



# Annual Report Aena Aeropuertos 2012

Unless otherwise specified, all of the information contained in this report pertains to the consolidated annual accounts of Aena Aeropuertos S.A. (Single Shareholder Company) and its subsidiaries.





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# Letter from the Chairman

This report aims to provide a detailed and accurate representation of the most important facts concerning Aena Aeropuertos and its management over the past two years. The pages that follow highlight the most relevant information on all our business departments, the most significant figures, and the outlook and strategies designed to take us into the future.

The establishment of a new airport management model has been a top priority for us since 2011. The company's strategic goals in recent months have been to situate the company in its rightful place as an industry leader, to ensure the levels of quality and efficiency that our clients have come to expect from us, and to consolidate our position on the international stage.

Aena Aeropuertos is a leader in the airport infrastructure and management industry. Its administration of 47 airports and 2 heliports domestically, as well as its international presence, certify its position as a world leader and further signifies the know-how of our company and of the excellent teams of professionals that comprise it.

Achieving the financial viability of Aena Aeropuertos has been our main objective. The influx of private capital, a possibility announced by the government, is poised to be a catalyst boosting the company's development, and also represents a great opportunity for us to fully enter into an increasingly competitive global market. In this regard the recent signing of an agreement with Ardian to purchase the Luton Airport has become an extraordinary opportunity for us to display our highly regarded experience in the industry.

The investments made in recent years in many of the airports in our network have contributed to the modernization of our airport infrastructure. These improvements will help us handle future traffic growth, after the prolonged financial crisis, and achieve a high rate of return in coming years, especially in a country like ours, which received almost 60



million tourists in 2012, over 46 million of which (four out of five) arrived through one of the airports run by Aena Aeropuertos.

After some difficult years that identified improvements as the catalyst behind our actions, I want to take this opportunity to thank everyone at Aena Aeropuertos for your efforts. Your work was essential in helping us get to where we are today. This necessary partnership contributed to reducing our expenses while maintaining the levels of quality that have defined our company's history. It is thanks to the work of this team of professionals and to their responsible attitude that we will be able to meet future challenges we set as we begin on this exciting journey.

**José Manuel Vargas Gómez**  
Chairman and CEO, Aena Aeropuertos







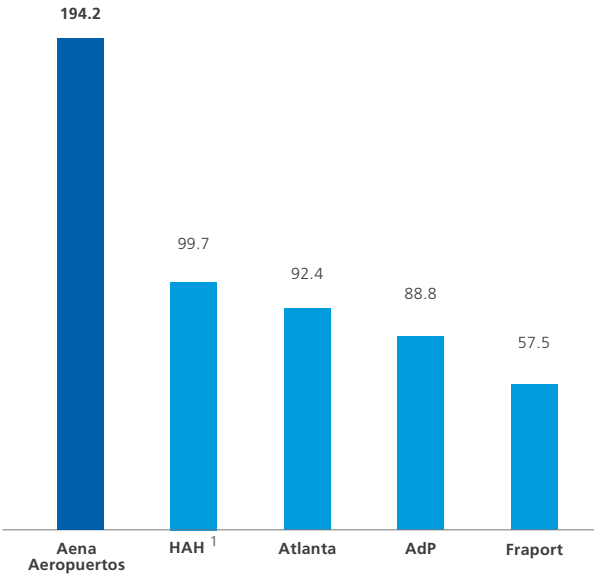
# Company information

# Business overview

Since its founding Aena Aeropuertos S.A. has been working ceaselessly to become what it is today: **a global leader in the airport management sector**, with growth potential.

**194.2 million passengers in Spain in 2012, 47 airports and 2 heliports** make Aena Aeropuertos **the world's leading airport operator by passenger volume and number of airports**.

Traffic figures for the leading airport operators in 2012  
(Millions of passengers)



<sup>1</sup> Heathrow Airport Holdings Ltd  
Source: Figures published by the companies

The group of airports and two heliports operated by Aena Aeropuertos included, as of the close of 2012, **two of Europe's top ten in terms of passenger traffic: Madrid-Barajas and Barcelona-El Prat**, in fifth and ninth place, respectively.

In addition, four of Aena Aeropuertos' airports recorded traffic in 2012 in excess of 10 million passengers, including the Palma de Mallorca Airport, which had over 22 million passengers, and Málaga-Costa del Sol, with more than 12 million passengers that year.

2012 ranking of European airports by passenger volume

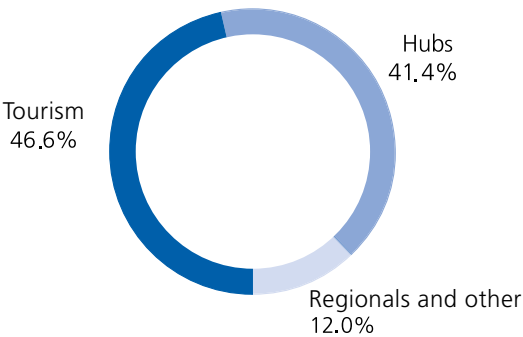
Position	Airport	Million of passengers	
1	London-Heathrow	70.0	
2	París-Charles de Gaulle	61.6	
3	Frankfurt	57.5	
4	Amsterdam	51.0	
5	Madrid-Barajas	45.2	#19 in the world
6	Istambul	45.0	
7	Munich	38.4	
8	Rome-Fiumicino	37.0	
9	Barcelona-El Prat	35.1	#34 in the world
10	London-Gatwick	34.2	

Source: Figures published by ACI Europe



The 47 airports and 2 heliports provide Aena Aeropuertos with a broad and diverse network, which has allowed it to gain **experience in managing airports of different types and sizes.**

The 14 tourism airports in the Aena Aeropuertos network accounted for 47% of all passengers in 2012, with the 2 hubs supplying 41% and the 25 regional airports 12%.



Airport types in the Aena Aeropuertos network

Airport types	Number of airports	Passengers 2012 (Millions)
<b>Tourism</b> Palma de Mallorca, Málaga- Costa del Sol, Alicante-Elche, Gran Canaria, Tenerife Sur, Ibiza, Lanzarote, Valencia, Fuerteventura, Girona-Costa Brava, Menorca, Reus, La Palma and Almería	14	90.4
<b>Hubs</b> Madrid-Barajas and Barcelona-El Prat	2	80.3
<b>Regional</b> 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-Agoncillo, Murcia-San Javier, Valladolid, León, Badajoz, Salamanca and Albacete.	25	23.4
<b>General Aviation</b> (Córdoba, Huesca-Pirineos, Madrid-Cuatro Vientos, Madrid- Torrejón, Son Bonet and Sabadell)	6	0.04
<b>Heliports</b> (Ceuta and Algeciras)	2	
<b>Total</b>	<b>47+2</b>	<b>194.2</b>

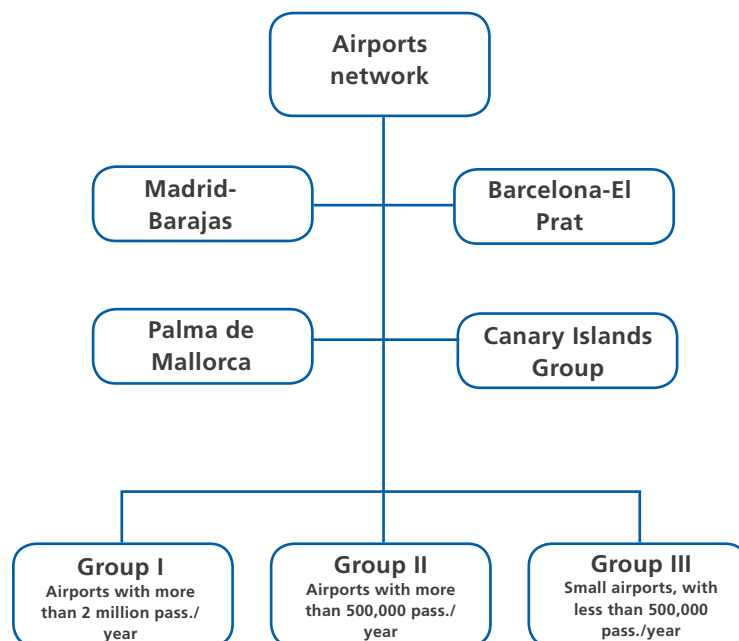
\* Airports specializing in air cargo



Tenerife Sur Airport

This broad and diverse network makes Aena Aeropuertos unique by being **one of the few airport operators that manages a network structure**. This management model allows the Company to streamline costs through the synergies and economies of scale that result from a higher turnover, thus enabling it to offer a higher and more standardized level of quality. This network structure also allows each airport to operate independently and offer its clients service that is better suited to their needs and demands

To improve the coordination among all its airports the Aena Aeropuertos network is organized as shown in the diagram below, with airports being differentiated based on passenger volume so as to better coordinate their services:



Thus, the main airports in the network, that is **(Madrid-Barajas, Barcelona-El Prat and Palma de Mallorca)** are managed independently, while the remaining airports are assigned to one of the following groups:

**Canary Islands Group:** consists of the eight airports in the Canary Islands. Due to their distance from the mainland and to the importance of inter-island traffic, these airports feature a set of characteristics that set them apart from the network's other airports.

**Group I:** consists of large airports with more than 2 million passengers a year. This group contains 8 airports: Málaga-Costa del Sol, Alicante-Elche, Ibiza, Valencia, Bilbao, Sevilla, Girona- Costa Brava and Menorca.

**Group II:** consists of airports that handle between 0.5 and 2 million passengers a year. This group contains 11 airports: Almería, Asturias, FGL Granada- Jaén, Jerez, A Coruña, Murcia-San Javier, Reus, Santander, Santiago, Vigo and Zaragoza.

**Group III:** consists of airports with under 500,000 passengers a year. This is a mixed group that includes:

- Heliports: Algeciras and Ceuta
- General aviation airports: Córdoba, Huesca- Pirineos, Madrid-Cuatro Vientos, Madrid-Torrejón\*, Son Bonet and Sabadell.
- Cargo airport: Vitoria
- Regional airports: Albacete, Badajoz, Burgos, Logroño-Agoncillo, León, Melilla, Pamplona, Salamanca, San Sebastián and Valladolid.

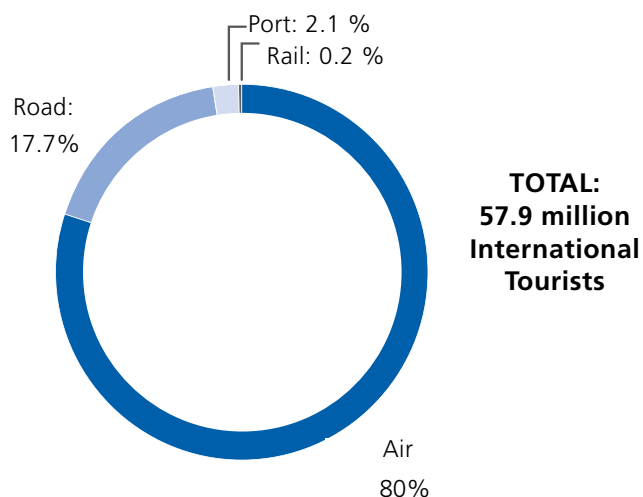
As opposed to an individual management scheme, the network management model offers significant advantages to Aena Aeropuertos in terms of the optimization of operations (such as the generation of connecting traffic), security, and in the management of commercial revenue, not to mention the important cost synergies resulting from the network structure.

It also offers higher market diversification and a greater capacity to interact with airlines. Additionally, it facilitates international development thanks to the Company's proven track record as an airport manager.

\* Madrid-Torrejón has been a military base with no civil traffic since 2013.

Another notable aspect of Aena Aeropuertos is related to its activity, as the Company **has close ties to a strategic industry in Spain: tourism.**

Air transport is a key sector for Spain due to its financial impact and its social contribution in terms of connectivity, accessibility, cohesion and territorial structure. This sector is closely linked to tourism, which accounts for 10% of Spain's GDP (according to data in the report "Balance del Turismo Año 2012" published by the Institute for Tourism Studies), as demonstrated by the fact that **4 out of every 5 international tourists enter Spain via an airport.** And let us not forget that **Spain is the gateway port of departure and arrival to Latin America.**



Source: FRONTUR Data - December 2012





Aena Aeropuertos also has a significant presence outside Spain, as reflected by its presence in **15 international airports** through direct ownership or consulting contracts (27 airports as of late 2012). The recent joint purchase agreement with Ardian (a fund resulting from the name change of AXA Private Equity after being spun off from the AXA Group on 30 September) of Luton Airport in the United Kingdom, which will allow the Company to take part in management of the fifth largest airport in the UK by passenger traffic, is proof of Aena Aeropuertos' international presence, demonstrating its know-how and ability to develop itself beyond the Spanish market.

The leadership that Aena Aeropuertos has shown in the airport industry is due to the efforts of a large team of professionals who are trained to face the new challenges that the international market and the current financial situation will pose in coming years.

In this new stage that is now underway, Aena Aeropuertos is branding itself with a new, modern and professional image for both its facilities and its workforce. It is a company at the forefront of the airport industry that is committed to continuing to set the standard in the industry at the international level and using the experience and knowledge gained over its history to keep growing.



