AENA, S.A. and its Subsidiaries

Audit Report, Consolidated Annual Accounts
and consolidated Directors' Report for 2015

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

INDEPENDENT AUDITOR´S REPORT ON CONSOLIDATED ANNUAL ACCOUNTS

To the shareholders of AENA, S.A.:

Report on the Consolidated Annual Accounts

We have audited the accompanying consolidated annual accounts of AENA, S.A. and its subsidiaries, which comprise the consolidated statement of financial position as at December 31, 2015, and the consolidated income statement, statement of other comprehensive income, statement of changes in equity, cash flow statement and related notes for the year then ended.

Directors' Responsibility for the Consolidated Annual Accounts

The parent company´s directors are responsible for the preparation of these consolidated annual accounts, so that they present fairly the consolidated equity, financial position and financial performance of AENA, S.A. and its subsidiaries, in accordance with International Financial Reporting Standards, as adopted by the European Union, and other provisions of the financial reporting framework applicable to the Group in Spain and for such internal control as directors determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated annual accounts based on our audit. We conducted our audit in accordance with legislation governing the audit practice in Spain. This legislation requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the parent company´s directors´ preparation of the consolidated annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the consolidated annual accounts taken as a whole.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

R. M. Madrid, hoja 87.250-1, folio 75, tomo 9.267, libro 8.054, sección 3ª
Inscrita en el R.O.A.C. con el número S0242 - CIF: B-79 031290

Opinion

In our opinion, the accompanying consolidated annual accounts present fairly, in all material respects, the consolidated equity and financial position of AENA, S.A. and its subsidiaries as at December 31, 2015, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union, and other provisions of the financial reporting framework applicable in Spain.

Report on Other Legal and Regulatory Requirements

The accompanying consolidated directors' Report for 2015 contains the explanations which the parent company´s directors consider appropriate regarding AENA, S.A. and its subsidiaries´ situation, the development of their business and other matters and does not form an integral part of the consolidated annual accounts. We have verified that the accounting information contained in the directors' Report is in agreement with that of the consolidated annual accounts for 2015. Our work as auditors is limited to checking the directors' Report in accordance with the scope mentioned in this paragraph and does not include a review of information other than that obtained from AENA, S.A. and its subsidiaries´ accounting records.

PricewaterhouseCoopers Auditores, S.L.

Alejandro García López

23 February 2016

AENA, S.A. AND SUBSIDIARIES

Consolidated Financial Statements and Consolidated Directors' Report for the year ended 31 December 2015.

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(Thousand euros unless otherwise indicated)

Consolidated balance sheets at 31 December 2015 and 2014

	Note	2015	2014
ASSETS			
Non-current assets			
Property, plant and equipment	6	14,869,922	15,557,830
Intangible assets	7	634,764	641,577
Property investment	8	165,266	131,386
Investments in subsidiaries	9	77,379	77,652
Other receivables	13	-	55,252
Deferred tax assets	21	127,876	102,129
Financial assets available for sale	11	4,823	4,823
Other financial assets	10	54,241	43,565
Derivative financial instruments	12	1,280	-
		15,935,551	**16,614,214**
Current assets			
Inventories	14	8,545	9,139
Clients and other receivables	13	522,543	503,277
Cash and cash equivalents	15	556,741	290,305
		1,087,829	**802,721**
Total assets		**17,023,380**	**17,416,935**
NET EQUITY AND LIABILITIES			
Net equity attributable to the owners of the parent			
Share capital	16	1,500,000	1,500,000
Share premium	16	1,100,868	1,100,868
Retained profits/(losses)	17	1,763,434	930,230
Accumulated exchange differences	18.b	(3,852)	(5,120)
Other reserves	18.b	(56,568)	(9,737)
Minority interests	18.a	56,399	62,063
		4,360,281	**3,578,304**
Liabilities			
Non-current liabilities			
Financial debt	20	8,760,484	9,872,565
Derivative financial instruments	12	31,547	5,817
Deferred tax liabilities	21	118,761	127,406
Employee benefits	22	31,138	40,776
Provisions for other liabilities and expenses	23	1,145,737	1,124,588
Grants	24	566,430	606,187
Other long-term liabilities	19	166,108	204,839
		10,820,205	**11,982,178**
Current liabilities			
Providers and other payables	19	439,688	389,189
Financial debt	20	1,197,935	1,151,096
Derivative financial instruments	12	42,356	5,172
Grants	24	43,820	43,973
Provisions for other liabilities and expenses	23	119,095	267,023
		1,842,894	**1,856,453**
Total liabilities		**12,663,099**	**13,838,631**
Total net equity and liabilities		**17,023,380**	**17,416,935**

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

(Thousand euros unless otherwise indicated)

Consolidated profit and loss statement for years ending on 31 December 2015 and 2014

	Note	2015	2014
Continuing operations			
Ordinary revenue	5	3,450,709	3,076,044
Other operating income	28	8,476	8,133
Own work capitalised		4,212	4,301
Supplies		(180,968)	(180,401)
Staff costs	27	(363,911)	(348,511)
Other operating expenses	29	(872,206)	(761,029)
Fixed asset depreciation	6,7,8	(846,215)	(814,850)
Release of non-financial fixed asset grants and other		45,928	46,730
Excess provisions		8,463	29,794
Impairment and loss on disposal of fixed assets	6,7,8	(7,843)	(9,927)
Other net profits / (losses)	26	5,513	1,527
Operating profit/loss		**1,252,158**	**1,051,811**
Financial income	30	4,092	4,218
Financial expenses	30	(207,498)	(405,892)
Other net financial income/(expenses)	30	(22,186)	10,587
Net financial expense	**30**	(225,592)	**(391,087)**
Share in profits from associates	9	14,012	11,716
Profit/loss **before tax**		**1,040,578**	**672,440**
Income tax	31	(209,793)	(196,743)
Consolidated profit/loss **for period**		**830,785**	**475,697**
Profit/loss **for period attributable to minority interests**		**(2,752)**	**(2,921)**
Profit/loss **for year attributable to shareholders** of **the Parent Company**	32	**833,537**	**478,618**
Earnings per share (Euro **per** share)			
Basic earnings per share based on profit for year	32	5.56	3.19
Diluted earnings per share based on profit for year	32	5.56	3.19

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

(Thousand euros unless otherwise indicated)

Consolidated statements of comprehensive income for the years ended 31 December 2015 and 2014

	Note	2015	2014
Profit for the year		**830,785**	**475,697**
Items that may be subsequently reclassified to profit or loss:			
- Cash flow hedges		(49,599)	(2,716)
- Share in other comprehensive income of associates		-	668
- Foreign currency exchange differences		5,533	2,058
- Actuarial gains and losses		6,425	(5,265)
		(37,641)	**(5,255)**
Other comprehensive income for the period, net of taxes	18	**(37,641)**	(5,255)
Consolidated comprehensive income for the period		**793,144**	**470,442**
Comprehensive income for the period attributable to the Parent Company shareholders		**778,081**	**476,035**
Minority interests	**18**	**5,063**	(5,593)

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.

(Thousand euros unless otherwise indicated)

Consolidated statements of changes in equity for the years ended 31 December 2015 and 2014

		Attributable to the Parent Company's shareholders									
	Note	Share Capital (Note 16)	Share premium (Note 16)	Retained earnings (Note 17)	Hedging reserves (Note 18.b)	Actuarial gains and losses (Note 18.b)	Accumulated exchange differences (Note 18.b)	Share in other comprehensive income of associates (Note 18.b)	Total	Minority interests (Note 18.a)	Total net equity
Balance at 01 January 2014		**1,500,000**	**1,100,868**	**450,533**	(5,735)	-	(5,871)	(668)	**3,039,127**	-	**3,039,127**
Profit for the year	17	-	-	**478,618**	-	-	-	-	478,618	(2,921)	475,697
Share in other comprehensive income of associates	9	-	-	-	-	-	-	(668)	(668)	-	(668)
Other comprehensive income for the year	18	-	-		(1,318)	(2,684)	751	1,336	(1,915)	(2,672)	(4,587)
Total comprehensive income for the year		-	-	**478,618**	(1,318)	(2,684)	**751**	**668**	**476,035**	(5,593)	**470,442**
Distribution of dividends		-	-	-	-	-	-	-	-	(6,544)	(6,544)
Business combinations (Note 2.2)		-	-	-	-	-	-	-	-	74,200	74,200
Other movements	17	-	-	1,079	-	-	-	-	1,079	-	1,079
Total contributions by and distributions to shareholders recognised directly under equity		-	-	1,079	-	-	-	-	**1,079**	**67,656**	**68,735**
Balance **at 31 December 2014**		**1,500,000**	**1,100,868**	**930,230**	(7,053)	(2,684)	(5,120)	-	**3,516,241**	**62,063**	**3,578,304**
Profit for the year	17	-	-	**833,537**	-	-	-	-	833,537	(2,752)	**830,785**
Other comprehensive income for the year	18	-	-	-	(50,029)	3,305	1,268	-	(45,456)	7,815	(37,641)
Total comprehensive income for the year		-	-	**833,537**	(50,029)	**3,305**	**1,268**	-	**788,081**	**5,063**	**793,144**
Distribution of dividends			-	-	-	-	-	-	-	(10,727)	(10,727)
Other movements	17,18		-	(333)	-	(107)	-	-	(440)	-	(440)
Total contributions **by and distributions to shareholders recognised** directly under equity		-	-	**(333)**	-	**(107)**	-	-	**(440)**	**(10,727)**	**(11,167)**
Balance **at 31 December 2015**		**1,500,000**	**1,100,868**	**1,763,434**	(57,082)	**514**	(3,852)	-	**4,303,882**	**56,399**	**4,360,281**

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

(Thousand euros unless otherwise indicated)

Consolidated statement of cash flow account for the years ending on 31 December 2015 and 2014

	Note	2015	2014
Profit/loss **before tax**		**1,040,578**	**672,440**
Adjustments for:		**1,095,454**	**1,166,595**
- Depreciation and amortisation	6,7,8	846,215	814,850
- (Profit)/loss on fixed assets disposal		7,843	9,927
-(Profit)/loss on disposal of financial instruments	30	(97)	-
- Losses/(gains) in the fair value of financial instruments	30	25,203	(7,494)
- Attribution of grants	24	(45,928)	(46,730)
- Trade receivable impairment adjustments		3,362	(8,117)
- Change in provisions	23	21,974	8,075
- Impairment of financial assets held for sale	11	-	85
- Financial income	30	(4,092)	(4,218)
- Financial expenses and exchange rate differences	30	204,578	402,715
- Other income and expenses		50,408	9,218
- Share in losses /(gains) in associates	9	(14,012)	(11,716)
Changes in working capital:		**(103,971)**	**(47,140)**
- Inventories	14	669	(1,999)
- Debtors and other receivables	13	(58,920)	51,266
- Other current assets		(122)	(24,559)
- Creditors and other payables	19	(2,227)	(42,841)
- Other current liabilities		(35,132)	(27,095)
- Other non-current assets and liabilities		(8,239)	(1,912)
Cash generated from operations		**(403,080)**	**(445,666)**
Interest paid		(238,797)	(258,780)
Interest receivable		2,635	2,914
Taxes paid		(166,141)	(189,375)
Other collections (payments)		(777)	(425)
Net cash generated from operating activities		**1,628,981**	**1,346,229**

(Thousand euros unless otherwise indicated)

Consolidated statement of cash flow account for the years ending on 31 December 2015 and 2014

	Note	2015	2014
Cash flows from investment activities			
Acquisitions of property, plant and equipment		(241,593)	(298,713)
Acquisitions of intangible assets		(13,066)	(17,376)
Acquisitions of investment properties		(87)	(48)
Income from sale of other financial assets		-	(80,518)
Payments for acquisitions of other financial assets		(11,088)	-
Business combination	2.2	-	33,492
Payments received from divestment/loans to Companies in the group and associates		697	71,403
Payments received from property, plant and equipment divestment		136	-
Payments received for other financial assets		421	149
Dividends received	2.2	10,164	10,747
Net cash used in investment activities		**(254,416)**	**(280,864)**
Cash flow from financing activities			
Income from external financing (ERDF grants)		22,287	78,950
Income from bank financing		13,078	8,226
Income from Group financing		-	150,000
Other payments received		13,207	3,629
Repayment of bank borrowings		(878)	(3,220)
Repayment of Group financing		(1,080,128)	(999,558)
Dividends paid	2.2	(10,727)	(6,476)
Other payments		(66,554)	(19,608)
Net cash generated used in financing activities		**(1,109,715)**	**(788,057)**
Effect of changes in exchange rate		**1,586**	**620**
Net (decrease)/increase in cash and cash equivalents		266,436	277,928
Cash and cash equivalents at start of the year		**290,305**	**12,377**
Cash and cash equivalents at end of the year		**556,741**	**290,305**

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

Notes to the consolidated financial statements as of 2015

1 General information

Aena, S.A. ("the Company", or "Aena") is the Parent Company of a group of companies (the "Group") consisting of 6 subsidiaries and 4 associates at the end of 2015. Aena, S.A. 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 on 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).

On 5 July 2014, in virtue of Article 18 of Royal Decree Law 8/2014, the name of Aena Aeropuertos, S.A. was changed to Aena, S.A. and the Public Business Entity "Aeropuertos Españoles y Navegación Aérea" was renamed ENAIRE ("Parent Company"). The integrity of the airport network insofar as its survival ensures the mobility of citizens and economic, social and territorial cohesion in terms of accessibility, adequacy, suitability, sustainability and continuity, was also established in the aforementioned Royal Decree. The latter sets out the framework to which the basic airport services are subject and the characteristics and conditions that the said network must boast in order to guarantee the objectives of general interest. Thus, the closure or sale of all or part of any facilities or airport infrastructure necessary to maintain the provision of airport services is prohibited, unless authorised by the Council of Ministers or the Ministry of Public Works, and which authorisation can only be granted provided it does not affect the objectives of general interest that must guarantee the said network or compromise its sustainability; the absence of such authorisation will render the foregoing as a guarantee for the entire maintenance of the state airport network null and void. Airport charges and their key elements, basic airport services and the framework to determine minimum standards of quality, capacity and conditions for the provision of the services and investments required for compliance, as well as the conditions for recovering the costs of providing these basic airport services have been defined.

Before the incorporation of the Company, the economic activity in terms of the management and operation of the airport services, subsidiaries and associates that are included in the scope of consolidation of Aena formed part of the Public Business Entity "Aeropuertos Españoles y Navegación Aérea", its single shareholder and controlling entity at the time. The Public Business Entity "Aeropuertos Españoles y Navegación Aérea," was set up under Article 82 of Law 4/1990 of 29 June on the State General 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 trade register based on the resolution adopted by the Board of Directors on 23 May 2011, which approved the contribution of the activity to the company and its measurement, which 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 provided for in the Resolution of 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 Public Business Entity "Aeropuertos Españoles y Navegación Aérea" 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 at the time, 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 EUROS (€1,000) shares by dividing the SIXTY ONE outstanding shares into SIX THOUSAND ONE HUNDRED new shares, consisting of ONE HUNDRED new shares for each old share, without changing the amount of the Company's share capital. As a result, the Company's share capital is SIXTY ONE THOUSAND EUROS represented by SIX THOUSAND ONE HUNDRED shares with a par value of TEN EUROS each, and all shares are of the same class and bear the same financial and voting rights.
b) Increase the Company's share capital from €61,000 to €1,500,000,000 (ONE POINT FIVE BILLION EUROS) and, therefore, the share capital increase amounts to €1,499,939,000.
c) Issue of 149,993,900 common 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 AND SIXTY EIGHT THOUSAND EUROS), and therefore the total amount to be paid in as capital and share premium is €2,600,807,000 (TWO BILLION SIX HUNDRED MILLION EIGHT HUNDRED AND SEVEN THOUSAND EUROS).
d) In accordance with Article 9 of Royal Decree Law 13/2010 and the Resolutions dated 25 February and 3 June 2011, the Public Business Entity "Aeropuertos Españoles y Navegación Aérea" fully subscribed and paid the total par value of the shares and the share premium through the contribution of the activity referred to in paragraph 1 of this section of the report.
e) The Public Business Entity "Aeropuertos Españoles y Navegación Aérea" contributes to 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" in accordance with Article 66 of the Corporate Enterprises Act approved by Royal Decree Law 1/2010 (2 July) is only liable, with respect to the contribution, if the defect or encumbrance affects all or an essential part of the Activity. For these purposes, it shall be understood as an essential part that affects 20% or more 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.
f) 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.
g) All of the personnel of the Public Business Entity "Aeropuertos Españoles y Navegación Aérea" that are necessary to render the Activity will be transferred and integrated into the Company under the same collective agreements and conditions currently in force, respecting length of service and any other rights vested when the Company starts to perform its duties.
h) 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 assessment 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.
i) In accordance with Articles 70 and 300.1 of the Corporate Enterprises Act, the members of the Company's Board of Directors have endorsed the report that has been examined by the Single Shareholder.
j) The Company will start to carry out the activity on an effective basis on the date determined by the Order

of the Ministry of Public Works under the Second Transitory Provision of Royal Decree Law 13/2010.

k) The contribution of the Activity is subject to the application of the special system established by Title VII, Chapter VIII of Royal Decree Law 4/2004 (5 March), which approves the Revised Text of the Corporate Income Tax Act, in accordance with the third additional provision 2 of Royal Decree Law 13/2010.

The non-monetary contribution and the measurement prepared by the tehcnical services was gathered in the "Measurement Report", which used 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 provided for in the Resolution of 25 February 2011.

The property, plant and equipment contributed relates to 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, Adolfo Suárez Madrid-Barajas, Melilla, Menorca, Palma de Mallorca-Son Bonet, Pamplona, Reus, Sabadell, San Sebastián, Santander, Seville, Tenerife Sur, Valencia, Vigo and Vitoria.

b) Civil part of 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, exploitation, maintenance, administration and management 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, S.A. is located in Madrid (Spain), at Arturo Soria St., 109.

Moreover, in the Council of Ministers' meeting of 11 July 2014, the Public Business Entity "Aeropuertos Españoles y Navegación Aérea" was authorised to initiate proceedings for the sale of the share capital of Aena, S.A. and to dispose of up to 49% of its capital.

Shares in Aena, S.A. were admitted to trading on the four Spanish stock exchanges, and they have been listed on the Spanish continuous market since 11 February 2015.

It was first listed on the Madrid stock exchange after the IPO for 49% of their capital, with a starting price of 58 euros per share. Later on, in June 2015, Aena joined the Ibex 35, an indicator that includes the top 35 Spanish companies listed on the stock exchange.

The price performance of Aena, S.A. during the year 2015 has been very positive, with a revaluation at year end 81.7% to 105.4 euros per share compared to the evolution of the IBEX 35, which fell by 7.9%.

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, S.A. was incorporated as an independent legal entity and as a group during the year 2011 (23 May 2011 and 31 May 2011 respectively), in virtue of Royal Decree Law 13/2010, due to the effect of the non-monetary contribution of all of the assets and liabilities associated with the airport activity. Prior to the creation of Aena Aeropuertos, S.A., the economic activity in terms of the management and operation of the airport services carried out by the Company, its subsidiaries and associates formed part of the Public Business Entity "Aeropuertos Españoles y Navegación Aérea".

In the preparation of the consolidated financial statements for the years ended 31 December 2015, 2014, 2013, 2012 and 2011 and in accordance with the IFRS-EU, the Company, taking into account the framework for the reorganisation of the airport activity provided for by the above-mentioned Royal Decree Law 13/2010, recorded the non-monetary contribution as a corporate reorganisation in the context of its shareholder, the Public Business Entity "Aeropuertos Españoles y Navegación Aérea". This posting responds to the analysis and consideration on the part of the Company Management of several factors, taking into account that this type of transaction is not regulated in the regulatory framework of IFRS, and specifically in the framework of the IFRS 3, Business Combinations, as a result of which the company developed an accounting policy for the said transaction to reflect the substance of the same and its underlying transactions. In this context, the Company considered that the combination of a new recently created entity (Aena Aeropuertos, S.A. incorporated on 23 May 2011) with a pre-existing reporting unit does not constitute a business combination, due to it not being the newly created entity nor the purchaser nor a business acquired by the pre-existing reporting unit.

In the development of the accounting policy adopted by the Company for this transaction, it has been taken into account that the airport operations previously integrated into the Public Business Entity "Aeropuertos Españoles y Navegación Aérea", which were reported in the financial information of the latter as a separate business segment, maintained their accounting records in a segregated manner and constitute an independent reporting unit, subject to an applicable specific regulatory framework, although integrated into ENAIRE and not into a separate legal entity, which enables the various assets to be reliably allocated to the new entity. This conclusion reflects the spirit of the Royal Decree Law 13/2010, the purpose of which was to provide the separate legal form, hitherto lacking, to the set of roles and responsibilities previously exercised by ENAIRE with regard to the management and operation of airport services of an historical nature, as has been indicated, in order that the said set of roles and responsibilities constitutes an independent economic unit capable of developing an independent business activity, in the course of business succession, configured as an operating unit and therefore a separate and determinable reporting unit from a historical financial information point of view, whose management has been carried out in the same manner before and after the non-monetary contribution, maintaining continuity in the key management positions of Aena Aeropuertos, S.A..

In this context, the Company also considered that taking into account the legal form of the transaction for the purposes of the presentation of its historical information would have substantially altered the presentation of the airport operations, which were carried out in the same manner before and after the non-monetary contribution, so that the presentation of the year 2011 as of the transaction date would not have reflected the fundamental economic reality of the business of Aena Aeropuertos, S. A. when the legal event described was conducted exclusively, as has been indicated, with the aim of providing separate legal form to a pre-existing reporting unit.

Therefore, considering that Aena Aeropuertos, S. A. was an existing single reporting unit before and after the non-monetary contribution, this was recorded as a corporate reorganisation in the context of the Public Business Entity "Aeropuertos Españoles y Navegación Aérea". Consequently, the financial information for the year 2011 was presented for the full 12-month financial year, to its historical accounting values, considering the existence of Aena Aeropuertos, S. A. as a separate reporting unit, irrespective of its legal establishment in the course of the year 2011.

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 2015, 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 thousands of euros, unless otherwise indicated.

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

The preparation of financial statements under IFRS requires the use of certain critical accounting estimates. Similarly, Management is required to exercise judgement in the application of the Group's accounting policies. Note 4 discloses the areas that require a higher level of judgement 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 23 February 2016, and will be presented for approval by the Shareholders' Meeting.

2.1.1 Changes in estimates

There have been no changes in accounting policies or significant estimates during 2015 other than those resulting from the entry into force of new standards described in Note 2.1.2 and regarding the criteria applied in the year 2014.

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

The accounting policies used in the preparation of these consolidated financial statements for the year ended 31 December 2015, are the same as those applied in the consolidated financial statements for the year ended 31 December 2014, except for the following standards, interpretations and amendments:

IFRIC 21 – Encumbrances.

IFRIC 21 "Levies" is an interpretation of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" that deals with the accounting treatment of the levies imposed by public administrations, other than income taxes and fines and penalties imposed for non-compliance with the legislation. Interpretation determines when the entity should recognise a liability due to an obligation to pay a levy that is accounted for in accordance with IAS 37. IAS 37 establishes conditions for the recognition of a liability, one of which is that the entity has a present obligation as a result of a past event. The interpretation clarifies that the obligating event that gives rise to the registration of the liability is the taxable event

For those entities whose accounting year coincides with the calendar year, the implementation of IFRIC 21 was compulsory as of 1 January 2015. However, this interpretation applies retroactively for the years beginning on or after 17 June 2014 in the European Union.

The application of this interpretation did not have an impact on the consolidated financial statements as the date of accrual is 1 January of each year.

Annual Improvements 2010-2012

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

- IFRS 2 "Share-based Payment": Defining condition for vesting.
- IFRS 3 "Business Combinations": Accounting for contingent consideration in a business combination.
- IFRS 8 "Operating Segments": Aggregation of operating segments and the reconciliation of total segment assets that are reported on the assets of the entity.
- IFRS 13 "Estimation of fair value": Trade accounts receivable and payable in the short term.
- IAS 16 "Property, Plant and Equipment": Revaluation Method - re proportional expression of accumulated amortisation.
- IAS 24 "Related Party Disclosures": Key management personnel.
- IAS 38 "Intangible Assets": Revaluation Method - re proportional expression of accumulated amortisation.

The European Union has amended the entry into force of these improvements originally established by the IASB (1 July 2014) for financial years beginning on 1 February 2015.

These standards have had no material effect on the consolidated financial statements of the Group.

Annual Improvements 2011-2013

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

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

The European Union has amended the entry into force of these improvements originally established by the IASB (1 July 2014) for financial years beginning on 01 January 2015.

This standard has had no material effect on the consolidated financial statements of the Group.

Amendments to IAS 19, "Defined benefit plans. Employee contributions"

This amendment applies to employee contributions or third parties to defined benefit plans. The aim is to simplify the accounting treatment of contributions that are independent of the number of years of service, for example, employee contributions are calculated according to a fixed percentage of salary.

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

The European Union has amended the entry into force of these improvements originally established by the IASB (1 July 2014) for financial years beginning on 01 January 2015.

(Thousand euros unless otherwise indicated)

This standard has had no material effect on the consolidated financial statements of the Group.

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

At the date of these financial statements, the European Union has adopted new standards, amendments and interpretations to existing standards, that were expected to enter into force in the Group's accounting periods starting on 1 January 2016 or afterwards, but which the Group has not adopted early, given its minimal impact on the consolidated financial statements:

Area	Fundamental requirements	Effective date
Amendments to IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations"	The amendment to IFRS 11 requires an investor to apply the principles of accounting for a business combination when it acquires an interest in a joint operation that constitutes a business, applying the relevant principles of IFRS 3 for the accounting of business combinations. The amendments also clarify that the shares previously held in the joint venture are not revalued on the acquisition of additional shares while joint control is maintained. In addition, it added an exception to the scope of these amendments so they do not apply when the parties sharing joint control are under the common control of an ultimate parent company. The changes apply to the initial acquisition of shares in a joint operation and the acquisition of any additional interest in the same joint operation. The IASB shall apply prospectively for financial years beginning on or after 1 January 2016, although its early implementation is permitted. The amendment is not expected to have a significant effect on the Group's consolidated financial statements of the Group.	The IASB and the EU have established that these amendments for financial years beginning on 1 January 2016 shall apply, although early adoption is permitted.
Amendments to IAS 1, "Breakdown initiatives"	These amendments, which the IASB has established that are applicable to financial years beginning on 1 January 2016, clarify some of the requirements of IAS 1: • Entities shall not add or disaggregated information so that it conceals useful information. • Intangible information shall not be included, neither in main statements or in the notes, even if it is minimum information required in a paragraph of the standards. • Specific items from the income statement and comprehensive income statement can be disaggregated. • If main statements contain additional subtotals to those required by IAS 1, they shall be displayed and express so that the subtotal can be understood, they should be consistent from period to period and they may only be items recognised and valued according with IFRS. • Besides, if these subtotals belong to the income statement or comprehensive income, they cannot be displayed more prominently than the subtotals and totals provided in IAS 1, and must be reconciled with subtotals and totals required by this standard. • The notes do not have to be included in the systematic order indicated in paragraph 114 of IAS 1. • Each item in the main statements shall be referenced to any related information in the notes. • Examples of significant accounting policies in paragraph 120 of IAS 1 are removed. • The part corresponding to another comprehensive income of investments in associates and joint ventures accounted for by the equity method are not classified based on their nature, rather they fall into two specific items, one in which the result is reclassifies and another in which they are not reclassified. The amendment is not expected to have a significant effect on the Group's consolidated financial statements of the Group.	The IASB and the EU have established that these amendments for financial years beginning on 1 January 2016 shall apply.
Annual Improvements 2012-2014	These annual improvements addressed four aspects of financial reporting 2012-2014 comprising:	The European Union has amended the entry into force of these

	• IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" Valuation and classification of reclassifications between non-current assets held for sale and distribution. • IFRS 7, "Financial Instruments" Disclosures". Disclosure on continue involvement. • IAS 19 "Employee benefits": On the rate and the currency to be used when there are no high-quality corporate bonds. • IAS 34 "Interim financial information": On the use of cross-references and the interim report to management reports. These amendment are not expected to have a significant effect on the Group's consolidated financial statements of the Group.	Improvements originally established by the IASB (1 July 2014) for financial years beginning on 01 January 2016.

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

Up to the date of preparation of these consolidated financial statements, the Group has not been an early adopter of any other standard, interpretation or amendment that is yet to enter into force.

Furthermore, on the date these consolidated financial statements were prepared, the IASB and IFRIC published a series of standards, amendments and interpretations that have not yet been adopted by the European Union.

Area	Fundamental requirements	Effective date
IFRS 9 "Financial instruments"	The IASB has published the full version of IFRS 9, "Financial Instruments", which replaces the IAS 39 guide. This final version includes the requirements for the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the model for impairment losses incurred that is currently used. The final hedge accounting part of the IFRS was issued in November 2013.	IFRS 9 comes into effect for financial years beginning on or after 1 January 2018, although its early adoption is permitted. However, not being yet endorsed by the European Union, it early adoption is not possible.
1 January 2015 IFRS 15 "Revenue from Contracts with Customers"	In May 2014, the IASB and FASB (US Financial Accounting Standards Board) jointly issued a converged standard regarding the recognition of revenue from contracts with customers. Under this standard, the revenue is recognised when a customer obtains the control of the good or service sold. A customer obtains the control when it has both the capacity to direct the use and to obtain the benefits of the good or service. A transfer of control is not the same as a transfer of risks and benefits, nor is it necessarily the same as the culmination of a process of profits as is considered today. Entities will also have to implement a new guide to determine whether they should recognise the revenue over time or at a given time. In comparison with the regulations currently in force, IFRS 15 requires extensive information to provide a greater knowledge of both the revenue that has been recognised and the revenue expected to be recognised in the future in relation to existing contracts. Likewise, quantitative and qualitative information shall be provided on the significant judgements made by management in determining the revenue to be recognised, as well as on the changes in terms of these judgements. The impact is being assessed.	IFRS 15 shall come into effect for financial years beginning on or after 1 January 2017, although its early adoption is permitted. However, not being yet endorsed by the European Union, its early adoption is not possible. This standard shall apply in accordance with one of the following methods: a) Retroactively for each prior period for which information is presented in accordance with IAS 8, subject to certain practicalities; or b) Retroactively recognising the cumulative effect of initially implementing this standard on the

(Thousand euros unless otherwise indicated)

Area	Fundamental requirements	Effective date
		date of initial application.
IFRS 16 "Leases"	The new International rules on leases (IFRS 16) was approved on January 2016, which implies a significant change in approach to the applicable standard (IAS 17). Under this new standard, in the case of tenants, companies will be required to include most of the leases in their balance sheets, as both their assets and liabilities increase. In this new context, companies should record an Asset for the usage right the leased property and a Liability for the present value of the future minimum payments (also including the final payment of the property, as the case may be, and there are expectations that it will be incurred). Compared to current regulations, IFRS 16 eliminates classification of operating and financial leases. The amendment is not expected to have a significant effect on the Group's consolidated financial statements due to the fact that companies comprising it are lessors mainly.	IFRS 16 comes into effect for financial years beginning on or after 1 January 2019. This standard shall apply in accordance with one of the following methods: a) Retroactively to all existing leases in the company on the date of initial application of this standard; or b) by applying the new standard only for those leases signed after the date of initial application.

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 and changes in the scope

(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 accompanied by a shareholding of more than one half of the voting rights. When assessing whether the Group controls a company, the existence and effects of potential voting rights which may be currently exercised or converted are taken into account. The Group also evaluates the existence of control when it does not hold more than 50% of the voting rights but it is capable of directing the financial and operating policies.

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

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

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

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

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

(Thousand euros unless otherwise indicated)

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 recognised 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 2015 and 2014, all consolidated using the full consolidation method, is as follows:

2015

Subsidiaries:	Address	Activity	%		Owner of the Shareholding
			Direct	Indirect	
Aena Desarrollo Internacional, S.A. (1) ("ADI")	Madrid	Operation, maintenance, management and administration of Airport Infrastructures, as well as supplementary services	100	-	Aena, S.A.
London Luton Airport Holdings III Limited ("LLAH III")	London	Holding of shares in the company that holds the concession for the operation of Luton Airport.	-	51	Aena Desarrollo Internacional, S.A
London Luton Airport Holdings II Limited ("LLAH II")	London	Holding of shares in the company that holds the concession for the operation of Luton Airport.	-	51	London Luton Airport Holdings III Limited (LLAH III)
London Luton Airport Holdings I Limited ("LLAH I")	London	Holding of shares in the company that holds the concession for the operation of Luton Airport.	-	51	London Luton Airport Holdings II Limited (LLAH II)
London Luton Airport Group Limited ("LLAGL")	London	Guarantor company for the acquisition of the concession for the operation of Luton Airport.	-	51	London Luton Airport Holdings I Limited (LLAH I)
London Luton Airport Operations Limited ("LLAOL")	London	Company holding the concession for the operation of Luton Airport.	-	51	London Luton Airport Group Limited ("LLAGL")

2014

Subsidiaries:	Address	Activity	%		Owner of the Shareholding
			Direct	Indirect	
Aena Desarrollo Internacional, S.A. (1) ("ADI")	Madrid	Operation, maintenance, management and administration of Airport Infrastructures, as well as supplementary services	100	-	Aena, S.A.
Concesionaria del Aeropuerto de Madrid-Barajas, S.A.U.	Madrid	Dormant	100	-	Aena S.A.
Concesionaria del Aeropuerto Barcelona-El Prat, S.A.U.	Barcelona	Dormant	100	-	Aena, S.A.
London Luton Airport Holdings III Limited ("LLAH III")	London	Holding of shares in the company that holds the concession for the operation of Luton Airport.	-	51	Aena Desarrollo Internacional, S.A
London Luton Airport Holdings II Limited ("LLAH II")	London	Holding of shares in the company that holds the concession for the operation of Luton Airport.	-	51	London Luton Airport Holdings III Limited (LLAH III)

(Thousand euros unless otherwise indicated)

Subsidiaries:	Address	Activity	%		Owner of the Shareholding
			Direct	Indirect	
London Luton Airport Holdings I Limited ("LLAH I")	London	Holding of shares in the company that holds the concession for the operation of Luton Airport.	-	51	London Luton Airport Holdings II Limited (LLAH II)
London Luton Airport Group Limited ("LLAGL")	London	Guarantor company for the acquisition of the concession for the operation of Luton Airport.	-	51	London Luton Airport Holdings I Limited (LLAH I)
London Luton Airport Operations Limited ("LLAOL")	London	Company holding the concession for the operation of Luton Airport.	-	51	London Luton Airport Group Limited ("LLAGL")

(1) Companies audited by the PwC network.

On 30 September 2015 the articles of termination of the two Concessionary Company (Concesionaria del Aeropuerto de Madrid-Barajas S.A. y Concesionaria del Aeropuerto de Barcelona-El Prat S.A) are signed. These companies did not present any activity since their establishment on 26 July 2011.

At 31 December 2014 and 2015, 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 Corporate Enterprises Act, the Group has notified all of these companies that it holds more than a 10% interest either directly or indirectly.

In the years 2015 and 2014, Aena Desarrollo Internacional, S.A. ("ADI") has not distributed dividends.

The Company has control of London Luton Airport Holding III Limited (hereinafter "LLAH III") and its investees through Aena Desarrollo Internacional, S.A. The key amounts of capital, equity, profit and carrying value, expressed in local currency and under local accounting principles, relating to this company and its investees at the close of 2015 and 2014 are as follows (expressed in thousands):

31 December 2015

Name / Address / Line of business	% Sharehol.	Share capital and share premium	Profit for the year	Other equity	Total equity
		GBP	GBP	GBP	GBP
London Luton Airport Holdings III Limited (*) (1)	51.0%	98,600	(4,080)	(9,714)	84,806
London Luton Airport Holdings II Limited (*) (1)	51.0%	98,600	(0,757)	(54,308)	43,535
London Luton Airport Holdings I Limited (*) (1)	51.0%	193,011	6,842	(61,321)	138,532
London Luton Airport Group Limited (*) (1)	51.0%	5,274	21,548	22,732	49,554
London Luton Airport Operations Limited (**) (1)	51.0%	5,274	22,273	21,695	49,242

(*) Data obtained from the consolidated financial statements at 31 December 2015
(**) Data obtained from the individual financial statements at 31 December 2015
(1) Company audited by other auditors.

31 December 2014

Name / Address / Line of business	% Sharehol.	Share capital and share premium	Profit for the year	Other equity	Total equity
		GBP	GBP	GBP	GBP
London Luton Airport Holdings III Limited (*) (1)	51.0%	98,600	(15,555)	18,730	101,775
London Luton Airport Holdings II Limited (*) (1)	51.0%	98,600	(15,361)	(28,509)	54,730
London Luton Airport Holdings I Limited (*) (1)	51.0%	193,011	(7,800)	(35,783)	149,428
London Luton Airport Group Limited (*) (1)	51.0%	5,274	25,829	17,040	48,143
London Luton Airport Operations Limited (**) (1)	51.0%	5,274	26,301	16,531	48,106

(*) Data obtained from the consolidated financial statements at 31 December 2014
(**) Data obtained from the individual financial statements at 31 December 2014
(1) Company audited by others auditors.

Due to the process of disinvestment through TBI (Note 11), in the financial year 2013, AENA INTERNACIONAL subscribed for shares amounting to 39.4 million pounds (corresponding to 47.3 million euros), which represents 40% of the share capital of London Luton Airport Holdings III limited (LLAH III) (Note 11). Aerofi Sarl (Aerofi) is the other shareholder of the Company, with 60% of the shares.

LLAH III is a purpose vehicle created with the objective, through its 100% owned subsidiary London Luton Airport Holdings II Limited (LLAH II), which turn owns 100% of London Luton Airport Holdings I Limited (LLAH I), to carry out the acquisition, dated 27 November 2013, of London Luton Airport Group Limited and its subsidiary London Luton Airport Operations Limited, management company of Luton airport in the United Kingdom, under administrative concession (see Note 2.6.d). As part of the transaction, AENA INTERNACIONAL and Aerofi signed an agreement under which AENA INTERNACIONAL had the option (purchase option) to acquire from Aerofi the shares representing 11% of the capital stock of LLAH III, for a period of eleven months from 27 November 2013, equivalent to the subscription price of such shares adjusted for certain factors related to dividends received by Aerofi, the financial costs of 51% of debt signed by Aerofi in LLAH II, a shareholder profitability and emissions LLAH III new shares that have occurred during the exercise period.

The Group concluded that it was exerting significant influence on LLAH I, as a result of which it applied the equity method as of the acquisition date.

On 16 October 2014, AENA INTERNATIONAL, after obtaining the necessary approvals, proceeded with the purchase option, buying 51% capital in LLAH III amounting to 13,7 million pounds (corresponding to 17.2 million euros). Likewise, AENA INTERNACIONAL took 51% of the debt underwritten by Aerofi in LLAH II amounting to 48.3 million pounds (corresponding to 61.9 million euros in 2014 and 65.5 million euros in 2015). Such debt corresponds to a 10-

year shareholders loan at 8% interest, with semi-annual interest payments and repayment at maturity in November 2023. Funding for the operation was implemented via capital increase in AENA INTERNATIONAL subscribed 100% by AENA matrix.

As a result of this transaction, Aena acquired the control of LLAH III since it controlled the majority of the voting rights. Consequently, the Group consolidated this Company (and its subsidiaries) by means of the full consolidation method from the date of acquiring control.

In accordance with IFRS 3, the Aena Group reassessed at fair value its existing 40% shareholding in LLAH III, which generated a capital gain of 14,615 thousand euros, which is recorded under the heading "Other net financial income/(expenses)" of the consolidated income statement attached (Note 30). Of the previous amount, 2,199 thousand euros corresponds to conversion differences, as a result recorded as "Exchange differences" under the heading of the same name, and the remainder (12,416 thousand euros) has been recorded as a capital gain.

The fair value of the identifiable assets acquired and the liabilities assumed based on assessments entrusted to third parties in the context of the acquisition of the additional 11% share in LLAH III on 16 October 2014. Such fair value and the fair value of the previous 40% interest was calculated based on the discounted cash flows determined from the business plans of the LLAH III company.

The carrying value, fair value, goodwill and the cost of the shareholding of the identifiable assets acquired and the liabilities assumed in this transaction are set out below, according to the LLAH III consolidated balance sheet on the acquisition date, once the allocation of the purchase price has been finalised:

Thousands of euros	Carrying value	Fair value
Value of the previous shareholding in LLAH III (40%)		61,902
Shareholder loan (51%)		61,284
Consideration paid in cash for the 11% of LLAH III		17,198
Total acquisition cost (a)		**140,384**
Intangible assets (1)	478,333	541,325
Goodwill	1,355	-
Property, plant and equipment	140,206	149,818
Deferred tax assets	1,607	1,607
Inventories	760	760
Trade and other short-term receivables (2)	32,039	32,039
Cash and cash equivalents in the subsidiary acquired (3)	33,474	33,492
Long-term borrowings (4)	(399,036)	(337,752)
Commitments in terms of retirement benefits	(29,710)	(29,710)
Deferred tax liabilities	(111,225)	(126,527)
Short-term borrowings	(6,443)	(6,443)
Trade and other short-term payables	(41,921)	(45,897)
Total identifiable net assets	**99,439**	**212,712**
Minority interests (49%) (5)		**74,200**
Acquired net assets (b)		**138,512**
Goodwill (a) – (b)(6)		**1,872**

1. Intangible assets include the service concession of London Luton Airport (owned by Luton Borough Council) and contracts with airlines, which have been valued using the Excess Earnings Method based on a calculation of discounted cash flows of the future economic benefits attributable to such assets, considering both the revenue and costs and the profitability required for other assets employed. To estimate the remaining useful life of both types of assets, the maturity of the

contracts that support them has been used, resulting in seven to eight years for the main contracts with customers, and 18 years for the service concession.

2. The fair value of trade and other receivables of €32.,039 thousand is equivalent to their gross contractual amount.

3. In the Statement of Cash Flow, the acquisition of LLAH III presented as a flow of investment activities for the total amount of the consideration paid in cash. Cash and cash equivalents for the subsidiary at the time of acquisition appear under the "Business combinations" heading of the aforementioned Statement of Cash Flow.

4. The heading "Long-term borrowings" primarily includes bank debt to the value of €276,035 thousand and a shareholder loan to the value of €118,772 million. As indicated in paragraph (b) of this Note 2.2, €61,284 thousand this loan has been assumed by the Group and simultaneously disbursed as part of the acquisition transaction, as a result of which it will be eliminated in consolidation. Consequently, the amount shown under this heading only corresponds to the debt of LLAH III with the banks and Aerofi.

5. The minority interest corresponds to the 49% shareholding in the capital maintained by Aerofi, and has been valued as the proportional interest in the fair value of the identifiable net assets.

6. Acquired goodwill is attributable, among others, to the economies of scale that it is hoped will be achieved. It is not anticipated that said goodwill will be deductible for tax purposes.

Contingent liabilities have not been identified that must be recorded for this business combination. Nor are there any outstanding contingent consideration agreements. The Group incurred costs of €87 thousand, relating to the acquisition of the additional 11% of the capital, which were recorded under profits.

The operations of the acquired business integrated into the Group income statement as of the acquisition date. During 2014, LLAH III contributed income of €38,422 thousand and losses of €3,040 thousand to the consolidated financial statements of the Group as of 16 October 2014 (excluding income at fair value of the previous shareholding, mentioned above).

If the acquisition had taken place on 1 January 2014, the Group's revenue in 2014 would have increased by €121,088 thousand, the net profit for the period would have been lower to the tune of €6,811 thousand and the EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) would have been greater to the tune of €39,895 thousand. These amounts were calculated using the accounting policies of the Group and adjusting the profit/loss of the subsidiary, with the purpose of reflecting, primarily:

- The transactions and profit/loss generated by the subsidiary from 1 January until 31 December 2014.
- The amortisation expense calculated on the value of the property, plant and equipment and intangible assets determined in the business combination.
- The tax effect of the previous adjustments.
- The effect of applying the equity method to the prior shareholding of 40% solely until 1 January 2014.

During financial year 2015, LLAH III distributed to its shareholders dividends amounting to GBP 15,500 thousand (21,890 thousand euros at the exchange rate transaction), of which Aena Desarrollo Internacional has received 11,163 thousand euros, and the remaining 10,727 thousands euros were received by external partners.

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

(Thousand euros unless otherwise indicated)

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.

On 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, and this is recognised in the income statement.

The losses and gains resulting from 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 2015 is as follows:

Associated companies: Company and address Social	Activity	%		Value of Investments in associates (Note 9)	Owner of the shareholding	Consolidation method
		Direct	Indirect	31/12/2015		
Aeropuertos Mexicanos del Pacífico, S.A. de CV (AMP) México DF (1)	Stake in the operator of Grupo Aeroportuario del Pacifico (GAP)	-	33.33	67,456	Aena Desarrollo Internacional, S.A.	Equity method
Sociedad Aeroportuaria de la Costa S. A. (SACSA) Aeropuerto Rafael Núñez Cartagena de Indias – Colombia (1)	Operation of Cartagena Airport.	-	37.89	3,219	Aena Desarrollo Internacional, S.A.	Equity method
Aeropuertos del Caribe, S.A. (ACSA) Aeropuerto Ernesto Cortissoz Barranquilla – Colombia (1)	No activity (+)	-	40	-	Aena Desarrollo Internacional, S.A.	Equity method
Aerocali, S.A. Aeropuerto Alfonso Bonilla Aragón Cali - Colombia (1)	Operation of the Cali Airport	-	50	6,704	Aena Desarrollo Internacional, S.A.	Equity method

(1) Companies audited by other auditors.
(*) Barranquilla airport concession ended in 2012.

