AENA AEROPUERTOS, S.A. AND SUBSIDIARIES

Consolidated financial statements at 31 December 2012 and 2011

Aena Aeropuertos, S.A. and Subsidiaries – Consolidated financial statements at 31 December 2012 and 2011

(Thousand euros unless otherwise indicated)

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Aena Aeropuertos, S.A. and Subsidiaries – Consolidated Financial Statements (Expressed in thousand of euros unless otherwise indicated)

Consolidated balance sheets at 31 December 2012 and 2011

	Note	2012	2011
ASSETS			
Non-current assets			
Property, plant and equipment	7	15,781,467	16,065,993
Intangible assets	8	115,727	107,967
Investment Properties	9	129,256	133,135
Investments in associates	10	58,443	55,187
Deferred tax assets	22	62,259	58,996
Available-for-sale financial assets	12	57,769	57,769
Other financial assets	11	1,433	1,138
Derivative financial instruments	13	-	-
		16,206,354	**16,480,185**
Current assets			
Inventories	15	4,178	5,224
Trade and other receivables	14	498,286	457,727
Cash and cash equivalents	16	8,210	3,316
		510,674	**466,267**
Total assets		**16,717,028**	**16,946,452**
Equity and liabilities			
Equity attributable to parent company shareholders			
Ordinary capital	17	1,500,000	1,500,000
Share premium	17	1,100,868	1,100,868
Accumulated gains/(losses)	18	(146,101)	(82,820)
Accumulated exchange differences	19	(1,014)	(4,696)
Hedging reserves	19	(16,414)	(24,149)
Total equity		**2,437,339**	**2,489,203**
Liabilities			
Non-current liabilities			
Borrowings	21	11,033,570	11,124,741
Derivative financial instruments	13	9,455	32,180
Deferred tax liabilities	22	208	666
Employee benefits	23	6,783	5,225
Provisions for other liabilities and charges	24	433,188	365,933
Grants	25	665,394	625,666
Other long-term non-current liabilities		3,773	1,398
		12,152,371	**12,155,809**
Current liabilities			
Trade and other payables	20	761,382	985,080
Current tax liabilities		-	-
Borrowings	21	1,052,112	1,074,600
Derivative financial instruments	13	13,398	1,944
Grants	25	23,000	32,361
Provisions for other liabilities and charges	24	277,426	207,455
		2,127,318	**2,301,440**
Total liabilities		**14,279,689**	**14,457,249**
Total equity and liabilities		**16,717,028**	**16,946,452**

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

Aena Aeropuertos, S.A. and Subsidiaries – Consolidated Financial Statements (Expressed in thousand of euros unless otherwise indicated)

Consolidated income statements for the years ended 31 December 2012 and 2011

	Note	Year ended at 31 December	
		2012	**2011**
Continuing operations			
Ordinary revenue	6	2,598,474	2,405,659
Other operating income		7,445	13,175
Work carried out for the Company´s own assets		6,504	6,709
Raw materials and consumables		(198,587)	(211,165)
Staff costs	28	(508,909)	(384,112)
Other operating expenses	29	(883,438)	(991,933)
Depreciation and amortisation	7,8,9	(833,421)	(834,143)
Release of non-financial fixed asset grants and other		32,226	38,821
Excess provisions		26,908	10,244
Impairment and profit/(loss) on fixed assets disposals		(25,676)	(13,344)
Other net profits / (losses)	27	(524)	(4,638)
Operating results		**221,002**	**35,273**
Financial income	30	2,168	2,030
Financial expenses	30	(296,834)	(339,838)
Other net financial income/(expenses)	30	(27,478)	(12,736)
Net financial expense		**(322,144)**	**(350,544)**
Share in profits obtained by associates	10	8,894	9,228
Profit/(loss) before income tax		**(92,248)**	**(306,043)**
Income tax	31	28,722	91,521
Profit/(loss) for the year attributable to the parent company shareholder		**(63,526)**	**(214,522)**
Earnings per share (Euro per share)	32		
Basic earnings per share based on profit for year		(0.42)	(1.43)
Diluted earnings per share based on profit for year		(0.42)	(1.43)

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

Aena Aeropuertos, S.A. and Subsidiaries – Consolidated Financial Statements (Expressed in thousand of euros unless otherwise indicated)

Consolidated statements of comprehensive income for the years ended 31 December 2012 and 2011

		Year ended at 31 December	
	Note	**2012**	**2011**
Profit for the year		(63,526)	(214,522)
Other comprehensive income:			
On Cash flow hedges		7,735	(4,189)
On Foreign currency exchange differences		3,682	(4,249)
Other comprehensive income for year, net of taxes	19	**11,417**	**(8,438)**
Comprehensive income for year attributable to the parent company shareholder		**(52,109)**	**(222,960)**

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

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

Aena Aeropuertos, S.A. and Subsidiaries – Consolidated Financial Statements (Expressed in thousand of euros unless otherwise indicated)

Consolidated statements of changes in equity for the years ended 31 December 2012 and 2011

		Attributable to the Parent Company's shareholders					
	Note	Ordinary Capital	Share premium	Retained earnings	Hedging reserves (Note 19)	Accumulated exchange differences (Note 10)	Total equity
Balance at 1 January 2011		**-**	**-**	**2,719,335**	**(19,314)**	**6,457**	**2,706,478**
Total recognised income and expenses		-	-	(214,522)	-	-	**(214,522)**
Other comprehensive income for the year		-	-	-	(4,189)	(4,249)	**(8,438)**
Total comprehensive income for the year		**-**	**-**	**(214,522)**	**(4,189)**	**(4,249)**	**(222,960)**
Other movements		-	-	9,904	-	-	**9,904**
Dividends	18	-	-	(4,280)	-	-	**(4,280)**
Incorporation of parent company	1	61	-	-	-	-	**61**
Capital increase - non-monetary contribution	1	1,499,939	1,100,868	(2,593,257)	(646)	(6,904)	**-**
Total contributions by and distributions to shareholders recognised directly under equity		**1,500,000**	**1,100,868**	**(2,587,633)**	**(646)**	**(6,904)**	**5,685**
Balance at 31 December 2011		**1,500,000**	**1,100,868**	**(82,820)**	**(24,149)**	**(4,696)**	**2,489,203**
Total recognised income and expenses		-	-	(63,526)	-	-	**(63,526)**
Other comprehensive income for the year		-	-	-	7,735	3,682	**11,417**
Total comprehensive income for the year		**-**	**-**	**(63,526)**	**7,735**	**3,682**	**(52,109)**
Dividends	18	-	-	-	-	-	**-**
Other movements		**-**	**-**	**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**

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

Aena Aeropuertos, S.A. and Subsidiaries – Consolidated Financial Statements (Expressed in thousand of euros unless otherwise indicated)

Consolidated statements of cash flow for the years ended 31 December 2012 and 2011

	Note	Year ended 31 December 2012	2011
Profit/(loss) for the year before taxes		**(92,248)**	**(306,043)**
Adjustments to profit/loss:		**1,288,204**	**1,225,085**
- Depreciation and amortisation	7, 8, 9	833,421	834,143
- (Profit)/loss on fixed assets disposal		25,676	13,344
- Losses/(gains) in the fair value of derivative financial instruments	30	27,396	12,736
- Attribution of grants	25	(32,226)	(38,821)
- Trade receivable impairment adjustments		27,866	25,834
- Change in provisions	24	120,096	49,269
- Financial income	30	(2,168)	(2,030)
- Financial expenses	30	296,834	339,838
- Other income and expenses		203	-
- Share in losses /(gains) in associates	10	(8,894)	(9,228)
Changes in working capital:		**(145,373)**	**116,201**
- Inventories		1,046	(56)
- Trade and other receivables		(4,275)	(126,439)
- Other current assets		(3,732)	-
- Trade and other payables		61,805	(38,883)
- Other current liabilities		(210,315)	289,934
- Other non-current assets and liabilities		10,098	(8,355)
Cash flow from operating activities		**1,050,583**	**1,035,243**
Interest paid		(344,192)	(302,224)
Interest received		121	-
Taxes paid		(51)	-
Other collections (payments)		(54)	-
Net cash generated from operating activities		706,407	733,019

Aena Aeropuertos, S.A. and Subsidiaries – Consolidated Financial Statements (Expressed in thousand of euros unless otherwise indicated)

Consolidated statements of cash flow for the years ended 31 December 2012 and 2011

		Year ended 31 December	
	Note	**2012**	**2011**
Cash flows from investment activities			
Acquisitions of property, plant and equipment		(795,096)	(1,028,583)
Acquisitions of intangible assets		(19,888)	(52,339)
Acquisitions of investment properties		(421)	(3,506)
Income from the sale of other financial assets		-	18
Payments for the acquisition of other financial assets		(16)	-
Payments received for other financial assets		255	-
Dividends received		1,854	1,744
Net cash used in investment activities		(813,312)	(1,082,666)
Cash flows from financing activities			
Income from the issue of ordinary shares		-	61
Income from external financing (FEDER grants)		17,539	61,584
Income from Group financing		715,500	605,959
Repayment of bank borrowings		(3,344)	(5,581)
Repayment of Group financing		(617,896)	(315,281)
Net cash generated from/(used in) financing activities		111,799	346,742
Net (decrease)/increase in cash and cash equivalents		4,894	(2,905)
Cash and cash equivalents at the beginning of the year		**3,316**	**6,221**
Cash and cash equivalents at the end of the year		**8,210**	**3,316**

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

Notes to the consolidated financial statements as of 2012 and 2011

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 5 associates at the end of 2012 (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 incorporation of the Company was entered into the Mercantile Registry based on the resolution adopted by the Board of Directors on 23 May 2011, which 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) Reduce the par value of the Company's THOUSAND EURO (€1,000) shares by dividing the SIXTY ONE outstanding shares into SIX THOUSAND ONE HUNDRED shares, consisting 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) 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) 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, an essential part will be understood to be 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 2010, the members of the Company´s Board of Directors prepared a report that the Single Shareholder has examined.

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

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

d) Heliports: Heliport in Ceuta and Algeciras.

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

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

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

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

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

- The evaluation of needs and, if appropriate, the proposal for planning new airport infrastructures and airport and acoustic rights of way associated with airports and services 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 Arturo Soria St., 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 2011 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 And see "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 2012, 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.

Up until the year ended 31 December 2011, the Group's consolidated annual accounts were prepared in accordance with applicable commercial legislation as established by the Commercial Code, as amended by Law 16/2007 (4 July) which reforms and adapts accounting legislation for international harmonization based on European Union legislation, Royal Decree 1514/2007 (20 November), which approves the Spanish General Chart of Accounts and Royal Decree 1159/2010 (17 September) which approves the rules for preparing consolidated annual accounts in all areas not amended by subsequent legislation, in order to present a true and fair view of the Group's financial situation and results, as well as a reliable presentation of cash flows reflected in the cash flow statement. Since these standards differ in some areas from IFRS, Group management has restated the figures for 2011 in these financial statements in order to present information in accordance with IFRS. The restatement of 2011 presents comparative information, with the exemptions taken into account, bearing in mind the criteria for transition to IFRS adopted in the preparation of the consolidated annual accounts for 2012 and 2011, prepared by the Company and duly signed on 22 March 2013, which established 1 January 2010 as the transition date to IFRS. For information purposes, information is included on the effects of the transition to IFRS in note 5.

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.

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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 22 March 2013.

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 justification for the modification of 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 euros		**Years**	
Asset type	**Carrying amount 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 garages	425,375	Airport	32	51
Total	**5,658,974**			

The change in estimates has reduced depreciation for the year ending 2012 by approximately € 97,950 thousand.

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

At the date of these 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 July 2012 or afterwards, but which the Group has not adopted early:

Area	**Fundamental requirements**	**Effective date**
Amendment to IAS 1, "Presentation of financial statements", with respect to Other comprehensive income.	The main change resulting from these amendments is the requirement for companies to group together the items presented under "Other comprehensive income" based on whether or not they may potentially be subsequently reclassified to profit for the year (reclassification adjustments). The amendments do not indicate which items are presented under Other comprehensive income. The new interpretation is not expected to have a significant effect on the Group's consolidated financial statements.	1 July 2012
Amendment to IAS 19, "Employee compensation"	These amendments eliminate the corridor approach and calculate financial expense based on a net base.	1 January 2013

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Area	Fundamental requirements	Effective date
	The amendment is not expected to have a significant effect on the Group's consolidated financial statements.	
Amendment of IAS 12 "Deferred tax: Recovery of the underlying assets"	The amendment to IAS 12 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. The amendment is not expected to have a significant effect on the Group's consolidated financial statements.	1 January 2013
Amendment of IFRS 7 "Financial instruments: Disclosures"- offset of assets and liabilities.	This amendment includes new disclosures which are intended to facilitate the comparison of those entities that prepare financial statements under IFRS and those preparing financial statements under US GAAP. The Group is analysing the impact that the new standard could have on its consolidated financial statements.	1 January 2013
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.	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, recognises 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 analysing the impact that the new standard could have on its consolidated financial statements.	1 January 2014
IFRS 12 "Disclosure of interests in other entities".	IFRS 12 includes the disclosure requirements for all types of interests in other entities, including joint agreements, associates, special-	1 January 2014

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Area	Fundamental requirements	Effective date
	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.	
IAS 27 (Revised) "Separate financial statements".	The requirements previously established in IAS 27 with respect to the preparation of consolidated financial statements are included in the new IFRS 10 and therefore the former's scope of application is reduced to the accounting for investments in subsidiaries, joint ventures and associates in the individual financial statements under IFRS prepared by the investing company, which have not been changes with respect to the preceding legislation (i.e. recognition at cost of fair value according to the requirements of IFRS 9). The Group is analysing the impact that the new standard could have on its consolidated financial statements.	1 January 2014
IAS 28 (Revised) "Investments in associates and joint ventures".	IAS 28 has been updated to include references to the joint ventures, which under IFRS 11 "Joint arrangements" have to be recognised using the equity method. Simultaneously information regarding the following aspects has been added: o Accounting treatment of instruments that provide potential voting rights. o Measurement of shareholdings in associates and joint ventures in the hands of venture capital companies, mutual companies and other similar entities. o Accounting treatment when the shareholding in an associate or joint venture is reduced by the equity method continues to be applicable. o Accounting treatment of the contribution of a non-monetary asset to an associate or joint venture in exchange for receiving a share in the company's equity. The Group is analysing the impact that the new standard could have on its consolidated financial statements.	1 January 2014
IFRS 13 "Fair value measurement".	The objective of IFRS 13 is to improve consistency and reduce complexity by providing a precise definition of fair value and establishing a single standard covering the framework for determining fair value and disclosure requirements. These requirements do not expand the use of fair value recognition but do provide guidelines as to how it should be applied when its use is no longer required or permitted by other IFRS standards. The Group is analysing the impact that the new standard could have on its consolidated financial statements.	1 January 2013
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

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

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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
Amendment to IFRS 10, 11 and 12 on transition guidelines	These amendments provide additional assistance with the transition to IFRS 10, 11 and 12, limiting the requirement to disclose comparative adjusted information to only the preceding comparative period. With respect to disclosures regarding unconsolidated structured entities, the amendments will eliminate the requirement to disclose comparative information for periods before IFRS 12 is first applied.	1 January 2013
2011 Annual improvements	These annual improvements cover 6 aspects of the financial reporting period 2009-2011. Includes changes to: • IFRS 1 "First-time adoption of IFRS" • IAS 1 "Presentation of financial statements". • IAS 16 "Property, plant and equipment" • IAS 32 "Financial Instruments: Presentation" • IAS 34 "Interim financial information"	1 January 2013
IFRS 9, "Financial instruments"	IFRS 9 is the first standard issued as part of a broad project to replace IAS 39. IFRS 9 maintains, but simplifies, the mixed measurement model and establishes two main measurement categories for financial assets: amortised cost and fair value. The basis of classification depends on the Company's business model and the characteristics of the contractual cash flow for the financial asset. The guidelines for IAS 39 on the impairment of the value of financial assets and the accounting for hedges continue to be applicable.	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.

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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.

The breakdown of the Group's subsidiaries at 31 December 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 2012 and 2011, 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 2010, 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.

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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.

The breakdown of the Group's subsidiaries at 31 December 2011 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
Centros Logísticos Aeroportuarios, S.A. (CLASA) General Services Buildings Aeropuerto de Madrid – Barajas Madrid (2)	Development, construction, management, operation and maintenance of air cargo centres or equivalent facilities at airports, as well as any commercial activities that are directly or indirectly related to them.	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) Company audited by the PwC network.
(2) Audited by another audit firm.

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(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.

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 2012 and 2011 is as follows:

Company and address		%		Value of investments in associates		Owner of the shareholding	Consolidation method
Social	Activity	Direct	Indirect	12/31/12	12/31/11		
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	-	1,135	1,895	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	51,754	47,67	Aena Aeropuertos, 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	3,176	2,554	Aena Aeropuertos, S.A.	Equity method
Aeropuertos del Caribe, S.A. (ACSA) Aeropuerto Ernesto Cortissoz Barranquilla – Colombia (1)	Operation of the Barranquilla Airport	-	40	-	1,091	Aena Aeropuertos, S.A.	Equity method
Aerocali, S.A. Aeropuerto Alfonso Bonilla Aragón Cali - Colombia (1)	Operation of the Cali Airport	-	33.34	2,428	2,027	Aena Aeropuertos, S.A.	Equity method

(1) Companies audited by other auditors in 2012 and 2011.

At 31 December 2012 and 2011none of the associates were listed on a stock market.

On 24 February 2006, Grupo Aeroportuario del Pacifico, 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 2012 was 77.61 Mexican pesos (MXN) (2011: 47.25 Mexican 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 6 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.

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.

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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)	Up to 12/31/11
o Buildings	12-51 years	12-32 years
o Plant	4-51 years	4-51 years
o Machinery	5-20 years	5-20 years
o Other installations	6-12 years	6-12 years
o Furnishings	4-13 years	4-13 years
o Other property, plant and equipment	6-25 years	6-25 years

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

	As from 1/1/12	Up to 31/12/11
o Passenger and cargo terminals	40 years	32 years
o Airport civil engineering	25 years	25 years
o Terminal equipment	4-13 years	4-13 years
o Transport of passengers between terminals	15-50 years	15-50 years
o Airport civil engineering equipment	15 years	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 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 amortization 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). Company Management has identified the cash generating units as the individual assets that make up the off-terminal services and Other segments, the financial investments that mainly make up the International segment and the airport network with respect to the Airport segment. The Company considers the airport network as a whole to be a Cash Generating Unit, mainly due to the following reasons:

- Individually speaking, the Airports do not have independence with 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 and, therefore, the adjustment coefficients that reduce the

fees at some airports require the fees at the rest of the airports in the network to be increased in order to fully recover costs.

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.

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.

(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) Available-for-sale financial assets

Available-for-sale financial assets 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 and Available-for-sale assets are initially recognised at fair value plus transaction costs.

Available-for-sale financial assets 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 23).

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.

Prepayments received from customers are recognized at fair value as liabilities under the heading Customer prepayments.

2.17 Borrowings

Borrowings 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.

Borrowings 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 tax is provided 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 2012 and 2011 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

2.19 Employee benefits

(a) Non-current employment commitments

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.

  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). In this case, past service costs are amortised on a straight-line basis over the consolidation 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.

