

AENA, S.A. AND SUBSIDIARY COMPANIES

Condensed Interim Consolidated Financial Statements and Interim Management Report
corresponding to the six-month period ending on June 30, 2015

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Aena, S.A. and Subsidiary Companies - Condensed Interim Consolidated Financial Statements

(in thousands of euros unless otherwise indicated)

Condensed Interim Consolidated Financial Statements as of June 30, 2015 and December 31, 2014

	Note	June 30, 2015	December 31, 2014
ASSETS			
Non-current assets			
Property, plant and equipment	6	15,261,886	15,557,830
Intangible assets	7	678,623	641,577
Investment properties	8	130,538	131,386
Investments in subsidiaries	9	77,660	77,652
Other receivables	11	-	55,252
Deferred tax assets	16	188,724	102,129
Financial assets available for sale	10	4,823	4,823
Other financial assets	10	49,424	43,565
Derivative financial instruments	10	10,084	-
		16,401,762	16,614,214
Current assets			
Inventory		11,057	9,139
Trade and other receivables	11	464,634	503,277
Cash and cash equivalents	12	541,418	290,305
		1,017,109	802,721
Total assets		17,418,871	17,416,935
NET EQUITY AND LIABILITIES			
Net equity attributable to the owners of the parent			
Share capital	13	1,500,000	1,500,000
Share premium	13	1,100,868	1,100,868
Retained earnings/(losses)		1,205,774	930,230
Accumulated exchange differences		4,026	(5,120)
Other reserves		(31,913)	(9,737)
Minority interests		57,354	62,063
		3,836,109	3,578,304
Liabilities			
Non-current liabilities			
Financial debt	15	9,443,714	9,872,565
Derivative financial instruments	10.b	317	5,817
Deferred tax liabilities	16	139,851	127,406
Employee benefits	17.a	50,385	40,776
Provisions for other liabilities and expenses	17.b	1,126,449	1,124,588
Grants	18	587,283	606,187
Other long-term liabilities	14	185,598	204,839
		11,533,597	11,982,178
Current liabilities			
Trade and other payables	14	534,846	389,189
Current tax liabilities		3,636	-
Financial debt	15	1,185,195	1,151,096
Derivative financial instruments	10.b	40,816	5,172
Grants	18	42,132	43,973
Provisions for other liabilities and expenses	17.b	242,540	267,023
		2,049,165	1,856,453
Total liabilities		13,582,762	13,838,631
Total net equity and liabilities		17,418,871	17,416,935

Notes 1 through 25 form an integral part of these condensed interim consolidated financial statements.

Aena, S.A. and Subsidiary Companies - Condensed Interim Consolidated Financial Statements

(in thousands of euros unless otherwise indicated)

Condensed Interim Consolidated Statement of Income for the six-month period ending on June 30, 2015 and June 30, 2014

	Note	June 30, 2015	June 30, 2014
Continuing operations			
Ordinary revenue	5	1,567,258	1,381,852
Other operating income		4,937	4,407
Own work capitalised		2,187	2,161
Supplies		(90,126)	(89,765)
Personnel expenses		(192,292)	(170,070)
Other operating expenses	19	(487,773)	(426,915)
Fixed asset depreciation	6.7,8	(424,845)	(404,183)
Release of non-financial fixed asset grants and other	18	19,969	27,850
Excess provisions		3,370	10,875
Impairment and loss on disposal of fixed assets	6.7,8	(1,503)	(3,015)
Other net profits / (losses)		400	1,150
Operating profit/loss		401,582	334,347
Financial income		1,717	688
Financial expenses		(117,168)	(128,757)
Other net financial income/(expenses)		3,903	(1,974)
Net financial expense	20	(111,548)	(130,043)
Share in profits obtained by associates	9	5,507	650
Profit/loss before tax		295,541	204,954
Income tax	21	(26,042)	(51,809)
Profit/loss for consolidated period		269,499	153,145
Profit/Loss for the year attributable to minority interests		(6,064)	-
Profit/(loss) for the year attributable to the shareholders of the Parent Company		275,563	153,145
Earnings per share (Euros per share)	22		
Basic earnings per share based on profit for the year		1.84	1.02
Diluted earnings per share based on profit for the year		1.84	1.02

Notes 1 through 25 form an integral part of these condensed interim consolidated financial statements.

Aena, S.A. and Subsidiary Companies - Condensed Interim Consolidated Financial Statements

(in thousands of euros unless otherwise indicated)

Condensed Interim Consolidated Statement of Group Income for the six-month period ending on June 30, 2015 and June 30, 2014

	Note	June 30, 2015	June 30, 2014
Profit for the year		269,499	153,145
Items that may be subsequently reclassified to profit or loss:			
- Cash flow hedges	21	(19,459)	326
- Share in other comprehensive income of associates		-	(739)
- Foreign currency exchange differences		15,440	3,586
- Actuarial earnings and losses	21	(3,885)	-
		(7,904)	3,173
Other comprehensive income for the period, net of taxes		(7,904)	3,173
Consolidated group income for the period		261,595	156,318
Profit for the year attributable to the shareholders of the Parent Company		262,533	156,318
Minority interests		(938)	-

The items shown in this statement of comprehensive income are presented net of taxes.

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Aena, S.A. and Subsidiary Companies - Condensed Interim Consolidated Financial Statements

(in thousands of euros unless otherwise indicated)

Condensed Interim Consolidated Statement of Changes in Net Equity for the six-month period ending on June 30, 2015 and June 30, 2014

	Attributable to the Parent Company's shareholders							Total	Minority interests	Total net equity
	Ordinary Capital (Note 13)	Share premium (Note 13)	Retained earnings	Hedging reserves	Actuarial earnings and losses	Accumulated exchange differences	Share in other comprehensive income of associates			
Balance at January 1, 2014	1,500,000	1,100,868	450,533	(5,735)	-	(5,871)	(668)	3,039,127	-	3,039,127
Period income	-	-	153,145	-	-	-	-	153,145	-	153,145
Share in other comprehensive income of associates	-	-	-	-	-	-	(739)	(739)	-	(739)
Other comprehensive income for the period	-	-	-	326	-	3,586	-	3,912	-	3,912
Total comprehensive income for the period	-	-	153,145	326	-	3,586	(739)	156,318	-	156,318
Other movements	-	-	(2,131)	-	-	-	-	(2,131)	-	(2,131)
Total contributions by and distributions to shareholders recognised directly under equity	-	-	(2,131)	-	-	-	-	(2,131)	-	(2,131)
Balance at June 30, 2014	1,500,000	1,100,868	601,547	(5,409)	-	(2,285)	(1,407)	3,193,314	-	3,193,314
Balance at January 1, 2015	1,500,000	1,100,868	930,230	(7,053)	(2,684)	(5,120)	-	3,516,241	62,063	3,578,304
Period income	-	-	275,563	-	-	-	-	275,563	(6,064)	269,499
Other comprehensive income for the period	-	-	-	(20,194)	(1,982)	9,146	-	(13,030)	5,126	(7,904)
Total comprehensive income for the period	-	-	275,563	(20,194)	(1,982)	9,146	-	262,533	(938)	261,595
Distribution of dividends	-	-	-	-	-	-	-	-	(3,771)	(3,771)
Other movements	-	-	(19)	-	-	-	-	(19)	-	(19)
Total contributions by and distributions to shareholders recognised directly under equity	-	-	(19)	-	-	-	-	(19)	(3,771)	(3,790)
Balance at June 30, 2015	1,500,000	1,100,868	1,205,774	(27,247)	(4,666)	4,026	-	3,778,755	57,354	3,836,109

Notes 1 through 25 form an integral part of these condensed interim consolidated financial statements.

Aena, S.A. and Subsidiary Companies - Condensed Interim Consolidated Financial Statements

(in thousands of euros unless otherwise indicated)

Condensed Interim Consolidated Statement of Cash Flows for the six-month period ending on June 30, 2015 and June 30, 2014

	Note	June 30, 2015	June 30, 2014
Profit/loss before tax		295,541	204,954
Adjustments for:		550,102	513,605
- Depreciation and amortization	6.7,8	424,845	404,183
- (Profit)/loss on fixed assets disposal		1,503	3,015
- (Profit)/loss on financial instruments disposal	20	(97)	-
- Profit/(loss) on the fair value of derivative financial instruments	20	2,545	2,433
- Attribution of grants		(19,969)	(27,850)
- Trade receivable impairment adjustments		155	(9,238)
- Change in provisions		16,062	12,582
- Financial income	20	(1,717)	(688)
- Financial expenses	20	110,817	128,298
- Other income and expenses		21,465	1,520
- Share in losses /(gains) in associates	9	(5,507)	(650)
Changes in working capital:		(14,991)	(3,052)
- Inventory		361	(71)
- Trade and other receivables		(73,778)	(46,048)
- Other current assets		(8)	(20,952)
- Trade and other payables		84,111	73,104
- Other current liabilities		(18,189)	(8,102)
- Other non-current assets and liabilities		(7,488)	(983)
Cash generated from operations		(44,362)	(129,251)
Interest paid		(104,784)	(113,124)
Interest receivable		810	292
Taxes collected (paid)		60,007	(16,419)
Other collections (payments)		(395)	-
Net cash generated from operating activities		786,290	586,256

Aena, S.A. and Subsidiary Companies - Condensed Interim Consolidated Financial Statements

(in thousands of euros unless otherwise indicated)

Condensed Interim Consolidated Statement of Cash Flows for the six-month period ending on June 30, 2015 and June 30, 2014

	Note	June 30, 2015	June 30, 2014
Cash flows from investment activities			
Acquisitions of tangible fixed assets		(71,838)	(133,539)
Acquisitions of intangible assets		(8,792)	(8,158)
Acquisitions of investment properties		(69)	(53)
Investments in group companies and associates		-	(2,036)
Payments for acquisitions of other financial assets		(8,251)	(44)
Payments received from loans to Companies in the group and affiliates		696	71,151
Dividends received		3,476	8,314
Net cash used in investment activities		(84,778)	(64,365)
Cash flow from financing activities			
Income from external financing (FEDER grants)		-	78,281
Income from bank financing		10,065	-
Other payments received		1,766	-
Repayment of bank borrowings		(436)	(1,598)
Repayment of Group financing		(434,663)	(460,023)
Dividends paid		(3,771)	-
Other payments		(25,462)	(1,098)
Net cash used in financing activities		(452,501)	(384,438)
Effect of changes in exchange rate		2,102	-
Net (decrease)/increase in cash and cash equivalents		251,113	137,453
Cash and cash equivalents at the start of the year	12	290,305	12,377
Cash and cash equivalents at the end of the year	12	541,418	149,830

Notes 1 through 25 form an integral part of these condensed interim consolidated financial statements.

Aena, S.A. and Subsidiary Companies - Condensed Interim Consolidated Financial Statements

(in thousands of euros unless otherwise indicated)

Notes to the Condensed Interim Consolidated Financial Statements for the six-month period ending on June 30, 2015

1 General Information

Aena, S.A. ("the Company", or "Aena") is the Parent Company of a group of companies (the "Group") which as of June 30, 2015 was comprised of 8 subsidiaries and 4 associates. Aena S.A. was incorporated as an independent legal entity by virtue of Article 7 of Royal Decree-Law 13/2010 (December 3) which authorised the Council of Ministers to incorporate the Company. The authorisation for effective incorporation took place on February 25, 2011 by resolution adopted by the Council of Ministers on that date authorising the incorporation of the State-owned corporation Aena Aeropuertos, S.A. as provided in Article 166 of Law 33/2003 (November 3) on Public Institution Assets (LPIA).

On July 5, 2014, by virtue of Article 18 of Royal Decree-Law 8/2014, the name of Aena Aeropuertos, S.A. was changed to Aena, S.A., and the Public Business Entity "Aeropuertos Españoles y Navegación Aérea" was renamed ENAIRE ("Last Company" or "Parent Company"). Also established in the aforementioned Royal Decree is the continued integrity of the network of airports, with respect to the fact that that network's survival ensures citizen mobility and economic, social, and geographic cohesion, in terms of accessibility, sufficiency, adequacy, sustainability, and continuity. A framework is established to which basic airport services are subject, stipulating the characteristics and conditions which the said network must achieve in order to guarantee public interest objectives. As such, the closing or transfer, in full or in part, of any of the airport facilities or infrastructure necessary to maintain provision of airport services is prohibited, unless made with the authorization of the Council of Ministers or the Ministry of Development, such authorization which can only be granted if the public interest objectives which the said network must guarantee are left unaffected, and provided that the network's sustainability is not compromised; the lack of such authorization is tied to the penalty of nullity, all with the aim of guaranteeing the comprehensive maintenance of the state airport network; there is explicit determination of airport fees and their essential elements, basic airport services, and the framework to determine minimum standards of quality, capacity, and conditions for the provision of services and the investments required to achieve this, as well as the conditions for recovery of costs deriving from the provision of these basic airport services.

Before the incorporation of the Company, the management and operation economic activity 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 under Article 82 of Law 4/1990 (June 29), General State Budget for 1990. It was effectively incorporated on June 19, 1991, once its Statute entered into force, as approved by Royal Decree 905/1991 (June 14).

The Company was incorporated to 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 (December 3), and may sell the rest in accordance with Law 33/2003 (November 3) 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 May 23, 2011, which approves the contribution of the activity to the company and its measurement, and it formally took place on May 31, 2011. The non-monetary contribution and the measurement took place using the carrying value of the airport line of business at May 31, 2011 as a reference, in accordance with the accounting standards in force and, specifically, the Spanish General Chart of Accounts approved by Royal Decree 1514/2007 (November 16), partially amended by Royal Decree 1159/2010 (September 17), as is established by the Resolution dated February 25, 2011.

The Resolution adopted by the Council of Ministers on June 3, 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 (December 3), 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.

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(in thousands of euros unless otherwise indicated)

The Company's Single Shareholder, the Public Business Entity "Aeropuertos Españoles y Navegación Aérea", adopted the following single shareholder resolutions on June 6, 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 new 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 EUROS represented by SIX THOUSAND ONE HUNDRED SHARES with a par value of TEN EUROS 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 up to €1,500,000,000 (ONE BILLION FIVE HUNDRED MILLION EUROS) and, therefore, the share capital increase amounts to €1,499,939,000.

c) Issue of 149,993,900 ordinary shares with a par value of €10 each, 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 EUROS), 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 EUROS).

d) In accordance with Article 9 of Royal Decree-Law 13/2010 and the Resolutions dated February 25 and June 3, 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 above mentioned activity.

e) The Public Business Entity "Aeropuertos Españoles y Navegación Aérea" contributes all of the activities as an operating unit in the state in which they are located (ownership, usage rights, situation, charges, etc.) under the terms of RDL 13/2010. The Public Business Entity "Aeropuertos Españoles y Navegación Aérea" in accordance with article 66 of the Law on Corporations approved by Royal Decree-Law 1/2010 (July 2), is liable with respect to the contribution, only if the defect or encumbrance affects all or an essential part of the Activity. For these purposes, it shall be understood as an essential part that which affects 20% or more of the total value of the Activity contribution 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 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 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 will be approved by the Board of Directors of the Public Business Entity "Aeropuertos Españoles y Navegación Aérea" dated May 23, 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 Spanish General Chart of Accounts, and has met the requirements of Article 114 of the LPIA.

h) In accordance with Articles 70 and 300.1 of the Law on Corporations, 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 Royal Decree-Law 4/2004 (March 5), which approves the Corporate Income Tax Act, in accordance with the third Additional Provision of RDL 13/2010.

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(in thousands of euros unless otherwise indicated)

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 of 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: La 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 Suárez Madrid-Barajas, Melilla, Menorca, Palma de Mallorca-Son Bonet, Pamplona, Reus, Sabadell, San Sebastián, Santander, Seville, Tenerife Sur, Valencia, Vigo and Vitoria.
- b) Civil part of airports jointly used 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 León military airfield.
- d) Heliports: Heliport in Ceuta and Algeciras.

The functional ownership of the Company falls to the Ministry of Development, 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 statutes, 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 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.

The registered address for Aena, S.A. is located in Madrid (Spain), at calle Arturo Soria, 109.

Moreover, on July 11, 2014, the Council of Ministers authorized the Public Business Entity “Aeropuertos Españoles y Navegación Aérea” to begin proceedings to sell up to 49 percent of the share capital of Aena, S.A. On January 23, 2015, the Council of Ministers approved the sale of 49% of AENA by way of Initial Public Offering, registering the prospectus of the IPO with the CNMV on January 23, 2015. Shares in Aena, S.A. began being traded in the four Spanish stock markets on February 11, 2015.

Aena, S.A. and Subsidiary Companies - Condensed Interim Consolidated Financial Statements

(in thousands of euros unless otherwise indicated)

2 Basis of Presentation

As is described in Note 1 above, Aena Aeropuertos, S.A. was incorporated as an independent legal entity and as a Group in 2011 (May 23, 2011 and May 31, 2011, respectively), by virtue of Royal Decree-Law 13/2010, due to the effect of the non-monetary contribution of all of the assets and liabilities associated with the airport activity. Prior to the creation of Aena Aeropuertos, S.A., the airport service management and operation activity carried out by the Company and its subsidiaries and associates formed part of the Public Business Entity “Aeropuertos Españoles y Navegación Aérea”.

In the preparation of the consolidated annual accounts for the fiscal years ending on December 31, 2014, 2013, 2012, and 2011, in accordance with IFRS-EU, the Company, considering the framework for reorganization of airport activities established by Royal Decree-Law 13/2010 as referenced above, accounted for the non-monetary contribution as a corporate reorganization in the context of its shareholder, the Public Business Entity “Aeropuertos Españoles y Navegación Aérea”. This approach is consistent with the analysis and opinion produced by the Management of the Company regarding various factors, taking into account that these kinds of transactions are not regulated under the regulatory framework of the IFRS, and specifically within the framework of IFRS 3, Business Combinations, and so the Company developed an accounting policy for said transaction to reflect the substance of the said transaction and its underlying operations. It is within this context that the Company deemed that the combination of a new recently created entity (Aena Aeropuertos, S.A., incorporated May 23, 2011) with a previously existing reporting unit does not constitute a business combination, as the newly created entity is not the acquiring entity and is not a business acquired by the previously existing reporting unit.

In applying the accounting policy adopted by the Company for this transaction, it has been taken into account that airport operations previously comprised under the Government Business Entity “Aeropuertos Españoles y Navegación Aérea” (which were reported in the financial information of said entity as a separate business segment) were to be recorded and accounted for separately, constituting an independent reporting unit, subject to a specific regulatory framework, despite that unit being part of ENAIRE and not actually a separate legal entity, thereby allowing different equity elements to be reliably allocated to the new entity. This conclusion was consistent with the spirit of Royal Decree-Law 13/2010, the purpose of which was to grant a separate legal existence which had hitherto been lacking, to the set of functions and obligations previously exercised by ENAIRE (on matters of airport service management and operation), by establishing an autonomous economic unit able to independently develop its business activities in case of corporate succession, arranged as an operating unit and, as such, a separate and determinable reporting unit in terms of its historic financial information, management of which has been carried out in the same manner both before and after the non-monetary contribution, maintaining continuity in the key managerial positions of Aena Aeropuertos, S.A.

It is also in this context that the Company deemed that for the purposes of presenting historic information, taking into account the legal form of the transaction would have altered the reporting of airport operations which were developed by the Company in the same manner both before and after the non-monetary contribution, and so reporting for the 2011 fiscal year, as of the date of the transaction, would not have reflected the substantive economic reality of the business of Aena Aeropuertos, S.A. when the legal event was performed solely, as indicated before, to provide a separate legal existence to a previously existing reporting unit.

For this reason, in considering Aena Aeropuertos, S.A. as a single existing reporting unit before and after the non-monetary contribution, accounts were prepared as for a corporate reorganization within the scope of the Public Business Entity “Aeropuertos Españoles y Navegación Aérea”, and consequently, financial information from the 2011 fiscal year was reported for the complete 12-month fiscal year, at historic book values, treating the existence of Aena Aeropuertos, S.A. as a separate reporting unit, regardless of its legal creation during the course of the 2011 fiscal year.

The Group’s consolidated annual accounts corresponding to the 2014 fiscal year were prepared by the Directors of the Company in accordance with the terms established in International Financial Reporting Standards adopted by the European Union, applying the accounting policies described in Note 2 of the report for said consolidated annual accounts, so as to present a reliable picture of the consolidated equity and financial standing of the Group as of December 31, 2014, and of the consolidated results of its operations, consolidated net changes in equity, and consolidated cash flows corresponding to the fiscal year ending on said date.

These condensed interim consolidated financial statements as of June 30, 2015 have been submitted for review by auditors. Figures corresponding to June 30, 2014 and December 31, 2014 (all of which have been audited) are presented for purposes of comparison.

These condensed interim consolidated financial statements are presented in accordance with IAS 34 on Interim

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Financial Information and have been approved for use by the Directors of the Group on July 28, 2015.

Pursuant to the terms established in IAS 34, interim financial information is presented solely with the intention of updating the contents of the most recent consolidated annual accounts prepared by the Group, emphasizing new activities, events, and circumstances, and avoiding duplication of information already published. As such, in order to properly understand the information included in these condensed interim consolidated financial statements, they must be interpreted together with the consolidated annual accounts of the Group for the 2014 fiscal year, such accounts which were prepared on March 24, 2015 and approved during the Ordinary and General Shareholders' Meeting of Aena, S.A. held on June 3, 2015.

2.1 Accounting Policies

Except for those matters indicated below, the accounting policies used are consistent with those applied to the Group's consolidated annual accounts for the 2014 fiscal year.

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

The Group has adopted the following standards for the first time during the financial year starting on January 1, 2015:

CINIIF 21 "Encumbrances" is an interpretation of IAS 37 "Provisions, Contingent Assets and Contingent Liabilities" which concerns the accounting for encumbrances imposed by government bodies other than taxes on earnings and fines or penalties imposed due to legal violations. The main concept established in this regard is when the entity should record a liability for the obligation to pay an encumbrance that is recorded pursuant to IAS 37. IAS 37 establishes the conditions for the recording of a liability, one of which being that the entity must have a present obligation as a result of a past event. The interpretation clarifies that the obligating event that gives rise to a liability for the payment of an encumbrance is the activity described in the relevant legislation that triggers the payment of the encumbrance. For entities whose fiscal year coincides with the calendar year, CINIIF 21 is mandatory beginning on January 1, 2015.

Implementation of this standard affects only the interim financial statements. Given that the annual total expense from applicable encumbrances estimated for 2015 is 145 million euros, and that, pursuant to previous regulation, this would be accrued linearly throughout the fiscal year, but under the terms of CINIIF 21 they have been accrued in full as of January 1, 2015, the impact would be 108.6 million euros in added expenses in accounts for Q1 2015, 72.4 million euros in added expenses in accounts for the first semester of 2015, and 36.2 million euros in added expenses in accounts for the third quarter of 2015, as compared to the accounts as they would exist under the previous regulation. However, this standard is applied retroactively, and so the figures corresponding to the first semester of 2014 have been reexpressed (see Note 2.4).

Annual Improvements 2010-2012

These annual improvements addressed seven aspects of financial reporting in 2010-2012, comprising:

- IFRS 2 "Share-based Payments": Defining condition for vesting.
- IFRS 3 "Business Combinations": Accounting for contingent consideration in a business combination.
- IFRS 8 "Operating Segments": Aggregation of operating segments and reconciliation of the entity's reporting segments.
- IFRS 13 "Fair value rating": Trade accounts receivable and payable in the short term.
- IAS 16 "Property, plant and equipment": Revaluation Method - proportional reexpression of accumulated amortization.
- IAS 24 "Disclosure of related parties": Key Management Personnel.
- IAS 38 "Intangible Assets": Revaluation Method - proportional reexpression of accumulated amortization.

The European Union changed the date of implementation of these improvements, originally established by the IASB (July 1, 2014) to apply to fiscal years beginning on December 17, 2014.

This standard has had no significant effect on the condensed interim consolidated financial statements.

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Annual Improvements 2011-2013

These annual improvements addressed four aspects of financial reporting in 2011-2013, comprising:

- IFRS 1 “First-time adoption of IFRS”: Meaning of “Effective IFRSs”.
- IFRS 3 “Business Combinations”: Exceptions to the scope for joint ventures.
- IFRS 13 “Fair value rating”: Scope of paragraph 52 (except portfolio).
- IAS 40 “Investment Property”: Clarification of the relationship between IFRS 3 and IAS 40 when a property as an investment property or owner occupied property is classified.

The European Union changed the date of implementation of these improvements, originally established by the IASB (July 1, 2014) to apply to fiscal years beginning on December 18, 2014.

This standard has had no significant effect on the condensed interim consolidated financial statements.

Amendments to IAS 19, “Defined benefit plans. Employee contributions”

This amendment applies to employee contributions or third parties to defined benefit plans. The aim 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 according to a fixed percentage of salary.

IAS 19 (revised 2011) distinguishes between employee contributions related to the service provided and those not related to the service. The current modification further distinguishes between contributions that are tied to the service only in the year in which they arise and those that are linked to service for more than one year. The amendment allows the contributions that are tied to the service, and do not vary with the length of service of the employee, to be deducted from the cost of benefits accrued in the year in which the related service is provided. The contributions related to the service, which vary according to the employee’s length of service should be extended for the period of the service using the same method of allocation that applies to benefits, which implies that it either agrees with the formula of the pension plan, or, if the plan provides a significantly higher level of performance for service in later years, on a linear basis.

The European Union changed the date of implementation of these improvements, originally established by the IASB (July 1, 2014) to apply to fiscal years beginning on December 17, 2014.

This standard has had no significant effect 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

As of the date these condensed interim consolidated financial statements were prepared, the Group had not implemented early adoption of any standard, interpretation, or amendment that had not yet taken effect.

In addition, as of the date these condensed interim consolidated financial statements were prepared, the IASB and IFRIC had published a series of standards, amendments, and interpretations which are pending adoption by the European Union. Such standards, amendments, and interpretations are described in Note 2.1.4 of the Consolidated Annual Accounts for the 2014 fiscal year. The Group is assessing the impact that these standards and amendments may have on the consolidated annual accounts, in case they come to be adopted by the European Union.

2.2 Consolidation and Changes in Scope

The principles of consolidation used to prepare the condensed interim consolidated financial statements are the same as those used in the preparation of the consolidated annual accounts for the 2014 fiscal year, as indicated in Note 2.1.

In the six-month period ending on June 30, 2015, no operations were performed by the Group that had given rise to a business combination with regards to these condensed consolidated financial statements.

On January 30, 2015, during a General Extraordinary Shareholders’ Meeting of Sociedad Restauración de Aeropuertos Españoles, S.A. (in liquidation), the final liquidation balance sheet was approved, as well as a complete report on

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liquidation operations and a proposed division between shareholders of the resulting assets and liquidation fee, and the liquidation fee was paid on March 16, 2015 at a total amount of 697,000 euros.

2.3 Changes in Accounting Policies and Estimates

During the six-month period ending on June 30, 2015, no changes occurred in accounting policies or estimates other than those resulting from the application of new standards, as described in Note 2.1.1 above, and with respect to the criteria applied in the 2014 fiscal year.

2.4 Information Comparison

During the six-month period ending on June 30, 2015, no changes occurred in significant accounting criteria as they were applied in the 2014 fiscal year, other than those resulting from the application of new standards, as described in Note 2.1.1 above.

In addition, comparative financial information corresponding to the six-month period ending on June 30, 2014 has also been reexpressed, in accordance with the provisions from CINIIF 21, increasing by 68.525 million euros the Tax expenses included in the condensed interim consolidated financial statements from June 30, 2014, and therefore also recalculating the Corporate Tax as a result, resulting in a total of 51.809 million euros, a 20.557 million euro decrease from the total shown in said financial statements (72.366 million euros).