(Thousand euros unless otherwise indicated)

The breakdown of associates at 31 December 2014 is as follows:

Associated companies: Company and address Social	Activity	%		Value of investments in associates (Note 9)	Owner of the shareholding	Consolidation method
		Direct	Indirect	31/12/2014		
Restauración de Aeropuertos Españoles, S.A. (RAESA) Aeropuerto de Madrid-Barajas Madrid (1)	Operation of food services at Madrid-Barajas Airport. Company in liquidation	48.99	-	596	Aena, S.A.	Equity method
Aeropuertos Mexicanos del Pacífico, S.A. de CV (AMP) México DF (1)	Stake in the operator of Grupo Aeroportuario delPacifico (GAP)	-	33.33	69,687	Aena Desarrollo Internacional, S.A.	Equity method
Sociedad Aeroportuaria de la Costa S. A. (SACSA) Aeropuerto Rafael Núñez Cartagena de Indias – Colombia (1)	Operation of Cartagena Airport.	-	37.89	3,555	Aena Desarrollo Internacional, S.A.	Equity method
Aeropuertos del Caribe, S.A. (ACSA) Aeropuerto Ernesto Cortissoz Barranquilla – Colombia (1)	No activity (*)	-	40	-	Aena Desarrollo Internacional, S.A.	Equity method
Aerocali, S.A. Aeropuerto Alfonso Bonilla Aragón Cali - Colombia (1)	Operation of the Cali Airport	-	50	4,410	Aena Desarrollo Internacional, S.A.	Equity method

(1) Companies audited by other auditors.
(*) Barranquilla airport concession ended in 2012.

At 31 December 2014 and 2015, none of the associates were listed on a stock market.

On 30 January 2015, the Extraordinary Shareholders Meeting of Sociedad Restauración de Aeropuertos Españoles, S.A (in liquidation) has approved the final liquidation balance sheet, a complete report on the liquidation transactions, and a proposal for dividing the remaining assets and proceeds of liquidation between the shareholders, resulting in payment of liquidation proceeds in the amount of 697 thousand euros on 16 March 2015.

On 29 May 2014, the subsidiary Aena Desarrollo Internacional, S.A. purchased 63,000 Aerocali, S.A. ordinary shares. In light of this acquisition the Group came to hold a 50% interest in the company. The amount paid for this acquisition amounted to 2,036 thousand euros. In accordance with the analysis conducted by the Group Management, with this acquisition, it would not obtain control of the investee upon the existence of joint control, which is why in 2015 it continues to use the equity method with the change in the shareholding percentage since the acquisition of the new shares.

On 24 February 2006, Grupo Aeroportuario del Pacifico, S.A. (a company in which AMP has invested) began to be listed on the Mexican and New York stock markets through an 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 2015 was 152.05 Mexican pesos (MXN) (2014: 92.72 Mexican pesos (MXN)).

On 22 May 2014, at the General Meeting of Shareholders of the investee company Aeropuertos Mexicanos del Pacífico, S.A.P.I. de C.V., the reduction of the share capital in its variable part was approved by 75 thousand shares (2.378,350 thousand Mexican pesos). As a result of this transaction, Aena Desarrollo Internacional, S.A. recognised a cash receipt of 1,410 thousand euros, reduced the shareholding in the associate by 1,369 thousand euros and recorded in equity the difference as a result of this transaction. This transaction did not generate changes in the shareholding percentage.

The Group also estimated the recoverable amount of the aforementioned investment in AMP as the current value of future cash flows arising from the same, taking into account the estimates included in the Business Plan prepared by the Grupo Aeroportuario del Pacífico, S.A.B. de C.V. (GAP), the main assets of AMP, as well as income from the management contracts between the two companies. By applying discount rates consistent with recent historical experience, a recoverable amount is obtained that exceeds the cost recorded by the Group. The latter has carried out, in the years 2015 and 2014, a sensitivity analysis for the calculation of the recoverable amount according to the changes in key assumptions and has compared the results obtained with recent transaction amounts for the buying and selling of airports. On the basis of the foregoing, the Group Management considers that the recoverable amount calculated, at 31 December 2014 and 2015, is greater than the acquisition cost of the aforementioned investment in AMP.

In compliance with Article 155 of the Spanish Corporations Act, the Group 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.

During 2015, the subsidiary Aena Desarrollo Internacional, S.A. collected dividends from associated companies amounting to 10,164 thousand euros (2014: 10,747 thousand euros).

2.3 Segment reporting

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

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 3 operating segments: Airports, which includes the aviation and commercial activities of the Group, Off-terminal services, and International. Information relating to LLAH III is included in the International segment, since the revenue, profit and assets are less than 10% of the aggregate values of the Group. Note 5 of this report reflects the financial information broken down by segment.

2.4 Transactions denominated in foreign currency

(a) Functional and presentation currency

The items included in the consolidated 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 euros (€), which is the functional and presentation currency of Aena, S.A.

(b) Transactions and balances

Transactions in foreign currency are translated to the functional currency using the exchange rates in force on 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 recognised as a positive or negative figure, as appropriate, under equity in the "Foreign exchange differences" heading.

(Thousand euros unless otherwise indicated)

Entities of the Group

The results and the financial position of all the entities of the Group (none of which have the currency of a hyperinflationary economy) whose functional currency is different from the presentation currency are translated into the presentation currency as follows:

(i) The assets and liabilities of each balance sheet presented are converted at the closing exchange rate on the balance sheet date;
(ii) The income and expenditure for each income statement are converted at the average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of current rates on the transaction dates, in which case the income and expenditure are converted on the date of the transactions); and
(iii) All exchange differences arising are recognised in other comprehensive income.

Adjustments to goodwill and fair value that arise in the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are converted at the closing exchange rate. The exchange differences that arise are recognised in "Other comprehensive income".

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.

The Group activates, as the largest value in terms of fixed assets, the initial estimate of the costs of renovating the site on which they lie, when these constitute obligations Incurred as a result of using the item.

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

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

▪ Buildings	12-51 years
▪ Plant	4-22 years
▪ Machinery	5-20 years
▪ Other installations	6-12 years
▪ Furnishings	4-13 years
▪ Other property, plant and equipment	5-7 years

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

▪ Passenger and cargo terminals	32-40 years
▪ Airport civil engineering	25-44 years
▪ Terminal equipment	4-22 years
▪ Transport of passengers between terminals	15-50 years
▪ Airport civil engineering equipment	15 years

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

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

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

2.6 Intangible assets

(a) Goodwill

Goodwill arises in the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interest in the subsidiary acquired and the fair value on the acquisition date of any prior shareholding in the equity of the subsidiary acquired based on the fair value of the identifiable net assets acquired. If the total of the consideration transferred, the recognised non-controlling interest and the previously maintained shareholding valued at fair value is less than the fair value of net assets of the subsidiary acquired, in the event of an acquisition on extremely favourable terms, the difference is recognised directly in the income statement.

In order to carry out the tests for impairment losses, acquired goodwill in a business combination is assigned to each one of the cash-generating units, or groups of cash-generating units, which are expected to benefit from the synergies of the combination. Each unit or group of units to which goodwill is allocated represents the lowest level within the entity for which goodwill is controlled for internal management purposes. Goodwill is controlled at the operating segment level.

The revisions to the impairment losses of the goodwill value are conducted annually or more frequently if events or changes in circumstances indicate a potential impairment loss. The carrying amount of the CGU that includes goodwill is compared with the recoverable amount, which is the value in use or the fair value minus the selling costs, whichever is higher. Any impairment loss is recognised immediately as an expense and is not subsequently reversed.

(b) 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 the costs arising from installing the specific programme ready for use. The costs of development directly attributable to the design and implementation of computer programmes which are identifiable, original, and able to be controlled by the Group are recognised 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.

Expenses that do not meet these criteria are recognised as an expense at the time incurred. Payments for an intangible asset initially recognised as an expense for the year are not subsequently recognised 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.

(c) Development expenses

Development expenses are individualised by projects, are capitalised 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 capitalised undergo changes, the accumulated cost is realised on 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.

(d) LLAH II service concession

The service concession arrangement of London Luton Airport (property of Luton Borough Council) is not subject to IFRIC 12, since this airport's fees are not subject to regulated prices. Such an arrangement is recorded as an operating lease in accordance with IAS 17. The related intangible asset (see Note 2.2) is amortised on a straight-line basis throughout its remaining useful life. To establish the remaining useful life of this intangible asset, the maturity of the aforementioned service concession arrangement is used in the year 2031.

(e) 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 and intangible assets that are not in a state of use are not subject to amortisation and are tested annually for impairment. Property, plant and equipment and intangible assets subject to depreciation/amortisation are subject to impairment reviews provided that some event or change in circumstances indicates that carrying value may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is determined as the fair value less sales costs or the value-in-use, whichever is higher.

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 cash-generating units in the individual assets that make up the Off-terminal services segment (which consist primarily of each of the property assets of the Group and the car parks as a whole), in the financial investments mainly comprising the International segment (listed in Note 2.2) and in the airport network for the Airports segment (consisting of the aviation activity infrastructure and the commercial space included in it).

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

Since 2011, the regulation applicable to equity benefits is Law 1/2011, which regulates the determination of equity benefits associated with the assets related to airport activity, establishing a single criterion for recovery of assets, considering exclusively in the calculation of equity benefits the investments and costs of the airport network as a whole, excluding the car parks. As mentioned above, the Company considers the airport network as a whole to be a cash-generating unit, due to the equity benefit regulations, primarily for 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 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 they seek a balanced budget such that commercial revenues could give rise to a reduction in aviation fees, with the beneficiaries being the users of the airport infrastructure, notwithstanding the provisions of Royal Decree Law 20/2012.

- 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 not at the level of individual airports.

In relation to the cash-generating unit of the car parks within the Off-terminal services segment, the Company has also considered them as a network as a whole, taking into account all applicable regulations and reasons considered for the airport network, primarily for the following reasons:

- Income generated by the network of car parks is intimately dependent on airport activity, since they cannot operate independently of the other integral assets of the network. Consequently, the recovery of such assets is also considered as a whole, with car parking being considered an accessory to airport activity.

- Parking management is considered as a whole, due to its interdependence with airport assets and the nature of the compulsory service that must be provided in relation to airport activity. In this regard, it worth noting that Company Management assesses the adequacy of the infrastructure at airports depending on the traffic, and as the car parks form part of the airport service, evaluates investment, management and operating decisions taking passenger traffic into account.

- The price of parking is based on the characteristics described above, so the said prices are comparable to prices set according to the parameters for public services. Therefore, the car parks should be considered as a whole and not separately, since their existence is conditional on the existence of the airport assets as a whole.

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

As regards the calculation of the recoverable value, the procedure implemented by Company Management to perform impairment tests at the cash-generating unit level, where appropriate, is as follows:

- Management prepares a business plan on an annual basis that generally covers a period of five years, including the current year. 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 business plans 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 recognised, 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 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 recognised.

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

Furthermore, as stated in Note 1 dated 5 July 2014, the integrity of the airport network insofar as its survival ensures the mobility of citizens and economic, social and territorial cohesion in terms of accessibility, adequacy, suitability, sustainability and continuity, is also established in Royal Decree Law 8/2014. The latter sets out the framework to which the basic airport services are subject and the characteristics and conditions that the said network must boast in order to guarantee the objectives of general interest. Thus, the closure or sale of all or part of any facilities or airport infrastructure necessary to maintain the provision of airport services is prohibited, unless authorised by the Council of Ministers or the Ministry of Public Works, and which authorisation can only be granted provided it does not affect the objectives of general interest that must guarantee the said network or compromise its sustainability; the absence of such authorisation will render the foregoing as a guarantee for the entire maintenance of the state airport network null and void. Airport charges and their key elements, basic airport services and the framework to determine minimum standards of quality, capacity and conditions for the provision of the services and investments required for compliance, as well as the conditions for recovering the costs of providing these basic airport services have been defined.

While these regulations have no impact on the determination of the cash-generating units for the years 2015 and 2014, hereinafter the determination of cash generating units could be affected by this legislation, according to the criteria established for the calculation of economic benefits.

2.9 Borrowing costs

Interest costs incurred on the construction of any qualified asset are capitalised 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 in 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 recognised on the trading date, i.e., on the date the Group undertakes to acquire or sell the asset.

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

Financial assets and liabilities are offset and the net amount is recognized in the balance sheet when there is the legal right to offset the recognized amounts and the Group has the intention of settling the net amount or realizing the asset and simultaneously cancelling the liability. During 2015 and 2014, the Group has no offset financial assets and liabilities because the requirements were not fulfilled for this.

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

Financial assets at fair value through changes in profit or loss are financial assets which are 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 recognised 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) Trade and other 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 is recognised 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 are included 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 reorganisation situation, and when observable data indicate that there is a measurable decline in future estimated cash flows, such as changes in payment conditions or financial conditions that may correlate with defaults.

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

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

(c) Financial assets available for sale

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 of 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 recognised 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 financial assets classified as available-for-sale are disposed of, or suffer impairment, the accumulated adjustments to fair value recognised under "Other comprehensive income"" are included in the income statement as "Other net financial income/(expenses)". Dividends from equity instruments available-for-sale are recognised in the income statement under "Financial income" 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 recognised 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 is designated and qualified as cash flow hedges is recognised in "Other comprehensive income". The profit or loss relating to the ineffective portion is recognised 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 recognised when the planned transaction is finally recognised 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 in the Central Warehouses and Logistical Support Depot, and they are measured at cost or their net realisable 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 realisable 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 of 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 Company's ordinary shares are classified as equity (Note 16).

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

When a Group company acquires Company shares (own 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 recognised at fair value as liabilities under the heading "Prepayments from customers". Those with maturities greater than one year are presented as non-current liabilities under the heading "Other long-term liabilities".

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 recognised in the income statement over the life of the debt applying the effective interest method.

The commissions paid for obtaining lines of credit are recognised 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 in relation to its tax on profits for a particular financial year. 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 carry-forwards 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 an 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 realised 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 recognised in the balance sheet are also reviewed at each year end in order to recognise 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 at the time together with certain subsidiaries since the conditions established to do so are met.

The listing of the Company on the stock exchange in February 2015 (see Note 1), as explained above, via the IPO of 49% of Aena S.A.'s capital, meant that the Parent Entity, ENAIRE's holding in Aena S.A. fell to 51%, compared to its previous holding of 100%.

In accordance with the tax regulations in force (art. 59.2 of Law 27/2014 on Corporation Tax), and with effect from 1 January 2015, Aena S.A. and its subsidiaries withdrew from the tax consolidation group headed by ENAIRE.

On the occasion of such termination, at 1 January 2015, the AENA Tax Group to which they belonged, together with ENAIRE, as subsidiaries AENA and AENA International Development, and according to the will expressed by the Boards of both companies, at 7 April 2015 Aena informed the Tax Office on the application to the tax consolidation system of companies AENA S.A. and Aena Desarrollo Internacional S.A.U.

Consequently, the debit balances of pending deductions credits and of credits for tax losses which, within the tax Group, where owned by Aena S.A. vis-à-vis ENAIRE, and therefore, they were included in the "Other receivables" heading on the Balance Sheet, are owned since the date of termination of 1 January 2015, against the Treasury, so since that date these were reclassified to heading "Deferred tax assets" totalling 63,548 and 37,186 thousand euros, respectively.

At year-end 2015, such balances have been cancelled when used in the calculation of tax for that year. Standing just as a receivable vis-à-vis ENAIRE (see Note 33) the outcome of the outstanding repayment on corporate tax for the financial year 2014 amounting to 50,217 thousand euros (see Note 13).

On 5 June 2015, the Tax Office announced the creation of the new Tax Group 471/15 comprised by AENA S.A. as parent company and Aena Desarrollo Internacional as subsidiary and, henceforth, be taxed at the corporate income tax in the year 2015 as Tax Group.

The companies that formed part of the tax group in 2014 are as follows:

1. The Public Business Entity "ENAIRE"
2. Aena, S.A.
3. Aena Desarrollo Internacional, S.A.
4. Concesionaria del Aeropuerto Madrid-Barajas, S.A.
5. Concesionaria del Aeropuerto Barcelona-El Prat, S.A.

2.19 Employee benefits

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:

(a) Long-term employment commitments

- Defined contribution plans
  A defined contribution post-employment commitment is 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 benefit commitments is the present value of the obligation accrued at the balance sheet date, less the fair value of the plan assets. Defined benefit obligations are calculated on an annual basis by independent actuaries using the projected credit unit method. The current value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates of high quality corporate bonds denominated in the currency in which such benefits are to be paid, and with similar maturities those of the corresponding defined benefit obligation.

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

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

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

Length of service awards

Article 138 of the I Collective Bargaining Agreement for the Aena Group of Companies (Public Business Entity Aena and Aena, S.A.) stipulates length of service awards for services effectively rendered for a period of 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:

(Thousand euros unless otherwise indicated)

	31-12-2015	31-12-2014
Technical interest rate	2.09%	1.60%
Salary increases	2.0%	2.0%
Mortality table	PERMF 2000 NP	PERMF 2000
Financial system used	Individual capitalisation	Individual capitalisation
Accrual method	Projected Unit Credit	Projected Unit Credit
Retirement age	According to Law 27/2011	65 years
Disability tables	OM 77	OM 77

Early-retirement bonuses

Article 154 of the I Collective Bargaining Agreement for the Aena Group of Companies (Public Business Entity Aena and Aena, S.A.) stipulates that any employee between the ages of 60 and 64 who, in accordance with current provisions is entitled thereto, may take voluntary early retirement 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 pro-rate amount.

In 2004 the early retirement awards were externalized by obtaining a lump sum-payment insurance policy from Mapfre Vida on 25 March 2004. Currently, pension obligations are insured through Group Life Insurance policies. The Company makes provision for the present value of the best estimate possible of future commitments, based on actuarial calculation.

The principal actuarial assumptions used are as follows:

	31-12-2015	31-12-2014
Technical interest rate	2.28%	1.70%
Long-term salary growth	3,00% (1% for 2016)	3.00%
Yield on Defined Contribution Fund	4.00%	4.00%
Rate guaranteed by Mapfre	3.10%	3.10%
Mortality table	PERMF 2000 NP	PERMF 2000 NP
Financial system used	Individual capitalisation	Individual capitalisation
Accrual method	Projected Unit Credit	Projected Unit Credit
Retirement age	Between 60 and 63 years and 11 months	Between 60 and 63 years and 11 months

Pension plans

According to the Collective Bargaining Agreement, the Group should maintain a plan of defined contribution pension. However, Law 36/2014 of 26 December and Law 22/2013 of 23 December respectively, provide that public business enterprises cannot make contributions to employee pension plans or group Insurance contracts that include a contingency for retirement coverage, so the forecast of the Collective Bargaining Agreement was not applicable in the years 2015 and 2014 (see Note 22.c).

London Luton LLAH 3 pension plan

The LLAH III group maintains a defined benefit pension plan, London Luton Airport Pension Scheme ("LLAPS"), whose assets are owned and managed by funds that are legally separate from the LLAH III Group (see Note 22.d). The principal actuarial assumptions used are as follows:

	31-12-2015	31-12-2014
Technical interest rate	3.75%	3.75%
Inflation	3.00%	3.00%
Pension growth rate	2.85%	2.85%
Accrual method	Projected Unit Credit	Projected Unit Credit
Retirement age	65 years	65 years

Length of service at 65 years of age for current pensioners (years):

- Male 22.6 22,0 (2014: 22.6)
- Female 24,0 (2014: 24.8)

Length of service at 65 years of age for future pensioners, currently aged 45 years (years):

- Male 22.6 24,3 (2014: 24.9)
- Female 26,5 (2014: 27.1)

(b) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary severance in exchange for these benefits. The Group recognises these benefits on the first of the following dates: (a) when the Group can no longer withdraw the offer of the said benefits; or (b) when the entity recognises restructuring costs in the scope of IAS 37 and it assumes the payment of the termination benefits. 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.

2.20 Provisions and contingent liabilities

Provisions are recognised 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 recognised 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 recognised as an interest expense.

In accordance with the accounting policy set out in Note 2.5, the corresponding environmental provisions were provided for (especially the provision for acoustic insulation), with a balancing entry in the largest value in terms of fixed assets, due to the amount of the initial estimate of the costs of renovating the site on which they lie, when these constitute obligations incurred by the group as a result of using these items. Equally, the provision for expropriations records the best estimate of the amount relating to the difference between the fair values paid for the expropriation of land acquired for the expansion of airports and the estimates of the prices that the Group will have to pay, considering that it is likely that certain legal claims in progress regarding some of the fair values paid will be successful for the claimants (see Note 23).

The contingent liabilities represent possible obligations to third parties and existing obligations that are not recognised, 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, when 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 collectability of the relevant accounts receivable is reasonably assured.
- Sales of services are recognised 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 stores, restaurants and advertising and off-terminal facilities such as the rental of premises and land, vehicle parking and rental cars.

Aviation (Public charges):

The establishment of fees for public charges is carried out in accordance with Law 1/2011 (4 March), which establishes the State Operational Security Programme for Civil Aviation and amends Law 21/2003 (7 July) on Air Security. Furthermore, Article 68 of Law 21/2003 defines the following items as equity 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.
- Inspection and screening services of passengers and luggage in airport premises as well as the means, facilities and equipment necessary for the provision of services for control and monitoring in the areas of aircraft movement, open access areas, controlled access areas and restricted security areas around the airport grounds linked to the public property contributions.
- Airport facilities made available to passengers, not accessible to visitors, in terminals, platforms and runways necessary to enforce its air transport contract.
- 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 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.

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 charges received by Aena Aeropuertos, S.A., in order to change the formula applied to updates, under which the revenues, expenses and investments deriving from commercial services and activities not strictly related to economics are not included when calculating airport fees.

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

Article 86 of Law 22/2013 of 23 December content in the State Budget for 2015 sets the fees increase which became effective from 1 March, 2015. According to the same article, the amount of benefits of a public nature of Aena, SA, established in Title VI, Chapters I and II of Law 21/2003 of 7 July, of Air Safety, shall remain in the same levels than those due on 28 February 2015 and in 2014.

On 5 July 2014, Royal Decree Law 8/2014 of 4 July was published in the Official State Gazette (BOE), further amended by Law 18/2014 of 15 October, approving urgent measures for growth, competitiveness and efficiency. These regulations set out:

- The regime governing the network of airports of general interest as a service of general economic interest, with the objective of guaranteeing the mobility of citizens and economic, social and territorial cohesion, to ensure the accessibility, adequacy and suitability of the airport infrastructure capacity, the economic sustainability of the network, as well as the continuity and adequate provision of basic airport services. Moreover, the network management guarantees the economic sustainability of the airports included in the network by allowing, under conditions of transparency, objectivity and non-discrimination, support for loss-making infrastructures.

- The closure or sale of all or part of any facilities or airport infrastructures required to maintain the provision of airport services is prohibited, unless authorised by the Council of Ministers or the Secretary of State for Infrastructure, Transport and Housing. (Amount as appropriate). On a regulatory level, a procedure could be implemented making it possible to close down or sell airport facilities or infrastructures. Such a regulatory development could also contemplate transfers to the State of capital gains generated during the disposal process.

- The Airport Regulation Document (DORA) is created with a five-year term, which will determine the maximum revenue per Aena passenger in the period, quality conditions of the provision of services, the capacity of facilities and the investments to be made.

- Regarding revenue of the airport operator in relation to the basic airport services, these are considered as public service benefits. Their regulation respects the legal right established by Law 21/2003, on Air Safety, as amended by Law 1/2011, and the determination of its essential elements. Non-essential airport services, as well as the commercial management of infrastructures and their urban operation, are subject to the free market.

- In compliance with Law 18/2014, the DGAC is responsible for drafting the Airport Regulation Document (DORA) and forwarding it to the competent bodies at the Ministry of Public Works for its subsequent approval by the Council of Ministers.

- The revenue of the airport operator associated with basic airport services will be subject to compliance with a maximum annual income per passenger, determined on the basis of the recovery of efficient costs as recognised by the regulator along with traffic forecasts; this figure may be adjusted upwards or downwards depending on compliance with the quality standards set and any delays in implementing strategic investments.

- For the 2015-2025 period, the maximum increase in charges will be zero. Charges may only be increased above this maximum increment if during the period of the second Airport Regulation Document (DORA) and for exceptional reasons, such as unpredictable and non-deferrable investments, the annual average investment is increased above the amount approved, subject to the prior approval of the Council of Ministers. For the first DORA, which should enter into force within a maximum of three years from the publication date of Law 8/2014, it has been determined that at its completion any accumulated shortfall in charges corresponding to previous years may not be transferred to the following DORA.

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

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

On 23 April 2015, the CNMC issued an Agreement establishing criteria for the separation of the costs of airport and commercial activities of Aena, S.A. airports. In that Agreement, the CNMC states that the share of costs between regulated activity should be performed in a different manner than that of the previous year. Pursuant to such agreement, part of the costs relating to airport terminals amounting to 69.8 million euros per year, which were accounted as regulated airport activity costs, should be considered as commercial activity costs. This agreement has been appealed by Aena. This administrative appeal was declared inadmissible at first instance by ruling of 29 July and 10 November 2015 of the Spanish National High Court. AENA has appealed before the Supreme Court, the ruling is still pending.

On 23 July 2015, the CNMC issued its "Resolution adopting the proposal for modification of tariffs of Aena, S.A. for 2016, and establishing the measures to be adopted in future consultation procedures".

Under this Resolution, the CNMC agrees that public service benefits of Aena, S.A. for 2016 should be reduced by 1.9% compared to those adopted for 2015, instead of the proposed fees freeze by Aena, S.A. The CNMC establishes that this proposal must be included in the Draft Bill on the General State Budget for 2016. Against this Resolution, the Company filed and administrative appeal before the National High Court, which is still pending. However, Article 80 of Law 48/2015 of 29 October, on the State General Budget for 2016, reflects the reduction agreed by the CNMC, with effect from 1 March 2016 and which shall remain in force indefinitely.

All the new regulatory rules and the CNMC public consultation have not resulted in any change to the revenue recognition policy of the Company, which continues to be subject to the rules set out at the beginning of this Note (see also Note 23 with regard to Contingent assets -Tariffs shortfall).

Commercial:

Revenues from the rental of commercial spaces located within the airport infrastructures are recognised on a straight-line basis in accordance with the lease agreements concluded with the counterparties. The contingent part of the receivables for leases relating to the variable level of revenues generated by commercial spaces is recognised as revenue in the period in which it accrues.

Off-terminal services:

Off-terminal service revenues relate to the management of parking areas, land leases, warehouses and hangars, and the management and operation of cargo centres. 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 recognised to the degree that services are rendered.

Interest and dividends:

- Interest income is recognised using the effective interest method. When a loan or receivable is impaired, 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 recognised either when cash is collected or on a cost-recovery basis when the conditions are guaranteed.

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

2.22 Leases

Leases covering property, plant and equipment in which the Group is the lessee and a significant portion of the risks and rewards of ownership are retained, are classified as finance leases. 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. Where there is reasonable certainty that the lessee will obtain ownership at the end of the lease term, the depreciation period will be the useful life of the asset; otherwise, property, plant and equipment acquired under finance lease will be depreciated over the shorter period between 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 recognised 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 arrangements are public-private agreements in which the public sector controls or regulates the services which the Concessionaire must provide with 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 recognised by the Group as concessions refer to the heliports in Ceuta and Algeciras. The term of the two concessions is 30 years and 25 years, respectively, which 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 recognises an intangible asset insofar as it is entitled to receive payments from final customers for the use of the infrastructure. This intangible asset is subject to the accounting policy described in Note 2.6 and it is amortized on a straight-line basis over the term of the concession.

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

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

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

2.25 Activities affecting the environment

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

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

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

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

2.26 Jointly controlled assets

Through an Agreement with the Ministry of Defence, the Company has interests in assets controlled jointly with the said Ministry to operate Air Bases Open to Civil Traffic (BAATC). This agreement establishes the key distribution and compensation criteria for the use of air bases open to civil traffic in Villanubla, León, Albacete, Matacán, Talavera, San Javier, and the aerodrome in Zaragoza used jointly 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 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 aerodrome 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 subject to annual renewals linked to the validity of Royal Decree 1167/1995 with respect to any subsequent provision affecting the continuity of the Agreement.

2.27 Comparison of information

In compliance with current legislation, the figures for the years ended 31 December 2014 and 2015 are presented for comparison purposes.

In terms of comparison of information between financial years, it must be noted that the consolidated income statement for 2015 includes the results of 12 months provided by the subsidiary LLAH III, while 2014 includes the results since the date of acquiring control (see note 2.2.a).

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

On 4 February 2016, the Resolution of 29 January 2016 was 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.

This resolution is effective for annual periods beginning on or after 1 January 2015, therefore, this is the financial statement for the first year of application of the same and shall not provide comparative information for this new requirement. This financial statement qualifies as initial to these exclusive effects with regard to the principle of uniformity and the comparability requirement.

3 Managing operational and financial risks

3.1 Description of key operational risks

Regulatory risks

Aena, S.A. operates in a regulated sector, and any change or future developments to the applicable regulations can have negative impacts on revenues, operating results and the Aena's financial position. Law 18/2014 introduces the mechanism governing the determination of airport charges for the first Airport Regulation Document (DORA), which is the basic regulation instrument that establishes for five-year periods the minimum conditions of operation of airports in terms of levels of service quality and capacity, investment and associated costs, by establishing at the aggregate level of the airport network the maximum annual price per passenger which may be charged for each year of the 2017-2021 period.

On 22 December 2015, Aena sent its DORA proposal to the Directorate General of Civil Aviation (DGAC), which is the regulatory body, suggesting a tariff freeze for the 2017-2021 period. This proposal is, at the time of writing this report, under consultation process with airline associations, which will end with the final proposal made by Aena on March 2016. From that moment, a review period of such proposal will start by the DGAC, which will end, at the latest, in September 2016, with the approval of DORA for the 2017-2021 period. This document determines the maximum charge per passenger for the next five years.

In addition, the activity of Aena, S.A., is regulated by both domestic and international law in terms of operational safety regarding persons, property and the environment, which may limit activities or growth of Aena airports, and/or require significant expenditure.

Operating risks

The Group's business is directly related to passenger traffic levels and aircraft operations at its airports, so it can be influenced by the following factors:

- Economic developments both in Spain and in the main countries that are the source/destination of traffic (United Kingdom, Germany, France and Italy, among others).
- It operates in a competitive environment both with respect to other airports and compared to other means of transport that can affect its revenue.
- It faces risks arising from the concentration of airlines and depends on the income of its two main airports.
- Revenues from commercial activities are linked to sales of commercial areas by tenant companies of, which can be affected both by the volume of passengers and their degree of spending power.
- In the operation of its airports, the Group depends on the services provided by third parties, which may have an impact on its activity.

Moreover, the Group's international activity is subject to risks associated with the development of operations in third countries and the fact that prospects for profitability cannot be expected.

The Group is, and will continue to be in the future, exposed to the risk of losing in judicial or administrative proceedings in which it is involved (see Note 23).

The management bodies of the Company have implemented mechanisms to identify, quantify and cover risk situations. Notwithstanding the foregoing, those situations that may pose a risk as well as the relevant the measures taken thereof, will be closely monitor. Risk identification and control is developed in more detail in section "E. S Risk Management and Control System" in the Annual Corporate Governance Report, which is part of the Management Report attached to this financial statements.

3.2 Description of the main financial risks

The activities of the Aena Group expose it 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. In extremely limited cases, the Group uses derivative financial instruments to hedge certain risk exposures.

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

There is a financial debt recognition agreement between Aena Aeropuertos S.A. and its parent company, originating with the non-monetary contribution that gave rise to the creation of Aena Aeropuertos S.A. (see Note 1), according to which 94.9% of the parent company's bank borrowings was initially assumed. On 29 July 2014, this agreement was renewed as detailed in section c) of this Note.

There are no significant changes in the management of financial risk at 31 December 2015, compared to the year ended on 31 December 2014.

The main risks of a financial nature are described below:

(a) Market risk

(i) Exchange rate risk

The Group is exposed to exchange-rate fluctuations that may affect its sales, results, equity and cash flows, stemming primarily from:

1. Investment in foreign countries (mainly in Mexico, Colombia and the United Kingdom) (see Note 2.2).

2. Transactions undertaken by subsidiaries and other related parties who conduct business in non-euro countries (mainly Mexico, Colombia and the United Kingdom).

The exchange rate risk on the net assets of the Group's foreign operations is mainly managed through borrowings denominated in the relevant foreign currency. In addition, Aena Desarrollo Internacional, S.A. regularly tracks changes to exchange rates and will determine, where appropriate, any hedging required to avoid fluctuations of the pound against the euro.

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

The Group's interest rate risk results from borrowings. Loans issued at variable rates expose the Group to interest rate risk from cash flows. Fixed interest rate loans expose the Group to fair value interest rate risks.

The Group's objective with respect to the management of interest rates is to optimise financial expenses within the established risk limits, where the risk variables are the 3- and 6-month Euribor, the main reference for long-term debt.

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

Financial expenses are mainly due to the financial debt with the parent company. Likewise, the parent company has concluded interest rate hedging agreements for an extremely limited number of loans which are transferred to the Company, as described in Note 12. 95.23% of the cost of such derivatives is charged to the Company, as this represents the percentage for which Aena is answerable to the parent company in respect of certain loans.

With respect to loans with revisable rates, the Group has modified the interest rate regime for loans likely to be revised in 2015. The revised total amounts to 2,432,139 million euros, of which 945,372 thousand euros correspond to EIB loans and are set at a fixed rate maturing at an average rate of 1.04% and 1,486,767 million euros correspond to DEPFA and FMS loans that now have variable interest rate (Euribor 3 months + 0.11).

During the month of December variable rate loans have been traded with spreads greater than 1.58% (with an average spread of 4.42%) for a total of 613,239 thousand euros, reducing the spread to 0.98%.

The Group manages interest rate risk on cash flows by variable to fixed interest rate swaps (see Note 12). On 10 June 2015, a hedging variable to fixed interest rate operation was signed, for a notional amount of 4,195 million euros. The average spread over Euribor 3 and 6 months of such loans is 1.0379%. The execution fixed rate was 1.9780%. The aim of this operation was:

- To adjust the debt structure at fixed/variable rate to that of peer companies 79% Fixed/21% Variable (previously 50% Fixed/50%Variable).
- To have a stable framework for interest rates in the 2017-2021 DORA period.

On 31 December 2015, the total amount of liabilities for interest rate swaps amounted to 72,217 thousand euros.

At 31 December 2015, if the interest rate on variable interest rate loans had increased or decreased by 20 base points, and the other variables had remained unchanged, the pre-tax profit for the year would have been 3,928 thousand euros lower and 3,928 thousand euros greater respectively (2014: 10,072 thousand euros lower and 10,072 thousand euros greater, respectively). However, the Regulatory Framework established by Law 1/2011 of 4 March, which establishes the National Programme for Civil Aviation Safety and amends Law 21/2003, of 7 July, on Air Safety, establishes a system for updating tariffs that protects Aena from increases in financing costs, where these are regulated, insofar as it enables it to recover the cost of capital, through the remuneration of the assets base under applicable legislation.

In this sense, the Company has carried out a sensitivity analysis in relation to possible interest rate fluctuations that could occur; on the basis of this analysis the Directors of the Company considered that any potential changes in these would not have a significant effect on the "Equity" of the Company.

(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 charges on the part of Aena Aeropuertos, S.A. or its subsidiaries may include encumbrances to ensure effective collections, and this mechanism is managed by the collection bodies of the State Tax Administration Agency.

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

(c) Liquidity risk

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

The credit risk and operating policy of the Group in its sector results in very favourable average collection periods. In addition, the Group has committed to substantially reducing costs and investment needs over the coming years, which has had a positive effect on the Group's cash generation. Although at 31 December 2015 the Group recorded negative working capital totalling 755,065 thousand euros (2014: 1,053,732 thousand euros), and a profit for the year attributable to shareholders of the Parent Company after tax of 833,537 thousand euros (2014: 478.618 thousand euros in profit over the year), and it is considered that there is no risk with respect to satisfying its current commitments, given the positive cash flows which have reduced the negative working capital of the previous years, and which the Company expects to remain positive in the short term. On the other hand, on 29 July 2015 the Parent Company signed loan agreements with banking entities for 1 billion euros to meet timely cash needs. Additionally, the investee LLAH II has £82.0 million in unused credit lines (2014: 58.5 million sterling). Under these circumstances, the Directors of the Group do not believe that there will be any problems with respect to satisfying payment commitments.

(Thousand euros unless otherwise indicated)

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

At 31 December 2015	2016	2017	2018	2019	2020	Following years	Total
ENAIRE loan (Note 33.e)	1,125,488	826,393	747,995	749,755	731,835	5,262,444	9,443,910
Interest accrued on ENAIRE loans (Note 33.e)	26,453	-	-	-	-	-	26,453
Bank borrowings (Note 20.b)	11,421	333	-	-	-	296,831	308,585
Finance lease liabilities (Note 20)	2,080	2,096	2,134	2,174	2,214	17,974	28,672
Loans with LLAH III shareholders (Note 20.b)	-	-	-	-	-	62,953	62,953
Interest accrued on loan with LLAH III shareholders	482	-	-	-	-	-	482
Other financial liabilities (Note 20)	33,721	209	1,963	3,972	30,618	27,412	97,895
Trade and other payables (excluding advances from customers) (Note 19)	323,265	-	-	-	-	-	323,265
Interest on Aena, SA debt (*)	199,047	174,764	156,165	138,833	123,682	568,421	1,360,912
Interest on LLAH III bank debt	11,143	11,473	11,695	10,505	11,201	13,791	69,808
Interest on LLAH III shareholder loan (Ardian)	5,050	5,036	5,036	5,036	5,050	14,585	39,793

(*) Annual average estimated calculation of interest on the ENAIRE debt for each period, calculated on the basis of the average interest rate over the period from January-December 2015.

At 31 December 2014	2015	2016	2017	2018	2019	Following years	Total
ENAIRE loan (Note 33.e)	1,055,128	1,190,488	866,393	787,995	689,755	5,934,279	**10,524,038**
Interest accrued on ENAIRE loans (Note 33.e)	48,347	-	-	-	-	-	**48,347**
Bank borrowings (Note 20.b)	8,956	334	333	281,114	-	-	**290,737**
Finance lease liabilities (Note 20)	2,334	2,547	2,012	2,050	2,090	18,605	**29,638**
Loans with LLAH III shareholders (Note 20.b)	-	-	-	-	-	58,976	**58,976**
Interest accrued on loan with LLAH III shareholders	455	-	-	-	-	-	**455**
Other financial liabilities (Note 20)	37,664	1,579	4,307	2,263	5,157	34,486	**85,456**
Trade and other payables (excluding advances from customers) (Note 19)	310,530	-	-	-	-	-	**310,530**
Interest on Aena, SA debt (*)	191,619	170,601	150,400	135,149	120,989	603,118	**1,371,876**
Interest on LLAH III bank debt	11,645	12,437	13,141	13,875	-	-	**51,098**
Interest on LLAH III shareholder loan (Ardian)	4,948	4,948	4,948	4,948	4,948	19,791	**44,531**

(*) Annual average estimated calculation of interest on the ENAIRE debt for each period, calculated on the basis of the average interest rate over the period from January to December 2014.

3.3 Capital management

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

The Group monitors the capital structure on the basis of the debt index. This index is calculated according to ratios defined in the financing agreements (see Note 20).

The debt ratios at 31 December 2015 and 2014 are as follows:

	2015	2014
Net financial debt/"covenants"/ EBITDA according to "covenants"	4.5x	5.6x

The change in the debt ratio corresponds to the added effect of an improvement in the EBITDA derived from containment and expenditure savings, as well as an improvement in revenues resulting from an increase in air traffic, and the amortisation of debt with the Parent Company in accordance with the debt amortisation schedule.

(Thousand euros unless otherwise indicated)

3.4 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).

The following table presents the Group's liabilities measured at fair value at 31 December 2015:

	Tier 1	Tier 2	Tier 3	Total balance
Assets				
Derivatives (Note 12)	-	1,280	-	1,280
Total assets	**-**	**1,280**	**-**	**1,280**

	Tier 1	Tier 2	Tier 3	Total balance
Liabilities				
Derivatives (Note 12)	-	73,903	-	73,903
Total liabilities	**-**	**73,903**	**-**	**73,903**

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

	Tier 1	Tier 2	Tier 3	Total balance
Liabilities				
Derivatives (Note 12)	-	10,989	-	10,989
Total liabilities	**-**	**10,989**	**-**	**10,989**

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

a) Financial instruments in Tier 1:

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

b) Financial instruments in Tier 2:

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

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

The specific measurement techniques applied to financial instruments are:

- Listed market prices or the prices established by financial brokers for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of estimated future cash flows, based on estimated interest rate curves.

- The present value of foreign currency futures is calculated using forward exchange rates at the balance sheet date, discounting the resulting amount from the present value.
- Other techniques, such as an analysis of discounted cash flows, are used to analyse the fair value of all other financial instruments.

4 Accounting estimates and judgements

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

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

4.1 Main accounting estimates and judgements

The main accounting policies, which reflect the assumptions and estimates that are most significant for calculating amounts in the consolidated financial statements, are as follows:

(a) Impairment of intangible assets, property, plant and equipment
(b) Useful lives of property, plant and equipment
(c) Provisions
(d) Derivative financial instruments
(e) Provisions for staff obligations.

Some of these accounting policies require the application of a significant degree of judgment on the part of Management in selecting the appropriate 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 recognised assets and liabilities and 31 December 2015 and 2014.

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 Goodwill, Intangible assets, and Property, plant and equipment

The Group verifies annually whether there is an impairment loss in respect of the goodwill, intangible assets, and property, plant and equipment, in accordance with the accounting policy described in Note 2.8, which describes how Management identifies the cash generating units (CGUs) and the method used to submit the assets allocated to these impairment tests. Identification and grouping of the CGU is based on income generation and flow of identifiable assets for these groups of cash as well as in certain other assumptions based on how the Management manages the assets and the regulatory framework applicable to them. Also, the recoverable amounts of the CGUs have been determined based on value in use calculations. These 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 those assumptions could affect the identification of CGU and the estimated recoverable amount used for the purpose of impairment testing thereof.

(b) Useful lives of property, plant and equipment

The recognition of investments in property, plant and equipment implies the application of estimates to determine the useful life of the property, plant and equipment for the purposes of depreciation. The calculation of useful lives is associated with estimates relating to the level of use of the assets and expected technological evolution. The assumptions relating to the level of use, technological framework and future developments imply a significant degree of judgment, taking into account that these aspects are very difficult to predict. Changes in the level of the use of assets or changes in technological development could result in revisions of the useful lives and, consequently, in their depreciation (Note 2.1.1).

(c) Provisions

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

In addition, the calculation of the expense and liability associated with employment commitments requires the application of several assumptions. At the end of each year the Group estimates the provision required to cover employment commitments and similar obligations for 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 are mainly derived from changes in the interest rates associated with its financing. Derivative financial instruments are recognised at their fair value at the beginning of the contract, 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 available observable market data, whether based on listed market prices or to the application of measurement techniques (Tier 2). The measurement techniques used to calculate the fair value of derivative financial instruments include the discounting of future cash flows associated with them, using assumptions based on market conditions at the measurement date or the use of prices established for similar instruments, among other methods. These estimates are based on available market information and adequate measurement techniques. The use of different market assumptions and/or estimation techniques could have a significant effect on the calculated fair values.

(e) Provisions for staff obligations

The calculation of pension expenses and other expenses associated with post-retirement commitments requires the application of several assumptions. At the end of each year the Aena Group estimates the provision required to cover pension commitments and similar obligations, in accordance with the assessment of independent actuaries. The changes affecting such assumptions may result in the recording of different amounts and liabilities. The most important assumptions are inflation, retirement age and the discount rate used. Any changes to these assumptions will have an impact on the expenses and future pension liabilities.

4.2 Main judgements in applying the accounting policies of the entity

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

During 2013, Aena, S.A. awarded to World Duty Free Group (WDFG) a multi-annual contract for the management of duty free and duty paid stores in three airport lots until 2020, whose fees are based on sales volumes made by those stores. The management of the Group evaluated the substantial characteristics of the contract in accordance with the accounting policies described in Notes 2.21 and 2.22 and concluded that the revenue from the contract should be recognised on an accrual basis, considering the charges imposed as contingent, although contractually certain fees are set regardless of the volume of sales made by stores. The judgement of Management when determining the variability of contract fees is based on the substance thereof and future variability factors that influence the determination of such fees, including spaces allocated to stores, duration of availability of such spaces, the variability of airport passenger traffic and the ability of parties to obtain a minimum cost associated with contract, among other factors. Future changes to contract conditions evaluated by the Management of the Group could result in a different revenue recognition compared to that which Aena, S.A. has applied to this contract up to now. For new contracts with features similar to this one, the Group has continued to follow the same revenue recognition criteria.

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

The Management of Aena, S.A. has decided to offset the tax deductions for Investments in the Canary Islands from the total state tax due. Deductions for investments in the Canary Islands were applied at the end of 2013, after consultation with the Directorate General of Taxes regarding the recoverability conditions, where the necessary conditions were in existence.

In 2015, total deductions utilised amounted to 38,884 thousand euros corresponding to deductions for investments in the Canary Islands, and a use in deductions for all items amounting to 112,593 thousand euros, corresponding to 99.17% deductions for investments in the Canary Islands (in 2014 a total of 98,771 thousand euros in deductions were used, of which 95.4% corresponded to deductions for investments in the Canary Islands).

The Company no longer has tax deductions activated for this item at the end of 2015 (31 December 2014: 63,548 thousand euros corresponded to tax reductions for investments in the Canary Islands). These deductions were recognised as accounts receivable vis-à-vis the Parent Company and have been used in future years according to tax results from 2013 to 2015 (see Notes 13 and 21).

5 Segment reporting

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

The Airports segment substantially includes the Group's operations as the airport operator as described in Note 1, which are identified with the so-called Aviation activity. In addition, the Airports 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 investments in other airport operators, mainly in the United Kingdom, Mexico and Columbia (see Note 2.2). Information relating to LLAH III is included in the International segment, since the revenue, profit and assets are less than 10% of the aggregate values of the Group.

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

The Chairman and CEO evaluates the performance of the operating segments based on EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation). During financial years 2015 and 2014, EBITDA calculated in the manner explained above was adjusted for the effects related to the Voluntary Severance Plan, and impairment and disposal of fixed assets.

Financial information by segment supplied to the maximum decision-taking authority in 2015 and 2014 was obtained from the Group's information management systems, and has been evaluated in accordance with criteria that are uniform with respect to those applied in these consolidated financial statements. Financial information per segment is presented as analysed at the present time by the highest decision-making authority. No modification has been made to the criteria for distributing costs monuments during the years presented.