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

Aena Aeropuertos, S.A. and Subsidiaries – Consolidated Financial Statements (Expressed in thousand of euros unless otherwise indicated)

	12/31/2012	12/31/2011
Technical interest rate	3.0%	4.60%
Salary increases	2.0%	2.0%
Mortality table	PERMF 2000 NP	PERM/F2000
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

Early-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:

	12/31/2012	12/31/2011
Technical interest rate	1.00%	2.58%
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	PERM/F2000
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

In accordance with the Collective wage agreement, the Group maintains a defined contribution pension plan. The contributions are recognized in the income statement when they accrue. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) <u>Termination benefits</u>

Termination benefits 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 Separation Plan (VSP) 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 Separation 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, 988 employees that would leave the Company on a progressive basis up until 30 June 2013 had joined the VSP. The Company obtained a policy from BBVA Insurance to cover the payment of the relevant indemnities and it hired an agency to facilitate the employment reinsertion of the employees (Note 24).

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 equity benefits)</u>

  The establishment of fees for public equity benefits 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.

Commercial:

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.

Off-terminal services:

Off-terminal service revenues relating 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

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 for 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.

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.

(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 Program is calculated and rate evolution scenarios are established for the period being taken into consideration.

Financial expenses mainly due to the financial that recognize with the parent company. The parent company has also contracted interest rate hedge transactions that are transferred to the Company described in Note 13. The cost of approximately 96% of these derivatives are attributed to the Company, given that they cover the interest rate risk of some loans in that proportion.

At 31 December 2012, if the interest rate on loans had increased or decreased by 100 basis points, and if all other variables remain constant, profit before taxes for the year would have totaled € 120,794 thousand more and € 120,794 thousand less, respectively (2011: € 117,266 thousand higher and € 117,266 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 2012 the Group records negative working capital totaling € 1,616,644 thousand (2011: € 1,835,173 thousand) and a loss for the year amounting € 63,526 thousand (2011: a loss for the year amounting € 214,522), and it is considered that there is no risk with respect to satisfying its commitments 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. Under these circumstances, the Directors of the Parent Company consider that there will not be any problems with respect to satisfying payment commitments.

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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.

At 31 December 2012	**Less than 1 year**	**Between 1 and 5 years**	**More than 5 years**	**Total**
Loans and derivatives (excluding finance lease liabilities)	1,040,240	3,006,446	8,031,698	**12,078,384**
Finance lease liabilities	558	1,643	-	**2,201**
Derivatives	13,398	9,455	-	**22,853**
Trade and other payables	761,382	-	-	**761,382**
At 31 December 2011				
Loans and derivatives (excluding finance lease liabilities)	1,060,171	2,539,109	8,610,168	**12,209,448**
Finance lease liabilities	508	2,201	-	**2,709**
Derivatives	1,944	32,180	-	**34,124**
Trade and other payables	985,080	-	-	**985,080**

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 2012 and 2011 are as follows:

	At 31 December	
	2012	**2011**
Total borrowings (Note 21)	12,085,682	12,199,341
Less: Cash and cash equivalents (Note 16)	(8,210)	(3,316)
Net debt	**12,077,472**	**12,196,025**
Adjusted EBITDA	1,188,891	869,416
Net debt/adjusted EBITDA	**10.2**	**14.0**

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).
- Directly (prices) or indirectly (deriving from prices) (Tier 2) observable information relating to the asset or liability.
- Information regarding the asset or liability that is not based on observable market data (non-observable data) (Tier 3).

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The following table presents the Group's assets and liabilities that are measured at fair value at 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**

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2011:

	Tier 1	Tier 2	Tier 3	Total balance
Total assets	-	-	-	-
Liabilities				
Derivatives	-	34,124	-	34,124
Total liabilities	**-**	**34,124**	**-**	**34,124**

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.

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.

There are no financial instruments at fair value included in Tier 3.

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.

The most critical 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

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 2012 and 2011.

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. The amounts recoverable from cash generating units (CGUs) have been determined based on value-in-use calculations. These calculations are based on estimates based on assumptions relating to projections of results, investments and working capital, discount rates and growth rates. Changes and variations in one or more of these assumptions could affect the estimate of the recoverable amount used when testing the impairment of Intangible assets and Property, plant and equipment.

(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.

5 Transition to IFRS

The present annual accounts at 31 December 2012 are the first consolidated annual accounts prepared under IFRS. These consolidated annual accounts have been prepared under IFRS, taking as a basis the Group's special purpose consolidated financial statements for the years ended 31 December 2012 and 2011 which have been prepared on a voluntary basis and which were previously drawn up by the Company's Board of Directors on 22 March 2013.

As has been described in Note 1 to these consolidated financial statements, the Parent Company was incorporated in 2011 as an independent legal entity, although as a financial unit it existed prior to its date of incorporation. For the year ended 31 December 2011, the Parent Company has prepared consolidated annual accounts using the financial disclosure regulations in force in Spain, as established by the Commercial Code enacted by Law 16/2007 (4 July) and adapted in terms of accounting legislation for international harmonisation based on European Union Legislation by Royal Decree 1514/2007 (20 November), which approves the Spanish General Chart of Accounts, and Royal Decree 1159/2010 (17 September), which approves the rules for preparing consolidated annual accounts, which have been considered as "Prior accounting principles" when preparing the opening balance sheet at 1 January 2011.

The Group has applied IFRS 1 when preparing the consolidated financial statements at 31 December 2012. The Group has prepared its initial balance sheet, as well as the closings for 2011 and 2012, in accordance with the IFRS in force at 31 December 2012, as is required by IFRS 1, applying all mandatory exceptions and some of the optional exceptions that are indicated in the following paragraphs.

Exemptions to retrospective application selected by the Group

The Group has opted to apply the exemptions to the retroactive application of IFRS which are set out below:

Cumulative conversion differences:
The Group has chosen to measure the accumulated exchange differences arising prior to 1 January 2010 at a value of zero. This exemption has been adopted for all of the Company's associates.

Fair value or restatement as an attributed cost:
The Group has chosen to maintain the value of certain property, plant and equipment received or re-stated in accordance with the restatements that said place in 1996 in Spain as a cost attributed to the transition date.

5.1. Reconciliation between IFRS and the previous accounting principles

The following reconciliations offer a quantification of the impact of the transition to IFRS at 1 January 2010 and 31 December 2011, and include details of the effect of the transition to IFRS on equity at 1 January 2011 and 31 December 2011 (Note 5.1.1.), as well as the profit for the year ended 31 December 2011 (Note 5.1.2.).

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5.1.1. Summary of equity adjustments

Below is an explanation of the most significant adjustments included under equity at 31 December 2011 and 1 January 2010:

	Note	1 January 2010	31 December 2010	Thousand euro 31 December 2011
Equity in accordance with prior accounting principles		**3,392,830**	**3,149,503**	**2,950,161**
Reclassification of grants	a	(414,967)	(443,025)	(460,958)
Equity as per IFRS		**2,977,863**	**2,706,478**	**2,489,203**

a) Under prior accounting policies grants are classified as an equity item, while under IFRS they are classified as deferred income under liabilities in the consolidated income statement. This adjustment is presented net of its tax impact.

In addition to the preceding adjustments, the consolidated balance sheet at 31 December 2011 includes certain reclassifications for immaterial amounts that do not have any impact on the Group's equity.

5.1.2. Reconciliation of the income statement for the year ended 31 December 2011

An explanation of the adjustments and reclassifications included in the income statement for the past year prepared under local accounting principles is set out below:

	Year ended 31 December 2011			
	Previous accounting principles	**Effect of the transition to IFRS**	**Profit between 1 January and 30 May 2011 (a)**	**IFRS**
Ordinary revenues	1,458,931	-	946,728	2,405,659
Work carried out for the Company's own assets	3,689	-	9,486	13,175
Other operating income	6,685	-	24	6.709
Raw materials and consumables	(131,663)	-	(79,502)	(211,165)
Staff cost	(220,821)	-	(163,291)	(384,112)
Other operating expenses	(552,907)	-	(439,026)	(991,933)
Depreciation and amortisation	(489,961)	-	(344,182)	(834,143)
Release of non-financial fixed asset grants and other	21,950	-	16,871	38,821
Excess provision	9,204	-	1,040	10,244
Impairment and profit/(loss) on fixed assets disposals	(5,027)	-	(8,317)	(13,344)
Other net profits/(losses)	3,987	-	(8,625)	(4,638)
Operating results	**104,067**	**-**	**(68,794)**	**35,273**
Financial income/(expense)	**(234,953)**	**-**	**(115,591)**	**(350,544)**
Share in profits obtained by associates	7,607	-	1,621	9,228
Profit/(loss) before taxes	**(123,279)**	**-**	**(182,764)**	**(306,043)**
Income tax	40,459	-	51,062	91,521
Profit/(loss) for the year	**(82,820)**	**-**	**(131,702)**	**(214,522)**

a) This adjustment includes the Group's consolidated results prior to the creation of the legal entity Aena Aeropuertos, S.A. in 2011 profits, in accordance with the matters described in Note 1 and in Note 2.1 to these consolidated financial statements.

At 31 December 2011 the Group presents a Cash Flow Statement applying prior accounting policies, and there are no significant differences with respect to the preparation of that statement under IFRS, except for the impacts deriving from the matters explained in Note 5.1.1 above.

At 31 December 2011 the Group presents a consolidated comprehensive income statement under prior accounting principles, and the total consolidated comprehensive loss for 2011 amounts to €133,212 thousand. The total consolidated comprehensive loss for 2011 in accordance with IFRS amounts to €222,960 thousand. The main differences are due to the result of the period between 1 January and 31 May 2011 and the classification and recognition of the grants, as is explained in Note 5.1.1 above.

6 Segment reporting

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

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

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

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

The Other segment mainly includes the Group's corporate activities and those related with the Public Business Entity Aeropuertos Españoles y Navegación Aérea.

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

The Chairman and CEO evaluate the performance of the operating segments based on EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization). In 2012 the EBITDA calculated in the manner explained above was adjusted by the costs associated with the Voluntary Separation Plan (Note 28).

Financial information by segment that has been supplied to the maximum decision-taking authority in 2012 and 2011 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.

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The financial information by segment in 2012 and 2011 is as follows:

	Airports							
31 December 2012	**Aeronautical**	**Commercial**	**Off-terminal services**	**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	(20,703)	(3,351)	(1,412)	(153)	(25,619)	(581)	-	(26,200)
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 Separation Plan (VSP)	(116,920)	(12,224)	(5,324)	-	(134,468)	-	-	(134,468)
Adjusted EBITDA	**711,377**	**402,394**	**71,134**	**(153)**	**1,184,752**	**4,139**	**-**	**1,188,891**
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

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31 December 2011	Airports							
	Aeronautical	**Commercial**	**Off-terminal services**	**Other**	**Sub-Total**	**International**	**Adjustments**	**Total consolidated**
Ordinary revenue-	1,730,121	517,354	158,238	-	2,405,713	7,805	(7,859)	2,405,659
External customers	*1,730,087*	*514,929*	*151,838*	-	*2,397,854*	*7,805*	-	*2,405,659*
Inter-segments	*34*	*1,425*	*6,400*	-	*7,859*	-	*(7,859)*	-
Other operating income	57,152	6,110	5,632	-	68,894	238	(183)	68,949
Total Income	**1,787,273**	**523,464**	**163,870**	**-**	**2,474,607**	**8,043**	**(8,042)**	**2,474,608**
Raw materials and consumables	(211,165)	-	-	-	(211,165)	-	-	(211,165)
Staff cost	(335,975)	(30,126)	(15,207)	-	(381,308)	(2,804)	-	(384,112)
Other operating expenses	(815,875)	(108,603)	(72,121)	-	(996,599)	(3,228)	7,894	(991,933)
Depreciation and Amortisation	(715,917)	(65,047)	(52,673)	-	(833,637)	(654)	148	(834,143)
Impairment and profit/(loss) on fixed asset disposals	(14,769)	(1,189)	(2,024)	-	(17,982)	-	-	(17,982)
Total expenses	**(2,093,701)**	**(204,965)**	**(142,025)**	**-**	**(2,440,691)**	**(6,686)**	**8,042**	**(2,439,335)**
EBITDA	**409,489**	**383,546**	**74,518**	**-**	**867,553**	**2,011**	**(148)**	**869,416**
Operating results	**(307,428)**	**318,499**	**21,845**	**-**	**33,916**	**1,357**	**-**	**35,273**
Financial income/(expense)	(299,891)	(18,763)	(23,461)	-	(342,115)	938	(9,367)	(350,544)
Share in profits obtained by associates	-	828	-	-	828	8,400	-	9,228
Profit/(loss) before taxes	**(606,319)**	**300,564**	**(1,616)**	**-**	**(307,371)**	**10,695**	**(9,367)**	**(306,043)**
Total Assets					17,018,927	157,584	(230,059)	16,946,452
Total Liabilities					14,491,088	53,198	(87,037)	14,457,249

The column Adjustments mainly includes consolidation adjustments.

The reconciliation of EBITDA and adjusted EBITDA against Profit for the years ended 31 December 201 and 2011 is as follows:

Item	**At 31 December 2012**	**At 31 December 2011**
Total adjusted EBITDA	**1,188,891**	**869,416**
Voluntary separation retirement plan	(134,468)	-
Total segment EBITDA	**1,054,423**	**869,416**
Asset depreciation	(833,421)	(834,143)
Net financial expense	(322,144)	(350,544)
Share in profits obtained by associates	8,894	9,228
Income tax	28,722	91,521
Profit for the year	**(63,526)**	**(214,522)**

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Company level information

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

	2012	2011
Airport services	**1,910,395**	**1,730,121**
Monetary benefits	**1,821,555**	**1,645,512**
Landings	547,877	509,533
Stands	25,955	19,694
Passengers	787,774	629,905
Telescopic boarding gates	91,451	96,808
Cargo	10,207	10,517
Security	261,812	202,284
Handling	68,309	75,233
Fuel	28,170	29,382
Approach services	-	72,156
Other airport services (1)	**88,840**	**84,609**
Commercial services	**533,592**	**517,354**
Leases	35,288	35,848
Stores	77,147	72,206
Duty Free shops	121,969	117,519
Restoration	83,953	81,346
Car rental	95,590	96,055
Advertising	24,953	28,323
Other commercial revenues (2)	94,692	86,057
Off-terminal services	**145,511**	**158,238**
Parking	91,515	97,363
Land	12,689	18,163
Warehouses and hangars	17,817	18,356
CLASA	23,490	24,356

(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.

The approximate amount of ordinary revenues totaling €565,910 thousand and €269,958 thousand in 2012 relates to two customers, respectively (one customer in 2011: € 485,086 thousand. These revenues relate to the Airport segment.

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7 Property, plant and equipment

	Land and buildings	Plant and machinery	Other facilities, tools and furnishings	Other property, plant and equipment	Property, plant and equipment under construction	Total
At 1 January 2011						
Cost or measurement	14,113,929	1,135,539	3,723,740	134,621	1,951,293	21,059,122
Accumulated depreciation	(3,307,936)	(594,370)	(1,339,151)	(123,751)	-	(5,365,208)
Carrying amount at 1 January 2011	**10,805,993**	**541,169**	**2,384,589**	**10,870**	**1,951,293**	**15,693,914**
Additions	567,737	50,990	115,869	29,643	565,407	1,329,646
Disposals	(43,407)	(12,750)	(14,473)	(25,539)	(113,907)	(210,076)
Transfers	672,886	47,738	310,532	-	(1,031,156)	-
Allocation to depreciation	(445,044)	(74,802)	(258,114)	(32,761)	-	(810,721)
Eliminations of accumulated depreciation	17,812	12,199	9,038	24,181	-	63,230
Carrying amount at 31 December 2011	**11,575,977**	**564,544**	**2,547,441**	**6,394**	**1,371,637**	**16,065,993**
At 31 December 2011						
Cost or measurement	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 31 December 2011	**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 8 and 9)	669,765	58,392	208,126	31	(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**	**562,852**	**2,504,132**	**5,155**	**584,315**	**15,781,467**
At 31 December 2012						
Cost or measurement	16,230,315	1,258,860	4,360,236	138,752	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**	**562,852**	**2,504,132**	**5,155**	**584,315**	**15,781,467**

At the end of 2012 and 2011 there was no property, plant and equipment subject to guarantees.

Lease income amounting € 1,528 was recognised in the income statement (2011: € 1,373 thousand) and € 620 thousand (2011: € 1,252 thousand) relating to the rental of machinery and buildings, respectively.

The main additions recognized in 2012 and 2011 are described below:

Land and buildings

In 2012 and 2011 the additions of land mainly relate to the land acquired and the buildings constructed to expand several airports, notably Barcelona, Santiago de Compostela, Alicante, Córdoba, Málaga, Burgos and Coruña.

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Plant and other property, plant and equipment

The most representive additions in 2012 and 2011 relate to:

- The baggage inspection system in the expansion of the Valencia Terminal Building.
- Boarding gates and aircraft service equipment at several airports.
- Automated baggage inspection handling system at Fuerteventura.
- Unification of voltages and improvements to the electricity distribution and management system at Tenerife Sur Airport.
- Automated baggage inspection handling system at Santiago de Compostela.
- Adaptation and improvement of the HVAC system at the Tenerife Norte Terminal Building
- New electrical equipment and a new electricity line to the Bilbao Terminal
- Fire detection and integral facility management systems at the Alicante Airport.
- Installation of ventilation and HVAC systems and fire detection systems at the Menorca Airport.
- Adaptation of the ventilation system for the airport service tunnel and electrical work in the south cargo area at the Madrid-Barajas airport.
- HVAC in the terminal building, baggage handling and control system and expansion of the electricity supply at the La Palma Airport.
- Improvements to the reliability of the electricity system and work carried out in the Processing Terminal Building at the Barcelona Airport.

The main disposals in 2012 relate 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.

In 2011 Disposals included facilities and other assets relating to the airports in Barajas-Madrid, La Palma, Gran Canaria, Tenerife Sur and Barcelona. In addition, disposals in 2011 include reversals of provisions allocated in prior years for environmental risks totaling €39,126 thousand.

The main items under construction during the years ended 31 December 2012 and 2011, relate to the expansion of the airport in Malaga, 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.

During the year the Group capitalized interest costs totaling €21,921 thousand (2011: € 20,249 thousand). The interest costs were capitalized at the average weighted rate of the Company's debt (2012: 2.19%; 2011: 2.78%).

Impairment:

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

	2012
Growth rate	2.00%
Discount rate	7.77%

At the end of 2012 the Company evaluated the property, plant and equipment under construction and identified works that have been discontinued in the investment plan for the coming years and therefore Management decided to recognize impairment for these assets totaling €11 million.

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:

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	At 31 december	
	2012	2011
Cost- capitalized finance leases	2,477	2,477
Accumulated depreciation	(734)	(588)
Carrying amount	**1,743**	**1,889**

At 31 December 2012 property, plant and equipment includes assets leased to third parties whose value represents 9.46% of total property, plant and equipment (2011: 8.93%).