In light of all of the foregoing, the main impacts of the application of CINIIF 21 determined as of June 30, 2014 on the financial statements are detailed as follows:

Condensed Interim Consolidated Financial Statement

	June 30, 2014	Impacts CINIIF 21	June 30, 2014 reexpressed
ASSETS			
Non-current assets			
Property, plant and equipment	14,994,065	-	14,994,065
Intangible assets	99,405	-	99,405
Investment properties	140,194	-	140,194
Investments in subsidiaries	87,286	-	87,286
Other receivables	117,301	-	117,301
Deferred tax assets	94,024	-	94,024
Financial assets available for sale	4,908	-	4,908
Other financial assets	1,866	-	1,866
	15,539,049	-	15,539,049
Current assets			
Inventory	4,692	-	4,692
Trade and other receivables	605,705	(15,051)	590,654
Cash and cash equivalents	149,830	-	149,830
	760,227	(15,051)	745,176
Total assets	16,299,276	(15,051)	16,284,225
NET EQUITY AND LIABILITIES			
Net equity attributable to the owners of the Parent Company			
Share capital	1,500,000	-	1,500,000
Share premium	1,100,868	-	1,100,868
Retained earnings/(losses)	649,515	(47,968)	601,547
Accumulated exchange differences	(2,285)	-	(2,285)
Other reserves	(6,816)	-	(6,816)
	3,241,282	(47,968)	3,193,314
Liabilities			
Non-current liabilities			
Financial debt	9,971,681	-	9,971,681

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Derivative financial instruments	3,643	-	3,643
Deferred tax liabilities	397	-	397
Employee benefits	6,749	-	6,749
Provisions for other liabilities and expenses	339,525	-	339,525
Grants	614,270	-	614,270
Other long-term liabilities	218,557	-	218,557
	11,154,822	-	11,154,822
Current liabilities			
Trade and other payables	505,656	32,917	538,573
Financial debt	1,090,240	-	1,090,240
Derivative financial instruments	5,025	-	5,025
Grants	38,400	-	38,400
Provisions for other liabilities and expenses	263,851	-	263,851
	1,903,172	32,917	1,936,089
Total liabilities	13,057,994	32,917	13,090,911
Total net equity and liabilities	16,299,276	(15,051)	16,284,225

Condensed Interim Consolidated Statement of Profit/Loss as of June 30, 2014

	June 30, 2014	Impacts CINIIF 21	June 30, 2014 reexpressed
Continuing operations			
Ordinary revenue	1,381,852	-	1,381,852
Other operating income	4,407	-	4,407
Own work capitalised	2,161	-	2,161
Supplies	(89,765)	-	(89,765)
Personnel expenses	(170,070)	-	(170,070)
Other operating expenses	(358,390)	(68,525)	(426,915)
Fixed asset depreciation	(404,183)	-	(404,183)
Release of non-financial fixed asset grants and other	27,850	-	27,850
Excess provisions	10,875	-	10,875
Impairment and loss on disposal of fixed assets	(3,015)	-	(3,015)
Other net profits / (losses)	1,150	-	1,150
Operating profit/loss	402,872	(68,525)	334,347
Financial income	688	-	688
Financial expenses	(128,757)	-	(128,757)
Other net financial income/(expenses)	(1,974)	-	(1,974)
Net financial expense	(130,043)	-	(130,043)
Share in profits obtained by associates	650	-	650
Profit/loss before tax	273,479	(68,525)	204,954
Income tax	(72,366)	20,557	(51,809)
Profit/loss for consolidated period	201,113	(47,968)	153,145
Profit/Loss for the year attributable to minority interests	-	-	-
Profit/(loss) for the year attributable to the shareholders of the Parent Company	201,113	(47,968)	153,145
Earnings per share (Euros per share)			
Basic earnings per share based on profit for the year	1.34	(0.32)	1.02
Diluted earnings per share based on profit for the year	1.34	(0.32)	1.02

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Condensed Interim Consolidated Statement of Group Income for the six-month period ending on June 30, 2014

	June 30, 2014	Impacts CINIIF 21	June 30, 2014 reexpressed
Profit for the year	201,113	(47,968)	153,145
Items that may be subsequently reclassified to profit or loss:			
- Cash flow hedges	326	-	326
- Share in other comprehensive income of associates	(739)	-	(739)
- Foreign currency exchange differences	3,586	-	3,586
	3,173	-	3,173
Other comprehensive income for the period, net of taxes	3,173	-	3,173
Profit/(loss) for the period attributable to the shareholder of the Parent Company	204,286	(47,968)	156,318

Consolidated Net Equity as of January 1 and June 30, 2014

Impact on six-month period ending on June 30, 2014	January 1, 2014	Share capital, share premium and retained earnings	Profit/loss attributable to the Aena shareholder	Hedging reserves	Accumulated exchange differences	Share in other comprehensive income of associates	June 30, 2014
Net equity without CINIIF 21	3,039,127	(2,131)	201,113	326	3,586	(739)	3,241,282
Impact:							
CINIIF 21	-	-	(47,968)	-	-	-	(47,968)
Net equity under CINIIF 21	3,039,127	(2,131)	153,145	326	3,586	(739)	3,193,314

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Condensed Interim Consolidated Statement of Cash Flows for the six-month period ending on June 30, 2014

	June 30, 2014	Impacts CINIIF 21	June 30, 2014 reexpressed
Profit/loss before tax	273,479	(68,525)	204,954
Adjustments for:	513,605	-	513,605
- Depreciation and amortization	404,183	-	404,183
- (Profit)/loss on fixed assets disposal	3,015	-	3,015
- Profit/(loss) on the fair value of derivative financial instruments	2,433	-	2,433
- Attribution of grants	(27,850)	-	(27,850)
- Trade receivable impairment adjustments	(9,238)	-	(9,238)
- Change in provisions	12,582	-	12,582
- Financial income	(688)	-	(688)
- Financial expenses	128,298	-	128,298
- Other income and expenses	1,520	-	1,520
- Share in losses /(gains) in associates	(650)	-	(650)
Changes in working capital:	(71,577)	-	(3,052)
- Inventory	(71)	-	(71)
- Trade and other receivables	(46,048)	-	(46,048)
- Other current assets	(20,952)	-	(20,952)
- Trade and other payables	4,579	68,525	73,104
- Other current liabilities	(8,102)	-	(8,102)
- Other non-current assets and liabilities	(983)	-	(983)
Cash generated from operations	(129,251)	-	(129,251)
Interest paid	(113,124)	-	(113,124)
Interest receivable	292	-	292
Taxes collected (paid)	(16,419)	-	(16,419)
Net cash generated from operating activities	586,256	-	586,256

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Condensed Interim Consolidated Statement of Cash Flows for the six-month period ending on June 30, 2014

	June 30, 2014	Impacts CINIIF 21	June 30, 2014 reexpressed
Cash flows from investment activities			
Acquisitions of tangible fixed assets	(133,539)	-	(133,539)
Acquisitions of intangible assets	(8,158)	-	(8,158)
Acquisitions of investment properties	(53)	-	(53)
Investments in group companies and associates	(2,036)	-	(2,036)
Payments for acquisitions of other financial assets	(44)	-	(44)
Payments received from loans to Companies in the group and affiliates	71,151	-	71,151
Dividends received	8,314	-	8,314
Net cash used in investment activities	(64,365)	-	(64,365)
Cash flow from financing activities			
Income from external financing (FEDER grants)	78,281	-	78,281
Repayment of bank borrowings	(1,598)	-	(1,598)
Repayment of Group financing	(460,023)	-	(460,023)
Other payments	(1,098)	-	(1,098)
Net cash used in financing activities	(384,438)	-	(384,438)
Effect of changes in exchange rate	-	-	-
Net (decrease)/increase in cash and cash equivalents	137,453	-	137,453
Cash and cash equivalents at the start of the year	12,377	-	12,377
Cash and cash equivalents at the end of the year	149,830	-	149,830

2.5 Seasonality of Group Transactions

The activities of the Group's main segments in terms of ordinary revenue are subject to seasonal effects, as indicated below:

- Aviation revenue is affected by passenger traffic, and the highest traffic occurs during vacation periods and holidays (Christmas, summer holidays, Holy Week, and official holidays). Commercial revenue is also affected by increases in passenger traffic, and sales are generally greatest at on-terminal shops during the Christmas season.
- Revenue from off-terminal services (in the specific case of parking) is also influenced by passenger traffic.

Likewise, airport segment expenses are influenced by weather conditions, particularly during the winter months.

3 Financial Risk Management

3.1 Financial Risk Factors

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

The Board of Directors provides the policies for global risk management as well as for specific areas such as exchange rate risk, interest rate risk, liquidity risk, use of derivatives and investment of excess liquidity.

There is a financial debt recognition agreement between Aena S.A. and its parent, originating with the non-monetary contribution that gave rise to the creation of Aena Aeropuertos S.A. (see Note 1), under which 94.9% of the Parent Company's bank borrowings was initially assumed. On July 29, 2014, said contract was subject to novation as explained in Note 20 a) of the Consolidated Annual Accounts from the 2014 fiscal year.

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On June 10, 2015, Aena signed, with financial entities with a credit rating equal to or greater than BBB (Standard&Poors), a variable to fixed interest rate hedge, in order to avoid the risk of changes in interest rates on various credits totalling 4.1959 billion euros, aimed at bringing the debts of Aena S.A. to an average of 80% fixed-rate, a level similar to its market comparables, providing stability in the DORA rate structure through 2026, and taking advantage of historically low interest rates. Upon making the hedge, from December 31, 2015 to December 31, 2026, Aena will have average Fixed+Revisable debt of 79% and 21% variable debt. As of June 30, 2015, Aena pays for these loans the three- to six-month Euribor rate plus 1.037%, with an average interest rate of 1.978%. This operation provides hedging through December 15, 2026, protecting Aena from changes in interest rates expected during times of economic growth.

Below the main financial risks are indicated:

(a) Market risk

(i) Foreign exchange risk

The Company is exposed to changes in exchange rates that can affect sales, revenue, funds, and cash flows, deriving primarily from:

- Investments in foreign countries (primarily the UK, Mexico, and Colombia).
- Transactions performed by associates and other related parties which conduct their activities in non-euro countries (primarily in Mexico, Colombia, and the UK).

The exchange risk on the net assets of the Group's foreign operations is mainly managed through borrowings denominated in the relevant foreign currency. Additionally, Aena Desarrollo Internacional, S.A. is regularly tracking changes in exchange rates, and will review, where appropriate, the use of hedges to cover changes in the British pound versus the euro.

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

The Group's interest rate risk results from borrowings. Loans issued at variable rates expose the Group to interest rate risks in cash flows, such risk which has been significantly reduced by the hedging described above. Fixed interest rate loans expose the Group to fair value interest rate risks.

The objective of the Group in managing interest rates is to optimize financial expenses within the established risk limits, while the main risk variable is the three-month Euribor, which is the main reference for long-term debt.

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

Financial expenses are mainly due to the financial debt recognized with the Parent Company. Likewise, the Parent Company has concluded interest rate hedging contracts for a very limited number of loans, which are transferred to the Company. 95.27% of the cost of such derivatives is allocated to the Company, given that Aena is responsible toward the Parent Company for such proportion of certain loans.

As of June 30, 2015, if the interest rate on variable-rate loans had increased or decreased by 20 base points, keeping all other variables constant, before-tax earnings for the six-month period ending on June 30, 2015 would have been 2.84 million euros lesser and 2.84 million euros greater, respectively (for the six-month period ending on June 30, 2014, this would have been 5.212 million euros greater and 5.212 million euros lesser, respectively). However, the Regulatory Framework established by Law 1/2011 of March 4, which establishes the National Program for Civil Aviation Safety and amends Law 21/2003, of July 7, on Air Safety, establishes a system for updating tariffs that protects Aena, in the regulated part, from increases in financing costs, insofar as it enables it to recover the cost of capital, through the remuneration of the assets base under applicable legislation.

With regards to the Debt corresponding to the LLAH III investee, the Group has conducted a sensitivity analysis regarding potential fluctuations in interest rates that could occur. In the view of the Group Directors, based on the said analysis, any variations which may occur in such rates would not have a significant effect on the Company's "Net equity", taking into consideration that said investee has interest hedges in place.

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(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 (March 4, which amends Law 21/2003 (July 7) on Air Security, was published in the Official State Bulletin on March 5, 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 year 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 operations of the Company in its sector lead to very favourable average collection periods. Additionally, the Company has undertaken a substantial reduction in costs and investment needs over the coming years, which has had a positive effect on cash inflows at the Company. Although the Group has a negative working capital of 1.032056 billion euros as of June 30, 2015 (December 30, 2014: 1.053732 billion euros), it has after tax earnings in the period of 275.563 million euros (June 30, 2014: 153.145 million euros in fiscal year earnings), and it is considered that there is no risk with respect to satisfying its commitments in the short-term because of the positive cash flows which have caused a reduction in the negative working capital of the previous years, and the Company expected to remain positive in the short term. The Group closely tracks cash generation to ensure its ability to uphold financial commitments. Under these circumstances, the Directors of the Company consider that there will not be any problems with respect to satisfying payment commitments.

As of June 30, 2015, Aena had no open lines of credit. The LLAH III investee has 84 million British pounds in unused lines of credit.

The following table includes an analysis of the financial liabilities linked to the Group and the financial liabilities related to the loan with ENAIRE, grouped by maturity dates and taking into consideration the remaining term at the balance sheet date until final contractual maturity. Derivative financial liabilities are included in the analysis if their contractual maturity dates are essential for understanding the cash flow schedule.

At June 30, 2015	2015(*)	2016	2017	2018	2019	Subsequent	Total
Loan with ENAIRE (Note 23)	620,480	1,190,488	866,393	787,995	689,755	5,934,278	10,089,389
Interest accrued on loans with ENAIRE (Note 23)	49,536	-	-	-	-	-	49,536
Loans with lending entities (Note 15)	167	9,208	333	-	-	308,771	318,479
Finance lease liabilities (Note 15)	1,141	2,760	2,209	2,247	2,287	19,774	30,418
Loans with LLAH III shareholders (Note 15)	-	-	-	-	-	65,709	65,709
Interest accrued Loans with LLAH III shareholders (Note 15)	503	-	-	-	-	-	503
Other financial liabilities (Note 15)	18,755	19,943	4,465	2,216	4,909	36,633	86,921
Trade and other payables (excluding advances from customers) (Note 14)	430,515	-	-	-	-	-	430,515
Interest Debt Aena, SA (**)	100,693	179,612	157,701	140,918	125,278	624,526	1,328,728
Interest Bank Debt LLAH III	5,249	10,820	11,143	11,466	11,628	25,678	75,984
Interest Equity loan LLAH III (Ardian)	2,650	5,257	5,257	5,257	5,257	21,027	44,705

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At December 31, 2014	2015	2016	2017	2018	2019	Subsequent	Total
Loan with ENAIRE (Note 23)	1,055,128	1,190,488	866,393	787,995	689,755	5,934,279	10,524,038
Interest accrued on loans with ENAIRE (Note 23)	48,347	-	-	-	-	-	48,347
Loans with lending entities (Note 15)	8,956	334	333	281,114	-	-	290,737
Finance lease liabilities (Note 15)	2,334	2,547	2,012	2,050	2,090	18,605	29,638
Loans with LLAH III shareholders (Note 15)	-	-	-	-	-	58,976	58,976
Interest accrued Loans with LLAH III shareholders	455	-	-	-	-	-	455
Other financial liabilities (Note 15)	37,664	1,579	4,307	2,263	5,157	34,486	85,456
Trade and other payables (excluding advances from customers) (Note 14)	310,530	-	-	-	-	-	310,530
Interest Debt Aena, SA (**)	191,619	170,601	150,400	135,149	120,989	603,118	1,371,876
Interest Bank Debt LLAH III	11,645	12,437	13,141	13,875	-	-	51,099
Interest Equity loan LLAH III (Ardian)	4,948	4,948	4,948	4,948	4,948	19,791	44,531

(*) Includes the period from July 1, 2015 to December 31, 2015.

(**) Estimated interest on average annual debt with ENAIRE at average interest rate in effect on June 30, 2015 and on December 31, 2014.

Breakdown of loans with related parties by applicable interest rate and average interest rate on June 30, 2015 and December 31, 2014 is as follows:

Thousands of euros	June 20, 2015		December 31, 2014	
	Balance	Average rate	Balance	Average rate
Variable	1,419,611	1.35%	5,036,011	1.33%
Revisable	2,754,466	2.00%	4,177,575	2.11%
Fixed	5,915,312	2.53%	1,310,452	3.55%
TOTAL	10,089,389	1.80%	10,524,038	1.89%

The revisable interest rate, which applies primarily to debts with the European Investment Bank, Depfa Bank, and FMS, is a fixed interest rate maintained over a certain period (normally four years). At the end of said period, the Group reviews the terms and decides if it wishes to continue under the same system or change to a fixed- or variable-interest regime.

During the first six months of 2015, revisable interest rates expired for a total of 1.2796 billion euros. Of that total, 457.1 million euros from the European Investment Bank were changed to a fixed regime with an average fixed rate of 1.01%, and 822.5 million euros with FMS were changed to a variable regime with a spread over the three-month Euribor of +0.1175%.

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 capital based on its debt index. This index is calculated based on the ratios defined in financing agreements.

3.3 Fair Value Estimation

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).
- Directly (prices) or indirectly (deriving from prices) (Tier 2) observable information, other than quoted prices included within Level 1, relating to the asset or liability.
- Information regarding the asset or liability that is not based on observable market data (non-observable data) (Tier 3).

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The following table presents the Group's assets and liabilities that are measured at fair value at June 30, 2015:

	Tier 1	Tier 2	Tier 3	Total balance
Assets				
Derivatives (Note 10.b)	-	10,084	-	10,084
Total assets		10,084		10,084
Liabilities				
Derivatives (Note 10.b)		41,133		41,133
Total liabilities		41,133		41,133

The following table presents the Group's liabilities that are measured at fair value at December 31, 2014:

	Tier 1	Tier 2	Tier 3	Total balance
Liabilities				
Derivatives (Note 10.b)	-	10,989	-	10,989
Total liabilities	-	10,989	-	10,989

There were no transfers of financial instruments between Tier 1 and Tier 2 during the period.

a) Financial instruments in Tier 1:

The fair value of the financial instruments that are marked 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) Financial instruments in Tier 2:

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 maximize 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.

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 analyze the fair value of all other financial instruments.

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 recognized 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

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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 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 condensed interim consolidated financial statements.

4.1 Most Significant Accounting Estimates and Judgements

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

- (a) Impairment of Intangible assets and Property, plant and equipment.
- (b) Useful lives of property, plant and equipment.
- (c) Provisions.
- (d) Derivative financial instruments.
- (e) Provisions for obligations with personnel.

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 will be adjusted.

At the date these 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 recognized assets and liabilities at June 30, 2015.

Although these estimates were based on the best information available at the end of each year, future events may require these estimates to be modified (increased or decreased) 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 June 30, 2015, there are no changes in critical accounting policies as reported in the consolidated annual accounts from December 31, 2014, 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 in Goodwill, Intangible Assets, PP&E, and Investment Property

The Group verifies annually whether there is an impairment loss in goodwill, Intangible assets, PP&E, and investment property, in accordance with the accounting policy described in Note 2.8 from the consolidated annual accounts from December 31, 2014, in which it is described how Management identifies the cash generating units (CGU) and the method used to submit the assets allocated to these impairment tests. Identification and grouping of the CGU is based on income generation and flow of identifiable assets for these groups of cash as well as in certain other assumptions based on how Management manages the assets and the regulatory framework applicable to them. Also, the recoverable amounts of the CGUs have been determined based on value in use calculations. These calculations are based on estimates and 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 CGU and the estimated recoverable amount used for the purpose of impairment testing thereof.

As of June 30, 2015, Group Management had reviewed the results from the first six months of 2015 to assess whether there were any significant changes that could indicate impairment of intangible assets, PP&E, and investment property, concluding that there is no indication of impairment (see Notes 6, 7, and 8).

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(b) Useful life of PP&E

The recognition of investments in property, plant and equipment implies the application of estimates to determine the useful life of the property, plant and equipment for the purposes of depreciation. 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 technological development could result in revisions of the useful lives and, consequently, in their depreciation.

(c) Provisions

Provisions are recognized 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 Group estimates the amounts to be paid in the future with respect to employment, expropriation, litigation, taxes, environmental action and other liability commitments. 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.

(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 recognized at the beginning 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 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.

(e) Provisions for obligations with personnel

Calculation of expenses from pensions and other expenses for post-retirement benefits, as well as liabilities associated with work commitments, requires the use of various assumptions. The Aena Group periodically estimates the provision necessary to uphold commitments relating to pensions and similar obligations, in accordance with the advice of independent actuaries. The changes affecting such assumptions may result in the recording of different amounts and liabilities. The most significant assumptions relate to inflation, age of retirement, and the discount rate used. Changes in these assumptions will have an impact on future expenses and liabilities relating to pensions.

4.2 Significant Judgements in Applying the Entity's Accounting Policies

(a) Revenue recognition of minimum guaranteed annuities contract with World Duty Free Global (WDFG)

During 2013, Aena, S.A. awarded to World Duty Free Group (WDFG) a multiannual contract for the management of duty free shops and duty paid in three lots of airports until 2020, whose fees are based on sales volumes made by those stores. The Management of the Group has evaluated the substantial characteristics of the contract in accordance with the accounting policies described in Notes 2.21 and 2.22 of the consolidated annual accounts from December 31, 2014, and has concluded that the revenue from the contract should be recognized on an accrual basis, considering the charges imposed as contingent, although contractually paying certain fees is set regardless of the volume of sales made by stores. The judgment of Management to determine the variability of the canons of the contract is based on the substance thereof and future variability factors that influence the determination of the canons, as the spaces allocated to stores, time availability of such spaces, the variability of airport passenger traffic and the ability of the parties to obtain a minimum cost associated with contract, among other factors. Future changes in the contractual conditions evaluated by Group Management could result in a different method of recording revenue from that which Aena, S.A. has applied to this contract thus far. For new contracts with similar characteristics, the Group has followed this same method of recording revenue.

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

Group Management has decided to offset tax deductions for investment in the Canary Islands over gross tax payable. Deductions for investments in the Canary Islands were activated at the end of 2013, after inquiring with the General Tax Office regarding the conditions for recovery and after completing the necessary conditions. For the six-month period ending on June 30, 2015, an additional amount of 36.853 million euros (99.3% of which correspond to deductions for investment in the Canary Islands) has been activated, estimating use of deductions for all items at a total amount of 63.463 million euros, 99.3% of which correspond to deductions for investments in the Canary Islands.

Group Management has tax deductions activated as of June 30, 2015 for a total amount of 36.938 million euros, 98.8% of which corresponds to deductions for investment in the Canary Islands (December 31, 2014: 63.548 million euros, of which 100% corresponded to tax deductions for investments in the Canary Islands). These deductions will be used in future fiscal years based on taxable earnings/losses (see Notes 16 and 21).

5 Financial Information by Segment

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

The Airport segment substantially includes the Group's operations as the airport manager as described in Note 1 and identified with the so-called Aviation 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 the United Kingdom, Mexico, and Colombia. Information corresponding to LLAH III is included in the International segment, given that ordinary revenue, profits/losses, and assets are less than 10% of Group aggregate values.

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 evaluate the performance of the operating segments based on EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization). As of June 30, 2015, EBITDA calculated as explained above was adjusted for the effects of impairment and disposal of fixed assets (June 30, 2014: EBITDA calculated in the manner explained above was adjusted for the effects related to the Voluntary Separation Plan and impairment and disposal of fixed assets).

The financial information by segment that has been submitted to the maximum decision-making authority as of June 30, 2015 and June 30, 2014 was obtained from the management information systems of the Group, and has been valued in accordance with the same criteria applied to these condensed interim consolidated financial statements. Financial information by segment is presented precisely as it is presently being reviewed by the maximum decision-making authority. No modification has been made to the criteria for distributing costs between segments during the years presented.

Financial information by segment as of June 30, 2015 is as follows (in thousands of euros):

June 30, 2015	Airports		Off-terminal services	Sub-Total	International	Adjustments	Total consolidated
	Aviation	Commercial					
Ordinary revenue-	1,065,898	327,982	80,468	1,474,348	93,947	(1,037)	1,567,258
External customers	1,065,890	327,982	80,468	1,474,340	92,918	-	1,567,258
Inter-segments	8	-	-	8	1,029	(1,037)	-
Other operating income	25,394	2,793	2,134	30,321	142	-	30,463
Total Revenue	1,091,292	330,775	82,602	1,504,669	94,089	(1,037)	1,597,721
Supplies	(91,155)	-	-	(91,155)	-	1,029	(90,126)

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Accrued wages and salaries	(154,201)	(13,628)	(5,748)	(173,577)	(18,715)	-	(192,292)
Other operating expenses	(357,661)	(49,223)	(35,791)	(442,675)	(45,106)	8	(487,773)
Depreciation and Amortization	(338,234)	(32,412)	(24,296)	(394,942)	(29,903)	-	(424,845)
Impairment and loss on fixed asset disposal	(1,350)	(84)	(69)	(1,503)	-	-	(1,503)
Other profits/(losses)	54	(165)	(3)	(114)	514	-	400
Total expenditure	(942,547)	(95,512)	(65,907)	(1,103,966)	(93,210)	1,037	(1,196,139)
EBITDA	486,979	267,675	40,991	795,645	30,782	-	826,427
Voluntary Redundancy Program (VRP)	-	-	-	-	-	-	-
Impairment and loss on fixed asset disposal	(1,350)	(84)	(69)	(1,503)	-	-	(1,503)
Adjusted EBITDA	488,329	267,759	41,060	797,148	30,782	-	827,930
Operating profit/loss	148,745	235,263	16,695	400,703	879	-	401,582
Financial result	(93,142)	(6,929)	(7,969)	(108,040)	(3,508)	-	(111,548)
Share in profits obtained by associates	-	-	-	-	5,507	-	5,507
Profit/loss before tax	55,603	228,334	8,726	292,663	2,878	-	295,541
Total Assets at June 30, 2015				16,660,199	961,456	(202,784)	17,418,871
Total Liabilities at June 30, 2015				12,947,986	672,530	(37,754)	13,582,762

Information at June 30, 2014 is as follows and has been reexpressed taking into consideration the impacts resulting from application of CINIIF 21 (see Note 2.4):

June 30, 2014	Airports		Off-terminal services	Sub-Total	International	Adjustments	Total consolidated
	Aviation	Commercial					
Ordinary revenue- <i>External customers</i>	1,022,529	278,632	77,898	1,379,059	3,637	(844)	1,381,852
<i>Inter-segments</i>	-	-	-	-	844	(844)	-
Other operating income	37,921	4,418	2,788	45,127	166	-	45,293
Total Revenue	1,060,450	283,050	80,686	1,424,186	3,803	(844)	1,427,145
Supplies	(90,617)	-	-	(90,617)	-	852	(89,765)
Accrued wages and salaries	(148,648)	(13,992)	(6,510)	(169,150)	(920)	-	(170,070)
Other operating expenses	(343,605)	(47,876)	(34,297)	(425,778)	(1,129)	(8)	(426,915)
Depreciation and Amortization	(346,494)	(32,895)	(24,485)	(403,874)	(309)	-	(404,183)
Impairment loss on fixed asset disposal	3,772	(267)	(6,520)	(3,015)	-	-	(3,015)
Other profits/(losses)	(725)	1,932	(57)	1,150	-	-	1,150
Total expenditure	(926,317)	(93,098)	(71,869)	(1,091,284)	(2,358)	844	(1,092,798)
EBITDA	480,627	222,847	33,302	736,776	1,754	-	738,530
Voluntary Redundancy Program (VRP)	1,096	88	46	1,230	-	-	1,230
Impairment and loss on fixed asset disposal	3,772	(267)	(6,520)	(3,015)	-	-	(3,015)
Adjusted EBITDA	475,759	223,026	39,776	738,561	1,754	-	740,315
Operating profit/loss	134,133	189,952	8,817	332,902	1,445	-	334,347
Financial result	(113,453)	(7,549)	(9,262)	(130,264)	269	(48)	(130,043)
Share in profits obtained by associates	-	-	-	-	650	-	650
Profit/loss before tax	20,680	182,403	(445)	202,638	2,364	(48)	204,954
Total Assets at June 30, 2014				16,242,622	150,414	(108,811)	16,284,225
Total Liabilities at June 30, 2014				13,078,592	34,051	(21,732)	13,090,911

The Adjustments column mainly includes consolidation adjustments.

Impact by business segment of application of CINIIF 21 has been as follows:

June 30, 2014	Airports		Off-terminal services	Sub-Total	International	Adjustments	Total consolidated
	Aviation	Commercial					
Total Revenue	-	-	-	-	-	-	-
Total expenditure	(54,940)	(6,176)	(7,409)	(68,525)	-	-	(68,525)
EBITDA	(54,940)	(6,176)	(7,409)	(68,525)	-	-	(68,525)
Adjusted EBITDA	(54,940)	(6,176)	(7,409)	(68,525)	-	-	(68,525)

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Operating profit/loss	(54,940)	(6,176)	(7,409)	(68,525)	-	-	(68,525)
Financial result	-	-	-	-	-	-	-
Share in profits obtained by associates	-	-	-	-	-	-	-
Profit/loss before tax	(54,940)	(6,176)	(7,409)	(68,525)	-	-	(68,525)
Total Assets at June 30, 2014				(15,051)	-	-	(15,051)
Total Liabilities at June 30, 2014				32,917	-	-	32,917

Reconciliation of EBITDA and adjusted EBITDA with period Profits/Losses for the six-month periods ending on June 30, 2015 and 2014 is as follows:

Item	June 30, 2015	June 30, 2014
Total adjusted EBITDA	827,930	740,315
Impairment and loss on fixed asset disposal	(1,503)	(3,015)
Voluntary separation retirement plan	-	1,230
Total segment EBITDA	826,427	738,530
Fixed asset depreciation	(424,845)	(404,183)
Net financial expense	(111,548)	(130,043)
Share in profits obtained by associates	5,507	650
Income tax	(26,042)	(51,809)
Profit for the year	269,499	153,145
Profits/losses attributable to minority shareholders	(6,064)	-
Profit/(loss) for the year attributable to the Shareholder	275,563	153,145

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Company level information

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

	June 30, 2015	June 30, 2014
Airport services	1,065,898	1,022,529
Monetary benefits	1,033,539	988,229
Landings	292,984	280,659
Parking	13,712	14,334
Passengers	462,532	434,386
Telescopic boarding gates	49,115	48,049
Cargo (*)	-	4,473
Security	161,289	154,316
Handling	35,927	34,748
Fuel	13,423	13,053
Catering	4,557	4,211
Other airport services ⁽¹⁾	32,359	34,300
Commercial Services	327,982	278,632
Leases	13,241	13,626
Stores	36,261	30,467
Duty-Free Shops	107,726	77,585
Food & Beverage	56,007	48,145
Car Rental	48,225	46,134
Advertising	12,766	13,073
Other commercial revenue ⁽²⁾	53,756	49,602
Off-terminal services	80,468	77,898
Parking	52,280	48,635
Land	6,201	6,695
Warehouses and hangars	8,857	10,041
Cargo Logistic Centres (**)	10,701	10,674
Real Estate Operations (**)	2,429	1,853

(*) This service was removed under Law 18/2014.

1) Includes counters, 400Hz connection, firefighting service, cloakrooms, Fast-Track and other revenue.

2) Includes commercial operations, commercial supplies, use of lounges, and filming and recording.

(**) Reclassification is made of 1.853 million euros of the total under "Cargo Logistics Centres" in the audited condensed consolidated financial statements from June 2014, moving said amount to "Real estate operations" in order to make proper comparison with 2015 information.

A significant portion (40.4%) of revenue from airport services at June 30, 2015 is concentrated with three clients, with total revenue of 146.5 million euros, 144.5 million euros, and 139.1 million euros, respectively (June 30, 2014: 128.3 million euros, 141.8 million euros, and 132.2 million euros, respectively, reflecting 40.6% of total revenue from airport services).

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Geographic information:

At June 30, 2015, ordinary revenue from external clients is distributed geographically as follows:

Country	Volume
Spain	1,474,984
United Kingdom	88,252
Cuba	28
Angola	800
Colombia	515
Mexico	2,679
TOTAL	1,567,258

Non-current assets, valued at net book value, are distributed as follows:

Country	I.material	A.Intangible	I.Property	TOTAL
Spain	15,096,372	93,347	130,538	15,320,257
United Kingdom	165,514	585,276	-	750,790
	15,261,886	678,623	130,538	16,071,047

As of June 30, 2014, the Group carried out its operations in Spain (excepting the International segment which maintains its primary investments in Mexico, Columbia, and the United Kingdom), and therefore all revenue from external customers is obtained in Spain and all non-current assets are also located in Spain.

