AENA AEROPUERTOS, S.A. (Sociedad Unipersonal) and Subsidiaries

Audit Report, Consolidated Annual Accounts
and consolidated Directors' Report for 2013

AUDIT REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS

This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

To the Sole Shareholder of Aena Aeropuertos, S.A.:

We have audited the consolidated annual accounts of Aena Aeropuertos, S.A. (parent company) and its subsidiaries (the group), consisting of the consolidated statement of financial position at 31 December 2013, the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement and related notes to the consolidated annual accounts for the year then ended. As explained in Note 2, the directors of the company are responsible for the preparation of these consolidated annual accounts in accordance with the International Financial Reporting Standards as endorsed by the European Union, and other provisions of the financial reporting framework applicable to the group. Our responsibility is to express an opinion on the consolidated annual accounts taken as a whole, based on the work performed in accordance with the legislation governing the audit practice in Spain, which requires the examination, on a test basis, of evidence supporting the consolidated annual accounts and an evaluation of whether their overall presentation, the accounting principles and criteria applied and the estimates made are in accordance with the applicable financial reporting framework.

In our opinion, the accompanying consolidated annual accounts for 2013 present fairly, in all material respects, the equity and the consolidated financial position of Aena Aeropuertos, S.A. and its subsidiaries at 31 December 2013 and the consolidated results of its operations and the consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards as endorsed by the European Union, and other provisions of the applicable financial reporting framework.

The accompanying consolidated directors' Report for 2013 contains the explanations which the parent company's directors consider appropriate regarding the group's situation, the development of its business and other matters and does not form an integral part of the consolidated annual accounts. We have verified that the accounting information contained in the consolidated directors' Report is in agreement with that of the consolidated annual accounts for 2013.Our work as auditors is limited to checking the consolidated directors' Report in accordance with the scope mentioned in this paragraph and does not include a review of information other than that obtained from the accounting records of Aena Aeropuertos, S.A. and its subsidiaries.

PricewaterhouseCoopers Auditores, S.L.

Alejandro García López
Audit Partner

7 April 2014

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AENA AEROPUERTOS, S.A. (SOCIEDAD UNIPERSONAL) AND SUBSIDIARIES
Consolidated financial statements at 31 December 2013

A free translation from the original in Spanish

Aena Aeropuertos, S.A. (Sociedad Unipersonal) and Subsidiaries – Consolidated financial statements at 31 December 2013

(In thousand euro unless otherwise indicated)
(Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group. In the event of a discrepancy, the Spanish-language version prevails).

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(In thousand euro unless otherwise indicated)

Consolidated balance sheet at 31 December 2013 and 2012

		At 31 December	
	Note	2013	2012
ASSETS			
Non-current assets			
Property, plant and equipment	6	15,230,817	15,781,467
Intangible assets	7	108,738	115,727
Investment Properties	8	150,646	129,256
Investments in associates	9	100,816	58,443
Other receivables	13	148,825	68,086
Deferred tax assets	21	76,213	62,259
Financial assets available for sale	11	4,908	57,769
Other financial assets	10	1,822	1,433
		15,822,785	**16,274,440**
Current assets			
Inventories	14	4,621	4,178
Trade and other receivables	13	605,555	430,200
Cash and cash equivalents	15	12,377	8,210
		622,553	**442,588**
Total assets		**16,445,338**	**16,717,028**
Equity and liabilities			
Equity attributable to Parent Company shareholders			
Share capital/Issued capital	16	1,500,000	1,500,000
Share premium	16	1,100,868	1,100,868
Retained gains/(losses)	17	450,533	(146,101)
Accumulated exchange differences	18	(5,871)	(1,014)
Hedging reserves	18	(6,403)	(16,414)
Total equity		**3,039,127**	**2,437,339**
Liabilities			
Non-current liabilities			
Financial debt (liabilities)	20	10,374,038	11,033,570
Derivative financial instruments	12	4,323	9,455
Deferred tax liabilities	21	196	208
Employee benefits	22	6,618	6,783
Provisions for other liabilities and charges	23	252,167	433,188
Grants	24	621,411	665,394
Other long-term non-current liabilities	19	236,156	3,773
		11,494,909	**12,152,371**
Current liabilities			
Trade and other payables	19	446,574	761,382
Financial debt (liabilities)	20	1,099,823	1,052,112
Derivative financial instruments	12	4,983	13,398
Grants	24	47,940	23,000
Provisions for other liabilities and charges	23	311,982	277,426
		1,911,302	**2,127,318**
Total liabilities		**13,406,211**	**14,279,689**
Total equity and liabilities		**16,445,338**	**16,717,028**

Notes 1 to 35 are integral part of these consolidated financial statements.

(In thousand euro unless otherwise indicated)

Consolidated income statement for the years ended 31 December 2013 and 2012

	Note	At 31 December 2013	2012
Continuing operations			
Ordinary revenue	5	2,876,762	2,598,474
Other operating income	28	7,168	7,445
Work carried out for the Company´s own assets		5,639	6,504
Raw materials and consumables		(196,135)	(198,587)
Staff costs	27	(334,338)	(508,909)
Other operating expenses	29	(796,365)	(883,438)
Depreciation and amortisation	6,7,8	(817,732)	(833,421)
Release of non-financial fixed asset grants and other		40,205	32,226
Excess provisions		1,871	26,908
Impairment and profit/(loss) on fixed assets disposals	6	(56,062)	(25,676)
Other net profits / (losses)	26	10,775	(524)
Operating results		**741,788**	**221,002**
Financial income	30	57,464	2,168
Financial expenses	30	(241,088)	(296,834)
Other net financial income/(expenses)	30	(65,421)	(27,478)
Net financial expense		**(249,045)**	**(322,144)**
Share in results from associates	9	4,718	8,894
Profit/(loss) before income tax		**497,461**	**(92,248)**
Income tax	31	99,194	28,722
Profit/(loss) for the year attributable to the Parent Company shareholder		**596,655**	**(63,526)**
Earnings per share (Euro per share)	32		
Basic earnings per share based on profit for year		3.98	(0.42)
Diluted earnings per share based on profit for year		3.98	(0.42)

Notes 1 to 35 are integral part of these consolidated financial statements.

(In thousand euro unless otherwise indicated)

Consolidated statement of comprehensive income for the years ended 31 December 2013 and 2012

	Note	At 31 December 2013	2012
Profit for the year		596,655	(63,526)
Other comprehensive income:			
Items that will not be reclassified to profit or loss		-	-
		-	-
Items that may be subsequently reclassified to profit or loss:			
- Cash flow hedges		10,679	7,735
- Participation in other comprehensive income of associates		(668)	-
- Currency translation differences		(4,857)	3,682
		5,154	**11,417**
Other comprehensive income for the year, net of tax	18	**5,154**	**11,417**
Comprehensive income for the year attributable to the Parent Company shareholder		**601,809**	**(52,109)**

The items shown in this statement of comprehensive income are presented net of tax. Income tax for each of the components of other comprehensive income is broken down in Note 31.

Notes 1 to 35 are integral part of these consolidated financial statements.

(In thousand euro unless otherwise indicated)

Consolidated statement of changes in equity for the years ended 31 December 2013 and 2012

		Attributable to the Parent Company's shareholders						
	Note	Ordinary Capital (Note 16)	Share premium (Note 16)	Retained earnings (Note 17)	Hedging reserves (Note 18)	Accumulated exchange differences (Note 18)	Participation in other comprehensive income of associates (Note 18)	Total equity
Balance at 1 January 2012		**1,500,000**	**1,100,868**	**(82,820)**	**(24,149)**	**(4,696)**	**-**	**2,489,203**
Total recognised income and expenses	17	-		(63,526)	-	-	-	**(63,526)**
Other comprehensive income for the year	18	-		-	7,735	3,682	-	**11,417**
Total comprehensive income for the year		**-**		**(63,526)**	**7,735**	**3,682**	**-**	**(52,109)**
Other movements	17	**-**		**245**	**-**	**-**	**-**	**245**
Total contributions by and distributions to shareholders recognised directly under equity		**-**		**245**	**-**	**-**	**-**	**245**
Balance at 31 December 2012		**1,500,000**	**1,100,868**	**(146,101)**	**(16,414)**	**(1,014)**	**-**	**2,437,339**
Total recognised income and expenses	17	-		596,655	-	-	-	596,655
Other comprehensive income for the year	9	-		-	-	-	(668)	(668)
Other comprehensive income for the year	18	-			10,679	(4,857)	-	5,822
Total comprehensive income for the year		**-**		**596,655**	**10,679**	**(4,857)**	**(668)**	**601,809**
Other movements	17	-		(21)	-	-	**-**	**(21)**
Total contributions by and distributions to shareholders recognised directly under equity		**-**		**(21)**	**-**	**-**	**-**	**(21)**
Balance at 31 December 2013		**1,500,000**	**1,100,868**	**450,533**	**(5,735)**	**(5,871)**	**(668)**	**3,039,127**

Notes 1 to 35 are integral part of these consolidated financial statements.

(In thousand euro unless otherwise indicated)

Consolidated statement of cash flow for the years ended 31 December 2013 and 2012

		Year ended at 31 December	
	Note	**2013**	**2012**
Profit/(loss) for the year before taxes		**497,461**	**(92,248)**
Adjustments to profit/loss:		**1,117,779**	**1,288,204**
- Depreciation and amortisation	6, 7, 8	817,732	833,421
- (Profit)/loss on fixed assets disposal		56,062	25,676
- Losses/(gains) in the fair value of derivative financial instruments	30	12,279	27,396
- Allocation of grants	24	(40,205)	(32,226)
- Trade receivable impairment adjustments		5,724	27,866
- Changes in provisions	23	33,364	120,096
- Impairment of financial assets held for sale	11	52,861	-
- Financial income	30	(57,464)	(2,168)
- Financial expenses	30	241,369	296,834
- Other income and expenses		775	203
- Share in losses /(gains) in associates	9	(4,718)	(8,894)
Changes in working capital:		**(34,438)**	**62,167**
- Inventories	14	(443)	1,046
- Trade and other receivables	13	22,885	(4,275)
- Other current assets		(17,640)	(3,732)
- Trade and other payables	19	(302,133)	61,805
- Other current liabilities		-	(2,775)
- Other non-current assets and liabilities		262,893	10,098
Cash flow from operating activities		**(383,890)**	**(344,176)**
Interest paid		(271,404)	(344,192)
Interest received		192	121
Taxes paid		(112,228)	(51)
Other collections (payments)		(450)	(54)
Net cash generated from/(used in) operating activities		**1.196.912**	**913,947**

Notes 1 to 35 are integral part of these consolidated financial statements.

(In thousand euro unless otherwise indicated)

(Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group. In the event of a discrepancy, the Spanish-language version prevails).

		Year ended 31 December	
	Note	**2013**	**2012**
Cash flows from investment activities			
Acquisitions of property, plant and equipment		(468,363)	(795,096)
Acquisitions of intangible assets		(23,847)	(19,888)
Acquisitions of investment properties		(95)	(421)
Income from the sale of other financial assets		(67,766)	-
Payments for the acquisition of other financial assets		(39)	(16)
Payments received for other financial assets		-	255
Dividends received		9,891	1,854
Net cash used in investment activities		**(550,219)**	**(813,312)**
Cash flows from financing activities			
Income from the issue of ordinary shares		-	-
Income from external financing (FEDER grants)		16,143	17,539
Income from Group financing		294,800	715,500
Repayment of bank borrowings		(3,308)	(3,344)
Repayment of Group financing		(949,770)	(825,436)
Other		(391)	-
Net cash generated from/(used in) financing activities		**(642,526)**	**(95,741)**
Net (decrease)/increase in cash and cash equivalents		4,167	4,894
Cash and cash equivalents at the begining of the year		**8,210**	**3,316**
Cash and cash equivalents at the end of the year		**12,377**	**8,210**

Notes 1 to 35 are integral part of these consolidated financial statements.

Notes to the consolidated financial statements as of 2013

1 General information

Aena Aeropuertos, S.A. ("the Company", or "Aena Aeropuertos") is the Parent Company of a Group of companies (the "Group") consisting of 3 subsidiaries and 6 associates at the end of 2013 (see Note 2.2). Aena Aeropuertos was incorporated as an independent legal entity by virtue of Royal Decree Law 13/2010 (3 December) which authorised the Council of Ministers to incorporate the Company. The authorisation for effective incorporation took place on 25 February 2011 by resolution adopted by the Council of Ministers in that date authorising the incorporate of the State-owned corporation Aena Aeropuertos, S.A. as provided in Article 166 of Law 33/2003 (3 November) on Public Institution Assets (LPIA).

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 Aeropuertos forms 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 (29 June), General State Budget for 1990. It was effectively Incorporated on 19 June 1991, once its Statute entered into force, as approved by Royal Decree 905/1991 (14 June).

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 (3 December), and may sell the rest in accordance with Law 33/2003 (3 November) on Public Institution Equity.

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

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

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

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

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

c) To 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 EURO), and therefore the total amount to be paid in as capital and share premium is € 2,600,807,000 (TWO BILLION SIX HUNDRED MILLION EIGHT HUNDRED AND SEVEN THOUSAND EURO).

d) In accordance with Article 9 of Royal Decree Law 13/2010 and the Resolutions dated 25 February and 3 June 2011, the Public Business Entity "Aeropuertos Españoles y Navegación Aérea" fully subscribed and paid for the shares and the share premium through the contribution of the 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…) in the terms of RDL 13/2010. The Public Business Entity "Aeropuertos Españoles y Navegación Aérea" is only liable with respect to the contribution, only if the defect or encumbrance affects all or an essential part of the Activity. For these purposes, it shall be understood as essential part that which affects 20% or plus 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 to the date of transfer to private investors of part of the Company's capital, between the estimated value of the contributed assets and liabilities one which the Company's necessary share capital increase and the value of the assets and liabilities actually contributed will be adjusted, in the same amount, as an increase or decrease in the loan granted by the Public Business Entity "Aeropuertos Españoles y Navegación Aérea" to the Company, without the adjustment affecting the share capital increase in any event.

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

g) The Split and the measurement of the contributed activity will be approved by the Board of Directors of the Public Business Entity "Aeropuertos Españoles y Navegación Aérea" dated 23 May 2011 in accordance with the measurement 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 complied with the requirements of Article 114 of the LPIA.

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

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

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

The property, plant and equipment contributed relates to the rights of any type that were held by the Public Business Entity "Aeropuertos Españoles y Navegación Aérea" regarding the land, buildings and equipment at the airports managed or used by the activity. It also includes the use of rights relating to the Public Business Entity "Aeropuertos Españoles y Navegación Aérea" regarding certain land located at airports, military airport 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, Madrid-Barajas, Melilla, Menorca, Palma de Mallorca-Son Bonet, Pamplona, Reus, Sabadell, San Sebastián, Santander, Sevilla, Tenerife Sur, Valencia, Vigo and Vitoria.

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

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

d) Heliports: Heliport in Ceuta and Algeciras.

The functional ownership of the Company falls to the Ministry of 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 for which the Company is responsible for managing.

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

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

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

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

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

2 Summary of the main accounting policies

The main accounting policies adopted when preparing these consolidated financial statements are described below. These policies have been applied consistently to all years presented unless otherwise stated.

2.1 Basis of presentation

As is described in Note 1 above, Aena Aeropuertos was incorporated as an independent legal entity and as a Group in 2011 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, the airport service management and operation activity carried out by the Parent Company and its subsidiaries and associated forms part of the Public Business Entity "Aeropuertos Españoles y Navegación Aérea".

Within the framework of the reorganization of the airport activity established by Royal Decree Law 13/2010, the aforementioned non-monetary contribution has been considered to be a business reorganization affecting the Public Business Entity "Aeropuertos Españoles y Navegación Aérea" and, as a result, these consolidated financial statements present the financial information relating to Aena Aeropuertos and its subsidiaries in 2013 and 2012 as if it had always existed as a separate financial unit, regardless of its creation as a legal entity, also taking into account that it has been managed separately and has been under the control of the Public Business Entity "Aeropuertos Españoles y Navegación Aérea" before and after the transaction.

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards adopted by the European Union (IFRS-EU, hereinafter the "IFRS") and the IFRIC interpretations in force at 31 December 2013, as well as the commercial legislation applicable to companies that prepare financial information in accordance with IFRS, and these are the first consolidated financial statements that are presented in accordance with those standards.

The figures set out in the documents making up the consolidated financial statements, the consolidated balance sheet, the consolidated income statement, the consolidated comprehensive income statement, the consolidated statement of changes in equity, the consolidated cash flow statement and the notes to the consolidated financial statements, are expressed in thousand euro, unless otherwise indicated.

The consolidated financial statements have been prepared in accordance with the historic cost approach, modified by the restatement of derivative financial instruments at fair value.

The preparation of financial statements under IFRS requires the use of certain critical accounting estimates. Similarly, Management is required to exercise judgement in the application of the Group's accounting policies. Note 4 discloses the areas that require a higher level of judgment or entail greater complexity, and the areas where assumptions and estimates are significant for the consolidated financial statements.

These consolidated financial statements were prepared by the Board of Directors on 24 March 2014.

2.1.1 Changes in estimates

During 2012 the Company re-estimated the useful lives of runways and taxiways, terminal buildings and parking garages, in accordance with the provisions of IAS 16. This change in estimates was recorded on a prospective basis as from 1 January 2012 in accordance with the provisions of IAS 8.

The main reason that justify the change in the estimated useful life lines in the adjustments made by the Company to the useful lives of the main asset classes by its Internal Technical Department, whose calculations and reports concluded that they should be increased. These adjustments were applied with the knowledge of the Directorate General for Civil Aviation and airlines.

When considering and estimating the useful lives of the various components of runways and taxiways, terminal buildings and parking garages, conventional criteria for these types of infrastructures with similar uses were used to apply an average quality standard under extreme conditions, as well as the extensive experience with these types of infrastructures. Specifically, the various types existing within the airport network have been taken into account, as well as the fact that Aena Aeropuertos has a unit exclusively dedicated to the maintenance of each one of its airports, technically supported by several General Services units.

The accompanying table shows the different asset classes to which the new useful lives have been applied, their carrying value, the segment to which they pertain, as well as the useful life that has been applied up until 31 December 2011 and the useful life that has been applied starting on 1 January 2012:

	Thousand euro		**Years**	
Asset type	**Amount in books 12/31/2012**	**Segment**	**Useful life until 12/31/2011**	**Useful life after 1/1/2012**
Runways and taxiways	1,772,073	Airport	25	44
Terminal buildings	3,461,526	Airport	32	40
Parking buildings	425,375	Airport	32	51
Total	**5,658,974**			

If the Parent Company had not carried out the change in estimates, this would have had an effect on the heading "Depreciation and amortisation" of approximately € 97,950 thousand and € 81,067 thousand as higher amortisation in the years 2012 and 2013, respectively.

2.1.2 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 1 January 2013:

Amendment to IAS 1, "Presentation of financial statements" relating to other comprehensive income. The main change resulting from these modifications is the requirement for entities to group together items presented under "Other comprehensive income" based on whether or not they may potentially be subsequently reclassified to profit for the year (reclassification adjustments). This standard has had no material effect on the consolidated financial statements of the Group.

Amendment to IAS 12 " Deferred Tax: Recovery of Underlying Assets" . It offers a practical approach for measuring deferred tax assets and liabilities relating to investment property measured at fair value, one of the measurement options offered by IAS 40 "Investment property". As regards the measurement of these deferred taxes, the amendment introduces the refutable presumption that the financial benefits inherent to investment property measured at fair value will be recovered through the sale of the property and not through its use. The modification includes the guidelines previously included in SIC 21 "Income Taxes - Recovery of revalued non-depreciable assets" in IAS 12, making it clear that its requirements do not apply to investment property measured at fair value. This standard has had no material effect on the consolidated financial statements of the Group.

IAS 19, "Employee compensation" eliminates the corridor approach and calculates financial expense based on a net base. This standard has had no material effect on the consolidated financial statements of the Group.

Amendment to IFRS 7, "Financial instruments: Disclosures"- offset of assets and liabilities. This modification includes new disclosures to facilitate comparisons between entities that prepare financial statements under IFRS and those who prepare financial statements under U.S. GAAP. This standard has had no material effect on the consolidated financial statements of the Group.

IFRS 13, "Fair Value Rating " , aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of valuation thereof and disclosure requirements for use in IFRSs . The requirements, which are closely aligned between IFRSs and U.S. GAAP , do not extend the use of fair value accounting, but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. This standard has had no material effect on the consolidated financial statements of the Group.

Annual improvements 2011 address six aspects of the cycle of financial reporting comprising 2009-2011. Includes changes to IFRS 1, "First-time Adoption of IFRS" , IAS 1, "Presentation of Financial Statements", IAS 16 "Tangible fixed assets", IAS 32 "Financial Instruments: Presentation" and IAS 34 "Financial intermediate". This standard has had no material effect on the consolidated financial statements of the Group.

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

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

(In thousand euro unless otherwise indicated)

Area	**Fundamental requirements**	**Effective date**
IFRS 10, "Consolidated financial statements".	The objective of IFRS 10 is to establish the standards for presenting and preparing consolidated financial statements when a company controls one or more entities. It defines the principle of control and establishes the controls as a basis for consolidation. It indicates how to apply the principle of control to identify whether an investor controls an investee and, therefore, if it should be consolidated. It also provides the accounting requirements for the preparation of consolidated financial statements. The Group is analysing the impact that the new standard could have on its consolidated financial statements, although, preliminarily is not expected a significant impact on the consolidated financial statements.	1 January 2014
IFRS 11 "Joint Arrangements".	IFRS 11 is a more realistic reflection of the joint agreements that focus on the rights and obligations of the agreement instead of on its legal format. There are two types of joint agreements: Joint operations and Joint ventures. Joint operations arise if a joint operator has rights to the assets and obligations relating to the agreement and, as a result, recognise its stake in the assets, liabilities, income and expenses. Joint venture arises when the joint operator has rights to the net assets of the agreement and, accordingly, recognises the stake in equity. The proportional consolidation of joint ventures is no longer allowed. The Group is analyzing the impact that the new standard could have on its consolidated financial statements, although, preliminarily is not expected a significant impact on the consolidated financial statements.	1 January 2014
IFRS 12 "Disclosure of interests in other entities".	IFRS includes the disclosure requirements for all types of interests in other entities, including joint agreements, associates, special-purpose vehicles and other off-balance sheet vehicles. The Group is analysing the impact that the new standard could have on its consolidated financial statements.	1 January 2014
IAS 27 (Revised in 2011) "Separate financial statements".	IAS 27 (revised 2011) includes arrangements on separate financial statements that remain after the control provisions have been included in the new IFRS 10.	1 January 2014
IAS 28 (Revised in 2011) "Investments in associates and joint ventures".	IAS 28 (revised 2011) includes requirements for joint ventures, as well as associates, which are accounted for by the equity method following the issue of IFRS 11. The Group is analysing the impact that the new standard could have on its consolidated financial statements.	1 January 2014
Amendment of IAS 32 "Financial instruments: Presentation"- offset of assets and liabilities.	These are modifications to the IAS 32 application guidelines to clarify some of the requirements for offsetting financial assets and financial liabilities in the balance sheet. The new interpretation is not expected to have a significant effect on the Group's consolidated financial statements.	1 January 2014

(In thousand euro unless otherwise indicated)

Area	Fundamental requirements	Effective date
Amendments to IFRS 10 and IAS 12 and 27 on consolidation of investment companies.	These changes mean that many funds and similar entities are exempt from consolidating most of its dependents. Instead, those valued at fair value through profit or loss. The amendments provide an exception for entities that meet the definition of "investment entity" and having specific characteristics. There have also been amendments to IFRS 12 to enter the information requirements that an investment entity needs to disclose. The new interpretation is not expected to have a significant effect on the Group's consolidated financial statements.	1 January 2014
Amendment to IAS 36 "Impairment losses" on breakdowns of the recoverable amount.	This modification establishes the disclosure of the recoverable amount of impaired assets if that amount is based on the fair value less selling costs. The new interpretation is not expected to have a significant effect on the Group's consolidated financial statements.	1 January 2014
Amendment to IAS 39 "Financial Instruments: Recognition and Valuation", on "Novation derivatives."	This amendment introduces an exemption from restricted environment interruption of hedge accounting when the novation of a hedging instrument to a central counterparty meets certain requirements. The Group is analyzing the impact that the new standard could have on its consolidated financial statements.	1 January 2014

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

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

Area	Fundamental requirements	Effective date
Annual Improvements 2010-2012	These annual improvements address 7 aspects of financial reporting 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 the reconciliation of total segment assets that are reported on the assets of the entity. •IFRS 13 "Fair value rating": Trade accounts receivable and payable in the short term. •IAS 16 "Tangible fixed assets" revaluation method - re proportional expression of accumulated amortisation. •IAS 24 "Disclosures related parties" of directors and management. •IAS 38 "Intangible Assets": Revaluation Method - re proportional expression of accumulated amortisation.	1 July 2014
Annual Improvements 2011-2013	These annual improvements addressed four aspects of financial reporting 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.	1 July 2014

(In thousand euro unless otherwise indicated)

Area	Fundamental requirements	Effective date
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 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 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, 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 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.	1 July 2014
IFRIC 21, "Encumbrances".	IFRIC 21 is an interpretation of IAS 37. IAS 37 establishes conditions for the recognition of a liability, one of which is that the entity has 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 a tax is the activity described in the relevant legislation that triggers the payment of the tax.	1 January 2014
IFRS 9, "Financial Instruments".	The issuance of IFRS 9 "Financial Instruments" in November 2009 represented the first step in the IASB's comprehensive project to replace IAS 39, "Financial Instruments: Recognition and Measurement “. IFRS 9 simplifies the accounting for financial assets and introduces new requirements for the classification and valuation. It requires that financial assets that are held primarily to collect cash flows represent principal and interest payments are measured at amortized cost, while other financial assets, including those held for trading, are measured at fair value. Therefore, only one impairment model for financial assets carried at amortized cost is required. In October 2010, the IASB updated the content of IFRS 9 to incorporate the criteria for recognition and subsequent measurement of financial liabilities and the criteria for derecognition of financial instruments. It has not changed the above requirements of IAS 39 in these areas, except for the subsequent recognition of financial liabilities designated at fair value through profit or loss. For them, it is contemplated that the changes in fair value arising from the consideration of own credit risk is recorded as income and expense recognized directly in equity. The amounts recognized in equity are not recycled to income, although other items may be reclassified to equity. However, if identified at the time of initial recognition of these liabilities, which would imply that accounting mismatch associated with the valuation of financial assets, all changes in value are charged against results. For now, the current requirements of IAS 39 regarding the impairment of financial assets and hedge accounting continue to apply. Within the IASB to replace IAS 39 in its entirety by the IFRS 9 project, has published the document "IFRS 9: Financial Instruments - Hedge Accounting " which involves the incorporation of IFRS 9 the requirements relating to accounting coverage. These amendments to IFRS 9 represent a substantive reform of hedge accounting in a way that aligns more closely with hedge accounting and risk management should be more useful for decision -making information by users financial statements. These new requirements also establish a more principles-based rather than rules for hedge accounting and address inconsistencies and weaknesses in the current model of IAS 39 approach. The most important changes are: • Testing hedge effectiveness and applicability of hedge accounting: IFRS 9 relaxes the requirements for hedge effectiveness and, therefore, to apply hedge accounting. Under IAS 39, a hedge must be highly effective both prospectively and retrospectively. IFRS 9 replaces this line demanding an economic relationship between the hedged item and the hedging instrument and the hedged ratio is the same as the entity actually used for risk management. • Hedging instruments: the rules on the use of certain hedging instruments are relaxed. • Accounting, presentation and disclosure: The requirements relating to accounting and reporting accounting accounting IAS 39 remained virtually unchanged to IFRS 9. However, entities will now have to be reclassified to retained earnings in equity on a cash flow hedge to the carrying amount of a covered non-financial item and loss when initially recognized. In addition, we have included additional information requirements under the new standard. Additionally, as part of the changes , although not referred to hedge accounting , IFRS 9 is also modified to allow institutions to adopt in advance the requirement to recognize in other comprehensive income changes in fair value attributable to changes in own credit risk of the entity (for financial liabilities that are measured at fair value). This can be applied without having to adopt the rest of IFRS 9.	1 January 2015

The Group is analysing the impact that the standards and amendments may have on its financial statements should they be adopted by the European Union.

