AENA AEROPUERTOS, S.A. (SOCIEDAD UNIPERSONAL) AND SUBSIDIARIES

Condensed Interim Consolidated Financial Statements and Interim Directors' Report for the six-month period ended 30 June 2014

"A free translation from the original in Spanish"

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(Thousand euro unless otherwise indicated)

Condensed interim consolidated statement of financial position at 30 June 2014 and 31 December 2013

	Note	30 June 2014	31 December 2013
ASSETS			
Non-current assets			
Property, plant and equipment	6	14,994,065	15,230,817
Intangible assets	7	99,405	108,738
Investment Properties	8	140,194	150,646
Investments in associates	9	117,301	100,816
Other receivables	11	87,286	148,825
Deferred tax assets	16	94,024	76,213
Available-for-sale financial assets	10	4,908	4,908
Other financial assets	10	1,866	1,822
		15,539,049	**15,822,785**
Current assets			
Inventories		4,692	4,621
Trade and other receivables	11	605,705	605,555
Cash and cash equivalents	12	149,830	12,377
		760,227	**622,553**
Total assets		**16,299,276**	**16,445,338**
Equity and liabilities			
Equity attributable to parent company shareholders			
Ordinary capital	13	1,500,000	1,500,000
Share premium	13	1,100,868	1,100,868
Retained earnings/(losses)		649,515	450,533
Cumulative translation differences		(2,285)	(5,871)
Other reserves		(6,816)	(6,403)
Total equity		**3,241,282**	**3,039,127**
Liabilities			
Non-current liabilities			
Borrowings	15	9,971,681	10,374,038
Derivative financial instruments		3,643	4,323
Deferred tax liabilities	16	397	196
Employee benefits		6,749	6,618
Provisions for other liabilities and charges	17	339,525	252,167
Subsidies		614,270	621,411
Other non-current liabilities		218,557	236,156
		11,154,822	**11,494,909**
Current liabilities			
Trade and other payables	14	505,656	446,574
Borrowings	15	1,090,240	1,099,823
Derivative financial instruments		5,025	4,983
Subsidies		38,400	47,940
Provisions for other liabilities and charges	17	263,851	311,982
		1,903,172	**1,911,302**
Total liabilities		**13,057,994**	**13,406,211**
Total equity and liabilities		**16,299,276**	**16,445,338**

Notes 1 through 24 form an integral part of these condensed interim consolidated financial statements.

(Thousand euro unless otherwise indicated)

Condensed interim consolidated income statement for the six-month period ended 30 June 2014 and 2013

	Note	30 June 2014	30 June 2013 (Not audited)
Continuing activities			
Ordinary income	5	1,381,852	1,307,945
Other operating income		4,407	1,596
Work carried out for the Company's own assets		2,161	3,533
Supplies		(89,765)	(97,255)
Personnel expenses		(170,070)	(178,564)
Other operating expenses	18	(358,390)	(402,160)
Asset depreciation/amortisation	6,7,8	(404,183)	(412,131)
Attribution of subsidies for non-financial assets and other		27,850	19,124
Excess provisions		10,875	156
Impairment and gains/losses on disposals of assets		(3,015)	(733)
Other net profits / (losses)		1,150	11,665
Operating profits		**402,872**	**253,176**
Financial income		688	348
Financial expense		(128,757)	(121,447)
Other net financial income/(expense)		(1,974)	(10,262)
Net financial expense	19	**(130,043)**	**(131,361)**
Share in profits obtained by associates	9	650	1,629
Profit/(loss) before taxes		**273,479**	**123,444**
Income tax	20	(72,366)	(32,276)
Profit for the year attributable to the parent company shareholder		**201,113**	**91,168**
Earnings per share (Euro per share):	21		
Basic earnings per share based on profit for the period		1.34	0.61
Diluted earnings per share based on profit for the period		1.34	0.61

Notes 1 through 24 form an integral part of these condensed interim consolidated financial statements.

(Thousand euro unless otherwise indicated)

Condensed interim consolidated comprehensive income statement for the six-month period ended 30 June 2014 and 2013

	Note	30 June 2014	30 June 2013 (Not audited)
Profit for the period		201,113	91,168
Other comprehensive income:			
Items not reclassified to profit/(loss):		-	-
		-	-
Items that may be subsequently reclassified to profit/(loss):			
- Cash flow hedges	20	326	8,435
- Share in other comprehensive income obtained by associates	20	(739)	-
- Foreign currency exchange differences	9	3,586	(1,160)
		3,173	**7,275**
Other comprehensive income for the year, net of taxes		**3,173**	**7,275**
Comprehensive income for year attributable to the parent company shareholder		**204,286**	**98,443**

The items shown in this comprehensive income statement are presented net of taxes. Income tax for each of the components of other comprehensive income is broken down in Note 20.

Notes 1 through 24 form an integral part of these condensed interim consolidated financial statements.

(Thousand euro unless otherwise indicated)

Condensed interim consolidated comprehensive statement of changes in equity for the six-month period ended 30 June 2014 and 2013

		Attributable to the Parent Company's shareholders						
	Note	Share capital (Note 13)	Share premium (Note 13)	Retained earnings	Hedging reserves	Cumulative translation differences	Share in other comprehensive income obtained by associates	Total equity
Balance at 1 January 2013		**1,500,000**	**1,100,868**	**(146,101)**	**(16,414)**	**(1,014)**	**-**	**2,437,339**
Profit for the period		-	-	91,168	-	-	-	91,168
Other comprehensive income for the period		-	-	-	8,435	(1,160)	-	7,275
Total comprehensive income for the period		**-**	**-**	**91,168**	**8,435**	**(1,160)**	**-**	**98,443**
Other movements		-	-	(21)	-	-	-	(21)
Total contributions from and distributions to shareholders recognised directly under equity		**-**	**-**	**(21)**	**-**	**-**	**-**	**(21)**
Balance at 30 June 2013 (Not audited)		**1,500,000**	**1,100,868**	**(54,954)**	**(7,979)**	**(2,174)**	**-**	**2,535,761**
Balance at 1 January 2014		**1,500,000**	**1,100,868**	**450,533**	**(5,735)**	**(5,871)**	**(668)**	**3,039,127**
Profit for the period		-	-	201,113	-	-	-	201,113
Share in other comprehensive income obtained by associates		-	-	-	-	-	(739)	(739)
Other comprehensive income for the period		-	-	-	326	3,586	-	3,912
Total comprehensive income for the period		**-**	**-**	**201,113**	**326**	**3,586**	**(739)**	**204,286**
Other movements		-	-	(2,131)	-	-	-	(2,131)
Total contributions from and distributions to shareholders recognised directly under equity		**-**	**-**	**(2,131)**	**-**	**-**	**-**	**(2,131)**
Balance at 30 June 2014		**1,500,000**	**1,100,868**	**649,515**	**(5,409)**	**(2,285)**	**(1,407)**	**3,241,282**

Notes 1 through 24 form an integral part of these condensed interim consolidated financial statements.

(Thousand euro unless otherwise indicated)

Condensed interim consolidated cash flow statement for the six-month period ended 30 June 2014 and 2013

	Note	30 June 2014	30 June 2013 (Not audited)
Profit/(loss) before taxes		**273,479**	**123,444**
Adjustments owing to:		**513,605**	**542,757**
- Depreciation and amortisation	6, 7, 8	404,183	412,131
- (Profit)/loss on disposal of assets		3,015	733
- Losses/(gains) in the fair value of derivative financial instruments		2,433	10,093
- Attribution of subsidies		(27,850)	(19,124)
- Trade receivable impairment adjustments		(9,238)	3,355
- Change in provisions		12,582	15,727
- Financial income	19	(688)	(348)
- Financial expense	19	128,298	121,616
- Other income and expenses		1,520	203
– Share in losses /(gains) obtained by associates	9	(650)	(1,629)
Changes in working capital:		**(71,577)**	**18,668**
- Inventories		(71)	183
- Trade and other receivables	11	(46,048)	(42,361)
- Other current assets		(20,952)	(6,710)
- Trade and other payables	14	4,579	(245,801)
- Other current liabilities		(8,102)	37,481
- Other non-current assets and liabilities		(983)	275,876
Other cash generated by operations		**(129,251)**	**(134,614)**
Interest paid		(113,124)	(134,581)
Interest received		292	48
Taxes paid		(16,419)	-
Other collections (payments)		-	(81)
Net cash generated from operating activities		**586,256**	**550,255**

(Thousand euro unless otherwise indicated)

Condensed interim consolidated cash flow statement for the six-month period ended 30 June 2014 and 2013

	Note	30 June 2014	30 June 2013 (Not audited)
Cash flows from investing activities			
Acquisitions of property, plant and equipment		(133,539)	(269,367)
Acquisitions of intangible assets		(8,158)	(5,779)
Acquisitions of property investments		(53)	-
Group companies and associates		(2,036)	-
Payments for the acquisition of other financial assets		(44)	-
Payments received from Group companies and associates		71,151	-
Payments received for other financial assets		-	-
Dividends received		8,314	3,970
Net cash used in investing activities		**(64,365)**	**(271,176)**
Cash flows from financing activities			
Income from external financing (FEDER grants)		78,281	-
Income from Group financing		-	117,400
Repayment of bank borrowings		(1,598)	(1,615)
Repayment of Group financing		(460,023)	(398,181)
Other		(1,098)	(389)
Net cash generated from/(used in) financing activities		**(384,438)**	**(282,785)**
Effect of exchange rate fluctuations		**-**	**-**
Net (decrease)/increase in cash and cash equivalents		137,453	(3,706)
Cash and cash equivalents at the beginning of the period	12	**12,377**	**8,210**
Cash and cash equivalents at year end	12	**149,830**	**4,504**

Notes 1 through 24 form an integral part of these condensed interim consolidated financial statements.

Notes to the condensed interim financial statements for the six-month period ended 30 June 2014

1 General information

Aena Aeropuertos, S.A. ("the Company", or "Aena") is the parent company of a Group of companies (the "Group") consisting of 3 subsidiaries and 6 associates at 30 June 2014. Aena Aeropuertos, S.A. was incorporated as an independent legal entity by virtue of Royal Decree Law 13/2010 (3 December) which authorised the Cabinet to incorporate the Company. The authorisation for effective incorporation took place on 25 February 2011 by resolution adopted by the Cabinet on that date authorising the incorporation of the State-owned company Aena Aeropuertos, S.A. in accordance with the provisions of Article 166 of Law 33/2003 (3 November) on Public Institution Equity (LPAP).

Before the incorporation of the Company, the management and operation of the airport services, subsidiaries and associates that are included in the scope of consolidation of Aena formed part of the Public Business Entity "Aeropuertos Españoles y Navegación Aérea", its single shareholder and controlling entity. The Public Business Entity "Aeropuertos Españoles y Navegación Aérea", was created by virtue of Article 82 of Law 4/1990 (29 June), General State Budget for 1990. It was effectively Incorporated on 19 June 1991, once its Bylaws entered into force, as approved by Royal Decree 905/1991 (14 June).

The Company was incorporated through the issue of 61 fully subscribed and paid shares with a par value of €1,000 by the Public Business Entity "Aeropuertos Españoles y Navegación Aérea". The Public Business Entity "Aeropuertos Españoles y Navegación Aérea" will maintain, in any event, a majority of the share capital in Aena Aeropuertos, S.A. in the terms established by Article 7.1.2 of Royal Decree Law 13/2010 (3 December), and may sell the rest in accordance with the provisions of Law 33/2003 (3 November) on Public Institution Equity.

The incorporation of the Company was entered into the Mercantile Registry based on the resolution adopted by the Board of Directors on 23 May 2011, which approved the contribution of the activity to the company and its measurement, and it formally took place on 31 May 2011. The non-monetary contribution and the measurement took place using the carrying value of the line of business at 31 May 2011 as a reference, in accordance with the accounting standards in force and, specifically, the General Accounting Plan approved by Royal Decree 1514/2007 (16 November), partially amended by Royal Decree 1159/2010 (17 September), as is established by the Resolution dated 25 February 2011.

The Resolution adopted by the Cabinet on 3 June 2011 subsequently approved the Company's share capital increase in order to support the Company's activity, and in accordance with Article 9 of Royal Decree Law 13/2010 (3 December), through which the single shareholder made a non-monetary contribution of all of the assets, rights, debts and obligations associated with the airport and commercial activities and other state services associated with the airport management, including the air traffic services at the airport.

The Company's Single Shareholder, the Public Business Entity "Aeropuertos Españoles y Navegación Aérea", adopted the following single shareholder resolutions on 6 June 2011:

a) Reduce the par value of the Company's THOUSAND EURO (€1,000) shares by dividing the SIXTY ONE outstanding shares into SIX THOUSAND ONE HUNDRED shares, consisting of ONE HUNDRED new shares for each old share, without changing the amount of the Company's share capital. As a result, the Company's share capital is SIXTY ONE THOUSAND EURO represented by SIX THOUSAND ONE HUNDRED shares with a par value of TEN EURO each, and all shares are of the same class and bear the same financial and voting rights.

b) Increase the Company's share capital from € 61,000 to € 1,500,000,000 (ONE BILLION FIVE HUNDRED MILLION EURO) and, therefore, the share capital increase totals € 1,499,939,000.

c) Issue of 149,993,900 ordinary shares with a par value of € 10 each to represent the share capital increase of € 149,993,900, all with the same rights and obligations as those already in existence. These new shares were issued with a total share premium of € 1,100,868,000 (ONE BILLION ONE HUNDRED MILLION EIGHT HUNDRED SIXTY EIGHT THOUSAND EURO), and therefore the total amount to be paid in as capital and share premium is € 2,600,807,000 (TWO BILLION SIX HUNDRED MILLION EIGHT HUNDRED AND SEVEN THOUSAND EURO).

d) In accordance with the provisions of Article 9 of Royal Decree Law 13/2010 and the Resolutions dated 25 February and 3 June 2011, the Public Business Entity “Aeropuertos Españoles y Navegación Aérea” fully subscribed and paid for the shares and the share premium through the contribution of the aforementioned activity.

e) The Public Business Entity “Aeropuertos Españoles y Navegación Aérea” contributed all of the activities as an operating unit in the State in which they are located (ownership, usage rights, situation, charges, etc…) in the terms of RDL 13/2010. The Public Business Entity “Aeropuertos Españoles y Navegación Aérea” is only liable with respect to the contribution only if the defect or encumbrance affects all or an essential part of the activity. For these purposes, an essential part will be understood to be that which affects 20% or more of the total value of the contributed activity or when it affects an individual airport such that the airport activity cannot be carried out, notwithstanding jurisdictional control over the applicable legal system.

In addition to the above, any difference that could arise during the period between the date of contribution and the date of transfer to private investors of part of the Company's capital, between the estimated value of the contributed assets and liabilities based on which the Company's necessary share capital increase and the value of the assets and liabilities actually contributed will be adjusted, in the same amount, as an increase or decrease in the loan granted by the Public Business Entity “Aeropuertos Españoles y Navegación Aérea” to the Company, without the adjustment affecting the share capital increase in any event.

f) All of the personnel of the Public Business Entity “Aeropuertos Españoles y Navegación Aérea” that are necessary to render the airport service activities will be transferred and be integrated into the Company under the same employment conditions currently in force, respecting length of service and any other right that has vested when the Company starts to carry out its activities.

g) The split and the measurement of the contributed activity were approved by the Board of Directors of the Public Business Entity “Aeropuertos Españoles y Navegación Aérea” on 23 May 2011 in accordance with the report prepared that stated that the transferred activity is valued at € 2,600,807,000. This measurement took place using the carrying value of the contributed line of business as a reference in accordance with current accounting standards and, specifically, the General Accounting Plan, and complied with the requirements of Article 114 of the LPAP.

h) In accordance with Articles 70 and 300.1 of the Spanish Companies Act 2010, the members of the Company´s Board of Directors prepared a report that the Single Shareholder has examined.

i) The Company will start to carry out the activity on an effective basis on the date established by the Public Works Ministry Order established in Transitional Provision Two of Royal Decree Law 13/2010.

j) The contribution of the Activity is subject to the application of the special system established by Title VII, Chapter VIII of Legislative Royal Decree 4/2004 (5 March), which approves the Corporate Income Tax Act, in accordance with the provisions of Additional Provision Three of RDL 13/2010.

The property, plant and equipment contributed relates to the rights of any type that were held by the Public Business Entity “Aeropuertos Españoles y Navegación Aérea” regarding the land, buildings and equipment at the airports managed or used by the activity. It also includes the use rights relating to the Public Business Entity “Aeropuertos Españoles y Navegación Aérea” regarding certain land located at airports, military airports and air bases. The contributed rights refer to the following airports, aerodromes and air bases:

a) Civil airports: A Coruña, Alicante, Almería, Asturias, Barcelona, Bilbao, Burgos, Córdoba, El Hierro, Fuerteventura, Girona, Granada, Huesca Pirineos, Ibiza, Jerez de la Frontera, La Gomera, La Palma, Logroño, Adolfo Suarez Madrid-Barajas, Melilla, Menorca, Palma de Mallorca-Son Bonet, Pamplona, Reus, Sabadell, San Sebastián, Santander, Sevilla, Tenerife Sur, Valencia, Vigo and Vitoria.

b) Civil part of jointly used airports with the Ministry of Defence: Gran Canaria-Gando, Lanzarote, Tenerife Norte, Madrid-Cuatro Vientos, Málaga, Palma de Mallorca-Son Sant Joan, Santiago and Zaragoza.

c) Air bases and military airports open to civil use: Talavera La Real (Badajoz), Matacán (Salamanca), San Javier (Murcia), Villanubla (Valladolid), Los Llanos (Albacete), and Aeródromo Militar de León.

d) Heliports: Heliport in Ceuta and Algeciras.

The functional ownership of the Company falls to the Ministry of Public Works, together with the authority to propose the appointment of one-third of the members of the Board of Directors. Aena Aeropuertos, S.A., is the beneficiary of the expropriations associated with the infrastructures it manages.

In accordance with its bylaws, the Company's corporate purpose is as follows:

- The organisation, management, co-ordination, operation, exploitation, maintenance and administration of general interest, state-owned airports, heliports and associated services.

- The co-ordination, exploitation, maintenance, administration and management of the civil areas of air bases open to civil aviation traffic and joint-use airports.

- The design and development of projects, execution, management and control deriving from the investments in infrastructures and facilities relating to the preceding sections and in assets intended for the rendering of the airport air traffic services associated with those airport infrastructures.

- The evaluation of needs and, if appropriate, the proposal for planning new airport infrastructures and airport and acoustic rights of way associated with airports and services for which the Company is responsible for managing.

- The performance of organisational and security services at airport facilities that it manages, notwithstanding the authority assigned to the Ministry of the Interior in this respect.

- Training in areas relating to air traffic, including the training of aeronautical professionals that require licenses, certificates, authorisations or ratings and the promotion, reporting or development of aeronautical or airport activities.

In addition, the Company may carry out any other commercial activities that are directly or indirectly related to its corporate purpose, including the management of airport facilities located outside Spain and any associated and supplementary activity that allows yields to be obtained on investments.

The corporate purpose may be carried out by the Company directly or through the creation of mercantile companies and, specifically, the individualised management of airports may be carried out through subsidiaries or service concessions.

As is described in Note 2.1 to the Company's consolidated financial statements for the years ended 31 December 2013, 2012 and 2011, Aena Aeropuertos was incorporated as an independent legal entity and as a group in 2011 (23 May 2011 and 31 May 2011, respectively), by virtue of Royal Decree-Law 13/2010, through a non-monetary contribution of all the assets and liabilities relating to the airport activity.

Accordingly, when preparing the consolidated financial statements for the years ended 31 December 2013, 2012 and 2011 in accordance with IFRS-EU, the Company took into consideration the framework for the reorganisation of the airport activity established by the aforementioned Royal Decree-Law 13/2010 and recorded the non-monetary contribution as a business reorganisation under the umbrella of its shareholder, the Public Business Entity "Aeropuertos Españoles y Navegación Aérea". This recognition is due to the analysis and consideration by management of several factors, bearing in mind that these types of transactions are not regulated within the IFRS regulatory framework or, specifically, within the framework of IFRS 3, Business Combinations, and therefore the Company developed an accounting policy for that transaction that reflects its substance and the underlying transactions. In this context the Company considered that the combination of a newly created entity (Aena Aeropuertos, S.A., incorporated on 23 May 2011) with a previously existing reporting unit does not constitute a business combination since the newly created entity is neither the acquiring Company nor a business acquired by the pre-existing reporting unit.

When preparing the accounting policy adopted by the Company for this transaction it took into account the fact that the airport operations previously forming part of the Public Business Entity "Aeropuertos Españoles y Navegación Aérea", which reported the financial information relating to the operations as a separate business segment, maintained segregated accounting records and it constitutes an independent reporting unit, subject to the specific applicable regulatory framework while being integrated into the Public Business Entity "Aeropuertos Españoles y Navegación Aérea" and not a separate legal entity, which allows the various assets to be reliably assigned to the new entity. This conclusion is in line with the spirit of Royal Decree-Law 13/2010, the purpose of which was to provide a separate legal status that had been lacking up until that point for the group of duties and obligations previously fulfilled by the Public

Business Entity “Aeropuertos Españoles y Navegación Aérea” with respect to the management and operation of past airport services since that group is an autonomous economic unit that is capable of carrying out an independent business activity, in the event of a business succession, configured as an operating unit and, therefore a separate and definable reporting unit from a historical financial reporting point of view, whose management has been carried out in the same manner before and after the non-monetary contribution and maintaining the continuity of key management positions within the management of Aena Aeropuertos.

In this context, the Company also considered that taking into account the legal format of the transaction for the purpose of presentation of past information would have substantially altered the presentation of the airport operations that were carried out in the same manner before and after the non-monetary contribution. The presentation of 2011 after the transaction date would therefore not have reflected the substantial economic reality of the business of Aena Aeropuertos when the described legal event was only carried out, as has been indicated, for the purpose of providing a separate legal status to a pre-existing reporting unit.

Therefore, by considering that Aena Aeropuertos was a single reporting unit before and after the non-monetary contribution, it was recognized as a business reorganisation under the umbrela of the Public Business Entity “Aeropuertos Españoles y Navegación Aérea” and, consequently, the financial information for 2011 has been presented for the full 12 months, at historic book values, and based on Aena Aeropuertos being considered a separate reporting unit, irrespective of its legal creation during the course of 2011.

By virtue of Article 18 of Royal Decree-Law 8/2014, on 5 July 2014 the Company's name was changed from Aena Aeropuertos, S.A. to Aena, S.A. and the Public Business Entity "“Aeropuertos Españoles y Navegación Aérea” changed its name to ENAIRE. That Royal Decree also establishes the integrity of the airport network as its survival ensures the mobility of citizens and economic, social and territorial cohesion in terms of accessibility, sufficiency, suitability, sustainability and continuity. The framework governing basic airport services and the characteristics and conditions that the network must have to guarantee objectives of general interest is established. The total or partial closing or disposal of any airport facility or infrastructure that is necessary to maintain airport services is prohibited unless authorised by the Cabinet or the Ministry of Public Works. Such authorisation may only be granted if it does not affect the objectives of general interest that must be guaranteed by that network, and provided that it does not compromise the network's sustainability. The absence of such authorisation shall give rise to complete legal nullity in order to guarantee the full integrity of the state airport network. Airport fees and essential items are defined, together with the basic airport services and the framework for determining minimum standards of quality, capacity and conditions for the rendering of the services and investments required for compliance, as well as the conditions for the recovery of the costs deriving from the rendering of these basic airport services (Note 24). At the date these consolidated financial statements were prepared, the Company is in the process of filing its change of name to Aena, S.A. in the Mercantile Registry.

The registered address for Aena Aeropuertos is located in Madrid (Spain), at Calle Arturo Soria, 109.

2 Basis of presentation

The Group's consolidated annual accounts for 2013 were prepared by the Directors of the Company in accordance with International Financial Reporting Standards adopted by the European Union, applying the accounting policies described in Note 2 of the notes to those consolidated annual accounts, such that they reflect a true and fair view of the Group's consolidated equity and its consolidated financial situation at 31 December 2013, as well as the consolidated results of its operations, changes in consolidated equity and consolidated cash flows for the year then ended.

These condensed interim consolidated financial statements are presented in accordance with IAS 34 regarding Interim Financial Reporting and were approved for use by the Group's Director's on 9 September 2014.

In accordance with the provisions of IAS 34, interim financial information is presented only with the intention of providing updates to the content of the latest consolidated annual accounts prepared by the Group, emphasising any new activities, events and circumstances that have taken place during the six-month period and not duplicating the information previously published in the consolidated annual accounts for 2013. Accordingly, in order to adequately understand the information included in these condensed interim consolidated financial statements, they must be read together with the Group's consolidated annual accounts for 2013, which were prepared on 24 March 2014 and approved by shareholders at an Ordinary Universal General Meeting of Aena Aeropuertos, S.A. held on 27 June 2014.

2.1.- Accounting policies

Except where indicated otherwise below, the accounting policies applied are uniform with respect to those applied in the consolidated financial statements for the year ended 31 December 2013.

2.1.1 Standards, interpretations and amendments to published standards that have been adopted by the Group

IFRS 10 *"Consolidated financial statements*" introduces changes in the concept of control, which continues to be defined as the determining factor as to whether or not a company should be included in the consolidated financial statements. IFRS 10 replaces the guidelines regarding control and consolidation established in IAS 27 "Consolidated and separate financial statements" and eliminates SIC 12 "Consolidation - Special purpose entities", which is revoked.

In order for control to exist, two elements of power over a company and variable yields must be present. Power is defined as the capacity to direct the activities of a company in a manner that significantly affects its performance. The standard provides an extensive application guide for those cases in which it is difficult to determine whether or not control exists, for example, when an investor holds less than one-half of the voting rights in a company. The concept of unity between a parent company and its subsidiaries for the purposes of consolidated financial statements and consolidation procedures have not changed with respect to the previous IAS 27. This standard did not have a significant impact on the condensed interim consolidated financial statements.

IFRS 11, *"Joint Arrangements"*, provides an accounting treatment for joint agreements based on the rights and obligations deriving from the agreement and not on its legal format. The types of joint agreements are reduced to two: joint operations and joint ventures. Joint operations mean that a participant has direct rights to the assets and obligations deriving from the agreement and therefore recognises its share in proportion to the assets, liabilities, revenues and expenses recorded by the company in which the interest is held. Joint ventures arise when a participant has the right to the results obtained or to the net assets of the company in which the interest is held and therefore uses the equity method to recognise its stake in the company. Stakes in joint ventures may no longer be recognised using the proportional consolidation method. This standard did not have a significant impact on the condensed interim consolidated financial statements.

IFRS 12 *"Disclosures of interests in other entities"* contains the disclosure requirements for companies that report under the new IFRS 10 *"Consolidated financial statements"* and the new IFRS 11 *"Joint arrangements"*. In addition, it replaces the disclosure requirements previously included in the former IAS 28 *"Investments in associates"* and IAS 31 *"Interests in joint ventures"*. Under IFRS 12 disclosures must include information that allows users of the financial statements to evaluate the nature, risks and financial effects associated with the company's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. Among other requirements disclosures must contain:

- Significant assumptions and judgments used when determining the existence of control, joint control or significant influence.
- The composition of the group, including the participation of non-controlling interests in the Group's activities and its cash flows.
- The risks associated with the consolidated structured entities, for example, agreements that may require the group to provide financial assistance to the entity.
- The accounting of transactions with non-controlling interests in situations in which control over the subsidiary is maintained or lost.
- Shareholdings in associates and joint arrangements (similar to the requirements of the previous IAS 28).
- Information regarding the nature, purpose, size, activities and financing of unconsolidated structured entities, financial information regarding the entity (revenues, assets), information regarding the assets and liabilities recognised in the balance sheet that relate to these structured entities, maximum losses that may arise from the interest and the financial assistance rendered to the entity or if there is any current intention to provide such assistance.

This standard did not have a significant impact on the condensed interim consolidated financial statements.

IAS 27 (Revised) *"Separate financial statements"*. The requirements previously established in IAS 27 with respect to the preparation of consolidated financial statements are included in the new IFRS 10 and therefore the former's scope of application is reduced to the accounting for investments in subsidiaries, joint ventures and associates in the individual financial statements prepared under IFRS by the investing company, which has not been changed with respect to the preceding legislation (i.e. recognition at cost or fair value according to the requirements of IFRS 9). This standard did not have a significant impact on the condensed interim consolidated financial statements.

IAS 28 (Revised) *"Investments in associates and joint ventures"* has been updated to include references to the joint ventures, which under IFRS 11, *"Joint arrangements"*, have to be recognised using the equity method. Simultaneously information regarding the following aspects has been added:

- Accounting treatment for instruments that provide potential voting rights.
- Measurement of shareholdings in associates and joint ventures in the hands of venture capital companies, mutual companies and other similar entities.
- Accounting treatment when the shareholding in an associate or joint venture is reduced by the equity method continues to be applicable.
- Accounting treatment for the contribution of a non-monetary asset to an associate or joint venture in exchange for receiving a share in the company's equity.

This standard did not have a significant impact on the condensed interim consolidated financial statements.

IAS 32 (Revised) *"Offsetting Financial Assets and Financial Liabilities*". In December 2011 the IASB issued an amendment to IAS 32, *"Offsetting Financial Assets and Financial Liabilities"* and an amendment to IFRS 7 *"Disclosures - Offsetting Financial Assets and Financial Liabilities"*

The amendment to IAS 32 *"Financial instruments: Presentation"*, modifies the standard's application guidelines to clarify some of the requirements for offsetting financial assets and financial liabilities in the balance sheet. The amendment does not involve any changes to the compensation model already existing in IAS 32 and it continues to be applicable when, and only when, a company currently has a legal right to offset the recognised amounts and the intention to settle the net amount, or to simultaneously realise the asset and extinguish the liability. The amendment clarifies that the right to offset must be presently available, i.e. not depend on a future event. In addition, the right must be legally available during the ordinary course of the operations of the counterparties involved in the transaction, even in the case of default, insolvency and bankruptcy. The amendment of IAS 32 is mandatory for all years commencing as from 1 January 2014 and applied retroactively.

Given that the requirements to offset financial assets against financial liabilities continue to be different from the requirements under US GAAP, the IASB simultaneously published an amendment to IFRS 7 *"Financial instruments: Disclosures"*. The amendment of IFRS 7 requires the disclosure of quantitative information regarding recognised financial instruments that have been offset in the balance sheet and the financial instruments subject to master netting arrangements, regardless of whether or not they have been offset in the balance sheet. The amendment of IFRS 7 is mandatory for all years commencing as from 1 January 2013 and is applied retroactively.

This standard did not have a significant impact on the condensed interim consolidated financial statements.

IAS 36 (Revised) *"Disclosures regarding the recoverable amount of non-financial assets"*. The IASB published a limited scope amendment to IAS 36 "Impairment of assets" relating to the disclosures of the recoverable amount of impaired assets when the recoverable amount is based on fair value less the costs of selling or otherwise disposing of the assets. Through IFRS 13 *"Fair value measurement"* the amendments relating to the IAS 36 disclosures were implemented. One of this amendments was worded more broadly than expected. The amendment corrects this situation and also requires that supplementary information be presented regarding the fair value measurements when there has been an impairment or reversal of those items. The IASB has therefore amended IAS 36 as follows:

- It eliminates the requirement to disclose the recoverable amount when a cash generating unit (CGU) contains goodwill or an intangible asset with an indefinite useful life, but for which no impairment loss has been recognised.
- It requires the disclosure of the recoverable amount for an asset or a CGU when an impairment loss has been recognised or reversed, and
- It requires detailed disclosure of how the fair value less the cost of selling or otherwise disposing of the asset has been measured when an impairment loss has been recognised or reversed.

This standard did not have a significant impact on the condensed interim consolidated financial statements.

IAS 39 (Revised) *"Novation of derivatives and continuation of hedge accounting"*. In accordance with IAS 39, a company is required to interrupt hedge accounting when a derivative that has been designated as a hedging instrument is novated to a central counterparty (CCP) given that the original derivative ceases to exist. The new derivative with the CCP is recognised at the time of the novation.
The IASB has amended IAS 39 to introduce a restricted scope exemption to the interruption of hedge accounting when the novation of a hedge instrument to a CCP complies with certain requirements.

Specifically, the amendments will not result in the expiration or termination of the hedge instrument if:

- As a result of a specific law or regulation, the parties to a hedge instrument agree that a CCP, or an entity (or entities) acts as a counterparty in order to carry out the offset as a CCP, or replaces the original counterparty
- Other changes, if any, to the hedge instrument are limited to those that are necessary to replace the counterparty.

This standard did not have a significant impact on the condensed interim consolidated financial statements.

