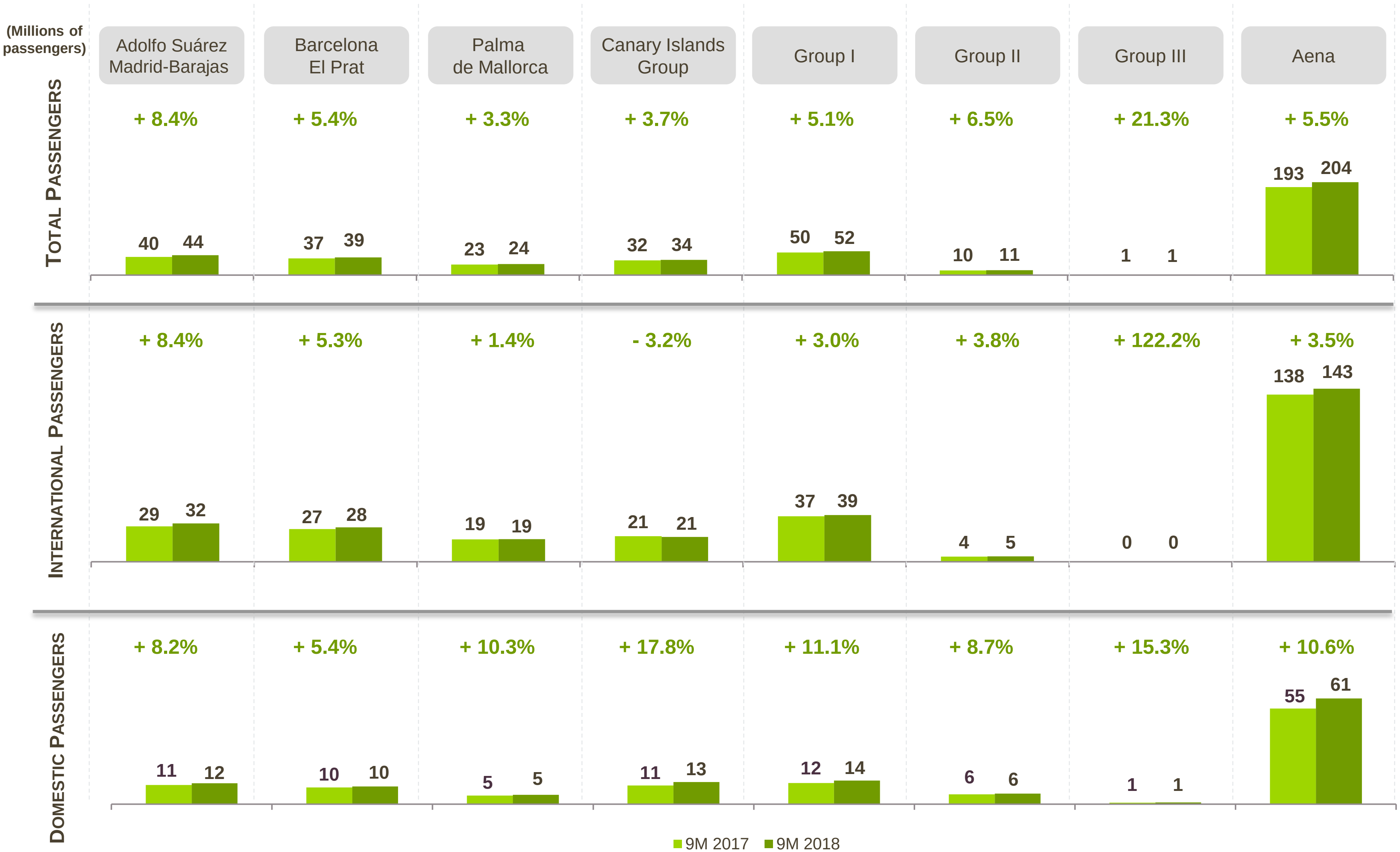


Net Financial Debt (covenants)

€M	9M 2018	2017
Gross Financial Debt (Covenants)	(7,054)	(7,666)
Cash and cash equivalents	489	718
Net Financial Debt (Covenants)	(6,565)	(6,948)
Net Financial Debt (Covenants) / EBITDA(3)	2.6x	2.8x

(1) As of 30 September 2018.
(2) Average rate 2017 includes cost of the financial guarantee of Depfa (€11.8M).
(3) 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.

IV. Appendix. Passenger figures by airport group[(1)] .Traffic 9M 2018



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

IV. Appendix. Traffic information Traffic by airline (Top 10)

Carrier	Passengers[1] 9M 2018	Passengers[1] 9M 2017	Variation %	Variation Passengers	Share (%) 9M 2018	Share (%) 9M 2017
Ryanair [2]	36,148,744	33,951,233	6.5%	2,197,511	17.7%	17.6%
Vueling	30,442,587	26,933,707	13.0%	3,508,880	14.9%	13.9%
Iberia	14,443,981	13,070,449	10.5%	1,373,532	7.1%	6.8%
Easyjet[3]	13,112,546	12,135,004	8.1%	977,542	6.4%	6.3%
Air Europa	13,077,785	11,791,638	10.9%	1,286,147	6.4%	6.1%
Norwegian Air [4]	7,668,076	7,531,514	1.8%	136,562	3.8%	3.9%
Iberia Express	7,187,253	6,441,795	11.6%	745,458	3.5%	3.3%
Air Nostrum	6,399,530	5,832,099	9.7%	567,431	3.1%	3.0%
Jet2.Com	5,885,013	4,868,624	20.9%	1,016,389	2.9%	2.5%
Grupo Binter[5]	5,268,242	4,502,121	17.0%	766,121	2.6%	2.3%
Total Top 10	**139,633,757**	**127,058,184**	**9.9%**	**12,575,573**	**68.4%**	**65.7%**
Total Low Cost Passengers[6]	**113,452,669**	**105,542,397**	**7.5%**	**7,910,272**	**55.6%**	**54.6%**

(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 interim management report

for the nine-month period ending on 30 September 2018

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

Webcast / Conference-call:
31 October 2018
1 p.m. (Madrid time)
https://edge.media-server.com/m6/p/auhgbgsb

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1. Executive summary

At 30 September 2018 the figures continue to reflect Aena's[1] positive 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 in the freezing of the adjusted maximum annual income per passenger (IMAAJ) for 2019 relative to the maximum annual income per passenger (IMAP) for 2018 established in the DORA at €10.42 per passenger. This freezing comes about as a result of the adjustments established by the regulation regarding the performance incentives for levels of quality and structure of traffic at year-end 2017.

- On the operational side, traffic at the airports managed by Aena continues to post new records, with a volume of 216.8 million passengers including Luton airport (up by +5.4%).

  At the airports in the Spanish network, traffic grew by 5.5%, reaching a new all-time record of 204.1 million passengers, driven by the continuing favourable figures from the tourism sector and the excellent performance of domestic traffic. This growth is 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.

  As regards international traffic, it has increased by 3.5%. Despite this increase, we are seeing a decline in the number of passengers to and from the UK (-4.4%), due among other things to the recovery of alternative touristic destinations to Spain and the depreciation of sterling with respect to the euro.

  The increase in domestic traffic (+10.5%) was favoured by the positive trend in the Spanish economy and by the increase in central government's subsidy from 50% to 75% to inter-island traffic with effect from 28 June 2017 and from 16 July 2018 to residents in the islands, Ceuta and Melilla flying to the mainland.

- The growth in traffic at Aena's airports contributed to the increase in total revenue to €3,250.4 million (up by +5.0% on the same period of 2017[2]), partly offset by the 2.22% reduction in airport charges from 1 March 2017 and another 2.22% from 1 March 2018.

- In commercial activity, it is worth mentioning that May saw the start of work on 49 food and beverage points of sale awarded in the first quarter of 2018 at Barcelona-El Prat Airport. The new offering involves an increase in the food and beverage area of Barcelona airport by 19% and the incorporation of the latest gastronomic trends.

  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 beverage offering at Málaga-Costa del Sol Airport, the new tenants started the activity in September. The new spaces will occupy a total surface area of more than 6,500 m², spread among 25 establishments, and the implementation works of the new brands will be completed in the last quarter of 2018 and the first 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 rent).

- The EBITDA for the period reached 2,032.2 million euros (including 59.8 million euros as a result of the consolidation of Luton), which represents an increase of 4.3%.

  As for the upward pressure on costs of services provided by third parties seen in bidding processes since the end of 2016, this has affected "Other operating expenses", which increased by 10.0%.

  From February to April, the new service contracted entered into operation to assist persons with reduced mobility at the 20 main airports in the network.

  The contracts for private security services awarded in the second quarter for 44 of the 47 airports for which tenders were invited, came into force between June and July 2018, and on 1 October at the Canary Island airports of Tenerife Norte, Tenerife Sur and La Palma.

[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.

Likewise, it is worth mentioning the cleaning service and luggage trolleys that was awarded between the second and the third quarter for 19 airports.

- Profit before tax reached €1,342.2 million compared with €1,270.6 million in the same period of last year, and net profit for the period amounted to €1,018.5 million, 5.5% more than that posted at 30 September 2017 (€965.5 million).

- Cash flow from operating activities came to €1,772.7 million for the period, which involves a decrease of 2.8% compared with €1,823.3 million in the same period of 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 (€38.2 million). Excluding both effects, the increase in net cash from operating activities would have risen by 5.7% (€98.1 million).

  At 30 September 2018 the ratio of net financial debt to EBITDA (excluding Luton) as established in the debt novation agreements for the calculation of covenants was reduced to 2.6x compared to the 31 December 2017 figure of 2.8x.

  This financial solidity was reflected in Moody's upgrade of Aena's credit rating in April 2018, from "Baa1" to "A3", with the outlook held at stable, and in Fitch's confirmation of its "A" credit rating, with stable outlook in May 2018.

- As for the execution of capital expenditure, the amount paid out in the period amounted to €399.2 million (including €34.3 million invested in Luton airport), representing an increase of €152.8 million relative to the same period of last year, of which €101.8 million corresponded to payments for capex executed 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.

- The reflection of Aena's operating and financial performance in its share price fluctuated during the period, in which the share price peaked at €179.5 and reached a low point of €142.1, ending the period at €149.5 (a fall of 11.5%) compared with the IBEX35 which lost 6.5% in the same period.

- After 30 September 2018, Aena presented its Strategic Plan for the years 2018-2021 on 10 October. The Plan, which was approved by the Board of Directors on 29 May, aims to consolidate the Company's strong growth and promote new business lines 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 first one, the one associated with aeronautical activity, the strategy focuses on consolidating leadership, providing the airports with greater capacity, maintaining competitive charges and improving service quality levels.

  In the second, Aena will work on the diversification and search for new opportunities as a source of future growth. For this purpose, commercial services will be redesigned and optimised, the development of real estate projects will be carried out and international expansion will be promoted.

- On the occasion of 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% for fiscal year 2019. This estimate is considered to vary by around ± 0.5%.

- Also, and 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 each individual year's net profit, excluding non-recurring (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.

2. Macroeconomic environment and activity figures

2.1. Traffic in the Aena airport network in Spain

In the first nine months of 2018 passenger traffic in the airport network in Spain grew by +5.5%, reaching 204.1 million, a new record of passengers carried on the network. Specifically the months of July and August 2018 are the best two months in the history of Aena.

This growth was favoured by the positive trend in domestic traffic (+10.5%), driven by the growth trend in the Spanish economy and by the increase in the central government subsidy 50% to 75%, applied since 28 June 2017 to inter-island traffic and from 16 July 2018 to residents in the islands, Ceuta and Melilla flying to the mainland.

International traffic has increased +3.5%, contributing to the total passenger volume by 70.0%. Despite the international traffic growth, we saw a decrease in the number of passengers to and from the UK (-4.4%), due among other reasons to the progressive recovery of alternative touristic destinations that, in a stable environment, are very competitive and to the impact of Brexit being reflected in the trends in exchange rates.

As regards the number of movements, 1,762,521 flights were recorded, representing an increase of 5.7% relative to the same period of last year.

The volume of freight continued to increase significantly, by 11.0%, to reach 735,226 metric tons.