## Geographical presence of Aena Aeropuertos in Spain in 2012







## Aena Aeropuertos: key numbers

### Main figures

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**47** airports and **2** heliports  
in Spain in 2012

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**2** airports among Europe's *Top Ten*: Madrid-Barajas and Barcelona-El Prat

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**194.2** million passengers in Spain  
in 2012

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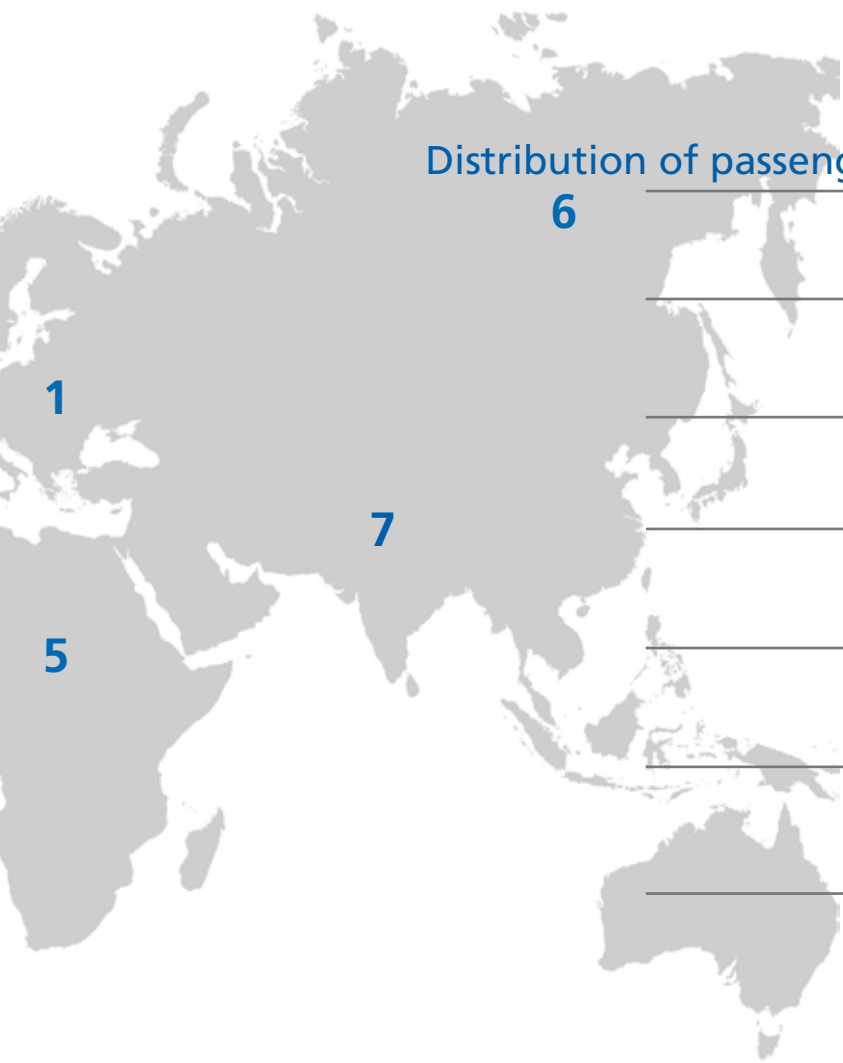
**2.6** billion euros in  
ordinary income  
in 2012

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**8,447** employees\*



\*As of 31 December 2012



Distribution of passenger traffic by geographical area in 2012

<b>1</b>	Europe*	58.3%
<b>2</b>	Spain	34.6%
<b>3</b>	Latin America	3.0%
<b>4</b>	North America**	2.0%
<b>5</b>	Africa	1.2%
<b>6</b>	Middle East	0.8%
<b>7</b>	Asia-Pacific	0.2%

\* Not including Spain  
\*\* North America includes the United States and Canada







# Corporate governance

## Board of Directors (As of the close of 2013)

**Chairman:**

Mr. José Manuel Vargas Gómez

**Members:**

Mr. Juan Ignacio Acha-Orbea Echevarría

Mr. José María Araúz G

Ms. Pilar Arranz Notario

Ms. Marta Blanco Ouesada

Mr. Francisco Cal Pardo

Mr. Pedro Francisco Duque Duque

Ms. M<sup>a</sup>. Victoria Marcos Cabero

Mr. José Jaume Pons

Mr. José Manuel Rodríguez De Castro

Mr. Ginés De Rus Mendoza

Mr. Pablo Vázquez Vega

**Secretary:**

Mr. Jesús Fernández Rodríguez

The following were also members of the Board over the course of 2012 and 2013: Mr. Miguel Aguiló Alonso, Mr. Antonio Bernabé García, Ms. Maria Paz Espinosa Alejos, Ms. Ana M<sup>a</sup> Fuertes Eugenio, Mr. Juan Enrique Gradolph Cadierno, Mr. Juan Lema Devesa, Mr. Raimon Martínez Fraile, Mr. Jaime Terceiro Lomba, Ms. Marisol Turró Homedes, Mr. Antonio Carrascosa Morales, Mr. Jorge Andreu Arasa, Mr. Manuel Butler Halter and Ms. María Ortiz Aguilar.

## Management Committee (At the close of 2013)







**1- Beatriz Puente Ferreras**

Chief Financial Officer

**2- Javier Marín San Andrés**

Managing Director of Aena Aeropuertos

**3- José Manuel Vargas Gómez**

Chairman and CEO of Aena Aeropuertos

**4- María Begoña Gosálvez Mayordomo**

Head of Organization and Human Resources

**5- Ignacio de Carvajal Cebrián**

Head of Investor Relations

**6- José Manuel Fernández Bosch**

Head of Commercial Services and Real Estate Mgmt.

**7- Antonio San José Pérez**

Head of Communications and Institutional Relations

**8- Fernando Echegaray del Pozo**

Head of the Network of Airports

**9- Jesús Fernández Rodríguez**

Head of the Legal and Asset Management Department

**10- Rodrigo Marabini Ruiz**

Head of Aena Internacional

**11- Pedro de Miguel Orden**

Head of the Chairman's Office



Also belonging to the Management Committee was Miguel Ángel Ávila Suárez, who held the position of CFO until March 2013.

## Management Committee

**José Manuel Vargas Gómez**, Chairman and CEO of Aena Aeropuertos.

Holds a Business and Economics degree from the Universidad Complutense de Madrid and a Law degree from the UNED.

Before being appointed in January 2012, he had spent over 10 years of his professional career at Vocento, a communications group where he held various positions since his arrival in 2000. Vargas was the company's CEO from 2008 to 2011, and had previously held the job of Chief Financial Officer at Vocento. He had also been the Legal Counsel and Secretary of the Board at ABC.

Before that Vargas had been the CFO and General Secretary at JOTSA (Philip Holzman Group) from 1995 to 2000, and worked at the auditing firm Price Waterhouse from 1993 to 1995.

**Javier Marín San Andrés**, Managing Head of Aena Aeropuertos.

He holds an Aeronautical Engineering degree from the Universidad Politécnica de Madrid and a certificate in Financial and Economic Management from the Madrid Chamber of Commerce. He has also taken the Business Management course at the IESE.

Since joining Aena in 1991, he has held various executive posts: Managing Director of Air Navigation, Director of Corporate Development and Managing Director of Aena Internacional, a subsidiary with interests in the management of aviation facilities outside Spain.

Before joining Aena he worked at the Universidad Politécnica de Madrid, at the Civil Aviation General Directorate, at the Eurocontrol Experimental Center in Paris and in the corporate group INDRA.

**Fernando Echegaray del Pozo**, Head of the Airports Network.

He holds degrees in Computer Engineering and Industrial Engineering and has a Business Administration degree from IESE. He has over 28 years of experience in the aviation industry both nationally and abroad.

He was the director of the Barcelona-El Prat Airport from 2006 until March 2012. He held the post of Airport Director for the Canary Islands Group, with over 32 million passengers, and was the director of the Group Tenerife South Airport.

On first joining Aena in 1985 he managed several departments at the Palma de Mallorca Airport. He was then the Operations Director at the Grupo Aeroportuario del Pacífico in Mexico, a company through which the Aena Aeropuertos subsidiary Aena Desarrollo Internacional S.A. manages 12 airports with over 20 million passengers.

**José Manuel Fernández Bosch**, Head of Commercial Services and Real Estate Management.

He holds a Telecommunications degree from the Universidad Politécnica de Madrid and an MBA from IESE.

Before joining Aena he worked at the Madrid offices of the Boston Consulting Group, where he was the Director of Technology, Media and Telecommunications for Spain and Portugal. Before joining BCG in 2000, he worked at Airtel (now Vodafone Spain) and Andersen Consulting (now Accenture).

**Rodrigo Marabini Ruiz**, Head of Aena Internacional.

He holds an Aeronautical Engineering degree from the Universidad Politécnica de Madrid, specializing in airports, and a Business Administration degree from the IESE Business School in Madrid.

He joined Aena Internacional in 1997, where he was the Technical Director before becoming the Director of Concessions and Services. He has been the Managing Director of Aena Internacional since 2004.



**Beatriz Puente Ferreras**, Chief Financial Officer.

She holds a degree in Business Administration from CUNEF, where she specialized in audits. She was a Fulbright Scholar at the Kellogg Graduate School of Management, where she received an MBA.

She has been the CFO of Aena Aeropuertos since March 2013. Before that she was the CFO at the Vocento Group. She started her professional career as an auditor at Ernst & Young and then went on to become a vice-president at the European Division of the Citigroup Investment Banking Group, working in New York, London and Madrid for the Mergers and Acquisitions Department.

**Ignacio de Carvajal Cebrián**, Head of Investor Relations.

He holds a Business and Economics degree from the Universidad Pontificia de Comillas. Before joining Aena Aeropuertos in April 2013 he had worked for over 15 years at various investment banks as an equity securities analyst.

In 2004 he joined the Madrid office of UBS as an analyst of Spanish and Portuguese companies. Over the course of his career he has been recognized by *Institutional Investor*, *Extel Reuters* and *Factset* for both his individual and collective achievements.

**Jesús Fernández Rodríguez**, Head of the Legal and Asset Management Department.

He holds a Law degree and is a Counsel for the State. At Aena, he was the Director of the Legal Department from 1995 to 2005, Director of the Chief Administrative Office from 2005 to 2011 and Director of the Legal and Asset Management Department of Aena Aeropuertos and General Technical Secretary of Aena from 2011 to present.

**María Begoña Gosálvez Mayordomo**, Head of

Organization and Human Resources.

She holds a Law degree from the Universidad Complutense de Madrid and graduated from the IESE's Executive Development Program in 2005.

She has over 20 years of experience in the area of Human Resources, where she has held different jobs. From 2004 to 2005 she was the Assistant Director of Organization and HR at Aena, and has been the Director of Organization and Human Resources since 2005.

**Pedro de Miguel Orden**, Head of the Chairman's Office.

He holds an Aeronautical Engineering degree (specializing in aircraft, missiles and powerplants) from the Universidad Politécnica de Madrid, graduated from the IESE's Executive Development Program in 2004, and has a Master's Degree in Project Management from the Centro Superior de Arquitectura de la Fundación Antonio Camuñas.

He was the Head of the Division for the Promotion and Support of Excellence from 2001 to 2004, and Head of the Management Office for Spanish Airports from 2004 to 2012.

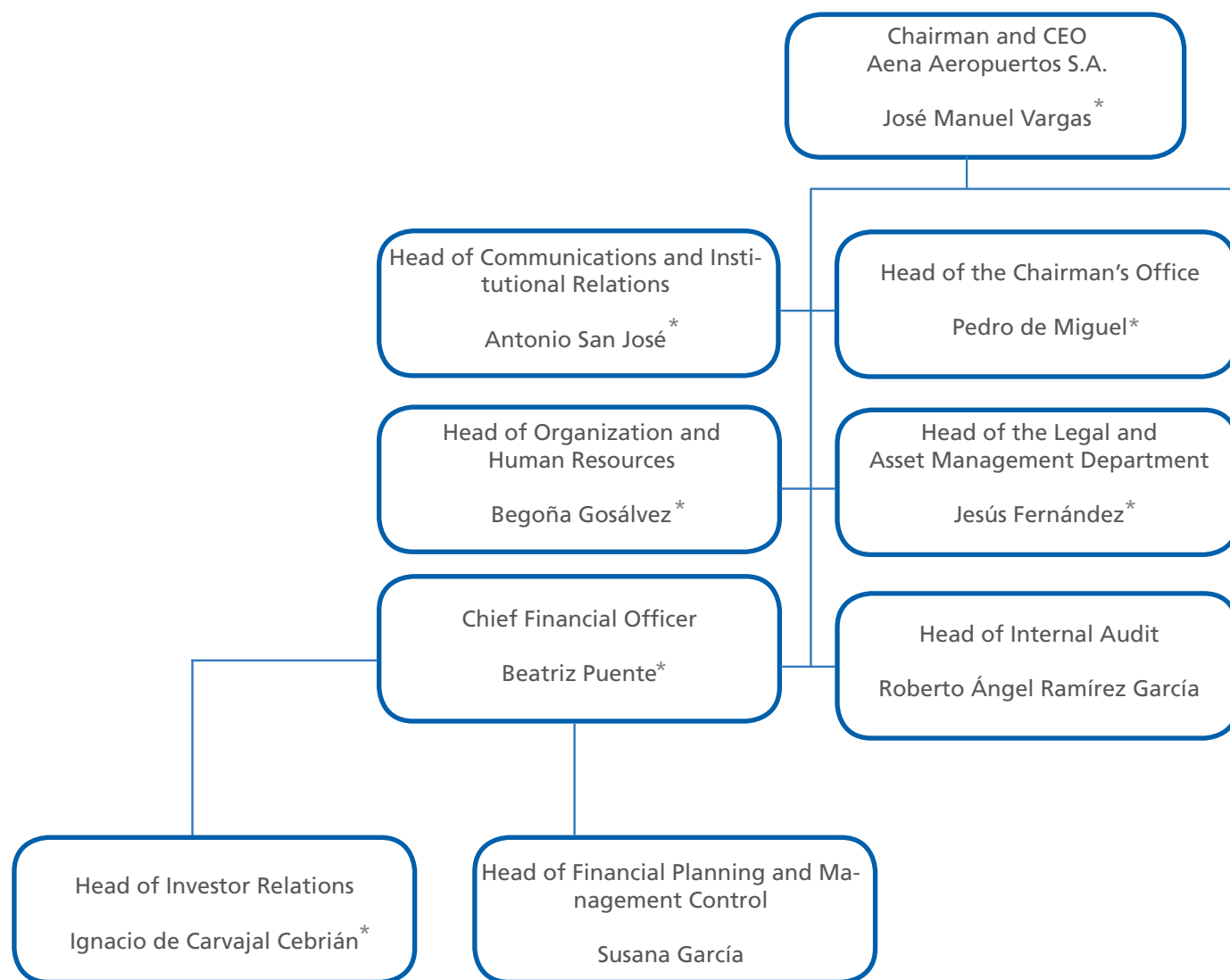
**Antonio San José Pérez**, Head of Communications and Institutional Relations.