2.1.2 Standards, interpretations and amendments to published standards that have not yet entered into force and have not been adopted early by the Group.

At the date of these condensed interim consolidated financial statements, the European Union has adopted new standards, amendments and interpretations to existing standards, that were expected to enter into force in the accounting periods starting on 1 January 2014 or afterwards, but which the Group has not adopted early:

Area	Fundamental requirements	Effective date
IFRIC 21 *"Levies"*	IFRIC 21 *"Levies"* is an interpretation of IAS 37 *"Provisions and contingent liabilities and contingent assets"* that covers the accounting treatment of taxes levied by public administrations, other than income tax, and fines and penalties imposed for failing to comply with legislation. The main question that is raised in this respect is when the company must recognise a liability for the obligation to make payment of a tax that is recognised in accordance with IAS 37. IAS 37 establishes the conditions for recognising a liability, one of which is that the company has a present obligation as a result of a past event. The interpretation clarifies that the obligation event that gives rise to a liability to pay a tax is the activity described in the relevant legislation that gives rise to the payment of that tax. Although this interpretation is mandatory for all years commencing 1 January 2014 based on the validity date established by the IASB, the European Union established a starting validity date of 17 June 2014 for the first year. For those companies whose financial year coincides with the calendar year, IFRIC 31 will therefore be mandatory starting on 1 January 2015. Early adoption is permitted. The Group is examining the impact in the interim consolidated financial statements when this standard comes into effect.	The European Union amended the validity date for IFRIC 21, originally established by the IASB (1 January 2014) to 17 June 2014.

2.1.3 Standards, interpretations and amendments to existing standards that cannot be adopted as they have not been approved by the EU.

At the date these condensed interim consolidated financial statements were prepared, the IASB and IFRIC had published the following standards, amendments and interpretations that have not yet been adopted by the European Union.

Area	Fundamental requirements	Effective date
IAS 19 (Amendment), *"Defined benefit plans: Employee contributions"*	This amendment applies to contributions made by employees or third parties to defined benefit plans. The objective is to simplify the accounting treatment of contributions that are independent of the number of years of service, for example, employee contributions that are calculated based on a fixed percentage of their salary. IAS 19 (revised in 2011) makes a distinction between employee contributions relating to services rendered and those that are not associated with their service. The current amendment also makes a distinction between contributions that are associated to services only in the year in which they arise and those that are associated to services rendered over more than one year. The amendment allows contributions that are associated with service, and do not change with the duration of the employee's service, to be deducted from the cost of accrued benefits in the year in which the relevant service is rendered. Contributions associated with the service, and which vary in accordance with the duration of the employee's service, must be extended during the period over which the service is rendered using the same assignment method applied to the benefits. This means that either in accordance with the pension plan formula or when the plan provides a significantly higher level benefit for services in subsequent years, on a straight line basis.	1 July 2014
IFRS 9, *"Financial instruments"*	The IASB has published the complete version of IFRS 9 "Financial instruments", which replaces the IAS 39 guidelines. This final version includes the requirements for classifying and measuring financial assets and liabilities. It also includes a model for expected credit losses that replaces the loss model for impairment that is currently used. The final part of the IFRS coverage was issued in November 2013.	IFRS 9 is effective for years commencing as from 1 January 2018, although it may be adopted early. IFRS 9 will be applied retroactively, but comparative figures will not have to be re-expressed.
IFRS 9, (Amendment) and IFRS 7 (Mandatory) *"Mandatory effective date and transition disclosures"*	The IASB has published an amendment under which the entry into force of IFRS 9 *"Financial Instruments"* is delayed and is now mandatory for years commencing as from 1 January 2015. According to the original transitional provisions, IFRS 9 entered into force on 1 January 2013. The early application of IFRS 9 continues to be permitted. In addition, the IASB has extended the completion deadline for the remaining stages of the project to replace IAS 39 *"Financial Instruments: Recognition and measurement"* (the accounting of impairment losses and hedge accounting). This amendment notes the importance of allowing the simultaneous application of all the stages of the new standard. It is also notable that the amendment to IFRS 9 introduces changes regarding comparative information and the additional disclosures that must be provided after the adoption of the new standard, based on the date it is first applied, as is indicated below:	1 January 2015

Area	Fundamental requirements	Effective date
	If IFRS 9 is applied to years commencing before 1 January 2012, it is not necessary to re-express the comparative figures or include the additional disclosures at the initial date the standard is applicable. If IFRS 9 is applied to years commencing on or after 1 January 2012 but before 1 January 2013, a choice must be made between re-expressing the comparative figures and including the additional disclosures at the initial date the standard is applicable. If IFRS 9 is applied to years commencing on or after 1 January 2013, it is not necessary to re-express the comparative figures but the additional disclosures at the initial date the standard is applicable must be included.	
IFRS 9 (Amendment) *"Financial Instruments: Hedge accounting and amendments to IFRS 9, IFRS 7 and IAS 39"*	The IASB project to replace IAS 39 entirely by IFRS 9 includes the publication of the document "IFRS 9: *Financial instruments - Hedge accounting*", which incorporates the requirements relating to hedge accounting into IFRS 9. These amendments to IFRS 9 represent a substantive reform of hedge accounting that more tightly aligns hedge accounting with risk management and should result in more useful information for the taking of decisions by the users of financial statements. These new requirements also establish an approach more based on principles instead of rules for hedge accounting and take care of inconsistencies and weaknesses in the current IAS 39 model. The most significant changes are as follows: · *Hedge effectiveness tests and the possibility of applying hedge accounting:* IFRS 9 relaxes the requirements for the effectiveness of the hedge and, as a result, for applying hedge accounting. Under IAS 39 a hedge must be highly effective on both a prospective and retrospective basis. IFRS 9 replaces this line requiring a financial relationship between the hedged item and the hedge instrument and that the hedged ratio be the same that the company actually uses for risk management. · *Hedged items:* The new requirements amend what is classified as a *hedged* item, primarily eliminating restrictions that currently impede some economically rational hedging strategies from qualifying for hedge accounting. For example: - The risk components for non-financial items may be designated as hedged items, provided that they can be separately identified and they can be reliably measured. - The aggregate exposures (i.e. exposures that include derivatives) may be hedged items. - The hedging of groups of items is made more flexible, although macro hedges are not covered. - Hedge accounting is allowed for equity instruments measured at fair value through other comprehensive income, even if there will not be any impact on profit and loss due to these investments. · *Hedging instruments:* The rules regarding the use of some hedging instruments are relaxed. · *Accounting, presentation and disclosures*. The requirements relating to the accounting and presentation of the accounts under IAS 39 remain practically unchanged in IFRS 9. However, companies must now reclassify accumulated profit and loss in equity based on a cash flow hedge at the carrying value of a non-financial hedged item when it is initially recognised. Furthermore, additional disclosure requirements have been included in the new standard. Although not referring to hedge accounting, as part of the amendments made IFRS 9 has been revised to allow companies to early-adopt the	1 January 2015

Area	Fundamental requirements	Effective date
	requirement of recognising changes in fair value attributable to changes in the company's own credit risk under other comprehensive income (for financial liabilities measured at fair value). This may be applied without having to adopt the rest of IFRS 9. Finally, the date on which IFRS 9 enters into force (1 January 2015) has been eliminated, although companies may still choose to apply IFRS 9 immediately.	
IFRS 15 "Revenue from contracts with customers"	In May 2014, the IASB and the FASB (Financial Accounting Standards Board in the United States) jointly issued a converging standard relating to the recognition of ordinary income from contracts with customers. Under this standard, income is recognised when a customer obtains control over the goods or services sold. A customer obtains control when it has the capacity to direct the use, as well as to obtain the benefits, of the goods or services. The transfer of control is not the same as the transfer of risks and benefits, and it is not necessarily the same as the culmination of a profit process, as is the case today. Companies will also have to apply new guidelines for determining whether or not they must recognise income over time or at a certain moment. In comparison with legislation currently in force, IFRS 15 requires broad information to provide greater details of both income that has been recognised and income that is expected to be recognised in the future with respect to existing contracts. Quantitative and qualitative information will also be provided regarding significant judgments applied by management when determining the income that will be recognised, as well as any changes in those judgments.	IFRS 15 will be effective for years commencing as from 1 January 2017, although it may be adopted early. This standard will be applied using one of the following methods: a) Retroactively to each prior period in which information is presented in accordance with IAS 8, subject to certain practical considerations; or b) Retroactively, recognising the accumulated effect of initially applying this standard at the initial application date.
IFRS 14 *"Regulatory deferral accounts".*	The IASB published IFRS 14 *"Regulatory deferral accounts"*, an interim standard regarding the accounting treatment of certain balances that arise in regulated tariff activities. IFRS 14 is only applied to those companies that adopt IFRS 1 for the first time, allowing them to continue recognising the amounts relating to the tariff regulation in accordance with the accounting policies in place prior to the adoption of IFRS concerning the recognition, measurement, impairment and disposal of these balances. However, in order to reinforce the comparability with companies that already apply IFRS and do not recognise these amounts, the standard requires that the effect of this tariff regulation be presented separately from other items. A company that already presents financial statements in accordance with IFRS cannot apply this standard.	This standard is effective as from 1 January 2006, although it may be adopted early.
IFRS 11 (Amendment) *"Acquisition of an interest in joint arrangements"*	The IASB amended IFRS 11 *"Joint arrangements"*, to provide specific guidelines regarding the accounting treatment of the acquisition of a share in a joint venture that is a business. The amendment requires an investor to apply business combination accounting principles to the acquisition of a share in a joint venture that constitutes a business. Specifically, an investor will have to: • Measure identifiable assets and liabilities at fair value; • Recognise the costs relating to the acquisition as an expense; • Recognise the deferred tax; and • Recognise any residual amount as goodwill.	This amendment will be prospectively applied to years commencing as from 1 January 2016, although it may be adopted early.

Area	Fundamental requirements	Effective date
	All other business combination accounting principles apply, unless they conflict with IFRS 11.	
IAS 16 (Amendment) and IAS 38 (Amendment) *"Clarification of acceptable methods of depreciation and amortisation"*	The IASB has published an amendment to IAS 16 "*Property, plant and equipment*" and to IAS 38 "*Intangible assets*" concerning depreciation and amortisation. This amendment clarifies that it is not adequate to use methods based on ordinary income to calculate the depreciation of an asset because the ordinary income generated by an activity that includes the use of an asset generally reflects factors that are different from the consumption of the profits deriving from the asset. The IASB also clarifies that it is generally presumed that ordinary income is an inadequate basis for measuring the consumption of the profits deriving from an intangible asset. This revision will be effective for years commencing as from 1 January 2016 and will be applied prospectively. The amendment may be applied early.	

The Group is analysing the impact that the standards and amendments may have on the consolidated annual accounts should they be adopted by the European Union.

Improvement Project, Cycles 2010-2012 and 2011 - 2013

In December 2013 the IASB published the IFRS Annual Improvements for the cycles 2010-2012 and 2011-2013. The annual improvement process provides a vehicle to make non-urgent, but necessary, amendments to the IFRS. Some of these amendments result in amendments of other IFRS. The amendments included in these Annual improvements are generally applicable to the years commencing 1 July 2014, although they may be adopted early. A summary of these amendments is set out below:

Cycle 2010-2012:

- IFRS 2 "Share-based payments" The amendment clarifies the definition of a "condition for the irrevocable nature of the concession" and separately defines the terms "performance condition" and "service condition".

- IFRS 3 "Business combinations". Clarification is provided that the obligation to make payment of contingent consideration that meets the definition of a financial instrument is classified as a financial liability or as an equity instrument, based on the definitions set out under IAS 32 "Financial instruments: Presentation". Clarification is also provided that any contingent consideration that does not meet the definition for an equity instrument, of both a financial and non-financial nature, is measured at fair value at each balance sheet date, with the changes in fair value recognised in the income statement.

- IFRS 8, "Operating segments": The standard is amended to require the disclosure of the judgments employed by management when aggregating operating segments. This includes a description of the segments that have been aggregated and the financial indicators that have been evaluated when determining that the aggregated segments share similar financial characteristics. Furthermore, in the event of the disclosure of assets by segment, a reconciliation of the assets assigned to the segments being reported and the company's assets must be provided.

- IFRS 13 "Fair value measurement". As a result of the changes to IFRS 9 and IAS 39 due to the issue of IFRS 13, references to the capacity to measure current receivables and payables at nominal value when the effect of the discount is not significant have been eliminated. The IASB modified the basis of conclusions for IFRS 13, to clarify that it did not have the intention of eliminating this capacity.

- IAS 16 "Property, plant and equipment" and IAS 38 "Intangible assets": Both standards are revised to clarify how to treat the gross carrying amount and accumulated depreciation/amortisation when a company uses the restatement model.

- IAS 24, "Related party disclosures". The standard is revised to include a company that provides key management personnel services to the reporting company or to its parent as a related party ("the management company"). The reporting company is not required to disclose the compensation paid by the management company to its employees or Directors, but it would be mandatory to disclose the amounts paid by the reporting company to the management company for the services rendered.

Cycle 2011-2013:

- IFRS 1 "First-time adoption of IFRS" The basis of conclusions for IFRS 1 is revised to clarify that, when the application of a new version of a standard is not yet mandatory, but may be applied early, a first-time adopter may use either the new or the old version of the standard, provided that it applies the same version in all reported periods.
- IFRS 3 "Business combinations". Clarification is provided that IFRS 3 does not apply to the accounting for the creation of a joint arrangement under the scope of IFRS 11. The revision also clarifies that this exemption to scope only applies to the financial statements relating to the joint arrangement itself.
- IFRS 13 "Fair value measurement". The revision clarifies that the "portfolio exception" available under IFRS 13, which allows a company to measure the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts falling under the scope of IAS 39 or IFRS 9, including non-financial contracts.
- IAS 40 "Investment properties". The standard is revised to clarify that IAS 40 and IFRS 3 are not mutually exclusive: IAS 40 contains guidelines to assist in making a distinction between investment properties and properties occupied by the owner. When necessary, reference must be made to the content of IFRS 3 to determine whether or not the acquisition of an investment property complies with the definition of a business combination.

The Group is analysing the impact that the standards and amendments may have on the consolidated annual accounts should they be adopted by the European Union.

2.2 Consolidation and changes in scope

The consolidation principles used when preparing these condensed interim consolidated financial statements are consistent with those used when preparing the consolidated annual accounts at 31 December 2013 and as indicated in Note 2.1.

The main transactions carried out by the Group in the six-month period ended 30 June 2014 are as follows, and none of them had a significant impact on the condensed interim consolidated financial statements:

- ✓ On 29 May 2014 the subsidiary Aena Desarrollo Internacional, S.A. purchased 63 thousand ordinary shares in Aerocali, S.A. With this acquisition the Group obtained a 50% stake in this company. The amount paid for the acquisition totals €2,036 thousand. Based on the analysis carried out by Group management, this acquisition does not represent control over the investee company since there is joint control and therefore it remains recognised as an investment in associates at 30 June 2014 and continues to be measured using the equity method with the change in the percentage interest held since the acquisition of the new shares (Note 9).

- ✓ On 22 May 2014 a General Shareholders Meeting was held by the investee company Aeropuertos Mexicanos del Pacifico, S.A.P.I. de C.V. and a share capital reduction, affecting the variable portion of capital, totalling 75,000 shares was approved (2,378,350 thousand Mexican pesos). As a result of this transaction the Group recognised an inflow of cash totalling €1,410 thousand, it reduced its stake in the associate by €1,369 thousand and recorded the difference resulting from this transaction under equity. This transaction did not give rise to changes in the percentage of the interest held (Note 9).

The aforementioned situations did not result in business combinations with respect to these condensed interim consolidated financial statements.

2.3 Changes in accounting policies or estimates

During the six-month period ended 30 June 2014 there were no significant changes in accounting policies or estimates, other than those deriving from the entry into force of the new standards described in Note 2.1.1 above, and with respect to the criteria applied in 2013

2.4 Comparability

During the six-month period ended 30 June 2014 there were no significant changes in accounting policies with respect to those applied in 2013.

2.5 Seasonality of the Group's transactions

Activity in terms of the Group's ordinary income from the main business segments is subject to seasonal effects, as indicated below:

- Aeronautical income is affected by passenger traffic, and the largest figures are obtained during vacation months and holidays (Christmas, summer season, Easter week and holidays). Commercial income is also affected by the increase in passenger traffic and the highest sales by the stores located in terminals normally take place during the Christmas season.
- Off-terminal service income, specifically relating to parking facilities, is influenced by passenger traffic.

Furthermore, airport segment expenses are influenced by weather conditions and, in particular, by the winter season.

3 Financial risk management

3.1 Financial risk factors

Aena Group's activities are exposed to several financial risks: market risk (including exchange rate risk and fair value risk due to interest rates), credit risk and liquidity risk. The Group's overall risk management program focuses on the uncertainty of financial markets and attempts to minimise the potential adverse effects on the Group's financial yields. The Group uses derivative financial instruments to cover certain risk exposures.

The Board provides policies for overall risk management and specific areas such as foreign exchange risk, interest rate risk, liquidity risk, use of derivatives and investing excess liquidity.

There is a financial debt recognition agreement between Aena Aeropuertos S.A. and its ultimate parent company, originating with the non-monetary contribution that gave rise to the creation of Aena Aeropuertos S.A. (Note 1). On 29 July 2014 the contract was novated, as explained in Note 24.

At 30 June 2014 there are no significant changes with respect to financial risk management, compared with the year ended 31 December 2013.

(a) *Market risk*

(i) Foreign exchange risk

The Group does not habitually carry out significant commercial transactions denominated in any currency other than the euro.

Exchange rate risk arises due to the fact that the Group has several minority foreign investments, whose net assets are exposed to foreign currency exchange risks. The exchange risk on the net assets of the Group’s foreign operations is mainly managed through borrowings denominated in the relevant foreign currency.

(ii) Interest rate risk affecting cash flows and fair value

The Group’s interest rate risk results from borrowings. The loans issued at variable rates expose the Group to cash flow interest rate risk, which is partially offset by the cash maintained at variable rates. Fixed interest rate loans expose the Group to fair value interest rate risks.

The Group's objective with respect to the management of interest rates is to optimise financial expenses within the established risk limits, and the risk variables are the 3-month Euribor (used for non-current borrowings) and the 1-month Euribor (used for credit facilities).

In addition, the value of the financial expense risk is calculated over a multi-year horizon and rate evolution scenarios are established for the period being taken into consideration.

Financial expenses are mainly due to the borrowings from the ultimate parent company. The ultimate parent company has also contracted interest rate hedge transactions that are transferred to the Company. The cost of these derivatives is being attributed to the Company, given that they cover the interest rate risk of some loans in that proportion.

At 30 June 2014, if the interest rate on variable rate loans had increased or decreased by 20 basis points, and if all other variables remained constant, profit before taxes for the six-month period ended 30 June 2014 would have totalled €5,212 thousand less and €5,212 thousand more, respectively (for the six-month period ended 30 June 2013: €5,519 thousand less and €5,519 thousand more, respectively). However, the Regulatory Framework established by Law 1/2011 (4 March) which establishes the State Operational Security Program for Civil Aviation and amends Law 21/2003 (7 July), on Air Security establishes a system for updating fees that protects Aena against increases in financing costs, while making it possible to recover its capital costs through compensation for the asset base, in accordance with current legislation.

(b) Credit risk

The Group's credit risk originates from cash and cash equivalents, derivative financial instruments and bank and other deposits, as well as exposure to trade receivables and agreed transactions.

The credit risk relating to commercial accounts has been reduced, given that the primary customers are airlines and payments are usually received in cash or in advance. As regards commercial customers that lease premises at the various airports, the risk is managed by obtaining guarantees and security deposits.

Law 1/2011 (4 March), which amends Law 21/2003 (7 July) on Air Security,was published in the Official State Gazette on 5 March 2011 and it approves the mechanism whereby the management, settlement and collection of all public equity benefits on the part of Aena Aeropuertos, S.A. or its subsidiaries may include encumbrances to ensure effective collections, and his mechanism is managed by the collection bodies of the State Tax Administration Agency.

No credit limits have been exceeded during the period and management does not expect any loss for which no provision has been made due to any failure of these counterparties to comply with their obligations.

(c) Liquidity risk

The main risk variables are: limitations in financial markets, increase in the projected investment and reduction of the generation of cash flows.

The credit risk policy and the company's operations in its sector lead to very favourable average collection periods. The company also substantially reduced costs and the need to make investments in coming years, which has had a positive effect on the generation of cash by the Company. However, at 30 June 2014 the Group presents negative working capital totalling €1,142,945 thousand (31 December 2013: €1,288,749 thousand) and a profit after taxes totalling €201,113 thousand (30 June 2013: €91,168 thousand in profit for the period), and no risk is considered to exist with respect to meeting short-term commitments given the positive operating cash flows that have allowed the negative working capital to be reduced over the past few years and the Company expects them to continue to be positive in the short-term. The Group is also obtaining lines of credit and loans that have been approved by financial institutions but not yet formally concluded. Under these circumstances, the Company's Directors consider that there will not be any problems with respect to satisfying the Group's payment commitments.

The following table includes an analysis of the financial liabilities associated with the Group and the financial liabilities relating to the mirror loan, grouped by maturity date and taking into consideration the remaining period between the balance sheet date and the contractual maturity date. Financial liabilities involving derivative instruments are included in the analysis if their contractual maturity dates are essential for understanding the cash flow schedule.

At 30 June 2014	2014 (*)	2015	2016	2017	2018	2019	Subsequent years	Total
Loan from the ultimate parent company (Note 22)	527,174	1,053,674	1,138,916	815,268	736,978	688,804	5,926,103	10,886,917
Other payables to the ultimate parent company (Note 22) (**)	75,450	-	-	-	-	-	-	75,450
Effect of the amortised cost (Note 22)	(369)	(396)	(428)	(306)	(277)	(259)	(2,225)	(4,258)
Loans from credit institutions (Note 15)	1,357	334	333	333	-	-	-	2,357
Finance leases (Note 15)	642	2,111	2,115	1,582	1,622	1,747	10,618	20,437
Other financial liabilities (Note 15)	50,531	-	-	-	-	484	30,003	81,018
Trade and other payables (excluding customer prepayments) (Note 14)	424,764	-	-	-	-	-	-	424,764
Interest (***)	129,464	191,606	170,850	150,371	135,116	120,954	602,958	1,501,319

At 31 December 2013	2014	2015	2016	2017	2018	2019	Subsequent years	Total
Loan from the ultimate parent company (Note 22)	1,018,474	1,048,536	1,133,767	811,375	733,260	685,087	5,895,192	11,325,691
Other payables to the ultimate parent company (Note 22) (**)	73,306	-	-	-	-	-	-	73,306
Effect of the amortised cost (Note 22)	(364)	(493)	(526)	(377)	(341)	(318)	(2,739)	(5,158)
Loans from credit institutions (Note 15)	2,701	334	333	333	-	-	-	3,701
Finance leases (Note 15)	516	545	572	-	-	-	-	1,633
Other financial liabilities (Note 15)	71,431	-	-	-	-	484	2,773	74,688
Trade and other payables (excluding customer prepayments) (Note 14)	398,729	-	-	-	-	-	-	398,729
Interest (***)	231,334	191,606	170,580	150,371	135,116	120,954	602,958	1,602,919

(*) Includes the period between 1 July 2014 and 31 December 2014
(**) Includes the effect of the amortised cost (Note 22)
(***) Estimated calculation of the interest on annual average debt with the ultimate parent company using the average interest rate at 30 June 2014. In 2014 the debt novation expenses are included (Note 24).

The breakdown of loans from related parties by type of applicable interest and the average interest rate at 30 June 2014 and 31 December 2013 is as follows (Note 22):

Thousand euro	30 June 2014		31 December 2013	
	Balance	Average rate	Balance	Average rate
Variable	5,212,295	1.39%	5,459,354	1.24%
Adjustable	4,427,225	2.13%	4,882,959	2.22%
Fixed	1,247,397	3.81%	983,378	3.81%
TOTAL	**10,886,917**		**11,325,691**	

The adjustable interest rate, which is mainly applicable to the loan from the European Investment Bank, is an interest rate that remains fixed for a period (normally 4 years). At the end of that period the Group carries out a review and a decision is taken as to whether the same system will continue to be applied or whether it will be changed at maturity to a fixed or variable rate (Note 22).

During the first half of 2014 maturing adjustable loans were changed to a fixed interest rate at maturity, for a total of €312,226 thousand.

On 29 July 2014 a debt novation contract was concluded with the Public Business Entity “Aeropuertos Españoles y Navegación Aérea” (Note 24).

3.2 Capital management

The Group's objectives when managing capital are to safeguard its capacity to continue as a going concern, to provide yields to shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors the generation of cash to ensure that it is capable of meeting its financial commitments.

3.3 Estimation of fair value

The following table presents an analysis of the financial instruments that are measured at fair value, classified by measurement method. The various levels have been defined as follows:

- Listed prices (not adjusted) on active markets for identical assets and liabilities (Tier 1).
- Information other than listed prices included within Tier 1 that are observable with respect to the asset or liability, either directly (prices) or indirectly (deriving from prices) (Tier 2).
- Information regarding the asset or liability that is not based on observable market data (non-observable data) (Tier 3).

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2014.

	Tier 1	Tier 2	Tier 3	Total balance
Liabilities				
Derivatives	-	8,668	-	8,668
Total liabilities	**-**	**8,668**	**-**	**8,668**

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2013.

	Tier 1	Tier 2	Tier 3	Total balance
Liabilities				
Derivatives	-	9,306	-	9,306
Total liabilities	**-**	**9,306**	**-**	**9,306**

There have been no transfers between Tier 1 and Tier 2 financial instruments during the period. Notes 15 provides information regarding the fair value of borrowings. The fair value of net assets and liabilities does not differ from their carrying value.

a) Tier 1 financial instruments:

The fair value of the financial instruments that are traded on active markets is based on listed market prices at the balance sheet date. A market is considered to be active when the listed prices are easily and regularly available through a stock market, financial brokers, industry institution, a pricing service or a regulatory entity and those prices reflect current market transactions that take place on a regular basis between parties that operate under conditions of mutual independence. The listed market price used for the financial assets held by the Group is the current purchasing price. These instruments are included in Tier 1. There are no Tier 1 financial instruments at any date.

b) Tier 2 financial instruments:

The fair value of financial instruments that are not listed on an active market (for example, derivatives not listed on an official market) is calculated using measurement techniques. The measurement techniques maximise the use of observable market information that is available and are based as little as possible on specific estimates made by the companies. If the significant inputs that are required to calculate the fair value of an instrument are observable, the instrument is included in Tier 2. The financial instruments included under Tier 2 are those deriving from interest rates (swaps) to hedge variable-rate loans and the exchange rate.

If one or more of the significant inputs are not based on data observable in the market, the financial instrument is included in Tier 3.

The specific measurement techniques applied to financial instruments are:

- Listed market prices or the prices established by financial brokers for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of estimated future cash flows, based on estimated interest rate curves.
- The present value of foreign currency futures is calculated using forward exchange rates at the balance sheet date, discounting the resulting amount from the present value.

- Other techniques, such as an analysis of discounted cash flows, are used to analyse the fair value of all other financial instruments.

At 30 June 2014 there have been no changes in the measurement techniques used by the Group in 2013.

4 Accounting estimates and judgements

The preparation of the condensed interim consolidated financial statements under IFRS requires the application of assumptions and estimates that have an impact on the recognised amount of assets, liabilities, income, expenses and the related disclosures. The estimates and assumptions made are based, among other things, on past experience and other events considered to be reasonable in accordance with the events and circumstances taken into consideration at the balance sheet date, the result of which is the basis of judgment for the carrying amount of assets and liabilities that cannot be immediately calculated in another way. Actual results may differ from the estimates.

The understanding of the accounting policies for these items is important for the understanding of the condensed interim consolidated financial statements. Further information is provided below with respect to the estimates and assumptions used for these items in accordance with IFRS, and must be taken into account together with the notes to the consolidated annual accounts.

4.1 Critical accounting estimates and judgments

The most critical accounting policies, which reflect the assumptions and estimates that are most significant to calculate amounts in the interim consolidated financial statements, are as follows:

(a) Impairment of intangible assets, property, plant and equipment and investment properties
(b) Useful lives of property, plant and equipment
(c) Provisions
(d) Derivative financial instruments

Some of these accounting policies require the application of significant judgments on the part of Management to select the adequate assumptions to calculate these estimates. These assumptions and estimates are based on our past experience, advice received from expert consultants, projections and other circumstances and expectations at the end of the year. Management's evaluation and agreement is taken into consideration with respect to the overall economic situation of the industry in which the Group operates, taking into account the future development of our business. By nature, these judgments are subject to an inherent degree of uncertainty and, therefore, actual results may materially differ from the estimates and assumptions used. In such cases, the values of assets and liabilities would be adjusted.

At the date these condensed interim consolidated financial statements were prepared no relevant changes in the estimates were expected, and therefore there are no significant perspectives for adjustments to the values of recognised assets and liabilities at 30 June 2014.

Although these estimates were based on the best information available at the end of each period based on analysed events, future events may require these estimates to be modified in subsequent years, which would be done in accordance with the provisions of IAS 8 on a prospective basis, recognising the effects of the change in the estimate in the corresponding consolidated income statement.

At 30 June 2014 there have been no changes in critical accounting estimates reported in the consolidated annual accounts for 2013, other than those indicated in Note 2.1.

The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of intangible assets, property, plant and equipment and investment properties

On an annual basis the Group examines whether intangible assets, property, plant and equipment and investment properties have suffered any impairment loss in accordance with the accounting policies that describe how management identifies cash generating units (CGU) and the method used to subject the assets assigned to them to the impairment tests. The identification and grouping of the CGUs is based on the generation of income and the identifiable cash flows for these groups of assets, as well as on certain other assumptions based on how the Company manages those assets within the regulatory framework applicable to them. The amount recoverable from the CGUs has been determined on the basis of calculations of value-in-use. These calculations use estimates based on assumptions relating to projections of results, investments and working capital, discount rates and growth rates. Changes and variations in one or more of those assumptions could affect the identification of the CGUs and the estimate of the recoverable amount used for the purposes of verifying their impairment.

At 30 June 2014 Group Management reviewed the results obtained during the first half of 2014 in order to evaluate whether or not there are any significant changes that could be an indication of the impairment of intangible assets, property, plant and equipment and investment properties, and the conclusion is that there are no indications affecting these assets (Notes 6, 7 and 8).

(b) Useful lives of property, plant and equipment

The recognition of investments in property, plant and equipment implies the application of estimates to determine the useful lives of the property, plant and equipment for depreciation purposes. The calculation of useful lives is associated with estimates relating to the level of use of the assets and expected technological evolution. The assumptions relating to the level of use, technological framework and future developments imply a significant degree of judgment, taking into account that these aspects are very difficult to predict. Changes in the level of the use of assets or changes in their technological development could result in revisions of the useful lives and, consequently, in their depreciation.

(c) Provisions

Provisions are recognised when it is probable that a present obligation, resulting from past events, will require the application of resources and when the amount of the obligation may be reliably estimated. The Company estimates the amounts to be paid in the future with respect to employment, expropriation, pending litigation, taxes, environmental action and other liabilities. Those estimates are subject to interpretations of current and future events and circumstances, and the relevant estimates of the financial effects of those events and circumstances.

In addition, the calculation of the expense and the liability associated with employment commitments requires the application of several assumptions. At the end of each year the Company estimates the provision that is necessary to cover employment commitments and similar obligations through advisory services received from independent actuaries. The changes affecting such assumptions may result in the recording of different amounts and liabilities.

(d) Derivative financial instruments

The Group uses derivative financial instruments in order to mitigate the risks that mainly derive from changes in the interest rates associated with its financing. Derivative financial instruments are recognised at the start of the contract at fair value, and that value is subsequently adjusted at the end of each year.

The data used to calculate the fair value of derivative financial instruments are based on observable market data that are available, whether based on listed market prices or to the application of measurement techniques (Tier 2). The measurement techniques used to calculate the fair value of derivative financial instruments include the discounting of future cash flows associated with them, using assumptions based on market conditions at the measurement date or the use of prices established for similar instruments, among other methods. These estimates are based on available market information and adequate measurement techniques. The use of different market assumptions and/or estimation techniques could have a significant effect on the calculated fair values.