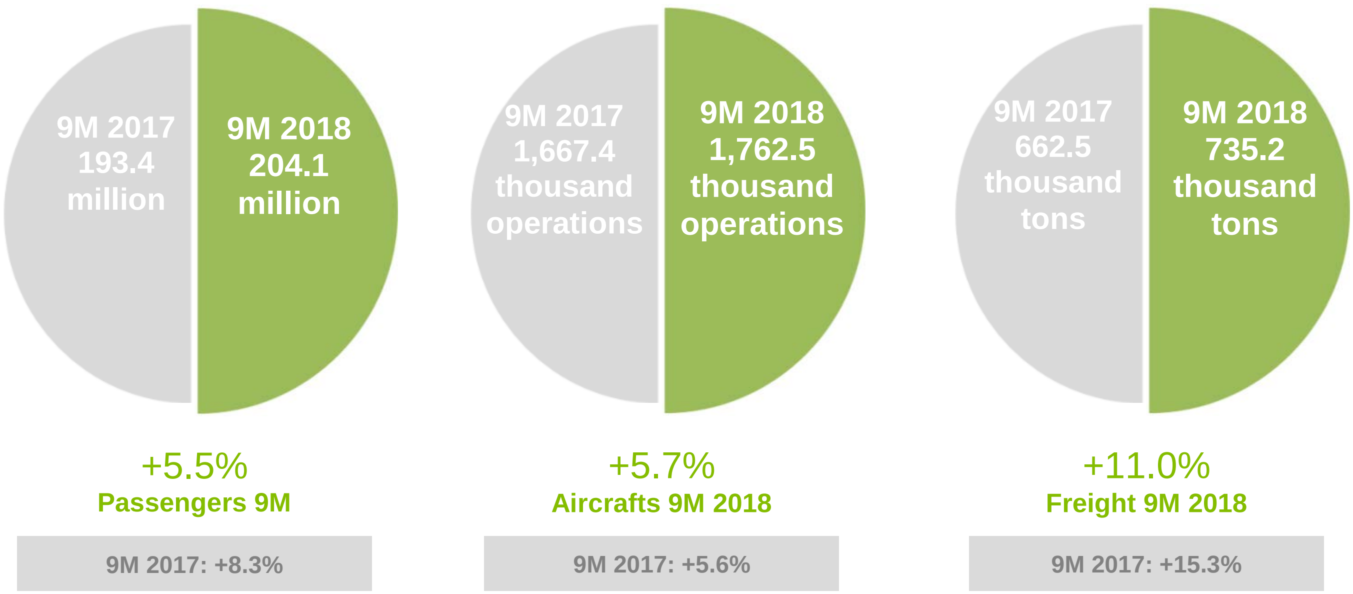


Figure 2. Traffic in the Aena airport network in Spain

2.2. Analysis of air passenger traffic by airports and airlines

The percentage of passengers is concentrated in the seven main airports of the network:

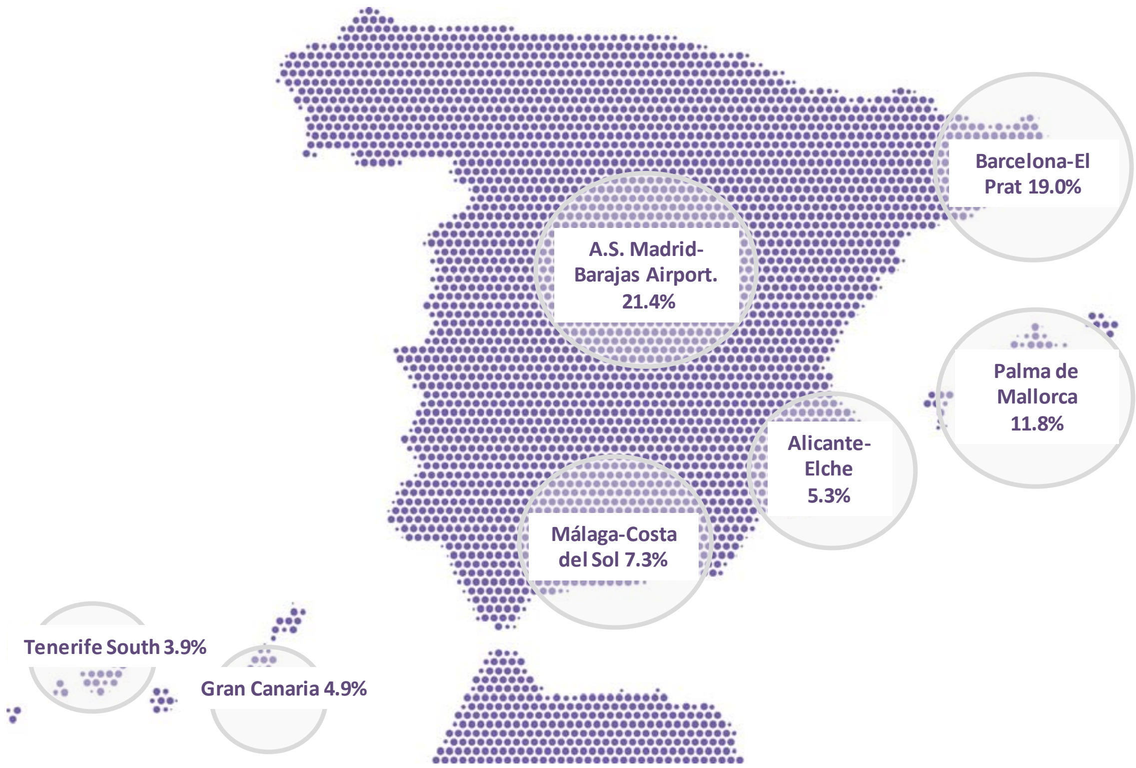


Figure 3. Share of passenger traffic at major airports in Spain

Airports and Airport groups	Passengers			Aircraft movements			Freight		
	Millions	Variation 2018/ 2017	Share/ Total	Thousands	Variation 2018/ 2017	Share/ Total	Tons	Variation 2018/ 2017	Share/ Total
Adolfo Suárez Madrid-Barajas	43.6	8.4%	21.4%	307.2	5.5%	17.4%	376,941	11.1%	51.3%
Barcelona-El Prat	38.7	5.4%	19.0%	256.4	3.5%	14.5%	125,289	10.9%	17.0%
Palma de Mallorca	24.1	3.3%	11.8%	178.7	4.2%	10.1%	7,727	0.7%	1.1%
Total Canary Islands Group	33.5	3.7%	16.4%	307.1	11.3%	17.4%	27,281	-1.8%	3.7%
Total Group I	52.3	5.1%	25.6%	429.3	4.2%	24.4%	28,861	3.3%	3.9%
Total Group II	10.7	6.5%	5.3%	144.5	3.7%	8.2%	123,034	20.2%	16.7%
Total Group III	1.1	21.3%	0.6%	139.3	7.5%	7.9%	46,092	3.7%	6.3%
TOTAL	**204.1**	**5.5%**	**100.0%**	**1,762.5**	**5.7%**	**100.0%**	**735,226**	**11.0%**	**100.0%**

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

Adolfo Suárez Madrid-Barajas is the leading airport of the network in terms of passenger traffic, aircrafts and freight, accounting for 21.4% of the total number of passengers in the Spanish network (43.6 million). In the first nine months of 2018, the number of passengers increased by 8.4% relative to the same period of last year (domestic traffic by +8.2% and international traffic by +8.4%).

As regards the number of aircraft movements, a total of 307,227 flights operated out of this airport, 5.5% more than in the same period of 2017.

In addition, freight, which accounts for more than half of the total volume passing through the network, increased by 11.1% to 376,941 metric tons transported.

At **Barcelona-El Prat Airport,** passenger traffic grew by 5.4% (domestic by 5.4% and international by +5.3%) to 38.7 million.

There were 256,391 movements, a year-on-year increase of 3.5%, while freight maintained its significant growth trend with a 10.9% increase in volume to 125,289 metric tons (17.0% of the total freight handled in the network).

Passenger traffic at **Palma de Mallorca Airport** reached 24.1 million, up by 3.3% year-on-year (domestic up +10.3% and international by +1.4%).

Aircraft movements increased by 4.2% to 178,712.

In the **Canary Islands Group**, the number of passengers passing through the islands' eight airports increased by 3.7% to 33.5 million (those on domestic flights increasing by +17.8% and those on international flights falling by 3.2%).

The eight airports in **Group I** grew by 5.1% in passenger traffic, to 52.3 million, the main increases being seen in Seville (+25.6%) and Valencia (+15.8%). Traffic at Málaga-Costa del Sol Airport increased by 1.2% and traffic at Alicante-Elche Airport was up by 0.2%. In this group domestic traffic grew by 11.1% and international traffic by 3.0%.

The 11 airports in **Group II** posted overall growth in passenger traffic of 6.5%, to 10.7 million. This growth was seen in both domestic and international traffic (+8.7% and +3.8% respectively).

In this group it is worth highlighting the 20.1% increase in the volume of freight handled at Zaragoza airport, which accounted for 16.3% of the freight handled in the network.

The airports in **Group III**, those with the lowest volumes of traffic, posted an increase of 21.3% (to 1.1 million passengers).

In this group the 3.7% growth in freight volumes seen at Vitoria airport stands out (6.3% of all cargo handled in the network).

As part of the result of the **airport marketing** activity, 221 new routes[1] were opened during the period from airports in the Aena network: 22 with domestic destinations, 186 medium-haul[2] and 13 long-haul[3].

The airports with the greatest numbers of new routes were: Palma de Mallorca (40), Malaga-Costa del Sol (25), Adolfo Suárez Madrid-Barajas (15), Alicante-Elche (13) and Fuerteventura (12).

By airlines, those with the greatest numbers of new routes were: Ryanair (29), Laudamotion (24), easyJet (18), Vueling (13), and Volotea (11).

Regarding the long-haul routes, it is worth highlighting the 5 new ones that are open from the Adolfo Suárez Madrid-Barajas Airport: Hainan Airlines connects Shenzen, Iberia opens the route with San Francisco, Norwegian connects with Los Angeles and New York and Plus Ultra, with Caracas. From the Málaga-Costa del Sol Airport, another 5 long-haul routes have been opened: Qatar connects with Doha, Saudia Airlines with Jeddah and Riyadh, and Wataniya and Kuwait Airlines with Kuwait. From Barcelona-El Prat Airport: Boston with Level and Addis Ababa with Ethiopian Airlines. And finally, from the Tenerife Sur Airport, the company S7 has opened a new route with Moscow

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

As far as the distribution of traffic by **geographical areas** is concerned, in addition to the increase in the share of domestic passengers already commented on, it is worth pointing out the sustained growth in traffic to "Asia Pacific" (+27.2%) and "North America" (+16.3%), which despite these being lightweight markets in absolute terms, shows the positive impact that the airport marketing measures implemented by the Company are having.

The growth of traffic with Asia is particularly relevant as it has tripled in the last three years, estimating that in 2018 this market will close to one million one hundred thousand passengers. At present, this market has 16 destinations (compared to 6 destinations and 368,000 passengers in 2015).

Region	Passengers 9M 2018	Variation %
Europe (1)	126,698,803	2.7%
Spain	61,230,400	10.5%
Latin America	5,729,499	6.3%
North America (2)	4,618,220	16.3%
Africa	2,534,563	8.4%
Middle East	2,453,983	8.1%
Asia Pacific	837,713	27.2%
TOTAL	**204,103,181**	**5.5%**

(1) Excluding Spain
(2) Comprises the US, 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.

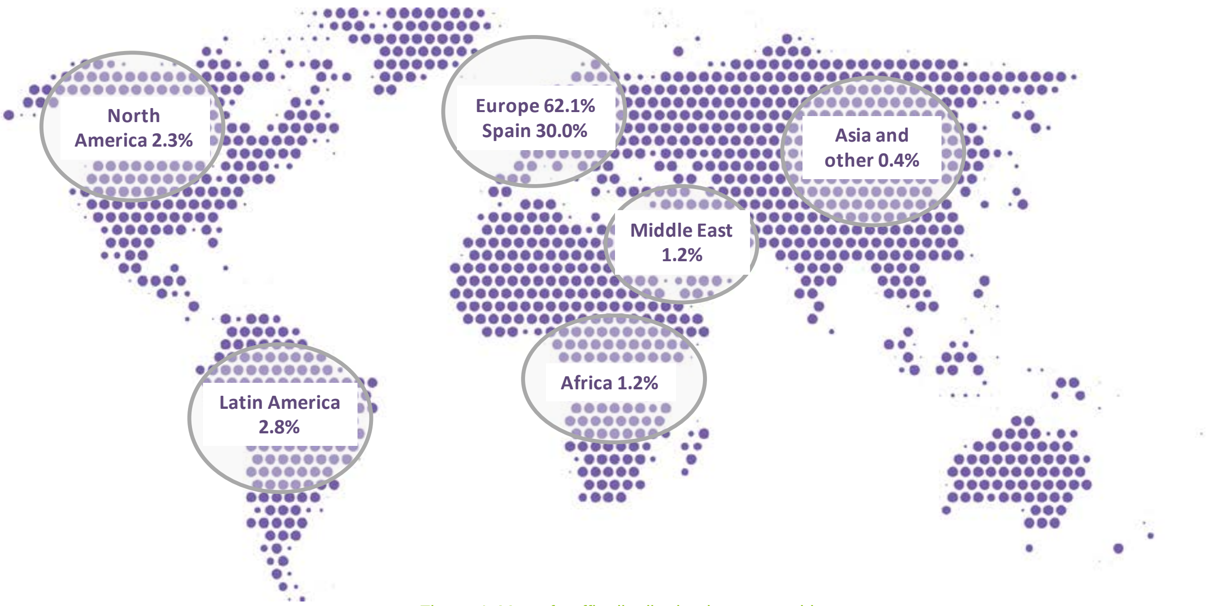


Figure 4. Map of traffic distribution by geographic area

By **countries**, total traffic of the network of airports continues to be concentrated in Spain, the UK, Germany, Italy and France, five countries that together account for a 69.4% market share, slightly lower than in the same period of 2017 (69.9%).