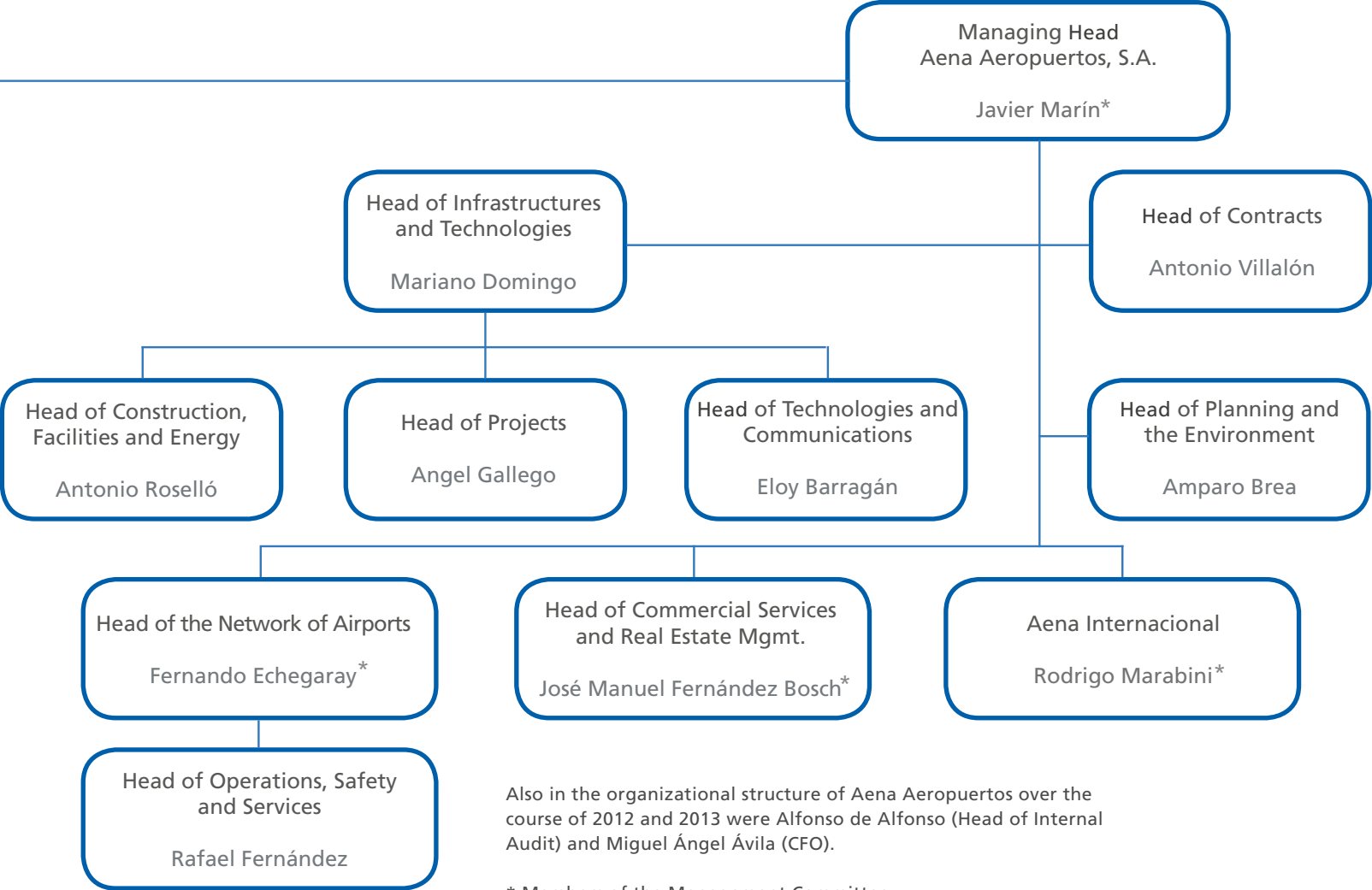
He holds a degree in Information Science from the Universidad Complutense de Madrid and has devoted most of his professional life to journalism.

He was the Head of Communications for Spain's national lottery operator (SELAE) and Communications Advisor for FAD (Foundation to Fight Drug Addiction) in 2011. Prior to that he was the News Director of Spanish National Radio, Canal+ and CNN+. He was also the Assistant News Director at the Antena 3 television network in Spain.

# Administrative and management structure

## Organizational Chart (At the close of 2013.)





Also in the organizational structure of Aena Aeropuertos over the course of 2012 and 2013 were Alfonso de Alfonso (Head of Internal Audit) and Miguel Ángel Ávila (CFO).

\* Members of the Management Committee

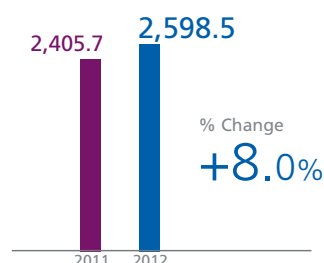
## Key financial figures

Aena Aeropuertos has undergone a significant transformation after implementing a results-oriented business management model in the past two years. The development of an ambitious cost control program and the implementation of various measures to improve efficiency and optimize revenue serve to position Aena Aeropuertos as a profitable and global leader, as evidenced by the main financial figures for 2012:

(Millions of Euros)	2011	2012	Change (%)
Ordinary revenue	2,405.7	2,598.5	+8.0%
Operating expenses <sup>1</sup>	2,421.4	2,289.9	-5.4%
EBITDA <sup>1</sup>	869.4	1,188.9	+36.7%
EBITDA Margin <sup>1</sup>	36%	46%	+10 bp
Operating results <sup>1</sup> (EBIT)	35.3	355.5	+907.8%

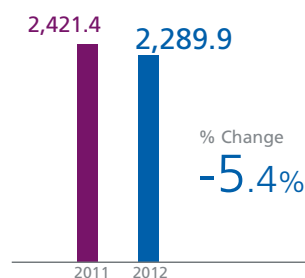
<sup>1</sup> Adjusted in 2012 due to the cost of the Voluntary Retirement Plan (134.5 millions of euros).

### Ordinary revenue (Millions of Euros)

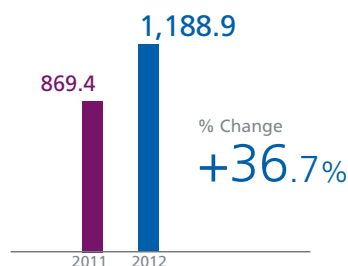


Ordinary revenue increased 8% to a total of well over 2.59 billion euros, this despite the economic recession and the significant drop in demand that resulted in a 5% fall in the number of passengers with respect to 2011 and a 10% decrease in aircraft operations.

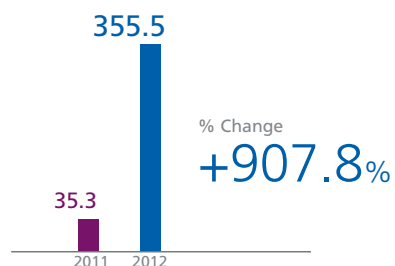
### Operating expenses <sup>1</sup> (Millions of Euros)



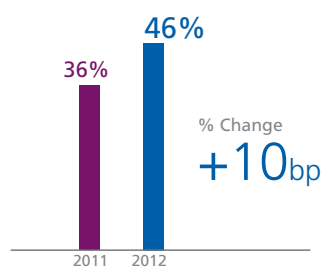
The implementation of cost control and reduction measures, the adaptation of services, the optimization of operating schedules to reflect demand, the improvements in contracting processes, the renegotiation of contracts and the drop in technical assistance and professional services led to a significant reduction in operating expenses in 2012, which were down over 5% from 2011 (131.5 million euros).

**EBITDA <sup>1</sup>** (Million of Euros)

The combined effect of higher ordinary revenue and reduced operating expenses is reflected in the 36.7% growth in the EBITDA figure for Ordinary 2012, as well as in the 10 basis points increase in the EBITDA margin.

**EBIT <sup>1</sup>** (Millions of Euros)

The significant increase in the EBITDA in 2012, as well as the lower amortization costs reported for the same period due to a recalculation of useful life, pursuant to IAS 16, provided the main catalysts to the improvement in the operating result (EBIT) at the close of 2012.

**EBITDA <sup>1</sup> Margin**

<sup>1</sup> Adjusted in 2012 due to the Voluntary Retirement Plan (134.5 Millions of Euros)

# Main Milestones

## Improved efficiency

José Manuel Vargas, Chairman and CEO of Aena Aeropuertos, presented the Company's strategic plan in June 2012, a plan that was intended to increase operating efficiency and ensure the Company's financial viability. The expansion of commercial areas in high-traffic airports, the awarding of contracts for duty-free stores, the increase in airport fees to bring them more in line with those of other European airports, and the cost control and reduction measures are the main features of this plan, on which rest the four pillars upon which Aena Aeropuertos will build its future growth: **Efficiency improvements and cost-cutting, increase in commercial revenue, CAPEX rationalization and establishing a regulatory framework similar to that in other European countries that allows the Company to recover its costs.**

As a result of this project the Ministry of Development approved the **Airport Efficiency Plan** in June 2012, which consists of three areas of action: adjusting schedules to the demand for flights; adapting services to needs; and providing flexibility in work schedules as well as cross-department mobility.

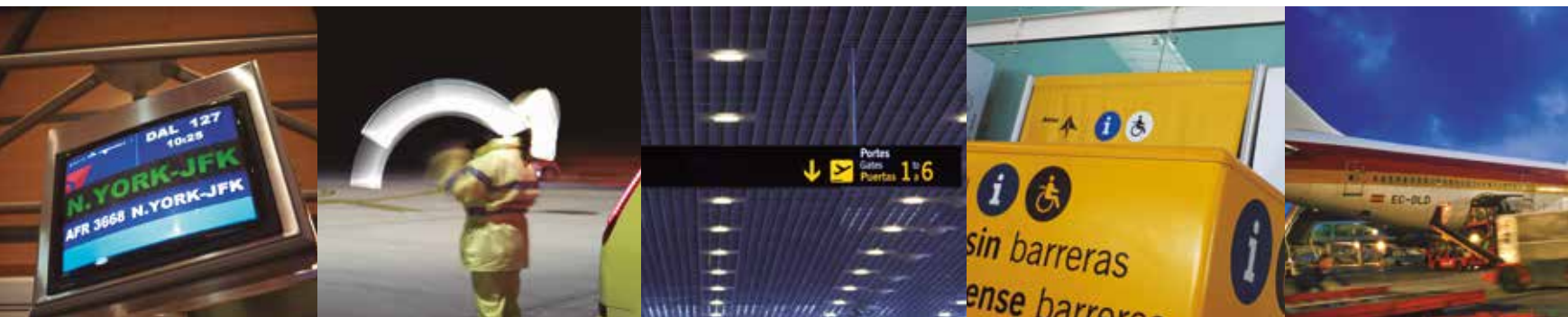
As part of this Plan Aena Aeropuertos signed a **Viability Plan** with the unions in October 2012 that included internal flexibility measures as well as a voluntary retirement plan that was used by 921 employees to leave the company. This plan was successfully completed and the last employees left in the first quarter of 2013.



## Regulatory framework

In 2012 Royal Decree Law 20/2012 of 13 July introduced the gradual application of the dual till system over five years as a model for recovering costs, gradually maintaining commercial margins for the Company while allowing the fees charged by Aena Aeropuertos to adapt progressively to market value. This Royal Decree Law also limited the maximum fare increases to a percentage equal to the CPI plus 5 points each year until the cost of the services provided is recouped and the fee gap is eliminated.

Subsequently, during the consultancy period for 2014, a **five-year agreement was signed with practically all airlines** in May 2013 that considered modifying the maximum increase limits set for airport fees in Royal Decree Law 20/2012. The terms of the agreement were laid down in Royal Decree Law 11/2013, approved on 2 August, which moderates the pace at which these fees are increased over the next five years to a maximum of 2.5% in 2014, 4.5% in 2015 and 5.5% in 2016, 2017 and 2018.





# Main Milestones

## Commercial development

### World's largest Duty-Free Store contract awarded

In December 2012 Aena Aeropuertos awarded the largest contract for duty-free shops in the world to World Duty Free Group España and to Canariensis (60% of which is owned by WDFG). Aena Aeropuertos' share of the proceeds from the sales rose from an average of 27% in 2012 to 39% for the 2013-2020 period, with a guaranteed minimum revenue of 2.1 billion euros over seven years.

In January 2013 the commercial area of the Madrid-Barajas Airport started a remodeling process to improve it and to add world-renowned brands. This ambitious project will furnish this service with a range of facilities and services on a level with that found at the main European hubs.

World Duty Free Group opened its first duty-free stores in June 2013 in the Asturias, Santander, A Coruña and FGL Granada-Jaén airports.

In July 2013 Europe's largest walk-through store to date was opened at the Palma de Mallorca Airport as part of the commercial development plan that Aena Aeropuertos has launched to maximize its commercial revenue.

Duty-free walk-through stores were opened to the public in the summer of 2013 at the Madrid-Barajas Airport.

In November 2013 Barcelona-El Prat opened its WDFG duty-free stores under the Barcelona Duty Free brand, spanning a surface area of 7,500 m<sup>2</sup>, distributed over 12 stores in the T1 and T2 terminals.

### Awarding of new commercial concessions for a new luxury line

Aena Aeropuertos consolidated a new area of business focused on luxury goods and exclusive fashions by awarding commercial concessions based on these concepts in September 2013 in the Madrid-Barajas, Barcelona-El Prat and Málaga-Costa del Sol airports.

### Awarding of a food service contract in Madrid-Barajas

Aena Aeropuertos awarded the food service contract at the Madrid-Barajas Airport, one of the largest airport food service contracts in Europe, to the company Áreas in March 2013. In all Áreas will manage 47 shops featuring 19 different brands, most of them of well known international brands.

In October 2013 Madrid-Barajas, as part of its commercial overhaul, opened "Kirei By Kabuki", the first Japanese restaurant in a Spanish airport.



## Establishment of new routes

In 2012 a program was put in place to enhance airport marketing. Intended to identify and develop new strategic routes, Aena Aeropuertos took part in four international forums: FITUR, Routes Europe and Routes World, and the IATA Slot Conference (the 130th conference was held in June in Barcelona, which hosted the event for the first time). At these forums it established contact with 124 airlines from 56 countries in an effort to facilitate their objectives and address those topics most relevant to the conduct of their activity.

### The effort made in 2012 to identify and develop new routes translated into 360 newly created routes.

Most of these new routes are to domestic destinations (91) and to the United Kingdom (53), Germany (52), France (28) and Italy (23). Also noteworthy were the routes created to countries with high purchasing power like the Nordic countries (34) and the increase in the number of flights to the Russian Federation (12).

### Vueling opts for the airports of Aena Aeropuertos

The airline Vueling launched 43 new routes in 2012 and saw its passenger volume at Aena Aeropuertos' network

of airports increase by 18% to a total of 20.8 million, half of them at its hub at the Barcelona-El Prat Airport, which alone saw an increase of 35%.

### Madrid-Barajas: second hub for Air Europa and Skyteam

Aena Aeropuertos signed a contract in September 2013 with Air Europa and the Skyteam Alliance to create a second hub at the T1, T2 and T3 terminals in Madrid-Barajas.

### Madrid-Barajas: new base for Norwegian Airlines

After opening four bases in Spain and increasing its passenger traffic in the Aena Aeropuertos network by 46.5% through November 2013 (over 900,000 passengers) and over 32.2% (more than 500,000 passengers) in 2012, the airline announced the opening of two new bases, one at the Madrid-Barajas Airport and the other at the Barcelona-El Prat Airport. These bases will be its fifth and sixth in Spain after those in Tenerife Sur, Alicante-Elche, Málaga-Costa del Sol and Gran Canaria. This airline is Europe's third leading low-cost airline, with 17 million passengers, and whose new base will bring the Spanish capital close to the Scandinavian countries. Its presence in the capital's airport will also open the door to other routes in Europe and the rest of the world and help to enhance Madrid's standing as one of the top international tourist destinations.



