Consolidated Management Report
for the period of three months ending 31 March 2016

AENA, S.A. and SUBSIDIARIES

Conference-call:
Wednesday April, 27th 2016.
13:00 hours (Madrid Time)
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1. EXECUTIVE SUMMARY

Aena, S.A. is currently in the process of review and approval by its regulator "DGAC" (Directorate General of Civil Aviation) of the first five-year regulatory framework of the company in Spain. On 22 December 2015 the Company announced its initial proposal for this framework, or "DORA" (Airport Regulation Document), which has been the subject of extensive consultation with associations of airlines that bring together its main customers. The culmination of this consultation process occurred on 8 March 2016, when Aena, S.A. submitted its final DORA proposal to DGAC, which included a proposal for a tariff freeze for the period 2017-2021 (both inclusive). This tariff freeze proposal stems from the application of the 6th Transitory Provision of Law 18/2014, which imposes the tariff freeze as a cap to tariff increases until 2025.

The following table reflects the most relevant elements that served as the basis for the establishment of the proposal of freezing rate, maintaining the decision taken by the Board of Directors on 22nd December 2015.

Proposal submmited on 8 March 2016

	2016	2017	2018	2019	2020	2021
Operating expenses (millions of euros)		1,816.4	1,831.1	1,824.7	1,851.0	1,876.2
Commercial operating margin associated with regulated activity (millions of euros)		(129.8)	0.0	0.0	0.0	0.0
Capital cost (millions of euros)		923.7	881.3	865.5	856.5	849.7
Average RAB¹ of airport activity (millions of euros)		10,729.1	10,491.3	10,303.9	10,196.1	10,116.0
Average Weighted Cost of Capital CMPC⁽²⁾				**8.4%**		
Estimated traffic (millions of passengers)	220.3	225.8	230.4	234.2	237.6	240.4
X Component				**1.94%**		

(1) Regulated Asset Base
(2) Average Weighted Cost of Capital

This proposal is subject to the review and approval process established by Law 18/2014, and therefore should not be considered in any way as a final document. As established in the current regulation, the DGAC will submit its final proposal to the Ministry of Public Works for their referral and approval before September 30th, 2016, following a report of the "CNMC" (National Commission of Markets and Competition) and AESA (Aviation Safety State Agency).

Regarding the tariff framework, on 1 March 2016 the new airport tariff for this year entered into force, approved under the General Budget Law of 2016. This new rate represents a reduction of 1.9% compared to that in effect in the previous year.

As regards business performance in the first quarter of 2016, the Aena airport network continues to show traffic growth above expectations. During this period, passenger traffic grew by 15.0% to more than 45.5 million as a whole, including Luton airport with traffic of 2.7 million passengers, an increase of 25.6%. This growth has been mainly favoured by three factors: the current low fuel prices, instability in major tourist destinations in the Mediterranean and the fact that Easter fell in the month of March. However, it is not expected that this growth will be sustained throughout 2016.

Growth in the Aena airport network in Spain has been reflected both in domestic traffic, growing 14.7% and representing 14.4 million passengers and international traffic, exceeding 28.1 million passengers, an increase of 14.3%, and is generally concentrated in the main airports of the network: Adolfo Suárez Madrid-Barajas (11.9%), Barcelona-El Prat (16.1%), Gran Canaria (12.3%), Málaga-Costa del Sol (18.2%), Palma de Mallorca (17.8%) and Alicante-Elche (22.1%).

This positive evolution in traffic has resulted in an increase of 10.3% in aeronautical revenues taking into account that the entry into force of the 1.9% reduction was on 1 March 2016. The increase of total revenues from commercial activities (+11.0% in the period), both on the air side and off terminal, is also noteworthy. This increase is a result of awarding of new tenders with improved contractual conditions including the minimum annual guarantees and increased commercial spaces, increased sales, pricing strategies and marketing and consolidation of the new business model of parking and VIP lounges, among other activities.

Moreover, revenues from international activities reflect the good performance of traffic both from Luton Airport (UK) and the other airports in which Aena, S.A. has minority stakes, which has allowed operating income in this segment to reach €43.7M, with a contribution from Luton to EBITDA of €11.2M.

Aena, S.A., continues to base its income on three pillars; the increased volume of revenues, improving management efficiency and cost containment. These efforts are reflected in improved efficiency, embodied in the containment of operating expenses, to include procurement, personnel costs and other operating expenses of the Company in recent years and are continuing in 2016 while it has reached efficiency levels that leave no room for improvement in the future. In the first quarter of 2016, the comparable operating costs base excluding Luton increased by €16.8M (+ 4.0%), while the rate of growth of passenger traffic was + 14.4%.

In connection with the implementation of necessary investments, a period of significant investments in new infrastructure was completed, giving continuity to a new stage, giving priority to maintenance improvements and security investments without reducing the quality of service. In the first quarter of 2016, investments amounted to €49.2M (this figure includes €5.3M invested in Luton Airport).

The continuity of the set of measures undertaken both by way of expenses as well as by income consolidates the restructuring of the Company and strengthens its profitability, increasing adjusted EBITDA(1) to €276.5M at the end of the first quarter of 2016, which represents an increase of 22.0% over the same period of 2015, and assumes reaching a 37.0% EBITDA(1) margin that is impacted both by the seasonality of the activity as well as by the application of IFRIC 21 on recording local taxes, based on which €145.5M accrued in Q1 2016, in comparison with €145.0M in Q1 2015. EBITDA amounted to €275.3M compared with €226.4M the first quarter of 2015 (21.6%).

Aena, S.A. recorded profit before-tax of €29.9M against €37.9M in losses in the first three months of 2015, while net profit amounted to €29.2M in the first quarter of 2016, a 140.0% increase than that registered during the same period last year (€12.2M). This increase is justified by the very positive traffic trends and financial results.

This improvement in income is reflected in a significant increase in operating cash flow to €507M compared to €390M in the first quarter of 2015 (up 30%) and in the reduction of debt, which led to reducing the ratio of net financial debt to EBITDA, as established in debt renewal agreements for the calculation of covenants, from 4.5x in 2015 to 4.2x at the end of the first quarter of 2016 .

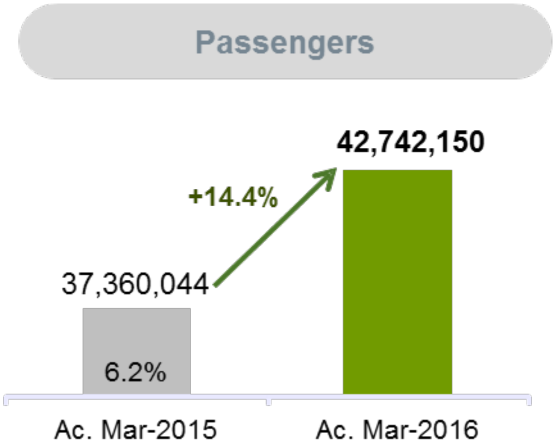
The share price performance of Aena, S.A. during the first three months of 2016 has been very positive, with an increase at the end of the quarter of 8.9% to €113.45M per share compared to the IBEX 35, which fell by 6.3% During the aforementioned period of action by Aena, it peaked at €114.60 and a registered minimum of €94.07 per share.

(1) Adjusted EBITDA Excludes impairment of fixed assets

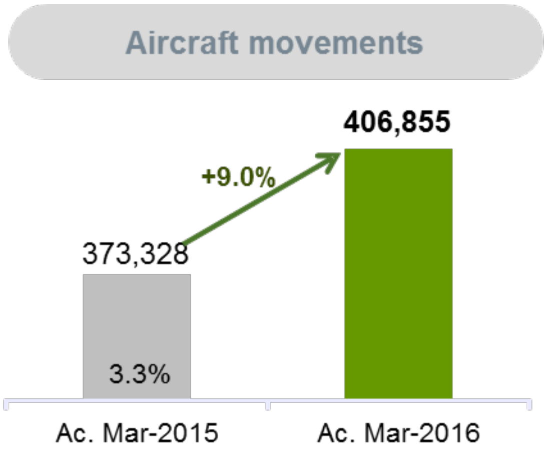
2. ACTIVITY

2.1 Traffic in the Aena airport network in Spain

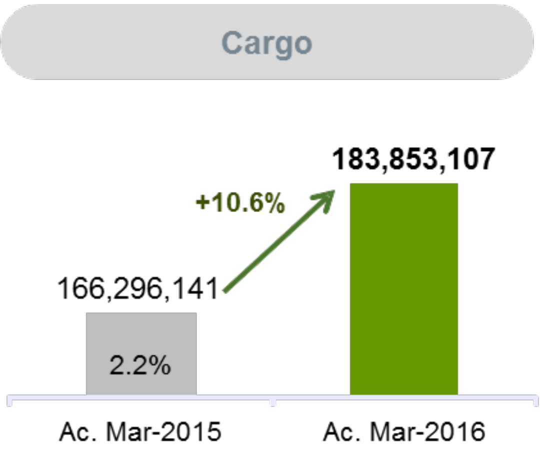
During the first quarter of 2016, passenger traffic grew 14.4% to more than 42.7 million in the Aena airport network. This growth has been mainly favoured by three factors: low fuel prices, instability in major tourist destinations in the Mediterranean and the fact that Easter fell in the month of March.
Domestic traffic grew by 14.7% (14.4 million passengers) while international traffic exceeds 28.1 million, an increase of 14.3%.



As regards the number of aircraft, approximately 407,000 flights were registered, representing an increase of 9.0% over the first quarter of 2015.