Of these countries it is worth noting, as already mentioned, the decrease in the number of passengers with origin / destination in the United Kingdom (-4.4%) 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 (%)	
	9M 2018	9M 2017	%	Passengers	9M 2018	9M 2017
Spain	61,230,400	55,391,840	10.5%	5,838,560	30.0%	28.6%
United Kingdom	35,172,854	36,788,306	-4.4%	-1,615,452	17.2%	19.0%
Germany	23,131,083	22,346,534	3.5%	784,549	11.3%	11.6%
Italy	11,865,930	10,968,003	8.2%	897,927	5.8%	5.7%
France	10,336,465	9,642,321	7.2%	694,144	5.1%	5.0%
Holland	6,877,955	6,711,431	2.5%	166,524	3.4%	3.5%
Switzerland	4,981,328	4,993,478	-0.2%	-12,150	2.4%	2.6%
Belgium	4,714,585	4,645,578	1.5%	69,007	2.3%	2.4%
Portugal	3,722,782	3,262,874	14.1%	459,908	1.8%	1.7%
Ireland	3,491,851	3,380,130	3.3%	111,721	1.7%	1.7%
United States	3,395,312	2,863,065	18.6%	532,247	1.7%	1.5%
Sweden	2,968,620	3,065,154	-3.1%	-96,534	1.5%	1.6%
Denmark	2,706,881	2,659,773	1.8%	47,108	1.3%	1.4%
Norway	2,414,978	2,460,140	-1.8%	-45,162	1.2%	1.3%
Poland	2,171,824	1,945,444	11.6%	226,380	1.1%	1.0%
Total Top 15	**179,182,848**	**171,124,071**	**4.7%**	**8,058,777**	**87.8%**	**88.5%**
Rest of the world	**24,920,333**	**22,312,168**	**11.7%**	**2,608,165**	**12.2%**	**11.5%**
Total Passengers	**204,103,181**	**193,436,239**	**5.5%**	**10,666,942**	**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 55.6% of the total (54.6% in the same period in 2017) while the remaining 44.4% are legacy carriers (45.4% in the same period in 2017). Nonetheless, the degree of concentration remains moderate.

By airlines, Aena's main customers 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 25.7% in the first nine months of 2017 to 27.3%, while Ryanair also increased its share but only slightly, from 17.6% to 17.7%. Among the remaining airlines mention should be made of the increase in activity of Eurowings (+50,5%), the sustained increase of Jet2.com, with 20.9% growth in the number of passengers , mainly from the UK to tourist destinations in Spain, and the 17.0% of Grupo Binter, which mainly operates among the airports of the Canary Islands Group.

As for the long-haul flights started by low-cost carriers Norwegian and Level (IAG Group) in June 2017 with new routes from Barcelona, from then until the end of this period this activity, which is incipient for Spain, has carried more than 862,000 passengers (close to 555,000 in 2018). Also, it is noteworthy that in July Norwegian started two new routes from Madrid (to Los Angeles and New York), which by September had totalled approximately 50,000 passengers.

Additionally, it is important to note that the growing trend of airline consolidation is maintained, which involves the progressive reabsorption of passengers by other airlines, as in the cases of Air Berlin, Nikki or Monarch, companies that operated in relevant markets (Air Berlin and Niki in the German and Monarch in the British), which have ceased to operate during 2018.

Carrier	Passengers		Variation		Share (%)	
	9M 2018	9M 2017	%	Passengers	9M 2018	9M 2017
Ryanair (1)	36,148,744	33,951,233	6.5%	2,197,511	17.7%	17.6%
Vueling	30,442,587	26,933,707	13.0%	3,508,880	14.9%	13.9%
Iberia	14,443,981	13,070,449	10.5%	1,373,532	7.1%	6.8%
Easyjet (2)	13,112,546	12,135,004	8.1%	977,542	6.4%	6.3%
Air Europa	13,077,785	11,791,638	10.9%	1,286,147	6.4%	6.1%
Norwegian Air (3)	7,668,076	7,531,514	1.8%	136,562	3.8%	3.9%
Iberia Express	7,187,253	6,441,795	11.6%	745,458	3.5%	3.3%
Air Nostrum	6,399,530	5,832,099	9.7%	567,431	3.1%	3.0%
Jet2.Com	5,885,013	4,868,624	20.9%	1,016,389	2.9%	2.5%
Grupo Binter (4)	5,268,242	4,502,121	17.0%	766,121	2.6%	2.3%
Eurowings	4,482,603	2,978,136	50.5%	1,504,467	2.2%	1.5%
Thomson Airways	3,891,585	4,119,106	-5.5%	-227,521	1.9%	2.1%
Lufthansa	3,286,336	2,862,564	14.8%	423,772	1.6%	1.5%
Transavia	2,914,483	2,981,164	-2.2%	-66,681	1.4%	1.5%
Condor	2,655,230	2,375,030	11.8%	280,200	1.3%	1.2%
Total Passengers	**204,103,181**	**193,436,239**	**5.5%**	**10,666,942**	**100.0%**	**100.0%**
Total Low Cost Passengers (5)	**113,452,669**	**105,542,397**	**7.5%**	**7,910,272**	**55.6%**	**54.6%**

(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 A.S.
(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

International activity

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

Millions of passengers	**9M 2018**	**9M 2017**	**Change [1] %**	**Aena's shareholding %**
London Luton (UK)	12.7	12.3	2.8%	51.0%
Grupo Aeroportuario del Pacífico (GAP) [2] (Mexico)	33.5	30.2	10.9%	5.8%
Aerocali (Cali, Colombia)	3.7	4.1	-10.5%	50.0%
SACSA (Cartagena de Indias, Colombia)	4.0	3.6	9.7%	37.9%
TOTAL	**53.8**	**50.2**	**7.1%**	-

[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 2.8%. This growth was moderate, due to the bankruptcy of Monarch in 2017 and the reduction in routes offered by Ryanair to EU destinations, which was only partly offset by new operations of Easyjet and Wizz Air.

Total passenger traffic of **GAP** ("Grupo Aeroportuario del Pacífico") grew by a significant 10.9% in the period, in line with the annual estimate published by the Company on 16 January 2018, with traffic performing particularly well at the group's main Mexican airports: Guadalajara, Tijuana, Guanajuato and Mexicali, as well as Montego Bay in Jamaica.

In addition, it is relevant to mention that on 10 October 2018, GAP closed the agreement with the Jamaican Government to operate, modernise 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 will now operate two airports in Jamaica (Montego Bay and Kingston).

As for **Cali airport**, it is worth mentioning that passenger traffic here has yet to benefit from the recovery in the Colombian macroeconomic environment, which was severely affected between 2015 and 2017 by the fall in the price of petrol. In addition to the loss of both national and international routes due to the economic slowdown, the Avianca pilots' strike in the last quarter of 2017 also had a negative impact on passenger traffic at the airport. As of September 2018, not all the flights cancelled during the conflict had been recovered, although the majority of these are expected to resume by the end of the year and during the last quarter passenger traffic is experiencing a recovery thanks to the new routes of Spirit and Easyfly.

Cartagena de Indias airport was also affected by the Avianca strike, albeit to a lesser extent than Cali due to its lesser degree of dependence on this airline and its greater tourism component, which enabled it to recover routes more quickly. Growth in international traffic also favoured the 9.7% increase due to the introduction of new routes and airlines.

2.3. Commercial Activity

Commercial activity is a fundamental part of the experience of the passengers who pass through our airports. Accordingly, Aena focuses its efforts on meeting the needs and demands of the various user profiles, adapting the commercial range and making it increasingly attractive to customers. This improvement also contributes to the increase in commercial revenue.

At 30 September 2018 ordinary revenue from this activity, accounting for 27.2% of the Group's total ordinary revenue, reached €871.5 million, representing an increase of 8.5%. This growth comes mainly from the increase of minimum annual guaranteed rents on the existing contracts, the contractual conditions of new contracts in which high economic offers were obtained and from the trend in sales of those businesses managed by Aena itself, namely car parks and VIP services, which continues to evolve positively. The increase in the passenger traffic mix of low-cost carrier passengers with less propensity to spend, as well as Brexit and the depreciation of sterling, continue to affect revenue from this activity.

On a per passenger basis, commercial revenue in the first nine months of 2018 remained at €4.3, 2.8% higher than in the same period of 2017 (€4.2). 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 (MAG) which ensures that the lessee pays a minimum amount regardless of the level of sales made. The following graph shows how the minimum annual guaranteed rents for each business line will evolve until 2022 for contracts in force at 30 June 2018:

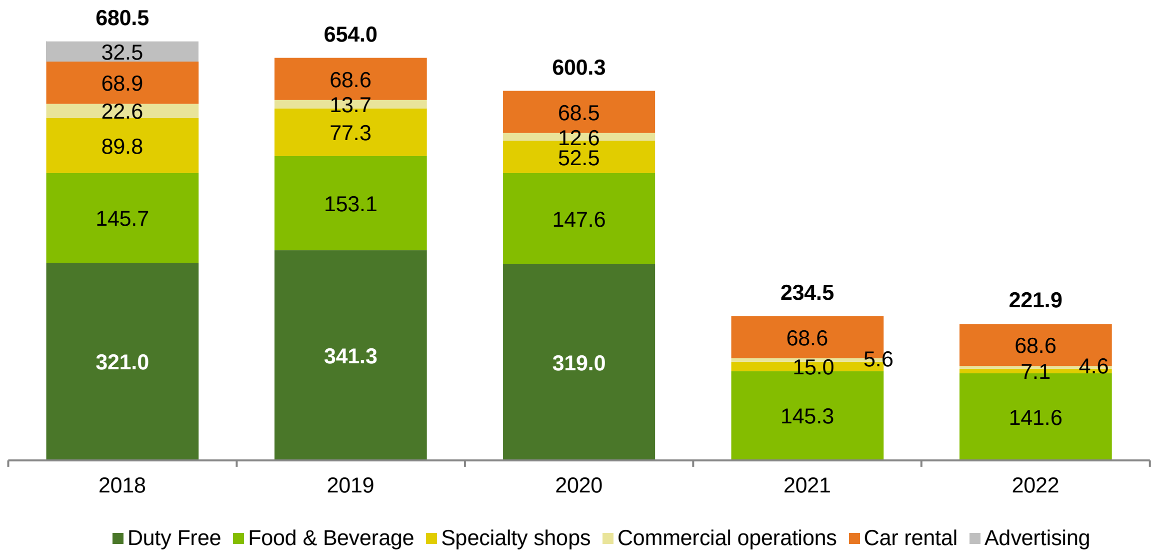


Figure 5. Minimum Annual Guaranteed Rent by business line

Figures in millions of euros. 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.)

3. Business lines

The main results figures for Aena for the six months to 30 September 2018 are shown below itemised by segments. The airports segment accounts for 95.6% of total EBITDA (aeronautical activity represents 60.2% and commercial activity contributes 35.4%), the real estate services segment contributes 1.3%, and international business accounts for 3.1%.

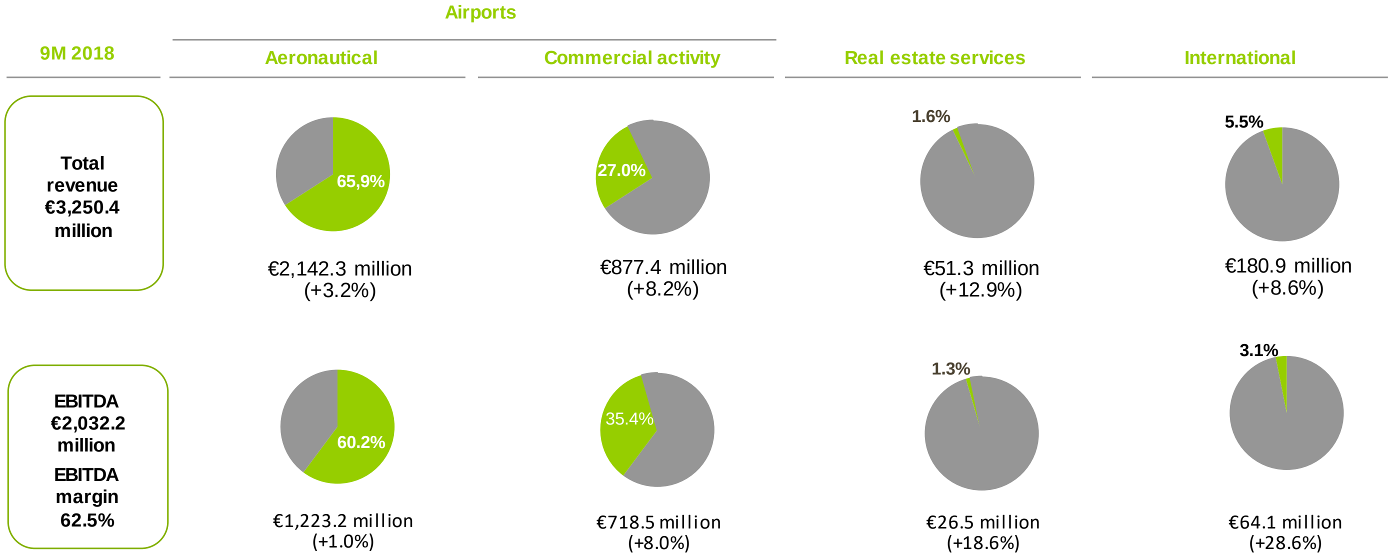


Figure 6. AENA Main results by business area

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 updating or revision of airport charges for 2019.

In the course of this process of consultation 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 established in the Airport Regulation Document (DORA).

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 Spanish Civil Aviation Authority (DGAC).

The users called upon by Aena to take part in the consultative process belong to the following associations and airlines:

- 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 in the freezing of the adjusted maximum annual income per passenger (IMAAJ) for 2019 relative to the maximum annual income per passenger (IMAP) established in the DORA at €10.42 per passenger for 2018, as a result of the adjustments established by the DORA regarding the performance incentive for levels of quality and the traffic structure corresponding to year-end 2017.

International Airport of the Region of Murcia

February saw 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, incorporating this airport into Aena's Spanish network. According to the forecast calendar, this airport is expected to start operations in January 2019.

Aeronautical Activity

During the period there have been some important changes in the provision of **airport services**. Prominent among them were the launch, between February and April, of the new assistance service for persons with reduced mobility at the main airports of Aena's Spanish network, the private security service in the majority of the airports for which contracts had been awarded, and the cleaning and luggage cart services at 15 airports in May and June.

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 rationalise and standardise 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 supplied to Adolfo Suárez Madrid-Barajas, Barcelona, Palma de Mallorca, Málaga, Alicante, Menorca and Ibiza airports.