# Main Milestones

## International development

In 2012 Aena Aeropuertos reformulated its international expansion strategy by creating an international platform that will give the Company an exceptional opportunity to put its knowledge and credentials to good use.

### London-Luton: purchase agreement formalized

On 31 July 2013 Aena Internacional signed a purchase contract with Ardian, which became a reality on 27 November 2013.

## Awards and recognitions

Over the course of these two years Aena Aeropuertos and its airports have been recognized by various international organizations in different categories, an achievement that reinforces the Company's leadership position.

### Aena Aeropuertos

The food service at Aena Aeropuertos airports was named one of the 100 Best Ideas of 2011 by *Actualidad Económica* magazine. The award, received in May 2012, recognized the effort made by Aena Aeropuertos to reinvent airport food service.

In 2012 airport customers gave the airports of Aena Aeropuertos their highest quality rating ever, with a score of 3.85 out of 5.

In June 2013 the United Nations gave its best public service award to Aena Aeropuertos for its service for Passengers with Reduced Mobility (PMR). This prize is the highest international recognition of excellence in the public sector.

Aena Aeropuertos also received the 2013 Randstad Award as one of Spain's most appealing aviation and transportation companies to work in.

Aena Aeropuertos was a finalist at the 3rd *Premio Corresponsables* for its "Part of Everyone" project, which included a set of activities to encourage the Company's commitment to its employees and their families.





### Madrid- Barajas Airport

The position attained by the Madrid-Barajas Airport on the European and world stages, the quality of its facilities and services, and the expansion projects carried out have made it a worthy recipient of the important international awards and recognitions it has received in recent years and that serve to certify its standing.

In July 2012 the Madrid-Barajas Airport received the IATA's Gold Fast Travel Award, a distinction that recognizes efficiency and speed in the processing of airport passengers.

In April 2013 the T4 Terminal at the Madrid airport was picked as the third best airport terminal in the world in the 2013 World Airport Awards. In 2012 Skytrax listed this terminal as the fifth best in the world.

### Barcelona-El Prat Airport

Since the T1 Terminal was opened for operations the airport has set the standard for the south of Europe and its facilities have been recognized on several occasions by organizations catering to various social sectors.

The Barcelona-El Prat Airport was recognized by the digital publication *Airline Network News & Analysis*

But the awards and recognitions were not limited to these airports. Over these months other Aena Aeropuertos airports were also recognized for the quality of their services and facilities:

### Barcelona-El Prat, Madrid- Barajas and Palma de Mallorca Airports

The Barcelona-El Prat, Madrid-Barajas and Palma de Mallorca airports were ranked among the ten best in southern Europe according to an annual survey of 12 million passengers conducted by Skytrax and published in April 2013.

### Málaga-Costa del Sol Airport

The VIP lounge at the Málaga-Costa del Sol Airport was recognized as the most recommendable in Europe in 2013

### Alicante-Elche Airport

The airline Jet2.com recognized the Alicante-Elche Airport and Aena Aeropuertos for their contributions to the safety of all aspects of their operations.

### Menorca Airport

In June 2013 the Menorca Airport was chosen by Thomson Airways as the first European stopover for its Boeing 787 Dreamliner.









# Activity

Car park at the Barcelona-El Prat Airport

# Basis for growth

Aena Aeropuertos, aware of the current financial situation and of the magnitude of the economic crisis, has worked to create a world-class Company that is financially profitable.

This transformation, carried out over the past two years, **has laid the foundation for future growth** based on the following pillars:

- Efficiency improvements and cost-cutting.
- Increase in commercial revenue.
- Streamline investments.
- New regulatory framework: cost recovery model through the gradual implementation of a dual till system and adaptation of airport fees to levels that are comparable to those in the rest of Europe.

## Efficiency improvements and cost-cutting

Over the last two years, and thanks to a change in the Company’s management, Aena Aeropuertos laid out an ambitious plan to control spending as well as measures to improve operational efficiency and productivity that will go into effect in coming years. This effort to reduce costs is reflected in the savings of over 130 million euros in recurring expenses in 2012 with respect to 2011 which is equivalent an 8.2% reduction.

Trend in recurring expenses (millions of euros)	2011	2012	Change (%)
Procurements	211.2	198.6	-6.0%
Personnel costs <sup>1</sup>	384.1	374.4	-2.5%
Outside services	991.9	883.4	-10.9%
Total	1,587.2	1,456.5	-8.2%

<sup>1</sup> Excluding the Voluntary Retirement Plan (134.5 millions of Euros)



The main measures taken to reduce operating costs included the Airport Efficiency Plan, which involved implementing measures to improve the efficiency of services and operations as well as measures of an occupational nature.

- In the area of service efficiency, of note are the improved terms of the renegotiated contracts with suppliers, the drop in the amount of technical assistance and professional services provided, energy efficiency measures, and austerity measures involving other expenses.
- In the area of operational measures, most important was the adaptation of operating schedules to the demand for flights.
- As for the application of measures of an occupational measure, of note is the Voluntary Retirement Plan, a flex schedule for employees, cross-department mobility, a drop in overtime and travel expenses, and the restructuring of the organization, which resulted in fewer executive and core personnel.

This restructuring process was particularly targeted at unprofitable airports airports, managing to reduce to reduce the number of airports with a negative EBITDA as well as their overall costs.



Valencia Airport



New commercial area at the Madrid-Barajas Airport

## Increase in commercial revenue

Increased revenue from commercial activities is another of the Company's growth pillars. In 2012, commercial revenue (from services provided both inside and outside the terminals) totaled 679 million euros, an increase of almost 2% with respect to the previous year. The new long-term duty-free, food service and parking contracts signed will continue to provide increased revenue from commercial activities and create new business.

To improve the performance of the commercial premises, **Aena Aeropuertos implemented certain measures that will yield a significant increase in commercial revenue.** These include:

- A **commercial action plan** applicable to every line of business.
- **Renegotiated contracts**, like the bid for the duty-free contract with an average take from sales that went from 27% in 2012 to 39% for the 2013-2020 period, and a minimum guaranteed revenue of 2.1 billion euros over seven years (versus the 122 million euros in 2012).
- A **remodeling and increase in the surface area** devoted to commercial activity.
- **Attracting top national and international food service and retail brands.**
- **Developing, improving and promoting the VIP lounges.**
- Designing a new business model for the **comprehensive management of the car parks** in 32 of the network's airports.

**Future traffic increases will also lead to higher commercial revenue** thanks to the aforementioned initiatives, with the end result being a more profitable Company.

Streamline investments

Over the last decade Aena Aeropuertos has made significant investments to make its airports among the most modern and competitive in the world. Despite the huge potential for growth, we do not anticipate such large investments in the future, as evidenced by the trend in investments from previous years, which has gone down by over 1 billion euros without affecting the safety or quality of the service.

Trend in investments <sup>1</sup> (millions of euros)	
2008	1,968 €
2009	1,622 €
2010	1,558 €
2011	1,084 €
2012	815 €

<sup>1</sup>Based on a cash approach.

As a result, the Company has modern, world-class facilities in which it has invested over 7 billion euros in the last 5 years. This has significantly reduced the need for new investments, as was already apparent in 2012, while at the same time giving the Aena Aeropuertos airports enough capacity to absorb the traffic growth of coming years - all this in contrast to the capacity restrictions present at other large European airports.

The investments made by Aena Aeropuertos in coming years will, thus, focus on meeting the maintenance and safety requirements that will serve to guarantee the future of the airports in its network.

New regulatory framework and long-term charges agreement

Aena Aeropuertos is not allocated any funds through the national budget. As in other European countries, the aviation industry is regulated by Directive 2009/12/EC of the European Parliament and of the Council on airport charges, which specifies how the costs associated with providing airport services are to be recouped so as to ensure the viability of the industry.

Royal Decree Law 20/2012 introduced the gradual application of the dual till system over five years for use in determining the charges while allowing some profitability for the Company, starting at 20% in 2014 and increasing an additional 20% every year until a full dual till system is in place by 2018. This Royal Decree Law also allows charges to be increased a maximum rate based on the CPI plus 5 points each year until the cost of the services provided is recouped and the charge gap is eliminated.

Subsequently, during the process to set the charges for 2014, a **five-year agreement was signed with practically all airlines** in May 2013 that considered reducing the aforementioned charges. The terms of the agreement were laid down in Royal Decree Law 11/2013, approved on 2 August, which limits the pace at which the charges for the provision of this public service are increased over the next five years to a maximum of 2.5% in 2014, 4.5% in 2015 and 5.5% for the following three years.

The regulatory changes made in the area of financial regulation and the agreement reached with practically all of the airlines have served to craft a charging framework that is comparable to that used in the rest of Europe and that will bring the airport fees charged by Aena Aeropuertos level with the rest of Europe, making it easier for the Company to recoup its costs and ensuring the viability of its airports.



# Traffic

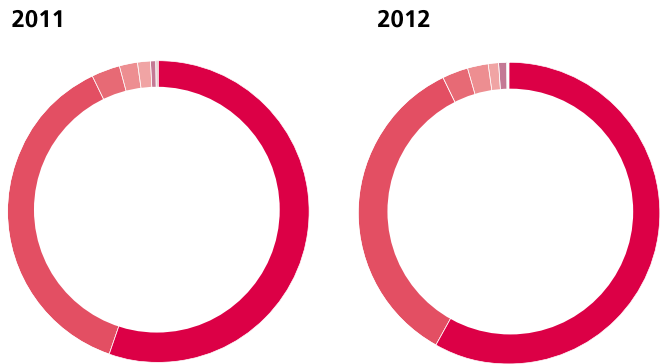


Gran Canaria Airport

Affected by the negative macroeconomic climate, in 2012 passenger traffic volume dropped to 2006 levels. Despite the decrease with respect to the previous year, 2012 was still the fourth best in the Company's history.

The relationship between traffic growth and the global financial cycle has conditioned the trend in domestic and international traffic at the airports of Aena Aeropuertos, with the latter exhibiting better figures than the former during this period of financial crisis.

## Percentage of traffic by geographic area



Area	2011	2012
Europe*	55.5%	58.3%
Spain	37.5%	34.6%
Latin America and the Caribbean	2.9%	3.0%
North America**	2.0%	2.0%
Africa	1.3%	1.2%
Middle East	0.6%	0.8%
Asia-Pacific	0.2%	0.2%

\*Does not include Spain

\*\* Includes USA and Spain

Traffic distribution by geographical area

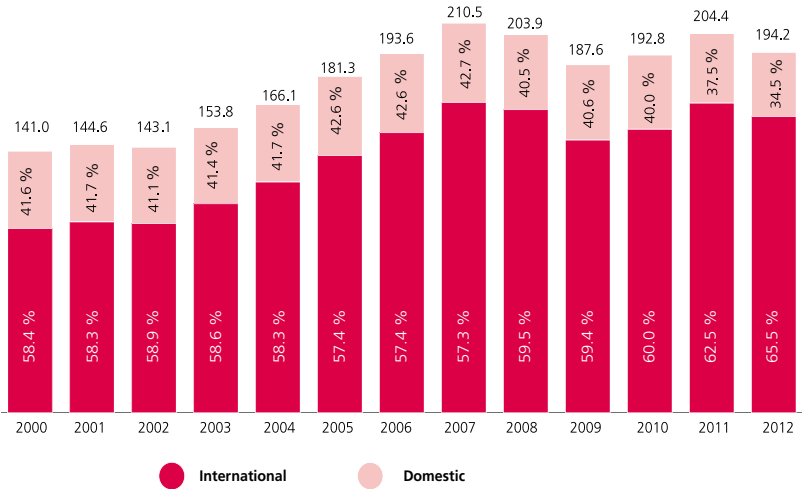
Area	Total Passengers	Total Passengers last year	% Change	Change
Europe*	113,302,245	113,442,951	-0.1%	(140,706)
Spain	67,196,423	76,725,143	-12.4%	(9,528,720)
Latin America and the Caribbean	5,741,783	5,965,153	-3.7%	(223,370)
North America**	3,822,670	4,036,341	-5.3%	(213,671)
Africa	2,315,348	2,576,192	-10.1%	(260,844)
Middle East	1,489,341	1,237,282	20.4%	252,059
Asia-Pacific	362,889	403,309	-10.0%	(40,420)
Total	194,230,699	204,386,371	-5.0%	(10,155,672)

\*Does not include Spain

\*\* Includes USA and Canada

Trend in types of passenger traffic (Million passengers)

Year	International	Domestic	Total
2000	82.3	58.7	141.0
2001	84.3	60.3	144.6
2002	84.3	58.8	143.1
2003	90.1	63.7	153.8
2004	96.8	69.3	166.1
2005	104.1	77.2	181.3
2006	111.1	82.5	193.6
2007	120.6	89.9	210.5
2008	121.3	82.6	203.9
2009	111.4	76.2	187.6
2010	115.7	77.1	192.8
2011	127.8	76.7	204.4
2012	127.2	67.0	194.2

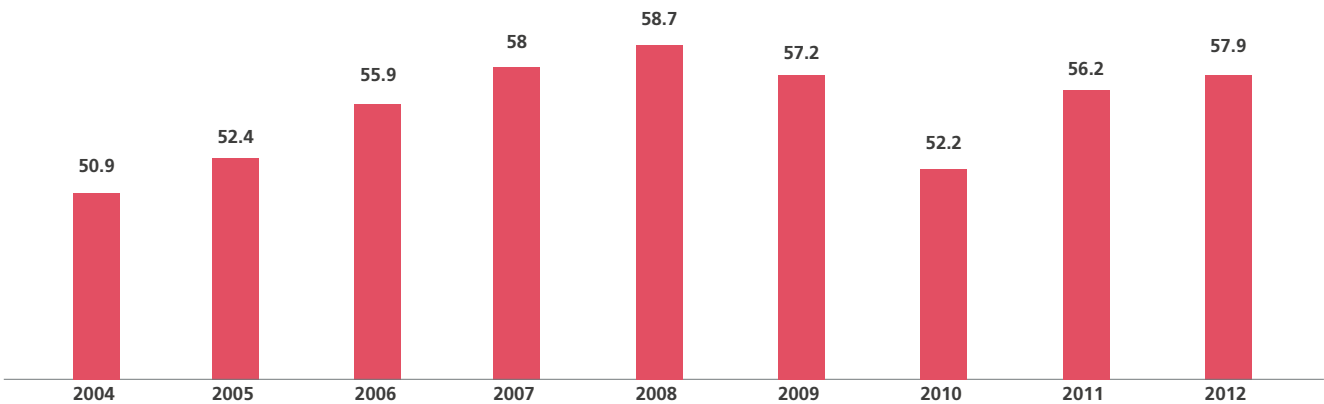


International traffic is growing every year, accounting for 65.5% of all traffic in 2012. In 2013 this type of traffic accounted for 69.5% of all passenger traffic as of November.