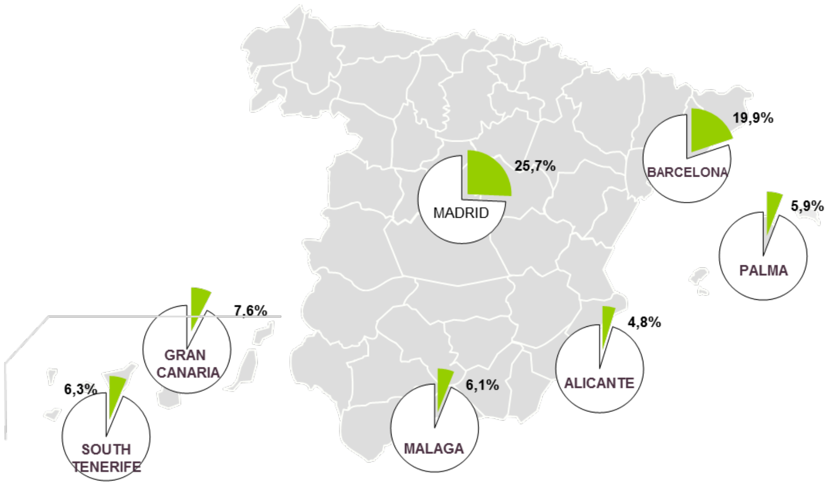
Freight traffic has increased by 10.6% during the first three months of 2016, exceeding 183,000 tonnes of cargo.



Tourism-related indicators have continued to show a positive trend shown in recent years, and represent the main driving force behind international traffic at airports in the Aena network. According to data published by the National Institute of Statistics, during the first two months of 2016, 7.2 million international tourists visited Spain, 12.5% more than in the same period of 2015. Aena plays a key role in this sector, since airports are the main path for international tourists, accounting for 82.2% (5.9 million) of those who came to Spain by plane during this period.

2.2 Analysis of air passenger traffic by airports and companies

As shown in the graph below indicating the percentage of passengers during the first quarter of 2016, this traffic is concentrated significantly in the major airports of the network, although almost all of them have experienced significant growth:



Airports and airport groups	Passengers			Aircraft			Cargo		
	Millions	Variation Q1 2016/ Q1 2015	Share Subtotal	Thousands	Variation Q1 2016 / Q1 2015	Share Subtotal	Tonnes	Variation Q1 2016 / Q1 2015	Amount Subtotal
Adolfo Suarez Madrid-Barajas	11.0	11.9%	25.7%	87.1	6.0%	21.4%	97,425	7.3%	53.0%
Barcelona-El Prat	8.5	16.1%	19.9%	62.5	8.8%	15.4%	31,132	16.5%	16.9%
Palma De Mallorca	2.5	17.8%	5.9%	23.6	18.1%	5.8%	2,179	-6.0%	1.2%
Total Canary Islands Group	10.1	12.3%	23.7%	88.8	8.4%	21.8%	8,915	0.1%	4.8%
Total Group I	8.4	17.4%	19.7%	81.9	14.2%	20.1%	7,682	8.9%	4.2%
Total Group II	1.9	17.4%	4.6%	34.0	8.1%	8.3%	24,100	19.3%	13.1%
Total Group III	0.2	4.7%	0.5%	29.0	1.2%	7.1%	12,420	20.5%	6.7%
TOTAL	**42.7**	**14.4%**	**100%**	**406.8**	**9.0%**	**100%**	**183,853**	**10.6%**	**100%**

Adolfo Suárez Madrid-Barajas airport is the main airport in the network in terms of passenger traffic and cargo operations, representing 25.7% of total passengers. In the first quarter of 2016, the number of passengers increased by 11.9% over the same period last year, 12.3% in domestic traffic and 11.7% nationally.

A total of 87,084 aircraft have operated out of this airport during the first three months of 2016, 6.0% more than in the same period of the previous year. In addition, cargo, which accounts for more than half of the total volume passing through the network, registered an increase of 7.3% to 97,425 tonnes transported.


Terminal T4 of Adolfo Suarez Madrid-Barajas Airport

In the **Barcelona-El Prat** airport, passengers increased 16.1% compared to the first quarter of 2015 (16.5% in international traffic and 15.3% nationally), reaching 8.5 million.

There have been 62,554 flights registered, an increase of 8.8% compared to 2015, and the cargo has followed the growth trend with a significant increase in the volume of merchandise, a total of 16.5% to 31,132 tonnes.

Barcelona-El Prat Airport Terminal

The **Palma de Mallorca** airport registered total traffic of 2.5 million passengers during the first quarter of the year, representing growth of 17.8%, with a significant increase in international traffic of 25.9%, totalling 1.3 million passengers, while domestic traffic came to a total of 1.2 million, an increase of 10.3%.

Equally significant are the figures showing growth of aircraft flights during the first quarter of 2016, which totalled 23,585 (18.1%)

Palma de Mallorca Airport Terminal

In the **Canary Islands Group**, the number of passengers who passed through the Canary Island airports numbered 10.1 million, an increase of 12.3% over the first quarter of 2015, of which nearly 3 million were passengers on domestic flights (up 18.9%) and 7.0 million on international flights (9.5% more than the same period last year).

Gran Canary Airport Terminal

The group of 8 airports in **Group I** grew by 17.4% during the first quarter of 2016, to 8.4 million passengers, with notable growth recorded in Alicante-Elche (22.1%), Malaga-Costa del Sol (18.2%), Valencia (16.7%) and Seville (13.4%). The growth of this group of airports has contributed to both domestic traffic (13.1%) and international traffic (19.9%).

Alicante-Elche Airport Terminal

The 11 airports in **Group II** recorded an overall growth of passenger traffic of +17.4% during the first three months of 2016, coming to a total of 1.9 million passengers. These figures represent confirmation of traffic recovery that started in 2015 (2.9%), following declines experienced in 2014 (-1.7%) and in 2013 (-9.1%).

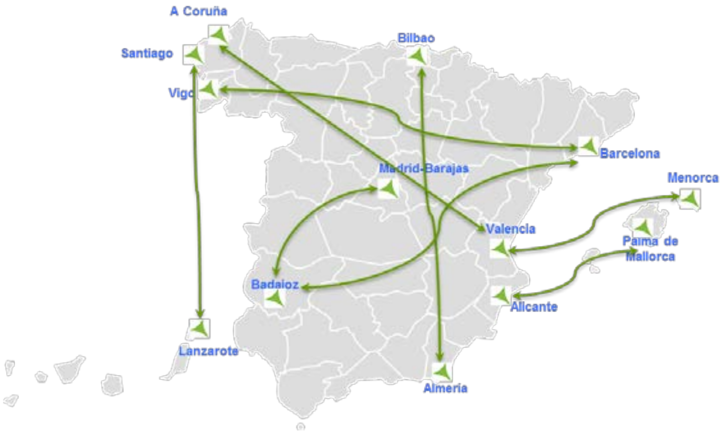
Santiago de Compostela Airport Terminal

Meanwhile, airports in **Group III**, which experience a lower volume of traffic, have recorded more than 232,000 passengers, an increase of +4.7% over the same period last year. Vitoria airport, which specialises in handling goods, continues to record significant growth of cargo volume (20.5%).

Air Cargo at Vitoria Airport

It is noteworthy that as a result of airport marketing activity that Aena has initiated in recent years, 58 new routes were established during the first quarter of 2016 from airports in the Aena network in Spain, 16 of which feature connections to other domestic airports and the remainder international destinations.

Opening of new domestic routes



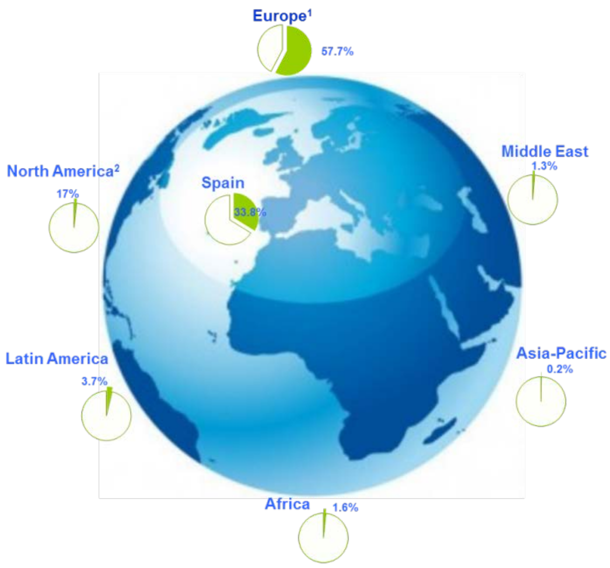
Opening of new international routes

Origin	Destinations
Barcelona-El Prat	Warsaw, London Luton, Constantine, Iasi (Romania), Leeds, Liverpool, Moscow-Vnukovo, Naples, Newcastle
Alicante-Elche	Doncaster (UK), Dusseldorf, Norwich (UK), Rome, Sofia, Vienna, Zurich
Madrid-Barajas	Bacau (Romania), Bari, Biarritz, Birmingham, Turin
Malaga	Budapest, Copenhagen, Doncaster, Norwich, Rome
Palma De Mallorca	Hamburg, Munich, Zurich
Gran Canary Islands	Edinburgh, Milan
Valencia	Algiers, Vienna
Seville	Munich
Santander	Lisbon
Santiago	London Gatwick
Ibiza	Hamburg
Asturias	Venice
Murcia-San Javier	Dublin
Lanzarote	Edinburgh
Tenerife-Sur	Edinburgh

Regarding distribution of traffic by geographical areas, widespread increases occurred in all regions except Asia and Others, which saw 2.4% decreases, while traffic numbers remained virtually unchanged over the same period of 2015.