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6 Material Fixed Assets

	Land and buildings	Plant and machinery	Other facilities, tools and furnishings	Other property, plant and equipment	Property, plant and equipment under construction	Total
At January 1, 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 January 1, 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
Net book total at June 30, 2014	11,952,922	498,998	2,212,637	4,339	325,169	14,994,065
At June 30, 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)
Net book total at June 30, 2014	11,952,922	498,998	2,212,637	4,339	325,169	14,994,065
At January 1, 2015						
Cost or measurement	17,419,132	1,351,902	4,429,925	267,703	318,974	23,787,636
Accumulated depreciation	(4,850,293)	(851,496)	(2,336,788)	(190,648)	-	(8,229,225)
Impairment	-	-	-	(581)	-	(581)
Carrying amount at January 1, 2015	12,568,839	500,406	2,093,137	76,474	318,974	15,557,830
Correction cost LLAH III (*)	(60,255)	(53,133)	-	(52,680)	-	(166,068)
Additions	35,648	10,723	6,902	37	64,702	118,012
Disposals	(50,181)	(10,289)	(13,097)	(129)	(7,957)	(81,653)
Transfers (Notes 7 and 8)	233,359	5,367	26,723	(133,590)	(133,905)	(2,046)
Difference conversion cost	11,477	2,020	-	(415)	1,399	14,481
Correction amortization LLAH III (*)	60,255	53,133	-	52,680	-	166,068
Allocation to depreciation	(203,341)	(39,020)	(150,160)	(620)	-	(393,141)
Transfers (Notes 7 and 8)	(56,414)	43	(2)	57,361	-	988
Eliminations of accumulated depreciation	22,906	9,708	12,559	130	-	45,303
Different conversion amortization	(2,631)	685	-	4,058	-	2,112
Net book total at June 30, 2015	12,559,662	479,643	1,976,062	3,306	243,213	15,261,886
At June 30, 2015						
Cost or measurement	17,589,180	1,306,590	4,450,453	80,926	243,213	23,670,362
Accumulated depreciation	(5,029,518)	(826,947)	(2,474,391)	(77,039)	-	(8,407,895)
Impairment	-	-	-	(581)	-	(581)
Net book total at June 30, 2015	12,559,662	479,643	1,976,062	3,306	243,213	15,261,886

(*) "Addition for perimeter variation contribution" deriving from the inclusion of material fixed assets of LLAH III during the 2014 fiscal year was made at net book value as of the date of the contribution, in a total amount of 149.819 million euros, 315.887 million euros corresponding to the acquisition cost and -166.068 million euros corresponding to accumulated depreciation, such amounts which were included in the cost and accumulated depreciation breakdown on December 31, 2014. In these financial statements, such breakdown has been corrected, without affecting the net book value on December 31, 2014.

The profits/losses account includes leasing expense at a total of 1.958 million euros (June 30, 2014: 801,000 euros) and 561,000 euros (June 30, 2014: 137,000 euros) corresponding to leasing of properties and machinery, respectively.

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The main additions recorded as of June 30, 2015 and 2014 are detailed as follows:

Land and buildings

As of June 30, 2015, additions in land and buildings totalled 35.648 million euros. The main additions correspond to increases in the estimated amounts payable for the commitments acquired during the period on environmental matters (see Note 17), as well as works performed at Palma de Mallorca Airport relating to the taxiing link for perpendicular taxiway 06-24, additions to the provision for contentious expropriations of lands totalling 1.1 million euros (primarily at Adolfo Suárez Madrid Barajas Airport), and other sundry investments in the Group's network of airports.

Likewise, constructions underway include investments made in the expansion of the A Coruña runway and the renovation of pavements on the 18R-36L runway at Adolfo Suárez Madrid Barajas Airport, which replaces the previous removal. Finished works and launches include the new terminal (Dique Norte) at Gran Canaria and related installations (electrical distribution, fire detection system, HVAC, loudspeaker systems, CCTV, signage, roadways, furnishings, etc.).

As of June 30, 2014, additions of land corresponded primarily to increases in the estimated total amount payable for fair prices in expropriations of land acquired in the expansion of Adolfo Suárez Madrid-Barajas Airport, as well as at Málaga and Vigo Airports, resulting from various ongoing judicial proceedings regarding expropriations, which are recorded against the Provision for expropriations.

These proceedings include various orders for reassessment regarding expropriations carried out for the expansion of Adolfo Suárez Madrid-Barajas Airport, as well as the risk inherent to the annulment of the delineation of the Public Water Domain in effect, which authorizes the former landowners included within said delineation to seek payment for the areas acquired at zero cost. During the period, these court orders and risks resulted in an addition under lands of 52.91 million euros. Likewise, buildings included the expansion of the parking garage at Seville Airport, the expansion of the northern zone of the terminal building at Vigo, and the power plant and electrical system renovation at Valencia Airport.

Reductions in land and buildings as of June 30, 2015 correspond primarily to reversals of provisions for expropriations, resulting from court rulings given in favor of Aena (see Note 17).

Plant and other property, plant and equipment

The most significant additions as of June 30, 2015 corresponded to:

- Supply with installation of boarding gates at Málaga Airport.
- New power supply at Jerez Airport.
- Works to expand the HVAC system at Palma de Mallorca Airport.
- Supply and installation of boarding bridges at Gran Canaria Airport.
- Installation of navigation aids at Adolfo Suárez Madrid-Barajas Airport.
- Fire suppression vehicles at Palma de Mallorca and Menorca Airports.
- Access control to the P-1 parking building in Seville.
- HVAC system and additional signage at T4 and T4S in Adolfo Suárez Madrid-Barajas.
- CCTV systems, access, HVAC in new retail areas at Gran Canaria Airport.

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The most significant additions as of June 30, 2014 corresponded to:

- Renovation of the Seville apron.
- Development and improvement of retail spaces in T4 and T4S at Adolfo Suárez Madrid-Barajas.
- Plan for renewal of explosive detection systems (EDS) at various airports.
- Remodelling of retail areas in Málaga Airport.
- Adaptation to technical design and operational standards at the Seville airfield.
- Modification and installation of underground electrical lines at Málaga Airport.
- Supply of operational liquid, aerosol, and gel inspection equipment at various airports.
- Vehicle parking building, urban development, and technical block at Vigo.
- Supply of operational Mode S multilateration system at Barcelona Airport.
- Infrastructure for the expansion of the retail area at Barcelona Airport.
- Update of the multi-service network and the video network at Tenerife Sur.

Most of the reductions occurred during 2015 correspond to old baggage inspection equipment (EDS) at Madrid Airport, telescopic boarding bridges at Gran Canaria and Málaga Airports which have been replaced, removal of the multi-service network at Tenerife Sur, and one damaged fire suppression vehicle at Adolfo Suárez Madrid-Barajas.

During the 2014 fiscal year, most of the reductions made correspond to facilities and refurbishments at Adolfo Suárez Madrid-Barajas, Seville, and Barcelona Airports.

Property, plant and equipment under construction

The main items under construction as of June 30, 2015 correspond to the runway expansion at A Coruña Airport, the construction of a new power plant at Asturias, works for the new Madrid fuel system and renovation of the 18R-36L runway, expansion of the multi-service network in Gran Canaria, and works for the new terminal in Reus.

The main items under construction as of June 30, 2014 correspond to the expansion of the terminal building, expansion of the NORTH/SOUTH apron, and the construction of the new P3 parking garage at Gran Canaria, expansion of the runway at A Coruña Airport, and the construction of a new power plant in Asturias.

Disposal of non-financial fixed assets

Reductions in fixed assets made during the first six months of the 2015 fiscal year and affecting profits/losses refer primarily to tangible fixed assets, resulting in a total loss of 1.503 million euros, coinciding with the net book value of various assets (-1.717 million euros) and the positive result obtained in the repurchase of equipment by vendors (214,000 euros). In addition, reductions also include the following items which have not affected the profits/losses account:

- Reversals of provisions established in previous years for differences in fair price, primarily resulting from land expropriation processes, estimated environmental investments to comply with current regulations, and litigation relating to works, which have been charged to risks and expenses provision accounts (see Note 17) at a total amount of 29.803 million euros.
- Credits of fixed asset suppliers for amounts activated in previous years, for a total amount of 4.844 million euros.

Reductions in land as of June 30, 2014 corresponded primarily to reversals due to favourable rulings for Aena, S.A. Under tangible fixed assets, during the first semester of 2014, most corresponded to facilities and refurbishments at Adolfo Suárez Madrid-Barajas, Seville, and Barcelona Airports.

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Capitalized interest costs

As of June 30, 2015, the Group has capitalized interest costs at a total of 1.661 million euros (June 30, 2014: 2.828 million euros).

Impairment in tangible fixed assets:

As of December 31, 2014 the Group had conducted impairment testing for the airport network and assets included in the off-terminal segment (parking garages), and no significant impacts were identified on the consolidated financial statements, including after applying sensitivity testing to the variables used. The recoverable amount of a CGU is determined based on value-in-use calculations. The Group has calculated the recoverable value based on the 4-year projections of profits approved by Management. The discount rates used are before taxes and reflect specific risks relating to the Group's activities.

The main premises used were:

	2014
Growth rate	2.00%
Discount rate	5.02%

The after-tax discount rate applied to cash flow projections is the Weighted Average Cost of Capital (WACC) and is calculated as the weighted average of the cost of equity funds and the cost of borrowed funds, according to the financial structure established for each CGU. The data used to calculate WACC is received from external and independent sources of information, reflecting the specific risks related to the Company's activities.

Cash flow projections more than five years out are calculated using a constant expected rate of growth, considering the consensus estimates of analysts and the projected growth in air traffic included in industry reports.

The Group conducted a sensitivity analysis for impairment calculations using reasonable variations in the main financial assumptions used for these calculations, assuming the following increases or decreases, expressed in percentage points:

- Discount rate (+/- 1%)
- Perpetuity growth rates (+/- 1%)

As a result of this sensitivity analysis conducted at the close of the 2014 fiscal year, it was apparent that there were no significant risks associated with reasonably possible variations in the assumptions used, considered individually. That is to say, Management considered that, within the aforementioned ranges, no corrections for impairment would occur.

The main assumptions affecting Group cash flows are passenger traffic, increase in tariffs, investment levels, and efficiencies in operating costs.

As of June 30, 2015, the Group had not performed impairment testing, but rather has reviewed the results from the first semester and assessed whether there are any significant changes that could affect the existence of signs of impairment in the value of tangible fixed assets. In this regard, during the first six months of the year there has been an improvement in passenger traffic (up 5.2%) and operations (up 3.3%), together with the launch of new retail spaces and the continuation of the cost containment policy implemented in previous years, resulting in an improvement in commercial revenue from the airport segment (an increase of 17.7%), and in the EBITDA for that same segment (increase of 20.1%). These increases are in excess of those used in the impairment testing performed at the close of 2014. This has all had a positive impact on results during the first six months of 2015, offsetting the effects of the changes in tariffs under the new regulatory framework. Even in the worst case scenario for tariff changes (as derived from the CNMC proposal identified in Notes 17 and 25), the negative impacts are largely mitigated by changes in traffic, commercial revenue, and operational efficiency, and so it is expected that such impacts will in any case be absorbed by the broad margin of safety revealed in the impairment testing conducted at the close of the 2014 fiscal year. The total effect of all of the foregoing leads to the conclusion that there are no signs of impairment.

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Financial lease agreements

The tangible fixed assets account includes an automated flight inspection system (console), a cogeneration plant at Adolfo Suárez Madrid Barajas Airport, and an aircraft parking apron at London Luton Airport, which is under a financial lease agreement in which the Group is the lessee, the amounts of which are shown below:

	June 30, 2015	December 31, 2014
Cost – capitalized finance leases	28,017	28,017
Accumulated depreciation	(5,559)	(4,323)
Carrying amount	22,458	23,694

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, Mataracán, 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 (July 7) 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 joint venture, which have been included in the balance sheet and the income statement:

	June 30, 2015	December 31, 2014
- Non-current assets	270,981	275,788
- Non-current/current liabilities	-	-
Net assets	270,981	275,788

	June 30, 2015	June 30, 2014
- Revenue	10,971	12,047
- Expenses	(21,701)	(21,522)
Profit after taxes	(10,730)	(9,475)

There are no contingent liabilities relating to the Group's interest in the joint venture or contingent liabilities in the joint venture itself.

Fixed assets subject to guarantees

The LLAHI, LLAGL, and LLAOL assets are pledged as guarantee for the bank debt of the LLAH III Group.

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 (December 3), 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 not altered and therefore the reversal of that process is not appropriate.

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7 Intangible Assets

	Concessions	Development	Software	Goodwill	LLAH III concession	Other intangible assets	Other intangible assets under development	Total
Cost								
At January 1, 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 June 30, 2014	17,759	1,609	195,356	-	-	135,873	34,544	385,141
At January 1, 2015	17,774	1,608	203,024	1,872	551,730	135,868	35,566	947,442
Additions	3	-	4,883	-	-	1	3,897	8,784
Disposals	(58)	-	(45)	-	-	-	(34)	(137)
Transfers (Notes 6 and 8)	-	-	244	-	-	108	(286)	66
Conversion difference	-	-	-	-	59,456	-	-	59,456
At June 30, 2015	17,719	1,608	208,106	1,872	611,186	135,977	39,143	1,015,611
Accumulated depreciation and impairment losses								
At January 1, 2014	(4,165)	(815)	(134,758)	-	-	(130,574)	-	(270,312)
Allocation to depreciation	(353)	(22)	(14,743)	-	-	(490)	-	(15,608)
Disposals	-	-	184	-	-	-	-	184
At June 30, 2014	(4,518)	(837)	(149,317)	-	-	(131,064)	-	(285,736)
At January 1, 2015	(4,874)	(968)	(160,590)	-	(7,825)	(131,608)	-	(305,865)
Allocation to depreciation	(349)	(132)	(10,113)	-	(18,565)	(636)	-	(29,795)
Disposals	20	-	45	-	-	-	-	65
Conversion difference	-	-	-	-	(1,393)	-	-	(1,393)
At June 30, 2015	(5,203)	(1,100)	(170,658)	-	(27,783)	(132,244)	-	(336,988)

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	Concessions	Development	Software	Goodwill	LLAH III concession	Other intangible assets	Other intangible assets under development	Total
Carrying amount								
Cost	17,654	815	186,005	-	-	134,789	39,787	379,050
Accumulated depreciation and impairment losses	(4,165)	(815)	(134,758)	-	-	(130,574)	-	(270,312)
At January 1, 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 depreciation and impairment losses	(4,518)	(837)	(149,317)	-	-	(131,064)	-	(285,736)
At June 30, 2014	13,241	772	46,039	-	-	4,809	34,544	99,405
Cost	17,774	1,608	203,024	1,872	551,730	135,868	35,566	947,442
Accumulated depreciation and impairment losses	(4,874)	(968)	(160,590)	-	(7,825)	(131,608)	-	(305,865)
At January 1, 2015	12,900	640	42,434	1,872	543,905	4,260	35,566	641,577
Cost	17,719	1,608	208,106	1,872	611,186	135,977	39,143	1,015,611
Accumulated depreciation and impairment losses	(5,203)	(1,100)	(170,658)	-	(27,783)	(132,244)	-	(336,988)
At June 30, 2015	12,516	508	37,448	1,872	583,403	3,733	39,143	678,623

As of June 30, 2015 and 2014, there were no items under intangible assets subject to guarantees.

Of the total capitalized costs at June 30, 2015 and 2014 relating to the various classes of intangible assets, assets in progress are included as follows (in thousands of euros):

	June 30, 2015	June 30, 2014
Software	5,690	3,374
Other intangible assets	33,453	31,170
Total	39,143	34,544

The main additions during the first semester of the 2015 fiscal year, as well as during the same period in 2014, under "Software" and "Intangible fixed assets in development" correspond to acquisitions, improvements, and developments of new technologies for software applications for central airport services, especially the Checkpoint License and renewal of the UCA equipment at Madrid Airport in June 2015.

The heading "Other intangible assets" includes mainly the master plans for airports.

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As of June 30, 2015, a total of 88,000 euros have been activated (June 30, 2014: 106,000 euros) in financial expenses associated with intangible fixed assets.

Service concessions:

The Group operates London Luton Airport and the Ceuta and Algeciras Heliports under administrative concessions, the main conditions of which are described below:

Ceuta Heliport:

The Company operates the civil Ceuta Heliport with all services under a service concession contract made with the Port Authority of Ceuta. This concession has a start date of March 28, 2003 with a maturity of 30 years. The Company pays an annual fee of €39 thousand for the occupation of the public port. Likewise, in accordance with Article 69a of Law 27/92, the Company pays a fee amounting to €0.823386 per passenger, depending on volume of passengers.

Algeciras Heliport:

The Company has an administrative concession agreement with the Port of Algeciras Bay for the occupation of the facilities that will be used for the installation and operation activities of the publicly owned helipad at the Port of Algeciras. This concession has a start date of February 3, 2009 with a duration of 25 years. The contract establishes a private occupancy rate of the public port of 82 thousand euros per year and a rate of special use of the public domain of 1 euro per passenger loaded or unloaded at the facility.

Administrative concession of London Luton

As part of the group consolidation, beginning on October 16, 2014, the accounts of the company London Luton Airport Holdings III Limited (LLAHL III) are fully consolidated (such company which was created, through its wholly owned subsidiary London Luton Airport Holdings II Limited [LLAHL II], which in turn holds 100% of London Luton Airport Holdings I Limited [LLAHL I]), in order to carry out the November 27, 2013 acquisition of London Luton Airport Group Limited, which is the management company and concession holder of Luton Airport in the United Kingdom. Luton Airport is managed under concession by the company LLAOL. The concession agreement was signed August 20, 1998 and terminates on March 31, 2031. The concession agreement provides for the existence of the company London Luton Airport Group Limited ("LLAGL") as guarantor of the operation company. The concession for Luton Airport does not meet the requirements established in IFRIC 12 to be considered a service concession, and so is accounted for as an operating lease.

Impairment tests for unamortised intangible assets (under development)

As of the close of the 2014 fiscal year, the Group has conducted impairment testing for unamortised intangible assets, identifying no necessary adjustments, even after applying sensitivity testing for 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 approved by Management, including the present fiscal year. Cash flows beyond these five years are extrapolated using the estimated growth rate indicated below. As of June 30, 2015, Management conducted a review of the projections and results from the first six months of 2015, identifying no changes that would indicate any impairment (see explanation in Note 6).

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

	December 31, 2014
Growth rate	2.00%
Discount rate	5.02%

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Sensitivity to changes in assumptions

As of December 31, 2014, the Group had conducted a sensitivity analysis for impairment calculations using reasonable variations in the main financial assumptions used for these calculations, assuming the following increases or decreases, expressed in percentage points:

- Discount rate (+/- 1%)
- Perpetuity growth rates (+/- 1%)

As a result of this sensitivity analysis conducted at the close of the 2014 fiscal year, it was apparent that there were no significant risks associated with reasonably possible variations in the assumptions used, considered individually. That is to say, Management considered that, within the aforementioned ranges, no corrections for impairment would occur. As of June 30, 2015, Management had reviewed the results from the first semester of 2015, identifying no signs of impairment.

Goodwill derived from acquisition of the LLAH III

Based on the impairment calculations to which they are subject, at the close of the 2014 fiscal year, no need was identified to adjust this goodwill, as the recoverable value (in all cases understood to mean the value in use) is greater than the carrying value. Said recoverable value was calculated based on the discounted cash flows, determined based on the business plans of LLAH III. Likewise, sensitivity analyses were conducted for reasonably plausible changes in the main assessment variables (WACC, traffic forecasts, and inflation), and the recoverable value remains in all cases greater than the net carrying value. As of June 30, 2015, Management had reviewed the results from the first semester of 2015, identifying no signs of impairment.

8 Investment Property

	Land and buildings	Plant and other assets	Total
Cost			
At January 1, 2014	210,466	6,319	216,785
Additions	47	5	52
Disposals	-	(5)	(5)
Transfers (Notes 6 and 7)	2,181	-	2,181
At June 30, 2014	212,694	6,319	219,013
At January 1, 2015	204,144	6,319	210,463
Additions	69	-	69
Transfers (Notes 6 and 7)	1,984	(4)	1,980
At June 30, 2015	206,197	6,315	212,512
Accumulated depreciation and impairment losses			
At January 1, 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 June 30, 2014	(73,561)	(5,258)	(78,819)

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Carrying amount	Land and buildings	Plant and other assets	Total
At January 1, 2015	(73,612)	(5,465)	(79,077)
Allocation to depreciation	(1,702)	(207)	(1,909)
Transfers (Notes 6 and 7)	(991)	3	(988)
At June 30, 2015	(76,305)	(5,669)	(81,974)

Carrying amount	Land and buildings	Plant and other assets	Total
Cost	210,466	6,319	216,785
Accumulated depreciation and impairment losses	(61,089)	(5,050)	(66,139)
At January 1, 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 June 30, 2014	139,133	1,061	140,194
Cost	204,144	6,319	210,463
Accumulated depreciation and impairment losses	(73,612)	(5,465)	(79,077)
At January 1, 2015	130,532	854	131,386
Cost	206,197	6,315	212,512
Accumulated depreciation and impairment losses	(76,305)	(5,669)	(81,974)
At June 30, 2015	129,892	646	130,538

As of June 30, 2015 and 2014, there are no items under investment property which are subject to guarantees.

The Company's policy is to obtain insurance policies to cover all risks that could affect its investment properties. As of June 30, 2015 and 2014, the Company has reasonably covered these risks.

This heading primarily includes real property used in operations under lease (lands, offices, and aircraft), with the exception of the space used by the company for the development of its activities.

As of June 30, 2015 and 2014, investment property being leased to third parties or planned for lease has been moved from tangible fixed assets.

Revenue deriving from rent and direct operating expenses (including repairs and maintenance) of investment properties is as follows:

	June 30, 2015	June 30, 2014
Rent revenues	28,615	29,263
Direct operating expenses	(19,064)	(14,494)

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

	June 30, 2015	December 31, 2014
Land	372,472	363,201
Buildings	482,073	468,475
Total	854,545	831,676

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The Company is conducting a review of the Group's property portfolio in order to determine, with additional market information, the fair value of its investment properties going forward. As a result of the first such evaluation, impairment was identified in investment property totalling 6.243 million euros, and the fair values of these assets were adjusted. In this regard, Group Management does not believe there to be any significant impairment other than that identified as of June 30, 2015.

Calculation of tier 3 fair value has been obtained using internal calculations based on cash flow discounts made individually for each asset. The main assumptions used are as follows:

	June 30, 2015	December 31, 2014
Growth rate	2.00%	2.00%
After-tax discount rate	6.14%	6.14%

This discount rate is after taxes and reflects a specific premium based on the characteristics of the real estate business. To determine the fair value of investment property, Management has conducted a contract-by-contract analysis. For current contracts, the rent amounts established in the contracts were used, assuming that the contracts will be upheld according to the respective terms. Cash flows have been estimated for ten years, assuming perpetual rent beginning in year eleven. For assets under tender process, only those assets for which there is no doubt as to their future contracting and cash flow generation have been included. To calculate cash flows, minimum annual guaranteed rent payments (in the case of tenders) or expected rent payments based on market conditions have been used.

9 Investments in Associates and Joint Ventures

As of June 30, 2015 and 2014, the breakdown and movement of this heading is as follows (in thousands of euros):

June 30, 2015						
	Opening balance	Period profit/loss contribution	Dividends received	Differences on exchange	Other	Closing balance
SACSA	3,555	1,033	(1,352)	13	-	3,249
AMP	69,687	2,894	(6,595)	2,539	-	68,525
AEROCALI (***)	4,410	1,580	-	44	(148)	5,886
Total	77,652	5,507	(7,947)	2,596	(148)	77,660

June 30, 2014							
	Opening balance	Additions (reductions)	Period profit/loss contribution	Dividends received	Differences on exchange	Other	Closing balance
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

(*) This company is in the process of being liquidated, such process which is expected to end in the short term, and as such, these 596,000 euros have been reclassified to short term.

(**) The concession for operation of Barranquilla Airport, held by Aeropuertos del Caribe, S.A (ACSA), ended on February 28, 2012.

(***) Joint control investment, resulting from the acquisition of shares in this company and obtaining a 50% stake; the Group has evaluated the rights under this arrangement, concluding that there is joint control, as decisions are essentially made by unanimous decision of the shareholders. With this acquisition, the company's bylaws were not amended, such bylaws which define the rights of the shareholders. Likewise, no agreement was formalized between the shareholders during the period. There is no contingent liability with regards to the Group's stake in the joint venture.

(****) Corresponds to the holding company (London Luton Airport Holdings III Limited), which is shareholder of the company that operates Luton Airport. Losses obtained during the period correspond primarily to amortization of concession assets and the financial expenses on debt. The Luton Airport management company closed the six-month period ending on June 30, 2014 with total revenue of 60.39 million pounds and EBITDA of 19.421 million pounds (not audited).

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The holding company (London Luton Airport Holdings III Limited), which is shareholder of the company that operates Luton Airport, was no longer accounted for using the equity method once its majority control was acquired on October 16, 2014, and is now fully consolidated.

During the first semester of 2015, the company RAESA was liquidated (see Note 2.2).

AMP holds 17.4% of Grupo Aeropotuario del Pacífico (GAP), which on April 20, 2015 formalized purchase of Sociedad Desarrollo de Concesiones Aeroportuarias, S.L. ("DCA") from Abertis for \$190.8 million.

DCA holds a 74.5% stake in the company MBJ Airports Limited ("MBJA"), which operates Sangster International Airport ("MBJ") in the City of Montego Bay, Jamaica. MBJ Airports Limited has the concession to operate, use, and maintain the airport for a period of 30 years beginning on April 3, 2003. Likewise, DCA has a 14.77% stake in the company SCL Terminal Aéreo Santiago, S.A. ("SCL"), which operates the international terminal in Santiago, Chile, through September 30, 2015.

It bears mention that Sangster International Airport is the largest airport in Jamaica, located in the city of Montego Bay, right at the core of the Negril to Ocho Ríos tourism corridor, where 90% of the country's hotel capacity is concentrated. In 2014, it served a total of 3.6 million passengers, 99.0% of which were international passengers. Total revenue during 2014 was \$59 million, with fiscal year EBITDA of \$23.5 million.

The audited information, expressed under IFRS, relating to associates as of June 30, 2015 and June 30, 2014, expressed in euros at the exchange rate in effect at the end of each of the fiscal years, is as follows:

Name	Country of constitution	Assets	Liabilities	Operating revenue	Profit/(Loss)	% of Ownership
June 30, 2015 (*)						
- SACSA	Colombia	26,437	17,864	10,838	2,724	37.89%
- AMP	Mexico	221,209	21,987	15,553	8,683	33.33%
- AEROCALI	Colombia	26,462	14,691	14,012	3,161	50.00%
June 30, 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%
- 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%

(*) The financial statements as of June 30, 2015 and 2014 have not been audited.

The breakdown of assets, liabilities, revenue, and profits/losses expressed in thousands of euros of the main associate (AMP) is as follows:

	June 30	
	2015	2014
Non-current assets	192,108	198,601
Current assets	29,101	16,906
Non-current liabilities	-	7,122
Current liabilities	21,987	14,114
Ordinary revenue	15,553	15,949
Fiscal year profit/loss from continued operations	8,683	9,477
After-tax profit/loss from interrupted operations	-	-
Other overall profit/loss	-	-
Total overall profit/loss	8,683	9,477

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10 Financial instruments

a) Financial instruments by category

	June 30, 2015			
	Loans and receivables	Hedging derivatives	Available for sale	Total
Assets on the balance sheet				
Financial assets available for sale	-	-	4,823	4,823
Derivative financial instruments	-	10,084	-	10,084
Other financial assets	49,424	-	-	49,424
Trade and other payables (excluding pre-payments and non-financial assets) (Note 11)	433,789	-	-	433,789
Cash and cash equivalents (Note 12)	541,418	-	-	541,418
Total	1,024,631	10,084	4,823	1,039,538

	June 30, 2015			
	Liabilities at fair value through profit or loss	Hedging derivatives	Other financial liabilities at amortized cost	Total
Liabilities on the balance sheet				
Financial debt (excluding finance lease liabilities) (Note 15)	-	-	10,598,491	10,598,491
Finance leases (Note 15)	-	-	30,418	30,418
Derivative financial instruments	-	41,133	-	41,133
Trade and other payables (excluding non-financial liabilities) (Note 14)	-	-	304,675	304,675
Total	-	41,133	10,933,584	10,974,717

	December 31, 2014			
	Loans and receivables	Hedging derivatives	Available for sale	Total
Assets on the balance sheet				
Financial assets available for sale	-	-	4,823	4,823
Other financial assets	98,817	-	-	98,817
Trade and other payables (excluding pre-payments and non-financial assets) (Note 11)	459,641	-	-	459,641
Cash and cash equivalents (Note 12)	290,305	-	-	290,305
Total	848,763	-	4,823	853,586

	December 31, 2014			
	Liabilities at fair value through profit or loss	Hedging derivatives	Other financial liabilities at amortized cost	Total
Liabilities on the balance sheet				
Financial debt (excluding finance lease liabilities) (Note 15)	-	-	10,994,023	10,994,023
Finance leases (Note 15)	-	-	29,638	29,638
Derivative financial instruments (Note 10.b)	-	10,989	-	10,989
Trade and other payables (excluding non-financial liabilities) (Note 14)	-	-	291,302	291,302
Total	-	10,989	11,314,963	11,325,952

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b) Derivative financial instruments

	June 30, 2015		December 31, 2014	
	Assets	Liabilities	Assets	Liabilities
ENAIRE interest rate swaps transferred to AENA - cash flow hedges	-	4,061	-	6,808
Interest rate swaps - cash flow hedges Aena	5,772	37,072	-	-
Interest rate swaps - cash flow hedges LLAH III	4,312			4,181
Total	10,084	41,133	-	10,989
Less non-current portion:				
Interest rate swaps – cash flow hedges	10,084	317	-	5,817
Non-current portion	10,084	317	-	5,817
Current portion	-	40,816	-	5,172

The breakdown of derivative financial instruments existing as of June 30, 2015 and December 31, 2014 is shown in the following table. In accordance with the description provided in Note 15, there is a financing agreement between the Public Business Entity “ENAIRE” and Aena, S.A. which transfers the financing assigned to Aena, S.A. in the contribution of the line of business (Note 1) and the obligations that could exist in the agreements with financial institutions that financed the Public Business Entity. The interest rate swaps indicated below relate to the original agreements formalized between ENAIRE and the corresponding financial institutions, and performance of said agreements is the obligation of ENAIRE. As a result of the agreement between Aena, S.A. and ENAIRE, the measurement and recognition of the effect of the interest rate swap agreements relating to the financing between the two entities has been reflected in the Group’s balance sheet.

The total fair value of a hedging derivative is classified as non-current assets or liabilities if the time remaining to maturity of the hedged item is more than 12 months and as current assets or liabilities if the time remaining to maturity of the hedged item is less than 12 months.

During the six-month periods ending on June 30, 2015 and June 30, 2014, no losses occurred in hedging derivatives, which are 100% effective.

Interest rate swaps

- ENAIRE derivatives transferred to Aena, S.A.

The Parent Company “ENAIRE” has contracted certain interest rate hedging financial instruments, which are transferred to Aena, S.A. to hedge the debt between these companies.