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:

	At 31 december	
	2012	2011
- Non-current assets	306,494	327,819
- Non-current/current liabilities	-	-
Net assets	**306,494**	**327,819**

	2012	2011
- Income	24,875	24,595
- Expense	(70,573)	(57,710)
Profit after taxes	**(45,698)**	**(33,115)**

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

8 Intangible assets

	Concessions	Development	Software	Other intangible assets	Intangible assets under development	Total
Cost						
At 1 January 2011	**17,444**	**1,576**	**115,452**	**136,233**	**41,899**	**312,604**
Additions	716	10	34,805	2,190	14,618	52,339
Disposals	(34)	-	(3,250)	(2,041)	(14,680)	(20,005)
At 31 December 2011	**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 7)	-	(4)	17,080	998	(15,311)	2,763
At 31 December 2012	**17,590**	**987**	**163,495**	**136,448**	**47,203**	**365,723**
Accumulated amortisation and impairment losses						
At 1 January 2011	**(2,466)**	**(324)**	**(88,660)**	**(130,060)**	**-**	**(221,510)**
Allocation to amortisation	(695)	(658)	(16,568)	(1,911)	-	(19,832)
Disposals	-	-	3,250	1,121	-	4,371
At 31 December 2011	**(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)**

	Concessions	Development	Software	Other intangible assets	Intangible assets under development	Total
Carrying amount						
At At 1 January 2011	**14,978**	**1,252**	**26,792**	**6,173**	**41,899**	**91,094**
Cost	18,126	1,586	147,007	136,382	41,837	344,938
Accumulated amortisation and impairment losses	(3,161)	(982)	(101,978)	(130,850)	-	(236,971)
At 31 December 2011	**14,965**	**604**	**45,029**	**5,532**	**41,837**	**107,967**
Cost	17,590	987	163,495	136,448	47,203	365,723
Accumulated amortisation and impairment losses	(3,161)	(987)	(114,416)	(131,432)	-	(249,996)
At 31 December 2012	**14,429**	**-**	**49,079**	**5,016**	**47,203**	**115,727**

At the end of 2012 and 2011 there were no intangible assets subject to guarantees.

Of the total capitalized costs at 31 December 2012 relating to the various classes of intangible assets, assets in progress are included as follows (thousand euro):

	2012	2011
Development	1,000	1,709
Software	21,175	18,207
Other intangible assets	25,023	21,922
Total	**47,198**	**41,838**

In 2012, €699 thousand has been capitalized (2011: € 259 thousand) in financial expenses associated with intangible assets.

Impairment tests for unamortised intangible assets (under development)

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The Group has applied impairment tests on unamortized intangible assets and no adjustments were identified at 31 December 2012 and 2011, 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:

	2012	2011
Growth rate	2.00%	2.00%
Discount rate	7.77%	7.68%

The Group has calculated the recoverable value based on the 3-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.

9 Investment properties

	Land and Buildings	Plant and other assets	Total
Cost			
At 1 January 2011	**160,079**	**5,345**	**165,424**
Additions	2,772	734	3,506
Disposals	-	-	-
Transfers	-	-	-
At 31 December 2011	**162,851**	**6,079**	**168,930**
Additions	594	-	594
Disposals	(114)	-	(114)
Transfers (Note 7)	194	-	194
At 31 December 2012	**163,525**	**6,079**	**169,604**
Accumulated depreciation and impairment losses			
At 1 January 2011	**(29,856)**	**(2,349)**	**(32,205)**
Allocation to depreciation	(3,277)	(313)	(3,590)
At 31 December 2011	**(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)**
Carrying amount			
Cost	159,462	4,966	164,428
Accumulated depreciation and impairment losses	(26,473)	(2,099)	(28,572)
At 1 January 2011	**130,223**	**2,996**	**133,219**
Cost	162,851	6,079	168,930
Accumulated amortisation and impairment losses	(33,133)	(2,662)	(35,795)
At 31 December 2011	**129,718**	**3,417**	**133,135**
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**

At the end of 2012 and 2011 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 2012 and 2011, the Company has reasonably covered these risks.

At 31 December 2012 and 2011 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:

	2012	2011
Rent Revenues	37,030	41,548
Direct operating expenses	(21,572)	(22,736)

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

	2012	2011
Land (1)	371,920	351,450
Buildings (1)	290,348	267,477
Total	**662,268**	**618,927**

(1) These fair values do not include the fair value of some land for which there are no similar transactions in the market since the operation includes land that surrounds airports with very limited use and the land is not being leased and therefore its value cannot be estimated using discounted cash flow projections.

Fair value has been obtained through internal calculations based on discounted cash flows. You know him to The main assumptions used are as follows:

	2012	2011
Growth rate	2%	2%
Discount rate	7%	7%

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

10 Investments in associates

The breakdown and movement of the heading “Investment in associates” in 2012 and 2011 is a follows (thousand euros):

	2012	2011
At 1 January	**55,187**	**59,505**
Profit sharing	8,894	9,228
Differences on exchange	3,682	(4,249)
Dividends	(9,320)	(9,297)
At 31 December	**58,443**	**55,187**

The information relating to Associates at 31 December 2012 and 2011 expressed in euro at the exchange rate in force at the end of each of the years is as follows:

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Name	Incorporated in	Assets	Liabilities	Revenues	Profit/ (Loss)	% of Ownership
31 December 2012						
- RAESA	España	16,024	13,705	75,416	(1,361)	48.99%
- SACSA	Colombia	19,082	10,372	23,559	5,490	37.89%
- AMP	México	295,409	25,106	46,854	18,700	33.33%
- ACSA	Colombia	1,985	1,786	190	(335)	40%
- AEROCALI	Colombia	15,848	7,243	27,106	3,742	33.34%
31 December 2011						
- RAESA	España	17,553	13,683	83,613	1,690	48.99%
- SACSA	Colombia	13,076	5,990	19,270	3,633	37.89%
- AMP	México	260,839	21,767	21,715	13,174	33.33%
- ACSA	Colombia	7,373	4,451	16,086	4,271	40%
- AEROCALI	Colombia	12,374	5,735	21,388	2,672	33.34%

11(a) Financial instruments by category

	31 December 2012			
	Loans and receivables	Hedging derivatives	Available for sale	Total
Assets on the balance sheet				
Available-for-sale financial assets (Note 12)	-	-	57,769	**57,769**
Other financial assets	1,433	-	-	**1,433**
Trade and other payables (excluding pre-payments and non-financial assets) (Note 14)	381,851	-	-	**381,851**
Cash and cash equivalents (Note 16)	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 21)	-	-	12,083,558	12,083,558
Finance leases (Note 21)	-	-	2,124	2,124
Derivative financial instruments (Note 13)	-	22,853	-	22,853
Trade and other payables (excluding non-financial liabilities) (Note 20)	-	-	728,429	728,429
Total	**-**	**22,853**	**12,814,111**	**12,836,964**

31 December 2011

	Loans and receivables	Hedging derivatives	Available for sale	Total
Assets on the balance sheet				
Available-for-sale financial assets (Note 12)	-	-	57,769	**57,769**
Other financial assets	1,138	-	-	**1,138**
Trade and other receivables (excluding pre-payments and non-financial assets) (Note 14)	320,854	-	-	**320,854**
Cash and cash equivalents (Note 16)	3,316	-	-	**3,316**
Total	**325,308**	**-**	**57,769**	**383,077**

	31 December 2011			
	Liabilities at fair value through profit or loss	**Hedging derivatives**	**Other financial liabilities**	**Total**
Liabilities on the balance sheet				
Financial debt (excluding finance lease liabilities) (Note 21)	-	-	12,196,752	12,196,752
Finance leases (Note 21)	-	-	2,589	2,589
Derivative financial instruments (Note 13)	49	34,075	-	34,124
Trade and other payables (excluding non-financial liabilities) (Note 20)	-	-	961,195	961,195
Total	**49**	**34,075**	**13,160,536**	**13,194,660**

11 (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 euros)	At 31 december	
TRADE RECEIVABLES	**2012**	**2011**
Trade receivables with external credit ratings *(Source: Reuters)*		
BBB	4.0	2.8
B	1.8	1.9
Customers without external credit ratings		
Group 1	2.1	1.6
Group 2	256.3	241.8
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.

12. Available-for-sale financial assets

	At 31 december	
	2012	**2011**
At 1 January	57,769	57,787
Disposals	-	(18)
At 31 December	**57,769**	**57,769**

Available-for-sale financial assets include debt securities and equity instruments in other companies, in which the Group does not exercise any control or significant influence over decisions.

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

Name and address	Line of business	2012	2011	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.
European Satellite Service Provider (ESSP EEIG) European Economic Interest Grouping - Brussels – Belgium(*)	Operation of the satellite navigation system	-	-	Aena Desarrollo Internacional, S.A.

The value of the shareholdings at 31 December 2012 and 2011 is as follows (thousand euros):

	Amount of the shareholding	
Name and address	**2012**	**2011**
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.	57,422	57,422
European Satellite Service Provider, SAS (ESSP SAS) Toulose – France	167	167
European Satellite Service Provider (ESSP EEIG) European Economic Interest Grouping - Brussels – Belgium(*)	-	-
	57,769	**57,769**

(*) ESSP EEIG was liquidated in 2011 and therefore the Company has eliminated the investment in this company, recognizing a receivable amounting €18 thousand, which is the amount that is believed to be recoverable once the assets and liabilities pertaining to this company are liquidated.

None of these companies is listed on a stock market.

At 31 December 2012 and 2011, 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:

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	At 31 december	
	2012	2011
Pounds	57,422	57,422
Euros	347	347
Total	**57,769**	**57,769**

The maximum credit risk exposure at the balance sheet date is the carrying amount of debt instruments classified as available-for-sale.

13 Derivative financial instruments

The breakdown of the derivative financial instruments 31 December 2012 and 2011 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.

	At 31 december			
	2012		2011	
	Assets	Liabilities	Assets	Liabilities
Interest rate swaps – cash flow hedges	-	22,853	-	34,075
Interest rate swaps - trading	-	-	-	49
Total	**-**	**22,853**	**-**	**34,124**
Less non-current portion:				
Interest rate swaps – cash flow hedges	-	9,455	-	32,180
Interest rate swaps - trading	-	-	-	-
	-	**9,455**	**-**	**32,180**
Current portion	**-**	**13,398**	**-**	**1,944**

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 2012 and 2011 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 2012 amounts € 1,492,148 thousand (2011: € 1,449,391 thousand).

At 31 December 2012 fixed interest rates varied between 0.97% and 2.8025% (2011: 2.57%) 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 2012 and 2011 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 2011, 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 and 2011 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 2012 and 2011. The hedge is recognised in the consolidated income statement under the line "Ordinary revenues". The breakdown of this hedge is as follows:

- **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

- **2011:**

	Classification	Maturity (*)	Inefficiency recognised in financial results in 2011 (Thousand euro)	Fair value recorded under "Equity" at 12/31/2011 (Thousand euro)
USD Loan to Aena Desarrollo Internacional	Exchange rate cash flow hedges	10/08/2014	8	349

(*) 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.

14 Trade and other receivables

	At 31 december	
	2012	**2011**
Trade receivables for sales and services rendered	379,981	332,743
Less: provision for impairment losses on receivables	(115,745)	(84,594)
Trade receivables for sales and services rendered – net	264,236	248,149
Trade receivables from related parties (Note 33)	39,054	16,886
Other receivables from related parties	68,086	44,619
Sundry accounts receivable	9,027	9,738
Accrued wages and salaries	1,448	1,462
Other receivables from public administrations	116,435	136,873
Total	**498,286**	**457,727**
Less non-current portion	-	-
Current portion	**498,286**	**457,727**

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 2012, trade receivables yet to fall due for which no provision has been made amounting € 212,493 thousand (2011: € 183,003 thousand).

At 31 December 2012 outstanding trade receivables amounts € 51,743 thousand (2011: € 65,146 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	
	2012	**2011**
Up to 3 months	15,622	61,628
Between 3 and 6 months	10,064	3,153
Over 6 months	26,057	365
	51,743	**65,146**

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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:

	2012	2011
Between 3 and 6 months	-	-
Over 6 months	115,745	84,594
	115,745	**84,594**

The amount of the provision for impairment of trade and other receivables totals €115,745 thousand at 31 December 2012 (2011: € 84,594 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	
	2012	**2011**
Beginning balance	84,594	106,345
Provision of the impairment of the value of receivables	54,492	54,034
Reversal of unused amounts	(26,311)	(30,200)
Other movements	(623)	2,000
Encumbrance adjustment	3,593	(47,585)
At 31 December	**115,745**	**84,594**

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 account "Sundry receivables" mainly records deposits that mature in less than 12 months but in more than three months, and their variable interest rates, that have been placed with financial institutions with high credit ratings, as is mentioned in Note 11 (b).

The heading Other receivables from Public Institutions at 31 December 2012 records €77,224 thousand relating to FEDER grants receivable by the parent company (2011: € 34,868 thousand). At 31 December 2012 and 2011 and the rest of the heading records receivables relating to indirect taxes.

The heading Other receivables from related parties records belong that the parent company maintains with its shareholders for tax-loss carryforwards under tax consolidation, deriving from the settlement of corporate income tax for the year.

15 Inventories

	At 31 december	
	2012	2011
Raw materials and other supplies	4,178	5,198
Pre-payments to suppliers	-	26
	4,178	**5,224**

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

16 Cash and cash equivalents

	At 31 december	
	2012	2011
Cash and bank deposits	8,210	3,316
Short-term bank deposits	-	-
Cash and cash equivalents	**8,210**	**3,316**

At 31 December 2012 and 2011, 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	
	2012	2011
Cash and cash equivalents in US dollars (USD)	1,247	514

17 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 2011 and 2012 are as follows:

	Number of shares	Share capital (thousand euro)	Share premium (thousand euro)	Total (thousand euro)
At 1 January 2011	**N/A**	**N/A**	**N/A**	**N/A**
Incorporation of the company	6,100	61	-	**61**
Share capital increase	149,993,900	1,499,939	1,100,868	**2,600,807**
At 31 December 2011	**150,000,000**	**1,500,000**	**1,100,868**	**2,600,868**
At 31 December 2012	**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 single shareholder.

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

- Reduce the par value of the Company's €1,000 shares by dividing the 61 outstanding shares into 6,100 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 6100 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.

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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.

18 Retained earnings/(losses)

At 1 January 2011	**2,719,335**
Loss for the year	(214,522)
Non-monetary contribution	(2,593,257)
Dividends	(4,280)
Other movements	9,904
At 31 December 2011	**(82,820)**
Loss for the year	(63,526)
Dividends	-
Other movements	245
At 31 December 2012	**(146,101)**

At 31 December 2012 and 2011 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 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 Notes 1.

19 Other reserve

	Note	Hedging derivatives	Conversion differences	Total
At 1 January 2011		**(19,314)**	**6,457**	**(12,857)**
Cash flow hedge		(18,880)	-	(18,880)
Tax effect	31	5,664	-	5,664
Transfers to the income statement		12,896	-	12,896
Tax effect	31	(3,869)	-	(3,869)
Differences on exchange - Associates	10	-	(4,249)	(4,249)
Non-monetary contribution		(646)	(6,904)	(7,550)
At 31 December 2011		**(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	10	-	3,682	3,682
At 31 December 2012		**(16,414)**	**(1,014)**	**(17,428)**

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20 Trade and other payables

	At 31 december	
	2012	2011
Suppliers	1,516	1,485
Sundry payables	238,469	205,084
Trade payables to related parties (Note 33)	169,006	77,200
Asset suppliers	268,611	606,646
Payables to related parties for property, plant and equipment (Note 33)	6,685	14,393
Accrued wages and salaries	28,209	18,904
Social Security and other taxes	32,953	23,885
Prepayments from customers:	15,933	37,483
	761,382	**985,080**

All of the payables are denominated in euro.

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

Information on the deferral of payments to suppliers

A breakdown of payments for commercial transactions made during the year and outstanding at the year end with respect to the maximum legal periods envisaged in Law 15/2010 is as follows:

	Payments made and outstanding at the balance sheet date			
	2012		2011	
	Thousand euros	%	Thousand euros	%
Payments for the year within the maximum legal period	726,479	88	459,29	99
Other	100,349	12	4,74	1
Total payments for the year	**826,828**	**100**	**464,03**	**100**
(Days)	**78**		**54**	
Balance payable at year end in excess of the maximum legal period	**13,563**		**637**	

This balance refers to suppliers who by nature are suppliers of goods and services such that it includes data relating to Trade and other payables on the consolidated statement of financial position.

21 Borrowings

	At 31 december	
	2012	2011
Non-current		
Loans from related parties (Note 33)	11,024,963	11,110,596
Bank borrowings	3,726	6,501
Finance lease liabilities	1,634	2,124
Other financial liabilities	3,247	5,520
	11,033,570	**11,124,741**
Current		
Loans from related parties (Note 33)	884,659	865,302
Current account with the parent company (Note 33)	139,405	185,625
Bank borrowings	2,778	2,846
Finance lease liabilities	490	465
Other financial liabilities	24,780	20,362
	1,052,112	**1,074,600**

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

	Carrying amount		Fair value	
	At 31 december		At 31 december	
	2012	2011	2012	2011
Borrowings from the Group	11,024,963	11,110,596	10,692,014	10,548,756
Bank borrowings	3,726	6,501	3,726	6,501
Finance lease liabilities	1,634	2,124	1,634	2,124
Other financial liabilities	3,247	5,520	3,247	5,520
Total	**11,033,570**	**11,124,741**	**10,700,621**	**10,562,901**

The fair value of current borrowings is equal to their carrying value since the impact of the discount is not significant. Fair values are based on cash flows discounted at a rate based on external borrowings valued at the 0 coupon curve plus 1%.

a) Bank borrowings

Bank borrowings fall due in 2017 and there an annual average interest rate of between 1%-6.94% (2011: 1.87% - 6.94% per year).

All of the loans granted before 2002 are secured by Aeropuertos Españoles y Navegación Aérea (AENA), with the exception of the loan granted by ICO, which is covered by a recognition letter from Aeropuertos Españoles y Navegación Aérea (AENA). The Parent company has started a review of borrowing conditions with financial institutions.

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

	At 31 december	
	2012	2011
Euro	3,585	5,547
US dollars	2,919	3,800
Total	**6,504**	**9,347**

b) Finance lease liabilities

At the end of 2012 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 2011.

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	
	2012	2011
Gross finance lease liabilities, minimum lease payments:		
Less than one year	558	508
Between 1 and 5 years	1,643	2,201
More than 5 years	-	-
	2,201	2,709
Future financial liabilities arising from finance leases	(77)	(120)
Present value of finance lease liabilities	**2,124**	**2,589**

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The present value of finance lease liabilities is as follows:

	At 31 december	
	2012	2011
– Less than one year	490	465
– Between 1 and 5 years	1,634	2,124
– More than 5 years	-	-
	2,124	**2,589**

Finance lease liabilities are denominated in euro.

c) *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.