Distribution of total passenger traffic by geographic area

Region	Passengers Q1 2016	Variation %
Europe[1]	24,670,395	14.6%
Spain	14,456,050	14.6%
Latin America	1,588,902	13.6%
North America[2]	708,229	8.8%
Africa	669,450	10.1%
Middle East	570,233	19.8%
Asia-Pacific	78,891	-2.4%
TOTAL	**42,742,150**	**14.4%**



[1] Excluding Spain

[2] Including USA, Canada, and Mexico

With regard to distribution of passenger traffic by type of airline company, 48.4% are low cost carriers (45.8% in the first quarter of 2015), and the remaining 51.6% correspond to legacy carriers (54.2% during the same period in 2015), confirming the trend shown at the end of 2015.

The main airline clients of Aena are the IAG Group (Iberia, Vueling, Iberia Express, British Airways, and Aer Lingus), with a share of 27.6% of all passenger traffic in the first quarter of 2016, compared to 26.9% in Q1 2015, and Ryanair, whose share amounted to 17.0% , compared to 14.7% in Q1 2015.

Distribution of total passenger traffic by airline

Company	Passengers Q1 2016	Passengers Q1 2015	Variation		Share (%)	
			%	Passengers	Q1 2016	Q1 2015
Ryanair	7,244,986	5,491,901	31.9%	1,753,085	17.0%	14.7%
Vueling	5,824,630	4,946,561	17.8%	878,069	13.6%	13.2%
Air Europa	3,687,782	3,414,671	8.0%	273,111	8.6%	9.1%
Iberia	3,679,630	3,174,976	15.9%	504,654	8.6%	8.5%
Easyjet Airline Co. Ltd.	1,993,319	1,926,576	3.5%	66,743	4.7%	5.2%
Air Nostrum	1,630,956	1,612,337	1.2%	18,619	3.8%	4.3%
Iberia Express	1,620,617	1,367,148	18.5%	253,469	3.8%	3.7%
Air Berlin	1,335,937	1,482,697	-9.9%	-146,760	3.1%	4.0%
Norwegian Air	1,335,121	1,032,205	29.3%	302,916	3.1%	2.8%
Thomson Airways	705,538	600,823	17.4%	104,715	1.7%	1.6%
TOTAL	**42,742,150**	**37,360,044**	**14.4%**	**5,382,106**	**100%**	**100%**
Total Budget Passengers*	**20,692,828**	**17,122,956**	**20.8%**	**3,569,872**	**48.4%**	**45.8%**

*Includes budget company traffic on regular flights.

International presence

Aena has direct participation in 15 airports outside of Spain (twelve in Mexico, two in Colombia, and one in the United Kingdom), and indirectly through GAP in the Montego Bay Airport in Jamaica.

Passenger traffic in participating airports

(Millions of passengers)	Q1 2016	Q1 2015	% Variation	% share of Aena
Grupo Aeroportuario del Pacífico (GAP)[1] (Mexico)	9.0	7.6	17.8%	5.8%
London Luton (United Kingdom)	2.7	2.2	25.6%	51.0%
Aerocali (Cali, Colombia)	1.4	1.2	15.7%	50.0%
SACSA (Cartagena de Indias, Colombia)	1.1	0.9	22.4%	37.9%
TOTAL				--

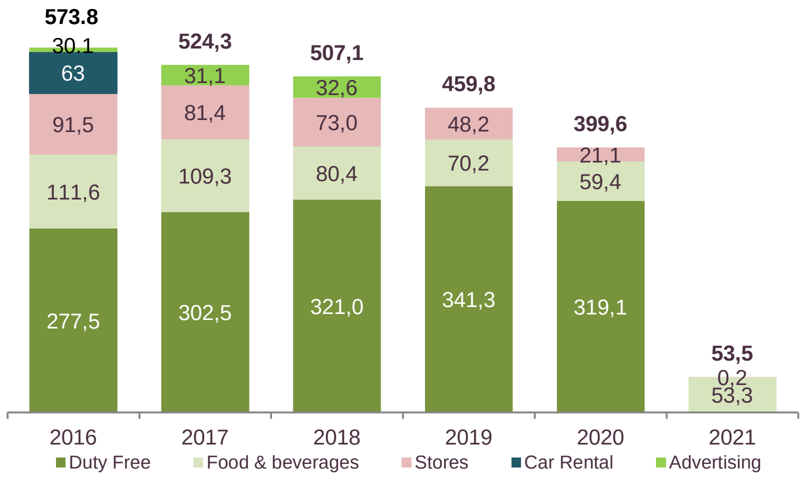
[1] *GAP includes the annual traffic at the Montego Bay Airport, MBJ (Jamaica)*

Luton **airport** has registered a significant increase in traffic during this quarter (25.6%), exceeding 2.7 million passengers and nearly 27,000 aircraft flights (17.9%).

2.3 Commercial activity

Aena commercial contracts vary according to the type of business activity, and are based, in general, on a percentage of sales (percentages vary by product category and/or services) and with a minimum guaranteed annual income (MAG), which sets a minimum amount to be paid by the tenant, regardless of the level of sales achieved. In this manner, the following chart shows the calculation of minimum guaranteed rents by business line.

Minimum Guaranteed Annual Rent (MAG) by business line [(1)]



(1) Figures in millions of Euros for existing contracts Potential new contracts are not considered. The MAG has been prorated to the actual beginning and end days of the contract. Commercial services in shops include contracts for other commercial uses: for example, financial and regulated services (currency exchange, pharmacies, tobacco stores, etc.)

In the year to March 2016, revenue from both commercial and off terminal grew by 11.0% over the same period of 2015, from €177.0M to €196.4M, representing a difference of EUR €19.4M. Aena continues on its path to boost commercial revenues through actions to improve profitability of commercial assets, notably:

- The activity of the Duty Free shops continues to grow, as a result of new contracts and the development of "walkthrough" stores integrated into commercial plazas and their inclusion at the Canary Island airports. Likewise, the Duty Free Store at the Jerez de la Frontera Airport has been remodelled, increasing by 342 m^2.

- The expansion and remodelling of spaces for commercial activity. The retail offerings of stores and restaurants have continued to improve during the first quarter of 2016, with the addition of new options to the Aena network, such as an electronics store and another focusing on Fashion at the Barcelona-El Prat Airport, another for accessories in Palma de Mallorca and two food courts, one at each airport in Palma de Mallorca (100 m^2) Gran Canary (490 m^2).

- The consolidation of top brands recognised both nationally and internationally, both in restaurants, and shops as well. Consolidation of the luxury business line, mainly in Madrid and Barcelona.

- The development of VIP airport lounges, based on a promotion strategy, remodelling and improvement of facilities. The remodelling of the VIP Lounge "Cibeles" at the Madrid-Barajas Adolfo Suárez airport, with an area of more than 1,700 m^2.

- The impetus of a business model of integrated management for parking lots 32 airports in the network, which includes improved price management, promotion, and new marketing channels. Highlights the consolidation of the reservation system, having increased by 70% in this quarter, the application of new technologies, such as the VIA-T in Adolfo Suarez Madrid-Barajas, Barcelona-El Prat, and Bilbao, and mobile payment, already up and running since late March at the two main airports in the network.

Along with the above actions, the favourable traffic performance has also helped to boost commercial revenues, impacting positively on the profitability of the Company. In paragraphs "4.2 Commercial Segment" and "4.3 Off Terminal Segment" of this report a detailed analysis of each of the business lines involving commercial activity.

3. INCOME STATEMENT

(Thousands of Euros)	Q1 2016	Q1 2015	Variation	% Variation
Ordinary income	729,471	659,926	69,545	10.5%
Other Operating Income	14.781	15,258	-477	-3.1%
Total Income	**744,252**	**675,184**	**69,068**	**10.2%**
Supplies	-46,301	-45,042	1,259	2.8%
Personnel expenses	-99.195	-95,843	3,352	3.5%
Other Operating Expenses	-322,069	-308,398	13,671	4.4%
Depreciation of fixed assets	-205,632	-213,101	-7,469	-3.5%
Impairments and gains/losses from disposal of fixed assets	-1,184	-217	967	445.6%
Other results	-187	764	-951	-124.5%
Total Expenses	**674,568**	**661,837**	**12,731**	**1.9%**
EBITDA	**275,316**	**226,448**	**48,868**	**21.6%**
adjusted EBITDA[1]	**276,500**	**226,665**	**49,835**	**22.0%**
OPERATING PROFIT	**69,684**	**13,347**	**56,337**	**422.1%**
Financial Expenses	-41,726	-47,900	-6,174	-12.8%
Expenses from interest on net expropriations	-1,856	-6,518	-4,662	-71.5%
FINANCIAL EXPENSES	**-43,582**	**-54,418**	**-10,836**	**-19.9%**
Net share in profits (loses) of associates	3,831	3,163	668	21.1%
INCOME BEFORE TAX	**29,933**	**-37,908**	**67,841**	**179.0%**
Corporate Income Tax	-3,790	45,054	48,844	108.4%
CONSOLIDATED PROFIT / (LOSS) FOR THE PERIOD	**26,143**	**7,146**	**18,997**	**265.8%**
Profit / (Loss) for the period attributable to minority interests	-3,066	-5,022	-1,956	-38.9%
PROFIT FOR THE PERIOD ATTRIBUTABLE TO THE PARENT COMPANY SHAREHOLDERS	**29,209**	**12,168**	**17,041**	**140.0%**

1 Excludes impairment of fixed assets

As a result of the positive business performance shown in virtually all its lines, Aena's **total revenues** increased to €744.3M in the first quarter of 2016, 10.2% over the same period last year. Revenue from the commercial area (both on airside and off-terminal) account for 26.7% of the total, maintaining its percentage weight stable over the same period of 2015.