Their main characteristics as of June 30, 2015 are the same as they were at December 31, 2014:

	Classification	Type	Contracted amount (thousands of euros)	Date of agreement	Start date for the derivative	Maturity	Designation date of the hedge
Interest rate swaps:	Cash flow hedge	Fixed interest rate swap at 2.57% against variable interest rate	255,000	28-07-10	15-12-11	15-03-16	28-07-10
Interest rate swaps:	Cash flow hedge	Fixed interest rate swap at 0.98% against variable interest rate	66,500	13-12-12	13-12-12	13-12-17	13-12-12

Only 94.9% of the swap totalling 255 million euros is transferred to Aena, S.A.; only 66.67% of the swap totalling 66.5 million euros is transferred to Aena. The notional principal on these interest rate swaps outstanding at June 30, 2015 totals 229.388 million euros (December 31, 2014: 243.623 million euros).

As of June 30, 2015, fixed interest rates per swap vary between 0.98% and 2.57% (2014: 0.98% to 2.57%), and the main variable interest rates are the 3-month and 6-month EURIBOR. These Parent Company loans and derivatives are intended to finance airports and, therefore, the Parent Company attributes the respective interest and repayment to the Group. Losses or gains recognized in the equity hedging reserve in interest-rate swap contracts at June 30, 2015 and December 31, 2014 will be transferred to the income statement on a continuous basis until the bank loans are repaid.

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During the six-month period ending on June 30, 2015, 2.545 million euros have been recorded in the profits/losses account for losses from hedging instruments (six-month period ending on June 30, 2014: 2.433 million euros) (see Note 20).

The maximum exposure to credit risk at the balance sheet date is the fair value of the financial derivatives on the asset side of the balance sheet.

- Derivatives of Aena, S.A.

As explained in Note 3, on June 10, 2015, Aena formalized a variable to fixed interest rate hedge with financial entities with a credit rating greater than or equal to BBB (Standard&Poors), in order to avoid the risk of fluctuating interest rates for various loans totalling 4.1959 billion euros.

The main characteristics, as of June 30, 2015, are:

		Classification	Type	Contracted amount (thousands of euros)	Date of agreement	Start date for the derivative	Maturity	Designation date of the hedge
Interest swaps:	rate	Cash flow hedge	Fixed interest rate swap at 0.2941% against variable interest rate	300,000	10-06-15	27-06-15	27-12-18	10-06-15
Interest swaps:	rate	Cash flow hedge	Fixed interest rate swap at 1.1735% against variable interest rate	854,100	10-06-15	15-06-15	15-12-26	10-06-15
Interest swaps:	rate	Cash flow hedge	Fixed interest rate swap at 0.9384% against variable interest rate	3,041,833	10-06-15	15-06-15	15-12-26	10-06-15

The notional principal on these interest rate swaps outstanding at June 30, 2015 totals 4.195933 billion euros.

As of June 30, 2015, the fixed interest rates per swap varied between 0.2941% and 1.1735%, and the main variable interest rates are the 3-month and 6-month EURIBOR. Losses or gains recognized in the equity hedging reserve in interest rate swap contracts as of June 30, 2015 will be transferred to the income statement on a continuous basis until the bank loans are repaid.

The maximum exposure to credit risk at the balance sheet date is the fair value of the financial derivatives on the asset side of the balance sheet.

- LLAH III derivatives

The loan agreement with lending entities (Note 15) required that 70% of the nominal principal on these loans (i.e., 154 million pounds) be hedged at a fixed rate. LLAH III formalized various interest rate swaps on its debt with the lending entities, as mentioned in Note 15. These swaps, hedging against variable interest rates, had fixed interest of 1.8525%. The main initial characteristics of LLAH III derivatives are as follows:

		Classification	Contracted amount (thousands of euros)	Date of agreement	Start date for the derivative	Maturity	Designation date of the hedge
Interest swaps:	rate	Cash flow hedge	38,334	29-11-13	27-11-13	27-11-18	29-11-13
Interest swaps:	rate	Cash flow hedge	39,612	29-11-13	27-11-13	27-11-18	29-11-13
Interest swaps:	rate	Cash flow hedge	39,612	29-11-13	27-11-13	27-11-18	29-11-13

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Interest swaps:	rate	Cash flow hedge	39,612	29-11-13	27-11-13	27-11-18	29-11-13
Interest swaps:	rate	Cash flow hedge	39,612	29-11-13	27-11-13	27-11-18	29-11-13

As a result of the refinancing operation described in Note 15.b, these swaps were cancelled and replaced by new swaps for 70% of the new loan (159.6 million pounds of notional principal), with new maturity at seven years (December 2021). Their recorded value in non-current assets as of June 30, 2015 totals 4.312 million euros (December 31, 2014: long-term liability of 4.181 million euros).

11 Trade and other Receivables

	June 30, 2015	December 31, 2014
Trade receivables for sales and services rendered	475,982	391,108
Less: provision for impairment losses on receivables	(124,558)	(126,565)
Trade receivables for sales and services rendered - net	351,424	264,543
Trade receivables from related parties (Note 23)	1,740	2,803
Other receivables from related parties (Note 23)	59,502	218,877
Sundry receivables and other assets	19,801	27,204
Accrued wages and salaries	1,322	1,466
Other receivables from public administrations	30,845	43,636
Total	464,634	558,529
Less non-current portion	-	55,252
Current portion	464,634	503,277

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

As of June 30, 2015, there are 24.845 million euros under this heading denominated in pounds (December 31, 2014: 27.703 million euros denominated in pounds).

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

	June 30, 2015	December 31, 2014
Beginning balance	126,565	129,352
Addition LLAH III business combination	-	120
Provision of the impairment of the value of receivables	5,189	11,789
Reversal of unused amounts	(7,868)	(19,906)
Other movements	10	(624)
Encumbrance adjustment	662	5,834
Ending balance	124,558	126,565

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 insurance.

The heading Other receivables from Public Administrations at June 30, 2015 includes 26.05 million euros relating to FEDER grants receivable conceded to Aena (December 31, 2014: 27.226 million euros). During the period from January to June 2015, Aena has collected no amounts from FEDER grants (2014 fiscal year: 78.95 million euros from FEDER grants). At June 30, 2015 and December 31, 2014, the rest of the heading includes receivables relating to indirect taxes.

The Other receivables from related parties heading primarily includes the credit held by Aena, S.A. with ENAIRE, for tax losses and other payments not offset, arising from payment of corporate tax in the tax consolidation regime. As of June 30, 2015, after the splitting of the tax group on January 1, 2015 (see Note 21), receivables for all these items totalled 59.502 million euros (December 31, 2014: 218.877 million euros). Of that amount, 8.377 million euros correspond to tax losses pending final application, 55.252 million euros correspond to payments not offset from the 2014 fiscal year, 1.957 million euros to the final result of payment of corporate tax from 2012, and -6.084 million euros correspond to

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balances arising from accounting consolidation (December 31, 2014: 59.085 million euros correspond to payments not offset from the 2012 and 2013 fiscal years [of which 57.061 million euros are charged in January 2015 corresponding to 2013], 55.252 million euros correspond to payments not offset from the 2014 fiscal year, 63.548 million euros correspond to deductions pending application (see Note 21), 45.563 million euros correspond to tax losses pending application, 1.513 million euros correspond to tax balances resulting from the tax consolidation of Aena Desarrollo Internacional, S.A. with the Parent Company, and -6.084 million euros correspond to balances arising from accounting consolidation).

The only consequences of the split in the tax group on these receivables with related parties are as follows:

- Transfer to Deferred tax assets of 63.548 million euros existing on December 31, 2014 in deductions pending application. As of June 30, 2015, after the applications made during the period, these pending deductions totalled 36.938 million euros (see Note 16).
- Transfer to Deferred tax assets of 37.186 million euros of the 45.563 million euros for credits from tax losses pending application existing on December 31, 2014. As of June 30, 2015, after period applications, these credits totalled 16.672 million euros (see Note 16).
- The difference of 8.377 million euros, between the 45.563 and 37.186 million euros indicated in the preceding paragraph, remain as a tax credit with ENAIRE, due to the difference in criteria for tax and accounting losses.

The Group classifies these receivables in the short term based on their expected realization (December 31, 2014: 55.252 million euros long term and 169.709 million euros short term).

The Sundry receivables heading primarily includes accruals of prepaid expenses and non-trade receivables.

12 Cash and cash equivalents

	June 30, 2015	December 31, 2014
Cash and bank deposits	541,418	217,305
Short-term bank deposits	-	73,000
Cash and cash equivalents	541,418	290,305

As of June 30, 2015 and December 31, 2014, the Group had no bank overdrafts.

The breakdown of cash and cash equivalents in currencies other than the euro is as follows:

	June 30, 2015	December 31, 2014
Cash and cash equivalents in US dollars (USD)	137	6
Cash and cash equivalents in Pound sterling (GBP)	18,914	15,901

13 Capital Stock, Share Premium, and Legal Reserve

Changes in the number of shares and in the amount of Share Capital and Share Premium at the Company as of June 30, 2015 and 2014 are as follows:

	Number of shares	Share capital (thousands of euros)	Share premium (thousands of euros)	Total (thousands of euros)
At June 30, 2014	150,000,000	1,500,000	1,100,868	2,600,868
At June 30, 2015	150,000,000	1,500,000	1,100,868	2,600,868

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

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On June 6, 2011, the Company's sole 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 €1.5 billion 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 €1,100,868,000, and therefore the amount payable for Share capital and Share premium totals €2,600,807,000. 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.

As a result of these resolutions, the Share capital on December 31, 2011 was comprised of 150,000,000 shares with a par value of €10 each. Since then, there have been no changes in the number of shares, the share capital, and the share premium, the latter being unrestricted.

On January 23, 2015, the Council of Ministers approved the sale of 49% of Aena by way of Initial Public Offering, registering the prospectus of the IPO with the CNMV on January 23, 2015. Shares in Aena, S.A. began being traded in the four Spanish stock markets on February 11, 2015.

The company's IPO, as explained above, for 49% of the capital of Aena, S.A., provided that the entity ENAIRE would come to hold a 51% stake in Aena, S.A., versus its previous 100% holding.

As of June 30, 2015, there are no capital increases underway or authorizations to transact equity shares.

As of June 30, 2015, the legal reserve totals 103.225 million euros (December 31, 2014: 58.008 million euros) and is included under the heading "Retained earnings". The legal reserve has been established in accordance with Article 274 of the Law on Corporations. This article requires that in all cases an amount equal to 10% of fiscal year profits be allocated to the legal reserve until that reserve reaches at least 20% of the share capital. The legal reserve, provided it does not exceed the limit indicated above, can only be used to offset losses in the event that all other reserves are insufficient and unavailable for this purpose.

14 Trade and other payables

	June 30, 2015	December 31, 2014
Suppliers	989	916
Sundry payables	172,339	188,022
Trade payables to related parties (Note 23)	37,259	33,904
Other payables to related parties (Note 23)	2,152	-
Asset suppliers	67,475	40,455
Payables to related parties for property, plant and equipment (Note 23)	1,462	1,212
Accrued wages and salaries	22,999	26,802
Social Security and other taxes	125,840	19,219
Prepayments from customers:	104,331	78,659
	534,846	389,189

As of June 30, 2015, this heading includes 46.531 million euros which were originally expressed in pounds (December 31, 2014: 37.234 million euros).

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The increase in the heading "Social Security and other taxes" is due to the liabilities recorded as a result of the application of CINIIF 21 (see Note 2.4).

The carrying value of Trade and other payables is nearly the same as their fair value given that the effect of the discount is not significant. On February 14, 2013, Aena Aeropuertos, S.A. signed three contracts with World Duty Free Group España, S.A. to lease the retail spaces of the duty free and duty paid shops of the entire network of airports in Spain. These contracts are valid until October 31, 2020 and included an advance by 332.442 million euros, which is periodically offset by billing. In this regard, as of June 30, 2015, the short-term advance totals 36.48 million euros (December 31, 2014: 35.19 million euros), and the long-term advance included under Other long-term liabilities totals 178.895 million euros (December 31, 2014: 197.802 million euros). The balance from "Prepayment from clients" on June 30 was greater than the balance on December 31, 2015, as a result of the seasonal nature of airport operations (see Note 2.5).

15 Financial Debt

	June 30, 2015	December 31, 2014
Non-current		
Loan with ENAIRE (Note 23)	9,000,928	9,468,910
Accounting effect of effective cost criteria (Note 23)	(10,355)	(12,520)
Bank borrowings	309,271	281,781
Loans with LLAH III shareholders	65,709	58,976
Finance lease liabilities	28,371	27,625
Other financial liabilities	49,790	47,793
	9,443,714	9,872,565
Current		
Loan with ENAIRE (Note 23)	1,088,461	1,055,128
Accounting effect of effective cost criteria (Note 23)	(1,691)	(1,466)
Interest accrued on loans with ENAIRE (Note 23)	49,536	48,347
Bank borrowings	9,208	8,955
Loans with LLAH III shareholders	503	455
Finance lease liabilities	2,047	2,013
Other financial liabilities	37,131	37,664
	1,185,195	1,151,096
Total current and non-current	10,628,909	11,023,661

Movements in the ENAIRE loan correspond to repayment of principal totalling 434.649 million euros, 1.189 million euros from the increase in interest payable, and 1.94 million euros from the effect of the amortized cost. The change in loans with lending entities and in liabilities from financial leases correspond to payments made during the period, the refinancing of the financial debt of LLAH III (see section b) of this note), and fluctuations in the euro/pound exchange rate. The increase under "Loans with LLAH III shareholders" is due solely to fluctuations in the pound/euro exchange rate. The other financial liabilities heading varies as a result of collections and payments of bonds at Aena, S.A.

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

	Carrying amount		Fair value	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
Loan with ENAIRE (Note 23)	8,990,573	9,456,390	8,791,622	8,870,632
Bank borrowings	309,271	281,781	309,271	281,781
Loans with LLAH III shareholders	65,709	58,976	65,709	58,976
Finance lease liabilities	28,371	27,625	28,371	27,625
Other financial liabilities	49,790	47,793	49,790	47,793
Total	9,443,714	9,872,565	9,244,763	9,286,807

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The fair value of current borrowings is equal to their book value, as the impact of the discount is not significant. Fair values for debts with a term greater than one year are based on cash flows discounted at a rate based on the type of external borrowings valued at the 0 coupon curve plus a spread of 1.13% (2014: 0 coupon curve plus a spread of 1.66%) and are at Tier 3 in the fair value hierarchy.

(a) Financial debt with Parent Company

	June 30, 2015	December 31, 2014
Non-current		
Aena, S.A. loan with ENAIRE	9,000,928	9,468,910
Adjusted balance of the loan with ENAIRE using the effective cost criteria	(10,355)	(12,520)
Sub-total of loans from related parties (Note 15)	8,990,573	9,456,390
Non-current hedge derivatives attributed from ENAIRE	235	1,636
Sub-total long-term debt of Aena, S.A. with ENAIRE	8,990,808	9,458,026
Current		
Loan with ENAIRE	1,088,461	1,055,128
Other	(1,691)	(1,466)
Interest accrued on loans with ENAIRE	49,536	48,347
Sub-total of loans from related parties (Note 15)	1,136,306	1,102,009
Current hedge derivatives attributed from ENAIRE	3,826	5,172
Sub-total short-term debt of Aena, S.A. with ENAIRE	1,140,132	1,107,181
Total	10,130,940	10,565,207

As indicated in Note 20 a) of the Consolidated Annual Accounts from the 2014 fiscal year, as a result of the non-monetary contribution described in Note 1, the Company and ENAIRE signed a financing agreement whereby the debts corresponding to the area of the activity contributed in the capital increase described in said Note 1 were to be transferred from ENAIRE to Aena, S.A. In that agreement, the parties acknowledged the initial debt and conditions for future cancellation of the debt, as well as the procedure for payment of interest and debt repayment. It also specified that the Public Business Entity "Aeropuertos Españoles y Navegación Aérea" is the formal borrower before the lending financial institutions, though also stipulating that Aena S.A. agreed to pay the percentage of the standing balance of the Debt of the Public Entity attributable to airport activities at the time of the contribution of any payments that the Public Business Entity "Aeropuertos Españoles y Navegación Aérea" must pay to the financial institutions in accordance with the financial conditions and the other terms and conditions established in the Financing Agreements.

On July 11, 2014, the Council of Ministers authorized the Public Business Entity "Aeropuertos Españoles y Navegación Aérea" to begin proceedings to sell up to 49 percent of the share capital of Aena, S.A.

As part of the opening of the share capital of the Company to private investors, and in order to make this process compatible with the financing agreements (long-term and short-term financial debt) and the hedging agreements formalized with all financial institutions, on July 29, 2014, the Public Business Entity "ENAIRE", Aena, S.A., and the respective financial institutions formalized a novation agreement amending the corresponding financing agreements.

The amended text of the new financing agreements fully replaced the original contracts and their novations, in order to, together with other amendments, eliminate any contractual restrictions which might affect the privatization process, to incorporate Aena, S.A. as joint debtor together with the Public Business Entity "ENAIRE" under the various Financing Agreements, and to perform all such adjustments to the aforementioned financing agreements necessary to this end.

Through these novations, the financial conditions of the loans granted to the Public Business Entity "ENAIRE" are not changed, and as such, neither are those of the "mirror" loans formalized with Aena, S.A. (including, but not limited to repayment of principal, date of maturity, interest rate regime, repayment deadlines, etc.). The main clauses which were modified were summarized in Note 20 a) of the Consolidated Annual Accounts of the 2014 fiscal year.

The breakdown of total financial debt with financial institutions jointly carried by ENAIRE and Aena, S.A. as of June 30, 2015 is as follows (in thousands of euros):

Financial Institutions	Amount
BEI	4,917,446
ICO	2,490,000
DEPFA	1,283,333

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FMS	866,667
BBVA	224,233
SABADELL	140,000
LA CAIXA	122,700
DEXIA SABADELL	93,750
BANKINTER	91,500
BANKIA	73,800
KFW	66,667
POPULAR	57,967
SANTANDER	36,000
SOCIETE GENERAL	34,200
BARCLAYS	6,250
TARGOBANK	3,333
TOTAL	10,507,846

Of the 10.507846 billion euros identified above, Aena, S.A. owed to the Public Entity "ENAIRES" the debt deriving from the airport activity allocation, which as of June 30, 2015 totals 10.089389 billion euros.

Regarding grounds for declaration of acceleration, ENAIRES, as party to the financing agreements, is not in violation of any of the conditions for acceleration, and so this would not affect the balance sheet as of June 30, 2015 and December 31, 2014 of the Parent Company.

Aena is not in violation of the financial ratios to which Note 20 a) of the Consolidated Annual Accounts of the 2014 fiscal year refers.

The calendar for repayment of pending short- and long-term debt instalments by the shareholder for the financing of the airports as of June 30, 2015 is included in Note 3.

As of June 30, approximately 86% of the loans and credits of the Company are formalized (see Note 3) at fixed/revisable interest rates, and the remaining percentage are formalized at variable rates, generally pegged to the Euribor (2014: 52% of loans and credits are formalized as revisable interest rates and the rest at variable rates pegged to the Euribor).

(b) Loans with lending entities and loans with LLAH III shareholders

These loans correspond to the subsidiaries Aena Desarrollo Internacional, S.A. (ADI) and LLAHIII. As of June 30, 2015, total Debts with Lending Entities are 318.479 million euros (317.645 million euros corresponding to LLAHIII and 834,000 euros to ADI), of which 309.271 million euros are non-current debt (308.771 million euros corresponding to LLAHIII and 500,000 euros to ADI), and 9.208 million euros are current debt (8.874 million euros corresponding to LLAHIII and 334,000 euros to ADI).

As of December 31, 2014, total Debts with Lending Entities were 290.736 million euros (289.735 million euros corresponding to LLAHIII and 1.001 million euros to ADI), of which 281.781 million euros are non-current debt (281.114 million euros corresponding to LLAHIII and 667,000 euros to ADI), and 8.955 million euros are current debt (8.621 million euros corresponding to LLAHIII and 334,000 euros to ADI).

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

	June 30, 2015	December 31, 2014
Thousands of euros (ADI)	834	1,001
Thousands of Pounds (LLAHIII)	317,645	289,735

Likewise, the total carrying amount of the loan with LLAH III shareholders is also fully denominated in pounds (46.74 million pounds).

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As a result of the divestment process in 2013 by ACDL-TBI, previous owner of the concessionaire for Luton Airport (LLAOL), Aena Desarrollo Internacional, S.A. acquired LLAOL together with Aerofoi, SàRL ("Aerofoi"), a subsidiary of Ardian (previously AXA Private Equity). Thus, on November 27, 2013, the purchase was formalized at a price of 394.4 million pounds. The transaction was arranged through the company London Luton Airport Holdings III ("LLAHIII"), in which Aena Desarrollo Internacional, S.A. initially subscribed a stake of 40% and Aerofoi acquired the remaining 60%. The contribution of Aena Desarrollo Internacional, S.A. for 40% of LLAHIII totalled 39.4 million pounds, which was financed through dividends from the sale of minority stakes in international airports, without the need to contribute additional funds on the part of Aena. The rest of the transaction, which was not covered with equity, was financed through (i) a loan from the shareholders for a total of 94.7 million pounds, granted fully by Aerofoi; and (ii) bank financing for 220 million pounds, without recourse to the shareholders of the company.

As such, this debt does not affect the covenants established in the bank financing agreements of Aena, S.A.

With respect to the bank financing of 220 million pounds used for the acquisition, this was arranged through a five-year "bullet" loan with maturity on November 27, 2018, given by six entities, each financing a total of 36.6 million pounds. This financing was made at a variable interest rate (LIBOR plus spread) and the only guarantee given were the shares and assets of LLAHI of LLAGL and LLAOL. In addition, the following financial covenants were established linked to net debt/EBITDA and cash flow/financial expense ratios:

Financial covenants	Net debt/EBITDA	Interest hedging (Cash flow/Financial expenses)
DEC-13	8.00x	1.25x
DEC-14	8.00x	1.25x
DEC-15	7.50x	1.25x
DEC-16	7.50x	1.30x
DEC-17	7.00x	1.30x
DEC-18	7.00x	1.30x

These covenants have been upheld to date. Violation of these covenants, if not corrected, would trigger a process that could result in the early repayment of the loan.

The banks financing the purchase required a corporate structure in which they would have precedent for payment over the Aerofoi and Aena shareholders. For that reason, the company London Luton Airport Holdings I ("LLAHI") had to be created as the first company in precedence of payment.

The banking debt of 220 million pounds was maintained with LLAHI, and as such, LLAHI is the company which must pay the principal and interests on the external borrowing, in addition to assuming any depreciation of the intangible assets acquired. Depreciation included at LLAHI is that which corresponds to the intangible assets or concession of the airport from the time of acquisition, divided on a pro rata basis during the entire life of the concession.

After upholding the obligations of said financing banks and those under the debt servicing covenants, LLAHI would contribute flows to repayment of the equity loan (94.7 million pounds) to London Luton Airport Holdings II ("LLAHII"), in order to service debt repayment and interest on the shareholders' loan. In the event that LLAHI earns sufficient profits, it will begin to distribute dividends to the shareholders through cash flows to LLAHIII.

As indicated in Note 2.2 a) of the Consolidated Annual Accounts for the 2014 fiscal year, once the required authorization was obtained from the Council of Ministers, Aena Desarrollo Internacional, S.A. exercised its purchase option for 11% of the capital in LLAHIII on October 16, 2014. The total amount disbursed by the Group for the operation was 62 million pounds (77.8 million euros), broken down as follows:

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- For the 11% option: 13.7 million pounds (17.2 million euros).

- For 51% of the shareholders' loan previously held in its entirety by Aeroft: 48.3 million pounds (61.3 million euros). This amount is eliminated in consolidation, and so the amount shown under Loans with lending entities and loans with LLAHIII shareholders corresponds only to the debt of LLAHIII with banks and Aeroft.

On February 26, 2015, the Board of Directors of London Luton Airport Holdings resolved to refinance the existing loans and financing lines for a total of 285 million pounds (five-year "bullet" loan of 220 million pounds with maturity on November 27, 2018, line of credit for 50 million pounds for investments, and credit policy of 15 million pounds for working capital), and to restructure the existing interest rate swap for 154 million pounds (see Note 10.b) in order to:

- Extend the maturity of the bank loan and of the swaps,
- Decrease the financial cost of the loan,
- Increase the line of credit for investments in order to reflect the business needs of the airport,
- Increase financial flexibility.

The new financing, at a total of 318 million pounds, is comprised of:

- A seven-year "bullet" loan for 228 million pounds, to refinance the existing loan and pay the refinancing costs. A total of 10 million pounds paid in financing and refinancing operations are recorded as of June 30, 2015, adjusting the carrying amount of the respective liability.
- Line of credit for 75 million pounds to finance and refinance the investment plan.
- Credit policy for 15 million pounds, for corporate and working capital needs.

The main characteristics of the new financing and its comparison to the previously existing financing structure are detailed below:

	Existing financing	New financing	Remark
Credit facilities	£220m "bullet" loan £50m investment policy £15m credit policy	£228m "bullet" loan £75m investment policy £15m credit policy	Increase in the loan to pay refinancing costs Increase in the investments line, to reflect the business needs and provide financial flexibility
Maturity	5 years	7 years	The new maturity term implies deferment in payment of 3.5 years
Spread	Year 1: 250bps Year 2: 250bps Year 3: 275bps Year 4: 300bps Year 5: 325bps	Year 1: 165bps Year 2: 175bps Year 3: 185bps Year 4: 195bps Year 5: 200bps Year 6: 225bps Year 7: 250bps	Significant improvement in the financial cost. The average spread of the new financing, if maturity is held steady, is 200 bps, which, despite the longer maturity, is cheaper than the previous financing, which had an average remaining spread of some 300 bps.

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Net debt/EBITDA covenant	Jun 15: 8.0x Dec 15: 7.5x Jun 16: 7.5x Dec 16: 7.5x Jun 17: 7.5x Dec 17: 7.0x Jun 18: 7.0x	2015: 8.25x 2016: 8.25x 2017: 7.5x 2018: 7.0x 2019: 6.5x 2020: 6.5x 2021: 6.0x	Expansion of ratios to provide greater financial flexibility
Interest hedging covenant	2015 - 2016: 1.25x 2017: 1.3x	2015 – 2021: 1.25x	Elimination of the 2017 increase up to 1.3, increasing financial flexibility.

(c) Financial leasing liabilities

As of June 30, 2015 and December 31, 2014, the Group had entered into financial lease agreements for an automated in-flight inspection system (console), a cogeneration plant at Adolfo Suárez Madrid Barajas Airport, and an aircraft parking apron at London Luton Airport, all of which are recorded as “tangible fixed assets” in the consolidated balance sheet from June 30, 2015 and December 31, 2014.

The carrying amounts of the debt denominated in currencies other than the euro are:

	June 30, 2015	December 31, 2014
British Pounds	11,961	10,180

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

	June 30, 2015	December 31, 2014
Gross finance lease liabilities, minimum lease payments:		
— Less than one year	3,408	3,619
— Between 1 and 5 years	13,392	15,153
— More than 5 years	22,243	20,744
	39,043	39,516
Future financial burden from financial leasing	(8,625)	(9,878)
Present value of finance lease liabilities	30,418	29,638

The present value of finance lease liabilities is as follows:

	June 30, 2015	December 31, 2014
— Less than one year	2,188	2,306
— Between 1 and 5 years	9,285	10,389
— More than 5 years	18,945	16,943
Total	30,418	29,638

(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.

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16 Deferred Tax

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

	June 30, 2015	December 31, 2014
Deferred tax assets:		
—Deferred tax assets to be recovered in more than 12 months	107,615	73,356
— Deferred tax assets to be recovered within 12 months	81,109	28,773
	188,724	102,129
Deferred tax liabilities:		
—Deferred tax liabilities to be recovered in more than 12 months	128,574	118,664
—Deferred tax liabilities to be recovered within 12 months	11,277	8,742
	139,851	127,406
Net deferred tax assets	48,873	(25,277)

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Gross movement in the Deferred taxes heading was as follows:

	June 30, 2015	June 30, 2014
At January 1	(25,277)	76,017
Tax (charged against)/credited to the income statement	4,940	18,038
Tax (charged)/paid relating to components of other overall results	6,869	(140)
Addition from splitting of tax group (Note 21)	53,610	-
Effect of Law 27/2014	20,559	-
Reclassifications	1,025	-
Exchange differences	(12,853)	-
Other	-	(288)
End of period	48,873	93,627

Movements during the year 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	Deduction credits	B.I.N. credits	Other	Total
At January 1, 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 June 30, 2014	68,816	4,593	2,556	-	-	18,059	94,024
At January 1, 2015	71,712	3,034	3,675	-	-	23,708	102,129
Charged/(credited) to the income statement	(967)	225	-	-	-	43	(699)
Charged against (credited to) other group account	-	-	6,715	-	-	971	7,686
Addition from splitting of tax group (Note 21)	-	-	-	36,938	16,672	-	53,610
Effect of Law 27/2014	20,738	(153)	-	-	-	(26)	20,559
Reclassifications	-	-	4,537	-	-	-	4,537
Exchange differences	-	-	42	-	-	860	902
Other	-	-	-	-	-	-	-
At June 30, 2015	91,483	3,106	14,969	36,938	16,672	25,556	188,724

Deferred tax liabilities	Depreciation	Derivatives	Other	Total
At January 1, 2014	-	-	196	196
Other	-	-	201	201
At June 30, 2014	-	-	397	397
At January 1, 2015	126,526	-	880	127,406
Reclassifications	3,512	-	-	3,512
Charged/(credited) to the income statement	(5,639)	-	-	(5,639)
Charged against (credited to) other group account	-	817	-	817
Exchange differences	13,755	-	-	13,755
At June 30, 2015	138,154	817	880	139,851

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As of June 30, 2015, the following deductions have been applied for payment of Corporate Tax, and pending deductions have been recorded in the tax account with the shareholder:

	December 31, 2014								
	Year generated (1)	Year due (2)	Amount recorded in 2014	Amount recorded generated in 2014	Amount applied	Amount pending December 31, 2014	Amount recorded in 2015	Amount applied	Amount pending June 30, 2015
Deductions in the Canary Islands due to investments in property, plant and equipment	2009	2024	5,448	-	(5,448)	-	-	-	-
	2010	2025	-	-	(57,386)	-	-	-	-
	2011	2026	-	-	(16,975)	25,769	-	(25,769)	-
	2012	2027	(1,012)	-	-	37,779	-	(5,737)	32,042
	2014	2029	-	14,450	(14,450)	-	-	-	-
	2015	2030	-	-	-	-	35,943	(31,506)	4,437
Deductions in the Canary Islands for contributions to pension plans	2006	2021	-	-	(129)	-	-	-	-
	2007	2022	-	-	(126)	-	-	-	-
	2008	2023	-	-	(122)	-	-	-	-
	2009	2024	-	-	(113)	-	-	-	-
	2010	2025	-	-	(66)	-	-	-	-
Environmental deductions	2006	2021	(730)	-	-	-	-	-	-
	2007	2022	(771)	-	-	-	-	-	-
Internal double taxation	2011	2018	-	-	(220)	-	-	-	-
	2012	2019	-	-	(28)	-	-	-	-
Deductions international double taxation	2008	-	(308)	-	-	-	-	-	-
	2009	-	-	-	(268)	-	-	-	-
	2010	-	-	-	(312)	-	-	-	-
	2011	-	-	-	(350)	-	-	-	-
	2012	-	-	-	(484)	-	-	-	-
	2013	-	(69)	-	(381)	-	-	-	-
	2014	-	-	425	(425)	-	-	-	-
	2015	-	-	-	-	-	451	(451)	-
Pension plans	2006	2021	(252)	-	-	-	-	-	-
	2007	2022	(179)	-	-	-	-	-	-
	2008	2023	-	-	(148)	-	-	-	-
	2009	2024	-	-	(102)	-	-	-	-
	2010	2025	-	-	(58)	-	-	-	-
Employment promotion for people with disabilities	2012	2027	-	-	(167)	-	-	-	-
	2013	2028	43	-	(43)	-	-	-	-
R+D+I	2012	2030	-	-	(321)	-	-	-	-
	2013	2031	80	-	(80)	-	-	-	-
Book edition	2012	2027	-	-	(1)	-	-	-	-
Professional training	2006	2021	(330)	-	-	-	-	-	-
	2007	2022	(277)	-	-	-	-	-	-
	2008	2023	-	-	(329)	-	-	-	-
	2009	2024	-	-	(136)	-	-	-	-
	2010	2025	-	-	(43)	-	-	-	-
	2011	2026	-	-	(4)	-	-	-	-
	2012	2027	-	-	(3)	-	-	-	-

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	2013	2028	2	-	(2)	-	-	-	-
Recovery 30% non-deductibility amortization	2015	-	-	-	-	-	459	-	459
	2011	2021	-	-	(7)	-	-	-	-
Donations	2012	2022	-	-	(23)	-	-	-	-
	2013	2023	21	-	(21)	-	-	-	-
Total			1,666	14,875	(98,771)	63,548	36,853	(63,463)	36,938

(1) The year generated corresponds to the period in which the assets or personnel qualifying for generation of the same were associated with the airport activity area.