This trend, associated with the cycle, means that after a downtrend the number of international tourists

arriving in Spain is recovering. In 2012 this figure stood at 57.9 million, very close to the all-time record. Most traffic is to three of the network’s major airports: Madrid-Barajas, Barcelona-El Prat and Palma de Mallorca, which together accounted for 53% of all passenger traffic, 43% of all aircraft operations and 72% of all cargo volume.

Trend in international tourist arrivals in Spain (Millions of tourists)



Source: compiled by Aena Aeropuertos based on data from the Institute for Tourism Studies (FRONTUR, December 2012)

### Madrid-Barajas Airport

The Madrid-Barajas Airport is one of the main points of entry into Spain. Its proximity to downtown makes it a key component of the city's tourism industry and makes it convenient, fast and cheap for travelers going into the city. By stimulating the entire regional economy, facilitating the growth of companies and increasing tourism, Madrid-Barajas is of great importance to the economy of both Madrid and Spain.

After its expansion in February 2006, the new Barajas has become a hub airport where airlines can consolidate their operations to the Latin American, domestic and European markets.

Madrid-Barajas is now a symbol of modernity and progress. The airport has solidified its position as one of the world's top airports, placing fifth in Europe in 2012 in terms of passenger traffic.

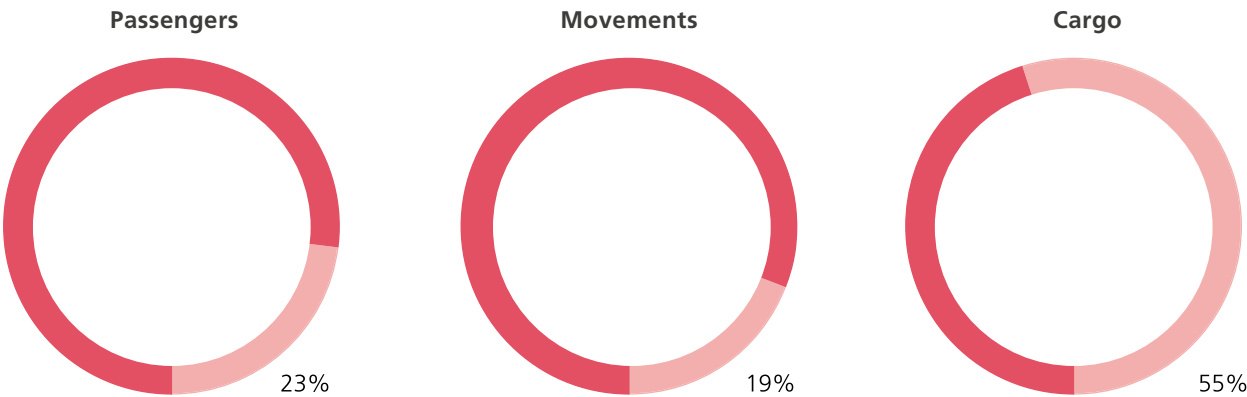
Its innovative and appealing facilities, which feature the latest technical advances to offer passengers greater mobility, speed and efficiency, along with its modern baggage handling system, commercial areas and an expanded airfield, make Madrid one of the world's 21st century airport capitals.

In 2012 some 45.2 million passengers passed through the airport, around 123,000 every day. It is the network's top airport in terms of passenger traffic, operations and cargo volume.

In 2012 this airport accounted for 23% of Aena Aeropuertos' total passenger traffic and 19% of all aircraft movements. Over half of the cargo in the network also passed through this airport.

Domestic traffic accounted for 32% of its passengers, with international traffic, in excess of 30.6 million passengers, accounting for 67.7% of the airport's total.

### Madrid-Barajas within the Aena Aeropuertos network (2012)





## Barcelona-El Prat Airport

The Barcelona-El Prat Airport is located southwest of Barcelona, between El Prat de Llobregat, Viladecans and Sant Boi. It is only 3 km away from the Port of Barcelona, one of the Mediterranean's most important ports in terms of container traffic, and a leader in the cruise industry. It is also located close to the 'Zona Franca' Consortium, one of Spain's most important industrial and logistic areas.

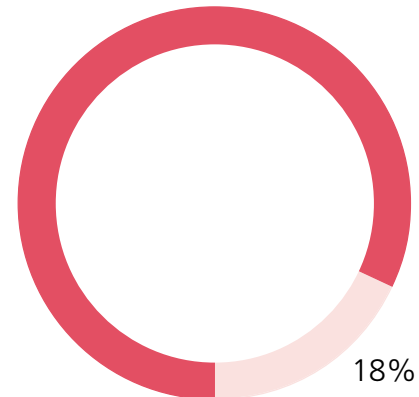
Barcelona-El Prat is crucial for the Catalanian economy and, more precisely, for the tourism businesses and industry. In order to modernize the Barcelona-El Prat airport and to prepare it for the future air traffic demand, important infrastructures and service activities were implemented. The Barcelona Plan transformed the airport with the construction of the new T1 Terminal, which began its operations in June 2009, and the enlargement of the flight fields in 2004 with a new lane, in addition to other relevant infrastructures.

In addition to the Barcelona Plan, Aena Aeropuertos continues working to make this airport a leader in Southern Europe and to consolidate it as an important European airport, increasing its national and international connections.

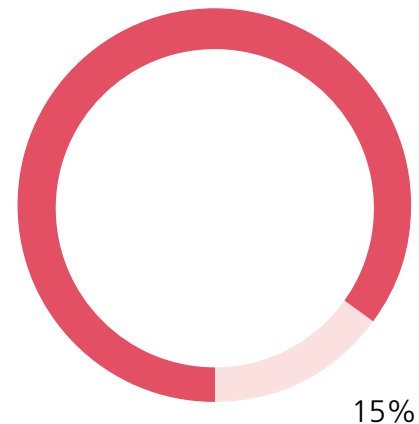
In 2012 the airport handled 35.1 million passengers (2.2% more than the previous year and the highest ever in its history) 290,004 aircraft movements, and 96,522 tons of cargo. The positive trend in international traffic was a highlight of 2012 (over 23.6 million passengers), with 9.1% more traffic than in 2011 and accounting for 67.3% of all passengers. The Barcelona-El Prat Airport ranks second in the Aena Aeropuertos network in terms of traffic volume, and ninth in Europe.

### Barcelona-El Prat within the Aena Aeropuertos network (2012)

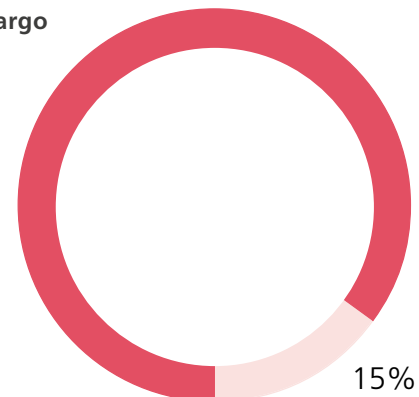
Passengers



Movements



Cargo



### Palma de Mallorca Airport

This is the network's tourist airport par excellence and the main point of entry for tourists visiting the island of Mallorca. Traffic to Palma de Mallorca is mainly international, reaching its highest levels during the summer season. Traffic to the mainland is also very important.

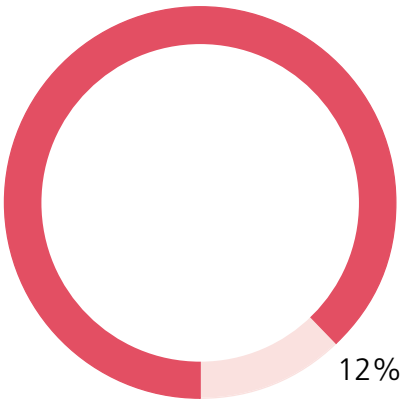
The most important routes are to Barcelona-El Prat and Madrid-Barajas, with over a million passengers, and Dusseldorf and Cologne, with annual passenger traffic of over 800,000. By nationality, Germany is the country with the highest number of visitors, followed by Spain and the United Kingdom.

In 2012 Palma de Mallorca closed out the year with a total of 22.7 million passengers, in line with the previous year; 173,966 aircraft movements and 13,712 tons of cargo.

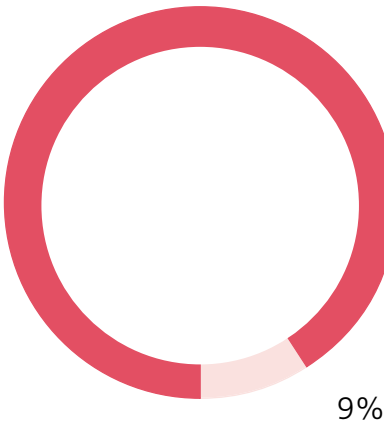
International traffic exceeded 17 million passengers in 2012 and accounted for 75.2% of all traffic at the airport.

### Palma de Mallorca within the Aena Aeropuertos network (2012)

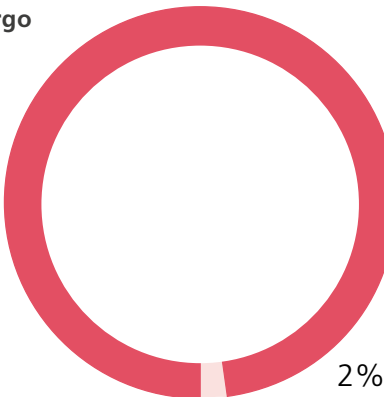
Passengers



Movements



Cargo



### Canary Islands Group

The airports of the Canary Islands make up 17% of all the traffic in the Aena Aeropuertos network. In 2012, a total of 32.8 million passengers passed through these airports on nearly 318,000 flights.

Traffic fell with respect to 2011 mainly due to the drop in the number of domestic flights.

Cargo operations, which accounted for 7% of the network’s total volume, was mainly transported on domestic flights to the Gran Canaria and Tenerife Sur airports.

2012 passengers and % change from 2011		
El Hierro	152,726	-10.3%
Fuerteventura	4,399,023	-11.1%
Gran Canaria	9,892,067	-6.1%
La Gomera	19,707	-39.8%
La Palma	965,779	-9.5%
Lanzarote	5,168,775	-6.8%
Tenerife Norte	3,717,944	-9.2%
Tenerife Sur	8,530,729	-1.5%
Total	32,846,750	-6.3%



Tenerife Norte Airport



Group I

The airports that make up Group I (those with more than 2 million passengers annually) handled 45.6 million passengers in 2012. This volume accounted for 23.5% of the total for the Aena Aeropuertos network. This same period saw almost 434,000 aircraft movements.

International traffic accounted for 66% of all the passengers who passed through these airports in 2012. This figure was similar to that reported in 2011.

Cargo volume in this group is small, accounting for 4% of the total in the network in 2012. Of note is the fact that over 40% of the cargo volume in this group passed through the Valencia Airport, which saw its cargo volume grow by 5.9% over this period.

2012 passengers and % change from 2011		
Alicante-Elche	8,855,444	-10.7%
Bilbao	4,171,065	3.1%
Girona-Costa Brava	2,844,571	-5.4%
Ibiza	5,555,048	-1.6%
Málaga-Costa del Sol	12,581,944	-1.9%
Menorca	2,545,942	-1.2%
Sevilla	4,292,020	-13.5%
Valencia	4,752,020	-4.6%
Total	45,598,054	-4.9%

2012 passengers and % change from 2011

A Coruña	845,451	-16.5%
Almería	749,720	-4.0%
Asturias	1,309,770	-2.2%
Granada-Jaén FGL	728,428	-16.5%
Jerez de la Frontera	913,394	-11.5%
Murcia-San Javier	1,181,782	-6.4%
Reus	937,341	-31.2%
Santander	1,117,630	0.1%
Santiago	2,194,611	-10.9%
Vigo	828,725	-15.1%
Zaragoza	551,406	-26.6%
Total	11,358,258	-12.4%

Group II

Group II, which brings together those airports with between 500,000 and 2 million passengers a year, handled 11.4 million passengers in 2012 and 172,500 flights. This traffic volume accounted for 5.8% of the Aena Aeropuertos total. Domestic traffic is predominant in this group, accounting for 62.9% of all passenger traffic.

As for cargo, the year 2012 saw significant growth, with a 42% increase in cargo volume with respect to the previous year. This positive result was most evident at the Zaragoza Airport, the network’s third largest in terms at cargo traffic, which saw its activity increase by 46.4% in 2012.



Group III

Group III, which is made up of those airports with under 500,000 passengers a year, closed out 2012 with 1.4 million passengers and 163,279 flights, accounting for 0.7% of all the traffic in the Aena Aeropuertos network.

This volume represents an 11.8% decrease with respect to 2011, though the airports of Córdoba, Badajoz, Melilla, Logroño-Agoncillo and San Sebastián closed out the year with increases in excess of 5%.

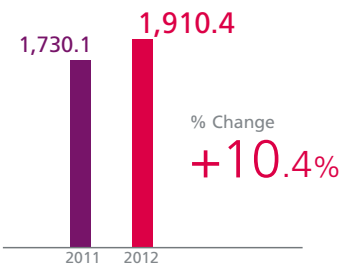
As for cargo volume, the Vitoria Airport, which specializes in this type of traffic, reported almost 35,000 tons, in line with the previous year's figure.