22 Deferred taxes

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

	At 31 december	
	2012	2011
Deferred tax assets:		
Deferred tax assets to be recovered in more than 12 months	51,071	50,385
Deferred tax assets to be recovered within 12 months	11,188	8,611
	62,259	**58,996**
Deferred tax liabilities:		
Deferred tax assets to be recovered in more than 12 months	208	666
Deferred tax liabilities to be recovered within 12 months	-	-
	208	**666**
Net deferred tax assets	**62,051**	**58,330**

Gross movement in the Deferred taxes heading was as follows:

	2012	2011
At 1 January	58,330	60,138
Tax charged against/credited to the income statement	3,115	1,922
Tax charged/paid relating to components of other overall results (Note 19)	(3,316)	1,795
Other	3,922	(5,525)
At 31 December	**62,051**	**58,330**

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 2011	**382**	**382**
Other	284	284
At 31 December 2011	**666**	**666**
Other	(458)	(458)
At 31 December 2012	**208**	**208**

Deferred tax assets	Depreciation	Impairment losses	Derivatives	Other	Total
At 1 January 2011	**41,967**	**8,171**	**8,794**	**1,588**	**60,520**
Charged/(credited) to the income statement	**1,594**	**(2,737)**	**-**	**3,065**	**1,922**
Charged directly against equity	-	-	1,795	-	1,795
Other	-	(3,001)	-	(2,240)	(5,241)
At 31 December 2011	**43,561**	**2,433**	**10,589**	**2,413**	**58,996**
Charged/(credited) to the income statement	(423)	1,496	-	2,042	3,115
Charged/(credited) directly to 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**

In addition to the environmental deductions and those relating to investments in the Canary Islands, the Group has generated the following deductions that have not been recognised as deferred tax assets:

	Year generated	Amount (Thousand euro)	Year due
Deductions in the Canary Islands due to investments in property, plant and equipment	**2007**	30,213	**2012**
	2008	20,879	**2013**
	2009	38,523	**2014**
	2010	57,386	**2015**
	2011	42,744	**2016**
	2012	38,791	**2017**
Deductions in the Canary Islands for contributions to pension plans.	**2006**	129	**2021**
	2007	125	**2022**
	2008	122	**2023**
	2009	113	**2024**
	2010	66	**2025**
Environmental deductions	**2006**	730	**2021**
	2007	771	**2022**
Internal double taxation	**2011**	220	**2018**
	2012	28	**2019**
Deductions for export activities	**2001**	23	**2012**
	2002	187	**2013**
	2003	1	**2014**
	2004	1	**2015**
	2006	2,526	**2016**
	2007	1	**2017**
	2008	1	**2018**
	2009	2	**2019**
	2010	1	**2020**
International double taxation	**2002**	29	**2013**
	2003	236	**2014**
	2004	232	**2015**
	2006	320	**2017**
	2007	535	**2018**
	2008	308	**2019**
	2009	266	**2020**
	2010	312	**2021**
	2011	350	**2022**
	2012	486	**2023**
Pension plans	**2006**	252	**2021**
	2007	179	**2022**
	2008	148	**2023**
	2009	102	**2024**
	2010	58	**2025**

	Year generated	Amount (Thousand euro)	Year due
Professional training	**2006**	329	**2021**
	2007	276	**2022**
	2008	328	**2023**
	2009	135	**2024**
	2010	43	**2025**
Deductions	**2011**	7	**2021**
	Total	**238,514**	

23 Employee benefits

	At 31 december	
	2012	**2011**
Commitments in the balance sheet in respect of:		
- Length of service awards	6,783	5,225
- Early-retirement bonuses	-	-
Liabilities for employee benefits	**6,783**	**5,225**
- Defined contribution pension plans (Other payables)	5	505
Total liabilities on the balance sheet	**6,788**	**5,729**
Charges in the income statement in respect of (Note 28):		
- Length of service awards	1,959	598
- Early-retirement bonuses	1,694	401
- Defined contribution pension plan	118	5,925
	3,771	**6,924**

(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.

(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.

Chapter 2, Article 2 of Royal Decree Law 20/2011 (31 December 2011) stipulates that during 2012 public business companies may not make any contributions to employee pension plans or group insurance policies that cover a retirement contingency. In addition, Royal Decree Law 17/2012 (27 December) establishes the suppression of pension plan contributions in 2013.

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During 2012 and 2011 Group made contributions to pension plans amounting € 118 and € 5,925 thousand, respectively. The liability set out in the balance sheet relates to the contributions pension payment that are included under Personnel in the headings trade and other payables in the consolidated income statement.

24 Provisions and contingencies

Movements in this heading during 2012 and 2011 are set out below:

	Environmental action	Liabilities	Impuestos	Expropriations and late-payment interest	Other operating provisions	Voluntary separation plan	Total
Balance at 1 January 2012	138,305	2,613	47,705	342,833	41,932	-	573,388
Charge for the Year	35,047	35,313	9,940	56,724	1,322	134,468	272,814
Increase due to discounts	3,912	-	-	-	-	-	3,912
Reversals/Excesses	-	(757)	(1,864)	-	(24,122)	-	(26,743)
Amounts Used	(7,462)	(464)	(2,825)	(84,569)	(17,437)	-	(112,757)
At 31 December 2012	**169,802**	**36,705**	**52,956**	**314,988**	**1,695**	**134,468**	**710,614**

	Environmental action	Liabilities	Impuestos	Expropriations and late-payment interest	Other operating provisions	Voluntary separation plan	Total
Balance at 1 January 2011	184,116	2,257	54,007	82,252	9,920	-	332,552
Charge for the Year	3,052	3,950	16,873	282,856	38,480	-	345,211
Increase due to discounts	6,335	-	-	-	-	-	6,335
Reversals/Excesses	(39,126)	(2,222)	(6,697)	-	-	-	(48,045)
Amounts Used	(16,032)	(1,372)	(27,551)	(22,275)	(6,796)	-	(74,026)
Transfers	(40)	-	11,073	-	328	-	11,361
At 31 December 2011	**138,305**	**2,613**	**47,705**	**342,833**	**41,932**	**-**	**573,388**

Analysis of total provisions:

	At 31 december	
	2012	**2011**
Non-current	433,188	365,933
Current	277,426	207,455
Total	**710,614**	**573,388**

Provision for environmental action

This heading mainly recognises provisions amounting € 160,837 thousand (2011: € 129,340 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. This heading records other environmental commitments. In 2011 €39,126 thousand relating to the update of the premises used in the calculation was reversed.

For further details regarding the Company's actions regarding sound proofing, see Note 26

Provisions for liabilities

This heading mainly records provisions made based on the best estimates available to Company Directors to cover risks relating to litigation, claims and commitments in progress that are known at the end of the year and for which the expectation is that an outflow of resources in the medium or long-term is likely. In 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.

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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 expropations 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.

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 2012 and 2011 the credits were included in the State General Budget as measures to encourage air transportation in those regions.

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

Provisions for the exit plan and voluntary separation

This heading records the provision for voluntary separation 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 separation 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 2012 and 2011 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 action

As was described in the heading Provisions for environmental action, as a result of the action 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 2012 and 2011, 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.

Reus airport

The Supreme Court issued 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 claim relating to fees

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

The airlines that operate in Spain have extended their claim to the European Commission, alleging irregularities in the system established by Spanish Law to update the benefits to be received by Aena Aeropuertos, S.A., in 2012. The airlines asked for the intervention of the EU body due to the increase in prices in 2012 and after the increase in 2013, in addition to urging the creation of an independent body to supervise airline transport, with the Ministry of Public Works has committed to promoting. Parent company management does not believe that any financial consequences will derive against the Company in this respect.

Expropriations

The Parent company is also involved in trials relating to claims involving expropriations that have taken place and which at the end of 2012 and 2011 could not be quantified since no court decision has yet been reached and they could give rise to additional outflows of resources for expropriations.

Construction company claims

In addition to the above, at the end of 2012 and 2011 there are claims that have been filed by several construction companies against the Parent company deriving from the execution of several construction contracts relating to the airport network. to date favourable judgments for the Company have been obtained in the amount of €65 million, but which have been appealed by the claimants and there are also judgments that are partially unfavourable amounting 36.7 million that have been appealed by the Company and covered by provisions. Others have been dismissed and there are other claims that have yet to be resolved involving €27.5 million. With respect to the latter, Management believes that no financial consequences will arise.

Employment contingencies

There are several proceedings involving the dismissal of contractor employees that commenced in 2012 and prior years that are in various stages of resolution, but have not yet been completed as no judgment has been issued or the judgment that has been issued is not final.

In the event of judgments that are unfavourable for the 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.00. (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.

<u>Contingent assets-Fee shortfall</u>

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 establishes that the shortfall that could be incurred in 2013, 2014 and 2015 due to the application of the maximum increase adjustment may be recovered over the three following years. Accordingly, an important element of the fee supervision is to endorse the deficit incurred in 2013, which creates eight that claim up until 2016.

In accordance with the estimates made by the DGAC and presented in its report, the accumulated deficit projected for 2013 is approximately €298 million. The Company considers that these types of assets do not comply with all of the requirements to be recognized in the balance sheet since they involve an asset that depends on future events.

25 Grants

The details and movements in this account at 31 December 2012 and 2011 are as follows (thousand euro):

Capital grants from official European bodies	2012	2011
1 January	658,027	635,264
Additions	62,225	61,220
Amount attributed to the income statement	(31,858)	(38,457)
31 December	**688,394**	**658,027**

At the end of 2012 the Company understands that it has complied with all requirements necessary to receive and enjoy the above grants.

26 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 2012 includes environmental investments amounting €552,600 thousand, the accumulated depreciation of which totalled €152,000 thousand (2011: environmental investments amounting €514,100 thousand, with accumulated depreciation amounting €119,500 thousand).

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

	2012	2011
Málaga	2,954	2,844
Valencia	27,215	138
Menorca	411	2,807
Madrid/Barajas	719	2,426
Barcelona	306	2,035
Girona	586	2,002
Alicante	326	1,265
Tenerife Norte	16,176	686
Palma Mallorca	1,180	570
SSCC Aeropuertos Españoles	204	500
Bilbao	981	465
Melilla	13	357
Santiago	-	312
Gran Canaria	318	225
Ibiza	360	207
Pamplona	872	199
A Coruña	1,038	179
Cordoba	-	129
Seville	66	120
Vigo	377	-
La Palma	-	-
Other airports	2,533	1,262
Total	**56,635**	**18,728**

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

	2012	2011
Repairs and maintenance	8,512	2,448
Independent professional services	1,680	1,565
Other external services	-	-
Total	**10,192**	**4,013**

Environmental provisions and contingencies are listed under Note 24. 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 12,703 homes at 31 December 2012 (2011: 12,703).

In accordance with the Environmental Impact Decorations relating to the projects to expand the airports in Alicante and Malaga, the Company is executing the Sound Proofing Plan associated with those declarations, which involved the soundproofing of 1712 homes in Alicante and 796 homes in Pamplona at the end of 2012 (2011: 1,681 homes in Alicante).

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 2012.

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 2012 but not yet incurred total €604,414 thousand (2011: €1,122,514 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]	Region of Madrid	1/31/2016	3,953	Scaled rent, starting in 2015 increased based on the inflation rate
Senasa Building 2	Region of Madrid	12/31/12 (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:

	2012	2011
Less than 1 year	4,222	3,980
Between 1 and 5 years	9,809	14,031
More than 5 years	-	-
Total	**14,031**	**18,011**

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

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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:

	2012	2011
Less than 1 year	736,401	673,707
Between 1 and 5 years	3,523,903	3,197,297
Total	**4,260,304**	**3,871,004**

27 Other net (losses) / profits

	2012	2011
Other losses	(2,814)	(7,770)
Other earnings	2,290	3,132
Total Other net (losses) / profits	**(524)**	**(4,638)**

In 2012 Other losses mainly records the results of court judgments against the Company amounting €1,810 thousand and late-payment interest for expropriations. The amount in 2011 relate mainly to a fine levied by the Catalonia Consumer Agency due to a dominant position with respect to the parking garages at the Barcelona airport and employment risk expenses.

The amount under Other profits in 2012 relates mainly to insurance indemnities. In 2011 the amount primarily concerns trade receivables collected through encumbrances.

28 Employee benefit expenses

	2012	2011
Wages and salaries, including severance indemnities amounting to €10,294 thousand (2011: €9,456 thousand).	271,465	279,040
Voluntary Separation Plan (Note 24)	134,468	-
Social Security expenses	85,619	82,406
Pension costs – defined contribution plans	118	5,925
Retirement bonus costs	1,694	401
Other welfare expenses:	15,545	16,340
	508,909	**384,112**

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:

	31/12/2012(*)			31/12/2011(*)		
Professional Category	Male	Female	Total	Male	Female	Total
Senior management	6	1	7	9	2	11
Executives and graduates	943	590	1,533	941	585	1,526
Coordinators	949	323	1,272	1,005	334	1,339
Technicians	3,332	1,586	4,918	3,461	1,653	5,114
Support personnel	358	359	717	394	382	776
	5,588	**2,859**	**8,447**	**5,810**	**2,956**	**8,766**

(*) The above figures include temporary employees which at the end of 2012 totalled 1,006 (2011: 1,536).

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

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Professional Category	2012(*)	2011(*)
Senior management	8	11
Executives and graduates	1,535	1,512
Coordinators	1,293	1,340
Technicians	5,019	5,120
Support personnel	747	787
	8,602	**8,770**

(*) The above figures include temporary employees which at the end of 2012 totalled 1,111 (2011: 1,597).

The Board of Directors of the Parent company is formed by 12 men and 6 women at the end of 2012 and at the date these accounts were prepared (2011: 10 men).

29. Other operating expenses

The breakdown of the heading "Other operating expenses" in 2012 and 2011 is as follows:

	2012	2011
Rent and royalties	2,327	10,885
Repairs and maintenance	291,809	305,051
Independent professional services	35,512	41,163
Bank services	1,687	1,580
Public relations	2,272	6,351
Utilities	100,871	102,616
Other services	288,062	329,450
Taxes	129,560	130,344
Losses, impairment and changes in provisions for commercial transactions	27,814	25,311
Other ordinary expenses	3,524	39,182
Other operating expenses	**883,438**	**991,933**

30 Financial income and expense

The breakdown of the heading "Net financial expense" in 2012 and 2011 is as follows:

	2012	2011
Financial expense:		
Financial expense on amounts owed to third parties	(31,671)	(53,802)
Financial expenses on loans from the Public Business Entity Aeropuertos Españoles y Navegación Aérea	(283,840)	(312,200)
Update of provisions (Note 24)	(3,943)	(6,364)
Less: financial expenses capitalized for qualifying assets (Notes 7 and 8)	22,620	32,528
Total financial expense	**(296,834)**	**(339,838)**
	2012	**2011**
Financial income:		
Financial income from equity instrument holdings (Note 33)	1,854	1,744
Other financial income	314	286
Total finance income	**2,168**	**2,030**
	2012	**2011**
Other net financial income/(expense)		
Net exchange differences	77	104
Impairment of financial instruments	(159)	-
Gains/(Losses) on interest rate derivatives: cash flow hedges	(27,396)	(12,840)
Total other net financial income/(expense)	**(27,478)**	**(12,736)**
Net financial expense	**(322,144)**	**(350,544)**

The most significant amounts at the end of 2012 relate to the interest concerning the Company's debt with its single 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.

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In 2011 financial expenses on debt with the single shareholder and losses on hedging instruments where the most significant amounts.

Financial expenses on debts with third parties mainly relate to late-payment interest arising on the expropriations carried out by the Group. The decrease in the expense in 2012 compared with 2011 is due to the fact that during 2011 there were more court judgments relating expropriated land than in prior years.

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 24).

31 Income tax

	2012	2011
Current tax:		
Current income tax	(26,598)	(92,594)
Adjustments relating to prior years	991	2,995
Total current taxes	(25,607)	(89,599)
Deferred tax (Note 22)	(3,115)	(1,922)
Total deferred tax	(3,115)	(1,922)
Income tax	(28,722)	(91,521)

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:

	2012	2011
Profit before taxes	**(92,248)**	**(306,043)**
Tax calculated at domestic rates applicable to profits in the relevant countries	27,674	91,813
Tax effects of:		
- Profits from associates, net of taxes	2,668	2,768
- Revenues not subject to taxation	913	547
Non-deductible expenses for tax purposes	(1,542)	(612)
Adjustments of prior years	(991)	(2,995)
Tax income	**28,722**	**91,521**

The applicable tax rate stood at 31% (2011: 29%).

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

	2012			**2011**		
	before tax	**Tax (charge)/ credit**	**After taxes**	**before tax**	**Tax (charge)/ credit**	**After taxes**
Cash flow hedges	11,051	(3,316)	7,735	(5,984)	1,795	(4,189)
Other overall profit/(loss):	**11,051**	**(3,316)**	**7,735**	**(5,984)**	**1,795**	**(4,189)**
Current income tax						
Deferred tax (Note 22)	-	**(3,316)**	-	-	**1,795**	-
	11,051	**(3,316)**	**7,735**	**(5,984)**	**1,795**	**(4,189)**

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 2012 the Parent Company was open to the inspection of all of its taxes between 31 May 2011 and 31 December 2012.

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 2012; Peroanl Income Tax Withholdings: 2005 to 2006 and 2009 to 2012; Value Added Tax: 2005 to 2012; Canary Island General Indirect Tax: 2009 to 2012 and the Tax on Production, Services and Imports: 2009 to 2012.

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 2012	**At 31 december 2011**
Net profit for the year (thousand euro)	(63,526)	(214,522)
Weighted average number of ordinary shares	150,000,000	149,997,486
Basic earnings per share (euro per share)	(0.42)	(1.43)

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 2012 and 2011 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*

	2012	**2011**
Rendering of services:		
Ultimate parent company	20,629	89,099
Associated companies	20,382	23,105
Related parties	307	407
Total	**41,318**	**112,611**

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(b) Purchases of goods and services

	2012	2011
Services received:		
Ultimate parent company	224,700	230,828
Associated companies	760	732
Related parties	13,590	14,836
Total	**239,050**	**246,396**
Acquisition of assets		
Related parties	16,080	25,847
Total	**16,080**	**25,847**

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 €111,584 thousand in 2011 and €175,550 thousand in 2012 (Note 6).

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.

(c) Income from shareholdings in related companies

	2012	2011
Group Companies	-	-
Associated companies	-	-
Related companies (Note 30)	1,854	1,744
Total	**1,854**	**1,744**

(d) Key management personnel compensation

See Note 34. Other information

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

	2012	2011
Receivables from related parties (Note 14):		
Associates	5,690	6,189
Related parties	40	26
Ultimate parent company	33,324	10,671
Total receivables from related parties	**39,054**	**16,886**
Payables to related parties (Note 20)		
Associates	148	156
Related parties	12,564	14,393
Ultimate parent company	162,979	77,044
Total payables to related parties	**175,691**	**91,593**

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.

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

(f) *Loans and derivatives with related parties*

	Year ended at 31 december	
	2012	**2011**
Non-current		
Loan to Aena Aeropuertos SA from the ultimate parent company with an established schedule	10,964,650	11,047,409
Adjustment of the balance of the non-monetary contribution through encumbered accounts	62,770	65,056
Adjustment of the loan from the ultimate parent company using the effective cost criteria.	(2,457)	(1,869)
Sub-total of loans from related parties (Note 21)	**11,024,963**	**11,110,596**
Non-current hedge derivatives attributed by the ultimate parent company	9,455	32,180
Sub-total of non-current debt owed by Aena Aeropuertos SA to the ultimate parent company	**11,034,418**	**11,142,776**
Other	-	-
Current		
Loan from the ultimate parent company with an established schedule	807,750	627,386
Other	(85)	-
Loan from the ultimate parent company through credit facilities	-	161,319
Interest accrued on loans from the ultimate parent company	76,994	76,597
Sub-total of loans from related parties (Note 21)	**884,659**	**865,302**
Current hedge derivatives attributed by the ultimate parent company	13,398	1,895
Sub-total of current debt owed by Aena Aeropuertos SA to the ultimate parent company	**898,057**	**867,197**
Other	**-**	49
Current account with the parent company (Note 21)	139,405	185,625
	12,071,880	**12,195,647**

The fair values of the loans from the parent company (Public Business Entity "Aeropuertos Españoles y Navegación Aérea") are broken down in Note 21.

Approximately 57% of loans and credit facilities bear (2011: 47%) fixed interest rates ranging between 0.98% and 4.88% (in 2011 they ranged between 1.79% and 4.88%) per year and the remaining percentage bears variable rates, generally indexed to the Euribor.

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:

	Year ended at 31 december	
	2012	**2011**

Variable rate:		
Less than 6 months	6,152,294	6,698,060
Revisable fixed rate:		
Less than 6 months	526,519	236,564
6 months to 1 year	101,792	337,463
1 – 5 years	4,519,830	4,081,984
	11,300,435	**11,354,071**
Fixed rate	748,592	807,452
	12,049,027	**12,161,523**

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. (See Note 30).

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 2012 and 2011.