(2) Deduction in Canary Islands for investments in fixed assets, RD Law 15/2014, Fourth Temporary Provision, establishes a period of use of 15 years; Recoverability deduction 30% adjusts amortization of Corporate Tax, Thirty-seventh Temporary Provision, and Deduction to Prevent International Double Taxation, Article 31.6 of the Law on Corporate Tax, no limit is established for use; deduction for donations, period of 10 years for use; remaining Deductions, Article 39 Law on Corporate Tax establishes a limit of 15 years, excepting the Deduction for R+D+I, for which a limit of 18 years is established.

17 Provisions and Contingencies

a) Employee benefits

The table below shows where Group amounts for post-employment benefits have been included in the condensed interim consolidated financial statements:

	June 30, 2015	December 31, 2014
Commitments in the balance sheet in respect of:		
- Length of service awards	7,974	7,861
- Early-retirement bonuses	418	402
- LLAH III defined benefit pension plans	41,993	32,513
Liabilities for employee benefits	50,385	40,776
- Defined contribution pension plans (Other payables)	3	6
- Defined benefit pension plans	-	-
Total liabilities on the balance sheet	50,388	40,782
Charges in the income statement in respect of:		
- Length of service awards	288	1,638
- Early-retirement bonuses	13	(40)
- Defined contribution pension plans	-	8
- LLAH III defined benefit pension plans	2,033	894
	2,334	2,500
Revaluations for:		
- Length of service awards	-	779
- LLAH III defined benefit pension plans	4,277	6,563
- Early-retirement bonuses	-	149
	4,277	7,491

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(a LLAH III defined benefit pension plans)

LLAH III defined benefit commitments recorded in the consolidated balance sheet, as well as changes in the current value of these obligations and the fair value of the plan's assets, are as follows:

	Present value of obligations	Total
At December 31, 2014	131,529	131,529
Expense / (Income) Interest	2,605	2,605
Past service cost and gains and losses on settlements	2,033	2,033
	4,638	4,638
Recalculation of Ratings:		
- (Gains) / losses on changes in actuarial assumptions	4,277	4,277
	4,277	4,277
Differences on exchange	16,690	16,690
Rebates/(Premiums)	-	-
Plan participant contributions	511	511
Plan payments		
- Benefit payments	(1,690)	(1,690)
At June 30, 2015	155,955	155,955
	Fair value of the Plan's assets	Total
At December 31, 2014	(99,016)	(99,016)
Expense / (Income) Interest	(2,045)	(2,045)
Expected return affected funds	580	580
	(1,465)	(1,465)
Recalculation of Ratings:		
- (Gains) / losses on changes in actuarial assumptions	-	-
Differences on exchange	(12,845)	(12,845)
Rebates/(Premiums)	-	-
Plan Contributions	(2,321)	(2,321)
Plan payments		
- Benefit payments	1,685	1,685
At June 30, 2015	(113,962)	(113,962)
Provisions for pensions and similar obligations	41,993	41,993

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b) Provisions and contingencies

Movements under this heading as of June 30, 2015 and 2014 are shown below:

	Environmental actions	Liabilities	Taxes	Expropriations and late-payment	Other operating provisions	Voluntary separation plan	Total
Balance at January 1, 2015	131,207	74,106	21,959	1,110,328	29,800	24,211	1,391,611
Charge for the Year	20,537	16,168	1,106	15,843	14,085	-	67,739
Increase due to discounts	510	-	-	-	-	-	510
Reversals/Excesses	(6,611)	(4,215)	(285)	(33,436)	-	-	(44,547)
Amounts Used	(2,038)	(3,596)	(6,987)	(9,881)	(23,822)	-	(46,324)
At June 30, 2015	143,605	82,463	15,793	1,082,854	20,063	24,211	1,368,989

	Environmental actions	Liabilities	Taxes	Expropriations and late-payment	Other operating provisions	Voluntary separation plan	Total
Balance at January 1, 2014	159,310	120,986	39,158	210,552	8,640	25,503	564,149
Charge for the Year	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)
Amounts Used	(2,141)	(1,225)	(447)	(38,174)	(3,577)	(63)	(45,627)
At June 30, 2014	166,440	83,502	40,490	264,233	24,501	24,210	603,376

Analysis of total provisions:

	June 30, 2015	December 31, 2014
Non-current	1,126,449	1,124,588
Current	242,540	267,023
Total	1,368,989	1,391,611

Provision for environmental actions

This heading includes provisions for 134.505 million euros (June 30, 2014: 157.476 million euros) relating primarily to the expected obligations relating to noise abatement and sound-proofing of residential areas to comply with current noise legislation applicable to airport infrastructure.

Additionally, during the first semester of 2015, an environmental provision has been created for 9.1 million euros regarding additional measures contained in the Resolution dated April 9, 2015 of the State Secretariat of the Environment, which amends the ninth condition of the Environmental Impact Statement of Madrid Barajas Airport from November 30, 2001, establishing actions in the Gravera de Arganda, biological corridors, and the Jarama River.

The rest of the increase in the provision for environmental actions from the first semester of 2015 is due primarily to the increase in the estimated number of homes pending insulation at 652 homes, relating to Tenerife Norte Airport, having received the census data corresponding to the updating of the noise footprint from Municipal Governments. The increase in Reversals/Excesses during the reporting period is explained primarily by the decrease from refusals in the number of homes pending acoustic insulation at Gran Canaria (20 homes), Alicante-Elche (46 homes), and A Coruña (229 homes) Airports.

Regulations on environmental evaluation (currently under Law 21/2013) require that certain Aena projects be subject to an environmental impact evaluation (in particular for runway expansions greater than 2,100 m), concluding with the preparation of the corresponding Environmental Impact Statements by the Ministry of Agriculture, Food, and the

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Environment, which authorize the projects' environmental viability and require the preparation and execution of Acoustic Insulation Plans (PAA, in Spanish). For the environmental impact statements published to date, the respective acoustic insulation actions have been considered when making provisions.

On noise-related issues, Law 5/2010 of March 17, which amends Law 48/1960 of July 21 on Air Navigation, requires the approval of action plans which include the corresponding corrective measures in cases where acoustic easements are established that allow targets to be exceeded in terms of acoustic quality at building exteriors, flyovers, frequencies, and environmental impacts associated with airports with more than 50,000 operations per year.

As of the date these condensed interim financial statements were prepared, acoustic easements and the corresponding action plans have been approved by Royal Decree for Adolfo Suárez Madrid-Barajas Airport (RD 1003/2011 of July 8, BOE No. 174 of July 21, 2011), Barcelona-El Prat Airport (RD 1002/2001 of July 8, BOE No. 174 of July 21, 2011), and Palma de Mallorca Airport (RD 769/2012 of April 27, BOE No. 119 of May 18, 2012).

At the airports for which acoustic easements have been approved (Adolfo Suárez Madrid-Barajas, Barcelona-El Prat, and Palma de Mallorca), it is estimated that a total of 321 homes (all corresponding to Palma de Mallorca Airport) will require acoustic insulation actions. Such actions are already included in the accounting provisions established. In the case of Adolfo Suárez Madrid-Barajas and Barcelona El Prat Airports, no additional homes are included, given that the area defined under current easements is smaller than that established in the current PAAs.

In addition, as of the date these condensed interim consolidated financial statements were prepared, the public informational process for acoustic easements and action plans at Bilbao, Ibiza, Málaga-Costa del Sol, Seville, and Valencia Airports has ended, with approval pending by Royal Decree on the part of the Ministry of Development. The estimated increase in homes to be included in the respective PAAs is 2.742 for all the aforementioned airports. These homes are not included in provisions as the corresponding acoustic easements have not yet been approved. For all other airports with more than 50,000 operations per year (Gran Canaria, Tenerife Norte, and Alicante-Elche), the process of updating and approving acoustic easements has not yet begun. It is estimated that compliance with Law 5/2010 will be achieved for all airports during the period from 2015 to 2020.

The Group will establish and record the corresponding provisions when the obligation to insulate homes becomes effective, either once the respective easement and action plan is approved by way of Royal Decree, or once approval is given for a new Environmental Impact Statement resulting from the environmental evaluation of projects that require such approval.

Provisions for liabilities

This heading mainly records provisions made based on the best estimates available to Group Directors to cover risks relating to litigation, claims and commitments in progress that are known at the end of the period and for which the expectation is that an outflow of resources in the medium or long-term is likely. As of June 30, 2015 and June 30, 2014, provisions made by the Group corresponded primarily to claims filed by contractors.

During the period from January to June 2015, reversals totalling 4.215 million euros corresponded firstly to court rulings in favour of the Group in disputes with construction companies, totalling 1.206 million euros, for which it is estimated that there will be no unfavourable economic consequences. As such, said amount was reversed and credited to the value of the fixed assets against which the respective provisions were initially established. The rest of the reversals (3.009 million euros) has been credited to the consolidated interim profits/losses account, primarily under "Excess in provisions". As of June 30, 2014, reversals totalling 37.848 million euros correspond primarily to a court ruling in favour of the Group in a dispute with construction companies, totalling 28.625 million euros.

The Group's Directors do not believe that the liability disputes underway, taken as a whole, will result in additional effective liabilities that would significantly affect these interim consolidated financial statements.

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, of which the expectation is that an

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outflow of cash is likely, the definitive amount and the definitive settlement of which are uncertain at the date the consolidated interim financial statements were prepared.

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 Group has taken into account late-payment interest using the current legal interest rate in force for each year as a basis of calculation. At June 30, 2015, there are provisions in place corresponding primarily to judicial proceedings relating to expropriations of land at Adolfo Suárez Madrid-Barajas Airport. These proceedings include various orders for reassessment regarding expropriations carried out for the expansion of Adolfo Suárez Madrid-Barajas Airport, as well as the risk inherent to the annulment of the delineation of the Public Water Domain in effect, which authorizes the former landowners included within said delineation to seek payment for the areas acquired at zero cost. These court rulings and risks have resulted in a provision totalling 75.894 million euros, of which 52.91 million euros correspond to differences in fair price, recorded against the value of land, and 22.984 million euros correspond to late payment interest accrued as of June 30, 2015, recorded against expenses from interest on expropriations (of which just 926,000 euros are attributable to the six-month period ending on June 30, 2015). In addition, it bears specific mention that the ruling of which Aena was notified on October 29, 2014, given by the Superior Court of Justice of Madrid on October 1 in Ordinary Proceeding 1/2011, affirms the right to reassessment of a number of properties previously acquired for the expansion of Adolfo Suárez Madrid-Barajas Airport. This ruling has resulted in a provision for expropriations and interest on expropriations of 938.832 million euros, of which 758.605 million euros correspond to differences in fair price (396.4 million euros under Proceeding 1/2011, and the remaining amount corresponding to two other related proceedings: Proceeding 66/2011 with a provisioned amount of 351.403 million euros, and Proceeding 427/2011 with a total of 10.802 million euros), recorded against the value of land, and 180.227 million euros correspond to interest accrued through June 30, 2015, recorded against expenses from interest on expropriations (of which just 13.276 million euros are attributable to the six-month period ending on June 30, 2015).

Regarding the expropriation dispute pertaining to Ordinary Proceeding No. 66/2011, it is indicated that:

- a. On January 15, 2015, Aena was notified of Ruling No. 2/2015 of January 8, 2015 of the Superior Court of Justice of Madrid (TSJ), which upheld in part the administrative appeal filed by various persons against the Order of the Ministry of Development dated November 12, 2010, which had expressly rejected the appeal filed against the refusal of the request for reassessment of the expropriated lands.
- b. On February 3, 2015, Aena filed a writ indicating an error in the aforementioned ruling and requesting correction, following which the TSJ issued an Order for Clarification dated February 11, 2015, whereby the Court clarified that it is not necessary for the Expropriation Tribunal to rule on the reassessment as said reassessment is not valid, and that the aforesaid Ruling can be contested by cassation appeal. On March 30, 2015, Aena filed a cassation appeal.

As the Ruling is not final, and given the uncertainties surrounding this and related cases, it has been deemed necessary to maintain the provision for these cases.

The reversals shown under provisions are a result of the outcome in various proceedings which were at one time expected, due to the course of similar cases, to be resolved in a manner contrary to the interests of Aena. In these proceedings, the TSJ of Madrid disallowed untimely action for reassessment in all cases where the property owner failed to reserve the right for future action at the time payment was made, significantly restricting the number of cases in which the right to reassessment occurs due to the positioning of the owner at said time of payment. Of the total amount of reversals in this provision (33.436 million euros), 21.985 million euros have been credited to the value of the fixed assets against which the provisions were initially established. The rest of the reversals (11.451 million euros) have been credited to the consolidated interim profits/losses account, under "Expenses from interest on expropriations".

There are additional provisions totalling 68.7 million euros, which correspond to minor disputes at Adolfo Suárez Madrid-Barajas Airport and other network airports.

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Expenses from interest on expropriations as of June 30, 2015, having taken into account the aforementioned reversals, total 3.316 million euros (June 30, 2014: 22.608 million euros) (see Note 20).

Other operating provisions

This heading includes the provision for bonuses applicable to monetary benefits for passenger landing and departure earned by airlines operating during certain days of the week at the Canary Islands airports. Likewise, the State General Budgetary Laws for the 2014 and 2015 fiscal years establish incentives in public monetary benefits for passenger departure due to the growth in passengers in the routes operated in the Aena network. As of June 30, 2015, the amount estimated for all such items totals 20.063 million euros (June 30, 2014: 24,501 million euros).

Provisions for the exit plan and voluntary separation

This heading includes the provision for voluntary separation of employees of Aena, S.A., deriving from the approval in June 2012 by the Ministry of Development of the airport efficiency plan proposed by Aena, S.A. to adapt the service offerings at certain airports and heliports to actual demand at any given moment.

In order to carry out this plan, Aena, S.A. 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 separation conditions for those employees that meet certain requirements and request separation before December 31, 2012. After receiving applications, Aena, S.A. verified employee compliance with the plan's conditions, and in January 2013 these employees were informed of the approval of their applications and their acceptance of the plan. The employees left the company between January 2013 and June 30, 2013. The amount of the severance payments was paid against the provision established in 2012.

The voluntary separation plan was considered to be an employment termination benefit, and the amount of the provision, totalling 134.468 million euros, allocated in 2012, was estimated based on actuarial calculations.

As of June 30, 2015, Aena, S.A. maintains a provision for 24.21 million euros (June 30, 2014: 24.21 million euros) corresponding to the measured cost which Aena, S.A. could incur with regards to its voluntary separation plan, corresponding to unemployment benefits of the persons affected by the plan and social security contributions.

Contingent liabilities

As of June 30, 2015 and June 30, 2014, the Group is party to claims and legal disputes, as a normal part and natural consequence of its business, for which Management considers it unlikely that there will be an outflow of resources, or in which the amount of the obligation cannot be reasonably estimated.

Environmental actions

As described in the heading Provisions for environmental actions, as a result of the actions necessary to comply with environmental regulations regarding the various works required to expand and improve the airport network, the Group is obligated to make a series of investments to minimize the impact of noise on homes affected by these works. As of June 30, 2015 and June 30, 2014, the Group was party to various proceedings which, if ruled against the Group, could result in liabilities that cannot be quantified as of the aforementioned dates.

As a result of the overflight of aircraft in population centres in Ciudad Santo Domingo (Algete, Madrid), some area residents feel their fundamental rights are violated due to excessive noise levels in their homes. These residents filed Administrative Appeal 109/2004 against Aena and the Ministry of Development seeking to halt the use of Runway 18R (one of the four runways at Adolfo Suárez Madrid-Barajas Airport). Thus far, the Supreme Court has not granted such measure.

On January 31, 2006, the Superior Court of Justice of Madrid issued a ruling rejecting the aforementioned administrative appeal. This ruling was contested through cassation appeal by five of the initial petitioners, and the Supreme Court ruled partly in favour of the appellants in a Ruling dated October 13, 2008, due to violation of their right to privacy in the home.

Subsequently, there have been various rulings and orders which have been appealed by both parties.

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During a third cassation appeal, the Superior Court of Justice of Madrid issued an order dated December 2, 2014 (the "Order from December 2, 2014"), of which ENAIRE and Aena, S.A. were notified on December 5, 2014, whereby the court (i) stated that the ruling of the Supreme Court dated October 13, 2008 had not been executed, given that the harm to the fundamental right caused by overflight remained; and (ii) ordering execution by reducing the number of overflights over Ciudad Santo Domingo by 30%, calculating the number of overflights existing in 2004, which totalled 20,730 approaches to Runway 18R.

With regards to this measure, the TSJ clarifies the following:

The 30% reduction in the number of overflights must begin in a period of no more than two months from notification of the Order from December 2, 2014, and the Court must be notified of the date such reduction begins. This term expires on February 5, 2015.

Six months after the start of the agreed reduction, ENAIRE, Aena, S.A., and the Ministry of Development must report to the Court within a period of one month on the effect of the measure on the acoustic situation of the urban area. In that same one-month period, the appellants may also submit their claims and observations in this regard.

The Order from December 2, 2014 has again been appealed before the same Chamber of the TSJ. With the filing of this appeal, the court has also been petitioned to stay execution of the Order from December 2, 2014. Through an Order dated December 18, 2014, the TSJ approved the stay so that, at the present time, Adolfo Suárez Madrid-Barajas Airport can continue operating in the same conditions in which it was operating, without the need to begin reducing the number of overflights occurring over Ciudad Santo Domingo to a level 30% below that existing in 2004. On April 9, 2015, the TSJ of Madrid rejected all appeals filed against the Order from December 2, 2014, and on April 27, 2015, Aena and ENAIRE filed a preparation of cassation appeal. On June 15 notice was received granting review of the cassation appeal and establishing a deadline for formal submission. That deadline falls on July 27.

The Group is analyzing measures to be taken to mitigate the potential economic impact of an unfavourable ruling.

In the event that these proceedings are resolved in a manner unfavourable to the Group, this could result in liabilities which as of the close of this period cannot be quantified.

Expropriations

Likewise, the Company is party to legal actions resulting from expropriations made, while as of June 30, 2015 and June 30, 2014, such actions could not be quantified, as they are pending court decision. These actions could result in additional outlays under expropriations, although the directors do not consider a ruling against the Group's interests to be likely.

Commercial activities

As of June 30, 2015 and June 30, 2014, the Group is party to legal disputes with various hotel and restaurant businesses with concessions at Aena network airports, such actions which are pending a final ruling or are suspended awaiting potential settlement between the parties.

Construction company claims

In addition to the foregoing, as of June 30, 2015 and June 30, 2014, actions had been filed by various construction companies against the Group, relating to the execution of various contracts for works performed at network airports. Group Management does not believe that these actions will result in any negative economic consequences.

Claims against Local Governments

As of June 30, 2015 and June 30, 2014, the Group is party to legal disputes with local governments due to discrepancies in the settlement of fees for commercial concessions for exclusive use of public property.

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Airline claim relating to fees

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

The airlines that operate in Spain have extended their claim to the European Commission, alleging irregularities in the system established by Spanish Law to update the benefits to be received by Aena, S.A., in 2012. The aviation industry called for the intervention of the Community body due to the price increase in 2012 and after its rise in 2013, in addition to urging the creation of an independent body supervising air transport. In the year 2013 the National Commission on Financial Markets and Competition (CNMC), which is an independent body was created. Until its operation in October 2013, the supervision of the proposed 2014 rates was attributed to temporary Committee and Airport Railway Regulation (CRFA) acting in the exercise of their work impartially and transparently. The consultation process for the proposed rates ended 2014 with a multiyear agreement on rates for the period 2014-2018. After the agreement reached with the airlines, they have suggested to their associates the resignation of claims produced. Currently, 73.8% of companies have introduced withdrawals. In addition:

- During the six-month period ending on June 30, 2015, 82 notices have been received from the Central Economic-Administrative Court, all such notices which rejected the corresponding economic/administrative claims filed by various companies against the increase in the Public Monetary Benefits published in the State General Budgetary Law for 2012. None of the aforementioned companies had withdrawn their claims prior to that mentioned in the preceding paragraph.
- Two of the companies that had not withdrawn claims (Lufthansa and Austrian Airlines) have filed 12 Administrative Appeals with the National High Court against the rulings of the Central Economic-Administrative Court that had rejected the economic-administrative claims they filed initially.

Based on this, Group Management does not believe that these actions will result in any negative economic consequences.

Employment contingencies

There are several proceedings involving the dismissal of contractor employees that commenced in 2012 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 Group, 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 several procedures in which employees have filed claims against the termination of their contracts due to forced retirement. These procedures 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 relating to the composition of candidate 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.

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The Company 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 these employment-related disputes are deemed to be insignificant, given both the amount claimed and the low probability that Aena, S.A. will have to absorb any economic consequence. In analyzing the likelihood of success in these disputes, the contents and legal arguments are reviewed, and based on experience in similar disputes and existing jurisprudence, it is not deemed likely that the Group will have to assume any liabilities in these cases.

Other claims by airlines

The Company maintains claims and disputes by specific incidents that have generated damage to aircrafts at network airports, and as of June 30, 2015, Group Management believes that these would not be significant.

Government of Canary Islands

The Government of the Canary Islands filed administrative appeal 2/05/2015 before the Administrative Chamber of the Supreme Court, against the resolution of the Council of Ministers dated July 11, 2014, modified to also contest the resolution of the Council of Ministers dated January 23, 2015, regarding authorization of ENAIRE to begin sale of up to 49% of the share capital of AENA. In the modified administrative appeal, the Government of the Canary Islands petitioned for interim measures to exclude public interest airports in the Canary Islands from the equity assets that comprise Aena's net equity, and to include information relating to the appeal in the Prospectus of the IPO of Aena, S.A.

This proceeding is pending answer to the complaint by the State Attorney's Office.

It is the opinion of ENAIRE (and was thusly communicated as a Relevant Fact to the CNMV this past February 10) that the petition for interim measures lacks legal basis and that the claims of the Government of the Canary Islands, if upheld, should in no case affect the ownership and management of AENA of the aforementioned airports, such competencies which are restricted to the State.

Contingent assets – Fee shortfall

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

The supervision of the fees proposed by Aena, S.A. for 2013 applied, for the first time, the new regulatory framework deriving from Directive 2009/12/CE (March 11, 2009) relating to airport fees. This framework consists mainly of Law 21/2003 (July 7) on Air Security, as worded by Law 1/2011 (March 4), which establishes the State Operational Security Program for Civil Aviation and amends Law 21/2003 (July 7) on Air Security, and, Royal Decree-Law 11/2011 (August 26), which creates the Airport Economic Regulation Commission, regulates its composition and duties, and Law 3/2013 (June 4), which creates the National Markets and Competition Commission (CNMC, in Spanish).

As a result of this new regulatory framework, a significant portion of the income received by Aena, S.A. 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 airline, user and other associations or organizations and, secondly, to a supervisory procedure by the supervisory authority.

According to the Supervisory Report on the Proposed Tariff Modification of Aena, S.A. for 2014, issued by the Railway and Airport Regulation Committee (CRFA, in Spanish) on September 12, 2013, the tariff shortfall for 2013 was established at 298 million euros (which is consistent with the figure approved by the DGAC adjusted to the real consumer price index), which, capitalized at 7.04% to obtain its value on December 31, 2014, reaches a total of 318.98 million euros. The tariff shortfall declared by the CNMC for 2013 in the Resolution approving the proposed tariff modification of Aena, S.A. for 2015 and establishing measures which must be adopted in future inquiry procedures, totals 179.33 million euros.

In the aforementioned Supervisory Report on the Proposed Tariff Modification of Aena, S.A. for 2014, the CRFA has verified that the tariff modification for 2014 establishes a shortfall adjustment for 2014 of 286.79 million euros. Said Report also establishes that once the CPI is published from October 2013, if it is determined that the increase applied to

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the amounts of the fees is less than 2.5%, the value of the shortfall for 2014 must be updated according to the value of the regulated revenue expected for 2014 at that time.

On May 13, 2015, AENA filed an administrative appeal against CNMC Resolution dated April 23, 2015. In said Resolution, the CNMC establishes that the accounting method to be used to update tariffs for 2016 should reflect the "costs deriving from commercial revenue generated by increased traffic" in a manner different from that used in the previous year. According to the contested Resolution, this change is due to the fact that part of the costs made at airport terminals which were recorded as costs from regulated airport activities actually benefit commercial activities, and thus must be considered as commercial activity costs. As a result of the gradual application of the double-cash criteria, reallocation of costs from regulated activities to commercial activities, as defended in the contested Resolution, corresponds to 40% of the total amount of 69.8 million, reflecting a change of 27.9 million.

In addition, on May 13, 2015, AENA petitioned interim measures against said Resolution with the Administrative Chamber of the National High Court, requesting that this criteria not be applied until such time as the dispute is decided on the principal matter.

On July 1, 2015, the CNMC notified AENA of the modifications to be included by the Company in its proposed public equity fees for the 2016 fiscal year (see Note 25).

The Group considers that these types of assets do not comply with all of the requirements to be recognized in the balance sheet since they involve an asset that depends on future events.

18 Grants

No significant changes from the figures entered in the consolidated annual accounts for the 2014 fiscal year. Allocation to profits/losses during the six-month period ending on June 30, 2015 totalled 19.969 million euros (June 30, 2014: 27.85 million euros).

19 Other Operating Expenses

As of June 30, 2015 and 2014, the breakdown of Other operating expenses was as follows:

	June 30, 2015	June 30, 2014
Rent and royalties	2,519	1,031
Repairs and maintenance	119,037	114,544
Independent professional services	15,770	11,798
Bank services	2	884
Public relations	2,595	1,367
Utilities	48,020	46,372
Other services	68,341	66,244
Security	58,029	50,583
Taxes	149,113	141,700
Losses, impairment and changes in provisions for commercial transactions	155	(9,238)
Other ordinary expenses	24,192	1,630
Other operating expenses	487,773	426,915

As a result of the full consolidation of LLAHIII beginning October 16, 2014 (see Note 9), the heading "Other operating expenses" includes, for the first six months of 2015, 43.477 million euros resulting from said investee, of which 22.557 million euros are included in the heading "other ordinary expenses".

Due to application of CINIIF 21, at the beginning of the 2015 fiscal year, the Taxes heading came to include the annual total of encumbrances, and the figure corresponding to the first semester of 2014 has been corrected at 68.525 million euros (see Note 2.3). In addition, the increase in this heading is a result, firstly, of 3 million euros for LLAH III, and secondly, of the launch of new airport infrastructure and IBI land registry revisions.

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As of June 30, 2015, balances provisioned with clients have been recovered in an amount of 7.868 million euros, and commercial credits for a total of 8.023 million euros have been impaired and removed (June 30, 2014: 14.838 million euros and 5.6 million euros, respectively).

The increase in the Security heading is due to the application of new hand luggage inspection regulations beginning in March 2015. Other operating expenses have maintained steady compared to the six-month period ending on June 30, 2014, as a result of the continued application of efficiency and operational measures implemented during recent years. Specifically, the most important measures have allowed costs to be rationalized and optimized in the following services: maintenance, private security, shuttle bus transport at Adolfo Suárez Madrid-Barajas and Barcelona-El Prat Airports, public information, energy consumption, technical assistance, and other expenditures (communications, office equipment, etc.). Specifically, the repairs and maintenance heading primarily includes maintenance of the SATE system (automatic baggage handling system) and the cleaning of buildings and passenger terminals. Supplies correspond to expenditures for energy, water, and telephone services, primarily. Other services correspond primarily to parking garage management, costs from assistance services for passengers with reduced mobility, insurance premiums, and public information services.