Ordinary income increased to €729.5M in the first quarter of 2016, 10.5% over the first quarter of 2015. The increase of €69.5M is mainly due to the following:

- The positive impact that improvement in traffic (with growth of operations of 9.0% and passengers of 14.4%) has had on **airport revenues,** with an increase in aeronautical revenue of €45.9M, representing +10.3% growth. This positive variation of income, was partially offset due to the following:
  - the reduction in airport tariffs of 1.9% which came into force on 1 March 2016, leading to an estimated impact for March of 4.3 million lower income.
  - by incentives by new routes and passenger growth: €12.5M in the first quarter of 2016 (net of a release of €3.9M of provisions from previous years), compared to €8.5M in the same period of 2015.
  - The rebates for connecting passenger has increased from 35% in 2015 to 40% in 2016, which translated to €14.6M in the first quarter of 2016 versus €11.3M during the same period of 2015.

- The impact of contractual terms on **commercial revenues** , the increase in sales, pricing strategies and marketing and implementation of a new business model for the integrated management of car parks have combined driven the growth of commercial revenue, both on airside and off-terminal, at €19.4M (+11.0%). On the other side, we must highlight the decline in income from real estate activities amounting to €0.2M (-1.4% compared to the first quarter of 2015) as a result of the cancellation in warehouse and hangar contracts, primarily throughout the past year.

- **International business** improved by €4.1M, reflecting the strong traffic growth experienced in both Luton Airport as well as other airports under participation.

Operating expenses increased slightly (+€12.7M, +1.9%) as a result of cost-saving measures initiated in previous years, which have resulted in a containment of these expenses despite the strong growth in traffic. Then the most important items of expenditure variations are analysed as follows:

- Supply costs have increased 2.8%, representing +€1.2M compared to the same period of 2015, mainly as a result of increased execution of ATM/CNS purchases and spare parts (+€0.9M) and the Defence Convention (+€0.4M) in March 2016, after receiving the final assessment of the Air Force for 2015, this has subsequently been regularized for the first quarter of 2016.
- Personnel expenses increased by 3.5% from €95.8M in the first quarter of 2015 to €99.2M in the same period of 2016 (+€3.4M). This increase is explained by the increase in compensation (salary review of 1%, +€0.5M, and benefits associated with years of service and occupation, as well as wage level changes).
- Other operating expenses experiences the most significant increase 4.4% (+€13.7M) to €322.1M. The variation in this item is mainly due to increased maintenance costs associated with maintenance of quality in the environment of current traffic growth (+€4.5M), to the provision for unfavourable judgement associated with the tariff increase of 2012 (+€4.2M, the new security regulations implemented since March 2015 (+€2.0M) and the effect of the reversal of provisions for bad debts in the past year (+€1.8M). Also, both 2016 and 2015 include local taxes for the full year in accordance with IFRIC 21 (€145.5M and €145.0M respectively), which impacts the margin this quarter, as a result of no additional accruals in the future.
- Depreciation and amortisation amounted to €205.6M and has been reduced over the same period of 2015 to €7.5M (-3.5%), mainly due to the effect of full depreciation of assets.
- The impairment and profit/loss from the disposal of fixed assets came to €1.2M and increased by €1.0M when compared to the first quarter of 2015, mainly due to the increase of the losses from fixed assets.
- Other results include, for the most part, seizures of guarantees, pledges, late fees and emergency charges; the losses mainly reflected allowances and allocations for risk provisions..

EBITDA reported has increased from €226.4M in the first quarter of 2015 to €275.3M in the same period of 2016, representing an increase of 21.6% and a margin of 37.0% that is impacted by both seasonality activity as well as the application of IFRIC 21 on accounting for local taxes, as has been previously cited, based on which €145.5M accrued in Q1 2016 (compared with €145.0M in Q1 2015).In 2016, it included €11.2M for the consolidation of Luton (€8.2M in Q1 of 2015). In 2016, it included €11.2M for the consolidation of Luton (€8.2M in Q1 of 2015).

Meanwhile, **net financial result** amounted to -€43.5M, a reduction of €10.8M over the same period of 2015 (-19.9%). Financial expenses decreased -€6.2M (-12.8%) mainly as a result of the decrease of interest rate (-€19.3M) and the reduction of debt principal (-€4.5M), partially offset by the charges of interest rate hedges (+€7.5M), the evolution of the exchange rate €/pound (+€8.8M) and interest associated with the Dufry guarantee (+€0.5M). Interest expense from expropriations decreased €4.7M (-71.5%) due to the abandonment of certain claims.

Regarding the profit of associates, it has increased by €0.7M due to traffic growth and the impact of the exchange rate.

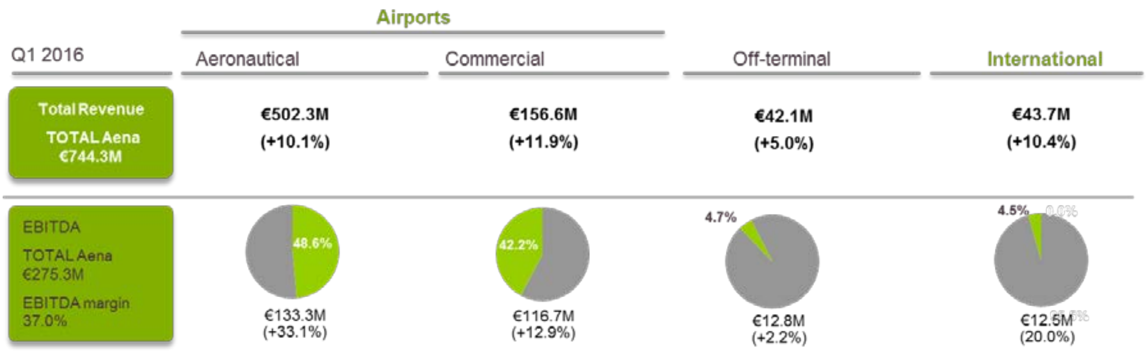
As for the **corporate income tax**, it stood at €3.8M in the first quarter of 2016, an increase of €48.8M compared to the previous period due to the improvement of profit before tax, as well as the recognition of credits in the same period of 2015 associated with generation of loss before taxes (-€11.1M) and investment in the Canary Islands in the same period last year (-€34.7M).

The **Net profit for the year (before minority interests)** has reached **€26.1** M.

The consolidated net result for Luton amounted to €6.3M, corresponding to minority shareholders 49%, -€3.1M, bringing the **Profit for the year attributable to shareholders of the parent company** to **€29.2M** , €17.0M greater than that achieved in the first quarter of 2015.

4. BUSINESS AREAS

Then the main income figures for Aena corresponding to 31 March 2016 are shown, broken down by business line:



Aeronautical activity represents 49.7% of the total adjusted EBITDA of Aena; commercial activity contributes 42.0% and the segment of service outside the terminal provides 3.7%. International business accounts for 3.5%.

4.1 Aeronautical segment

In application of Law 48/2015 of 29 October, on the Spanish Government Budget for 2016, airport charges have decreased by 1.9% since March 2016.

The main items for the profit and loss statement relating to aeronautical activity are shown below.

(Thousands of Euros)	Q1 2016	Q1 2015	Variation	% Variation
Ordinary income	489,817	443,884	45,933	10.3%
Airport Charges	473,943	429,224	44,719	10.4%
Passengers	220,236	197,574	22,662	11.5%
Landings	135,483	122,654	12,829	10.5%
Safety	72,226	64,309	7,917	12.3%
Telescopic boarding gates	24,665	22,638	2,026	9.0%
Handling	16,514	15,153	1,361	9.0%
Parking	8,280	7,366	914	12.4%
Fuel	6,414	5,831	583	10.0%
Catering	2,653	2,248	405	18.0%
Incentives (Landings, Passenger and Safety)	-12,528	-8,548	3,979	46.6%
Other Airport Services[1]	15,874	14,661	1,213	8.3%
Other operating income	12,451	12,151	300	2.5%
Total Income	**502,268**	**456,035**	**46,233**	**10.1%**
Total expenses (including depreciation)	**(533,737)**	**(524,918)**	**8,819**	**1.7%**
EBITDA	**133,353**	**100,178**	**33,175**	**33.1%**
Adjusted EBITDA [2]	**134,265**	**100,326**	**33,939**	**33.8%**

[1] Includes Airport Products, Use of 400 Hz, Anti-incendiary Service, Counters, and Other Income.

[2] Excludes impairment of fixed assets

Total revenues in aeronautical activity rose to €502.2M (10.1% over the same period of 2015) due to the positive evolution of traffic (14.4% increase in passenger traffic and 9.0% increase in the number of aircraft), which was partially offset by the reduction in airport charges from 1 March 2016, incentives for new routes, and the increase of the rebate for connecting passenger (which has risen from 35% in 2015 to 40% in 2016) (for details see section 3. Income Statement).

As regards expenses in aeronautical activity, they amounted to €533.7M, 1.7% higher than those recorded in the same period of 2015. This slight increase is due to actions not executed in 2015 associated with maintenance and activity growth, as well as with the wages increase.

The above effects have allowed: improving adjusted EBITDA at 33.8% (€134.3M).

4.2 Commercial segment

In the following table the main items of income for the profit and loss from commercial activity are shown.

(Thousands of Euros)	Q1 2016	Q1 2015	Variation	% Variation
Ordinary income	155,217	138,276	16,941	12.3%
Other operating income	1,357	1,691	-334	-19.8%
Total Income	**156,574**	**139,967**	**16,607**	**11.9%**
Total expenses (including depreciation)	**(55,756)**	**(52,911)**	**2,845**	**5.4%**
EBITDA	**116,660**	**103,320**	**13,340**	**12.9%**
Adjusted EBITDA [(1)]	**116,779**	**103,320**	**13,459**	**13.0%**

[(1)] *Excludes impairment of fixed assets*

In the first quarter of 2016, total revenues of commercial activity increased +11.9% compared to 2015, coming to €156.6M. Revenue totalled €155.2M (21.3% of total revenue), 12.3% having increased over the same period of 2015 (€16.9M).