The heading "Non-current borrowings" records €10,964,650 thousand (2011: € 11,047,409 thousand) as loans payable to the group for the financing of airports and they have an established repayment schedule. It also records € 62,770 thousand (2011: € 65,056 thousand) for receivables relating to the Public Entity that had not been adjusted in the non-monetary balance. The heading "Current borrowings" records € 807,750 thousand (2011: € 627,386 thousand) in current loans payable to the group for the financing of airports with an established repayment schedule and € 76,994 thousand (2011: € 76,597 thousand) for interest accrued on loans from the ultimate parent company. In 2011 it also records € 161,319 thousand for a loan from the ultimate parent company, which in 2012 was transferred to the current account with the ultimate parent company. The heading "Current account with the ultimate parent company" also includes the cash pooling balance up to a total of € 139,405 thousand (2011: € 185,625 thousand).

These accounts bear yields at the average rate for lines of credit.

The contracts in force between Public Business Entity “Aeropuertos Españoles and Navegación Aérea (AENA)” and Aena Aeropuertos in 2012 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

34. Other information

Audit fees

The audit fees accrued during 2012 and 2011 by PricewaterhouseCoopers Auditores, S.L. (PwC) for audit and other verification services are set out below:

Item	2012	2011
Audit services	67	59
Other attest services	10	20
Other services	255	48
Total	**332**	**127**

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

The fees accrued in 2012 and 2011 by other audit firms for audit and other services are indicated below (thousand euro):

Item	2012	2011
Audit services	-	8
Other services	709	2,804
Total	**709**	**2,812**

Compensation for Senior Management and Directors

The compensation received in 2012 and 2011 by Company Senior Management and Directors, classified by item, was as follows (thousand euros):

	2012			2011		
Item	Senior management	Board of Directors	Total	Senior management	Board of Directors	Total
Salaries	706	-	**706**	1,027	-	**1,027**
Per Diems	17	96	**113**	24	59	**83**
Pension plans	-	-	**-**	10	-	**10**
Insurance premiums	-	-	**-**	4	-	**4**
Total	**723**	**96**	**819**	**1,065**	**59**	**1,124**

The amount of the services received by the ultimate parent company includes the compensation of the Chairman and CEO of Aena Aeropuertos, S.A. (Note 33).

No prepayments or loans had been granted to Senior Management or Directors at the end of 2012 and 2011. 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 2012 and 2011 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 2012 and 2011 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.

DIRECTORS' REPORT

ANNUAL REPORT OF AENA AEROPUERTOS, S.A. AND SUBSIDIARIES

2012

CONTENT:
"DIRECTORS' REPORT 2012"

"AENA AEROPUERTOS, S.A. AND SUBSIDIARIES"

Directors' report for 2012

The New Airport System Management Model (Decree – Royal Decree Law 13/2010) constitutes the new legal framework for the modernisation of the Spanish airport system and envisages the segregation of the airport management and air navigation functions.

Through the formation of the State-owned corporation Aena Aeropuertos, S.A. (Agreement adopted during the Cabinet Meeting of 25 February 2011), Aena Aeropuertos, S.A. has assumed the functions and obligations of the management and exploitation of the airport services connected with the airport network, made up of 47 airports and two heliports. The company that was started up on 8 June 2011 (Agreement adopted during the Cabinet Meeting of 3 June 2011), was assigned the equity, assets and management of the airports managed by Aena.

In keeping with this planning framework, Aena's general strategic objectives are grouped together in five strategic focal points: Safety, Quality and the Environment, Infrastructures and Services, Economic Efficiency and Financial Feasibility and People.

1. BUSINESS PERFORMANCE

In terms of figures (according to provisional data), in 2012 Spanish airports handled more than 194.2 million passengers (5.0% less than in 2011), operated more than 1.9 million flights (10.1% less) and transported more than 649,000 tonnes of cargo (-3.3%).

These figures reflect a fall in passengers, operations and freight compared with the previous year as a direct result of the economic crisis.

PASSENGERS

More than 194.2 million passengers used the facilities of the Aena Aeropuertos network in 2012, down 5.0% on 2011. Of total passengers, commercial flights accounted for just under 193.2 million (-5.0%). Almost 2 of every 3 passengers (126.4 million) on this type of flights took international flights (-0.5%), and 66.7 million travelled on domestic flights (-12.5%).

Of the major airports in terms of passenger traffic, Madrid-Barajas continued to be the busiest in the network with 45.2 million passengers, down 9.0% on 2011. This was followed by Barcelona-El Prat, with 35.1 million passengers, up 2.2.%; Palma de Mallorca, with 22.7 million (-0.3%); Malaga-Costa del Sol, with 12.6 million (-1.9%); Gran Canaria, with 9.9 million (-6.1%); and Alicante, with 8.9 million (-10.7%).

With respect to the highest percentage increases, noteworthy was Madrid -Cuatro Vientos, up 413.9%; Córdoba Airport (16.5%); Badajoz Airport (15,2%); Melilla airport (10.2%) and Logroño-Agoncillo airport (7.8%).

During 2012 international passenger traffic fell slightly compared with the previous year (-0.5%), in the network as a whole, although noteworthy was the growth of Vitoria (228.5%), Logroño-Agoncillo (39.4%), Santiago (26.5%) and Córdoba (15.9%).

AIRPLANES

During 2012 Aena Aeropuertos airport network handled more than 1.9 million operations, down 10.1% on the number of operations in 2011. Of total operations, 1.7 million related to commercial flights (-9.8%), of which almost 750,000 were domestic flights (-16.8%)

and approximately 941,000 were international flights (-3.3%). By type of flight, 1.5 million were regular flights (-10.3%) and there were approximately 170,000 charter flights (-4.4%).

Madrid-Barajas continued to register the most traffic in the entire network with 373,000 flights (-13.1%), followed by Barcelona-El Prat, with 290,000 flights (-4.3%); Palma de Mallorca, with 174,000 (-3.4%); Malaga-Costa del Sol, with 102,000 flights (-4.9%); Gran Canaria, with 100,000 (-9.8%), and Alicante, with just over 62,000 flights (-17.3%).

Of the airports with the highest percentage growth in terms of flights, noteworthy was Melilla, which posted growth of 8.8% (10,000 operations) and La Gomera, which grew by 4.0% to just over 1,900 operations.

With respect to the number of international operations, noteworthy was the growth of Sabadell (500.0%), Córdoba (100.0%), Logroño-Agoncillo (37.3%) and Albacete (31.9%). The point of arrival or departure of most of these operations was a European airport.

Cargo

The volume of commercial freight transported in 2012 amounted to 650,000 tonnes, down 3.3% on the previous year. International freight transported amounted to 523,000 tonnes while domestic freight amounted to 127,000 tonnes (-13.5%).

By airport, Madrid-Barajas was still first, with 359,000 tonnes (-8.8%). It was followed by Barcelona-El Prat, with almost 97,000 tonnes (-0.1%); Zaragoza, with 71,000 tonnes (46.1%); Vitoria, with 34,700 tonnes (-0.1%) and Gran Canaria, with 20,600 tonnes (-13.0%).

2. SAFETY

The Strategy Infrastructure and Transport Plan envisaged the reinforcement of safety inspections by the aviation authorities, airplane safety conditions and airport controls. It also referred to the implementation of Aena's General Safety Plan to ensure that it addresses safety in an integrated manner from a threefold perspective: flight safety, personal and goods security and finally, safety for the prevention of risks at the workplace.

2.1 OPERATIONAL SAFETY AND PERSONAL PROTECTION

With respect to Operational Safety and Personal Protection, actions were carried out in the following fields:

OPERATIONAL SAFETY MANAGEMENT SYSTEM

Following completion of the implementation of the Operational Safety Management System (OSMS) at all network airports, as part of the on-going OSMS improvement process, internal supervisory procedures were carried out at 21 airports: Palma de Mallorca, Gran Canaria, Ibiza, Alicante, Valencia, Gerona, Almeria, Algeciras, Pamplona, Zaragoza, Santander, Mallorca Son Bonet, Madrid Cuatro Vientos, Huesca, El Hierro, Murcia, Valladolid, Salamanca, León, Albacete and Badajoz.

CERTIFICATION OF AENA NETWORK AIRPORTS

With respect to the Airport Certification Plan, in 2012 the certificates of Malaga-Costa del Sol and Barcelona-El Prat were obtained. These certificates were added to those already obtained in 2010 (Madrid-Barajas and Algeciras Heliport) and 2011 (Ibiza).

During 2012 the processes for Jerez, La Gomera, Granada, Palma de Mallorca, Sabadell and Huesca-Pyrenees continued while a request for the initiation of the certification process for Melilla, Almeria, Burgos, Girona, El Hierro and Lanzarote was submitted to AESA.

AUDITS OF THE EUROPEAN COMMISSION AND STATE AIRPORT SECURITY AGENCY (AESA)

The European Commission audited Bilbao airport in July. The outcome was favourable following the inspection of the airport security system.

The AESA carried out a total of 29 actions, 9 of which were audits and 20 airport safety inspections at the network airports: A Coruña, Alicante, Asturias, Barcelona-El Prat, Bilbao (twice), Córdoba, Fuerteventura, Girona-Costa Brava, Gran Canaria, Ibiza, Jerez, La Palma, León, Lanzarote, Madrid-Barajas, Madrid- Torrejón, Malaga-Costa del Sol, Menorca, Palma de Mallorca, Pamplona, Reus, Salamanca, Santiago, Seville, Tenerife North, Tenerife South, Valencia, and Zaragoza.

As part of the internal quality programme, verifications were carried out of compliance with the National Security Programme at Aena airports using airport security personnel. Twenty-five airports were visited and evaluated. Proposals were set forth for process changes to ensure compliance standards with regulations at the following airports:

Alicante, Algeciras, Almeria, Asturias, Badajoz, Barcelona, Fuerteventura, Girona-Costa Brava, Gran Canaria, Granada, La Coruña, Lanzarote, Logroño, Malaga-Costa del Sol, Melilla, Menorca, Murcia, Palma de Mallorca, Pamplona, Santander, Seville, Tenerife North, Tenerife South, Vitoria and Zaragoza.

Additionally, unplanned actions were carried out at the airports, aimed at preparing and implementing measures for improvement and optimising security resources. The company participated in the start –up of the new facilities at Vigo and Valencia and contributed to the definition and implementation of corrective actions at several airports.

2.2 PROTECTION OF PEOPLE AND GOODS

INVESTMENT IN SECURITY EQUIPMENT

With respect to Security Equipment, in 2012, as part of the actions aimed at improving security service quality which were included in the Security Excellence Plan, a tender was arranged for the inclusion of roller tables and motorized conveyors, distributed throughout the Aena Aeropuertos network catering for more than two million passengers each year. Thanks to this equipment which will be installed in 2013, passengers will find it more comfortable to go through security.

This year saw the start-up of the Plan for the Renewal of 149 automatic explosive detector systems (EDS) in order to adapt to new European legal standards. Stage I of the Plan, consisting of the renewal of 11 machines in Asturias, Girona Lanzarote and Gran Canaria was completed. In addition, a tender was arranged and the contract awarded for Stage II for other equipment pending and which is set to be installed in 2013.

The supply of new security equipment and systems in all network airports continued in 2012, in accordance with current legislation, for both new infrastructures and the scheduled renewal of security equipment.

A total of 7 shoe metal detectors, 2 new arch metal detectors and 27 conventional X-ray machines were installed, together with 5 new automatic EDS in addition to the 11 renewed.

Of the main actions, noteworthy is the commencement of the fitting out of the terminal building in Ibiza, the extension of the south terminal building in Vigo and the new T2 terminal building in Valencia as well as the extension of the south terminal building in Gran Canaria.

The gradual deployment of the Airport Security Management System (SMS) continued with its implementation in Valencia, Asturias, Palma and Gran Canaria, making it possible to have access control security and closed circuit TV at these airports, which are owned by Aena Aeropuertos and standardised throughout the network.

In addition, the Tower control systems and air navigation installations were integrated in the security system of Aena Aeropuertos in Alicante, Reus, Melilla, and La Palma, while the installation of the perimeter guarding system based on Radar technology and intelligent video analysis was completed at Valencia.

PRIVATE SECURITY SERVICE

New technical specifications were prepared for 43 of the network airports (all except for Madrid-Barajas, Barcelona, Ceuta Heliport, the Algeciras Heliport and Burgos).

Two standard tender documents were prepared, differentiating airports with more than 500,000 passengers and those with less than 500,000 passengers to ensure that the service better addresses the needs of each facility. Each tender document highlights the specific characteristics of each airport in order to record all operational circumstances.

In addition, a new technical specification document was prepared for Barcelona, proposing a security management model similar to that existing in Madrid-Barajas.

- Commencement of the tender process, during which intense work was carried out on:
    - Internal and external reporting and communication by Aena, in an attempt to secure the maximum participation possible and ensure that the best economic and technical offers possible were submitted.
    - Establishment of clear technical-operational criteria when assessing the offers.

- Preparation of a Private Security Excellence Plan, rewarding the policies and behaviours which entail a major improvement in the treatment of passengers. Particularly noteworthy in this Plan is the following:
    - Excellence awards delivered to security guards whose performance in terms of passenger treatment is outstanding.
    - Planning of information sessions to explain this culture of excellence.

AIRPORT SECURITY TRAINING

In order to meet the airport security training requirements established in the National Training Programme, in 2012 it was necessary to provide training to Aena Aeropuertos personnel through two advanced courses on airport security. The training provided during these courses is based on the understanding and update of the restricted part of the National Security Plan and is directed at Aena Aeropuertos personnel responsible for airport security at the request of Security Management at each airport, including the head of Airport security, Service Directors or Executives. These courses are also attended by those employees of Aena Navegación Aérea who need this training. The initial advanced airport security course took place in April while a refresher course was given in October.

Basic awareness training was provided through on-line courses which were given to those employees of Aena Aeropuertos who do not need advanced airport security training. Legislation requires that in order to deliver airport security credentials which provide free access to security and restricted access areas, employees should receive basic awareness training in airport security. This training should be prepared by AVSEC Trainers certified by

AESA who are responsible for the preparation of a course that should also be approved by AESA.

During 2012 Aena's basic awareness course was adapted to applicable legislation and submitted to AESA for approval. Similarly, Aena's AVSEC trainers were certified by AENA in accordance with applicable legislative requirements.

The obligation to carry out the basic awareness course as a pre-requisite to providing airport security credentials has resulted in demand for training from companies operating in the airport and needing that training. Therefore Aena's Basic Awareness Course has been adapted technically to be offered to those external companies.

2.3 OCCUPATIONAL RISK PREVENTION

As part of the risk prevention actions, noteworthy was the obtainment of an Incident Index in Aena Aeropuertos (number of accidents per one thousand workers) of 7.84, which represents a decrease (3.8%) compared with 2011.

Also noteworthy was the start-up of the Business Activities Coordination module in relation to Occupational Risk Prevention through AENA's website.

Similarly, the objectives set concerning the number of risk assessments and medical check-ups performed were attained.

In 2012 on-line occupational risk prevention training was started up, encouraging a greater participation and understanding of the subject, for all the employees of Aena Aeropuertos.

3 QUALITY AND THE ENVIRONMENT

3.1 QUALITY

In 2012 the following results were obtained by Aena Aeropuertos:

- 42 airports and a heliport currently hold certification ISO 9001 according to the updated version of the standard (2008). The Corporate Units of Aena Aeropuertos successfully passed the first follow-up audit of the Quality Management System in 2012 in accordance with the relevant requirements of applicable regulations.
- The workers of Aena Aeropuertos corporate units received training courses on Quality, Environment and Management Excellence. In 2012 a total of 230 students received training with a total of 5,644 hours being devoted to special training in Quality, Environment and Management Excellence. In this respect, support and assistance were received from AENOR the Club of Management Excellence, of the Spanish Quality Association (AEC), the Club of Sustainability Excellence and the Forum for Ethical Business Management (FORÉTICA).
- With respect to the use of the European Model of Excellence (EFQM) as a reference management model, during 2012 four complete self-assessments were carried out of Pamplona, Palma de Mallorca, Santander and Alicante airports.
- After having prepared a report according to the EFQM Model of Excellence, Madrid-Barajas obtained the Stamp of European Excellence 400+ of the Club of Management Excellence in July 2012.

CORPORATE SOCIAL RESPONSIBILITY - CSR

With respect to Corporate Responsibility, in 2012 Aena Aeropuertos continued its CR activities as planned in the 2012-2015 Action Plan, on the basis of the results attained in 2011. By way of a summary, set out below are the most important CR activities carried out in 2012:

- Coordination and management of the CR working group or CR committee, a body working for the entire organisation, responsible for the deployment of the organisation's CR Policies and Strategy.
- Approval by the CR working group of the CR 2013-2016 Action Plan that will be a continuation of the previous plan and will mainly develop actions in the following areas: CR strategy, Corporate Government, CR management, CR performance, stakeholder management, communication, economic-technical management, environmental management and internal and external social management.
- With respect to the CR performance of Aena/Aena Aeropuertos from a threefold perspective (corporate governance, social and environmental and economic), preparation of the Corporate Responsibility Report 2011 of Aena/Aena Aeropuertos, which was verified externally by Aenor and the Global Reporting Initiative (GRI), where it obtained a B+ reporting level.
- Start-up of actions to ensure compliance by Aena Aeropuertos with the requirements of the Sustainable Economy Law (LES), in accordance with the internal plan addressing the implications of that Law, approved by the Management Committee in April 2011.
- Internal CR training, preparing an internal module for all the organisation's employees, focusing on reinforcing CR throughout the organisation.
- Contributing to strengthening the positioning and corporate reputation of Aena Aeropuertos, driving and developing actions at internal and external level, such as:
    - Reporting of CR actions internally and through the monthly CR Bulletin, Revista Aena, etc.
    - Development of the project "Parte de Todos", which promotes CR culture, the pride of belonging and the contribution of innovative ideas with own know-how. This initiative was a finalist in the III Edition of the Joint Responsibility Awards 2012.
    - The performance of external benc*h*marking activities with the main reference institutions in CR (Forética, Club of Sustainability Excellence, Spanish Association for Quality, Corresponsables etc), leading initiatives such as the Project *Speeding up CR in Public Companies* (promoted by Forética), in order to agree a corporate governance model.
    - Taking part in best practice awards and recognition of Aena Aeropuertos (Corresponsables, Actualidad Económica, UN public service awards – UPSA – etc).

SUSTAINABLE INNOVATION

In Sustainable Innovation Management, Aena Aeropuertos has made a major effort to encourage maximum efficiency and competitiveness in processes, products and services through the promotion of creativity and innovation, based on internal know-how and knowledge.

In 2012 the company collaborated with the Ministry of Development by providing information on the innovative projects of Aena Aeropuertos in order to prepare the "Central Government Plan for Scientific and Technical Research and Innovation" and for the "Spanish Efficiency, Technology and Innovation Strategy 2013-2020".

During 2012 the internal innovation strategy was reviewed and a new sustainable innovation management strategy was developed envisaging, among other new objectives, the promotion of activities aimed at:

- The promotion of projects in order to make processes, products and services more efficient, providing solutions to specific current or future problems, through the creation of improvement working groups.
- Support to the Sustainable Innovation Management Group, advising technical units on the obtaining of financial assistance for R&D projects, on both a European and national level.
- Developing a culture of innovation and encouraging creativity in people within the organisation for its efficient and sustainable growth through the promotion of innovative ideas and identification of business challenges.