2.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including special-purpose companies) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. When assessing whether the Group controls a company, the existence and effects of potential voting rights which may be currently exercised or converted are taken into account. The Group also evaluates the existence of control when it does not hold more than 50% of the voting rights but it is capable of directing the financial and operating policies.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used for the acquisition of the business combinations by the Group. The consideration paid for the acquisition of a subsidiary consists of the fair value of the assets transferred, the liabilities incurred with the former owners of the acquired company and the equity shares issued by the Group. The consideration transferred includes the fair value of any asset or liability that originates from a contingent consideration agreement.

Any contingent compensation to be transferred by the Group is recognised at fair value on the date of acquisition. Subsequent changes in the fair value of the contingent compensation that is considered to be an asset or a liability are recognised in the income statement or a change in other comprehensive results in accordance with IAS 39. Contingent compensation that is classified as equity is not remeasured and subsequent payment is recorded under equity. The costs relating to the acquisition are recognised as an expense in the year in which they are incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially valued at their fair value at the acquisition date.

If the business combination takes place in phases, the carrying value at the date the stake in the equity of the acquired target company is recognised by the buyer is again measured at fair value at the acquisition date, any loss or profit arising from this new measurement is recognised in profit/(loss) for the year.

Goodwill is initially stated as the excess over the total compensation paid and the fair value of the non-controlling shareholding over the identifiable net assets acquired and the liabilities assumed. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement. For each business combination the Group may choose to recognise any non-controlling interest in the acquired company at fair value or the proportional part of the non-controlling interest in the recognised amount of the investee's identifiable net assets.

A joint venture between companies or businesses under joint control, is a business combination in which all of the entities or businesses that are being combined are controlled, ultimately, by the same party or parties, both before and after the combination takes place and this control is not transitional in nature.

When the Group is involved with a joint venture under joint control, the acquired assets and liabilities are recorded at the same carrying value at which they were previously recognized and are not measured at fair value. No goodwill relating to the transaction is recognised. Any difference between the acquisition price and the carrying value of the net acquired assets is recognised under equity.

During the consolidation process intra-group income and expense transactions are eliminated, together with any credit and debit balances between Group companies. All losses and gains that arise on intra-group transactions are eliminated. The accounting policies followed by subsidiaries have been standardised where necessary to ensure uniformity with policies adopted by the Group.

(In thousand euro unless otherwise indicated)

The breakdown of the Group's subsidiaries at 31 December 2013 y 2012 is as follows:

Company and address	Activity	% Direct	% Indirect	Owner of the Shareholding	Consolidation Method
Subsidiaries:					
Aena Desarrollo Internacional, S.A. Arturo Soria, 109 Madrid (1)	Operation, maintenance, management and administration of Airport infrastructures, as well as supplementary services	100	-	Aena Aeropuertos, S.A.	Full consolidation
Concesionaria del Aeropuerto de Madrid-Barajas, S.A.U. Aeropuerto Madrid-Barajas, Avenida de la Hispanidad s.n. 28042 Madrid	Dormant	100	-	Aena Aeropuertos, S.A.	Full consolidation
Concesionaria del Aeropuerto Barcelona-El Prat, S.A.U. Aeropuerto Barcelona-El Prat, Prat de Llobregat s.n. 08820 Barcelona	Dormant	100	-	Aena Aeropuertos, S.A.	Full consolidation

(1) Companies audited by the PwC network.

At 31 December 2013 and 2012, none of the subsidiaries are listed on a stock market and all end their financial year on 31 December. In compliance with Article 155 of the Spanish Companies Act, the Company has notified all of these companies that it holds more than a 10% interest either directly or indirectly.

On 17 October 2012 the Public Business Entity "Aeropuertos Españoles y Navegación Aérea", the single shareholder of Aena Aeropuertos, S.A. adopted the following resolutions: (1) The approval of the merger balance sheets for Centros Logísticos Aeroportuarios, S.A. (CLASA) at 31 December 2011 and (2) the merger of Aena Aeropuertos, S.A. (acquiring company) and CLASA (target company) with the latter being wound up without being liquidated as it transfers all of its equity to Aena Aeropuertos, S.A., effective 1 January 2012 for accounting purposes.

The merger took place applying the Special Tax Neutrality system established by Title VII, Chapter VIII of Legislative Royal Decree 4/2004 (5 March), which approves the Corporate Income Tax Act, and the exemptions and reductions established by Articles 168.4 and 168.5 of Law 33/2003 (3 November) on Public Institution Equity are also applicable and therefore it was agreed to request the exemption from stamp duty and transfer tax in accordance with the provisions of the aforementioned system.

As this involves a merger under which Aena Aeropuertos, S.A. (acquiring company) is the direct owner of all of the shares in CLASA (target company) reports from directors or experts regarding the merger project are not necessary and it is not necessary to increase the share capital of the acquiring company or obtain shareholder approval from the target company. There are no contributions of industries or auxiliary benefits of any type at CLASA.

In accordance with the provisions of Article 44 of Legislative Royal Decree 1/1995 (24 March) which approves the Workers' Statue, regulating cases of corporate succession, the acquiring company will subrogate to all of the employment rights and obligations relating to the employees of the target company associated with the financial units making up the equity items covered by the merger. This merger did not have any impact on the governing bodies, or the acquiring company's corporate responsibility policy. The Group has recognized this merger as a jointly-controlled joint venture, in accordance with the accounting policies described in this note.

(b) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. The investments in associates are recorded using the equity method. Under the equity method, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the investor's stake in the results obtained by the associate after the acquisition date. The Group's investment in associates includes goodwill identified on acquisition.

(In thousand euro unless otherwise indicated)

The group's interest in subsequent losses or gains on the acquisition of associates are recognised in the income statement and its share in in movements subsequent to the acquisition in other comprehensive results is recognised in other comprehensive results by making the relevant adjustment to the carrying value of the investment. When the Group's shares of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

If the stake in an associate is reduced but significant influence is maintained, only the proportional stake in the previously recognised amounts in other comprehensive income is reclassified to income.

At each financial reporting date, the Group determines if there is any objective evidence of impairment affecting the investment in the associate. If this were to be the case, the Group calculates the amount of the impairment loss as the difference between the recoverable amount for the associate and its carrying amount is recognised in the income statement.

The gains and losses on ascendant and descendant transactions between the Group and its associates are recognised in the Group's financial statements only to the extent that they relate to the shareholdings held by other investors in the associates not related to the investor. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the value of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the accounting policies adopted by the associates. Dilution gains or losses on investments in associates are recognized in the income statement.

The breakdown of associates at 31 December 2013 and 2012 is as follows:

Company and address Social	Activity	%		Value of investments in associates		Owner of the shareholding	Consolidation method
		Direct	Indirect	12/31/13	12/31/12		
Associates and jointly-controlled companies							
Restauración de Aeropuertos Españoles, S.A. (RAESA) Aeropuerto de Madrid-Barajas Madrid (1)	Operation of food services at Madrid-Barajas Airport.	48.99	-	596	1,135	Aena Aeropuertos, S.A.	Equity method
Aeropuertos Mexicanos del Pacífico, S.A. de CV (AMP) México DF (1)	Operator of Pacific GAP airports	-	33.33	49,667	51,753	Aena Desarrollo Internacional, S.A.	Equity method
Sociedad Aeroportuaria de la Costa S.A. (SACSA) Aeropuerto Rafael Núñez Cartagena de Indias – Colombia (1)	Operation of the Cartagena Airport	-	37.89	3,422	3,127	Aena Desarrollo Internacional, S.A.	Equity method
Aeropuertos del Caribe, S.A. (ACSA) Aeropuerto Ernesto Cortissoz Barranquilla – Colombia (1)	Operation of the Barranquilla Airport	-	40	-	-	Aena Desarrollo Internacional, S.A.	Equity method
Aerocali, S.A. Aeropuerto Alfonso Bonilla Aragón Cali - Colombia (1)	Operation of the Cali Airport	-	33.34	2,602	2,428	Aena Desarrollo Internacional, S.A.	Equity method
London Luton Airport Holdings III Limited London Luton Airport Luton - United Kingdom (1)	Holding shares in the company which holds the license of the exploitation of Luton Airport	-	40	44,529	-	Aena Desarrollo Internacional, S.A.	Equity method

(1) Companies audited by other auditors.

(In thousand euro unless otherwise indicated)

At 31 December 2013 and 2012 none of the associates were listed on a stock market.

The Group is studying alternatives in relation to the investment in Aeropuertos Mexicanos del Pacífico, S.A. de CV. At 31 December 2013, the Group has maintained the investment in Aeropuertos Mexicanos del Pacífico, as an investment in associate because at that date, they did not meet all the requirements set by IFRS 5, Non-current assets held for sale to classify the investment as an asset held for sale.

Due to the process of disinvestment through TBI (Note 11), dated 27 November 2013 the subsidiary Aena Desarrollo Internacional, S.A. (ADI) subscribed for shares amounting to 39.4 million pounds (corresponding to 47.3 million euros), which represents 40% of the share capital of London Luton Airport Holdings III limited (LLAHL III), although it meant no cash outflow because of the dividends perceived of ACDL (Note 11). The other shareholder of the company, with 60% of the shares, is Aerofi Sarl (Aerofi). LLAHL III is a purpose vehicle created with the objective, through its 100% owned subsidiary London Luton Airport Holdings II Limited (LLAHL II), which turn owns 100% of London Luton Airport Holdings I Limited (LLAHL I), to carry out the acquisition, dated 27 November 2013, of London Luton Airport Group Limited (the management company of Luton Airport in the UK), to TBI Airport Holdings Limited for a total amount of 394.4 million pounds sterling (corresponding to 473.4 million euros). At the date of issuing these consolidated financial statements, the Company is in the process of evaluating the fair value of the acquisition, although a preliminary estimation seems that the effects will not be significant.

As part of the transaction, ADI and Aerofi signed an agreement under which ADI has the option to acquire shares of Aerofi representing 11% of the capital stock of LLAHL III, for a period of eleven months from 27 November 2013, equivalent to the subscription price of such shares adjusted for certain factors related to dividends received by Aerofi, the financial costs of 51% of debt signed by Aerofi in LLAHL II, a shareholder profitability and emissions LLAHL III new shares that have occurred during the exercise period. The exercise of the option by ADI also involves the assumption of 51% of this debt signed by Aerofi in LLAHL II amounting to 94 million pounds (corresponding to 112.8 million euros).

The exercise of that option by ADI is subject to a number of conditions related to the completion of the acquisition (condition already satisfied), to obtain the approval of the Council of Ministers on the exercise of the option or the loss of state corporation of ADI, and obtaining any regulatory authorization in connection with the exercise of the option. The Company, in assessing the recognition method investment in LLAHL III, has considered the potential voting rights arising from the option and the conditions precedent of the same as the closing were not satisfied in accordance with the accounting policy described in Note 2.2.(a). Consequently, investment in LLAHL III is registered as a share in an associate because the group maintains significant influence over it, and it is recorded by the equity method.

Also in the same agreement between ADI and Aerofi mentioned above, provides that, in the event that ADI does not exercise its option to purchase 11% of LLAHL III, Aerofi turn has the option to acquire the 40 % ADI holds in LLAHL III, during the eleven months following the completion of the exercise period of ADI, the date on which the parties stipulate that the conditions precedent mentioned above cannot be met or the date on which ADI notify Aerofi its intention not to exercise the option during the exercise period. The exercise price of the option by Aerofi will be represented by the subscription price of the shares representing 40% of the capital of LLAHL III, adjusted for the same return on shareholder mentioned above and by the issue of new shares LLAHL III they have occurred during the exercise period.

Additionally, the two purchase options meet the definition of derivative financial instrument. The Group has estimated that the probability of occurrence of each option, according to the estimate of the risks to which they are subject is 50%. Applying the same weight to the probability of exercise of each option the net value of both options is € 255 thousand (derivative asset of € 39 thousand and derivative liability amounting to € 294 thousand).

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

	Call Option 1	**Call Option 2**
Amount	11% initial amount	40% initial amount
Volatility	17.85%	17.85%
Duration	11 months	22 months

On 8 August 2013 the company Aena Desarrollo Internacional received a communication stating that society Desarrollo de Concesiones Aeroportuarias is interested in selling its stake in Aerocali and asks Aena Desarrollo Internacional to

confirm its intention to exercise the right preferably. On 29 August 2013 the company Aena Desarrollo Internacional reported its potential intention to accept the offer and buy 63,335 additional shares, from 16.67% to 50% in Aerocali, and indicates that the transmission of the same and payment of the price will be subject to obtain the required regulatory approvals. The date to exercise the right of preference is at 31 March 2014. At 31 December 2013, the purchase of shares of Aerocali has still not been resolved.

On 24 February 2006, Grupo Aeroportuario del Pacífico, S.A. (and invest the company of AMP) began to be listed on the Mexican and New York stock markets through in IPO carried out by the Mexican Government (former owner of the remaining 85% of the share capital). In addition, Aeropuertos Mexicanos del Pacífico acquired 2.296% of Grupo Aeroportuario del Pacífico, S.A. on the stock market for 286,297,895 Mexican pesos (MXN), thereby increasing its stake to 17.296% of its share capital. In May 2008, 640,000 shares were acquired on the stock market for 26,229,376 Mexican pesos (capital MXN), representing 0.11396%, thereby raising the stake held by Grupo Aeroportuario del Pacífico, S.A. to 17.40996%. The average acquisition price for the shares that Aeropuertos Mexicanos del Pacífico holds in Grupo Aeroportuario del Pacífico totals 23.12 Mexican pesos (MXN), while the listed value at 31 December 2013 was 69.80 Mexican pesos (MXN) (2012: 77.61Mexican pesos (MXN).

In compliance with Article 155 of the Spanish Companies Act 2010, the Company has notified all of these companies that it holds more than a 10% interest either directly or indirectly.

All the associates close their financial year on 31 December.

2.3. Segment reporting

Reporting on operating segments is presented in accordance with the internal information that is provided to the maximum decision-taking authority. The maximum decision-taking authority has been identified, and is responsible for assigning resources and evaluating performance of operating segments, as the Chairman and CEO of the Parent Company in charge of taking strategic decisions.

The Chairman and CEO take the business into consideration from the perspective of the various activities making up the Group's business. Based on the above, the maximum decision-taking authority analyses the Group's business based on 4 operating segments: Airports, which include aviation and commercial activities, off-terminal services, International and Other Note 5 herein reflects the financial information broken out by segment.

2.4. Transactions denominated in foreign currency

(a) Functional and presentation currency

The items included in the financial statements of each of the Group companies are measured using the currency of the principal economic environment in which the company operates («functional currency»). The consolidated financial statements are presented in euro (€), which is the functional and presentation currency of Aena Aeropuertos, S.A.

(b) Transactions and balances

Transactions in foreign currency are translated to the functional currency using the exchange rates in force at the transaction dates. Foreign currency gains and losses resulting from the settlement of transactions and translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currency are recognized in the income statement, except when deferred in other comprehensive profit as cash flow hedges or net investment hedges. Losses and gains on exchange relating to loans and cash and cash equivalents are presented in the consolidated income statement under "Other net financial income/ (expense)". All other losses or gains on exchange are presented under the same heading.

The conversion of the results obtained by the equity method consolidated companies to the presentation currency is done by converting all assets, rights and obligations at the exchange rate in force at the date on which the consolidated financial statements are closed and converting the items in the consolidated income statement for each foreign company to the presentation currency using the average annual exchange rate, which is calculated as the mathematical average of the average exchange rate in each of the 12 months of the year that do not differ significantly from the exchange rate in force on the transaction date. The difference between equity, including profit calculated as indicated in the preceding point, converted using the historic exchange rate, and the net equity situation that results from the conversion of assets, rights and obligations, is recognized as a positive or negative figure, as appropriate, under equity in the heading Foreign exchange differences.

(In thousand euro unless otherwise indicated)

2.5. Property, plant and equipment

Land and buildings mainly relate to airport infrastructure. Property, plant and equipment is recognized at acquisition or production cost, adjusted for accumulated depreciation and for any impairment losses that are applicable. Cost includes the expenses directly attributable to purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset may be reliably determined. The carrying value of the replaced components is eliminated from the accounting records. All other repair and maintenance expenses are charged to the income statement in the financial year in which they are incurred. Work carried out by the Group on its own assets is measured at production cost, and is stated as an ordinary income item in the income statement.

Land is not depreciated. The depreciation of other property, plant and equipment components is calculated on a straight-line basis in order to assign the difference between their costs to the residual values relating to their estimated useful lives, as follows:

	Starting on 1/1/12 (see Note 2.1.1)
▪ Buildings	12-51 years
▪ Plant	4-51 years
▪ Machinery	5-20 years
▪ Other installations	6-12 years
▪ Furnishings	4-13 years
▪ Other property, plant and equipment	5-7 years

Airport assets are depreciated using the useful life method, as is specified below:

	As from 1/1/12
▪ Passenger and cargo terminals	32-40 years
▪ Airport civil engineering	25-44 years
▪ Terminal equipment	4-13 years
▪ Transport of passengers between terminals	15-50 years
▪ Airport civil engineering equipment	15 years

The asset's residual values and useful life are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.8).

Gains and losses on the sale of property, plant and machinery are calculated by comparing the income obtained against the carrying value of those assets and are recognised in the income statement under "Impairment and gains/(losses) on disposal of assets".

2.6. Intangible assets

(a) Software

These headings record the amounts paid with respect to the acquisition and development of software.

Software licenses acquired are capitalised based on the acquisition costs incurred and those arising up until the specific software program is in a state to be used. The costs of direct development attributable to the design and implementation of identifiable original computer programs that may be controlled by the Group are recognized as intangible assets when the following conditions are met:

- It is technically possible to complete production of the intangible asset such that it will be available for use or for sale;
- The Group has the intention of completing the intangible asset in question, for use or for sale.
- The Group has the capacity to use or sell the intangible asset.

- It is possible to demonstrate the manner in which the intangible asset will generate probable profits in the future;
- Adequate technical, financial or any other type of resources are available to complete development and to use or sell the intangible of asset; and
- The payment attributable to the intangible asset may be reliably measured.

Attributable direct costs that are capitalised as part of the software programs include software development employee costs and an appropriate portion of relevant overheads.

The expenses that do not meet these criteria are recognized as an expense at the time incurred. Payments for an intangible asset initially recognized as an expense for the year are not subsequently recognized as intangible assets.

Software is amortized over the assets' estimated useful lives, normally up to a maximum of 6 years.

Costs associated with maintaining computer software programs are recognized as an expense when incurred.

(b) Development expenses

Development expenses are individualized by projects and they are capitalized based on studies that support their viability and financial profitability, and are reviewed on an annual basis during the time the project is being carried out when they meet the following criteria:

- It is likely that the project will be successful (taking into consideration its technical and commercial viability), such that the project will be available for use or for sale.
- It is likely that the project will generate future profits, in terms of both external and internal sales.
- The Group has the intention of completing the project in question, for use or for sale.
- The Group has the capacity to use or sell the intangible asset.
- Adequate technical, financial or any other type of resources are available to complete development and to use or sell the intangible of asset; and
- The costs may be reliably estimated.

In the event that the circumstances that allowed a project to be capitalized change, the accumulated cost is expense to the income statement. Capitalized development expenses are amortised over their useful lives, which are estimated to be 4 years.

Expenditures on research activities are recognised as an expense in the year in which incurred.

(c) Other intangible assets

As other intangible assets the Group mainly capitalizes the Airport Steering Plans and the studies associated with them, and they are amortized over 8 years.

2.7. Investment properties

Investment properties consist of buildings, other properties and spaces outside of the owned airport terminals that are maintained to obtain long-term income and are not occupied by the Group. The items included under this heading are stated at acquisition cost less accumulated depreciation and any impairment losses.

Depreciation is applied to real estate investments on a straight line basis in accordance with the estimated useful lives of the assets concerned (Note 2.5).

2.8. Impairment losses of non-financial assets

Assets that have an indefinite useful life, such as intangible assets that are not in a state of use, for example, are not subject to amortisation and are tested annually for impairment. Property, plant and equipment and intangible assets subject to depreciation/amortisation are subject to impairment reviews provided that some event or change in circumstances indicates that carrying value may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use.

For the purposes of assessing impairment losses, assets are grouped together at the lowest level for which there are separately identifiable cash flows (Cash Generating Units). The Management of the Parent Company has identified cash generating units in the individual assets that make up the Services segment outside terminal (which consists primarily of each of the investment properties of the Group and the parking lots in the aggregate) in financial investments mainly comprising the International segment and the airport network for Airports segment (consisting of the aerospace infrastructure and commercial space activity included in it).

For the periods presented in these consolidated financial statements, the determination of the cash-generating units has been influenced by the rules applicable in each period and setting mechanisms of the economic benefits associated with the assets in these cash-generating units.

In 2010, the economic benefits are established through the State Budget Act for that year and through other rules among which the Law 25/1999 which contained the basis for calculating prices for property contributions. Based on the aforementioned legislation, any activity on public land was subject to the economic benefits, thus fixing the fees associated with the assets pertaining to the operation in such land, substantially airport infrastructure as a whole and parking as a whole, took into account the cost invested in such assets and expenses necessary for its operation, so that in determining the recoverable amount of the assets, the Group has considered the flows from the economic benefits generated directly and for each asset or group of assets. Since 2011, the rules applicable to property contributions is the Law 1 /2011, which regulates the determination of the economic benefits associated with the assets related to airport activity, establishing a single criterion for recovery of assets, with the difference , respect to the previous period, that the law considered in the calculation of the economic benefits exclusively investments and costs of the airport network as a whole, excluding parking lots that were previously included. As mentioned above, the Parent Company considers the airport network as a whole to be a Cash Generating Unit, due to the regulations of the patrimonial benefits, mainly due to the following reasons:

- Individually, airports do not have independency in respect to the management of revenues as management is carried out on a joint basis and the fees are calculated based on the entire network.
- Control over airport operations is carried out by Company management on a joint basis.
- The fees that are received by the Company for performing its activities are calculated taking into account practically all of the activities carried out by the Company and it seeks budget equilibrium such that commercial revenues could give rise to a decline in fees and the beneficiaries would be the users of the infrastructure, notwithstanding the provisions of Royal Decree Law 20/2012 (see Note 2.21).
- Finally, the regulatory framework established by Law 1/2011, stipulates that the fees must be calculated based on the entire network allowing the recovery of the cost of the network taken as a whole, and the recovery of the cost on an individual airport basis is not permitted.

In relation to the cash-generating unit of parking within the segment out of Terminal Services, the Parent Company has also considered a network as a whole, taking into account all applicable rules and reasons considered for the airport network mainly for the following reasons:

- Income generated by the network of car parks are intimately dependent on airport activity , since it can not be operated independently of other active members of the network, so the recovery of such assets is also considered as a whole, considering the activity of accessory parking as compared to airport activity.
- Parking management is done in consideration of the whole of them, interdependence airport assets and the nature of compulsory service that must be paid in relation to airport activity . In this regard, it is noted that the management of the Parent Company assesses the adequacy of the infrastructure at airports around traffic and to be part of the airport parking service, investment decisions, management and operations are made regarding traffic rating.
- The price of parking is based on the characteristics described above , so these prices are comparable to prices set parameters in response to public services , so parking should be considered together and not separately, because its existence is conditional on the existence of airport assets as a whole.

– Valet parking is considered a mandatory public service for the provision of airport services in accordance with the rules of Management airports of general interest and service areas.

The procedure implemented by Company Management to perform impairment tests at the cash generating unit level, when necessary, is as follows:

- Management prepares a business plan on an annual basis (Multi-year Action Program) that generally covers three years. The main components of that plan, on which the impairment tests are based, are as follows:
  - Projected results
  - Projected investments and working capital
- Other variables that influence the recoverable value calculation are:
  - Discount rate to be applied, which is understood to be the average weighted cost of capital and the main variables that influence its calculation is the cost of liabilities and the specific of risks affecting the assets.
  - The cash flow growth rate used to extrapolate the cash flow projections beyond the period covered by the budgets or projections.
- The Multi-year Action Programs are prepared based on the best estimates available and are approved by the Board of Directors.

In the event that an impairment loss must be recognized, the Company reduces the assets of the cash generating unit in proportion to their carrying value to the recoverable value of that unit. Impairment is charged against the consolidated income statement.

The possible reversal of impairment losses affecting the value of non-financial assets is analysed at all dates on which financial information is reported. When an impairment loss subsequently reverses, the carrying value of the cash generating unit increases up to the limit of the carrying value that the unit's assets would have if the impairment had not been recognized. This reversal is classified in the same line in which the impairment loss was originally recognized.

During the year 2012 has come into force additional regulations about governing property contributions, Royal Decree Law 20/2012 has made changes to the determination of economic benefits. In substance, the effect of Royal Decree Law 20/2012, the property benefits from year 2014 are calculated taking into account only a percentage, decreasing to zero in 2018, income and expenses affects the activity commercial terminals.

Furthermore, during the year 2013 has come into force Royal Decree Law 11/2013, of 2 August, for the protection of part-time workers and other emergency measures in the economic and social order, amending the letter c) Article 92 of Law 21 /2003 of 7 July, Aviation Safety , in order to adjust the formula for calculating the deficit under that letter , that , as a result of the agreement reached with various airline associations , the maximum increase in economic benefits to be received by a public nature Aena , SA to moderate , so that the maximum increase originally scheduled for the first three years of implementation of the formula provided for in Article 92 cited above, extends until 2018, and also the recovery period deficit this generating , be extended to five years. This measure facilitates the recovery of air transport and with it the Spanish tourism sector. In accordance with the provisions of the second additional provision increases in unit rates provided were applied on the required amount in 2013 for each of the economic benefits of a public character perceives Aena , SA , according to current legislation. While these regulations have no impact on the determination of the cash-generating units for the years 2012 and 2013, hereinafter the determination of cash generating units could be affected by this legislation, according to the criteria established for the calculation of economic benefits.

2.9 Borrowing costs

Interest costs incurred on the construction of any qualified asset are capitalized over the period of time necessary to complete and prepare the asset for its intended use. Other interest costs are recorded under expenses in the year incurred.

2.10 Financial assets

The Group classifies its financial assets into the following categories: financial assets at fair value through profit or loss, loans and accounts receivable available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management classifies its investments at the time of initial recognition.

Usual acquisitions and disposals of financial assets are recognized at the trading date, i.e., on the date the Group undertakes to acquire or sell the asset.

Financial investments are written off the balance sheet when the rights to receive cash flows from them have expired or have been transferred and the Group has transferred substantially all the risks and advantages deriving from ownership.

Financial assets and liabilities are offset and the net amount is recognized in the balance sheet when there is the legal right to offset the recognized amounts and the Group has the intention of settling the net amount or realizing the asset and simultaneously cancelling the liability. During 2013, the Group has no offset financial assets and liabilities because the requirements were not fulfilled for this.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through changes in profit or loss are investments held for trading. A financial asset is classified under this category if it was acquired mainly for the purpose of being sold in the short-term. Derivatives are also categorized as held-for-trading unless they are designated as hedge instruments. The assets in this category are classified as current assets if they are expected to be liquidated within twelve months. If not, they are classified as non-current assets.

Financial assets at fair value through changes in profit and loss are initially and subsequently recognized at their fair value, excluding the transaction costs, which are expensed in the income statement. Gains and losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are included in the income statement under “Other net financial income/(expense)” in the period in which they arise.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets except for assets maturing in more than 12 months of the balance sheet date which are classified as non-current assets. Loans granted to and receivables from the Group consist of the items in "Trade and other receivables" and "Cash and cash equivalents" in the balance sheet (Notes 2.13 and 2.14).

Investments in loans and receivables are initially recognised at fair value plus transaction costs. Loans and receivables are initially stated at their amortised cost in accordance with the effective interest rate method. Interest calculated using the effective interest rate method are recognized in the income statement under the heading “Financial income”.