4.2 Important judgments when applying accounting policies

(a) Recognition of income relating to the minimum guaranteed amounts from the contract with World Duty Free Global (WDFG)

During 2013, Aena Aeropuertos, S.A. awarded World Duty Free Group (WDFG) a multi-year contract for the management of the duty free and duty paid shops at three lots of airports until 2020, and the fees are based on the sales volumes at those shops. Company management has evaluated the substantial characteristics of the contract in accordance with its accounting policies and has concluded that the income deriving from this contract must be recognised on an accruals basis, taking into consideration the fees received as contingent items, although contractually the payment of certain fees must be made regardless of the sales volume obtained by the shops. Management's judgment when determining the variances in contractual fees was based on the substance of the contract and on the future variation factors that influence the determination of the fees, such as the spaces assigned to the shops, the time those spaces are available, variances in airport passenger traffic and the possibility of the parties obtaining a minimum yield associated with the contract, among other factors. Future changes in the contract conditions evaluated by Company management could result in the recognition of income in a different manner than that applied by Aena Aeropuertos, S.A. to this contract. For new contracts with characteristics that are similar to this one, the Group has followed this income recognition policy.

(b) Recoverability of tax deductions for investments in the Canary Islands

The management of Aena Aeropuertos, S.A. decided to offset the tax deductions for investments in the Canary Islands against state tax payable. At 31 December 2013 deductions applied totalled €100,495 thousand, and in the six-month period ended 30 June 2014 estimated deductions total €42,693 thousand, of which 95.9% and 86.2%, respectively, relate to deductions for investments in the Canary Islands.

The management of Aena Aeropuertos, S.A. has capitalised tax deductions at 30 June 2014 totalling €113,191 thousand, 99.2% of which relate to deductions for investments in the Canary Islands (31 December 2013: €145,778 thousand, of which 95.3% relate to tax deductions for investments in the Canary Islands). These deductions are recognised as a receivables with the ultimate parent company and will be used in coming years by the tax group based on taxable profits (Notes 11 and 16). After 30 June 2013 the deductions for investments in the Canary Islands were capitalised after consulting the Directorate General for Taxation regarding the recovery conditions and when the conditions necessary to do so were met.

5. Segment reporting

The Group carries out its business activities in accordance with the following segments: Airports, Off-terminal services, International and Other.

The Airport segment substantially includes the Group's operations as the airport manager as described in Note 1 and identified with the so-called Aeronautical activity. In addition, the Airport segment includes the management of commercial spaces in airport terminals, which are identified with the so-called Commercial activity.

The off-terminal services segment substantially includes the Group's operation of the parking garages located outside the airport terminals and the industrial and real estate assets that are not included in those terminals.

The International segment relates to the Group's international development, which coincides with the operations carried out by the subsidiary Aena Desarrollo Internacional, S.A., and consists of minority investments in other airport managers, mainly in Mexico, Colombia and the United Kingdom.

The segment Other mainly includes amounts not assignable to the operating segments corresponding to the Group's corporate activities.

The Chairman and CEO is the maximum authority with respect to taking operational decisions. The Group has defined the operating segments based on information reviewed by the Chairman and CEO for the purposes of assigning resources and evaluating performance.

The Chairman and CEO evaluates the performance of the operating segments based on EBITDA (defined as Earnings Before Interest, Tax, Depreciation and Amortisation). At 30 June 2014 the EBITDA calculated as indicated above was adjusted for the effects associated with impairment and disposals of assets (30 June 2013: adjusted for the effects associated with the Voluntary Redundancy Plan, impairment and disposals of assets).

Financial information by segment that has been supplied to the maximum decision-taking authority at 30 June 2014 and 2013 is obtained from the Group's information management systems and does not significantly differ from the information prepared under IFRS, and it has been evaluated in accordance with criteria that are uniform with respect to those applied in these interim consolidated financial statements. Financial information by segment is presented as currently analysed by the maximum decision-taking authority. No modification has been made to the criteria for distributing costs among segments during the years presented.

Financial information by segment at 30 June 2014 and 2013 is as follows (thousand euro):

	Airports						
30 June 2014	**Aeronautical**	**Commercial**	**Off-terminal services**	**Sub-Total**	**International**	**Adjustments**	**Total consolidated**
Ordinary income-	1,022,529	278,632	77,898	1,379,059	3,637	(844)	1,381,852
External customers	*1,022,529*	*278,632*	*77,898*	*1,379,059*	*2,793*	-	*1,381,852*
Inter-segments	-	-	-	-	*844*	*(844)*	-
Other operating income	37,921	4,418	2,788	45,127	166	-	45,293
Total Income	**1,060,450**	**283,050**	**80,686**	**1,424,186**	**3,803**	**(844)**	**1,427,145**
Supplies	(90,617)	-	-	(90,617)	-	852	(89,765)
Personnel	(148,648)	(13,992)	(6,510)	(169,150)	(920)		(170,070)
Other operating expenses	(288,665)	(41,700)	(26,888)	(357,253)	(1,129)	(8)	(358,390)
Depreciation/Amortisation	(346,494)	(32,895)	(24,485)	(403,874)	(309)	-	(404,183)
Impairment and disposals of assets	3,772	(267)	(6,520)	(3,015)	-	-	(3,015)
Other results	(725)	1,932	(57)	1,150	-	-	1,150
Total expenses	**(871,377)**	**(86,922)**	**(64,460)**	**(1,022,759)**	**(2,358)**	**844**	**(1,024,273)**
EBITDA	**535,567**	**229,023**	**40,711**	**805,301**	**1,754**	**-**	**807,055**
Voluntary Redundancy Plan (VRP)	1,096	88	46	1,230	-	-	1,230
Impairment and disposals of assets	3,772	(267)	(6,520)	(3,015)	-	-	(3,015)
Adjusted EBITDA	**530,699**	**229,202**	**47,185**	**807,086**	**1,754**	**-**	**808,840**
Operating profits	**189,073**	**196,128**	**16,226**	**401,427**	**1,445**	**-**	**402,872**
Financial income/(expense)	(113,453)	(7,549)	(9,262)	(130,264)	269	(48)	(130,043)
Share in profits obtained by associates	-	-	-	-	650	-	650
Profit/(loss) before taxes	**75,620**	**188,579**	**6,964**	**271,163**	**2,364**	**(48)**	**273,479**
Total assets at 30 June 2014				16,257,673	150,414	(108,811)	16,299,276
Total liabilities at 30 June 2014				13,045,675	34,051	(21,732)	13,057,994

	Airports						
30 June 2013 (Not audited)	**Aeronautical**	**Commercial**	**Off-terminal services**	**Sub-Total**	**International**	**Adjustments**	**Total consolidated**
Ordinary income-	997,744	237,702	70,045	1,305,491	3,336	(882)	1,307,945
External customers	*997,744*	*237,702*	*70,045*	*1,305,491*	*2,454*	-	*1,307,945*
Inter-segments	-	-	-	-	*882*	*(882)*	-
Other operating income	20,735	2,188	1,405	24,328	81	-	24,409
Total Income	**1,018,479**	**239,890**	**71,450**	**1,329,819**	**3,417**	**(882)**	**1,332,354**
Supplies	(98,132)	-	-	(98,132)	-	877	(97,255)
Personnel	(156,318)	(14,424)	(6,793)	(177,535)	(1,029)	-	(178,564)
Other operating expenses	(321,550)	(48,356)	(31,085)	(400,991)	(1,173)	4	(402,160)
Depreciation/Amortisation	(352,011)	(33,156)	(26,653)	(411,820)	(312)	1	(412,131)
Impairment and disposals of assets	(567)	(59)	(107)	(733)	-	-	(733)
Other results	7,233	3,390	1,042	11,665	-	-	11,665
Total expenses	**(921,345)**	**(92,605)**	**(63,596)**	**(1,077,546)**	**(2,514)**	**882**	**(1,079,178)**
EBITDA	**449,145**	**180,441**	**34,507**	**664,093**	**1,215**	**(1)**	**665,307**
Voluntary Redundancy Plan (VRP)	3,933	770	292	4,995	-	-	4,995
Impairment and disposals of assets	(567)	(59)	(107)	(733)	-	-	(733)
Adjusted EBITDA	**445,779**	**179,730**	**34,322**	**659,831**	**1,215**	**(1)**	**661,045**
Operating profits	**97,134**	**147,285**	**7,854**	**252,273**	**903**	**-**	**253,176**
Financial income/(expense)	(113,601)	(8,412)	(9,274)	(131,287)	(74)	-	(131,361)
Share in profits obtained by associates	-	(523)	-	(523)	2,152	-	1,629
Profit/(loss) before taxes	**(16,467)**	**138,350**	**(1,420)**	**120,463**	**2,981**	**-**	**123,444**
Total assets at 30 June 2013				16,454,210	126,597	(106,739)	16,474,068
Total liabilities at 30 June 2013				13,934,659	46,053	(42,405)	13,938,307

The column Adjustments mainly includes consolidation adjustments. During the first half of 2014 and 2013 there have been no changes in the allocations to assets and liabilities by segment compared with prior years.

The reconciliation of EBITDA and adjusted EBITDA against Profit for the six-month periods ended 30 June 2014 and 2013 is as follows:

Item	30 June 2014	30 June 2013 (Not audited)
Total adjusted EBITDA	**808,840**	**661,045**
Impairment and disposals of assets	(3,015)	(733)
Voluntary redundancy plan	1,230	4,995
Total segment EBITDA	**807,055**	**665,307**
Asset depreciation/amortisation	(404,183)	(412,131)
Net financial expense	(130,043)	(131,361)
Share in profits obtained by associates	650	1,629
Income tax	(72,366)	(32,276)
Profit for the year	**201,113**	**91,168**

Company level information

The breakdown of ordinary revenues from the subtotal included in the financial information by segment (excluding the International segment and Adjustments), by type of service rendered, is as follows:

	30 June 2014	30 June 2013 (Not audited)
Airport services	**1,022,529**	**997,744**
Monetary benefits	**988,229**	**961,339**
Landings	280,659	266,430
Stands	14,334	13,127
Passengers	434,386	431,537
Telescopic boarding gates	48,049	46,123
Cargo	4,473	5,670
Security	154,316	147,672
Handling	34,748	33,459
Fuel	13,053	12,577
Catering	4,211	4,744
Other airport services (1)	**34,300**	**36,405**
Commercial services	**278,632**	**237,702**
Leases	13,626	15,960
Stores	30,467	33,461
Duty Free shops	77,585	54,150
Food and beverage services	48,145	37,295
Car rental	46,134	43,985
Advertising	13,073	13,096
Other commercial income (2)	49,602	39,755
Off-terminal services	**77,898**	**70,045**
Parking	48,635	42,076
Land	6,695	6,447
Warehouses and hangars	10,041	8,886
Airport logistical centres	12,527	12,636

(1) Includes Airport Consumption, Use of 400Hz, Fire Services, Check-in desks and Other income.
(2) Includes Other Commercial Operations, Banking Services, Travel Agencies, Vending Machines, Commercial Supplies, Use of conference rooms and Filming and Recording.

Except for the International segment that maintains its primary investments in Mexico, Colombia and the United Kingdom, the Group carries out its operations in Spain and therefore all of the income from outside customers is obtained in Spain and all non-current assets are also located in Spain.

Ordinary income totalling approximately €141.8 million, €128.3 million and €132.2 million relates to three customers, respectively, at 30 June 2014 (at 30 June 2013: €144.3 million, €136.2 million and €112.2 million, respectively). This income relates to the Airport segment

6 Property, plant and equipment

	Land and buildings	Plant and machinery	Other facilities, tooling and furnishings	Other property, plant and equipment	Assets in progress	Total
At 1 January 2013						
Cost or measurement	16,230,315	1,256,096	4,361,257	140,495	595,190	22,583,353
Accumulated depreciation	(4,105,302)	(696,008)	(1,856,104)	(133,015)	-	(6,790,429)
Impairment	-	-	-	(582)	(10,875)	(11,457)
Carrying amount at 1 January 2013	**12,125,013**	**560,088**	**2,505,153**	**6,898**	**584,315**	**15,781,467**
Additions	32,041	3,134	10,156	63	89,472	134,866
Disposals	(29,019)	(4,587)	(6,082)	(329)	(10,960)	(50,977)
Transfers (Notes 7 and 8)	64,043	10,751	12,173	118	(89,883)	(2,798)
Allocation to depreciation	(193,498)	(39,824)	(161,689)	(1,114)	-	(396,125)
Depreciation adjustment	54	29	62	-	-	145
Depreciation transfers (Notes 7 and 8)	28	69	485	(71)	-	511
Eliminations of accumulated depreciation	28,667	4,524	5,646	328	-	39,165
Carrying amount at 30 June 2013 (Not audited)	**12,027,329**	**534,184**	**2,365,904**	**5,893**	**572,944**	**15,506,254**
At 30 June 2013 (Not audited)						
Cost or measurement	16,297,380	1,265,394	4,377,504	140,347	583,819	22,664,444
Accumulated depreciation	(4,270,051)	(731,210)	(2,011,600)	(133,872)	-	(7,146,733)
Impairment	-	-	-	(582)	(10,875)	(11,457)
Carrying amount at 30 June 2013 (Not audited)	**12,027,329**	**534,184**	**2,365,904**	**5,893**	**572,944**	**15,506,254**
Carrying amount at 1 January 2014	**12,028,729**	**527,209**	**2,319,449**	**5,253**	**350,177**	**15,230,817**
At 1 January 2014						
Cost or measurement	16,441,913	1,271,909	4,396,809	140,212	350,177	22,601,020
Accumulated depreciation	(4,413,184)	(744,700)	(2,077,360)	(134,377)	-	(7,369,621)
Impairment	-	-	-	(582)	-	(582)
Carrying amount at 1 January 2014	**12,028,729**	**527,209**	**2,319,449**	**5,253**	**350,177**	**15,230,817**
Additions	114,193	2,980	20,928	123	55,151	193,375
Disposals	(49,421)	(7,866)	(21,284)	(68)	(59)	(78,698)
Transfers (Notes 7 and 8)	41,846	8,326	28,297	318	(80,100)	(1,313)
Allocation to depreciation	(190,695)	(39,220)	(155,383)	(1,024)	-	(386,322)
Transfers (Notes 7 and 8)	4,222	155	134	(327)	-	4,184
Eliminations of accumulated depreciation	4,048	7,414	20,496	64	-	32,022
Carrying amount at 30 June 2014	**11,952,922**	**498,998**	**2,212,637**	**4,339**	**325,169**	**14,994,065**
At 30 June 2014						
Cost or measurement	16,548,531	1,275,349	4,424,750	140,585	325,169	22,714,384
Accumulated depreciation	(4,595,609)	(776,351)	(2,212,113)	(135,664)	-	(7,719,737)
Impairment	-	-	-	(582)	-	(582)
Carrying amount at 30 June 2014	**11,952,922**	**498,998**	**2,212,637**	**4,339**	**325,169**	**14,994,065**

At 30 June 2014 and 2013 there is no property, plant and equipment pledged to guarantees.

Lease expenses totalling €801 thousand was recognised in the income statement (30 June 2013: €610 thousand) and €137 thousand (30 June 2013: €257 thousand) relating to the rental of buildings and machinery, respectively.

The main movements recognised at 30 June 2014 and 2013 are described below:

<u>Land and buildings</u>

At 30 June 2014 additions of land relate mainly to the land acquired to expand several airports, notably: Adolfo Suárez Madrid- Barajas, Málaga, Vigo, Gran Canaria and Barcelona. Buildings notably include the expansion of the vehicle parking facility at the Seville Airport, the expansion of the North zone of the Vigo terminal building and the electrical plant and reform of the electrical system at the Valencia airport.

At 30 June 2013 additions of land relate mainly to the land acquired to expand several airports, notably: A Coruña, Vigo, Burgos, Girona, Barcelona, Reus, Vitoria, Córdoba and Ibiza. Buildings notably include the parking garage at the Adolfo Suárez Madrid-Barajas; the expansion of the runway in Córdoba; the expansion of the southern portion of the passenger terminal in Gran Canaria; the parking facility “La Paloma” in Bilbao; the work on the T3 terminal building in Alicante; the expansion of the runways in Málaga; the new terminal and railway area at the Barcelona airport; and the parking facility under the expansion of the La Palma ramp.

Disposals of land at 30 June 2014 and 2013 mainly relate to reversals deriving from favourable court judgments for Aena Aeropuertos, S.A. (Note 17).

Plant and other property, plant and equipment

The most representative additions at 30 June 2014 relate to:

- Rehabilitation of the ramp in Seville.
- Development and improvement of the commercial spaces in T4 and T4S at Adolfo Suárez Madrid- Barajas.
- Plan to renew the explosives detection systems (EDS) at several airports.
- Remodelling of commercial areas at the Malaga airport.
- Adaptation to technical design and operating standards for the runways and taxiways in Seville.
- Modification and burying of the electrical lines at the Malaga airport.
- Supply of operating liquid, aerosol and gel inspection equipment at several airports.
- Vehicle parking building, development and technical services in Vigo.
- Supply of an operating Mode S transponder system at the Barcelona airport.
- Infrastructure for the expansion of the commercial areas at the Barcelona airport.
- Update of the multi-service and video networks at Tenerife South.

The most representative additions at 30 June 2013 relate to:

- Plan to renew the explosives detection systems (EDS) at several airports.
- Improvements to the ramp slabs at Tenerife Norte.
- Modernisation of the HVAC system for the terminal building at Tenerife Norte.
- Adaptation of the electrical facilities to the South cargo module at Adolfo Suárez Madrid- Barajas.
- Wi-Fi system equipment for Terminal 1 at Adolfo Suárez Madrid- Barajas.
- New electrical equipment and a new electricity line to the Bilbao Terminal building

Most of the disposals that took place during 2014 relate to facilities and adaptations at the Adolfo Suárez Madrid - Barajas, Sevilla and Barcelona airports.

Most of the disposals that took place during 2013 relate to facilities and buildings at the Adolfo Suárez Madrid - Barajas, Barcelona and Malaga airports.

Assets in progress

The main items in progress at 30 June 2014 relate to the expansion of the terminal building, the expansion of the NORTH/SOUTH ramp and the construction of the new P3 parking facility at Gran Canaria, the expansion of the runway at the A Coruña airport, the new terminal area at Santiago and the construction of a new electrical plant in Asturias.

The main items in progress at 30 June 2013 relate primarily to the expansion of the terminal building and the parking facility at the Gran Canaria airport, the expansion of the runways at the A Coruña airport, the rehabilitation of the ramp at the Seville Airport, the improvement of the commercial spaces at T4 and T4S at Adolfo Suárez Madrid- Barajas, the new terminal area at Santiago and the construction of the new P3 parking facility at Gran Canaria, the construction of the new electrical plant in Asturias and the expansion of the aircraft stand ramps in the south zone of the Santiago airport.

At 30 June 2013 the disposal of assets in progress totalling €10,960 thousand relate to the Adjustment Plan applied by Aena, due to the fact that these assets were not continued in the Group's investment plan.

Capitalisation of interest

At 30 June 2014 the Group capitalised interest costs totalling €2,828 thousand (30 June 2013: €5,154 thousand). The interest costs were capitalised at the average weighted rate of the Company's debt (2014: 1.84%; 2013: 1.84%).

Evaluation of the impairment of property, plant and equipment

At 31 December 2013 the Group performed an impairment test on the airport network and the assets included under the off-terminal segment (parking facilities) whose amounts in accordance with the analytical information totalled €14,240,718 thousand and €827,628 thousand, respectively, and did not identify significant impacts on the consolidated financial statements, even after applying sensitivities to the variables used. The recoverable amount of a CGU is determined based on value-in-use calculations. Management uses cash flow projections based on approved five-year financial budgets, including the year in progress. Cash flows lying outside the five-year period, including the year in progress, have been extrapolated using estimated growth rate. The main premises used by the airport network and the assets included in the off-terminal segment (parking facilities) were:

	31 December 2013
Growth rate	2.00%
Discount rate	6.14%

The Weighted Average Cost of Capital (WACC) discount rate is applied to cash flow projections and this rate is determined as the weighted average of the cost of equity and the cost of borrowings, in accordance with the financial structure established for each CGU.

The information used to calculate the WACC originates from external independent sources of information applied to the group.

The cash flow projections after the fifth year are calculated using a constant expected growth rate, taking into consideration the consensus estimates of analysts and the extent of growth in the airport business.

Sensitivity to changes in the assumptions

The Group performed a sensitivity analysis with respect to the impairment calculation using reasonable variations in the primary financial assumptions taken into account in that calculation, assuming the following increases or decreases, expressed in percentage points (p.p):

- Discount rate (-1 p.p./+1 p.p.)
- Growth rate to perpetuity (+1 p.p./-1 p.p.)

As a result of this sensitivity analysis performed at the end of 2013, it was revealed that there are no significant risks associated with possible reasonable variations in the assumptions, taken into account individually. Management considers that within the aforementioned ranges, which are reasonably broad, there would be no impairment adjustments.

The main assuptions that affect the Group's cash flows are passenger traffic, fee increases and the efficiencies in operating costs.

At 30 June 2014 the Group had not performed an impairment test but reviewed the results obtained during the first half of the year and evaluated whether or not there are any significant changes that could show the existence of impairment indications affecting the value of property, plant and equipment. During the first six months of the year there has been an improvement in the evolution of passenger traffic (+4.2%) and operations (+2.3%) which, together with the launch of the new commercial spaces and the improvement in the aforementioned traffic, has improved commercial income in the airport segment (+18%) and EBITDA (+21%). The Group has also continued with its cost containment policy and has obtained additional savings compared with 2013. This has all had a positive impact on the results obtained during the first half of the year, which offset the effects of the evolution of fees and the new incentives granted to airlines. The combined effect of all of the above leads to the conclusion that there are no indications of impairment.

Property, plant and equipment includes assets covered by finance lease agreements under which the Group is the lessee, and the relevant amounts are as follows:

	30 June 2014	31 December 2013
Capitalised finance lease cost	19,533	2,477
Accumulated depreciation	(953)	(880)
Carrying amount	**18,580**	**1,597**

At 30 June 2014 property, plant and equipment includes assets leased to third parties whose value represents 8.05% of total property, plant and equipment (30 June 2013: 8.05%)

Limitations

Contributed land, buildings and other construction have lost their status as public domain assets due to the effect of the release established by Article 9 of Royal Decree Law 13/2011 (3 December), which stipulates that all state public domain assets associated with the Public Business Entity "Aeropuertos Españoles y Navegación Aérea" that are not linked to air traffic services, including those used for airport air traffic services, will cease to be public domain assets but this does not mean that the purpose of the expropriation is altered and therefore the reversal of that process is not appropriate.

Joint operations

The Group has an agreement with the Ministry of Defence to establish the key distribution and compensation criteria for the use of the Air Bases open to Civil Traffic in Villanubla, León, Albacete, Matacán, Talavera, San Javier and the joint-use airport in Zaragoza by civil aircraft. This Agreement is based on the application of Royal Decree 1167/1995 (7 July) on the system for using airports jointly used by an airbase and an airport and the airbases open to civil traffic. The following amounts represent the Group's stake in the assets and liabilities, and the sales and profits of the operation of these airbases open to civil traffic, which have been included in the balance sheet and the income statement:

	30 June 2014	31 December 2013
- Non-current assets	285,719	294,155
- Non-current/current liabilities	-	-
Net assets	**285,719**	**294,155**

	30 June 2014	30 June 2013 (Not audited)
- Income	12,047	11,356
- Expense	(21,522)	(23,856)
Profit after taxes	**(9,475)**	**(12,500)**

There are no contingent liabilities relating to the operation of airbases open to civil traffic.

7 Intangible assets

	Concessions	Development	Computer software	Other intangible assets	Other intangible assets in progress	Total
Cost						
At 1 January 2013	**17,590**	**987**	**163,495**	**136,453**	**47,198**	**365,723**
Additions	42	-	3,368	16	2,353	5,779
Disposals	(4)	-	(5,860)	(883)	(136)	(6,883)
Transfers (Notes 6 and 8)	4	-	10,756	43	(8,399)	2,404
At 30 June 2013 (Not audited)	**17,632**	**987**	**171,759**	**135,629**	**41,016**	**367,023**
At 1 January 2014	**17,654**	**815**	**186,005**	**134,789**	**39,787**	**379,050**
Additions	91	-	5,305	10	1,946	7,352
Disposals	-	-	(184)	-	(209)	(393)
Transfers (Notes 6 and 8)	14	794	4,230	1,074	(6,980)	(868)
At 30 June 2014	**17,759**	**1,609**	**195,356**	**135,873**	**34,544**	**385,141**
Accumulated amortisation and impairment losses						
At 1 January 2013	**(3,161)**	**(987)**	**(114,416)**	**(131,432)**	**-**	**(249,996)**
Allocation to amortisation	(341)	-	(13,646)	(532)	-	(14,519)
Disposals	1	-	5,856	835	-	6,692
Transfers (Notes 6 and 8)	-	-	(525)	177	-	(348)
Adjustments	-	-	209	-	-	209
At 30 June 2013 (Not audited)	**(3,501)**	**(987)**	**(122,522)**	**(130,952)**	**-**	**(257,962)**
At 1 January 2014	**(4,165)**	**(815)**	**(134,758)**	**(130,574)**	**-**	**(270,312)**
Allocation to amortisation	(353)	(22)	(14,743)	(490)	-	(15,608)
Disposals	-	-	184	-	-	184
At 30 June 2014	**(4,518)**	**(837)**	**(149,317)**	**(131,064)**	**-**	**(285,736)**

	Concessions	Development	Computer software	Other intangible assets	Other intangible assets in progress	Total
Carrying amount						
Cost	17,590	987	163,495	136,453	47,198	365,723
Accumulated amortisation and impairment losses	(3,161)	(987)	(114,416)	(131,432)	-	(249,996)
At 1 January 2013	**14,429**	**-**	**49,079**	**5,021**	**47,198**	**115,727**
Cost	17,632	987	171,759	135,629	41,016	367,023
Accumulated amortisation and impairment losses	(3,501)	(987)	(122,522)	(130,952)	-	(257,962)
At 30 June 2013 (Not audited)	**14,131**	**-**	**49,237**	**4,677**	**41,016**	**109,061**
Cost	17,654	815	186,005	134,789	39,787	379,050
Accumulated amortisation and impairment losses	(4,165)	(815)	(134,758)	(130,574)	-	(270,312)
At 1 January 2014	**13,489**	**-**	**51,247**	**4,215**	**39,787**	**108,738**
Cost	17,759	1,609	195,356	135,873	34,544	385,141
Accumulated amortisation and impairment losses	(4,518)	(837)	(149,317)	(131,064)	-	(285,736)
At 30 June 2014	**13,241**	**772**	**46,039**	**4,809**	**34,544**	**99,405**

At 30 June 2014 and 2013 there are no intangible assets pledged to guarantees.

Of the total capitalised costs at 30 June 2014 and 2013 relating to the various classes of intangible assets, assets in progress are included as follows (thousand euro):

	30 June 2014	30 June 2013 (Not audited)
Development	-	1,000
Computer software	3,374	14,639
Other intangible assets	31,170	25,377
Total	**34,544**	**41,016**

The heading "Other intangible assets" mainly records the airport steering plans.

At 30 June 2014 a total of €106 thousand was capitalised (30 June 2013: €56 thousand) relating to financial expenses associated with intangible assets.

Concessions:

The Company operates the heliports in Ceuta and Algeciras under administrative concession agreements, the main conditions of which are described below:

Ceuta Heliport:

The Company operates the civil heliport in Ceuta including all services, under an administrative concession agreement concluded with the Port Authority of Ceuta. This concession started on 28 March 2003 and has a 30 year term. The Company pays an annual fee of €39 thousand for the occupation of the public domain at the port. Similarly, and in accordance with Article 69 bis of Law 27/92 the Company pays the Port Authority a fee based on the number of passenger movements and totals €0.823386/passenger.

Algeciras Heliport:

The Company has an administrative concession agreement with Puerto Bahía de Algeciras to occupy the facilities to be used for the installation and operation of the public heliport at the Port of Algeciras. This concession started on 3 February 2009 and has a 25 year term. The agreement establishes a fee for the private occupation of the public domain at the Port totalling €82 thousand per year and a fee for the special use of the public domain totalling €1 for each passenger embarking and disembarking at the facilities.

Impairment tests for unamortised intangible assets (in progress)

The Group has applied impairment tests on unamortised intangible assets and no adjustments were identified at 31 December 2013, even after applying sensitivities to the variables used.

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash- flow projections based on five year financial budgets, including the year in progress, approved by management. Cash flows lying outside the five-year period, including the year in progress, have been extrapolated using the following estimated growth rates. In 2014 management reviewed the projections and results for the first half of 2014 and no changes were identified that would indicate impairment (Note 6).

The main assumptions used to calculate value-in-use are as follows:

	31 December 2013
Growth rate	2.00%
Discount rate	6.14%

Sensitivity to changes in the assumptions

At 31 December 2013 the Group performed a sensitivity analysis with respect to the impairment calculation using reasonable variations in the primary financial assumptions taken into account in that calculation, assuming the following increases or decreases, expressed in percentage points (p.p):

- Discount rate (-1 p.p./+1 p.p.)
- Growth rate to perpetuity (+1 p.p./-1 p.p.)

As a result of this sensitivity analysis performed at the end of 2013, it was revealed that there are no significant risks associated with possible reasonable variations in the assumptions, taken into account individually. Management considers that within the aforementioned ranges, which are reasonably broad, there would be no impairment adjustments. At 30 June 2014 management reviewed the results of the first half of the year and no indications of impairment were identified.

8 Investment properties

	Land and buildings	Plant and other assets	Total
Cost			
At 1 January 2013	**163,525**	**6,079**	**169,604**
Additions	-	-	-
Disposals	-	-	-
Transfers (Notes 6 and 7)	154	240	394
At 30 June 2013 (Not audited)	**163,679**	**6,319**	**169,998**
At 1 January 2014	**210,466**	**6,319**	**216,785**
Additions	47	5	52
Disposals	-	(5)	(5)
Transfers (Notes 6 and 7)	2,181	-	2,181
At 30 June 2014	**212,694**	**6,319**	**219,013**
Accumulated depreciation and impairment losses			
At 1 January 2013	**(35,713)**	**(4,635)**	**(40,348)**
Allocation to depreciation	(1,286)	(201)	(1,487)
Transfers (Notes 6 and 7)	(156)	(7)	(163)
At 30 June 2013 (Not audited)	**(37,155)**	**(4,843)**	**(41,998)**
At 1 January 2014	**(61,089)**	**(5,050)**	**(66,139)**
Allocation to depreciation	(2,045)	(208)	(2,253)
Transfers (Notes 6 and 7)	(4,184)	-	(4,184)
Impairment	(6,243)	-	(6,243)
At 30 June 2014	**(73,561)**	**(5,258)**	**(78,819)**

Carrying amount	Land and buildings	Plant and other assets	Total
Cost	163,525	6,079	169,604
Accumulated depreciation and impairment losses	(35,713)	(4,635)	(40,348)
At 1 January 2013	**127,812**	**1,444**	**129,256**
Cost	163,679	6,319	169,998
Accumulated depreciation and impairment losses	(37,155)	(4,843)	(41,998)
At 30 June 2013 (Not audited)	**126,524**	**1,476**	**128,000**
Cost	210,466	6,319	216,785
Accumulated depreciation and impairment losses	(61,089)	(5,050)	(66,139)
At 1 January 2014	**149,377**	**1,269**	**150,646**
Cost	212,694	6,319	219,013
Accumulated depreciation and impairment losses	(73,561)	(5,258)	(78,819)
At 30 June 2014	**139,133**	**1,061**	**140,194**

At 30 June 2014 and 2013 there are no investment properties pledged to guarantees.

The Company's policy is to obtain insurance policies to cover all risks that could affect its investment properties. At 30 June 2014 and the end of 2013 the Company has reasonably covered these risks.

At 30 June 2014 property, plant and equipment was transferred to investment properties as they are assets that are leased to third parties or form part of a plan to be leased.

At 30 June 2014 and 2013 there are no fully depreciated investment properties.

The revenues deriving from rent and direct operating expenses (including repairs and maintenance) of investment properties are as follows:

	30 June 2014	30 June 2013 (Not audited)
Rental income	29,263	27,969
Direct operating expenses	(14,494)	(17,598)

The fair value of investment properties, taking into account current values at the presented dates are as follows:

	30 June 2014	31 December 2013
Land	366,500	453,433
Buildings	468,780	598,241
Total	**835,280**	**1,051,674**

The Company is reviewing the Group's property portfolio in order to determine the fair value of its property investments using more market information with a view to the future. The first evaluation has identified an investment property impairment adjustment totalling €6,243 thousand and the fair values of these assets have been adjusted. Group management does not consider that there is significant impairment other than that recognised at 30 June 2014.

The calculation of Tier 3 fair value has been obtained through internal calculations based on discounted cash flows on an individual basis for each asset. The main assumptions used are as follows:

	30 June 2014	31 December 2013
Growth rate	2.00%	2.00%
Discount rate after tax	6.14%	6.14%

This discount rate is after taxes and reflects a specific risk based on the characteristics of the real estate business. When determining the fair value of property investments Management performed a contract-by-contract analysis. For contracts in force the rent established in the contracts with the assumption that they will be fulfilled in the established terms, the flows have been estimated over ten years and using perpetual rent after year eleven. For assets currently in a tender process only those for which there are no doubts as to future contracting and the generation of cash flows were used. When calculating the cash flows the minimum guaranteed annual rent has been used (in the case of tenders) or projected rent in accordance with market conditions.