Last but not least we must pay tribute to the work done by the **24-hour network management centre** (CGRH24) in resolving operational issues, in coordination with ENAIRE, due to strikes in France and adverse weather conditions affecting air traffic in Aena's network.

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

Thousand euros	9M 2018	9M 2017	Variation	% Variation
Ordinary revenue	2,107,865	2,035,516	72,349	3.6%
Airport charges(1)	2,048,627	1,977,641	70,986	3.6%
Passengers	939,429	904,210	35,219	3.9%
Landings	558,560	536,947	21,613	4.0%
Security	330,515	326,376	4,139	1.3%
Telescopic boarding bridges	81,369	82,798	-1,429	-1.7%
Handling	76,992	68,684	8,308	12.1%
Fuel	25,672	25,534	138	0.5%
Parking facilities	27,948	25,510	2,438	9.6%
Catering	8,142	7,582	560	7.4%
Other Airport Services(2)	59,238	57,875	1,363	2.4%
Other operating revenue	34,408	39,427	-5,019	-12.7%
Total revenue	2,142,273	2,074,943	67,330	3.2%
Total expenses (depreciation included)	-1,388,842	-1,331,606	57,236	4.3%
EBITDA(3)	1,223,201	1,211,457	11,744	1.0%

(1) *The amounts for passenger fees, landing charges and security charges are shown net of commercial incentives: €16.6 million in 9M 2018 (€25.7 million in 9M 2017).*

(2) *Includes airport products, use of 400 Hz airbridges, fire-fighting services, check-in counters and other revenue.*

(3) *Earnings before interest, tax, depreciation and amortisation.*

Table 6. Key figures in aeronautical activity

Total income from the aviation activity increased to €2,142.3 million (up by +3.2% compared with the same period of 2017) due to the growth in traffic (5.5% increase in passenger traffic and 5.7% increase in the number of aircraft movements).

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 €45.0 million.

The effect of the traffic incentives entailed provisioning €16.6 million in the period (net of the reversal of €3.0 million of provisions from previous years) as against €25.7 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 €55.7 million, higher than the amount for the same period of 2017 (€52.1 million).

Total expenses of the aviation activity increased by 4.3% relative to the same period of 2017. Excluding depreciation and amortisation, total expenses increased by 6.4%. This increase was due to the increase in employee costs and other operating expenses as explained in section 4. Income Statement.

The EBITDA for the period was €1,223.2 million, in line with the same period of 2017 (+1.0%).

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 both in the terminal buildings and in other landslide areas by improving cleaning services, assistance services to persons with reduced mobility (PRM), passenger information and other services.

Cleanliness

In the second and third quarter of 2018 the contracts for cleaning and luggage cart services were awarded at 19 airports for a total of €27.4 million under the Strategic Cleaning Plan. Between May and June the new contracts entered into force at 10 airports, while on 1 July, those corresponding to another 5 airports of the Canary Group began. The contracts of the other 4 airports in which the service was awarded will take effect between October and November.

The Strategic Cleaning Plan affects 30 airports in the network, and its bid amount in 2018 is projected to total 71 million euros.

The main objective of the new contracts is to fulfil the commitment to improving levels of quality, complying with the Airport Regulation Document (DORA) for 2017-2021 and enhancing the quality offered to passengers. It establishes a model that stresses the values of quality, efficiency and flexibility, as well as modernising the service, for which it introduces digitisation of the service by means of a centralised management tool which works through a real-time incident resolution platform.

PRM service

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

This new service awarded is aimed directly at improving quality, for passengers and airlines, with more stringent demands, incorporating 117 ambulifts, 79 vans and 2,962 wheelchairs, as against the 67 ambulifts, 53 vans and 1,445 wheelchairs that the service had previously.

Additionally, we have implemented the use of mobile devices for customer attention and assistance development, including a new format for assessing satisfaction surveys allowing language barriers to be overcome and the number of surveys assessed to be increased. This project forms part of the digitisation of the PRM assistance service initiated with the implementation of these technological innovations.

Passenger information

With the dual objective of enhancing both the passenger experience at the airports and the Company's image, we have designed new uniforms for the Passenger, User and Customer Service staff.

Additionally, the Contact Centre has come into operation, replacing the former Call Centre, to provide services in addition to telephone assistance, such as chats on websites, management of complaint and suggestion boxes and telephone booking of PRM and parking services, which allow expansion of the channels of communication with and services to passengers.

Other services

During this period, Aena also took part in the 39th ACI Europe (Airports Council International) Facilitation & Customer Services Committee Meeting, the objective of which is to promote best practices that ensure the highest quality standards at airports.

It also took part in organising a meeting of the AQC (Airports Quality Club) committee at Madrid airport with the objective of continuously improving the passenger experience at the airport.

Airline services

With the aim of providing better service to airlines in their activity at its airports, Aena regularly carries out various actions, notably relating to handling and fuel services. During the period the following actions were particularly noteworthy:

Handling

Among the various projects to expand and improve handling services on which Aena is working, the following stand out:

- The creation of a new check-in service (Self BagDrop) giving passengers an automated system for carrying out the entire check-in process without the need for external human intervention**.**

- The study on the current use of conventional check-in counters at the Adolfo Suárez Madrid-Barajas and Barcelona-El Prat airports, aimed at proposing improvements contributing to better distribution of passenger traffic and increased service capacity.

Fuel and Into-Plane services

As regards this service, during the period we continued with the competitive bidding process for the provision of fuel services at 41 Aena network airports for a period of seven years.

Increased competition, improved quality of service and limitation of prices are the key factors in these bidding processes.

Air traffic services

In this area, it is noteworthy that in the third quarter Aerodrome control and information services were awarded in the airports of El Hierro, La Gomera, Burgos and Huesca.

Also, CIDEFO (*Interministerial Commission between Defence and Development)* has approved the manoeuvres and airspace associated with the provision of air traffic services at the International Airport of the Region of Murcia (AIRM), sending the necessary information for publication in the AIP (*Aeronautical Information Publication*).

Operational systems

During the third quarter of 2018 we continued to move ahead with the integration of the airports in the Aena network with the A-CDM (Airport-Collaborative Decision Making) and Advanced Tower programmes promoted by Eurocontrol.
These programmes are based on the exchange of information among all players involved in operating flights, with the objective of promoting joint decisions, improving punctuality, reducing the cost of movements and mitigating the environmental impact.
Progress has been made in integration projects in Lanzarote and Fuerteventura among airports certified as Torre Avanzada, connecting them to the Eurocontrol test environment with a view to their certification during the last quarter of the year. Once these airports have been certified, operational data in real time will be integrated into the European network of about 70% of network traffic in 2018.

In addition, the changes in the Operational Systems that should be installed in the new AIRM have been analysed.

Operations

Air field and apron

The Joint Working Group with ENAIRE and AESA (State Aviation Safety Agency) has continued its work for the definition of the new model of notification of the condition of the pavements in case of contamination with snow, ice or water that should start to be applied in November 2020. This new reporting model will standardise the information transmitted to flight crews, allowing more precise adjustment of operation on runways.

EUROCONTROL has published the third edition of the European Action Plan for the Prevention of Runway Incursions (EAPPRI), during the third quarter this document has been analysed in order to determine the actions that AENA must undertake to implement its recommendations.

Likewise, the 35th session of the Technical and Operational Safety Committee (TOSC) of ACI was held, in which the Operations Division participated. The TOSC is one of the main forums for the exchange of information on operational safety, operations and airport maintenance.

During the third quarter, the updated complete information of the obstacles to the Obstacle Limiting Surfaces of the airports of Vigo and the International Airport of the Region of Murcia was sent to the AIP (*Aeronautical Information Publication*).
Aena also hosted the fifth ACI-organised Aerodrome Regulation Implementation Exchange (ARIE) workshop. This workshop brought together a technical group to exchange experiences on implementing the Airport Certification processes in Europe.

Operational safety

In the area of operational safety we would highlight the fact that in the third quarter of 2018, three checks were carried out on the Operational Safety Management System. Said supervisions have been carried out at the airports of A Coruña, Tenerife Norte and Zaragoza. On the other hand, during the same period AESA has inspected the airports of Alicante, Tenerife Sur, Melilla, Menorca, Vigo, Santiago and Barcelona.

Likewise, all the human resources assigned to the Central Office of Operational Safety have been incorporated, having started the training itinerary of the same and the transition period to assume the entrusted functions, always with the objective of the continuous improvement of the Operational Safety Management Systems, maintenance of certifications, and assistance to airports.
In the third quarter, progress has been made with the authority (AESA) in the standardisation of the coding of incidents associated with fauna that the Aena airports notify to the SNS (Events Notification Service).

Aircraft rescue and fire fighting (ARFF)

In this area, it is worth highlighting the award of several files for the acquisition of various items of personal protective equipment (*PPE*) for firefighters, as well as the publication of new tenders for the acquisition of intervention suits and fireproof suits.

Meteorological service

The process of implementing the automated meteorological reporting system for some airports continues.

The second meeting of the AENA-AEMET Mixed Commission defined in the current contract between both organisations was held. The main topics dealt with are the optimisation of information exchange processes and the definition of service levels of meteorological performance.

Work continues on the service model to be applied in the new International Airport of the Region of Murcia.

Management of the risks associated with fauna

In accordance with European regulations, during the third quarter of 2018, the control and monitoring methodology of the defence measures implemented at each of the airports with which the Wildlife Risk Management Programmes were equipped during the second quarter was defined. In order to analyse its effectiveness, perform the self-assessment of the Fauna Risk Management Programme and update it accordingly.

Operating capacity

In the third quarter of 2018, the analysis was developed to increase the operational capacity of the Terminal Building of Pamplona Airport and has been presented to the Coordination Committee of slots and to the Civil Aviation General Directorate for its approval.

Likewise, it has also been analysed, in collaboration with the different agents involved, and it has been proposed to increase the arrival capacity of Adolfo Suarez Madrid-Barajas Airport in the time slot from 4:00 a.m. to 5:00 a.m. UTC and the departures slot from 9:00 p.m. to 11:00 p.m. UTC. These modification proposals will be effective in the summer season of S19.

Physical security

In this area we would highlight the fact that in April contracts were awarded for the private security service of 44 of the 47 airports for which bids were submitted, covering the requirements set forth in the Airport Regulation Document (DORA) for 2017-2021, as well as the conditions of the State Collective Bargaining Agreement with private security companies for the period 2017-2020, which was signed on 8 November 2017.

The total value of the contracts awarded 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%.

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

These services have been started at all airports between the months of June and July, and at the Canary Islands airports of Tenerife Norte, Tenerife Sur and La Palma have entered into operation on 1 October.

Border control

In order to make the National Police's passport control easier, automatic equipment is to be installed in July, and in the second quarter of 2018 contracts were awarded for the passenger assistance service at the passport control points at several airports in the network: Madrid, Barcelona, Palma de Mallorca, Málaga, Alicante, Gran Canaria, Tenerife South, Lanzarote and Fuerteventura.

The airports of Madrid, Palma de Mallorca, Barcelona, Malaga and

Alicante already have new automatic border control equipment (ABC) in operation. Menorca and Ibiza have the equipment installed but not operational, pending final configuration.

Security Equipment

Process automation has begun in security filters at Madrid airport, with several lines in operation in the connection filter. Team deployment work has started in Ibiza, Seville and Santiago.

Other physical security actions

During the period Airport Security Checks were carried out at five airports (Badajoz, Santiago, Vigo, Gran Canaria and Menorca) auditing the application of the National Civil Aviation Security Programme.

For its part, the State Agency for Air Safety (AESA) has audited airport security regulations at 12 airports (A Coruña, Bilbao, Burgos, Girona, Gran Canaria, Lanzarote, Malaga, Melilla, Menorca, Santiago and Vigo) .

Facilities and Maintenance

During the second quarter of 2018, we started the first phase of the Strategic Airport Maintenance Plan (PEMA in the Spanish acronym), covering a period of four years, 2018-2021. This plan aims to rationalise and standardise maintenance services in the Aena airport network.

24-Hour Network Management Centre

The 24-Hour Network Management Centre ("CGRH24"), as the centre for operational incidents of the Aena network, permanently monitors the operational status of the entire airport network, coordinating with SYSRED, the programme used by ENAIRE on incidents affecting flight operations, and preparing monitoring reports of said incidents.

In the third quarter, the main incidences of air traffic stand out: the bad weather that has affected Europe and the eastern region, in particular Barcelona and Palma de Mallorca. This has meant significant delays due to regulations and low punctuality, which is also compounded by the pilot strike in Germany of Ryanair on 12 September and TCP (cabin crew) in Spain, Portugal, Belgium, Italy and Holland on 28 September. Finally, during the second half of September, Military Exercises have been carried out affecting the Eastern Region in Spain.

CGRH24 Madrid-Barajas Airport

3.1.2 Commercial activity

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

Thousand euros	9M 2018	9M 2017	Variation	% Variation
Ordinary revenue	871,513	803,592	67,921	8.5%
Other operating revenue	5,912	7,126	-1,214	-17.0%
Total revenue	877,425	810,718	66,707	8.2%
Total expenses (depreciation included)	-238,977	-225,310	13,667	6.1%
EBITDA [1]	718,498	665,443	53,055	8.0%

[1] Earnings before interest, tax, depreciation and amortisation.

Table 7. Key figures with regard to commercial activities

In the first nine months of 2018, total revenue of the commercial activity increased by 8.2% relative to the same period of 2017, to €877.4 million. Ordinary revenue, accounting for 27.2% of the Group's total revenue, reached €871.5 million, representing an increase of 8.5% relative to 2017.