At the balance sheet date, the Group assesses whether there is objective evidence of impairment losses with respect to a financial asset or group of financial assets. A financial asset or group of financial assets is impaired, and an impairment loss arises, if and only if there is objective evidence of the impairment as a result of one or more events taking place after the initial recognition of the asset (an "event" that causes the loss), and this event or events causing the loss have an impact on the future estimated cash flows relating to the financial asset or group of financial assets that may be reliably estimated.

Among the evidence for impairment losses, indications that debtors or groups of debtors are undergoing significant financial difficulties, defaults or delays in the payment of interest or principal amounts, the probability of entering into a bankruptcy or other financial reorganization situation, and when there are observable data that indicate that there is a measurable decline in future estimated cash flows, such as changes in payment conditions or financial conditions that may correlate with defaults.

For loans and receivables, the amount of the impairment loss is the difference between the carrying value of the asset and the present value of the future estimated cash flows (excluding future credit losses that have not been incurred) discounted at the original effective interest rate of the financial asset. The carrying value of the asset is reduced and the loss is recognised in the consolidated income statement.

If subsequently the amount of the impairment decreases, and the decrease can be objectively attributed to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the impairment previously recognized may be recorded in the consolidated income statement.

(c) Financial assets available for disposal

Financial assets available for disposal are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. They are included under non-current assets unless they mature within 12 months after the balance sheet date or if management has the intention of disposing of the investment within that period.

Investments in Financial assets available for disposal are initially recognised at fair value plus transaction costs.

Financial assets available for disposal are subsequently recognized at fair value and any changes in the fair value are recorded under Other comprehensive income, provided that it is possible to reliably determine the aforementioned fair value. If this is not the case, they are stated at cost less impairment losses.

When the financial assets classified as available-for-sale are disposed of, or suffer impairment, the accumulated adjustments to fair value recognized under Other comprehensive income are included in the income statement as Other net financial income/(expense). Dividends from equity instruments available-for-sale are recognized in the income statement under "other revenue" when the Group's right to receive the payment is established.

At the end of each accounting period the Group evaluates whether or not there is objective evidence that a financial asset, or group of financial assets classified in this category, has become impaired. In the case of financial investments in equity instruments classified as available-for-sale financial assets, a significant or prolonged decline in the fair value of the instrument to a point below its cost is also considered to be evidence that the asset has become impaired. If there is any evidence of this type for available-for-sale financial assets, the cumulative loss determined as the difference between the acquisition cost and current fair value, less any impairment loss in that financial asset previously recognized in the income statement is eliminated from equity and recognized in the income statement. Impairment losses on equity instruments recognized in the consolidated income statement are not reversed through that consolidated income statement. If, in a subsequent period the fair value of a debt instrument classified as available-for-sale increases and the increase may be objectively attributed to an event taking place after the impairment loss was recorded in the income statement, the impairment loss may be reversed in the consolidated income statement.

2.11 Derivative financial instruments and hedges

The Group uses derivative financial instruments, fundamentally to hedge against changes in interest rates. Derivative financial instruments are initially stated at their fair value at the date on which the relevant contract is concluded. Subsequent to initial recognition, they are again measured at fair value. The method of recognizing the resulting gain or loss from changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, on the nature of the item being hedged. The Group designates certain derivatives to be hedges of a specific risk associated with a recognized liability or a highly likely expected transaction (cash flow hedges).

At the beginning of the transaction the Group documents the relationship existing between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions.

The Group also documents its evaluation, at the beginning and on a continuous basis, as to whether the derivatives that are being used in the hedge transactions are highly effective to offset changes in the effective flows from the hedged items, i.e., it may be expected that changes in cash flows from the hedged item will be nearly completely offset by those from the hedging instrument and which, retrospectively, the results obtained from the hedge have ranged within the 80% and 125% range with respect to the results obtained from the hedged item.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in Other comprehensive income. The profit or loss relating to the ineffective portion is recognized immediately under Other net financial income/ (expense) in the income statement.

Accumulated equity amounts are reclassified to the income statement in the periods in which the hedged item affects results. The profit or loss on the effective part of interest rate swaps which cover variable interest rate borrowings is recognised in the income statement under Other net financial income/(expense). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset.

When a hedge instrument expires, is sold, or when it no longer meets the requirements for carrying the hedge, any accumulated gain or loss in equity up until that moment remains in equity and is recognized when the planned transaction is finally recognized in the income statement. When the forecast transaction is expected not to take place, the profit or loss accumulated in equity is taken immediately to the income statement under "Other net financial income/(expense)".

2.12 Inventories

Inventories include spare parts and sundry materials located at the Central Warehouses and at the Logistical Support Center and they are measured at cost or their net realizable value, whichever is lower. Cost is determined using the average weighted cost method. Acquisition cost is determined based on the historical price for the items identified in the purchase orders. The net realizable value is the estimated selling price in the ordinary course of business, less applicable variable costs of sales.

2.13 Trade receivables

Trade receivables are amounts owed by customers for the sale of goods or services rendered during the normal course o the business. If the receivable is expected to be collected within one year (or in the normal operating cycle if longer) it is recognised under current assets. Otherwise they are presented as non-current liabilities.

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less the provision for impairment (see Note 2.10(b)).

2.14 Cash and cash equivalents

Cash and cash equivalents include cash, demand deposits at credit institutions, other short-term highly liquid investments with an original maturity of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

2.15. Share Capital

The Parent Company's ordinary shares are classified as equity (Note 16).

Incremental costs directly attributable to the issue of new shares or options are presented in equity as a deduction, net of taxes, from the revenue obtained.

When a Group company acquires Company shares (treasury shares), the consideration paid, including any directly attributable incremental cost (net of income tax) is deducted from equity attributable to the Company's shareholders through to redemption, reissue or disposal. When these shares are subsequently reissued, any amount received, net of any incremental cost on the transaction which is directly attributable and the corresponding income tax effects, is included in equity attributable to the Company's shareholders.

2.16 Trade payables

Trade payables are obligations to make payment for assets or services that have been acquired from suppliers during the normal course of the business. Payables are classified as current liabilities if the payments fall due in one year or less (or fall due in the normal operating cycle, if higher). Otherwise they are presented as non-current liabilities.

Trade payables are initially carried at their fair value and subsequently they are valued at the amortized cost using the effective interest rate method.

Payments in advance received from customers are recognized at fair value as liabilities under the heading Customer prepayments, for those with maturities greater than one year are presented as non-current liabilities under the heading Other long-term liabilities.

2.17 Financial liabilities

Financial liabilities are recognised initially at fair value, net of the transaction costs incurred. Subsequently, borrowings are recognized at amortized cost. Any differences between the funds obtained (net of necessary costs) and their repayment value are recognized in the income statement over the life of the debt applying the effective interest method.

The commissions paid for obtaining lines of credit are recognized as loan transaction costs to the extent that it is likely that some or all of the line of credit will be used. In these cases the commissions are deferred until the line of credit is accessed. Insofar as it is not likely that the credit line will be used in full or part, the commission is capitalised as an advance payment for liquidity services and amortised over the period during which the credit line is available.

Financial liabilities are classified as current liabilities unless there is an unconditional right to defer settlement for at least 12 months as from the consolidated balance sheet date.

2.18 Current and deferred taxes

Corporate income tax expense for the year consists of current and deferred taxes. The tax is recognized in the income statement, except to the extent that it relates to items that are recognized in the comprehensive income statement or directly under equity. In this case the tax is also recognised under other comprehensive results or directly under equity, respectively.

Current tax is the amount that the Company pays as a result of the tax returns it files each for corporate income tax purposes. Current tax expenses calculated based on the laws that have been approved or are about to be approved at the balance sheet date. Deductions and other tax benefits applicable to tax payable, excluding withholdings and interim payments, and tax-loss carryforwards applied in the current year, result in a reduction in current tax.

Management regularly evaluates the positions held with respect to tax returns as they relate to situations in which applicable tax legislation is open to interpretation and creates, when appropriate, all necessary provisions based on the amounts that are expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred taxes arise from the initial recognition of a asset or liability on a transaction other than a business combination that at the time of the transaction has no effect on the tax gain or loss, they are recognised. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized insofar as future tax profits will probably arise against which to offset the temporary differences. The deferred tax assets recognised are reassessed at the end of each reporting period and the appropriate adjustments are made to the extent that there are doubts as to their future recoverability. Deferred tax assets not recognized in the balance sheet are also reviewed at each year end in order to recognize the extent to which it is likely that they may be offset against future taxable profits.

Deferred income taxes are recognized on temporary differences arising on investments in subsidiaries and associates, except for those deferred tax liabilities where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset if, and only if, there is a legally recognised right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities derive from corporate income tax relating to the same tax authority and affect the same company or taxpayer, or different companies or taxpayers that intend to settle current tax assets and liabilities at their net amount.
Since 2011 the Company has been taxed under the tax consolidation system within the scope of consolidation of its single shareholder together with certain subsidiaries since the conditions established to do so are met.

The companies that form part of the tax group in 2013 and 2012 are as follows:

1. The Public Business Entity “Aeropuertos Españoles y Navegación Aérea”
2. Aena Aeropuertos, S.A.
3. Aena Desarrollo Internacional, S.A.
4. Centros Logísticos Aeroportuarios, S.A. (CLASA) – merged with Aena Aeropuertos, S.A. in 2012

5. Concesionaria del Aeropuerto Madrid-Barajas, S.A.
6. Concesionaria del Aeropuerto Barcelona-El Prat, S.A.

2.19 Employee benefits

The Group mantains a post-employment commitment (pension plans) and other staff remuneration long-term, defined contribution and defined benefit plans:

(a) <u>Non-current employment commitments</u>

The Group maintains in post-employment commitments (pension plans) and other long-term compensation commitments with personnel that are both defined contribution and defined benefit in nature:

- Defined contribution plans

  A defined contribution post-employment commitment ia an obligation under which the Group makes fixed contributions to a fund and will not have any legal or implicit obligation to make additional contributions if the fund does not hold sufficient assets to pay all employees the benefits for current year and prior year services. For defined contribution commitments, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

- Defined benefit plans

  A defined contribution employee benefit commitment is an obligation that establishes the amount of the benefit that will be received by an employee at the time of retirement, normally on the basis of one or more factors such as age, years of service or compensation.

The liability recorded in the balance sheet with respect to defined benefits is the present value of the obligation accrued at the balance sheet date, less the fair value of the plan assets, adjustments for any unrecognised cost of past services. Defined benefit obligations are calculated on an annual basis by independent actuaries using the projected credit unit method. The current value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates of high quality corporate bonds denominated in the currency in which such benefits are to be paid, and with similar maturities those of the corresponding defined benefit obligation.

For post-employment plans, actuarial gains and losses that arise from adjustments applied due to experience and changes in the actuarial assumptions are recognised in equity under other comprehensive income in the period in which they arise. Past service costs are recognised immediately in the income statement unless changes in the pension plan are conditional on the employees continuing in employment for a specific time period (vesting period).

The expected cost for other long-term benefits that are not of a post-employment nature accrues over the term of employment of the employees using the same accounting method that is used for defined benefit pension plans. Actuarial gains and losses that arise from adjustments applied due to experience and changes in the actuarial assumptions are charged and credited, as appropriate, in the consolidated income statement in the period in which they arise. These obligations are measured on an annual basis by qualified independent actuaries.

Specifically, the Group records the following long-term employment commitments:

Length of service bonuses

Article 138 of the I Collective Wage Agreement for the Aena Group of Companies (Public Business Entity Aena and Aena Aeropuertos, S.A.) stipulates length of service awards for services effectively rendered for 25, 30 or more years. The Company makes provision for the present value of the best estimate possible of future commitments, based on actuarial calculation.

(In thousand euro unless otherwise indicated)

The most relevant assumptions taking into account to obtain the actuarial calculation are as follows:

	12/31/2013	**12/31/2012**
Technical interest rate	2.80%	3.0%
Salary increases	2.0%	2.0%
Mortality table	PERMF 2000 NP	PERMF 2000 NP
Financial system used	Individual capitalisation	Individual capitalisation
Accrual method	Projected Unit Credit	Projected Unit Credit
Retirement age	65 years	65 years
Disability tables	OM 77	OM 77

Anticipated-retirement bonuses

Article 154 of the I Collective Wage Agreement for Aena Group of Companies (Public Business Entity Aena and Aena Aeropuertos, S.A.) stipulates that any employee between the ages of 60 and 64 who, in accordance with current provisions is entitled to, may voluntarily retire early and will receive an indemnity, taken together with the vested rights in the Pension Plan, at the time the employment contract is terminated equal to four monthly base salary payments and length of service bonues for each year remaining until reaching the age of 64, or the relevant proportional part.

In 2004 the early retirement awards were externalized by obtaining a lump sum-payment insurance policy from Mapfre Vida on 25 March 2004.

The principal actuarial assumptions used are as follows:

	12/31/2013	**12/31/2012**
Technical interest rate	2.90%	1.00%
Long-term salary growth	3.00%	3.00%
Yield on Defined Contribution Fund	4.00%	4.00%
Rate guaranteed by Mapfre	3.10%	3.10%
Mortality table	PERMF 2000 NP	PERMF 2000 NP
Financial system used	Individual capitalisation	Individual capitalisation
Accrual method	Projected Unit Credit	Projected Unit Credit
Retirement age	Between 60 and 63 years and 11 months	Between 60 and 63 years and 11 months

Pension plans

According to the Collective Wage Agreement, the Group should maintain a plan of defined contribution pension. However, the Royal Decree-Law 17/2012 of 27 December and Royal Decree Law 20/2011 of 31 December, respectively, provide that public business enterprises cannot make contributions to employee pension plans or group insurance contracts including coverage for the retirement contingency, so the forecast of the Collective Wage Agreement was not applicable in the years 2012 or 2013. See note 22 c).

(b) Termination indemnities

Termination indemnities are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes these benefits when it has demonstrably undertaken to terminate employees in accordance with a formal detailed plan, which cannot be withdrawn. When an offer is made for voluntary redundancy termination benefits are determined based on the number of employees that are expected to accept the offer. Benefits which are not going to be paid within 12 months of the balance sheet date are discounted at present value.

As a result of the Airport Efficiency Plan approved by the Ministry of Public Works in June 2012 to adapt the offer of services at 17 airports and 2 heliports to real demand at any given time and led to a reduction in operating hours and the existence of excess personnel, on 31 October 2012 an Agreement between the representation of the AENA Group of companies and the representatives of trade unions pertaining to the state union co-ordinator, which approved the Voluntary Retirement Plan (VRP) within the framework of an employment regulation procedure.

This plan applied to active employees, or those in a similar situation, at the time the agreement was concluded, which voluntarily join the plan and are permanent employees at the Company less than 64 years of age at 31 December 2012. The Voluntary Retirement Plan was not applicable o employees is a partial retirement situation and with respect to the "SEI group" (Fire crews) they cannot be in a situation of being able to access retirement with the right to receive 100% of the relevant pension, based on the content of Royal Decree 383/2008.

At 31 December 2012 were joined to Voluntary Separation Plan workers whose departures were made in stages until 30 June 2013. The Company contracted with BBVA Insurance a policy to cover the payment of liquidated damages, likewise, hired an agency to which facilitate reinsertion of employees (Note 23). In 2013 all the planned outputs in Voluntary Retirement Plan occurred.

2.20 Provisions and contingent liabilities

Provisions are recognized when:

- The Group has a present obligation, whether legal or implicit, as a result of past events;
- It is likely resources must be applied to settle the obligations; and
- the amount of the provision has been reliably estimated.

Provisions are not recognized for future operating losses.

When there is a number of similar obligations, the probable need for an outflow to settle them is determined taking into account the type of obligations as a whole. A provision is recognized even if the probability of an outflow with respect to any item included in the same class of obligations may be regarded as remote.

Provisions are carried at the present value of the payments that are expected to be necessary to settle the obligation, using a rate before taxes that reflects the valuation of the current market for the temporary value of money and the specific risks relating to the obligation. The increase in the provision due to the passage of time is recognized as an interest expense.

The contingent liabilities represent possible obligations to third parties and existing obligations that are not recognized given that it is not likely that an outflow of cash will be required to satisfy that obligation or, if appropriate, the amount cannot be reasonably estimated. Contingent liabilities are not recognized in the consolidated income statement unless they have been acquired for consideration within the framework of a joint venture.

2.21 Revenue recognition

Ordinary revenues are measured at the fair value of the compensation received or to be received, and represent the amounts receivable for the assets sold, net of discounts, refunds and value added tax. Ordinary revenues are recognised when the income may be reliably measured, it is likely that the company will receive a future financial benefit and when certain conditions are met for each of the Group's activities.

Ordinary revenues are recognised as follows:

- Sales of assets are recognised when a Group company has delivered the products to the customer, the customer has accepted the products and the collectibility of the relevant accounts receivable is reasonably assured.

- Sales of services are recognized in the financial year in which the services are rendered, with reference to the end of the specific transaction evaluated based on the actual service provided as a percentage of the total service to be provided, when the income and the costs relating to the service contract, as well as the percentage of completion, may be reliably estimated and it is likely that the related receivables will be recoverable. Where one or more of these service agreement items cannot be reliably estimated, service sales revenues are only recognized up to the limit of contract costs incurred that are likely to be recovered.

  Most of the Company's revenues derived from airport services rendered, which mainly relate to the use of airport infrastructure by airlines and passengers (including public equity gains and private prices). In addition, the Company records commercial revenues that mainly consist of the rental of space in airport terminals for shops, restaurants and advertising and off-terminal facilities such as the rental of premises and land, vehicle parking and rental cars.

<u>Aeronautical (Public charges)</u>

The establishment of fees for public equity charges is done in accordance with Royal Decree Law 1/2011 (4 March), which establishes the State Operational Security Program for Civil Aviation and amends Law 21/2003 (7 July) on Air Security. Furthermore, Article 69 of Royal Decree Law 1/2011 defines the following items and benefits of a public nature:

- Use of runways at civil and joint-use airports and the airbases open to civil aircraft traffic and the rendering of the necessary services for that use, other than ground handling of aircraft, passengers and cargo.
- Airport air traffic services provided by the airport manager, regardless of whether such services are rendered through duly certified air traffic service providers that may have been contracted by the airport manager and designated as such by the Ministry of Public Works.
- Weather services provided by the airport manager, regardless of whether such services are rendered through duly certified weather service suppliers and, furthermore, designated in this respect by the Ministry of the Environment and Rural and Marine Resources.
- Passenger and baggage inspection and control services at airport facilities.
- Passenger use of airport terminal areas that are not accessible to visitors, as well as supplementary airport facilities.
- Services that allow the general mobility of passengers and the necessary assistance to persons with reduced mobility to allow them to travel between the point of arrival at the airport to the aircraft, or from the aircraft to the exit, including boarding and exiting the aircraft.
- Use of aircraft stand areas prepared for this purpose at airports.
- Use of the airport installations to facilitate the boarding and exiting of passengers for airlines through telescopic boarding gates or the mere use of a platform that impedes the use by other users of the relevant boarding gate
- Use of the airport facilities to load and unload cargo.
- Use of the airport facilities for the transportation and supply of fuel and lubricants, regardless of the mode of transportation or supply.
- Use of the airport facilities to render ground assistance services that are not subject to any specific compensation.

Article 91 of Royal Decree Law 1/2011 establishes that General State Budget Act in each year may be modified or updated with respect to the public equity benefits in accordance with the criteria defined in Article 92 and they will be adjusted to the proposal from the State Supervisory Authority after the transparency and consultation procedure established in Royal Decree Law 1/2011 has been applied.

Title VI of Royal Decree Law 20/2012 (13 July), on measures to guarantee budgetary stability and to encourage competitiveness, amends the adjustment of the public equity benefits received by Aena Aeropuertos, S.A., in order to change the formula applied to updates, under which the revenues, expenses and investments deriving from commercial services and activities not strictly related to economics are not included when calculating airport fees.

However, in order to smooth the increase in airport charges, it states that from 2014 and for a period of five years to obtain the Regulated Revenues Required, it will add to the match resulting formula, the costs exploitation generated by activities related to private rates Terminal Areas and deducted likewise, the corresponding income to private prices resulting from these Terminal Areas affected both by the correction coefficient K, which is represented in 2014 by the 80% of sales revenues, in 2015 by 60%, in 2016 by 40%, in 2017 by 20% and 0% in 2018.

Article 86 of Law 22/2013 of 23 December content in the State Budget for 2014 sets the fees increase which became effective from March 1, 2014, the amount of the patrimonial benefits of public nature of Aena Aeropuertos, S.A., established in Title VI, Chapters I and II of Law 21/2003 of 7 July, Aviation Safety, increased by 0.9 per 100 in respect of 2013 amounts.

<u>Commercial:</u>

Revenues from the rental of commercial spaces located within the airport infrastructure are recognized on a straight-line basis in accordance with the lease agreements concluded with the counterparties. The conditional portion of the receivables for leases, for example, that relating to the level of revenues from commercial spaces, is recognized as revenues in the period in which they accrue.

Services outside the terminal:

Services outside the terminal revenues relate to the management of parking garages, land leases, warehouses and hangers and the management and operation of cargo centers. Revenues from the rental agreements are recognized on a straight-line basis in accordance with the lease agreements concluded with the counterparties. The conditional portion of revenues from leases is recognized as revenues in the period in which they accrue. Revenues from parking garages are recognized as the services are rendered.

- Interest income is recognised using the effective interest method. When a loan or receivable is impaired, the the carrying amount is reduced to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, unwinding the discount as interest income. Interest income on impaired loans is recognized either as cash is collected or on a cost-recovery basis as conditions warrant.

- Dividend income is recognized when the right to receive payment is established.

2.22 Leases

When, in accordance with a lease covering property, plant and equipment, the Group is the lessee and has substantially all the rights and benefits of ownership, it is classified as a finance lease. Finance leases are recognised at the beginning of the contract at the lower of the fair value of the leased asset and the present value of the minimum lease instalments. Each lease payment is made up of the liability and financial charges. The relevant lease obligations, net of financial charges, are included under non-current payables. The portion relating to interest on financial charges is taken to the income statement over the term of the lease such that a constant interest rate on the debt outstanding in each period. Property, plant and equipment acquired under finance lease is depreciated over the lower of their useful lives and the lease period.

Leases in which the Group is the lessee and a significant portion of the risks and rewards of ownership are not retained, are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight- line basis over the period of the lease.

When the group leases assets covered by operating leases to third parties, the asset is included in the balance sheet in accordance with the nature of the asset concerned. Revenues from leases are recognized during the term of the lease on a straight-line basis.

2.23 Government grants

Non reimbursable capital grants that do not have to be repaid are recognized at fair value when it is considered that there is reasonable certainty that the grant will be collected and that the conditions established for the grant by the competent authority will be adequately met.

Operating grants are deferred and recognised under Other operating income over the necessary period to match them to the costs which they are intended to cover.

Government grants for the acquisition of property, plant and equipment are included in non-current liabilities as deferred government grants and credited to the income statement on a straight-line basis over the expected lives of the corresponding assets.

2.24. Service concession arrangements

Service concession agreements are public-private agreements in which the public sector controls or regulates which services must be carried out by the Concessionaire at the infrastructure, who must render those services and at what price, and when any significant residual stake in the infrastructure at the end of the term of the agreement is contractually controlled. The infrastructures recognized by the Group as concessions refer mainly to the heliport in Ceuta and Algeciras. The term of the two concessions is 30 years and 25 years, respectively, and they will end in 2033 and 2034, respectively.

The infrastructure used in a concession maybe classified as an intangible asset or a financial asset, depending on the nature of the payment rights established under the relevant agreement.

The Group recognizes an intangible asset when it is entitled to receive payments from final customers for the use of the infrastructure. This intangible asset is subject to the accounting policy described in Note 2.6 and it is amortized on a straight-line basis over the term of the concession.

The aforementioned concession agreements have been classified as intangible assets and there are no concession agreements that qualify as financial assets.

The most significant accounting policies applied by the Group with respect to the service concession agreements are as follows:

- ordinary revenues from the fees received from users of the infrastructure are recognized in each period;
- operating and maintenance expenses that do not lead to an extension of the useful lives of the assets are charged to the income statement in the year in which they are incurred;
- intangible assets are amortized on a straight-line basis over the term of the concession;
- the financial expenses accrued over the time the asset is being built are capitalized as an increase in the value of assets and are recognized as an expense subsequent to the time the asset enters into operation;
- the total cost of construction or acquisition is recognized as an intangible asset and the benefits attributed to the construction phase of the infrastructure are recognized by applying the percentage of completion method, based on the fair value assigned to the construction phase and the concession phase.

2.25 Activities affecting the environment

Any operation designed mainly to prevent, reduce or repair damage to the environment is treated as an environmental activity.

In this connection, investments relating to environmental activities are measured at their acquisition cost and capitalized as an increase in the cost of assets in the year in which they are incurred.

Costs incurred to protect and improve the environment are taken to the income statement when they accrue, irrespective of when the related monetary or financial flows take place.

Provisions related to probable or certain environmental liabilities, litigation in progress and indemnities or other outstanding obligations not covered by insurance policies are recorded when the liability or obligation arises.

2.26 Jointly-controlled assets

The Parent Company maintains interests in assets that are jointly-controlled together with the Ministry of Defence and relate to the operation of Air Bases open to civil air traffic. The Group's interest in the assets are recognized as the stake held in the jointly-controlled assets, classified in accordance with their nature, any liability that has been incurred, its stake in any liabilities that have been incurred together with other participants, with respect to the joint venture, any revenues from the sale or use of its portion of the production of the joint venture, together with its portion of any expense that has been incurred by the joint venture, and any expense that has been incurred with respect to its participation in the joint venture.

Given that the assets, liabilities, expenses and revenues from the joint business have already been recognized in the Parent Company's financial statements, no adjustments or other consolidation procedures are necessary with respect to these items when preparing and presenting the consolidated financial statements.

The Air Bases Open to Civil Traffic included in the agreement with the Ministry of Defence are those located in Villanubla, León, Albacete, Matacán, Talavera, San Javier and the joint-use airport in Zaragoza that is open to civil aircraft. This Agreement is based on the application of Royal Decree 1167/1995 (7 July) on the system for using airports jointly used by an airbase and an airport and the airbases open to civil traffic. This Agreement had an initial term of 5 years and subject to annual renewals linked to the validity of Royal Decree 1167/1995 with respect to any subsequent provision affecting the continuity of the Agreement.

2.27 Comparison of information

In compliance with current legislation, the figures for the years ended 31 December 2013 and 2012 are presented for comparison purposes.

In the Consolidated Statements of Cash Flows for 2012 € 207,540 thousand in cash flows from operating activities have been reclassified to cash flows from financing activities by the effect of realized cash pooling with the Public Enterprise "Aeropuertos Españoles y Navegación Aérea".

Also in 2012, € 68,086 thousand under "Trade and other receivables" have been reclassified to "Investments in non-current partner" for the fiscal balance with the Parent Company in order to present comparative amounts.

The figures in the consolidated financial statements are expressed in thousands of euros, unless otherwise indicated.

3 Financial risk management

3.1 Financial risk factors

The Group's activities are exposed to several 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 provides policies for overall risk management and written policies covering specific areas such as foreign exchange risk, interest rate risk, liquidity risk, use of derivatives and non-derivatives and investing excess liquidity.

There is a financial that recognition agreement between Aena Aeropuertos S.A. and its parent, originating with the non-monetary contribution that gave rise to the creation of Aena Aeropuertos S.A. (Note 1), under which 94.9% of the Parent Company's bank borrowings was assumed. (Note 33).

(a) Market risk

(i) Foreign exchange risk

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

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

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

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

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

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

Financial expenses are mainly due to the financial loans recognized with the Parent Company. The Parent Company has also contracted interest rate hedge transactions that are transferred to the Company described in Note 12. The cost of approximately 95.23% of these derivatives are attributed to the Company, given that they cover the interest rate risk of some loans in that proportion.

On 31 December 2013, if the interest rate on loans had increased or decreased by 20 basis points, and if all other variables remain constant, profit before taxes for the year would have totaled € 10,800 thousand more and € 10,800 thousand less, respectively (2012: € 9,200 thousand higher and € 9,200 thousand lower, respectively). However, the Regulatory Framework established by Law 1/2011 (4 March) which establishes the State Operational Security Program for Civil Aviation and amends Law 21/2003 (7 July), on Air Security (Notes 2.8 and 2.21) establishes a system for updating fees that protects Aena against increases in financing costs, while making it possible to recover its capital costs.