9. Investments in associates and joint ventures

Details and movements at 30 June 2014 and 2013 in this heading are as follows (thousand euro):

							30 June 2014
	Initial value of the shareholding	Additions/ (Reductions)	Contribution to results for the period	Dividends received	Differences on exchange	Other	Final value of the shareholding
RAESA (*)	596	-	-	-	-	(596)	-
SACSA	3,422	-	937	(941)	510	-	3,928
AMP	49,667	(1,369)	3,159	(7,371)	1,487	21,303	66,876
ACSA	-	-	-	-	-	-	-
AEROCALI(**)	2,602	2,036	948	-	(197)	-	5,389
LUTON (***)	44,529	-	(4,394)	-	1,786	(813)	41,108
Total	**100,816**	**667**	**650**	**(8,312)**	**3,586**	**19,894**	**117,301**

(*) Company being liquidated, which is expected to be completed in the short-term and, therefore, the €596 thousand has been reclassified to current items.

(**) Investment under joint control (Note 2.2), as a result of the acquisition of shares in this company and a 50% stake the Group has evaluated the rights concerned and has concluded that there is joint control since decisions are fundamentally taken by unanimous vote of shareholders. This acquisition does not modify the company's by-laws that define shareholder rights and during the period no agreement was concluded between shareholders. There are no contingent liabilities relating to the Group's interest in the joint venture. As is indicated in the 2013 annual accounts, this company operates the Barranquilla airport.

(***) Relates to the holding company (London Luton Airport Holdings III limited) in possession of the shares in the company that operates the Luton airport. The losses obtained during the period mainly consist of the amortisation of the concession asset and the financial expense deriving from the debt. The Luton airport management company ended the six-month period at 30 June 2014 with total income of 60,390 thousand pounds sterling and an EBITDA of 19,421 thousand pounds sterling (not audited).

At 30 June 2014 the investment in AMP was adjusted by €21,303 thousand for uniformity purposes and €2,131 thousand was recorded under debt owed to the ultimate parent company and retained earnings.

					30 June 2013 (Not audited)
	Initial value of the shareholding	Contribution to results for the period	Dividends received	Differences on exchange	Final value of the shareholding
RAESA	1,135	(523)	-	-	612
SACSA	3,127	1,211	(477)	(361)	3,500
AMP	51,753	141	(2,196)	(652)	49,046
ACSA	-	-	-	-	-
AEROCALI	2,428	800	(1,228)	(147)	1,853
Total	**58,443**	**1,629**	**(3,901)**	**(1,160)**	**55,011**

The information relating to associates and joint ventures at 30 June 2014 and 2013 expressed in euro at the exchange rate in force at the end of each of the periods is as follows:

Name	Incorporated in	Assets	Liabilities	Income	Profit/(Loss)	% shareholding
30 June 2014 (*)						
- RAESA	Spain	1,630	385	-	29	48.99%
- SACSA	Colombia	26,252	15,886	12,525	2,473	37.89%
- AMP	Mexico	215,507	21,236	15,949	9,477	33.33%
- ACSA	Colombia	1,655	1,376	-	-	40.00%
- AEROCALI	Colombia	17,203	6,426	15,583	2,844	50.00%
- LUTON (*)	United Kingdom	686,404	583,632	73,746	(10,985)	40.00%
30 June 2013 (*) (Not audited)						
- RAESA	Spain	1,855	604	20,834	(1,068)	48.99%
- SACSA	Colombia	17,927	8,696	12,964	3,195	37.89%
- AMP	Mexico	162,166	21,384	1,234	424	33.33%
- ACSA	Colombia	1,693	1,408	-	-	40.00%
- AEROCALI	Colombia	16,462	10,899	14,175	2,402	33.34%

(*) The financial statements at 30 June 2014 and 2013 are not audited. Relates to the holding company (London Luton Airport Holdings III limited) in possession of the shares in the company that operates the Luton airport. The losses obtained during the period mainly consist of the amortisation of the concession asset and the financial expense deriving from the debt. The Luton airport management company ended the six-month period at 30 June 2014 with total income of 60,390 thousand pounds sterling and an EBITDA of 19,421 thousand pounds sterling (not audited).

LONDON LUTON AIRPORT HOLDING III LIMITED:

As a result of TBI's divestment on 27 November 2013 the subsidiary Aena Desarrollo Internacional, S.A. (ADI) acquired shares representing 40% of the capital in the company London Luton Airport Holdings III Limited (LLAHL III) for 39.4 million pounds sterling (€47.3 million), without any cash outflow due to the receipt of ACDL dividends, and Aerofi S.a.r.l. (Aerofi) is the other shareholder with a 60% interest. LLAHL III is an instrumental company created for the purpose of acquiring the London Luton Airport management company in the United Kingdom "London Luton Airport Group Limited" through its wholly owned subsidiary London Luton Airport Holdings II Limited (LLAHL II), which wholly owns London Luton Airport Holdings I Limited (LLAHL I), on 27 November 2013 from TBI Airport Holdings Limited for a total of 394.4 million pounds sterling (€473.4 million). At 30 June 2014 the management of this investee company had completed an evaluation of the fair values of that acquisition, which gave rise to implicit goodwill totalling 1.08 million pounds sterling.

Within the framework of the transaction, ADI and Aerofi concluded an agreement under which ADI has the option of acquiring shares in Aerofi representing 11% of the share capital in LLAHL III over the course of eleven months starting on 27 November 2013 at a price equivalent to the subscription price for those shares, adjusted for certain factors associated with the dividends received by Aerofi from LLAHL II, the financial expense for 51% of the debt incurred by Aerofi in LLAHL II, with a shareholder yield and the issues of new shares in LLAHL III that may take place during the term of the option. The exercising of the option by ADI will involve the payment for 11% of the share capital of LLAHL III and the assumption of 51% of the debt incurred by Aerofi in LLAHL II for a total of 94 million pounds sterling. (€112.8 million).

The exercising of the option by ADI is subject to a series of conditions precedent associated with the performance of the acquisition (satisfied condition), the approval of the Cabinet of the exercising of the option or the loss of the status of state-owned company on the part of ADI, as well as obtaining any regulatory authorisation that may be required with respect to exercising the option. When evaluating the method of recognising the investment in LLAHL III, the company has taken into consideration the potential voting rights deriving from the option and the conditions precedent in place but which had not been satisfied at the closing date. As a result, the investment in LLAHL III has been recognised as a shareholding in an associate as the Group maintains significant influence over the company and it has been carried using the equity method.

The same agreement concluded by ADI and Aerofi mentioned above stipulates that in the event that ADI does not exercise its option to acquire 11% of LLAHL III, Aerofi, in turn, has the option to acquire the 40% stake in LLAHL III held by ADI over the eleven months following the exercise period granted to ADI, the date on which the parties establish that the aforementioned conditions precedent cannot be met or the date on which ADI notifies Aerofi of its intention to not exercise the option during the term of the option. The price for Aerofi's option will be the subscription price of the shares representing 40% of the share capital in LLAHL III, adjusted by the same shareholder yield mentioned above and the issues of any new shares in LLAHL III that take place during the term of the option.

The two purchase options comply with the definition of a derivative financial instrument. The Group has estimated the probability of occurrence of each option, based on the estimate of the contingencies to which they are subject at 30 June 2014, at 50% (2013: 50%). Applying the same exercise probability weighting for each option, the net value of both options is €262 thousand (derivative asset totalling €2 thousand and derivative liability totalling €264 thousand) (31 December 2013: €255 thousand, derivative asset totalling €39 thousand and derivative liability totalling €294 thousand).

The assumptions used to estimate the value of the call option were as follows:

	30 June 2014		**31 December 2013**	
	Option call 1	**Option call 2**	**Option call 1**	**Option call 2**
Amount	11% initial amount	40% initial amount	11% initial amount	40% initial amount
Volatility	13.60%	13.60%	17.85%	17.85%
Term	11 months	11 months (*)	11 months	11 months (*)

(*) 11 months after the end of the term of call option 1 without it being exercised.

10 Financial instruments by category

	30 June 2014			
	Loans and receivables	**Hedge derivatives**	**Available for sale**	**Total**
Assets on the balance sheet				
Available-for-sale financial assets	-	-	4,908	**4,908**
Other financial assets	1,866	-	-	**1,866**
Trade and other receivables (excluding pre-payments and non-financial assets) (Note 11)	609,955	-	-	**609,955**
Cash and cash equivalents (Note 12)	149,830	-	-	**149,830**
Total	**761,651**	**-**	**4,908**	**766,559**

	30 June 2014			
	Liabilities at fair value through changes in profit or loss	**Hedge derivatives**	**Other financial liabilities at amortised cost**	**Total**
Liabilities on the balance sheet				
Financial debt (excluding finance lease liabilities) (Note 15)	-	-	11,041,484	**11,041,484**
Finance leases (Note 15)	-	-	20,437	**20,437**
Derivative financial instruments	-	8,668	-	**8,668**
Trade and other payables (excluding non-financial liabilities) (Note 14)	-	-	354,271	**354,271**
Total **-**	**-**	**8,668**	**11,416,192**	**11,424,860**

	31 December 2013			
	Loans and receivables	**Hedge derivatives**	**Available for sale**	**Total**
Assets on the balance sheet				
Available-for-sale financial assets	-	-	4,908	**4,908**
Other financial assets	1,822	-	-	**1,822**
Trade and other receivables (excluding pre-payments and non-financial assets) (Note 11)	633,708	-	-	**633,708**
Cash and cash equivalents (Note 12)	12,377	-	-	**12,377**
Total	**647,907**	**-**	**4,908**	**652,815**

	31 December 2013			
	Liabilities at fair value through changes in profit or loss	**Hedge derivatives**	**Other financial liabilities at amortised cost**	**Total**
Liabilities on the balance sheet				
Financial debt (excluding finance lease liabilities) (Note 15)	-	-	11,472,228	**11,472,228**
Finance leases (Note 15)	-	-	1,633	**1,633**
Derivative financial instruments	-	9,306	-	**9,306**
Trade and other payables (excluding non-financial liabilities) (Note 14)	-	-	356,996	**356,996**
Total	**-**	**9,306**	**11,830,857**	**11,840,163**

11 Trade and other receivables

	30 June 2014	31 December 2013
Trade receivables for sales and services rendered	430,231	390,835
Less: provision for impairment losses on receivables	(119,513)	(129,352)
Trade receivables for sales and services rendered - net	310,718	261,483
Trade receivables from related parties	7,623	20,403
Other receivables from related parties	239,194	328,554
Other assets	1,043	-
Sundry accounts receivable	50,051	22,127
Prepaid expenses	23,265	5,316
Personnel	1,326	1,141
Other receivables from public administrations:	59,771	115,356
Total	**692,991**	**754,380**
Less non-current portion	**87,286**	**148,825**
Current portion	**605,705**	**605,555**

The fair value of Trade and other receivables is similar to their carrying value.

There are no significant amounts under Trade and other receivables that are denominated in foreign currency. At 30 June 2014 sundry receivables increased, primarily due to the security deposits made to housing institutions.

Movements in the provision for the impairment of the value of the Group's trade and other receivables were as follows:

	30 June 2014	31 December 2013
Beginning balance	129,352	115,745
Provision for the impairment of the value of receivables	5,602	5,558
Reversal of unused amounts	(14,840)	(9,981)
Other movements	(601)	(106)
Encumbrance adjustment	-	18,136
Ending balance	**119,513**	**129,352**

The allocation and application of the provision for impaired trade receivables has been included under Other operating expenses in the income statement. The amounts charged against the provision account are normally eliminated from the accounts when there is no expectation to receive additional cash.

The rest of the accounts included in trade and other receivables contain no assets that have suffered impairment.

The maximum exposure to credit risk at the balance sheet date is the carrying value of each of the categories of the aforementioned receivables. The Group does not maintain any guarantee as collection insurance.

The heading Other receivables from Public Institutions at 30 June 2014 records €13,579 thousand relating to FEDER subsidies receivable by Aena (31 December 2013: €81,010 thousand). At 30 June 2014 and 31 December 2013 the rest of the heading records receivables relating to indirect taxes.

On 4 April 2013 the company Aena Aeropuertos, S.A. received notification from the Directorate General for Regional and Urban Policy of the European Union reporting the interruption of payments until the corrective measures established in the FEDER Operating Programme for Galicia (2007-2013) have been implemented. On 13 December 2013 The State General Comptroller (National Audit Office) issued a favourable report and it was sent to the European Commission. In 2014 Aena collected €78,281 thousand.

The heading Other receivables from related parties mainly records the loan that Aena Aeropuertos, S.A. and Aena Desarrollo Internacional, S.A. maintain with its shareholder for tax-loss carryforwards, interim payments not used during the period and other deductions capitalised under tax consolidation, deriving from the settlement of corporate income tax for the year. At 30 June 2014 the receivable in this respect totals €77,955 thousand for interim payments not offset, €113,197 thousand for deductions yet to be applied (Note 16) and €52,615 thousand for tax-loss carryforwards yet to be applied, as well as tax balances arising from the tax consolidation effect and other balances that reduce the receivable amount (31 December 2013: €61,536 thousand for interim payments not offset, €143,608 thousand for deductions yet to be applied and €52,615 thousand for tax-loss carryforwards yet to be applied by Aena). The Group has classified these receivables as current and non-current based on the expectations of application to corporate income tax in coming years.

12 Cash and cash equivalents

	30 June 2014	31 December 2013
Cash and bank deposits	108,830	12,377
Current bank deposits	41,000	-
Cash and cash equivalents	**149,830**	**12,377**

The variance in the balance of cash and cash equivalents relates to the change in respect to the ultimate parent company's cash management policy. In 2014 the cash pooling account has not been maintained and cash management is carried out by Aena, placing cash positions independently. In this connection, at 31 December 2013 the Group had a cash pool receivable balance from the ultimate parent company totalling €67,766 thousand recorded under the heading "Trade and other receivables", Note 11.

Current deposits at financial institutions accrue interest ranging between 0.7% and 1.0%.

At 30 June 2014 and 31 December 2013 the Group does not have any bank overdrafts. The breakdown of cash and cash equivalents in currencies other than the euro is as follows:

	30 June 2014	31 December 2013
Cash and bank accounts in US dollars (USD)	761	2,625
Cash and bank accounts in pounds sterling (GBP)	4,981	4,908

13 Share capital and share premium

The number of shares and the amount of Share Capital and Share Premium in the Company at 30 June 2014 and 2013 are as follows:

	Number of shares	Share capital (thousand euro)	Share premium (thousand euro)	Total (thousand euro)
At 30 June 2013 (Not audited)	150,000,000	1,500,000	1,100,868	2,600,868
At 30 June 2014	150,000,000	1,500,000	1,100,868	2,600,868

The Parent company was created on 31 May 2011 with an initial share capital of 61 shares with a par value of €1,000 each, fully subscribed by the Public Business Entity Aeropuertos Españoles y Navegación Aérea, the company's single shareholder.

On 6 June 2011, the Company's single shareholder adopted the following resolutions:

- Reduce the par value of the Company's €1,000 shares by dividing the 61 outstanding shares into 6,100 new shares, consisting of 100 new shares for each old share, without changing the amount of the Company's share capital. As a result the Company's share capital was represented at that date by 6,100 shares with a par value of €10 each.

- Increase share capital to €1,500,000 thousand by issuing 149,993,900 new shares with a par value of €10 each, all with the same rights and obligations as the previously existing shares. The shares were issued with a share premium of €1,100,868 thousand, and therefore the amount payable for share capital and share premium totals €2,600,807 thousand. The share capital was fully subscribed and paid by the single shareholder through a non-monetary contribution of the airport line of business described in Note 1 to these interim consolidated financial statements.

There has been no change in the number of shares, share capital or share premium and the latter is freely available. At 30 June 2014 no share capital increases are in progress and there is no authorisation to carry out transactions involving treasury shares.

At 30 June 2014 the legal reserve totals €58,008 thousand and it is included under the heading "Retained earnings". The legal reserve has been allocated in accordance with Article 274 of the Spanish Companies Act 2010. This Article stipulates that 10% of the profits must be transferred to the legal reserve until it represents at least 20% of share capital. Until the legal reserve exceeds the indicated amount, it may only be used to offset losses if no other reserves are available for this purpose.

14 Trade and other payables

	30 June 2014	31 December 2013
Suppliers	1,041	2,097
Sundry payables	161,357	166,255
Payables to related parties	99,021	69,951
Asset suppliers	66,315	91,705
Related-party suppliers of assets	1,379	1,538
Personnel	25,158	25,450
Public administrations	70,494	41,733
Prepayments from customers	80,891	47,845
	505,656	**446,574**

All of the payables are denominated in euro.

The carrying value of Trade and other payables approximate their fair value given that the effect of the discount is not significant. On 14 February 2013, Aena Aeropuertos, S.A. concluded three agreements with World Duty Free Group España, S.A. covering the lease of the commercial premises for duty-free and duty paid shops throughout the Spanish Airport network. These agreements are in force until 31 October 2020, and call for a prepayment totalling €332,442 thousand, which is periodically offset against invoices. At 30 June 2014 the current portion of the prepayment totals €31,108 thousand and the non-current portion of the prepayment totals €215,426 thousand and is included under the heading Other non-current liabilities (2013: €27,026 thousand under current items and €233,043 thousand under non-current items). Furthermore, the volume of pre-payments received from customers has increased during the period.

15 Borrowings

	30 June 2014	31 December 2013
Non-current		
Loans from related parties (Note 22)	9,921,207	10,368,664
Bank borrowings	833	1,000
Finance lease liabilities	19,154	1,117
Other financial liabilities	30,487	3,257
	9,971,681	**10,374,038**
Current		
Loans from related parties (Note 22)	1,036,902	1,025,175
Bank borrowings	1,524	2,701
Finance lease liabilities	1,283	516
Other financial liabilities	50,531	71,431
	1,090,240	**1,099,823**
Total current and non-current	**11,061,921**	**11,473,861**

The main movements in loans involving related parties corresponds to the repayment of principal totalling €438,774 thousand, €14,838 thousand for new debt items, €12,694 thousand for the decrease in interest payable and €900 thousand for the effect of the amortised cost. The change in loans from credit institutions relates to payments made during the period and the payment of finance lease liabilities and the recognition of a new finance lease agreement.

The carrying and fair values of non-current borrowings are as follows:

	Carrying amount		Fair value	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
Borrowings from the Group	9,921,207	10,368,664	9,312,516	9,700,022
Bank borrowings	833	1,000	833	1,000
Finance lease liabilities	19,154	1,117	19,154	1,117
Other financial liabilities	30,487	3,257	30,487	3,257
Total	**9,971,681**	**10,374,038**	**9,362,990**	**9,705,396**

The fair value of current borrowings is equal to their carrying value since the impact of applying the discount is not significant. The fair values for debt maturing in more than one year are based on cash flows discounted at a rate for borrowings valued in accordance with the zero coupon curve plus a spread of 1.66% (2013: the zero coupon curve plus a spread of 1.66%) and they are recognised under Tier 2 of the fair value hierarchy.

(a) Borrowings from the Group

Note 22.

(b) Bank borrowings

These loans relate to the subsidiary Aena Desarrollo Internacional, S.A. At 30 June 2014 they total €2,357 thousand (31 December 2013: €3,701 thousand). These loans were granted with the support of the Group.

Bank borrowings fall due in 2017 and accrue an annual average interest rate of between 0.36%-5.54% (2013: 0.36% - 5.54% per year).

The carrying amount of Group bank borrowings is denominated in the following currencies:

	30 June 2014	31 December 2013
Euro	1,756	2,510
US dollars	601	1,191
Total	**2,357**	**3,701**

(c) *Finance lease liabilities*

At 30 June 2014 and 31 December 2013 the subsidiary Aena Desarrollo Internacional, S.A. had concluded a finance lease for an automated flight inspection system (console) that was recognised under "property, plant and equipment" in the consolidated balance sheet at 30 June 2014 and 31 December 2013. At 30 June 2014 the Group recognised a finance lease liability relating to the acquisition of assets. The carrying value of the asset totals €17,086 thousand at 30 June 2014 (31 December 2013: €0 thousand).

Lease liabilities are effectively secured given that the rights to the leased asset revert to the lessor in the event of default.

	30 June 2014	31 December 2013
Gross finance lease liabilities, minimum lease payments:		
- Less than one year	1,502	524
- Between 1 and 5 years	10,492	1,123
- More than 5 years	11,567	-
	23,561	1,647
Future financial liabilities arising from finance leases	(3,124)	(14)
Present value of finance lease liabilities	**20,437**	**1,633**

The present value of finance lease liabilities is as follows:

	30 June 2014	31 December 2013
- Less than one year	1,283	516
- Between 1 and 5 years	8,536	1,117
- More than 5 years	10,618	-
	20,437	**1,633**

Finance lease liabilities are denominated in euro.

(d) *Other financial liabilities*

The amounts included under other financial liabilities include the security deposits received to guarantee compliance with obligations, as well as from parties leasing premises and facilities.

16 Deferred taxes

The analysis of deferred tax assets and liabilities is as follows:

	30 June 2014	31 December 2013
Deferred tax assets:		
- Deferred tax assets to be recovered after more than 12 months	73,551	54,678
- Deferred tax assets to be recovered within 12 months	20,473	21,535
	94,024	**76,213**
Deferred tax liabilities:		
- Deferred tax liabilities to be recovered after more than 12 months	397	196
- Deferred tax liabilities to be recovered within 12 months	-	-
	397	**196**
Net deferred tax assets	**93,627**	**76,017**

Gross movement in the Deferred taxes heading was as follows:

	30 June 2014	30 June 2013 (Not audited)
At 1 January	76,017	62,051
Tax charged against/credited to the income statement	18,038	24,854
Tax charged/paid relating to components of other comprehensive income.	(140)	(3,615)
Other	(288)	(33)
	93,627	**83,257**

Movements during the period in deferred tax assets and liabilities, not taking into account the offset of balances relating to the same tax authorities, are as follows:

Deferred tax assets	Depreciation	Impairment losses	Derivatives	Other	Total
At 1 January 2013	**43,138**	**6,767**	**7,273**	**5,081**	**62,259**
Charged/(credited) to the income statement	25,659	2,608	-	(3,413)	24,854
Charged/(credited) directly to equity	-	-	(3,615)	-	(3,615)
Other	-	-	-	(21)	(21)
At 30 June 2013 (Not audited)	**68,797**	**9,375**	**3,658**	**1,647**	**83,477**
At 1 January 2014	**48,627**	**6,623**	**2,696**	**18,267**	**76,213**
Charged/(credited) to the income statement	20,189	(2,030)	-	(121)	18,038
Charged directly against equity	-	-	(140)	-	(140)
Other	-	-	-	(87)	(87)
At 30 June 2014	**68,816**	**4,593**	**2,556**	**18,059**	**94,024**

Deferred tax liabilities	Other	Total
At 1 January 2013	**208**	**208**
Other	12	12
At 30 June 2013 (Not audited)	**220**	**220**
At 1 January 2014	**196**	**196**
Other	201	201
At 30 June 2014	**397**	**397**

At 30 June 2014 the following deductions have been applied to corporate income tax and outstanding deductions have been recognised in the tax account maintained with the ultimate parent company:

			31 December 2013			30 June 2014		
	Year generated	Year due	Amount recognised	Amount applied	Amount outstanding	Amount recognised in 2014	Amount applied	Amount outstanding
Deductions in the Canary Islands due to investments in property, plant and equipment	2008	2013	20,879	(20,879)	-	-	-	-
	2009	2014	38,523	(38,523)	-	-	-	-
	2010	2015	57,386	-	57,386	-	(26,687)	30,699
	2011	2016	42,744	-	42,744	-	-	42,744
	2012	2017	38,791	-	38,791	-	-	38,791
	2013	2018	37,011	(37,011)	-	-	-	-
	2014	2019	-	-	-	10,106	(10,106)	-
Deductions in the Canary Islands for contributions to pension plans.	2006	2021	129	-	129	-	-	129
	2007	2022	126	-	126	-	-	126
	2008	2023	122	-	122	-	-	122
	2009	2024	113	-	113	-	-	113
	2010	2025	66	-	66	-	-	66
Environmental deductions	2006	2021	730	-	730	-	(730)	-
	2007	2022	771	-	771	-	(771)	-
Internal double taxation	2011	2018	220	-	220	-	(220)	-
	2012	2019	28	-	28	-	(28)	-
Deductions for export activities	2001	2016	32	(32)	-	-	-	-
	2002	2017	187	(187)	-	-	-	-
	2006	2021	2,524	(2,524)	-	-	-	-
International double taxation	2003	2014	236	(236)	-	-	-	-
	2004	2015	232	(232)	-	-	-	-
	2006	2017	320	(320)	-	-	-	-
	2007	2018	536	(536)	-	-	-	-
	2008	2019	308	-	308	-	(308)	-
	2009	2020	268	-	268	-	(268)	-
	2010	2021	312	-	312	-	(312)	-
	2011	2022	350	-	350	-	(350)	-
	2012	2023	484	-	484	-	(484)	-
	2013	2024	450	-	450	-	(73)	377
Pension plans	2006	2021	252	-	252	-	(252)	-
	2007	2022	179	-	179	-	(179)	-
	2008	2023	148	-	148	-	(148)	-
	2009	2024	103	(1)	102	-	(102)	-
	2010	2025	59	(1)	58	-	(58)	-
Handicapped job support	2012	2027	167	-	167	-	(167)	-
R&D+it	2012	2030	321	-	321	-	(321)	-
Book publishing	2012	2027	1	-	1	-	(1)	-
Professional training	2001	2016	7	(7)	-	-	-	-
	2006	2021	332	(2)	330	-	(332)	(2)
	2007	2022	278	(1)	277	-	(278)	(1)
	2008	2023	329	-	329	-	(329)	-
	2009	2024	138	(2)	136	-	(138)	(2)
	2010	2025	44	(1)	43	-	(44)	(1)
	2011	2026	4	-	4	-	(4)	-
	2012	2027	3	-	3	-	(3)	-
Donations	2011	2021	7	-	7	-	-	7
	2012	2022	23	-	23	-	-	23
Total (Note 20)			**246,273**	**(100,495)**	**145,778**	**10,106**	**(42,693)**	**113,197**

17 Provisions and contingencies

Movements in this heading at 30 June 2014 and 2013 are set out below:

	Environmental action	Liabilities	Taxes	Expropriations and late-payment interest	Other operating provisions	Voluntary redundancy plan	Total
Balance at 1 January 2014	**159,310**	**120,986**	**39,158**	**210,552**	**8,640**	**25,503**	**564,149**
Additions	7,092	1,589	1,930	99,178	19,438	-	129,227
Increase due to discounts	2,179	-	-	-	-	-	2,179
Reversals/Excesses	-	(37,848)	(151)	(7,323)	-	(1,230)	(46,552)
Applications	(2,141)	(1,225)	(447)	(38,174)	(3,577)	(63)	(45,627)
Transfers	-	-	-	-	-	-	-
At 30 June 2014	**166,440**	**83,502**	**40,490**	**264,233**	**24,501**	**24,210**	**603,376**

	Environmental action	Liabilities	Taxes	Expropriations and late-payment interest	Other operating provisions	Voluntary redundancy plan	Total
Balance at 1 January 2013	**169,801**	**37,002**	**53,030**	**314,990**	**1,323**	**134,468**	**710,614**
Additions	1,242	33,028	702	8,550	4,223	-	47,745
Increase due to discounts	2,498	-	-	-	-	-	2,498
Reversals/Excesses	-	-	(106)	-	-	(4,994)	(5,100)
Applications	(4,544)	(160)	(360)	(49,127)	(1,045)	(103,842)	(159,078)
Transfers	-	-	(4,845)	-	-	-	(4,845)
At 30 June 2013 (Not audited)	**168,997**	**69,870**	**48,421**	**274,413**	**4,501**	**25,632**	**591,834**

Analysis of total provisions:

	30 June 2014	31 December 2013
Non-current	339,525	252,167
Current	263,851	311,982
Total	**603,376**	**564,149**

<u>Provision for environmental action</u>

This heading mainly recognises provisions totalling €157,476 thousand (30 June 2013: €160,032 thousand) relating to the expected obligations relating to noise abatement and the sound-proofing of residential areas to comply with current noise legislation applicable to airport infrastructure.

This legislation principally consists of Law 5/2010 (17 March), which amends Law 48/1960 (21 July) on Air Traffic, which requires the approval of action plans that include the appropriate corrective measures when acoustic right-of-way are established that allow acoustic quality targets to be exceeded with respect to the outside of buildings, overflights, frequencies and the associated environmental impacts. However, prior to the enactment of this Law, there were Noise Abatement Plans for all airports included under the scope of the law, except for Seville, that were approved due to the existence of an Environmental Impact Statement and therefore all of the action called for under the Noise Abatement Plans as a result of the requirements of the Environmental Impact Statements is already covered by provisions.

At the date these condensed interim financial statements were prepared, a Royal Decree approved the acoustic rights-of-way and the relevant action plans for the Adolfo Suárez Madrid-Barajas, Barcelona-El Prat (RD 1002/2011, 8 July) and Palma de Mallorca (RD 769/2012, 24 April) airports. At these airports there are an estimated 100 further homes to be included in the Noise Abatement Plan census, all of which relate to the Palma de Mallorca airport and for which provision has been recorded, given that the areas defined by the rights-of-way for the Adolfo Suárez Madrid-Barajas and Barcelona-el Prat airports are smaller than those covered by the noise contour maps for the current noise abatement plans (approved due to the existence of a prior environmental impact report relating to the expansion of the infrastructure).

In addition, at the date these condensed interim consolidated financial statements were prepared, the acoustic rights-of-way and the action plans for the airports in Bilbao, Ibiza, Málaga-Costa del Sol, Sevilla and Valencia are undergoing an approval process and the estimated time to process and approve the Royal Decree for each one of them is one year (May-June 2015), and the estimate of the increase of homes to be included in their respective Noise Abatement Plan census totals 2,337 for all of the airports. With respect to the rest of the airports with more than 50,000 operations per year, Gran Canaria, Tenerife Norte and Alicante-Elche, the update and approval process for the acoustic rights-of-way have not yet started and the estimation is that compliance with Law 5/2010 will be achieved by all of these airports between 2014-2018.

The Group will recognise the relevant provisions at the time that the obligation to insulate homes arises, i.e. at the time a right-of-way and the action plan are approved (in a Royal Decree) an Environmental Impact Report and an action plan is approved, or the 2020 deadline is reached without an acoustic right-of-way or Environmental Impact Report having been approved.

Provisions for liabilities

This heading mainly records provisions made based on the best estimates available to Company Directors to cover risks relating to litigation, claims and commitments in progress that are known at the end of the year and for which the expectation is that an outflow of resources in the medium or long-term is likely. At 30 June 2014 and 2013 the allocations made by the Group mainly relate to claims made by contractors. At 30 June 2014 reversals totalling €37,848 thousand relate mainly to a judgment favourable to the Group in litigation with construction companies for a total of €28,625 thousand. The Group's Directors do not believe that liabilities in addition to those already known that could significantly affect these condensed interim consolidated financial statements will arise.

Provisions for taxes

This heading mainly records those provisions that have been allocated with respect to appeals filed by the Group due to its disagreement with the proposed settlements received from the Tax Authorities regarding certain local taxes associated with airport assets and for which final decisions have yet to be made but the expectation is that an outflow of cash is likely, and the definitive amounts and the definitive settlement date are uncertain at the date these interim consolidated financial statements were prepared. The transfers made at 30 June 2013 totalling €4,845 thousand have been recognised under suppliers and other accounts payable so that they may be paid.

Provisions for expropriations and late-payment interest

The provision for expropriations and late-payment interest records the best estimate of the amount relating to the difference between the prices paid for the appropriation of land required for the expansion of airports and the estimates of the prices that the Company will have to pay, considering that it is likely that certain legal claims in progress regarding some of the prices paid will be successful for the claimants. When estimating the amount of the differences affecting these prices the Company has taken into account late-payment interest using the current legal interest rate in force for each year as a basis of calculation. At 30 June 2014 allocations relating mainly to judgments concerning land in Madrid and interest expense on expropriations at 30 June 2014 have been made in the amount of €22,608 thousand (30 June 2013: €8,668 thousand) (Note 19).