This growth was due mainly to the increase of minimum annual guaranteed rents on the existing contracts, the contractual conditions from new contracts in which high economic offers were obtained and to the performance of those businesses managed by Aena itself, namely car parks and VIP services, which continues to evolve positively.

The detail and analysis of the commercial business lines are set out below:

	Revenue		Variation		Minimum annual guaranteed rents	
Thousand euros	**9M 2018**	**9M 2017**	**Thousand euros**	**%**	**9M 2018**	**9M 2017**
Duty free shops	241,892	237,362	4,530	1.9%		
Specialty shops	80,190	71,526	8,664	12.1%		
Food & Beverage	155,782	136,703	19,079	14.0%		
Car rental	118,289	115,625	2,664	2.3%		
Car Parks	108,031	99,033	8,998	9.1%		
VIP services	47,953	30,723	17,230	56.1%		
Advertising	25,328	24,340	988	4.1%		
Leases	25,259	23,783	1,476	6.2%		
Other commercial revenue [1]	68,789	64,497	4,292	6.7%		
Ordinary revenue	**871,513**	**803,592**	**67,921**	**8.5%**	**93,236**	**59,077**

[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 16.3% of the revenue of the business lines that have contracts with these clauses, compared with 11.1% in 2017. This difference was due mainly to the trend in sales (€16.8 million), the conditions agreed in new contracts (€10.4 million) and to the increase on existing ones (€2.5 million).

Total expenses of this activity increased by 6.1%, or by 9.4% if depreciation and amortisation are excluded. This increase, explained in Section 4. Income Statement, reflects the higher cost (+48.0%) associated with the incorporation of new VIP lounges at Barcelona airport in January and Santiago in June, to be managed by Aena according to the strategy of this business line, and accompanied by the increase in revenue from this business line. Excluding this effect, commercial expenses would have grown by 3.5%.

EBITDA came to €718.5 million, 8.0% more than in the same period of last year.

By business lines, the following commercial actions developed in the period should be highlighted:

Duty free shops

Revenue from the generic duty free shops grew by 1.9% 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 45,000 m², managed by Dufry under the trade name World Duty Free Group (WDFG), through contracts signed with Aena divided into three lots.

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

With a view to optimising commercial performance, WDFG, in collaboration with Aena, launched a diagnostic analysis and action plan on a trial basis in the duty free shops of five airports: Barcelona-El Prat (only in T2), Málaga, Alicante, Gran Canaria and Bilbao.

Also, with a view to strengthening sales and the offering, marketing and floor space improvement actions were carried out, such as:

- 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 communicating guaranteed best prices at Madrid, Barcelona and tourist airports, aimed at changing passenger perceptions of prices in our duty free shops. With this action, launched in May, WDFG offers discounts and special promotions: discounts of up to 40% on perfume goods and up to 30% on liquor, as well as a 50% reduction on the third item of perfume goods at shops in the airports of Madrid, Barcelona, the Canary Islands and the Balearic Islands.
- The remodelling and opening of shops at Malaga Airport (on the piers and in the main walk-through shop), the opening of the new walk-through shop at Bilbao Airport, and the *Atrio* shop at the T4 of Madrid airport *(T4),* continuing with the remodelling works for the *Milenium (T2-T3)* shop within the same.

It is also relevant to mention the positive support for duty-free sales provided by the 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.

Apart from this, it is noteworthy that the offer of duty free shops has been adapted in the new non-Schengen areas, derived from the expansion of the ABC filters at Barcelona and Malaga airports, as well as the installation of the new line of filters at Alicante, Ibiza and Reus airports.

Lastly, we would point out that the future location of the duty free shop at the International Airport of the Region of Murcia has been identified.

Adolfo Suárez Madrid-Barajas Airport

Specialty shops

Retail activity, which includes over 350 premises with 22 in the luxury segment, generated €80.2 million in revenue, a 12.1% increase compared with the same period in 2017.

In order to boost revenue from this commercial line we have set in train initiatives for the renovation of premises, by means of bidding processes at various airports:

- At Barcelona-El Prat Airport, as part of the first phase of the renewal of the offer in 5 stores at T2 - module 3 (occupying more than 1,500 m²), Victoria's Secret, Natura and a Real Madrid brands have been incorporated.
- The tender for a large part of the commercial offer of Malaga Airport has been prepared and will be published in the fourth quarter of the year. It includes 15 stores totalling more than 1,700 m^2, which is 75% of the commercial surface at air side.
- During the month of September, the tender for 4 stores at the Lanzarote Airport and another 2 at the Ibiza Airport was published in order to renew the commercial offer.
- Likewise, three premises, one of them newly-created, have been tendered at T4 of Adolfo Suárez Madrid-Barajas Airport, which will make it possible to maintain the quality of the commercial offer until the start of the redesign works of the retail area that will affect this Terminal in which two Pop Ups of the Scalpers and DODO brands have already opened.

Additionally, it should be noted that in order to continue providing specialised assistance to passengers and following the trends implemented in international airports to improve the customer experience, the Free Personal Shopper Service is under way at the Airports of Malaga, Barcelona and Terminals T1, T4 and T4S of Adolfo Suárez Madrid-Barajas Airport. Soon the service will start at Alicante Airport and the procedures will begin to also offer it in Palma de Mallorca. In all the airports the duration of the service has been contracted for 2 years and completely free of charge for the passengers who request it. We work with different companies to provide the greatest possible impact in the countries of origin of foreign tourists (especially Asians), who travel to our country to do shopping tourism.

With regard to the best service to our Asian customers, a concession has been tendered that helps Aena towards a more in-depth understanding of their needs and thus contribute more value to their experience in our airports in Madrid and Barcelona.

Finally, in the third quarter, the commercial offer of the new International Airport of the Region of Murcia was tendered, which is scheduled to open in the first quarter of 2019. Three locations were awarded and the bidding for at least one more location is planned to offer variety to future users of airport facilities.

Food & Beverage

The more than 320 food and beverage outlets continued to perform well, with revenue amounting to €155.8 million, representing a growth of 14.0% relative to the same period of 2017.

In this period, has taken place the start of activity of new concessionaires at the airports of Gran Canaria, Barcelona and Malaga, as well as the tenders for the renewal of the supply of the airports of Alicante, Seville, Jerez, Girona, Murcia-Corvera and the vending machines of Palma de Mallorca:

- On 8 May, the new tenants began the food and beverage activity at Barcelona-El Prat Airport, at the 49 points of sale distributed in terminals T1 and T2, which were awarded in the first quarter of 2018. In the third quarter, the works of the premises for the implementation of the new commercial brands are being executed in such a way that there are already eight locations open with the new brands implanted.

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

  The new food and beverage range will occupy an area of close to 16,000 m², representing an increase of nearly 19% relative to the existing area. They include notably TV chefs the Torres Brothers, with a high-level restaurant in terminal T1 called Alas ("Wings") and a "grab-and-go" called Slam in terminal T2. Among the new brands are restaurants with local flavour such as La Botiga, Mussol and Tapa from the AN Group; a multi-cuisine concept with a market-type atmosphere under the La Place brand; international coffee shops Starbucks, Coffee Republic and Paul; healthy food eateries Exki, Central Café, Good Mood Food from Eat and Go Natural; a gourmet venue for Iberian produce from Origins by Enrique Tomás; and local bakeries and cafés such as Boldú, Pannus, Santa Gloria, Café Pans and Cooofe Bar.
- On 14 September, the new tenants of the 25 points of sale awarded at the end of June began the food and beverage activity at Malaga-Costa del Sol Airport. The planned spaces will occupy a total area of more than 6,500 m² and the implementation works of the new brands are foreseen in the last quarter of 2018.

  Of the 12 concessions put out to tender, the food and beverage operators awarded the greatest numbers of premises were: Select Service Partner (SSP) with 8 premises, the EatOut Group with 6, Lagardère Travel Retail with 4 and Areas with 7. Highlighting chef Dani García with his

Premium BIBO Brioche Bar, celebrity chef Jamie Oliver with his Jamie´s Deli concept, Kirei restaurant by Kabuki, the international Grab&Go Eat and Casual Food Giraffe. There is also a multi-cuisine concept with a market-type atmosphere featuring several brands such as Enrique Tomás, Malaga native Gorki, Yo Sushi from the East, the healthy Mamá Campo, the Italian La Mafia, the Mexican Chelinda and the Tim Hortons cafeteria.

There will also be two Burger Kings, two Starbucks and a Costa Coffee, La Manon bakery-café, the La Gelatería and Carte D´Or ice cream parlours, pizzeria La Boutique de la Mafia, and other well-known brands such as Más Q Menos, Dehesa Santa María, Pans, Café Pans and Caffè Di Fiore.

- The new food & beverage concessions at Gran Canaria Airport began to operate in early April, and the execution of the works on the premises is being carried out for the establishment of the new commercial brands, contracts for which were awarded in late 2017. In the third quarter of 2018, there are seven locations open with the new brands implanted.

  The complete food and beverage range comprises 19 points of sale spread among five concessions, under which Select Service Partner (SSP) manages 10 premises, the EatOut Group four and Autogrill three.

- In the third quarter of 2018, the new O'Learys have opened at Ibiza Airport and at Adolfo Suárez Madrid-Barajas Airport, the Barril brands on the T4S and Farine on the T2 have been renewed.

Barcelona-El Prat Airport

Car rental

Revenue from this activity increased by 2.3% relative to the same period of 2017, to €118.3 million.

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 to 162 the total licences occupied in 36 airports of the network.

The business continues to grow thanks to the improvement of total passenger numbers, and there is a rebound effect on the client type "company" in the airports with the largest business segment.

Car Parks

Aena has a network of more than 80 car parks with more than 130,000 parking spaces, distributed among 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).

Reservations can be made online using a web-based platform from the Aena app, as well as through various distribution channels. This platform allows customers to book in advance at promotional prices.

The third quarter was characterised by the improvement of the commissioning of the express parking projects in the exit roads of Madrid T2, and Barcelona T1 and T2, which have improved flows in the access roads of both airports .

The 9% improvement in revenues in this period was mainly due to the improvement of the segment without bookings, and the push for online bookings at the main airports (a total of 870,000, which represents an improvement of 20% over the same period of 2017).

The business unit's main actions in the period were:

- Promotional campaign for the summer season at the Madrid, Barcelona, Alicante, Palma de Mallorca, Malaga, Alicante, Seville and Santiago airports.
- New agreements signed with companies to provide the parking service for the employees of these companies and monthly payment.
- The customer club continues to penetrate and has fostered customer loyalty, currently used for more than 50% of monthly bookings.

VIP services

This business line includes revenue from the VIP lounges and from the fast lane and fast track services.

Aena has 24 VIP lounges at 15 airports, operated through an integrated management model, and since 2017 revenue from the fast lane and fast track services have also been included in this business line. Under the integrated management model, Aena sets the commercial and pricing policy, contracting with a provider the provision of the necessary services.

The fast lane service gives preference in access to the security checks. It is provided in seven of the network's airports (Barcelona, Palma de Mallorca, Malaga, Alicante, Gran Canaria, Tenerife South and Valencia). The fast track service is an independent, exclusive security control offered at Adolfo Suárez Madrid-Barajas Airport.

In this period, revenue from VIP services activity grew by 56.1% compared to the same period last year, to €48 million, and revenue from VIP lounges contributed €42.4 million, a 66.1% growth in revenue, driven by the incorporation of new VIP lounges at Barcelona airport in January (+€11.1 million), a 23.1% increase in the number of users, as well as the marketing actions and pricing policy implemented under the management of this business line by Aena.

Over the course of the period, Aena continued to incorporate new lounges into the current management model, remodelling existing ones and expanding usage agreements with airlines and other companies. The following actions stand out:

- In June the new 200 m² VIP lounge at Santiago Airport opened.
- The remodelling of the lounges at Palma de Mallorca Airport, featuring an additional lounge ("Sala Mediterráneo") which opened on 9 November, and completion of the remodelling of "Sala Formentor" in July 2018.
- The call for tenders for the comprehensive management of the VIP lounges at Seville and Lanzarote, Alicante and Palma de Mallorca airports (in progress).
- We continued the process of formalising and expanding commercial agreements for the use of the VIP lounges in the Aena airport network with airlines and other companies, strengthening the guarantees for Aena and expanding the customer base.
- The redesign projects for the Madrid and Las Palmas lounges are being drafted.
- Remodelling work has begun on four lounges in Barcelona.

The Business Centre in Barcelona Airport T1 was also awarded, with 25 rest units, and its activity began on 1 July.

New VIP lounge at Santiago Airport

Advertising

Advertising in the airports in the network involves outdoor advertising, and competes with media in urban fixtures, the metro and billboards.
At Aena, it is managed using a concession model, with the companies that operate the advertising spaces in the network responsible for marketing them: JFT at airports in the Canary Islands and JCDecaux at mainland and Balearic Island airports.

The outdoor advertising sector in Spain maintained moderate growth, according to the report of the consultancy "I2p", which place the estimated total growth for 2018 at below 1%. However, the airport sector accumulated an improvement in sales of more than 10% in the third quarter.