20 Financial Income and Expenses

The breakdown of Net financial expenses for the six-month periods ending on June 30, 2015 and 2014 is as follows:

	June 30, 2015	June 30, 2014
Financial expense:		
Financial expense on amounts owed to third parties	(26,869)	(23,052)
Financial expenses from loans with ENAIRE	(91,467)	(106,442)
Update of provisions (Note 17)	(581)	(2,197)
Less: financial expenses capitalized for qualifying assets (Notes 6 and 7)	1,749	2,934
Total financial expense	(117,168)	(128,757)
	June 30, 2015	June 30, 2014
Financial income:		
Financial income from equity instrument holdings (Note 23)	250	-
Other financial income	1,467	688
Total finance income	1,717	688
	June 30, 2015	June 30, 2014
Other net financial income/(expense)		
Net exchange differences	6,351	459
Impairment of financial assets available for sale	-	-
Liquidation of Raesa (Note 2.2)	97	-
Gains/(Losses) on interest rate derivatives: cash flow hedges (Note 10)	(2,545)	(2,433)
Total other net financial income/(expense)	3,903	(1,974)
Net financial expense	(111,548)	(130,043)

The most significant amounts in the six-month period ending on June 30, 2015 correspond to financial expenses from loans with ENAIRE.

The heading "Financial expenses from debts with third parties" includes 9.874 million euros in the first semester of 2015, resulting from the consolidation in full of LLAH III. In addition, this includes 3.316 million euros of late payment

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interest in contentious expropriations (Note 17) (June 30, 2014: 22.608 million euros), as well as 12.789 million euros in interest provisioned for potential liabilities in litigation (June 30, 2014: 3,000 euros).

The decline in financial expenses from the ENAIRE loan is due to the decrease in the average debt and the decrease in the average interest rate. Average debt decreased due to the fact that the Group generates sufficient cash flow to service its payment obligations without acquiring new debt. The decrease in interest rates is due to the drop in 3m and 6m Euribor rates and the interest rate revision policy of the European Investment Bank (see Note 3).

The Group records the provisions for financial adjustments under the heading Update of provisions as a result of the modification of the provisions concerned (Note 17).

21 Income tax

	June 30, 2015	June 30 2014 (*)
Current tax:		
Current tax on earnings from the year	(87,302)	(79,676)
Effect of Law 27/2014	20,558	-
Negative adjustments	(1,091)	(221)
Total current taxes	(67,835)	(79,897)
Deferred tax (Note 16)	4,940	17,982
Deductions generated and activated (Note 16)	36,853	10,106
Income tax	(26,042)	(51,809)

(*) Information relating to the condensed audited consolidated financial statements from June 2014 has been modified due to application of CINIIF 21 (see Note 2.4).

As of June 30, 2015, negative adjustments corresponded primarily to negative adjustments from previous years in the LLAH III investee and negative adjustments in the ADI investee.

The main permanent differences from the fiscal year correspond essentially to non-deductible expenses. Regarding the main temporary differences from the year, these correspond to the difference between tax and book amortization, additions to the insolvency provision, and provisions for risk and personnel expenses.

The general tax rate for Corporate Tax for the 2015 fiscal year is 28% (2014: 30%). Law 27/2014 of November 27 on Corporate Tax, which became effective on January 1, 2015, establishes that the general tax rate for taxpayers of this Tax will be 28% in 2015 and 25% beginning in 2016.

As a result of this reduction in the general tax rate and other modifications incorporated under Law 27/2014 of November 27, the Group has proceeded in reevaluating the deferred tax assets and liabilities based on their estimated period of reversal, recording the following impacts:

- Decrease in expenses under "Income tax expenses" in the profit/loss account in the amount of 20.558 million euros, which are charged, at increase, to assets from temporary differences ("Deferred tax assets" under Non-current assets in the balance sheet) (see Note 16).
- A charge under "Hedging operations" in Net equity totalling 401,000 euros, for the decline in "deferred tax assets" relating to headings previously credited under said Net equity heading.

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(in thousands of euros unless otherwise indicated)

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:

	June 30, 2015	June 30, 2014 (*)
Profit/loss before tax	295,541	204,954
Tax calculated at the applicable national tax rate	(82,751)	(61,487)
Tax effects of:		
- Profits from associates, net of taxes	1,542	195
- Revenues not subject to taxation	3,544	-
- Effect of lesser rate applicable to LLAH III (20.25% 2015)	(1,140)	-
- Non-deductible expenses for tax purposes	(233)	(372)
- Use of unrecorded tax losses	-	-
- Tax credits recorded in the year with the tax group (note 16)	36,853	10,106
- Effect of Law 27/2014	20,558	-
- Negative adjustments to tax	(1,091)	-
- Other	(3,324)	(251)
Tax expenses	(26,042)	(51,809)

(*) Information relating to the condensed audited consolidated financial statements from June 2014 has been modified due to application of CINIF 21 (see Note 2.4).

The resulting tax rate before applying deductions and activation of deductions and Tax Losses was 28%, except for earnings corresponding to LLAH III, whose tax rate is 20.25% (2014: 30%).

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

	June 30, 2015			June 30, 2014		
	Before taxes	Tax (charge)/credit	After taxes	Before taxes	Tax (charge)/credit	After taxes
Cash flow hedges	(25,357)	5,898	(19,459)	466	(140)	326
Actuarial earnings and losses	(4,856)	971	(3,885)	-	-	-
Share in other comprehensive income of associates	-	-	-	(924)	185	(739)
Other overall profit/loss	(30,213)	6,869	(23,344)	(458)	45	(413)
Current income tax	-	-	-	-	-	-
Deferred tax (Note 16)	-	6,869	-	-	45	-
	(30,213)	6,869	(23,344)	(458)	45	(413)

Other issues:

As indicated in Note 35 of the Consolidated Annual Accounts from the 2014 fiscal year, the IPO of 49% of the share capital of Aena S.A. (see Note 1) required that the Parent Company, ENAIRE, would come to hold a 51% stake in Aena S.A., as opposed to its previous 100% holding.

In application of current tax law (Article 59.2. of Law 27/2014 on Corporate Tax), beginning on January 1, 2015, Aena, S.A. is separated from its group subsidiaries for tax consolidation purposes, such group which was parented by ENAIRE.

As a result of the termination on January 1, 2015 of the AENA Tax Group to which AENA belonged, together with ENAIRE and subsidiaries AENA and AENA Desarrollo Internacional, and according to the will of the Directors of both companies, on April 7, 2015, Aena notified the Tax Agency of its request to include the companies AENA S.A. and Aena Desarrollo Internacional S.A.U. in the tax consolidation regime.

As a result, debit balances for deductions pending application and credits for tax losses which, as part of the Tax Group, were held by Aena S.A. with ENAIRE, and which, as such, were included under "Other receivables" in the Balance Sheet,

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are now held, beginning on January 1, 2015, with the Public Treasury, and so since said date they were reclassified under "Deferred tax assets". As of June 30, 2015, said balances totalled 36.938 and 16.672 million euros, respectively, totalling 53.61 million euros (see Notes 11 and 16).

On June 5, 2015, the Tax Agency announced the creation of the new Tax Group 471/15, comprised of AENA S.A. as Parent Company and Aena Desarrollo Internacional as subsidiary, allowing them to pay Corporate Tax in the 2015 fiscal year as a Tax Group.

Moreover, 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. As of December 31, 2014, the limitation period remains in effect, from May 31, 2011 to December 31, 2014, for all taxes.

The Public Business Entity "ENAIRES", as previous Parent Company of the tax group, has a limitation period open for the following taxes: Corporate income tax: 2010 to 2014 fiscal years; Personal Income Tax: 2011 to 2014 fiscal years; Value Added Tax: 2011 to 2014 fiscal years; Canary Island General Indirect Tax: 2011 to 2014 fiscal years; and the Tax on Production, Services and Imports: 2011 to 2014 fiscal years.

Likewise, taxes for the six months already passed in 2015 are open for inspection.

Taxes from the last six months of LLAH III are open for inspection by its own tax authority.

The Directors of Aena believe that taxes have been appropriately settled, so that even in case of discrepancies in the interpretation rules in effect for the tax treatment of the transactions, any resulting liabilities, if materialized, would not have a significant effect on the accompanying condensed interim consolidated financial statements.

22 Earnings per Share

Basic earnings per share are calculated by dividing the result for the year attributable to the Company's shareholders by the weighted average number of outstanding shares during the year.

	June 30, 2015	June 30, 2014
Earnings attributable to shareholders (thousands of euros)	275,563	153,145
Weighted average number of ordinary shares	150,000,000	150,000,000
Basic earnings per share (euros per share)	1.84	1.02

Diluted earnings per share are calculated by dividing the results for the year attributable to the Company's shareholders by the average weighted number of outstanding ordinary shares during the year, taking into account the dilutive effects inherent to ordinary shares potentially outstanding during the year. As of June 30, 2015 and 2014, there were no dilution factors that modify the amount of the basic earnings per share and therefore the figures coincide with each other.

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(in thousands of euros unless otherwise indicated)

23 Transactions with Related Parties

The Group is controlled by the Public Business Entity "ENAIRE".

All transactions with related parties are made at market values. In addition, transfer prices are duly corroborated, and so the Group Directors believe there is no significant risk of this factor resulting in any future liabilities.

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

(a) Sales of goods and services

	June 30, 2015	June 30, 2014
Rendering of services:		
- Public Business Entity "ENAIRE"	1,632	3,621
- Associated companies	3,193	1,196
- Related companies	20	3
Total	4,845	4,820

(b) Purchases of goods and services

	June 30, 2015	June 30, 2014
Services received:		
- Public Business Entity "ENAIRE"	72,740	81,655
- Associated companies	-	-
- Related companies	6,522	5,496
Total	79,262	87,151
Acquisition of assets		
- Related companies	1,926	1,962
Total	1,926	1,962

In accordance with Law 9/2010 (April 14) (Additional Provision Five), the cost of airport air traffic services are included in the amount of the Landing Fee invoiced by Aena, S.A. to airlines.

In this respect, Law 1/2011 configures the services relating to airport air traffic provided by the airport manager as public services. The amounts billed for such services as of June 30, 2015 totalled 92.615 million euros (June 30, 2014: 78.635 million euros).

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 the services. The cost of said services is recorded under "Supplies" in the attached consolidated statement of losses and earnings. As of June 30, 2015, the services rendered by the Parent Company for ATM and CNS services totalled 72.74 million euros (June 30, 2014: 73.144 million euros).

(c) Income from shareholdings in related companies

	June 30, 2015	June 30, 2014
- Related companies	250	-
Total	250	-

See dividends received from associates in Note 9.

Aena, S.A. and Subsidiary Companies - Condensed Interim Consolidated Financial Statements

(in thousands of euros unless otherwise indicated)

(d) Key management personnel compensation

See Note 24. Other information.

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

	June 30, 2015	December 31, 2014
Receivables from related parties:		
- Associates	1,371	2,034
- Related parties	11	-
- Public Business Entity "ENAIRE"	358	769
Total receivables from related parties	1,740	2,803
Payables to related parties:		
- Related parties	7,944	3,753
- Public Business Entity "ENAIRE"	30,777	31,363
Total payables to related parties	38,721	35,116

Receivables from related parties arise primarily from service transactions. Receivables from the Parent Company arising from corporate tax filed under tax consolidation, up to the time of the dissolution of the tax group with ENAIRE (Note 21) are included, together with balances from activated tax deductions, in Other receivables from related parties (see Note 11) at a value of 59.502 million euros as of June 30, 2015 (December 31, 2014: 218.887 million euros). 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 companies arise primarily from transactions for purchase of fixed assets and ATM and CNS services mentioned in item b). The balances above are included under "Payables to related parties" (see Note 14). Payables do not accrue any interest. Payables to the Parent Company arising from corporate tax filed under tax consolidation, up to the time of the dissolution of the tax group with ENAIRE, are included in Other payables to related parties, at a value of 2.152 million euros (December 31, 2014: 0 euros).

(f) Loans and derivatives with related parties (see Note 15)

24 Other information

Average staff

The number of employees as of June 30, 2015 and 2014 by category and sex at the companies comprising the Group is as follows:

Professional Category	June 30, 2015 ^(*)			June 30, 2014 ^(*)		
	Male	Female	Total	Male	Female	Total
Senior management	7	2	9	4	-	4
Executives and graduates	832	600	1,432	767	558	1,325
Coordinators	832	290	1,122	812	287	1,099
Technicians	2,914	1,425	4,339	2,888	1,410	4,298
Support personnel	517	437	954	263	284	547
	5,102	2,754	7,856	4,734	2,539	7,273

(*)The above figures include temporary employees which in the first semester of 2015 totalled 687 (first semester of 2014: 711)

Integration of the figures of LLAH III in the condensed interim consolidated financial statements from June 30, 2015 adds 615 employees to the staff.

Regarding the Board of Directors of the Parent Company, as of June 30, 2015, it was comprised of 11 men and 4 women (first semester of 2014: 9 men and 3 women).

As of June 30, 2015, the Group has an average number of 114 employees with disabilities (first semester of 2014: 113).

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(in thousands of euros unless otherwise indicated)

Compensation for Senior Management and Directors

Compensation received during the first semester of 2015 and 2014 by Senior Management and Group Directors, categorized by type, is as follows (in thousands of euros):

Item	June 30, 2015			June 30, 2014		
	Senior management	Board of Directors	Total	Senior management	Board of Directors	Total
Salaries	514	-	514	233	-	233
Per Diems	9	95	104	13	55	68
Pension plans	-	-	-	-	-	-
Insurance premiums	3	-	3	2	-	2
Total	526	95	621	248	55	303

The difference in compensation between the periods in review does not relate to any increase in compensation, but rather corresponds primarily to the organizational assignment of members of the Group's Senior Management: 4 of whom have always been employed by Aena, S.A. (previously Aena Aeropuertos) and 6 of whom were, until July 2014, employed by ENAIRE, providing services to the entire Group, and their compensation packages, together with that of the Group CEO, during said period were credited directly by the Parent Company and billed proportionally, based on the services, to Aena, S.A.: 275,000 euros in the 2014 fiscal year.

Once the framework for the sale of the share capital of Aena S.A. was authorized, the duties and organizational structures of ENAIRE and Aena, S.A. were fully segregated, and so, beginning in July 2014, the Chairman and CEO and five Senior Management positions (of the six already mentioned) who from ENAIRE had provided service to the entire Group, were incorporated effectively in Aena, S.A., providing their services exclusively to Aena.

Conflicts of interest among Directors

In order to prevent conflicts of interest at the Company, during the fiscal year the members of the Board of Directors have upheld their obligations as established in Article 228 of the Amended Text of the Law on Corporations. Likewise, both they and the persons related to them have abstained from incurring in any of the cases of conflict of interest established in Article 229 of the said Law, except in cases where the corresponding authorization has been obtained.

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

As of June 30, 2015 and December 31, 2014 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 the Company'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.

As of June 30, 2015, there are no members of the Board of Directors that hold directorship or executive positions at other Group companies.

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 the Company.

Aena, S.A. and Subsidiary Companies - Condensed Interim Consolidated Financial Statements

(in thousands of euros unless otherwise indicated)

Commitments to acquire assets

Investments pending completion as of June 30, 2015 totalled 296.7 million euros (December 31, 2014: 265.3 million euros), which include awarded investments pending contractual formalization, and firm investments pending execution.

Guarantees

The bank guarantees submitted to various Entities as of June 30, 2015 totalled 2.542 million euros (December 31, 2014: 2.537 million euros).

25 Events after the balance sheet date

No significant events have occurred subsequent to June 30, 2015 and prior to the submission of these Condensed Interim Consolidated Financial Statements, with the exception of those indicated below:

On July 1, 2015, Aena, S.A. received notice of the "Resolution approving notification of Aena, S.A. regarding the modifications which must be incorporated in the proposal for the Public Equity Provisions for 2016 and granting a period to correct the deficiencies identified during the inquiry procedure" of the National Markets and Competition Commission ("CNMC"), dated June 30, 2015.

In said Resolution, the CNMC maintained the previous criteria (see Note 17) and modified the tariff deficit to be recovered during the coming fiscal years, reducing it to its real 2013 value. AENA presented claims against this Resolution on July 13, maintaining its position on a tariff freeze for 2016.

On July 24, 2015, the CNMC published its "Resolution approving the proposed tariff modification of Aena, S.A. for 2016 and establishing measures which must be adopted in future inquiry procedures", dated July 23, 2015.

Pursuant to that Resolution, the CNMC agrees that the Public Equity Provisions (tariffs) of Aena, S.A. for 2016 must be reduced by 1.9% with respect to those approved for 2015, as opposed to the tariff freeze which was proposed by Aena, S.A. The CNMC has stipulated that this proposal must be included in the General State Budgetary Bill for 2016.

The Board of Directors of Aena, S.A. will review this resolution at its next meeting, to be held July 28, and will adopt any decisions it deems appropriate, which will be made public to the market.

**Interim Consolidated Management Report corresponding to the
six-month period ending on June 30, 2015**

AENA, S.A. and SUBSIDIARY COMPANIES

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Aena, S.A. and Subsidiary Companies

Interim Consolidated Management Report corresponding to the six-month period ending on June 30, 2015

1. KEY HIGHLIGHTS

- Strong growth in EBITDA, increasing by 11.9% over the first semester of 2014, reaching 826.4 million euros, due to:
 - Consolidation of the recovery in traffic (5.2% increase over S1 2014), driven both by international and domestic traffic;
 - Solid growth in commercial revenue (up 14.6%);
 - Cost efficiency maintained (1.2% increase, excluding Luton); and
 - Consolidation of Luton (contributing 27.5 million euros to EBITDA).

Passenger Traffic	<ul style="list-style-type: none"> • Traffic during the first semester of 2015 totalled 93.0 million passengers, reflecting a growth of 5.2% over the same period in 2014, driven by the growth in international passengers (5.4%) and consolidation of the recovery in domestic traffic (5.3%). • Consolidation of passenger traffic recovery at Adolfo Suárez Madrid-Barajas Airport, with growth in traffic of 11.4%. Both international and domestic traffic (13.7% and 6.0%, respectively) are growing faster than the Aena network average.
Income Statement	<ul style="list-style-type: none"> • Total income during the first six months of 2015 totalled 1.5977 billion euros (12.0% increase over the same period in 2014), of which 25.9% correspond to both on- and off-terminal commercial revenue. During the first semester of 2015, Luton contributed 88.3 million euros. • Growth in ordinary commercial revenue (on- and off-terminal) of 14.6% over the first semester of 2014, due to the new contracts and commercial actions implemented, as well as the good performance of Duty Free, Shops, Restaurants, and Parking Garages. • EBITDA during the first semester of 2015 was 826.4 million euros, reflecting a growth of 11.9% resulting from favourable trends in revenue and maintained efficiency (operating expenses up 1.2%, excluding Luton). • Operating expenses reflect the impact of application of IFRIC 21 regarding the recording of local taxes, on the basis of which 72.4 million euros were accrued in S1 2015 ⁽¹⁾ (comparable to the first semester of 2014). • Net profit of 275.6 million euros (up 79.9% in the period), affected by tax deductions applied to calculate income tax totalling 36.9 million euros, activation of non-recurring deductions (under Law 27/2014) totalling 20.6 million euros, reduction in financial expenses, and the consolidation of Luton.
Financial Optimization	<ul style="list-style-type: none"> • Reduction in net financial debt due to extraordinary cash generation. • As of June 30, 2015, net financial debt ⁽²⁾ totalled 10.087 billion euros (including the net financial debt of Luton totalling 377 million euros), as compared to 10.733 billion euros in 2014. • Earning of investment grade credit ratings from Moody's (Baa1 stable) and Fitch (BBB+ stable). • Investment paid during the first semester of 2015 totalled 80.7 million euros (including 5.9 million euros at Luton). This investment volume is affected by the seasonality of activities.

⁽¹⁾ See Note 2.1.1 from the Condensed Interim Consolidated Financial Statements as of June 30, 2015.

⁽²⁾ Net Financial Debt is calculated as Current Financial Debt plus Non-current Financial Debt, less Cash and Cash Equivalents.

1.1 Key Highlights

During the first semester of 2015, a total of 93.0 million passengers have been served at the Aena airports network, reflecting a 5.2% increase over the same period in 2014. There are now twenty months of consecutive growth, which confirms the change in trend of the passenger traffic evolution started in November 2013.

International traffic is maintaining the positive trend seen in both 2013 (2.1% increase) and 2014 (5.7% increase), having grown by 5.4% in the first semester of 2015, while the recovery in domestic traffic that began in 2014 (2% increase) is confirmed by continued growth of 5.3% during the first six months of 2015.

In terms of income, ordinary revenue from commercial activities increased by 14.6% during the period, including both on- and off-terminal services, due to new contracts and commercial actions implemented, as well as the strong performance of Duty Free, Shops, Restaurants, and Parking Garages. During the first semester of 2015, Luton contributed 88.3 million euros.

Regarding operating costs, following the adoption of measures in previous years aimed at improving efficiency in the management and reduction of costs, during the first semester of 2015, cost efficiency was maintained with an increase in operating costs of 1.2% (excluding Luton), far below the level of the increase in traffic.

Aena has invested heavily over the past decade to make its airports among the most modern and competitive in the world, with top-flight infrastructure and strong growth potential. There has been a significant reduction in investment requirements as a result of having provided the network's airports with the necessary capacity to absorb future traffic growth in the coming years.

As of the close of the first semester of 2015, investment paid (not including investment from Luton Airport totalling 5.9 million euros) totalled 74.8 million euros, reflecting a decrease of 47.2% from investment paid during the first semester of 2014 (141.8 million euros).

These measures, which are aimed at reducing expenses and boosting revenue, account for the consolidation of the Company's restructuring and ensure the Company's profitability, increasing EBITDA to 826.4 million euros during the first semester of 2015, reflecting a growth of 11.9% over the same period in 2014, and achieving net profits of 275.6 million euros (up 79.9% for the period), affected by tax deductions applied in calculating income tax totalling 36.9 million euros, the activation of non-recurring deductions (under Law 27/2014) totalling 20.6 million euros, the reduction in financial expenses, and the consolidation of Luton.

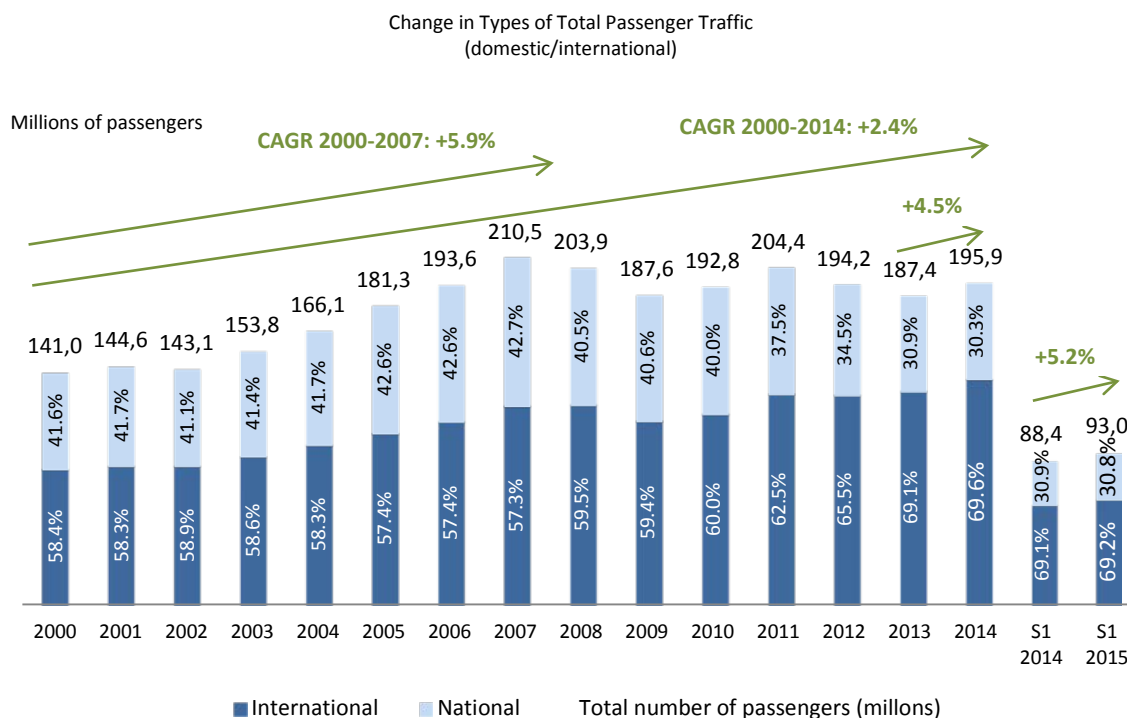
The improvement in earnings mentioned above is reflected in the Company's increased cash generation and in the reduction of its levels of indebtedness, resulting in a decrease in the Net Financial Debt to EBITDA ratio (as per the terms established in the debt novation agreements for calculation of the covenants) from 5.6x in 2014 to 5.1x as of June 30, 2015.

Finally, it bears mention that the management's efforts and the results achieved have culminated in the earning of an investment grade rating from Moody's (Baa1 stable) and Fitch (BBB+ stable).

2. TRAFFIC DATA

2.1 Changes in Traffic and Traffic Types

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



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

During the first semester of 2015, a total of 93.0 million passengers have been served at the Aena airports network, reflecting a 5.2% increase over the same period in 2014. There are now twenty months of consecutive growth, which confirms the change in trend of the passenger traffic evolution started in November 2013.

International traffic is maintaining the positive trend seen in both 2013 (2.1% increase) and 2014 (5.7% increase), having grown during the first semester of 2015 by 5.4%, due to the nascent economic recovery in tourist-generating countries and the situation at some alternative tourist destinations that have attracted more tourists to Spain (according to the Institute of Tourism Studies, the period from January to June 2015 saw a total of 29.2 million international tourists, 4.2% more than in the same period in 2014), driving the growth in air traffic in the Aena network.

In terms of domestic traffic, the recovery which began in 2014 (with a 2% increase) is confirmed, as growth during the first six months of 2015 reached 5.3%, totalling 28.6 million domestic passengers (compared to the drops registered in both 2012 and 2013), despite the still difficult economic environment and competition from the high speed train.

The combination of both effects has resulted in a slight change in the distribution between domestic traffic (31%) and international traffic (69%).

Regarding the distribution of traffic by geographic area, this has remained practically unchanged:

- traffic with Europe increased by 5.1% and its share of total traffic remains stable at 61.4% (61.5% in the first semester of 2014)
- the 15.7% growth in passengers arriving from or departing to the Middle East is notable.

Distribution of traffic by geographic area (number of passengers)

Region	Passengers S1 2014	Passengers S1 2015	Variation		Share of total (%)	
			%	Passengers	S1 2014	S1 2015
Europe ¹	54,381,859	57,163,294	5.1%	2,781,435	61.5%	61.4%
Spain	27,373,998	28,770,436	5.1%	1,396,438	31.0%	30.9%
Latin America	2,690,284	2,844,856	5.7%	154,572	3.0%	3.1%
North America ²	1,664,780	1,786,414	7.3%	121,634	1.9%	1.9%
Africa	1,229,329	1,250,377	1.7%	21,048	1.4%	1.3%
Middle East	908,328	1,050,812	15.7%	142,484	1.0%	1.1%
Asia and Others	173,248	181,859	5.0%	8,611	0.2%	0.2%
TOTAL	88,421,826	93,048,048	5.2%	4,626,222	100.0%	100.0%

¹ Excludes Spain

² Includes the USA and Canada

2.2 Details of Traffic at the Main Airports of the Network

Traffic is concentrated significantly in the network's main airports.

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

Airports and Groups of Airports	Passengers			Aircraft movements			Cargo		
	Millions	Variation S1 2015/S1 2014	Share % of Total	Thousands	Variation S1 2015/S1 2014	Share % of Total	Tonnes	Variation S1 2015/S1 2014	Share % of Total
Adolfo Suarez Madrid-Barajas	21.7	11.4%	23.4%	177.4	6.9%	20.0%	184,422	4.7%	54.2%
Barcelona-El Prat	18.1	4.8%	19.4%	137.0	1.4%	15.4%	55,509	10.2%	16.3%
Palma De Mallorca	9.5	2.9%	10.3%	74.7	3.3%	8.4%	5,447	1.2%	1.6%
Canary Islands Group	17.2	1.3%	18.5%	158.4	-0.8%	17.8%	18,206	-8.8%	5.4%
Total Group I	21.4	4.8%	23.0%	197.4	3.2%	22.2%	15,420	8.5%	4.5%
Total Group II	4.6	1.8%	5.0%	75.8	-0.2%	8.5%	38,999	-3.7%	11.5%
Total Group III	0.5	3.2%	0.6%	68.3	12.8%	7.7%	22,032	-4.8%	6.5%
TOTAL	93.0	5.2%	100%	889.1	3.3%	100%	340,034	3.1%	100%

Adolfo Suárez Madrid-Barajas Airport is the network's top airport for traffic of passengers, operations and cargo. Since February 2014 and after twenty-five months of consecutive year-on-year drops, its traffic data is once again positive. During the first semester of 2015, the number of passengers has increased by 11.4% over the same period of the previous year (13.7% in international traffic and 6.0% in domestic traffic).

With respect to operations, during the first semester of 2015, this airport has operated a total of 177,370 movements, an increase of 6.9% over the same period of the previous year. Cargo, which accounts for more than half of the total volume of the network, also registered an increase of 4.7% up to 184,422 tonnes transported, reflecting a recovery both in movements and in volume of goods.

At Barcelona-El Prat Airport, passengers have increased by 4.8% over the first six months of 2014 (6.3% in international traffic and 1.2% in domestic traffic), reaching 18.1 million passengers. A total of 137,038 aircraft operations were registered, corresponding to an increase of 1.4% compared to the first semester of 2014, while cargo has continued its growth trend with a 10.2% increase in the volume of goods to 55,509 tonnes.

Palma de Mallorca Airport has reached 9.5 million passengers in traffic (2.9% increase). International traffic totalled just under 7 million passengers (0.8% increase), while domestic traffic was 2.6 million (9.2%).

With regard to the Canary Islands Group, the number of passengers that passed through the airports in the Canary Islands rose to 17.2 million (up 1.3% compared to the first semester of 2014), of which 5.5 million correspond to domestic flight passengers (up 4.9%) and 11.5 million to international flights (up 0.1%).

The 8 airports from Group I increased traffic by 4.8% during the first semester of 2015, reaching 21.4 million passengers, with especially high growth in Seville (11.0%), Menorca (9.2%), and Valencia (8.9%).

The 11 airports from Group II registered a total increase in passenger traffic of 1.8% during the first semester of 2015, reaching a total of 4.6 million passengers. In this group, it bears mention that the performance of the various airports varies significantly, based on their own characteristics.

The Group III airports (those with lowest traffic) have registered 524,590 passengers during the first semester of 2015, reflecting an increase of 3.2% over the same period from the previous year, while operations grew to surpass 68,000 movements (an increase of 12.8%).