(b) Credit risk

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

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

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

No credit limits have been exceeded during the 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.

In order to maintain sufficient liquidity to cover a minimum of 12 months of financial needs, a non-current financing policy has been established by signing Framework Agreements or Treaties with Companies such as the Official Credit Institute and the European Investment Bank, as well as obtaining current and medium-term lines of liquidity. The Parent Company obtains outside financing, which then finances Aena Aeropuertos, S.A. through debt recognition agreements.

The aforementioned credit risk policy leads to very favorable average collection periods. Although at 31 December 2013 the Group records negative working capital totaling € 1,288,749 thousand (2012: € 1,684,730 thousand) and a profit for the year amounting to € 596,655 thousand (2012: a loss for the year amounting € 63,526), 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 Parent Company expected to remain positive in the short term. In addition, in order to attend to investment commitments and current debts, the Company has the financial support of its shareholder, through credit lines approved and unused by its shareholder amounting to 425 million euros, and its own operating cash flow. Under these circumstances, the Directors of the Parent Company consider that there will not be any problems with respect to satisfying payment commitments.

The following table includes an analysis of the Group's non-derivative financial liabilities and derivative financial liabilities that are settled at a net amount, 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. The amounts shown in the table are undiscounted contractual cash flows.

(In thousand euro unless otherwise indicated)

At 31 December 2013	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Loans and derivatives (excluding finance lease liabilities) (Note 20)	1,027,876	3,789,385	6,580,279	**11,397,540**
Finance lease liabilities (Note 20)	516	1,117	-	1,633
Other financial liabilities (Note 20)	71,431	484	2,773	74,688
Derivatives (Note 12)	4,983	4,323	-	**9,306**
Trade and other payables (excluding advances from customers) (Note 19)	398,729	-	-	**398,729**
At 31 December 2012				
Loans and derivatives (excluding finance lease liabilities, other financial liabilities and cash pooling account with the Ultimate Parent Company) (Note 20)	887,437	3,785,911	7,242,778	**11,916,126**
Finance lease liabilities (Note 20)	490	1,634	-	**2,124**
Other financial liabilities (Note 20)	24,780	595	2,652	**28,027**
Cash pooling account with the Ultimate Parent Company (Note 20)	139,405	-	-	**139,405**
Derivatives (Note 12)	13,398	9,455	-	**22,853**
Trade and other payables (excluding advances from customers) (Note 19)	745,449	-	-	**745,449**

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 as net debt divided by adjusted EBITDA. Net debt is calculated as all bank and other borrowings (including current and non-current loans as shown in the consolidate balance sheet), less cash and cash equivalents. The adjusted EBITDA is calculated in accordance with the provisions of Note 6.

The debt ratios at 31 December 2013 and 2012 are as follows:

	2013	2012
Total borrowings (Note 20)	11,473,861	12,085,682
Less: Cash and cash equivalents (Note 15)	(12,377)	(8,210)
Cash pooling - debit balance (Note 33)	(67,766)	-
Net debt	**11,393,718**	**12,077,472**
Adjusted EBITDA (Note 5)	1,610,023	1,214,567
Net debt/adjusted EBITDA	**7.1 X**	**9.9 X**

The change in the debt ratio responds to the added effect of improving the EBITDA derived primarily from containment and expenditure savings, being especially significant the reduction in staff costs, and to the amortisation of debt with the Parent Company of the group as the amortisation schedule thereof, and an improving of comercial revenues, adjustment of rates revenues, according to current legislation.

3.3 Estimation of fair value

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

- Listed prices (not adjusted) on active markets for identical assets and liabilities (Tier 1).
- Data other than listed prices included within Tier 1 which are observable information relating to the asset or liability, directly (ie prices) or indirectly (ie derived from prices) (Tier 2).

(In thousand euro unless otherwise indicated)

- Information regarding the asset or liability that is not based on observable market data (non-observable data) (Tier 3).

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

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

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2012.

	Tier 1	Tier 2	Tier 3	Total balance
Total assets	-	-	-	-
Liabilities				
Derivatives	-	22,853	-	22,853
Total liabilities	**-**	**22,853**	**-**	**22,853**

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

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 instrments 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 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 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 to account together with the notes to the consolidated financial statements.

4.1 Main accounting estimates and judgements

The main accounting policies, which reflect the assumptions and estimates that are most significant to calculate amounts in the 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) Impairment loss on financial assets held for sale

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 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 and 31 December 2013 and 2012.

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. The Group's most significant accounting policies are described in further detail in Notes 2.

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

(a) Impairment of Intangible assets and Property, plant and equipment

The Group verifies annually whether there is an impairment loss in respect of Intangible assets and Property, plant and equipment, in accordance with the accounting policy described in Note 2.8, in which is described as the address 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 the 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 estimates are based on assumptions and estimates based on assumptions related to projected results, projections and working capital investment, 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.

(b) Useful lives of property, plant and equipment

The recognition of investments in property, plant and equipment implies the application of estimates to determine the useful 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 (Note 2.1.1).

(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 Company 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.

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

(d) Derivative financial instruments

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

(e) Impairment loss on financial assets held for sale

In fiscal year 2013, Airport Concessions and Development Limited (ACDL), through its subsidiary TBI, completed the sale of several airports (see note 11). As part of this process, the Group received dividends of € 56,928 thousand and following the divestments made by ACDL through TBI, the Group recognized an impairment loss on that investment after recovery of capital and dividend payments made and explained above, amounting to € 52,861 euros. This deterioration is generated as a result of the capital reduction following the sale of shares in the TBI group, and therefore, the decrease in the recoverable amount of the investment compared to the cost.

4.2 Main accounting estimates and judgements

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

During 2013, Aena Aeropuertos, 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 company has evaluated the substantial characteristics of the contract in accordance with the accounting policies described in Notes 2.21 and 2.22 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 are 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 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 to contract conditions evaluated by the company management criteria could result in different revenue recognition which Aena been applied to this contract.

b) Recoverability of tax deductions for investments in Canary Islands

In fiscal year 2013, Management of Aena Aeropuertos, S.A. has decided to offset the tax deductions on state fee for investments in the Canary Islands.

Management of Aena Aeropuertos, S.A. has also decided to activate tax deductions for investments in Canary Islands amounting to € 138,921 thousand, which will be used in the coming years by the Tax Group based on projected fiscal results (see note 21).

5 Financial information by segment

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

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

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

The International segment relates to the Group's international development, which coincides with the operations carried out by the subsidiary Aena Desarrollo Internacional, S.A., and consists of minority investments in other airport managers, mainly in Mexico, Columbia and the United Kingdom (see note 2,2).

The Other segment mainly includes amounts not allocable to the operating segments related with the corporate activities of the Group.

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 Amortisation). During fiscal year 2013 EBITDA calculated in the manner explained above was adjusted for the effects related to Voluntary Separation Plan and impairment and disposal of fixed assets (2012: adjusted for costs related to Voluntary Separation Plan and impairments and disposal of fixed assets).

Financial information by segment that has been supplied to the maximum decision-taking authority in 2012 is obtained from the Group's information management systems and does not significantly differ from the information prepared under IFRS, and it has been evaluated in accordance with criteria that are uniform with respect to those applied in these consolidated financial statements and is presented as currently analysed by the maximum decision-taking authority. No modification has been made to the criteria for distributing costs monuments during the years presented.

The financial information by segment in 2013 and 2012 is as follows:

(In thousand euro unless otherwise indicated)

	Airports							
31 December 2013	**Aeronautical**	**Commercial**	**Services ouside the terminal**	**Other**	**Sub-Total**	**International**	**Adjustments**	**Total consolidated**
Ordinary revenue-	2,171,357	552,789	146,178	-	2,870,324	8,091	(1,653)	2,876,762
External customers	*2,171,349*	*552,789*	*146,178*	-	*2,870,316*	*6,446*	-	*2,876,762*
Inter-segments	*8*	-	-	-	*8*	*1,645*	*(1,653)*	-
Other operating income	46,160	5,016	3,545	-	54,721	162	-	54,883
Total Income	**2,217,517**	**557,805**	**149,723**	**-**	**2,925,045**	**8,253**	**(1,653)**	**2,931,645**
Raw materials and consumables	(197,890)	-	-	-	(197,890)	-	1,755	(196,135)
Staff cost	(292,253)	(27,425)	(12,785)	-	(332,463)	(1,875)	-	(334,338)
Other operating expenses	(626,355)	(103,965)	(61,690)	-	(792,010)	(4,253)	(102)	(796,365)
Depreciation and Amortisation	(699,869)	(65,932)	(51,307)	-	(817,108)	(624)	-	(817,732)
Impairment and profit/(loss) on fixed asset disposals	(39,423)	(5,783)	(10,856)	-	(56,062)	-	-	(56,062)
Other results	5,945	3,766	1,064	-	10,775	-	-	10,775
Total expenses	**(1,849,845)**	**(199,339)**	**(135,574)**	**-**	**(2,184,758)**	**(6,752)**	**1,653**	**(2,189,857)**
EBITDA	**1,067,541**	**424,398**	**65,456**	**-**	**1,557,395**	**2,125**	**-**	**1,559,520**
Voluntary Retirement Plan (VRP)	4,766	524	269	-	5,559	-	-	5,559
Impairment and profit/(loss) on fixed asset disposals	(39,423)	(5,783)	(10,856)	-	(56,062)	-	-	(56,062)
Adjusted EBITDA	**1,102,198**	**429,657**	**76,043**	**-**	**1,607,898**	**2,125**	**-**	**1,610,023**
Operating results	**367,672**	**358,466**	**14,149**	**-**	**740,287**	**1,501**	**-**	**741,788**
Financial income/(expense)	(220,289)	(15,897)	(17,984)	-	(254,170)	4,370	755	(249,045)
Share in profits obtained by associates	-	(539)	-	-	(539)	5,257	-	4,718
Profit/(loss) before taxes	**147,383**	**342,030**	**(3,835)**	**-**	**485,578**	**11,128**	**755**	**497,461**
Total Assets					16,417,491	161,549	(133,702)	16,445,338
Total Liabilities					13,405,491	37,348	(36,628)	13,406,211

	Airports							
31 December 2012	**Aeronautical**	**Commercial**	**Services ouside the terminal**	**Other**	**Sub-Total**	**International**	**Adjustments**	**Total consolidated**
Ordinary revenue-	1,910,395	533,592	145,511	-	2,589,498	10,103	(1,127)	2,598,474
External customers	*1,910,366*	*533,592*	*145,511*	-	*2,589,469*	*9,005*	-	*2,598,474*
Inter-segments	*29*	-	-	-	*29*	*1,098*	*(1,127)*	-
Other operating income	66,612	3,833	2,424	-	72,869	214	-	73,083
Total Income	**1,977,007**	**537,425**	**147,935**	**-**	**2,662,367**	**10,317**	**(1,127)**	**2,671,557**
Raw materials and consumables	(199,685)	-	-	-	(199,685)	-	1,098	(198,587)
Staff cost	(442,796)	(43,720)	(20,068)	-	(506,584)	(2,325)	-	(508,909)
Other operating expenses	(719,366)	(100,184)	(60,645)	-	(880,195)	(3,272)	29	(883,438)
Depreciation and Amortisation	(715,694)	(66,367)	(50,686)	-	(832,747)	(674)	-	(833,421)
Impairment and profit/(loss) on fixed asset disposals	(20,096)	(3,474)	(1,372)	(153)	(25,095)	(581)	-	(25,676)
Other results	(607)	123	(40)	-	(524)	-	-	(524)
Total expenses	**(2,098,244)**	**(213,622)**	**(132,811)**	**(153)**	**(2,444,830)**	**(6,852)**	**1,127**	**(2,450,555)**
EBITDA	**594,457**	**390,170**	**65,810**	**(153)**	**1,050,284**	**4,139**	**-**	**1,054,423**
Voluntary Retirement Plan (VRP)	(116,920)	(12,224)	(5,324)	-	(134,468)	-	-	(134,468)
Impairment and profit/(loss) on fixed asset disposals	(20,096)	(3,474)	(1,372)	(153)	(25,095)	(581)	-	(26,676)
Adjusted EBITDA	**731,473**	**405,868**	**72,506**	**-**	**1,209,847**	**4,720**	**-**	**1,214,567**
Operating results	**(121,237)**	**323,803**	**15,124**	**(153)**	**217,537**	**3,465**	**-**	**221,002**
Financial income/(expense)	(277,622)	(19,837)	(20,873)	-	(318,332)	1,132	(4,944)	(322,144)
Share in profits obtained by associates	-	(667)	-	-	(667)	9,561	-	8,894
Profit/(loss) before taxes	**(398,859)**	**303,299**	**(5,749)**	**(153)**	**(101,462)**	**14,158**	**(4,944)**	**(92,248)**
Total Assets					16,696,170	156,606	(135,748)	16,717,028
Total Liabilities					14,273,727	48,823	(42,861)	14,279,689

(In thousand euro unless otherwise indicated)

The column Adjustments mainly includes consolidation adjustments.

The reconciliation of EBITDA and adjusted EBITDA against Profit for the years ended 31 December 2013 and 2012 is as follows:

Item	**At 31 December 2013**	**At 31 December 2012**
Total adjusted EBITDA	**1,610,023**	**1,214,567**
Impairment loss on fixed assets disposal	(56,062)	(25,676)
Voluntary Retirement Plan	5,559	(134,468)
Total segment EBITDA	**1,559,520**	**1,054,423**
Depreciation and amortization	(817,732)	(833,421)
Net financial expense	(249,045)	(322,144)
Share in profits obtained by associates	4,718	8,894
Income tax	99,194	28,722
Profit for the year	**596,655**	**(63,526)**

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:

	2013	**2012**
Airport services	**2,171,357**	**1,910,395**
Revenues from services subject to price regulation	**2,088,905**	**1,821,555**
Landings	570,589	547,877
Stands	25,750	25,955
Passengers	950,376	787,774
Telescopic boarding gates	96,890	91,451
Cargo	11,424	10,207
Security	330,089	261,812
Handling	72,968	68,309
Fuel	30,819	28,170
Approach services	-	-
Other airport services (1)	**82,452**	**88,840**
Commercial services	**552,789**	**533,592**
Leases	30,015	35,288
Stores	72,929	77,147
Duty Free shops	140,925	121,969
Restoration	92,417	83,953
Car rental	98,529	95,590
Advertising	25,904	24,953
Other commercial revenues (2)	92,070	94,692
Services outside the terminal	**146,178**	**145,511**
Parking	89,152	91,515
Land	13,284	12,689
Warehouses and hangars	21,966	17,817
Cargo Logistic Centres	21,776	23,490

(1) Includes Airport Consumption, Use of 400Hz, Fire Services, Catering, Check-in desks and Other revenues.

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

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

(In thousand euro unless otherwise indicated)

Ordinary revenues in an approximate amount of € 297,542 thousand, € 289,608 thousand and € 255,624 thousand in 2013 relate to three customers, respectively (two customers in 2012: € 565,910 thousand and € 269,958 thousand, respectively). These revenues relate to the Airport segment.

6 Property, plant and equipment

	Land and buildings	Plant and machinery	Other facilities, tools and furnishings	Other property, plant and equipment	Fixed assets under construction	Total
At 1 January 2012						
Cost or value	15,311,145	1,221,517	4,135,668	138,725	1,371,637	22,178,692
Accumulated depreciation	(3,735,168)	(656,973)	(1,588,227)	(132,331)	-	(6,112,699)
Carrying amount at 1 January 2012	**11,575,977**	**564,544**	**2,547,441**	**6,394**	**1,371,637**	**16,065,993**
Additions	317,456	31,581	83,466	721	191,755	624,979
Disposals	(68,051)	(52,630)	(67,024)	(725)	(28,931)	(217,361)
Transfers (Notes 7 and 8)	669,765	55,628	209,147	1,774	(939,271)	(2,957)
Allocation to depreciation	(396,289)	(82,699)	(324,249)	(1,721)	-	(804,958)
Eliminations of accumulated depreciation	26,155	43,664	56,372	1,037	-	127,228
Impairment	-	-	-	(582)	(10,875)	(11,457)
Carrying amount at 31 December 2012	**12,125,013**	**560,088**	**2,505,153**	**6,898**	**584,315**	**15,781,467**
At 31 December 2012						
Cost or value	16,230,315	1,256,096	4,361,257	140,495	595,190	22,583,353
Accumulated depreciation	(4,105,302)	(696,008)	(1,856,104)	(133,015)	-	(6,790,429)
Impairment	-	-	-	(582)	(10,875)	(11,457)
Carrying amount at 31 December 2012	**12,125,013**	**560,088**	**2,505,153**	**6,898**	**584,315**	**15,781,467**
Additions	115,686	14,624	59,750	157	143,512	333,729
Disposals	(67,734)	(34,402)	(102,028)	(588)	(58,946)	(263,698)
Transfers (Notes 7 and 8)	163,646	35,591	77,830	148	(329,579)	(52,364)
Allocation to depreciation	(386,952)	(79,256)	(317,733)	(1,856)	-	(785,797)
Adjustments to depreciation	54	29	62	-	-	145
Transfers (Notes 7 and 8)	22,654	(668)	373	(93)	-	22,266
Eliminations of accumulated depreciation	56,362	31,203	96,042	587	-	184,194
Impairment	-	-	-	-	10,875	10,875
Carrying amount at 31 December 2013	**12,028,729**	**527,209**	**2,319,449**	**5,253**	**350,177**	**15,230,817**
At 31 December 2013						
Cost or value	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 31 December 2013	**12,028,729**	**527,209**	**2,319,449**	**5,253**	**350,177**	**15,230,817**

At the end of 2013 and 2012 there was no property, plant and equipment subject to guarantees.
Lease income amounting € 1,185 was recognised in the income statement (2012: € 1,528 thousand) and € 471 thousand (2012: € 620 thousand) relating to the rental of machinery and buildings, respectively.
The main additions registered in 2013 and 2012 are described below:

Land and buildings

Land additions in 2013 relate mainly to land acquired to perform various airports expansions, including: A Coruña, Vigo, Burgos, Girona, Barcelona, Reus, Vitoria, Cordoba and Ibiza. Likewise, buildings includeparking in height from Madrid-Barajas airport; the extension of the runway of Córdoba; the expansion of the passenger terminal of Gran Canaria south dike; terminal parking "La Paloma" of Bilbao; work on the terminal building T3 of Alicante; the expansion of Málaga´s airfield; new railway and terminal area in the airport of Barcelona; and parking under the extension of the platform of La Palma.

In 2012 the land additions corresponded mainly to the land acquired to perform at various airports highlighting extensions: Córdoba, Málaga, Burgos and La Coruna. Additionally, highlighting the power plant construction, power system reform and the expansion of Terminal 2 at Valencia airport, in Vigo expanding the terminal building and the adequacy of drainage channels and dams in the field of flight from Barcelona.

Plant and other property, plant and equipment

The most representive additions in 2013 relate to:

- Plan for renewal of explosive detection systems (EDS) at various airports.
- Improvements slabs platforms in Tenerife Norte.
- Adequacy of drainage channels and RESA's at the airport in Barcelona.
- Modernization of terminal building HVAC in Tenerife Norte.
- Adaptation of the electrical junction module load south of Barajas (Madrid).
- Facilities WiFi system in Terminal 1 of Barajas (Madrid).
- Refurbishment of electrical and control system in Lanzarote.
- New generators and new service line to the terminal building in Bilbao.
- Control System Parking in Alicante.
- Integration of environmental and landscape plant Oil separator in Málaga.

The most representive additions in 2012 relate to:

- Hold baggage inspection system expansion in the terminal building of Valencia.
- Boarding bridges and aircraft servicing equipment at several airports.
- Automated processing and baggage inspection in Fuerteventura.
- Unification tensions and improvements in the distribution network and power management in the Tenerife Sur airport.
- Automated processing and baggage inspection in Santiago de Compostela.
- Adaptation and improvement of the climate control in Tenerife Norte Terminal Building.
- New generators and new service line in the terminal building of Bilbao.

The main disposals in 2013 relate to facilities and buildings in the airports of Madrid, Barcelona and Málaga.

The main disposals in 2012 related to the elimination of facilities and other assets at the Palma de Mallorca, Barajas, Barcelona and Gerona Airports. In addition, in 2012 the Company transferred property, plant and equipment already existing and under construction to the Public Business Entity "Aeropuertos Españoles y Navegación Aerea" amounting € 34,853 thousand and accumulated depreciation amounting € 18,900 thousand, which are reflected in movements under Disposals.

Fixed assets under construction

The main items in construction work in progress during the year ended 31 December 2013, relate to the enlargement of terminal building and parking in Gran Canaria Airport, the expansion of runways in A Coruña Airport and regeneration platform from Seville Airport, improving the commercial spaces of T4 and T4S Barajas, new terminal area of Santiago and the construction of a new parking P3 in Gran Canaria, construction of new power plant in Asturias and extension of platform aircraft parking area south of Santiago airport, mainly.

The main items in construction work in progress during the years ended 31 December 2012, relate to the expansion of the airport in Málaga, the adaptation of the terminal building in Ibiza, the expansion of the T-2 Terminal in Gran Canaria and the expansion of runways in La Coruña.

(In thousand euro unless otherwise indicated)

During the year 2013 € 41,550 thousand of assets under construction were discharged, following the Plan of Adjustment made by the Parent Company in both spending and investments, they had no continuity in the Group's investment plan. Additionally, in 2013 there have been removed impaired assets in 2012 amounting to €10,785 thousand with the corresponding accumulated impairment.

Capitalized interest costs

During the year the Group capitalized interest costs totaling €8,765 thousand (2012: €21,921 thousand). The interest costs were capitalized at the average weighted rate of the Company's debt (2013: 1.84%; 2012: 2.19%).

Impairment

At the end of 2013 and 2012 the Company performed an impairment test on the airport network and did not identify significant impacts on the financial statements at 31 December 2013 and at 31 December 2012, even after applying sensitivities to the variables used. The main premises used were:

	2013	2012
Growth rate	2.00%	2.00%
Discount rate	6.14%	7.77%

At the end of 2013 the Parent Company has no recognized any asset impairment. In 2012 the Company evaluated the property, plant and equipment under construction and identified works that had been discontinued in the investment plan for the coming years and therefore Management decided to recognize an impairment for these assets totaling €10.785 thousand, in 2013 these were retired.

Property, plant and equipment includes an automated flight inspection system (console) that is covered by financial lease agreements in which the Group is the lessee and the relevant amounts are as follows:

	At 31 December	
	2013	2012
Cost- capitalized finance leases	2,477	2,477
Accumulated depreciation	(880)	(734)
Carrying amount	**1,597**	**1,743**

At 31 December 2013 property, plant and equipment includes assets leased to third parties whose value represents 8.05% of total property, plant and equipment (2012: 9.46%).

Limitations

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

Jointly-controlled assets

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

(In thousand euro unless otherwise indicated)

	At 31 December	
	2013	**2012**
- Non-current assets	294,155	306,494
- Non-current/current liabilities	-	-
Net assets	**294,155**	**306,494**
	2013	**2012**
- Income	25,138	24,875
- Expense	(47,619)	(70,573)
Profit after taxes	**(22,481)**	**(45,698)**

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

7 Intangible assets

	Concessions	Development	Software	Other intangible assets	Other intangible assets under development	Total
Cost						
At 1 January 2012	**18,126**	**1,586**	**147,007**	**136,382**	**41,837**	**344,938**
Additions		-	11,294	144	22,098	33,536
Disposals	(536)	(595)	(11,886)	(1,076)	(1,421)	(15,514)
Transfers (Note 6 y 8)	-	(4)	17,080	1,003	(15,316)	2,763
At 31 December 2012	**17,590**	**987**	**163,495**	**136,453**	**47,198**	**365,723**
Additions	90	-	9,388	19	7,080	16,577
Disposals	(51)	(172)	(7,077)	(1,008)	(192)	(8,500)
Transfers (Note 6 y 8)	25	-	20,199	(675)	(14,299)	5,250
At 31 december 2013	**17,654**	**815**	**186,005**	**134,789**	**39,787**	**379,050**
Accumulated amortisation and impairment losses						
At 1 January 2012	**(3,161)**	**(982)**	**(101,978)**	**(130,850)**	**-**	**(236,971)**
Allocation to amortisation	-	-	(22,255)	(1,655)	-	(23,910)
Disposals	-	(5)	9,817	1,073	-	10,885
At 31 December 2012	**(3,161)**	**(987)**	**(114,416)**	**(131,432)**	**-**	**(249,996)**
Allocation to amortisation	(686)	-	(27,094)	(1,048)	-	(28,828)
Disposals	27	172	7,070	960	-	8,229
Transfers (Note 6 y 8)	(3)	-	(525)	946	-	418
Adjustments	(342)	-	207	-	-	(135)
At 31 december 2013	**(4,165)**	**(815)**	**(134,758)**	**(130,574)**	**-**	**(270,312)**

	Concessions	Development	Software	Other intangible assets	Other intangible assets under development	Total
Net amount in books						
Cost	17,590	987	163,495	136,453	47,198	365,723
Accumulated amortisation and impairment losses	(3,161)	(987)	(114,416)	(131,432)	-	(249,996)
At 31 December 2012	**14,429**	**-**	**49,079**	**5,021**	**47,198**	**115,727**
Cost	17,654	815	186,005	134,789	39,787	379,050
Accumulated amortisation and impairment losses	(4,165)	(815)	(134,758)	(130,574)	-	(270,312)
At 31 December 2013	**13,489**	**-**	**51,247**	**4,215**	**39,787**	**108,738**

At the end of 2013 and 2012 there were no intangible assets subject to guarantees.

Of the total capitalized costs at 31 December 2013 relating to the various classes of intangible assets, assets in progress are included as follows (thousand euro):

	2013	2012
Development	1,000	1,000
Software	6,035	21,175
Other intangible assets	32,752	25,023
Total	**39,787**	**47,198**

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

In 2013, €242 thousand have been capitalized (2012: € 699 thousand) in financial expenses associated with intangible assets.

Concessions

The Parent Company operates heliports in Ceuta and Algeciras under administrative concession contracts, the main conditions are described below:

Ceuta Heliport:

The Parent 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 28 March 2003 with a maturity of 30 years. The Parent Company pays an annual fee of € 39 thousand for the occupation of public port. Likewise, in accordance with Article 69 bis of Law 27/92, the Parent Company pays a fee amounting to € 0.823386 per passenger, depending on volume of passengers.

Algeciras Heliport:

The Parent 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 publicly owned helipad at the Port of Algeciras. This concession has a start date of 3 February 2009 with duration of 25 years. The contract establishes an occupancy rate of public port deprivation of € 82 thousand per year and a rate of special use of the public domain of 1 euro per passenger loaded or unloaded at the facility.

Impairment tests for unamortised intangible assets (under development)

The Group has applied impairment tests on unamortized intangible assets and no adjustments were identified at 31 December 2013 and 2012, even after applying sensitivities to the variables used.

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash- flow projections based on five year financial budgets approved by management. Cash flows beyond these five years are extrapolated using the estimated growth rate indicated below.

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

	2013	2012
Growth rate	2.00%	2.00%
Discount rate	6.14%	7.77%

The Group has calculated the recoverable value based on the 4-year projections of profits approved by Management. The average weighted growth rates are coherent with the projections included in industry reports. The discount rates used are before taxes and reflect specific risks relating to the Group's activities.

(In thousand euro unless otherwise indicated)

8 Investment properties

	Land and Buildings	Plant and other assets	Total
Cost			
At 1 January 2012	**162,851**	**6,079**	**168,930**
Additions	594	-	594
Disposals	(114)	-	(114)
Transfers (Note 6 and 7)	194	-	194
At 31 December 2012	**163,525**	**6,079**	**169,604**
Additions	67	-	67
Transfers (Note 6 and 7)	46,874	240	47,114
At 31 December 2013	**210,466**	**6,319**	**216,785**
Accumulated depreciation and impairment losses			
At 1 January 2012	**(33,133)**	**(2,662)**	**(35,795)**
Allocation to depreciation	(2,580)	(1,973)	(4,553)
At 31 December 2012	**(35,713)**	**(4,635)**	**(40,348)**
Allocation to depreciation	(2,699)	(408)	(3,107)
Transfers (Note 6 and 7)	(22,677)	(7)	(22,684)
At 31 December 2013	**(61,089)**	**(5,050)**	**(66,139)**
Net amount in books			
Cost	163,525	6,079	169,604
Accumulated depreciation and impairment losses	(35,713)	(4,635)	(40,348)
At 31 December 2012	**127,812**	**1,444**	**129,256**
Cost	210,466	6,319	216,785
Accumulated depreciation and impairment losses	(61,089)	(5,050)	(66,139)
At 31 December 2013	**149,377**	**1,269**	**150,646**

At the end of 2013 and 2012 there were no investment properties subject to guarantees.