The largest contribution to this increase comes from the improved contractual conditions Duty Free Stores, and the expansion and remodelling of spaces for retail business (shops, duty free and food & beverages). Aena commercial contracts vary according to the type of business activity, and are based, in general, on a variable income from sales (percentages vary by product category and/or services) and with a minimum guaranteed annual income (MAG) which sets a minimum amount to be paid by the tenant, regardless of the level of sales achieved.

Details and analysis of commercial business lines (within the terminal) are shown below:

Commercial Services (Thousands of Euros)	Q1 2016	Q1 2015	Variation	% Variation	MAG Q1 2016	MAG Q1 2015
Duty Free Stores	48,771	40,811	7,960	19.5%		
Food & Beverages	26,914	22,505	4,409	19.6%		
Car rental	23,349	21,886	1,463	6.7%		
Stores	17,870	15,027	2,843	18.9%		
Rentals	6,355	6,563	-208	-3.2%		
Advertising	6,138	5,976	162	2.7%		
Other commercial income [(1)]	25,820	25,507	313	1.2%		
Ordinary commercial income	**155,217**	**138,276**	**16,942**	**12.3%**	**12,597**	**11,827**

[(1)] *Includes Other Commercial Holdings, Banking, Travel Agencies, Vending Machines, Commercial Services, Use of VIP lounges and Filming and Recording.*

In the first quarter of 2016, the amount recorded in income from guaranteed minimum income represents 10.0% of revenues corresponding to these lines (10.8% in the same period of 2015).
Total expenses (including depreciation) increased by 5.4%, resulting in an EBITDA of €116.7M, 12.9% better than the first quarter of 2015.

These figures have been achieved thanks to various strategies implemented as a part of the revitalisation and rethinking of business by:

- the increase and optimisation of commercial spaces (redesign of duty-free shops in terminals) in order to maximise the passenger flows.
- optimising the bidding process for concessions (improving the business mix, incorporating national and international brands) and the development of promotional and marketing activities.

Duty-Free Stores

The activity of the Duty Free shops represents, in the first quarter of 2016, 31.4% of the revenue of the Aena's business, an increase of 19.5% over the same period last year, coming to a total of €48.8M. Aena has more than 70 Duty Free shops in 25 airports (45,800 m^2). Almost half of the outlets are concentrated in the airports of Adolfo Suarez Madrid-Barajas and Barcelona El-Prat.

Duty Free shops with more than 20 "walkthrough" style shops offer products that are included in the key categories of this sector (spirits, tobacco, perfumery, cosmetics and food).

Among the actions that have contributed to these figures, it is important to highlight the reforms to configurations oh the shop layouts, as well as promotional campaigns, both seasonal and for specific categories. In January, the Duty Free Shop at Jerez de la Frontera airport, with more than 300 m^2, was remodelled.

Food & Beverages

Restaurant services during the first three months of 2016 totalled €26.9M, representing 17.3% of commercial business revenue, with a positive variation of 19.6% from the first quarter of 2015.

The excellent performance of the business line has been maintained, with a very remarkable and sustained growth since last April of 2015.

The main activities of this quarter in 2016 have been:

- Bidding and awarding of a new restaurant area of 100 m^2 (Food Truck) in the Palma de Mallorca airport.
- Implementation, monitoring and improvement of the Quality Plan options at AS Madrid-Barajas, Barcelona-El Prat, Lanzarote and Tenerife Norte.
- Monitoring and follow-up on tenant Business Plans, including retail prices, in a number of airports.
- Award of the full range of restaurants at Bilbao airport.
- Tendering and Awarding of the Hamburger Restaurant on the Land-Side of Terminal T4 to the operator McDonald's.
- Refurbishment of two units at Barcelona-El Prat airport.
- Commencement of renovation work at Menorca airport.

Aena, S.A. has more than 300 food & beverage establishments (primarily bars, cafes and restaurants). As in the rest of the commercial area, the catering areas are being renovated and improved with the incorporation of new renowned brands.

Car Rental

Car rental services, representing in excess of €23.3M and accounting for 15.0% of ordinary commercial revenue in the first quarter of 2015, saw revenue growth of 6.7%, mainly due to the higher number of incoming international passengers and the addition of secondary brands on the part of the main contractors (Avis, Hertz, Europcar, Atesa and Gold Car). The increase was spread across various airports within the network, with the highest increase being seen at the airports of Palma de Mallorca (+€0.2M) due to the commencement of the summer season, and also in Alicante (+€0.2M) and Malaga (+€0.1M).

The contracts of the contractors in this business line expire in 2016, for which reason a new tender was called for the rental services of the 39 airports within the Aena network, which will be awarded in summer 2016.

Stores

In the first quarter of 2016, this business line accounted for 11.5% of revenue from commercial activity, growing 18.9% on the same period in 2015 to €17.9M mainly due to the airports of Barcelona-El Prat (+€2.0M), where the minimum apportioned rents are well above last year and traffic is trending up; Tenerife Sur (+€0.3M) as a result of revenue from new contracts that hadn't commenced in 2015 including Dufry, The Mint Co and Sunglass; and Fuerteventura (+€0.2M), due to increased activity at the airport.

During the quarter, work progressed on the design of the future tenders for terminals T123 at Adolfo Suárez Madrid-Barajas and Module C at Palma de Mallorca airport. In February, eight stores were awarded at Gran Canaria airport.

The launch of support and advice services to help improve the experience of passengers shopping at Aena also helped drive revenue. This service, called “Personal Shopper”, was launched in Terminal T4S at Adolfo Suárez Madrid-Barajas. An Electronics store and also a Fashion store were opened at Barcelona el Prat, as well as an accessories store (glasses) at Palma de Mallorca airport.

Advertising

In the first quarter of 2016, this activity accounted for 3.9% of revenue from commercial activity, an increase of 2.7%. This revenue was virtually unchanged as a result of the guaranteed annual minimum rents and the gradual addition of digital media at the two main airports in the Aena network.

Other commercial revenue

Other commercial revenue breaks down into two major blocks:

- VIP Lounge activities (10.6%, +€0.5M). This business line has continued to follow the positive trend from the previous year due to the pricing strategy applied, together with sales actions that are increasing the number of users and resulting in a higher rate of penetration.
  The fastest growth was seen at the Malaga, Gran Canaria and Lanzarote airports (+€0.1M each). In Lanzarote, the increase was due to the fact that the lounge opened in March 2015.

- At the end of the first quarter of 2016, other commercial operations (including banking services, plastic-wrapping machines, other vending machines, telecommunications services and regulated services) were up 12.8% (+€1.0M) on the same period in 2015. The greatest increase was seen in Barcelona (+€0.7M), mainly due to increased income from the plastic-wrapping machine contract.

4.3 Off-terminal segment

Key financial data for the off-terminal commercial services segment is set out below.

(Thousands of Euros)	Q1 2016	Q1 2015	Variation	% Variation
Ordinary revenue	41,217	38,710	2,507	6.5%
Other operating income	892	1,375	-483	-35.1%
Total revenue	**42,109**	**40,085**	**2,024**	**5.0%**
Total expenditure (including depreciation)	**(41,270)**	**(39,696)**	**1,574**	**4.0%**
EBITDA	**12,832**	**12,557**	**275**	**2.2%**
Adjusted EBITDA (1)	**12,985**	**12,626**	**359**	**2.8%**

(1) *Excludes impairment of fixed assets.*

Off-terminal services comprise car parks and real estate, such as land, warehouses, hangars and air cargo. In the first quarter of 2016, total revenue increased 5.0% to €42.1M. Ordinary revenue totalled €41.2M, an increase of 6.5% on the same period in 2015.

Off-terminal services (Thousands of Euros)	Q1 2016	Q1 2015	Variation	% Variation
Car parks	26,838	24,128	2,710	11.2%
Real estate services[1]	14,379	14,582	-203	-1.4%
Ordinary revenue from off-terminal services	**41,217**	**38,710**	**2,507**	**6.5%**

(1) Includes Warehouses, Hangars, Real Estate Operations, Supplies Off-Terminal and Others

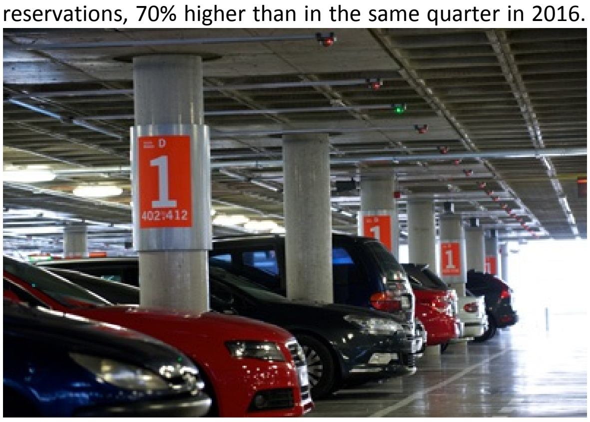
Car parks

Turnover totalled €26.8 million in the first three months of 2016 (65.0% of off-terminal revenue), up 11.2% on the same period of 2015.

The excellent growth rate continued in this business line, taking into account its share of total commercial revenue (13.6%). Revenue grew the most at the Barcelona-El Prat (+€0.7M), AS Madrid Barajas (+€0.7M) and Alicante-Elche airports (+€0.3M), due to a series of strategies implemented in this business line (pricing, marketing, etc.) and specifically in the case of Alicante-Elche airport to the new express car park and the long-stay segment.