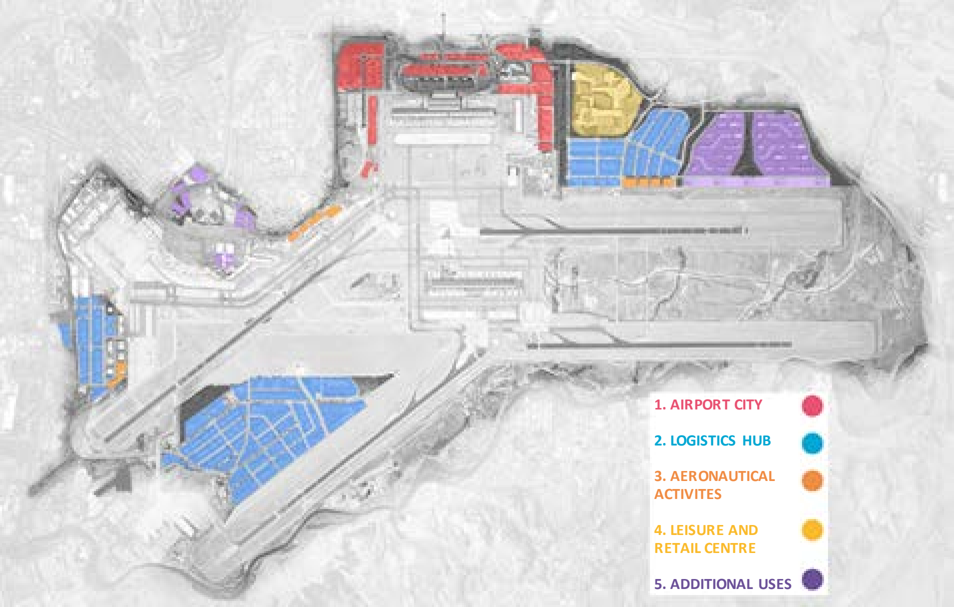
In September, the new advertising agreement that will give continuity to the current agreement has been tendered. This new agreement seeks to attract local, Spanish and international operators through tendering eight lots by geographic distribution with relevant interest: Centre, North, Levante, Catalonia, Balearic Islands, Canary Islands, South and Northwest.

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 landside and 9 airside) 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.

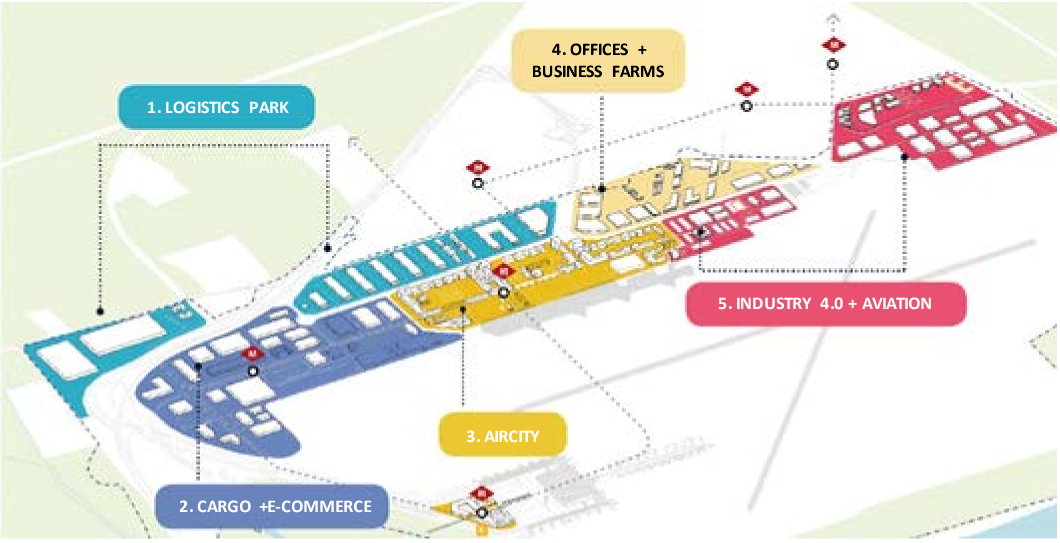
The objective is to position Adolfo Suárez Madrid-Barajas Airport as a global connectivity gate, a major logistics centre, a global business hub and a zone of services for passengers and zones of influence. The plan is to build on nearly 2.7 million m^2 for mixed uses, notably logistics, e-commerce, 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 it has been estimated that capital expenditure of nearly €3,000 million on the part of numerous agents will be required.



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 is currently in the process of inviting bids for the advisory services that will allow it to establish the appropriate relational model in terms of business, financial implications and legal and corporate transactions. This process is expected to be completed in the next nine months.

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

Thousand euros	9M 2018	9M 2017	Variation	% Variation
Ordinary revenue	50,410	44,470	5,940	13.4%
Real estate services(1)	50,410	44,470	5,940	13.4%
Other operating revenue	906	1,002	-96	-9.6%
Total revenue	51,316	45,472	5,844	12.9%
Total expenses (depreciation included)	-37,224	-35,083	2,141	6.1%
EBITDA (2)	26,465	22,313	4,152	18.6%

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

Table 9. Most significant figures for the real estate services segment

At 30 September 2018, ordinary revenue from these activities totalled €50.4 million, 13.4% 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 recognised entirely in 2018. Excluding the adjustment for 2017, growth would have stood at 6.0%.

Total expenses increased by 6.1%. Excluding depreciation and amortisation, total expenses increased by 7.3%. This increase is explained in Section 4. Income Statement.

The most noteworthy actions in the period were:

Hangar activity:

- The awarding of a hangar at Adolfo Suárez Madrid-Barajas Airport of nearly 15,000 m^2 and the start of operation of 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 2018.
- At Santiago Airport too, construction began on a new 1,200 m^2 hangar, also due to become operational before the end of the year.
- Finally, worthy of note in this period is that two hangars were awarded at Madrid-Cuatro Vientos Airport (700 and 300 m²) and one in Sabadell (550 m²).

Executive aviation:

- The FBOs for the two main airports in the network have been tendered: A.S. Madrid-Barajas and Barcelona-El Prat, through which a service that has been provided in recent years is renewed. The new operators are expected provide service as of 1 January 2019.

Other assets:

- A large aerial operator contracting 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 remarketing the spaces in this old terminal.

With regard to the marketing of cargo facilities (an activity that grew by 11.0% in the period), the following actions were undertaken:

- At Adolfo Suárez Madrid-Barajas Airport, the pre-emptive right was exercised to acquire a new warehouse with office space measuring 7,200 m^2 from DHL, which 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 and a cargo terminal of more than 1,500 m² built for the company WFS.

  At this airport, a second-line cargo building of 1,000 m² was awarded in August.

  Also, 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 the final quarter of the year, while in the other, the construction project is being drawn up.

- At the Barcelona-El Prat airport, a first-line cargo terminal of 3,310.80 m² is 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 nearly 1,200 m^2 constructed area of the cargo terminal was awarded to Groundforce Cargo.

3.3 International activity

Economic data for the international business activity 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 revenue improved by €14.3 million, negatively affected (-1.2%) by the depreciation of sterling.

Thousand euros	9M 2018	9M 2017	Variation	% Variation
Ordinary revenue	180,723	166,426	14,297	8.6%
Other operating revenue	146	122	24	19.7%
Total revenue	180,869	166,548	14,321	8.6%
Total expenses (depreciation included)	-156,964	-150,319	6,645	4.4%
EBITDA (1)	64,068	49,819	14,249	28.6%

(1) *Earnings before interest, tax, depreciation and amortisation.*

Table 10. Key figures for the international activity segment

Consolidation of **London Luton Airport** entailed allocating €59.8 million to EBITDA, compared with €45.4 million in the same period in 2017, affected by the recognition in January 2017 of €8.0 million for exceptional 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 would have increased by €9.8 million, which would have meant growth of 18.3%.

Thousand euros [1]	**9M 2018**	**9M 2017**	**Variation**	**% Variation**
Aviation revenue	77,761	74,621	3,140	4.2%
Commercial revenue	95,047	83,722	11,325	13.5%
Total revenue	**172,808**	**158,343**	**14,465**	**9.1%**
Staff costs	-35,230	-38,407	-3,177	-8.3%
Other operating expenses	-77,603	-74,541	3,062	4.1%
Depreciation, amortisation and impairments	-40,028	-33,116	6,912	20.9%
Total expenses	**-152,861**	**-146,064**	**6,797**	**4.7%**
EBITDA[2]	**59,780**	**45,395**	**14,385**	**31.7%**
Operating income	**19,947**	**12,279**	**7,668**	**62.4%**
Net financial result	-17,542	-25,194	-7,652	-30.4%
Profit / (loss) before tax	**2,405**	**-12,915**	**15,320**	**118.6%**

[1] *Euro-sterling exchange rate: 0.8841 in 9M 2018 and 0.8732 in 9M 2017.*
[2] *Earnings before interest, taxes, depreciation and amortisation.*

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 2.8%, to 12.7 million which, together with the positive evolution of commercial revenue, place revenue for the period at €172.8 million, 9.1% above the same period of 2017 (€158.3 million).

In sterling terms, revenue from Luton grew by 10.5% in 2018 (£14.5 million) compared with the same period of 2017, due to the good performance of commercial revenue, despite the impact of the loss of passengers from Ryanair which removed two aircraft from operations, and the cessation of operations at Monarch.

- Aviation revenue grew by 5.6% in sterling terms, and commercial revenue by 14.8%.

  Within the income from the commercial activity, there was good performance in food and beverage, shops and parking. Retail revenue increased by 18.9%, due to the opening of new specialty shops under the terminal expansion project, a more varied selection on offer and the shift in passenger flows. Income from car parks also continued to evolve very positively (+16.7%) reflecting the management strategies and prices implemented, along with the successful use of additional parking capacity for vehicles using the "Priority" product and the compensation on the part of Luton Borough Council for the works on the Direct Air-Rail Transit (light rail link between Luton suburban train station and the airport terminal building).

- EBITDA in GBP increased by £13.2 million or 33.3% compared to 2017, and the EBITDA margin for the period stood at 34.6% compared to 28.7% 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 euros), as well as for the accrual of an extraordinary bonus in June 2018 amounting to 3 million GBP (3.4 million euros) for the period 2013-2018. Excluding the impact of these exceptional expenses, which had no cash impact, EBITDA in GBP would have increased by £9.3 million, which would have meant growth of 20.1% and the EBITDA margin would have reached 41.3%.

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

	Results of equity-accounted investees				**Exchange rates [1]**			
Thousand euros	**9M 2018**	**9M 2017**	**Variation**	**% Variation**	**Exchange rate**	**9M 2018**	**9M 2017**	**Variation**
AMP (Mexico)	9,748	10,411	-663	-6.4%	€ - MXN	22.74	21.01	**-8.2%**
SACSA (Colombia)	3,681	2,736	945	34.5%	€ - COP	3,446.85	3,275.45	**-5.2%**
AEROCALI (Colombia)	940	2,342	-1,403	-59.9%	€ - COP	3,446.85	3,275.45	**-5.2%**
Total share in profit or loss of equity-accounted associates	**14,369**	**15,489**	**-1,120**	**-7.2%**				

[1] *Weighted average exchange rate*

Table 12. **Equity method for investee companies**

4. Income statement

Thousand euros	9M 2018	9M 2017	Variation	% Variation
Ordinary revenue	3,208,939	3,048,423	160,516	5.3%
Other operating revenue	41,496	47,881	-6,385	-13.3%
Total Revenue	**3,250,435**	**3,096,304**	**154,131**	**5.0%**
Supplies	-129,522	-131,466	-1,944	-1.5%
Staff costs	-312,709	-307,309	5,400	1.8%
Losses, impairment and change in trading provisions	5,414	-	5,414	-
Other operating expenses	-776,133	-705,670	70,463	10.0%
Depreciation and amortisation	-602,356	-593,669	8,687	1.5%
Losses on impairment & derecognition of property, plant & equipment	-6,872	-4,233	2,639	62.3%
Other results	1,570	1,355	215	15.9%
Total expenses	-1,820,608	-1,740,992	79,616	4.6%
EBITDA (1)	**2,032,183**	**1,948,981**	**83,202**	**4.3%**
Operating income	**1,429,827**	**1,355,312**	**74,515**	**5.5%**
Finance expenses and Other financial results	-101,793	-103,882	-2,090	-2.0%
Interest expense on expropriations	-233	3,637	3,871	106.4%
Net finance result	**-102,026**	**-100,245**	**1,781**	**1.8%**
Share of net profits in associates	14,369	15,489	-1,120	-7.2%
Profit / (loss) before tax	**1,342,170**	**1,270,556**	**71,614**	**5.6%**
Corporate income tax	-322,917	-310,466	12,451	4.0%
Consolidated result of the period	**1,019,253**	**960,090**	**59,163**	**6.2%**
Profit / (loss) for the period attributable to non-controlling interest	764	-5,379	6,143	114.2%
Profit/loss for the period attributable to shareholders of the parent company	**1,018,489**	**965,469**	**53,020**	**5.5%**

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

Table 13. Income statement

As a result of the positive evolution of all business lines, Aena's **total revenue** increased to €3,250.4 million in the period, representing a 5.0% increase on the same period of 2017.

Revenue from commercial activity increased as a percentage of the total to 27.0%, compared with 26.2% in the same period of 2017.

Growth in **ordinary revenue** was 5.3%, to €3,208.9 million. This increase of €160.5 million has been explained above in the analysis of the various business lines.
As regards the change in **expenses**, this period shows an increase of 4.6% in the total (€79.6 million), or 6.2% if depreciation and amortisation are excluded, due to the effect of changes in the following items:

- Supplies was reduced by 1.5% or €1.9 million compared with the same period of 2017, due mainly to the new conditions of the air navigation services agreement (ATM/CNS) signed with ENAIRE until 2021.

- Staff costs increased by 1.8% (€5.4 million) which is affected by the recognition at Luton in January 2017 of an €8.0 million (£6.9 million) extraordinary expense associated with one of the agreements reached with Luton Airport employees regarding pensions recognised 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 3.2% (€8.6 million) due mainly to provisions for the salary increase expected for 2018 and the increase in temporary hirings over the course of 2017.