(Thousand euros unless otherwise indicated)

The financial information by segment in 2015 and 2014 is as follows:

31 December 2015	Airports						
	Aeronautics	Commercial	Off-terminal services	Sub-Total	International	Adjustments	Total consolidated
Ordinary revenue-	2,332,976	739,909	167,970	3,240,855	211,768	(1,914)	3,450,709
External customers	2,332,916	739,909	167,970	3,240,795	209,914	-	3,450,709
Inter-segments	*60*	-	-	*60*	*1,854*	*(1,914)*	-
Other operating income	54,602	7,576	4,188	66,366	713		67,079
Total income	**2,387,578**	**747,485**	**172,158**	**3,307,221**	**212,481**	**(1,914)**	**3,517,788**
Supplies	(182,822)	-	-	(182,822)	-	1,854	(180,968)
Accrued wages and salaries	(285,226)	(25,785)	(10,671)	(321,682)	(42,229)	-	(363,911)
Other operating expenses	(625,669)	(90,867)	(58,540)	(775,076)	(97,190)	60	(872,206)
Depreciation and Amortisation	(673,776)	(64,318)	(48,616)	(786,710)	(59,505)	-	(846,215)
Impairment and loss on fixed asset disposal	(5,435)	(761)	(641)	(6,837)	(1,006)	-	(7,843)
Other results	5,000	(28)	15	4,987	526	-	5,513
Total expenditure	**(1,767,928)**	**(181,759)**	**(118,453)**	**(2,068,140)**	**(199,404)**	**1,914**	**(2,265,630)**
EBITDA	**1,293,426**	**630,044**	**102,321**	**2,025,791**	**72,582**	**-**	**2,098,373**
Voluntary Redundancy Program (VRP)	21,610	1,881	721	24,212	-	-	24,212
Impairment and loss on fixed asset disposal	(5435)	(761)	(641)	(6,837)	(1,006)	-	(7,843)
Adjusted EBITDA	**1,277,251**	**628,924**	**102,241**	**2,008,416**	**73,588**	**-**	**2,082,004**
Operating profit/loss	**619,650**	**565,726**	**53,705**	**1,239,081**	**13,077**	**-**	**1,252,158**
Financial result	(179,715)	(13,782)	(14,585)	(208,082)	(17,510)	-	(225,592)
Share in profits from associates	-	-	-	-	14,012	-	14,012
Profit/loss before tax	**439,935**	**551,944**	**39,120**	**1,030,999**	**9,579**	**-**	**1,040,578**
Total Assets				16,306,205	890,302	(173,127)	17,023,380
Total Liabilities				12,079,322	592,670	(8,893)	12,663,099

(Thousand euros unless otherwise indicated)

	Airports						
31 December 2014	**Aeronautics**	**Commercial**	**Off-terminal services**	**Sub-Total**	**International**	**Adjustments**	**Total consolidated**
Ordinary revenue-	2,241,536	629,418	160,528	3,031,482	46,027	(1,465)	3,076,044
External customers	2,241,532	629,418	160,528	*3,031,478*	*44,566*	-	*3,076,044*
Inter-segments	*4*	-	-	*4*	*1,461*	*(1,465)*	-
Other operating income	63,287	13,238	11,803	88,328	630	-	88,958
Total Income	**2,304,823**	**642,656**	**172,331**	**3,119,810**	**46,657**	**(1,465)**	**3,165,002**
Supplies	(181,862)	-	-	(181,862)	-	1,461	(180,401)
Accrued wages and salaries	(297,954)	(26,264)	(11,048)	(335,266)	(13,245)	-	(348,511)
Other operating expenses	(602,185)	(83,187)	(55,209)	(740,581)	(20,452)	4	(761,029)
Depreciation and Amortisation	(684,571)	(67,071)	(49,640)	(801,282)	(13,568)	-	(814,850)
Impairment and loss on fixed asset disposal	(2,416)	(587)	(6,924)	(9,927)	-	-	(9,927)
Other results	(670)	166	2,031	1,527	-	-	1,527
Total expenditure	**(1,769,658)**	**(176,943)**	**(120,790)**	**(2,067,391)**	**(47,265)**	**1,465**	**(2,113,191)**
EBITDA	**1,219,736**	**532,784**	**101,181**	**1,853,701**	**12,960**	-	**1,866,661**
Voluntary Redundancy Program (VRP)	1,108	88	34	1,230	-	-	1,230
Impairment and loss on fixed asset disposal	(2,416)	(587)	(6,924)	(9,927)	-	-	(9,927)
Adjusted EBITDA	**1,221,044**	**533,283**	**108,071**	**1,862,398**	**12,960**	-	**1,875,358**
Operating profit/loss	**535,165**	**465,713**	**51,541**	**1,052,419**	**(608)**	-	**1,051,811**
Financial result	(359,471)	(15,949)	(25,400)	(400,820)	9,733	-	(391,087)
Share in profits from associates	-	-	-	-	11,716	-	11,716
Profit/loss before tax	**175,694**	**449,764**	**26,141**	**651,599**	**20,841**	-	**672,440**
Total Assets	-	-	-	16,749,088	868,365	(200,518)	17,416,935
Total Liabilities	-	-	-	13,283,461	591,999	(36,829)	13,838,631

The column Adjustments mainly includes consolidation adjustments.

The reconciliation of EBITDA and adjusted EBITDA against Profit for the years ended 31 December 2015 and 2014 is as follows:

Item	**31 December 2015**	**31 December 2014**
Total adjusted EBITDA	**2,082,004**	**1,875,358**
Impairment and loss on fixed asset disposal	(7,843)	(9,927)
Voluntary separation retirement plan (Note 23)	24,212	1,230
Total segment EBITDA	**2,098,373**	**1,866,661**
Fixed asset depreciation	(846,215)	(814,850)
Net financial expense	(225,592)	(391,087)
Share in profits from associates	14,012	11,716
Income tax	(209,793)	(196,743)
Profit for the year	**830,785**	**475,697**
Results attributable to external partners	(2,752)	(2,921)
Profit/(loss) for the year attributable to the parent company shareholder	**833,537**	**478,618**

(Thousand euros unless otherwise indicated)

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:

	2015	2014
Airport services	**2,332,976**	**2,241,536**
Monetary benefits	**2,264,966**	**2,171,663**
Landings	632,790	603,982
Parking	28,617	27,933
Passengers	1,017,609	977,510
Telescopic boarding gates	104,228	99,577
Cargo	-	4,573
Security	363,539	345,898
Handling	80,276	75,569
Fuel	29,092	28,050
Catering	8,815	8,571
Other airport services(1)	**68,010**	**69,873**
Commercial Services	**739,909**	**629,418**
Leases	26,490	26,917
Stores	82,353	69,919
Duty-Free Shops	250,968	186,054
Food & Beverage	132,086	112,892
Car Rental	104,526	100,355
Advertising	28,564	27,610
Other commercial revenue (2)	114,922	105,671
Off-terminal services	**167,970**	**160,528**
Parking	110,767	102,601
Land	12,739	13,161
Warehouses and hangars	17,961	19,349
Cargo Logistic Centres	21,165	21,270
Real Estate Operations	5,338	4,147

1) Includes Check-in desks, Use of 400Hz, Fire services, Left-luggage offices, Fast-track and Other revenues.
2) Includes Commercial operations, Commercial supplies, Use of conference rooms, and Filming and recording.

Except for the International segment that maintains primary investments in the United Kingdom, Mexico and Columbia, the Group carries out its operations in Spain.

The approximate amount of ordinary revenues totalling 334,536 thousand euros, 327,797 thousand euros and 311,749 thousand euros in 2015 relates to three customers, respectively (three customers in 2014: 294,167 thousand euros, 293,414 thousand euros and 286,786 thousand euros respectively). These revenues relate to the Airport segment.

(Thousand euros unless otherwise indicated)

Geographical information:

Ordinary revenue from external customers is distributed geographically as follows:

	2015	2014
Country	Volume	Volume
Spain	3,242,169	3,032,878
United Kingdom	201,940	38,422
Colombia	1,023	936
México	4,721	3,808
Angola	800	-
Cuba	56	-
TOTAL	3,450,709	3,076,044

Non-current assets valued at net carrying value, are located as follows:

Year 2015:

Country	Property, plant and equipment	Intangible assets	Investment property	TOTAL
Spain	14,699,755	91,699	165,266	14,956,720
United Kingdom	170,167	543,065	-	713,232
	14,869,922	634,764	165,266	15,669,952

Year 2014:

Country	Property, plant and equipment	Intangible assets	Investment property	TOTAL
Spain	15,401,149	95,800	131,386	15,628,335
United Kingdom	156,681	545,777	-	702,458
	15,557,830	641,577	131,386	16,330,793

(Thousand euros unless otherwise indicated)

6 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
As of 01 January 2014						
Cost	16,441,913	1,271,909	4,396,809	140,212	350,177	22,601,020
Accumulated depreciation	(4,413,184)	(744,700)	(2,077,360)	(134,377)	-	(7,369,621)
Impairment	-	-	-	(582)	-	(582)
Carrying amount at 01 January 2014	**12,028,729**	**527,209**	**2,319,449**	**5,253**	**350,177**	**15,230,817**
Contributions due to changes in scope	49,597	21,734	-	68,886	9,602	149,819
Additions	885,922	15,952	46,461	5,097	76,561	1,029,993
Disposals	(86,221)	(22,710)	(54,181)	(1,771)	(7,443)	(172,326)
Transfers (Notes 7 and 8)	65,633	10,482	40,833	330	(110,100)	7,178
Differences on exchange	2,033	1,402	-	2,270	177	5,882
Allocation to depreciation	(385,677)	(74,296)	(309,922)	(4,053)	-	(773,948)
Transfers (Notes 7 and 8)	2,414	148	147	(326)	-	2,383
Eliminations of accumulated depreciation	7,532	21,476	50,350	1,767	-	81,125
Differences on exchange	(1,123)	(991)	-	(979)	-	(3,093)
Net carrying amount at 31 December 2014	**12,568,839**	**500,406**	**2,093,137**	**76,474**	**318,974**	**15,557,830**
As of 31 December 2014						
Cost	17,419,132	1,351,902	4,429,925	267,704	318,974	23,787,637
Accumulated depreciation	(4,850,293)	(851,496)	(2,336,788)	(190,649)	-	(8,229,226)
Impairment	-	-	-	(581)	-	(581)
Net carrying amount at 31 December 2014	**12,568,839**	**500,406**	**2,093,137**	**76,474**	**318,974**	**15,557,830**
Rectification cost LLAH III (*)	(60,255)	(53,133)	-	(52,680)	-	(166,068)
Additions	91,394	28,535	49,665	104	99,747	269,445
Disposals	(158,052)	(8,339)	(11,065)	(7)	(10,376)	(187,839)
Transfers (Notes 7 and 8)	197,526	9,707	32,078	(79,388)	(222,985)	(63,062)
Differences on exchange	1,165	546	-	4,721	178	6,610
Rectification cost LLAH III (*)	60,255	53,133	-	52,680	-	166,068
Allocation to depreciation	(403,623)	(76,917)	(298,417)	(1,003)	-	(779,960)
Transfers (Notes 7 and 8)	22,949	605	60	1,123	-	24,737
Eliminations of accumulated depreciation	26,153	6,553	6,373	6	-	39,085
Differences on exchange	1,185	995	-	896	-	3,076
Net carrying amount at 31 December 2015	**12,347,536**	**462,091**	**1,871,831**	**2,926**	**185,538**	**14,869,922**
As of 31 December 2015						
Cost	17,490,910	1,329,218	4,500,603	140,454	185,538	23,646,723
Accumulated depreciation	(5,143,374)	(867,127)	(2,628,772)	(136,947)	-	(8,776,220)
Impairment	-	-	-	(581)	-	(581)
Net carrying amount at 31 December 2015	**12,347,536**	**462,091**	**1,871,831**	**2,926**	**185,538**	**14,869,922**

(*) The "contribution from change in the scope" derived from the integration of LLAH III property, plant and equipment in 2014 was held at its net book value at the date of the contribution, totalling 149,819 thousand euros of which 315,887 thousand euros corresponded to acquisition cost and -166,068 thousand euros to accumulated depreciation, and these amounts were included in the cost breakdown and accumulated depreciation at 31 December 2014. The breakdown has been modified in these consolidated financial statements, without any effect over net book value at 31 December 2014.

In 2015, lease income amounting to €6,080 thousand was recognised in the income statement (2014: 3,484 thousand euros).

The main additions recognized in 2015 and 2014 are described below:

(Thousand euros unless otherwise indicated)

Land and buildings

In 2015, additions to Land and buildings totalled 91,394 thousand euros, mainly motivated by the work related to the Noise Insulation Scheme in Tenerife Norte and Adolfo Suárez Madrid-Barajas airports, by the screed of the runway of A Coruña, the lengthening of the 36L/18R runway of Adolfo Suárez Madrid-Barajas airport, the conditioning of the southern entrance of Málaga-Costa del Sol airport and the works performed on taxiways, runways and platform at the airport of Palma de Mallorca.

The most significant ongoing investments in buildings are related to the remodelling and adaptation of five VIP lounges in Terminal 1, 2 and 3, and the upgrading works of the boarding area of regional traffic at T4 Airport Adolfo Suárez Madrid-Barajas; the supply and installation of a new check-in desks set, and remodelling of the passenger boarding bridges at T2 in Barcelona-El Prat; and works in the new FPP building of Ibiza airport.

In terms of completed and operational works, the most representative work has been the new terminal (south embankment) at Gran Canaria Airport and the new group of continuity for the supply of electricity to Barcelona- El Prat airport.

In 2014, additions to Land and buildings totalled 885,922 thousand euros and corresponded mainly to increases in the estimated final amount payable for fair values for the expropriation of land purchased in relation to the expansion of Adolfo Suárez Madrid Barajas Airport, as well as for the airports of Málaga-Costa del Sol and Vigo, due to various legal proceedings that Aena considers as ongoing in the area of expropriations, and which have been offset by increasing the amounts set aside for the Provision for expropriations.

Such proceedings include, in particular, several rulings concerning the revaluation of expropriation procedures conducted in connection with the expansion of the Adolfo Suárez Madrid-Barajas Airport, as well as the risk involved in the cancellation of the delimitation of the Public Water Domain in force, which allows the former owners of the lands included within the delimited area to claim payment for surface areas previously acquired at zero cost. Over the period, all of these rulings and risks resulted in the addition of land amounting to 52,910 thousand euros. Moreover, particularly noteworthy is the ruling notified to Aena on 29 October 2014 and delivered by the High Court of Justice in Madrid (TSJ) on 1 October, in Ordinary Procedure 1/2011, recognised the right for the revaluation of a number of properties acquired for the extension of the Madrid-Barajas Airport, along with two other similar procedures, resulted in the addition of land amounting to 758,605 thousand euros (see Note 23).

Likewise, the largest investments in terms of ongoing building work were the extension of the terminal building at Gran Canaria and the extension of the runway at A Coruña. Regarding completed work and commissioning, it is worth noting the parking platform at Seville, the extension to the North/South platform at Gran Canaria, the extension to the aircraft waiting area at Alicante-Elche, and the expansion of the parking area and new controls for vehicles accessing Seville Airport; regarding terminals, a northern extension to the terminal building at Vigo and new commercial areas at Gran Canaria airport have started operating; the development and upgrading of commercial spaces in T4 and T4S of Adolfo Suárez Madrid Barajas airport; work on the new terminal at Menorca; refurbishment of the passenger terminal building at Girona and upgrading work at the departures terminal at Lanzarote airport.

Land and buildings:

At year-end 2015 and 2014, the Group owns properties with separate net value from buildings and the land, which is as follows:

	2015	2014
Land	4,341,700	4,405,834
Buildings	8,005,836	8,163,005
Total	**12,347,536**	**12,568,839**

Plant and other property, plant and equipment

The most representative additions in 2015 correspond to installations related to the provision of luggage trolleys at Barcelona-El Prat and Adolfo Suárez Madrid-Barajas airports, and to works in such period as new boarding bridges and all its ancillary elements (power and air conditioning systems for aircraft, docking guide display systems, etc.) at

Adolfo Suárez Madrid-Barajas and Gran Canaria airports, the new kiosks, printers and boarding card readers at Adolfo Suarez Madrid-Barajas, and the activities associated with the landing aid system of Palma de Mallorca airport.

Regarding ongoing installations: the works being carried out for new runways and assistance equipment to aircraft at Málaga-Cos del Sol Airport, the renewal of the network of radio links and radio aids and the new C7 taxiway beacon at Adolfo Suárez Madrid-Barajas; and the expansion of the air conditioning ring and remodelling the boarding gates of Palma de Mallorca airport.

Other installations include the new trace explosives detectors installed in all airports of the network and works on the runway's electrical system at Adolfo Suarez Madrid-Barajas and Palma de Mallorca airports.

Similarly, in other ongoing installations, the renewal of the Wi-Fi network at Barcelona-El Prat airport is word mentioning, and the new fuel service at Adolfo Suárez Madrid-Barajas airport.

The most representative additions and commissioning at 31 December 2014 were:

- New luminous beaconing system for the airfield at the Adolfo Suárez Madrid-Barajas airport.
- Plan for renewal of explosive detection systems (EDS) at various airports and adaptation of the baggage handling system at various airports.
- Installation of telescopic boarding gates at Vigo.
- Installation of air conditioning at Menorca Airport.
- Control of access to the P-1 parking building at Seville.
- Air conditioning system and extension of signage at T4 and T4S at Adolfo Suárez Madrid- Barajas Airport.
- CCTV, access and air conditioning in the new commercial areas of Gran Canaria Airport.

Property, plant and equipment under construction

In 2015, the main works that are underway are those related to the new fuel service at Adolfo Suárez Madrid-Barajas airport, the new power plant in Asturias, the adequacy of the unfinished areas of Santiago airport, the actions for the commissioning to II/III category of Zaragoza airport, the multiservice network expansion in the expansion of the terminal building of Gran Canaria airport, the supply with installation of walkways and aircraft assistance equipment assists in T2 in Málaga-Costa del Sol, the expansion the terminal building at Reus airport and the actions required for the certification of Vigo airport.

The main items under the heading of construction work in progress during the year ended 31 December 2014, related to the extension of the terminal building and construction of a new parking area (P3) at Gran Canaria Airport, the extension of runways at A Coruña Airport, and the construction of a new power plant in Asturias.

Disposals

During 2015, land disposals are motivated by favourable rulings that have led to the calculation of a new revaluation of open procedures, particularly for Adolfo Suárez Madrid-Barajas airport. Similarly, favourable rulings from creditors' claims on works performed in the parking area at the airports of Barcelona-El Prat and La Palma, and the runway at Adolfo Suárez Madrid-Barajas airport has been cancelled due to the upgrade of the screed. Facilities subject to renewal at Gran Canaria and Adolfo Suárez Madrid-Barajas airports relating to passenger boarding and check-in counters, respectively, have also been cancelled, so have the signage and beacons system at Palma de Mallorca airport, the walkways at Málaga-Costa del Sol airport and the explosives detection systems at Adolfo Suárez Madrid-Barajas airport.

In 2015, disposals of property, plant and equipment with allocation to revenue resulted in losses of 7,351 thousand euros.

In addition, the disposals in 2015 included the following items, the amount of which has not been charged to the profit or loss account:

- Reversals of provisions recorded in previous years for fair value differences arising primarily from land expropriations and estimated environmental investments to comply with current legislation, and for litigation related to works. In these cases, the disposals were carried out and charged to accounts of provisions for risks and expenses (see Note 23) amounted to a total of 127,441 thousand euros.

(Thousand euros unless otherwise indicated)

- Payments to suppliers of fixed assets in relation to amounts activated in previous years, amounted to 12,848 thousand euros.

In 2015, there have been gains amounting to 524 thousand euros from the asset repurchase by computer vendors.

In 2014, disposals of property, plant and equipment with allocation to revenue resulted in losses of €9,654 thousand, corresponding to the net carrying amount of various assets including various types of equipment (EDS, access-and-control systems, UCA systems, X-ray equipment, billing machines, Automatic Air Traffic Control System (SACTA), etc.), following the refurbishment of several airports belonging to the network.

In addition, the disposals in 2014 included the following items, the amount of which has not been charged to the profit or loss account:

- Reversals of provisions recorded in previous years for fair value differences arising primarily from land expropriations and estimated environmental investments to comply with current legislation, and for litigation related to works carried out and charged to accounts of provisions for risks and expenses (see Note 23) amounted to a total of €67,927 thousand.

- Payments to suppliers of fixed assets in relation to amounts activated in previous years, amounted to €13,621 thousand.

Capitalized interest costs

During the year, the Group capitalised interest costs totalling 2,646 thousand euros (2014: 5,393 thousand euros).

Impairment

In accordance with the procedure described in Note 2.8 and for the network of airports that constitutes the Airports segment also described in this note, at the end of 2014 and 2015 the Group performed an impairment test on the airport network and did not identify any significant impacts on the financial statements at 31 December 2015 and at 31 December 2014, even after applying sensitivities to the variables used. The main assumptions used were:

	2015	2014
Growth rate	2.00%	2.00%
Post-tax discount rate	5.33%	5.02%

At the end of 2015, the Company has no recognized any asset impairment.

The Group has calculated the recoverable value based on the 4-year projections of profits approved by Management. The discount rates used are after tax, and reflect specific risks relating to the Group's activities.

The discount rate after tax applied to the cash flow projections is the weighted average cost of capital (WACC), and is determined by the weighted average of the cost of own funds and the cost of the external funds, according to the financial structure determined for each CGU. The data used for the calculation of WACC come from external and independent sources of information, and reflect specific risks relating to the Company's activities.

From the fifth year, cash flow projections are calculated using a constant rate of expected growth, taking into account the consensus of analysts' estimates and air traffic growth forecasts stated in industry reports.

The Group performed a sensitivity analysis of the impairment calculation, using reasonable variations of the main financial assumptions considered in the calculation, assuming the following increases or decreases in percentage points (p.p.):

- Discount rate (-1 p.p./+1 p.p.)

(Thousand euros unless otherwise indicated)

- Perpetuity growth rates (+1 p.p./-1 p.p.)

As a result of the sensitivity analysis performed at year-end 2015, it appears that there are no significant risks associated with reasonably possible changes to the assumptions, considered on an individual basis. That is, Management believes that, within the above ranges, no corrections for impairment will be necessary.

The main assumptions affecting the Group's cash flows are passenger traffic, change in prices, investment levels and efficiencies in operating costs.

Leasing agreements

The provision for property, plant and equipment includes an automated flight inspection system (console), an electrical co-generation plant at Adolfo Suárez Madrid Barajas Airport, and an aircraft parking platform at London Luton airport, which are covered by financial lease agreements in which the Group is the lessee; the relevant amounts of these agreements are as follows:

	At 31 December	
	2015	**2014**
Cost- capitalized finance leases	28,430	28,017
Accumulated depreciation	(3,979)	(4,323)
Carrying **amount**	**24,451**	**23,694**

The maturity of the leasing contracts is as follows:

	At 31 December	
	2015	**2014**
Gross finance lease liabilities, minimum lease payments:		
Less than one year	2,808	3,619
Between 1 and 5 years	12,869	15,153
More than 5 years	20,979	20,744
	36,656	39,516
Future financial charge by financed lease	(7,984)	(9,878)
Present value of finance lease liabilities	**28,672**	**29,638**

The present value of finance lease liabilities is as follows:

	At 31 December	
	2015	**2014**
Less than one year	2,080	2,306
Between 1 and 5 years	8,617	10,389
More than 5 years	17,975	16,943
TOTAL	**28,672**	**29,638**

At 31 December 2015, property, plant and equipment includes assets leased to third parties, the value of which represents 9.74% of total property, plant and equipment (2014: 9.57%).

(Thousand euros unless otherwise indicated)

Jointly controlled assets

The Group has an agreement with the Ministry of Defence to establish the key distribution and compensation criteria for the use by civil aircraft of the Air Bases Open to Civil Traffic in Villanubla, León, Albacete, Matacán, Talavera, San Javier and the joint-use aerodrome in Zaragoza. 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	
	2015	**2014**
- Non-current assets	268,945	275,788
- Non-current/current liabilities	-	-
Net assets	**268,945**	**275,788**

	2015	**2014**
- Revenues	24,620	25,005
- Expenses	(42,197)	(44,065)
Profit after taxes	**(17,577)**	**(19,060)**

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

Contribution for the addition of LLAH III business combination in 2014

In 2014, as a result of the change in the scope of consolidation, the fixed tangible assets from the LLAH III group of companies (Note 2.2) were as follows:

	Land and buildings	Plant and machinery	Other property, plant and equipment	Property, plant and equipment under construction	TOTAL
Cost					
Beginning balance	-	-	-	-	-
Additions for business combinations	49,597	21,734	68,886	9,602	149,820
Additions	1,198	3,684	4,872	-	9,754
Disposals	(55)	(1,142)	(1,505)	-	(2,703)
Differences on exchange	2,033	1,402	2,270	177	5,882
Final balance	**52,773**	**25,678**	**74,523**	**9,779**	**162,753**
Depreciation:					
Beginning balance	-	-	-	-	-
Allocation	(1,420)	(1,798)	(2,464)	-	(5,682)
Disposals	55	1,142	1,505	-	2,702
Differences on exchange	(1,123)	(991)	(979)	-	(3,093)
Final balance	**(2,488)**	**(1,647)**	**(1,938)**	-	**(6,073)**
Impairment					
Net:	**50,285**	**24,031**	**72,585**	**9,779**	**156,680**

Property, plant and equipment subject to guarantees

The assets of LLAHI, LLAGL and LLAOL guarantee the bank debt of the LLAH III Group (see Note 20).

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.

There are certain restrictions on the sale of airport assets (see Note 20).

7 Intangible assets

	Concessions	Development	Software	Goodwill	LLAH III concession	Other intangible assets	Intangible assets under development	Total
Cost								
As of 01 January 2014	17,654	815	186,005	-	-	134,789	39,787	379,050
Contributions due to changes in scope (Note 2.2.a)	-	-	-	1,872	541,325	-	-	543,197
Additions	105	-	13,373	-	-	9	3,888	17,375
Disposals	-	(1)	(1,554)	-	-	-	(223)	(1,778)
Transfers (Note 6 and 8)	15	794	5,200	-	-	1,070	(7,886)	(807)
Differences on exchange	-	-	-	-	10,405	-	-	10,405
As of 31 December 2014	17,774	1,608	203,024	1,872	551,730	135,868	35,566	947,442
Additions	51	-	13,813	-	-	33	7,650	21,547
Disposals	(66)	-	(45)	-	(1)	(212)	(950)	(1,274)
Transfers (Note 6 and 8)	(41)	-	4,188	-	-	441	(4,530)	58
Differences on exchange	-	-	-	-	33,825	-	-	33,825
As of 31 December 2015	17,718	1,608	220,980	1,872	585,554	136,130	37,736	1,001,598
Accumulated depreciation and impairment losses								
As of 01 January 2014	(4,165)	(815)	(134,758)			(130,574)	-	(270,312)
Allocation to depreciation	(709)	(154)	(27,287)	-	(7,308)	(1,034)	-	(36,492)
Disposals	-	1	1,553	-	-	-	-	1,554
Transfers (Note 6 and 8)	-	-	(98)	-	-	-	-	(98)
Differences on exchange	-	-	-	-	(517)	-	-	(517)
As of 31 December 2014	(4,874)	(968)	(160,590)	-	(7,825)	(131,608)	-	(305,865)
Allocation to depreciation	(694)	(265)	(22,397)	-	(37,043)	(1,267)	-	(61,666)
Disposals	23	-	29	-	-	113	-	165
Transfers (Note 6 and 8)	24	-	(152)	-	-	153	-	25
Differences on exchange	-	-	-	-	507	-	-	507
As of 31 December 2015	(5,521)	(1,233)	(183,110)	-	(44,361)	(132,609)	-	(366,834)
Carrying amount								
Cost	17,774	1,608	203,024	1,872	551,730	135,868	35,566	947,442
Accumulated depreciation and impairment losses	(4,874)	(968)	(160,590)	-	(7,825)	(131,608)	-	(305,865)
As of 31 December 2014	12,900	640	42,434	1,872	543,905	4,260	35,566	641,577
Cost	17,718	1,608	221,025	1,872	585,554	136,130	37,736	1,001,643
Accumulated depreciation and impairment losses	(5,521)	(1,233)	(183,155)	-	(44,361)	(132,609)	-	(366,879)
As of 31 December 2015	12,197	375	37,870	1,872	541,193	3,521	37,736	634,764

At the end of 2015 and 2014 there were no intangible assets subject to guarantees.

Of the total capitalized costs at 31 December 2015 relating to the various classes of intangible assets, assets in progress are included as follows (thousand euros):

(Thousand euros unless otherwise indicated)

	2015	2014
Software	6,293	3,191
Other intangible assets	31,443	32,375
Total	**37,736**	**35,566**

The main additions in 2015 and 2014 under the heading "IT applications" and "Intangible assets under development" were acquisitions, as well as upgrades and developments, of new technologies for IT applications relating to central airport services, as well as works performed with Aena's public web site.

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

In 2015, 274 thousand euros were capitalised as financial expenses associated with intangible assets (2014: 314 thousand euros).

Concession of services:

The Company operates London Luton Airport and the heliports in Ceuta and Algeciras under administrative concession contracts whose main conditions are described below: Ceuta Heliport:

Ceuta Heliport:

The Company operates the civil Ceuta heliport with all services under a service concession contract made with the Port Authority of Ceuta. This concession has a start date of 28 March 2003 with a maturity of 30 years. The Company pays an annual fee of €39,000 for the occupancy of the public port. Likewise, in accordance with Article 69 of Law 27/92, the Company pays a fee amounting to €0.823386 per passenger, depending on volume of passengers.

Algeciras Heliport:

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

London Luton administrative concession

Since 16 October 2014 (see Note 2.2.1), the Group's scope of consolidation has globally included the accounts of London Luton Airport Holdings III Limited (LLAH III), created with the objective, through its 100% owned subsidiary London Luton Airport Holdings II Limited (LLAH II), which in turn owns 100% of London Luton Airport Holdings I Limited (LLAH I), of carrying out the acquisition, on 27 November 2013, of London Luton Airport Group Limited (the management company of Luton Airport in the UK). Luton Airport is managed, as a concession, by LLAOL. The concession agreement was signed on 20 August 1998 and will end on 31 March 2031. The concession agreement sets out the existence of London Luton Airport Group Limited ("LLAGL") as guarantor of the operator. The Luton Airport concession does not meet the IFRIC 12 requirements to be classified as a service concession (see Note 2.24), but is instead recorded as an operating lease (see Note 2.6).

(Thousand euros unless otherwise indicated)

Impairment tests for unamortised intangible assets (under development)

In accordance with the procedure described in Note 2.8 and for the network of airports that constitutes the Airports segment, at the end of 2014 and 2015 the Group performed impairment tests on the non-amortised intangible assets and did not identify any adjustments at 31 December 2014 and 2015, 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, including the current year. Cash flows beyond these five years are extrapolated using the estimated growth rate indicated below. In 2015, Management reviewed the projections and results over twelve months (in 2015) and did not identify any changes suggesting the existence of any impairment (see the explanation in Note 6).

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

	2015	2014
Growth rate	2.00%	2.00%
Post-tax discount rate	5.33%	5.02%

Sensitivity to changes to the assumptions

On 31 December 2015, the Group performed a sensitivity analysis of the impairment calculation, using reasonable variations of the main financial assumptions considered in the calculation, assuming the following increases or decreases in percentage points (p.p.):

- Discount rate (-1 p.p./+1 p.p.)
- Perpetuity growth rates (+1 p.p./-1 p.p.)

As a result of the sensitivity analysis performed at year-end 2015, it appears that there are no significant risks associated with reasonably possible changes to the assumptions, considered on an individual basis. That is, Management believes that, within the above ranges, no corrections for impairment will be necessary.

Fixed assets stemming from the acquisition of LLAH III (Note 2.2)

As for intangible and tangible fixed assets resulting from the acquisition of LLAH III Company, the Group estimates the recoverable amount of the investment and the present value of future cash flows, taking into account the estimates contained in the business plan prepared by the Board of Directors of the Company. By applying discount rates consistent with recent historical experience, a recoverable amount is obtained that exceeds fixed assets' carrying amount. Which has performed a sensitivity analysis of the calculation of the recoverable amount based on changes in the key assumptions in the years 2015 and 2014 (growth in incomes coming from passengers, inflation rate, discount rate). On the basis of the foregoing, the Group Management considers that the recoverable amount calculated, at 31 December 2015 and 2014, is greater than the carrying amount of the fixed assets mentioned.

Goodwill stemming from the acquisition of LLAH III (Note 2.2)

In accordance with the impairment calculations carried out, at the end of 2015, it was considered that there was no need to adjust the goodwill, as the recoverable value (in all cases understood as the value-in-use) is greater than the carrying value.

Likewise, as indicated in the preceding paragraph, a sensitivity analysis was carried out on changes in the main valuation variables considered to be reasonably possible, and the recoverable value remains above the net carrying amount.

(Thousand euros unless otherwise indicated)

8 Investment properties

	Land and buildings	Plant and other assets	Total
Cost			
As of 01 January 2014	**210,466**	**6,319**	**216,785**
Additions	48	-	48
Transfers (Note 6 and 7)	(6,370)	-	(6,370)
As of 31 December 2014	**204,144**	**6,319**	**210,463**
Additions	227	-	227
Transfers (Note 6 and 7)	63,008	(4)	63,004
As of 31 December 2015	**267,379**	**6,315**	**273,694**
Accumulated depreciation and impairment losses			
As of 01 January 2014	(61,089)	(5,050)	(66,139)
Allocation to depreciation	(3,995)	(415)	(4,410)
Transfers (Note 6 and 7)	(2,285)	-	(2,285)
As of 31 December 2014	**(67,369)**	**(5,465)**	**(72,834)**
Impairment at 31 December 2014	**(6,243)**	**-**	**(6,243)**
Allocation to depreciation	(4,189)	(400)	(4,589)
Transfers (Note 6 and 7)	(24,765)	3	(24,762)
As of 31 December 2015	**(102,566)**	**(5,862)**	**(108,428)**
Carrying amount	-	-	-
Cost	204,144	6,319	210,463
Accumulated depreciation and impairment losses	(73,612)	(5,465)	(79,077)
As of 31 December 2014	**130,532**	**854**	**131,386**
Cost	267,379	6,315	273,694
Accumulated depreciation and impairment losses	(102,566)	(5,862)	(108,428)
As of 31 December 2015	**164,813**	**453**	**165,266**

This heading mainly includes immoveable assets used for operations in rental form (land, offices and warehouses used by third parties) with the exception of surface areas used by the company itself to conduct its activities.

At the end of 2015 and 2014 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 2015 and 2014, the Company had reasonably covered these risks.

During 2015, 38,242 thousand euros of net amount in property, plant and equipment have been transferred to investment properties because they are assets that comply with the status of property intended for lease.

In 2014, the company transferred 8,655 thousand euros of the net carrying amount in real estate investments to property, plant and equipment, corresponding to the value of several car parks assigned to airport activities.

(Thousand euros unless otherwise indicated)

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

	2015	2014
Rent Revenues	57,203	57,927
Direct operating expenses	(35,857)	(37,928)

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

	At 31 December 2015	31 December 2014
Land	301,359	363,201
Buildings	489,615	468,475
Total	**790,974**	**831,676**

The Group is reviewing the property portfolio in order to determine with additional market information the fair value of its real estate investments for the future. As a result of the first evaluation, an adjustment for impairment of property investments amounting to 6,243 thousand euros was determined in 2014 and the fair value of these assets therefore adjusted. Accordingly, the Management of the Group does not believe that any significant Impairment exists other than that recognised in 2014.

The calculation of the fair value of Tier 3 (figures for the asset that are not based on observable market data) has been obtained by Internal estimations based on discounted cash flows, tailored individually for each of the assets. The main assumptions used at 31 December 2015 and 2014 are as follows:

	2015	2014
Growth rate	1.5%	2%
Discount rate	7-9% (*)	6.14%

(*) Range of discount rates used for assets according to the location, activity level and category of the airport.

This discount rate reflects a specific premium based on the characteristics of the real estate business. When determining the fair value of property investments, the management carried out an analysis contract by contract; for ongoing contracts the rentals stipulated in the contracts were used on the assumption that the contracts would be settled within a fixed term. Flows were estimated for the years that each contract was in force with rent in perpetuity from the year of their completion. For assets undergoing an awarding process, only assets for which no debts exist in relation to their future awarding and generation of cash flows were included. For the calculation of cash flows, annual guaranteed minimum rents (in the case of awards) or rents determined according to market conditions were used.

9 Investments in associates

The breakdown and movement of the heading "Investment in associates" in 2015 and 2014 is a follows (thousand euros):

2015

	Opening balance	Additions/Disposals	Profit sharing	Dividends received	Differences on exchange (Note 18.b)	Others	Closing balance
SACSA (*)	3,555	-	2,163	(1,621)	(460)	(418)	3,219
AMP	69,687	-	8,378	(8,927)	(1,682)	-	67,456
AEROCALI (**)	4,410	-	3,471	-	(1,029)	(148)	6,704
Total	**77,652**	**-**	14,012	(10,548)	(3,171)	(566)	**77,379**

(*) "Other" includes an adjustment, in Equity, in homogenisation to International Regulations derived from the first presentation of the Financial Statements of SACSA under International Standard in Colombia, with the opening balance sheet at 1 January 2014.
(**) Investment with joint control (see Note 2.2). As a result of the acquisition of shares in this company and the obtainment of a 50% holding, the Group has evaluated the rights therein and has concluded there is joint control since decisions are taken unanimously by partners. The articles of association of the company, which set out the rights of partners, were not modified by this acquisition, and in addition no agreement was reached between the partners during this period. No contingent liabilities exist in relation to the Group's holding in the joint venture. This company operates Barranquilla Airport.

2014

	Opening balance	Additions/Disposals	Profit sharing	Dividends received	Differences on exchange (Note 18.b)	Others	Closing balance
RAESA (*)	596	-	-	-	-	(596)	-
SACSA	3,422	-	1,881	(1,392)	(356)	-	3,555
AMP	49,667	(1,369)	7,004	(7,373)	452	21,306	69,687
AEROCALI (**)	2,602	1,268	2,831	(1,538)	(753)	-	4,410
LUTON (***)	44,529	(44,577)	-	-	48	-	-
Total	100,816	(44,678)	11,716	(10,303)	(609)	20,710	**77,652**

(*) Company undergoing liquidation. It is expected that this will be completed in the short term and therefore €596,000 has been reclassified in the short term.
(**) Investment with joint control (see Note 2.2). As a result of the acquisition of shares in this company and the obtainment of a 50% holding, the Group has evaluated the rights therein and has concluded there is joint control since decisions are taken unanimously by partners. The articles of association of the company, which set out the rights of partners, were not modified by this acquisition, and in addition no agreement was reached between the partners during this period. No contingent liabilities exist in relation to the Group's holding in the joint venture. This company operates Barranquilla Airport.
(***) This corresponds to the holding company (London Luton Airport Holdings III Limited) which owns the shares of the company that operates Luton Airport. After control was acquired (see Note 2.2), the company ceased to be consolidated using the shareholding method, instead using the overall consolidation method to achieve consolidation. Therefore, in the movement at 31 December 2014, the profit/loss contribution up to the acquisition of control, and the conversion differences up to the date of transfer to results are recorded as a decrease in the value of the shareholding according to the equity method, as are other movements recognised in the movement of investments associated with the consolidated financial statements at 30 September 2014.

During the first half of 2015 the Company RAESA was liquidated (see Note 2.2).

AMP has a holding of 17.4% of the Grupo Aeroportuario del Pacífico (GAP), which, on 20 April 2015, acquired Sociedad Desarrollo de Concesiones Aeroportuarias, S.L. ("DCA") from Abertis for 190.8 million USD.

DCA has a holding of 74.5% in company MBJ Airports Limited (MBJA), which operates at Sangster International Airport (MBJ) in the city of Montego Bay in Jamaica. MBJ Airports Limited has a concession to operate, maintain and use the airport for a period of 30 years as from 3 April 2003. In addition, DCA has a holding of 14.77% in the company SCL Terminal Aéreo Santiago, S.A. (SCL), operator of the international terminal of Santiago de Chile, until 30 September 2015.

Sangster International Airport is the main airport in Jamaica, located in the city of Montego Bay, right in the centre of the tourist corridor that runs from Negril to Ocho Rios, where 90% of the hotel capacity of the Island is concentrated. In 2014, it served a total of 3.6 million passengers, a 99.0% whom were international passengers. Total revenues for 2014 were 59.0 million USD, with an EBITDA for the year of 23.5 million USD.

In 2014, the investment in AMP was adjusted to 21,303 thousand euros through harmonisation, recognising the debt to the Parent Company and retained earnings amounting to 2,131 thousand euros (see Note 17). Taking into account the impact of deferred tax, these adjustments accounted for a net impact on the valuation of assets contributed through the non-cash contribution described in Note 1 of €16.486 thousand, which, in application of the adjustment mechanism explained in the aforementioned Note, was the reason for an increase of the same amount of the ENAIRE loan.

The audited information expressed under IFRS relating to Associates at 31 December 2015 and 2014, measured in euros at the exchange rate in force at the end of each of the years, is as follows:

Name	Country of constitution	Assets	Liabilities	Operating revenue	Profit/ (Losses)	% of Ownership
31 December 2015:						
- SACSA	Colombia	35,688	27,193	26,496	5,707	37.89%
- AMP	México	203,957	7,944	13,144	25,137	33.33%
- AEROCALI	Colombia	29,917	16,509	34,579	6,942	50.00%
31 December 2014:						
- RAESA	Spain	1,514	1	-	295	48.99%
- SACSA	Colombia	25,592	16,211	26,860	4,963	37.89%
- AMP	México	217,084	14,381	11,010	21,015	33.33%
- AEROCALI	Colombia	18,453	9,632	30,711	6,376	50.00%

Assets, liabilities, revenues and results expressed in thousands of euros of the main partner company (AMP) are detailed below:

	At 31 December	
	2015	2014
Non-current assets	195,297	207,054
Current assets	8,660	10,030
Non-current liabilities	-	3,510
Current liabilities	7,944	10,871
Ordinary revenue	13,144	11,010
Results of the year from ongoing operations	25,137	21,015
Total overall profit/(loss)	25,137	21,015

(Thousand euros unless otherwise indicated)

10 (a) Financial instruments by category

	31 December 2015			
	Loans and receivables	Hedging derivatives	Available for sale	Total
Assets on the balance sheet				
Available-for-sale financial assets (Note 11)	-	-	4,823	**4,823**
Derivative financial instruments	-	1,280	-	**1,280**
Other financial assets	54,241	-	-	**54,241**
Trade and other payables (excluding pre- payments and non-financial assets) (Note 13)	397,730	-	-	**397,730**
Cash and cash equivalents (Note 15)	556,741	-	-	**556,741**
Total	**1,008,712**	**1,280**	**4,823**	**1,014,815**

	31 December 2015			
		Hedging derivatives	Other financial liabilities at amortized cost	Total
Liabilities on the balance sheet				
Financial debt (excluding finance lease liabilities) (Note 20)	-	-	9,929,747	**9,929,747**
Finance leases (Note 20)	-	-	28,672	**28,672**
Derivative financial instruments (Note 12)	-	73,903	-	**73,903**
Trade and other payables (excluding non- financial liabilities) (Note 19)	-	-	302,195	**302,195**
Total	-	**73,903**	**10,260,614**	**10,334,517**

	31 December 2014			
	Loans and receivables		Available for sale	Total
Assets on the balance sheet				
Available-for-sale financial assets (Note 11)	-	-	4,823	**4,823**
Other financial assets	98,817	-	-	**98,817**
Trade and other payables (excluding pre- payments and non-financial assets) (Note 13)	459,641	-	-	**459,641**
Cash and cash equivalents (Note 15)	290,305	-	-	**290,305**
Total	**848,763**	-	**4,823**	**853,586**

	31 December 2014			
		Hedging derivatives	Other financial liabilities at amortized cost	Total
Liabilities on the balance sheet				
Financial debt (excluding finance lease liabilities) (Note 20)	-	-	10,994,023	**10,994,023**
Finance leases (Note 20)	-	-	29,638	**29,638**
Derivative financial instruments (Note 12)	-	10,989	-	**10,989**
Trade and other payables (excluding non- financial liabilities) (Note 19)	-	-	291,311	**291,311**
Total	-	**10,989**	**11,314,972**	**11,325,961**

10 (b) Credit quality of financial assets

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

(million euros)	At 31 December	
TRADE RECEIVABLES	2015	**2014**
Trade receivables with external credit ratings (*Source: Reuters*)		
BBB	6.9	2.9
BB+	3.8	1.6
B	1.5	-
Customers without external credit ratings		
Group 1	14	1.9
Group 2	298	268.4
Group 3	-	-

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

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

11 Available-for-sale financial assets

	At 31 December	
	2015	2014
At 1 January	4,823	4,908
Impairment loss	-	(85)
At 31 December	**4,823**	**4,823**

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

Name and address	Activity	% interest held 2015	% interest held 2014	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, 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) Toulouse – France	Operation of the satellite navigation system	16.67	16.67	Aena Desarrollo Internacional, S.A.

The value of the shareholdings at 31 December 2014 and 2015 is as follows (thousand euros):

	Amount of the shareholding	
Name and address	**2015**	**2014**
Agencia Barcelona Regional Edificio Centreservei, Zona Franca Carrer 60, 25-27 Barcelona	180	180
Airport Concessions and Development Limited (ACDL) 10, Upper Bank St- London – U.K.	4,476	4,476
European Satellite Service Provider, SAS (ESSP SAS) Toulouse – France	167	167
	4,823	**4,823**

None of these companies is listed on a stock market.

In 2015 and 2015, Airport Concessions and Development Limited (ACDL), did not operate and was in the process of liquidation after completing in 2013, through its subsidiary TBI, the sale of the airports of Cardiff, Belfast International and Stockholm Skavsta, London Luton Airport, the terminal concessions of Orlando Sanford Airport and the airport management business of TBI in the United States.

The liquidation of the company ACDL is yet to be carried out, which is expected to take place in 2016 proceeding the distribution of cash surplus via dividends to its shareholders.

Additionally, in 2015 the Group received a dividend from European Satellite Services Provider SAA (ESSP SAS) amounting to 250 thousand euros (2014: 250 thousand euros).

At 31 December 2015 and 2014, 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 for 2015 and 2014:

(Thousand euros unless otherwise indicated)

	At 31 December	
	2015	2014
Pounds	4,476	4,476
Euro	347	347
Total	**4,823**	**4,823**

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.