The booking system has become the main tool in the face of off-terminal competitors, enabling us to position ourselves as a competitive and attractive product. Innovative payment options have also been introduced including the “VIA-T” toll collection system at the T4 car park at Adolfo Suárez Madrid-Barajas airport and in the general car park in Bilbao, as well as new distribution channels through companies such as Saba, Rumbo and deals with others such as RICOH. In addition, offers and promotions were rolled out at Barcelona El Prat airport and a new express car park opened at Alicante-Elche airport.

These favourable results have been the result, in addition to the improved traffic levels, of the new strategy concerning the integral management of the car parks of 32 airports in the Aena network, expanding the product offering and improving the quality of customer services. Amongst other measures, the dynamic and proactive sales effort is particularly noteworthy, with expansions to the product portfolio. This saw the incorporation of pricing and marketing strategies (communication and promotion), as well as the consolidation of the booking system and agreements with different channels (aggregators, travel agencies, etc.), which has contributed to the achievement of these positive results. In this regard, it is worth noting that the booking system has been positioned as a fundamental business tool, exceeding 175,000 reservations, 70% higher than in the same quarter in 2016.



Real Estate (land, warehouses and hangars, cargo logistic centres and real estate operations)

In the first quarter of 2016, revenue from real estate accounted for 35.0% of off-terminal revenue, generating €14.4M, down €0.2M (-1.4%) primarily on the back of space optimisation by the new ramp handling operators affecting the paved areas, offices and warehouses. Of particular note amongst the recent sales efforts are the tendering of four hangars during the quarter at Sabadell (2), Son Bonet (1) and Madrid-Cuatro Vientos (1) airports, and of a new service station at Alicante-Elche Airport.

With respect to the cargo activity, during the quarter Aena received an award from the association of couriers and forwarding agents UNO Logística and recognition of Aena by IATA for its work on the CEIV Pharma certification project. With respect to the sale of space for air cargo, of particular note was the signing of a surface rights agreement with DHL in Vitoria to expand the current facilities and the tendering of the leasing of one of the Cargo Terminals in Barcelona by means of an open call for tenders.

4.4 International segment

The key financial data for the international segment is set out below, and mainly reflects the consolidation of Luton airport in London (the 5th largest airport in the UK in terms of passenger numbers), as well as consultancy services for international airports.

(Thousands of Euros)	Q1 2016	Q1 2015	Variation	% Variation
Ordinary revenue	43,630	39,564	4,066	10.3%
Other operating income	81	41	40	97.6%
Total revenue	**43,711**	**39,605**	**4,106**	**10.4%**
Total expenditure (including depreciation)	**(44,215)**	**(44,820)**	**-605**	**-1.3%**
EBITDA	**12,471**	**10,393**	**2,078**	**20.0%**
Adjusted EBITDA [1]	**12,471**	**10,393**	**2,078**	**20.0%**

[(1)] *Excludes impairment of fixed assets.*

More detailed information on the performance of Luton airport can be found below. Its consolidation made a €11.2M contribution to EBITDA.

Luton's impact on the International segment

(Thousands of Euros)[1]	Q1 2016	Q1 2015	Variation	% Variation
Fee revenue	19,327	16,713	2,614	15.6%
Commercial revenue	22,167	19,880	2,287	11.5%
Total revenue	**41,494**	**36,593**	**4,901**	**13.4%**
Personnel	9,842	8,780	1,062	12.1%
Other operating expenses	20,412	18,957	1,455	7.7%
Amortisation, depreciation and impairment	12,848	15,489	-2,641	-17.1%
Total expenditure	**43,102**	**43,226**	**-124**	**-0.3%**
EBITDA	**11,240**	**8,856**	**2,384**	**26.9%**
Operating profit/loss	**-1,608**	**-6,633**	**5,025**	**75.8%**
Financial result	-6,180	-6,161	-19	-0.3%
Pre-tax profit	**-7,788**	**-12,794**	**5,006**	**39.1%**

[1] Euro/Pound exchange rate 0.7611

Luton airport saw a significant traffic increase during the quarter (25.6%), exceeding 2.7 million passengers and almost 27,000 aircraft operations (17.9%) resulting in a +13.4% increase in revenue (€41.5M in Q1 2016 compared with €36.6M in Q1 2015). According to the figures of passenger traffic in the first quarter of 2016 at the airports in United Kingdom, Luton Airport is the fastest growing airport.

Aeronautical revenue was up +15.6% and commercial revenue was up +11.5%, in particular due to the good performance of the car parks, thanks to the increase in traffic and the management and pricing strategies implemented. Retail and catering revenue also grew significantly, offsetting lower than expected growth in duty free due to the delay in opening the new walk-through store, which is expected to take place in April.

EBITDA amounted to €11.2M over the period, up 26.9% on the same period in 2015 (€8.8M).

Another fact to consider in terms of the segment's results is the **equity accounting method applied to the profit/(loss) of associates**, details of which are set out below:

(Thousands of Euros)	Q1 2016	Q1 2015	Variation	% Variation
SACSA (Colombia)	659.9	575.7	84.1	14.6%
GAP (Mexico)	2,319.7	1,755.3	564.5	32.2%
AEROCALI (Colombia)	851.6	832.3	19.3	2.3%
Total share in profit/(loss) of associates	**3,831.2**	**3,163.3**	**667.9**	**21.1%**

In the previous holdings two effects should be considered: the companies' operating results and the evolution of the exchange rates. In this sense, the concessions generated improved results in the first quarter of 2016 due to the increase in traffic at all of them and as a result of the exchange rate impact.

5. INVESTMENTS

At the end of the first quarter of 2016, investment payments had risen to €49.2 M (this figure includes €5.3M invested in Luton airport), representing a €17.0 M increase (+52.8%) on the same period the previous year.

Total investment in the Spanish airport network based on payments rose to €43.9M, representing a €14.8M (+50.8%) increase on the €29.1M in the same period of 2015. This increase was mainly due to investments within the Service Maintenance functional group.

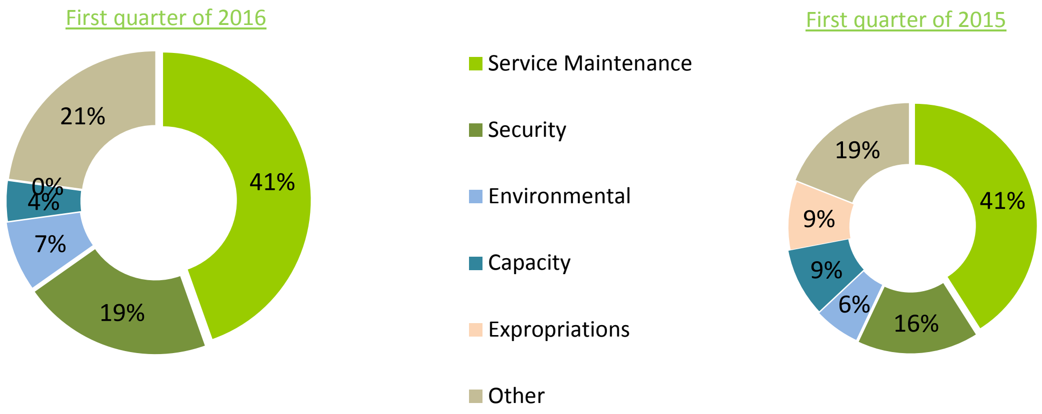
The main achievements since the start of the year have been the putting into operation of the "Upgrading of the beacon system in the taxiways and wing bars and obstacles" at Alicante airport and "Expansion of the long-stay car park" in Palma de Mallorca. Key ongoing projects include the "Multi-service network" in Gran Canaria and "Actions for the commissioning to II/III category" of Zaragoza airport. These three projects are scheduled to be completed in 2016.

Of particular interest over the coming months are the plans to start work on "Renewing the paving in street T in Tenerife Sur airport" and "Strengthening the surface of runways 03L-21R and associated taxiways" at Gran Canaria airport.

At Luton airport investment continues both on maintaining and upgrading installations and in the Curium Project to expand the airport's capacity, which will see the construction of a car park, the reorganisation and improvement of airport access routes, the expansion and refurbishment of the terminal building and the expansion of the commercial areas.

Analysis of investments by areas of action

Information on the breakdown of investment across the Spanish airport network in the first quarter of 2016 can be found below, along with a comparison with the previous year:



- The percentage investment used to improve facilities to ensure **Service Maintenance** was the same in the first quarters of both 2015 and 2016. Nevertheless, in absolute terms it was up in 2016 on 2015, from €11.9M in 2015 to €21.3M in 2016, representing a 78.5% increase. The main projects include minor works carried out by airports to maintain existing infrastructure, which totalled €5.3M.

- With respect to **Expropriations**, there were virtually no payments in the first quarter of 2016, totalling a mere €0.2M and mostly in connection with judgements relating to land expropriated in Barcelona.

- Investments in **Capacity** in the first quarter of 2016 totalled €1.76M, €0.8M down on the first quarter of 2015. The largest investment projects include the “Supply and installation of sales island no. 6 in Terminal T1” at Barcelona-El Prat airport and “Actions for the commissioning to II/III category” at Zaragoza airport, making it possible to increase the number of operations by virtue of being able to operate in poor visibility conditions.

- Investments in 2016 in the field of **Security** accounted for 19% of Aena's total investment in the first quarter (compared with 16% in the same period of 2015). Nevertheless, it was up €3.6M between 2015 and 2016, from €4.7M to €8.3M. Of particular note were the “Supply of 6x6 fire tenders with a capacity of 10,000l of water” for various airports and the “Completion of the operational safety process for certification” at Ibiza airport.