- Other operating expenses increased by 10.0% (70.5 million euros), mainly due to the effect of the entry into force of new agreements with higher associated costs, such as in the service for people with reduced mobility (15.7 million of euros), the higher cost of private security services (13.5 million euros), maintenance (7.5 million euros), a higher technical support cost (7.3 million euros), in the new VIP lounge management agreements (6.2 million euros), as well as cleaning (5.1 million euros).

- Fixed asset amortisation increased by 8.7 million euros (1.5%), mainly due to amortising new investments into runways and taxiways, partially offset by the end of the amortisation of certain assets, as well as by higher depreciation in Luton (7.1 million euros) associated with the new asset of the expansion project.

EBITDA (earnings before interest, tax, depreciation and amortisation) increased to €2,032.2 million (including €59.8 million from the consolidation of Luton), which represents an increase of 4.3%, bringing the EBITDA margin for the period to 62.5% (62.9% in the same period of 2017).

Net finance result shows a year-on-year increase of €1.8 million in expenses.

The heading "Finance Expenses and Other Financial Results" decreased by 2.1 million euros (2.0%), mainly due to the reduction in the volume of debt.

This reduction is partially offset by the accrual of the cost of unwinding the associated interest rate hedge associated with the loan with Depfa Bank, which was cancelled in July (€17.2 million). Excluding this effect, the heading "Finance Expenses and Other Financial Results" would have decreased by €19.3 million (18,6%).

Corporate Income tax amounted to €322.9 million, an increase of €12.5 million, as a result of the higher earnings for the period. The effective rate for the period was 24.1% (24.4% in the same period of 2017).

The **Consolidated profit (/loss) for the period** reached €1,019.3 million. Earnings for the period attributable to non-controlling interests came to €0.8 million (corresponding to 49% of Luton's net profit/(loss), which places **Profit for the period attributable to equity holders of the parent company** at €1,018.5 million, 5.5% more than at the end of the same period in 2017.

5. Capital expenditure

The total amount of capital expenditure paid (property, plant and equipment, intangible assets and real estate investments) in the period came to €399.2 million, including €34.3 million in Luton.

Total capital expenditure in the period into the **Spanish airport network**, based on payments, came to 365.0 million euros, an increase of 158.3 million euros (+76.6%) on the 206.7 million euros in the same period in 2017. This rise is mainly due to capex made into infrastructure maintenance.

Based on execution, the volume of capex in the network amounted to €286.1 million, an increase of €76.8 million relative to 2017.

The main actions implemented during the period focused mainly on the air field, with the improvement of the runway pavement at Fuerteventura and Tenerife Sur airports, as well as the safety actions for the certification of the Palma de Mallorca airport. The terminal area includes the adaptation of the roof in Bilbao, improvements to car parks and an urbanisation in Gran Canaria and improved air conditioning in Lanzarote. As for the facilities, the automatic baggage system in Palma de Mallorca was improved.

Regarding capex in progress, there is special focus on the air fields and mainly on improving the pavement on the Palma de Mallorca, Barcelona-El Prat, Tenerife South, Ibiza, Girona-Costa Brava and Lanzarote aprons. The screed on the Seville, Bilbao, Tenerife North and Salamanca runways. Major works are also being carried out in the terminal buildings, such as in Palma de Mallorca, where new floors are being laid in the terminal, adapting the Reus terminal building to functional design, the VIP lounges in Barcelona-El Prat are improved, the supply with the installation of boarding bridges and aircraft assistance equipment for terminal 2 and the Picasso terminal is being remodelled, both at Malaga-Costa del Sol airport. Regarding improvements to facilities, it is worth mentioning the actions on the beacons at Malaga-Costa del Sol and new vertical communications and renewal of check-in belts in the A.S. Madrid-Barajas There were also several actions undertaken on airport services, such as the drainage of Alicante-Elche Airport and improvements to electrical wiring in Seville Airport.

In the coming months, actions will begin focusing mainly on terminal buildings. These include remodelling and expansion of the south pier building in Barcelona-El Prat. Also in the area of movements: the screed on the runway and the expansion of the Adolfo Suárez Madrid-Barajas airport apron, as well as the extension of the apron in Zaragoza.

Airfield. Tenerife Norte.

At **Luton Airport**, capital expenditure continued on both maintenance and renewal of equipment and the *Curium Project*. This project, which aims to increase the current capacity to 18 million passengers, is making significant progress in all areas, and the completion of the work on the terminal, which represents the most important part of the expansion, will take place in the second half of 2018.

During the period the new Pier B was opened with eight new departure gates and the second phase of the ground floor departure lounge where installation of the food and beverage outlets is being completed.

Apart from this, works continue on the arrivals areas, and the contract has been awarded for and work started on the construction of the new Foxtrot taxiway, which it is estimated will be completed in 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.

Regarding capital expenditure of equity-accounted associates, on 29 June 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 three other airports in the region.

Apart from this, at **Cartagena Airport** negotiations are currently under way with the National Infrastructure Agency for the development of a private initiative PPP, the objective of which is a new concession once the current one comes to an end in 2020. It is also appropriate to mention that certification of the airport was obtained in June.

As regards capital expenditure of the **GAP airports** during 2018 we would highlight the expansion of the terminal buildings at Guadalajara, Tijuana, Bajío and Hermosillo as well as actions on the flight fields at Guadalajara, Tijuana, Hermosillo and Los Cabos.

During the month of October, the new facilities at the Guanajuato airport were inaugurated, which involved an investment volume of 460 million pesos.

5.2. Analysis of capex broken down by areas of action

Information on the breakdown of capex in the Spanish airport network at 30 September 2018 (based on payments) can be found below, along with a comparison with the same period of 2017.

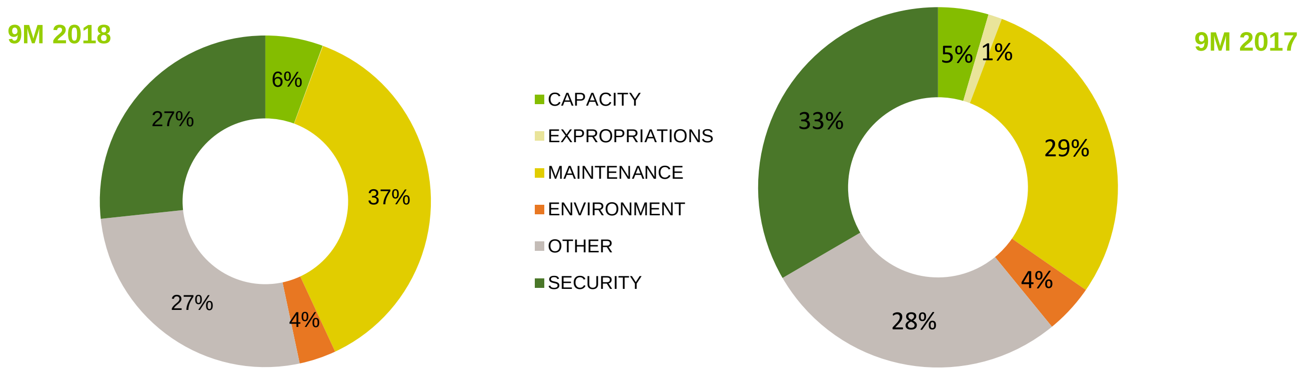


Figure 7. Analysis of investments by areas of application

- Capex in the field of **security** represented 27% of Aena's total capital expenditure (compared with 33% in the same period of 2017) and increased by €28.4 million, from €69.0 to €97.4 million. Regarding the operations in operational safety in the area of aircraft movement, those aimed at improving pavements in various areas of the flight field at the Fuerteventura, Tenerife Sur, Girona Costa Brava and Bilbao airports are noteworthy. With regard to the security of people and facilities, actions have focused on providing the terminals with security equipment (passport control systems, mobile X-ray equipment and access control).

- Capex allocated to improving facilities to ensure **service maintenance** increased representative to the total of 28% in 2017 to 37%. Quantitatively it also increased from 59.7 million euros to 136.5 million euros in this period (+128.8%). The actions carried out include improvements to the Tenerife Sur, Palma de Mallorca (platforms B and C) and Lanzarote Airport aprons, as well as the provision of footbridges for Malaga Airport.

- Capex on **capacity** amounted to 20.5 million euros, compared to 9.4 million euros in investment paid as of 30 September 2017. In this area, the most significant investment in the flight fields is the improvement of the south pier apron of Barcelona-El Prat Airport. In the works carried out on terminals, the automatic baggage system in Palma de Mallorca was improved and aircraft assistance equipment was supplied and installed on the platform at the Adolfo Suárez Madrid-Barajas Airport.

- In terms of **the environment,** the capex made was 13.1 million euros (4.0 million more than in 2017). This amount corresponds mainly to sound insulation of homes in the areas adjoining several airports, the construction of a hydrocarbon separator at Valencia Airport and adapting cooling equipment at Adolfo Suárez Madrid-Barajas Airport to environmental regulations.

- In terms of **expropriations**, payments of €0.1 million were made, as against the €2.6 million paid in the same period in 2017.

- Capex classified as **other** amounted to €97.2 million, 70.8% more than in 2017 (€56.9 million). This section includes investments into information technologies, especially those aimed at storing information and improving communication infrastructures at several airports. Also noteworthy are those aimed at improving commercial and real estate income, including improving equipment for parking systems in Barcelona-El Prat.

6. Statement of financial position

6.1 Net assets and capital structure

Thousand euros	9M 2018	2017	Variation	% Variation
ASSETS				
Non-current assets	13,847,193	14,093,595	-246,402	-1.7%
Current assets	1,245,879	1,213,837	32,042	2.6%
Total assets	**15,093,072**	**15,307,432**	**-214,360**	**-1.4%**
EQUITY AND LIABILITIES				
Equity	5,744,457	5,687,864	56,593	1.0%
Non-current liabilities	7,595,216	8,135,177	-539,961	-6.6%
Current liabilities	1,753,399	1,484,391	269,008	18.1%
Equity and liabilities	**15,093,072**	**15,307,432**	**-214,360**	**-1.4%**

Table 14. Summary of the consolidated statement of financial position

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 to the Consolidated Interim Consolidated Financial Statements for the six-month period ended 30 June 2018. 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”.

In the Income Statement for the nine-month period ended 30 September 2018, the impacts were also insignificant, specifically:

- Increase in financial expenses of €0.7 million, deriving from the application of IFRS 9 as it relates to debt restructuring.
- €0.9 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 €246.4 million due mainly to the €262.4 million decline in “Property, plant and equipment”, explained by the evolution of capex in the Spanish airport network as a result of which the amount of additions to fixed assets is much lower than depreciation and amortisation for the period.

This change was partly offset by the increase of €27.6 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”.

Current Assets increased by 32.0 million euros due to the increase in the "Customers and other accounts receivable" balance of 222.9 million euros, due to the accrual as of 30 September 2018 of 90.5 million euros for minimum guaranteed rent (RMGA), the seasonal nature of the third quarter and the change in the payment method for the airline Vueling, from pre-payment to guarantee in 2018 (38.2 million euros). This effect was largely offset by the lower "Cash and cash equivalents" balance by 190.9 million euros (the variation of which is explained in section 7). Statements of cash flows)

Equity increased by €56.6 million mainly as a result of the difference between the dividends distributed in the period (-€975.0 million) and consolidated profit for the period (+€1,018.5 million).

The €540.0 million reduction in **Non-current liabilities** was basically due to the €511.1 million reduction in “Financial Debt”, which in turn was mainly due to transfer of €581.3 million to current liabilities to meet the payment of €613.2 million corresponding to the amortisation 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.

The balance of "Other long-term liabilities" also decreased by 31.7 million euros, mainly due to the compensation in income for the period, 31.3 million euros from the advance payment from World Duty Free Group Spain, S.A. (see Note 25 of the Consolidated Annual Accounts report for 2017).

The balance of the item "Provisions for other liabilities and expenses" in the long term increased by 18.9 million euros due to a higher provision for environmental actions related to the acoustic easements in Seville, Valencia and Bilbao and Palma de Mallorca airports, which has led to the increase in the census of homes to soundproof.

The increase of 269.0 million euros in **current liabilities** mainly reflects the increase in the item "Suppliers and other accounts payable" of 343.8 million euros, mainly as a result of the provision for corporate tax for the period, which at the end of the year was reduced by the application of the payments made to the account, as well as the provision for local taxes, due to the application of the IFRIC 21, the annual accrual of the Spanish property tax and other local taxes, amounting to 145 million euros, which was collected in its entirety on 1 January without the payment having been enforced, therefore with a balance of 78.6 million euros pending payment as of 30 September 2018. On the other hand, the "Financial Debt" caption was reduced by 41.7 million euros mainly due to the net effect of the transfers from the long to the short term and the payments of the mirror debt principal, mentioned previously under the Long-term debt heading. The "Provisions for Other Liabilities and Expenses" caption was also reduced by 29.4 million euros as a result of the movement experienced during the period due to the provision for sales incentives: incentive payments amounting to 44.2 million euros during the period, a reversal of 4.4 million euros of provisions provisioned in the previous year, and, in the opposite direction, the allocation to the Provision during the period amounting to 27.0 million euros (total variation: (-21.6 million euros).

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 -€-507.5 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 Evolution of 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 €6,794.0 million at 30 September 2018 (including €392.0 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	**9M 2018**	**2017**
Gross financial debt for **purpose of covenants**	7,458,133	8,010,960
Cash and cash equivalents	664,111	854,977
Net financial debt for purpose of covenants	**6,794,022**	**7,155,983**
Net financial debt for purpose of covenants / EBITDA(1)	**2.6x**	**2.8x**

(1) Earnings before interest, taxes, depreciation and amortisation for the last 12 months.