12 Derivative financial instruments

	At 31 December			
	2015		2014	
	Assets	Liabilities		Liabilities
Interest rate swaps – cash flow hedges Aena, S.A.	-	72,217		-
Interest rate swaps – cash flow hedges ENAIRE	-	1,686		6,808
Interest rate swaps - cash flow hedges LLAH III	1,280	-	-	4,181
Total	**1,280**	**73,903**	-	**10,989**
Less non-current portion:				
Interest rate swaps – cash flow hedges	-	31,547	-	5,817
Current portion	-	31,547	-	5,817
Non-current portion	1,280	42,356	-	5,172

The breakdown of the derivative financial Instruments of 31 December 2015 and 2014 is shown in the following table.

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.

As of 31 december 2015 and 2014 the hedge derivatives are effective and comply with the necessary requirements to apply hedge accounting, so that there is no ineffectiveness registered in the profit and loss account.

Interest rate swaps

- Derivatives charged to Aena, S.A. from ENAIRE

In accordance with the description provided in Note 20, a financing agreement exists between the Public Business Entity "ENAIRE" and Aena, S.A., which transfers the financing assigned to Aena, S.A. in the contribution of the line of business (see Note 1) and any obligations that may exist in the agreements with financial institutions that financed the Public Business Entity. The interest rate swaps indicated below relate to the original agreements signed between ENAIRE and the relevant financial institutions, with ENAIRE being responsible for compliance with the obligations of this agreement. As a result of the agreement between Aena, S.A. and ENAIRE, the measurement and recognition of the effect of the interest rate swap agreements relating to the financing between the two companies has been reflected in the Group's balance sheet.

At 31 December 2015, fixed interest rate swaps ranged between 0.98% and 2.57% (2014: 0.98% and 2.57%) and the main variable interest rates are EURIBOR 3 Months and 6 Months. These parent company loans and derivatives are intended to finance airports and, therefore, the parent company attributed the interest and depreciation to the Group.

Their main characteristics are as of 31 December 2015 and 31 December 2014 are as follows:

	Classification	Type	Contracted amount (thousand euros)	Date of agreement:	Start date for the derivative	Maturity	Designation date of the hedge
Interest rate swaps:	Cash flow hedge	Fixed Interest rate swap at 2.57% against variable interest rate	255,000	28/07/2010	15/12/2011	15/03/2016	28/07/2010
Interest rate swaps:	Cash flow hedge	Fixed Interest rate swap at 0.98% against variable interest rate	66,500	13/12/2012	13/12/2012	13/12/2017	13/12/2012

The main variable interest rates references are EURIBOR 3 and 6 Months. These parent company loans and derivatives are intended to finance airports and, therefore, the parent attributed the interest and depreciation to the Company.

Fair value recorded in "Non-Current Liabilities" at 31 December 2015 (in thousands of euros) through the mirror debt	Fair value recorded in "Current Liabilities" at 31 December 2015 (in thousands of euros) through the mirror debt
151	1,535

Fair value recorded in "Non-Current Liabilities" at 31 December 2014 (in thousands of euros) through the mirror debt	Fair value recorded in "Current Liabilities" at 31 December 2014 (in thousands of euros) through the mirror debt
1,636	5,172

– Aena, S.A. derivatives

On 10 June 2015, Aena signed a fixed variable interest hedged transaction with financial institutions with credit rating of or above BBB (Standard&Poors), in order to avoid the risk of fluctuations in interest rates of several loans totalling to 4,195.9 million euros, and in order to place Aena S.A.'s percentage of fixed debt by 79% on average, a similar level to that of its peers in the market, providing stability to tariff framework DORA until 2026 and taking advantage of the situation in interest rates which are at record low. Once the transaction is performed, between 31 December 2015 and 31 December 2026, Aena will stand at an average of 79% Fixed+Adjustable debt rate and 21% Variable debt. The average fixed rate derivative, including spreads on Euribor 3 and 6 months was 1.978%. This operation provides coverage until 15 December 2026. Such coverage protects Aena from fluctuating interest rates expected in a period of economic growth.

At 31 December 2015, the breakdown is as follows:

	Classification	Type	Amount contracted	Start	Maturity	Liquidation
Swap	Interest rate hedging	Variable (Euribor 3M) to Fixed (0.9384%)	3,041,833	15/06/2015	15/12/2026	Quarterly
Swap	Interest rate hedging	Variable (Euribor 6M) to Fixed (1.1735%)	854,100	15/06/2015	15/06/2026	Semi-annual
Swap	Interest rate hedging	Variable (Euribor 6M) to Fixed (0.2941%)	300,000	27/06/2015	27/12/2018	Semi-annual

The main variable interest rates references are EURIBOR 3 and 6 Months.

The fair value of these new derivatives is the following:

Fair value recorded in "Non-Current Liabilities" at 31 December 2015 (in thousands of euros)	Fair value recorded in "Current Liabilities" at 31 December 2015 (in thousands of euros)
31,396	40,821

During 2015, 5,120 thousand euros were charged to the profit and loss account in non-current derivatives and 20,083 thousand euros in derivatives contracted by Aena, for a total of 25,203 thousand euros for losses on hedging instruments (2014: 4,922 thousand euros) (see Note 30).

At December 31 2015 and 2014, the hedging derivatives are effective and meet the requirements for applying hedge accounting, so that there is no ineffectiveness recorded in the profit and loss account.

The amounts of national principal of all swaps interest rate contracts on the balance sheet of the company Aena S.A. outstanding at 31 December 2015, amounted to 4,095,596 thousand euros (2014: 243,623 thousand euros).

- LLAH III derivatives

The loan agreement with banks (Note 20) required that 70% of the nominal value of the loans was covered by fixed rates. Regarding the debt with banks mentioned in the aforementioned Note, the investee LLAH III has contracted various interest rate swaps. These are interest rate swaps fixed at 1.8525% compared to variable interest rates. At 31 December 2015, the recognised asset value amounts to 1,280 thousand euros, with the following characteristics:

	Classification	Contracted amount (thousand euros)	Date of agreement:	Start date for the derivative	Maturity	Designation date of the hedge
Interest rate swaps:	Cash flow hedge	34,059	26/03/2015	26/03/2015	28/03/2022	26/03/2015
Interest rate swaps:	Cash flow hedge	34,059	26/03/2015	26/03/2015	28/03/2022	26/03/2015
Interest rate swaps:	Cash flow hedge	34,059	26/03/2015	26/03/2015	28/03/2022	26/03/2015
Interest rate swaps:	Cash flow hedge	34,059	26/03/2015	26/03/2015	28/03/2022	26/03/2015
Interest rate swaps:	Cash flow hedge	34,059	26/03/2015	26/03/2015	28/03/2022	26/03/2015
Interest rate swaps:	Cash flow hedge	34,059	26/03/2015	26/03/2015	28/03/2022	26/03/2015
Interest rate swaps:	Cash flow hedge	12,261	26/03/2015	26/03/2015	28/03/2022	26/03/2015

At 31 December 2014, the recognised long-term liabilities value amounts to 4,181 thousand euros, with the following characteristics:

	Classification	Contracted amount (thousand euros)	Date of agreement:	Start date for the derivative	Maturity	Designation date of the hedge
Interest rate swaps:	Cash flow hedge	38,334	29/11/2013	27/11/2013	27/11/2018	29/11/2013
Interest rate swaps:	Cash flow hedge	39,612	29/11/2013	27/11/2013	27/11/2018	29/11/2013
Interest rate swaps:	Cash flow hedge	39,612	29/11/2013	27/11/2013	27/11/2018	29/11/2013
Interest rate swaps:	Cash flow hedge	39,612	29/11/2013	27/11/2013	27/11/2018	29/11/2013
Interest rate swaps:	Cash flow hedge	39,612	29/11/2013	27/11/2013	27/11/2018	29/11/2013

Financial hedge instruments (exchange rate)

At the end of the 2015 financial period, there were no financial exchange rate hedge instruments.

The Group designated as cash flow accounting hedge between payments (refunds) of the loan signed by Aena Desarrollo Internacional in U.S. $ with BSCH and cash flows in US dollars (U.S. $), payments received by the Company in U.S. $ for rendering certain services covered related to the several contracts for the management of Mexican Airports. Aena Desarrollo Internacional recorded, until its cancellation in October 2014, the changes in the fair value (at the year-end exchange rate) of this accounting hedge instrument in the "Hedging transactions" account under the "Equity" heading in the balance sheet at 31 December 2014; the detail is as follows:

- Year **2014:**

	Classification	Maturity (*)	Inefficiency recognised in financial results in 2014 (in thousands of euros)	Fair value recorded under "Equity" at 31/12/14 (in thousands of euros)
Aena Desarrollo Internacional, S.A. loan (USD)	Exchange rate cash flow hedges	08/10/2014	2	-

(*) 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 Group 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.

13 Trade and other receivables

	At 31 December	
	2015	**2014**
Trade receivables for sales and services rendered	449,012	391,108
Below: provision for impairment losses on receivables	(121,742)	(126,565)
Trade receivables for sales and services rendered – net	327,270	264,543
Trade receivables from related parties (Note 33)	2,871	2,803
Other receivables from related parties	46,318	218,877
Sundry debtors and other assets (*)	20,742	27,204
Accrued wages and salaries	529	1,466
Current tax assets	107,840	-
Other receivables from public administrations	16,973	43,636
Total	**522,543**	**558,529**
Less non-current portion	-	**55,252**
Current portion	**522,543**	**503,277**

*) The heading on sundry debtors includes the outstanding balance corresponding to the invasion of the tracks incident in the El Prat Airport on 28 July 2006 amounting to 7,422 thousand euros, the Group has accrued this amount.

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

At 31 December 31 2015, there are 34,505 thousand euros under this heading in foreign currency, of which 32,131 thousand euros are denominated in Sterling (2014: 27,703 thousand euros denominated in Sterling)

As of 31 December 2015, trade receivables yet to mature for which no provision has been made amounted to 298,858 thousand euros (2014: 221.083).

At 31 December 2015 trade receivables amounted to 28,412 thousand euros (2014: 43,460 thousand euros) which had matured and for which no provision had been made, as they relate to a number of settlements and bills under management at 31 December of each year and which have since been paid.

(Thousand euros unless otherwise indicated)

The age of these accounts, at each year end, is analysed below:

	At 31 December	
	2015	**2014**
Up to 3 months	23,472	37,521
Between 3 and 6 months	1,837	1,674
Over 6 months	3,103	4,265
	28,412	**43,460**

Trade receivables that have suffered impairment with respect to the individual value basically relate to airlines and companies that are in bankruptcy proceedings. Provisions for the total amount are funded at the end of each year. The age of these accounts is analysed below:

	At 31 December	
	2015	**2014**
Between 3 and 6 months	34	-
Over 6 months	121,708	126,565
	121,742	**126,565**

The amount of the provision for impairment of trade and other receivables totalled 121,742 thousand euros (126,565 thousand euros at 31 December 2014).

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

	At 31 December	
	2015	**2014**
Beginning balance	126,565	129,352
Addition LLAH III business combination	-	120
Provision of the impairment of the value of receivables (Note 29)	(5,491)	11,789
Reversal of unused amounts (Note 29)	-	(19,906)
Other movements	6	(624)
Encumbrance adjustment	662	5,834
At 31 December	**121,742**	**126,565**

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

In addition to the positive change of 5,491 thousand euros (2014: 8,117 thousand euros) in impairment provision for operations, during the 2015, under the heading of "Losses, provisions for impairment and change operations" (in the consolidated profit and loss account), a loss of 8,853 thousand euros (2014: 0 thousand euros) was recorded for definitive losses given by the State Tax Administration Agency on encumbered debts.

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 amount of each of the categories of the aforementioned receivables. The Group does not maintain any guarantee as insurance.

At 31 December 2015, the heading "Other receivables from Public Administrations" records 10,790 thousand euros relating to ERDF grants receivable conceded to the Company (2014: 27.226). At 31 December 2014 and 2015, the rest of the heading records receivables relating to indirect taxes.

The heading of "Other receivables with related parties" mainly records the credit of Aena, S.A. and Aena Desarrollo Internacional, S.A. with ENAIRE in respect of tax-loss carry-forwards, interim payments not offset and other deductions triggered by fiscal consolidation, arising from the settlement of corporate income tax over the period. At 31 December 2015, the receivable by the total of these items amount to 52,402 thousand euros (50,217 thousand euros from the Parent Company Aena, S.A. corresponding to payments of corporation tax of 2014 not cleared at the closing date of these consolidated financial statements and have not yet been charged as of January 2016, and 2,185 thousand euros relating to Aena Desarrollo Internacional, S.A.; from the latter amount, 1,274 thousands of euro came from the tax break (Note 21) and the rest from the movement of corporation tax for the year 2015) and -6,084 thousand euros in balances arising on accounting consolidation. As of 31 December 2014: 59,085 thousand euros corresponded to interim payments not offset in 2013, fully collected in January 2015; 55,252 thousand euros interim payments not offset from 2014; 63,548 thousand euros deductions pending application (see Note 21); 45,563 thousand euros unrecorded tax losses yet to be applied, as well as 1,513 thousand euros tax balances due to the effect of the tax consolidation of Aena Desarrollo Internacional, S.A. vis-à-vis the Parent Company and a -6,084 thousand euros balance resulting from the accounting consolidation.

The Other receivables heading mainly includes accruals for deferred expenses, as well as taxes and deposits with maturity less than twelve months but greater than three months.

14 Inventories

	At 31 December	
	2015	**2014**
Raw materials and other supplies	6,771	7,393
Pre-payments to suppliers	1,774	1,746
Total inventories	**8,545**	**9,139**

The balance under law materials and other supplies mainly includes materials and spare parts used in airport operations. At 31 December 2015, this includes 151 thousand euros (2014: 2,222 thousand euros) for spare parts purchased from the Parent Company ENAIRE.

15 Cash and cash equivalents

	At 31 December	
	2015	**2014**
Cash and bank deposits	556,741	217,305
Short-term bank deposits	-	73,000
Cash and cash equivalents	**556,741**	**290,305**

As of 31 December 2015 and 2014, cash balances and other equivalent liquid assets are not available for use. At 31 December 2015 and 2014, 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	
	2015	**2014**
Cash and cash equivalents in US dollars (USD)	223	6
Cash and cash equivalents in Great Britain Pound (GBP)	16,532	15,901

16 Share capital and share premium

Changes in the number of shares and in the amount of Share Capital and Share Premium of the Company in 2014 and 2015 were as follows:

	Number of shares	Share capital (thousand euros)	Share premium (thousand euros)	Total (thousand euros)
As of 31 December 2015	150,000,000	1,500,000	1,100,868	**2,600,868**
As of 31 December 2014	150,000,000	1,500,000	1,100,868	**2,600,868**

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

On 6 June 2011, the Company's single shareholder at the time 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 euros each.

- Increase share capital to 1,500,000 thousand euros by issuing 149,993,900 new shares with a par value of 10 euros 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 at the time through a non-monetary contribution of the airport line of business described in Note 1 to the consolidated financial statements.

On 23 January 2015, the Council of Ministers approved the sale of 49% of Aena entity through an Initial Public Offering, registering the IPO prospectus with the CNMV on 23 January 2015. The commencement of trading on the Continuous Market of Aena securities, S.A. in the four Spanish stock exchanges, took place on 11 February 2015.

The listing of the Company on the stock exchange, as explained above, via the IPO of 49% of Aena S.A.'s capital, meant that the Entity, ENAIRE's holding in Aena S.A. fell to 51%, compared to its previous 100%.

On 31 December 2015 and 2014, the Aena S.A.'s share capital was represented by 150,000,000 ordinary fully paid shares of 10 euros each. These shares bear the same financial and voting rights.

On 31 December 2015, there are no capital increases in progress nor authorisations to operate in own shares.

According to the information available at 31 December 2015, the most significant holdings are:

Enaire	51.00%
TCI Fund Management Limited [1]	11.32%

[1] *The Children's Investment Fund Management is the indirect owner of 3.61% through certain equity swaps (CFDS)*

17 Retained earnings/(losses)

	Legal reserves	Other reserves	Total
As of 01 January 2014	-	**450,533**	**450,533**
Profit for the year	58,008	420,610	478,618
Other movements	-	1,079	1,079
As of 31 December 2014	58,008	872,222	**930,230**
Profit for the year	45,217	788,320	833,537
Other movements	-	(333)	(333)
As of 31 December 2015	103,225	1,660,209	**1,763,434**

At 31 December 2015 and 2014, the amount of the Legal Reserve is an unavailable Reserve.

At 31 December 2015 the heading for of other transactions, mainly, includes an amount of -418 thousand euros from a IFRS homogenisation in equity of SACSA, offset by a reclassification of 107 thousand euros of Aena's actuarial reserves at 31 December 2014 included in this heading, and that in 2015 are detailed in the actuarial profit and losses section under the heading Other reserves.

At 31 December 2014, the heading "Other movements" includes, primarily, the application for acquisition of control of participation in the profits/losses of associates for 2013, corresponding to the amount of 3,377 thousand euros for LLAH III, and the effect on retained earnings of the harmonisation of AMP in 2014, as described in Note 9, which amounts to (2,135) thousand euros.

Proposed distribution of result

The distribution of profits/losses for 2015 proposed by the Company's Board of Directors to the Shareholders' Meeting, under the General Accounting Plan approved by Royal Decree 1514/2007, is as follows:

	Thousands of euros 2015
Basis of allocation:	
Gains and losses (Profits)	811,676
Application:	
Dividends	406,500
Legal Reserves	81,168
Capitalisation Reserve	42,406
Voluntary Reserves	281,602

In the calculation of income tax, the parent company has used the tax benefit established in Art. 25 27/2914 of the Corporation Tax Act, Capitalisation Reserves, by which it has made a reduction in its tax base, with a commitment to maintain both the restricted reserve for these items and increased Own Funds used as the basis for this reduction over the next 5 years. This implies that new distributions cannot reduce net equity under its level in 2015 by Aena, S.A, although this does not prevent distributions under results generated subsequently.

With the suggested distribution of the profits/losses from 2015, the Legal Reserve stands at 184,393 thousand euros, 61.4% of the legally established minimum amount for Aena, S.A. which is set at 300,000 thousand euros in accordance with Article 274 of the aforementioned Corporate Enterprises Act.

The Parent Company provides a capitalisation reserve amounting to 42,406 thousand euros corresponding to the entire reduction in the tax base of the tax group, of which 40,701 thousand euros correspond to Aena S.A.

The Legal Reserve must be funded in accordance with Article 274 of the Corporate Enterprises Act. This article requires that, in any event, a figure equal to 10% of the profits from the period is earmarked for the Legal Reserve, until its amount attains at least 20% of the share capital.

(Thousand euros unless otherwise indicated)

The legal reserve, as long as it does not exceed the amount indicated above, can only be used to offset losses if no other reserves are available for this purpose.

With the proposed use of the profits/losses from 2015, the Legal Reserve stands at 183,494 thousand euros, 61.16% of the legally established minimum amount for Aena, S.A. which is set at 300 thousand euros in accordance with Article 274 of the aforementioned Corporate Enterprises Act.

The distribution of the profits of the Company for the year ended 31 December 2014, adopted by the General Shareholders Meeting on 3 June 2015 was as follows:

	Thousand euros
Basis of allocation:	
Profit for the year	452,169
Distribution:	
Legal Reserves	45,217
Voluntary Reserves	406,952

The reserves of the Company designated as free distribution, as well as the profit for the year, are, nevertheless, subject to the restriction that dividends can only be distributed if net equity value is not or, as a result of the deal, lower than the share capital.

(Thousand euros unless otherwise indicated)

18 Minority interests and other reserves

a) Minority interests

The breakdown of minority interests is as follows:

	Segment	Country	% Aena	2015	2014
LLAH III (Note 2.2)	International	United Kingdom	51%	56,399	62,063
				56,399	**62,063**

Movements of minority interests in 2015 and 2014 were as follows:

	LLAH III	Total
As of 01 January **2014**	-	-
Addition for business combinations (Note 2.2)	74,200	74,200
Distribution of dividends	(6,544)	(6,544)
Total contributions by and distributions to shareholders recognised under equity	**67,656**	**67,656**
Profit/loss for the period	(2,921)	(2,921)
Other comprehensive income for the year	(2,672)	(2,672)
Total comprehensive income for the year	**(5,593)**	**(5,593)**
As of 31 December 2014	**62,063**	**62,063**
Distribution of dividends	(10,727)	(10,727)
Total contributions by and distributions to shareholders recognised under equity	**(10,727)**	**(10,727)**
Profit/loss for the period	(2,752)	(2,752)
Other comprehensive income for the year	7,815	7,815
Total comprehensive income for the year	**5,063**	**5,063**
As of **31 December 2015**	**56,399**	**56,399**

(Thousand euros unless otherwise indicated)

b) Other reserve

	Note	Hedging derivatives	Actuarial gains and losses	Conversion differences	Associates results	Total
As of 01 January 2014		(5,735)	-	(5,871)	(668)	(12,274)
Cash flow hedge		(5,577)	-	-	-	(5,577)
Actuarial gains and losses		-	(3,330)	-	-	(3,330)
Tax effect		903	646	-	-	1,549
Transfers to the income statement		4,794	-	(2,199)	-	2,595
Tax effect		(1,438)	-	-	-	(1,438)
Cash flow hedge - Associates		-	-	-	668	668
Differences on exchange - associates	9	-	-	(609)	-	(609)
Differences on exchange - group		-	-	3,559	-	3,559
As of 31 December **2014**		(7,053)	(2,684)	(5,120)	-	(14,857)
Cash flow hedge		(91,769)	-	-	-	(91,769)
Actuarial gains and losses		-	4,363	-	-	4,363
Tax effect		23,594	(1,058)	-	-	22,536
Other movements	17	-	(107)	-	-	(107)
Transfers to the income statement		25,203	-	-	-	25,203
Tax effect		(7,057)	-	-	-	(7,057)
Differences on exchange - associates	9	-	-	(3,171)	-	(3,171)
Differences on exchange - group		-	-	4,439	-	4,439
As of 31 December 2015		(57,082)	514	(3,852)	-	(60,420)

Other retained earnings/ (losses) net of tax

	Other reserves attributable to the Parent Company	Other reserves attributable to minority interests	Total other retained earnings/(losses) net of tax
31 December 2015			
Items that may be subsequently reclassified to income statement:			
Cash flow hedges	(50,029)	430	(49,599)
Differences on exchange	1,268	4,265	5,533
Actuarial gains and losses	3,305	3,120	6,425
Total	**(45,456)**	**7,815**	**(37,641)**
31 December 2014			
Items that may be subsequently reclassified to income statement:			
Cash flow hedges	(1,318)	(1,398)	(2,716)
Share in other comprehensive income of associates	668	-	668
Differences on exchange	751	1,307	2,058
Actuarial gains and losses	(2,684)	(2,581)	(5,265)
Total	**(2,583)**	**(2,672)**	**(5,255)**

(Thousand euros unless otherwise indicated)

19 Trade and other payables

	At 31 December	
	2015	**2014**
Suppliers	178	916
Sundry payables	181,253	188,022
Trade payables to related parties (Note 33)	32,882	33,904
Asset suppliers	58,785	40,455
Payables to related parties for property, plant and equipment (Note 33)	1,636	1,212
Accrued wages and salaries	27,461	26,802
Current tax liabilities	4,457	-
Social Security and other taxes	21,070	19,219
Prepayments from customers:	111,966	78,659
	439,688	**389,189**

In 2015, this heading included 62,985 thousand euros originally expressed in pounds sterling (2014: 37,234 thousand euros).

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

On 14 February 2013, Aena, S.A. signed three contracts with World Duty Free Group Spain, S.A. for the commercial rental of the duty free and duty paid stores across the entire network of airports in Spain. These contracts are valid until 31 October 2020 and included an advance by € 332,442 thousand, which is periodically offset by billing. In this sense, at 31 December 2015, the short-term advance was 53,852 thousand euros (2014: 34,415 thousand euros), and the long-term advance included under the "Other long-term liabilities" heading, amounted to 159,993 thousand euros (2014: 197,802 thousand euros).

Information on the deferral of payments to suppliers

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

	2015
	Days
Average payment period to suppliers	56
Ratio of paid operations	59
Ratio of outstanding payment operations	25

These parameters have been calculated according to the provisions of Art. 5 of the *Resolution of 29 January 2016, 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,* in the following manner:

1. Average payment period to suppliers = (Ratio of paid operations * total value of payments made + Ratio of outstanding payments operations * total amount outstanding payments) / (total amount of payments made + total amount of outstanding payments).
2. Ratio of paid operations = Σ (number 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 for the payment of the operation.
3. Ratio of outstanding operations = Σ (number of days outstanding payment * amount of outstanding operation) / total amount of outstanding payments.
Days outstanding payment 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.
4. To calculate both the number of days of payment and the number of days outstanding payment, the Company calculates the period from the date of the provision of services. However, 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 by their nature are suppliers of goods and services, so it includes data on heading "Trade and other payables" in the balance.

	Amount (thousands of euros)
Total payments made	886,343
Total payments outstanding	93,480

In 2015, there was a significant reduction to the average length of exceeded payment terms, adjusted to the deadlines stipulated in Law 15/2010. The cases where a payment was performed out of the legal deadline correspond mainly to causes beyond the Group: invoices not received on time, expired tax certificates (AEAT), lack of supporting certificates from the bank accounts of suppliers, etc.

(Thousand euros unless otherwise indicated)

20 Borrowings

	At 31 December	
	2015	2014
Non-current		
ENAIRE loan (Note 33)	8,309,601	9,456,390
Bank borrowings	297,164	281,781
Loans with LLAH III shareholders	62,953	58,976
Finance lease liabilities	26,592	27,625
Other financial liabilities	64,174	47,793
	8,760,484	**9,872,565**
Current		
ENAIRE loan (Note 33)	1,150,231	1,102,009
Bank borrowings	11,421	8,955
Loans with LLAH III shareholders	482	455
Finance lease liabilities	2,080	2,013
Other financial liabilities	33,721	37,664
	1,197,935	**1,151,096**

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

	Carrying amount		Fair value	
	At 31 December		At 31 December	
	2015	2014	2015	2014
Borrowings from the Group	8,309,601	9,456,390	8,052,886	8,870,632
Bank borrowings	297,164	281,781	297,164	281,781
Loans with LLAH III shareholders	62,953	58,976	62,953	58,976
Finance lease liabilities	26,592	27,625	26,592	27,625
Other financial liabilities	64,174	47,793	64,174	47,793
Total	**8,760,484**	**9,872,565**	**8,503,769**	**9,286,807**

The fair value of current borrowings is equal to their carrying value, as the impact of the discount is not significant. Fair values of non-current borrowings are based on cash flows discounted at a rate based on external borrowings valued at the 0 coupon curve plus spread of 1.14% (2014: 0 coupon curve plus spread of 1.66%) and are in Tier 3 in the fair value hierarchy.

As a result of a review process of variable rate loans, a loan from CaixaBank amounting to 25,000 thousand euros whose due date was 15/03/2016 was cancelled in advanced, and spreads have been renegotiated downwards for an outstanding amount of debt on 30/11/2015 of 613,239 thousand euros. The maturity of the 300,000 thousand euros loans have been extended from 28/12/2018 to 15/12/2020.

The modification of the conditions described above have not led to a substantial change in debt, thus fees paid have meant an adjustment to the effective interest rate.

On 29 July 2015, the Parent Company signed loan agreements with banking entities for 1 thousand million euros to meet timely cash needs. On 31 December 2015, none were provided, thus 1,575 thousand euros in financial arrangement fees were paid in 2015. At the end of 2015, the amount of such total not amortised yet, 1,247 thousand euros, included under the "Trade and other receivables" heading on the asset balance sheet, specifically in Sundry debtors and other assets.

Banks and contracted amounts for each, the term, conditions, interest rate, and amount employed by bank is the following:

BANKING ENTITY	AMOUNT (in thousands of euros)	EURIBOR	SPREAD	MATURITY
POPULAR	100000000	1M	0,70	July 2017
BANKINTER	100000000	1M	0,75	July 2017
KUTXA BANK	50000000	1M	0,80	July 2017
SABADELL	100000000	1M	0,85	July 2017
UNICAJA	100000000	1M	0,90	July 2017
TARGO BANK	50000000	1M	0,90	July 2017
SOCIETE GENERAL	100000000	1M	0,93	July 2017
SANTANDER	100000000	1M	0,93	July 2017
CAIXA	200000000	1M	0,97	July 2017
BBVA	100000000	1M	0,98	July 2017
	1000000000			

All amounts are not available.

(a) *Total borrowings vis-à-vis Parent Company (Note 33)*

As a result of the non-monetary contribution described in Note 1, the Company and ENAIRE 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 ENAIRE to Aena, S.A. In this agreement between both parties, the initial debt and future debt cancellation conditions are recognised, 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 financial lending institutions, but it also recognises that Aena, S.A. is obliged to pay the percentage of the active balance of the debt 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" is required to pay to the financial institutions, in accordance with the financial conditions and the other terms and stipulations established in the Financing Agreements.

In the Council of Ministers' meeting of 11 July 2014, the Public Business Entity "Aeropuertos Españoles y Navegación Aérea" was authorised to initiate proceedings for the sale of the share capital of Aena, S.A. and to dispose of up to 49% of its capital.

In the context of offering company shares to private investors, and in order to ensure the process was compatible with the financing agreements (long- and short-term financial debt) and hedging agreements taken out with all of the financial institutions, on 29 July 2014, the Public Business Entity "ENAIRE", Aena S.A. and the respective financial institutions agreed a novation amending but not extinguishing the corresponding financial agreements.

The re-wording of the new financing agreements supersedes entirely, and for all legal effects, the original contracts and their novations, in order to, amongst other amendments, eliminate any contractual restriction that may affect the privatisation process and to include Aena S.A. as jointly liable together with the Public Business Entity "ENAIRE" under the various Financing Contracts and to make all the necessary adjustments to these financing contracts that may be required for this purpose.

These novations do not alter the financial terms of the loan transactions granted at the time to the Public Business Entity "ENAIRE", nor those outlined in the model loans taken out Aena, S.A. (such as, among others: repayment of principal, maturity dates, interest rate regime, terms of repayment, etc.). The main clauses that have been modified are summarised below:

- The joint and several nature of the borrowers, namely the Public Business Entity "ENAIRE" and Aena, S.A., which are jointly and severally obliged vis-à-vis the bank to repay the amount of the loan which had been arranged by either of them and to pay any interest, commissions, costs, expenses and any other concept owed by them directly to the bank under the contracts. The banks recognise expressly that payment under any heading received from any of the borrowers in accordance with the contractual provisions, will have full releasing effect for the item and amount.

(Thousand euros unless otherwise indicated)

- The removal of clauses imposing limitations on the transfer of Aena shares and the sale of a percentage of shares exceeding 49%.

- The obligatory nature of compliance with certain financial ratios, on the basis of the consolidated financial statements of the Aena group, is to be certified through the delivery of a certificate proving compliance with these ratios, on a semi-annual and annual basis. The definition of terms included in the calculation of these ratios (net financial debt, EBITDA and financial expenses) are established in novated contracts.

Ratio	2014	2015	2016	2017	2018 and subsequent
Net debt/adjusted EBITDA less than or equal to:	9.00x	8.00x	8.00x	7.00x	7.00x
EBITDA / Financial expenses greater than or equal to:	2.75x	3.00x	3.00x	3.00x	3.00x

- In terms of the option of granting charges and levies, a more favourable framework compared to the one stipulated in the initial financing contracts has been established, to allow the granting of certain real guarantees on international assets in relation to international financing operations without recourse to Aena, S.A. or the Public Business Entity "ENAIRE", contrary to the prohibition stipulated in many initial contracts which in many cases hinder business expansion.

- The unification of clauses that restrict the disposal of assets: Aena, S.A. shall retain, directly or indirectly, proprietary ownership of all airport assets and shall not dispose of them in a single transaction or in a series of transactions, whether linked or unlinked, with a few exceptions in relation to airport assets located outside Spain.

- Certain clauses will be unified in order to qualify the events subject to which financing contracts could be subject to early termination, as a result of defaults arising from the commercial relationships of Aena, S.A.

The novations of these financing contracts mean that Aena, S.A. had to pay novation fees to all the financial institutions, as well as the costs of legal advisers amounting to a total of €12,163 thousand, of which €11,772 thousand were recognised in the carrying amount of the liability.

As a result of these novations, and in order to include the changes to the contractual loan relationship with the Public Business Entity "ENAIRE", on 29 July 2014, the Company signed an amending and non-extinguishing novation to the debt recognition contract with the Public Business Entity "ENAIRE", which amends the contract of 1 July 2011 transferring to Aena Aeropuertos, S.A. all property, rights, debts and obligations of the Public Business Entity "Aeropuertos Españoles y Navegación Aérea" earmarked for the development of airport and commercial activities and other state services linked to airport management, including amounts allocated to the airfield's air traffic services, amounting to €11,672,857 thousand.

By virtue of this novation, the parties agree to amend certain aspects of the debt-recognition contract solely for the effect of novation and under no circumstances with extinguishing effect, in order to, among others, i) indicate the updated amount of the debt recognised, ii) regulate the payment by the Public Business Entity "ENAIRE" and Aena, S.A. of the amounts owed under the Financing Agreements, iii) specify the exercising of powers by the co-borrowers under the scope of these Financing Agreements, iv) determine the mandatory compliance by Aena, S.A. of the same financial ratios, as detailed in the novations of the financial agreements, and v) commit to the future pledging of receivables (the amount corresponding to one year of servicing the debt owed under financing agreements) by the Company to the benefit of the Public Business Entity "ENAIRE" in the event of any breach of its obligations under the debt-recognition contract or loss of the majority of the share capital of Aena by the Public Business Entity "ENAIRE".

During the debt novation process, the parties expressly agree that, without prejudice to their status as joint-debtors who are jointly and severally responsible for compliance with the obligations stipulated in the financing agreements, any payments to be made for reason under the scope of these financing agreements, shall be paid by the Public Business Entity "ENAIRE"; therefore, the contractual relationship between Aena S.A. and the Public Business Entity "ENAIRE" shall be maintained through the debt recognition contract.

Without prejudice to joint and principal responsibility that Aena, S.A. and the Public Business Entity "ENAIRE" assume vis-à-vis financial entities under the financing agreements, payments made by Aena, S.A. will reduce proportionally, for the Public Business Entity "ENAIRE", its payment obligations stemming from the contribution.

In any event, the failure by Aena, S.A. to pay its obligations arising from the debt-recognition contract, shall not exempt the Public Business Entity "ENAIRE" from complying with its payment commitments under the provisions stipulated in the financing agreements.

Consequently, any amendments made to the financing contracts with banks and the Public Business Entity "ENAIRE" shall not change the accounting treatment of the Company's financial debt with the Parent Company, the Public Business Entity "ENAIRE".

The financial agreements set out the following reasons for early termination under ordinary market terms:

a) Any breach of the payment obligations arising from each and every one of the financing agreements.
b) Any breach of the payment obligations arising from other financing contracts.
c) The breach of any payment obligation stemming from usual business relationships in the ordinary activities of Aena, unless it has filed a judicial or extra-judicial challenge against the corresponding payment claim in relation to the breach and/or it has filed, or intends to file the corresponding procedural actions to which Aena is entitled to bring by law, and when no contrary ruling has been made regarding the payment.
d) Generalised seizure of the property of Aena and/or ENAIRE.
e) The constitution by ENAIRE and/or by the Companies, organisations and entities of the ENAIRE Group (with the exception of Aena and the Companies of its group, which are governed by the limitation indicated in the point below) of any right in rem, charge, encumbrance or privilege over any of the (present or future) assets or rights.
f) The constitution by Aena and/or by Companies of its group of any right in rem, charge, encumbrance or privilege over any of the existing assets or rights existing in its balance sheet, with exception of any right in rem, charge, encumbrance or privilege constituted over assets located outside of Spain (this exception includes shares or holdings in Companies domiciled in Spain provided that all of its operating assets are located outside of Spain) exclusively, to guarantee financing or other obligations without recourse to Aena and contracted by subsidiaries and/or other companies of the Aena group.
g) Unless the bank had given its written consent: Aena, S.A. shall retain, directly or indirectly, proprietary ownership of all airport assets and shall not dispose of them in a single transaction or in a series of transactions, whether linked or unlinked, with a few exceptions in relation to airport assets located outside Spain owned directly or indirectly by Aena, of disposals to an aggregate amount set for the duration of the contract that shall not exceed 20% (twenty percent) of the consolidated assets of Aena, determining the value of both the consolidated and the disposed asset at all times by reference to the values recorded in Aena's consolidated balance at 31 December of the last financial year closed at the time of signing the agreement on disposal of assets. For the purposes of this clause "Airport Assets" means any property part of the airport activity, included in Aena's consolidated property plant and equipment (see Note 7).
h) Any change to the risk weighting of ENAIRE or the loans or credit granted through the financial agreements.

Only the occurrence of the above reasons for early termination entitle the financial entities, in accordance with the specific terms and conditions stipulated in the respective agreements, to declare the early termination of their respective financing agreements. All this, without prejudicing the need for competition in good faith and the essential nature of the reason put forward.

If Aena breaches its obligations under the debt-recognition contract:

- Aena agrees to the future constitution of a first-ranking pledge contract for certain credit rights (the amount corresponding to one year of servicing the debt accrued under the financial agreements) in favour of ENAIRE (this obligation also arises if ENAIRE loses control of Aena); any amounts Aena fails to pay shall bear late-payment interest.

- The amounts unpaid by Aena shall accrue penalty interest.

- In the event that ENAIRE is required to pay amounts to the financial institutions that, under the terms of the debt-recognition contract, Aena should have paid, ENAIRE will be subrogated in the rights and guarantees of the creditor vis-à-vis Aena and the debt acknowledged in the debt recognition contract will be automatically incremented by the amount paid by ENAIRE.

- Moreover, if, as a result of the breach of an obligation by Aena under the terms of the financing agreements, one or more of the financing contracts are terminated early and the actual payment of any amounts is requested, Aena must pay to ENAIRE a penalty equivalent to 3% of the principal amount due on the respective unfulfilled finance contract. This provision also applies in the event that the defaulting party is ENAIRE, in which case ENAIRE will be the party required to pay the above-mentioned penalty to Aena.

The breakdown of the **"total financial debt with financial institutions in relation to which ENAIRE"** (hereinafter "joint borrowers' debt") with financial entities on 31 December 2015 is as follows (in thousands of euros):

Financial institutions	Amount
EIB	4,792,034
ICO	2,420,000
DEPFA	1,166,667
FMS	866,667
BBVA	164,233
SABADELL	110,000
DEXIA SABADELL	75,000
BANKINTER	57,167
BANKIA	36,900
LA CAIXA	36,500
POPULAR	35,167
KfW	33,333
SANTANDER	18,000
SOCIETE GENERAL	17,100
BARCLAYS	6,250
TARGOBANK	3,333
Total Joint-borrowers	**9,838,351**

Of the 9,838,351 thousand euros above, Aena S.A owes to the Public Entity "ENAIRE" a debt stemming from the contribution of the airport activity, which on 31 December 2015 amounted to 9,443,910 thousand euros (96% of the total "joint borrowers' debt).

In respect of the reasons for declaring early maturity, Aena does not breach any of the conditions for early maturity and this will not affect the Company's balance sheet at 31 December 2015 and 31 December 2014.

The maturity schedule of outstanding contributions of the principal payment of the short and long-term debt with the majority shareholder for financing airports (Note 10), at the end of 2015, is as follows:

Contributions with Maturity	**Thousands of euros 2015**
2016	1,125,488
2017	826,393
2018	747,995
2019	749,755
2020	731,835
Following years	5,262,444
Total	**9,443,910**

(b) Loans with credit institutions and loans with LLAH III shareholders

These loans relate to dependent companies, to Aena Desarrollo Internacional, S.A. and LLAH III.

In 2015, total debts with credit institutions amounted to 308,585 thousand euros (307,918 thousand euros belonging to LLAH III, and 667 thousand euros belonging to ADI), of which 297,164 thousand euros are non-current debt (296,831 thousand euros belonging to LLAH III and 333 thousand euros belonging to ADI) and 11,421 thousand euros is current debt (11,087 thousand euros belonging to LLAH III and 334 thousand euros belonging to ADI).

In 2014, the total of debts with credit institutions amounted to €290,736 thousand (€289,735 million belonging to LLAH III, and €1.001 thousand belonging to ADI), of which €281,781 thousand is non-current debt (€281,114 thousand belonging to LLAH III and €667 thousand belonging to ADI) and €8,955 thousand is current debt (€8,621 thousand belonging to LLAH III and €334 thousand belonging to ADI).

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

	At 31 December	
	2015	**2014**
Thousands of euros (ADI)	667	1,001
Thousands of pounds sterling (LLAH III)	307,918	289,735

Equally, the carrying amount of the loan with LLAH III shareholders is also entirely denominated in pounds sterling for an amount of £46,384 thousand (2014: 48,633 thousand pounds).

As a result of the divestment process in 2013 by ACDL-TBI, the previous owner of the concessionary company of Luton Airport (LLAOL) (see Note 2.2), Aena Desarrollo Internacional, S.A., following its new international development strategy, acquired LLAOL along with Aerofi, Sàrl ("Aerofi"), a subsidiary of Ardian (formerly AXA Private Equity). Thus, on 27 November 2013 the purchase was formalised at a price of £394.4 million. The operation was implemented through London Luton Airport Holdings III ("LLAHIII"), in which Aena Desarrollo Internacional, S.A. acquired a 40% stake and Aerofi acquired the remaining 60%. The contribution of Aena Desarrollo Internacional, S.A. accounting for 40% of LLAH III amounted to £39.4 million, financed by dividends resulting from the sale of minority stakes in international airports, without Aena needing to furnish additional funds. The rest of the operation, which was not covered by "equity", was funded through (i) a shareholder loan amounting to £94.7 million, contributed entirely by Aerofi; and (ii) bank financing amounting to £220 million, without recourse to company's shareholders.

Therefore, this debt does not affect the covenants established in the financing contracts of Aena, S.A. (see Note 3.1).

Regarding the bank financing of the previously mentioned £220 million for the acquisition, this was implemented through a 5-year "bullet" loan maturing on 27 November 2018 and granted by six entities each funding the same amount (£36.6 million). This financing was tied to a more differential LIBOR variable interest rate and was awarded on the basis of the sole guarantee of the shares and assets of LLAHI, LLAGL and LLAOL. In addition, the following financial covenants were established linked to net debt/EBITDA and cash flow/expenditure ratios:

Financial covenants	Net debt/EBITDA	Interest rate hedges (Cash flow/Financial expense)
Dec-13	8.00x	1.25x
Dec-14	8.00x	1.25x
Dec-15	7.50x	1.25x
Dec-16	7.50x	1.30x
Dec-17	7.00x	1.30x
Dec-18	7.00x	1.30x

These "covenants" have been fulfilled. Failure to comply with such "covenants", if they are not settled, will trigger a procedure that could lead to the early termination of the loan.

The banks financing the purchase required a corporate structure where they had priority of payment over the shareholders of Aerofi and Aena. This led to the creation of London Luton Airport Holdings I ('LLAHI') or the first company in terms of priority of payment.

(Thousand euros unless otherwise indicated)

LLAHI was the source of the £220 million bank debt and is consequently responsible for paying the principal amount and interest for the external financing, in addition to assuming on an accounting level the depreciation of the intangible assets acquired. The depreciation included in LLAHI corresponds to the intangible asset or the airport concession from the acquisition and divided on a pro rata basis during the lifetime of the concession.

After complying with the obligations of the financing banks and the debt servicing "covenants", LLAHI will provide flows for the payment of the loan (£94.7 million) to London Luton Airport Holdings II ("LLAHII") to cover the repayment of the principal and interest on the loan from shareholders. If it posts sufficient profits, LLAHI will start distributing dividends to shareholders using flows in relation to London LLAHIII.

As indicated in Note 2.2.a), once the mandatory authorisation from the Council of Ministers had been obtained, Aena Desarrollo Internacional, S.A. exercised its option to purchase 11% of the capital of LLAH III on 16 October 2014. The total amount disbursed by the Group for the transaction was £62 million (77.8 million euros) which breaks down as follows:

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

-For the 51% of the shareholder loan previously held by Aerofi in its entirety: £48.3 million (€61.3 million). This amount is eliminated in consolidation, so that the amount shown under this heading Loans with credit institutions and loans with LLAH III shareholders is solely for the debt with banks and Aerofi.

On 26 February 2015, the Board of Directors of London Luton Airport Holdings, decided to refinance the existing loans and lines of funding by a total of 285 million pounds (5-year bullet loan of 220 million pounds maturing on 27 November 2018, credit line of 50 million pounds for investment and credit policy of 15 million pounds for working capital) and the restructuring of existing swap interest rate by 154 million pounds (see Note 10.b), in order to:

- Extend the maturity of bank loans and swaps,
- Reduce the financial cost of the loan,
- Increase the credit line for investment to reflect the business needs of the airport,
- To enhance financial flexibility.

The new financing, totalling 318 million pounds, consists of:

- 7-year Bullet loan of 228 million pounds to refinance the existing loan and pay the refinancing costs. An amount of 10 million pounds paid in financing and refinancing operations listed on 30 June 2015 adjusting the carrying amount of the liability.
- 75 million pounds credit line to finance and refinance the investment plan,
- 15 million pounds credit facility, for corporate and working capital needs,

The main features of the new financing and its comparison with the current one are outlined below:

	Existing financing	New financing	Comment
Credit facilities	£220m Bullet loan £50m Investment policy £15m Credit facility	£228m Bullet loan £75m Investment policy £15m Credit facility	Increased loan to pay refinancing costs. Increase of investment line to reflect business needs and provide financial flexibility.
Maturity date	5 years	7 years	The new maturity date involves the deferral of payment for 3.5 years

(Thousand euros unless otherwise indicated)

Differential	Year 1: 250bps Year 2: 250bps Year 3: 275bps Year 4: 300bps Year 5: 325bps	Year 1: 165bps Year 2: 175bps Year 3: 185bps Year 4: 195bps Year 5: 200bps Year 6: 225bps Year 7: 250bps	Significant improvement in financial costs. The new financing differential average, if maintained at maturity, is 200 bps, which, despite the longer maturity, is cheaper than the previous financing which had an average remaining differential of 300 bps.
Covenant net debt/EBITDA	Jun 15: 8.0x Dec 15: 7.5x Jun 16: 7.5x Dec 16: 7.5x Jun 17: 7.5x Dec 17: 7.0x Jun 18: 7.0x	2015: 8.25x 2016: 8.25x 2017: 7.5x 2018: 7.0x 2019: 6.5x 2020: 6.5x 2021: 6.0x	Ratios' increase to provide greater financial flexibility.
Covenant interest rate hedges	2015 - 2016: 1.25x 2017: 1.3x	2015 – 2021: 1.25x	Elimination of the increase in 2017 to 1.3, increasing financial flexibility.