2012 passengers and % change from 2011		
Albacete	3,916	-53.5%
Algeciras/Helipuerto	8,900	-64.8%
Badajoz	65,642	15.2%
Burgos	21,057	-40.6%
Ceuta/Helipuerto	18,296	-60.9%
Córdoba	9,844	16.6%
Huesca-Pirineos	1,313	-52.8%
León	51,061	-40.4%
Logroño-Agoncillo	19,263	7.8%
Madrid-Cuatro Vientos	2,207	412.1%
Madrid-Torrejón	28,092	1.0%
Melilla	315,850	10.2%
Pamplona	190,329	-20.2%
Sabadell	602	0.0%
Salamanca	22,718	-39.0%
San Sebastián	262,783	5.9%
Son Bonet	1,068	0.0%
Valladolid	378,418	-18.2%
Vitoria	24,389	-13.5%
Total	1,425,748	-11.8%

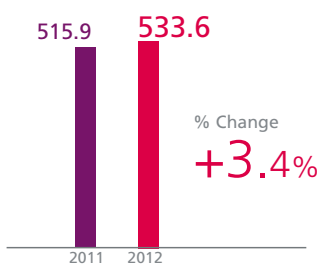
# Business segments

Ordinary revenue by business segment (Millions of Euros)

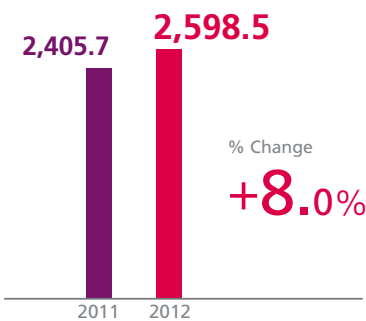
Aviation



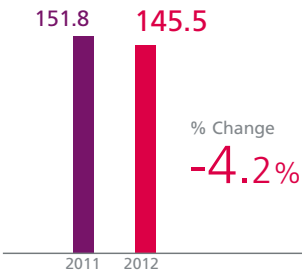
Commercial services within the terminal



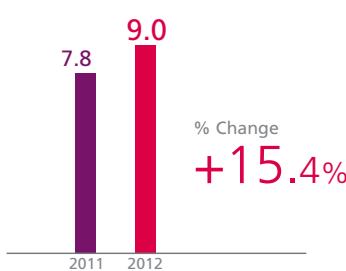
Total ordinary revenue



Commercial services outside the terminal <sup>1</sup>

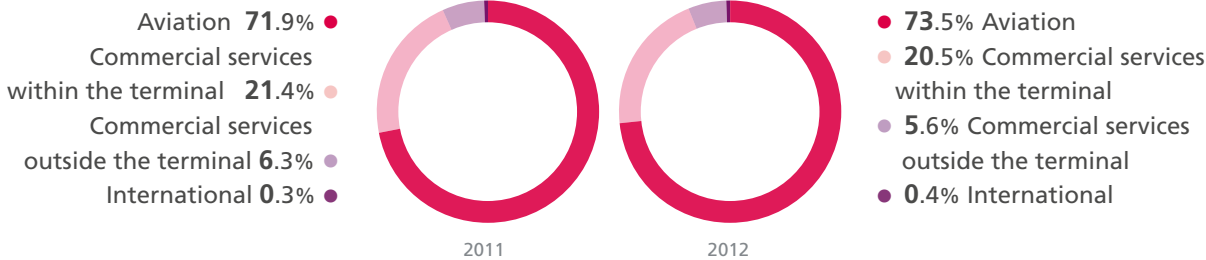


International



<sup>1</sup> Includes: parking, lots, warehouses and hangars, cargo centers of Clasa.

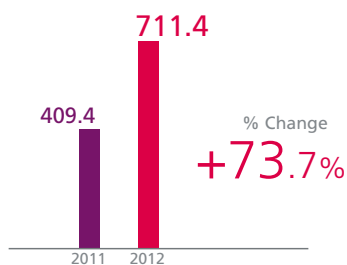
Distribution of ordinary revenue by business segment



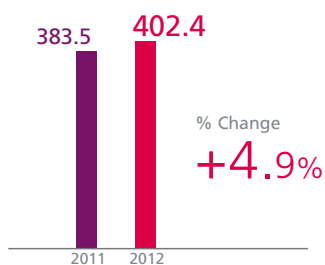


## Adjusted EBITDA<sup>1</sup> by business segment (Millions of Euros)

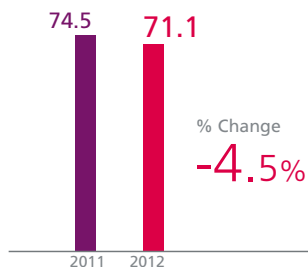
### Aviation



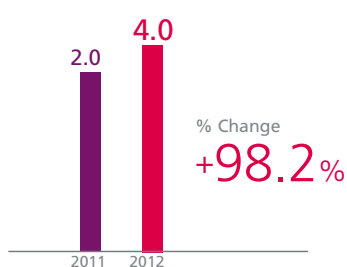
### Commercial services within the terminal



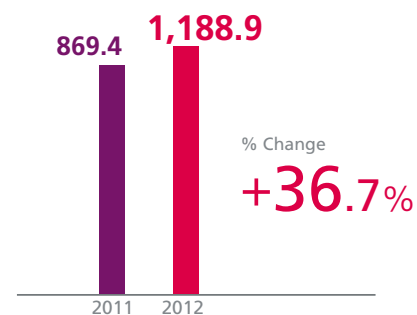
### Commercial services outside the terminal



### International

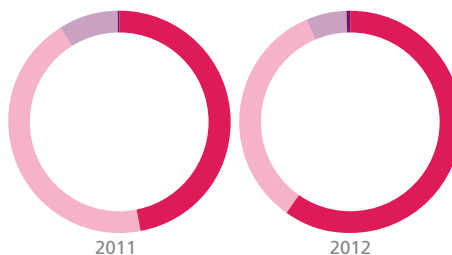


### Total adjusted EBITDA<sup>1</sup>



## Distribution of adjusted EBITDA<sup>1</sup> by business segment

Aviation **47.1%**  
 Commercial services within the terminal **44.1%**  
 Commercial services outside the terminal **8.6%**  
 International **0.2%**



**59.8%** Aviation  
**33.8%** Commercial services within the terminal  
**6.0%** Commercial services outside the terminal  
**0.3%** International

<sup>1</sup> Adjusted in 2012 for the cost of the Voluntary Retirement Plan (134.5 millions of euros)

Aviation

In 2012 Aena Aeropuertos had 47 airports and 2 heliports throughout Spain. At the close of 2012, the total passenger count was 194.2 million, a figure that, though a drop from the previous year, was still enough to make 2012 the fourth best year in the Company’s history.

Airport charges

The charges at Aena Aeropuertos airports are still below those applied at other European airports of the same characteristics as Madrid-Barajas or Barcelona-El Prat. To remedy this a charging framework was established that will allow these charges to be adjusted to the market average.

New routes

In 2012 a great effort was made to identify and establish new strategic routes based on a viability analysis carried out using fare discount mechanisms and more effective incentives better suited to each case.

Aena Aeropuertos enhanced its relationship with airlines by reinforcing its presence in the main aviation and tourism forums like FITUR, World Routes, and the IATA Slot Conference, which was held for the first time in Barcelona. In all, Aena Aeropuertos networked with over one hundred airlines from more than 50 countries. This effort was reflected in the **3,200 routes scheduled in FY 2012, of which 360 (over 10%) were newly created.**

Most of these new routes were to domestic destinations (91) and to the United Kingdom (53), Germany (52), France (28) and Italy (23). Also of note are the routes created to countries with high purchasing power like the Nordic countries (34) and the increase in the number of flights to the Russian Federation(12).

Breakdown of revenue from Aviation segment  
(Millions of Euros)

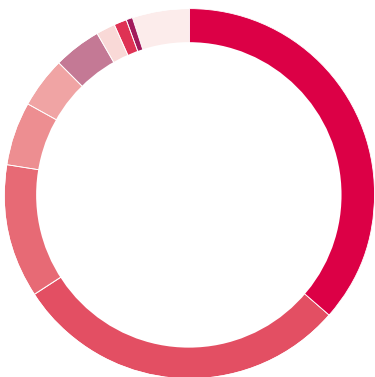
Segment	2011	2012	% Change
Passengers	629.9	787.8	+25.1%
Landings <sup>1</sup>	509.5	547.9	+7.5%
Safety	202.3	261.8	+29.4%
Telescopic gangways	96.8	91.5	-5.5%
Handling	75.2	68.3	-9.2%
Approximation services <sup>1</sup>	72.2	0.0	-100%
Fuels	29.4	28.2	-4.1%
Parking lots	19.7	26.0	+31.8%
Cargo	10.5	10.2	-2.9%
Other airport services <sup>2</sup>	84.6	88.8	+5.0%
Total	1,730.1	1,910.4	+10.4%

<sup>1</sup> Pursuant to Law 1/2011, which characterizes the cost of the airport air traffic services provided by Aena S.A. as public in nature, the amounts charged for said service (111.6 million euros in 2011 and 175.5 million euros in 2012) were integrated into the landing fee starting in June 2011.

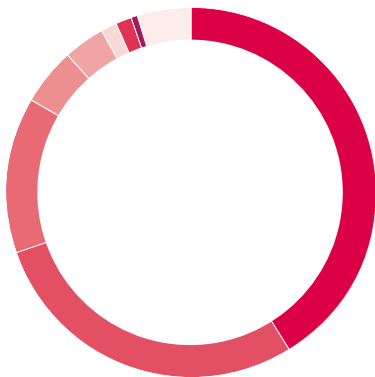
<sup>2</sup> Airport consumption, use or recharging and electricity (400 Hz) services, firefighting service, catering, counters and other income.

Distribution of the revenue from the Aviation segment (Millions of Euros)

2011



2012



Distribution:	2011	2012
Passengers	36.4%	41.2%
Landings <sup>1</sup>	29.5%	28.7%
Safety	11.7%	13.7%
Telescopic Gangways	5.6%	4.8%
Handling	4.3%	3.6%
Approximation services <sup>1</sup>	4.2%	0.0%
Fuels	1.7%	1.5%
Parking lots	1.1%	1.4%
Cargo	0.6%	0.5%
Other airport services	4.9%	4.6%

It was the low-cost airlines that generated most of these new routes, mainly Ryanair, Vueling and Volotea, though some traditional network airlines, such as Air Europa, were also involved.

The Barcelona-El Prat and Palma de Mallorca airports were the main beneficiaries of the new routes, with 101 new destinations between the two. A similar number of new routes was established for the Group I airports (those with over 2 million passengers), while the rest were distributed among mid-sized airports (more than 500,000 passengers a year) and the airports in the Canary Islands.

The close cooperation between Aena Aeropuertos and its airports and the airlines in the area of airport marketing was reflected in the figures for 2013, with a summer season that saw Spain, along with the United Kingdom, lead the ranking of European airports with new destinations in 2013 and that resulted in airports like Alicante-Elche, Ibiza, Palma de Mallorca and Barcelona-El Prat reporting record numbers, as these airports beat their all-time figures for passenger traffic during the summer season.

Aena Aeropuertos is also working to create airport coordination committees. These committees will work to increase traffic at airports and will include representatives from regional governments, local businesses, Chambers of Commerce and the most representative financial and social organizations, as well as from Aena Aeropuertos.

<sup>1</sup> Pursuant to Law 1/2011, which characterizes the cost of the airport air traffic services provided by Aena S.A. as public in nature, the amounts charged for said service (111.6 million euros in 2011 and 175.5 million euros in 2012) were integrated into the landing fee starting in June 2011.

Commercial

One of the top objectives of Aena Aeropuertos is to enhance its commercial revenue stemming from its various business lines present at airports while at the same time meeting the needs and demands of its patrons. This activity, which in 2012 accounted for 26.1% of its ordinary revenue, encompasses two areas depending on whether the services are provided within the terminal (duty-free shops, specialized shops, food service, advertising, rent a car, VIP lounges, banking and consumer services) or outside the terminal (car parks and various assets of an industrial or real estate nature, such as properties, warehouses, hangars and air cargo).

Most of the activity in this area took place in late 2012 and in 2013, meaning that its impact on revenue will be reflected over the coming years.

Commercial services inside terminals

The traditional lines of business, whose main customers are passengers, include shops and food service, followed by rent a car, which together account for over 70% of the commercial revenue generated within the terminal .

In 2012 the commercial revenue generated within the terminal accounted for more than 20% of Aena Aeropuertos' total turnover, or 533.6 million euros, 3.4% more than in the previous year. These figures were made possible by promoting and rethinking commercial activity through the use of various strategies, the two main ones being increasing and optimizing the commercial surface area in an effort to take advantage of passenger traffic, and optimizing the contracting process for awarding commercial concessions.

Breakdown of revenue from Commercial activities within the terminal (Millions of Euros)

Area of business	2011	2012	% Change
Duty-free shops	117.5	122.0	+3.8%
Rent a car	96.1	95.6	-0.5%
Food service	81.3	84.0	+3.2%
Shops	72.2	77.1	+6.8%
Rentals	35.8	35.3	-1.5%
Advertising	28.3	25.0	-11.9%
Other commercial activities <sup>1</sup>	84.7	94.7	+11.8%
Total	515.9	533.6	+3.4%

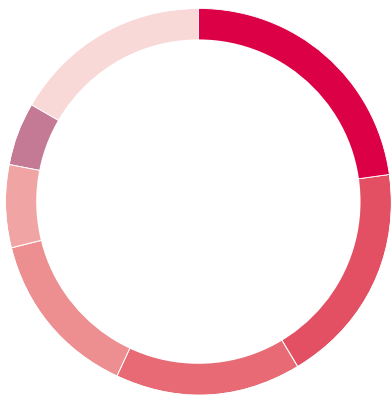
<sup>1</sup> Other commercial exploitation (including VIP lounges), banking services, Travel agencies, vending machines, commercial supplies and shootings and records.

Surface area devoted to main areas of business	2012
Duty-free shops	33,000 m <sup>2</sup>
Rent a car <sup>1</sup>	503,000 m <sup>2</sup>
Food service	112,000 m <sup>2</sup>
Shops	38,000 m <sup>2</sup>
Total	686,000 m <sup>2</sup>

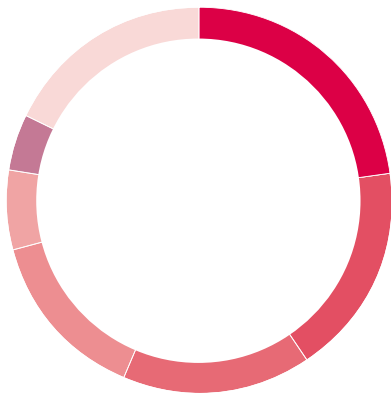
<sup>1</sup> Land for rental car depots and maintenance included.

Distribution of revenue from Commercial activities within the terminal

2011



2012



Distribution:	2011	2012
Duty-free shops	22.8%	22.9%
Rent a car	18.6%	17.9%
Food service	15.8%	15.7%
Shops	14.0%	14.5%
Rentals	6.9%	6.6%
Advertising	5.5%	4.7%
Other commercial activities	16.4%	17.7%



Ibiza Airport



### Duty-Free shops 122.0 M€ (+3.8%)

**The call for bids and largest contract in the world awarded for duty-free shops** has become one of the most essential and profitable activities designed in keeping with this new strategy. A total of 26 contracts were awarded in 26 airports distributed in three lots, with the commercial operation being awarded to the World Duty Free Group (Lot I, with Madrid-Barajas as the main airport and Lot II, with Barcelona-El Prat as the main airport) and to Canariensis (Lot III, with 6 airports in the Canary Islands).