Other actions in relation to innovation management are:

- Functional development of an Ideas and Good Practice Management System which aims to compile the ideas contributed by employees or through proposals to improve the organisation.
- Promotion of the culture of innovation through the visualisation and internal recognition of innovative activities using instruments such as the regular innovation newsletter, the R&D mailbox, Articles in the Internal Magazine to report on activities and the development of new innovation content for the intranet.
- Presentation of the candidacy of Aena "Centro de Referencia de Investigación, Desarrollo e Innovación ATM" (CRIDA) to the European Business Awards.

New technology innovation translates into specific projects, the most noteworthy of which by area are the following:

- In sustainable mobility and renewable energies: Feasibility study of electrical vehicles at airports and studies and implementation of renewable energies at airport facilities.
- Optimisation of TIC systems for business management and the airport environment.
- Activities aimed at improving security of people and installations, such as for example: implementing a system to make the technology security service mobile (E-filter project), electronic triage for airport emergencies, development of a new credential request management system etc.
- Innovation activities aimed at energy savings and efficiency: particularly noteworthy is the implementation of the Continuous Descent Approach (CDAs), initially at Medium Traffic Density airports.
- Activities aimed at improving airport services: Initiatives such as the development of the Electronic Processor for procedures associated with Law 11/2007 on "Citizen's electronic access to Public Services" or the installation of chip readers at airport car parks.
- Innovative activities in the planning and development of airport infrastructures: such as, for example, the new functionalities of the Airport Satellite Orthoimage System, the development of the Traffic Forecast Office of Aena Aeropuertos, or an airport electrical installations simulator, etc.

3.2 ENVIRONMENT

With respect to environmental protection which is a strategic objective of AENA in all areas, during 2012 the following actions were performed at Aena Aeropuertos:

ENVIRONMENTAL CERTIFICATION

In accordance with Aena's environmental and energy principle, environmental management systems (EMS) are in place and have been certified based on Standard UNE-EN ISO 14001:2004 throughout the AENA Aeropuertos location network (except for the Algeciras heliport), as well as at all Central Services buildings of Aena Aeropuertos. The number of EMS certificates stands at 48.

In 2012 the validity of the EMS certificates was renewed for an additional 3 year period at 18 airports: Madrid – Barajas, Ibiza, Menorca, Lanzarote, Malaga – Costa del Sol, Santiago, Gran Canaria, Sabadell, León, Logroño–Agoncillo, Salamanca, Ceuta heliport, Albacete, Vigo, Badajoz, Madrid – Cuatro Vientos, Murcia – San Javier and Burgos. Similarly, the validity date of the Central Services Certificate of Aena Aeropuertos was renewed.

In accordance with EC Regulation 1221/2009 on eco-management and audit scheme (EMAS), Tenerife South and Menorca adhered to the scheme. In 2012 Tenerife South renewed its adhesion certificate while Menorca obtained its first certificate which is valid for a three year period.

Similarly, energy management systems have been implemented and certified based on standard UNE-EN ISO 50001:2011 3 airports, of these Reus obtained the initial certificate in 2012 for a three year period.

SOUNDPROOFING

In 2012 numerous actions were carried out aimed at soundproofing in the area around Madrid-Barajas, Alicante, Malaga, Palma de Mallorca, Gran Canaria, Tenerife-North, Bilbao, Pamplona, Ibiza, Vigo, A Coruña, La Palma, Valencia and Santiago de Compostela. This resulted in the soundproofing of 490 homes.

ENVIRONMENTAL IMPACT ASSESSMENT OF PROJECTS AND STRATEGIC ENVIRONMENTAL ASSESSMENT OF PLANNING INSTRUMENTS

During 2012 the environmental impact statement (EIS) was obtained for the plan to extend the drainage system at Alicante and the environmental decisions on the infrastructure projects at Valencia and Palma de Mallorca.

Similarly, a review was conducted of more than 60 airport infrastructure and air navigation assistance projects, analysing the characteristics of the actions and applicable legal framework, and advising on the need or otherwise to submit those projects to some kind of formalities in relation to environmental assessment and, if appropriate, indicating the most appropriate procedure.

Concerning the strategic environmental assessment, the Environmental Report was obtained under the Master Plan for Palma de Mallorca and work continued on the environmental assessment of the Master Plans of Alicante, Fuerteventura, El Hierro, La Palma, San Sebastián and Tenerife-North while work commenced on the environmental assessment of the review proposals of the Master Plans of Asturias, Almeria, Huesca-Pyrenees, La Gomera, Logroño-Agoncillo, Melilla and Zaragoza.

ENVIRONMENTAL COMPLIANCE WITH MINISTERIAL RESOLUTIONS ON THE ENVIRONMENTAL IMPACT ASSESSMENT OF PROJECTS AND STRATEGIC ENVIRONMENTAL ASSESSMENT OF PLANNING

With respect to environmental control and oversight of compliance with environmental reports of the Master Plan issued, in 2012 the mandatory annual reports were prepared for Córdoba, Ibiza, Menorca, Santiago, Valencia, Federico García Lorca Granada-Jaén, Vigo, Pamplona and Santander. Similarly, the initial report on compliance at Son Bonet was prepared and delivered to the Environmental Authority.

Control and oversight of compliance with the administrative resolutions relating to the environmental impact of construction projects continued for 19 environmental impact statements in force, to which this year was added the aforementioned Statement of Alicante. With respect to the new resolutions of Appendix II relating to Alicante, Gran Canaria, El Hierro, Lanzarote and Tenerife North, Palma de Mallorca and Valencia were added in 2012.

Additionally as from March 2012, environmental control and oversight commenced of the building projects, which given their environmental impact, do not require assessment by the environmental authorities although at internal level they are analysed and a series of measures and requirements are defined for their implementation, in accordance with the guidance issued by the environmental authorities and current legislative framework.

NOISE AND ATMOSPHERIC ASSESSMENTS

During 2012, Royal Decree 769/2012 was approved in accordance with Law 5/2010. This approved aeronautical acoustic rights, the relevant action plan and the noise map at Palma de Mallorca.

Moreover, in accordance with the legal requirements contained in Law 37/2003, on Noise, during 2012 second stage Strategic Noise Maps were prepared for Madrid-Barajas, Barcelona and Palma de Mallorca. These maps will shortly be publicly disclosed.

Similarly, work on the implementation of the Corporate System to Monitor Noise and Flight Paths at Alicante, Malaga-Costa del Sol and Palma de Mallorca was completed, with the installation of a total of 24 noise meters around these airports. The installation of these systems, apart from providing essential information for the airports' environmental management, has enabled us to make available the interactive map of these airports and improve the existing versions at Barcelona – El Prat and Madrid – Barajas, furthering the information transparency policy of Aena Aeropuertos.

In 2012 the calculation of the carbon footprint was carried out and the report prepared for Palma de Mallorca and Malaga-Costa del Sol. The results were verified by AENOR, in accordance with Standards UNE-ISO 14064-1:2006 and UNE-ISO 14064-3:2006, in order to obtain the *Airport Carbon Accreditation*. The *Airport Carbon Accreditation* programme permits the independent assessment and recognition of the efforts made by airports to manage and reduce CO_2 emissions. It establishes an accreditation system based on 4 levels: “mapping”, “reduction”, “optimisation” and “neutrality”, with the gradual commitment to reduce CO_2 emissions associated with airport activities. In 2012, such accreditation was obtained by Madrid-Barajas (“reduction”), Barcelona-El Prat (“mapping”) and Lanzarote (“mapping”).

With respect to air quality studies, in 2012 an analysis of the current situation in the airport complex and surroundings of Madrid-Barajas was conducted, together with an assessment of the results based on current legal limits. In order to carry out that study, the data concerning airport activity was used as a basis together with the airport's physical lay-out, the weather files for the time period assessed and all the necessary information to calculate the emissions inventory, taking into account both fixed sources (generator consumption, boilers, fire fighting practice) and mobile sources (aircraft, APUs, vehicles, “handling”, vehicles at access points and car parks).

As a result, the values obtained on the airport's air pollution assessment were updated and information was provided on the contribution of airport activities to the overall calculation of pollution. In addition, this study enabled both the locations potentially most exposed to air pollution to be identified together with the influence of each of the emission sources over the total in order to propose and start up future measures, where necessary, emphasising the most conflictive points with respect to the risk of exceeding the established limits.

LAND CHARACTERISATION AND MANAGEMENT

In 2012 the work which commenced in previous years to preserve the quality of the airport land of the Aena Aeropuertos network continued.

In order to complete the characterisation studies, every airport currently has a network of piezometers enabling control and regular follow-up in order to prevent future incidents of pollution. In this respect and following on with the work initiated in previous year, the monitoring and control of airport piezometers continued as required.

Similarly, monitoring and control were carried out of the land under concession, particularly, fuel facilities, in order to avoid any cross contamination which may affect the land of Aena Aeropuertos. To date these actions have been carried out in Alicante, Barcelona, Bilbao, Ibiza, Malaga, Palma de Mallorca, Sabadell and Seville.

RENEWABLE ENERGIES

During 2012 the following actions were carried out:

- Preliminary development of the photovoltaic self-consumption installation strategy.
- Amendment of the wording of the PPT for the Photovoltaic Plant Concession at Lanzarote where installations of up to 2 MW in self-consumption nominal power were deployed in accordance with the current legislative and energy framework.
- Economic viability report to document the appropriateness of considering a concession and photovoltaic electricity supply contract.
- Proposal for connection of the photovoltaic self-consumption installation at Madrid - Cuatro Vientos. A report was prepared on the possibility of connecting the photovoltaic facility that is currently available but on a self-consumption basis, with the corresponding technical changes.
- Proposal for a system to control electricity generation by from the renewable energy facilities installed in Aena Aeropuertos.
- Coordination and development of the mini windfarm electricity project for Lanzarote in collaboration with Universidad Politécnica, Madrid (UPM).
- Coordination and development of two photovoltaic self-consumption energy projects for Madrid - Barajas in collaboration with UPM.
- Monitoring of the commencement of the project for Lanzarote which will be defined in a future project in 2013.
- Sundry meetings with IDAE and companies in the photovoltaic and wind energy sector, in addition to attending seminars and congresses for the development of joint projects as well as clarifying and knowing the legislative framework applicable to renewable energy at present and future trends.
- Lecture in the name of Aena Aeropuertos on “Renewable energies at Airports” during the national congress on the environment CONAMA 2012.

ENERGY EFFICIENCY

During 2012 energy studies were performed of the terminal buildings at Alicante (T1), Almeria, Girona, Jerez, La Gomera and Palma de Mallorca (Module C). Energy studies were also performed of road lighting at Almeria and Palma de Mallorca.

The corresponding documentation was prepared to obtain the Certification for the Energy Management System to Standard UNE-EN ISO 50001:2011 for the Terminal building at Bilbao.

For the airports where the Energy Study was conducted, actions were planned and carried out that improve energy use. Particularly noteworthy were the following: improvements in the lighting, particularly, replacing lamps with other more efficient lamps and installation and regulation of presence detectors in different areas; upgrade of the facility management system; regulation of temperatures at air-conditioning facilities.

The Savings and Energy Efficiency Plan of Aena Aeropuertos was developed. The aim of that Plan is to establish objectives, programmes and actions to increase the network's environmental sustainability and energy efficiency, all in accordance with environmental and energy policy of Aena Aeropuertos. Similarly, scorecards were prepared to facilitate the monitoring of the Plan's implementation and quantify the level of completion and attainment of the defined objectives.

4 AIRPORT SERVICES

ASSISTANCE FOR PASSENGERS WITH REDUCED MOBILITY

Since July 2008 Aena Aeropuertos has provided at all Spanish airports reduced mobility passenger (RMP) services, in accordance with EC Regulation 1107/2006 of the European Parliament, guaranteeing that all passengers can enjoy air transport at any European airport, irrespective of their disability.

From the point of view of demand, in 2012 1,074,931 RMP received assistance throughout the Aena Aeropuertos network and rated the service highly positively (4.72 over 5). Aena Aeropuertos efforts were recognised through awards connected with accessibility and universal assistance on a national and international level:

- In July 2011 the Ministry of Territorial Policy and Public Administrations granted Aena the Citizen Award 2010 to Good Practice in Public Services as a result of its Reduced Mobility Passenger services.

- In January 2011 Aena received the Telefónica Ability Awards in the category Best Public Institution. This award is granted to those companies placing the disabled at the centre of the supply chain, like any other customer segment and driving innovation to achieve new sustainable business models, able to address demand by this group.

- Aena Aeropuertos is currently in the second stage of the "UN Public Service Awards", for services to Reduced Mobility Passengers.

Collaboration on accessibility programmes (ICARUS, APSIS4all).

NEW MEDICAL CARE POLICY

Aena Aeropuertos has had an airport medical care policy in place since 2007, given that, in light of the heterogeneous nature of its airport network, it detected the need for guidance on this matter on the basis of passenger traffic at each airport. This policy stipulates that at airports with traffic of more than 1 million passengers / year, there should be a permanent presence of healthcare personnel throughout the working day (at least a registered nurse) on the payroll of AENA or through contracted technical assistance.

In light of the current economic situation, Aena Aeropuertos reviewed its medical policy which, in its 2012 edition required that medical assistance and an ambulance should be made available at airports with traffic of more than 8 million commercial passengers a year (72.8% of all the network's commercial passengers), this being consistent with the situation in most European airports.

This new Medical Care policy, which is in accordance with the rules and methods recommended by the ICAO, aims to improve management efficiency, ensuring quality and safety, a top priority of Aena Aeropuertos. It should also be taken into account that emergency first aid and urgent medical transport are guaranteed at Spanish airports by the Spanish Government, through the General Security Scheme.

MANAGEMENT AND MAINTENANCE OF PAY BAGGAGE CARTS

During the last half of 2012 work commenced to review and upgrade the baggage cart management and maintenance system through pay per use arrangements (excluding hand baggage carts), in the search for greater organisational efficiency, improving human resource management and reducing costs.

The annual amount of this service throughout the network totals €11.8 million. 87% of this budget (€10.2 million) relates to 7 network airports with more than eight million passengers a year, namely: Madrid-Barajas, Barcelona-El Prat, Malaga-Costa del Sol, Palma de Mallorca, Gran Canaria, Tenerife Sur and Alicante.

During the first stage, the plan is to start up this type of service at those seven airports in 2013, the first being Madrid-Barajas. Subsequently, a second stage will be examined for airports with more than 4 million passengers where the annual cost of the service as a whole amounts to around €1 million, 8.5% of the total.

In the case of Malaga-Costa del Sol, Palma de Mallorca, Gran Canaria, Tenerife South and Alicante, this service has been put out to tender for a maximum amount of €1,204,000 a year (the expense currently amounts to €3,500,000 a year) with a contract term of four years. Offers are currently being assessed and the installation and start-up process is set to begin in the second half of 2013 at each location.

At Spanish airports, the rate to be used is €1 per cart, similar to that at other European airports (Munich, Hahn, Cologne and Dusseldorf, Milan, Genoa, Turin or Rome (Fiumicino), Athens, but lower than at UK airports (Bristol, Cardiff, Manchester, Leeds, Luton or Birmingham) where the rate is £1 to £2.

ACI ASQ PROGRAMME- PERCEIVED QUALITY LEVELS

Improving the quality of the services provided to passengers is one of the basic strategic principles of Aena Aeropuertos, in accordance with its status as a state –owned corporation providing airport services. Since 2002 and through the AEQual programme, Aena has carried out a robust process to monitor the quality of the service provided to passengers, accompanying persons and airlines at its airports.

In the second half of 2012 it was decided to add more value, where possible, to that perception of quality by airport customers through the inclusion of the main airports of Aena Aeropuertos in the global ASQ (Airport Service Quality) programme of ACI (Airports Council International). Up to a total of 33 airports of the Aena Aeropuertos network have been included in this project. 220 airports in 50 countries currently form part of this programme, including 60 of the top 100 airport worldwide.

The first wave of surveys will be carried out in the first quarter of 2013. The 17 airports of the Aena Aeropuertos network with the most passenger traffic will take part in the main ASQ programme with four waves of surveys a year. The following 16 airports in terms of passenger number will be included in the ASQ regional programme in two annual stages. Aena Aeropuertos will get to know, through subsequent reports, its weaknesses and strengths, although this time it will be linked to other participating airports worldwide.

AIRPORT MARKETING

During 2012 a programme was started up to drive airport marketing in order to identify and develop new strategic routes following the mandatory feasibility analyses, using the most appropriate and effective price discounts and incentive mechanisms.

In order to grow the visibility and impact of new routes, we collaborated and were in permanent contact with airlines in connection with aspects such as the organisation of events associated with inaugural flights, advertising through Aena Aeropuertos' own publications, press releases, social networks, temporary discounts at: car parks, VIP lounges, stores and catering for passengers etc.

During 2012, we participated in three international forums: FITUR, European and Global routes and IATA's Slot Conferences (the 130 edition was held in June in Barcelona which hosted it for the first time), and contact was established with 124 airlines, from 56 countries, in order to facilitate their work and settle those issues which are considered significant to the performance of their operations.

Additionally, Aena Aeropuertos is promoting its services through the internal portals The Route Shop (www.therouteshop.com) and Routes online (www.routesonline.com) where it posts relevant information for the heads of airline's operational planning in order to promote routes and exchange information between airports and airlines.

Spain is the 4th country worldwide in passenger numbers with more than 194 million passengers and almost 3,200 routes, of which almost 360 were created in 2012.

5 INFRASTRUCTURES AND SYSTEMS

5.1. INFRASTRUCTURE PLANNING

During 2012 work continued on the review and update of the master plans of several airports of the Aena network: A Coruña, Alicante, Almeria, Asturias, Barcelona, Burgos, Gran Canaria, El Hierro, Huesca-Pyrenees, La Gomera, Lanzarote, La Palma, Logroño, Madrid-Barajas, Melilla, San Sebastián, Tenerife North, Tenerife South and Zaragoza.

Additionally, it should be noted that the Order amending the definition and surface areas of the service zone of the Master Plan of Madrid-Barajas, approved by the Order of 19 November 1999, was prepared, processed and published in Official State Gazette 288 (30 November 2012).

Work continued on updating the short and long-term traffic forecasts of all airports of the Aena Network, aimed at determining passenger and aircraft traffic and annual variations and their nature – domestic or international -, the new airlines operating in those airports and other parameters necessary to characterise air traffic. Complementarily to the estimate of traffic development, studies continued on the characterisation of the profile of passengers using AENA airports. During 2012 Air Mode Mobility Studies were carried out at 10 airports: Madrid-Barajas, Barcelona-El Prat, Palma de Mallorca, Ibiza, Menorca, Fuerteventura, Lanzarote, Seville, Girona and Jerez.

This information on forecast traffic is essential in order to both follow up the actions contained in the Master Plans, based on comparison and analysis of supply/ demand parameters, and prioritise investments and budget estimates.

With respect to the special plans, in 2012 final approval was obtained for the Special Plans of Pamplona and Seville as well as initial approval of the Special Airport Protection Plan of Córdoba, Son Bonet and Valencia.

Moreover, collaboration continued with various Public Administrations for the final approval of the other Airport Special Plans currently being processed.

Similarly, and in order to achieve the airport's territorial integration in its environment, work continued on preparing the various town planning reports requested and which are a reference for both Central Government and Regional and Local Government.

Collaboration continued with the General Civil Aviation Directorate in relation to their urban development and territorial plans.

Organisational studies were also prepared and approved by the Madrid Town Council: Central Sector and Iberia Office Building, both in relation to Madrid-Barajas.

In order to improve the high speed train connection at Madrid-Barajas, a working group was created coordinated by the Secretariat for Transport of the Development Ministry, where Aena participates actively through the Directorate for Planning and the Environment.