During financial year 2015, 8 million pounds in credit facilities were available to finance investment, while 6.5 million pounds of the policy for working capital requirements was reimbursed.

(c) <u>Finance lease liabilities</u>

At the end of 2015 and 2014, the Group took out financial leases for an automated flight inspection system (console), an electrical co-generation plant at Adolfo Suárez Madrid Barajas Airport and an aircraft parking platform at London Luton Airport, which were recognised under "property, plant and equipment" in the consolidated balance sheet at 31 December 2014 and 31 December 2015.

(Thousand euros unless otherwise indicated)

The carrying amount of debt entered into the accounts denominated in currencies other than the euro was as follows:

	At 31 December	
	2015	2014
Pounds sterling	11,226	10,180

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

The present value of finance lease liabilities is as follows:

	At 31 December	
	2015	2014
Less than one year	2,080	2,306
Between 1 and 5 years	8,617	10,389
More than 5 years	17,975	16,943
Total	**28,672**	**29,638**

(d) *Other financial liabilities*

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

21 Deferred tax

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

	At 31 December	
	2015	2014
Deferred tax assets:		
Deferred tax assets to be recovered in more than 12 months	96,125	73,356
Deferred tax assets to be recovered within 12 months	31,751	28,773
	127,876	102,129
Deferred tax liabilities:		
Deferred tax assets to be recovered in more than 12 months	110,200	118,664
Deferred tax liabilities to be recovered within 12 months	8,561	8,742
	118,761	127,406
Net deferred tax assets	**9,115**	**(25,277)**

Gross movement In the Deferred taxes heading was as follows:

	2015	2014
At 1 January	(25,277)	76,017
Tax charged against/credited to the income statement	(2,112)	36,072
Tax charged/paid relating to components of other overall results (Note 18)	14,259	2,429
Valuation adjustments Law 27/2014 against result	19,367	(15,931)
Additions for business combination LLAH III	-	(124,920)
Addition for tax break	100,734	-
Use of credits	(101,668)	-
Adjustment for fluctuation in tax rates in England against result	10,578	-
Reclassifications	2,497	-
Exchange differences	(8,267)	-

(Thousand euros unless otherwise indicated)

Others	(996)	1,056
At 31 December	**9,115**	**(25,277)**

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	Amortisation	Others	Total
At 1 January 2014	**-**	**196**	**196**
Additions for business combination LLAH III	126,526	-	126,526
Others	-	684	684
As of 31 December 2014	**126,526**	**880**	**127,406**
As of 01 January 2015	126,526	880	127,406
Reclassifications	2,391	-	2,391
Charged/(credited) to the income statement	(8,684)	-	(8,684)
Charge over profit and loss account due to exchange rates in England	(10,768)	-	(10,768)
Exchange differences	8,416	-	8,416
As of 31 December 2015	**117,881**	**880**	**118,761**

(Thousand euros unless otherwise indicated)

Deferred tax assets	Amortisation	Impairment losses	Derivatives	Credit deductions	B.I.N credits	Others	Total
As of 01 January 2014	**48,627**	**6,623**	**2,696**	**-**	**-**	**18,267**	**76,213**
Charged/(credited) to the income statement	36,097	(2,994)	-	-	-	2,969	36,072
Charged directly against equity	-	-	1,164	-	-	1,265	2,429
Additions for business combination LLAH III	-	-	-	-	-	1,607	1,607
Valuation adjustments Law 27/2014	(13,012)	(595)	(185)	-	-	(2,139)	(15,931)
Others	-	-	-	-	-	1,739	1,739
As of 31 December 2014	**71,712**	**3,034**	**3,675**	**-**	**-**	**23,708**	**102,129**
Charged/(credited) to the income statement	(4,221)	825	-	-	-	(7,400)	(10,796)
Charged directly against equity	-	-	18,522	-	-	(1,548)	16,974
Addition for tax group break (Note 31)	-	-	-	63,548	37,186	-	100,734
Use of credits (Note		-	-	(63,548)	(37,186)	-	(101,668)
31)	(934)					(145)	19,367
Effect of Law 27/2014	20,505	(993)	-			(190)	(190)
on profit/loss			-				
Charge over exchange	-						
rates results in England		-				(511)	(600)
Charge over equity Net	-		(89)				
exchange rate in		-				-	4,888
England	(76)	(1,084)				4,888	(997)
Reclassifications	-		-			163	
Others (*)							
Effect of Law 27/2014 on equity	-	-	(2,115)	-	-	1	(2,114)
Exchange differences	-	-	18			131	149
As of 31 December 2015	**86,986**	**1,782**	**20,011**	**-**	**-**	**19,097**	**127,876**

(*) Mainly includes the effect of the final 2014 corporation tax settlement presented in 2015.

(Thousand euros unless otherwise indicated)

In 2015, the following deductions have been applied in the corporation tax settlement without any remaining outstanding deductions by years end:

	Year generated (1)	Year due (2)	Amount pending at 31/12/2014	Amount recognised in 2015	Registered amount generated in 2015	Amount applied
Deductions in the Canary Islands due to investments in fixed assets	2011	2016	25,769	8,642	-	(34,411)
	2012	2017	37,779	-	-	(37,779)
	2014	2019	-	-	38,884	(38,884)
International double taxation deductions	2015	2026			585	(585)
Recovery 30% not deductible	2015		-	-	934	(934)
Total			63,548	8,642	40,403	(112,593)

(1) The year of generation responds to the period in which the assets or personnel who qualified for the generation thereof were associated with the branch of airport activity.
2) Reduction in the Canary Islands by investments in fixed assets, RD Law 15/2014, Fourth Transitional Provision, establishes a period of use of 15; 30% deduction recoverability amortization adjustment, Corporation Tax Act, Transitional Provision Thirty-seventh and Deduction to avoid international double taxation, art. 31.6 of the Corporation Tax Act, no limit is set on their use; deduction for donations, 10 years for use; other deductions, art. 39 Income Tax Act sets a limit of 15 years, except for the deduction of R&D+I in which a limit of 18 is set.

The "Amount recognised in 2015" column reflects the differences between the deductions applied to calculating the corporate tax charge for 2014 and the charge actually applied in the final settlement for that year, as filed with the Tax Office.

The "Registered amount generated in 2015" column reflects the actual deductions generated in 2015.

In 2014, the following deductions were applied for the settlement of corporate tax, and the following outstanding deductions were recognised in the shareholder tax account:

	Year generated	Year due	Amount pending at 31/12/2013	Amount recognised in 2014	Registered amount generated in 2014	Amount applied	Amount pending at 31/12/2014
Deductions in the Canary Islands due to investments in fixed assets	2009	2014	-	5,448	-	(5,448)	-
	2010	2015	57,386	-	-	(57,386)	-
	2011	2016	42,744	-	-	(16,975)	25,769
	2012	2017	38,791	(1,012)	-		37,779
	2014	2019	-	-	14,450	(14,450)	-
Deductions in the Canary Islands for contributions to pension plans	2006	2021	129	-	-	(129)	-
	2007	2022	126	-	-	(126)	-
	2008	2023	122	-	-	(122)	-
	2009	2024	113	-	-	(113)	-
	2010	2025	66	-	-	(66)	-
Environmental deductions	2006	2021	730	(730)	-	-	-
	2007	2022	771	(771)	-	-	-
Internal double taxation	2011	2018	220	-	-	(220)	-
	2012	2019	28	-	-	(28)	-
International double taxation deductions	2008	2019	308	(308)	-	-	-
	2009	2020	268	-	-	(268)	-
	2010	2021	312	-	-	(312)	-
	2011	2022	350	-	-	(350)	-
	2012	2023	484	-	-	(484)	-
	2013	2024	450	(69)	-	(381)	-
	2014	2024			425	(425)	-
Pension plans	2006	2021	252	(252)	-		-

(Thousand euros unless otherwise indicated)

	2007	2022	179	(179)	-		-
	2008	2023	148	-	-	(148)	-
	2009	2024	102	-	-	(102)	-
	2010	2025	58	-	-	(58)	-
Professional					-		
training	2012	2027	167	-		(167)	-
	2013	2028		43	-	(43)	-
R&D&I	2012	2030	321	-	-	(321)	-
	2013	2031		80	-	(80)	-
Book edition	2012	2027	1	-	-	(1)	-
	2006	2021	330	(330)	-	-	-
	2007	2022	277	(277)	-	-	-
	2008	2023	329	-	-	(329)	-
	2009	2024	136	-	-	(136)	-
	2010	2025	43	-	-	(43)	-
Professional	2011	2026	4	-	-	(4)	-
training	2012	2027	3	-	-	(3)	-
	2013	2028	-	2	-	(2)	-
	2011	2021	7	-	-	(7)	-
	2012	2022	23	-	-	(23)	-
Deductions	2013	2023	-	21	-	(21)	-
Total			**145,778**	**1,666**	**14,875**	**(98,771)**	**63,548**

As stated in Note 2.18, the listing of the Company on the stock exchange in February 2015 via the IPO of 49% of Aena S.A.'s capital, meant that the Parent Entity, ENAIRE's holding in Aena S.A. fell to 51%, compared to its previous holding of 100%.

In accordance with the tax regulations in force (art. 59.2 of Law 27/2014 on Corporation Tax), and with effect from 1 January 2015, Aena S.A. and its subsidiaries withdrew from the tax consolidation group headed by ENAIRE.

On the occasion of such termination, at 1 January 2015, the AENA Tax Group to which they belonged, together with ENAIRE, as subsidiaries AENA and AENA International Development, and according to the will expressed by the Boards of both companies, at 7 April 2015, Aena informed the Tax Office on the application to the tax consolidation system of companies AENA S.A. and Aena Desarrollo Internacional S.A.U.

Consequently, the debit balances of pending deductions credits and of credits for tax losses which, within the tax Group, where owned by Aena S.A. vis-à-vis ENAIRE, and therefore, they were included in the "Other receivables" heading on the Balance Sheet, are owned since the date of termination of 1 January 2015, against the Treasury, so since that date these were reclassified to heading "Deferred tax assets" totalling 63,548 and 37,186 thousand euros, respectively.

At year-end 2015, such balances have been cancelled when used in the calculation of tax for that year. Standing just as a receivable vis-à-vis ENAIRE the outcome of the outstanding repayment on corporate tax for the financial year 2014 amounting to 50,217 thousand euros (Note 13).

22 Employee benefits

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

	At 31 December	
	2015	**2014**
Commitments in the balance sheet in respect of:		
- Length of service awards	7,579	7,861
- Length of service awards	405	402
- Defined benefit pension plans of LLAH III	23,154	32,513
Liabilities for employee benefits	**31,138**	**40,776**
- Defined contribution pension plans (Other payables)	-	6
- Defined benefit pension plans	-	-

Total liabilities on the balance sheet	**31,138**	**40,782**
Charges in the income statement included in the operating profit/loss (Note **27**):		
- Length of service awards	8	1,638
- Length of service awards	25	(40)
Defined contribution pension plans	6	8
- Defined benefit pension plans of LLAH III	4,303	894
	4,342	**2,500**
Revaluations for:		
- Length of service awards	(567)	779
- Defined benefit pension plans of LLAH III	(11,553)	6,563
- Length of service awards	(77)	149
	(12,197)	**7,491**

(a) Length of service awards

The Collective Bargaining Agreement for the Aena Group of Companies (Public Business Entity "ENAIRE" and Aena, 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 an actuarial calculation.

The amounts are recognised in balance sheet as follows:

	2015	2014
Present value of the financed obligations	-	-
Fair value of plan assets	-	-
Deficit in financing plans		-
Present value of unfunded obligations	7,579	7,861
Total pension deficit of defined benefit	7,579	7,861
Impact of minimum funding requirement / asset ceiling	-	-
Total liabilities on the balance sheet	**7,579**	**7,861**

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

	Present value of obligation	Total
As of 01 January 2014	**6,618**	**6,618**
Expense / (Income) interest	198	198
Past service cost and gains and losses on settlements	661	661
	859	**859**
Recalculation of Ratings:		
- (Gains)/losses due to changes in actuarial assumptions	779	779
- Plan payments:	-	-
- Benefit payments	(395)	(395)
As of 31 December 2014	**7,861**	**7,861**
Expense / (Income) interest	132	132

(Thousand euros unless otherwise indicated)

Past service cost and gains and losses on settlements	575	575
	707	**707**
Recalculation of Ratings:		
- (Gains)/losses due to changes in actuarial assumptions	(567)	(567)
	(567)	**(567)**
- Plan payments:		
- Benefit payments	(422)	(422)
As of 31 December 2015	**7,579**	**7,579**

The estimated accounting charge relating to benefit plans and long-service bonuses for the year ended 31 December 2015 amounted to 140 thousand euros (2014: 707 thousand euros). The estimated accounting charge of expected benefits corresponding to awards through 2016 amounts to 691 thousand euros.

The weighted average duration of the defined benefit obligation is 15.32 years.

(b) Early-retirement bonuses

The Collective Bargaining Agreement stipulates that any employee between the ages of 60 and 64 who, in accordance with current provisions is entitled to do so, 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. The current value of the plan's assets have been determined as the value of the mathematical provision of the insurance policies affected.

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

	Present value of obligation	**Total**
As of 31 December 2014	**402**	**402**
Expense / (Income) Interest	8	8
Expected return of the funds affected	(2)	(2)
Past service cost and gains and losses on settlements	25	25
	31	**31**
Recalculation of Ratings:		
- (Gains)/losses due to changes in actuarial assumptions	(77)	(77)
	(77)	**(77)**
Return (premiums)		
- Return	49	49
Payment plan:		
- Benefit payments	-	-
As of 31 December 2015	**405**	**405**

The movement in the defined benefit obligation during 2014 was as follows:

	Present value of obligation	**Total**

As of 1 January 2014	-	-
Expense / (Income) Interest	9	9
Expected return of the funds affected	(11)	(11)
Past service cost and gains and losses on settlements	(38)	15
	(40)	**13**
Recalculation of Ratings:		
- (Gains)/losses due to changes in actuarial assumptions	149	149
	149	**149**
Return (premiums)		
- Return	**292**	**239**
Payment plan:		
- Benefit payments	**1**	**1**
As of 31 December 2014	**402**	**402**

(c) Defined contribution pension plans

The Collective Bargaining Agreement stipulates that any employee credited with 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 of the Companies of the Aena Group. The pension plan covers retirement, disability (with contingencies for total permanent, absolute and near-total disability) and death, in accordance with the criteria established by the negotiating committee of the III Aena Collective Bargaining 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.

However, for financial years 2015 and 2014, the Company did not make such contributions due to the exemption established in Law 36/2014 of 26 December and Law 22/2013 of 23 December, respectively, which stipulate that public business enterprises are entitled to refrain from making contributions to employee pension plans or group insurance contracts which include coverage for the retirement contingency.

(Thousand euros unless otherwise indicated)

(d) Defined benefit pension plans (Luton)

The defined benefit commitments recognised in the consolidated balance sheet, as well as changes to the present value of the obligations and the fair value of the plan's assets, are as follows:

	Present value of the obligations	Total
As of 31 December 2014	**131,529**	**131,529**
Additions for business combination		
Expense / (Income) Interest	5,343	5,343
Past service cost and gains and losses on settlements	4,303	4,303
	9,646	**9,646**
Recalculation of Ratings:		
- (Gains)/losses due to changes in actuarial assumptions	(11,553)	(11,553)
	(11,553)	**(11,553)**
Differences on exchange	10,126	10,126
Returns (Premiums)		
Contributions from Plan members	1,119	1,119
Plan payments:		
- Benefit payments	(3,641)	(3,641)
As of 31 December 2015	137,226	**137,226**

	Fair value of plan assets	Total
As of 31 December 2014	**(99,016)**	**(99,016)**
Additions for business combination		
Expense / (Income) Interest	(4,195)	(4,195)
Expected return of the funds affected	3,136	3,136
	(1,059)	**(1,059)**
Recalculation of Ratings:		
- (Gains)/losses due to changes in actuarial assumptions		
Differences on exchange	(7,941)	(7,941)
Returns (Premiums)		
Contributions to the Plan	(9,552)	(9,552)
Plan payments:		
- Benefit payments	3,496	3,496
As of 31 December 2015	**(114,072)**	**(114,072)**
Provisions for pensions and similar obligations	**23,154**	**23,154**

The defined benefit commitments recognised in the consolidated balance sheet, as well as changes to the present value of the obligations and the fair value of the 2014 plan's assets, are as follows:

	Present value of the obligations	**Total**
As of 1 January 2014	-	-
Additions for business combination	123,442	123,442
Expense / (Income) Interest	1,257	1,257
Past service cost and gains and losses on settlements	894	894
	2,151	**2,151**
Recalculation of Ratings:		
- (Gains)/losses due to changes in actuarial assumptions	6,563	6,563
	6,563	**6,563**
Differences on exchange	230	230
Returns (Premiums)	-	-

Contributions from Plan members	238	238
Plan payments:		
- Benefit payments	(1,095)	(1,095)
As of 31 December 2014	**131,529**	**131,529**

	Fair value of plan assets	Total
As of 1 January 2014	-	-
Additions for business combination	(93,731)	(93,731)
Expense / (Income) Interest	(1,129)	(1,129)
Expected return of the funds affected	260	260
	(869)	**(869)**
Recalculation of Ratings:		
- (Gains)/losses due to changes in actuarial assumptions	-	-
	-	-
Differences on exchange	-	-
Returns (Premiums)	-	-
Contributions to the Plan	(5,501)	(5,501)
Plan payments:		
- Benefit payments	1085	1085
As of 31 December 2014	**(99,016)**	**(99,016)**
Provisions for pensions and similar obligations	**32,513**	**32,513**

Amounts recognised in the Profit and Loss Statement are as follows:

Amount attributed to the income statement	2015	2014
Expense / (Income) Interest	1,148	128
Past service cost and gains and losses on settlements	4,303	894
Total charge on profit and loss statement	**5,451**	**1,022**

The benefits to be paid over the coming years in relation to earlier commitments are as follows:

	2015	2014
Less than 1 year	2,356	2,139
Between 1 and 2 years	2,427	2,205
Between 1 and 5 years	7,727	7,034
More than 5 years	10,644	21,135
Provisions for defined benefit pensions	**23,154**	**32,513**

The plan's assets, expressed as a percentage of the total fair value of assets, are as follows:

Plan assets	2015	2014
United Kingdom shares	17%	17%
Rest of the World shares	17%	19%
Investment grade fixed-rate bonds	4%	15%
Investment funds	59%	44%
Cash	3%	5%

The change recognised in the assets corresponds to actuarial gains and losses, relating mainly to changes in:

	2015	2014
Financial assumptions	(3,449)	6,346
Experience	(8,104)	217
At 31 December	**(11,553)**	**6,563**

The Group performed a sensitivity analysis on the main actuarial assumptions in thousands of euros:

	Impact on defined benefit commitment		
	Change in the assumptions	Increase	Decrease
Discount rate	0.5%	(13,222)	15,381
Pension growth rate	0.5%	8,899	(9,422)
		Increase in one year	Decrease in one year
Life span	1 year	2,820	(2,663)

23 Provisions and contingencies

Movements in this heading during 2015 and 2014 are set out below:

	Environmental action	Liabilities	Taxes	Expropriations and late-payment	Other operating provisions	Voluntary separation plan	Total
Balance at 01 January 2015	**131,207**	**74,106**	**21,959**	**1,110,328**	**29,800**	**24,211**	**1,391,611**
Charge for the Year	21,893	11,437	5,064	36,620	50,093	-	**125,107**
Increase due to discounts	1,022	-	-	-	-	-	**1,022**
Reversals/Excesses	(19,253)	(45,693)	(2,544)	(88,780)	(5,470)	(24,211)	**(185,951)**
Amounts Used	(6,410)	(5,367)	(7,112)	(24,246)	(23,822)	-	**(67,957)**
As of 31 December 2015	**128,459**	**34,483**	**17,367**	**1,033,922**	**50,601**	**-**	**1,264,832**

	Environmental action	Liabilities	Taxes	Expropriations and late-payment	Other operating provisions	Voluntary separation plan	Total
Balance at 01 January 2014	**159,310**	**120,986**	**39,158**	**210,552**	**8,640**	**25,503**	**564,149**
Charge for the Year	6,310	9,765	4,212	1,018,905	24,887	-	**1,064,079**
Increase due to discounts	4,358	-	-	-		-	**4,358**
Reversals/Excesses	(29,973)	(50,943)	(6,574)	(5,494)	-	(1,230)	**(94,214)**
Amounts Used	(8,798)	(5,702)	(999)	(113,635)	(3,727)	(62)	**(132,923)**
Transfers	-	-	(13,838)	-	-	-	**(13,838)**
As of 31 December 2014	**131,207**	**74,106**	**21,959**	**1,110,328**	**29,800**	**24,211**	**1,391,611**

Analysis of total provisions:

	At 31 December	
	2015	2014
Non-current	1,145,737	1,124,588
Current	119,095	267,023
Total	**1,264,832**	**1,391,611**

Provision for environmental action

This heading recognises provisions amounting to 128,459 thousand euros (2014: 131,207 thousand euros), mainly relating to the expected obligations in regard to noise abatement and sound-proofing residential areas, in order to comply with current legislation on environmental evaluation of projects and noise generated by airport infrastructures.

Additionally, during the year 2015, an environmental allocation of 8,327 thousand euros was provided in relation to the additional measures under Resolution 9 April 2015, of the Ministry of Environment, by which the 9th condition of the Environmental Impact Statements of project Madrid Barajas Airport of 30 November 2001 is modified, and foresees actions in Gravera de Arganda, biological corridors and in the Jarama River.

The rest of the allocation that was provisioned for environmental activities during the year 2015 was due mainly to the increase in 652 dwellings pending to be soundproofed in Tenerife Norte airport, upon receipt from the city council of the corresponding population census data regarding the update of the sound print. Reversals / Excesses during the year are explained mainly by refusals of dwellings pending to be soundproofed at airports in Bilbao (49), Gran Canaria (60 dwellings), Alicante-Elche (79 dwellings) and A Coruña (520 dwellings) as well as the decrease in the average estimated price in the soundproofing of dwellings of 13,154 euros to 12,407 euros.

Environmental evaluation legislation (currently Law 21/2013), requires that certain Aena projects are submitted to an environmental impact assessment (particularly runway extensions exceeding 2,100 m), finalised by the formulation of the corresponding Environmental Impact Statements by the Ministry of Agriculture, Food and Environment, which confer environmental feasibility on the execution of projects, and contain the obligation to develop and execute Soundproofing Plans. Regarding the environmental impact statements published up to now, soundproofing work has been taken into account when establishing the provisions.

In terms of noise, Law 5/2010 of 17 March, amending Law 48/1960, of July 21, on Air Navigation, stipulates the adoption of action plans, including any corrective measures, when acoustic easements are established to achieve acoustic quality objectives in relation to building exteriors, flight paths, number of flights and associated environmental impacts in airports with more than 50,000 flights/year.

On the date of preparation of these consolidated financial statements, a Royal Decree had approved acoustic easements and their corresponding action plans at the airports of Adolfo Suárez Madrid-Barajas (RD 1003/2011 of 8 July, BOE (Official State Gazette) No. 174 of 21 July 2011), Barcelona-El Prat (RD 1002/2011 of 8 July, BOE No. 174 of 21 July 2011) and Palma de Mallorca (RD 769/2012 of 27 April, BOE No. 119 of 18 May 2012).

At the airports where acoustic easements have been approved (Adolfo Suárez Madrid-Barajas, Barcelona-El Prat and Palma de Mallorca), the number of homes where soundproofing work is required is estimated to be 321 (all relating to Palma de Mallorca Airport). These actions are already included in the accounting provisions established. In the case of the airports of Adolfo Suárez Madrid-Barajas and Barcelona El Prat, no additional dwellings have been added, since the area delimited by the current easement scenario is smaller than the isophonic area determined by the Soundproofing Plans already in force.

Moreover, on the date of these consolidated financial statements, acoustic easements and action plans are currently being processed in relation to the airports of Bilbao, Ibiza, Málaga-Costa del Sol, Seville and Valencia; the expected time frame for the completion of the formalities and the approval by Royal Decree is still pending by the Ministry of Public Works and Transport. The estimated increase in additional dwellings to be included in the scope of the respective Soundproofing Plans amounts to 2,742 for all of the aforementioned airports. These properties are not covered by the provisions as the corresponding acoustic easements have not been approved. For all other airports with more than 50,000 flights a year (Gran Canaria, Tenerife Norte and Alicante-Elche), the process of updating and approving the acoustic easements has not yet started; full compliance with Law 5/2010 in relation to these airports is estimated to be completed during the period from 2016 to 2020.

The Group will recognise in the accounts the corresponding provisions at the moment in which the need arises to soundproof dwellings, that is, either when an easement and its action plan have been approved (by Royal Decree), or following the adoption of a new Environmental Impact Statement as the result of environmental assessment of projects requiring such measures.

Provisions for liabilities

This heading mainly records provisions made based on the best estimates available to Company Directors to cover risks relating to litigation, claims and commitments in progress that are known at the end of the year and for which the expectation is that an outflow of resources in the medium or long-term is likely. At 31 December 2015 and 2014, the allocations made by the Company mainly related to claims made by contractors. During 2015, reversals amounting to 45,693 thousand euros relate mainly to rulings in favour of the Group in its disputes with construction companies, amounting to 40,750 thousand euros (2014: 32,459 thousand euros), and regarding which it is estimated that no adverse economic consequences will arise; consequently, this amount has been reversed and credited to the value of the fixed assets in relation to which the provision had been made. The remaining reversals amounting to 4,943 thousand euros (2014: 18,484 thousand euros) have been credited to the income statement, mainly to "Excess provisions".

On the other hand, there are other proceedings pending rulings with construction companies for which the Company has made a provision amounting to approximately 23 million euros at 31 December 2015 (31 December 2014: 65 million euros).

The Company's Directors do not believe that liabilities in addition to those already known that could significantly affect these financial statements will arise.

<u>Provisions for taxes</u>

This heading mainly records provisions 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, the definitive amounts and the definitive settlement of which are uncertain on the date that the consolidated financial statements were prepared.

<u>Provisions for expropriations and late-payment interest</u>

The provision for expropriations and late-payment interest records the best estimate of the amount relating to the difference between the prices paid for the appropriation of land required for the expansion of airports and the estimates of the prices that the Company will have to pay, considering that it is likely that certain legal claims in progress regarding some of the prices paid will be successful for the claimants. When estimating the amount of the differences affecting these prices, the Group has taken into account late-payment interest using the current legal interest rate in force for each year as a basis of calculation. At 31 December 2015, the provisions set aside corresponded mainly to judicial proceedings relating to the expropriation of land at Adolfo Suárez Madrid-Barajas Airport. Such proceedings include, in particular, several rulings concerning the revaluation of expropriation procedures conducted in connection with the expansion of the Adolfo Suárez Madrid-Barajas Airport, as well as the risk involved in the cancellation of the delimitation of the Public Water Domain in force, which allows the former owners of the lands included within the delimited area to claim payment for surface areas previously acquired at zero cost.

Moreover, particularly noteworthy is the ruling notified to Aena on 29 October 2014 and delivered by the High Court of Justice in Madrid (TSJ) on 1 October, in Ordinary Procedure 1/2011, recognised the right for the revaluation of a number of properties acquired for the extension of the Adolfo-Suárez Madrid-Barajas Airport, along with two other similar procedures, resulted in the addition of land amounting to 758,605 thousand euros (see Note 23). This ruling has resulted in a total allocation of 925,556 thousand euros in said year to the provision for expropriations and expropriation default interest, of which 758,605 thousand euros corresponded to fair-price differences (396,400 thousand euros alone for the aforementioned Procedure 1/2011, the remainder of the amount corresponding to other procedures relating to the above: Procedure 66/2011 with an amount set aside of 351,403 thousand euros, and Procedure 427/2011 accounting for 10,802 thousand euros), as a result of increased land values, and 166,951 thousand euros relating to late-payment interest accrued up to 31 December 2014, which was offset by default interest on the expropriations. During 2015, an additional 26,618 thousand additional euros have been accrued by default interest up to a total for this item of 193,569 thousand euros, so that the total provision for fair values and default interest arising from these proceedings amounts to 952,174 thousand euros as of 31 December 2015.

In respect of the expropriation proceedings arising from Ordinary Procedure Nº 66/2011, it is stated that:

On 15 January 2015, Aena was notified of Ruling Nº 2/2015 of 8 January 2015 of the High Court of Justice in Madrid (TSJ), which partially upheld the administrative appeal lodged by various interested parties against the Ministry of Public Works Order dated 12 November 2010, which expressly dismissed the appeal against the implied rejection of the request to revalue the expropriated land.

On 3 February 2015, Aena submitted a statement pointing out an error in this ruling and seeking its correction, which resulted in the TSJ making a clarification order dated 11 February 2015, in which the Court clarified that it is not necessary for the Expropriation Board to decide on revaluation as this is not going ahead and that this ruling could be appealed. On 30 March 2015, Aena formalised the appeal.

As this ruling is not final, and as significant uncertainties still remain in respect of this and other related proceedings, it is considered necessary to retain the provision allocated to these cases.

Reversals identified in the movement of the provision are the consequence of the result of several procedures considered at that time, by the experience in similar cases, which would be resolved contrary to the interests of Aena. In these procedures, the TSJ of Madrid has extended the consideration of out-of-time repricing claim for all cases where the owner did not make the reservation of shares at the time of payment, restricting and significantly delimiting the cases in which the right to reprice occurs depending on the attitude of the owner at that time of payment. With respect to the risk of cancelling the delimitation of the Public Water Domain into force, some rulings and evidence that reduce both the area under dispute and the fair-price to be applied to it, have been obtained. Out of the total reversals of 88,780 thousand euros during the year 2015 in this provision (2014: 5,494), 67,515 thousand euros have been credited to fixed assets' value in relation to which the provision were made. The remaining reversals (21,264 thousand euros) have been credited to the profit/loss account, mainly under the "Interest expenses on expropriations" heading.

Interest expense on expropriations on 31 December 2015, after taking into account the above reversals, amounting to 9,922 thousand euros (31 December 2014: 191,119 thousand euros).

Other operating provisions

This heading records the provision for credits applicable to public service benefits for landing services and passenger departures, accrued by airlines operating during certain days of the week at airports located in the Canary Islands. Likewise, the General State Budget Act for the financial years 2014 and 2015 establishes bonuses in relation to the public service benefit attached to passenger departures across the routes operated via the Aena, S.A. network at 31 December 2015, the estimated amount for all these items amounted to 50,601 thousand euros (31 December 2014: 29,800 thousand euros).

Provisions for the exit plan and voluntary separation

This heading records the provision for voluntary severance of employees of Aena, S.A., as a result of the approval in June 2012 by the Ministry of Public Works of the airport efficiency plan proposed by Aena, S.A. to adapt the offer of services at certain airports and heliports to actual demand at any given time.

In order to carry out this plan, Aena S.A. signed an agreement in October 2012 with employee representatives that establishes a series of measures intended to provide flexible work schedules, geographic and functional mobility, as well as voluntary separation conditions for those employees that meet certain access requirements and request separation before 31 December 2012. Regarding receiving applications, Aena, S.A. verified employee compliance with the plan's conditions and in January 2013, these employees were informed of the approval of their application and their acceptance of the plan. The employees left the company between January 2013 and 30 June 2013. The amount of the severance payments was paid from the provision funded in 2012.

The voluntary severance scheme was considered to be an employment termination benefit and the provision totalling €134.468 thousand allocated in 2012 was estimated on the basis of actuarial calculations.

On 31 December 2014, Aena, S.A. kept a provision of 24,211 thousand euros for the assessment of the potential cost to Aena, S.A. in connection with its voluntary severance scheme as a result of contributory unemployment benefits for those affected by the scheme. However, at the end of 2015, Aena has reversed this provision, since, considering the circumstances, it no longer considered feasible a future outflow of resources for this reason, although there has been no legal change.

Contingent liabilities

At the end of 2015 and 2014 the Group was involved in claims and legal disputes against it which arose during the normal course of and as a natural consequence of its 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 "Provisions for environmental actions" heading, as a result of the necessary actions to comply with environmental regulations regarding the airport network's various expansion and improvement works, the Group is obliged to make a series of investments to minimise the impact of noise on homes affected by such works. At the end of 2015 and 2014, the Group was involved with several claims which, if resolved in an unfavourable manner, could give rise to liabilities that cannot yet be quantified at the end of the aforementioned years.

As a result of overflying aircraft in the settlement named Ciudad Santo Domingo (Algete, Madrid), some inhabitants of this area consider that their fundamental rights have been violated due to excessive noise levels in their homes. The residents have filed a judicial appeal (109/2004) against Aena and the Ministry of Public Works, demanding that the use of runway 18R (one of four at Adolfo Suárez Madrid-Barajas Airport) should be halted. Up to now, the Supreme Court has not agreed to this measure.

On 31 January 2006, the High Court of Justice in Madrid (TSJ) issued a judgement rejecting the aforementioned judicial appeal. The ruling was appealed by five of the initial appellants, and the Supreme Court partially upheld the appeal in a ruling of 13 October 2008 on the grounds of violation of the right to privacy at home.

Subsequently, there have been various pronouncements and motions for enforcement that have been appealed by both parties to the proceedings.

Under the scope of a third motion for enforcement, the High Court of Justice in Madrid (TSJ) issued an Order of 2 December 2014 (the "Order of 2 December 2014"), communicated to ENAIRE and Aena, S.A. on 5 December 2014, in which (i) it declares that the judgement of the Supreme Court of 13 October 2008 has not been executed, as it concludes that the breach to the fundamental rights as a result of the distress caused by flyovers still remains; and (ii) it orders, via an enforcement writ, a 30% reduction in the number of flights flying over the area of Ciudad Santo Domingo, a percentage calculated on the basis of the number of flyovers in 2004, which amounted to 20,730 approaches to runway 18R.

With respect to this measure, the TSJ clarified the following:

- The 30% reduction in the number of overflights must begin within a period not exceeding two months following the notification of the decree of 2 December 2014, and imposing the obligation to inform the court of the start date. The deadline expired on 5 February 2015.

- Six months after the start of the reduction, ENAIRE, Aena, SA and the Ministry of Public Works are required to inform the court within a period of one month of the impact of the measure on noise levels in the area. In this same one-month period the appellants are required to furnish their own corresponding arguments and measurements in this respect.

The Order of 2 December 2014 has also been the subject of an appeal for reversal before the same chamber of the TSJ. Along with the presentation of this appeal, the suspension of the Order of 2 December 2014 has also been requested. In its ruling of 18 December 2014, the Spanish High Court of Justice (TSJ) granted this suspension, so that currently, the Adolfo Suárez Madrid-Barajas Airport is able to continue operating as it had done until then, without the need to begin reducing the number of flights over Ciudad Santo Domingo to 30% fewer than those that took place in 2004. On 9 April 2015, the TSJ of Madrid rejected all reversal appeals against the order of 2 December 2014; on 27 April 2015, Aena and ENAIRE lodged the preparation of the appeal and on 15 June received notice of right of appeal and the deadline to formalise the same. In July of 2015 that appeal was formalised.

The Company is analysing the measures to be taken to mitigate the possible economic impact of a potential unfavourable ruling.

If the outcome of this claims process is unfavourable, this could give rise to liabilities at the close of this period that cannot be quantified.

Expropriations

The Company is also involved in proceedings relating to claims involving expropriations that have taken place and which at the end of 2015 and 2014 could not be quantified since a court decision is yet to be reached and which could give rise to additional cash outflows for expropriations, although the directors do not anticipate that a decision that is contrary to the interests of the Group is likely.

Commercial activities

At the end of the financial year, the Group is involved in legal disputes with certain hospitality and catering companies with concessions in airports within the Aena network, which are either pending final decisions or suspended pending a potential agreement between the parties.

Construction company claims

In addition to the above, at the end of 2015 and 2014, there are claims that have been filed against the Company by several construction companies, deriving from the execution of various construction contracts relating to the airport network. The Group's Management does not consider that such claims will give rise to financial penalties against it. The directors consider that a decision that is contrary to the interests of the Group is unlikely.

Claims against local councils

At the end of 2015 the Company was involved in legal disputes with local councils for discrepancies in the settlement of fees for trade concessions related to the exclusive use of public property.

Reus airport

The Supreme Court issued a judgment in February 2010 under which the reversion of certain land at Reus Airport was agreed. 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, the Group's Management believes that any compensation payable 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 financial year 2012. The aviation industry called for the intervention of the Community body due to price increases in 2012 and after the 2013 Increase, in addition to pressing for the creation of an independent body for the supervision of air transport. In the year 2013 the National Commission on Financial Markets and Competition (CNMC), which is an independent body was created. Until its operation In October 2013, the supervision of the proposed 2014 rates was attributed to temporary Committee and Airport Railway Regulation (CRFA) acting in the exercise of their work impartially and transparently. The consultation process for the 2014 fees proposal ended with a multi-year agreement on fees for the period 2014-2018. Following the agreement being reached with the airline companies, the said companies have suggested to their associates that the claims should be withdrawn. Currently, 76% of companies have introduced withdrawals.

Additionally:

- 108 notifications were received from the Central Economic-Administrative Tribunal, withdrawing all of the corresponding economic-administrative claims submitted by several companies

- As of 31 December 2015, various airlines have filed 38 administrative appeals in the National High Court against the withdrawing decisions of the administrative appeals filed by these companies before the Central Administrative-Economic Court.

The Company's management does not consider economic consequences may arise against it.

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 rulings being unfavourable to the Group, employees could receive payment for salary differences between the amount received from the concessionaire and the amount that would have been received in accordance with the Company's Collective Wage Agreement (as the salaries set out in this Agreement are higher), and/or payment of severance compensation for unfair dismissal, if the dismissals were to be declared unfair, and if the employees chose not to be reemployed.

In addition, there have been other dismissals of employees by the Company which, if there is an unfavourable ruling against the Company, would involve reemploying the employees or paying them the relevant compensation for unfair dismissal and, in any event, payment of the relevant salary amounts accrued during the process.

Furthermore, 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 reemployed and the salary amounts they did not receive must be paid up until the time that they are reemployed.

In addition, there are challenges against (internal and external) hiring procedures, the composition of reserve candidate pools and the right to conclude contracts, that started in 2014 and prior years, which may lead to the claimants being awarded positions or the entitlement to conclude contracts. If the courts allow the claims, positions must be awarded to the claimants and the salaries or the salary differences that have arisen must be paid.

The Company is involved in several business liability administrative procedures (which in some cases have resulted in legal proceedings) that establish its liability for social security surcharges relating to occupational accidents.

It is not considered that any of these employment disputes would be significant, either in terms of the amount claimed or in terms of the low probability that Aena, S.A. would ultimately have to bear any financial consequence. When assessing the likelihood of success of these cases, an individual analysis of their content and legal basis is carried out and, based upon experience drawn from previous similar disputes and existing case law in this area, it is not considered likely that the Group will have to assume liability in these matters.

Other claims by airlines

The Company is involved in claims and disputes over specific incidents that have generated damage to aircraft at airports within the network. As at 31 December 2015, the Management of the Parent Group considers that these would not be significant.

Government of the Canary Islands

The government of the Canary Islands lodged administrative appeal nº 2/05/2015 with the Administrative Litigation Chamber of the Supreme Court against the Council of Ministers' agreement of 11 July 2014, extended by the Council of Ministers' agreement of 23 January 2015, on the authorisation granted to ENAIRE to initiate the sale of up to 49% of the share capital in AENA. In the extension of this administrative appeal, the Government of the Canary Islands sought interim measures to exclude airports of general interest situated in the Canary Islands from the fixed assets making up the assets of Aena and to include information relating to the lodging of the appeal in Aena S.A.'s IPO prospectus, precautionary measure dismissed by the Supreme Court.

ENAIRE considered that there was no legal basis for this request for interim measures and that if the claim of the Government of the Canary Islands was successful, this should in no way affect AENA's ownership or management of the relevant airports (the remit for which is reserved for the State).

Last 19 January 2016, the vote and decision were made, awaiting the decision of the Court (see Note 35).

Contingent assets – Fee shortfall

In September 2012, the Directorate General for Civil Aviation (DGAC) supervised the proposal to update and modify fees for 2013 that was presented by Aena, S.A., and applied, for the first time, the new regulatory framework deriving from Directive 2009/12/EC of 11 March 2009 on airport charges. This framework consists mainly of Law 21/2003 of 7 July on Air Security (Law 21/2003), in accordance with the wording provided by Law 1/2011 of 4 March, which establishes the State Operational Security Program for Civil Aviation and amends Law 21/2003 of 7 July on Air Security, and furthermore Royal Decree Law 11/2011 of 26 August, which creates the Airport Economic Regulatory Commission, and regulates its composition and duties, and Law 3/2013 of 4 June, which creates the National Commission on Financial Markets and Competition (CNMC).

According to the Oversight Report on Aena, S.A.'s fee modification proposal for 2014, issued by the Railway and Airport Regulatory Committee (CRFA) on 12 September 2013, the fees shortfall for 2013 remained the same at €298 million (which corresponds to the shortfall agreed by the DGAC, adjusted for inflation using the real consumer price index).

Furthermore, in the above-mentioned Oversight Report on Aena, S.A.'s fee modification proposal for 2014, the CRFA verified that the modified fees for 2014 set out a shortfall adjustment for 2014 of €286,8 million. That report also stated that, once the CPI was published in October 2013, the value of the deficit in 2014 should be updated, finally reaching an amount of 312,0 million euros.
The same applies for the consultation process of the tariffs for 2015, the tariff deficit forecast by Aena amounted to 45.6 million euros, thus, capitalised tariff deficit for 2014-2016 amounted to 555,3 million euros.

The fees shortfall declared by the CNMC for 2013 in the Resolution approving Aena, S.A.'s fee modification proposal for 2015 and setting out the measures that should be adopted in future consultation processes, amounts to €179,33 million. The resolution of the CNMC adopting the proposed tariff amendment is approved by Aena S.A. for 2016 and the measures to be taken in future consultation procedures dated 23 July 2015 are set. On this vein, it is established that Aena will fully compensate in 2016 the deficit corresponding to financial year 2013 which, capitalised, amounted to 199.2 million.

Against the decision of the CNMV of 23 July adopting Aena, S.A.'s fee modification proposal for 2016 and setting out the measures that should be adopted in future consultation processes, Aena S.A. lodged an administrative appeal.

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

24 Grants

The breakdown and movements for this heading at 31 December 2014 and 2015 are as follows (thousand euros):

Capital grants from official European bodies	**2015**	**2014**
1 January	**650,160**	**669,351**
Additions	6,018	27,539
Amount attributed to the Income statement	(45,928)	(46,730)
31 December	**610,250**	**650,160**

At the end of 2015, the Group understands that it has complied with all requirements necessary to receive and enjoy the above grants.

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

25 Commitments

(a) Environmental commitments

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

As at 31 December 2015, property, plant and equipment includes environmental investments amounting to 538,200 thousand euros, the accumulated depreciation of which totalled 197,900 thousand euros (2014: environmental investments amounting to 529,500 thousand euros, the accumulated depreciation of which totalled 181,500 thousand euros).

The fixed asset additions for the 2015 financial year amounted to 26,058 thousand euros (2014: 28,488 thousand euros), broken down as follows:

	2015	**2014**
Málaga	114	559
Valencia	824	3,110
Menorca	4	70
Madrid/Barajas	10,511	4,364
Barcelona	-	742
Girona	-	274
Alicante	1,887	2,885
Tenerife Norte	7,457	1,931
Palma Mallorca	1,439	2,854
Bilbao	513	1,220
Santiago	40	15
Gran Canaria	834	1,185
Ibiza	1,723	1,862
Pamplona	1	9
A Coruña	253	6,599
Other airports	458	809
Total	**26,058**	**28,488**

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

	2015	2014
Repairs and maintenance	7,534	7,344
Independent professional services	1,421	1,154
Other external services	2,994	3,326
Total	**11,949**	**11,824**

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

With respect to the Barajas Plan and based on the specifications of the resolutions dated 10 April 1996 issued by the Directorate General for Environmental Information and Evaluation, and 30 November 2001 by the General Secretariat for the Environment, the Company is soundproofing a number of homes surrounding Adolfo Suárez Madrid-Barajas Airport, which involved 12,828 homes as at 31 December 2015 (2014: 12,820 homes).

In accordance with the Environmental Impact Statements relating to the projects to expand Alicante-Elche and Malaga-Costa del Sol airports, the Company is executing the Soundproofing Plans associated with those declarations, which involved the soundproofing of 2,087 homes in Alicante-Elche and 810 homes in Malaga-Costa del Sol at the end of 2015 (2014: 1,936 homes in Alicante-Elche and 810 in Malaga-Costa del Sol).

In addition, work to soundproof homes located in the areas surrounding the airports in Gran Canaria, La Palma, Menorca, Palma de Mallorca, Tenerife Norte, Valencia, Bilbao, Ibiza, Pamplona, Barcelona, Sabadell, Santiago de Compostela, Vigo, La Coruña and Melilla, was started in 2007 and is ongoing as at the end of 2015.

In addition, in accordance with the resolutions issued by the Ministry of the Environment under which Environmental Impact Statements are prepared for the Group's airports, measures are being taken to prevent, correct and compensate for matters indicated in the above-mentioned environmental impact studies and in the Environmental Impact Statements, in accordance with a series of conditions relating mainly to the protection of the hydrological and hydrogeological system, the protection and preservation of soil, the protection of air quality, acoustic protection, the protection of vegetation, fauna and natural habitats, the protection of cultural heritage, the restoration of services and livestock trails, and the location of quarry dump sites, landfill and auxiliary installations.

(b) Commitments to acquire fixed assets

At 31 December 2015, outstanding investments amount to approximately 303.6 million euros (2014: 265.3 million euros), which include allocated investments pending formalisation by contract and confirmed investments awaiting execution.

(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 euros):

Asset	Location	Maturity date	Annual rent excluding VAT	Remarks
Piovera building(1)	Madrid	31/01/2019	3,454	Rent may be reviewed in accordance with the contractual terms

(1) Until 30 April 2014, the Company had a general services agreement with ENAIRE, under which Aena assumes the total amount of the annual rent and charges ENAIRE the costs that relate to it. As of 1 May 2014, Aena signed a contract with the ownership and assumes payment of the rent.