Other operating provisions

This heading mainly records the provision for credits applicable to benefits of a public nature accrued by airlines that operate during certain times of the year at the airports located in the Canary Islands, the Balearic Islands, Ceuta and Melilla which, during the six-month period ended 30 June 2014 totalled €4,233 thousand (30 June 2013: €4,223 thousand). In 2014 and 2013 the credits were included in the State General Budget as measures to encourage air transportation in those regions.

Furthermore, Royal Decree-Law 22/2013 (23 December), General State Budget for 2014, establishes public equity benefit incentives for opening routes to new destinations is the effect on traffic will be seen in more than 1 year and which have been estimated by the Group for the six-month period ended 30 June 2014 and €15,205 thousand has been allocated.

Provisions for the exit plan and voluntary redundancy

This heading records the provision for voluntary redundancy of Aena employees, deriving from the approval in June 2012 by the Ministry of Public Works of the airport efficiency plan proposed by Aena to adapt the offer of services at certain airports and heliports to actual demand at any given moment.

In order to carry out this plan, Aena signed an agreement in October 2012 with employee representatives that establishes a series of measures intended to provide flexible work schedules, geographic and functional mobility, as well as voluntary redundancy conditions for those employees that meet certain requirements and request separation before 31 December 2012. After receiving applications, the Aena verified employee applications to determine compliance with the plan's conditions and in January 2013 these employees were informed of the approval of their requests and their acceptance of the plan was obtained. The employees left between January 2013 and 30 June 2013. The amount of the indemnities has been settled by charging the provision allocated in 2012.

At 30 June 2014, Aena maintains a provision totalling €24,210 thousand as the measurement of the potential cost that Aena could incur with respect to its Voluntary Redundancy Plan and includes the amount of the unemployment benefit contributions for personnel affected by that Plan, as well as Social Security contributions.

The voluntary redundancy plan has been considered to be an employment termination benefit and the amount of the provision totalling €134,468 thousand allocated in 2012 has been estimated based on actuarial calculations whose primary assumptions are summarised below:

Discount rate:	2.5%
Salary increases:	0.0%
Interest rate:	2.5%

In 2013 the Aena obtained two facilities from BBVA, whose main conditions are explained below:

- One is intended to guarantee the payment of the instalments relating to the Special Social Security Agreement to be taken out by the policyholder and the insured parties in accordance with the provision of Article 20 of Order TAS/2865/2003 which regulates the special Social Security System agreement.

- The other is intended to structure the pension commitments assumed by the Company with its employees that will take the form of an Insurance Policy consisting of the payment of the insured benefits, and the responsibility of the Insurance company only and exclusively covers the payment of the benefits set out in the policy/individual insurance certificates.

Contingent liabilities

The Group records legal claims and litigation taken against it as part of its normal course of business and a natural consequence of that business. Management takes into consideration possible obligations that are unlikely to give rise to an outflow of resources or for which the amount of the obligation cannot be reasonably estimated and therefore have not been recognised as liabilities.

Environmental action

As was described in the heading Provisions for environmental action, as a result of the actions that were necessary to comply with environmental regulations regarding the various works required to expand and improve the airport network, Aena is obligated to make a series of investments to minimise the impact of noise on homes affected by those works. At 30 June 2014, Aena was involved with several claims processes which, if resolved in an unfavourable manner, could give rise to liabilities that cannot be quantified at the end of that period.

Expropriations

Aena is also involved in trials relating to claims involving expropriations that have taken place and which at 30 June 2014 could not be quantified since no court decision has yet been reached and they could give rise to additional outflows of cash resources for expropriations.

Claims against local governments

At 30 June 2014 and 2013 Aena is involved with legal disputes with local governments due to discrepancies with settlements of commercial concession fees for the exclusive use of public domain assets.

Reus airport

The Supreme Court issued a judgment in February 2010 under which certain land at the Reus airport reverted. The amount that may arise as a result of the impossibility of reverting this land has not been determined as the court decision quantifying the amount of the reversal has not yet been issued. In any event, Company Management believes that the substitute indemnity would not be significant.

Airline claim relating to fees

After the increase in fees implemented by the General State Budget Act for 2012, the airlines appealed against the amounts charged before the Central Administrative-Economic Court.

The airlines that operate in Spain have extended their claim against the Spanish State to the European Commission, alleging irregularities in the system established by Spanish Law to update the consideration to be received by Aena Aeropuertos, S.A., with respect to 2012. The airlines asked for the intervention of the EU body due to the increase in prices in 2012 and after the increase in 2013, in addition to urging the creation of an independent body to supervise airline transport. In 2013 the independent National Markets and Competition Commission (NMCC) was created. Up until the start of operations in October 2013 the supervision of 2014 fee proposals was temporarily attributed to the Railway and Airport Regulatory Committee (RARC), which operated in an impartial and transparent manner. The consultation process regarding the 2014 fee proposal ended with a multi-year fee agreement for the period 2014-2018. After the agreement reached with the airline associations, they recommended that their members desist from the claims that had arisen. Currently 50% of the airlines have desisted from their action. Company management does not believe that any financial consequences will arise against the Company in this respect.

Construction company claims

In addition to the above, at 30 June 2014 there are claims that have been filed by several construction companies against Aena deriving from the execution of several construction contracts relating to the airport network. In 2014 judgments that were partially favourable to Aena were obtained in the amount of €28.6 million, and the consideration is that no financial consequences will result.

Employment contingencies

There are several proceedings involving the dismissal of contractor employees that commenced in 2014 and prior years that are in various stages of resolution, but have not yet been completed as no judgment has been issued or the judgment that has been issued is not final.

In the event of judgments that are unfavourable for the Company, employees could receive payment for salary differences between the amount received by the concessionaire company and the amount that would have been received in accordance with the Company's Collective Wage Agreement (as the compensation established in this Agreement is higher), and/or the payment of severance indemnities for unjustified dismissal, if the dismissals were to be declared unfair, and if the employees choose not to be rehired.

In addition, other Company employees have been dismissed and if there is an unfavourable judgment against the Company the employees would have to be rehired or they would be entitled to the relevant indemnity for unfair dismissal and, in any event, they would be paid the relevant salary amounts accruing during the process.

There are also several proceedings in which employees have filed claims against the termination of their contracts due to forced retirement. These proceedings are in various stages of completion but have not been completed as no judgments have been issued or the judgments that have been issued are not final. In the event of judgments that are unfavourable for the Company, the employees must be rehired and the salary amounts they did not receive must be paid up until the time they are rehired.

In addition, there are challenges against internal and external hiring procedures, the composition of candidate reserve pools and the right to conclude contracts, that started in 2014 and prior years that could award positions to the claimants or entitle them to conclude contracts. If the courts allow the claims the positions must be awarded to the claimants and the salaries or the salary differences that arise must be paid.

Aena is involved in several business liability administrative procedures (which in some cases have reached the courts) that establish its liability for benefit surcharges relating to occupational accidents.

All of this employment litigation is not considered to be significant, both with respect to the amount claimed and the low probability that Aena will finally have to assume any financial consequences. The success probability analysis of these items is individualised in accordance with their content and legal arguments, and based on experience with similar prior litigation and existing jurisprudence, and the result was that it has been deemed possible.

Claims by airlines

Aena is also involved with claims and disputes involving one-off incidents that have resulted in damage to aircraft at airports within the network. At 30 June 2014 the management of Aena does not consider them to be significant.

Contingent assets - Fee shortfall

In September 2012 the Directorate General for Civil Aviation (DGCA) supervised the proposal to update and modify fees for 2013 that was presented by Aena Aeropuertos, S.A.

The supervision of the fees proposed by Aena Aeropuertos for 2013 applied, for the first time, the new regulatory framework deriving from Directive 2009/12/CE (11 March 2009) relating to airport fees. This framework consists mainly of Law 21/2003 (7 July) on Air Security, as worded by Law 1/2011 (4 March), which establishes the State Operational Security Program for Civil Aviation and amends Law 21/2003 (7 July) on Air Security and Royal Decree Law 11/2011 (26 August), which creates the Airport Economic Regulation Commission, regulates its composition and duties and amends the legal system for the employees of Aena (RDL 11/2011).

As a result of this new regulatory framework, a significant portion of the income received by Aena Aeropuertos is considered to be equity benefits of a public nature and, as a result, they must be established, updated and modified through legislation with the rank of law. In addition, the update or modification of most of these benefits are first subject to a transparency and consultation procedure involving the user airline associations or organisations and, secondly, to a supervisory procedure by the supervisory authority. The result will be that a bill will be prepared to be debated by Parliament.

Article 92.2 c) of Law 21/2003, amended by Royal Decree Law 11/2013, establishes that the shortfall that could be incurred in 2013, 2014, 2015, 2016, 2017 and 2018 due to the application of the maximum increase adjustment may be recovered over the five following years. The estimated fee shortfall in 2013 totals €179.33 million. The Company considers that these types of assets do not comply with all of the requirements to be recognised in the balance sheet since they involve an asset that depends on future events.

18. Other operating expenses

"Other operating expenses" are analysed below:

	30 June 2014	**30 June 2013 (Not audited)**
Rent and fees	1,031	956
Repairs and maintenance	114,544	125,598
Independent professional services	11,798	12,034
Bank services	884	737
Public relations	1,367	409
Utilities	46,372	50,487
Other services	66,244	73,048
Security	50,583	52,800
Taxes	73,175	69,535
Losses, impairment and changes in provisions for commercial transactions	(9,238)	3,355
Other ordinary expenses	1,630	13,201
Other operating expenses	**358,390**	**402,160**

The heading repairs and maintenance mainly records the maintenance of the automatic baggage handling system (SATE). Utilities mainly relate to electricity, water and telephone. Other services mainly relate to the parking facility management services, handicapped passenger mobility assistance services, insurance premiums, corporate services from the Public Business Entity “Aeropuertos Españoles y Navegación Aérea” and public information services. At 30 June 2014 trade balances covered by provisions totalling €14,839 thousand were recovered and a provision for the impairment of commercial payables totalling €5,600 thousand was allocated (30 June 2013: €14,840 thousand and €18,195 thousand, respectively).

Other operating expenses declined by 10.9% compared with the six-month period ended 30 June 2013, as a result, mainly, to the efficiency and operating measures implemented over the course of 2012 and 2013, and the effect of the provisions for risk and customer insolvencies. Specifically, the most important measures allowed costs to be rationalised and optimised in the following services: maintenance, security check points, private security, internal transport services at Adolfo Suárez Madrid-Barajas and at Barcelona-El Prat, public information, energy efficiency, technical assistance, and other expense items (communications, office supplies, etc.).

19 Financial income and expense

The breakdown of net financial expense for the six-month periods ended 30 June 2014 and 2013 is as follows:

	30 June 2014	30 June 2013 (Not audited)
Financial expense:		
Financial expense on amounts owed to third parties	(23,052)	(8,873)
Interest accrued on loans from the ultimate parent company	(106,442)	(115,270)
Discount of provisions	(2,197)	(2,514)
Less: financial expenses capitalised for qualifying assets	2,934	5,210
Total financial expense	**(128,757)**	**(121,447)**

The financial expense on loans from the ultimate parent company has declined as a result of the repayment of capital during the first half of the year. Furthermore, the financial expense on borrowings from third parties increased due to the allocation made for expropriation interest, which at 30 June 2014 totals €22,608 thousand (30 June 2013: €8,668 thousand).

	30 June 2014	30 June 2013 (Not audited)
Financial income:		
Financial income from equity instruments	-	250
Other financial income	688	98
Total financial income	**688**	**348**

	30 June 2014	30 June 2013 (Not audited)
Other net financial income/(expense):		
Net exchange differences	459	(169)
Impairment of available- for- sale financial assets	-	-
Impairment of financial instruments	-	-
Gains/(Losses) on interest rate derivatives: cash flow hedges	(2,433)	(10,093)
Total other net financial income/(expense)	**(1,974)**	**(10,262)**
Total net financial expense	**(130,043)**	**(131,361)**

20 Income tax

	30 June 2014	30 June 2013 (Not audited)
Current tax:		
Current income tax	(100,290)	(61,104)
Other	(164)	(97)
Total current taxes	**(100,454)**	**(61,201)**
Deferred tax (Note 16):	17,982	24,795
Deferred tax generated on tax consolidation (Note 16)	10,106	4,130
Total deferred tax	**28,088**	**28,925**
Income tax	**(72,366)**	**(32,276)**

The adjustments with respect to prior years relate mainly to the regularisation between the estimates made at the end of the year and the presentation of the corporate income tax return.

The Group's income tax differs from the theoretical amount that would have been obtained had the average weighted tax rate applicable to the consolidated companies' profits been used, as follows:

	30 June 2014	30 June 2013 (Not audited)
Profit before taxes	**273,479**	**123,444**
Tax calculated at domestic rates applicable to profits in the relevant countries	(82,044)	(37,033)
Tax effects of:		
- Profits from associates, net of taxes	195	489
- Non-deductible expenses for tax purposes	(372)	(229)
- Tax deductions recognised in the period	10,106	4,130
- Other	(251)	367
Tax expense	**(72,366)**	**(32,276)**

The resulting implicit tax rate before applying deductions and the capitalisation of deductions and tax-loss carryforwards was 30% (30 June 2013: 30%).

The charge/credit for taxes relating to the components of Other comprehensive income is as follows:

	30 June 2014			30 June 2013 (Not audited)		
	Before taxes	**Tax (charge)/ credit**	**After taxes**	**Before taxes**	**Tax (charge)/ credit**	**After taxes**
Cash flow hedges	466	(140)	326	12,050	(3,615)	8,435
Share in other comprehensive income obtained by associates	(924)	185	(739)	-	-	-
Other comprehensive income	**(458)**	**45**	**(413)**	**12,050**	**(3,615)**	**8,435**
Current income tax				-	-	-
Deferred tax (Note 16)	-	45	-	-	(3,615)	-
	(458)	**45**	**(413)**	**12,050**	**(3,615)**	**8,435**

<u>Other matters:</u>

Law 16/2012 (27 December), which adopts several tax measures intended to consolidate public finances and to drive economic activity, establishes the possibility of a voluntary restatement of the value of certain assets (property, plant and equipment and real estate investments) in company balance sheets. The Group has decided not to restate assets.

As established by current legislation, taxes cannot be considered to be definitive until the relevant returns have been inspected by the tax authorities or four years have elapsed since filing. At 30 June 2014 Aena was open to the inspection of all of its taxes between 31 May 2011 and 31 December 2013.

The Public Business Entity "Aeropuertos Españoles y Navegación Aérea", the head of the tax group, is open to the inspection of the following taxes: Corporate income tax: 2002 to 2006 and 2009 to 2013; Personal Income Tax Withholdings: 2005 to 2006 and 2009 to 2013; Value Added Tax: 2005 to 2013; Canary Island General Indirect Tax: 2010 to 2013 and the Tax on Production, Services and Imports: 2010 to 2013. In addition, the taxes relating to the first half of 2014 are also open to inspection.

Aena's Directors consider that the aforementioned taxes have been appropriately settled and, consequently, even if there are discrepancies with respect to the interpretation of current legislation for the tax treatment given to transactions, any potential resulting liabilities would not have a material effect on the accompanying condensed interim consolidated financial statements.

On 19 March 2014 the Tax and Customs Control Office notified Aena of the commencement of verification and investigation action relating to VAT for 2013, and a favourable result was obtained in 2014 (Note 24).

21 Earnings per share

Basic earnings per share are calculated by dividing the profit for the year attributable to Aena's single shareholder by the weighted average number of outstanding ordinary shares during the period.

	30 June 2014	30 June 2013 (Not audited)
Profit for the period (thousand euro)	201,113	91,168
Weighted average number of outstanding ordinary shares	150,000,000	150,000,000
Basic earnings per share (euro per share)	**1.34**	**0.61**

Diluted earnings per share are calculated by dividing the results for the year attributable to Aena's single shareholder by the average weighted number of outstanding ordinary shares during the period, taking into account the diluting effects inherent to ordinary shares potentially outstanding during the period. At 30 June 2014 and 2013 there are no diluting factors that modify the amount of the basic earnings per share and therefore the figures coincide with each other.

22 Transactions with related parties

The Group is controlled by the Public Business Entity “Aeropuertos Españoles y Navegación Aérea”.

The transactions carried out with related parties are set out below:

(a) *Sales of goods and services*

	30 June 2014	30 June 2013 (Not audited)
Rendering of services:		
- Public Business Entity “Aeropuertos Españoles y Navegación Aérea”	3,621	6,818
- Associated companies	1,196	1,702
- Related companies	3	132
Total	**4,820**	**8,652**

Purchases of goods and services

	30 June 2014	30 June 2013 (Not audited)
Services received:		
- Public Business Entity “Aeropuertos Españoles y Navegación Aérea”	81,655	103,959
- Related companies	5,496	4,250
Total	**87,151**	**108,209**
Acquisition of assets		
- Related companies	1,962	2,908
Total	**1,962**	**2,908**

In accordance with Law 9/2010 (14 April) (Additional Provision Five), the cost of airport air traffic services are managed and invoiced to airlines by Aena.

In this respect, Law 1/2011 configures the services relating to airport air traffic provided by the airport manager as public services.

At 30 June 2014 the services rendered by the ultimate parent company for the ATM and CNS services totalled €73,144 thousand (30 June 2013: €89,278 thousand).

The appropriate service agreement was concluded between the airport manager and the supplier of the air traffic services in order to determine the compensation to be paid for those services.

(b) *Income from shareholdings in related companies*

	30 June 2014	30 June 2013 (Not audited)
- Related companies	-	250
Total	**-**	**250**

See dividends received under Note 9.

(c) Key management personnel compensation

See Note 23. Other information

(d) Year-end balances arising from sales/purchases of goods/services

	30 June 2014	31 December 2013
Accounts receivable from related parties:		
- Associates	3,110	1,793
- Public Business Entity "Aeropuertos Españoles y Navegación Aérea"	4,513	18,610
Total receivables from related parties	**7,623**	**20,403**
Accounts payable to related parties:		
- Related	1,379	4,337
- Public Business Entity "Aeropuertos Españoles y Navegación Aérea"	99,021	67,152
Total payables to related parties	**100,400**	**71,489**

Receivables from related parties mainly arise from the purchase and sale of services. Receivables from the ultimate parent company arise from corporate income tax filed under the tax consolidation system. They are included together with the capitalised tax deductions under Other receivables from related parties (Note 11). The transactions represent the main non-monetary operations with respect to consolidated cash flow. The receivables are not secured due to their nature and do not accrue interest. There is no provision for receivables from related parties.

Payables to related parties mainly arise from asset acquisition transactions, the rendering of maintenance services and balances deriving from corporate income tax that is filed under the tax consolidation system. Payables do not accrue any interest.

(e) Loans and derivatives with related parties

	30 June 2014	31 December 2013
Non-current		
Loan from the ultimate parent company	9,925,096	10,373,458
Accounting effect under the effective cost method	(3,889)	(4,794)
Sub-total of loans from related parties	**9,921,207**	**10,368,664**
Non-current hedge derivatives attributed by the ultimate parent company	3,643	4,323
Total non-current mirror debt with the ultimate parent company	**9,924,850**	**10,372,987**
Loan from the ultimate parent company	961,821	952,233
Interest accrued on loans from the ultimate parent company	60,612	73,306
Other	14,469	(364)
Sub-total of loans from related parties	**1,036,902**	**1,025,175**
Current hedge derivatives attributed by the ultimate parent company	5,025	4,983
Sub-total of current debt owed by Aena S.A. to the ultimate parent company	**1,041,927**	**1,030,158**
Total	**10,966,777**	**11,403,145**

The fair values of the loans from the ultimate parent company (Public Business Entity "Aeropuertos Españoles y Navegación Aérea") are broken down in Note 15. Note 3.1 includes a breakdown by maturity date of the debt and the accruing interest rates.

As a result of the non-monetary contribution described in Note 1, Aena and its single shareholder have concluded a financing agreement under which the debts relating to the contributed line of business forming part of the share capital increase described in Note 1 are transferred from the Public Business Entity "Aeropuertos Españoles y Navegación Aérea" to the company Aena Aeropuertos, S.A. In this agreement between both parties the initial debt and the future cancellation conditions for that debt are recognised, as is the procedure for settling interest and the repayment of the debt. It also specifies that ownership with respect to the lending financial institutions falls to the Public Business Entity "Aeropuertos Españoles y Navegación Aérea". The Company recognises that it must pay the Public Business Entity "Aeropuertos Españoles y Navegación Aérea" the amounts owed in accordance with the financial conditions and other terms and conditions established in the Financing Agreements.

Accordingly, the Company therefore commits to the obligations that are originally agreed in the agreements with the financial institutions, in the amount corresponding to it as indicated in the preceding paragraph. This means that the maturity dates and interest rates payable by the company to the Public Business Entity “Aeropuertos Españoles y Navegación Aérea” will be the same as those described in the agreements with the financial institutions, causes for early maturity and the possible financial instruments set out in detail in each of the agreements are also applicable. On 29 July 2014 the Company novated the debt (Note 24)

As the formal borrower under the financing agreements, the Public Business Entity “Aeropuertos Españoles y Navegación Área” does not come under any of the conditions for early maturity and, accordingly, there is no effect on the Company's balance sheet at 30 June 2014 and 31 December 2013.

The non-current heading "Loans from the ultimate parent company" totals €9,925,096 thousand and includes €9,872,569 thousand in loans payable to the Group with respect to the financing of the airports in accordance with the established schedule and €52,527 thousand for the adjustments recognised under debt (2013: €10,373,458 thousand, which includes €10,307,217 thousand for debt and €66,241 thousand for the adjustments). The current heading "Loans from the ultimate parent company" totals €961,821 thousand and includes €956,978 thousand in loans payable to the Group with respect to the financing of the airports in accordance with the established schedule and €4,843 thousand for the adjustments recognised under debt (2013: €952,233 thousand relating to the debt). At 30 June 2014 the heading "Other" mainly includes €14,838 thousand for adjustments made to the amount owed to the ultimate parent company (Note 9).

The contracts in force between Public Business Entity “Aeropuertos Españoles and Navegación Aérea (AENA)” and Aena Aeropuertos, S.A. in 2014 and 2013 are set out below and they are renewed annually:

- Cash pooling service procedure.
- Agreement to render airport planning services and territorial integration.
- Service agreements: Financial-administrative, quality management, contracting management, infrastructure management, personal data protection measure management, environmental area, administrative-financial processes, promotion and support for excellence, organisation and human resources, general services and T.I.C. services. (Technology, Information and Communications)
- Centralised cash pooling service procedures.
- Commitment to render services associated with strategic and structural processes/activities at the Public Business Entity and Aena Aeropuertos, S.A.
- Airport facility use agreement
- Air Traffic Service Agreement (ATS)
- Collaboration agreement with Ingeniería y Economía del Transporte, S.A. for the preparation and review of works supervision projects and supervisory control technical assistance, engineering for certification, maintenance and the operation of facilities and airport processes, planning, airport development and the environment, airport commercial development and logistics studies and designs involving terminal buildings to improve operating efficiency and to attain further cost reductions.

The Group is reviewing these agreements as part of the privatisation process. Transactions with related parties are performed at market prices.

23. Other Information

Average payroll

The average number of employees at 30 June 2014 and 2013, by category and gender, at the fully consolidated companies forming part of the Group were as follows:

	30 June 2014(*)			30 June 2013(*) (Not audited)		
Professional Category	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Senior management	4	-	4	4	1	5
Executives and graduates	767	558	1,325	899	582	1,481
Coordinators	812	287	1,099	875	300	1,175
Technical personnel	2,888	1,410	4,298	3,141	1,484	4,625
Support personnel	263	284	547	308	329	637
	4,734	**2,539**	**7,273**	**5,227**	**2,696**	**7,923**

(*) The above figures include temporary employees which during the first half of 2014 totalled 711 (first half of 2013 (not audited): 861).

Compensation for Senior Management and Directors

The compensation received during the first half of 2014 and 2013 by Company Senior Management and Directors, classified by item, was as follows (thousand euro):

	30 June 2014			30 June 2013 (Not audited)		
Item	**Senior management**	**Board of Directors**	**Total**	**Senior management**	**Board of Directors**	**Total**
Salaries	233	-	**233**	303	-	**303**
Per Diems	13	55	**68**	6	59	**65**
Pension plans	-	-	**-**	-	-	**-**
Insurance premiums	2	-	**2**	2	-	**2**
Total	**248**	**55**	**303**	**311**	**59**	**370**

The service level agreement between Aena and the ultimate parent company includes the support services rendered by the Chair and CEO of AENA and senior management personnel that perform duties for Aena Aeropuertos, S.A. from the Public Business Entity "Aeropuertos Españoles y Navegación Aérea", which total €275 thousand at 30 June 2014 (30 June 2013: €201 thousand).

No prepayments or loans had been granted to Senior Management or Directors at 30 June 2014 and 2013. In addition, no pension commitments have been entered into with respect to former or current Directors and Senior Management.

Shareholdings and positions held, and activities carried out, by members of the Board of Directors in other similar companies.

At 30 June 2014 and 31 December 2013 the members of the Board of Directors did not maintain any interest in the share capital of companies that directly carry out activities that are the same, similar or supplementary to those forming part of Aena's corporate purpose. In addition, no activities that are the same, similar or complementary to the Company's corporate purpose have been carried out or are currently being carried out by Members on their own behalf or on behalf of third parties.

At 30 June 2014 and 31 December 2013 there are no members of the Board of Directors that hold directorship or executive positions at other Group companies, except as follows:

Director / Related person	**Company with the same, similar or supplementary activity**	**Post at the company**	**Interest Number of shares / or percentage**
Mr. Pablo Vázquez Vega	Ingenieria y Economia Del Transporte, S.A. (INECO) (*)	Chairman	-
Mr. José Manuel Vargas	Ingenieria y Economia Del Transporte, S.A. (INECO)(*)	Director	-

(*) Company related to Aena.

None of the persons associated with the members of the Board of Directors hold any shareholding whatsoever in the share capital of companies, and hold no position and fulfil no duties at any company with the same, similar or supplementary corporate purpose as Aena.

Other information regarding personnel

In accordance with the Collective wage agreement, the Group must maintain a defined contribution pension plan. However, Royal Decree-Law 22/2013 (23 December) and Royal Decree-Law 17/2012 (27 December), stipulate that public business entities may not make contributions to employee pension plans or group insurance policies that include a retirement contingency in 2014 and 2013.

Commitments

At 30 June 2014 the Group has investment commitments involving property, plant and equipment and intangible assets that have not yet been executed totalling €269,081 (31 December 2013: €425,480 thousand).

Guarantee deposits

The bank guarantees presented to several Organisations at 30 June 2014 total €7,671 thousand (31 December 2013: €9,049 thousand).

24 Subsequent events

There have been no significant subsequent events at 30 June 2014 or up to the date these condensed interim consolidated financial statements were prepared, other than those mentioned below:

1) On 1 and 2 July 2014 the representatives of Aena Aeropuertos, S.A., the Public Business Entity "Aeropuertos Españoles y Navegación Aérea" and trade unions forming part of the state union coordination committee met and agreed to the following:

    - Ratify the maintenance of the Single Collective Wage Agreement applicable to the current personnel of the Public Business Entity "Aeropuertos Españoles y Navegación Aérea" and Aena Aeropuertos, S.A.
    - Extend the current validity of the I Collective Wage Agreement for Aena Group until 31 December 2021, subject to compliance with the requirements and formalities that are applicable to the public sector.

2) On 5 July 2014 Official State Gazette published Royal Decree-Law 8/2014 (4 July), which approves urgent measures for growth, competitiveness and efficiency. This Royal Decree Law includes:

    - The general interest Airport network system as a service for the general economic interest, in order to guarantee citizen mobility and financial, social and territorial cohesion and ensure the accessibility, sufficiency and suitability of the airport infrastructure capacity, the economic sustainability of the network, as well as the continuity and adequate rendering of basic airport services. Management as a network also guarantees the economic sustainability of the airports forming part of the network by allowing the transparent, objective and non-discriminatory support of infrastructures reflecting deficits.

    - The company Aena Aeropuertos, S.A. changed its name to Aena, S.A. and the Public Business Entity "Aeropuertos Españoles y Navegación Aérea" changed its name to ENAIRE.

    - The total or partial closing or disposal of any facility or airport infrastructure that is necessary to maintain airport services is prohibited, unless authorised by the Cabinet or the Secretary of State for Infrastructure, Transport and Housing. (As appropriate based on the amount concerned).

    - Enabling regulations may develop the procedure through which the possible closing or sale of any airport facility or infrastructure could be instrumented. Such enabling regulations may also include transfers to the State of the capital gains generated during the disposal process.

    - Basic airport services and the framework for determining minimum quality, capacity and service condition standards as well as the investments required for compliance are defined, together with the conditions for recovering the costs deriving from the rendering of these basic airport services.

    - The income of the airport manager associated with the basic airport services are public equity benefits. Their regulation respects the legal status determined on their creation by Law 21/2003 on Air Safety, as amended by Law 1/2011, and determines their essential elements. Non-essential airport services, as well as the commercial management of the infrastructures or the urban exploitation of the premises is subject to the open market.

    - The Airport Regulation Document (ARD) adopted for five-year periods is introduced. The five-year plans will cover areas such as fees, quality conditions, service, capacity and accessibility standards and matters relating to investments.

- The airport manager's income associated with the basic airport services will be subject to compliance with maximum annual income per passenger, which will be determined based on efficient cost recovery recognised by the regulator together with traffic forecasts and may be adjusted upwards or downwards based on the performance of compliance with the quality standards established and the delay in the execution of strategic investments.

- For the period 2015-2025 the maximum fee increase will be zero. Fees may only be increased above this maximum level if during the second ARD exceptional causes, such as unforeseen and immediately required regulatory investments, increase the average annual investment above €450 million, and when approved by the Cabinet. The first ARD, which must enter into force within three years after the date on which Royal Decree Law 8/2014 is published, stipulates that upon completion the accumulated fee deficit together with the deficit relating to prior years cannot be transferred to the next ARD.

The application of this system is necessary to reinforce financial efficiency and general interest Airport network management effectiveness in order to strengthen air transportation activities and to adopt the new legal framework prior to any decision being made regarding the entry of private capital into the share capital of Aena Aeropuertos, S.A.

3) On 11 July 2014 the Cabinet authorised the Public Business Entity “Aeropuertos Españoles y Navegación Aérea” to commence the process of selling the share capital in Aena Aeropuertos, S.A. and disposing of up to 49% of its capital. The decision was also taken to definitively and effectively complete, over the course of July 2014, the organisational segregation of the companies and to thereby provide them with independent operations.

4) On 25 July 2014 the verification and investigation action relating to Value Added Tax for 2013, which commenced on 19 March 2013 with respect to Aena Aeropuertos, S.A., was completed and was favourable for the company. The estimate of the amount to be refunded by the government to Aena Aeropuertos, S.A. totals €31,648 thousand, which matches the amount pending refund stated in its balance sheet in December 2013. This amount was collected on 28 August 2014.

5) Within the framework of opening the share capital of the Company to private investors and in order to make the financing agreements (non-current and current borrowings) and hedging agreements concluded with all of the financial institutions compatible with that process, on 29 July 2014 the Public Business Entity “Aeropuertos Españoles y Navegación Aérea”, Aena Aeropuertos, S.A. and the respective financial institutions signed a modifying but non-extinctive novation covering the relevant financing agreements.

   The text of the new financing agreements fully replaces the original agreements and any novations for all purposes so that, among other modifications, it eliminates any contractual restriction that could affect the privatisation process and makes Aena Aeropuertos, S.A. jointly and severally liable, together with the Public Business Entity “Aeropuertos Españoles y Navegación Aérea”, under the various Financing Agreements and makes all other adjustments to the aforementioned financing agreements that are necessary for these purposes.

   These modifications do not alter the financial conditions for the loans granted to the Public Business Entity “Aeropuertos Españoles y Navegación Aérea” or, accordingly, those reflected in the mirror loans that were concluded with Aena Aeropuertos, S.A. (including: repayment of principal, maturity dates, interest rate systems, repayment terms, etc.). The main clauses that were modified are summarised below:

- The joint and several relationship between the Public Business Entity “Aeropuertos Españoles y Navegación Aérea” and Aena Aeropuertos, S.A., which are jointly and severally liable to the bank with respect to the obligation to repay the amount of the loan that is drawn down by either of them and to pay interest, fees, costs, expenses and any other item owed by either of them directly to the bank by virtue of those agreements. The banks expressly recognise that the payment of any items that they effectively receive from either of the borrowers in accordance with the provisions of the agreements will have full releasing effects for that item and the amount concerned.

- The clauses that imposed limitations on the transfer of shares in AENA and the sale of a percentage of shares exceeding 49% were eliminated.

- Mandatory compliance with certain financial ratios based on the consolidated financial statements for Aena Group, which will be certified by providing a certificate showing compliance with those ratios on a half-yearly and annual basis.