The Company's policy is to obtain insurance policies to cover all risks that could affect its investment properties. At the end of 2013 and 2012, the Company has reasonably covered these risks.

During 2013, € 24,430 thousand of net amount in books have been transferred to investment properties because they are assets that are leased to third parties or have a plan to be leased.

At 31 December 2013 and 2012 there are no fully depreciated investment properties.

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

	2013	2012
Rent Revenues	52,556	45,486
Direct operating expenses	(35,473)	(27,240)

The fair value of investment properties, taking into account current values (some of which are being revised) at the presented dates are as follows:

	2013	2012
Land	453,433	371,920
Buildings	598,241	290,348
Total	**1,051,674**	**662,268**

Increased flows of 2013 are mainly due to the inclusion of new real estate assets and a lower discount rate.

The calculation of the fair value of Tier 3 has been obtained by estimations based on internal discounted cash flow. The main assumptions used are as follows:

	2013	2012
Growth rate	2.00%	2.00%
Discount rate	6.14%	7.00%

This discount rate is after taxes and reflects a specific premium based on the characteristics of the real estate business.

9 Investments in associates

The breakdown and movement of the heading "Investment in associates" in 2013 and 2012 is as follows (thousand euros):

2013

	Opening balance	Aditions	Profit sharing	Dividends	Differences on exchange	Other	Closing balance
RAESA	1,135	-	(539)	-	-	-	596
SACSA	3,127	-	2,203	(1,362)	(546)	-	3,422
AMP	51,753	-	4,753	(2,854)	(3,985)	-	49,667
ACSA	-	-	-	-	-	-	-
AEROCALI	2,428	-	1,678	(1,227)	(277)	-	2,602
LUTON (*)	-	47,287	(3,377)	-	(49)	668	44,529
Total	**58,443**	**47,287**	**4,718**	**(5,443)**	**(4,857)**	**668**	**100,816**

(*) This corresponds to the holding company which owns the shares of the company that operates Luton Airport, the result of the period between the date of acquisition to December 31, 2013 includes financing costs and acquisition. The Luton Airport management company closed the year 2013 with total estimated revenue of 144.1 million euros and an EBITDA of EUR 47.7 million (unaudited balances).

2012

	Opening balance	Profit sharing	Dividends	Differences on exchange	Closing balance
RAESA	1,895	(667)	(93)	-	1,135
SACSA	2,665	2,080	(1,637)	19	3,127
AMP	47,511	6,234	(5,404)	3,412	51,753
ACSA	1,090	-	(1,240)	150	-
AEROCALI	2,026	1,247	(946)	101	2,428
Total	**55,187**	**8,894**	**(9,320)**	**3,682**	**58,443**

The audited information relating to Associates at 31 December 2013 and 2012 expressed in euro at the exchange rate in force at the end of each of the years is as follows:

Name	Country of constitution	Assets	Liabilities	Revenues	Profit/ (Loss)	% of Ownership
31 December 2013						
- RAESA	España	1,877	659	20,834	(1,101)	48.99%
- SACSA	Colombia	21,454	12,424	25,510	5,813	37.89%
- AMP	México	169,486	26,842	10,355	14,263	33.33%
- ACSA	Colombia	1,603	1,333	-	-	40.00%
- AEROCALI	Colombia	16,465	8,658	28,900	5,034	33.34%
- LUTON (*)	United Kingdom	661,482	550,158	10,584	(8,443) (*)	40.00%

(In thousand euro unless otherwise indicated)

Name	Country of constitution	Assets	Liabilities	Revenues	Profit/ (Loss)	% of Ownership
31 December 2012						
- RAESA	España	16,024	13,705	75,086	(1,361)	48.99%
- SACSA	Colombia	18,475	10,288	23,405	5,490	37.89%
- AMP	México	172,792	23,892	9,196	18,701	33.33%
- ACSA	Colombia	1,822	1,515	140	(225)	40.00%
- AEROCALI	Colombia	15,250	7,965	26,739	3,742	33.34%

(*) This corresponds to the holding company which owns the shares of the company that operates Luton Airport, the result of the period between the date of acquisition to December 31, 2013 includes financing costs and acquisition. The Luton Airport management company closed the year 2013 with total estimated revenue of 144.1 million euros and an EBITDA of EUR 47.7 million (unaudited balances).

10 (a) Financial instruments by category

	31 December 2013			
	Loans and receivables	Hedging derivatives	Available for sale	Total
Assets on the balance sheet				
Financial assets available for sale (Note 11)	-	-	4,908	**4,908**
Other financial assets	1,822	-	-	**1,822**
Trade and other payables (excluding pre-payments and non-financial assets) (Note 13)	639,024	-	-	**639,024**
Cash and cash equivalents (Note 15)	12,377	-	-	**12,377**
Total	**653,223**	**-**	**4,908**	**658,131**

	31 December 2013			
	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 20)	-	-	11,472,228	11,472,228
Finance leases (Note 20)	-	-	1,633	1,633
Derivative financial instruments (Note 12)	-	9,306	-	9,306
Trade and other payables (excluding non-financial liabilities) (Note 19)	-	-	356,996	356,996
Total	**-**	**9,306**	**11,830,857**	**11,840,163**

	31 December 2012			
	Loans and receivables	Hedging derivatives	Available for sale	Total
Assets on the balance sheet				
Financial assets available for sale (Note 11)	-	-	57,769	**57,769**
Other financial assets	1,433	-	-	**1,433**
Trade and other payables (excluding pre-payments and non-financial assets) (Note 13)	381,851	-	-	**381,851**
Cash and cash equivalents (Note 15)	8,210	-	-	**8,210**
Total	**391,494**	**-**	**57,769**	**449,263**

	31 December 2012			
	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 20)	-	-	12,083,558	12,083,558
Finance leases (Note 20)	-	-	2,124	2,124
Derivative financial instruments (Note 12)	-	22,853	-	22,853
Trade and other payables (excluding non-financial liabilities) (Note 19)	-	-	712,496	712,496
Total	**-**	**22,853**	**12,798,178**	**12,821,031**

10 (b) Credit quality of financial assets

The credit quality of financial assets that have not yet been sold and which have also not become impaired may be evaluated through the financial analysis performed by the Group based on independent credit ratings or past default information.

(million euro)	At 31 December	
TRADE RECEIVABLES	**2013**	**2012**
Trade receivables with external credit ratings *(Source: Reuters)*	1.7	4.0
BBB	0.5	-
B	4.3	1.8
Customers without external credit ratings		
Group 1	2.7	2.1
Group 2	268.3	256.3
Group 3	-	-

- Group 1 - New customers / associated parties (less than 6 months).
- Group 2 - Existing customers/ related parties (more than 6 months) with no past defaults.
- Group 3 - Existing customers/ related parties (more than 6 months) with some past defaults. All defaults were fully recovered.

None of the loans to related parties have fallen due or suffered any impairment.

11. Financial assets available for sale

	At 31 December	
	2013	**2012**
At 1 January	57,769	57,769
Disposals	-	-
Impairment loss	(52,861)	-
At 31 December	**4,908**	**57,769**

In 2013, Airport Concessions and Development Limited (ACDL), through its subsidiary TBI, completed the sale of the airports of Cardiff, Belfast International and Stockholm Skavsta, London Luton Airport, terminal concessions of the airport Orlando Sanford and management business of TBI in the United States.

In line with the divestment plan, at 25 October 2013, ACDL shareholders decided to reduce the share capital and to cancel the share issue premium, allocating to unrestricted reserves 546,941 thousand pounds. In this sense, in 2013 ACDL approved two dividends 394,400 thousand pounds (€ 472,873 thousand) and 81,005 thousand pounds (€ 96,406 thousand), of which the Group has received a total of € 56,928 thousand (2012: € 1,854 thousand). The first dividend, amounting to 47.3 million euros did not generate cash flow (Note 2.2).

In 2013, and due to divestments made by ACDL through TBI, the Group recognized an impairment loss on that investment amounting to € 52,861 thousand (Note 30). This impairment is generated as a result of the decrease in recoverable value of the investment as a result of the divestment above.

Additionally, in 2013 the Group received a dividend of European Satellite Services Provider SAA (ESSP SAS) amounting to € 250 thousand (2012: € 0).

In particular, the Group recognises minority interests in the following companies under this category:

Name and address	Line of business	% interest held 2013	2012	Owner of the shareholding
Agencia Barcelona Regional Edificio Centreservei, Zona Franca Carrer 60, 25-27 Barcelona	Performance of analyses and studies regarding development, regional and environmental issues Planning, development, management, advisory services, execution and operation of all types of works, buildings and infrastructures, as well as urban systems in the metropolitan area.	11.76	11.76	Aena Aeropuertos, S.A.
Airport Concessions and Development Limited (ACDL) 10, Upper Bank St- London – U.K.	Management of financial assets held by the airport group TBI.	10	10	Aena Desarrollo Internacional, S.A.
European Satellite Service Provider, SAS (ESSP SAS) Toulose – France	Operation of the satellite navigation system	16.67	16.67	Aena Desarrollo Internacional, S.A.

The value of the shareholdings at 31 December 2013 and 2012 is as follows (thousand euros):

Name and address	Amount of the shareholding 2013	2012
Agencia Barcelona Regional Edificio Centreservei, Zona Franca Carrer 60, 25-27 Barcelona	180	180
Airport Concessions and Development Limited (ACDL) 10, Upper Bank St- London – U.K.	4,561	57,422
European Satellite Service Provider, SAS (ESSP SAS) Toulose – France	167	167
	4,908	**57,769**

None of these companies is listed on a stock market.

At 31 December 2013 and 2012, their fair value cannot be reliably estimated. For this reason these shareholdings are measured at cost and the applicable adjustment has been determined to be the difference between the carrying value and the recoverable value.

Financial assets available for sale are denominated in the following currencies:

	At 31 December 2013	2012
Pounds	4,561	57,422
Euros	347	347
Total	**4,908**	**57,769**

Financial assets held for sale include debt securities and equity instruments of other enterprises in which the group does not have control or significant influence in making these decisions.

(In thousand euro unless otherwise indicated)

12 Derivative financial instruments

	At 31 December			
	2013		2012	
	Assets	Liabilities	Assets	Liabilities
Interest rate swaps – cash flow hedges	-	9,306	-	22,853
Interest rate swaps - trading	-	-	-	-
Total	**-**	**9,306**	**-**	**22,853**
Less non-current amount:				
Interest rate swaps – cash flow hedges	-	4,323	-	9,455
Interest rate swaps - trading	-	-	-	-
	-	**4,323**	**-**	**9,455**
Current amount	**-**	**4,983**	**-**	**13,398**

The breakdown of the derivative financial instruments 31 December 2013 and 2012 is shown in the following table. In accordance with the description provided in Note 33, there is a financing agreement between the Public Business Entity "Aeropuertos Españoles y Navegación Aérea" and Aena Aeropuertos which transfers the financing assigned to Aena Aeropuertos, S.A. in the contributuion 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 concluded between the Public Business Entity and the relevant financial institutions, and compliance with that agreement is the obligation of the Public Business Entity. As a result of the agreement between Aena Aeropuertos and the Public Business Entity, the measurement and recognition of the effect of the interest rate swap agreements relating to the financing between the two companies has been reflected in the Company'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 2013 and 2012 no losses have arisen from the hedge derivatives and they were 100% effective.

Interest rate swaps

The notional principal on interest rate swaps outstanding at 31 December 2013 amounts € 291,500 thousand (2012: € 1,425,650 thousand).

At 31 December 2013 fixed interest rates varied between 0.98% and 2.57% (2012: 0.97% to 2.8025%) and the main variable interest rates are 3-month and 6-month euribor. These Parent Company loans and derivatives are intended to finance airports and, therefore, the parent attributed the interest and depreciation to the Company. Losses or gains recognized in the equity hedging reserve in interest-rate swap contracts at 31 December 2013 and 2012 will be transferred to the income statement on a continuous basis until the associated bank loans are repaid.

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

All interest rate derivatives classified as hedges relate to the Parent Company Aena Aeropuertos, S.A. Their main characteristics are as follows:

	Classification	Type	Contracted amount (thousand euro)	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	07/28/10	12/15/11	03/15/16	07/28/10
Interest rate swaps:	Cash flow hedge	Fixed interest rate swap at 2.8025% against variable interest rate	1,194,391	10/02/09	03/15/11	03/15/13	10/02/09
Interest rate swaps:	Cash flow hedge	Fixed interest rate swap at 0.98% against variable interest rate	66,500	12/13/12	12/13/12	12/13/17	12/13/12

On 1 October 2007 the company Aena Desarrollo internacional, S.A. obtained an interest rate swap from “La Caixa” in order to control and decrease the potential negative impact of variable interest rate fluctuations on its results. In particular, this derivative covers the effect of fluctuations in the interest rates relating to the financial charges associated with the loan granted to the Company by “La Caixa”. Since this derivative instrument does not meet the conditions to be recognized as an accounting hedge financial instrument it has been recognized in the account "Derivatives" under current and non-current liabilities in the balance sheet at 31 December 2012, respectively, with the balancing entry being recorded in profit for the year, as it is not a hedge. This derivative matured in October 2012.

The main characteristics of this derivative financial instrument in 2012 are as follows (thousand euro):

	Classification	Type	Contracted amount (thousand euro)	Date of agreement:	Start date for the derivative	Maturity	Designation date of the hedge
Interest rate swaps:	Interest rate hedge	Fixed interest rate swap at 4.83% against variable interest rate	2,000	10/01/07	10/01/07	10/01/12	10/01/07

Financial hedge instruments (exchange rate)

The Company has chosen to designate amounts that the Company receives in US dollars for rendering certain services covered by several management contracts for Mexican Airports as an accounting hedge for the payments for the loan obtained by Aena Desarrollo Internacional in US dollars (USD) from Banco Santander (Note 12) and the monetary flows in USD. The Company has recorded the changes in the fair value (at the year-and exchange rate) of this accounting hedge instrument in the account "Hedging transactions" under "Equity" in the balance sheet and 31 December 2013 and 2012. The hedge is recognised in the consolidated income statement under the line "Ordinary revenues". The breakdown of this hedge is as follows:

- **2013:**

	Classification	Maturity (*)	Inefficiency recognised in financial results in 2013 (Thousand euro)	Fair value recorded under "Equity" at 12/31/13 (Thousand euro)
USD Loan to Aena Desarrollo Internacional	Exchange rate cash flow hedges	10/08/2014	9	90

- **2012:**

	Classification	Maturity (*)	Inefficiency recognised in financial results in 2012 (Thousand euro)	Fair value recorded under "Equity" at 12/31/12 (Thousand euro)
USD Loan to Aena Desarrollo Internacional	Exchange rate cash flow hedges	10/08/2014	6	229

(*) The maturity (partial repayments) of this accounting hedge instrument Coincides with the year in which the hedged cash flows are expected to take place (payments received in US dollars) and they are linked to the consolidated income statement.

The Company has complied with the requirements to classify this financial instrument as an accounting hedge. Specifically, they have been formally designated as such and their effective hedging has been verified.

Also, in 2013 the company Aena Desarrollo Internacional, S.A. contracted a derivative by 30,000 thousand pounds to cover the possible effects of fluctuations in the exchange rate of the pound sterling. This derivative instrument was settled in 2013 and failing to meet the conditions for recognition as hedging financial instrument 625 thousand was recognized in profit and loss as an income.

13 Trade and other receivables

	At 31 December	
	2013	**2012**
Trade receivables for sales and services rendered	390,835	379,981
Less: provision for impairment losses on receivables	(129,352)	(115,745)
Trade receivables for sales and services rendered – net	261,483	264,236
Trade receivables from related parties (Note 33)	20,403	39,054
Other receivables from related parties	328,554	68,086
Sundry accounts receivable	27,443	9,027
Accrued wages and salaries	1,141	1,448
Other receivables from public administrations	115,356	116,435
Total	**754,380**	**498,286**
Less non-current amount	**148,825**	**68,086**
Current amount	**605,555**	**430,200**

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

There are no significant amounts under Trade and other receivables that are denominated in foreign currency.

At 31 December 2013, trade receivables yet to fall due for which no provision has been made amounting € 48,894 thousand (2012: 212,493).

(In thousand euro unless otherwise indicated)

At 31 December 2013 outstanding trade receivables amounts € 48,894 thousand (2012: € 51,743 thousand) that had matured and for which no provision had been made. These accounts relate to a number of independent customers for which there are no recent default data. The age of these accounts is analyzed below:

	At 31 December	
	2013	**2012**
Up to 3 months	41,443	15,622
Between 3 and 6 months	272	10,064
Over 6 months	7,179	26,057
	48,894	**51,743**

Trade receivables that have suffered impairment with respect to the individual value basically relate to airlines and companies that are in bankruptcy proceedings. The age of these accounts is analysed below:

	2013	**2012**
Between 3 and 6 months	-	-
Over 6 months	129,352	115,745
	129,352	**115,745**

The amount of the provision for impairment of trade and other receivables totals € 129,352 thousand at 31 December 2012 (2012: totals € 115,745 thousand).

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

	At 31 December	
	2013	**2012**
Beginning balance	115,745	84,594
Provision of the impairment of the value of receivables	5,558	54,492
Reversal of unused amounts	(9,981)	(26,311)
Other movements	(106)	(623)
Encumbrance adjustment	18,136	3,593
At 31 December	**129,352**	**115,745**

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 mainly includes deposits and deposits with maturity less than twelve months but more than three months.

The heading Other receivables from Public Administrations at 31 December 2013 records € 81,010 thousand relating to FEDER grants receivable conceded to the Parent Company (2012: € 77,224 thousand). At 31 December 2013 and 2012 the rest of the heading records receivables relating to indirect taxes.

On April 4, 2013, the Company Aena Aeropuertos, S.A. received a communication from the Directorate General for Regional Policy, Urban Development and territorial cohesion Unit of the European Community informing about the interruption of payments until corrective measures were implemented in Galicia FEDER Operational Programme (2007-2013). On 13 December 2013 the General Intervention of the State Administration (National Audit Office) issued a favorable opinion and submitted it to the European Commission. Group management expects the payment suspension is resolved in the short term , because the requisite corrective measures were implemented properly.

The heading of Other receivables with related parties records the credit that Aena Aeropuertos, S.A. and Aena Desarrollo Internacional, S.A. have with their shareholder in respect of tax-loss carryforwards, unused payments on account during the year and other tax deductions triggered by fiscal consolidation, arising from the settlement of corporate income tax. At 31 December 2013 the receivable in this concept amounted to € 257,759 thousand (2012: € 68,086 thousand). The Group has classified these receivables in the short or long term depending on the forecast use in corporate tax for the coming years . Also in this section the receivable to its shareholder for cash pooling is included (see note 33).

14 Inventories

	At 31 December	
	2013	**2012**
Raw materials and other supplies	4,520	4,178
Pre-payments to suppliers	101	-
	4,621	**4,178**

The balance under law materials and other supplies mainly includes materials and spare parts used in airport operations.

15 Cash and cash equivalents

	At 31 December	
	2013	**2012**
Cash and bank deposits	12,377	8,210
Short-term bank deposits	-	-
Cash and cash equivalents	**12,377**	**8,210**

At 31 December 2013 and 2012 the Group does not have any bank overdrafts. The breakdown of cash and cash equivalents in currencies other than the euro is as follows:

	At 31 December	
	2013	**2012**
Cash and cash equivalents in US dollars (USD)	2,625	1,247
Cash and cash equivalents in Great Britain Pound (GBP)	4,908	-

16 Share capital and share premium

Changes in the number of shares and in the amount of Share Capital and Share Premium at the Parent Company in 2013 and 2012 are as follows:

	Number of shares	**Share capital (thousand euro)**	**Share premium (thousand euro)**	**Total (thousand euro)**
At 31 December 2012	**150,000,000**	**1,500,000**	**1,100,868**	**2,600,868**
At 31 December 2013	**150,000,000**	**1,500,000**	**1,100,868**	**2,600,868**

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

(In thousand euro unless otherwise indicated)

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

- Reduce the par value of the Company's €1,000 shares by dividing the 61 outstanding shares into 6,100 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.

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

As a result of the above resolutions, at 31 December 2011 share capital consisted of 150 million shares with a par value of €10 each. During 2012 the have been no changes in the number of shares, share capital or share premium. The share Premium is freely available.

17 Retained earnings/ (losses)

At 1 January 2012	**(82,820)**
Loss for the year	(63,526)
Dividends	-
Other movements	245
At 31 December 2012	**(146,101)**
Profit for the year	596,655
Dividends	-
Other movements	(21)
At 31 December 2013	**450,533**

At 31 December 2013 and 2012 there are no unavailable reserves.

The amount of dividends relate to the dividends reported by the Company Centro Logísticos Aeroportuarios, S.A. (CLASA), for the profits generated in 2010 (€4,280 thousand) which are attributed to the ultimate Parent Company Public Business Entity “Aeropuertos Españoles y Navegación Aérea”, as they were generated before the non-monetary contribution that took place on 6 June 2011 and is described in Note 1.

Proposed distribution of result

The allocation of income for 2013 and 2012 of the Parent Company under General Accounting Plan approved by Royal Decree 1514/2007, and given by the Board of Directors is as follows:

	Thousand Euros	
	2013	**2012**
Basis of allocation:		
Profit/(loss) for the year	580,076	(70,783)
Allocation of the year's result:		
Accumulated gains/(losses)	164,585	(70,783)
Legal Reserves	58,008	-
Voluntary Reserves	357,483	-

(In thousand euro unless otherwise indicated)

18 Other reserves

	Note	Hedging derivatives	Conversion differences	Associates results	Total
At 1 January 2012		**(24,149)**	**(4,696)**	**-**	**(28,845)**
Cash flow hedge		(16,394)	-	-	(16,394)
Tax effect	31	4,917	-	-	4,917
Transfers to the income statement		27,445	-	-	27,445
Tax effect	31	(8,233)	-	-	(8,233)
Differences on exchange - Associates	9	-	3,682	-	3,682
At 31 December 2012		**(16,414)**	**(1,014)**	**-**	**(17,428)**
Cash flow hedge		2,976	-	-	2,976
Tax effect	31	(892)	-	-	(892)
Transfers to the income statement		12,280	-	-	12,280
Tax effect	31	(3,685)	-	-	(3,685)
Cash flow hedge - Associates	9	-	-	(668)	(668)
Differences on exchange - Associates	9	-	(4,857)	-	(4,857)
At 31 December 2013		**(5,735)**	**(5,871)**	**(668)**	**(12,274)**

Other retained earnings/ (losses) net of tax

	Other reserves	Retained earnings	Total other retained earnings/ (losses) net of tax
At 31 December 2013			
Items that may be reclassified subsequently to profit/loss:			
Cash flow hedge	10,679	-	10,679
Participation in other comprehensive income of associates	(668)	-	(668)
Currency exchange differences	(4,857)	-	(4,857)
	5,154	**-**	**5,154**
Total	**5,154**	**-**	**5,154**
At 31 December 2012			
Items that may be reclassified subsequently to profit/loss:			
Cash flow hedge	7,735	-	7,735
Currency exchange differences	3,682	-	3,682
	11,417	**-**	**11,417**
Total	**11,417**	**-**	**11,417**

19 Trade and other payables

	At 31 December	
	2013	**2012**
Suppliers	2,097	1,516
Sundry payables	166,255	238,469
Trade payables to related parties (Note 33)	69,951	169,006
Asset suppliers	91,705	268,611
Payables to related parties for property, plant and equipment (Note 33)	1,538	6,685
Accrued wages and salaries	25,450	28,209
Social Security and other taxes	41,733	32,953
Prepayments from customers:	47,845	15,933
	446,574	**761,382**

All of the payables are denominated in euro.

(In thousand euro unless otherwise indicated)

The carrying value of Trade and other payables approximate their fair value given that the effect of the discount is not significant.

On 14 February 2013, Aena Aeropuertos, S.A. signed three contracts with World Duty Free Group Spain, SA for renting business premises of the duty free shops and duty paid of the entire network of airports in Spain. These contracts are valid until 31 October 2020 and included an advance by € 332,442 thousand, which is periodically offset by billing. In this sense, at 31 December 2013 the short-term deposit amounts to € 27,026 thousand, and long-term advance included under Other long-term liabilities amounts to € 233,043 thousand.

Information on deferred payments to suppliers

The detail of trade payments made during the year and outstanding at 31 December 2013 and 2012 in relation to the maximum legal limit under Law 15/2010 is as follows:

	2013		2012	
	Thousand euro	%	Thousand euro	%
Payments for the year within the maximum legal limit	821,058	84%	726,479	88%
Remainder	152,101	16%	100,349	12%
Total payments in the year	**973,159**		**826,828**	
Medium Term Pay Exceeded (Days)	**71**		**78**	
Unpaid balance at closing in excess of the maximum legal limit	**9,573**		**13,563**	

This balance relates to suppliers by their nature are suppliers of goods and services, so it includes data on heading "Trade and other payables" in the balance.

Were significantly reduced payment means adapting Speeds exceeded, at year end, to periods marking the Law 15/ 2010.

20 Financial liabilities

	At 31 December	
	2013	**2012**
Non-current		
Loans from related parties (Note 33)	10,368,664	11,024,963
Bank borrowings	1,000	3,726
Finance lease liabilities	1,117	1,634
Other financial liabilities	3,257	3,247
	10,374,038	**11,033,570**
Current		
Loans from related parties (Note 33)	1,025,175	884,659
Current account with the Parent Company (Note 33)	-	139,405
Bank borrowings	2,701	2,778
Finance lease liabilities	516	490
Other financial liabilities	71,431	24,780
	1,099,823	**1,052,112**

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

	Book value		Fair value	
	At 31 December		At 31 December	
	2013	2012	2013	2012
Borrowings from the Group	10,368,664	11,024,963	9,700,022	10,692,014
Bank borrowings	1,000	3,726	1,000	3,726
Finance lease liabilities	1,117	1,634	1,117	1,634
Other financial liabilities	3,257	3,247	3,257	3,247
Total	**10,374,038**	**11,033,570**	**9,705,396**	**10,700,621**

The fair value of current borrowings is equal to their book value, as the impact of the discount is not significant. Fair values of non current borrowings are based on cash flows discounted at a rate based on external borrowings valued at the 0 coupon curve plus “spread” of 1.66% (2012: 0 coupon curve plus “spread” of 1%) and are in Tier 2 in the fair value hierarchy.

(In thousand euro unless otherwise indicated)

a) Borrowings from the Group

See Note 33.

b) Bank borrowings

These loans relate to the subsidiary Aena Desarrollo Internacional, S.A. At 31 December 2013, these loans amounted to € 3,701 thousand (2012: € 6,504 thousand). These loans were granted with the support of the Group.

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

	At 31 December	
	2013	**2012**
Euro	2,510	3,585
US dollars	1,191	2,919
Total	**3,701**	**6,504**

c) Finance lease liabilities

At the end of 2013 the subsidiary Aena Desarrollo Internacional, S.A. had concluded a financial lease for an automated flight inspection system (console) that was recognized under "property, plant and equipment" in the consolidated balance sheet and 31 December 2013.