The new commercial strategy in this area, which was implemented in the airports starting in May 2013, involved refurbishing the commercial areas to improve passenger flow, with 20 walk-through shops being created in 14 airports. These improvements brought the total surface area of duty-free shops in these 26 airports to 45,000 m<sup>2</sup>, versus the 33,000 m<sup>2</sup> present under the old contracts. The total number of sales outlets will be 80. These design and operating changes will allow for improved rates of penetration and, consequently, higher commercial revenue. We expect to see substantial growth in 2014 thanks to the work and redesign efforts carried out in 2013.

This new award process also included for the first time the duty-free stores in five airports, namely Asturias, A Coruña, Granada-Jaén, Murcia-San Javier and Santander, with a total surface area of 600 m<sup>2</sup>, which were also redesigned and converted into walk-through stores.

Particularly noteworthy is the remodeling of the Madrid-Barajas Airport, which will have five stores of this type for a total of 8,000 m<sup>2</sup>; the Palma de Mallorca Airport, with the opening of the largest walk-through store in Europe (2,700 m<sup>2</sup>) and the Barcelona-El Prat Airport, whose walk-through stores in the T1 and T2 terminals will provide passengers with almost 7,500 m<sup>2</sup> of shopping space.

Other airports like Girona-Costa Brava, Gran Canaria, Lanzarote, Málaga-Costa del Sol, Menorca, Santiago, Tenerife Norte, and Tenerife Sur will also remodel their commercial areas to adjust to this new walk-through model.

Since this commercial model was not adopted until 2013, the effect of this change on improved annual revenues is not reflected in the results for 2012.

### Rent a car 95.6 M€ (-0.5%)

**In 2012 Aena Aeropuertos made it possible for all car rental lessees to expand their portfolio of products and services** to include Premium, vacation, business and low-cost products. The operators of this activity also have preferential front-row parking spaces and areas for maintaining their vehicle fleets.

The airport facilities leased for the conduct of this activity within the terminal (counters) and outside the terminal (front-row parking spaces and areas for maintaining vehicle fleets) make it possible for passengers to quickly rent safe, high-quality vehicles.

In 2012 rent a car operators (Avis, Hertz, Europcar and Atesa) were permitted to introduce a second brand, which allowed them to increase their sales. Vacant lease space was also recovered and the monitoring of the activities of lessee companies was improved. Non-lessee operators were also integrated into the system.

### Food services 84.0 M€ (+ 3.2%)

Another area of activity in 2012 was to **renew the image of airport Food services**. The quality of the service and price controls were the two key elements behind this strategy. The year 2012 saw the awarding of the largest food service contract in the Company's history when the Madrid-Barajas Airport issued a call for bids for this service, which involved 47 stores spanning over 17,000 m<sup>2</sup> in all four terminals. The goal was to make available to customers cosmopolitan service spanning every price range while remaining committed to offering the same high quality.

**The renovated food service at the Madrid-Barajas Airport**, which will be completed in the first quarter of 2014, **will entail a significant change**, as it will bring in national and international brands, most of them world renowned, to round out the historic improvements being made at the airport.

The Palma de Mallorca Airport will also see stores adapted to its passenger profile, mainly Germans and Brits, like a Carling pub, a Starbucks cafeteria and Subway shop, in addition to the already varied offerings of its existing 843 m<sup>2</sup>, to be complemented in 2013 with three new brands to give the airport a more German feel.



Madrid-Barajas Airport

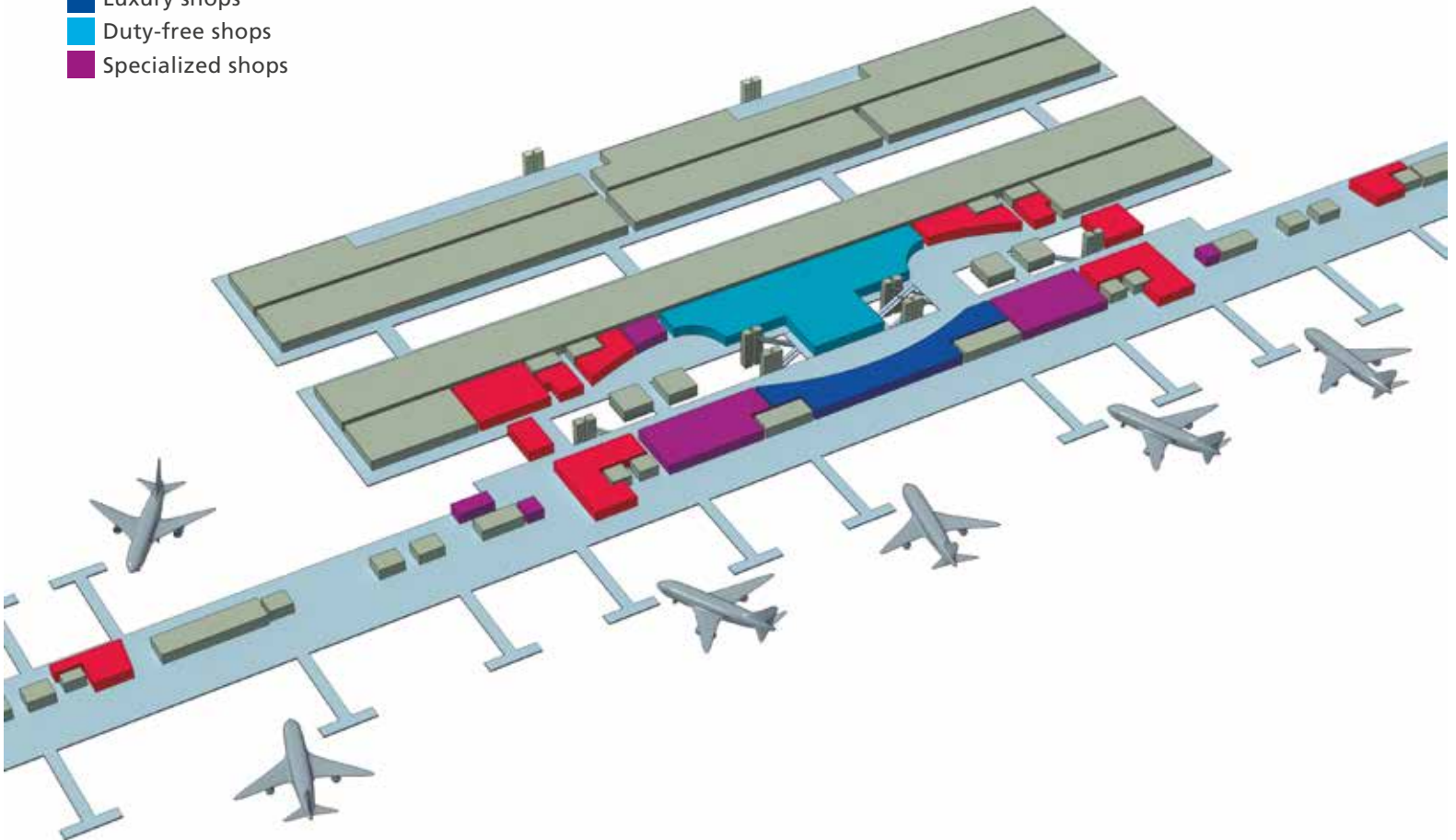
## **Shops** 77.1 M€ (+ 6.8%)

The redesign of important commercial areas for specialized stores (fashion, accessories, eyewear, gifts, delis, press, music, sports, etc.) complements the traditional duty-free stores to achieve a positive synergetic effect for passengers in both terms of the shopping experience and quality.

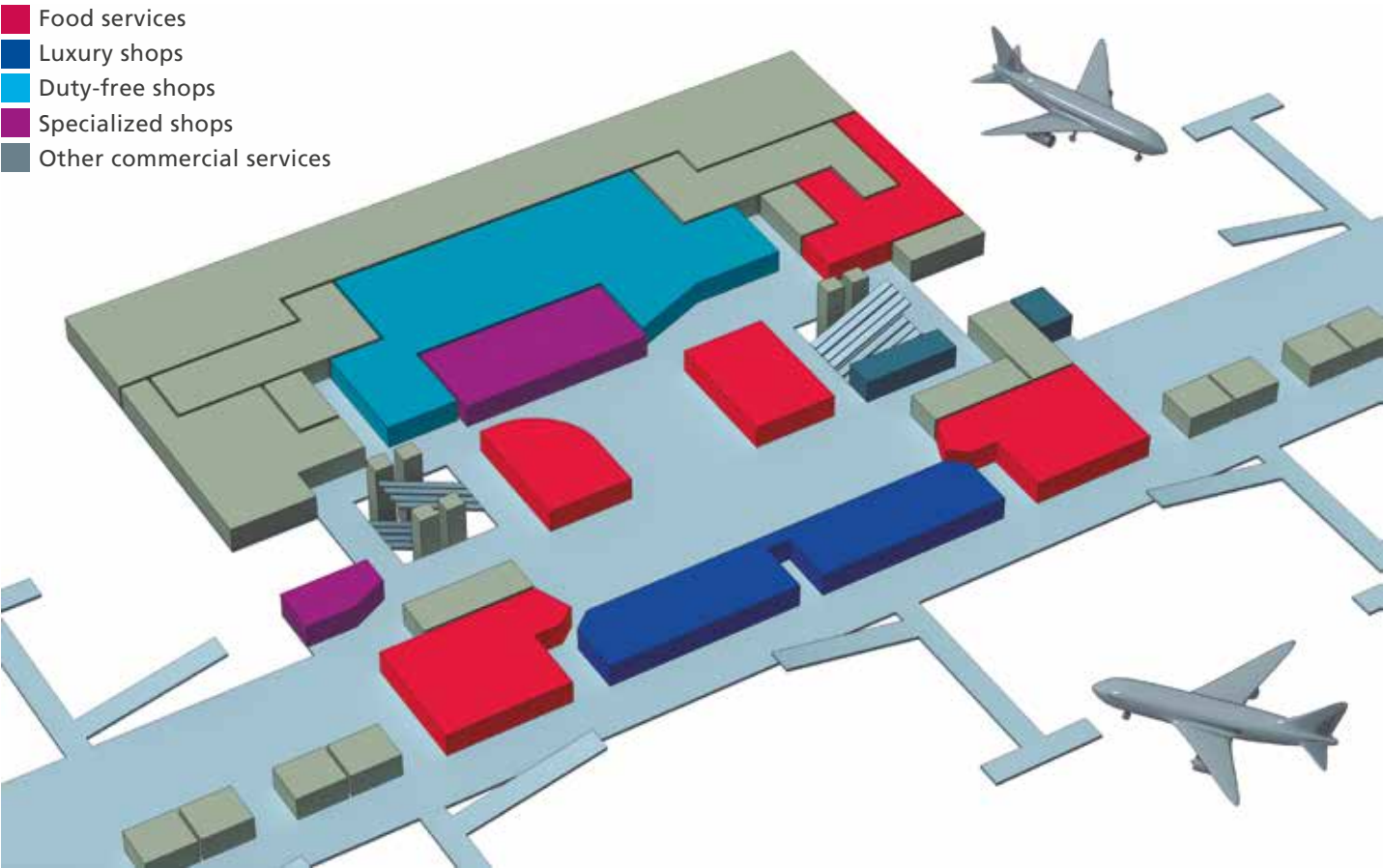
Of note in 2012 were the new designs that combined commercial offerings at the Madrid-Barajas and Palma de Mallorca airports in an effort to optimize said offerings and, through their implementation, guarantee better services, a broader selection, and more quality for passengers.

### **Madrid-Barajas Airport Terminal T4**

- Food services
- Luxury shops
- Duty-free shops
- Specialized shops



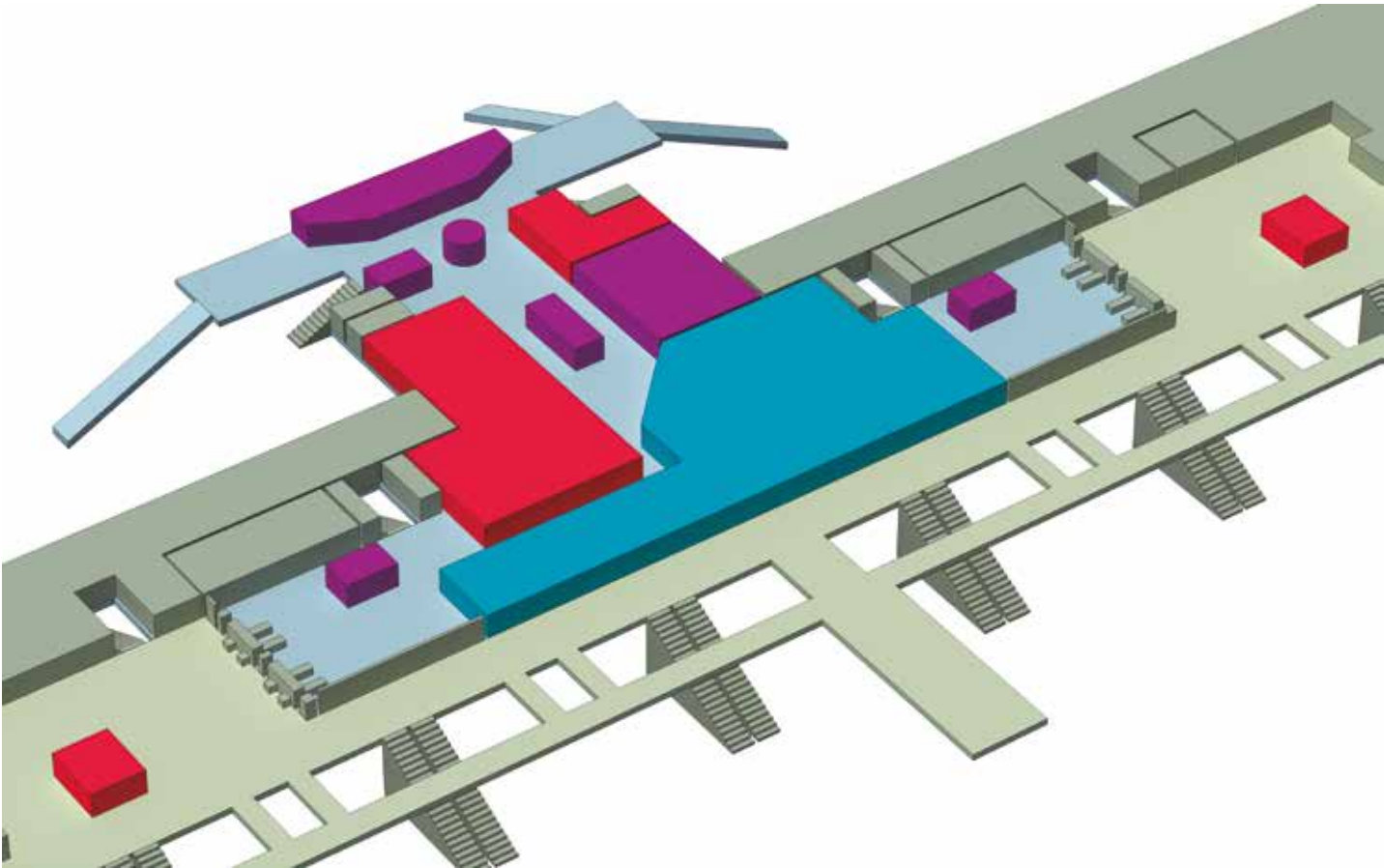
Madrid-Barajas Airport Terminal T4-Satellite