Ratio	2013	2014	2015	2016	2017 and Subsequent years
Net Financial Debt/EBITDA less than or equal to:	10.00x	9.00x	8.00x	8.00x	7.00x
EBITDA/Financial Expense exceeding or equal to:	2.50x	2.75x	3.00x	3.00x	3.00x

- With respect to the possibility of establishing encumbrances and liens, a more favourable framework was established compared with that which was provided for in the initial financing agreements since certain real guarantees may be established on international assets in international financing transactions without recourse for Aena Aeropuertos, S.A. or the Public Business Entity “Aeropuertos Españoles y Navegación Aérea”, compared with the prohibition that existed in many of the initial agreements and which in many cases made business expansion difficult.

- The unification of the clauses that restrict the availability of assets: Aena Aeropuertos, S.A. will directly and indirectly maintain primary ownership of all of the airport assets and they will not be sold either in a single transaction or in a series of transactions, whether related or not, with some exceptions concerning airport assets located outside of Spain.

- Certain clauses have been unified in order to classify the events under which the financing agreements may mature early as a result of any failure to make payment deriving from the commercial relationships of Aena Aeropuertos, S.A.

The novations of the financing agreements have resulted in Aena Aeropuertos, S.A. making payment of novation fees to all of the financial institutions, as well as expenses incurred for legal advisors totalling €12,163 thousand.

As a result of these novations and in order to include the modifications in the contractual relationship concerning the loan from the Public Business Entity “Aeropuertos Españoles y Navegación Aérea”, on 29 July 2014 the Company signed a modifying but non-extinctive novation concerning the debt recognition agreement with the Public Business Entity “Aeropuertos Españoles y Navegación Aérea”, which amends the agreement signed on 1 July 2011 under which Aena Aeropuertos, S.A. was provided all of the assets, rights, debts and obligations of the Public Business Entity “Aeropuertos Españoles y Navegación Aérea” associated with the performance of airport and commercial activities, as well as other services associated with the airport management, including those relating to the airport air traffic services for a total of €11,672,857 thousand, which represented 94.9% of the active balance of the financing agreements concluded by the Public Business Entity “Aeropuertos Españoles y Navegación Aérea” with the financial institutions.

By virtue of that novation, the Parties agree to modify certain aspects of the debt recognition agreement, merely for the purposes of modification and under no circumstances does the change extinguish any obligation, for the purposes of clarifying, among others: i) the updated amount of the recognised debt, ii) the regulation of payments by the Public Business Entity “Aeropuertos Españoles y Navegación Aérea” and Aena Aeropuertos, S.A. of the amounts owed under the Financing Agreements, iii) the exercising of the authority of the co-creditors under the Financing Agreements, iv) the obligation of Aena Aeropuertos, S.A. to comply with the same financial ratios as stipulated in the novations of the financing agreements, v) the commitment to create an encumbrance in the future on any credit rights (the amount relating to one year of debt service that accrues under the financing agreements) by the Company to the Public Business Entity “Aeropuertos Españoles y Navegación Aérea” in the event of any failure to comply with its obligations under the Debt Recognition Agreement or the loss by the Public Business Entity “Aeropuertos Españoles y Navegación Aérea” of a majority stake in the capital of Aena.

The breakdown of the total financial debt with the financial institutions owed by the Public Business Entity "Aeropuertos Españoles y Navegación Aérea" and for which Aena Aeropuertos, S.A. is the co-borrower at 30 June 2014 is as follows (thousand euro):

Financial Institutions	Amount
EIB	**5,205,379**
ICO	**2,485,000**
DEPFA	**1,400,000**
FMS	**933,333**
KFW	**100,000**
Other	**1,243,134**
TOTAL	**11,366,846**

At the time of the debt recognition on 30 June 2014 Aena Aeropuertos, S.A. owes the Public Business Entity "Aeropuertos Españoles y Navegación Aérea" the amount deriving from the contribution of the activity, which totals €10,886,917 thousand.

During the process of novating the debt, the parties expressly agreed, notwithstanding their status as co-borrowers and jointly and severally liable for compliance with the obligations established in the Financing Agreements, that the payments for any items that must be made in accordance with those Financing Agreements will be made by the Public Business Entity "Aeropuertos Españoles y Navegación Aérea" and, therefore, the contractual relationship between Aena Aeropuertos, S.A. and the Public Business Entity "Aeropuertos Españoles y Navegación Aérea" is maintained through the Debt Recognition Agreement.

Notwithstanding the joint and several, and primary, responsibility that Aena Aeropuertos, S.A. and the Public Business Entity "Aeropuertos Españoles y Navegación Aérea" assume with respect to the financial institutions under the Financing Agreements, the payments made by Aena Aeropuertos, S.A. will proportionally reduce its payment obligations deriving from the contribution to the Public Business Entity "Aeropuertos Españoles y Navegación Aérea".

In any event, any failure of Aena Aeropuertos, S.A. to make payment of the obligations deriving from the Debt Recognition Agreement will not release the Public Business Entity "Aeropuertos Españoles y Navegación Aérea" from complying with its payment commitments by virtue of the provisions of the Financing Agreements.

Accordingly, the modifications agreed in the financing agreements with the financial institutions and with the Public Business Entity "Aeropuertos Españoles y Navegación Aérea" do not alter the accounting treatment for the Company's financial debt with the ultimate parent company, the Public Business Entity "Aeropuertos Españoles y Navegación Aérea".

DIRECTORS' REPORT ON THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2014

"AENA AEROPUERTOS, S.A."

AND SUBSIDIARIES

"A free translation from the original in Spanish"

CONTENTS

AENA AEROPUERTOS, S.A. AND SUBSIDIARIES

Directors' Report on the condensed interim consolidated financial statements at 30 June 2014

This report presents the most significant information regarding Aena Aeropuertos, S.A. and Subsidiaries ("Aena" or "the Company") and its management over the first half of 2014, including the most relevant information concerning all areas of business, their primary figures and the lines of action that have guided the Company's management.

Aena is the leading operator by passenger volume in the world. In addition to being the owner of two of the 10 most important airports in the European Union in terms of passengers: Madrid (ranked 5th in accordance with the Airports Council International ("ACI") and Barcelona (ranked 9th)). The breadth of Aena's Airport network (46 airports and 2 heliports in Spain), together with its diversity, has allowed the company to obtain broad experience in the management of airports of different types and sizes.

The management carried out over the past few years has achieved the Company's economic viability. There were three fundamental pillars of growth: the improvement of management efficiency and cost reductions, the increase in both aviation and commercial income and the rationalisation of investments. The launch of an ambitious cost reduction plan, as well as measures implemented to improve operating efficiency and productivity have already given fruit. Among these measures, we note the implementation of the Airport Efficiency Plan, which involved the application of service, operational and employment efficiency measures at all airports, which were particularly relevant at the airports with lower traffic volume.

In terms of income, there has been a notable increase in the income from commercial activities. A Commercial Action Plan has been implemented and affects all lines of business and is allowing commercial income to significantly increase. Among the actions under that Plan, the awarding of new tenders, the increase and remodelling of commercial spaces, the recruitment of leading domestic and international restaurants and shop brands, the development and improvement of VIP lounges, and the promotion and design of a new business model for the integral management of the parking facilities at 32 airports in the network are all notable.

Furthermore, during the first half of 2014 more than 28.0 million tourists visited Spain, 7.3% more than during the first half of 2013. As a result of this higher tourism level, Aena has recorded passenger traffic growth of 4.2% and maintains its international passenger record (69.3% of total passengers in the network). This, together with the favourable macroeconomic evolution, the creation of 100 new routes during the first half of 2014 and better performance from domestic traffic, have resulted in positive traffic growth within the Aena network during the first six months of 2014.

Over the past decade Aena has made important investment efforts that have placed its airports among the most modern and competitive in the world, with top tier infrastructures and high growth potential. Investment needs have been significantly reduced, as airports in the network have been provided with the capacity that is necessary to absorb future traffic growth over the coming years. Since the period of important investments in new infrastructures has ended, a new scenario of rationalisation is being implemented, giving priority to improvements in maintenance and security investments, without reducing the quality of the service.

Internationally, the strategy of prioritising the contribution of value to management has been maintained and during the period the stake in the company Aerocali, S.A. has been increased.

The group of measures that has been implemented, both concerning expenses and income, has given rise to an important restructuring of the Company and supports its profitability. EBITDA increased to €807 million at the end of June 2014, which is 21.3% higher compared to the same period in 2013. In turn, Aena has obtained a net profit of €201 million during the first half of 2014, more than double the €91 million recognised during the same half-year period last year.

1. MACROECONOMIC ENVIRONMENT

1.1 Macroeconomic situation

The Spanish economy continues with its gradual recovery, and during the first half of the year employment conditions and confidence in the economy has improved. According to data from the National Statistics Institute, GDP increased by 0.5% on an inter-quarterly rate basis during the second quarter of 2014 (1.2% year-on-year), which is the fourth consecutive quarter of growth. The Bank of Spain has improved its forecasts and has indicated GDP will grow by 1.3% in 2014.

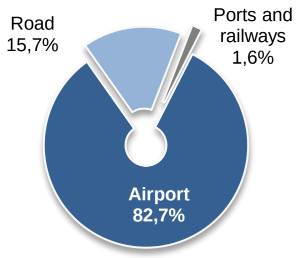
1.2 The air transportation sector and tourism performance

Air transportation is a strategic sector for Spain due to its economic and social impact. In addition, it contributes in terms of connectivity, accessibility, cohesion and territorial connections.

During the first half of 2014 tourism indicators have continued with the favourable evolution shown in 2013, when the record number of foreign tourists reached 60.6 million (+5.6% compared with 2012), which is of great importance given that tourism represents 11% of the Spanish GDP.

In accordance with the data published by the Tourism Studies Institute, during the first half of 2014 28,0 million international tourists visited Spain, 7.3% more than in the same period in 2013. Almost all of the main countries of origin have contributed to this growth, notably Italy (+13.9%), France (+10.5%), Germany (+8.8%), the Nordic Countries (+6.7%), Holland (+5.9%) and the United Kingdom (+5.8%), which show significant growth patterns. Of the total number of tourists that visited Spain during the first half of the year, 73.2% reside in these countries. By autonomous community, excluding the Balearic Islands (due to the seasonal nature of their traffic), all showed accumulated year-on-year increases in June, most significantly the Canary Islands, Catalonia and Madrid.

Of the total number of foreign tourists that travelled to Spain during the first six months of 2014, 23.2 million (82.7% of the total) used air transportation, 15.7% used road transportation and 1.6% used other transportation methods (ports and railways). Spain's relevance as a port of entry and exit from/to Latin America by air must not be forgotten.



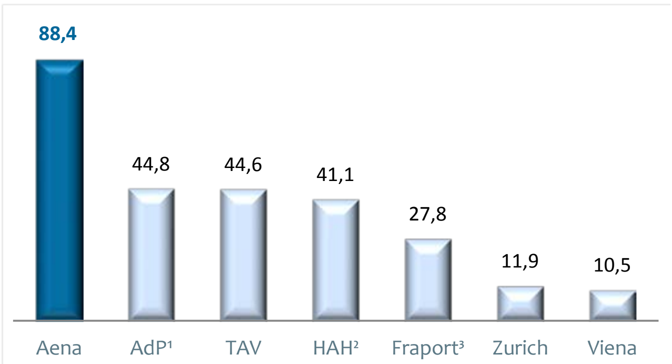
Source: Data from Turespaña Border crossings by tourists (Frontur) - June 2014

2. ACTIVITY INFORMATION

2.1 World leader in airport management

Since it was created Aena has worked without pause to reach its current position: the leading airport operator by passenger volume in the world.

Passenger traffic handled by the main airport operators during the first half of 2014



[1] AdP only includes the Paris airports
[2] Heathrow Airport Holdings Ltd.
[3] Fraport only includes the Frankfurt airport
Source: Data published by the companies

The airports and heliports operated by Aena at the end of the first half of 2014 include two of the 10 most important airports in the European Union by number of passengers: Madrid-Barajas and Barcelona-El Prat, in the fifth and ninth position, respectively.

Ranking of European airports by passenger 1H 2014

Rank	Airport	Million Passengers
1	London-Heathrow	35.1
2	Paris-Charles de Gaulle	30.8
3	Frankfurt	27.8
4	Amsterdam	25.7
5	Adolfo Suárez Madrid-Barajas	19.5
6	Munich	18.8
7	Rome-Fiumicino	17.6
8	London-Gatwick	17.5
9	Barcelona-El Prat	17.2
10	Paris-Orly	14.0

Source: Data published by ACI Europe

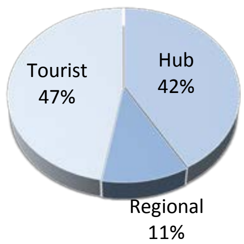
2.2 Main figures relating to the Aena network

Aena's broad and diverse network of 46 airports and 2 heliports has allowed it to attain experience in the management of airports of different types and sizes.

Affected by a recovering macroeconomic scenario, during the first half of 2014 (according to provisional data) the airports in the Aena network managed a total of 88.4 million passengers, 4.2% more than during the same period last year, it operated more than 0.8 million flights (+2.3%) and transported more than 331,000 tonnes of goods (+8.1%).

With the growth recorded in June, there have been eight months of consecutive growth, which confirms the changing trend in the evolution of passenger traffic that started in November 2013.

During the first half of 2014 Aena's 14 tourism airports contributed 47% of the passengers, the 2 hubs 42% and the 25 regional airports contributed 11%.



Type of airports in the Aena network

Type of airport	Number of airports	Passengers 1H 2014 (Million)
TOURISM Palma de Mallorca, Malaga, Alicante, Gran Canaria, Tenerife Sur, Ibiza, Lanzarote, Valencia, Fuerteventura, Girona, Menorca, Reus, La Palma and Almería	14	41.7
HUB Adolfo Suárez Madrid-Barajas and Barcelona-El Prat	2	36.8
REGIONAL Seville, Bilbao, Tenerife Norte, Santiago, Asturias, Santander, Jerez, A Coruña, Vigo, FGL Granada-Jaén, Zaragoza, Melilla, San Sebastián, Pamplona, El Hierro, Burgos, La Gomera, Vitoria, Logroño, Murcia-San Javier, Valladolid, León, Badajoz, Salamanca and Albacete	25	9.9
HELIPORTS (Ceuta and Algeciras) GENERAL AVIATION (Córdoba, Huesca-Pirineos, Madrid-Cuatro Vientos, Son Bonet and Sabadell)	7	0.01
Total	46 airports and 2 heliports	88.4

International presence

Aena also has a significant presence outside of Spain, reflected by its participation in 15 international airports through direct interests, which during the first half of 2014 recorded total passenger traffic of 21.3 million, 9.1% more than during the same period in 2013.

Total passenger traffic during the first half of 2014 at airports in which an interest is held

(Thousand passengers)	1H 2013	1H 2014	%1H 13/1H 14
Grupo Aeroportuario del Pacífico (GAP)	11,158	12,517	12.2%
Luton	4,538	4,807	5.9%
AeroCali (Cali)	2,136	2,294	7.4%
Soc. Aerop. Costa (Cartagena de Indias)	1,669	1,650	-1.1%
TOTAL	19,502	21,269	9.1%

2.3 Aena's airport network

The broad and diverse network distinguishes Aena as the largest airport manager in the world by passenger volume. This management model allows costs to be optimised through synergies and economies of scale that are achieved through higher business volume and offering higher and uniform quality. The network structure also allows each airport to be operationally autonomous and offer its customers services that match their needs and demands.
To improve the coordination among all airports, the Aena network is organised as follows, which differentiates the airports based on the number of passengers processed throughout the year, in order to improve their coordination:

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

Canary Island Group: Formed by the 8 airports in the Autonomous Region of the Canary Islands. Due to their distance from mainland Spain and the importance of inter-island traffic, these airports have characteristics that make them different from the rest of the network.

Group I: formed by large airports with more than 2 million passengers per year. This group is made up of 8 airports: Malaga-Costa del Sol, Alicante-Elche, Ibiza, Valencia, Bilbao, Seville, Girona-Costa Brava and Menorca.

Group II: formed by airports with between 0.5 million and 2 million passengers per year. This group is made up of 11 airports: Almería, Asturias, FGL Granada-Jaén, Jerez, A Coruña, Murcia-San Javier, Reus, Santander, Santiago, Vigo and Zaragoza.

Group III: formed by airports with less than 0.5 million passengers per year. This is a heterogeneous group consisting of:

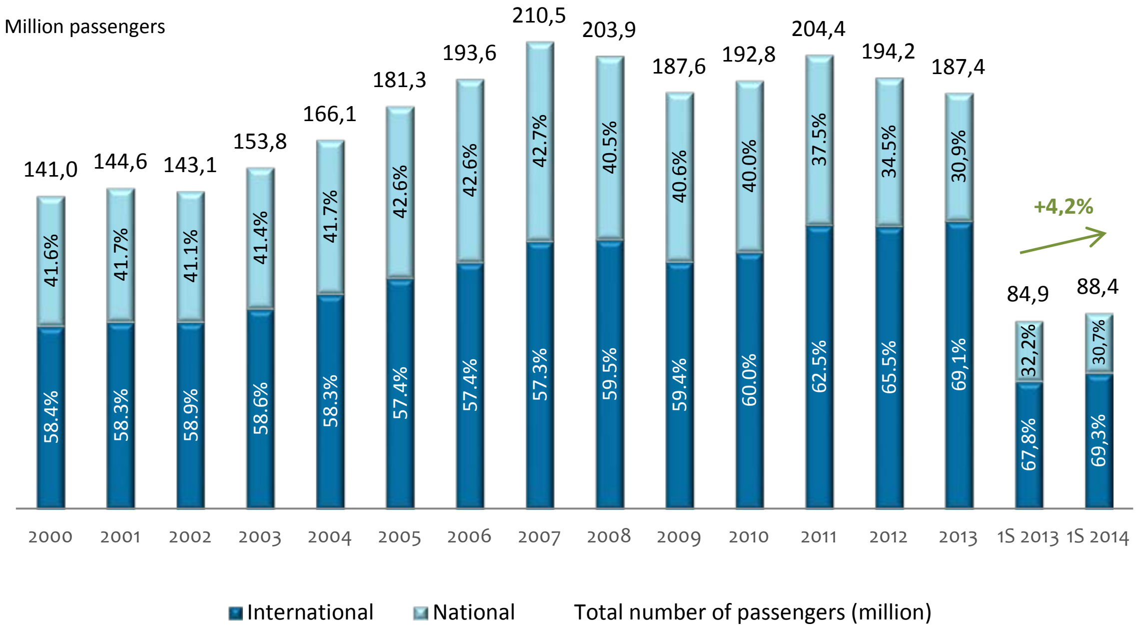
- Airbases open to civil traffic: Valladolid, León, Badajoz, Salamanca and Albacete.
- Civil airports with commercial traffic: Melilla, San Sebastián, Pamplona, Burgos and Logroño-Agoncillo.
- Cargo airport: Vitoria
- Heliports: Ceuta and Algeciras.
- General aviation airports: Córdoba, Sabadell, Son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

Compared with individual management, the network management model structure offers significant advantages to Aena in terms of optimising operations (such as, for example, the generation of connecting traffic), security and the management of commercial income, as well as important cost synergies.

2.4 Type of traffic

The association of traffic growth with the world economic cycle has conditioned the evolution of domestic and international traffic at Aena's airports, and international traffic has shown better performance than domestic traffic during the financial crisis.

Evolution of the type of total passenger traffic
(Domestic/ international share)



During the first six months of 2014 Aena's airport network managed a total of 88.4 million passengers, 4.2% more than during the same period last year. With the growth recorded in June, there have been eight months of consecutive growth, which confirms the changing trend in the evolution of passenger traffic that started in November 2013.

International traffic continues with the positive trend seen in 2013 (+2.1%), with aggregate growth of +6.5% at June 2014 due to the incipient economic recovery in the tourism countries of origin and the political instability in some tourism destinations that has brought more tourists towards Spain, thereby driving air traffic growth to the Aena network.

Domestic traffic recorded declines in both 2012 and 2013, mainly due to the difficult economic environment and competition from the high speed train system. Although it is still early to talk of a change in domestic traffic trends, there are indications of recovery in 2014 given that domestic traffic has remained practically stable (-0.6%) and in both April and June there were positive monthly growth rates (+4.2% and +4.1%, respectively).

This combination of effects has maintained the division between domestic (31%) and international (69%) traffic stable during the first half of 2014.

As regards the distribution of traffic by geographic area, the following is notable:

- The increase in the traffic share with Europe, which rose from 60.2% during the first half of 2013 to 61.5% during the first half of 2014, which is a 6.4%, or 3.3 million passenger, increase in quantitative terms and, conversely,
- The decline in domestic traffic from 31.0% during the first half of 2014 compared with the 32.4% during the first half of 2013, resulting from the 0.6% decline in the number of passengers, i.e., 166,308 passengers less than during the first half of 2013.

Distribution of traffic by geographic area (number of passengers)

Region	Passengers 1H 2013	Passengers 1H 2014	% 14/13	Change in the number of passengers	% Share 1H 2013	% Share 1H 2014
EUROPE¹	51,097,679	54,381,859	6.4%	3,284,180	60.2%	61.5%
SPAIN	27,540,306	27,373,998	-0.6%	(166,308)	32.4%	31.0%
LATIN AMERICA AND CARIBBEAN	2,615,775	2,690,284	2.8%	74,509	3.1%	3.0%
NORTH AMERICA²	1,573,158	1,664,780	5.8%	91,622	1.9%	1.9%
AFRICA	1,107,168	1,229,329	11.0%	122,161	1.3%	1.4%
MIDDLE EAST	774,124	908,328	17.3%	134,204	0.9%	1.0%
ASIA-PACIFIC	169,500	173,248	2.2%	3,748	0.2%	0.2%
Total passenger traffic	84,877,710	88,421,826	4.2%	3,544,116	100.0%	100.0%

¹ Excluding Spain

² Including USA and Canada

2.5 Details of the traffic at the main airports in the network

Traffic is significantly concentrated at the main airports in the network.

Main traffic figures by airport and Groups of airports within the Aena network

AIRPORTS AND GROUPS OF AIRPORTS	PASSENGERS			AIRCRAFT			CARGO		
	Million	% 1H 14/1H 13	% % of Total	Thousand	% 1H 14/1H 13	% % of Total	Tonnes	% 1H 14/1H 13	% % of Total
ADOLFO SUAREZ MADRID-BARAJAS	19.5	3.2%	22.1%	166	1.5%	19.3%	176,212	5.9%	53.2%
BARCELONA-EL PRAT	17.2	6.8%	19.5%	135	2.3%	15.7%	50,357	3.3%	15.2%
PALMA DE MALLORCA	9.3	-0.1%	10.5%	72	-0.9%	8.4%	5,379	-9.1%	1.6%
TOTAL CANARY ISLAND GROUP	17.0	9.2%	19.2%	160	11.2%	18.6%	21,254	10.7%	6.4%
TOTAL GROUP I	20.4	3.2%	23.1%	191	1.3%	22.2%	14,209	2.4%	4.3%
TOTAL GROUP II	4.5	-4.0%	5.1%	76	-2.5%	8.8%	40,511	20.1%	12.2%
TOTAL GROUP III	0.5	-2.9%	0.6%	61	-3.1%	7.0%	23,150	24.8%	7.0%
TOTAL AENA AIRPORTS	88.4	4.2%	100%	861	2.3%	100%	331,072	8.1%	100%

The Adolfo Suárez Madrid-Barajas airport is the top airport by passenger traffic, operations and cargo. In February 2014, after 25 consecutive months of decline, the traffic data started to be positive. The accumulated number of passengers in June grew by +3.2% compared with the same period last year (+4.4% in international traffic and +0.6% in domestic traffic). By markets, the main growth was seen in passengers originating from Europe (Germany), Latin America (Brazil), Africa and the Middle East.

The importance of Easter Week in 2014 at the Adolfo Suárez Madrid-Barajas airports should be noted since there was +7.5% growth compared with last year. This period has not traditionally been notable since the decline in mainly business flights was offset by vacation flights.

This airport handled a total of 165,880 movements during the first half of 2014, 1.5% more than in the same period last year. Cargo, which represents more than half the total volume handled by the network, also recorded an increase totalling +5.9% to 176,212 tons transported and during the first few months of 2014 reflected a recovery in terms of both movements and the volume of goods.

At Barcelona-El Prat airport, the accumulated number of passengers in June grew by +6.8% compared with the same period in 2013 (+9.9% in international traffic and -0.3% in domestic traffic), to 17.2 million. The significant growth in international traffic is due to the increase seen by the main operating companies (primarily Vueling). Domestic traffic, with passenger figures that are similar to those seen last year (-0.3%), shows different performance by the main companies: Vueling (+10.1%) and Air Europa (+1.3%) increase and Ryanair (-24.7%) and Iberia's Madrid route (-8.1%) decrease.

The Company recorded 135,104 aircraft operations, which is a 2.3% increase over the first half of 2013 and cargo continued its growing trend with an increase in cargo volume totalling +3.3%, to 50,357 tonnes.

During the month of June, and for the third consecutive month, the Palma de Mallorca airport achieved a historic record in terms of the number of passengers, which has offset the declines deriving from the seasonal nature of its traffic recorded during the first quarter of the year and this activity remains practically at the same level as last year (9.27 million passengers, -0.1%). International traffic totalled 6.9 million (+0.4%) and domestic traffic totalled 2.3 million (-1.6%).

The number of passengers passing through the Canary Island airports totalled 16.9 million (9.2% more than during the same period in 2013), of which 5.2 million relate to passengers on domestic flights (1.8% more) and 11.5 million on international flights (13.5% more).

The 8 airports in Group I taken as a whole grew by 3.2% during the first half of 2014 to 20.3 million passengers, and the growth seen at Malaga-Costa del Sol (+7.7%), Alicante-Elche (+6.4%) and Ibiza (+7.7%) is notable.

The decline in domestic traffic and the evolution of the crisis affecting domestic demand had a significant influence on the smallest airports in the network. The 11 airports in Group II saw a -4% decline in passenger traffic during the first half of 2014, bringing the total to 4.5 million passengers, and their performance was greatly different between the various airports making up this Group.

We note that within this group the Zaragoza airport is the third largest cargo operator in the network with 39,238 tonnes and it grew by 20.7% compared with the first half of 2013. This contributed to the cargo handled by all of the airports in this group growing by 20.1%.

The airports in Group III, which have the lowest traffic volumes, handled 508,000 passengers during the first half of 2014, which is a -2.9% decline compared with the same period last year.

The cargo handled by this group totalled 23,150 tonnes, which is a 24.8% increase compared with the first half of 2013 as a result of the growth at the Vitoria airport, which specialises in cargo and handled 23,034 tonnes (+24.8%).

3. BASIS OF GROWTH

Aena has undergone a deep transformation to lay the foundation for its future growth. This transformation is based mainly on the following pillars: (i) improvement in management efficiency and cost rationalisation; (ii) increase in both aeronautical and commercial income; (iii) rationalisation of investments and, finally, (iv) the new focus on the international strategy.

3.1 Improvement of management efficiency and cost rationalisation

During the past two and a half years, Aena has developed an ambitious cost reduction plan, as well as measures implemented to improve operating efficiency and productivity, which have already given fruit.

This cost reduction effort is reflected in savings of nearly €64 million in current expenses during the first half of 2014 compared to the same period in 2013, which is a 9.3% decrease.

Evolution of current expenses

(Million euro)	**1H 2013**	**1H 2014**	**Change**	**% Change**
Supplies	97.3	89.8	-7.5	-7.7%
Personnel expense [1]	183.6	171.3	-12.3	-6.7%
Other operating expenses	402.2	358.4	-43.8	-10.9%
Total current expenses	**683.0**	**619.4**	**-63.6**	**-9.3%**

[1] Excluding the excess provision for the Voluntary Redundancy Plan (€-5.0 million in 1H 2013 and €-1.2 million in 1H 2014).

The completion of the traffic control service deregulation at 12 airports has given rise to the savings seen in the heading Supplies, and a total of €7.5 million was saved compared with the expense during the first half of 2013 (-7.7%).

Personnel expense, net of the effects of the excess provision allocated in 2012 to cover the Voluntary Redundancy Plan, decreased during the first half of 2014 by 6.7% (€12.3 million) compared to the same period in 2013. This reduction is due to the progressive plan for the outflow of personnel taking advantage of the Voluntary Redundancy Plan that ended during the first half of 2013.

Other operating expenses is the current expense heading that reflected the most significant decrease, and it fell by 10.9% (€43.8 million) to €358.4 million during the first half of 2014. The allocations for risks made during the first half of this year were €24.9 million less and the efficiency and operational measures implemented over the course of 2012 and 2013 brought €18.9 million in savings. At 30 June 2014 the amount reversed from the provision for insolvencies totalled €14.8 million.
Specifically, the most important measures have allowed costs to be rationalised and optimised with respect to the following services: maintenance, security filters, private security, internal transportation at Adolfo Suárez Madrid-Barajas and Barcelona-El Prat, public information, energy efficiency, technical assistance and other expense items (communications, office supplies, etc.).

Efficiency Plan at the Group III Airports

Among the main operating expense reduction measures the Airport Efficiency Plan is notable and involved the implementation of efficiency measures for operational and employment services in order to decrease recurring losses that were recorded at the airports with the least volume of traffic to therefore guarantee their viability. The three axes of action were as follows:

- Adaptation of operating hours to the demand at the airports, adjusting the new schedules to the timetables during which most of the activity by airlines and users takes place.
- Adaptation of the airport employees to the needs of the new operating schedules that were established.
- Reduction of other operating expenses by reducing consumption, adjusting the scope of other work, etc.

After the implementation of this Efficiency Plan, the profit at the end of 2013 showed important improvements compared with prior years and they have extended into the first half of 2014.

3.2 New sources of income

3.2.1 Growth of Commercial Income

During the first half of 2014, ordinary commercial income (deriving from the operation of services on and off terminals) totalled €356.5 million, which is a 15.9% increase compared to the same period last year. The generation of commercial income from retail (duty-free shops, other shops and food and beverages), together with the parking facilities, continue to improve as a result of the renegotiation of long-term contracts covering these activities.

Aena continues on a path of driving commercial income through action intended to obtain yields from its commercial assets, notably:

- The activities at the duty-free shops continued to grow during the first half of 2014 (43.3% higher than in the first half of 2013), as a result of the new development of walk-through shops integrated into commercial areas and their application at the Canary Island airports.
- The expansion and remodelling of spaces intended for retail activities. The number of retail premises (shops and premises intended for food and beverage services) within Aena's network has increased by more than 11% to 800 premises.
- The incorporation of top-tier domestic and international restaurants and shop brands. Specifically: (i) In the food and beverage area brands adapted to the profiles of users have a presence covering concepts such as local ethnic cities, fast food and even Michelin star rated restaurants, (ii) the new strategy in the area of shops is focused on a complete remodelling, including the issue of tenders for new prestigious brands and the creation of a new luxury line of business intended to strengthen sales at the high-end segment in fashion and accessories. The recently incorporated luxury shops offer Aena's passengers more than 40 domestic and international brands.
- The strengthening of Aena's VIP lounges, applying an integral management strategy, including their remodelling.
- The new business model for the integral management of the parking facilities at 32 airports in the network.

Together with the aforementioned actions, the future increase in traffic will also contribute to driving commercial income and, therefore, an increase in the Company's profitability.

3.2.2 Current Legal Framework covering Airport Fees

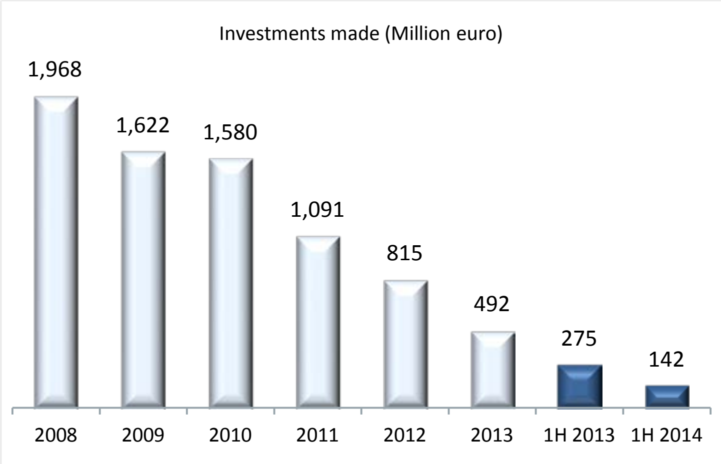
In accordance with Law 22/2013 (23 December), General State Budget for 2014, the average fee increase amounted to 0.9% in 2014.

The new regulatory framework is described in Note 10 ("Subsequent events").