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

	2015	2014
Less than 1 year	3,595	3,454
Between 1 and 5 years	7,925	8,611
Total	**11,520**	**12,065**

There are no total future minimum payments for periods longer than five years.

(Thousand euros unless otherwise indicated)

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

The Company Aena, S.A. leases several shops and warehouses under irrevocable operating leases. These contracts are for terms ranging between five and ten years, and are mostly renewable on expiry under market conditions. Over the next five years, the minimum total fees to be received under irrevocable operating leases are as follows:

	2015	2014
Less than 1 year	503,700	511,500
Between 1 and 5 years	1,784,000	1,902,800
More than 5 years	53,500	453,100
Total	**2,341,200**	**2,867,400**

26 Other net (losses)/profits

	2015	2014
Other losses	(1,101)	(1,715)
Other earnings	6,614	3,242
Total Other net (losses) / profits	**5,513**	**1,527**

The amount of "Other profits" for financial years 2015 and 2014 includes mainly seizures of guarantees and bonds, as well as late payment penalties and surcharges; losses include mainly compensation payments and provision for contingencies.

27 Employee benefit expenses

	2015	2014
Wages and salaries, including severance compensation	282,567	252,475
Voluntary Separation Plan (Note 23)	(24,211)	(1,230)
Social Security expenses	84,601	81,350
Pension costs (Note 22)	4,309	902
Retirement and long-service bonus costs (Note 22)	33	1,598
Other welfare expenses:	16,612	13,416
	363,911	**348,511**

As a result of the full consolidation of LLAH III, the heading "Employee benefit expenses" for 2015 includes an amount of 40,428 thousand euros compared to the 11,431 thousand from this investee, for the period during the financial year 2014 from the date of takeover.

Furthermore, the heading "Wages, salaries and allowances" includes, pursuant to the provisions of LPGE 2016 (General State Budget Law), an estimate amounting to 7.8 million euros, the extra salary for 2012 which each employee of the parent company failed to receive pursuant to Article 2 of Royal Decree-law 20/2012.

(Thousand euros unless otherwise indicated)

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:

	31/12/2015(*)			31/12/2014(*)		
Professional Category	Male	Female	Total	Male	Female	Total
Senior management	8	2	10	20	4	24
Executives and graduates	837	610	1,447	813	592	1,405
Coordinators	811	285	1,096	844	294	1,138
Technicians	2,920	1,431	4,351	2,916	1,411	4,327
Support personnel	529	449	978	497	429	926
Total	5,105	2,777	7,882	5,090	2,730	7,820

(*)The above figures include temporary employees, a total of 756 at the end of 2015 (2014: 1,283).

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

Professional Category	2015(*)	2014(*)
Senior management	9	22
Executives and graduates	1,442	1,381
Coordinators	1,114	1,141
Technicians	4,339	4,368
Support personnel	1,036	944
Total	7,940	7,856

(*)The above figures include temporary employees, a total of 707 at the end of 2015 (2014: 1.347).

At the close of 2015 and at the date of preparation of the accounts, the Board of Directors of the Company was made up of 11 men and 4 women (2014: 9 men and 3 women).

At 31 December 2015, an average of 115 employees were disabled (2014: 116).

Finally, with less economic impact, 2015 is included in the Wages section, for those Parent Company Senior Management members who served during 2012, the credit corresponding to the recovery of 50.27% of the fourteenth of total annual remuneration, which was discounted as equivalent to the extra salary of December 2012, suspended the application of Royal Decree Law 20/2012 of 13 July.

28 Other operating income

The breakdown of the heading "Other operating expenses" in 2015 and 2014 is as follows:

	2015	2014
Sundry and other operating revenues	7,046	7,522
Operating grants taken to income	1,430	611
Other operating income	**8,476**	**8,133**

(Thousand euros unless otherwise indicated)

29 Other operating expenses

The breakdown of the heading "Other operating expenses" in 2015 and 2014 is as follows:

	2015	2014
Rent and royalties	6,083	3,484
Repairs and maintenance	252,643	237,891
Independent professional services	34,412	28,519
Bank services	1,430	1,751
Public relations	5,865	3,836
Utilities	102,982	101,459
Other services	137,043	132,442
Security	127,583	105,321
Taxes	153,084	144,698
Losses, impairment and changes in provisions for commercial transactions (Note 13)	3,361	(8,117)
Other ordinary expenses	47,720	9,745
Other operating expenses	**872,206**	**761,029**

As a result of the full consolidation of LLAH III, the heading "Other operating expenses" for 2015 includes an amount of 94,442 thousand euros compared to the 17,594 thousand from this investee, for the period during the financial year 2014 from the date of takeover.

The increase in the "Other ordinary expenses" heading is mainly due to the incorporation to the group of LLAH III (45,793 thousand euros in 2015, while 7,097 thousand euros in 2014 for the period during that year since takeover). This item shows, mainly, the administrative concession of LLAH III royalty (see note 7), for an amount of 45,447 thousand euros (2014: 4,345 thousand euros)

The heading "Repairs and maintenance" includes mainly the maintenance of the ABHS system (automatic baggage handling system). Utilities relates mainly to lighting, water and telephone costs. "Other services" relate mainly to car park management services, the cost of services to assist passengers with limited mobility and public information services.

The increase in the Security heading is worth mentioning, mostly because of the inspection rules on hand luggage running since March 2015.

Balance collected in Taxes mainly corresponds to the amounts paid in local taxes, mainly in property tax (IBI) and tax on commercial and professional activities (IAE).

(Thousand euros unless otherwise indicated)

30 Financial income and expenses

The breakdown of the heading "Net financial expense" in 2015 and 2014 is as follows:

	2015	2014
Financial expense:		
Financial expense on amounts owed to third parties	(41,558)	(199,029)
Financial expenses on loans from ENAIRE	(167,698)	(208,212)
Update of provisions (Note 23)	(1,162)	(4,358)
Lower: financial expenses capitalised for qualifying assets (Notes 6 and 7)	2,920	5,707
Total financial expense	**(207,498)**	**(405,892)**

	2015	2014
Financial income:		
Financial income from equity instrument holdings (Note 33)	250	250
Other financial income	3,842	3,968
Total finance income	**4,092**	**4,218**

	2015	2014
Other net financial income/(expense)		
Net exchange differences	2,920	3,178
Impairment of financial assets held for sale (Note 11)	97	(85)
Capital gain calculated at a reasonable value for the prior holding of 40% in LLAH III (Note 2.2)	-	12,416
Gains/(Losses) on interest rate derivatives: cash flow hedging (Note 12)	(25,203)	(4,922)
Total other net financial income/(expense)	**(22,186)**	**10,587**
Net financial expenses	**(225,592)**	**(391,087)**

The most significant amounts in financial years 2015 and 2014 relate to financial expenses were in relation to the debt with ENAIRE.

The decrease in heading "Financial expenses on amounts owed to third parties" is mainly due to the fact that in 2015 the Group recorded an amount of 9,922 thousand euros (191,119 thousand euros in 2014) for interest on arrears relating to disputed expropriations, provision for which is explained in Note 23. In addition, as a result of the full consolidation of LLAH III, for 2014 this heading includes 5,521 thousand euros against 20,487 thousand euros for the financial year 2015.

The decrease in "Financial expenses on loans from ENAIRE" is due to the fact that during 2015 the average debt has declined, the average rate has dropped due to lower benchmark rates in Euribor 3m and 6m, and due to the revision policy on interest rates on EIB loans taking place.

Another consequence of this full consolidation is that, under "Other net financial income/(expenses)" there are 12,416 thousand euros in capital gains as a reasonable valuation of the previous 40% holding, and 2,199 thousand euros in positive exchange difference, for application as a result of the conversion difference in operation at the time (see Note 2.2).

The Group records the provisions for financial adjustments under the heading "Update of provisions" as a result of the modification of the provisions concerned.

(Thousand euros unless otherwise indicated)

31 Income tax

	2015	2014
Current tax:		
Current tax on income for the year	(277,319)	(215,180)
Valuation adjustments Law 27/2014 against profit/loss (Note 21)	19,367	(19,001)
England Exchange rate (Note 21)	10,578	-
Adjustments with respect to prior years and other	224	1,366
Total current taxes	**(247,150)**	**(232,815)**
Deferred tax (Note 21)	(2,112)	36,072
Generated deductions	39,469	-
Income tax	**(209,793)**	**(196,743)**

The item "Adjustments with respect to prior years and other" corresponds mainly to the regularisation between the estimates made at the end of the year and the presentation of the corporate income tax return.

The main permanent differences of the year relate mainly to non-deductible expenses and a reduction in Taxable Income derived from capitalisation reserve adjustment established in Article 25 of Law 27/2014 on Corporate Tax. The main temporary differences relate to the difference between tax depreciation and book depreciation, provision for insolvency and contingencies and staffing costs.

The standard rate of corporation tax for the financial year 2015 is 28%. Law 27/2014 of 27 November on Corporation Tax, which entered into force on 1 January 2015, provides that the standard rate for those subject to this tax will be 28% in 2015 and 25% from 2016.

In 2015, as a result of this reduction in the standard rate of tax and other amendments included in Law 27/2014 of 27 November, deferred tax assets and liabilities were reassessed according to their estimated reversion period, with the following effects:

- Decreased expenses under the heading "Income tax expenses" in the financial statement for the amount of 19,367 thousand euros which was credited, increasing them, to assets for temporary differences (heading "Deferred tax assets" under Non-current assets in the balance sheet). Of this amount, 21,944 thousand euros correspond to the credit amount activated by differences in tax depreciation and book depreciation non-deductible by temporary measures at 30%, resulting from the deduction provided for in the transitory provision of Law 27/2014, of which 934 thousand euros have been used in 2015 (see table of deductions Note 21).

- A charge in "Hedging transactions" under net equity to the amount of 2,115 thousand euros to reduce "deferred tax assets" in respect of items previously paid under the aforementioned heading in net equity (Note 18.e).

- A charge in "Actuarial gains and losses" under net Equity to the amount of 2 thousand euros, to reduce "deferred tax assets" in respect of items previously paid under the aforementioned heading in net equity.

In 2014, the impact of such Law 27/2014 was as follows:

- Increased expenses under the heading "Income tax expenses" in the financial statement for the amount of €18,736 thousand, €15,481 thousand of which was credited to reduce assets for temporary differences (heading "Deferred tax assets" under Non-current assets in the balance sheet), and the remaining €3,255 thousand was credited to reduce tax credits for tax-loss carry-forwards in respect of ENAIRE (heading "Loans to Group companies and associated" of the current balance assets).

- A charge in "Hedging transactions" under Equity to the amount of €185 thousand, to reduce "deferred tax assets" in respect of items previously paid under the aforementioned heading in net Equity.

Moreover, as a result of a future increase in tax rates in England, we have proceeded to reassess assets and deferred tax liabilities based on their estimated reversal period in the investee LLAH III, recording the following impacts:

(Thousand euros unless otherwise indicated)

- Decreased expenses under the heading "Income tax expenses" in the financial statement for the amount of 10,578 thousand euros which was credited, decreasing them, to liabilities for temporary differences (heading "Deferred tax assets" under Non-current liabilities in the balance sheet) an amount of 10,768 thousand euros, and on the other, decreasing them due to temporary differences assets (under "deferred tax assets" Non-current assets in the balance sheet) an amount of 190 thousand euros (see Note 21).

- A decrease under the "Deferred Tax Assets" heading for an amount of 600 thousand euros, with counterpart in net equity (Note 21).

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:

	2015	2014
Profit/loss before tax	**1,040,578**	**672,440**
Tax calculated at standard national applicable rate	(291,362)	(201,732)
- Tax effects of:		
- Profits from associates, net of taxes	3,923	3,515
- Revenues not subject to taxation	-	7,211
- Effect minus rate applicable to LLAH III	(1,421)	(862)
- Non-deductible expenses for tax purposes	(431)	(1,298)
- Capitalisation reserve	9,787	-
- Capital gain calculated at a reasonable value for the prior 40% in LLAH III	-	4,385
-Valuation adjustments Law 27/2014	19,367	(19,001)
- Utilisation of tax deductions not previously recognised	39,469	-
- Tax credits deductions recorded in the year with the tax group	-	14,875
- Adjustment England rate (Note 21)	10,578	-
- Adjustments of prior years	1,950	(3,836)
- Negative tax adjustment	(1,725)	-
- Other	72	-
Tax expense	**(209,793)**	**(196,743)**

The applicable tax rate before tax credits and deductions and activation tax losses stood at 28% (2014: 30%), except for the results relating to the investee LLAH III, upon which tax is paid at the rate of 20.25% (2014: 21.5%).

(Thousand euros unless otherwise indicated)

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

	2015			2014		
	Before taxes	**Tax (charge)/credit**	**After taxes**	**Before taxes**	**Tax (charge)/credit**	**After taxes**
Cash flow hedges	(65,915)	16,316	(49,599)	(3,880)	1,164	(2,716)
Actuarial gains and losses	8,482	(2,057)	6,425	(6,530)	1,265	(5,265)
Share in other comprehensive income of associates	-	-	-	-	-	668
Other overall profit/(loss):	(57,433)	**14,259**	(43,174)	**(10,410)**	**2,429**	(7,313)
Current income tax						
Deferred tax (Note 21)	-	14,259	-	-	2,429	-
	(57,443)	**14,259**	(43,174)	**(10,410)**	**2,429**	(7,313)

Other issues

In accordance with the tax regulations in force (art. 59.2 of Law 27/2014 on Corporation Tax), and with effect from 1 January 2015, Aena S.A. and its subsidiaries withdrew from the tax consolidation group headed by ENAIRE.

On the occasion of such termination, at 1 January 2015, the AENA Tax Group to which they belonged, together with ENAIRE, as subsidiaries AENA and AENA International Development, and according to the will expressed by the Boards of both companies, at 7 April 2015 Aena informed the Tax Office on the application to the tax consolidation system of companies AENA S.A. and Aena Desarrollo Internacional S.A.U. (see Note 21).

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. The Company has decided not to update its 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 until four years have elapsed since filing. At 31 December 2015, inspection is open for all taxes between 31 May 2012 and 31 December 2015.

Inspection is open for the following taxes of the Public Business Entity "ENAIRE", the head of the former tax group: Corporate Tax: financial years 2011-2015; Personal Income Tax: financial years 2012-2015; Value Added Tax: financial years 2012-2015; Canary Islands General Indirect Tax: financial years 2012-2015 and Tax on Production, Services and Imports: financial years 2012-2015.

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

The verification and inspection proceedings in relation to VAT for the financial year 2013, which had begun on 19 March 2014 in Aena S.A., were completed on 25 July 2014, with a favourable conclusion for the entity and it was estimated that, at the end of 2013, the amount to be returned by the State to Aena S.A. amounted to €31,648 thousand, this being the share outstanding at December 2013, included in the balance sheet. This amount was recovered in full on 28 August 2014.

32 Earnings per share

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

	31 December 2015	31 December 2014
Net profit for the year (thousand euros)	833,537	478,618
Weighted average number of ordinary shares	150,000,000	150,000,000
Basic earnings per share (euro per share)	5.56	3.19

Diluted earnings per share are calculated by dividing the results for the year by the average weighted number of outstanding ordinary shares during the year, taking into account the diluting effects inherent in ordinary shares potentially outstanding during the year. At 31 December 2014 and 2015 there were no diluting factors that modify the amount of the basic earnings per share and therefore the figures are the same as those for diluted earnings per share.

33 Transactions with related parties

The Group is controlled by the Public Business Entity "ENAIRE", holding 51% in Aena, S.A.'s share capital.

All transactions with related parties are conducted at market values. In addition, transfer prices are appropriately supported, and therefore the Directors of the Group do not consider that any significant risks that could give rise to material liabilities in the future exist in this connection.

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

(a) Sales of goods and services

	2015	2014
Rendering of services:		
–Parent Company	**2,479**	**5,436**
–ENAIRE	2,479	5,436
–Associated companies	**5,744**	**4,393**
–SACSA	594	575
–AMP	4,721	3,458
–AEROCALI	429	360
–Related companies	**108**	**16**
–INECO	108	16
Total	**8,331**	**9,845**

(b) Purchases of goods and services

	2015	2014
Services received:		
–Parent Company	**146,561**	**157,757**
–ENAIRE	146,561	157,757
–Related companies	**12,833**	**12,044**
–INECO	12,833	12,044
Total	**159,394**	**169,801**
Acquisition of assets		
–Related companies	**6,371**	**5,765**
–INECO	6,371	5,765
Total	**6,371**	**5,765**
Purchase of spare parts (inventories)		

(Thousand euros unless otherwise indicated)

–Parent company (See Note 14)	-	2,222
–ENAIRE	-	2,222
Total	-	**2,222**

The amount for the service provided to Enaire, 146,561 thousand euros, belongs mainly to services received from airport traffic control.In this respect, 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 (ATM and CNS services; see section f of this Note). The cost of these services Is recognised under the heading "Raw materials and consumables" in the attached consolidated profit and loss account.

(c) Income from shareholdings in related companies

	2015	2014
–Related companies (Note 30)	250	250
– ESSP SAS	250	250
Total	**250**	**250**

(d) Key management personnel compensation

See Note 34. Other information

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

	2015	2014
Receivables from related parties (Note 13):		
–Associated	**2,374**	**2,034**
–SACSA	125	197
–AMP	2.221	1.818
–AEROCALI	28	19
–Related Companies	**3**	-
–Related	3	-
–Parent Company	494	769
–ENAIRE	494	769
Total receivables from related parties	**2,871**	**2,803**
Payables to related parties (Note 19)		
–Related	**7,031**	**3,753**
– INECO	7,031	3,753
–Parent Company	27,487	31,363
–ENAIRE	27,487	31,363
Total payables to related parties	**34,518**	**35,116**

Receivables from related parties derive mainly from the purchase and sale of services. Receivables from the Parent Company that arise from corporate income tax filed under the tax consolidation system until the tax group break are Included in "Other receivables from related parties", together with the balance of tax deductions recognised (see Note 13). The receivables are not secured due to their nature and do not accrue interest. There is no provision for receivables from related parties.

Payables to related parties derive mainly from the acquisition of fixed assets and receipt of the ATM and CNS services referred to in section a). The above balances are included under the heading "Payables to related parties" (see Note 19). Payables do not accrue any Interest.

(Thousand euros unless otherwise indicated)

(f) *Loans and derivatives with related parties*

	At 31 December	
	2015	2014
Non-current		
Loan to Aena S.A. from ENAIRE	8,318,422	9,468,910
Adjustment of the loan from the Company using the effective cost criteria.	(8,821)	(12,520)
Sub-total of loans from related parties (Note 20)	**8,309,601**	**9,456,390**
Non-current hedge derivatives attributed by the Company	151	1,636
Subtotal of Aena S.A.'s non-current borrowings in respect of ENAIRE	**8,309,752**	**9,458,026**
Current		
Loan from ENAIRE	1,125,488	1,055,128
Others	(1,710)	(1,466)
Interest accrued on loans from the Company	26,453	48,347
Sub-total of loans from related parties (Note 20)	**1,150,231**	**1,102,009**
Current hedge derivatives attributed by ENAIRE	1,535	5,172
Subtotal of Aena S.A.'s current borrowings in respect of ENAIRE	**1,151,766**	**1,107,181**
	9,461,518	**10,565,207**

The fair values of the loans from the Company (Public Business Entity "ENAIRE") are broken down in Note 20.

80% of loans and credit facilities are formalised (2014: 52%) bear revisable fixed interest rates ranging between 0.29% and 4.88% (in 2014 they ranged between 0.98% and 4.88%) per year and the remaining percentage bears variable rates, generally indexed to the Euribor 3- and 6-month rates.

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

	At 31 December	
	2015	2014
Variable rate debt with ENAIRE:		
Less than 6 months	1,964,242	5,036,011
Revisable Fixed Rate debt with ENAIRE:		
Less than 6 months	531,890	1,371,938
6 months to 1 year	360,989	1,161,418
1 – 5 years	580,777	1,644,219
	3,437,898	**9,213,586**
Fixed Rate debt with ENAIRE:	6,006,012	1,310,452
	9,443,910	**10,524,038**
Debt with ENAIRE Interest Accrued:		
	26,453	48,347
Debt with ENAIRE Commission:	(10,530)	(13,986)
TOTAL	**9,459,833**	**10,558,399**

As a result of the non-monetary contribution described in Note 1, the Company and ENAIRE 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 ENAIRE to Aena, S.A. In this agreement between both parties, the initial debt and future debt cancellation conditions are recognised, 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 financial lending institutions, but it also recognises that

Aena, S.A. is obliged to pay the percentage of the active balance of the debt 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" is required to pay to the financial institutions, in accordance with the financial conditions and the other terms and stipulations established in the Financing Agreements.

On 29 July 2014 the Public Business Entity "ENAIRE", Aena S.A. and the respective financial institutions agreed a novation amending but not extinguishing the corresponding financial agreements.

The re-wording of the new financing agreements supersedes entirely, and to all legal effects, the original contracts and their novations, in order to, amongst other amendments, eliminate any contractual restriction that may affect the privatisation process and to include Aena S.A. as jointly liable together with the Public Business Entity "ENAIRE" under the various Financing Contracts and to make all the adjustments to these financing contracts that may be necessary for this purpose (see Note 3.1).

In respect of the reasons for declaring early maturity, Aena does not breach any of the conditions for early maturity and this will not affect the Company's balance sheet at 31 December 2015 and 31 December 2014.

The heading "Non-current borrowings" records 8,318,422 thousand euros (2014: 9,468,910 thousand euros) as loans payable to the group for the financing of airports with an established repayment schedule. Similarly, the heading "Current borrowings" records 1,125,488 thousand euros (2014: 1,055,128 thousand euros) as current loans payable to the group for the financing of airports with an established repayment schedule, as well as 26,453 thousand euros (2014: 48,347 thousand euros) for interest accrued on loans from the Parent Company.

(g) *Contracts with related parties*

The contracts in force between Public Business Entity "ENAIRE" and Aena S.A. in 2015 and 2014 are set out below; these contracts are subject to annual renewal:

Financial year 2015:

- ATM (Air Traffic Management) and CNS (Communication, Navigation Surveillance) Agreement.

Financial year 2014:

- Agreement to render airport planning services and territorial Integration.
- Agreement to render services: Financial-administrative, quality management, contracting management, infrastructure management, management of personal data protection measures, environmental area, administrative-financial processes, promotion and support for excellence, organisation and human resources, general services and I.C.T. services.
- Cash pooling service procedures.
- Commitment to supply services associated with strategic and structural processes/activities of the Public Business Entity ENAIRE and Aena S.A.
- Airport facility use agreement
- ATM (Air Traffic Management) and CNS (Communication, Navigation Surveillance) Agreement.
- Agreement for the provision of air navigation services.
- Appendix on Financial Aspects of Service Provision Agreements.

In implementing the decision to effectively and definitively finalise the process of segregating the organisational structures of each of the businesses, so that they operate independently, the Group has reversed these contracts as part of the privatisation process, with the exception of the ATM (Air Traffic Management) and CNS (Communication, Navigation Surveillance) Agreement, which will remain in force for subsequent years. The "Cash pooling service procedures" contract was already invalid with effect from the first half of 2014.

In addition, the following contract with the related party INECO is also in existence, which is also subject to annual renewal:

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

34 Other information

Audit fees

The audit fees accrued or contracted during 2015 and 2014 by PricewaterhouseCoopers Auditores, S.L. (PwC) for audit and other verification services are set out below:

Item	2015	2014
Audit services	65	98
Other attest services	34	20
Other services	162	238
Total	**261**	**356**

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

The fees accrued in 2015 and 2014 by other audit firms for audit and other services are indicated below (thousand euros):

Item	2015	2014
Audit services	126	270
Other attest services	-	610
Other services	157	-
Total	**283**	**880**

Compensation for Senior Management and Directors

Compensation received in 2015 and 2014 by the Senior Management and Directors of the Parent Company, classified by item, was as follows (thousand euros):

	2015			2014		
Item	Senior management	Board of Directors	Total	Senior management	Board of Directors	Total
Salaries	1,190	-	1,190	842	-	842
Per Diems	26	131	157	23	121	144
Insurance premiums	6	-	6	5	-	5
Total	1,222	131	1,353	870	121	991

The compensation received during 2015 correspond to those perceived by Aena, S.A. for 9 senior management positions and for the Chairman-CEO.

The difference in salaries between the periods under review does not relate to any salary increases, but corresponds only to the organisational affiliation of the members of the senior management Group: 4 of them have always been attached to Aena, S.A. (formerly Aena Aeropuertos) and 6 were organisationally affiliated to ENAIRE until July 2014, providing services for the whole Group and their salaries, together with those of the Group's Chairman, were paid directly by the Parent Company and invoiced proportionately to Aena S.A. under a service agreement (2014: 291 thousand euros).

Once the procedural framework for the sale of Aena S.A.'s share capital had been authorised, the functions and organisational structure of ENAIRE and Aena S.A. were fully segregated, and therefore, from July 2014, the Chairman and Chief Executive Officer and 5 Senior Management posts (of the 6 mentioned above), which provided services to the whole group from ENAIRE, were effectively incorporated into Aena S.A., providing services exclusively to the latter.

No prepayments or loans had been granted at the end of 2015 or 2014. In addition, no pension or life insurance commitments have been entered into with respect to former or current Directors.

Directors' conflicts of interest

As part of the duty to avoid any conflicts with the interests of the Company, throughout the year Directors holding positions on the Board of Directors have complied with the obligations set out in article 228 of the re-drafted text of the Corporate Enterprises Act. Similarly, they and those related to them, have refrained from engaging in any conflict of interest situations mentioned in article 229 of that Act, except where the relevant authorisation has been granted.

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

In 2015 and 2014 the members of the Board of Directors did not have any interest in the share capital of companies that directly carry out activities that are the same, similar or supplementary to those forming part of the Company's corporate purpose. In addition, no activities that are the same, similar or complementary to the Company's corporate purpose have been carried out or are currently being carried out by Members on their own behalf or on behalf of third parties.

At 31 December 2015 and 2014 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 within any Company with the same, similar or supplementary corporate purpose as the Company.

35 Events after the balance sheet date

At year-end, there were no facts that affected the consolidated financial statements, or the principle of going concern, or that were useful to consolidated financial statements users, other than those related to the normal business activity of the Group as mentioned below.

On 10 February 2016, the Supreme Court (Administrative Litigation Chamber of the Supreme Court) handed down a ruling, notified on 12 February 2016, by which it dismissed the appeal by the Government of the Canary Islands against the rejection of the request for silence directed to the State Administration to amend the Agreement of the Council of Ministers of 11 July 2014 and against the decision of the Council of Ministers of 23 January 2015 on the disposal of shares of AENA, S.A. through a public offering (IPO) (see Note 23).

On February 9, Circular 2/2016 of the Bank of Spain, to financial institutions, about supervision and solvency, which completes the adaptation of the Spanish legal framework to Directive 2013/36/EU and to Ruling (EU) number 575/2013, which adapts the Spanish legal framework to the requirements of Basilea III, establishes the weight in the lenders balance sheet of the loans Public Sector entities.
Regardless of the fact that in the current solvency status of the Company the potential impact of this Circular in its funding structure is deemed not relevant according to the documentation analyzed, given the recent publication of this Circular, the Company is still completing an in-depth analysis of its application in relation to the borrowing contracts that could be affected, and in particular of the joint borrowers'debt (see Note 20).

Consolidated Directors' Report
Year ended 31 December 2015

AENA, S.A. AND SUBSIDIARIES

CONTENTS

"Aena, S.A." and Subsidiaries
Consolidated director's report 2015

1. KEY HIGHLIGHTS

1.1 Executive summary

Passenger Traffic	• Traffic in 2015 reached 207,4 million passengers, a 5.9% increase with regards to 2014. • The proportion of international and domestic traffic remains stable at a 70/30 ratio, led by an increasing international passenger base (+5.9%) and a recovery of domestic traffic (+6.1%). • Adolfo Suárez Madrid-Barajas airport has shown very strong traffic growth of 11.9% compared to 2014.
Income statement	• Total revenue in 2015 increased to 3,518 million euros (+11.1% compared to 2014), of which commercial revenue (Commercial plus Off-Terminal) accounts for 26.1%. • The ordinary commercial revenue grew by 14.9% compared to 2014, due to the new contracts and the implementation of the new commercial strategy. • EBITDA in 2015 was 2,098 million euros, representing an increase of 12.4% over 2014, and reaching a margin of 59.6% due to the efficiency level achieved despite operational tension. • Losses of airports with negative EBITDA amounted to 42 million euros. • Consolidated net profit stood at 833 million euros (74.2% increase compared to 2014) due to the very positive evolution of the business and financial results. • The Board of Directors proposes the General Shareholders Meeting the distribution of 2.71 euros dividend per share[1].
Financial optimisation	• Cash flow reached 1,629 million euros, a significant increase vs. 2014 (1,346 million euros). — Aena's accounting Net Financial Debt[2] has been reduced to 9,401.7 million euros (including Luton's consolidated debt of 366.1 million euros) vs. 10,733 million euros in 2014. — Reduction of leverage ratio[3], from 5.6x in 2014 to 4.5x in 2015. • CAPEX paid in 2015 totalled 254.6 million euros (including 27.5 million euros in Luton), as airports have exceeding capacity to absorb future traffic growth. The new regulatory framework includes an average annual investment limit of 450 million euros.
Regulatory framework	• With effect from 1 March 2016, regulated business tariffs will be reduced by 1.9% compared to 2015. • On 22 December 2015, the company submitted its DORA proposal to the DGAC, including a tariff freeze for the period 2017-2021. • This proposal is currently under consultation process with airline associations.

(1) Calculated as 50% of the issuer's Net profit (Aena, SA) in 2015.
(2) Accounting net debt calculated as: Financial debt (current and non-current) less Cash and cash equivalents.
(3) Net financial debt / EBITDA ratio calculated according to the criteria defined in the debt novation contracts undertaken with the financial institutions on 29 July 2014.

Note: Except where indicated otherwise, references in this document to "the Aena airports", "the Aena airport network" or similar indications should be understood as referring to the airports and heliports located only in Spain, therefore not including the figures for which Aena SA directly or indirectly manages airports outside of Spain.

1.2 Highlights of the financial year

Aena is the world's first airport operator in terms of passenger volume, which in 2015 reached a total of 207.4 million passengers (+5.9% compared to 2014). It also owns two of the top ten airports in the European Union in terms of passengers: Madrid (5th position in the ranking) and Barcelona (9th position). Aena's extensive airport network (46 airports and 2 heliports in Spain), coupled with their diversity, has enabled the Company to gain ample experience in the management of airports of different types and sizes. In addition, Aena, together with other concessionaire companies, manages airports outside of Spain, with an international presence spanning 15 airports (12 in Mexico, 2 in Colombia and 1 in the United Kingdom).

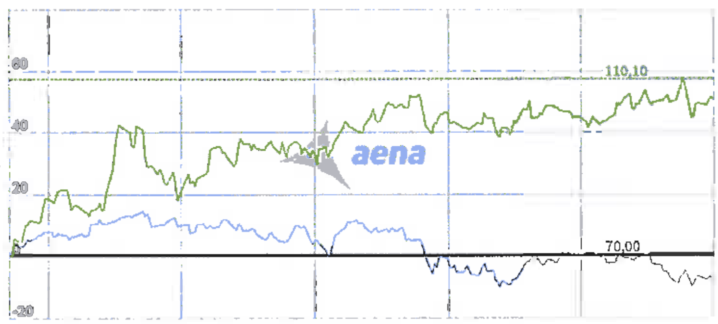
Regarding airport regulation, on 17 October 2014, Law 18/2014, which establishes the regulatory framework for aviation activity of the Company in Spain it, was approved. The main aspects of the current regulatory framework are:

- Compulsory maintenance of the airport network.
- Compliance with operating parameters (quality of service, infrastructure capacity, etc.) and efficiency.
- It provides visibility and predictability of long-term tariffs. For the period 2015-2025, the maximum tariff increase is 0%. In addition, a maximum annual average investment of the regulated activity is set at 450 million euros.
- Progressive implementation of a dual till system.
- Airport Regulation Document (DORA) will establish the main aspects of airport regulation for five-year periods.

In 2015, the average increase in tariffs was 0% since March 2015, thus remaining frozen on prices of 2014. Section "10. Outlook for 2016" of this report, details the main aspects of the regulatory framework for 2016 and beyond.

On 11 February, 2015 Aena, S.A. led the biggest IPO operation carried out in Europe since 2011 and in Spain since 2007. It was listed on the four Spanish stock exchanges following the IPO for 49% of their capital, with a starting price of 58 euros per share, retaining the remaining 51% owned by the State, through public Business Entity ENAIRE. Later, in June 2015, Aena joined Ibex 35, an indicator that includes the top 35 Spanish companies listed on the stock exchange.

The price performance of Aena, S.A. during the year 2015 has been very positive, with a revaluation at year end of 81.7% to 105.4 euros per share compared to the evolution of the IBEX 35, which fell by 7.9%.



In connection with the acquisition and disposal of treasury shares at 31 December 2015, Aena, S.A. does not own shares so that there has been no impact for this reason or on the yield obtained by the shareholders or on the value of the shares.

Furthermore, credit rating agencies have supported the financial soundness of Aena, confirming its solvency and creditworthiness. In June 2015, credit rating agency Moody's Investors Service and Fitch Rating, first assigned credit rating to Aena. The rating assigned by Moody's to Aena was "Baa1 with a stable outlook", which means obtaining a rating one notch above what this agency currently gives to the Kingdom of Spain. Regarding Fitch, the rating assigned to Aena was "BBB+ with a stable outlook".

Finally, in relation to the dividend policy and in accordance with what is reflected in the Prospectus for the IPO, in which the Company adopted a policy of distributing 50% of net profit for each year, the Board of Directors Aena, SA resolved to propose the General Shareholders Meeting the distribution of a dividend of 2.71 euros per share, to be paid after the approval by the latter.

1.3 Business trends

Traffic growth registered in the network of airports in Spain in 2015 makes it the second best year in the history of Aena, after the figure achieved in 2007 (210.4 million passengers), confirming the trend of continued growth in passenger traffic, which is now maintained for more than two years (26 consecutive months). This recovery is based on the growth of international traffic, given that in 2015 Spain registered the thirds consecutive annual record in the number of tourists received, which totalled nearly 68.1 million tourists (+4.9% compared to 2014). Amongst others, one of the results of this greater influx of tourists is that Aena has, once again, registered a new record in the number of international passengers, up +5.9% compared to 2014 (70% of the total number of commercial passengers in the network). Also contributing to this change in traffic trends is the consolidation of the recovery of domestic traffic which, in 2015, registered a 6.1% growth compared to 2014, and particularly Adolfo Suarez Madrid-Barajas airport which experienced a 11.9% growth in 2014.

As concerns revenue, the increase in total revenue from commercial activities (+14.9% in the period), both commercial and off-terminal, is worthy of mention. This increase is the result of improved contractual conditions, increased sales, pricing and marketing strategies and the implementation of the new business model of parking, among others.

Moreover, revenues from international operations reflect the consolidation from Luton Airport (UK) for the full year, which has allowed operating income achieved in this segment, 212.5 million euros, with a contribution from Luton to EBITDA of 66.6 million euros. The majority stake in the airport allowing consolidation was obtained on 16 October 2014.

The fundamental pillars of the results of the Company have been increasing the volume of revenues, improving management efficiency and cost containment.

In this regard, improved efficiency stands out, which led to the containment in operating expenses (supplies, personnel costs and other operating expenses) of the Company in recent years. During 2015, the base of comparable operating costs (excluding Luton) has increased by 44.4 million euros (+ 3.5%), while the growth rate of passenger traffic was + 5.9%.

Among the adopted measures, the Airport Efficiency Plan stands out, which has meant the implementation of different efficiency measure in services, operating and labour measures in all airports, with special relevance in those with lesser traffic volumes. In this sense, joint EBITDA [(1)] of loss-making airports has remained at 42 million euros in 2015.

Over the last decade, Aena has made significant investments that have placed its airports amongst the world's most modern and competitive, with first class infrastructures and a high growth potential. There has been a significant reduction in investment requirements as a result of having provided the network's airports with the necessary capacity to absorb future traffic growth in the coming years. After concluding a period of important investments in new infrastructures, a new scenario is being considered, giving priority maintenance and investment in security, without reducing the quality of services. In 2015, the annual investment amounted to 254.6 million euros compared to 316 million euros in 2014.

This set of measures that has had an impact on both revenues and expenses, has meant that the restructuring of the Company has already been achieved and its profitability has been secured, with EBITDA [(1)] increasing to 2.082 billion euros at the end of 2015, which entails 11.0% growth compared to 2014 and means reaching an EBITDA margin [(1)] of 59.2%. In 2015, reported EBITDA amounted to 2,098.4 million euros compared to 1,866.7 million euros in 2014 (+12.4%).

In turn, Aena achieved pre-tax profit of 1,040,6 million euros in 2015, compared to 672.4 million euros in 2014, whereas net profit totalled 833.5 million euros in 2015, 74.2% less than that registered during the previous year (478.6 million euros). This increase was justified by the very positive development of business and financial results.

The aforementioned improvement in results is reflected in the Company's cash flow generation (1.629 million euros in operational cash flow, after tax and interests, at 31 December 2015), and in the decrease of leverage, which have led to reducing the Net Financial Debt/EBITDA ratio (according to what is established in the debt novation contracts for the calculation of the covenants) of 5.6x in 2014 to 4.5x in 2015.

(1) Adjusted EBITDA. Excludes fixed assets impairments and Voluntary Redundancy Plan (VRP) provision excess.

2. MACROECONOMIC ENVIRONMENT AND ACTIVITY DETAILS

2.1 Macroeconomic situation and sector details

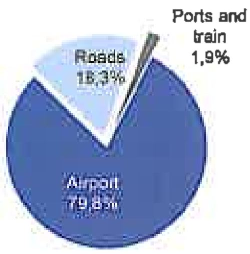
The Spanish economy continued with its gradual recovery reflected in the main economic figures. According to provisional data published from the Spanish National Institute of Statistics, in 2015 Spain's GDP increased by 3.2%, coinciding with the last forecast offered by the Bank of Spain, which means that the Spanish economy has returned to growth, already since 2014 (with a GDP growth of 1.4%) following 3 consecutive years of recession.

Air transport is a strategic sector for Spain due to its economic and social impact. Furthermore, it contributes in terms of connectivity, accessibility, cohesion and territorial connection.

Tourism-related indicators have continued the favourable trend witnessed in 2013 and 2014, reaching in 2015 for the third consecutive year record numbers of foreign tourists, an aspect of significant relevance given that tourism accounts for 10.9% of Spain's GDP. According to the data published by the Spanish National Institute of Statistics, during 2015, 68.1 million international tourists visited Spain, 4.9% more than in 2014.

Main issuing countries have contributed to this growth, and the relative inter-annual growth of the USA (+23.6%), Switzerland (+9.0%) and France (+8.9%) should be noted. In absolute terms, the United Kingdom, France and Germany lead the issuing countries ranking, and add up together 55.1% of the total number of tourists visiting Spain during 2015. By communities, Catalonia is the first tourist destination (17.4 million, + 3.7% compared to 2014), followed by the Balearic Islands (11.7 million, + 2.7%) and the Canary Islands (11.6 million, + 1.0%)

By type of access, of the total foreign tourists that visited Spain during 2015, 54.4 million (79.8% of the total figure) travelled by air, 18.3% travelled by road and 1.9% used other means of transport (rail and sea). Having said this, it should not be forgotten that Spain is the gateway to Latin America by air.



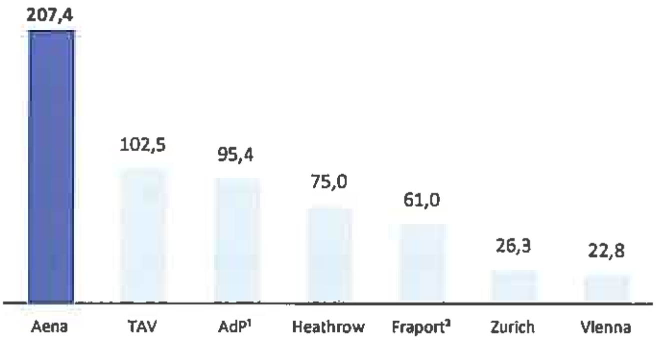
Total:
68.1 million international tourists

Source: National Institute of Statistics Frontier Tourist Movements (Frontur) – December 2015

2.2 Aena, world leader in airport management

Since its origin, Aena has worked non-stop to achieve the place it has today: the world's leading airport operator in terms of passenger volume.

Traffic figures for the main airport operators in 2015



* AdP only includes the Paris airports
[2]Fraport only includes Frankfurt airport
Source: Data published by the companies

Aena's airports and heliports, taken as a whole, include two of the European Union's top ten airports in terms of passenger volume: Madrid-Barajas and Barcelona-El Prat, in fifth and ninth place, respectively.

Ranking of European Union airports by passenger volume 2015

Rk	Airport	Million Passengers
1	London -Heathrow	75.0
2	Paris-Charles de Gaulle	65.8
3	Frankfurt	61.0
4	Amsterdam	58.3
5	Adolfo Suárez Madrid-Barajas	46.8
6	Munich	41.0
7	Rome-Fiumicino	40.5
8	London -Gatwick	40.3
9	Barcelona-El Prat	39.7
10	Paris-Orly	29.6

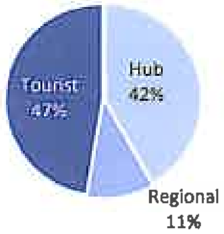
Source: Data published by the companies

2.3 Main figures of the Aena network

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

In a climate of incipient economic recovery, in 2015, the airports in the Aena network handled a total of 207.4 million passengers, up 5.9% from the previous year, operated more than 1.9 million flights (+3.8%) and transported around 715,000 tonnes of cargo (+4.6%). With the growth registered in December, there are now 26 months of consecutive growth, confirming the change in trend in passenger traffic that started in November 2013.

In 2015, Aena's 14 tourist airports accounted for 47% of the total passengers, the 2 hubs accounted for 42% and the 25 regional airports accounted for 11%.



Typology of the Aena network's airports

Typology of airports	Number of airports	Passengers 2015 (million)
TOURIST Palma Mallorca, Malaga, Alicante, Gran Canaria, Tenerife Sur, Ibiza, Lanzarote, Valencia, Fuerteventura, Girona, Menorca, Reus, La Palma and Almeria	14	98.2
HUB Adolfo Suárez Madrid-Barajas and Barcelona-El Prat	2	86.5
REGIONAL Seville, Bilbao, Tenerife Norte, Santiago, Asturias, Santander, Jerez, A Coruña, Vigo, FGL Granada-Jaén, Zaragoza, Melilla, San Sebastián, Pamplona, El Hierro, Burgos, La Gomera, Vitoria, Logroño, Murcia-San Javier, Valladolid, León, Badajoz, Salamanca and Albacete	25	22.7
HELIPORTS (Ceuta and Algeciras) GENERAL AVIATION (Córdoba, Huesca-Pirineos, Madrid-Cuatro Vientos, Son Bonet and	7	0.02
TOTAL	46 airports + 2 heliports	207.4

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

International presence

Aena also enjoys a high profile outside Spain, the proof is that, on 31 December 2015, it directly participates in 15 airports outside Spain (twelve in Mexico, two in Colombia and one in the UK) and indirectly through GAP at Montego Bay airport in Jamaica.

2015 total traffic passengers in investee airports

(Million passengers)	2015	2014	% change	% Aena share
Grupo Aeroportuario del Pacífico (GAP)1 (Mexico)	31.4	24.7	26.9%	5.8%
London Luton (United Kingdom)	12.3	10.5	16.9%	51.0%
Aerocali (Cali, Colombia)	5.3	4.9	8.2%	50.0%
SACSA (Cartagena de Indias, Colombia)	4.0	3.4	15.1%	37.9%
TOTAL	**52.9**	**43.5**	**21.5%**	--

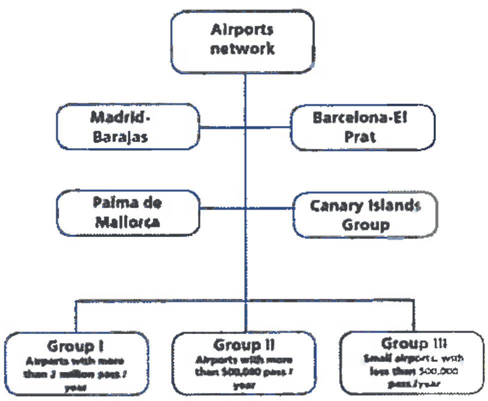
[1]*GAP includes in 2015 annual traffic from Montego Bay, MBJ (Jamaica)*

2.4 Aena's airport network

The broad and diverse network sets Aena apart as the leading airport management company in terms of passenger volume.

This situation makes it possible to optimise costs through synergies and economies of scale that result from a higher turnover, thus enabling it to offer a higher and more standardised level of quality. The network's structure also enables each airport to operate independently, thus offering its customers a service that is tailored to their needs and demands.

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



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

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

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

Group II: comprising airports that handle between 0.5 and 2 million passengers per year. This group comprises 11 airports: Almería, Asturias, FGL Granada-Jaén, Jerez, A Coruña, Reus, Santander, Santiago, Vigo and the air bases of Murcia-San Javier and Zaragoza.