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

	At 31 December	
	2013	**2012**
Gross finance lease liabilities, minimum lease payments:		
- Less than one year	524	558
- Between 1 and 5 years	1,123	1,643
- More than 5 years	-	-
	1,647	2,201
Future financial liabilities arising from finance leases	(14)	(77)
Present value of finance lease liabilities	**1,633**	**2,124**

The present value of finance lease liabilities is as follows:

	At 31 December	
	2013	**2012**
- Less than one year	516	490
- Between 1 and 5 years	1,117	1,634
- More than 5 years	-	-
	1,633	**2,124**

Finance lease liabilities are denominated in euro.

d) *Other financial liabilities*

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

(In thousand euro unless otherwise indicated)

21 Deferred taxes

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

	At 31 December	
	2013	**2012**
Deferred tax assets:		
Deferred tax assets to be recovered in more than 12 months	54,678	51,071
Deferred tax assets to be recovered within 12 months	21,535	11,188
	76,213	**62,259**
Deferred tax liabilities:		
Deferred tax assets to be recovered in more than 12 months	196	208
Deferred tax liabilities to be recovered within 12 months	-	-
	196	**208**
Net deferred tax assets	**76,017**	**62,051**

Gross movement in the Deferred taxes heading was as follows:

	2013	**2012**
At 1 January	62,051	58,330
Tax charged against/credited to the income statement	998	3,115
Tax charged/paid relating to components of other overall results (Note 18)	(4,577)	(3,316)
Other	17,545	3,922
At 31 December	**76,017**	**62,051**

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 liabilities	**Other**	**Total**
At 1 January 2012	**666**	**666**
Other	(458)	(458)
At 31 December 2012	**208**	**208**
Other	(12)	(12)
At 31 December 2013	**196**	**196**

Deferred tax assets	**Depreciation**	**Impairment losses**	**Derivatives**	**Other**	**Total**
At 1 January 2012	**43,561**	**2,433**	**10,589**	**2,413**	**58,996**
Charged/(credited) to the income statement	(423)	1,496	-	2,042	3,115
Charged directly against equity	-	-	(3,316)	-	(3,316)
Other	-	2,838	-	626	3,464
At 31 December 2012	**43,138**	**6,767**	**7,273**	**5,081**	**62,259**
Charged/(credited) to the income statement	3,399	482	-	(2,883)	998
Charged/(credited) directly to equity	-	-	(4,577)	-	(4,577)
Other	2,090	(626)	-	16,069	17,533
At 31 December 2013	**48,627**	**6,623**	**2,696**	**18,267**	**76,213**

Until 2012 the Group had generated a number of deductions that had not recognized (see note 4.2.b). From 2013 the following deductions have been applied in the settlement of income tax deductions and outstanding are recognized in fiscal has shareholder:

(In thousand euro unless otherwise indicated)

	Year generated	Year due	Amount recognized	Amount applied	Amount pending
Deductions in the Canary Islands due to investments in property, plant and equipment	**2008**	**2013**	20.879	(20.879)	-
	2009	**2014**	38.523	(38.523)	-
	2010	**2015**	57.386	-	57.386
	2011	**2016**	42.744	-	42.744
	2012	**2017**	38.791	-	38.791
	2013	**2018**	37.011	(37.011)	-
Deductions in the Canary Islands for contributions to pension plans.	**2006**	**2021**	129	-	129
	2007	**2022**	126	-	126
	2008	**2023**	122	-	122
	2009	**2024**	113	-	113
	2010	**2025**	66	-	66
Environmental deductions	**2006**	**2021**	730	-	730
	2007	**2022**	771	-	771
Internal double taxation	**2011**	**2018**	220	-	220
	2012	**2019**	28	-	28
Deductions for export activities	**2001**	**2016**	32	(32)	-
	2002	**2017**	187	(187)	-
	2006	**2021**	2.524	(2.524)	-
International double taxation	**2003**	**2014**	236	(236)	-
	2004	**2015**	232	(232)	-
	2006	**2017**	320	(320)	-
	2007	**2018**	536	(536)	-
	2008	**2019**	308	-	308
	2009	**2020**	268	-	268
	2010	**2021**	312	-	312
	2011	**2022**	350	-	350
	2012	**2023**	484	-	484
	2013	**2024**	450	-	450
Pension plans	**2006**	**2021**	252	-	252
	2007	**2022**	179	-	179
	2008	**2023**	148	-	148
	2009	**2024**	103	(1)	102
	2010	**2025**	59	(1)	58
Professional training	**2012**	**2027**	167	-	167
I+D+it	**2012**	**2030**	321	-	321
Book edition	**2012**	**2027**	1	-	1
Professional training	**2001**	**2016**	7	(7)	-
	2006	**2021**	332	(2)	330
	2007	**2022**	278	(1)	277
	2008	**2023**	329	-	329
	2009	**2024**	138	(2)	136
	2010	**2025**	44	(1)	43
	2011	**2026**	4	-	4
	2012	**2027**	3	-	3
Deductions	**2011**	**2021**	7	-	7
	2012	**2022**	23	-	23
Total			**246.273**	**(100.495)**	**145.778**

(In thousand euro unless otherwise indicated)

22 Employee benefits

The table below shows which have been included in the financial statements of the Group for the amounts post-employment benefits:

	At 31 December	
	2013	**2012**
Commitments in the balance sheet in respect of:		
- Length of service awards	6,618	6,783
- Early-retirement bonuses	-	-
Liabilities for employee benefits	**6,618**	**6,783**
- Defined contribution pension plans (Other payables)	5	5
- Defined benefit pension plans		
Total liabilities on the balance sheet	**6,623**	**6,788**
Charges in the income statement in respect of:		
- Length of service awards	-	765
- Defined benefit pension plans	13	118
	13	**883**
Revaluations for:		
- Length of service awards	-	929
- Early-retirement bonuses		
	-	**929**

(a) Length of service awards

The Collective Wage Agreement for the Aena Group of Companies (Public Business Entity Aena and Aena Aeropuertos, S.A.) stipulates length of service awards for services effectively rendered for 25, 30 or more years. The Company makes provision for the present value of the best estimate possible of future commitments, based on actuarial calculation.

The amounts are recognised in balance sheet as follows:

	2013	**2012**
Present value of the financed obligations		
Fair value of plan assets		
Deficit in financing plans	-	-
Present value of unfunded obligations	6,623	6,788
Total pension deficit of defined benefit	**6,623**	**6,788**
Impact of minimum funding requirement / asset ceiling	-	-
Total liabilities on the balance sheet	**6,623**	**6,788**

(b) Early-retirement bonuses

The Collective Wage Agreement stipulates that any employee between the ages of 60 and 64 who, in accordance with current provisions is entitled to to do, may voluntarily retire early and will receive an indemnity, taken together with the vested rights in the Pension Plan, at the time the employment contract is terminated equal to four monthly base salary payments and length of service bonuses for each year remaining until reaching the age of 64, or the relevant proportional part.

In 2004 the early retirement awards were externalized by obtaining a lump sum-payment insurance policy from Mapfre Vida on 25 March 2004.

(c) Defined contribution pension plans

The Collective Wage Agreement stipulates that any employee that shows a minimum of 360 calendar days of recognised service at any of the companies that form part of Aena Group may become a participant in the Joint Pension Plan at Aena Group companies. The pension plan covers retirement, disability (permanent total, absolute and severe disability contingencies) and death, in accordance with the criteria established by the negotiating committee of the III Aena Collective Wage Agreement on 16 December 2002 with respect to the characteristics of the new coverage for Aena Group employees under which the aforementioned pension plan was created, notwithstanding the provisions of the minutes to the meeting of the Aena Group Pension Plan Control Commission on 15 February 2005 and, if appropriate, other subsequent meetings regarding the regulating enabling and supplementary specifications.

(In thousand euro unless otherwise indicated)

However, for fiscal years 2013 and 2012, the Parent Company has not made such contributions due to the withdrawal established in Royal Decree Law 17/2012 of 27 December and Royal Decree Law 20/2011 of 31 December, respectively. It states that public business enterprises cannot make contributions to employee pension plans or group insurance contracts that include coverage for the retirement contingency.

The movement in the defined benefit obligation during the year was as follows:

	Present value of obligation	Total
At 1 January 2012	**5,225**	**5,225**
Current service cost	765	765
Expense / (Income) Interest	265	265
	1,030	**1,030**
Recalculation of Ratings:		-
- (Gains) / losses on changes in actuarial assumptions	929	929
	929	**929**
Payment plan:		
- Benefit payments	(401)	(401)
At 31 December 2012	**6,783**	**6,783**
Current service cost	-	-
Expense / (Income) Interest	-	-
Past service cost and gains and losses on settlements	-	-
	-	-
Recalculation of Ratings:		
- (Gains) / losses on changes in actuarial assumptions	-	-
	-	**-**
Payment plan:		
- Benefit payments	(165)	(165)
At 31 December 2013	**6,618**	**6,618**

Length of service awards are not financed so no assets allocated to the registered plan.

As at the last valuation date, the present value of the defined benefit obligation was composed of about 6,618 euros for active employees.

The estimated cost accounting relating to retirement benefit plans (awards permanence and early retirement bonuses) for the year ended 31 December 2014 amounted to € 690 thousand.

The amount corresponding to the expected benefits to disburse awards over 2014 amounted to € 418 thousand.

The weighted average duration of the defined benefit obligation is 14.3 years.

23 Provisions and contingencies

Movements in this heading during 2013 and 2012 are set out below:

	Environmental actions	Responsabilities	Taxes	Expropations and interest	Other provisions	Voluntary Retirement Plan	Total
Balance at 1 January 2013	**169,801**	**37,002**	**53,030**	**314,990**	**1,323**	**134,468**	**710,614**
Charge for the Year	1,187	86,113	5,689	4,207	8,416	-	105,612
Increase due to discounts	4,995	-	-	13,489	-	-	18,484
Reversals/Excesses	(5,714)	(1,810)	(1,265)	-	-	(5,529)	(14,318)
Amounts Used	(10,959)	(319)	(360)	(122,134)	(1,099)	(103,436)	(238,307)
Transfers	-	-	(17,936)	-	-	-	(17,936)
At 31 December 2013	**159,310**	**120,986**	**39,158**	**210,552**	**8,640**	**25,503**	**564,149**

(In thousand euro unless otherwise indicated)

	Environmental actions	Responsabilities	Taxes	Exproprations and Interest	Other provisions	Voluntary Retirement Plan	Total
Balance at 1 January 2012	138,304	2,614	47,705	342,836	41,929	-	573,388
Charge for the Year	35,047	35,609	10,014	56,724	1,322	134,468	273,184
Increase due to discounts	3,912	-	-	-	-	-	3,912
Reversals/Excesses	-	(757)	(1,864)	-	(24,491)	-	(27,112)
Amounts Used	(7,462)	(464)	(2,825)	(84,570)	(17,437)	-	(112,758)
At 31 December 2012	**169,801**	**37,002**	**53,030**	**314,990**	**1,323**	**134,468**	**710,614**

Analysis of total provisions:

	At 31 December	
	2013	**2012**
Non-current	252,167	433,188
Current	311,982	277,426
Total	**564,149**	**710,614**

Provision for environmental action

This heading mainly recognises provisions amounting € 150,346 thousand (2012: € 160,837 thousand) relating to the expected obligations relating to noise abatement and sound-proofing residential areas to comply with current noise legislation applicable to airport infrastructure. The associated allocation to these provisions is capitalized as an increase in airport assets. Additionally, this heading records other environmental commitments. In 2013 € 5,714 thousand and relating to the update of the premises used in the calculation were reversed.

For further details regarding the Company's actions regarding sound proofing, see Note 25.

Provisions for responsabilities

This heading mainly records provisions made based on the best estimates available to Company Directors to cover risks relating to litigation, claims and commitments in progress that are known at the end of the year and for which the expectation is that an outflow of resources in the medium or long-term is likely. In 2013 and 2012 the allocation made by the Company mainly relates to claims made by contractors. The Company's Directors do not believe that liabilities in addition to those already known that could significantly affect these consolidated financial statements will arise.

Provisions for taxes

This heading mainly records those provisions that have been allocated with respect to appeals filed by the Company 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 outflow of cash is likely that the definitive amounts and the definitive settlement they are uncertain at the date the consolidated financial statements were prepared.

Provisions for exproprations and late-payment interest

The provision for expropriations and late-payment interest records the best estimate of the amount relating to the difference between the prices paid for the appropriation of land required for the expansion of airports and the estimates of the prices that the Company will have to pay, considering that it is likely that certain legal claims in progress regarding some of the prices paid will be successful for the claimants. When estimating the amount of the differences affecting these prices the Company has taken into account late-payment interest using the current legal interest rate in force for each year as a basis of calculation.

(In thousand euro unless otherwise indicated)

Other operating provisions

This heading mainly records the provision for credits applicable to benefits of a public nature accrued by airlines that operate during certain times of the year at the airports located in the Canary Islands, the Balearic Islands, Ceuta and Melilla. In 2013 and 2012 the credits were included in the State General Budget as measures to encourage air transportation in those regions.

Royal Decree Law 17/2012 of 27 December on the General State Budgets for fiscal year 2013, set bonuses in property public contributions because of opening routes to new destinations.

In 2012 €24,122 thousand were reversed due to the fact that airlines did not request refunds within the deadline established by regulations.

Provisions for the exit plan and voluntary retirements

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

In order to carry out this plan, the Parent Company 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 31 December 2012. After receiving applications, the Parent Company verified employee compliance with the plan's conditions and in January 2013 these employees were informed of the approval of their application and their acceptance of the plan. The employees will leave the company between January 2013 and 30 June 2013. The amount of the severance payments will be partially paid as income and partially as income or capital, at the choice of the employee.

The Voluntary Retirement Plan has been considered to be an employment termination benefit and the amount of the provision totaling €134,468 thousand allocated in 2012 has been estimated based on actuarial calculations whose primary assumptions are summarized below:

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

In 2013 the Company obtained two policies from BBVA, whose main conditions are explained below:

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

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

Contingent liabilities

At the end of 2013 and 2012 the Group recognizes claims and legal disputes against it that have arisen during the normal course of its business and as a natural consequence of that business, and for which Management considers it unlikely that there will be an outflow of resources or which involve an amount that cannot be reasonably estimated.

Environmental actions

As it was described in the heading Provisions for environmental actions, as a result of the actions that were necessary to comply with environmental regulations regarding the various works required to expand and improve the airport network, the Parent Company is obligated to make a series of investments to minimize the impact of noise on homes affected by those works. At the end of 2013 and 2012, the Parent Company was involved with several claims processes which, if resolved in an unfavourable manner, could give rise to liabilities that cannot be quantified at the end of those years.

Expropriations

The Parent Company is also involved in trials relating to claims involving expropriations that have taken place and which at the end of 2013 and 2012 could not be quantified since no court decision has yet been reached and they could give rise to additional outflows of resources for expropriations.

Claims against local councils

At the end of 2013 the Parent Company has legal disputes with local councils by discrepancies in the settlement of fees for trade concessions by the exclusive use of public property.

Reus Airport

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

Airline claims 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 Aeropuertos, S.A., in 2012. The aviation industry called for the intervention of the Community body due to 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 rates for the period 2014-2018. After the agreement reached with the airline associations, these associations have suggested to their associates the resignation of claims produced. Currently, 50% of companies have introduced withdrawals. The Company's management does not consider economic consequences may arise against it.

Construction company claims

In addition to the above, at year-end 2013 and 2012, there are claims by various construction companies against the Parent Company, following the execution of several contracts for works in the airport network. So far, claims have been partially favourable to the Parent Company amounting to € 12.6 million for which Parent Company believes that non-economic consequences may arise.

Employment contingencies

There are several proceedings involving the dismissal of contractor employees that commenced in 2013 and prior years that are in various stages of resolution, but have not yet been completed as no judgment has been issued or the judgment that has been issued is not final.

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

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

There are 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 2012 and prior years that could award positions to the claimants or entitled 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.

The Parent 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.

In 2012, CC.OO. (Granada Airport) filed a claim against the Parent Company requesting the payment of the extra salary amount for December to the employees of that airport.

All of this employment litigation has not been quantified, although the estimation is that they would not be significant.

Claims of airlines

The Parent Company maintains claims and disputes by specific incidents that have generated damage to aircrafts at airports network as at 31 December 2013 the management of the Parent Company believes that it would not be significant.

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 Aeropuertos, S.A.

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

Law 11/2011 (26 August), which creates the Airport Economic Regulation Commission, regulates its composition and duties and amends the legal system for the employees of Aena (RDL 11/2011).

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

Article 92.2 c) of Law 21/2003 as amended by Royal Decree Law 11/2013 provides that the deficits that might be incurred in the years 2013, 2014, 2015, 2016, 2017 and 2018, for the implementation of adjustment increase maximum, may be recovered over the next five years. The theoretical tariff deficit by 2013, says a report issued by the Railway Regulatory Committee and the Airport September 12, 2013 amounted to € 298 million. The Parent Company believes that this type of asset does not meet all the requirements to be recognized on the balance sheet to the extent that an asset is dependent on future events.

24 Grants

The details and movements in this account at 31 December 2013 and 2012 are as follows (thousand euro):

Capital grants from official European bodies	**2013**	**2012**
1 January	688,394	658,027
Additions	20,597	62,225
Amount attributed to the income statement	(39,640)	(31,858)
31 December	**669,351**	**688,394**

At the end of 2013 the Company understands that it has complied with all requirements necessary to receive and enjoy the above grants.

Grants are mainly resources granted by the European Regional Development Fund (FEDER) for the development of airport infrastructure (see note 13).

25 Commitments

(a) Environmental commitments

Group management, faithful to its commitment to preserve the environment and the quality of life in the surrounding areas, has been making investments in this area to minimize the environmental impact of its actions and to protect and improve the environment.

Property, plant and equipment 31 December 2013 includes environmental investments amounting € 556,600 thousand, the accumulated depreciation of which totalled € 168,900 thousand (2012: environmental investments amounting € 552,600 thousand, with accumulated depreciation amounting € 152,000 thousand).

Environmental investments made are set out in detail below (thousand euro):

	2013	2012
Málaga	583	2,954
Valencia	5,399	27,215
Menorca	261	411
Madrid/Barajas	1,073	719
Barcelona	22	306
Girona	34	586
Alicante	3,855	326
Tenerife Norte	2,342	16,176
Palma Mallorca	816	1,180
SSCC Aeropuertos Españoles	-	204
Bilbao	1,630	981
Melilla	-	13
Santiago	52	-
Gran Canaria	958	318
Ibiza	1,677	360
Pamplona	305	872
A Coruña	1,544	1,038
Córdoba	-	-
Sevilla	-	66
Vigo	-	377
Other airports	923	2,533
Total	**21,474**	**56,635**

The consolidated income statement includes the following environmental expenses incurred, broken down by item (thousand euro):

	2013	2012
Repairs and maintenance	7,258	8,512
Independent professional services	1,584	1,680
Other external services	3,209	3,799
Total	**12,051**	**13,991**

Environmental provisions and contingencies are listed under Note 23. The Group's Directors do not expect any additional significant liabilities or contingencies to arise in this respect.

With respect to the Barajas Plan and based on the specifications of the resolutions dated 10 April 1996 issued by the Directorate General for Environmental Information and Evaluation, and 30 November 2001 by the General Secretariat for the Environment, the Company is sound proofing a series of homes surrounding the Madrid-Barajas airport, which involved 18,213 homes at 31 December 2013 (2012: 12,738).

In accordance with the Environmental Impact Decorations relating to the projects to expand the airports in Alicante and Málaga, the Company is executing the Sound Proofing Plan associated with those declarations, which involved the soundproofing of 1,845 homes in Alicante and 814 homes in Bilbao at the end of 2013 (2012: 1,712 homes in Alicante and 796 homes in Pamplona).

In addition since 2007 soundproofing processes have started at homes located in the areas surrounding the airports in Gran Canaria, La Palma, Menorca, Palma de Mallorca, Tenerife Norte, Valencia, Bilbao, Ibiza y Pamplona, Barcelona, Sabadell, Santiago de Compostela, Vigo, La Coruña, Melilla and Gerona, which continued to be executed at the end of 2013.

In addition, in accordance with the resolutions issued by the Ministry of the Environment under which Environmental Impact Declarations are prepared for the Company's airports, measures are being taken to prevent, correct and compensate for matters indicated in the required environmental impact studies and in the Environmental Impact

Declarations, complying with a series of conditions relating mainly to the protection of the hydrologic and hydrogeologic system, protection and conservation of land, protection of air quality, acoustic protection, protection of vegetation, fauna and natural habitats, protection of cultural heritage, relocating of agricultural services and roots, placement of drainage and grazing, landfill and auxiliary inspirations.

(b) Commitments to acquire assets

Commitments to invest in property, plant and equipment and intangible assets at 31 December 2013 but not yet incurred total € 425,480 thousand (2012: € 604,414 thousand).

(c) Operating lease commitments

The Parent Company records operating leases obtained from third parties covering certain assets, notably those indicated below together with the main characteristics of the relevant agreements (thousand euro):

Asset	Location	Maturity date	Annual rent excluding VAT	Remarks
Piovera building[1]	Madrid	1/31/2016	3,953	Scaled rent, starting in 2015 increased based on the inflation rate
Senasa Building 2	Madrid	12/31/2012 (renewable annually up to 5 years)	140	Rent revised based on the inflation rate

(1) The Company has concluded a general service agreement with the Public Business Entity "Aeropuertos Españoles y Navegación Aérea" under which the Company assumes the total amount of the annual rent and charges the Public Entity for all appropriate costs.

Total minimum future payments for irrevocable operating leases are as follows:

	2013	2012
Less than 1 year	4,590	4,222
Between 1 and 5 years	5,081	9,809
More than 5 years	-	-
Total	**9,671**	**14,031**

(d) Minimum future installments to be received under operating leases

The Company Aena Aeropuertos, S.A. leases several shops and warehouses under irrevocable operating leases. These contracts are for terms ranging between 5 and 10 years, and are mostly renewable at expiration under market conditions.

The minimum future instalments for irrevocable operating leases are as follows:

	2013	2012
Less than 1 year	787,858	736,401
Between 1 and 5 years	3,460,923	3,523,903
Total	**4,248,781**	**4,260,304**

26 Other net (losses) / profits

	2013	2012
Other losses	(5,282)	(2,814)
Other earnings	16,057	2,290
Total Other net (losses) / profits	**10,775**	**(524)**

In 2013 Other losses mainly records the results of court judgments against the Company amounting € 3,859 thousand. In 2012 records the results of court judgments against the Company amounting € 1,810 thousand and late-payment interest for expropriations.

(In thousand euro unless otherwise indicated)

The amount of other income for 2013 relates mainly to the return made by the Treasury of the Value Added Tax supported and not deducted in 2008 and 2009. The amount for 2012 relates mainly to compensation insurers.

27 Employee benefit expenses

	2013	2012
Wages and salaries, including severance indemnities amounting to € 0 thousand (2012: €10,294 thousand)	249,812	271,465
Voluntary Retirement Plan (Note 23)	(5,529)	134,468
Social Security expenses	75,643	85,619
Pension costs – defined contribution plans (Note 22)	13	118
Retirement bonus costs (Note 22)	-	1,694
Other welfare expenses	14,399	15,545
	334,338	**508,909**

The number of employees at the year-end, by category and gender, at the fully consolidated companies forming part of the Group were as follows:

	12/31/2013(*)			**12/31/2012(*)**		
Professional Category	**Men**	**Women**	**Total**	**Men**	**Women**	**Total**
Senior management	4	-	4	9	1	10
Executives and graduates	774	556	1,330	955	595	1,550
Coordinators	817	289	1,106	949	323	1,272
Technicians	2,899	1,419	4,318	3,317	1,581	4,898
Support personnel	266	296	562	355	356	711
Total	**4,760**	**2,560**	**7,320**	**5,585**	**2,856**	**8,441**

(*) The above figures include temporary employees which at the end of 2013 739 totalled 1,006 (20121: 1,006).

The average number of employees by professional category is as follows:

Professional Category	**2013(*)**	**2012(*)**
Senior management	4	9
Executives and graduates	1,408	1,556
Coordinators	1,127	1,293
Technicians	4,491	4,997
Support personnel	608	739
	7,638	**8,594**

(*) The above figures include temporary employees which at the end of 2013 totalled 817 (2012: 1,109).

The Board of Directors of the Parent Company is formed by 9 men and 3 women (2012: 9 men and 2 women). In the year 2013 a part of senior management was transferred to the shareholder (see note 34).

At 31 December 2013 has an average staff of 122 employees with disabilities (2012: 131).

28. Other operating income

The breakdown of the heading "Other operating expenses" in 2013 and 2012 is as follows:

	2013	2012
Sundry and other operating revenues	6,576	6,429
Operating grants taken to income	592	1,016
Other operating income	**7,168**	**7,445**

(In thousand euro unless otherwise indicated)

29. Other operating expenses

The breakdown of the heading "Other operating expenses" in 2013 and 2012 is as follows:

	2013	2012
Rent and royalties	1,834	2,327
Repairs and maintenance	245,812	291,809
Independent professional services	25,886	35,512
Bank services	1,548	1,687
Public relations	924	2,272
Utilities	102,636	100,871
Other services	145,950	171,108
Security services	105,992	116,954
Taxes	138,845	129,560
Losses, impairment and changes in provisions for commercial transactions	5,640	27,814
Other ordinary expenses	21,298	3,524
Other operating expenses	**796,365**	**883,438**

30 Financial income and expense

The breakdown of the heading "Net financial expense" in 2013 and 2012 is as follows:

	2013	2012
Financial expense:		
Financial expense on amounts owed to third parties	(14,296)	(31,671)
Financial expenses on loans from the Public Business Entity Aeropuertos Españoles y Navegación Aérea	(230,770)	(283,840)
Update of provisions (Note 23)	(5,029)	(3,943)
Less: financial expenses capitalized for qualifying assets (Notes 6 and 7)	9,007	22,620
Total financial expense	**(241,088)**	**(296,834)**

	2013	2012
Financial income:		
Financial income from equity instrument holdings (Note 33)	57,178	1,854
Other financial income	286	314
Total finance income	**57,464**	**2,168**

	2013	2012
Other net financial income/(expense)		
Net exchange differences	(281)	77
Impairment of financial assets held for sale (Note 11)	(52,861)	-
Impairment of financial instruments	-	(159)
Gains/(Losses) on interest rate derivatives: cash flow hedges	(12,279)	(27,396)
Total other net financial income/(expense)	**(65,421)**	**(27,478)**
Net financial expense	**(249,045)**	**(322,144)**

The most significant amounts at the end of 2013 relate to the interest concerning the Company's debt with its sole shareholder and the impairment of financial assets held for sale.

(In thousand euro unless otherwise indicated)

The most significant amounts at the end of 2012 relate to the interest concerning the Company's debt with its sole shareholder (which in 2012 decreased, mainly due to the fact of the decline in the interest rate applicable to that debt), and losses on interest rate hedge financial instruments.

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 23).

31 Income tax

	2013	2012
Current tax:		
Current income tax	98,779	26,598
Adjustments relating to prior years	(583)	(991)
Total current taxes	**98,196**	**25,607**
Deferred tax (Note 21)	998	3,115
Total deferred tax	**998**	**3,115**
Income tax	**99,194**	**28,722**

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

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

	2013	2012
Profit before taxes	**497,461**	**(92,248)**
Tax calculated at domestic rates applicable to profits in the relevant countries	(149,238)	27,674
Tax effects of:		
- Profits from associates, net of taxes	1,415	2,668
- Revenues not subject to taxation	1,891	913
-Non-deductible expenses for tax purposes	(1,691)	(1,542)
- Utilisation of unrecorded tax losses (note 13)	1,127	-
- Utilisation of tax deductions not previously recognized (note 13)	100,495	-
- Tax credits recorded in the year with the tax group (note 13)	145,778	-
-Adjustments of prior years	(583)	(991)
Tax income	**99,194**	**28,722**

The applicable tax rate before tax credits and deductions and activation tax losses stood at 30% (2012: 31%).

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

	2013			2012		
	Before taxes	**Tax (charge)/ credit**	**After taxes**	**Before taxes**	**Tax (charge)/ credit**	**After taxes**
Cash flow hedges	15,256	(4,577)	10,679	11,051	(3,316)	7,735
Share in other comprehensive income of associates	-	-	(668)	-	-	-
Other overall profit/(loss):	**15,256**	**(4,577)**	**10,011**	**11,051**	**(3,316)**	**7,735**
Current income tax						
Deferred tax (Note 21)	-	**(4,577)**	-	-	**(3,316)**	-
	15,256	**(4,577)**	**10,011**	**11,051**	**(3,316)**	**7,735**

Other issues

Law 16/2012 (27 December), which adopts several tax measures intended to consolidate public finances and to drive economic activity, establishes the possibility of a voluntary update of the value of certain assets (property, plant and equipment and real estate investments, in company balance sheets. At the date these annual accounts were prepared no decision had been taken regarding the restatement of any of the Company's assets.