International Presence

Aena has a significant presence outside of Spain, with direct interest in 15 international airports held by its subsidiary Aena Desarrollo Internacional, S.A. These international airports registered total passenger traffic of 23.1 million during the first semester of 2015, an 8.4% increase over the same period from the previous year.

Passenger Traffic at Airports Outside of Spain

<i>(Million passengers)</i>	S1 2014	S1 2015	% Variation	% Aena share
Grupo Aeroportuario del Pacífico (GAP)	12.5	13.3	6.2%	5.8%
Luton	4.8	5.5	14.7%	51.0%
Aerocali (Cali)	2.3	2.4	6.0%	50.0%
SACSA (Cartagena de Indias)	1.7	1.8	11.0%	37.9%
TOTAL	21.3	23.1	8.4%	---

Source: Company data

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

3. SUITABILITY OF INVESTMENTS

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

As of the close of the first semester of 2015, investment paid (not including Luton Airport) totalled 74.8 million euros, reflecting a decrease of 47.2% from investment paid during the first semester of 2014 (141.8 million euros).

Without accounting for expropriations, investment in the first semester of 2015 was 72.6 million euros, versus 116.5 million in the first semester of 2014, reflecting a decrease of 37.7%.

By volume of payments made during the first semester of 2015, the following works completed during this period stand out: the “Runway Expansion” at A Coruña Airport, which was completed during the first semester of 2015, and “Renovation of Runway 36L/18R” at Adolfo Suárez Madrid-Barajas Airport.

Works underway include: the “Renovation of Taxiway C2-2” and “Actions for Placement in Category II/III” at Zaragoza Airport and “Expansion of the HVAC System” at Palma de Mallorca Airport.

3.1 Analysis of Investments by Areas of Action

The investment scenario in this period is based on the need to rationalize, monetize, and optimize operating capacity through realistic and efficient project planning.

Total investment made in the network of Spanish airports during the first semester of 2015 (according to payment criteria) totalled 74.8 million euros, reflecting a 47.2% drop from the first semester of 2014. This decrease is part of the efforts underway over recent years to scale back investment at the Company, undertaking those investments that are strictly necessary to maintain current infrastructure without jeopardizing safety or the environment.

Thanks to the investments made to date, the airports have been equipped with quality infrastructure, which the Company expects to leverage by increasing levels of activity and occupancy.

The current investment scenario redirects investment to maintain the quality of services and the operational safety of the airports, without neglecting the Company’s commitment to the environment or other regulatory obligations, especially those relating to the safety and security of people and property.

As such, the short- to medium-term budgets are focused primarily on facility improvements, maintenance of the asset base, and operational safety, in keeping with the certification process of all network airports, while strengthening the Company’s contribution to environmental sustainability. Investment planning for the 2015 period has been conducted with this focus in mind.

Specifically, during the first semester of 2015, important infrastructural works have been completed, such as the “Runway Expansion” at A Coruña Airport, which was completed during the first semester of 2015, and the “Renovation of Runway 36L/18R” at Adolfo Suárez Madrid-Barajas Airport.

By concept:

First Semester 2014

First Semester 2015

141.8 million euros

74.8 million euros

- The percentage of investment allocated to facility improvements (service maintenance) has grown significantly from 22.77% in the first semester of 2014 to 47.02% in the first half of 2015 (35.2 million euros in the first semester of 2015). Some of the most important actions undertaken in 2015 include the renovation of Seville Airport apron and the “Supply and Installation of Boarding Bridges and Aircraft Service Equipment” at several airports, the “Reconstruction of the Link” at Palma de Mallorca Airport, and the “Adaptation of the Apron Across from Gate D” at

Menorca Airport. This group also includes investments in Air Navigation and Information and Communication Technologies.

- Regarding Expropriations (excluding late payment interest), during the first semester of 2015, a total of 2.2 million euros (3% of the semester total of Aena) was paid, mostly corresponding to payments related to rulings on seizures of lands that were expropriated for the development of the Master Plan of Adolfo Suárez Madrid-Barajas Airport.
- Investments in Capacity made during the first semester of 2015 totalled 10.6 million euros, corresponding to 14.17% of the total investment of Aena during the semester, versus 30.45% of the total from the first semester of 2014. In this investment category, the most important investment projects include the following: the “Runway Expansion” at A Coruña Airport, “Actions for Placement in Category II/III” at Zaragoza Airport, and the “New Power Supply” at Gran Canaria. This group also includes Quality investments, given their close link to capacity-based projects.
- Investments made during the first semester of 2015 in the area of Security account for 28.4% of total investment of Aena during the semester. Projects include the “Renovation of Runway 36L/18R” at Adolfo Suárez Madrid-Barajas Airport, the “Supply of 6x6 10.00 L Water Extinguisher Vehicles” for various airports, and the “Supply and Installation of Conventional X-ray Equipment of Varying Widths, Renewal of HI-SCAN 907 Equipment, New Hand and Hold Baggage Inspection Equipment” for various airports.
- On environmental projects, 3.8 million euros have been invested during the first semester of 2015 (5.1% of all Aena investment during the semester). This amount was mainly concentrated on the actions derived from the environmental impact statements (acoustic insulation) at several airports. Also of note are the “Expansion of the HVAC System” and “Energy Efficiency Actions”, both at Palma de Mallorca Airport.
- Investments classified as “Other” include commercial investments made during the first semester of 2015. These investments include the “T2 Preferred Parking” at Adolfo Suárez Madrid-Barajas Airport, the “Moving of Security Filters to Expand Retail Space” at Tenerife Norte Airport, and the “Adaptation and Furnishing of the VIP Lounges” in Gran Canaria.

4. PROFIT AND LOSS ANALYSIS

4.1 Consolidated Income Statement

<i>(Thousands of euros)</i>	S1 2014	S1 2015	Variation	% Variation
Ordinary revenue	1,381,852	1,567,258	185,406	13.4%
Other operating income	45,293	30,463	-14,830	-32.7%
Total Revenue	1,427,145	1,597,721	170,576	12.0%
Supplies	-89,765	-90,126	-361	0.4%
Personnel expenses	-170,070	-192,292	-22,222	13.1%
Other operating expenses	-426,915	-487,773	-60,858	14.3%
Fixed asset depreciation	-404,183	-424,845	-20,662	5.1%
Impairment and profit/loss on fixed asset disposals	-3,015	-1,503	1,512	-50.1%
Other net profit/loss	1,150	400	-750	-65.2%
Total Expenses	-1,092,798	-1,196,139	-103,341	9.5%
EBITDA	738,530	826,427	87,897	11.9%
OPERATING PROFIT/LOSS	334,347	401,582	67,235	20.1%
Financial income	688	1,717	1,029	149.6%
Financial expenses	-128,757	-117,168	11,589	-9.0%
Other net financial income/(expenses)	-1,974	3,903	5,877	-297.7%
FINANCIAL RESULT	-130,043	-111,548	18,495	-14.2%
Share in profits obtained by associates	650	5,507	4,857	747.2%
PROFIT/LOSS BEFORE TAX	204,954	295,541	90,587	44.2%
Income tax	-51,809	-26,042	-25,767	-49.7%
NET PROFIT/LOSS FOR THE FISCAL YEAR	153,145	269,499	116,354	76.0%
Profit/Loss for year attributable to minority interests	0	-6,064	-6,064	N/A
PROFIT/LOSS FOR THE YEAR ATTRIBUTABLE TO THE PARENT COMPANY SHAREHOLDERS	153,145	275,563	122,418	79.9%

Total revenue at Aena reached 1.5977 billion euros in the first semester of 2015, a 12.0% increase over the same period in 2014. Commercial revenue (both on- and off-terminal) accounts for 25.9% of the total in the first semester of 2015, maintaining roughly the same percentage as that of the same period in 2014 (25.5%). These data reflect the consolidation of Luton. Excluding the Luton effect, total revenue would have grown by 5.8%.

Ordinary revenue reached a total of 1.5673 billion euros in the first six months of 2015, a 13.4% increase over the same period in 2014. The increase of 185.4 million euros is due primarily to:

- The positive impact on airport revenue (an increase in aeronautical ordinary revenue of 43.4 million euros, reflecting an increase of 4.2%) caused by, firstly, an improvement in traffic, with growth in operations of 3.3% and in passengers of 5.2%, and secondly (and to a lesser extent) the 0.9% increase in the fee and the new meteorology fee applied beginning in March 2014. This growth in revenue has been curbed by the increase in the passenger connection bonus (from 30% to 35%), at a total of 8.5 million euros; the elimination of the cargo fee from July 6, 2014 (4.5 million euros); and finalization of the service agreements between Aena and Enaire (2.9 million euros).
- The effect on commercial income of new long-term contracts (notably the World Duty Free Group contract), the expansion and remodelling of areas intended for commercial activity and the design of a new business model for integrated car park management have driven the growth in commercial revenue (both inside and outside the terminals) to €49.6 million (+13.6%).

Most of the lines of business show considerable growth over the previous year, with the highest growth recorded in the following lines of business:

- Duty Free Stores (+38.8%, +30.1 million euros). Improvement in the economic conditions of the new contract.
- Restaurants (+16.3%, +7.9 million euros). During the first semester of 2015, the following achievements are worthy of mention: consolidation of restaurant offerings at Adolfo Suárez Madrid-Barajas Airport, with all restaurant spaces remodelled, offering an image of quality and modernity at new facilities; consolidation of new restaurant offerings at Lanzarote Airport; total renovation of restaurants at Tenerife-Norte Airport and at various points of sale at Valencia and Fuerteventura Airports.
- Shops (+19.0%, +5.8 million euros). During the first semester of 2015, the Shops Line of Business represented 11.1% of on-terminal commercial revenue, with growth of 19.0%. Significantly contributing to this were improvements in layout, the inclusion of new retail space, improved economic conditions in the contracts, and the opening of Luxury and High-end Shops, implementation of which was completed in 2014.

During this first semester, the following bear mention: renovation of the retail offerings of 17 retail spaces in T1 of Barcelona-El Prat Airport, with significant improvements in the economic conditions of their contracts; renovation of 6 retail spaces at Málaga-Costa del Sol Airport; renovation of the retail offerings at Seville Airport, and the opening of new Gap stores at Ibiza, Tenerife Sur, and Gran Canaria Airports, a brand launching in Spain at our airports.

- Parking Garages (+7.5%, +3.6 million euros). These favourable results have been the effect, in addition to the improved traffic levels, of the new strategy concerning the integral management of the car parks of 32 airports in the Aena network, expanding the product offer and improving the quality of customer services. Amongst other actions, the dynamic and proactive marketing stand out, where significant efforts have been made in expanding the portfolio of products, incorporating pricing and marketing strategies (communication and promotion), as well as implementing the booking system and reaching agreements with different channels (aggregators, travel agencies, etc.), which has contributed to the achievement of these positive results.
- VIP Lounges (+31.4%, +2.7 million euros). This is a line of business that has maintained the positive trend from the previous year, such trend which is primarily caused by the pricing strategy implemented and commercial actions resulting in an increased number of users and an increased rate of penetration.

The largest increase is concentrated at Adolfo Suárez Madrid/Barajas Airport (41.6% increase, 1.5 million euros). The causes of this increase include the change in the management model (begun in mid-September of last year at some of the VIP lounges).

- The 11% acquisition in Luton Airport, taking Aena interest to 51%, has, together with other factors, led to an increase in international business revenue of 90.1 million euros. Excluding Luton, revenue has increased by 1.9 million euros as compared to the first semester of 2015.

Other operating income decreased by 14.8 million euros versus the same period from the 2014 fiscal year (a drop of 32.7%), due primarily to the allocation to income from grants (-7.8 million euros) and excess provision (-7.5 million euros).

Operating expenses reflect an increase of 9.5% (103.3 million euros), caused primarily by the consolidation of Luton Airport (90.3 million euros). Operating expenses **not including the Luton effect show an increase of 1.2%** (13.0 million euros).

In terms of specific expenditure items, the most important changes correspond to:

- Supplies, an increase in expenses of 0.4% or 0.4 million euros over the first semester of 2014, as a result of the new agreement for the meteorology service beginning in March 2014, offset in part by the improved conditions of the agreement with the Ministry of Defence.
- Personnel expenses have increased by 13.1% (22.2 million euros). This increase is due primarily to the consolidation of Luton Airport, and to a lesser extent to the reclassification of personnel expenses as a result of the transfer of individuals from Enaire to Aena in July 2014, which previously were recorded under Other operating expenses as part of the service agreements (reclassification by nature). Not including the Luton effect, the increase would be 2.6%.
- Other operating expenses: this heading has seen an increase of 14.3% (60.9 million euros). If we eliminate the effect of the consolidation of Luton Airport, this increase would be 4.0% (16.8 million euros). The rest of the increase is due to the change in provisions for doubtful accounts (9.4 million euros), higher costs due to implementation of new hand baggage inspection rules (7.4 million euros), and tax increases (7.4 million euros).

- Amortization of fixed assets totalled 424.8 million euros and has increased over the first semester of 2014 by 20.6 million euros (5.1%), due primarily to the consolidation of Luton Airport, which requires the recording of amortization as a result of the depreciation of the concession. Not including the Luton effect, amortization would total 394.9 million euros, a drop of 2.2% (-8.9 million euros).

EBITDA has grown from 738.5 million euros in the first semester of 2014 to 826.4 million euros in the same period in 2015, reflecting an increase of 11.9%. Luton contributes to EBITDA with 27.5 million euros.

Financial revenue totalled 111.5 million euros, a decrease of 14.2% (-18.5 million euros), due to the reduction of average debt and to rate decreases occurring during the period, despite the incorporation of the financial expense of Luton. This effect is curbed by the decreased allocation of arrears of expropriations for the land appraisal resources of Adolfo Suarez Madrid Barajas Airport accrued since September 2014.

The result of application of equity accounting of investees increased by 4.9 million euros, 4.4 million euros of which corresponds to Luton. This positive contribution by Luton over the previous fiscal year is the effect of the negative result of 4.4 million euros in 2014, and the acquisition in October 2014 of 11% of the company's capital, increasing the stake to 51% and becoming a group company fully accounted for in the books.

Income tax totalled 26.0 million euros in the first semester of 2015, a decrease of 25.8 million euros from the same period in the previous year, affected primarily by the deductions generated by investments in the Canary Islands applied during this period, and non-recurring deductions (under Law 27/2014) totalling 20.6 million euros. **Fiscal year net revenue (before minority interests)** reached 269.5 million euros (an increase of 76.0%).

Fiscal year profit/loss attributable to the shareholder of the parent company is 275.6 million euros, an increase of 122.4 million euros (79.9% increase) over the first half of 2014.

4.2. Consolidated Balance Sheet, Capital Structure and Cash Flow Statement

Net assets and capital structure

Summary of Consolidated Financial Statements

<i>Thousands of euros</i>	2014	S1 2015	Variation	% Variation
ASSETS				
Non-current assets	16,614,214	16,401,762	-212,452	-1.3%
Current assets	802,721	1,017,109	214,388	26.7%
Total assets	17,416,935	17,418,871	1,936	0.0%
NET EQUITY AND LIABILITIES				
Total net equity	3,578,304	3,836,109	257,805	7.2%
Non-current liabilities	11,982,178	11,533,597	-448,581	-3.7%
Current liabilities	1,856,453	2,049,165	192,712	10.4%
Total net equity and liabilities	17,416,935	17,418,871	1,936	0.0%

The negative change in non-current assets that occurred during the period is essentially due to the fact that total new fixed assets from the first semester of 2015 (128,865,000 euros), plus the increase in value deriving from the exchange differences occurring in the fixed assets of the investee LLAH III (74,656,000 euros) (resulting from the significant appreciation of the British pound occurring during the period), is less than the amortization from the same period (424,845,000 euros).

In turn, the increase in current assets is a result of the cash generated by the group during the period, which is reflected in the increase of 251.1 million euros under the heading "Cash and cash equivalents". Having the opposite effect is the transfer from this heading to "assets from deferred taxes" under Noncurrent assets for various tax credits with the parent company Enaire, due to the breakup in the tax group, for a total as of June 30 of 53.6 million euros (see Note 21 from the attached report).

Improved generation of operational flows and cost savings have contributed to improvement in working capital, which typically is negative for the Company due to its operations and financing, increasing from -1.0537 billion euros at the close of 2014 to -1.0321 billion euros, even taking into account the negative impact (of some 107 million euros) of the Liabilities for encumbrances resulting from entry into force of IFRIC 21 (see Notes 2.4 and 14 of the attached report).

The positive change in Net equity is due essentially to the earnings from the period ending on June 30, 2015 (275.6 million euros).

Noncurrent liabilities have decreased primarily as a result of the amortization of the principal on Aena's Debt with ENAIRE for a total of 434.6 million euros. The increase in Current liabilities is due to the negative impact of application of IFRIC 21, as mentioned above, the increase of the total pending amortization over the short term for the Enaire loan (from 1.0551 to 1.0885 billion euros), the increase in liabilities from short-term derivatives by 35.6 million euros (offset in part by a 5.8 million euro asset) due to the transaction described in Notes 3 and 10.b of the attached report, and the negative impact on Current liabilities resulting from LLAH III, resulting from the appreciation of the British pound, as mentioned above.

Aena's net financial debt as of June 30, 2015 was 10.0875 billion euros (including 376.9 million euros resulting from the consolidation of the debt of LLAH III), versus 10.733 billion euros at the end of 2014 (including 343.5 million euros resulting from the consolidation of the debt of LLAH III).

The Company's net financial debt, for the purposes of the "covenants" agreed in novation financing contracts on July 29, 2014, totalled 9.746 billion euros on June 30, 2015, compared with 10.381 billion euros on December 31, 2014. The decrease was due to the accumulated effect of the improvement of EBITDA and the amortisation of debt:

Thousands of euros	2014	S1 2015
Gross Financial Debt covenants	10,630,564	10,228,965
Cash and cash equivalents	249,309	482,643
Net Financial Debt covenants	10,381,255	9,746,322
Net Financial Debt covenants / EBITDA¹	5.6x	5.1x

¹ Ratio of Net Financial Debt / EBITDA, calculated according to the criteria established in the debt novation contracts signed with the banking entities on July 29, 2014.

The difference between the net financial debt in Aena's accounts on June 30, 2015 (10.087 billion euros) and the net financial debt calculated for the purposes of the covenants (9.746 billion euros) is essentially due to the fact that the latter does not include the debt (without recourse) associated with Aena subsidiaries (including that of LLAH III), short-term deposits and derivative financial instruments.

Explanations regarding the consolidated cash flow statement

Summary of consolidated cash flow statement

Thousands of euros	S1 2014	S1 2015	Variation	% Variation
Net cash generated from operating activities	586,256	786,290	200,034	34.1%
Net cash used in investment activities	(64,365)	(84,778)	(20,413)	31.7%
Net cash generated from/(used in) financing activities	(384,438)	(452,501)	(68,063)	17.7%
Cash and cash equivalents at start of the year	12,377	290,305	277,928	2,245.5%
Cash and cash equivalents at end of the year	149,830	541,418	391,588	261.4%

In the first semester of 2015, the Group's financing needs have been covered with significant cash flows resulting from operating activities (786.3 million euros), which were able to finance the non-financial fixed asset investment program (80.7 million euros) and debt repayment, also generating a positive ledger balance of 251.1 million euros.

Net cash flow from operating activities

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

The net effect generated by operating activities has grown significantly in the first semester of 2015 (increase of 200 million euros) to 786.3 million euros, from 586.3 million euros from the same period in the 2014 fiscal year.

As observed in the statement included in the attached report, net cash flows generated by operating activities have three components:

- **Profit/losses before tax plus adjustments** for various components of the profits/losses account which do not result in any cash inflows or outflows,
- **Changes in working capital,**
- **Other cash generated from operations.**

The profits/losses before tax plus adjustments component corresponds to the largest part of the positive change (127.084 million euros of a total of 200.034 million euros), and has increased significantly in the first semester of 2015 (increase of 17.7%) to 845.6 million euros from 718.6 million euros in the first semester of 2014, which is primarily a result of the improved operations at the Company as reflected in adjusted EBITDA of 827.9 million euros in the first semester of 2015, versus 740.3 million euros in the first semester of 2014.

The working capital component has not changed significantly, contributing to total change by just -11.9 million euros.

Finally, the “other cash generation from operations” component contributes 84.9 million euros to the total change of 200 million euros, resulting primarily from the change in the heading “taxes collected (paid)”, given that in January 2015, a return on corporate tax paid in 2013 was given totalling 60 million euros, while in the first semester of 2014 such payment was 16.4 million euros, in accordance with the rules on tax installment payments. Interest paid has also declined by 8.3 million euros as a result of the lower interest payments on the Debt owed to Enaire, and lower arrears on contentious expropriations, despite the fact that accounts from the first semester of 2015 include interest payments for LLAH III at a total, net of consolidation adjustments, of 4.9 million euros.

Net cash flow from investment activities

Net cash used in investment activities during the first semester of 2015 grew by 20.4 million euros (31.7% increase) to 84.8 million euros, from 64.4 million euros in the same period of the previous fiscal year.

As observed in the statement included in the attached report, net cash flows generated by investment activities have two components:

- **Investments in non-financial fixed assets**, corresponding primarily to acquisitions and replenishment of non-financial fixed assets relating to airport infrastructure.
- **Investments and divestments (payments and charges) in financial fixed-assets.**

Net cash used in non-financial fixed assets during the first semester of 2015 totalled 80.7 million euros, versus 141.8 million euros in the same period of the previous year, reflecting a decrease of 43.1%. This decrease is due primarily to the investment rationalization strategy initiated in previous fiscal years.

With regards to financial investments, during the first semester of 2015, net payments of 4.1 million euros are recorded, while in the first semester of 2014 there were net charges of 77.4 million euros, primarily resulting from the charge of the debit balance from the cash pooling that Aena maintained with Enaire on December 31, 2013 for a total of 67.8 million euros, as well as ADI charges from dividends of investees totalling 8.3 million euros, as well as other lesser charges.

Cash flow from financing activities

Net cash used in financing activities during the first semester of 2015 grew by 66.0 million euros (17.2% increase) to 450.4 million euros, from 384.4 million euros in the same period of the previous fiscal year.

As observed in the statement included in the attached report, net cash flows generated by financing activities have two components:

- **Charges from external borrowing**, corresponding primarily to financing from lending entities and charges from capital grants (FEDER),
- **Debt repayments and other payments.**

Charges from external borrowing during the first semester of 2015 were 13.9 million euros, corresponding primarily to 10.1 million euros of bank financing from LLAH III, versus 78.3 million euros charged during the first semester of 2014, corresponding entirely to FEDER Grant charges.

In turn, in the “Debt repayment and other payments” heading, the main outflows correspond to repayment of the principal from the debt owed to Enaire. Debt repayments have decreased from 438.8 million euros in the first semester of 2014 to 436 million euros in the first semester of 2015, based on the payment schedule established in the contracts. Additionally, the heading “Repayment of Group financing” included 1.5 million euros in debt novation fees in the first semester of 2014, as well as 19.7 million euros in payments of other financial debt with Enaire.

In the first semester of 2015, this also includes 25.5 million euros, resulting primarily from other financing flows in the LLAH III investee; dividends paid totalling 3.8 million euros in the first semester of 2015 correspond to dividends paid by LLAH III to minority interests.

4.3. Description of the Main Financial Risks

The operations of the Aena Group expose the same to various financial risks: market risk (including exchange rate risk, fair value risk due to interest rates and price risk), credit risk and liquidity risk. The Group’s overall risk management program focuses on the uncertainty of financial markets and attempts to minimize the potential adverse effects on the Group’s financial yields. The Group uses derivative financial instruments to cover certain risk exposures.

The Board of Directors provides the policies for global risk management as well as for specific areas such as exchange rate risk, interest rate risk, liquidity risk, use of derivatives and investment of excess liquidity.

There is a financial debt recognition agreement between Aena S.A. and its parent, originating with the non-monetary contribution that gave rise to the creation of Aena Aeropuertos S.A. (see Note 1), under which 94.9% of the parent company's bank borrowings was initially assumed. On July 29, 2014, said contract was subject to novation as explained in Note 20 a) of the Consolidated Annual Accounts from the 2014 fiscal year.

On June 10, 2015, Aena signed, with financial entities with a credit rating equal to or greater than BBB (Standard&Poors), a variable to fixed interest rate hedge, in order to avoid the risk of changes in interest rates on various credits totalling 4.1959 billion euros, aimed at bringing the debts of Aena S.A. to an average of 80% fixed-rate, a level similar to its market comparables, providing stability in the DORA rate structure through 2026, and taking advantage of historically low interest rates. Upon making the hedge, from December 31, 2015 to December 31, 2026, Aena will have average Fixed+Revisable debt of 79% and 21% variable debt. As of June 30, 2015, Aena pays for these loans the three- to six-month Euribor rate plus 1.037%, with an average interest rate of 1.978%. This operation provides hedging through December 15, 2026, protecting Aena from changes in interest rates expected during times of economic growth.

Below the main financial risks are indicated:

4.3.1 Market risk factors

Foreign exchange risk

The Company is exposed to changes in exchange rates that can affect sales, revenue, funds, and cash flows, deriving primarily from:

- Investments in foreign countries (primarily the UK, Mexico, and Colombia).
- Transactions performed by associates and other related parties which conduct their activities in non-euro countries (primarily in Mexico, Colombia, and the UK).

The exchange risk on the net assets of the Group's foreign operations is mainly managed through borrowings denominated in the relevant foreign currency. Additionally, Aena Desarrollo Internacional, S.A. is regularly tracking changes in exchange rates, and will review, where appropriate, the use of hedges to cover changes in the British pound versus the euro.

Interest rate risk affecting cash flows and fair value

The Group's interest rate risk results from borrowings. Loans issued at variable rates expose the Group to interest rate risks in cash flows, such risks having been significantly reduced by the hedging described above. Fixed interest rate loans expose the Group to fair value interest rate risks.

The objective of the Group in managing interest rates is to optimize financial expenses within the established risk limits, while the main risk variable is the three-month Euribor, which is the main reference for long-term debt.

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

Financial expenses mainly due to the financial debt recognized with the parent company. Likewise, the parent company has concluded interest rate hedging contracts for a very limited number of loans, which are transferred to the Company. 92.15% of the cost of such derivatives is allocated to the Company, given that Aena is responsible toward the parent company for such proportion of certain loans.

As of June 30, 2015, if the interest rate on variable-rate loans had increased or decreased by 20 base points, keeping all other variables constant, before-tax earnings for the six-month period ending on June 30, 2015 would have been 2.84 million euros lesser and 2.84 million euros greater, respectively (for the six-month period ending on June 30, 2014, this would have been 5.212 million euros greater and 5.212 million euros lesser, respectively). However, the Regulatory Framework established by Law 1/2011 of March 4, which establishes the National Program for Civil Aviation Safety and amends Law 21/2003, of July 7, on Air Safety, establishes a system for updating tariffs that protects Aena, in the regulated part, from increases in financing costs, insofar as it enables it to recover the cost of capital, through the remuneration of the assets base under applicable legislation.

With regards to the Debt corresponding to the LLAH III investee, the Group has conducted sensitivity analysis regarding potential fluctuations in interest rates that could occur. In the view of the Group Directors, based on the said analysis, any variations which may occur in such rates would not have a significant effect on the Company's "Net equity", taking into consideration that said investee has interest hedges in place.

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 (March 4, which amends Law 21/2003 (July 7) on Air Security, was published in the Official State Bulletin on March 5, 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 year 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 operations of the Company in its sector lead to very favourable average collection periods. Additionally, the Company has undertaken a substantial reduction in costs and investment needs over the coming years, which has had a positive effect on cash inflows at the Company. Although the Group has a negative working capital of 1.032056 billion euros as of June 30, 2015 (December 30, 2014: 1.053732 billion euros), it has after tax earnings in the period of 275.563 million euros (June 30, 2014: 153.145 million euros in fiscal year earnings), and it is considered that there is no risk with respect to satisfying its commitments in the short-term because of the positive cash flows which have caused a reduction in the negative working capital of the previous years, and the Company expected to remain positive in the short term. The Group closely tracks cash generation to ensure its ability to uphold financial commitments. Under these circumstances, the Directors of the Company consider that there will not be any problems with respect to satisfying payment commitments.

As of June 30, 2015, Aena had no open lines of credit. The LLAH III investee has 83 million British pounds in unused lines of credit.

The following table includes an analysis of the financial liabilities linked to the Group and the financial liabilities related to the loan with ENAIRE, grouped by maturity dates and taking into consideration the remaining term at the balance sheet date until final contractual maturity. Derivative financial liabilities are included in the analysis if their contractual maturity dates are essential for understanding the cash flow schedule.

At June 30, 2015	2015(*)	2016	2017	2018	2019	Subsequent	Total
Loan with ENAIRE (Note 23)	620,480	1,190,488	866,393	787,995	689,755	5,934,278	10,089,389
Interest accrued on loans with ENAIRE (Note 23)	49,536	-	-	-	-	-	49,536
Loans with lending entities (Note 15)	167	9,208	333	-	-	308,771	318,479
Finance lease liabilities (Note 15)	1,141	2,760	2,209	2,247	2,287	19,774	30,418
Loans with LLAH III shareholders (Note 15)	-	-	-	-	-	65,709	65,709
Interest accrued Loans with LLAH III shareholders (Note 15)	503	-	-	-	-	-	503
Other financial liabilities (Note 15)	18,755	19,943	4,465	2,216	4,909	36,633	86,921
Trade and other payables (excluding advances from customers) (Note 14)	430,515	-	-	-	-	-	430,515
Interest Debt Aena, SA (**)	100,693	179,612	157,701	140,918	125,278	624,526	1,328,728
Interest Bank Debt LLAH III	5,249	10,820	11,143	11,466	11,628	25,678	75,984
Interest Equity loan LLAH III (Ardian)	2,650	5,257	5,257	5,257	5,257	21,027	44,705
At December 31, 2014	2015	2016	2017	2018	2019	Subsequent	Total
Loan with ENAIRE (Note 23)	1,055,128	1,190,488	866,393	787,995	689,755	5,934,279	10,524,038
Interest accrued on loans with ENAIRE (Note 23)	48,347	-	-	-	-	-	48,347
Loans with lending entities (Note 15)	8,956	334	333	281,114	-	-	290,737
Finance lease liabilities (Note 15)	2,334	2,547	2,012	2,050	2,090	18,605	29,638
Loans with LLAH III shareholders (Note 15)	-	-	-	-	-	58,976	58,976
Interest accrued Loans with LLAH III shareholders	455	-	-	-	-	-	455
Other financial liabilities (Note 15)	37,664	1,579	4,307	2,263	5,157	34,486	85,456
Trade and other payables (excluding advances from customers) (Note 14)	310,530	-	-	-	-	-	310,530

Interest Debt Aena, SA (**)	191,619	170,601	150,400	135,149	120,989	603,118	1,371,876
Interest Bank Debt LLAH III	11,645	12,437	13,141	13,875	-	-	51,099
Interest Equity loan LLAH III (Ardian)	4,948	4,948	4,948	4,948	4,948	19,791	44,531

(*) Includes the period from July 1, 2015 to December 31, 2015.