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

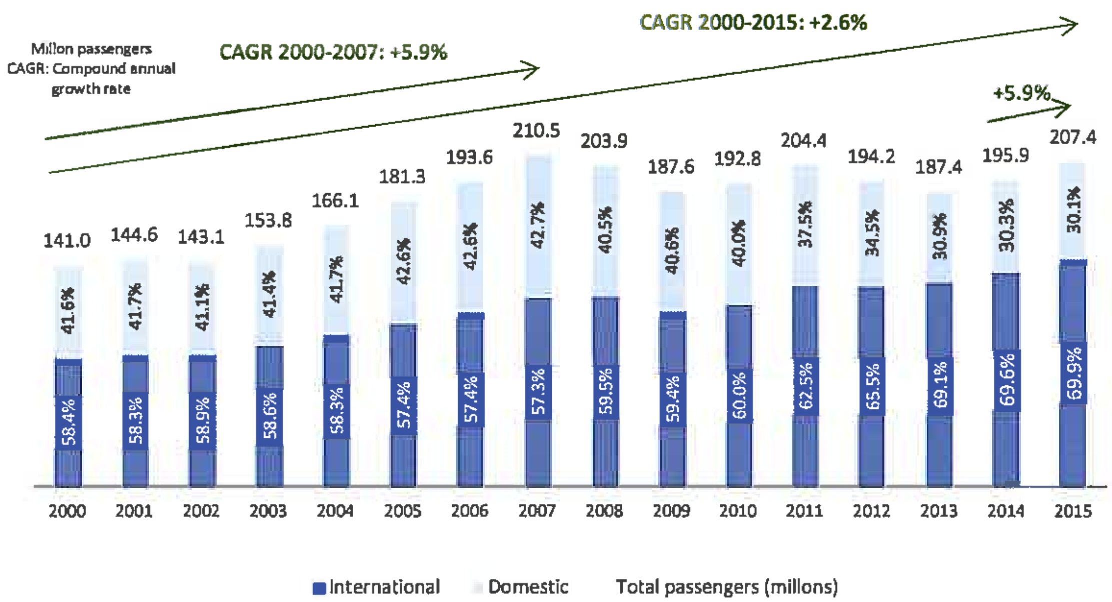
- Air bases open to civil traffic: Valladolid, León, Badajoz, Salamanca and Albacete.
- Civil airports with commercial traffic: Melilla, San Sebastián, Pamplona, Burgos and Logroño-Agoncillo.
- Cargo airport: Vitoria.
- Heliports: Ceuta and Algeciras.
- General aviation airports: Córdoba, Sabadell, Son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

Compared to an individualised management, the network management model grants Aena major advantages to optimize operation (for example, generating interconnection traffic), safety and management of business income and significant synergies of costs.

2.5 Typology of traffic

During the economic crisis, international traffic has had a better performance than domestic traffic, due to the linkage of traffic growth to the global economic cycle. In 2015, this trend has changed with growth of domestic traffic (+ 6.1%) slightly higher than the growth in international traffic (+ 5.9%), mainly due to the reactivation of the Spanish economy.

Total passenger traffic by traffic type
(domestic/international share)



International traffic improves the positive trend registered in 2014 (+2.1%), having grown by +5.9% during 2015, due to the effects of the economic recovery in the tourist sending countries and the political instability in some alternative tourist destinations that has attracted more tourists towards Spain, boosting the growth of air traffic in the Aena network.

In terms of domestic traffic, recovery consolidates since 2014 (+2%), given that in 2015 there was a +6.1% increase to 62.1 million domestic passengers (compared to the drops registered in both 2012 and 2013), despite the still difficult economic environment and competition from the high speed train.

The combination of both effects has maintained the market-share quotas practically unaltered between the domestic traffic (30%) and international traffic (70%).

Regarding traffic distribution by geographical area, increased traffic to Latin America (+ 10.1% vs. 2014) is worth mentioning, and to the Middle East (+ 23.5%), while traffic share remained virtually unchanged compared to 2014.

Breakdown of passenger traffic by geographical area

Region	Passengers 2015	Passengers 2014	Variation %	Variation Passengers	Share of total (%) 2015	Share of total (%) 2014
Europe[1]	129,079,165	122,602,927	5.3%	6,480,282	62.2%	62.6%
Spain	62,497,142	58,937,965	6.0%	3,564,435	30.1%	30.1%
Latin America and the Caribbean	6,141,010	5,579,738	10.1%	561,709	3.0%	2.8%
North America[2]	4,195,162	3,835,555	9.4%	359,427	2.0%	2.0%
Africa	2,716,880	2,566,538	5.9%	143,115	1.3%	1.3%
Middle East	2,416,054	1,957,100	23.5%	458,967	1.2%	1.0%
Asia-Pacific	368,728	383,776	-3.9%	-15,072	0.2%	0.2%
TOTAL	207,414,141	195,863,599	5.9%	11,552,863	100%	100%

[1] Excludes Spain

[2] Includes the USA and Canada

As for the distribution of passenger traffic by type of carrier, 50.0% are of low cost carriers (49.1% in 2014) and the remaining 50.0% are traditional carriers (50.9% in 2014).

The major carriers who are Aena customers are, on one hand, the IAG Group (Iberia, Vueling, Iberia Express and British Airways) with a share of 25.9% of all passenger traffic in 2015 (24.7% in 2014) and, on on the the other, Ryanair with a share of 17.0% (16.2% in 2014).

Breakdown of passenger traffic by carrier

Carrier	Passengers 2015	Passengers 2014	Variation %	Variation Passengers	Share of total (%) 2015	Share of total (%) 2014
Ryanair	35,161,301	31,702,929	10.9%	3,458,372	17.0	16.2
Vueling	29,573,818	26,916,956	9.9%	2,656,862	14.3	13.7
Air Europa	15,586,043	14,855,898	4.9%	730,145	7.5	7.6
Iberia	15,035,115	13,367,644	12.5%	1,667,471	7.2	6.8
Easyjet Airline Co. Ltd.	11,023,407	10,682,075	3.2%	341,332	5.3	5.5
Air Berlin	8,817,387	9,517,608	-7.4%	-700,221	4.3	4.9
Air Nostrum	7,166,273	6,651,973	7.7%	514,300	3.5	3.4
Iberia Express	6,823,752	6,131,408	11.3%	692,344	3.3	3.1
Norwegian Air Shuttle A.S.	4,588,026	4,693,661	-2.3%	-105,635	2.2	2.4
Thomson Airways	4,297,599	4,182,268	2.8%	115.33	2.1	2.1
TOTAL	207,414,141	195,863,599	5.9%	11,550,542	100%	100%
Total Low Cost Passengers*	103,780,114	96,218,160	7.9%	7,561,954	50.0	49.1

* Includes low-cost carrier's traffic in scheduled flights.

2.6 Details of the traffic in the main airports of the network

Traffic concentrates significantly in the network's main airports.

Main traffic figures by airports and groups of airports of the Aena network.

Airports and Airport Groups	Passengers			Aircraft			Cargo		
	Millions	Variation 2015/2014	Share s/Total	Thousands	Variation 2015/2014	Share s/Total	Tonnes	Variation 2015/2014	Share s/Total
Adolfo Suarez Madrid-Barajas	46.8	11.9%	22.6%	367	7.0%	19.3%	381,069	3.8%	53.3%
Barcelona-El Prat	39.7	5.7%	19.1%	289	1.8%	15.2%	117,219	14.1%	16.4%
Palma Mallorca	23.7	2.7%	11.4%	178	3.3%	9.4%	11,374	-0.8%	1.6%
Canary Islands Group	35.9	3.0%	17.3%	323	-0.6%	17.0%	37,838	-7.5%	5.3%
Total Group I	49.7	5.1%	24.0%	445	4.2%	23.4%	32,102	7.6%	4.5%
Total Group II	10.4	2.9%	5.0%	160	1.7%	8.4%	88,823	-0.3%	12.4%
Total Group III	1.1	0.8%	0.5%	141	13.4%	7.4%	46,587	10.0%	6.5%
TOTAL	**207.4**	**5.9%**	100%	1,903	**3.8%**	**100%**	715,011	**4.6%**	**100%**

The Adolfo Suárez Madrid-Barajas airport is the network's top airport by traffic of passengers, operations and cargo. Since February 2014 and after twenty-five months of consecutive year-on-year drops, its traffic data is once again positive. In 2015, the number of passengers increased by +11.9% with regard to the previous year (+14.1% in international traffic and +6.9% in domestic traffic).

In terms of the operations, in 2015 this airport operated a total of 366,605 movements, 7.0% more than the previous year. Cargo, which accounts for more than half of the total volume that passes through the network, registered an increase of +3.8% up to 381,069 tonnes transported.

At Barcelona-El Prat airport, passengers have increased by +5.7% with regard to 2014 (+6.7% in international traffic and +3.2% in domestic traffic), to 39.7 million, with the increase in passengers of the Vueling airline (+12.6%) standing out especially. A total of 288,878 aircraft operations were registered, which accounts for an increase of +1.8% compared to 2014, and cargo has consolidated its growth trend with a +14.1% increase in the volume of goods to 117,219 tonnes.

Palma de Mallorca traffic reached 23.7 million passengers (+ 2.7%), maintaining almost a stable share of passenger traffic compared to the network's total. International traffic reached 18 million (+0.6%) and domestic traffic reached 5.6 million, with a significant 10.3% increase.

With regard to the Canary Islands Group, the number of passengers that passed through the airports in the Canary Islands rose to 35.9 million (up +3.0% compared to 2014), of which 11.9 million correspond to domestic flight passengers (up +5.5% compared to 2014) and 23.5 million international flights (up +2.1%).

The set of 8 airports in Group I, grew + 5.1% during 2015, to 49.7 million passengers, highlighting the growth recorded in Seville (+ 10.9%), Valencia (+ 9.9%) and Menorca (+ 8.9%) which was partially offset by the sharp decline in traffic at Girona airport (-17.8%).

All 11 airports of Group II registered a global increase in passenger traffic of +2.9% during 2015, which dropped to a total of 10.4 million passengers. These figures represent the recovery in traffic, following the decreases in both 2014 (-1.7%) and 2013 (-9.1%). In this group, the very different behaviour between its different airports is noteworthy. Zaragoza airport maintains its position as the third cargo operator of the network, with 85,741 tons.

Group III airports, with lower volumes of traffic, registered 1,078,643 passengers during 2015, equivalent to a +0.8% drop compared to the previous year. It is important to stress the significant increase over 2014 registered in this group of airports both in the number of aircraft (+ 13.4%) and in cargo volume (10.0%), the latter led by the growth in Vitoria airport, specialised in cargo handling, which recorded 46,371 tons (+ 10.0%).

Throughout 2015, a total of 297 new routes were established from Aena network's airports, with domestic, European and international destinations. Specifically, the airports with the greatest number of routes were specifically, the airports with the greatest number of routes were Barcelona-El Prat (42 new routes), Adolfo Suárez Madrid-Barajas (36), Palma de Mallorca (35), Group I (97), the Canary Islands (63), and Group II (24). New routes are those that had fewer than 1,000 passengers in 2014 and exceeded 5,000 passengers in 2015.

The opening of 5 new regular long-haul routes stands out, one from Barcelona to Sao Paolo - TAM and 4 from AS Madrid Barajas Airport to Abu Dhabi - Etihad, Havana, Cali and Medellin with Iberia. By carriers, the number of new Vueling routes (55 new routes), followed by Ryanair (30) Iberia + Iberia Express + (27) and Norwegian (25) stand out.

3. BASIS FOR GROWTH

During the last 4 years, Aena has carried out a significant turnaround process which has laid down the basis for its future growth. The main pillars upon which this turnaround is based are: (i) management efficiency; (ii) growth in both aeronautical and commercial revenues and (iii) adjusting investments.

3.1 Efficient management

Since 2012, Aena has developed an ambitious plan to reduce costs, as well as measures for improving operational and productivity efficiency, which has already yielded results.

This effort on cost containment, in a context of strong growth in air traffic, is reflected in an increase of only 44.4 million euros in operating expenses (excluding Luton) in 2015 compared to 2014, representing an increase of 3.5%, thus absorbing traffic growth without harming these efficiency ratios. (For a discussion of the evolution of expenses see section "4. Profit and loss analysis" of the current report).

Trend of current expenses

(Million Euros)	2015	2014	Variation	% Change
Supplies	181.0	180.4	0.6	0.3%
Staff expenses(1)	388.1	349.7	38.4	11.0%
Other operating expenses	872.2	761.0	111.2	14.6%
Total current expenses	**1,441.3**	**1,291.2**	**150.1**	**11.6%**
Total current expenses (ex Luton)	**1,306.5**	**1,262.1**	**44.4**	**3.5%**

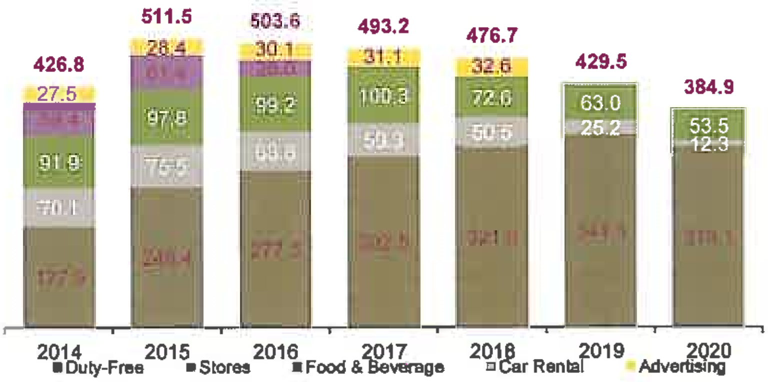
(1) Excluding Voluntary Redundancy Plan [VRP] provisions excess (-1.2 million euros in 2014 and -24.2 million euros in 2015)

3.2 Increase in revenue

3.2.1 Commercial and off-terminal income

Aena's commercial contracts vary by type of business activity based on, generally speaking, variable income on sales (percentages that may vary according to product and/or services) and with minimum guaranteed annual income that establishes a minimum amount to be paid by the tenant, regardless of the level of sales achieved. In this regard, the following chart shows the calculation of minimum income guaranteed by lines of business:

Minimum Annual Guaranteed (MAG) by business's lines(1)



(1) Figures in millions of euros of existing contracts. Potential new contracts are not considered. MAG have been prorated to the actual days of the beginning and end of contract. Commercial services contracts include contracts from other commercial operations: financial and regulated services (exchange, pharmacy, tobacco, etc.).

In 2015, ordinary commercial revenue (from services provided both inside and outside the terminals) reached 907.9 million euros, an increase of +14.9% with respect to 2014.

Aena continues on its path to boost commercial revenues through actions geared to generating higher returns on its commercial activities. Highlights include:

- Further growth in business at duty free shops driven by the creation of new walk-through shops in commercial areas and their addition to the Canary Island airports.
- The increase in and remodelling of the spaces allocated to the commercial activity. The number of commercial premises (stores and premises for food & beverage outlets) in Aena's airport network increased by more than 7% during 2014, reaching more than 900 premises.
- The addition of leading Spanish and international restaurant and retail chains. Specifically: (i) in restaurants, brands adapted to user profiles covering a range of concepts; e.g. ethnic cuisine, fast food and Michelin rated restaurants, (ii) the new strategy for shops focused on thorough remodelling, including tenders for new anchors and the creation of a new luxury business line designed to spur sales in the high-end fashion and accessories segments. The newly added luxury stores offer Aena passengers more than 40 Spanish and international brands.
- Promotion of airport's VIP lounges, adopting an integrated management approach, including remodelling of the lounges.
- New integrated parking management business model for the parking lots at the network's 32 airports, which includes improved pricing and promotion policies.

In addition to the actions above, the favourable behaviour of traffic also contributed to promoting commercial revenue, having a positive effect on the Company's profitability. In paragraphs "5.1.2 Commercial Activity" and "5.2 Off-terminal segment", this report provides a more detailed analysis of each of the business lines of commercial activity.

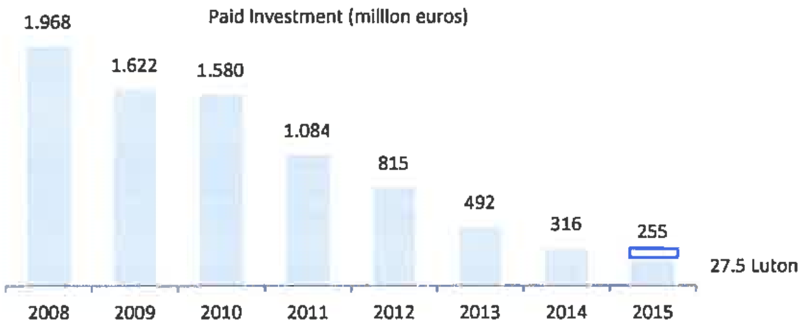
3.2.2 Legal framework for airport charges

Pursuant to Law 36/2014, of 26 December, establishing the General State Budget for 2015, airport charges have increased by an average of 0% since March 2015, thus charges remain frozen compared to 2014. Section "10. Outlook for 2016" of this report, is developed in more detail the evolution of the charges for 2016 and subsequent years.

3.3 Suitability of investments

Aena has invested heavily over the past decade to make its airports among the most modern and competitive in the world, with top-flight infrastructure and strong growth potential.

At the end of 2015, the investment paid had reached 254.6 million euros (this figure includes 27.5 million euros invested in Luton airport).



In 2015 these have been the most significant investments:

<u>Land and construction</u>

Works associated with the Noise Insulation Plan at the airports of Tenerife Norte and Madrid, the extension of the airstrip in A Coruña, the raising of the airstrip 36L/18R of the airport Adolfo Suárez in Madrid-Barajas, the refurbishment of the south Access to the airport of Malaga and the Works carried out in taxiing lanes, airstrip and platform in the airport of Palma de Mallorca.

The most significant investments in buildings in progress are those related with the remodelling and adaptation of the five VIP lounges in terminals 1, 2 and 3 and the adaptation of the boarding area for regional traffic in T4 of the Adolfo Suárez airport Madrid-Barajas; the supply and installation of a new island in check-in counters and the remodelling of the passenger boarding bridges in T2 in the airport of Barcelona; and the works in the new fire-fighting service building at the airport of Ibiza.

In terms of completed and operating works, the most representative has been the new terminal (south) at the airport of Gran Canaria, the new electricity plant at the airport of Asturias and the new power continuity group for the supply of electricity to the airport of Barcelona.

Installations and other fixed assets

Installations relating to the supply of luggage trolleys at the airports of Barcelona and Madrid, and works carried out in the period such as the new passenger boarding bridges and all ancillary items (power and air cooling/heating systems for aircraft, systems for visual docking guidance systems, etc.) and Gran Canaria, the new booths, printers and boarding card readers at the airport Adolfo Suárez Madrid-Barajas and the actions related to the system of landing assistance at the airport of Palma de Mallorca.

As for installations in progress, of note are the works being carried out for the new boarding bridges and assistance equipment for aircraft at the airport of Malaga, the renovation of the network of radio-links and radio-assistance and the new signalling of the taxiing lane C7 at the airport Adolfo Suárez Madrid-Barajas; and the extension of the HVAC system and remodelling of the boarding bridges at the airport of Palma de Mallorca.

In other installations, it is worth mentioning the new explosive trace detectors installed in all airports in the networks and the works carried on the electrical system of the airports of Adolfo-Suárez Madrid-Barajas and Palma de Mallorca.

In addition, among other installations in progress, the most significant is the renovation of the WiFi network of the Barcelona airport and the new fuel supply connection at the airport Adolfo Suárez Madrid-Barajas.

Fixed assets in progress

In 2015 the most works currently in progress are those relating to the new fuel supply connection at the airport Adolfo Suárez Madrid-Barajas, the new electricity plant of Asturias, the adaptation of unfinished areas in the airport of Santiago, actions to raise the airport of Zaragoza to category II/III, the multi-service extension to the new extension built in the terminal building of the airport of Gran Canaria, the supply with installation of boarding bridges and aircraft assistance equipment fin T2 in Málaga, the extension of the terminal building of Reus and actions required for the certification of the Vigo airport.

3.3.1 Analysis of investments by areas of action

Investments to date have provided airports with quality infrastructures in order to benefit from their performance, increasing their activity levels and occupation.

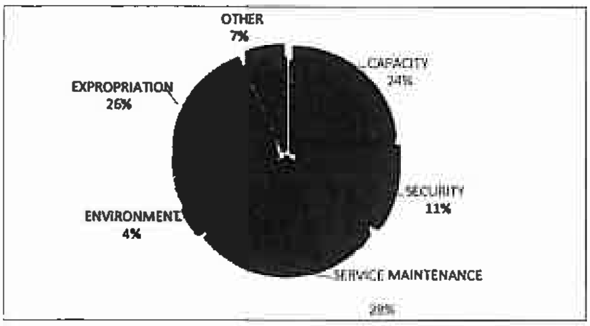
For all these reasons, the investment budget for 2015 was aimed to generate higher returns and to streamline existing facilities and their maintenance and security on its two fronts; operations and people and facilities. All this thanks to realistic and efficient planning to identify the truly viable and profitable projects, without neglecting quality and the environment and helping to support the commercial income increase strategy.

Total investments performed by the Spanish airport network in 2015 (based on payment) have increased to 227.2 million euros, representing a drop of 26.2% regarding 2014. This reduction illustrates the efforts made to scale back investment of recent years, undertaking those that are necessary to maintain and improve the quality of the service.

On the other hand, payments for expropriation, if not taken into account, the execution in 2015 amounts to 215.2 million euros, would mean a decrease of 5.6% from 2014 execution without expropriations, which was of only 228.1 million euros.

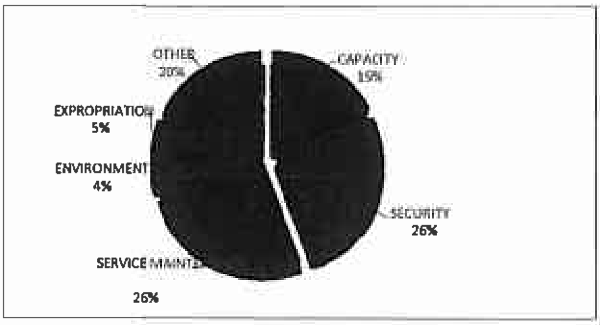
By concepts:

2014



307.8 million euros

2015



227.2 million euros

- The percentage of investment aimed at improving the facilities (Service maintenance) decreased slightly from 28% in 2014 to 26% in 2015 (58.1 million euros), highlighting the most relevant performances on "Supply and installation of boarding bridges and equipment to serve aircraft in different airports "and "Actions in the taxiway connecting tracks at Palma de Mallorca".
- The investments made in 2015 in Security amounts to 26% of Aena's total investment (compared to 11% of the total in 2014). Regarding the safety of people and facilities, the "Operational status supply of trace detection equipment (TDE)" for various airports in the network is noteworthy, and with regard to operational safety the "Regeneration of the pavement of track 18R-36L" at Adolfo Suárez Madrid-Barajas airport and the "Supply self-extinguishing vehicles" for several airports.
- The investments in Capacity made in 2015 total 42.5 million euros, amounting to 19% of Aena's total investment (compared to 24% of the total in 2014). Within this chapter of investments, the most significant investment projects are: "Extension of runways at A Coruña Airport" and "Supply and installation of the check-in desks set No. 6 in Terminal T1 at Barcelona-El Prat airport". Also noteworthy is the "Actions for the commissioning to II/III category of Zaragoza airport", framed under this heading because it will allow operations in poor visibility, which now are not possible to be performed.
- Regarding Expropriation (excluding late-payment interest) in 2015, 12 million euros (5% of total) have been paid. This decrease is due to lower payment of rulings relating to expropriations made above. Payments for significant rulings relate to the expropriation of land expropriated for the development of the Master Plan at Adolfo Suarez Madrid Barajas airport and the expropriation of land for regularisation at Vigo airport.
- In the field of Environment, 9.8 million euros was invested (4% of Aena's total investment). This amount has mainly concentrated on the actions derived from the Environmental Impact Statements (Acoustic Insulation) in several airports.
- Investments classified as "Other" include information technology and communications, most notably the "Network communications equipment" and "Servers and storage networks" are included. They also include those aimed at improving commercial revenues, which highlights the "Adaptation of plots and roads in the Rejas area" and "Remodelling and adaptation of 5 VIP rooms" both at the Adolfo Suarez Madrid Barajas airport.

R&D+i activities

Aena's 2015 investment in R&D+i was primarily focused on the development and implementation of development projects in the field of Information Technology and Communications (ICT), especially in the management field with business information systems and airport operation support systems: Airport Collaborative Decision Making (A-CDM). Aena has also invested in R&D+i projects focused on airport security, such as the installation of liquids, aerosols and gels (LAG) screening equipment, at several airports and improving Airport Planning, such as the development of the traffic forecasts office in Aena and the "Runway" application.

In promoting creativity and contribution of innovative ideas, a new section on the corporate intranet has been developing; it will allow the launch of business challenges so that all employees can contribute their innovative ideas to draw on the experience and internal knowledge with the aim of modernising and innovating our processes, products and services.

4. PROFIT AND LOSS ANALYSIS

4.1 Income statement

(Thousand Euros)	2015	2014[(1)]	Variation	% change
Ordinary revenue	3,450,709	3,076,044	374,665	12.2%
Other operating income	67,079	88,958	-21,879	-24.6%
Total income	**3,517,788**	**3,165,002**	**352,786**	**11.1%**
Supplies	(180,968)	(180,401)	567	0.3%
Personnel expenses	(363,911)	(348,511)	15,400	4.4%
Other operating expenses	(872,206)	(761,029)	111,177	14.6%
Fixed asset depreciation	(846,215)	(814,850)	31,365	3.8%
Impairment and profit/loss on fixed asset disposals	(7,843)	(9,927)	-2,084	-21.0%
Other net profit/loss	5,513	1,527	3,986	261.0%
Total expenses	**(2,265,630)**	**(2,113,191)**	**152,439**	**7.2%**
EBITDA	**2,098,373**	**1,866,661**	**231,712**	**12.4%**
Voluntary Redundancy Plan (VRP)	24,212	1,230	22,982	1,868.4%
Impairment and loss on fixed asset disposal	(7,843)	(9,927)	-2,084	-21.0%
Adjusted EBITDA	**2,082,004**	**1,875,358**	**206,647**	**11.0%**
OPERATING PROFIT/LOSS	**1,252,158**	**1,051,811**	**200,347**	**19.0%**
Financial income and expenditure	(215,670)	(199,968)	15,702	7.8%
Interest expenses on expropriations	(9,922)	(191,119)	-181,197	-94.8%
FINANCIAL PROFIT/LOSS	**(225,592)**	**(391,087)**	**165,495**	**-42.3%**
Share in profits from associates	14,012	11,716	2,296	19.6%
PROFIT /LOSS BEFORE TAX	**1,040,578**	**672,440**	**368,138**	**54.7%**
Corporate Income Tax	(209,793)	(196,743)	13,050	6.6%
NET PROFIT/LOSS FOR THE YEAR	**830,785**	**475,697**	**355,088**	**74.6%**
Profit/loss for year attributable to minority interests	(2,752)	(2,921)	169	5.8%
PROFIT/LOSS FOR THE PERIOD ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS	**833,537**	**478,618**	**354,919**	**74.2%**

(1) Includes consolidation of Luton Airport from the date of takeover.

Aena's **total revenue** increased to 3,517 million euros in 2015, 11.1% compared to financial year 2014. Income from the commercial area (both inside and outside terminals) represents 26.1% of the total in 2015, having increased its percentage share from 25.7% in 2014.

Ordinary revenue increased to 3,450,7 million euros in 2015, 12.2% compared to financial year 2014. The increase of 374.7 million euros was due primarily to:

- The positive impact on airport revenue (an increase in ordinary aviation revenue of 91.4 million euros, +4.1%) of, on the one hand, the improvement in traffic, with growth in operations of 3.8% and in passengers of 5.9% and, on the other hand but to a lesser degree, the new meteorological charge implemented since March 2015 which means an increase of 1.7 million euros. Revenue growth was undermined by the cost of measures approved to increase traffic incurred in the period:
  - For passenger growth both in routes and airports amounting to 44.2 million euros in 2015 (compared to 25.1 million euros in 2014).
  - The bonus on connecting passenger' fare has been of 59.0 million euros in 2015 (compared to 41.2 million euros in 2014), due to an increase in the percentage of bonus (30% in 2014 to 35% in 2015) and an increase in the number of connecting passengers (8.3 million passengers in 2015 compared to 7.0 million in 2014).

Other factors that have reduced airport revenues have been; the disappearance of the freight fare from 6 July 2014 (-4.6 million euros), eliminating Service Agreements between Aena and Enaire (-3.3 million euros) and the penalty for noise landings (-2.3 million euros).

- The effect on commercial revenues due to better contractual terms, the increase in sales, pricing and marketing strategies and the implementation of a new business model for the integral management of parking spaces, have driven growth in commercial revenues from the operation of services both In and off-terminal at 117.9 million euros (+ 14.9%). As negative aspects, we must highlight the decline in income from real estate activities amounting to 0.7 million euros (-1.2% compared to 2014), due to lower contract warehouses and hangars.

- International business improved to 165.7 million euros, as a result of the consolidation of Luton Airport, after 16 October 2014 the option to acquire an additional 11% of the capital to a total of 51%.

  Luton airport is managed as a concession (ending 31 March 2031). It should be noted that Luton airport is not subject to a regulatory system indicated by the Civil Aviation Authority of the United Kingdom for other London airports.
  Luton has obtained approval from UK authorities to carry out an investment plan that will increase the airport's capacity to 18 million passengers. This increase in capacity will help improve the competitive position of Luton in relation to other London airports (including Heathrow and Gatwick), which are currently saturated or near saturation levels.

  Likewise, the various actions carried out by Aena in Luton, include incentives to traffic growth agreed with Luton Borough Council, obtaining the approval for Project Curium to increase airport capacity, commercial activities such as awarding duty free businesses, the beginning of the Implementation of a new corporate image and brand, actions to improve access by rail or the launching of a programme to improve passenger service with a focus on awareness of airport security personnel.

Other operating income decreased by 21.9 million euros compared to the same period in 2014 (24.6%), mainly due to the reversal in 2014 of excess provisions recorded in prior years by an amount of 21.5 million euros (12,7 million for other liabilities and 8.8 for taxes) and by the reduction in the allocation of grants from non-financial assets (-0.9 million euros) of ERDF funds. In 2015, corresponding grant receipts rose to 22.3 million euros, compared to 78.9 million euros in 2014.

Operating expenses (exc. Luton) remained virtually unchanged (+0.3 million euros) as a result of the savings measures initiated in previous years, which have resulted in a containment thereof. Next, the most important variations by cost concepts are analysed:

- Supplies have increased slightly (+ 0.3%), which Is +0.5 million euros compared to 2014, mainly as a result of the new agreement with the State Meteorological Agency has led to an increase of 1.7 million euros and increased purchases and Air Navigation spare parts (+0.5 million euros). These higher costs were offset by declines in spending in the agreement with the Ministry of Defence (-1.2 million euros) and the agreement for the provision of air navigation services (-0.3 million euros).

- Personnel expenses, increased by 4.4% from 348.5 million euros in 2014 to 363 million euros in 2015 (+15.4 million euros). This increase is explained by the consolidation of Luton, which represents an increase in personnel expenses of 40.4 million euros, due to the accounting of the expenses associated to 50% of extra pay of 2012 outstanding and payable (+7.8 million euros) and the transfer of personnel from Enaire to Aena since July 2014 (+1.7 million euros). These increases were partially offset by the release of the provisions of the Voluntary Redundancy Plan (24.2 million euros in 2015 and 1.2 million euros in 2014).

- Other operating expenses is the expenditure where there has been the most significant increase, 14.6% (+111,2 million euros) to 872 million euros. The change in this item is due to the consolidation of Luton in 2015 (representing 94.4 million euros), the increase in security spending (+15.0 million euros) due to the new regulations for hand-luggage inspection, and the change in the movement of provisions for customer insolvency (+11.5 million euros in 2014), increased maintenance expenses in 2015 (+9.1 million euros) and higher expenses for professional services (+3.2 million euros).
  This increased spending has been partly offset by the reduction in the items of electricity (-3.7 million euros) and other external services (-2.6 million euros).

- Fixed assets amortization increased to 846.2 million euros, up by +3.8% compared to the 31.4 million euros in 2014. Excluding depreciation in the international business, which increased due to costs Incurred in Luton Airport (60.0

million euros), depreciation would have been reduced by 14.6 million euros (-1.8%) due to the end of useful life of some assets, the drop in investment volume.

- The impairment and results from fixed asset sales has amounted to 7.8 million euros and is 2.1 million less than in 2014 (-21.0%), mainly due to the impairment in 2014 of the value of land with no plan for exploitation in the coming years in the airports of Barcelona and Valencia, which has been partially offset by the sale of fixed assets subject to renovation.

- The amount of other results includes mainly seizures of guarantees and bonds, as well as late payment penalties and surcharges; losses include mainly compensation payments and provision for contingencies.

EBITDA increased from 1,866.7 million euros in 2014 to 2,098.4 million euros in 2015, representing a 12.4% increase. 2015 includes 66.6 million euros for the consolidation of Luton.

Adjusted EBITDA reached 2,082 million euros (+11.0%, + 206.6 million euros), representing a 59.2% margin.

Meanwhile, the **net financial result** amounted to 225.6 million euros, a reduction in spending of 165.5 million euros compared to 2014 (-42.3%). A notable provision in September 2014 of 159.9 million euros for claims of owners of expropriated land for the expansion of Adolfo Suarez Madrid-Barajas airport applying for revaluation, and the reduction in financial expenses of 20.2 million euros, which, on the one hand, combine the reduction of costs associated with the debt for the average debt reduction of 793.9 million euros and lowering the average rate at 0.034% per annum (including loans and derivatives) and the increased cost of the derivative. The rest of the changes are due to updates of default interest of expropriation and open judicial proceedings concerning works.

On 10 June 2015, a hedging variable to fixed interest rate operation was signed, for a notional amount of 4,195 million euros. The average spread over 3 and 6 moths Euribor of such loans is 1.0379%. The execution fixed rate was 1.9780%. The aim of this operation was:

- To adjust the debt structure at fixed/variable rate to that of peer companies 79% Fixed/21% Variable (previously 50% Fixed/50% Variable).
- To have a stable framework for interest rates in the 2017-2021 DORA period.

Regarding the benefit from the equity method of **investee companies**, it has increased by 2.3 million euros due to the increase in traffic, which was offset partially by the effect of the exchange rate, both by the devaluation of the Mexican and the Colombian peso. Both effects materialise in the improvement of the results of AMP (8.4 million euros) and Aerocali (3.5 million euros), and, to a lesser extent, of SACSA (2.2 million euros).

As for the **corporate income tax**, the resulting expenditure stood at 209.8 million euros in 2015, an increase in spending of 13 million euros compared to the previous period due to the increase in the result. However, taking into account the effective tax rate in 2015, it has just been a 20%, while at 29% in 2014. This result was obtained by deductions by activation of investments in the Canary Island's airports, exemption for foreign source dividends received from its subsidiaries, reduced by the implementation of the capitalisation reserve, and the activation of a tax credit associated to the decreasing tax rate (from 30% to 28%) (impact of 21.0 million euros) as well as the decrease in rate itself.

The application of the capitalisation reserve implies the creation of a restricted reserve of 42.4 million euros until 2020, as well as the maintenance of the increase in Shareholders' Equity of 2015 until that same date.

The **net profit/loss for the year (before minority shareholders)** was **830.8** million euros.

Luton's consolidated net result amounts to -5.7 million euros: 49% corresponds to minority partners (-2.8 million euros), which places the **result of the year attributable to the dominant shareholder** in **833.5** million euros, 354.9 million euros higher than the level attained in 2014.

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

Net assets and capital structure

Summary of the consolidated balance sheets

Thousands of euros	2015	2014	Variation	% change
ASSETS				
Non-current assets	15,935,551	16,614,214	-678,663	-4.1%
Current assets	1,087,829	802,721	285,108	35.5%
Total assets	**17,023,380**	**17,416,935**	-393,555	**-2.3%**
NET EQUITY AND LIABILITIES				
Total net equity	4,360,281	3,578,304	781,977	21.8%
Non-current liabilities	10,820,205	11,982,178	-1,161,973	-9.7%
Current liabilities	1,842,894	1,856,453	-13,559	-0.7%
Net equity and liabilities	17,023,380	17,416,935	-393,555	**-2.3%**

As for non-current Assets, the decrease of 678.7 million euros is mainly due to the drop of 687.9 million euros in the Property, Plant and Equipment item in the Balance Sheet of the attached Financial Statements, in turn due to the fact that additions in the financial year, amounting to 269.4 million euros, have been much lower than the amortisation of 780 million euros. In addition, there have been write-offs during the year amounting to 148.8 million, most of it due to provision reversals (as explained in Note 7 of the Notes on the Consolidated Financial Statements of 2015), transfers and other lesser impacts

In turn, the increase in current assets of 285.1 million euros mainly stems from the increase of 266.4 million euros in the balance of the heading "Cash and cash equivalents", where the movement is shown in the Cash Flow Statement of the Consolidated Financial Statements of 2015.

The improvement in the Company's operating cash flow and cost savings has contributed to improving the Company's working capital, usually negative owing to the Company's operations and financing, from -1.053.7 million euros in 2014 to -755.1 million euros at year-end 2015.

Net Equity has significantly grown as a result of the results for the period ended 31 December 2015 (833.5 million euros).

The decrease in Non-Current Liabilities of 1,162 million euros is mainly due to the decrease in Financial Debt of 1,112.1 million euros, mainly caused by the amortisation of principal of the debt of Aena with ENAIRE, totally 1,080.1 million euros, in accordance with the established amortisation schedule.

The minor variation in current Liabilities is due to the fact that the decrease in "Provisions for other liabilities and expenses" of 147.9 million, explained in Note 23 of the Notes of the Consolidated Financial Statements for 2015, mainly as a result of the considerable reversals carried out, is practically offset by the increases in "Derivative financial instruments" (see Note 12 in the Notes to the Consolidated Financial Statements of 2015), Financial Debt (to meet the maturity schedule set forth for 2016) and suppliers and other accounts payable (see Note 19 of the Notes to the Consolidated Financial Statements 2015).

The net financial debt in the accounts of the Aena Group (calculated as Current Financial Debt plus Non-Current Financial Debt minus Cash and cash equivalents) as of 31 December 2015 was 9401,7 million euros (including 366.1 million euros as a consequence of the consolidation of the LLAH III debt) compared to 10733 million euros recorded in 2014.

The Company's net financial debt, for the purposes of the covenants agreed in novation financing contracts dated 29 July, totalled 9,103 million euros on 31 December 2015 compared with 1,0382 million euros on 31 December 2014. The decrease was due to the accumulated effect of the improvement of EBITDA and the amortisation of debt:

Thousands of euros	2015	2014
Gross financial debt covenants	9,614,211	10,631,562
Cash and cash equivalents	510,784	249,309
Net Financial Debt covenants	**9,103,427**	**10,382,253**
Net Financial Debt covenants / EBITDA1	**4.5x**	**5.6x**

[1] NFD / EBITDA calculated according to the criteria set out in debt novation contracts signed with banking entities on 29 July 29 2014

The difference between the net financial debt in Aena's accounts on 31 December 2015 (9,401.7 million euros) and the net financial debt calculated for the purposes of the covenants (9,103 million euros) is essentially due to the fact that the latter does not include the debt (non-recourse) associated with Aena subsidiaries (including that of LLAH III), short-term guarantee deposits and derivative financial instruments.

Credit rating agencies have endorsed the financial solidity of Aena, confirming its solvency and credit rating. In June, the credit rating agencies Moody's Investors Service and Fitch Rating assigned a credit rating to Aena for the first time. The rating given by Moody's to Aena was "Baa1 with stable outlook", which represents a rating a grade higher than this agency currently gives to the Kingdom of Spain. The rating given by Fitch to Aena was "BBB+ with stable outlook".

The information on the average payment period to suppliers of Aena S.A and of Aena Desarrollo Internacional SA is as follows:

Thousands of euros	2015 (days)
Average supplier payment period	56
Ratio of transactions paid	59
Ratio of transactions outstanding payment	25

These parameters have been calculated in accordance with what is set forth in Art. 5 of Ruling of 29 January 2016, of the Institute of Accounting and Accounts Auditing, on the information to include in the financial statements report in regard to Days Payment Outstanding to suppliers in commercial transactions, as follows:

1. Average supplier payment period = (Ratio of transactions paid * total amount of payments made + ratio of outstanding transactions * total amount of pending payments)/ (total amount of payments made + total payments outstanding)
2. Ratio of operations paid = ∑ (days payment outstanding* amount of transaction paid)/ total amounts paid.
   Days Payment Outstanding is understood to mean the calendar days that have elapsed since the date the calculation begins until the actual payment of the transaction.
3. Ratio of operations outstanding payment = ∑ (days payment outstanding * amount of transaction outstanding)/total amount of payments outstanding.
   Days Payment Outstanding is understood to mean the calendar days that have elapsed since the date the calculation begins until the last day referred to in the financial statements.
4. For the calculation of both the number of days of payment as well as the days' payment outstanding, the company calculates the term as of the date of provision of the services. However, given the lack of reliable information on the time that this has taken place, the date of receipt of the invoice is used.
   This balance refers to supplier who, given their nature, are suppliers of goods and services, so that it includes data regarding the items "Trade creditors and other accounts payable" in the balance sheet.

	Amount (thousands of euros)
Total payments made	886,343
Total payments outstanding	93,357

In 2015 the average payment periods have been significantly reduced, adapting to the periods set forth in Law 15/2010. The cases in which a payment has been made outside of the legally stipulated period are due mainly to reasons not attributable to the Group: invoices not received on time, AEAT expired certificates, lack of certificates of proof of supplier bank accounts, etc.

Explanations regarding the consolidated cash flow statement

Summary of consolidated cash flow statement

Thousands of euros	2015	2014	Variation	% Variation
Net cash generated from operating activities	1,628,981	1,346,229	282,752	21.0%
Net cash used in investment activities	-254,416	-280,864	-26,448	-9.4%
Net cash generated from/(used in) financing activities	-1,109,715	-788,057	321,658	40.8%
Cash and cash equivalents at the start of the fiscal year	290,305	12,377	277,928	2,245.5%
Cash and cash equivalents at end of the fiscal year	**556,741**	**290,305**	**266,436**	**91.8%**

In 2015, the financing needs of the Group were met with significant cash flows proceeding from operating transactions (+1,628.9 million Euros), which have been able to finance the non-financial fixed assets investment program (+254.6 million Euros) and amortization of the debt, while in addition generating a positive treasury balance of +266.4 million Euros.

Net cash flow from operating activities

The main cash inflows from transactions represent payments from customers, by airlines and lessees of commercial space, and the main outflows represent payments for sundry services rendered, personnel and local and state taxes.

The cash generated by operating activities before changes in working capital increased significantly in 2015 (16.1%), to 2,136.0 million euros, from 1,839.0 million euros in 2014. This is mainly due to the Group's improved operations, as reflected in the EBITDA figure of 2,098.4 million euros at the end of 2015 compared to 1,866.7 million euros in 2014.

The net cash generated by operating activities grew remarkably in 2015, reaching 1,628.9 million euros, from 1,346.2 million euros in fiscal year 2014. This is as a result of the above as well as, among other items, of the smaller amount paid in interest (238.8 million euros in 2015 compared to 258.8 million euros in 2014) and the smaller amount paid in taxes (166.1 million euros in 2015 compared to 189.4 million euros in 2014).

Net cash flow from investment activities

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

Net cash used in investment activities in 2015 amounted to 254.6 million euros compared with 316.1 million euros the previous year. The decrease is mainly due to the investment rationalisation strategy that the Company continues to pursue. In this way, investment in non-financial fixed assets in 2015 mainly corresponded to investment in improving facilities and operational security, and payment of expropriations, given that significant investment to increase capacity was not necessary except for that relating to investment projects already underway.

There are also inflows from Aena Desarollo Internacional for dividends from its investee companies in the amount of 10.2 million euros, along with other minor inflows.

Cash flow from financing activities

The main financing inflows during 2015 correspond to collections of ERDF subsidies in the amount of 22.3 million euros, financial income from credit entities (13.1 million euros) and other collections (13.2 million euros).

The main financing outflows represent the repayment of the principal corresponding to the mirrored Enaire debt. Debt repayments increased from 966.5 million euros in 2014 to 1,080.1 million euros in 2015 as the result of compliance with the schedule of payments established under contract.

Dividends paid in the amount of 10.7 million euros correspond to the dividends paid out by Luton to minority shareholders.

5 BUSINESS AREAS

The table below shows the income statement for Aena as of 31 December 2014 broken down into business areas.

	Airports		Off-terminal	International	Adjustments	Total
(Thousand euros)	**Aeronautics**	**Commercia**	**services**		**consolidation**	**total**
Ordinary revenue	2,332,976	739,909	167,970	211,768	(1,914)	3,450,709
Other operating income	54,602	7,576	4,188	713	0	67,079
Total income	**2,387,578**	**747,485**	**172,158**	**212,481**	**(1,914)**	**3,517,788**
Supplies	(182,822)	-	-	-	1,854	(180,968)
Staff	(285,226)	(25,785)	(10,761)	(42,229)	-	(363,911)
Other operating expenses	(625,669)	(90,867)	(58,540)	(97,190)	60	(872,206)
Depreciation and Amortisation	(673,776)	(64,318)	(48,616)	(59,505)	-	(846,215)
Impairment loss on fixed asset disposal	(5,435)	(761)	(641)	(1,006)	-	(7,843)
Other results	5,000	(28)	15	526	-	5,513
Total expenditure	**(1,767,928)**	**(181,759)**	**(118,453)**	**(199,404)**	**1,914**	**(2,265,630)**
EBITDA	**1,293,426**	**630,044**	**102,321**	**72,582**	**-**	**2,098,373**
Voluntary Redundancy Plan (VRP)	21,610	1,881	721	-	-	24,212
Fixed assets impairments	(5,435)	(761)	(641)	(1,006)	-	(7,843)
Adjusted **EBITDA** [1]	**1,277,251**	**628,924**	**102,241**	**73,588**	**-**	**2,082,005**
Operating profit/loss	**619,650**	**565,726**	**53,705**	**13,077**	**-**	**1,252,158**
Financial result	(179,715)	(13,782)	(14,585)	(17,510)	-	(225,592)
Share in profits from associates	-	-	-	14,012	-	14,012
Profit/loss before tax	**439,935**	**551,944**	**39,120**	**9,579**	**-**	**1,040,578**

[1] *Excludes fixed assets impairments and Voluntary Redundancy Plan (VRP) provision excess.*

The airport segment is the main contributor to the Groups EBITDA with 61.3% of total; commercial activity contributed 30.2% and the Off-terminal services segment represented 4.9%. The international business supposes 3.5%.