3.3 Rationalisation of investments

Over the past decade Aena has made important investment efforts that have placed its airports among the most modern and competitive in the world, with top tier infrastructures and high growth potential. Investment needs have been significantly reduced, as airports in the network have been provided with the capacity that is necessary to absorb future traffic growth over the coming years, as may be seen in the evolution of investments over the past few years.

At the end of the first half of 2014, investments totalled €141.8 million.

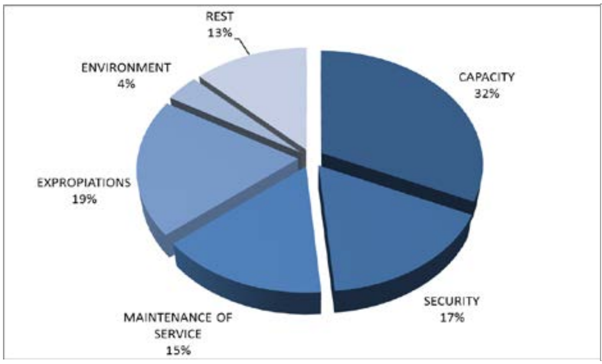


Between January and June 2014 the most important investment was the launch of the "Expansion of the Terminal Building at the Vigo Airport". Other notable investments that are in a very advanced stage are the "Expansion of the Terminal Building at the Gran Canaria Airport", the second stage of which, the North Building, entered into service in July together with the "Expansion of the North Ramp at Gran Canaria".

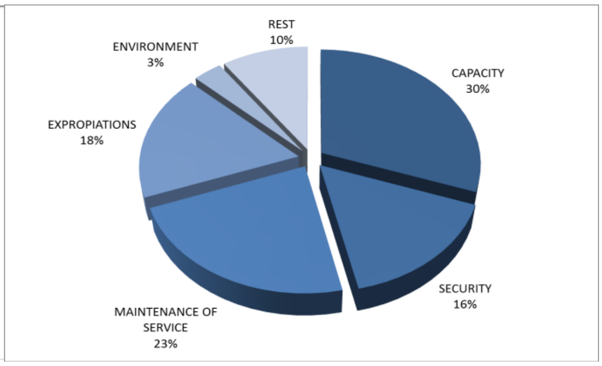
3.3.1 Analysis of investments by area of action

Current infrastructures are sufficiently sized to handle future increases in activity and therefore investments during the period have focused on capacity investment projects previously started and new investments primarily intended to improve facilities, operational security and support for the increase in commercial income, without forgetting the commitment to the environment and without reducing service quality.

2013



1H 2014



Investments in capacity made during the first half of 2014 total €43.2 million, which is 30% of the total investment made by Aena (compared to the 32% of the total they represented in 2013 or the 48% they represented in 2012). Within this investment heading, the most significant investment projects concerned the expansion of the terminal building at the Gran Canaria airport and the expansion of the terminal building at the Vigo airport, together with the expansion of the runway at the A Coruña airport, which started in 2009, 2010 and 2011, respectively.

The percentage of investments applied to improving facilities (service maintenance) grew substantially from 15% of the total in 2013 to 23% during the first half of 2014 (€32.3 million at 30 June). The most significant action consists of the rehabilitation of the ramp at the Seville Airport and the supply and installation of boarding gates and aircraft service equipment at several airports.

The investments made during the first half of 2014 in the area of Security account for 16% of the total investment made by Aena, including the plan to replace the automatic explosives and liquid explosives detection equipment, the adaptation of drainage pipes and RESAs for the runways at the Barcelona airport.

During the first half of 2014 expropriations (excluding late-payment interest) gave rise to the payment of €25.2 million (18% of the total for Aena), and 82% related to payments deriving from court judgments regarding the expropriations of land for the development of the Steering Plan for the Adolfo Suárez Madrid Barajas airport.

The environmental area saw investments totalling €4.6 million (3% of the total investments made by Aena), mainly for the action relating to environmental impact statements (noise abatement) at several airports.

The investments classified as "Other", include the commercial investments that were executed during the first half of 2014, notably the remodelling of the retail, food and beverage and duty-free shops at T4 at Adolfo Suárez Madrid-Barajas and the retail areas at the Gran Canaria airport.

Finally, it should be indicated that up to 30 June 2014 the effort (investment and expense) applied to R&D+i by Aena totalled €1.15 million, fundamentally directed towards the application of innovative solutions to improve the quality, safety and efficiency of service management and infrastructures handled by Aena.

3.4 International growth

Through its subsidiary Aena Desarrollo Internacional, S.A. (Aena Internacional), Aena manages airport infrastructures that promote the development of international business, market its experience abroad and project its position as a leading airport operator in the global market.

Aena Internacional’s activity is carried out by acquiring stakes in companies operating airport assets. Its interest in these companies as an industrial shareholder with broad experience in the airport sector, is generally supplemented by technical assistance and technology transfer agreements with those airports.

At the beginning of 2012 the international strategy was modified to prioritise the contribution of value over financial interests, establishing the preferred criteria of acquiring controlling stakes. As a result of TBI's divestment process, the subsidiary Aena Internacional acquired a 40% stake in the company holding the concession for the London-Luton airport in the United Kingdom on 27 November 2013, together with an option to acquire an additional 11% of the capital in that company, and therefore its control, over an 11-month period. It also expanded its interest in the company Aerocali, S.A. from 33.3% to 50% (May 2014).

As a result of the aforementioned divestments and acquisitions, at the end of the first half of 2014 Aena (through Aena Internacional) holds interests in 15 airports outside of Spain (12 in Mexico, 2 in Colombia and 1 in the United Kingdom).

4. ANALYSIS OF RESULTS

4.1 Income Statement

(Thousand euro)	**1H 2013**	**1H 2014**	**Change**	**% Change**
Ordinary income	1,307,945	1,381,852	73,907	5.7%
Other operating revenues	24,409	45,293	20,884	85.6%
Total Income	**1,332,354**	**1,427,145**	**94,791**	**7.1%**
Supplies	-97,255	-89,765	-7,490	-7.7%
Personnel	-178,564	-170,070	-8,494	-4.8%
Other operating expenses	-402,160	-358,390	-43,770	-10.9%
Depreciation/Amortisation	-412,131	-404,183	-7,948	-1.9%
Impairment and disposals of assets	-733	-3,015	2,282	311.3%
Other results	11,665	1,150	10,515	90.1%
Total expenses	**-1,079,178**	**-1,024,273**	**-54,905**	**-5.1%**
EBITDA	**665,307**	**807,055**	**141,748**	**21.3%**
Voluntary Redundancy Plan (VRP)	4,995	1,230	-3,765	-75.4%
Impairment and disposals of assets	-733	-3,015	-2,282	-311.3%
Adjusted EBITDA [1]	**661,045**	**808,840**	**147,795**	**22.4%**
Operating profits	**253,176**	**402,872**	**149,696**	**59.1%**
Financial income/(expense)	-131,361	-130,043	1,318	1.0%
Share in profits obtained by associates	1,629	650	-979	-60.1%
Profit/(loss) before taxes	**123,444**	**273,479**	**150,035**	**121.5%**
Income tax	-32,276	-72,366	40,090	124.2%
Net profit for the year	**91,168**	**201,113**	**109,945**	**120.6%**

[1]*Excluding asset impairment and the provision for the VSP*

Aena's ordinary income increased to €1,381.9 million during the first half of 2014, a 5.7% increase over the same period in 2013. The increase by €73.9 million is fundamentally due to:

- The positive impact that the following has had on aeronautical income: the improvement in traffic, with operations growing by 2.3% and the number of passengers by 4.2%. To a lesser extent, the 0.9% increase in fees and the new weather fee applied since March 2014.
  This positive change in income has been negatively affected by the approved traffic incentive measures (fee credits to provide incentives for the increase in passengers, both in terms of routes and airports). In accordance with the new incentives, provisions were recorded at 30 June 2014 totalling €19.4 million, which will have an impact on 2014 and in subsequent years due to their nature.

- The effect of the recent renegotiation of long-term agreements (notably the agreement with World Duty Free Group), the expansion and remodelling of the spaces intended for commercial activities (shops and duty-free), the incorporation of recognised top-tier domestic and international brands in the areas of food and beverage and shops, and the design of a new business model for the integral management of the parking facilities, have all driven growth in commercial income from the operation of terminal and off-terminal services.

Other operating income grew by €20.9 million compared to the same period in 2013 (85.6%), mainly due to the increase in income from: the excess provision recorded in 2014 relating to the risk of outstanding litigation that has had favourable results, taxes concerning the first half of 2013 (€10.4 million) and capital grants (€9.8 million).

<u>Operating expenses</u> have been significantly reduced, driven by the savings measures that commenced in prior years and have given rise to a general decrease. By expense, the most important changes relate to:

- Supplies, showing a 7.7% decrease (savings of €7.5 million). Traffic control services, as a result of the completion of the deregulation process affecting the service at 12 control towers and representing €10.3 million less than in the same period in 2013. The cost offset agreement with the Ministry of Defence for the use of airbases by civil traffic and the joint-use airport in Zaragoza led to a €1 million decrease. These savings have offset the new weather service expense since March 2014, the amount of which totalled €4 million during the first half of 2014.

- Personnel expense, net of the effect of the provision allocated in 2012 to cover the Voluntary Redundancy Plan, decreased during the first half of 2014 by 6.7% (€12.3 million) compared to the same period in 2013. This reduction in expenses is due to the progressive outflow of personnel taking advantage of the Voluntary Redundancy Plan (first half of 2013).

- Other operating expenses is the expense heading showing the most significant reduction, 10.9% (€43.8 million) to €358.4 million during the first half of 2014 as a result of the provisions for risks and liabilities concerning customers that were recorded during the first half of 2013 and the efficiency and operating measures implemented over the course of 2012 and 2013. At 30 June 2014 the amount reversed from the provision for insolvencies totalled €14.8 million.

  Specifically, the most important measures have allowed costs to be rationalised and optimised with respect to the following services: maintenance, security filters, private security, internal transportation at Adolfo Suárez Madrid-Barajas and Barcelona-El Prat, public information, energy efficiency, technical assistance and other expense items (communications, office supplies, etc.).

- Asset depreciation, the amount of which (€404.2 million during the first half of 2014) fell by €8 million compared with the first half of 2013 (-1.9%). Lower expenses were recorded due to the end of the useful life of some assets and the decline in the volume of investments, which does not give rise to year-on-year increases in the expense.

- Impairment and disposals of assets. During the first half of 2014 new investments have been made that gave rise to the total or partial disposal of assets, notably: at the Malaga airport, the demolition of the provisional access ramps to T3 exits due to the works involving the south access to the airport. At the Barcelona airport the transfer of air navigation radio assistance and communications facilities and at the Adolfo Suarez Madrid Barajas the security inspection equipment replacement plan (EDS). The value of unused land at the Barcelona and Valencia airports that are not involved in any management plan over the coming years has been impaired by the amount of €6.2 million.

  These positive changes in expenses have been offset by the profit obtained on the sale of the replaced EDS equipment for which €6.1 million was obtained.

- Other results.During the first half of 2013 non-deducted input VAT from 2008 and 2009 was refunded.

EBITDA increased from €665.3 million in the first half of 2013 to €807.1 million at the end of the first half of 2014, which is a 21.3% increase.

Operating profits increased to €402.9 million, which is a 59.1% increase compared to the €253.2 million recorded during the first half of 2013.

Financial income and expense remained in line with that recorded in the same period last year, although it should be noted that there was a decrease in interest expense due to the effect of the fall in the average rate during the period and the reduction of average debt levels, which was offset by the increase in late-payment interest arising on the expropriations carried out in the Adolfo Suarez Madrid Barajas airport.

The resulting corporate income tax expense was €72.4 million during the first half of 2014, including tax deductions recognised during the period totalling €10.2 million.

The net profit during the first half of 2014 was €201.1 million compared to the €91.2 million in profit recorded during the first half of 2013, which represents an increase of 120.6% and clearly shows the consolidation of the Company's profitability.

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

Net assets and capital structure

Summary of the consolidated financial statement

Thousand euro	**2013**	**1H 2014**	**Change**	**% Change**
ASSETS				
Non-current assets	15,822,785	15,539,049	-283,736	-1.8%
Current assets	622,553	760,227	137,674	22.1%
Total assets	**16,445,338**	**16,299,276**	**-146,062**	**-0.9%**
EQUITY AND LIABILITIES				
Total equity	3,039,127	3,241,282	202,155	6.7%
Non-current liabilities	11,494,909	11,154,822	-340,087	-3.0%
Current liabilities	1,911,302	1,903,172	-8,130	-0.4%
Total equity and liabilities	**16,445,338**	**16,299,276**	**-146,062**	**-0.9%**

Total assets decreased during the first half of 2014 compared to the end of 2013 as a result of the decline in the carrying value of non-financial assets. This is mainly due to the fact that the allocation to depreciation for the period (€404.2 million) is higher than the amount of asset additions (€200.8 million).

The decrease in non-current assets is partially offset by the increase in current assets due to an improvement in the Company's cash generation, which is reflected in the €137.4 million increase in the balance under the heading "Cash and cash equivalents".

The improvement in the Company's generation of operating flows and cost savings contributed to an improvement of working capital, which has habitually been negative at the Company due to its operations and financing, moving from €-1,288.7 million in 2013 to €-1,142.9 million at the end of the first half of 2014.

Equity grew significantly as a result of the profits for the period ended 30 June 2014 (+ €201.1 million compared to + €91.2 million in the same period last year).

Explanations regarding the consolidated cash flow statement

Summary of the consolidated cash flow statement

Thousand euro	**1H 2013**	**1H 2014**	**Change**	**% Change**
Net cash generated by operating activities	550,255	586,256	36,001	6.5%
Net cash used in investing activities	-271,176	-64,365	-206,811	-76.2%
Net cash generated by/(used in) investing activities	-282,785	-384,438	101,653	35.9%
Cash and cash equivalents at the start of the year	8,210	12,377	4,167	50.8%
Cash and cash equivalents at the year end	**4,504**	**149,830**	**145,326**	**3,226.6%**

Net cash flows from operating activities

The main amounts received for operations relate to those paid by both airlines and the lessees of commercial premises, and the main operating payments involve the amounts paid to creditors for the rendering of diverse services, personnel and local and national taxes.

The cash generated by operating activities before changes in working capital has significantly increased during the first half of 2014 (+17.8%), to €787.1 million from €666.2 million during the first half of 2013. This is mainly due to the improvement in the Company's operations as is reflected in the EBITDA figure of €807.1 million at the end of the first half of 2014. This increase in the EBITDA is fundamentally due to cost containment and savings in all areas, as well as an improvement in income that primarily originates from the increase in traffic, as well as the improvement in commercial operations.

Changes in working capital have had a negative effect of €90.2 million comparing the cash generated by operations in one period and the other. This is due to the fact that in the first half of 2013 €278.9 million was collected from World Duty Free Group as an interim payment for the winning bid in the tender process regarding the management of the Duty Free shops up until 2023. This was partially offset during the first half of 2013 by payments totalling €103.9 million relating to the Voluntary Redundancy Plan, as well as by increases in payments deriving from the improvement in the average payment period.

Interest paid mainly relates to the payment of the "mirror debt" interest to the Group (€98.6 million during the first half of 2014; €111 million during the first half of 2013), and late-interest payments for expropriations (€12,0 million during the first half of 2014; €13.4 million during the first half of 2013).

At the end of the first half of 2014 corporate income tax payments totalled €16.4 million, as a result of compliance with legislation regarding instalment payments of that tax. During the first half of 2013 no payment of this type was made.

As a result of the above, the net cash generated by the operating activities grew notably to €586.2 million, up from €550 million during the first half of 2013.

Net cash flows from investing activities

The main payments relating to investment flows concern acquisitions and the replacement of non-financial assets involving airport infrastructures.

During the first half of 2014 these payments declined significantly to €141.8 million, down from €275.2 million during the first half of 2013. Investments made during the first half of 2014 consisted mainly of investments in improvements to installations, operational security and support for the strategy to increase commercial income, given that the current infrastructures are sufficiently sized to handle future increases in activities and no significant investments were necessary to increase capacity, except for those relating to capacity project investments previously in progress.

Furthermore, during the first half of 2014 the €67.8 million receivable from the cash pool was collected by the Company from its parent, as well as other minor divestments.

Cash flows from financing activities

- The main positive financing flows during the first half of 2014 related to amounts collected for FEDER subsidies totalling €78.2 million and, during the first half of 2013, the new debt obtained from the parent company in accordance with the existing financing agreements concluded between both parties in the amount of €117.4 million.
- The main negative financing flows involve the repayment of the mirror loan principal (heading “Repayment of Group financing”). Debt payments increased from €305.3 million during the first half of 2013 to €438.8 million during the first half of 2014 due to compliance with the payment schedule established in the agreement.
- In addition, during the first half of 2014 the Company paid current debt from 2013 totalling €19.7 million that it had obtained from its parent company (€90.3 million during the first half of 2013).
- Bank borrowings were also repaid by the investee company Aena Desarrollo Internacional in the amount of €1.6 million.

During the first half of 2014 the Company's capital needs were covered by significant cash flows from operations (€594.6 million) that financed the non-financial asset investment programme (€141.8 million) and the flow of financing operations, and a positive cash balance of €137.5 million was also generated. The variance in the balance of cash and cash equivalents was affected by the change of the cash management policy with the ultimate parent company's. In 2014 the cash pooling account has not been maintained and cash management is carried out by Aena, placing cash positions independently. In this connection, at 31 December 2013 the Group had a cash pool receivable balance from the ultimate parent company totalling €67.8 million recorded under the heading "Trade and other receivables" that was collected during the first half of 2014 in accordance with the explanation provided in the heading "Cash flows from investing activities".

4.3. Description of the main financial risks

Aena Group's activities are exposed to several financial risks: market risk (including exchange rate risk, fair value risk due to interest rates), credit risk and liquidity risk. The Group's overall risk management program focuses on the uncertainty of financial markets and attempts to minimise the potential adverse effects on the Group's financial yields. The Group uses derivative financial instruments to cover certain risk exposures.

The Board provides policies for overall risk management and specific areas such as exchange rate risk, interest rate risk, liquidity risk, use of derivatives and investing excess liquidity.

There is a financial debt recognition agreement between Aena Aeropuertos S.A. and the ultimate parent company, originating with the non-monetary contribution that gave rise to the creation of Aena Aeropuertos S.A. On 29 July 2014 this agreement was novated without modifying the main characteristics of the original.

At 30 June 2014 there are no significant changes with respect to financial risk management, compared with the year ended 31 December 2013.

4.3.1. Market risk factors

Exchange rate risk:

The Group does not habitually carry out significant commercial transactions denominated in any currency other than the euro.

Exchange rate risk arises due to the fact that the Group has several minority foreign investments, whose net assets are exposed to foreign currency exchange risks. The exchange risk on the net assets of the Group's foreign operations is mainly managed through borrowings denominated in the relevant foreign currency.

Interest rate risk affecting cash flows and fair value

The Group's interest rate risk results from borrowings. The loans issued at variable rates expose the Group to cash flow interest rate risk, which is partially offset by the cash maintained at variable rates. Fixed interest rate loans expose the Group to fair value interest rate risks.

The Group's objective with respect to the management of interest rates is to optimise financial expenses within the established risk limits, and the risk variables are the 3-month Euribor (used for non-current borrowings) and the 1-month Euribor (used in credit facilities).

In addition, the value of the financial expense risk is calculated over a multi-year horizon and rate evolution scenarios are established for the period being taken into consideration.

Financial expenses are mainly due to the borrowings from the ultimate parent company. The ultimate parent company has also contracted interest rate hedge transactions that are transferred to the Company. The cost of these derivatives are being attributed to the Company, given that they cover the interest rate risk of some loans in that proportion.

At 30 June 2014, if the interest rate on variable rate loans had increased or decreased by 20 basis points, and if all other variables remained constant, profit before taxes for the six-month period ended 30 June 2014 would have totalled €5,212 thousand less and €5,212 thousand more, respectively (for the six-month period ended 30 June 2013: €5,519 thousand less and €5,519 thousand more, respectively). However, the Regulatory Framework established by Law 1/2011 (4 March) which establishes the State Operational Security Program for Civil Aviation and amends Law 21/2003 (7 July), on Air Security establishes a system for updating fees that protects Aena against increases in financing costs, while making it possible to recover its capital costs through compensation for the asset base, in accordance with current legislation.

4.3.2 Credit risk

The Group's credit risk originates from cash and cash equivalents, derivative financial instruments and bank and other deposits, as well as exposure to trade receivables and agreed transactions.

The credit risk relating to commercial accounts has been reduced, given that the primary customers are airlines and payments are usually received in cash or in advance. As regards commercial customers that lease premises at the various airports, the risk is managed by obtaining guarantees and security deposits.

Law 1/2011 (4 March, which amends Law 21/2003 (7 July) on Air Security, was published in the Official State Gazette on 5 March 2011 and it approves the mechanism whereby the management, settlement and collection of all public equity benefits on the part of Aena Aeropuertos, S.A. or its subsidiaries may include encumbrances to ensure effective collections, and this mechanism is managed by the collection bodies of the State Tax Administration Agency.
No credit limits have been exceeded during the period and management does not expect any loss for which no provision has been made due to any failure of these counterparties to comply with their obligations.

4.3.3 Liquidity risk

The main risk variables are: limitations in financial markets, increase in the projected investment and reduction of the generation of cash flows.

The credit risk policy and the company's operations in its sector leads to very favourable average collection periods. The company also substantially reduced costs and the need to make investments in coming years, which has had a positive effect on the generation of cash by the Company. However, at 30 June 2014 the Group presents negative working capital totalling €1,142,945 thousand (31 December 2013: €1,288,749 thousand) and a profit after taxes totalling €201,113 thousand (30 June 2013: €91,168 thousand in profit for the period), and no risk is considered to exist with respect to meeting short-term commitments given the positive operating cash flows that have allowed the negative working capital to be reduced over the past few years and the Company expects them to continue to be positive in the short-term. The Group is also obtaining lines of credit and loans that have been approved by financial institutions but not yet formally concluded. Under these circumstances, the Company's Directors consider that there will not be any problems with respect to satisfying the Group's payment commitments.

The following table includes an analysis of the financial liabilities associated with the Group and the financial liabilities relating to the mirror loan, grouped by maturity date and taking into consideration the remaining period between the balance sheet date and the contractual maturity date. Financial liabilities involving derivative instruments are included in the analysis if their contractual maturity dates are essential for understanding the cash flow schedule.

At 30 June 2014	2014 (*)	2015	2016	2017	2018	2019	Subsequent years	Total
Loan from the ultimate parent company	527,174	1,053,674	1,138,916	815,268	736,978	688,804	5,926,103	**10,886,917**
Other payables to the ultimate parent company	75,450	-	-	-	-	-	-	**75,450**
Effect of the amortised cost	(369)	(396)	(428)	(306)	(277)	(259)	(2,225)	**(4,258)**
Loans from credit institutions	1,357	334	333	333	-	-	-	**2,357**
Finance leases	642	2,111	2,115	1,582	1,622	1,747	10,618	**20,437**
Other financial liabilities	50,531	-	-	-	-	484	30,003	**81,018**
Trade and other payables (excluding customer prepayments)	424,764	-	-	-	-	-	-	**424,764**
Interest	129,464	191,606	170,850	150,371	135,116	120,954	602,958	**1,501,319**

At 31 December 2013	2014	2015	2016	2017	2018	2019	Subsequent years	Total
Loan from the ultimate parent company	1,018,474	1,048,536	1,133,767	811,375	733,260	685,087	5,895,192	**11,325,691**
Other payables to the ultimate parent company	73,306	-	-	-	-	-	-	**73,306**
Effect of the amortised cost	(364)	(493)	(526)	(377)	(341)	(318)	(2,739)	**(5,158)**
Loans from credit institutions	2,701	334	333	333	-	-	-	**3,701**
Finance leases	516	545	572	-	-	-	-	**1,633**
Other financial liabilities	71,431	-	-	-	-	484	2,773	**74,688**
Trade and other payables (excluding customer prepayments)	398,729	-	-	-	-	-	-	**398,729**
Interest	231,334	191,606	170,580	150,371	135,116	120,954	602,958	**1,602,919**

(*) Includes the period between 1 July 2014 and 31 December 2014

The breakdown of loans from related parties by type of applicable interest and the average interest rate at 30 June 2014 and 31 December 2013 is as follows:

Thousand euro	30 June 2014		31 December 2013	
	Balance	**Average rate**	**Balance**	**Average rate**
Variable	5,212,295	1.39%	5,459,354	1.24%
Adjustable	4,427,225	2.13%	4,882,959	2.22%
Fixed	1,247,397	3.81%	983,378	3.81%
TOTAL	**10,886,917**		**11,325,691**	

The adjustable interest rate, which is mainly applicable to the loan from the European Investment Bank, is an interest rate that remains fixed for a period (normally 4 years). At the end of that period the Group carries out a review and a decision is taken as to whether the same system will continue to be applied or whether it will be changed at maturity to a fixed or variable rate.

During the first half of 2014 maturing adjustable loans were changed to a fixed interest rate at maturity, for a total of €312,226 thousand.

On 29 July 2014 a debt novation contract was concluded with the Public Business Entity “Aeropuertos Españoles y Navegación Aérea”.

5 BUSINESS AREAS

Aena's income statement for the first half of 2014, broken down by business area is set out below.

(Thousand euro)	Airports Aviation	Airports Commercial	Off-terminal services	International	Consolidation adjustments	TOTAL 1H 2014
Ordinary income	1,022,529	278,632	77,898	3,637	-844	1,381,852
Other operating income	37,921	4,418	2,788	166	-	45,293
Total Income	**1,060,450**	**283,050**	**80,686**	**3,803**	**-844**	**1,427,145**
Supplies	-90,617	-	-	-	852	-89,765
Personnel	-148,648	-13,992	-6,510	-920	-	-170,070
Other operating expenses	-288,665	-41,700	-26,888	-1,129	-8	-358,390
Depreciation	-346,494	-32,895	-24,485	-309	-	-404,183
Impairment and disposals of assets	3,772	-267	-6,520	-	-	-3,015
Other results	-725	1,932	-57	-	-	1,150
Total expenses	**-871,377**	**-86,922**	**-64,460**	**-2,358**	**844**	**-1,024,273**
EBITDA	**535,567**	**229,023**	**40,711**	**1,754**	**0**	**807,055**
Voluntary Redundancy Plan (VRP)	1,096	88	46	-	-	1,230
Impairment and disposals of assets	3,772	-267	-6,520	-	-	-3,015
Adjusted EBITDA ¹	**530,699**	**229,202**	**47,185**	**1,754**	**0**	**808,840**
Operating profits	**189,073**	**196,128**	**16,226**	**1,445**	**0**	**402,872**
Financial income/(expense)	-113,453	-7,549	-9,262	269	-48	-130,043
Share in profits obtained by associates	-	-	-	650	-	650
Profit/(loss) before taxes	**75,620**	**188,579**	**6,964**	**2,364**	**-48**	**273,479**

¹Excluding asset impairment and the provision for the VSP

The main airport segment activity at the adjusted EBITDA level is the aeronautical business, which represents 66% of Aena's total EBITDA at the end of the first half of 2014 and commercial activities represent 28% of the total. The off-terminal segment represents 6%.

5.1 Airport segment

5.1.1 Aviation activity

The main items in the aviation activity income statement are set out below.

(Thousand euro)	1H 2013	1H 2014	Change	% Change
Ordinary income	997,744	1,022,529	24,785	2.5%
Other operating income	20,735	37,921	17,186	82.9%
Total Income	**1,018,479**	**1,060,450**	**41,971**	**4.1%**
Total expenses (including depreciation/amortisation)	**-921,345**	**-871,377**	**-49,968**	**-5.4%**
EBITDA	**449,145**	**535,567**	**86,422**	**19.2%**
Adjusted EBITDA ¹	**445,779**	**530,699**	**84,920**	**19.0%**
Operating profits	**97,134**	**189,073**	**91,939**	**94.7%**
Financial income/(expense)	-113,601	-113,453	-148	-0.1%
Profit/(loss) before taxes	**-16,467**	**75,620**	**92,087**	**559.2%**

¹Excluding asset impairment and the provision for the VSP

Ordinary income during the first half of 2014 totalled €1,022.5 million, which is a 2.5% increase compared with the first half of 2013.

The main income items from this activity are:

Breakdown of revenue from the aviation activity *(Thousand euro)*	1H 2013	1H 2014	Change	% Change
Monetary benefits	**961,339**	**988,229**	**26,890**	**2.8%**
Landings	266,430	280,659	14,229	5.3%
Stands	13,127	14,334	1,207	9.2%
Passengers	431,537	434,386	2,849	0.7%
Telescopic boarding gates	46,123	48,049	1,926	4.2%
Cargo	5,670	4,473	-1,197	-21.1%
Security	147,672	154,316	6,644	4.5%
Handling	33,459	34,748	1,289	3.9%
Fuel	12,577	13,053	476	3.8%
Catering	4,744	4,211	-533	-11.2%
Other airport services [1]	**36,405**	**34,300**	**-2,105**	**-5.8%**
Total aviation income	**997,744**	**1,022,529**	**24,785**	**2.5%**

[1] Includes reimbursements, use of 400 Hz, check-in desks and other income

During 2014 fees increased by 0.9% and Aena achieved a total of 2,306 routes, of which 100 were newly created.

Distribution of the new routes by airport

ROUTES - AIRPORTS	1H 2014
Barcelona-El Prat	14
Madrid-Barajas	7
Palma de Mallorca	5
Group I	34
Group II	18
Group III	-
Canary Island Group	22
Total new routes	**100**

In order to identify and develop new strategic routes, during the first half of 2014 Aena participated in four notable international forums: Routes Europe (Marseille), IATA Winter Slots Conference (Abu Dhabi) and the international tourism trade shows FITUR-Madrid and ITB-Berlin. It also prepared its participation in September in the World Routes forum (Chicago) and the Summer IATA conference in November (Prague). During the first six months of 2014 199 meetings were held, of which 150 were with airlines and tour operators, 28 with international airports and 21 with companies or institutions, in order to promote Spanish airports, facilitate their efforts and discuss those matters that are considered relevant for the development of their activity.

One of the pillars supporting the promotional airport connectivity effort is the coordination of commercial action with local, regional and national institutions with authority in the tourism area. Aena is driving the creation of Airport Coordination Committees, which will work to strengthen air traffic, among other matters. During the first six months of 2014 18 Airport Coordination Committees were created (Andalucía, Aragón, Asturias, Cantabria, Castilla-La Mancha, Castilla y León, Cataluña, Ceuta, Comunidad Valenciana, Galicia, Extremadura, Islas Baleares, Islas Canarias, La Rioja, Melilla, Murcia, Navarra and País Vasco) which join the Madrid Committee created in December 2013.

Aviation activity expenses in 2014 totalled €871 million, 5.4% less than those recognised in 2013. This reduction was possible due to the savings measures implemented over the past few years, the decrease in the number of employees, thereby giving rise to lower personnel costs, and the decrease in the volume of investments which, together with the end of the useful life of assets, gave rise to lower depreciation allocations.

The above effects have allowed:

- Adjusted EBITDA to improve by 19%
- Achieve operating profits totalling €189.1 million, compared to €97.1 million in 2013.
- Attain profits before taxes totalling €75.6 million, compared with a loss before taxes of €-16.5 million in 2013.

5.1.2 Sales activity

One of the primary objectives of Aena is the optimisation of commercial income deriving from the various lines of business present at the airports, as well as the satisfaction of the needs and demands of diverse users. During the first half of 2014 ordinary income from the commercial activity totalled €278.6 million (20.2% of the total ordinary income), which is a 17.2% increase compared to the same period in 2013 (€40.9 million).

The main items in the commercial activity income statement are set out below.

(Thousand euro)	1H 2013	1H 2014	Change	% Change
Ordinary income	237,702	278,632	40,930	17.2%
Other operating income	2,188	4,418	2,230	101.9%
Total Income	**239,890**	**283,050**	**43,160**	**18.0%**
Total expenses (including depreciation/amortisation)	**-92,605**	**-86,922**	**-5,683**	**-6.1%**
EBITDA	**180,441**	**229,023**	**48,582**	**26.9%**
Adjusted EBITDA [1]	**179,730**	**229,202**	**49,472**	**27.5%**
Operating profits	**147,285**	**196,128**	**48,843**	**33.2%**
Financial income/(expense)	-8,412	-7,549	-863	-10.3%
Share in profits obtained by investees	-523	0	-523	-100.0%
Profit/(loss) before taxes	**138,350**	**188,579**	**50,229**	**36.3%**

[1] *Excluding asset impairment and the provision for the VSP*

Ordinary commercial income accumulated up to June 2014 increased by 17.2% compared to the same period last year, as a result of the improvement in contractual conditions in the recent tenders involving Duty Free Shops, the expansion and remodelling of the spaces used for commercial activities (shops and Duty Free) and the implementation of leading recognised domestic and international food and beverage and shop brands, among other actions.