During 2012 proposals were prepared for the establishment, modification or confirmation of flight paths at Girona, Ibiza, Fuerteventura, La Gomera, Lanzarote, San Sebastián, Pamplona and Vigo. In accordance with the requirements of the Technical General Secretariat of the Ministry of Defence, a public information process was initiated concerning the flight paths at A Coruña, Asturias, Barcelona, Córdoba, El Hierro, Federico García Lorca Granada-Jaén, Santiago and Seville and the Algeciras heliport.

Studies were also completed in relation to the detection, assessment and valuation of obstacles located in the area affected by flight paths or the relevant modification proposals, at Barcelona, Bilbao, Córdoba, Gran Canaria, Ibiza, Logroño, Malaga, Menorca, Palma de Mallorca/Son San Juan, Palma de Mallorca/Son Bonet and Valencia and the Ceuta Heliport.

Concerning the certification of Aena-Aeropuertos airports under Royal Decree 862/2009, approving the technical design and operations rules of public airports and regulating the certification of airports for which central government is responsible, flight path obstacles were assessed for Jerez, La Gomera, Malaga, Palma de Mallorca, Sabadell, Huesca-Pyrenees, Melilla, Almeria, Burgos, Girona, El Hierro and Lanzarote and the Ceuta heliport, in order to verify compliance with the Regulations on the certification of central government airports.

Moreover, and at the request of the General Civil Aviation Directorate, several feasibility reports were prepared concerning town-planning in flight path affected areas.

During 2012 the editions of the Capacity / Demand Studies were updated for 16 network airports in accordance with the current infrastructure programme and demand available. Up-to-date studies relate to A Coruña, Bilbao, La Palma, Vitoria, Asturias, FGL Granada-Jaén, Girona, El Hierro, Ibiza, Fuerteventura, León, Malaga, Valencia, Palma de Mallorca, San Sebastián and Alicante.

In this respect, calculations were made of *Property tax/m^2 /type of construction ratios* together with the simulation of property tax chargeable to the titleholders of the airport lease contracts as a result of the disappearance of administrative concessions following the split of AENA into Aena Aeropuertos, S.A. and AENA

The following exterior satellite orthoimage associated cartographies were updated and loaded into Airport Satellite Ortho-image System: La Palma, Córdoba, Badajoz, Burgos, A Coruña, Bilbao, Madrid-Cuatro Vientos, Pamplona, San Sebastián, Tenerife Sur, Valladolid, Albacete, Valencia, Lanzarote, Palma de Mallorca, Barcelona, Malaga, Madrid-Barajas, Tenerife North, Granada, Murcia, Menorca and Alicante.

The following satellite orthoimages were updated and loaded into the airport satellite image system: Valladolid, Albacete, Valencia, Lanzarote, Palma de Mallorca, Barcelona, Malaga, Madrid-Barajas, Tenerife North, Granada, Murcia, Menorca, Alicante, Santander, Seville, Fuerteventura, Melilla, La Palma, Santiago, Vitoria, Gran Canaria, Ibiza, A Coruña, Reus and Girona.

Actions were carried out in relation to the Airport Topography Control Network at Córdoba, Gran Canaria, Granada, León, Logroño Madrid-Barajas, Tenerife Sur, Vigo and Vitoria.

In addition, the full RCTA review of A Coruña, Albacete, Alicante, Almeria, Badajoz, Bilbao, Granada, Ibiza, Logroño, Melilla, Pamplona, Sabadell, San Sebastián, Santander, Seville, Son Bonet and Vitoria was completed.

In 2012 aircraft movement simulations were carried out as required for the certification of Asturias, Almeria, Bilbao, Burgos, Granada, Ibiza, Girona, Lanzarote, Logroño, Palma de Mallorca, Pamplona, Sabadell, Valencia and Vitoria airports together with aircraft movement simulations for the design and optimisation of the airport platforms at Alicante, Burgos, Granada, Huesca, Ibiza, Jerez, La Palma, Lanzarote, Melilla, Murcia, Pamplona, Sabadell and Valencia.

5.2. INFRASTRUCTURES

During 2012 the following activities continued:

- Writing up of projects and completion of planned work and installations, contributing to the improvement of quality and development of airport and air navigation instructions.
- Planning, coordination and implementation of the necessary actions to ensure the start-up of airport extensions, including the definition and performance of the necessary tests in this respect.
- Supervision, planning, coordination and promotion of the management functions and services of information technologies and organisation communications to ensure the efficiency of the actions in that area, including applicable policies, rules and standards.

All the foregoing was carried out to the highest safety levels in the prevention of occupational hazards, for the protection of people and goods, ensuring compliance with the environmental impact statement and contributing to the increase in resources generated by the organisation, guaranteeing its economic feasibility and compliance with whatsoever rules and guidelines may be applicable under current legislation:

- Safety and prevention: Maintaining the highest safety standards through an integrated approach to safety, ensuring compliance with current legislation on safety and occupational risk prevention, continuing with the work and actions connected with the airport security system and with respect to IT security, undertaking review programmes to reduce vulnerabilities.
- Quality assurance: Managing, programming, supervising and coordinating both activities and actions related to the development and follow-up of the Quality Management System associated with Management and activities connected with the performance of technical audits and sales audits of airport lessees at level 1 and 2. In addition, systems normalisation work continued at the airport network, in particular, on installation control systems [SCADA (Supervisory Control and Data Acquisition)].
- Environmental: Managing all those actions and processes necessary to carry out the studies, projects and reports required by both the environmental impact statement and environmental documents, controlling them from the project stage to the completion of the work. Similarly, the company collaborated on the preparation and processing of environmental impact studies of the work.

With respect to airport investments, in 2012 the focus was on the following:

- Completion and start-up of projects associated with new airport infrastructures.
- Activities associated with compliance of Royal Decree 862/2009 on the certification of Central government owned airports.
- The development, upgrade and deployment of IT applications to support operations, the management of the airport business and business management.

All areas were developed as part of the general cost cutting policy and process efficiency and with a clear commitment to technological innovation. In keeping with this, ITP infrastructure modernisation programmes were undertaken and initiated, [CUPPS (Common Use Passengers Processing System) and CDM (Collaborative Decision Making)].

Noteworthy in 2012, because of its commercial impact was the start-up of two strategic projects for Aena Aeropuertos S.A.:

- Development of a Smartphone application.
- Implementation of a corporate website as a cloud service to reserve car park spaces.

Additionally, actions commenced to help users, through the public webpage, to access airport information: stores, restaurants, car parks etc. In addition, work continued on the implementation of the electronic HQ in accordance with Law 11/2007, on Citizen Electronic Access to Public Services.

Moreover, in 2012, in light of the new commercial activity strategy of Aena Aeropuertos, sundry studies and projects were undertaken to remodel and extend the shopping areas of various network airports, the most noteworthy of which are Madrid Barajas: T4 and T4S, and Malaga.

Lastly, it should be noted that the Special Airport Plans named: Plan Malaga and Plan Levante (Valencia) were completed, with the start-up, on 3 May, of the second runway (12-30) at Malaga airport and the extension of the terminal T-2 building at Valencia, following the performance of the basic tests and installation and aircraft testing.

5.2.1 MAIN INVESTMENTS MADE

The main investment actions completed during 2012 were as follows:

	Amount (€million)
Refurbishment of terminal building in line with functional design. Ibiza airport	59.4
Extension of T-2 terminal. Valencia airport	37.3
Extension of public car park 2 stage. Valencia airport	21.3
Platform adaptation stage II. Palma de Mallorca airport	19.6
Electrical and Control System redesign. Lanzarote airport	13.2
Standardisation of power and improvements to the Electricity Distribution and Management Network. Tenerife South airport	11.7
Adaptation of 02-20 run-way and other complementary work Stage I. Barcelona airport	9.4
Extension of aircraft waiting area. Alicante airport	8.7
Adaptation of flight field. Bilbao airport	7.8
Adaptation of flight field stage II. Valencia airport	7.4
Repair runway paving and taxiing paths. Menorca airport	7.1

	Amount (€million)
Demolition buildings 1 extension platform eastern edge. La Palma airport	7.0
Run-way resurfacing. Alicante airport	6.9
Special urban development plan, special environmental protection subsystem. Barcelona airport	6.6
Platform adaptation. Lanzarote airport	5.6
Roofing and extension of cart area. Asturias airport	5.5
New access paths and roads to runways 18-36. Madrid/Barajas	5.2
Platform actions. Asturias airport	4.6
Flight field actions for the airport's certification. Gerona airport	4.6
Adaptation of flight fields. Fuerteventura airport	3.7
New shopping areas in terminals T1, T2 and T3. Madrid/Barajas airport	3.4
Adaptation of run-way edges and taxing lanes. Tenerife/ North airport	3.2
Transfer of regulatory cameras. Ibiza	2.4

5.2.2 MAIN ACTIONS STARTED UP

The extension and / or modernisation actions comprise all airports of the Aena network without exception. The main actions started up in 2012 were as follows:

Extension of flight field. Malaga airport
New Terminal Area.La Palma airport (Control tower included in terminal building)
New Terminal 2 building. Valencia airport
Adaptation Terminal Building. Ibiza airport
Extension South Terminal Building. Vigo airport
Automated baggage screening system. Fuerteventura airport
Car park extension. Seville airport
New Control Tower. Pamplona airport
Baggage screening, extension terminal area. Batch 3 3.- Malaga
Baggage in hold screening system terminal T2. Valencia airport
New control tower. La Palma airport
Framework agreement: gangways and equipment: Ibiza, La Palma, Madrid/Barajas, Tenerife/North and Valencia

Supply and installation of public information, check-in and boarding and IT equipment required for new infrastructures
Baggage in hold screening system Murcia/San Javier airport
Extension of Mobile Communications Network TETRA. Madrid/Barajas airport
Renewal of storage system supporting critical services. SC of Aena Aeropuertos, S.A.
Construction and installation of a Data Processing Centre. Valencia airport
Extension of Multiservice Network. Valencia airport
Extension of hold baggage screening system. Asturias airport
Platform control tower. Madrid/Barajas airport
Platform control tower. Barcelona airport

5.2.3 MAIN ON-GOING INVESTMENT ACTIONS

The main investment actions which were on going in 2012 were as follows:

	Amount (€ million)
Extension terminal building at Gran Canaria airport	176.0
Runway extension. Coruña airport	59.3
Extension terminal building at Vigo airport	53.1
Power station. Malaga airport	24.0
New power station and reform electricity system, Valencia airport	17.1
Adaptation car park areas, Reus airport	15.3
Redesign of current power plant and substations. Gran Canaria airport	14.7
Adaptation of channels at flight field. Barcelona airport	13.5
Platform regeneration. Seville airport	10.9
Framework contract: Gangways + equipment. Gran Canaria and Vigo airports	10.6
Construction car park P3 building, Gran Canaria airport	10.4
New power station. Asturias airport	10,2
Adaptation of flight field. Vigo airport	9.7
Adaptation aircraft parking platform. Zaragoza airport	9.0
Improving platform slabs. Tenerife North airport	8.4
Development and improvement of shopping spaces at T4 and T4S. Madrid/Barajas airport	8.1
Extension of north / south platform. Gran Canaria airport	6.9
Functional improvements terminal building and several lighting systems in airport vicinity. Tenerife South airport	6.5
Extension of visitor gallery. Valencia airport	6.4
Environmental and landscape integration zone 2. Malaga airport	5.5
Hold baggage screening system extension terminal building Batch 2: installation conveyor belt and HUB line. Gran Canaria airport	5.2
Installation of axle lighting on push-back taxiing platforms. Barcelona airport	4.8
Shopping areas. Gran Canaria airport	4.5
Adaptation and improvement of air-conditioning system of terminal building. Tenerife North airport	4.5

	Amount (€ million)
Redesign arrival lounge. Palma de Mallorca airport	3.9
New generators and new connection to the terminal building. Bilbao airport	3.3
Hold baggage screening system extension terminal building Batch 2. Ibiza airport	3.2
Supply with installation for the extension continuous distribution CELA. Barcelona airport	2.8
Integration of standard 2 screening machines. Barcelona, Gran Canaria, Ibiza, Malaga, Palma de Mallorca, Seville, Tenerife/South, Valencia and Valladolid airports	2.7
Adaptation of legislation and creation of electronic HQ services platform (Law 11/2007)	2.2
Supply and installation of equipment and upgrade development of applications for project Ágora	2.1
Extension of the Multiservice Network. Gran Canaria airport	2.0
Supply and installation of electronic equipment Multiservice Network at Shared Services data processing centres	1.7
Upgrade of Multiservice Network and Video Network. Tenerife South airport	1.3
Actions on B.T. electrical installations. A Coruña airport	1.2
Renewal of Multiservice network. Bilbao airport	1.0

6 ECONOMIC EFFICIENCY AND FINANCIAL FEASIBILITY

Aena Aeropuertos has prepared a Strategic Plan for the period 2012-2016, arranged in order to focus all efforts through to its roll-out and ensure that it is a financial profitability benchmark worldwide, able to contribute to both the development of air transport in Spain and inter-territorial connectivity.

This Strategic Plan of Aena Aeropuertos lays down the company's priorities in that period and is rolled out for the network's airports, with an approach focused on maximising cost efficiency and a strict economic/corporate return on airport investments.

The most important actions and measures adopted and started up in 2012 under that Strategic Plan are as follows:

6.1 CONTROL MEASURES AND COST REDUCTION

Implementation of the cost optimisation and reduction plans initiated in 2008 continued in subsequent years. In 2012 the application of a rigorous austerity policy, together with strict cost control and a change in the management of the company, resulted in a saving in Aena Aeropuertos of approximately €96 million as compared with 2011.

With respect to other operating expenses, the saving amounted to €87 million. The main measures applied were as follows:

- Entry into effect of the Airport Efficiency Plan.
- Adaptation and improvement of procedures to current traffic levels.
- Service reorganization.
- Renegotiation of contracts and supplies with equipment and services suppliers.
- Reduction in technical assistance and professional services.

The saving in staff costs amounted to €9 million (not taking into account the effect of the redundancy proceedings). The main savings resulted from the following actions:

- Adjustment of the organisational structure, reducing management and structural positions.
- Wage freezes.
- Leavers are not replaced.
- Decrease in overtime and travel expenses.

6.2 ACTIONS CONNECTED WITH SHOPPING SPACES (INCOME OUTSIDE TERMINAL) AND COMMERCIAL SERVICES

In 2012 income from commercial activities and outside the terminals of Aena Aeropuertos S.A. amounted to €679.1 million.

Taking into account that passenger traffic fell by -5.0%, the ratio of commercial income per commercial passenger rose to €3.46 compared with €3.20 per commercial passenger in 2011.

Generally speaking, noteworthy was the contribution of this income in 2012 in the 7 largest network airports, which accounted for 77.3% of total commercial income (Madrid-Barajas 26.4%, Barcelona-El Prat 20.1%, Palma de Mallorca 8.3%, Malaga-Costa del Sol 7.8%, Alicante 5-6%, Tenerife Sur 4.6% and Gran Canaria 4.6%).

These activities as a whole, grouped together by line of business, ordered according to their significance with respect to total commercial income, break down as follows:

BUSINESS LINES	2012 (€ MILLION)	Significance (%) /Total commercial income
TV & DF	122.0	18.2%
Vehicle hire	95.6	14.3%
Rent a car	91.5	13.7%
Restaurants	84.0	12.6%
Stores	77.1	11.5%
Leases	65.8	9.8%
Supplies	49.1	5.8%
Commercial activities	31.7	4.7%
Advertising	25.0	3.7%
CLASA	23.5	3.5%
Lounges	13.5	2.0%
Other (Foods, Film)	0.3	0.1%
Total	**679.1**	**100%**

During 2012 the performance of the commercial area improved through actions such as the increase in the surface area used, through the design of walk-through stores to optimise flows and increase penetration, the improvement of the commercial mix, attracting the most important national and international trademarks in both Retail and Catering and promotion and marketing actions. The final aim has been to improve the potential of the main lines of business: stores, restaurants, car parks, car hire, advertising, rentals etc in order to maximise the growth in commercial income.

By line of business, in 2012, the following actions were particularly noteworthy:

- TV (Travel Value) & DF (Duty Free): In June 2012 through an auction procedure to ensure maximum transparency and a significant improvement in the prices offered, the largest duty free store tender was arranged worldwide (commercial exploitation of Duty Free activities, associated Duty Paid and Canary Island multi-stores under a comparable tax regime), through three lots for a total of 26 airports of the Aena Aeropuertos network.

  The award of the Duty Free business, in December 2012, represented a major improvement in levies, which in lots 1 and 2 increased from 27% to 37% and in lot 3 (Canary Island airports) to 41.7%.

  World Duty Free Group España S.A. was awarded lot 1 which includes 11 airports, including Madrid-Barajas and the business exploitation of 38 points of sale, occupying 18,200 m^2 and lot 2 which includes 9 airports, including Barcelona-El Prat and the commercial exploitation of 29 points of sale, occupying 18,700 m^2. Canariensis, a subsidiary of the Aldeasa group, as the successful bidder for lot 3, which includes 6 Canary Island airports, will be responsible for the management of 13 points of sale, occupying 8,000 m^2. The commercial area offering prior to the award amounted to approximately 33,000 m^2. Following the finalization of the implementation of the new contract, the commercial surface area will amount to 45,000 m^2, representing an increase of 36.4%.

  In addition to the high level of the technical offers, reflecting the broad experience and in-depth knowledge of the successful bidders, operators have committed to making major investments and carrying out new designs (spaces, concepts, commercial models, promotion and sales channels, technological resources etc) at 80 airport stores, which will result in an improvement in the image of the locations and increase their appeal for passengers.

  In 2012 TV & DF accounted for 18.2% of the commercial income of Aena Aeropuertos, and practically half of the 80 points of sale are located in Madrid-Barajas and Barcelona El-Prat.

- Rent a car: With respect to rent a car, noteworthy was the fact that the establishment of second trademark rentals was facilitated and Avis, Hertz, Europcar and Atesa took up this possibility while new surface areas were provided at Madrid-Barajas and Barcelona El-Prat.

- Car parks: Numerous actions were carried out to mitigate the fall in revenues envisaged as a result of the drop in passenger traffic: changes in prices (exemptions for the first hour at mainland airports and Melilla and the implementation of new products and rates at other airports), implementation of booking management at several airports (Bilbao, Melilla, Alicante and Vigo) and various marketing actions (communications plan on radio, using means available at the airport and its Webpage). Nonetheless, revenues fell as a result mainly of the drop in domestic passenger traffic (-12.5% compared with 2011).

- Catering: The main actions were carried out at Tenerife South (arrangement of a new tender and start-up of new catering facilities at the airport), Gran Canaria (start-up of half of the points of sale), Valencia (start-up of catering facilities), and Madrid-Barajas (start-up and publication of project files for all points at T123 and T4).

- Stores: Numerous actions were carried out at the airports of the Aena Aeropuertos network, the most noteworthy of which were the following:
    - Barcelona El-Prat: Redesign of the commercial area offering at the T2 through 9 tenders (fashion, complements, opticians, multimedia, press, gifts, shoe shop and electronics) and actions for the redesign of the Sky Center of T1 (changes to 10 project files).
    - Menorca airport: Arrangement of 6 tenders for most of the commercial area offering (shoe shop, imitation jewellery, gifts, fashion, cakes and pastries, multimedia and foods).
    - Palma de Mallorca: New commercial area offering (arrangement of several tenders).
    - Tenerife South: Arrangement of 11 tenders involving most premises with varying activities (fashion, customer jewellery, bathroom products, press, cakes and pastries, typical products, craftwork, shoe shop, luxury goods).
    - In order to complete the commercial offering at other network airports, approximately 50 actions were carried out (tenders or extensions of project files).
- Leases: The fall in income in this line of business was mainly triggered by the bankruptcy of Spanair which affected 16 airports and the vacating of space due to the economic situation (CESSNA, general aviation, INECO, etc.).