5.1 Airport segment

5.1.1 Aviation activity

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

(Thousand euros)	2015	2014	Variation	% Variation
Ordinary revenue	2,332,976	2,241,536	91,440	+4.1%
Other operating income	54,602	63,287	-8,685	-13.7%
Total Income	**2,387,578**	**2,304,823**	82,755	**+3.6%**
Total expenditure (including amortisation)	**(1,767,928)**	**(1,769,658)**	-1,730	**-0.1%**
EBITDA	**1,293,426**	1,219,736	73,690	**+6.0%**
Adjusted EBITDA [1]	**1,277,251**	1,221,044	56,207	**+4.6%**
Operating profit/loss	**619,650**	535,164	84,486	**+15.8%**
Financial result	(179,715)	(359,471)	-179,756	-50.0%
Share in profits obtained by associates	0	0	0	N/A
Profit/loss **before tax**	439,935	175,694	264,241	**150.4%**

[1] *Excludes fixed assets impairments and Voluntary Redundancy Plan (VRP) provision excess.*

Total aviation activity revenue increased to 2,387.6 million euros in 2015, up 3.6% compared to fiscal year 2014. Ordinary revenue reached the 2,333.0 million euros, an increase compared in the same period of 2014 of +4.1%. This increase reflects the positive growth in traffic in 2015 and the tariff freeze in 2015

Expenditures for aviation activity amounted to 1,767.9 million euros, 0.1% less than those registered for 2014. The reduction was made possible by the cost-saving measures implemented in recent fiscal years and the decrease in the volume of investment which, along with the conclusion of the life-cycle of the assets, resulted in a lower depreciation provision.

The above effects have allowed a 4.6% improvement in adjusted EBITDA and an operating profit of 619.6 million euros (+15.8%).

Furthermore, the pre-tax profit/loss for 2015 was 439.9 million euros, an increase of 150.4% compared with the previous year. This result is impacted by reduced financial costs as 2014 included the late payment interest provision for land expropriated by judicial procedures related to the expansion of the Adolfo Suárez Madrid-Barajas airport, as well as the reduction in average debt and average interest rate in 2015.

5.1.2 Commercial activity

The main objectives of Aena include the optimisation of commercial income alongside satisfaction of the needs and demands of the various users in each of its lines of business.

The main items of the commercial activity profit and loss account are set out in the table below.

(Thousand euros)	2015	2014	Variation	% Variation
Ordinary revenue	739,909	629,418	110,491	17.6%
Other operating income	7,576	13,238	-5,662	-42.8%
Total Income	**747,485**	**642,656**	**104,829**	**16.3%**
Total expenditure (including amortisation)	**(181,759)**	**(176,943)**	-4,816	**-2.7%**
EBITDA	**630,044**	**532,784**	**97,260**	**18.3%**
Adjusted **EBITDA** (1)	**628,924**	**533,283**	95,641	**17.9%**
Operating profit/loss	**565,726**	**465,713**	**100,013**	**21.5%**
Financial result	(13,782)	(15,949)	-2,167	-13.6%
Share in profits obtained by associates	0	0	0	N/A
Profit/loss **before tax**	**551,944**	**449,764**	102,180	**22.7%**

(1) Excludes fixed assets impairments and Voluntary Redundancy Plan (VRP) provision excess.

Total revenue from commercial activity increased by +16.3% in 2015 compared with 2014, rising to 747.5 million euros. Ordinary revenue amounted to 739.9 million euros (21.4% of the total ordinary revenue) having increased by 17.6% compared with the same period of 2014 (110.5 million euros).

This increase is a result of the improvement in contractual terms of the recent tenders for Duty-Free Shops, and the enlargement and remodelling of the spaces for commercial activity (shops, duty free and eateries). As noted above, the commercial contracts of Aena vary according to the type of business activity, being based, generally, on rent which varies according to realised sales (percentages can vary by categories of products and/or services). Some annual minimum rents (RMG) are guaranteed, establishing a minimum amount to be paid by the renter, independent of the level of sales reached.

The detail and analysis of the commercial lines of business (inside the terminal) is set out below:

Commercial Services *(Thousand euros)*	2015	2014	Variation	% Variation	MAG 2015
Duty-Free Shops	250,968	186,054	64,914	34.9%	
Food & Beverage	132,086	112,892	19,194	17.0%	
Car Rental	104,526	100,355	4,171	4.2%	
Stores	82,353	69,919	12,434	17.8%	
Advertising	28,564	27,610	954	3.5%	
Leases	26,490	26,917	-427	-1.6%	
Other commercial revenue (1)	114,922	105,671	9,251	8.8%	
Ordinary revenue from commercial services	**739,909**	**629,418**	**110,491**	**17.6%**	**61,590**

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

As in the case of aviation activity, the cost-cutting policy in place has also been reflected in this activity, generating savings of 22.4 million euros, or -2.7% compared to 2014.

The increase in revenue and decrease in expenses has resulted in an adjusted EBITDA (excluding fixed assets impairments and Voluntary Redundancy Plan [VRP] provision excess) of 628.9 million euros, an improvement of 17.9 % with respect to 2014.

The financial result has improved compared to 2014 (reduction of 13.6%) due to lower levels of average debt and average interest rate. These results have contributed to the improvement of pre-tax profit that has grown 22.7% to 551.9 million euros.

This performance was possible thanks to the impact of the various strategies adopted in 2014 designed to increase and refocus the commercial business, the two most important of which were:

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

Duty-Free Shops

In 2015, duty-free shop activity made up 33.9% of Aena's commercial revenue, with an increase of 34.9% compared to the same period in 2014. Aena has 76 duty-free stores in 25 airports (45,800 m2). Almost half of the points of sale are concentrated in the Adolfo Suarez Madrid-Barajas and Barcelona El-Prat airports.

Duty-free shops, with more than 20 walkthrough locations, offer products that fall into the key categories of that sector (alcohol, tobacco, perfume and cosmetics, food)

Key factors contributing to this performance include, among others, remodelled layout configurations and promotional campaigns by season and product category.

Food & Beverage

In 2015, food & beverage accounted for 17.8% of the revenue from commercial activity, up by 17.0% compared to 2014.

Aena 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. The main activities carried out have been:

- Tender and award of the entire food and beverage offer in Menorca, with 7 points of sale.
- Implementation, follow-up, and fine-tuning of the food and beverage Quality Plan in AS Madrid-Barajas, Barcelona-The Prat, North Lanzarote and Tenerife.
- Follow-up and control of renter Business Plans in various airports, including the prices for public sale.
- Renovation of 16 locations in four airports in our network, as well as tendering on 8 other locations in three airports.

Car Rental

Car rental services, which in 2015 accounted for 14.1% of commercial revenue, showed revenue growth of 4.2%, mainly due to the increase in the arrivals of international passengers and the incorporation of second brands on the part of the main contractors (Avis, Hertz, Europcar, Atesa and Gold Car). 2 vacant places have been filled in this way, one in Seville and another one in North Tenerife, both by Gold Car.

Renter contracts in this line of business are up in 2016, so a new call for bids has been issued for rental services in 39 airports in the Aena network, which will be awarded in 2016.

Stores

This line of business represented 11.1% of commercial activity revenue in 2015, and its 17.8% increase compared to the same period in 2014 is fundamentally due to optimising floor space and updating rents in various airports, as well bidding for and opening some new concepts that complement the existing offer (wellness services, among others). 49 stores in the Aena network have been remodelled.

Advertising

In 2015, this activity accounted for 3.9% of the commercial activity revenue, with an increase of 3.5%. In spite of the unfavourable economic conditions in the sector, these revenues have remained virtually stable due to the minimum rent guarantees.

Other commercial revenue

The analysis of the rest of commercial revenue can be broken down into two large blocks:

- VIP Lounges and business centre activities, which saw 27.0% favourable growth, reaching 23.9 million euros in 2015, and commercial supplies, which grew 0.8%, reaching 53.0 million euros in 2015. This increase in VIP Lounges, engendered by an increase in the number of users, is principally due to a new pricing strategy, as well as commercial actions, such us new online distribution channels and marketing activities. Also, remodelling and improvement of the 5 lounges in the Adolfo Suárez Madrid-Barajas airport has contributed to this favourable performance, like the same work carried out in the Seville, Tenerife Sur, Ibiza and Valencia airports. New leisure, entertainment, and personal care services have strengthened distribution agreements with collaborators such as tour operators, Travel Agencies and other Premium groups. VIP circuit/"Fast Lane" agreements have also been added in the Palma de Mallorca, Gran Canaria, South Tenerife, Lanzarote and Malaga airports

- With regard to revenue from other commercial operations (which in addition to banking services include plastic-wrapping machines, other vending machines, telecommunications services, regulated services), at the end of 2015 this amounted to 37.8 million euros, an increase of 11.0% compared to 2014.

5.2 Off-terminal services

Key data for the Off-terminal services segment is set out below.

(Thousand euros)	2015	2014	Variation	% Variation
Ordinary revenue	167,970	160,528	7,442	4.6%
Other operating income	4,188	11,803	-7,615	-64.5%
Total Income	172,158	172,331	-173	-0.1%
Total expenditure (including amortisation)	(118,453)	(120,790)	-2,337	-1.9%
EBITDA	102,321	101,181	1,140	1.1%
Adjusted **EBITDA** [1]	102,241	108,071	-5,830	-5.4%
Operating profit/loss	53,705	51,541	2,164	4.2%
Financial result	(14,585)	(25,400)	-10,815	-42.6%
Share in profits obtained by associates	0	0	0	N/A
Profit/loss **before tax**	39,120	26,141	12,979	49.6%

[(1)] Excludes fixed assets impairments and Voluntary Redundancy Plan (VRP) provision excess.

Off-terminal services comprise car parks and various assets of an immovable nature, such as land, warehouses, hangars and air cargo. In 2015, total revenue remained practically stable (-0.1%), up to 172.2 million euros. Ordinary revenue reached 168.0 million euros, an increase of 4.6% compared to the same period in 2014.

Off-terminal services *(Thousands of euros)*	2015	2014	Variation	% Variation
Parking	110,767	102,601	8,166	8.0%
Land	12,739	13,161	-422	-3.2%
Warehouses and hangars	17,961	19,349	-1,388	-7.2%
Cargo Logistic Centres	21,165	21,270	-105	-0.5%
Real Estate Operations	5,338	4,147	1,191	28.7%
Ordinary **revenue from Off-terminal services**	**167,970**	160,528	**7,442**	**4.6%**

Parking

Its turnover reached 110.8 million euros in 2015 (65.9% of the revenue from Off-terminal services) with an increase of 8.0% compared with 2014.

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 offer and improving the quality of customer services. Among other actions, dynamic and proactive marketing stands out, resulting in expansions in the product portfolio (35 approved). The incorporation of pricing and marketing strategies (communication and promotion), along with consolidation of the booking system with different channels (aggregators, travel agencies, etc.), have contributed to these positive results. In this regard, it is worth noting that the booking system has been positioned as a fundamental business tool, surpassing a half million bookings made, 36% higher than in 2014. In addition, the booking system has become the main tool in the face of competitors from outside the terminal, enabling us to position ourselves as a competitive and attractive product.

Innovative payment methods like the "VIA-T" electronic toll system in T4 of the Adolfo Suárez Madrid-Barajas airport and public parking in Bilbao, as well as new distribution channels through companies like Saba and Rumbo, and agreements with others like RICOH, have also been added. Furthermore, preferred parking in the Adolfo Suárez Madrid-Barajas airport and Drop-off service in Bilbao and Alicante have been implemented.

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

In 2015, revenue originating in Immovable Property represented 34.1% of the Off-terminal services revenues, generating 57.2 million euros, with a 0.7 million euro reduction (-1.2%) as a result of the removal of warehouse and hangar contracts. In spite of this reduction, highlights include the marketing of the "Rampa 7" lots in Adolfo Suárez Madrid-Barajas with the awarding of 2 hangars, the pre-marketing of two lots for shipping vessels and the general strengthening of aviation and corporate activity, with the start-up of the new Fixed Base Operator (FBO) in the Málaga-Costa del Sol airport by two operators. Also new fuelling stations in the Adolfo Suárez Madrid-Barajas, Barcelona-El Prat y Tenerife Sur were bid on. In relation to shipping activities, two pricing offers to incentivise the occupation of offices in general service buildings in the Adolfo Suárez Madrid-Barajas, Barcelona-El Prat and Valencia airports were implemented. Also CEIV Pharma/IATA certification of companies related to transport of pharmaceutical products by air.

5.3 International Segment

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

(Thousand euros)	2015	2014	Variation	% Variation
Ordinary revenue	211,768	46,027	165,741	360.1%
Other operating income	713	630	83	13.2%
Total Income	**212,481**	**46,657**	**165,824**	**355.4%**
Total expenditure **(including amortisation)**	**(199,404)**	(47,265)	152,139	**321.9%**
EBITDA	**72,582**	12,960	59,622	**460.0%**
Adjusted **EBITDA** [1]	**73,588**	**12,960**	**60,628**	**467.8%**
Operating profit/loss	**13,077**	**(608)**	**13,685**	**2,250.8%**
Financial result	(17,510)	9,733	-27,243	-279.9%
Share in profits obtained by associates	14,012	11,716	2,296	19.6%
Profit/loss **before tax**	**9,579**	**20,841**	**-11,262**	**-54.0%**

(1) Excludes fixed assets impairments.

The Luton Airport consolidation meant a contribution of 9.4 million euros at EBITDA level.

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

(Thousand euros)	2015	2014
Ordinary revenue	201,940	38,422
Total income	201,940	38,422
Accrued wages and salaries	(40,428)	(11,431)
Other operating expenses	(94,442)	(7,594)
Depreciation and impairments	(60,035)	(12,989)
Other results	(527)	
Total expenditure	(194,379)	(42,014)
EBITDA	**67,596**	**9,397**
Operating profit/loss	**7,561**	**(3,592)**
Financial result	(25,891)	(6,550)
Capital gain implemented at fair value 40% [1]		14,615
Profit/loss **before tax**	(18,330)	**4,473**

[1] **Including 2.2 million Euros of conversion differences**

In 2015 the Luton airport saw a 16.9% improvement in year over year traffic (12.3 million passengers in 2015 compared to 10.5 in 2014), which meant a +13.7% increase in its revenue (201.9 million euros in 2015 compared 177.6 million euros in 2014). The EBITDA generated for the whole year has reached 66. 6 million euros, 30.2% greater than fiscal year 2014 (55.0 million euros). When interpreting these results, the evolution of the euro/Sterling exchange rate must be taken into account. In this regard, the weighted average €/£ rate used in 2015 was of 0.7264 whereas in 2014 this was of 0.7902.

On 26 February 2015, the Board of Directors of London Luton Airport Holdings decided to refinance the loans and existing lines of financing for a total of 285 million pounds, along with the restructuring of existing interest rate swaps for 154 million pounds. The new financing, totalling 318 million pounds, consists of:

- 7-year Bullet loan of 228 million pounds to refinance the existing loan and pay the refinancing costs.
- 75 million pounds credit line to finance and refinance the investment plan.
- 15 million pounds credit facility, for corporate and working capital needs.

The main characteristics of the new financing are detailed below:

- The loan is increased to pay both refinancing costs and investments, meeting the needs of the business and providing for improved financial flexibility.
- The new maturity date expands the payment period 3.5 years
- The financial cost improves significantly. The differential average of the new financing, if held to maturity, is 200 basis points on LIBOR, which implies a reduction compared to the cost previous to refinancing, since it had a differential average around 300 basis points.
- The ratios of "covenant" net Debt/EBITDA and of interest payments are expanded, providing greater financial flexibility.

Another fact to consider in terms of the profit/loss for the segment is the equity of the investee companies, the details of which is set out below:

(Thousand euros)	2015	2014	Variation	% Variation
SACSA (Colombia)	2,163	1,881	282	15.0%
GAP (Mexico)	8,378	7,004	1,374	19.6%
AEROCALI (Colombia)	3,471	2,831	640	22.6%
Total share in profit/(loss) of associates	14,012	11,716	2,296	**19.6%**

In past investments two effects should be considered, on the one hand, the companies' operating results and, on the other, the application of the exchange rates.

Results in concessions for 2015 have been improved by an increase in traffic in all those that have been partially compensated by the effect of the exchange rate. In SACSA the decline in the international rate has caused an increase in traffic that was partially compensated by the previously mentioned effect of the exchange rate.

GAP has obtained the best traffic data in the entire history of the concession, which together with the positive effect of the consolidation of MBJ from April 2015 has led to a significant improvement in the result.

The operating profit/loss of the international segment has improved by 13.7 million euros, from -0.6 euros in 2014 to 13.1 million Euros in 2015.

6. OPERATING AND FINANCIAL RISKS

6.1 Description of the main financial risks

6.1.1 Regulatory risks

Aena, S.A. operates in a regulated sector and future changes or developments in the applicable regulations can have negative impacts on the revenue, operating profit/loss and financial position of Aena. Law 18/2014 introduces the mechanism that governs the determination of airport tariffs for the first Document of Airport Regulation ("DORA"), which is the basic instrument of regulation that establishes the minimal conditions of operation of the airports for five-year periods regarding capacity and service quality levels, and the associated investments and costs, establishing at the higher level of the network of airports the maximum annual price per passenger which can be charged for each of years in the 2017-2021 period.

On 22 of December of 2015, Aena sent its DORA proposal to the Office of Civil Aviation (DGAC), which is the regulatory body, proposing a tariff freeze for the 2017-2021 period. This proposal is, at the time of the writing of this report, in the review process with the airline associations, which will conclude with the final proposal that Aena will put forward in March of 2016. As of that moment, a period of revision on the part of the DGAC of the proposal in question will begin, which will end significantly behind schedule in September of 2016, with the approval of DORA for the 2017-2021 period. This document will determine the maximum tariff per passenger for the next the five years.

Additionally, the activity of Aena, S.A., is regulated by national and international norms regarding the safety of operations, people and goods, and the environment, which could limit the activities or the growth of the airports of Aena, and/or require significant payments.

6.1.2 Operating risks

The activity of Aena, S.A. directly is related to the levels of traffic of passengers and of air operations in its airports, which can leave it affected by the following factors:

- The economic situation in Spain and the main countries that are origin/destination of traffic (the United Kingdom, Germany, France and Italy, among others).
- It operates in competition with other airports, as well as other means of transport, which can affect to its income.
- It faces risks derived from the concentration the airlines and depends on the income of its two main airports.
- Revenue from commercial activity is tied to the sales of the companies renting commercial spaces, which can be affected by the volume of passengers as well as their wholesale or retail cost capacity.
- In the operations of its airports, Aena depends on third-party services, which can have an impact on its activity.

On the other hand, the international activity of Aena, S.A. is subject to risks associated with the development of operations in third-party countries and with the fact that the profitability outlooks may not be those predicted.

Aena is, and may be in the future, exposed to risks of loss in the judicial or administrative procedures in which it is held liable. (see note 23 of 2015 Consolidated Financial Statements)

The Company organs of management of the have implemented mechanisms directed at the identification, quantification and coverage of risk situations. Independently of the foregoing, a close follow-up of the situations that could pose a relevant risk, as well as the measures taken on the matter. The identification and control of risks is treated in greater detail in section "E. System of Risk Control and Management" of the Annual Corporate Governance Report, which is part of this Management Report.

6.2 Description of the main financial risks

The operations of the Aena Group are simultaneously exposed to several financial risks: market risk (including currency risk and interest rate and fair value risk), credit risk and liquidity risk. The global risk management programme of the Group focuses on the uncertainty of the financial markets and strives to minimise the potential adverse effects on the financial profitability of the Group. In very limited cases, the Group uses derivative financial instruments to hedge against certain risk exposures.

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

There is a contract of recognition of financial debt between Aena SA and its parent company, which came about as a result of the non-monetary contribution that led to the creation of Aena Aeropuertos S.A. (see Note 1 of the Consolidated Financial Statements), by which 94.9% of the bank debt of the parent company was assumed. On 29 July 2014 this contract was novated as is explained in point c) of this note.

There have been no significant changes in the management of financial risk at 31 December 2015, compared with the year ending 31 December 2014.

Below are the main risks of a financial nature:

a) Riesgo de mercado

Currency risk

The Group is exposed to currency exchange rate fluctuations which might affect its sales, results, shareholders' equity and cash flow, mainly arising from:

-Investments abroad (mainly Mexico, Colombia and the United Kingdom) (see Note 2.2 of the Consolidated Financial Statements).
- Transactions carried out by associated companies and other related parties carrying out their activity in countries with currencies other than the euro (mainly Mexico, Colombia and the United Kingdom).

The exchange rate risk on net assets of transactions carried out aboad by the Group is managed, principally, by using funding denominated in the pertaining foreign currencies. In additon, Aena Desarrollo Internacional SA regularly monitors the evolution of the exchange rate and will consider, as the case may be, the acquisition of hedge instruments to protect against the sterling-euro fluctuation.

Interest rate risk on cash flows and fair value

The interest rate risk of the Group arises from the financial debt. The loans issued at variable rates expose the Group to risk of interest rate fluctuatino in cash flows. The fixed interest rate loans expose the Group to fair value interest rate risk.

The aim of the Group in its interest rate risk management is the optimisation of the financial expense within the established limits, the risk variables being 3 and 6 month Euribor, main references for long term debt.

In addition, the value of risk of financial expenses in the time horizon of the projections is also calculated and scenarios for the evolution of rates over the period considered are established.

The financial expenses are mainly due to the financial debt recognised with the parent company. In addition, the parent company has taken out, for a very limited number of loans, interest rate hedge transactions that are transferred to the Company, as described in Note 12 of the Consolidated Financial Statements. 95.23% of the cost of these derivatives is charged to the Company, given that Aena is repsonsible to the parent company in this proportion for some loans.

In regard to reviewable rate loans, the Group has modified the system for those loans due to be revised in 2015. The total amount revised is 2,432,139 thosuand euros, of which 945,372 thousand euros pertain to BEI laon and have been set at a fixed rate to maturity at an average rate of 1.04% and 1,486,767 thousand euros pertain to FMS and DEPFa loans that have become variable interest rate loans (3 month Euribor + 0.11).

During the month of December, variable rate loans have been negotiated with spreads above 1,58% (with an average spread of 4.42%) for a total of 613.239 thousand euros, achieving a reduction in the spread of 0.98%.

The group manages interest rate risk of cash flows using floating to fixed interest rate swaps (see Note 12 of Consolidated Financial Statements). On 10 June 2015 a floating to fixed interest rate hedge transaction was entered into for a notional amount of 4,195 million euros. The average spread over 3 and 6 month Euribor of these loans is of 1.0379%. The fixed execution rate ws of 1.9780%. The purpose of this transaction was:

- To adapt the structure of debt at fixed/variable rate to comparable companies 79% fixed/21% variable (previously 50% fixed/50% variable)

- To have a stable framework of interest rates for the period DORA 2017-2021.

At 31 December 2015, the total amount of liabilities pertaining to these interest rate swaps amounted to 72,217 thousand euros.

At 31 December 2015, if the interest rate of variable loans would have increased or decreased by 20 basis points, while all other variables remained constant, the pre-tax profit of the year would have been 3,928 thousand euros lower and

3,928 thousand euros higher, respectively (2014: 10,072 thousand euros lower and 10,072 thousand euros higher, respectively). However, the Regulatory Framework established by Law 1/2011 of 4 March, establishing the State Programme for Operational Security for Civil Aviation and modifying Law 21/2003 of 7 July on Aviation Safety, establishes a system of tariff updates that protects Aena SA, in terms of the regulated part, against increases in costs of financing, in that it enables the recovery of its capital costs via the remuneration of its asset base, according to the legislation in force.

In this regard, the Company has carried out a sensitivity analysis in regard to potential interest rate fluctuations which might occur in the markets in which it operatesw, which has led the Directors of the Company on the basis of this analysis to consider that any variations which might ensue would not have a significant effect on the "Net Equity" of the Company.

b) Credit Risk

The Credit risk of the Group is due to the cash and other liquid assets, derivative financial instruments and deposits in banks and financial institutions, as well as exposure to trade accounts receivable and agreed transactions.

Credit risk relating to trade accounts is reduced, given that the main clients are airlines, usually collected in cash or in advance. As for retail customers who have leased premises in the various airports, their risk is managed by obtaining sureties and guarantees.

The BOE of the 5 March 2011 published the Law 1/2011 of 4 March, modifying Law 21/2003 of 7 July on Aviation Safety, allowing the use of legal proceedings for collection, managed by the collection agencies of the State Tax Administration Agency, in the management, settlement and collection of all amounts for public services owed to Aena Aeropuertos SA or its subsidiaries.

Credit limits have not been exceeded during the year and the management does not expect any losses not provisioned as a result of default by these counterparties.

c) Liquidity Risk

The main risk variables are: limits on the funding markets, increase in planned investment and reduction in cash flow generation.

The credit risk policy and the Group operations in its sector results in highly favourable average collection periods. In addition, the Group has carried out a substantial reduction in costs and needs for investment in the coming years, which have had a positive effect on the Group's cash flow generation. Despite the Group's negative working capital at 31 December 2015 of 755,065 thousand euros (2014: 1,053,732 thousand euros), it has a profit in the year attributable to parent company shareholders after tax of 833,537 thousand euros (2014: 478,618 thousand euros of profit in the year), and there is no risk of not being able to meet short term commitments in light of the positive operating cash flow achieved, which have led to reduction in the negative working capital in the last few years, which the Company expects to continue to be positive in the short term. On the other hand, on 29 July 2015, the parent company has entered into Credit Facilities with Bank Institutions amounting to 1000 million euros to meet potential treasury needs. In addtion, the investee company LLAH III has 82.0 million pounds sterling in available credit facilities (2014: 58.5 million pounds). In these circumstances, the Group Directors consider that there will be no problem to meet payment commitments.

The table below shows an analysis of financial liabilities linked to the Group and financial liabilities associated with the ENAIRE loan. Grouped by maturity dates, considering the outstanding period from the date of the balance sheet to the date of contractual maturity. Financial liabilities with derivative instruments are included in the analysis if their contractual maturities are essentila to understand the cash flow schedule.

At 31 December 2015	2015	2016	2017	2018	2019	Following	Total
Loan with ENAIRE (Note 33.e)	1,125,488	826,393	747,995	749,755	731,835	5,262,444	9,443,910
Interest accrued from ENAIRE loan (Note 33.e)	26;453	-	-	-	-	-	26,453
Loans with credit institutions (Note 20.b)	11;421	333	-	-	-	296,831	308,585
Financial lease liabilities (note 20)	2;080	2,096	2,134	2,174	2.214	17,974	28,672
Loans with LLAHIII shareholders (Note 20.b)	-	-	-	-	-	62,953	62,953
Interest accrued LLAH III shareholder loan	482	-	-	-	-	-	482
Other financial liabilities (Note 20)	33,721	209	1,963	3,972	30,618	27,412	97,895
Trade accounts payable and other payables (excluding customer prepayments) (Note 19)	323,265	-	-	-	-	-	323,265
Interest debt Aena, SA (*)	199,047	174,764	156,165	138,833	123,682	568,421	1,360,912
Interest bank debt LLAH III	11,143	11,473	11,695	10,505	11,201	13,791	69,803
Interest `participative loan III (Ardian)	5,050	5,036	5,036	5,036	5,050	14.585	39,793

(*) Estimated calculation of the interest on annual average debt with ENAIRE in each period calculated with average interest rate for period January –December 2015.

At 31 December 2014	2015	2016	2017	2018	2019	Following	Total
Loan with ENAIRE (Note 33.e)	1,055,128	1,190,488	866,393	787,995	689,755	5,934,279	10,524,038
Interest accrued ENAIRE loan (Note 33.e)	48,347	-	-	-	-	-	48,347
Loans with credit institutions (Note 20.b)	8,956	334	333	281,114	-	-	290,737
Financial Lease liabilities (Note 20)	2,334	2,547	2,012	2,050	2,090	18,605	29,638
Loans with shareholders LLAH III (Note 20.b)	-	-	-	-	-	58,976	58,976
Interest accrued loan with shareholders LLAH III	455	-	-	-	-	-	455
Other financial liabilities (Note 20)	37,664	1,579	4,307	2,263	5,157	34,486	85,456
Trade accounts payable and other payables (excluding customer prepayments (Note 19)	310,530	-	-	-	-	-	310,530
Interest Debt Aena, SA (*)	191,619	170,601	150,400	135,149	120,989	603,118	1,371,876
Interest Bank Debt LLAH III	11,645	12,437	13,141	13,875	-	-	51,098
Interest Participative loan LLAH III (Ardian)	4,948	4,948	4,948	4,948	4,948	19,791	44,531

(*) Estimated calculation of the interest on annual average debt with ENAIRE in each period calculated with average interest rate for period January –December 2014

7. HUMAN RESOURCES

Generally, 2015 saw the completion of actions principally intended to adapt the organization to the new management model of Aena, S.A. (publicly listed company).

The main relevant aspects, are summarised as follows:

7.1 Workforce data

The number of employees who make up the Group has practically remained stable, with a total of 7,882 employees in 2015 compared to 7,820 in 2014. The above figures include temporary employees which at the end of 2015 totalled 756 (1,283 in 2014).

The average workforce in 2015 was 7,940 employees, compared to 7,856 employees in 2014. The above figures include temporary employees which at the end of 2015 totalled 707 (1,347 in 2014).

It is necessary to emphasize the good results obtained in terms of productivity of the parent Company in 2015, with a remarkable increase in the passenger/workforce ratio, which increased 6.1% in 2015 compared to 2014.

Equality

Of the total number of Aena employees, 65% are men and 35% are women. These percentages change if we take into account only executive and line-management posts within the organisation, 44% of which are held by women.

Dated 13 July 2015, the "Action Protocol against sexual harassment based on gender" entered into force, approved by the Joint Commission on Equality, in accordance with the commitment established in the Plan of Equality taken up in the First Collective Agreement of the Group, as well as of the provisions of Organic Law 3/2007, of 22 March, for the Effective Equality of Men and Women.

The pursuit of Equality continues with training actions for "Equal opportunity between men and women," with the aim of sensitising and facilitating training on the matter for the entire workforce.

7.2 Selection

On 20 October 2015, the selection process for slates of candidates in reserve began, with the intention of covering future needs in permanent or temporary hiring (Levels D-F) in the different Aena work centres, with more than 40,000 requests received and final decisions anticipated in the first half of 2016.

7.3 Training, Professional Development and Management of Talent

Generally, actions have been undertaken which contribute to the transformation of organisational culture and the modernisation of human resources management for the company, increasing employee motivation and commitment.

Aena's Mentoring Programme, "Leaders Developing Leaders" began in January 2015, as a strategy for knowledge management, professional development and a driver for change. The third and fourth phase of the program has been launched, with 107 participants as of December 2015.

The "Plan of Young Emancipation", through the Ministry of Public Works and the Economy, has been continued, with 45 scholarships for internships during 2015 and around 80 students.

In 2015, training related to the Plans for Operational Security has been completed, to comply with the requirements of the State Agency for Aviation Security (AESA). Airport Directors and Department Heads have been called to attend all the courses of their plan.

During the 2015 the Training Model Programs and Verification of Competence that have allowed certification in matters of operational security have been updated for the initial airports (Seville, Bilbao and Menorca) in accordance with the new Regulation EU 139/2014. Also, support for the rest of airports in the process of certification or certificate renewal has been facilitated, with special emphasis on the Airports of Group III.
On the occasion of the approval of the Coordination Protocol for assistance to the victims of civil aviation accidents and their relatives, which establishes some rules of procedure in the case of civil aviation accidents, Aena has given training

to the people designated as Persons Responsible for Assistance to Victims of Aviation Accidents (RAAV), to explain the procedural protocol. This training has been completed in the second half, with a pilot edition for psycho-social training, communication abilities, emotional self-control, stress management and situational training for personnel designated as RAAV.

This year new Initiatives they have been designed and planned in the matter of internal communication and motivation, such as courses on motivation and cohesion and alignment of teams.

A process of training need detection and office automation training has been completed, along with calling the entire workforce to complete two online courses as required by law: "Criminal responsibility of the Legal Person" and "Awareness ICT (Information and Communication Technologies)".

Towards the end of 2015, Conecta2 was rolled out. This web allows the advantages of collaborative participation by employees to be enjoyed, in order to facilitate interaction between people making up the organisation.

The personnel of Aena has completed a total of 257,456 hours of training in 2015. 7,172 employees have been trained, which represents training for 99% of the group.

8. PROCUREMENT

8.1 General procurement

The amount awarded to Aena through contracts reached 660.9 million euros (excluding taxes). Contracts awarded centrally represented 87.3% of this volume (576.9 million euros), compared to 12.7% (84.0 million euros) awarded locally by the airports.

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

Centralised investment	
Works	89,4
Provisions	79,2
Assistance, consultancy and services	18.4
Centralised expenses	
Works	1.9
Provisions	93.3
Assistance and Services	294.7
Decentralised investment:	
Works	36.6
Provisions	10.1
Assistance, consultancy and services	1.4
Decentralised expenses:	
Works	13.6
Provisions	7.3
Assistance and Services 1	5.0

On the other hand, the amount awarded Aena through smaller contracts, during year 2015, was 25.2 million Euros.

8.2 Commercial procurement

In 2015 the total volume of contracts awarded in relation to leases for commercial activity amounted to 28.4 million euros (excluding taxes) for the first annual period of the contract.

The breakdown of amounts relating to commercial lease contracts awarded during the period, by line of business, is as follows:

Lines of business	Nº files	Amount (1st annual period) *In euros*	% amount
Travel agencies	7	134,232	0.47%
Aircraft maintenance and hangarage	2	148,322	0.52%
Car Rental	7	962,614	3.39%
Car parking	10	-	0.00%
Leasing of hangars	1	30,174	0.11%
Land leases	3	747,854	2.63%
Bars and restaurants	15	7,395,936	26.02%
Telecommunications concessions	3	1,302,884	4.58%
FBOS	1	364,472	1.28%
Fuelling stations	4	668,867	2.35%
Machinery	10	4,614,581	16.24%
Other real estate operations	2	232,508	0.82%
VIP lounges	8	1,312,739	4.62%
Regulated commercial services	1	31,044	0.11%
Finance services	19	1,997,144	7.03%
Shops under the normal tax regime	59	8,475,717	29.82%
TOTAL	**152**	**28,419,088**	**100.0%**

9. CORPORATE RESPONSIBILITY

The new company model implemented in 2015 establishes the policies and the basic principles that will inspire the action of Aena in the matters of good governance, corporate responsibility and transparency, whose stewardship corresponds to the Board of Directors and the Management bodies of the company.

The Aena Corporate Responsibility Policy permits the unification and strengthening of its identity, culture and behaviour patterns and serves as a tool for guiding its actions in economic, social, environmental and ethical issues across the whole Company. Up to 31 December 2014, Aena continued with its line of work based on the results obtained in previous years, including:

- Report on the strategy of Corporate Responsibility of Aena through internal and external tools of communication (annual summaries, webpage, etc.) presented to employees, clients, investors, communities with which we interact and the company in general, regarding the performance in sustainability and good governance.
- Helping to strengthen the positioning and corporate reputation of Aena by publicising the corporate values internally through the monthly CR Bulletin, the Aena Magazine, etc.
- Active participation in external benchmarking with the main institutions of reference in the matter of corporative responsibility, as well as the diffusion and interchange of good practices in sustainability.
- Over this period, we have carried out a large number of projects geared towards improving the overall productivity of the company, and specifically improving essential aspects such as excellence in quality, safety of people and facilities, the environment, energy savings and efficiency, planning, infrastructure development and optimisation of management processes and operations.

Through the Code of Conduct Aena's corporate culture, values and principles are defined and guidelines for company conduct and people included in its scope of action are reinforced, internally and in its relations with clients, partners, suppliers and, generally with all those people and organizations, public and private, with which they interact in the performance of its professional activity.

Organization

The functioning of management bodies and group decision making processes is described in detail in the Annual Corporate Governance Report, which is part of this Management Report, highlighting the functions of the Shareholders' Meeting and the Board of Directors as the ultimate government bodies of the company.

For the purposes of Group management, the functioning and composition of the Board of Directors should be emphasized. Under the direction of the Managing Director different department heads are brought together, strengthening the integration of business and strategy.

9.1 Economic performance

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

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

9.2 Environmental performance

For Aena, as a leading provider of air transport services, the search for sustainability is essential in areas such as ensuring the compatibility of airport operations and the development of airport facilities with the local environment, reducing the emission of greenhouse gases, minimising the impact of noise pollution, as well as everything related to the promotion of initiatives which increase energy efficiency and the use of renewable energies. This is all in keeping with the Company's strategic objectives and its Environmental and Energy Policy.

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

- Noise insulation plans (NIP) Throughout 2015, 420 homes and buildings for sensitive uses have been soundproofed, making a total of 19,639 properties insulated from noise since the beginning of the NIP in 2000.
- Evaluation of the environmental impact of planning projects and instruments.
- Acoustic evaluations, emphasizing the incorporation of weather data in the Interactive Maps of Noise in A.S. airports. Madrid-Barajas and Barcelona-El Prat
- In 2014, Aena renewed the certificate "Airport Carbon Accreditation" for the Adolfo Súarez Madrid-Barajas, Barcelona-El Prat, Palma de Mallorca, Málaga-Costa del Sol and Lanzarote airports.
- Management of the quality of soil and underground water of the airports in the Aena network.
- Energy Efficiency actions (Framework Agreement on Efficient Illumination Systems) and renewable energies, (Solar Plan for the canary airports)
- Development and evolution of the Integrated Quality and Environmental Management System, which allows for control, follow-up and systemisation of the mechanisms for continued improvement of all organisation processes from an integrated perspective. This provides a unique certification and the improvement of information for strategic decision-making by upper management.

9.3 Social performance

The development of good practices in recent years together with the establishment of collaboration agreements with social entities has permitted, within the scope of our interest groups, the consolidation of solidarity projects that benefit groups in risk of social exclusion.

Up to 31 December 2015, the following initiatives are worthy of note:

Within the scope of the internal social dimension:

Aena has taken on board a series of support plans for the employee the aims of which are to encourage positive measures for workers and their surroundings that improve their occupational well-being and facilitate conciliation between their working, family and personal lives. This commitment has acted as a basis for developing a number of activities directed towards staff registered on the Aena Collective Agreement I, independently of their contract type, occupation or shift:

- Consolidation of the Integrated Assistance Programme (guidance, counselling, referral to social resources and "health protocols" or services within the contexts of birth, death, disability, ageing parents and geographic mobility).
- Programme for the Treatment and Prevention of Addictive Behaviour, and programmes on Emotional Support and Health Education
- more than 10,147 grants have been processed and approved for employees' or their children's studies, summer camps, disabilities, health, etc.
- Development of the policy for the reconciliation of work and family life: 645 services were provided under the Employee Service Programme (PAE).

Within the scope of the external social dimension:

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

- Assistance Services for Persons with Reduced Mobility (PRM). At 31 December 2014, assistance had been given more than 1.2 times, and the highest levels of quality maintained. From March 2005 an agreement of collaboration with CERMI (Spanish Committee of Representatives of People with Incapacity) has been kept with Aena, in order to carry out advisory work related to accessibility and assistance for handicapped persons and persons with reduced mobility in the air transport sector, specifically within airports.
- Celebration of Solidarity and Cultural days in the Aena workplaces, which allow special workplaces or entities that promote the sale of fair-trade products to come to our offices to distribute their products and sensitise the employees to their objectives and projects.
- Empowerment of the "Solidarity Spaces" project, implementing it at thirteen of the network's airports and rolling out awareness campaigns in large organisations such as Unicef, Intermon-Oxfam and Aldeas Infantiles.
- For the fifth consecutive year in the Adolfo Suárez Madrid-Barajas airport a new edition of the Solidarity Event, a showcase of social reality, in which associations that work for the integration of handicapped persons, or entities focused on the promotion of fair-trade, support to infants, the environment, etc.
- Since 2014, the organisation has been a member of the "Network of Companies for a society free of gender-based violence", of the Ministry of Health, Social Affairs and Equality, having offered its facilities as the site of campaigns against gender-based violence.

9.4 Alliances

In matters of Corporate Responsibility, Aena is working to keep pace with other companies, and, if possible, to lead from the front. With the aim of exchanging and spreading good practice in sustainability, whilst contributing to making its products and services known, in 2015 Aena strengthened its collaboration with some of the leading associations and organisations In this field, such as Forética, Club de Excelencia en Sostenibilidad and Fundación Corresponsables, which are associated with the Spain's large public and private corporations.
Likewise, collaboration has continued with representatives of the sector for the promotion of education, the environment, science, employee training, the promotion of culture, sport, solidarity, etc.

10. PERSPECTIVE FOR 2016

The evolution of air traffic in the Spanish airports depends on three fundamental factors: the evolution of our economy, the evolution of the British, German, Italian and French economies, (main markets of origin/destination) and tourist activity, given the strong link between air travel and tourism in Spain (four out of five international tourists enter and leave by air).

In this context, some positive forecasts of growth exist, but they are not exempt from the influence of important factors of risk related to economic activity and its major or minor impact on tourism, such as the evolution of the economies of surrounding countries, which are the main points of origin, and their influence on the arrival of international tourists, the occurrence of unforeseeable and uncontrollable events, the high competition of high-speed trains in some air corridors, the volatility of the routes operated by low-cost companies which have a continually more preponderant weight in the airports of the network, the Increase in the price of petroleum, possible regulatory changes, currency devaluations, etc.

The traffic data for January 2016 confirms the tendency of growth In the number of passengers, with an increase of 12.3% for the Aena airport network in Spain, and growth of 13.9% in domestic traffic and 11.6% in international traffic.

In relation to the regulatory framework, on 23 July 2015 the National Commission on Markets and Competition (CNMC), approved the proposal of tariff modification of Aena, S.A. for 2016 (taking effect 1 March 2016, the tariffs of the regulated business are reduced 1.9% with respect to those of 2015) and measures are established to adopt In future consulting procedures. This resolution incorporates the criteria established In the Agreement of the CNMC on 23 April 2015:

- In that Agreement, the CNMC establishes that the accounting that should be used as a basis for updating rates for 2016 should reflect In a different manner than that of the previous year the "costs arising from the commercial revenue generated by a higher volume of traffic." Pursuant to this Agreement, that consequence would establish that part of the costs arlsIng in airport terminals, and which were recorded as regulated airport activity, would be part of business activities and be considered as costs thereof. Following the gradual application of the criterion of the double till system, reallocation of regulated business activities costs supported by the contested Agreement corresponds to 40% of the amount of 69.8 million, that is, a variation of 27.9 million.
- In relation to the recovery of the tariff deficit, the CNMC establishes for its calculation the criterion of "real deficit" against the criterion of "prospective deficit" applied in previous processes of tariff supervision.

Aena, S.A., has brought action against this resolution before the National High Court, that is pending resolution (see note 23 of the Annual Financial Statements)

Additionally, with respect to the completion of the Document of Airport Regulation (DORA) for the 2017-2021 period. On 22 of December of 2015, Aena sent its DORA proposal to the Office of Civil Aviation (DGAC), which is the regulatory body, proposing a tariff freeze for the 2017-2021 period. This proposal is, at the time of the writing of this report, in the review process with the airline associations, which will conclude with the final proposal that Aena will put forward in March of 2016. As of that moment, a period of revision on the part of the DGAC of the proposal in question will begin, which will end significantly behind schedule in September of 2016, with the approval of DORA for the 2017-2021 period.

With respect to commercial income, Aena will continue with the measures directed toward its Improvement, benefitting from the dual till regime, through actions intended to make its commercial assets profitable, beginning with actions already underway derived from new contracts, of the expansion and remodelling of the commercial spaces, the addition of leading Spanish and international brands,, emphasizing in 2016 the bidding and awarding vehicle rental concessions for the 39 airports in the Aena network. In addition to the actions above, the favourable behaviour of traffic also contributed and will continue contributing to promoting commercial revenue, having a positive effect on the Company's profitability.

Finally, in relation to investment needs, the airports of the Aena network In Spain have the capacity necessary to absorb traffic growth in the coming years. It will therefore attempt to undertake viable investments with the intention of obtaining yield and optimisation of available capacity, without neglecting security and the environment. In the case of the Luton airport (United Kingdom), an extension project is being developed intended to equip the airport with a capacity of 18 million passengers per year.

11. EVENTS AFTER THE BALANCE SHEET DATE

No significant events, subsequent to the close of the balance sheet, have taken place to affect the consolidated financial statements, the application of the going concern principle or that may be useful for the user of the consolidated financial statements, other than those mentioned below:

- On 10 February 2016 the Supreme Court (Administrative Dispute Chamber) issued a ruling, notified 12 February 2016, rejecting the action brought by the Government of the Canary Islands against the implied rejection of the request directed towards the Administration of the State for it to modify the Cabinet Agreement of 11 July 2014 and against the Cabinet Agreement of 23 January 2015 for the authorization of the alienation of AENA, S.A. shares through public offer (OPV) (see Note 23 of Consolidated Financial Statements).
- On February 9, Circular 2/2016 of the Bank of Spain, to financial institutions, about supervision and solvency, which completes the adaptation of the Spanish legal framework to Directive 2013/36/EU and to Ruling (EU) number 575/2013, which adapts the Spanish legal framework to the requirements of Basilea III, establishes the weight in the lenders balance sheet of the loans Public Sector entities.

Regardless of the fact that in the current solvency status of the Company the potential impact of this Circular in its funding structure is deemed not relevant according to the documentation analyzed, given the recent publication of this Circular, the Company is still completing an in-depth analysis of its application in relation to the borrowing contracts that could be affected, and in particular of the joint borrowers'debt (see Note 20).

ANNEX: ANNUAL REPORT OF CORPORATE GOVERNANCE

The Annual Report on Corporate Governance corresponding to fiscal year 2015 is included below.

PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE CONSOLIDATED DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2015

On 23 February 2016, in accordance with the requirements of article 253 of the Corporate Enterprises Act and article 37 of the Code of Commerce, the Board of Directors of the company Aena S.A. has prepared the consolidated Financial Statements and the consolidated Directors' Report for the financial year to 31 December 2015, which comprise the attached documents that precede this statement.

Position	Name	Signature
Chairman:	José Manuel Vargas Gómez	
Director:	Mrs. MarÌa Victoria Marcos Cabero	
Director:	Mrs. Pilar Arranz Notario	
Director:	Juan Miguel Báscones Ramos	
Director:	Mrs. Mr Tatiana MartÌnez Ramos e Iruela	
Director:	Rodrigo Madrazo García de Lomana	
Director:	José María Araúzo González	
Director:	Dr. Pilar Fabregat Rosemary	
Director:	TCI Advisory Services, LLP, represented by Mr. Christopher Anthony Hohn	
Director:	Juan Ignacio Acha-Orbea Echeverría	
Director:	Eduardo Fernández-Cuesta Luca de Tena	
Director:	Simón Pedro Barceló Vadell	
Director:	Mr. Jaime Terceiro Lomba	
Director:	Mr. Amancio Lopez Seijas	
Director:	Mr. Jose Luis Bonet Ferrer	
Secretary (non-Director):	Mrs. Matilde Garcia Duarte	