- A total of €3.18M was invested in **Environmental** protection in the first quarter of 2016, €1.3M up on the same period of 2015. (7% of the total Aena investment). This investment was primarily concentrated on the Countervailing Measures Agreement at Adolfo Suárez Madrid Barajas airport and the measures deriving from the Environmental Impact Statements (Noise Pollution) at various airports.

- The investments classified under “**Other**” include investments in Information Technology, including the “Fitting out of communications networks and storage networks and servers”. It is also important to highlight the measures taken to increase commercial revenue, including in particular the “Refurbishment and upgrading of 5 VIP Lounges” at Adolfo Suárez Madrid Barajas airport.

6. BALANCE SHEET

6.1 Net assets and capital structure

Summary consolidated statement of financial position

Thousands of Euros	Q1 2016	2015	Variation	% Variation
ASSETS				
Non-current assets	15,743,768	15,935,551	-191,783	-1.2%
Current assets	1,113,470	1,087,829	25,641	2.3%
Total assets	**16,857,238**	**17,023,380**	**-166,142**	**-1.0%**
EQUITY AND LIABILITIES				
Total equity	4,308,360	4,360,281	-51,921	-1.2%
Non-current liabilities	10,590,035	10,820,205	-230,170	-2.1%
Current liabilities	1,958,843	1,842,894	115,949	6.3%
Total equity and liabilities	**16,857,238**	**17,023,380**	**-166,142**	**-1.0%**

Under non-current assets, the €191.8M decline in the carrying amount during the period was mainly due to the €164.5M decline in Property, Plant and Equipment in the Balance Sheet, due in turn to the fact that the €52.1M in additions during the year was much lower than the €190M in depreciation recognised. Furthermore, there were €14.8M in reductions, most of which was due to provision reversals, and the negative impact of the adverse movement of the pound euro exchange rate on the property, plant and equipment and intangible assets of LLAHIII group.

In turn, the €25.6M increase in current assets was due to the €167.2M increase in the “Cash and cash equivalents” line item, which was largely offset by the €140.9M decline in the “Trade and other receivables” line item, as a result of the improvement in average days sales outstanding and the receipt of €50.2M in tax credits included in this line item at end-2015.

Although a €29.2M profit was generated over the period, equity was down €51.9M mainly as a result of the €66.2M decline in “Other reserves”, as a result of the effect on the Hedging reserves of the change in the yield curve and its negative impact on the valuation at 31 March 2016 of the derivatives purchased by the group. Given that the derivatives primarily mature in 2026 and that interest rates are at historic lows, the expectation is that these reserves will be reversed prior to the maturity of the main liabilities.

The €230.2M decline in Non-Current Liabilities is due primarily to the reduction in the Financial Debt heading of €285.9M, caused primarily by the amortisation of Aena's debt with ENAIRE for a total of €296.1M, according to the debt amortisation calendar. In contrast, the “Derivative Financial Instruments” heading grew €90M for the reason detailed in the paragraph on “Net Equity”.

The €115.9M increase in Current Liabilities is due primarily to the €121.4M increase in the “Trade and other payables” heading, originating in the full accrual at the start of the period of the annual sum payable for certain municipal taxes, as established in IFRIC 21- Levies.

This accounting aspect related to the application of IFRIC 21 is the main cause of the reduction of working capital (usually negative at the Company given its operations and financing) from -€755.1M in 2015 to -€845.4M at the close of the three-month period ending on 31 March 2016.

6.2 Net financial debt trends

The Aena Group's net financial debt, which is calculated as Current Financial Debt plus Non-Current Financial Debt minus Cash and Cash Equivalents, at 31 March 2016 was €8,928.8M, including €334.5M as a result of the LLAH III debt consolidation, compared to €9,401.7M recorded in 2015.

The Company's net financial debt, for the purposes of the covenants agreed in novation financing contracts on 29 July, totalled €8,748M on 31 March 2016 compared to €9,103M on 31 December 2015. The decrease was due to the accumulated effect of improved of EBITDA and amortisation of the debt:

Thousands of Euros	Q1 2016	2015
Gross financial debt covenants	9,405,193	9,614,211
Cash and cash equivalents	657,417	510,784
Net Financial Debt covenants	**8,747,776**	**9,103,427**
Net Financial Debt covenants/EBITDA[(1)]	**4.2x**	**4.5x**

[1] *Net Financial Debt/EBITDA Ratio calculated according to the criteria set in debt novation agreements reached with banks on 29 June 2014*

The difference between the net financial debt in Aena's accounts on 31 March 2016 (€8,928.8M) and the net financial debt calculated for the purposes of the covenants (€8,747.8M) is essentially due to the fact that the latter does not include the debt (without recourse) associated with Aena subsidiaries (including that of LLAH III), short-term deposits and includes fair value of the derivative financial instruments.

In Q1 2016 €296M of debt were amortised through cash generation, without the need for refinancing. Similarly, the following operations were performed:

- €1,487M (Depfa Bank and FMS loans) were shifted from a revisable rate (2.324%) to variable Euribor 3m + average spread 0.095%.
- €261M (European Investment Bank loans), were moved from revisable-rate to fixed term rate, with the average rate ranging from 2.462% to 1.28%.
- €71.2M (Dexia Sabadell loan) moved from revisable fixed rate (3.35%) to variable (Euribor + 0.85% spread).

Credit rating agencies have backed Aena's financial soundness, confirming its solvency and creditworthiness. In June 2015, Moody's Investors Service and Fitch Rating assigned a credit rating to Aena for the first time. Moody's rating for Aena was "Baa1 with stable outlook", which is one step above the rating currently being given by the agency to the Kingdom of Spain. Fitch's rating of Aena was "BBB+ with stable outlook".

Information on the average supplier payment period of Aena, S.A. and Aena Desarrollo Internacional, S.A., is as follows:

Thousands of Euros	Q1 2016 (days)
Average payment period to suppliers	54
Ratio of paid operations	57
Ratio of outstanding payment operations	39

These parameters were calculated per Art. 5 of Resolution of 29 January 2016 published by the Accounting and Auditing Institute, on the information to be included in the financial statement report in relation to the average payment period to suppliers in commercial transactions, as follows:

- ✓ Average payment period to suppliers = (Ratio of paid operations * total value of payments made + Ratio of outstanding payment operations * total amount outstanding payments)/(total amount of payments made + total amount of outstanding payments).
- ✓ Ratio of paid operations = Σ (number of days of payment * amount of paid operation)/total amount of payments made. Days of payment means calendar days elapsed from the date on which the time-limit commences up to the payment of the operation.
- ✓ Ratio of outstanding operations = Σ (number of days outstanding payment * amount of outstanding operation)/total amount of outstanding payments. Days outstanding payable means calendar days elapsed from the date on which the time-limit commences until the last day of the period referred to in the financial statement.
- ✓ To calculate both the number of days of payment and the number of days outstanding payable, the Company calculates the period from the date of the provision of services. However, in the absence of reliable information on the time that this situation occurs, the date of receipt of the invoice is used.

This balance relates to suppliers who furnish goods and services, so it includes the items under the "Trade and other payables" heading in the balance sheet.

(in thousands of euros)	Amount
Total payments made	245,528
Total payments outstanding	45,813

In Q1 2016 there was a decline in the average length of payment terms, adjusted to the deadlines stipulated in Law 15/2010. Where payments were made outside of the legal deadline, these correspond mainly to causes beyond the Group's control: invoices not received on time, expired tax certificates (AEAT), lack of supporting certificates from the bank accounts of suppliers, etc.

7. CASH FLOW

Summary of consolidated cash flow statement

Thousands of Euros	Q1 2016	Q1 2015	Variation	% Variation
Net cash generated from operating activities	507,477	390,251	117,226	30.0%
Net cash used in investment activities	-45,924	-36,595	9,329	25.5%
Net cash generated from/(used in) financing activities	-292,560	-274,880	17,680	6.4%
Cash and cash equivalents at start of the year	556,741	290,305	266,436	91.8%
Cash and cash equivalents at end of the year	**723,964**	**370,342**	**353,622**	**95.5%**

In Q1 2016, the Group covered its financing needs with significant cash flows from operations (+€507.5M), which financed the non-financial fixed asset investment programme (€49.2M) and debt amortisation, in addition to generating a positive cash flow balance (+€167.2M).

Net cash flow from operating activities

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

Cash generated from operating activities before variations in working capital increased significantly in this quarter (26.5%), to €296.7M from €234.5M in Q1 2015, mainly as a result of progress made by the Company's operations, reflected in the EBITDA figure of €275.3M at the end of Q1 2016 compared with €226.5M in Q1 2015.

As for variations in working capital, the variation in the "Debtors and other receivables" balance is a result of Vueling having changed its payment terms from 60 days net to prepayment, and of the minimum guaranteed annuities accruing on 31 December 2015 being paid in. The main reason for the change in the "Creditors and other payables" heading was the accrual of the property tax (IBI) for the full year, in keeping with IFRIC 21.

Net cash generated by operating activities grew significantly in Q1, to €507.5M, compared with €390.2M in Q1 2015, as a result of the foregoing, in addition to lower interest payments (€31.5M in Q1 2016 compared with €48.5M in Q1 2015).

Net cash flow from investment activities

The main outflows from investing activities arise from purchases and replacements of non-financial assets related to airport infrastructure.

Net cash used in investment activities in this period amounted to €45.9M compared with €36.6M the previous year. Investment in non-financial fixed assets in Q1 2016 mainly corresponded to investment in improving facilities and operational security, given that significant investment to increase capacity was not necessary except for that relating to investment projects already underway (see section 5. Investments).

Income from Aena Desarrollo Internacional through investee dividends (€3.6M) and other minor revenue items are also included.