As is the case with the aviation activity, the restrictive expense policy has also been reflected in this activity, giving rise to savings totalling €5.7 million, 6.1%, compared with the first half of 2013.

The increase in income and the decrease in expenses gave rise to an adjusted EBITDA totalling €229.2 million, 27.5% better than during the first half of 2013.

With the contribution to financial income and expense, which improved compared with 2013, profits before taxes grew by 36.3% to €188.6 million.

The breakdown and analysis of the commercial lines of business (on terminal) are shown below:

(Thousand euro)

Sales activity	1H 2013	1H 2014	Change	% Change
Leases	15,960	13,626	-2,334	-14.6%
Stores	33,461	30,467	-2,994	-8.9%
Duty Free shops	54,150	77,585	23,435	43.3%
Restaurants	37,295	48,145	10,850	29.1%
Car rental	43,985	46,134	2,149	4.9%
Advertising	13,096	13,073	-23	-0.2%
Other commercial income[1]	39,755	49,603	9,847	24.8%
Total commercial services	**237,702**	**278,632**	**40,931**	**17.2%**

[1] Includes Other Commercial Operations, Banking Services, Travel Agencies, Vending Machines, and Commercial Supplies, Use of conference rooms and Filming and Recording.

These figures have been possible thanks to the continuation of several strategies launched in 2013, restructuring the commercial activity and making it more dynamic by:

- Firstly, the increase and optimisation of commercial areas (redesign of walk-through duty-free shops) in order to maximise the advantages from passenger flows.
- Secondly, the optimisation of the tender process for commercial concessions (improvement of the commercial mix, inclusion of relevant domestic and international brands) and the development of promotional and marketing action.

Duty free shops

The duty-free shop activity during the first half of 2014 represented 27.8% of Aena's commercial income, a 43.3% increase over the same period in 2013.

Aena has more than 75 duty free shops at 26 airports. Practically half of the points of sale are concentrated at the Adolfo Suárez Madrid-Barajas and Barcelona El-Prat airports.

In December 2012 the company World Duty Free Group was awarded the largest concession for duty-free shops granted in the past few years in the airport sector, distributed in three lots of airports. At June 2014 70% of the lessee's investment commitments had been executed.

As a result of this award, at the start of 2013 the commercial areas at several airports started to be remodelled in order to transform 20 of the main shops with these characteristics into "walk-through shops" to encourage passenger purchases and experiences.

Stores

During the first half of 2014 this line of business represented 10.9% of commercial activity income and the 8.9% decline compared with the same period in 2013 is due fundamentally to the fact that part of the new strategy was launched in 2013 and the first half of 2014, as well as the entry of the Multi-shop at the Gran Canaria airport into the Duty Free Shop system. The rest of the Canary Island airports will enter the system over the course of the agreement, together with other airports that were not included in the Duty Free system (Asturias, Murcia-San Javier, Santander, A Coruña and Granada).

Accordingly, upon the entry into force of the new Duty Free agreement, part of the income from the shop line of business was transferred to the Duty Free line of business, and it is no longer reflected under shops for accounting purposes. During the first half of 2014 the Gran Canaria, Lanzarote and Tenerife Sur airports are operating as Duty Free.

Restaurants

During the first half of 2014 food and beverage services represented 17.3% of the income from commercial activities, which is a positive change of 29.1% compared to the same period in 2013.

Aena has more than 300 food and beverage establishments, primarily bars, cafeterias and restaurants, whose total surface area dedicated to this activity is approximately 124,000 m². As is the case with the rest of the commercial area, the food and beverage areas are being rehabilitated and improved through the presence of new brands of recognised prestige. The main actions were:

- Adolfo Suárez Madrid-Barajas airport: renovation of retail, gradually including new establishments up to a total of more than 40 establishments awarded in 2013 to the company Áreas, S.A. with the presence of brands such as McDonald’s, Kirei Kabuki (the first in our network), Subway, Rodilla, Burger King, Paul, Mas Q Menos, Starbucks, etc.
- Lanzarote airport: improvement of variable income (from 22.6% under the previous agreement to 33%)
- The renegotiations and improvement of the food and beverage offers in Palma de Mallorca are notable, with an increase in the variable income obtained, together with the new developments outside the terminals at Ibiza, Barcelona-El Prat and Alicante-Elche.

Vehicle rentals

The vehicle rental service, which during the first half of 2014 represented 16.6% of ordinary commercial income, provided good results (income growth of 4.9%), mainly due to the increase in the arrival of international passengers and the inclusion of secondary brands by the primary lessees (Avis, Hertz, Europcar, Atesa and Gold Car).

The total number of vehicle rental agreements during the first half of 2014 exceeded 1.8 million, which is a sign of a good outlook for Aena's winter season.

Advertising

During the first half of 2014 this activity represented 4.7% of commercial income, with a slight 0.2% decline. In January 2013 the tender for this activity was awarded with respect to four lots of airports, and activities commenced.

The actions taken during the first half of 2014 have focused on the completion of the installation of new digital media (somewhat more than 200 units) which will allow greater interaction with passengers and the adaptation to new advertising trends. A portfolio of marketable products for the airports in the network has also been defined. The total number of conventional media units is approximately 1,300.

Other commercial income

Other commercial income, which originates from VIP Lounges, Business Centres, Banking Services, Travel Agencies, Vending Machines, Commercial Supplies and Filming and Recording, increased during the first half of 2014 by 24.8% compared to the same period last year.

The positive evolution of VIP Lounges is mainly due to the new price strategy, as well as commercial actions including new distribution channels and marketing efforts that are resulting in an increase in the number of users and an increase in the penetration ratio. During the first half of 2014 there was an 11.8% increase compared with the same period last year.

The increase in the income from Banking Services was notable during the first half of 2014 (67% increase) due to the improvement in the financial conditions covering the new agreements.

Other commercial operations (which includes banking services, plasticisation machines, vending machines, telecommunication services, regulated services and other operations), totalled €15.9 million at the end of the first half of 2014, which is 38.3% higher than during the first half of 2013. This reflects the significant improvement in the baggage wrapping agreements and the agreements for financial services and plasticisation machines.

5.2 Off-terminal services segment

The main financial information regarding the off-terminal commercial services segment is set out below.

(Thousand euro)	1H 2013	1H 2014	Change	% Change
Ordinary income	70,045	77,898	7,853	11.2%
Other operating income	1,405	2,788	1,383	98.4%
Total Income	**71,450**	**80,686**	**9,236**	**12.9%**
Total expenses (including depreciation/amortisation)	**-63,596**	**-64,460**	**864**	**1.4%**
EBITDA	**34,507**	**40,711**	**6,204**	**18.0%**
Adjusted EBITDA [1]	**34,322**	**47,185**	**12,862**	**37.5%**
Operating profits	**7,854**	**16,226**	**8,372**	**106.6%**
Financial income/(expense)	-9,274	-9,262	-12	-0.1%
Profit/(loss) before taxes	**-1,420**	**6,964**	**8,384**	**590.4%**

[1]*Excluding asset impairment and the provision for the VSP*

Commercial services that take place off-terminal, consist of parking facilities and diverse industrial and real estate assets, such as land, warehouses, hangars and air cargo. During the first half of 2014 the income from this segment totalled €77.9 million, or 11.2% more than during the first half of 2013.

Off-terminal commercial segment *(Thousand euro)*	1H 2013	1H 2014	Change	% Change
Parking	42,076	48,635	6,559	15.6%
Land	6,447	6,695	248	3.8%
Warehouses and hangars	8,886	10,041	1,156	13.0%
Airport logistical centres	12,637	12,526	-111	-0.9%
Total off-terminal services	**70,045**	**77,898**	**7,853**	**11.2%**

Parking

Revenues totalled €48.6 million during the first half of 2014 (62.4% of off-terminal income), a 15.6% increase over the same period in 2013.

These favourable results have been the consequence of the new integral parking facility management involving the 32 airports in the Aena network, expanding the offer of products and improving the quality of customer services. Notable other action includes dynamic and proactive marketing, for which great efforts have been made to expand the product portfolio, including pricing and marketing strategies (communications and promotion), as well as the implementation of the reservation system and reaching agreements with different channels (aggregators, travel agencies, etc.), which has contributed to the achievement of these positive results.
It should be indicated that the reservation system has been positioned as a fundamental business tool with an average of 35,000 reservations per month and reaching the record in June 2014. Furthermore, this reservation system has become the primary tool against with off-terminal competitors, allowing it to be positioned as a competitive and attractive product. The Call Centre has also been assigned to receive and manage the reservations on a centralised basis.

The implementation of the new business model has allowed the very negative trend over the past few years to be inverted, counteracting competition from other means of transportation and the appearance of new parking facilities in the proximity of the airports.

Real estate assets (land, warehouses and hangers)

During the first half of 2014 this line of business represented 21.5% of off-terminal income and generated €16.7 million (9.2%) more than in the first half of 2013.

As a means of driving this activity, several actions have been taken such as the publication of new land prices, the review and launch of the hangar price catalogue and the operations carried out for executive and business aviation by fixed base operators (FBO) at the Adolfo Suárez Madrid-Barajas and Barcelona-El Prat. airports. Efforts were also made to pre-market new plots of land intended for the development of Service Stations, together with the analysis of the project called "Ramp 7" at the Adolfo Suárez Madrid-Barajas airport, which includes assets concerning the management of air cargo, hangars and the industrial area for airlines.

6. HUMAN RESOURCES

6.1 Employee information

The total number of employees, including the personnel of Aena Internacional, at 30 June 2014 is 7,269. This is a 0.7% reduction compared to the payroll at 31 December 2013 and a 4% reduction compared to the same period last year. Of this total 65% were men and the remaining 35% were women. This percentage distribution varies if only the structural posts within the organisation are taken into account, where 57% are men and the remaining 43% are women.

6.2 Effective segregation of Aena, S.A. and ENAIRE

Since 8 June 2011, Aena Aeropuertos S.A. (now Aena, S.A.) has been effectively carrying out its activity as a management company operating the airport services in compliance with Royal Decree Law 13/2010 (3 December).. The implementation of the new management and operating model for airport services has taken place gradually in various stages and with different organisational frameworks, based on cost and efficiency criteria, such that they responded to the Group taken as a whole. In this connection, up to July 2014 there was a small number of 73 employees (including some senior management), that pertained to the Corporate Units for EPE Aena (now ENAIRE) that provided overall support to the entire group, of which 60 have been integrated into Aena Aeropuertos S.A. (now Aena S.A.).

On 11 July 2014 the Cabinet authorised the Public Business Entity “Aeropuertos Españoles y Navegación Aérea” to commence the process of selling the share capital in Aena Aeropuertos, S.A. and disposing of up to 49% of its capital. The decision was also taken to definitively and effectively complete the organisational segregation of the companies to provide them with independent operations, as well as the transfer of the personnel that provided overall support to the entire Group, over the course of July 2014.

6.3 Reduction of personnel expenses

During 2014 the rigorous austerity policy has been maintained together with strict personnel expense controls, which has allowed overtime to be reduced by 17% and travel expenses to decline by 18% compared with the period January-June last year.

6.4 Hiring and training

On 5 May 2014 two Internal Recruiting-Restricted Process personnel selections took place, whose development and coordination are being managed simultaneously and are expected to be completed at the end of 2014. These processes are intended for the following different levels:

a) Level A and B Qualified Personnel, for which 29 openings are available and a total of 396 candidates applied.
a) Level C to F Personnel, for which 146 openings are available and a total of 500 candidates applied.

As regards the Qualified, Structural and Executive area, during the first half of 2014:

- The Company managed 31 internal promotion processes to cover structural positions.
- In January the Mentoring Program "Leaders developing Leaders" was launched and had 44 participants during the first half of the year.
- The Talent Identification and Management program continued in collaboration with all units at Aena.
- The "Youth Emancipation Plan" promoted by the Ministry of Public Works has continued, with 9 new interns and there are a total of 41 students that carry out university internships.

At the start of 2014 the implementation of the Integral Training Management System (ITMS) which is a new application integrated into SAP-HR and allows greater control over Aena personnel training, coincided with the automation and optimisation of certain processes associated with training management procedures.
During the first half of 2014 Aena personnel undertook training for a total of 58,045 hours. Of a total of 1,692 structural employees, 998 (59%) were trained while 3,572 (57%) of a total of 6,231 (average payroll) employees covered by collective wage agreements were involved with training.

7. CONTRACTING

7.1 General contracting of suppliers

During the first half of 2014 the total amount awarded by Aena was €137.9 million (excluding taxes).
The contract volume awarded on a centralised basis represented 85.8% (€118.3 million), compared to 14.2% (€19.6 million) awarded by the airports in a decentralised manner.

The breakdown of bid awards based on their nature was as follows (million euro):

Centralised investment

Works	8.1
Supplies	10.2
Assistance, Consulting and Services	5.9

Centralised expenses

Works	0.11
Supplies	68.1
Assistance and Services	25.9

Decentralised investment

Works	7.2
Supplies	3.5
Assistance, Consulting and Services	0.4

Decentralised expenses

Works	0.6
Supplies	3.4
Assistance and Services	4.5

7.2 Commercial contracting with customers

Between January and June 2014 the total volume of awarded contracts relating to lease agreements for commercial activities totalled €12.2 million (excluding taxes) for the first year of the contracts concerned.

The distribution of the amount of the commercial lease agreements awarded on a centralised basis during that period, by line of business, is as follows:

Lines of business	Case file No.	Amount awarded (1st Year) *In euro*	% Amount awarded
Travel agencies	1	4,260	0.03%
Aircraft hangars and maintenance	1	198,000	1.62%
Vehicle rentals	1	255,370	2.09%
Vehicle parking	2	-	0.00%
Bars and restaurants	5	1,468,114	12.03%
Passenger service centre	1	363,947	2.98%
Machines	3	14,950	0.12%
Other real estate operations	1	530,124	4.34%
Other passenger services	4	237,030	1.94%
Financial services	6	556,512	4.56%
Shops under the normal tax system	39	7,483,973	61.32%
Luxury shops	2	1,092,624	8.95%
Overall total	**66**	**12,204,904**	**100.00%**

8. CORPORATE RESPONSIBILITY

Aena's Corporate Responsibility Policy allows its identity, culture and conduct guidelines to be unified and reinforced to serve as a tool for orienting and guiding its actions with respect to financial, social, environmental and ethical matters transversely throughout the company. During the first half of 2014 the line of work based on the results attained in prior years was maintained, notably:

- Aena Aeropuertos Corporate Responsibility performance report: preparation of the 2013 Corporate Responsibility Report (externally verified by Aenor and Global Reporting Initiative (GRI), with a report grade of B+).
- Contribution to the reinforcement of the corporate position and reputation of Aena by driving and developing actions relating to the internal application of corporate values through the monthly Corporate Responsibility Bulletin, the Aena Magazine, etc.
- Active participation in external benchmarking activities with the primary institutions of reference concerning corporate responsibility.
- The presentation for recognition of good sustainability practices by Aena.

8.1 Financial performance

Aena has continued to work with the objective of materialising the new airport management model, enhancing the value of Aena Aeropuertos as a leading company rendering quality and efficient services and with the capacity for its international projection.

It also continues to work to include responsibility criteria in its commercial relationships with third parties, encouraging transparency and market competency. A varied and quality-oriented commercial offer, taking into account the needs and expectations of stakeholders and providing the airport facilities with added value continue to be its maximal management goal.

8.2 Environmental performance

As a leader in air transportation services, it is a key factor for Aena seeking sustainability in areas such as the compatibility of air operations and the development of airport infrastructures with respect to local environments, the reduction of greenhouse gases, the minimisation of noise impacts and all matters relating to taking action that allow energy efficiency and the use of renewable energies. This is all in line with the Company's strategic objectives and its Environmental and Energy Policy.

In the area of environmental performance, we note the following actions:

- Noise Abatement Plans. During the first half of 2014 the acoustic insulation of 189 homes included in the plans for various airports was concluded.
- The valuation of the environmental impact of projects and planning instruments.
- Noise and atmospheric evaluations. Preparation of action plans associated with the Acoustic rights-of-way at airports and the renewal of the "Airport Carbon Accreditation" Certifications.
- Management of the quality of land and subterranean waters at the airports forming part of the Aena Aeropuertos network.
- Action regarding energy efficiency and renewable energy, in accordance with the Energy Efficiency and Savings Plan.
- Design and implementation of the Integral Quality Management System (ISO 9001) and the Environment (ISO 14001), which allows all processes to be controlled and monitored in an integral manner and providing a single certification.

8.3 Social performance

The development of good practices that took place over these past few years to the establishment of cooperation agreements with social institutions has allowed for the consolidation of our stakeholders with solidarity projects that benefit socially excluded groups. During the first half of 2014 the following actions should be noted:

With respect to internal social areas:

- Development of the family and employment life reconciliation policy: 1,076 services within the Employee Attention Program (EAP).
- Consolidation of the Integral Attention Program (orientation, counselling, social resource reservation and "vital protocols" services and services in the context of births, deaths, disabilities, aging parents and geographic mobility).
- Treatment and Prevention of Addictive Behaviour Program and Emotional and Education Health Support Programs.
- Social Assistance Program: More than 11,200 applications for assistance have been processed and validated for the education of employees and their children, summer camps, disability, health, etc.

With respect to external social areas:

Aena continues to place attention on the integration of sustainability values in its business management and its relationship with stakeholders, adapting its business strategies to promote improvements for the communities with which it interacts and society in general, particularly groups with the most challenges.

- Services for Persons with Reduced Mobility (PRM). During the first half of 2014 nearly 525,000 assistance services were handled, while maintaining the highest levels of quality.
- Celebration of Solidarity Days and Cultural Days: More than 10 social institutions participate as special employment centres, insertion companies and entities that promote the sale of fair trade items.
- Strengthening of the "Solidarity Spaces" Project, which has been implemented at 13 airports in the network and the development of awareness campaigns for large institutions such as UNICEF, Intermon-Oxfam and Aldeas Infantiles. During the first half of the year the total use/days was 732, with an average of 46.55% occupancy.
- Collaboration framework between Aena and the "Despegando Capacidades" platform, which promotes integration in the context of culture, employment, recreation and life projects for disabled persons. This platform is made up by 7 social institutions: Grupos Amás, Danza Down, Apsuria, Afanias, Fundación Capacis, Atenpace and Apmib.

8.4 Alliances

Aena Aeropuertos works in the Corporate Responsibility area to remain in line with other companies, and even taking a leading position if possible. In order to exchange and disseminate good sustainability practices, while contributing to the promotion of products and services, in 2014 the company consolidated the collaboration with some of the most representative associations and entities in this area, such as Foretica, the Sustainability Excellence Club or the "Corresponsables" Foundation, of which large public and private national corporations are members.

The company also maintains its collaboration with representatives in the sector to promote education, the environment, science, employee training, the promotion of culture, sports and solidarity, etc.

9. TRAFFIC OUTLOOK FOR 2014

In accordance with the latest data published by the Tourism Analysis Institute for the month of June 2014, the entry of international tourists in Spain grew by 7.3% compared to the same period last year, for a total of 28 million. This reinforces the trend seen in 2013 which established a record of 60.7 million international tourists that visited Spain.

This same source confirms that 82.7% of international tourists that entered Spain up to June 2014 did so through airports, which is a 7.3% increase compared to the same month last year.

These figures confirm the trend for traffic growth that started in the final months of 2013 and has allowed nine months of consecutive growth at the Aena Airport network (between November 2013 and July 2014), after 22 consecutive months of declines. This represents accumulated growth to July of 4.1% in terms of passenger volume compared to the same period last year.

The evolution of the Adolfo Suárez Madrid-Barajas and Barcelona-El Prat is notable, with accumulated growth of 3.5% and 6.4%, respectively. Aena's network of tourism airports are recording significant growth (Malaga-Costa del Sol +7.2%, Alicante +5.5%, Canary Island airports +9%).

Indeed, both the behaviour of international tourism and the passenger traffic data in the Aena network which, in turn, is closely related to the global economic cycle, confirm the change in the trend of network traffic which allows signs of recovery to be glimpsed with respect to the evolution of future air traffic.

10. SUBSEQUENT EVENTS

There have been no significant subsequent events at 30 June 2014 or up to the date these condensed interim consolidated financial statements were prepared, other than those mentioned below:

1) On 1 and 2 July 2014 the representatives of Aena Aeropuertos, S.A., the Public Business Entity “Aeropuertos Españoles y Navegación Aérea” and trade unions forming part of the state union coordination committee met and agreed to the following:
    - Ratify the maintenance of the Single Collective Wage Agreement applicable to the current personnel of the Public Business Entity “Aeropuertos Españoles y Navegación Aérea” and Aena Aeropuertos, S.A.
    - Extend the current validity of the I Collective Wage Agreement for Aena Group until 31 December 2021, subject to compliance with the requirements and formalities that are applicable to the public sector.

2) On 5 July 2014 Official State Gazette published Royal Decree-Law 8/2014 (4 July), which approves urgent measures for growth, competitiveness and efficiency. This Royal Decree Law includes:
    - The general interest Airport network system as a service for the general economic interest, in order to guarantee citizen mobility and financial, social and territorial cohesion and ensure the accessibility, sufficiency and suitability of the airport infrastructure capacity, the economic sustainability of the network, as well as the continuity and adequate rendering of basic airport services. Management as a network also guarantees the economic sustainability of the airports forming part of the network by allowing the transparent, objective and non-discriminatory sustaining of infrastructures reflecting deficits.
    - The company Aena Aeropuertos, S.A. changed its name to Aena, S.A. and the Public Business Entity “Aeropuertos Españoles y Navegación Aérea” changed its name to ENAIRE.
    - The total or partial closing or disposal of any facility or airport infrastructure that is necessary to maintain airport services is prohibited, unless authorised by the Cabinet or the Secretary of State for Infrastructure, Transport and Housing. (As appropriate based on the amount concerned).
    - Enabling regulations may develop the procedure through which the possible closing or sale of any airport facility or infrastructure could be instrumented. Such enabling regulations may also include transfers to the State of the capital gains generated during the disposal process.
    - Basic airport services and the framework for determining minimum quality, capacity and service condition standards as well as the investments required for compliance are defined, together with the conditions for recovering the costs deriving from the rendering of these basic airport services.

- The income of the airport manager associated with the basic airport services are public equity benefits. Their regulation respects the legal status determined on their creation by Law 21/2003 on Air Safety, as amended by Law 1/2011, and determines their essential elements. Non-essential airport services, as well as the commercial management of the infrastructures or the urban exploitation of the premises is subject to the open market.
- The Airport Regulation Document (ARD) adopted for five-year periods is introduced. The five-year plans will cover areas such as fees, quality conditions, service, capacity and accessibility standards and matters relating to investments.
- The airport manager's income associated with the basic airport services will be subject to compliance with maximum annual income per passenger, which will be determined based on efficient cost recovery recognised by the regulator together with traffic forecasts and may be adjusted upwards or downwards based on the performance of compliance with the quality standards established and the delay in the execution of strategic investments.
- For the period 2015-2025 the maximum fee increase will be zero. Fees may only be increased above this maximum level if during the second ARD exceptional causes, such as unforeseen and immediately required regulatory investments, increase the average annual investment above €450 million, and when approved by the Cabinet. The first ARD, which must enter into force within three years after the date on which Royal Decree Law 8/2014 is published, stipulates that upon completion the accumulated fee deficit together with the deficit relating to prior years cannot be transferred to the next ARD.

The application of this system is necessary to reinforce financial efficiency and general interest Airport network management effectiveness in order to strengthen air transportation activities and to adopt the new legal framework prior to any decision being made regarding the entry of private capital into the share capital of Aena Aeropuertos, S.A.

3) On 11 July 2014 the Cabinet authorized the Public Business Entity “Aeropuertos Españoles y Navegación Aérea” to commence the process of selling the share capital in Aena Aeropuertos, S.A. and disposing of up to 49% of its capital. The decision was also taken to definitively and effectively complete the organizational segregation of the companies to provide them with independent operations over the course of July 2014.

4) On 25 July 2014 the verification and investigation action relating to Value Added Tax for 2013, which commenced on 19 March 2013 with respect to Aena Aeropuertos, S.A., was completed and was favourable for the company. The estimate of the amount to be refunded by the government to Aena Aeropuertos, S.A. totals €31,648 thousand, which matches the amount pending refund stated in its balance sheet in December 2013. This amount was collected on 28 August 2014.

5) Within the framework of opening the share capital of the Company to private investors and in order to make the financing agreements (non-current and current borrowings) and hedging agreements concluded with all of the financial institutions compatible with that process, on 29 July 2014 the Public Business Entity “Aeropuertos Españoles y Navegación Aérea”, Aena Aeropuertos, S.A. and the respective financial institutions signed a modifying but non-extinctive novation covering the relevant financing agreements.

   The text of the new financing agreements fully replaces the original agreements and any novations for all purposes so that, among other modifications, it eliminates any contractual restriction that could affect the privatization process and makes Aena Aeropuertos, S.A. jointly and severally liable, together with the Public Business Entity “Aeropuertos Españoles y Navegación Aérea”, under the various Financing Agreements and makes all other adjustments to the aforementioned financing agreements that are necessary for these purposes.

   These modifications do not alter the financial conditions for the loans granted to the Public Business Entity “Aeropuertos Españoles y Navegación Aérea” or, accordingly, those reflected in the mirror loans that were concluded with Aena Aeropuertos, S.A. (including: repayment of principal, maturity dates, interest rate systems, repayment terms, etc.). The main clauses that were modified are summarized below:

- The joint and several relationship between the Public Business Entity “Aeropuertos Españoles y Navegación Aérea” and Aena Aeropuertos, S.A., which are jointly and severally liable to the bank with respect to the obligation to repay the amount of the loan that is drawn down by either of them and to pay interest, fees, costs, expenses and any other item owed by either of them directly to the bank by virtue of those agreements. The banks expressly recognize that the payment of any items that they effectively received from either of the borrowers in accordance with the provisions of the agreements will have full releasing effects for that item and the amount concerned.
- The clauses that imposed limitations on the transfer of shares in AENA and the sale of a percentage of shares exceeding 49% were eliminated.
- Mandatory compliance with certain financial ratios based on the consolidated financial statements for Aena Group, which will be certified by providing a certificate showing compliance with those ratios on a half-yearly and annual basis.

Ratio	2013	2014	2015	2016	2017 and Subsequent years
Net Financial Debt/EBITDA less than or equal to:	10.00x	9.00x	8.00x	8.00x	7.00x
EBITDA/Financial Expense exceeding or equal to:	2.50x	2.75x	3.00x	3.00x	3.00x

- With respect to the possibility of establishing encumbrances and liens, a more favourable framework was established compared with that which was provided for in the initial financing agreements since certain real guarantees may be established on international assets in international financing transactions without recourse for Aena Aeropuertos, S.A. or the Public Business Entity “Aeropuertos Españoles y Navegación Aérea”, compared with the prohibition that existed in many of the initial agreements and which in many cases made business expansion difficult.
- The unification of the clauses that restrict the availability of assets: Aena Aeropuertos, S.A. will directly and indirectly maintain primary ownership of all of the airport assets and they will not be sold either in a single transaction or in a series of transactions, whether related or not, with some exceptions concerning airport assets located outside of Spain.
- Certain clauses have been unified in order to classify the events under which the financing agreements may mature early as a result of any failure to make payment deriving from the commercial relationships of Aena Aeropuertos, S.A.

The novations of the financing agreements have resulted in Aena Aeropuertos, S.A. making payment of novation fees to all of the financial institutions, as well as expenses incurred for legal advisors totalling €12,163 thousand.

As a result of these novations and in order to include the modifications in the contractual relationship concerning the loan from the Public Business Entity “Aeropuertos Españoles y Navegación Aérea”, on 29 July 2014 the Company signed a modifying but non-extinctive novation concerning the debt recognition agreement with the Public Business Entity “Aeropuertos Españoles y Navegación Aérea”, which amends the agreement signed on 1 July 2011 under which Aena Aeropuertos, S.A. was provided all of the assets, rights, debts and obligations of the Public Business Entity “Aeropuertos Españoles y Navegación Aérea” associated with the performance of airport and commercial activities, as well as other services associated with the airport management, including those relating to the airport air traffic services for a total of €11,672,857 thousand, which represented 94.9% of the active balance of the financing agreements concluded by the Public Business Entity “Aeropuertos Españoles y Navegación Aérea” with the financial institutions.

By virtue of that novation, the Parties agree to modify certain aspects of the debt recognition agreement, merely for the purposes of modification and under no circumstances does the change extinguish any obligation, for the purposes of clarifying, among others: i) the updated amount of the recognised debt, ii) the regulation of payments by the Public Business Entity “Aeropuertos Españoles y Navegación Aérea” and Aena Aeropuertos, S.A. of the amounts owed under the Financing Agreements, iii) the exercising of the authority of the co-creditors under the Financing Agreements, iv) the obligation of Aena Aeropuertos, S.A. to comply with the same financial ratios as stipulated in the novations of the financing agreements, v) the commitment to create an encumbrance in the future on any credit rights (the amount relating to one year of debt service that accrues under the financing agreements) by the Company to the Public Business Entity “Aeropuertos Españoles y Navegación Aérea” in the event of any failure to comply with its obligations under the Debt Recognition Agreement or the loss by the Public Business Entity “Aeropuertos Españoles y Navegación Aérea” of a majority stake in the capital of Aena.

The breakdown of the total financial debt with the financial institutions owed by the Public Business Entity “Aeropuertos Españoles y Navegación Aérea” and for which Aena Aeropuertos, S.A. is the co-borrower at 30 June 2014 is as follows (thousand euro):

Financial Institutions	Amount
EIB	**5,205,379**
ICO	**2,485,000**
DEPFA	**1,400,000**
FMS	**933,333**
KFW	**100,000**
Rest	**1,243,134**
TOTAL	**11,366,846**

At the time of the debt recognition on 30 June 2014 Aena Aeropuertos, S.A. owes the Public Business Entity “Aeropuertos Españoles y Navegación Aérea” the amount deriving from the contribution of the activity, which totals €10,886,917 thousand.

During the process of novating the debt, the parties expressly agreed, notwithstanding their status as co-borrowers and jointly and severally liable for compliance with the obligations established in the Financing Agreements, that the payments for any items that must be made in accordance with those Financing Agreements will be made by the Public Business Entity “Aeropuertos Españoles y Navegación Aérea” and, therefore, the contractual relationship between Aena Aeropuertos, S.A. and the Public Business Entity “Aeropuertos Españoles y Navegación Aérea” is maintained through the Debt Recognition Agreement.

Notwithstanding the joint and several and primary responsibility that Aena Aeropuertos, S.A. and the Public Business Entity “Aeropuertos Españoles y Navegación Aérea” assume with respect to the financial institutions under the Financing Agreements, the payments made by Aena Aeropuertos, S.A. will proportionally reduce its payment obligations deriving from the contribution to the Public Business Entity “Aeropuertos Españoles y Navegación Aérea”.

In any event, any failure of Aena Aeropuertos, S.A. to make payment of the obligations deriving from the Debt Recognition Agreement will not release the Public Business Entity “Aeropuertos Españoles y Navegación Aérea” from complying with its payment commitments by virtue of the provisions of the Financing Agreements.

Accordingly, the modifications agreed in the financing agreements with the financial institutions and with the Public Business Entity “Aeropuertos Españoles y Navegación Aérea” do not alter the accounting treatment for the Company's financial debt with the ultimate parent company, the Public Business Entity “Aeropuertos Españoles y Navegación Aérea”.

PREPARATION OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND INTERIM CONSOLIDATED DIRECTORS' REPORT AT 30 JUNE 2014

On 9 September 2014, and in compliance with Article 253 of the Spanish Companies Act and Article 37 of the Code of Commerce, the Board of Directors of the company Aena, S.A. (formerly Aena Aeropuertos, S.A.) prepared the Condensed Interim Consolidated Financial Statements and Interim Consolidated Directors' Report for the period ended 30 June 2014, which are set out in the preceding attached documents.

Position	Name	Signature
Chair:	José Manuel Vargas	
Director:	Juan Ignacio Acha-Orbea	
Director:	José Manuel Rodríguez de Castro	
Director:	José María Araúzo	
Director:	Pilar Arranz Notario	
Director:	Victoria Marcos Cabero	
Director:	Francisco Cal Pardo	
Director:	Pedro Francisco Duque Duque	
Director:	José Jaume Pons	
Director:	Marta Blanco Quesada	
Director:	Ginés de Rus Mendoza	
Director:	Pablo Vázquez Vega	
Non-voting Secretary:	Almudena Salvadores García	