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

The Public Business Entity "Aeropuertos Españoles y Navegación Aérea", the head of the tax group, is open to the inspection of the following taxes: Corproate income tax: 2002 to 2006 and 2009 to 2013; Peroanl Income Tax Withholdings: 2005 to 2006 and 2009 to 2012; Value Added Tax: 2005 to 2013; Canary Island General Indirect Tax: 2010 to 2013 and the Tax on Production, Services and Imports: 2010 to 2013.

Board of Directors of the Parent Company 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 materialize, would not have a significant effect on the accompanying financial statements.

32 Earnings per share

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

	At 31 December 2013	**At 31 December 2012**
Net profit for the year (thousand euro)	596,655	(63,526)
Weighted average number of ordinary shares	150,000,000	150,000,000
Basic earnings per share (euro per share)	3.98	(0.420)

Diluted earnings per share are calculated by dividing the results for the year attributable to the Parent Company's single shareholder by the average weighted number of outstanding ordinary shares during the year, taking into account the diluting the facts inherent to ordinary shares potentially outstanding during the year. At 31 December 2013 and 2012 there were no diluting factors that modify the amount of the basic earnings per share and therefore the figures coincide with each other.

33 Transactions with related parties

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

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

(a) *Sales of goods and services*

	2013	**2012**
Rendering of services:		
-Ultimate Parent Company	14,030	20,629
-Associated companies	9,520	20,382
-Related parties	159	307
Total	**23,709**	**41,318**

(In thousand euro unless otherwise indicated)

Purchases of goods and services

	2013	2012
Services received:		
-Ultimate Parent Company	205,526	224,700
-Associated companies	352	760
-Related parties	8,512	13,590
Total	**214,390**	**239,050**
Acquisition of assets		
-Related parties	8,029	16,080
Total	**8,029**	**16,080**

In accordance with Law 9/2010 (14 April) (Additional Provision Five), the cost of airport air traffic services are included in the amount of the Landing Fee invoiced by Aena Aeropuertos SA 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 invoiced for this service is in 2013 € 191,062 thousand (2012: €175,550 thousand in 2012(Note 5)).

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.

(b) Income from shareholdings in related companies

	2013	2012
Group Companies	-	-
Associated companies	-	-
Related companies (Note 11 and 30)	57,178	1,854
Total	**57,178**	**1,854**

(c) Key management personnel compensation

See Note 34. Other information

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

	2013	2012
Receivables from related parties (Note 13):		
Associates	1,793	5,690
Related parties	-	40
Ultimate Parent Company	18,610	33,324
Total receivables from related parties	**20,403**	**39,054**
Payables to related parties (Note 19)		
Associates	-	148
Related parties	4,337	12,564
Ultimate Parent Company	67,152	162,979
Total payables to related parties	**71,489**	**175,691**

Receivables from associates and related parties mainly arise from the purchase and sale of services. Receivables from the ultimate Parent Company arise from corporate income tax filed under the tax consolidation system. The transactions represent the main non-monetary operations with respect to consolidated cash flow. The receivables are not secured due to their nature and do not accrue interest. There is no provision for receivables from related parties.

(In thousand euro unless otherwise indicated)

Payables to related parties derive mainly from the acquisition of assets and maintenance services received. Payables do not accrue any interest.

(e) Loans and derivatives with related parties

	At 31 Decemeber	
	2013	**2012**
Non-current		
Loan to Aena Aeropuertos SA from the ultimate Parent Company	10,307,217	10,964,650
Adjustment of the balance of the non-monetary contribution through encumbered accounts	65,055	62,770
Adjustment of the balance of the non-monetary contribution	1,186	-
Adjustment of the loan from the ultimate Parent Company using the effective cost criteria.	(4,794)	(2,457)
Sub-total of loans from related parties (Note 20)	**10,368,664**	**11,024,963**
Non-current hedge derivatives attributed by the ultimate Parent Company	4,323	9,455
Sub-total of non-current debt owed by Aena Aeropuertos SA to the ultimate Parent Company	**10,372,987**	**11,034,418**
Current		
Loan from the ultimate Parent Company	952,233	807,750
Other	(364)	(85)
Loan from the ultimate Parent Company through credit facilities	-	-
Interest accrued on loans from the ultimate Parent Company	73,306	76,994
Sub-total of loans from related parties (Note 20)	**1,025,175**	**884,659**
Current hedge derivatives attributed by the ultimate Parent Company	4,983	13,398
Sub-total of current debt owed by Aena Aeropuertos SA to the ultimate Parent Company	**1,030,158**	**898,057**
Other	-	-
Current account with the ultimate Parent Company (Note 21)	-	139,405
	11,403,145	**12,071,880**

The fair values of the loans from the Parent Company (Public Business Entity "Aeropuertos Españoles y Navegación Aérea") are broken down in Note 20.

Approximately 50% of loans and credit facilities (2012: 57%) bear fixed interest rates ranging between 0.98% and 4.88% (in 2012 they ranged between 0.98% and 4.88%) per year and the remaining percentage bears variable rates, generally indexed to the Euribor. Debts to credit institutions mature in 2017 and have an average annual interest rate in a range of 0.36% - 5.54% (2012: 0.26% - 5.49% per annum).

The exposure of the Parent Company's loans and credit facilities to interest rate variations and the contract dates on which prices at the balance sheet date is as follows:

	At 31 December	
	2013	**2012**
Variable rate:		
Less than 6 months	5,773,352	6,152,294
Revisable fixed rate:		
Less than 6 months	315,435	526,519
6 months to 1 year	132,212	101,792
1 – 5 years	4,439,865	4,519,830
	10,660,864	**11,300,435**
Fixed rate	732,975	748,592
	11,393,839	**12,049,027**

As a result of the non-monetary contribution described in Note 1, the Parent Company and its single shareholder have concluded a financing agreement under which the debts relating to the contributed line of business forming part of the share capital increase described in Note 1 are transferred from the Public Business Entity "Aeropuertos Españoles y Navegación Aérea" to the Parent Company Aena Aeropuertos, S.A. In this agreement between both parties the initial that and the future cancellation conditions for that that are recognized, as is the procedure for settling interest and the repayment of the debt. It also specifies that the Public Business Entity "Aeropuertos Españoles y Navegación Aérea" is the formal borrower as regards the lending financial institutions, but it also recognizes that it is obligated to pay 94.90% (percentage of the active balance of the death of the Public Entity Aena attributable to the airport line of business at the time of the contribution) of any of the 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.

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

As the formal borrower under the financing agreements, the Public Business Entity “Aeropuertos Españoles y Navegación Área” does not come under any of the conditions for early maturity and this will not affect the balance sheet at 31 December 2013 and 2012.

The heading "Non-current borrowings" records € 10,307,217 thousand (2012: € 10,964,650 thousand) as loans payable to the group for the financing of airports and they have an established repayment schedule. It also records € 65,055 thousand (2012: € 62,770 thousand) for receivables relating to the Public Entity that had not been adjusted in the non-monetary balance. The heading "Current borrowings" records € 952,233 thousand (2012: € 807,750 thousand) in current loans payable to the group for the financing of airports with an established repayment schedule and € 73,306 thousand (2012: € 76,994 thousand) for interest accrued on loans from the ultimate Parent Company. The heading "Current account with the ultimate Parent Company" also includes the cash pooling debit balance up to a total of € 67,766 thousand (2012: credit balance up to € 139,405 thousand).

The account "cash pooling" is paid for asset positions at the average rate of short-term deposits and debt positions at the average rate of existing credit lines (Note 13).

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

- Cash pooling service procedures.
- Agreement to render airport planning services and territorial integration.
- Service agreements: Financial-administrative, quality management, contracting management, infrastructure management, personal data protection measure management, environmental area, administrative-financial processes, promotion and support for excellence, organization and human resources, general services and T.I.C. services.
- Cash pooling service procedures.
- Commitment to render services associated with strategic and structural processes/activities at the Public Business Entity and Aena Aeropuertos, S.A.
- Airport facility use agreement
- STA Agreement

In 2013 the parent company has signed the following contract:

- Partnership agreement with Ingeniería y Economía del Transporte, S.A. for the drafting and review of projects, project management and technical assistance, monitoring surveillance, engineering certification, maintenance and operation of airport facilities and processes, planning, airport development and environment, business development and airport logistics studies and designs terminals to improve operational efficiency and achieve greater cost reduction buildings.

34. Other information

Audit fees

The audit fees accrued during 2013 and 2012 by PricewaterhouseCoopers Auditores, S.L. (PwC) for audit and other verification services are set out below:

Item	2013	2012
Audit services	68	67
Other attest services	-	10
Other services	292	255
Total	**360**	**332**

No fees were paid to other companies in the PwC network.

The fees accrued in 2013 and 2012 by other audit firms for audit and other services are indicated below (thousand euro):

Item	2013	2012
Audit services	-	-
Other verification services	22	-
Other services	347	709
Total	**369**	**709**

Compensation for Senior Management and Directors

The compensation received in 2013 and 2012 by Company Senior Management and Directors, classified by item, was as follows (thousand euro):

	2013			2012		
Item	Senior management	Board of Directors	Total	Senior management	Board of Directors	Total
Salaries	579	-	**579**	972	-	**972**
Per Diems	17	97	**114**	18	100	**118**
Pension plans	-	-	**-**	-	-	**-**
Insurance premiums	3	-	**3**	8	-	**8**
Total	**599**	**97**	**696**	**998**	**100**	**1,098**

The amount of the services received by the ultimate Parent Company includes support services provided by the President and CEO of AENA and senior management personnel performing functions for Aena Aeropuertos, SA, from the Public Enterprise "Aeropuertos Españoles y Navegación Aérea" (AENA), amounting to € 526 thousand in 2013 (2012: € 128 thousand).

No prepayments or loans had been granted to Senior Management or Directors at the end of 2013 and 2012. In addition, no pension or life insurance commitments have been entered into with respect to former or current Directors.

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

In 2013 and 2012 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 Parent 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.

At 31 December 2013 and 2012 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 Parent Company.

35 Events after the balance sheet date

No relevant events after the balance sheet date have been identified at the date these consolidated financial statements were prepared, different from what is mentioned below:

- On 19 March 2014 the Department of Tax and Customs Control notified the Entity Aena Aeropuertos, SA the beginning of an audit and research relating to value added tax for the year 2013 (Note 31).

CONSOLIDATED DIRECTORS' REPORT 2013

"AENA AEROPUERTOS, S.A." AND SUBSIDIARIES

(Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group. In the event of a discrepancy, the Spanish-language version prevails).

CONTENT

“AENA AEROPUERTOS, S.A.”AND SUBSIDIARIES

Consolidated Directors’ Report 2013

This report contains the most relevant data regarding Aena Aeropuertos, S.A. and subsidiaries (“Aena Aeropuertos” or “the Company”) and its management during 2013.

Aena Aeropuertos is the leading worldwide operator in terms of passenger volume. Moreover, the Company owns two out of the ten most important airports in Europe in terms of passengers; Madrid (ranked 6th) and Barcelona (ranked 10th) with five of its airports handling over 8 million passengers per year. Aena´s extensive airport network (46 airports and 2 heliports), coupled with its diversity has enabled the Company to gain ample experience in the management of airports of different types and sizes.

With the management carried out in recent years the Company has obtained economic feasibility. The three main pillars for growth have been: improved management efficiency and cost reduction, increase in the volume of revenue both from aviation and commercial activities and investment planning. The implementation of an ambitious cost reduction plan, as well as measures for improving operational efficiency and productivity have already yielded results.

As concerns revenue, the increase in revenue from commercial activities and activities outside the terminal is worthy of mention. In this respect, a Commercial Action Plan applicable to all business lines was implemented whose effects, given that the measures were implemented in 2013, will be made apparent in coming years. Such measures include new tenders, increasing and remodelling the spaces allocated to the commercial activity, attracting top national and international food service and retail brands and improving VIP lounges, including the promotion and design of a new business model for the integral management of the car parks in the network’s airports.

Furthermore, it should be highlighted that the number of tourists arriving in 2013 Spain reached a record high of 60.7 million, of which almost 49 million (four out of every five) arrived through the Aena network. As a result of this increase in the inflow of tourists, Aena Aeropuertos has set a new record of international passengers (69% of the network’s total passengers). This coupled with the macroeconomic development, the creation of a total of 314 new routes in 2013 and improved performance of national traffic in the last four-month period of the year, has resulted in a positive increase in the network’s traffic over the last two months of 2013.

Over the last decade, Aena Aeropuertos has made important investment efforts which have placed its airports among the most modern and competitive airports in the world, with cutting edge facilities and a huge potential for growth. There has been a significant decrease in investment requirements as a result of having provided the network’s airports with the necessary capacity to absorb future traffic growths in the coming years. After concluding a period of important investments in new infrastructures, thought is being given to a new investment planning scenario, giving priority to improved maintenance and security, without reducing the quality of services.

At international level, priority has been given to the contribution of value to management, and as a first step, it should be noted that on 27 November 2013, Aena Aeropuertos (with a 40% holding) together with Ardian completed the purchase of Luton Airport (fourth London airport in terms of passenger traffic).

This group of measures implemented, both with respect to reducing expenses and optimising revenue, has entailed an important restructuring of the Company and has enabled it to enter into profitability, almost duplicating adjusted EBITDA in two years, going from an adjusted EBITDA in 2011 of 883 M€ to 1,610 M€ in 2013. In turn, Aena Aeropuertos has gone from recording losses of 215 million euros in 2011 to recording a net profit of 597 million euros in 2013. The above has led to a reduction in borrowing (measured as net financial debt divided by adjusted EBITDA) from 13.8x in 2011 to 7.1x in 2013.

1. MACROECONOMIC ENVIRONMENT

1.1 Macroeconomic situation

Advanced economies, taken as a whole, witnessed an economic improvement in 2013 due mainly to expansionary monetary policies adopted by the main central banks, whilst the rate of growth of emerging economies was moderate.

In relation to economic developments in Europe, where the main countries that emit air traffic to Spain are concentrated, 2013 saw a progressive improvement in the economic environment and a decrease in pressure associated to the prevailing debt crisis. The Euro zone emerged from its economic recession in the second quarter of the year whilst the Spanish economy did so in the following quarter.

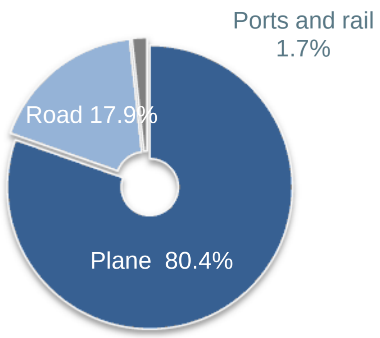
The Spanish economy has benefitted from the improved financial environment, which has favoured the drop in the risk premium and the inflow of foreign capital. Within this context, the Spanish economy was back on a positive growth path in the third quarter of the year and continued its improvement through the final stretch of the year. According to data published by the INE (National Institute of Statistics), in 2013, GDP fell by 1.2%.

1.2 The air transport sector and tourism performance

Air transport is a strategic sector for Spain due to its economic and social impact. It accounts for 7% of Spain's GDP as well as contributing in terms of connectivity, accessibility, cohesion and territorial structure.

The figures published by the Institute for Tourism Studies show that a record 60.7 million tourists visited Spain in 2013, an increase of 5.6% with respect to the previous year. With this, Spain beats its record of tourists in 2008 (58.7 million), recovering its third position in tourist arrivals, ahead of China and behind France (83 million) and the US (67 million). Tourism accounts for 11% of Spain's GDP. This has been accompanied by an increase in tourist spending with visitors spending almost 60,000 million euros in Spain, which represents a 9.6% increase according to the latest tourist spending survey.

Of the total foreign tourists (non-resident, which amounted to 60.7 million), that visited Spain during 2013, 48.8 million (80.4% of the total figure) travelled by air, 17.9% travelled by road and 1.7% used other means of transport (rail and sea). Additionally, it should not be forgotten that Spain is the gateway to Latin America.



TOTAL:
60.7 foreign tourists

Source: Turespaña data. Frontier Tourist Movements (Frontur) – December 2013

The tourist emitting countries have been mainly the UK (23.6% of the total), Germany (16.2%), France (15.7%), Nordic countries (8.0%), Italy (5.4%) and the Netherlands (4.3%). A 73.3% of the total number of tourists who visited Spain last year were residents of these countries. The performance of all these tourist emitting countries has been positive. The majority present a growth of between 5% and 6%, although the Nordic Countries with a 16.9% growth should be highlighted.

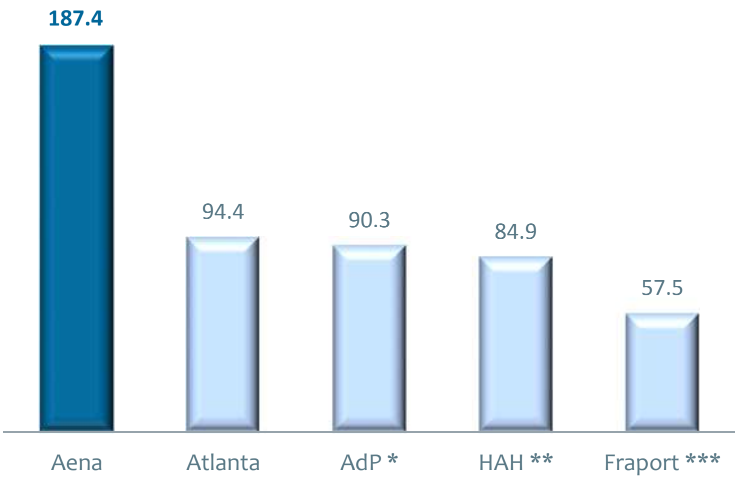
On the other hand, the performance of national tourism has been less favourable since internal travel has fallen – 0.6% according to the same sources (Institute for Tourism Studies), which indicate that Spanish residents made 12.2 million trips abroad, a variance of -8.7% with respect to 2012.

2. ACTIVITY

2.1 World leader in airport management

Since its creation, Aena Aeropuertos has worked relentlessly to become what it is today: the world's leading airport operator in terms of passenger volume and number of airports.

Traffic figures for the main airport operators in 2013



** AdP includes only the Paris airports*
*** Heathrow Airport Holdings Ltd.*
****Fraport only includes Frankfurt airport*
Source: Data published by the companies

The airports and helicopters, taken as a whole, operated by Aena Aeropuertos include at the 2013 year-end, two of Europe's top ten airports in terms of passenger volume: Madrid-Barajas and Barcelona-El Prat, in sixth and tenth place, respectively.

Ranking of European airports by passenger volume 2013

Rk	Airport	Million Passengers
1	London -Heathrow	72.4
2	Paris-Charles de Gaulle	62.1
3	Frankfurt	58.0
4	Amsterdam	52.6
5	Istanbul	51.1
6	Madrid-Barajas	39.7
7	Munich	38.7
8	Rome-Fiumicino	36.2
9	London -Gatwick	35.4
10	Barcelona-El Prat	35.2

Source: Data published by ACI Europe

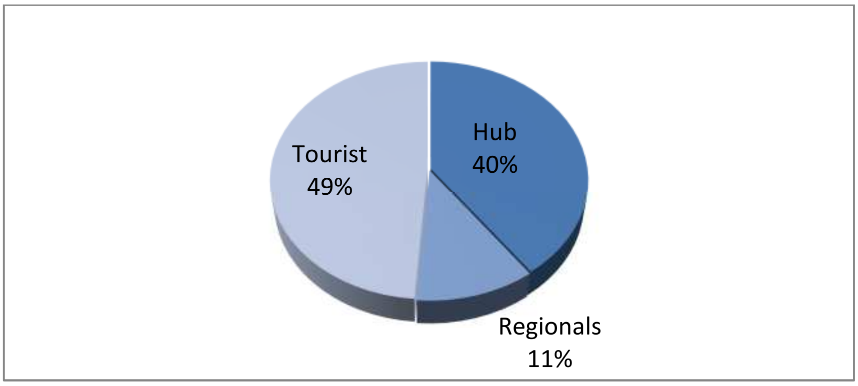
Furthermore, in 2013, four of the airports operated by Aena Aeropuertos recorded traffic in excess of 8 million passengers, including Palma de Mallorca Airport, which had more than 22 million passengers and Malaga-Costa del Sol Airport, with almost 13 million passengers that year.

2.2 Main figures of the Aena Aeropuertos network

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

Affected by a negative macroeconomic scenario, in 2013, according to provisional data, the airports comprising the Aena Aeropuertos network recorded 187.4 million passengers, which represents a 3.5% decrease with respect to 2012, operated more than 1.79 million flights (7.0% less) and transported over 638,000 tons of merchandise (-2.0%).

In 2013, the 14 tourist airports comprising the Aena Aeropuertos network accounted for 49% of total passengers, the 2 hubs supplied 40% and the 25 regional airports 11%.



Typology of airports operated by the Aena Aeropuertos network

Typology	Number	Passengers 2013 (million)
TOURIST Palma Mallorca, Malaga, Alicante, Gran Canaria, Tenerife Sur, Ibiza, Lanzarote, Valencia, Fuerteventura, Girona, Menorca, Reus, La Palma and Almeria	14	91.5
HUB Madrid-Barajas and Barcelona-El Prat	2	75.0
REGIONAL Seville, Bilbao, Tenerife Norte, Santiago, Asturias, Santander, Jerez, A Coruña, Vigo, FGL Granada-Jaén, Zaragoza, Melilla, San Sebastián, Pamplona, El Hierro, Burgos, La Gomera, Vitoria, Logroño, Murcia-San Javier, Valladolid, León, Badajoz, Salamanca and Albacete	25	20.9
HELIPORT (Ceuta and Algeciras) GENERAL AVIATION * (Córdoba, Huesca-Pirineos, Madrid-Cuatro Vientos, Son Bonet and Sabadell)	7	0.02
Total	46 airports + 2 heliports	187.4

** Includes the traffic of Madrid-Torrejón which operates as a military base since February 2013 and is closed civil air traffic*

International presence

Aena Aeropuertos also has a significance presence outside Spain, as reflected by its presence in 15 international airports through direct holdings, which in 2013 recorded global passenger traffic of 40.8 million, an increase of 8.5% with respect to 2012.

The number of passengers in those airports in which Aena Internacional has a presence at the 2013 year-end: 12 in Mexico, 2 in Colombia and 1 in the UK (Luton), is included for comparison with 2012 passenger traffic figures.

2013 total traffic passenger in the investee airports

Number of passengers	2012	2013	%13/12
Grupo Aeroportuario del Pacífico (GAP)	21,287,278	23,171,300	8.9%
Luton	9,631,200	9,710,771	0.8%
AeroCali (Cali)	3,819,777	4,526,121	18.5%
Soc. Aerop. Costa (Cartagena de Indias)	2,884,504	3,399,142	17.9%
TOTAL	37,622,759	40,807,334	8.5%

2.3 The airport network of Aena Aeropuertos

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

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

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

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

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

Group II: comprising airports that handle between 0.5 and 2 million passengers a year. This group comprises 11 airports: Almeria, Asturias, FGL Granada-Jaén, Jerez, A Coruña, Murcia-San Javier, Reus, Santander, Santiago, Vigo and Saragossa.

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

- Air bases open to civil traffic: Valladolid, León, Badajoz, Salamanca, Torrejón (*since February 2013 it is a military base that is closed to civil traffic)* and Albacete.
- Civil airports with commercial traffic: Melilla, San Sebastián, Pamplona, Burgos and Logroño-Agoncillo.

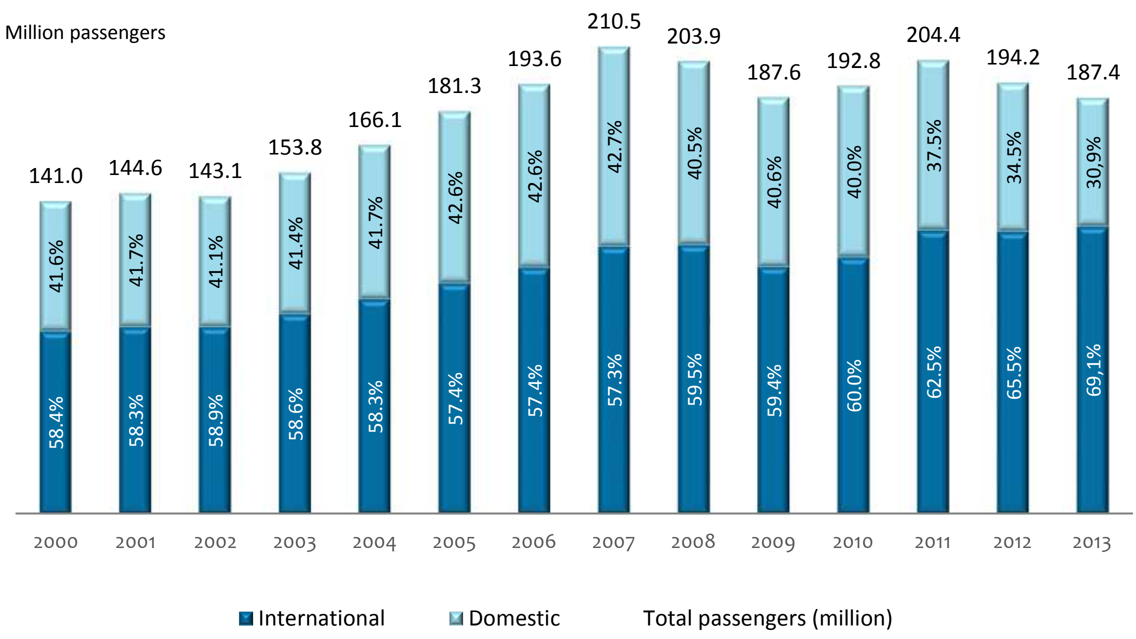
• Cargo airport: Vitoria.
• Heliports: Ceuta and Algeciras.
• General aviation airports: Córdoba, Sabadell, Son Bonet, Madrid-Cuatro Vientos and Huesca-Pirineos.

As opposed to an individual management scheme, the network management model offers important advantages to Aena Aeropuertos in terms of optimisation of operations (such as, for example, in the generation of interconnecting traffic), security and the management of commercial revenue and important cost synergies resulting from operating as a network, which materialise in operating costs and staff costs per passenger, 41% and 53%, respectively, lower than the average of the five main European suppliers, according to the report "Airport Performance Indicators, 2013" published by Leigh Fisher. It also offers greater market diversification and a greater capacity to interact with airline companies. Additionally, it is the basis for international growth given the Company's proven track record as operator of airports of different types and sizes.

2.4 Typology of traffic

The relationship between traffic growth and the global financial cycle has conditioned the trend in national and international traffic in the airports operated by Aena Aeropuertos, with international traffic performance stronger than domestic traffic during the period of economic crisis.

Domestic and international traffic trend in Aena´s airports



Aena Aeropuertos closed 2013 with a total of 187.4 million passengers, down 3.5% with respect to 2012. However, the performance has not been consistent across all types of traffic and airports comprising the Aena network.

The main characteristic this year has been the strong performance of international traffic which continues its year-on-year growth. Passengers arriving from or flying outside Spain, account for almost 70% of the total. In this year, this type of passenger has increased 2.1% (compared to the 3.5% decrease in total traffic), and more than 129 million passengers were registered during 2013, a record figure for the Company.

National passengers have decreased 14.0% compared to the previous year and operations have likewise decreased 16.4%, both linked to the macroeconomic situation in Spain. However, as from September there is improved performance owing to the deceleration in the decrease of national traffic. Thus, a certain change in trend is observed since the end of 2013, supported by the first months of 2014, with a decrease in national passenger traffic of -4.2% (in February).

With respect to the distribution of traffic by geographical area, the following should be highlighted:

- the increase in the traffic quota with Europe from 58.3% in 2012 to 61.9% in 2013, which represents a 2.4% increase and, in quantitative terms, 2.7 million passengers more than in 2012, and conversely

- the decrease in domestic traffic, with a quota of 30.9% in 2013 compared to 34.6% in 2012, resulting from a decrease of almost 14%, i.e. 9.4 million passengers less than in 2012.