Table 15. Net financial debts of the Company

Net individual financial debt of Aena, for purposes of the covenants contained in the financing agreements novated on 29 July 2014, stood at €6,564.6 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	**9M 2018**	**2017**
Gross financial debt according to covenants	7,053,518	7,665,989
Cash and cash equivalents	488,939	718,115
Net financial debt according to covenants	**6,564,579**	**6,947,874**
Net financial debt according to covenants / EBITDA(1)	**2.6x**	**2.8x**

(1)Earnings before interest, taxes, depreciation and amortisation for the last 12 months.

Table 16. Net financial debt of the Company

The difference between the Aena Group's net financial debt at year end (€6,794.0 million) and the net financial debt calculated for the purpose of the covenants (€6,564.6 million) is basically due to the fact that the latter does not include the debt (without recourse) associated with the subsidiaries of Aena (mainly Luton), or short-term deposits in guarantee and, on the contrary, it does include the fair value (liabilities) of financial derivatives.
During the period, a total of €613.2 million of debt was amortised.

The average interest rate of Aena's debt in the period stood at 1.31% (1.45% at 31 December 2017, which includes the costs related to the guarantee from Depfa for an amount of €11.8 million), 88% of which is at a fixed rate.

In relation to the application of the Bank of Spain 2/2016 Circular, 2 February, to credit institutions, on supervision and solvency, Aena amortised, in advance, on 18 July, the entire outstanding loan held with Depfa Bank for an amount of €166.1 million. 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%.

Accordingly with the contractual conditions of that loan it has also been paid the cost of unwinding the associated interest rate hedge in an amount of €17.2 million. This amount accrued in full at the time of payment.

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

Days	9M 2018
Average term of payment to suppliers	47
Ratio of transactions paid	49
Ratio of transactions pending payment	29

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 when the transaction is settled.
- 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 exact 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" in the balance sheet.

Thousand euros	9M 2018
Total payments made	643,963
Total payments outstanding	65,319

Table 18. Balance concerning suppliers

In the accumulated period, the average payment terms are adapted to the terms established by Law 15/2010. Cases in which payment has been made outside the legally stipulated period are due mainly to reasons not attributable to the Company: invoices not received on time, expired AEAT certificates and lack of certificates of proof of supplier bank accounts, among others.
Calculation of the average payment period is performed on the invoices received and approved 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	9M 2018	9M 2017	Variation	% Variation
Net cash generated from operating activities	1,772,725	1,823,318	-50,593	-2.8%
Net cash from investment activities	-385,177	-231,601	-153,576	-66.3%
Net cash from/(used in) financing activities	-1,578,564	-1,187,420	-391,144	-32.9%
Cash and cash equivalents at start of the period	854,977	564,616	290,361	51.4%
Effect of changes in exchange rate	149	-1,383	1,532	110.8%
Cash and cash equivalents at end of the period	**664,110**	**967,530**	**-303,420**	**-31.4%**

Table 19. Summary of the consolidated statement of cash flows

The Group's financing requirements and the €975.0 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 (€1,772.7 million) and by the reduction of the treasury balance to €664.1 million, from the initial €855.0 million, have made it possible to finance the non-financial fixed assets investment program (€399.2 million), to amortise the debt according to the established schedule (€447,1 million) and the debt paid in advance to Depfa (€166.1 million).

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 +3.9% to €2,031.5 million, from €1,954.6 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 amortisation) of €2,032.2 million for the period, as against €1,949.0 million in the same period of 2017.

Despite the foregoing, net cash from operating activities during 2018 (€1,772.7 million) was down by 2.8% 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 (€38.2 million). Excluding both effects, the increase in net cash from operating activities would have increased by 5.7% (€98.1 million).

Net cash flow from investment activities

Net cash used in investing activities in this period amounted to €385.2 million, compared with €231.6 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 €399.2 million (€246.4 million in 2017).

These investments mainly focused on improvements to facilities and operational security of the airports in the network, since no significant investments were needed to increase capacity, and the expansion project for London Luton Airport in the UK (see Section 5. "Capital expenditure").

Additionally, long-term deposits were established for the amount of €12.7 million.

Investment activities also include dividend proceeds from equity-accounted associates in an amount of €11.7 million and "Proceeds from other financial assets" for an amount of €10.0 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 €983.9 million, of which €975.0 million was paid to Aena shareholders and the rest to the non-controlling shareholders of LLAH III (Luton Airport).

8. 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 ruling of 3 April 2017 revoked the Order of 18 December 2014, under which it was agreed to suspend the 30% reduction although it does not declare the Ruling of 13 October 2008 to have been enforced because it lacks sufficient evidence to assess actual or non-compliance with this 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 Superior 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 Dirección General de Aviación Civil (Spanish Civil Aviation Authority) 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 (law on appeals against administrative decisions) 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.

[1] Regulation (EU) No 598/2014 of the European Parliament and of the Council of 16 April 2014 on the establishment of rules and procedures with regard to the introduction of noise-related operating restrictions at Union airports within a balanced approach and repealing Directive 2002/30/EC.

(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 aerial noise against external noise.*

The estimated periods for the finalisation 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 on 1 September 2017, 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 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 finalise 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 that is currently awaiting the Court's decision.

9. Stock performance

Aena's share price fluctuated during the period, peaking at €179.5 and reaching a low point of €142.1, ending the period at €149.5, a fall of 11.5%, compared with the performance of the IBEX35 which fell by 6.5% in the same period.

Figure 8. Stock performance of the company

The following table tracks the price performance of Aena stock in a summarised fashion:

28/09/2018	AENA.MC
Total volume traded (no. of shares)	71,978,376
Daily average volume traded in the period (no. of shares)	376,850
Capitalisation €	22,425,000,000
Closing price €	149.50
Number of shares	150,000,000
Free Float (%)	49%
Free Float (shares)	73,500,000
Turnover rate	97.9%

Table 19. Main data on Aena's evolution

In connection with the acquisition and disposal of treasury shares at 30 September 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.

10.Other relevant facts

Subsequent to 30 September 2018 and until the date of publication of this report, the following facts have been deemed relevant:

- On 10 October 2018, the Company presented the 2018-2021 Strategic Plan.

- Likewise, on the occasion of presenting the 2018-2021 Strategic Plan, Aena communicated the estimated growth of passengers in 2019 in the network of airports in Spain, amounting to 2%. This estimate is considered to vary by around ± 0.5%.

APPENDICES:

I. Consolidated interim financial statements
II. Summary of relevant facts published

APPENDIX I: Consolidated interim financial statements

Consolidated interim statement of financial position at 30 September 2018 and 31 December 2017

Thousand euros	30 September 2018	31 December 2017
ASSETS		
Non-current assets		
Property, plant and equipment	12,943,582	13,205,946
Intangible assets	518,753	491,173
Investment properties	133,980	135,108
Investments into associated and jointly controlled companies	61,405	63,955
Other receivables	3,168	2,831
Deferred tax assets	111,597	122,369
Financial assets available for sale	-	347
Other financial assets	72,198	71,506
Financial derivatives	2,510	360
	13,847,193	**14,093,595**
Current assets		
Inventories	7,025	7,051
Trade and other receivables	574,744	351,809
Cash and cash equivalents	664,110	854,977
	1,245,879	**1,213,837**
Total assets	**15,093,072**	**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	3,224,654	3,180,024
Accumulated translation differences	-18,577	-22,523
Other reserves	-63,202	-75,931
Non-controlling interest	714	5,426
	5,744,457	**5,687,864**
Liabilities		
Non-current liabilities		
Financial debt	6,764,917	7,276,016
Financial derivatives	34,543	45,645
Deferred tax liabilities	74,042	80,153
Provision for employee benefit obligations	58,151	59,126
Provision for other liabilities and expenses	89,824	70,901
Grants	514,044	511,927
Other non-current liabilities	59,695	91,409
	7,595,216	**8,135,177**
Current liabilities		
Trade and other payables	932,197	588,419
Financial debt	693,215	734,943
Financial derivatives	34,059	37,010
Grants	39,425	40,152
Provision for other liabilities and expenses	54,503	83,867
	1,753,399	**1,484,391**
Total liabilities	**9,348,615**	**9,619,568**
Total equity and liabilities	**15,093,072**	**15,307,432**

APPENDIX I: Consolidated interim financial statements

Interim consolidated Profit & Loss Account for the nine-month periods ended on 30 September 2018 and 30 September 2017

Thousand euros	30 September 2018	30 September 2017 (*)
Continuing operations		
Ordinary revenue	3,208,939	3,048,423
Other operating revenue	7,975	7,762
Work carried out by the Company on its assets	3,684	3,446
Supplies	-129,522	-131,466
Staff costs	-312,709	-307,309
Losses, impairment and change in trading provisions	5,414	-
Other operating expenses	-776,133	-705,670
Depreciation and amortisation	-602,356	-593,669
Non-financial assets grants allocation	27,140	33,321
Provision releases	2,697	3,352
Impairment and losses on disposal of fixed assets	-6,872	-4,233
Other gains /(losses)	1,570	1,355
Operating income	**1,429,827**	**1,355,312**
Financial income	2,223	4,647
Financial expenses	-104,170	-101,568
Other net financial income / (expenses)	-79	-3,324
Net financial income / (expenses)	**-102,026**	**-100,245**
Share of net profits in associates	14,369	15,489
Profit / (loss) before tax	**1,342,170**	**1,270,556**
Corporate income tax	-322,917	-310,466
Consolidated profit (/loss) for the period	**1,019,253**	**960,090**
Profit / (loss) for the period attributable to non-controlling interest	**764**	**-5,379**
Profit for the period attributable to shareholders of the parent company	**1,018,489**	**965,469**
Earnings per share (euro per share)		
Basic earnings per share based on profit for the year	6.79	6.44
Diluted earnings per share based on profit for the year	6.79	6.44

(*) The amount of 27,391 thousand euros that was shown in the nine-month period ending on 30 September 2017 has been restated in "Profits/(Losses) for interest rate derivatives: interest flow hedging" within the "Other financial income/(expenses)" section under the heading "Financial expenses", in accordance with current accounting regulations.

APPENDIX I: Consolidated interim financial statements

Consolidated interim statements of cash flows for the nine-month periods ended 30 September 2018 and 30 September 2017

Thousand euros	30 September 2018	30 September 2017
Profit / (loss) before tax	**1,342,170**	**1,270,556**
Adjustments for:	**689,317**	**684,072**
Impairment, depreciation and amortisation	602,356	593,669
Valuation corrections for impairment	-5,414	-4,790
Change in provisions	23,600	36,800
Portion of grants taken to income	-27,140	-33,321
(Gains)/losses on disposal of property, plant and equipment	6,872	4,233
(Profit)/loss on disposal of financial instruments	-	7
Financial income	-2,223	-4,647
Financial expenses	79,512	74,177
Exchange differences	-670	3,317
Financial expenses settlement for financial derivatives	25,407	27,391
Other revenue and expense	1,386	2,725
Share in profits (losses) of companies accounted for using the equity method	-14,369	-15,489
Changes in working capital:	**-118,244**	**-100,851**
Inventories	27	564
Trade and other receivables	-179,659	-101,160
Other current assets	-554	-65
Creditors and other payables	93,011	31,469
Other current liabilities	-30,562	-30,513
Other non-current assets and liabilities	-507	-1,146
Cash generated from operations	**-140,518**	**-30,459**
Interest paid	-105,029	-106,568
Interest receivable	1,077	368
Taxes collected (paid)	-37,349	76,763
Other income (payments)	783	-1,022
Net cash generated from operating activities	**1,772,725**	**1,823,318**
Cash flows from investment activities		
Acquisitions of tangible fixed assets	-384,523	-227,585
Acquisitions of intangible assets	-13,824	-18,579
Acquisitions of investment properties	-869	-224
Payments for acquisitions of other financial assets	-12,713	-2,918
Proceeds from divestment in group companies and associates	5,044	5,376
Proceeds from property, plant and equipment divestment	34	-
Proceeds from other financial assets	9,965	106
Dividends received	11,709	12,223
Net cash from investment activities	**-385,177**	**-231,601**

APPENDIX I: Consolidated interim financial statements

Consolidated interim statements of cash flows for the six-month periods ended 30 September 2018 and 30 September 2017 (continued)

Thousand euros	30 September 2018	30 September 2017
Cash flow from financing activities		
Payments from FEDER grants	904	9,340
Shareholder contributions	3,393	-
Payments for financing from credit entities	-	955,024
Other income	25,419	20,302
Repayment of bank borrowings	-3,393	-300,387
Repayment of Group financing	-613,202	-1,273,647
Dividends paid	-983,898	-581,422
Other payments	-7,787	-16,630
Net cash used in financing activities	**-1,578,564**	**-1,187,420**
Effect of changes in exchange rate	**149**	**-1,383**
Net (decrease)/increase in cash and cash equivalents	-190,867	402,914
Cash and cash equivalents at the beginning of the period	**854,977**	**564,616**
Cash and cash equivalents at end of the period	**664,110**	**967,530**

APPENDIX II: Summary of relevant facts published

Register	Date	Type of Event	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 submits information on results for the second half of 2017
262162	27/02/2018	Corporate Governance Annual Report	The company submits the Annual Corporate Governance Report for FY 2017.
262164	27/02/2018	Annual report on directors' remuneration	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 ad resolutions for General Meetings of Shareholders	The Company announces the calling of the General Meeting of Shareholders
262602	07/03/2018	Calls ad resolutions for 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	Other, re corporate transactions	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 ad resolutions for 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 submits 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.
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 submits information on results for the first quarter 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