(**) Estimated interest on average annual debt with ENAIRE at average interest rate in effect on June 30, 2015 and on December 31, 2014.

Breakdown of loans with related parties by applicable interest rate and average interest rate on June 30, 2015 and December 31, 2014 is as follows:

Thousands of euros	June 30, 2015		December 31, 2014	
	Balance	Average rate	Balance	Average rate
Variable	1,419,611	1,35%	5,036,011	1.33%
Revisable	2,754,466	2,00%	4,177,575	2.11%
Fixed	5,915,312	2,53%	1,310,452	3.55%
TOTAL	10,089,389	1,80%	10,524,038	1.89%

The revisable interest rate, which applies primarily to debts with the European Investment Bank, Depfa Bank, and FMS, is a fixed interest rate maintained over a certain period (normally four years). At the end of said period, the Group reviews the terms and decides if it wishes to continue under the same system or change to a fixed- or variable-interest regime.

During the first six months of 2015, revisable interest rates expired for a total of 1.2796 billion euros. Of that total, 457.1 million euros from the European Investment Bank were changed to a fixed regime with an average fixed rate of 1.01%, and 822.5 million euros with FMS were changed to a variable regime with a spread over the three-month Euribor of +0.1175%.

5. BUSINESS AREAS

The table below shows the income statement for Aena as of June 30, 2015 broken down into business areas.

(Thousands of euros)	Airports		Off-terminal services	International	Adjustments consolidation	Total consolidated
	Aviation	Commercial				
Ordinary revenue	1,065,898	327,982	80,468	93,947	(1,037)	1,567,258
Other operating income	25,394	2,793	2,134	142	0	30,463
Total Revenue	1,091,292	330,775	82,602	94,089	(1,037)	1,597,721
Supplies	(91,155)	0	0	0	1,029	(90,126)
Accrued wages and salaries	(154,201)	(13,628)	(5,748)	(18,715)	0	(192,292)
Other operating expenses	(357,661)	(49,223)	(35,791)	(45,106)	8	(487,773)
Depreciation and Amortisation	(338,234)	(32,412)	(24,296)	(29,903)	0	(424,845)
Impairment loss on fixed asset disposal	(1,350)	(84)	(69)	0	0	(1,503)
Other profits/(losses)	54	(165)	(3)	514	0	400
Total expenditure	(942,547)	(95,512)	(65,907)	(93,210)	1,037	(1,196,139)
EBITDA	486,979	267,675	40,991	30,782	0	826,427
Voluntary Redundancy Program (VRP)	0	0	0	0	0	0
Impairment and loss on fixed asset disposal	(1,350)	(84)	(69)	0	0	(1,503)
Adjusted EBITDA ⁽¹⁾	488,329	267,759	41,060	30,782	0	827,930
Operating profit/loss	148,745	235,263	16,695	879	0	401,582
Financial result	(93,142)	(6,929)	(7,969)	(3,508)	0	(111,548)
Share in profits obtained by associates	0	0	0	5,507	0	5,507
Profit/loss before tax	55,603	228,334	8,726	2,878	0	295,541

⁽¹⁾ Excludes impairment and loss of fixed assets and VRP provision.

The airport segment is the main contributor to the EBITDA with 58.9% of total EBITDA at Aena; commercial activity contributed 32.4% and the services outside the terminal segment represented 5.0%. International business, following the purchase of Luton Airport, amounted to 3.7%.

5.1 Airport Segment

5.1.1 Aviation activity

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

<i>(Thousands of euros)</i>	S1 2014	S1 2015	Variation	% Variation
Ordinary revenue	1,022,529	1,065,898	43,369	4.2%
Other operating income	37,921	25,394	-12,527	-33.0%
Total Revenue	1,060,450	1,091,292	30,842	2.9%
Total Expenditure (including amortisation)	(926,317)	(942,547)	16,230	1.8%
EBITDA	480,627	486,979	6,352	1.3%
Adjusted EBITDA ⁽¹⁾	475,759	488,329	12,570	2.6%
Operating profit/loss	134,133	148,745	14,612	10.9%
Financial result	(113,453)	(93,142)	-20,311	-17.9%
Share in profits obtained by associates	0	0	0	N/A
Profit/loss before tax	20,680	55,603	34,923	168.9%

⁽¹⁾ Excludes impairment and loss of fixed assets and VRP provision

Total income from aviation activity totalled 1.0913 billion euros during the first half of 2015, a 2.9% increase over the same period in 2014. Ordinary revenue totalled 1.0659 billion euros, reflecting an increase of 4.2% over the same period in 2014. This increase reflects a growth in traffic during the first semester of 2015.

With regards to expenses from aviation activity, they have increased to 942.5 million euros, a 1.8% increase over those recorded in the first semester of 2014. This increase is due primarily to the new meteorology service agreement (since March 2014), the reclassification of personnel expenses as a result of the transfer of people from Enaire to Aena (in July 2014), the change in provisions for doubtful accounts, and increased costs resulting from the implementation of new hand luggage inspection regulations.

The above effects have allowed: an improvement in EBITDA of 1.3% and the posting of an operating profit of 148.7 million euros (+10.9%).

In turn, profits/losses before tax in the first semester of 2015 totalled 55.6 million euros, an increase of 168.9% over the same period from the previous year, resulting from decreased financial expenses due to the reduction in average debt and lower interest rates during the period.

5.1.2 Commercial activity

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

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

<i>(Thousands of euros)</i>	S1 2014	S1 2015	Variation	% Variation
Ordinary revenue	278,632	327,982	49,350	17.7%
Other operating income	4,418	2,793	-1,625	-36.8%
Total Revenue	283,050	330,775	47,725	16.9%
Total Expenditure (including amortisation)	(93,098)	(95,512)	2,414	2.6%
EBITDA	222,847	267,675	44,828	20.1%
Adjusted EBITDA ⁽¹⁾	223,026	267,759	44,733	20.1%
Operating profit/loss	189,952	235,263	45,311	23.9%
Financial result	(7,549)	(6,929)	-620	-8.2%
Share in profits obtained by associates	0	0	0	N/A
Profit/loss before tax	182,403	228,334	45,931	25.2%

⁽¹⁾ Excludes impairment and loss of fixed assets and VRP provision.

In the first semester of 2015, total revenue from commercial activities increased by 16.9% over the same period in 2014, reaching 330.8 million euros. Ordinary revenue amounted to 328.0 million euros (20.9% of total ordinary revenue at Aena), having increased by 17.7% compared with the same period of 2014 (278.6 million euros).

This increase is a result of the improvement of the contractual terms of the Duty-Free Shops tender, as well as the expansion and remodelling of the spaces for retail commercial activity (shops, duty free and eateries).

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

Commercial Services (Thousands of euros)	S1 2014	S1 2015	Variation	% Variation
Leases	13,626	13,241	-385	-2.8%
Stores	30,467	36,261	5,794	19.0%
Duty-Free Shops	77,588	107,726	30,138	38.8%
Food & Beverage	48,145	56,007	7,862	16.3%
Car Rental	46,134	48,225	2,091	4.5%
Advertising	13,073	12,766	-307	-2.3%
Other commercial revenue ⁽¹⁾	49,603	53,756	4,153	8.4%
Commercial ordinary revenue	278,632	327,982	49,350	17.7%

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

The combination of both effects on income and expense headings has resulted in EBITDA of 267.7 million euros, a 20.1% increase over the first semester of 2014.

The financial result has improved over the first semester of 2014 due to lower average debt and lower interest rates during the period.

These results have contributed to the improvement in pre-tax profit/loss, which has grown 25.2% to 45.9 million euros.

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

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

Duty-Free Shops

In the first semester of 2015, the activity of duty-free shops accounted for 32.8% of Aena's commercial activity revenue, with an increase of 38.8% compared to the same period in 2014.

Aena has more than 75 Duty Free Shops at 26 airports. Almost half of the points of sale are concentrated in Adolfo Suarez Madrid-Barajas and Barcelona El-Prat Airports, totalling 35 shops. Duty-free shops, with more than 20 walkthrough shops, offer products that fall into the key categories of this duty-free sector: alcoholic beverages, tobacco, perfume and cosmetics, food and others. To encourage purchases and improve passengers' experience, renovations have been carried out in the commercial areas of various airports in order to transform 22 of the main shops of this type into "walkthrough shops".

Stores

During the first semester of 2015, the Shops Line of Business represented 11.1% of commercial activity revenue, with growth of 19.0%. Significantly contributing to this were improvements in layout, the inclusion of new retail space, improved economic conditions in the contracts, and the opening of Luxury and High-end Shops, implementation of which was completed in 2014.

During this first semester, the following bear mention: renovation of the retail offerings of 17 retail spaces in T1 of Barcelona-El Prat Airport, with significant improvements in the economic conditions of their contracts; renovation of 6 retail spaces at Málaga-Costa del Sol Airport; renovation of the retail offerings at Seville Airport, and the opening of new Gap stores at Ibiza, Tenerife Sur, and Gran Canaria Airports, a brand launching in Spain at our airports.

Food & Beverage

Food and beverage services during the first semester of 2015 accounted for 17.1% of commercial activity revenue, reflecting an increase of 16.3% over the same period in 2014.

Aena has more than 300 food & beverage establishments (bars, cafes and restaurants). Food and beverage areas are also being remodelled and improved, with the incorporation of new prestigious brands.

During the first semester of this year, the following achievements are worthy of mention: consolidation of restaurant offerings at Adolfo Suárez Madrid-Barajas Airport, with all restaurant spaces remodelled, offering an image of quality and modernity at new facilities; consolidation of new restaurant offerings at Lanzarote Airport; total renovation of restaurants at Tenerife-Norte Airport and at various points of sale at Valencia and Fuerteventura Airports. Likewise, food and beverage offerings have been modernized at airports where, despite their smaller size, service and quality is important, such as at FGL Granada-Jaén and Pamplona Airports.

Intensive work is also underway this year with operators, aimed at improving the quality of all food and beverage locations at our airports and improving the perceptions of our passengers. We are working on improving the image of these locations, as well as the quality of their products and services. As an example, a large number of points of sale have been remodelled at Barcelona-El Prat Airport, improving the range of options available.

Car Rental

Car rental services, which in the first semester of 2015 accounted for 14.7% of ordinary commercial revenue, showed revenue growth of 4.5%, mainly due to the increase in arrivals of international passengers and the incorporation of additional brands on the part of the main rental companies.

Advertising

During the first semester of 2015, this activity accounted for 3.9% of commercial activity revenue. In spite of the unfavourable economic conditions in the sector, these revenues have remained virtually stable due to the minimum rent guarantees.

Other commercial revenue

Other commercial revenue, earned through the activities of VIP Lounges, Business Centres, banking services, travel agencies, vending machines, commercial supplies, and filming and recording, have corresponded to 16.4% of commercial revenue during the first semester of 2015, reflecting a growth of 8.4% over the same period in the previous year.

Growth in revenue from VIP Lounges is due primarily to the new commercialization strategy regarding pricing, new distribution channels, and marketing actions, which encourages an increased number of users, which grew in the first half of 2015 by 11.1%, resulting from improved rates of penetration. As a result, this line has seen growth in revenue of 10%, totalling 9.4 million euros.

With regard to revenue from other commercial operations (which in addition to banking services include plastic-wrapping machines, other vending machines, telecommunications services, regulated services and other operations), at the end of the first semester of 2015 this totalled 17.31 million euros, an increase of 12.0% compared with the same period in 2014.

5.2 Off-terminal services

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

<i>(Thousands of euros)</i>	S1 2014	S1 2015	Variation	% Variation
Ordinary revenue	77,898	80,468	2,570	3.3%
Other operating income	2,788	2,134	-654	-23.5%
Total Revenue	80,686	82,602	1,916	2.4%
Total Expenditure (including amortisation)	(71,869)	(65,907)	-5,962	-8.3%
EBITDA	33,302	40,991	7,689	23.1%
Adjusted EBITDA ⁽¹⁾	39,776	41,060	1,284	3.2%
Operating profit/loss	8,817	16,695	7,878	89.4%
Financial result	(9,262)	(7,969)	-1,293	-14.0%
Share in profits obtained by associates	0	0	0	N/A
Profit/loss before tax	(445)	8,726	9,171	2,060.9%

⁽¹⁾ Excludes impairment and loss of fixed assets and VRP provision

Commercial services supplied outside the terminals comprise car parks and various assets of an immovable nature, such as land, warehouses, hangars and air cargo. During the first semester of 2015, total revenue increased by 2.4% to 82.6 million euros. Ordinary revenue reached 80.5 million euros, an increase of 3.3% compared to the same period in 2014.

Off-terminal services (Thousands of euros)	S1 2014	S1 2015	Variation	% Variation
Parking	48,635	52,280	3,645	7.5%
Land	6,695	6,201	-494	-7.4%
Warehouses and hangars	10,041	8,857	-1,184	-11.8%
Cargo Logistic Centres	10,673	10,702	29	0.3%
Real Estate Operations	1,853	2,428	575	31.0%
Ordinary revenue services outside the terminal	77,898	80,468	2,570	3.3%

Parking

Revenue from parking services at Aena totalled 52.3 million euros in the first semester of 2015 (65.0% of off-terminal revenue), reflecting an increase of 7.5% over the same period in 2014.

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

The Aena parking space reservation system has been consolidated as a fundamental business tool, totalling some 260,000 reservations in this semester, a 96% increase over the same period in 2014. This reservation system has become the main tool allowing us to offer a competitive and attractive product as compared to off-terminal competitors. A call centre has also been opened for the receipt and management of reservations at the centralised level.

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

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

During the first semester of 2015, revenue from immovable property represented 35.0% of off-terminal revenue, generating 28.2 million euros.

Highlights in this area include the opening of new fixed bases of operations (FBOs) for corporate and business aviation, including contracts awarded to two new operators at Málaga-Costa del Sol Airport. Pre-commercialization in 2014 of the "Ramp 7" project at Adolfo Suárez Madrid-Barajas Airport will be realized with the contracting of various plots for the construction of hangars for use by airlines. Likewise, tenders have been launched this semester for service stations at Adolfo Suárez Madrid-Barajas, Barcelona-El Prat, and Tenerife Sur Airports.

5.3 International Segment

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

(Thousands of euros)	S1 2014	S1 2015	Variation	% Variation
Ordinary revenue	3,637	93,947	90,310	2,483.1%
Other operating income	166	142	-24	-14.5%
Total Revenue	3,803	94,089	90,286	2,374.1%
Total Expenditure (including amortisation)	(2,358)	(93,210)	90,852	3,852.9%
EBITDA	1,754	30,782	29,028	1,655.0%
Adjusted EBITDA ¹	1,754	30,782	29,028	1,655.0%
Operating profit/loss	1,445	879	-566	-39.2%
Financial result	269	(3,508)	-3,777	-1,404.1%
Share in profits obtained by associates	650	5,507	4,857	747.2%
Profit/loss before tax	2,364	2,878	514	21.7%

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

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

The Luton Airport consolidation meant a contribution of 27.5 million euros to EBITDA.

Luton

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

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

<i>(Thousands of euros)</i>	S1 2015
Ordinary revenue	88,252
Total Revenue	88,252
Accrued wages and salaries	(17,754)
Other operating expenses	(43,477)
Depreciation and Amortisation	(29,664)
Other net profit/loss	514
Total expenditure	(90,381)
EBITDA	27,535
Operating profit/loss	(2,130)
Financial result	(12,576)
Profit/loss before tax	(14,706)

Another fact to consider in terms of profits/losses in this segment is the **application of equity accounting for investees**, details of which are shown below:

<i>(Thousands of euros)</i>	S1 2014	S1 2015	Variation	% Variation
SACSA	937	1,033	96	10.2%
AMP	3,159	2,894	-265	-8.4%
AEROCALI	948	1,580	632	66.7%
LUTON	-4394		4,394	N/A
Total share in profit/(loss) of associates	650	5,507	4,857	747.2%

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

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

All of the foregoing, together with the management of Aena Internacional, has resulted in an increase of 29.0 million euros in EBITDA for the first semester of 2015 over the same period in 2014, yielding a 21.7% increase (0.5 million euros) in pre-tax profit/loss for this segment (2.4 million euros in the first semester of 2015 and 2.9 million euros for the same period in 2014).

6. HUMAN RESOURCES

In general terms, actions carried out in 2015 by the Department of Organization and Human Resources are aimed primarily at adapting the organization to the new management model of Aena, S.A. (publicly traded company).

The most relevant aspects are summarized below:

6.1 Workforce Details

The total number of workers at the Aena Group, including personnel at Aena Internacional, is 7,232 employees as of June 30, 2015, reflecting a reduction of 0.5% from the workforce on June 30, 2014.

It bears mention that results obtained by Aena in recent years have been good, with a noted increase in productivity, which rose by 5.8% from June 2014 to June 2015.

Equality

Of all Aena employees, 65% are men and 35% are women. This percentage distribution varies; if we take into account only management positions and others within the structure of the organization, 44% of positions are filled by women.

A "Protocol for Action Against Sexual and Gender-based Harassment", approved by the Joint Committee on Equality, has been published, in keeping with the commitment established in the Equality Plan from the 1st Aena Group/Enaire Collective Agreement, as well as with the provisions from Organic Law 3/2007 of March 22 on Effective Equality of Men and Women.

6.2 Training, Professional Development, and Talent Management

In general terms, actions are underway aimed at transforming the organizational culture and modernizing human resource management at the company, increasing motivation and commitment among employees.

The Aena Mentoring Program, "Leaders Developing Leaders", is continuing in 2015 as a strategy for knowledge management, professional development, and organizational change. The third stage of the program began during the first semester of 2015, including overall participation of nearly 80 people.

Likewise, the "Youth Emancipation Plan", registered with the Ministry of Development, is continuing, involving some 40 student interns during the first six months of 2015.

During this first semester of 2015, training relating to Operational Safety Itineraries has been given special emphasis, in order to uphold AESA requirements.

As a result of the approval of the Coordination Protocol for the Assistance of Victims of Civil Aviation Accidents and their Families, which establishes common guidelines to be followed in cases of civil aviation accidents, during the first semester of this year, Aena imparted, as the first stage of such Protocol, a day-long training session for the people appointed to serve as Aviation Accident Victim Assistance Officers (RAAV, in Spanish), in order to explain the protocol. This training will be completed during the coming months with training on psychological topics, communication skills, emotional self-control, stress management, and other issues relevant to these kinds of situations.

On matters of Equality, Aena is developing an online course on "Equal Opportunities for Men and Women", in order to raise awareness and provide training on this issue for the entire workforce. This course will be made available during the coming months.

A process has been implemented to detect training needs on office applications, and the newly developed courses have been launched in pilot versions.

With regards to the number of hours of training, during the first semester of 2015, Aena personnel have completed a total of 90,827 hours of training. 4,741 people of a staff of 7,208 (66%) have received training.

7. PROCUREMENT

7.1 General Procurement

From January to June 2015, the total amount awarded in contract by Aena was 291.5 million euros (excluding tax). The volume of contracts awarded in a centralised manner represented 90.1% (262.6 million euros), compared to 9.9% (28.9 million euros) awarded by the airports in a decentralised manner.

The breakdown of contracts awarded according to their nature is as follows (million euros):

<u>Centralised investment</u>	
Works	40.8
Supplies	32.1
Support. Advisory. Services	6.9
<u>Centralised expenses</u>	
Works	1.9
Supplies	65.1
Support and Services	115.8
<u>Decentralised investment:</u>	

Works	10.8
Supplies	4.7
Support. Advisory. Services	0.86

Decentralised expenses:

Works	2.4
Supplies	3.0
Support and Services	7.1

7.2 Commercial Procurement

From January to June 2015, the total volume of contracts awarded in relation to leases for commercial activity amounted to 9.3 million euros (excluding taxes) for the first annual period of the contract.

The distribution of the amount relating to commercial lease contracts awarded in this period, by line of business, was as follows:

Line of business	No. contracts	Contract amount (1st annual period) <i>Thousands of euros</i>	% Amount of contract
Travel agencies	2	71.4	0.77%
Aircraft storage and maintenance	3	189.7	2.04%
Car Rental	3	739.2	7.96%
Vehicle parking	4	-	0.00%
Leasing of hangars	1	30.2	0.32%
Leasing of lands	1	43.2	0.47%
Bars and restaurants	8	1.395.5	15.03%
FBOs	1	364.5	3.93%
Petrol stations	1	79.21	0.85%
Machinery	5	1.199.6	12.92%
Other real estate operations	2	232.5	2.50%
VIP lounges	1	-	0.00%
Finance services	10	1.086.3	11.70%
Shops under the normal tax regime	28	3.853.4	41.50%
TOTAL	70	9.284.7	100.0%

8. CORPORATE RESPONSIBILITY

The new company model implemented in 2015 establishes the basic policies and principles that guide Aena's actions on matters of corporate governance, corporate responsibility, and transparency. The Board of Directors and Managerial Bodies of the company are responsible for this implementation.

The Aena Corporate Social Responsibility Policy allows Aena to unify and strengthen its identity, culture and conduct, serving as a tool to guide and direct its actions in economic, social, environmental and ethical issues across the whole Company. Through June 30, 2015, Aena has continued in this line of work on the basis of the results achieved in previous years. Worthy of mention are the following activities:

- Aena Corporate Responsibility Performance Report, through internal and external communication tools (annual reports, webpage, etc.)
- Contribution to reinforcing the positioning and corporate reputation of Aena through the diffusion of corporate values at internal level through the monthly CR Bulletin, the Aena Magazine, etc.
- Active participation in external benchmarking activities with the main institutions of reference in matters of corporate responsibility.
- Presentation of sustainability best practice recognitions developed by Aena.
- Through the Code of Conduct, the corporate culture, values, and principles of Aena are defined, strengthening behavioural guidelines at the company and for the individuals included in its scope of action, between these actors and in their interactions with customers, partners, vendors, and in general, with all people and entities, public and private, with whom they interact in the development of their professional activities.

8.1 Economic Performance

Aena has continued working to materialise the new airport management model, showcasing Aena as a leading supplier of efficient, quality services with the capacity for international presence.

Likewise, it remains committed to including responsibility criteria in its trade relations with third parties, promoting transparency and market competition. The offer of a varied selection of quality products that takes into account the needs and expectations of its interest groups while providing added value to the airport facilities, continues to be a management maxim.

8.2 Environmental Performance

As a leader in air transportation services, a key factor for Aena is to strive for sustainability in areas such as making aviation operations and the development of airport facilities compatible with local settings, reducing greenhouse gas emissions, minimising the impact of noise, as well as everything involving the promotion of those actions that will allow for increased energy efficiency and the use of renewable energies. All of this is undertaken in keeping with the strategic objectives of the company and its Environment and Energy Policy.

In the area of environmental performance, the following actions are worthy of mention:

- Noise Insulation Plans (PAA, in Spanish). During the first semester of 2015, a total of 147 dwellings and buildings of sensitive use were soundproofed, reaching a total of 19,366 buildings acoustically insulated since initial implementation of PAAs in 2000.
- Evaluation of the environmental impact of planning projects and instruments.
- Acoustic and atmospheric evaluations and renewal of "Airport Carbon Accreditation" certificates at Madrid-Barajas, Barcelona-El Prat, Palma de Mallorca, Málaga-Costa del Sol, and Lanzarote Airports.
- Soil and groundwater quality management at the airports of the Aena network.
- Actions on matters of energy efficiency (Efficiency Lighting Systems Framework Agreement) and renewable energy (Canary Islands Airport Solar Energy Plan) -
- Development of the Integrated Quality and Environmental Management System, which allows the control and monitoring of every process from an integrated perspective while allowing for a single certification.

8.3 Social Performance

The development of best practices in recent years together with the establishment of collaboration agreements with social entities has permitted, within the scope of our interest groups, the consolidation of solidarity projects that benefit groups in risk of social exclusion. As of June 30, 2015, the following actions bear special mention:

Within the scope of internal social dimension:

- Development of the policy for the reconciliation of work and family life: 645 services were provided under the Employee Service Program (PAE, in Spanish).
- Consolidation of the Integrated Assistance Program (guidance, counselling, referral to social resources and "vital protocols" or services within the contexts of birth, death, disability, ageing parents and geographic mobility).
- Program for the Treatment and Prevention of Addictive Behaviour and Emotional Support and Health Education Programs.
- Social Aid Programs: Over 10,147 grants have been processed and validated to fund the education of workers and their children, summer camps, disability, health, etc.

Within the scope of external social dimension:

Aena remains committed to integrating sustainability values into its corporate management and relationship with its interest groups, adapting its business strategies to favour the promotion of improvements for the communities with which it interacts and society in general, especially the less favoured social groups.

- Service for Persons with Reduced Mobility (PRM). As of June 30, 2015, more has been done - maintaining the highest levels of quality.
- Celebration of Solidarity Days, Cultural Days: With the participation of social entities such as special employment centres, insertion companies and entities that promote fair-trade sales.
- Promotion of the Project "Solidarity Spaces", implemented at thirteen airports in the network, and development of awareness campaigns from important organizations such as Unicef, Intermon-Oxfam, and Aldeas Infantiles.
- Framework for collaboration between Aena and the Despegando Capacidades platform, which promote integration values in contexts of culture, employment, leisure activities and life project of people with disabilities. This platform is made up of 7 social entities: Amás, Danza Down, Apsuria, Afanías, Fundación Capacis, Atenpace, and Apmib Groups. As a way of disseminating the social activity, initiatives and social integration that are promoted by these

entities, the IV Solidarity Event was celebrated in December at Adolfo Suarez Madrid-Barajas Airport with the participation of the Despegando Capacidades platform and other social entities invited.

8.4 Partnerships

In matters of Corporate Responsibility, Aena strives to be in line with the rest of other companies, and, if possible, to be at the forefront. With the aim of exchanging and disseminating best practice on sustainability, while contributing to making its products and services known, in 2015, Aena has continued to work closely with some of the most important associations and organizations on this issue, such as Forética, Club de Excelencia en Sostenibilidad, and the Asociación Española para la Calidad (AEC), which include participation of large public and private corporations in Spain.

Likewise, collaboration has been continued with representatives from sectors promoting education, environmental causes, the sciences, employee training, culture, athletics, solidarity, and other areas.

9. TRAFFIC OUTLOOK FOR 2015

In accordance with the latest figures published by the Institute for Tourism Studies for June 2015, the number of foreign tourists visiting Spain increased by 4.2% with respect to the same period in the previous year, reaching 29.2 million, thus reinforcing the trend from 2014, in which a record number of 65 million foreign tourists visited Spain.

This same source calculates that 79.7% of foreign tourists visiting Spain in 2014 arrived via airports, reflecting an increase of 6.3% over the previous year.

These figures confirm the upward trend in traffic which began in late 2013 and which has now seen twenty months of consecutive growth in the Aena airport network as a whole (from November 2013 to June 2015), following 22 consecutive months of decline.

Cumulative figures through June 2015 confirm this trend, with a 5.2% growth in passengers for all airports from the Aena network in Spain.

In short, both international tourism numbers and passenger traffic data for the Aena network (which in turn are closely linked to the global economic cycle) confirm the change in traffic trends in the network, allowing us to confirm expected future recovery in air traffic.

10. EVENTS SUBSEQUENT TO THE END OF THE FIRST SEMESTER OF 2015

No significant events have occurred subsequent to June 30, 2015 and prior to the submission of these Condensed Interim Consolidated Financial Statements, with the exception of those indicated below:

On July 1, 2015, Aena, S.A. received notice of the "Resolution approving notification of Aena, S.A. regarding the modifications which must be incorporated in the proposal for the Public Equity Provisions for 2016 and granting a period to correct the deficiencies identified during the inquiry procedure" of the National Markets and Competition Commission ("CNMC"), dated June 30, 2015.

In said Resolution, the CNMC maintained the previous criteria (see Note 17) and modified the tariff deficit to be recovered during the coming fiscal years, reducing it to its real 2013 value. AENA presented claims against this Resolution on July 13, maintaining its position on a tariff freeze for 2016.

On July 24, 2015, the CNMC published its "Resolution approving the proposed tariff modification of Aena, S.A. for 2016 and establishing measures which must be adopted in future inquiry procedures", dated July 23, 2015.

Pursuant to that Resolution, the CNMC agrees that the Public Equity Provisions (tariffs) of Aena, S.A. for 2016 must be reduced by 1.9% with respect to those approved for 2015, as opposed to the tariff freeze which was proposed by Aena, S.A. The CNMC has stipulated that this proposal must be included in the General State Budgetary Bill for 2016.

The Board of Directors of Aena, S.A. will review this resolution at its next meeting, to be held July 28, and will adopt any decisions it deems appropriate, which will be made public to the market.

FORMULATION OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND INTERIM CONSOLIDATED MANAGEMENT REPORT FROM JUNE 30, 2015

The Board of Directors of the company Aena, S.A., on July 28, 2015, having met the requirements established in Article 253 of the Law on Corporations and Article 37 of the Code of Commerce, proceeds in submission of the Condensed Interim Consolidated Financial Statements and the Interim Consolidated Management Report for the period ending on June 30, 2015, which are comprised of the documents attached and preceding hereto.

Position	Name	Signature
Chairman:	José Manuel Vargas Gómez	
Director:	Ms. María Victoria Marcos Cabero	
Director:	Ms. Pilar Arranz Notario	
Director:	Mr. Juan Miguel Báscones Ramos	
Director:	Ms. Tatiana Martínez Ramos e Iruela	
Director:	Mr. Rodrigo Madrazo García de Lomana	
Director:	Mr. José María Araúzo González	
Director:	TCI Advisory Services (previously The Children's Investment Fund Management [UK] LLP) represented by Mr. Christopher Anthony Hohn	
Director:	Mr. Simón Pedro Barceló Vadell	
Director:	*Mr. Eduardo Fernández-Cuesta Luca de Tena	
Director:	Mr. Juan Ignacio Acha-Orbea Echeverría	
Director:	Pilar Fabregat Romero	
Director:	Amancio López Seijas	
Director:	Jaime Terceiro Lomba	
Director:	José Luis Bonet Ferrer	
Non-member Secretary:	Ms. Matilde García Duarte	

* Mr. Eduardo Fernández-Cuesta Luca de Tena, due to his inability to attend the meeting of the Board of Directors of Aena, S.A. held on July 28, 2015, delegates his voice and vote to Mr. Simón Pedro Barceló Vadell.