Cash flow from financing activities

The main financing inflows are from ERDF grants (€4.7M), income from bank financing (€6.6M) and other income (€5.6M).

The main outflows related to the repayment of the principal of the debt corresponding to the Enaire mirror debt. Debt repayments in Q1 2016 amount to €296.1M owing to compliance with the schedule of payments established in the contract.

8. LITIGATION

Regarding to the evolution of major disputes in which the Company is involved, subsequent to the closing of 2015 received sentence issued on complaint filed by an airline against the applicable tariffs from July 1, 2012, whose impact had not been charged to the final passengers. The Company decides to provide all claims existing under this heading amounting to a total of EUR 4.4 million, while in accordance with this Court airlines must justify the impossibility to have charged these rates to the final passengers.

With respect to disputes dealing with the pricing satisfied to the owners of land expropriated mainly for the expansion of Adolfo Suarez Madrid-Barajas airport, several owners have withdrawn their claims filed, which it has resulted in the reversal of 9.7 million euros of the total provision with this concept.

Finally, today there has been no relevant legal action related to the procedure on environment of the residential complex "Ciudad Santo Domingo".

9. STOCK PERFORMANCE

The price performance of Aena, S.A. stock during Q1 2016 has been very positive, with a revaluation at quarter's end of 8.9% to €113.45 per share compared to IBEX 35 prices, which fell by 6.3%. During the period, Aena, S.A. stock reached a maximum of €114.60 and a minimum of €94.07 per share.

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

Q1 2016 (31/03/2016)	Aena, S.A.
Total volume traded (no. shares)	52,346,756
Total volume traded (euros)	5,450,055,316
Average volume traded in period (no. shares)	844,302
Average volume traded in period (euros)	87,904,118
Market capitalisation (€)	17,017,500,000
Closing price	113.45 €
Number of shares	150,000,000
Free Float (%)	49%
Free Float (shares)	73,500,000
Turnover (%)	71.2%

With regard to the trading of treasury shares, as at 31 March 2016, Aena, S.A. had no treasury shares. Therefore, there has been no impact from treasury shares, either in terms of shareholder yield or share value.

10. OTHER EVENTS

The Company has taken steps to appoint an auditor for 2017-2019, and the appointment decision is expected to be approved by the General Shareholders' Meeting scheduled for 28 June 2016.

APPENDICES:

I. Interim consolidated financial statements for the 3-month period ending 31 March 2016

II. Summary of Price Sensitive Information

APPENDIX I: I. Interim consolidated financial statements for the 3-month period ending 31 March 2016

Interim consolidated financial statements as at 31 March 2016 and 31 December 2015

Thousands of Euros	31 March 2016	31 December 2015
ASSETS		
Non-current assets		
Property, plant and equipment	14,705,368	14,869,922
Intangible assets	587,477	634,764
Real Estate	164,555	165,266
Shareholding in associates	78,470	77,379
Deferred tax assets	149,629	127,876
Financial assets available for sale	1,680	4,823
Other financial assets	56,589	54,241
Derivative financial instruments	-	1,280
	15,743,768	**15,935,551**
Current assets		
Inventories	7,821	8,545
Trade and other receivables	381,685	522,543
Cash and cash equivalents	723,964	556,741
	1,113,470	**1,087,829**
Total assets	**16,857,238**	**17,023,380**
NET EQUITY AND LIABILITIES		
Net equity attributable to the owners of the parent		
Share capital	1,500,000	1,500,000
Share premium	1,100,868	1,100,868
Retained profits/(losses)	1,792,643	1,763,434
Accumulated exchange differences	(9,027)	(3,852)
Other reserves	(122,722)	(56,568)
Minority interests	46,598	56,399
	4,308,360	**4,360,281**
Liabilities		
Non-current liabilities		
Financial debt	8,474,564	8,760,484
Derivative financial instruments	121,724	31,547
Deferred tax liabilities	110,272	118,761
Employee benefits	29,888	31,138
Provisions for other liabilities and expenses	1,136,455	1,145,737
Grants	561,007	566,430
Other long-term liabilities	156,125	166,108
	10,590,035	**10,820,205**
Current liabilities		
Suppliers and other payables	561,106	439,688
Financial debt	1,178,176	1,197,935
Derivative financial instruments	42,749	42,356
Grants	43,820	43,820
Provisions for other liabilities and expenses	132,992	119,095
	1,958,843	**1,842,894**
Total liabilities	**12,548,878**	**12,663,099**
Total net equity and liabilities	**16,857,238**	**17,023,380**

APPENDIX I: I. Interim consolidated financial statements for the 3-month period ending 31 March 2016

Interim consolidated income statement for the 3-month period ending 31 March 2016 and 2015

Thousands of Euros	31 March 2016	31 March 2015
Continuing operations		
Ordinary Revenue	729,471	659,926
Other operating income	1,525	3,074
Own work capitalised	1,219	1,031
Supplies	(46,301)	(45,042)
Personnel expenses	(99,195)	(95,843)
Other operating expenses	(322,069)	(308,398)
Fixed asset depreciation	(205,632)	(213,101)
Subsidies, grants and other	10,746	10,650
Provisions releases	1,291	503
Impairment and loss on disposal of fixed assets	(1,184)	(217)
Other net profits/(losses)	(187)	764
Operating profit/loss	**69,684**	**13,347**
Financial income	3,792	994
Financial expenses	(30,950)	(58,701)
Other net financial income/(expenses)	(16,424)	3,289
Net financial expense	**(43,582)**	**(54,418)**
Share in profits obtained by associates	3,831	3,163
Pre-tax profit	**29,933**	**(37,908)**
Tax on profit	(3,790)	45,054
Consolidated profit/loss for period	**26,143**	**7,146**
Profit/loss for year attributable to minority interests	**(3,066)**	**(5,022)**
Profit/loss for the year attributable to the parent company shareholder	**29,209**	**12,168**
Earnings per share (euros per share)		
Basic earnings per share based on profit for year	0.19	0.08
Diluted earnings per share based on profit for year	0.19	0.08

APPENDIX I: I. Interim consolidated financial statements for the 3-month period ending 31 March 2016

Interim consolidated cash flow statement for the 3-month period ending 31 March 2016 and 2015

Thousands of Euros	31 March 2016	31 March 2015
Pre-tax profit	**29,933**	**(37,908)**
Adjustments for:	**266,727**	**272,411**
- Depreciation and amortisation	205,632	213,101
- (Profit)/loss on fixed assets disposal	1,184	217
- (Profit)/loss on disposal of financial instruments	-	(97)
- Losses/(gains) in the fair value of financial instruments	8,703	1,213
- Attribution of grants	(10,746)	(10,650)
- Trade receivable impairment adjustments	1,940	155
- Change in provisions	17,988	10,513
- Impairment of financial assets held for sale	3,143	-
- Financial income	(3,792)	(994)
- Financial expenses	35,528	54,296
- Other income and expenses	10,978	7,820
- Share in losses/(gains) in associates	(3,831)	(3,163)
Variations in working capital:	**193,961**	**142,733**
- Inventories	372	258
- Debtors and other receivables	91,369	7,614
- Other current assets	699	(1,294)
- Creditors and other payables	111,317	153,548
- Other current liabilities	(9,554)	(10,311)
- Other non-current assets and liabilities	(242)	(7,082)
Other cash generated from operations	**16,856**	**13,015**
Interest paid	(31,477)	(48,470)
Interest receivable	349	488
Taxes collected (paid)	48,127	61,211
Other collections (payments)	(143)	(214)
Net cash generated from operating activities	**507,477**	**390,251**
Cash flows from investment activities		
Acquisitions of property, plant and equipment	(45,380)	(28,295)
Acquisitions of intangible assets	(3,844)	(3,829)
Acquisitions of investment properties	(9)	(36)
Payments of other financial assets	(2,360)	(5,479)
Payments received from loans to Companies in the group and associates	2,054	695
Payments received for other financial assets	11	-
Dividends received	3,604	349
Net cash used in investment activities	**(45,924)**	**(36,595)**
Cash flow from financing activities		
Income from external financing (ERDF grants)	4,656	-
Income from bank financing	6,569	11,406
Other payments received	5,576	1,071
Repayment of bank borrowings	(83)	(217)
Repayment of Group financing	(296,092)	(271,092)
Other payments	(13,186)	(16,048)
Net cash generated from/(used in) financing activities	**(292,560)**	**(274,880)**
Effect of changes in exchange rate	**(1,770)**	**1,261**
Net (decrease)/increase in cash and cash equivalents	167,223	80,037
Cash and cash equivalents at start of the year	**556,741**	**290,305**
Cash and cash equivalents at end of the year	**723,964**	**370,342**

APPENDIX II: Summary of Price Sensitive information

Register	Date	Type of Event	Description
234765	10/02/2016	Calls for meetings or informative events	The Company sends notices informing of the scheduled date and time for publishing Aena S.A. results for the January-December 2015 period.
235174	23/02/2016	Interim financial information	The Company sends information on results for Q2 2015
235176	23/02/2016	Information on results	Presentation of results for FY 2015
235178	23/02/2016	Information on dividends	The Board of Directors of Aena, S.A. has agreed to propose to the General Shareholders' Meeting the approval of the distribution of a dividend charged to FY 2015 profit
235364	25/02/2016	Annual corporate governance report	The Company submits the Annual Corporate Governance Report for FY 2015
235497	26/02/2016	Annual report on Board member compensation	The Company submits the Annual Report on Board member compensation for FY 2015
236058	08/03/2016	Other on business and financial situation	Notice of approval by the Board of Directors of Aena, S.A., in a meeting held today, of the final proposal of Airport Regulation Document.