Distribution of passenger traffic by geographical area

Region	Passengers 2012	Passengers 2013	%13/12	Change in passengers	% share 2012	% share 2013
EUROPE(1)	113,302,245	116,006,871	2.4%	2,704,626	58.3%	61.9%
SPAIN	67,196,423	57,823,418	-13.9%	(9,373,005)	34.6%	30.9%
LATIN AMERICA AND THE CARIBBEAN	5,741,783	5,428,774	-5.5%	(313,009)	3.0%	2.9%
NORTH AMERICA (2)	3,822,670	3,596,278	-5.9%	(226,392)	2.0%	1.9%
AFRICA	2,315,348	2,418,357	4.4%	103,009	1.2%	1.3%
MIDDLE EAST	1,489,341	1,726,718	15.9%	237,377	0.8%	0.9%
ASIA-PACIFIC	362,889	360,931	-0.5%	(1,958)	0.2%	0.2%
Total passenger traffic	194,230,699	187,361,347	-3.5%	(6,869,352)	100.0%	100.0%

(1) Excludes Spain
(2) Includes US and Canada

3. BASIS FOR GROWTH

Aena Aeropuertos has carried out a huge transformation process which has laid down the basis for its future growth. The main pillars upon which this transformation is based are: (i) efficiency improvements and cost-cutting; (ii) increase in revenue both from aviation and commercial activities and from activities outside the terminal; (iii) investment planning and; finally (iv) the new approach to international strategy.

3.1 Efficiency improvements and cost-cutting

Over the last two years, Aena Aeropuertos has developed an ambitious plan to reduce costs as well as measures for improving operational and productivity efficiency which has already yielded results.

This effort to reduce costs is reflected in a saving of almost 124 million euros in current expenditure in 2013 with respect to 2012, which represents a decrease of 8.5%.

The most significant reduction has been in “Other operating costs” which have decreased by 9.9% (87.1 million euros) to 796.4 million in 2013 as a result of the efficiency and operational measures implemented during 2012 and 2013.

3.2 New sources of revenue

3.2.1 Increase in commercial revenue

In 2013, commercial revenue (from services provided both inside and outside the terminals) reached 699 million euros, an increase of 3% with respect to the previous year. The new long-term Duty-Free, food service and parking contracts signed will continue to provide increased revenue and create new business.

To improve the performance of the commercial premises, Aena Aeropuertos has implemented certain measures which affect all lines of business, most of them carried out during 2013, thus yielding results in the coming years. These include:

- New tenders. Worthy is mention is the awarding of the Duty Free contract with a minimum guaranteed revenue over seven years.
- The increase in and remodelling of the spaces allocated to the commercial activity. The commercial surface area has increased during 2013 by more than 41,000 square metres, increasing the number of commercial

premises (shops and food service) in the Aena network of airports from 713 at the end of 2012 to 797 at the end of 2013.

- The attracting of top national and international food service and retail brands. Specifically, the introduction of 15 new important food service brands and 27 brands of recognised prestige in the new line of business focused on luxury shops.
- Developing and improving VIP lounges, including the promotion thereof.
- The design of a new business model for the integral management of the car parks of the network.

In addition to the above, the future increase in traffic will also contribute to higher commercial revenue thereby increasing the profitability of the Company.

3.3 Investment planning

Over the last decade, Aena Aeropuertos has made significant investment efforts which have placed its airports among the most modern and competitive in the world with cutting- edge facilities and a huge potential for growth. There has been a significant decrease in investment requirements as a result of having provided the network's airports with the necessary capacity to absorb future traffic growths in the coming years, as shown by the trend in investments over recent years which has fallen by approximately 1,000 million euros with respect to the average annual investment for the period 2000-2010.

After concluding a period of important investments in new infrastructures, thought is being given to a new investment planning scenario, giving priority to improved maintenance and security, without reducing the quality of services. Thus, investments made in 2013 (492 million euros), have coincided mainly with investments made to improve facilities, operational safety and provide support to the strategy of increasing commercial revenue. Current infrastructures are large enough to meet future increases in activity and therefore no significant investments in projects relating to increasing capacity have been necessary, with the exception of those capacity-related investment projects already initiated.

The effort (investment and expense) in R+D+i by Aena Aeropuertos during 2013 has totalled 2.6 million euros and relates mainly to the incorporation of innovative solutions to improve the quality, security and efficiency in the management, services, and infrastructures of Aena Aeropuertos.

3.4 International growth

Aena Aeropuertos, through its subsidiary, Aena Desarrollo Internacional S.A. (Aena Internacional), carries out the management of airport infrastructures which promote the development of its international business, to commercialise its experience abroad and project its position as leading airport operator in the global market.

Aena Internacional carries out its activity through holdings in companies that operate airport assets. Its holding in these companies as industrial shareholder with vast experience in the airport sector, is complemented generally, with contracts for the supply of technical assistance services and transfer of technology concluded with such airports.

In 2012, priority was given to the contribution of value to management. As a first step, and as a result of the joint disinvestment with Abertis of the assets of TBI (in which Aena Aeropuertos has a minority holding, 10%), Aena Aeropuertos sold its minority holdings in Cardiff airport (March 2013) and Belfast International airport in the UK, Skavsta airport in Sweden and Orlando airport in the US (September 2013).

Additionally, and as part of the same disinvestment process, without any cash outflow for Aena Aeropuertos, S.A., the Company, together with Ardian (formerly known as Axa Infrastructure Fund III) completed the acquisition of Luton Airport on 27 November 2013. Aena Aeropuertos has a 40% holding whilst Ardian holds 60%. Luton is the fourth London airport in terms of passenger traffic (9.7 million in 2013), and is expected to close 2013 with total revenue of 144.1 million euros and EBITDA of 47.7 million euros.

As a result of the above disinvestments and investments, at the end of 2013 Aena Aeropuertos (through Aena Internacional) has holdings in 15 airports outside Spain (twelve in Mexico, two in Colombia and one in the UK).

4. ANALYSIS OF RESULTS

4.1 Income statement

Aena Aeropuertos' ordinary revenue was up 10.7% in 2013 to 2,876.7 million euros, representing an increase of 278.3 million euros.

Operating costs reflect a significant reduction as a result of the saving measures introduced in previous years which has resulted in general decrease of the same. In terms of specific expenditure items, the most important changes corresponded to :

- Staff costs which reached 334 million euros in 2013.
- Other operating costs. This item saw the most significant reduction, down 9.9% (87.1 million euros) to 796.4 million euros in 2013, as a result of the efficiency and operational measures implemented during 2012 and 2013.
- Fixed asset depreciation, whose amount (817.7 million euros in 2013) presents a variation with respect to 2012 of 15.7 million euros (-1.9%). This decrease in expense is due to the assets reaching the end of their useful, highlighting the Torrejón installations owing to discontinuation of activity.
- Impairment, disposals of fixed assets and other profit/(loss). Disposal of assets is due to works projects which were not carried out as a result of the reduction contained in the Investment Plan for the coming years. As a result, this expense has grown from 25.6 million euros in 2012 to 56.0 million euros in 2013.

Adjusted EBITDA has increased from 1,214.6 million euros in 2012 to 1,610.0 million euros at the end of 2013, representing a 32.6% increase.

Operating profit/(loss) rose to 741.8 million euros (an increase of 235.6% with respect to 221.0 million euros in 2012).

On its part, net financial expense is down by 22.7%, from -322.1 million euros in 2012 to -249.0 million in 2013. This improvement of 73.1 million euros is mainly due to:

- Decrease in interest expense from 283.7 million euros in 2012 to 226.0 million euros in 2013, due to the effect of lower average rates for the period and reduction in average borrowing.
- Decrease in late-payment interest due to expropriations carried out, which dropped from 30.9 million euros in 2012 to 13.8 million euros in 2013.

Net financial income/expense in 2013 stood at 596.7 million euros, compared to losses of 63.5 million euros in 2012, clearly reflecting the Company's profitability.

4.2 Consolidated balance sheet, capital structure and cash flow statement

Net assets and capital structure

Total assets decrease in 2013 compared to 2012, as a result of the decrease in non-financial assets and also because the depreciation charge for the year (817.7 million euros) is lower than the amount of fixed asset additions for the year (350.4 million euros).

The decrease in non-current assets is compensated, in part, by an increase in current assets due to the increase in cash generated by the Company which is reflected in current operations with the public entity Aena (which result in a positive debit balance in the current account with its shareholder in the item " other accounts receivable with related parties") and an increase in the credit that the Aena Aeropuertos Group maintains with its shareholder in respect of unused tax losses, interim corporate income tax payments and other deductions treated as assets owing to tax consolidation, arising from corporate income tax for the year.

The improvement in the Company's operating cash flow and cost saving, coupled with an improvement in the supplier payment period and investment planning (which results in an important reduction in the balance recorded under "Trade and other payables"), have contributed to improving the Company's working capital, normally negative owing to the Company's operations and financing, from 1,684.7 million euros in 2012, to 1,288.7 million euros in 2013.

The sharp increase in equity is due to profit for 2013 (596.6 million euros compared to losses of 63.5 million euros in 2012).

There is also a significant decrease in the borrowing ratio (calculated as net financial debt divided by adjusted EBITDA) from a value of 9.9x in 2012 to 7.1x in 2013, due to the aggregate effect of the improvement in EBITDA.

Explanations regarding the consolidated cash flow statement

Net cash flow from operating activities

The main collections from operations correspond to collections from customers, both airlines and commercial lessees, insofar as the main payments relating to operating activities are payments to creditors for the supply of sundry services, staff and local and state taxes.

Cash generated from operating activities before changes in working capital, increases significantly in 2013 (+35.1%), to 1,615.2 million euros, from 1,196 million euros in 2012, mainly as a result of the increase in Company operations which is reflected in the adjusted EBITDA figure of 1,610 million euros. Such increase in EBITDA derives mainly from cost contention and saving measures and an increase in revenue.

Interest paid relates mainly to the payment of interest on the “mirror debt” with the Group (229.7 million euros), and other interest payments (28.6 million euros). The decrease in interest payments is due to a reduction in average borrowing and the average rate of the same.

Corporate income tax payments in 2013 have increased to 112.3 million euros as a result of compliance with the legislation on payments in instalments of such tax.

As a result of the above, the net cash generated from operating activities has increased considerably reaching 1,196.9 million euros, compared to 913.9 million euros in 2012.

Net cash flow from investment activities

The main payments relating to investment flows relate to acquisitions and replacements of non-financial assets relating to airport infrastructure.

During 2013 these payments have decreased significantly from 815.4 million euros in 2012 to 492.3 million euros. Thus, investments made in 2013, have coincided mainly with investments to improve facilities, operational safety and provide support to the strategy of increasing commercial revenue.

Cash flow from financing activities

- The main positive cash flows from financing activities relate to a new debt arranged with the parent company, under the existing financing contracts between them. The amount of the new long-term debt paid in 2013 amounts to 294.8 million euros (715.5 million euros in 2012).
- The main negative cash flows from financing activities relate to the repayment of the principal relating to the mirror debt (item “Repayments of Group financing”). Debt repayments amount to 807.8 million euros owing to compliance with the schedule of payments established in the contract. No bank loans have been refinanced.
- Moreover, the Company has paid short-term debts in 2012 totalling 139.4 million euros recognised with the parent company.
- Likewise, the investee company Aena Desarrollo Internacional repaid debts with credit institutions totalling 3.3 million euros.

4.3 Description of the main financial risks

The activities of the Aena Aeropuertos Group expose the same to various financial risks: market risk (including foreign exchange risk, fair value interest rate risk and price risk), credit risk and liquidity risk. The Group’s global risk management program is focused on the uncertainty of the financial markets and tries to minimise any potential adverse effect on its financial profitability. The Group uses derivative financial instruments to cover certain exposures to risk.

The Board 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 Aeropuertos S.A. and the parent company derived from the contribution in kind that resulted in the creation of Aena Aeropuertos S.A., whereby 94.9% of the parent company’s bank debt was assumed.

4.3.1 Market risk factors

Exchange rate risk

The Group does not usually undertake business transactions in currencies other than the Euro. The exchange risk arises because the Group has several minority investments abroad, whose net assets are exposed to foreign exchange rate risk. The exchange rate risk with respect to the net assets of transactions abroad is managed, principally, through external funds denominated in the relevant foreign currencies.

Cash flow and fair value interest rate risk

The Company's interest rate risk is linked to the financial debt agreement concluded with the parent company through the "mirror loan" at the time of setting up the Spanish public limited company. Loans issued at variable interest rates expose the Group to cash flow interest rate risk, which is partially compensated by maintaining cash flows at variable rates. Fixed-interest loans expose the Group to fair value interest rate risk.

The Group's objective in the management of the interest rate risk is to optimise financial expenditure within the established risk limits, the risk variables being the three-month and six-month Euribor (used for long-term and short-term debts) and the one-month Euribor (used in loan documents).

Additionally, the risk value of financial expenditure is calculated with a view to the Multiannual Action Plan (MAP) and interest rate fluctuation scenarios are established for the period being considered.

Financial expenses are due mainly to the financial debt recognised with the parent company. Likewise, the parent company has concluded interest rate hedging contracts which are transferred to the Company. The cost of 95.23% of such derivatives is allocated to the Company given that they cover such percentage of interest rate risk in respect of certain loans.

At 31 December 2013, if the interest rate on variable interest rate loans had increased or decreased by 20 basic points, and the rest of variables remain unchanged, profit before taxes for the year would have been 10,800 thousand euros higher or 10,800 miles euros lower, respectively (2012: 9,200 thousand euros higher and 9,200 thousand euros lower, respectively.) However, the Regulatory Framework established by Law 1/2011 of 4 March 2001, which establishes the National Program for Civil Aviation Safety and amends Law 21/2003, of 7 July 2003, on Air Safety, establishes a system for updating tariffs that protects Aena 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.

4.3.2 Credit risk

The Group's credit risk derives from cash and equivalents, derivative financial instruments and deposits in banks and financial institutions and by the exposure to credit of trade accounts receivable and agreed transactions.

Credit risk relating to trade accounts is reduced given that the main customers are airlines and payments are in cash or in advance. As concerns commercial customers with lease contracts in the different airports, risk is managed by obtaining guarantees and deposits.

On 5 March 2011, Law 1/2011 of 4 March 2011 was published in the Official State Gazette, amending Law 21/2003 of 7 July 2003, on Air Safety, approving the use of enforced collection proceedings for the management, settlement and collection of all levies of a public nature charged by Aena Aeropuertos, S.A or its subsidiaries, which shall be managed by the collection bodies of the Tax Administration State.

The credit limits have not been exceeded during the year and Management does not expect any loss not provided for owing to non-compliance of these counterparties.

4.3.3 Liquidity risk

The main risk variables are: limitations in the financing markets, increase in forecast investment and decrease in cash-flow generation.

In order to maintain sufficient liquidity to meet the financial requirements over a minimum of twelve months, the parent company has established a long-term financing policy and arranged short and medium-term liquidity lines. Therefore, the entity that obtains outside financing to fund Aena Aeropuertos, S.A. through contracts of recognition of debt and intra-group debt, is the parent company.

The credit risk policy and operations of the parent company stated above lead to very favourable average collection periods. Although at 31 December 2013 the Group records a negative working capital of 1,288,749 thousand euros (2012: 1,684,730 thousand euros), and profit after taxes of 596,655 thousand euros (2012: 63,526 thousand euros in respect of losses for the year), the risk of not meeting its short-term commitments is not considered to exist given the positive cash flows which have allowed a reduction in negative working capital in recent years and which the parent company expects will continue to be positive in the short-term.

Additionally, in order to be able to meet its investment commitments and short-term debts the parent company receives financial support from its shareholder, through approved credit lines which have not been drawndown by the controlling company, totalling 425 million euros and its own operating cash flow. In the light of such circumstances, the Administrators of the controlling company do not consider that there would be any problems in meeting payment commitments.

5. BUSINESS AREAS

5.1 Aviation

In 2013 total revenue reached 2,217.5 M€, up 12.2% with respect to 2012.

At the end of 2013, Aena Aeropuertos operates a total of almost 3,100 routes, of which 314 (10%) were created during the year. In order to identify and develop new strategic routes, Aena Aeropuertos participated in seven noteworthy international forums: Routes Europe (Budapest), World Routes (Las Vegas), IATA Slot summer conferences (Dallas) IATA winter conference (Copenhagen) and the international tourism trade fairs organised by FITUR-Madrid, ITB-Berlin and MITT-Moscow. A number of 342 meetings were held with 139 airline companies, 37 international airports and 18 companies or institutions, in order to promote Spanish airports, facilitate their work and resolve any issues considered relevant when carrying out their activity. One of the focal points for promoting airport connectivity is the co-ordination of the commercial activity with local, regional and national institutions with competence in matters of tourism. Aena is working to create Airport Coordination Committees. These Committees will work to increase air traffic. In December 2013 the Madrid Airport Co-ordination Committee was created.

Aviation expenses incurred in 2013 amounted to 1,850 million euros, down 12% with respect to 2012. The decrease has been possible due to the cost saving measures implemented throughout 2012 with lower costs and the decrease in the volume of investments which coupled with the assets reaching the end of their useful lives has entailed a decrease in the depreciation charge.
As concerns net financial income/expense, the decrease in average borrowing and average rates has resulted in an improvement of 20.7%, with net financial expense going from 277.6 million euros in 2012 to 220 million euros in 2013. The above effects have allowed:

- adjusted EBITDA to increase by 50.7%,
- an operating profit of 367.7 million euros, compared to an operating loss of -121.2 million euros in 2012.
- profit before tax of 147.4 million euros, compared to loss before tax of -398,9 million euros in 2012.

5.2 Commercial services and services outside the terminal

One of the main objectives of Aena Aeropuertos is to optimise revenue from commercial activities and services outside the terminal stemming from its different lines of business present at airports while at the same time meeting the requirements and demands of the various users. In 2013, ordinary revenue from commercial activities and services outside the terminal reached 699 million euros (24.3% of total ordinary revenue) up 3% with respect to 2012 (20 million euros of increase). It should be highlighted that the majority of the measures were implemented in 2013 and therefore the results will be reflected over the coming years.

This segment has taken place within the context of a downward environment in passenger traffic (-3.5%), and has therefore resulted in an increase in the ratio of revenue from commercial activities (including services outside the terminal) per commercial passenger, from 3.52 €/passenger in 2012 to 3.75 €/passenger in 2013. However, the measures have not yet been implemented in their entirety, therefore, their positive impact will be reflected in the coming years.

This segment comprises two areas depending on whether the services are supplied inside the terminal (duty-free shops, specialised stores, food services, advertising, car rental, VIP lounges, banking and consumer services/supplies) or outside the terminal (car parks and various assets of an industrial or real estate nature such as land, warehouses, hangars and air cargo).

5.2.1 Commercial activities

Revenue in 2013 reached 557.8 million euros, up 3.8% with respect to 2012. The new duty-free and food service contracts have permitted the increase despite the unfavourable trend in passenger traffic linked to the macroeconomic situation.

As in the case of aviation, the restrictive expenditure policy is also reflected in the commercial area, representing a 6.7% saving with respect to 2012, of 14.3 million euros.

The increase in revenue and decrease in expenses has resulted in an adjusted EBITDA of 429.7 million, an improvement of 5.9% with respect to 2012.

On the other hand, with the contribution of net financial income/expense stronger than in 2012, profit/(loss) before tax has increased 12.8%, to 342 million euros.

In 2013, commercial revenue reached 552.8 million euros, up 3.6% with respect to the previous year. These figures have been made possible by promoting and reconsidering the commercial activity through the use of several strategies implemented during 2013, the two main strategies being:

- Increasing and optimising the commercial surface areas (redesigning duty free shops into walk-through format) with a view to making maximum use of passenger traffic.

- Optimising the contracting process for awarding commercial concessions (improving the mix of commercial products, incorporating top national and international brands) and carrying out promotional and marketing activities.

5.2.2 Services outside the terminal

Services supplied outside the terminal comprise car parks and various assets of industrial or real estate nature, such as land, warehouses, hangars and air cargo. In 2013, this revenue reached 146.2 million euros, up 0.5% with respect to 2012.

6. HUMAN RESOURCES

6.1 Workforce details

At 31 December 2013, the total number of employees, including Aena Internacional staff, was 7,320, which represents a 13.3% decrease compared to 2012.

6.2 Recruitment and training

In relation to recruitment, the main actions taken by Aena Aeropuertos have been:

a) Graduates, core personnel and Managers:

  - There was no external recruitment of graduates in 2013.
  - In relation to core-personnel posts, 92 internal promotions were processed.
  - Likewise, Aena continued to participate in the program for Talent identification and management in collaboration with all the Aena units.
  - The “Youth Emancipation Program” attached to the Ministry of Public Works was implemented, with the incorporation of 36 scholarship holders in the second semester of 2013.

b) Staff covered by the applicable collective agreement:

- Pursuant to the provisions of the Aena Feasibility Plan, the following two processes were carried out:

  - Voluntary Geographic and Functional Mobility, aimed at employees of Group III Airports, initiated on 18 February, whereby employees were redistributed to other Centres or Jobs.

  - Internal Provision for Levels C to F, whereby 163 candidates were promoted to the other Jobs or Centres.

Additionally, during 2013 Aena increased training in the area of core personnel/managers, and employees covered by the applicable collective agreement.

As a result, the total number of hours' training provided by Aena Aeropuertos to employees amounted to 212,661 hours. In the case of core personnel, training was given to 1,671 persons out of an average workforce of 1,694 persons (98.6%), whereas in the case of staff covered by the applicable collective agreement, 5,706 persons out of a total of 6,241 (average workforce) received training, which represents 91.4%.

7. Procurement

7.1 General procurement

During 2013 the total amount awarded by Aena Aeropuertos amounted to 516.4 million euros (excluding taxes).

The volume in respect of contracts awarded in a centralised manner represented 91.1% (470.3 million euros), compared to 8.9% (46.1 million euros) awarded by the airports in a decentralised manner.

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

Centralised investment	
Works	11.5
Supplies	56.0
Assistance, Consultancy and Services	7.6
Centralised expenses	
Works	0.34
Supplies	4.1
Assistance, Consultancy and Services	390.8
Decentralised investment:	
Works	21.1
Supplies	4.6
Assistance, Consultancy and Services	0.3
Decentralised expenses:	
Works	0.9
Supplies	4.1
Assistance and Services	15.0

7.2 Commercial procurement

During 2013 the total volume of contracts awarded in relation to leases for the commercial activity amounted to 50.7 million euros (excluding taxes) for the first annual period of the contract.

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

Line of business	Number of files	Amount (1st annual period)	% Amount
Travel agencies	3	103,371	0.2%
Land leases	1	2,781	0.0%
Bars and restaurants	22	13,273,095	26.2%
Passenger services	1	240,847	0.5%
Telecommunications concessions	1	1,094,193	2.2%
Machinery	15	5,994,197	11.8%
Other commercial revenue	2	82,877	0.2%
Other passenger services	3	214,625	0.4%
Finance services	9	8,552,791	16.9%
Shops under the normal tax regime	66	12,884,142	25.4%
Luxury stores	9	8,255,476	16.3%
Total general	132	50,698,395	100.0%

8. CORPORATE SOCIAL RESPONSIBILITY

The Aena Aeropuertos corporate social responsibility policy permits Aena to unify and strengthen its identity, culture and behaviour patterns and serves as a tool for guiding its actions in economic, social, environmental and ethical issues across the whole Company. During 2013, Aena continued with the line of work based on the results obtained in previous years. Worthy of mention are the following activities:

- Report on the Social Corporate Responsibility Performance of Aena Aeropuertos through the publication of the Aena Aeropuertos 2012 Corporate Responsibility Report, verified externally by Aenor and the Global Reporting Initiative (GRI), with a B+ level.
- Contribution to reinforcing the positioning and corporate reputation of Aena Aeropuertos 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 to awards and recognition of good practices of Aena Aeropuertos (Corresponsables, Actualidad Económica, UN Awards to Public Services -UNPSA-, etc.).

8.1 Economic performance

Aena has continued working to materialise the new airport management model, showcasing Aena Aeropuertos 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

For Aena Aeropuertos, as a leading provider of air transport services, the search for sustainability is essential in areas such as making airport operations and the development of airport facilities compatible with the local environment, reducing the emission of greenhouse gases, minimising the impact of noise pollution as well as everything involving the promotion of actions that allow for increased energy efficiency and the use of renewable energies, in keeping with the Company’s strategic objectives and its Environmental and Energy Policy.

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

- Noise Insulation Plans. In 2013 the soundproofing of 807 homes included in the Plans of different airports was completed.
- Evaluation of the environmental impact of planning projects and instruments.
- Sound and atmospheric evaluations. Drawing up action plans linked to the Strategic Noise Maps of the airports and obtention of the “Airport Carbon Accreditation” certification.
- Drawing up soil characterisation and management studies.
- Action relating to energy efficiency and renewable energy, in accordance with the Energy Saving and Efficiency Plan.
- Design and implementation of the Integrated Quality Management System (ISO 9001) and Environmental Management (ISO 14001), the permits the control and follow-up of all the processes from an all embracing perspective and provides a single certification.

8.3 Social performance

The development of good 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. In 2013 the following actions are worthy of mention:

Within the scope of internal social dimension:

- Development of the policy for the reconciliation of work and family life: 1,742 services were provided under the Employee Service Program (PAE).
- 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 Program: managed over 11,000 cases of aid for workers and their children.

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.

- Services to Persons with Reduced Mobility (PRM). A specific collaboration agreement has been concluded with CERMI (Spanish Committee of Representatives of Persons with Disabilities) and the new Technical Manual for Airport Accessibility has been published. The effort made has been recognised internationally with Aena Aeropuertos receiving from the United Nations the most prestigious international recognition of excellence in public service, the first prize to the best public service, UNPSA awards 2013. During this year, almost 1.1 million assistance services were provided, maintaining the highest levels of quality.
- Boosting the Project "Solidarity Spaces", extending the implementation thereof to thirteen of the network's airports and developing awareness campaigns of large entities such as Unicef, Intermon-Oxfam and Aldeas Infantiles. The total number of use/days was 1,567 / 51 entities participated, with an annual average occupancy of 49.8%.

8.4 Partnerships

In matters of Corporate Responsibility, Aena Aeropuertos 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 spreading good practice in sustainability, whilst contributing to making its products and services known, in 2013 Aena has worked closely with some of the most representative associations and entities in the matter, such as Forética, Club de Excelencia en Sostenibilidad, Club Ability or Fundación Corresponsables, to which the country's large public and private corporations are associated.

Likewise, collaboration with representatives of the sector for the promotion of education, science, employee training, the promotion of culture, sport, solidarity, etc. is maintained.

9. Traffic outlook for 2014

In accordance with the latest figures published by the Institute for Tourism Studies for February 2014, the number of foreign tourists visiting Spain increased 11.8% with respect to the same period in the previous year, reaching 6.2 million, thus reinforcing the trend in 2013, as already stated, in which a record number of 60.7 million foreign tourists visited Spain.

This same source confirms that 82.5% of foreign tourists who visited Spain in January 2014, arrived by air, which represents a significant increase of 12.1% with respect to the same month last year.

These figures confirm the upward trend in traffic which started in the last months of 2013 and which have permitted four months of consecutive growth in the Aena airport network as a whole (from November 2013 to February 2014) after a downward trend of 22 consecutive months.

The latest available traffic figures for February 2014, highlight the trends in the Madrid/Barajas airport, which after a downward trend in passenger traffic of 25 consecutive months, has recorded a +1.6% increase in February 2014. The tourist airports comprising the Aena network are registering significant increases (Malaga-Costa del Sol +10.2%, Alicante +8.5%, Canary Island airports +8.4%).

In short, both the performance of international tourism and the passenger traffic volume of the Aena network, which in turn are closely linked to the global economic cycle, show a change in traffic trends in the network, and offer a glimpse of future recovery in air traffic.

10. EVENTS AFTER THE BALANCE SHEET DATE

No significant events have occurred between the balance sheet date and the date of drawing up these financial statements other than the event indicated below:

- On 19 March 2014 the Tax and Customs Control Department notified Aena Aeropuertos, S.A. of the commencement of verification and inspection proceedings in relation to VAT for 2013.