  Concerning real estate management, in 2012 numerous activities were started up, including the following:
    - Price study of airport real estate assets.
    - Definition and implementation of new rates for land.
    - Strategy and pre-marketing of former Alicante terminal and golf course in Barcelona.
    - FBO tender at Madrid-Barajas.
    - Establishment of a collaboration agreement with EADS/CASA for the assignment of land, premises and provision of services.
    - Start-up of the tender for third party hangar maintenance at Malaga.
- Advertising: The fall in advertising income compared with 2011 is due to the current economic crisis, together the absence of marketing actions and therefore the arrangement of campaigns as a result of the end of the concession on 31 December 2012.

  Under the premise to grow revenues in this line of business, in 2012 an analysis was conducted of best practice at international level and the advertising business strategy was redefined with the participation of the players involved.

  Following this analysis and in order to adapt advertising to the new trends such as the development of digital support or increased levels of consumer interaction, in May 2012 a public tender was held for the commercial exploitation of advertising and promotion activity for network airports. The new tender, divided into 4 lots, covers a 6 year timeline which may be extended and includes the possibility of managers receiving objective based bonuses, the redefinition of the minimum monthly levy into one annual levy, the inclusion of sponsors or the need to comply with the Service Level Agreement concerning the quality of the services rendered.

  In September 2012, lots 1 to 3 relating to the business in the north east, south east and Balearic Islands were awarded to CEMUSA-Corporación Europea de Mobiliario Urbano, S.A., while lot 4 for Canary Island airports was allotted to Juan

José Fuentes Tabares S.L.U. The new business model is expected to potentially grow revenues by more than 30% over the lease term.

- CLASA: The Plan for the Restructuring and Rationalisation of the Central Government Public Business and Foundation Sector which was approved by the Government in March 2012 and which envisages the extinguishment of subsidiaries, gave rise to the merger by absorption of CLASA (Centros Logísticos Aeroportuarios, SA) by Aena Aeropuertos which took effect on 1 December 2012. As a result, the subsidiary was extinguished and Aena Aeropuertos started operating through its subrogation to the contractual position of CLASA with respect to all contracts entered into by the latter. Work commenced on the preparation of a short-term strategic plan which will be started up straightway and a facilitator committee plan for the air cargo business.

6.3 GENERAL BUSINESS CONTRACTS WITH SUPPLIERS

During 2012 Aena Aeropuertos awarded a total amount of €518.1 million, excluding taxes.

The volume of business awarded on a centralised basis accounted for 88.1% (€456.5 million) of the total compared with 11.9% (€61.6 million) arranged by the airports on a decentralised basis.

A breakdown of the projects awarded according to their nature is as follows:

Centralised investment	
Building work	€8.5 million
Supplies	€69.4 million
Assistance, Consulting and Services ..	€6.3 million
Centralised expenses	
Supplies	€189.7 million
Assistance and Services..................	€182.6 million
Decentralised investment:	
Building work	€21.1 million
Supplies	€5.4 million
Assistance, Consulting and Services ..	€3.1 million
Decentralised expenses:	
Work	€1.1 million
Supplies	€5.6 million
Assistance and Services..................	€25.3 million

The 10 most important contracts in terms of amount with airports relating to investment projects are as follows:

Project number	Name	Net amount awarded (€)
DSI 592/2011	Framework agreement for equipping communication networks.	31,747,154
SEG 148/2012	Replacement of current EDS screening equipment. Baggage processing system for compliance with Standard 2, EDS machine operation requirements (5 lots).	20,088,087
DIN 236/2012	Development and improvement of shopping areas T4 and T4S. Madrid-Barajas.	8,078,394
SEG 209/2012	Supply and installation of new automatic explosive detector equipment Standard 2 which may be included in the current host server (3 lots).	6,376,039
DSI 539/2011	Services for migration to the new shared use platform of Aena Aeropuertos.	3,198,000
DIN 238/2012	Adaptation of the automatic baggage handling equipment and integration of new automatic explosive detector equipment Standard 2 (11 lots).	2,796,679
SEG 773/2011	Supply and installation of conventional ex ray. Various tunnel widths for several airports. Compatible Smiths (3 lots).	2,014,272
DSI 44/2012	Upgrade of the multiservice network and video network. Tenerife South airport.	1,713,149
DIN 188/2012	A. T. for the preparation of projects including start-up for extensions and new projects.	1,185,915
BCN 750/2012	Infrastructures for the extension of the shopping area in T1's Sky Center.	1,171,176

The 10 most important contracts in terms of amount by airport location relating to expenses of projects allotted during 2012 break down as follows:

Project	Name	Net amount awarded (€)
DIA 40/2012	Electricity supply for locations managed by Aena (2012-2014) (8 lots).	185,452,036
MAD 250/2012	Maintenance and operation of the automatic connection system between T4 and T4S at Madrid/Barajas.	40,906,750
BCN 115/2012	Security services at Barcelona –El Prat passenger and hand baggage screening (3 lots).	17,505,790
MAD 104/2012	Reduced mobility passenger assistance at Madrid-Barajas (2 lots).	16,184,640
AGP 500/2011	Cleaning services at Malaga.	7,745,476
BCN 768/2011	Operation and maintenance of the automatic baggage handling system of Terminal 1 at Barcelona-El Prat.	6,800,000
MAD 673/2011	Maintenance of: terminal buildings, control systems, fire extinguishers and static signs at Madrid-Barajas (8 lots).	6,427,716
DEA 120/2012	Reduced mobility passenger assistance at Aena Aeropuertos (6 lots).	6,407,389

Project	Name	Net amount awarded (€)
MAD 24/2012	Maintenance and operation of hold baggage screening systems. Madrid/Barajas (3 lots).	5,039,386
DSI 85/2012	Development and maintenance services of business management applications at Aena Aeropuertos.	4,730,232

6.4 PASSENGER BUSINESS

During 2012 the total volume of business awarded in relation to leases for commercial activities amounted to €2,314.2 million, not including taxes, for the entire contract.

The distribution by amount of the commercial lease contracts awarded on a centralised basis, by line of business, was as follows:

LINE OF BUSINESS	TOTAL
TRAVEL AGENCIES	255,889
HANGAR LEASES	172,306
BARS AND RESTAURANTS	12,118,890
PASSENGER SERVICE CENTRE	4,565,472
MACHINES	2,476,035
ADVERTISING	209,265,900
REGULATED COMMERCIAL SERVICES	507,494
FINANCIAL SERVICES	830,727
STORES UNDER NORMAL TAX REGIME	24,172,592
DUTY FREE	2,059,878,614
TOTAL GENERAL	**2,314,243,919**

The most significant lease contracts in 2012 associated with commercial activities break down as follows:

Project number	Batch no.	Name	Net amount awarded (€)
C/DEC/001/12	2	Process to select operators on contracts for commercial operation of “DUTY FREE”, “DUTY PAID” activities.	916,547,907
C/DEC/001/12	1	Process to select operators on contracts for commercial operation of “DUTY FREE”, “DUTY PAID” activities.	783,418,059
C/DEC/001/12	3	Process to select operators on contracts for commercial operation of “DUTY FREE”, “DUTY PAID” activities.	359,912,648
C/DEC/097/12	1	Lease of surface area for the operation of the commercial management of advertising and promotion activities.	90,735,325

Project number	Batch no.	Name	Net amount awarded (€)
C/DEC/097/12	2	Lease of surface area for the operation of the commercial management of advertising and promotion activities.	76,747,020
C/DEC/097/12	3	Lease of surface area for the operation of the commercial management of advertising and promotion activities.	21,072,729
C/DEC/097/12	4	Lease of surface area for the operation of the commercial management of advertising and promotion activities.	20,710,826
C/VLC/011/12		Lease of three (03) premises for the exploitation of catering activities to be used as a Foodcourt, cafeteria and canteen. Valencia airport.	5,810,644
C/TFS/070/12	0	Lease of premises used to carry out sales of chocolates, cakes and pastries at Tenerife Sur.	3,391,228
C/PMI/088/12	0	Lease of four (04) premises used to carry out activities associated with fashion, sports, costume jewellery and travel accessories. Palma de Mallorca airport.	3,092,598
C/MAD/133/12	0	Lease of installations for the operation of two (2) fixed bases of operation (FBO) for corporate and business aviation. Madrid Barajas.	2,628,562
C/BIO/083/12	0	Lease of premises used to carry out fast food activities at Bilbao.	2,574,924
C/TFS/114/12	0	Lease of premises used as a flower, craftwork, ceramic and souvenir shop. Tenerife South.	2,111,659
C/TFS/073/12	0	Lease of premises used to carry out sales of Canary Island food products at Tenerife South.	1,974,319
C/MAD/133/12	0	Lease of installation for the operation of two (2) fixed business bases (FBO) for corporate and business aviation. Madrid Barajas.	1,936,910
C/PMI/239/11	0	Lease of premises used to carry out catering activities. Palma de Mallorca.	1,701,757
C/PMI/128/12	0	Lease of premises for minimarket store in the arrivals lounge of Palma de Mallorca.	1,301,598
C/BIO/223/11	0	Lease of premises used to carry out book shop and press activities in the boarding area of Bilbao.	1,146,573
C/LPA/258/11	0	Lease of installation, exploitation, maintenance, replacement and collection of 60 food and drink vending machines Gran Canaria airport.	1,144,317
C/IBZ/237/11	0	Lease of premises used as a "Lounge-Bar" at Ibiza.	1,029,766

7 PEOPLE

In 2012 the main challenge in Human Resources, in line with the Aena Group's Efficiency Plan, was to contribute to the organisation's feasibility and guarantee its future in light of the challenges which it faces through:

- ✓ **Optimization of workforce rightsizing** based on operational and productivity criteria.

- ✓ **Human resources organisation and management** (review of the organisation structure, professional development programmes, talent management, etc.).

As part of the human resources optimisation measures, it is particularly important to note that on 31 October 2012, the Corporate Feasibility Plan was agreed by the representatives of the Aena Group and the representatives of the trade unions, which sets out the following:

- Important internal flexibility measures for Group III airports (less than 500,000 passengers): working day adjusted to operational needs, flexibility measures in relation to work shifts and employees' geographical and functional mobility.

- A Voluntary Redundancy Plan.

The **Voluntary Redundancy Plan** consisted of lay-off proceedings which all employees of the airport manager could take up until 31 December 2012, up to a maximum of 1,600 employees.

The decision to take up redundancy has been voluntary such that it is the employees involved who asked to be included.

Of the maximum number of workers who were expected to take up the plan, 918 were Aena Aeropuertos employees. The redundancies will take place in the first 6 months 2013.

The other internal flexibility measures agreed with the trade union representatives are currently being implemented (geographical and functional mobility, flexible working day etc) and are considered to be necessary to adapt the current workforce to real demand.

ORGANIZATION

Following completion of the initial implementation stage of the new model to manage and operate airport services, governed under Royal Decree Law 13/2010, which commenced on 8 June 2011, further work was carried out on the internal restructuring process and the Aena Group's current structure was adjusted accordingly. Therefore Aena Aeropuerto operates under the following guidelines:

- Complete the actual organisation segregation process between Aena and Aena Aeropuertos S.A., in order to ensure both have full autonomy and management capacity.

- Assess the organisation from the perspective of efficiency and feasibility.

- Rationalise costs, ensuring that the resulting organisational structure entails a reduction in current costs.

- Simplify the organisation and clarify responsibilities such that management and process efficiency is improved and activity management duplicities are avoided.

Additionally, besides the adaptation and adjustment measures covering the organisation structure, there have been major savings, deriving from the measures to reduce management positions, eliminate some structural positions and cut salaries for certain positions.

In line with the process for the optimisation and reduction of costs and in accordance with Order HAP/583/2012, whereby the plan for the restructuring and rationalisation of the public business and government foundation sector was approved, in 2012 Centros Logísticos Aeroportuarios, S.A. (CLASA) was extinguished through its merger by absorption with Aena Aeropuertos, S.A. The effective integration of CLASA personnel in Aena Aeropuertos, S.A. took place on 1 December 2012.

WORKFORCE

The total number of employees of the Aena Aeropuertos Group at 31 December 2012 stood at 8,438 (including the corporate units of Aena Aeropuertos and the General Management of Aena Aeropuertos).

With respect to 2011, the number of employees of Aena Aeropuertos has been cut by 3.7%.

In the last few years, women have accounted for around 33% of the workforce.

SELECTION

During 2012, in keeping with the process to optimise the organisation's workforce, no external selection processes were carried out.

During the last quarter of 2012, formalities were started up in order to sign the new Learning Cooperation Agreements with Universities, adapting them to the Bologna plan for curricular and extracurricular activities.

HUMAN RESOURCES MANAGEMENT

Under the Austerity Plan 2010-2013, important management efficiency measures have been implemented which aim to contain costs and improve HR productivity. In 2012 the following was achieved:

- 31% decrease in the total Service Commission expense compared with 2011.
- 28% decrease in overtime compared with 2011.
- Reduction in the absenteeism rate to 3.71.

TRAINING

The most significant actions carried out in 2012 were as follows: development of online courses in Operational Security and update of training courses affected by AESA's technical instructions; development of face-to-face training courses, aimed mainly at fire fighting personnel and Airport Maintenance; airport security courses, training of spokespersons in crisis situation, behavioural training (Communicating with Emotional Intelligence, Stress Prevention, Retirement Workshops), technical training (Negotiation and Finance for technical personnel) and training in Infrastructures (Health and Safety Coordinator at building sites).

EMPLOYEE BENEFITS AND SOCIAL PROJECTS

The Employee Benefits and Social Projects area carries out a wide variety of actions related to Corporate Social Responsibility with respect to both employees (employee benefits) and collaborating entities in the third sector, through the established agreements (NGOs working with the disabled), or other entities working with socially excluded groups:

- The arrangement of the Social Assistance Programme, with the processing and validation of assistance through the Employee Portal.

- As part of the development of the life/work balance policy, the Employee Assistance Plan was prepared.

- Work continued on the Programme for the Treatment and Prevention of addictive behaviours and the Emotional Support and Health Education Programmes, and in particular, the continuity and maintenance of a collaboration agreement between the entity Proyecto Hombre and Aena to encourage information, prevention and training in this area.

- During 2012 the project "Espacios Solidarios" continued to be promoted and its implementation was extended to A Coruña, Bilbao and Lanzarote. This project consists of the free assignment of a stand at public areas at airports to social entities (NGOs, foundations and associations) for them to provide information on their campaigns, particulars and objectives in an environment with a major public impact.

  This year noteworthy were the numerous contacts with social institutions which led to a considerable increase in the use of spaces assigned for stands.

- As in previous years, in 2012 the so-called Solidarity Days, Cultural days, Aena Social Month, the 4th edition of the Performing Arts, using a social inclusion model; and for the second consecutive year, the Solidarity Day was held at Madrid-Barajas, with the participation of more than 1000 people and income for social institutions of more than six thousand euro.

- In addition, with respect to new actions, social actions are carried out jointly with the Corporate Responsibility, Excellence and Innovation Division in the programme "Programa Embárcate en Familia" (a green airport project aimed at 6 to 14 year old children) as well as solidarity campaigns with social institutions working with the disadvantage (solidarity tops campaign).

8 INTERNATIONAL ACTIVITY

At international level, noteworthy were the visits and meetings of members of foreign bodies and delegations that have come to our airports and the Aena Group's Head Office.

During March, a delegation of Aeronáutica de Colombia, together with technical professionals and representatives of the Telecommunications Engineering School, visited Madrid-Barajas, Barcelona-El Prat and Asturias, expressing an interest in the installation and operation of the multilateration systems.

In April, the Director General for Civil Aviation of Bosnia held meetings with managers and visited the T1 and Control Tower of Barcelona-El Prat in order to develop the country's Civil Aviation in relation to both personnel training and air traffic control. Spain is attempting to provide the best tools possible to ensure that control can be implemented over the country's air space and ensure the feasibility of its administration.

A delegation from the International Airport of Incheon, Korea held meetings with management in June in order to know the Airport Management Centre and also visited Madrid-Barajas.

In July the Ministry of the Economy, Transport and Urban Regional Development together with the Ministry of Federal Affairs of the State of Hessen, Germany, and five other managers came to Madrid to know the development of the European and Spanish aviation markets, Madrid-Barajas and its noise reduction plans.

Jerez enjoyed the visit of 30 prominent international dignitaries that visited Cadiz to attend the XXII Latin American Summit of Heads of State and Government.

In December, the General Director of Civil Aviation of Armenia held a meeting with the Director of the Airport Network in order to know the Spanish airport system, its future management in Europe and Spain and critical issues at European regulatory level, and visited Madrid-Barajas along with the airport's managers.

With respect to the "EU Twinning project Support the Implementation of the Norms and Standards of the EU in the Spheres of Airports, Aerodromes and Air Traffic Management/Air Navigation Services", throughout the year four delegations of the civil aviation authorities of the Ukraine held meetings with our experts in relation to airport certification, issues related to handling, noise and emissions, at the headquarters of Aena Aeropuertos. There were also technical visits to Madrid-Barajas and Gran Canaria.

In March the "Majors" meeting took place in Madrid, attended by Chairs-Directors of the leading European airports, together with the Chairman – Managing Director of Aena Aeropuertos and the General Manager of Aena Aeropuertos. The current situation and future outlook of major airport installations were analysed. This group held another meeting in Amsterdam in October.

Concerning participation in international forums, the Chairman-Managing Director of Aena Aeropuertos continued to actively participate in the meetings of the ACI World (ACI Board of Directors), while the Airport Network Director participated as a member of the Board of ACI EUROPE and attended the XXII Congress and Annual General Assembly of Airports Council International (ACI EUROPE) held in Madrid in June.

Similarly, experts of Aena Aeropuertos continued to participate in the Committees and Working Groups of ACI EUROPE, where particularly noteworthy was the appointment as Chairman of Eduardo Milanés de la Loma on the Environmental Strategy Committee and the Information Technologies Committee of ACI World.

8.1 AENA INTERNACIONAL

In 2012 Aena Internacional continued to actively participate in the management, under differing arrangements, of 26 airports in Latin America (Mexico, Colombia, Cuba and Bolivia), EEC (UK and Sweden) and USA.

a) <u>MÉXICO</u>

Aena International's participation in the Pacific Airport Group (GAP), which runs 12 airports in Mexico, was through Aeropuertos Mexicanos del Pacífico (AMP), in which Aena Internacional has a 33.33% interest.

b) COLOMBIA

Cartagena de Indias airport

Cartagena de Indias airport is managed by Sociedad Aeroportuaria de la Costa S.A. (SACSA). Aena Internacional participates as an operating partner with a 37.89% interest in its capital.

Cali airport

Cali airport is managed through Aerocali, S. A., which is 33.34% owned by Aena Internacional.

c) TBI

Aena Internacional has an interest in TBI P.L.C. through Airports Concessions and Development Limited (ACDL), which is wholly owned by the former.

TBI operates as the owner or concession holder of Luton, Belfast and Cardiff airports in the UK; Orlando Sanford in USA; La Paz, Santa Cruz and Cochabamba in Bolivia and Skavsta in Sweden. It also has Operations and Management contracts in USA.

Aena Internacional owns 10% of the shares of ACDL.

TBI continued to apply an investment control policy, devoting resources mainly to maintenance actions.