Palma de Mallorca Airport, Processing Building

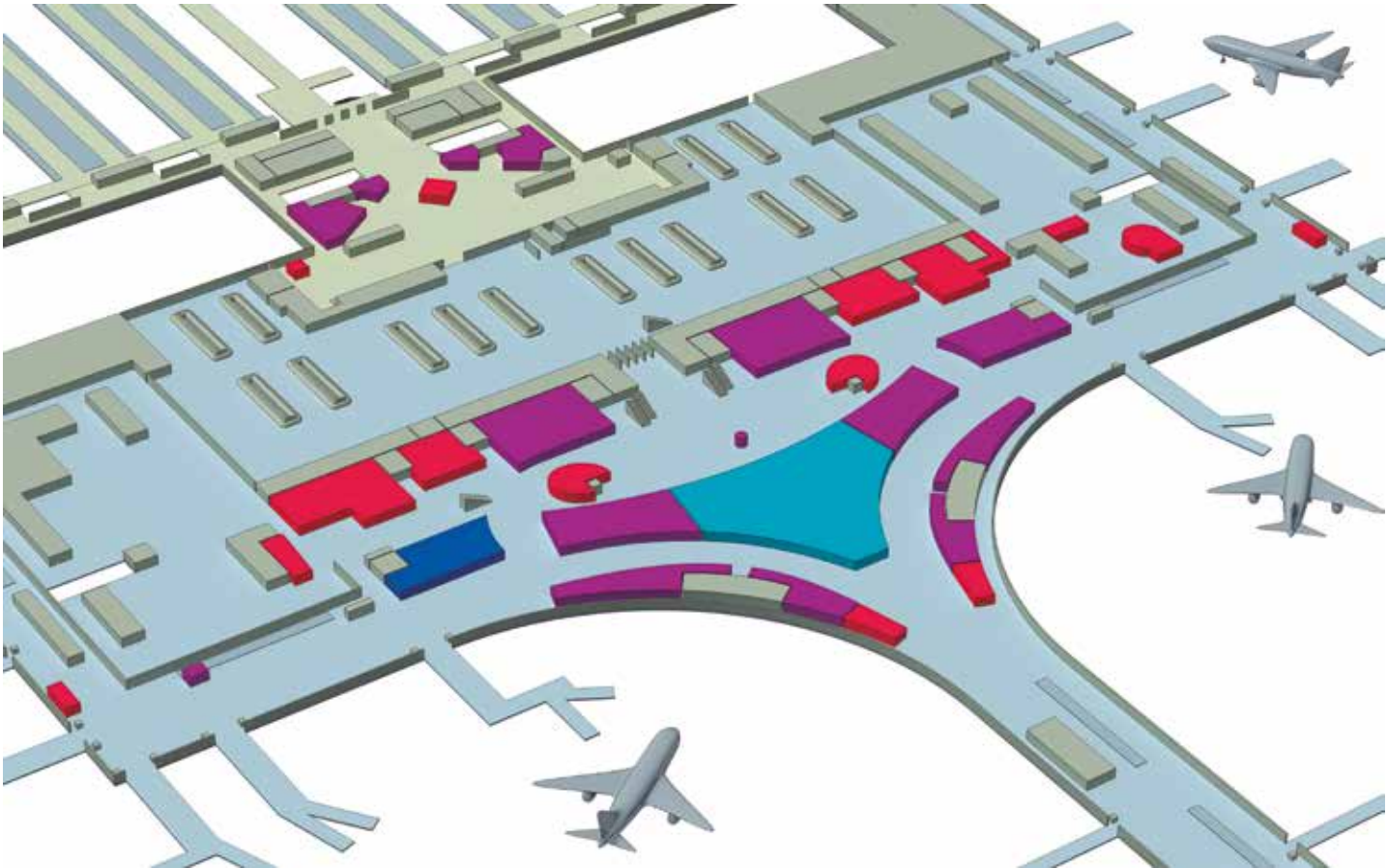
- Food services
- Duty-free shops
- Specialized shops





**Barcelona- El Prat Airport, Terminal T1**

- Food services
- Luxury shops
- Duty-free shops
- Specialized shops



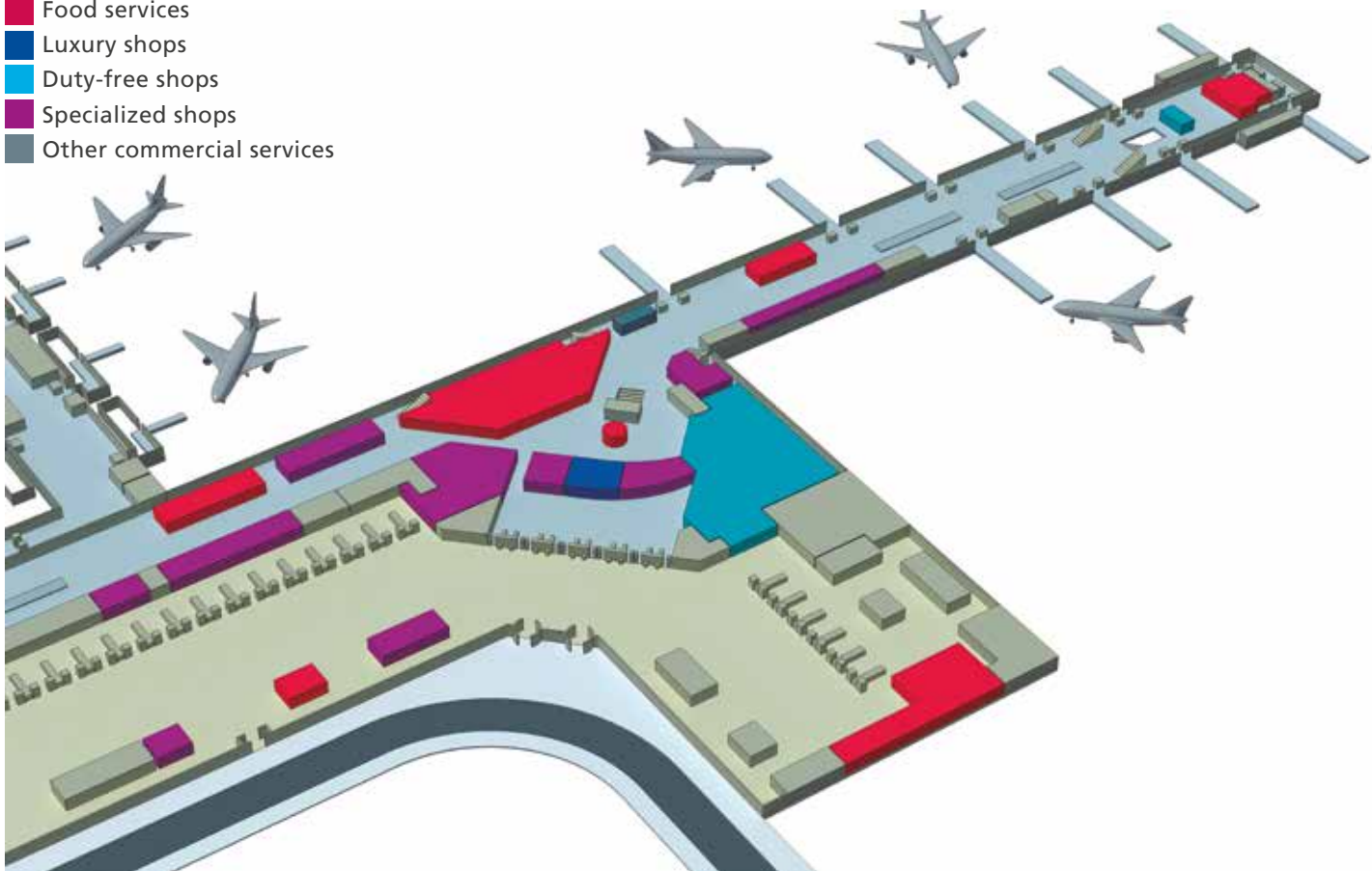
Various projects were carried out in both terminals of the Barcelona-El Prat Airport over the course of 2012. In T1, as a result of the new location of the duty-free store in the center of the terminal (called the Sky Center) and the higher passenger flow, a group of premises affected

by this relocation were in turn moved elsewhere and rebranded. In T2 over 1,400 m<sup>2</sup> of store space was put out to tender in an effort to adapt the commercial offering to the traffic in this terminal, a process that continues in 2013 and into 2014.

Also detected was the potential for revenue that the luxury segment offers at the Madrid-Barajas (7 shops totaling 2,000 m<sup>2</sup>), Barcelona-El Prat (2 shops totaling 900 m<sup>2</sup>) and Málaga-Costa del Sol (one 207 m<sup>2</sup> store) airports, with fashion items, accessories and jewelry, that will be phased in to Aena Aeropuertos' offerings over the course of 2013 and 2014.

### Málaga-Costa del Sol Airport, Terminal T3

- Food services
- Luxury shops
- Duty-free shops
- Specialized shops
- Other commercial services



### Rentals 35.3 M€ (-1.5%)

The unfavorable financial situation in 2012 coincided with the cessation of activities by Spanair and its handling operator, Newco, which had a negative effect on the revenue from the rental of offices, spaces and counters at Aena Aeropuertos.

### Advertising 25.0 M€ (- 11.9%)

In September 2012 the contract for the commercial exploitation of advertising and promotional activities at airports in the network was awarded. Lasting until 2018, this contract offers a **minimum guaranteed revenue of about 25 million euros in 2013.**

Before this new business model was defined the best international practices were analyzed and it was concluded that in order to increase revenue it was necessary to adapt to new trends in advertising and develop new digital media that allows for greater interaction with consumers. **The total number of advertising panels distributed throughout the various airports comes to**

**1,065 conventional and 214 digital panels,** of which more than half will be installed at the airports of Madrid-Barajas, Barcelona-El Prat, Palma de Mallorca, Málaga-Costa del Sol, Alicante-Elche, Gran Canaria and Tenerife Sur.

### Other commercial activities 94.7 M€ (+11.8%)

Of note in this group, which includes miscellaneous services such as banking, travel agencies, vending machines and procurement, are the **VIP lounges**, which, with a contribution of 13.6 million euros in 2012, **offer substantial growth potential.** As a result, a new strategy was developed in 2012 to make the VIP lounges at 26 of the network's airports profitable. This strategy is based on a new business model that will see Aena Aeropuertos operating these lounges and making substantial improvements to the services offered and to their quality. These improvements include redesigning and remodeling the lounges, developing a comprehensive software suite, a fare segmentation scheme, sponsorship agreements with companies to attract more customers, engaging in cross-selling with the main commercial operators, and marketing and advertising campaigns.

### Commercial services outside the terminal

The unfavorable financial situation of recent years, along with the appearance of other modes of alternative transport (e.g. high-speed rail), has had a greater effect on those services located outside the terminal. In the specific case of car parks, the drop in domestic traffic in 2012 had a significant effect on this revenue stream.

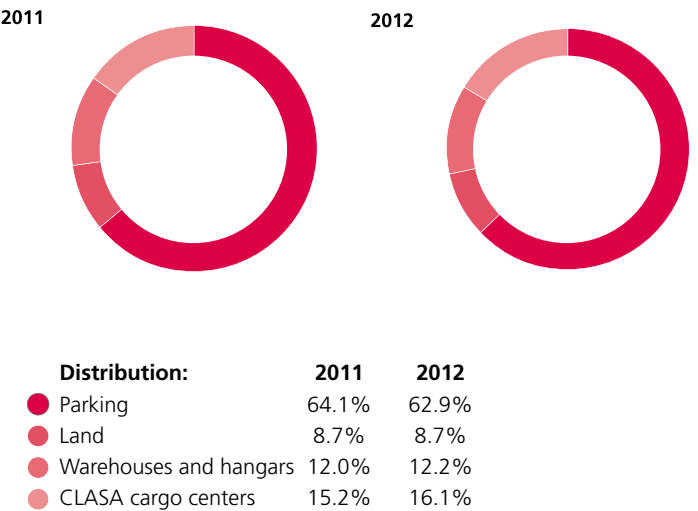
The commercial activity that takes place outside terminals involves the car parks and various assets of an industrial and real estate nature, such as land, warehouses, hangars and air cargo.

In 2012 the commercial revenue from this segment accounted for over 5% of Aena Aeropuertos' total turnover: 145.5 million euros.

Breakdown of revenue from Commercial activities outside the terminal (Millions of Euros)

Area of business	2011	2012	% Change
Parking	97.4	91.5	-6.0%
Land	13.2	12.7	-3.5%
Warehouses and hangars	18.3	17.8	-2.6%
Clasa cargo centers	23.0	23.5	+2.0%
Total	151.8	145.5	-4.2%

Distribution of revenue from Commercial activities outside the terminal



## Parking 91.5 M€ (- 6.0%)

Aena Aeropuertos has over **100,000 parking spaces** and a wide range of services, such as terminal-side, express, remote, long-term, VIP and low-cost parking, along with those spaces intended for use by airline employees and other workers at the airport. As a result of the drop in passenger traffic recorded in 2012, income from parking also went down. In response, the Company planned a new business model in 2012 for the **integrated management of the car parks at 32 airports in the network** in two groups for a period of 5 years, with the option for two additional extensions. The goal is to standardize the services offered at all airport car parks, thus increasing efficiency and quality. These initiatives are also intended to minimize costs and improve EBITDA in coming years.

With this new model, that has Aena Aeropuertos managing its own car parks, the Company is also defining and implementing pricing and segmentation strategies and expanding the range of products offered. Aena Aeropuertos is also improving the quality of operations and customer service, with high value-added services like vehicle pick-up

and return at the terminal, washing, oil changes and minor vehicle repairs, and even the possibility of carrying out the required technical inspections.

In 2012 Aena Aeropuertos created new services like preferred parking at the Palma de Mallorca and Alicante-Elche airports, the “Young Valet” and “Direct Valet” at the Santiago Airport, long-term parking at the Bilbao Airport and express parking at the Sevilla Airport. More low-cost parking near the T4 terminal was also made available at the Madrid-Barajas Airport. Other actions taken to regain client share from the competition in the vicinity of airports was to establish a special promotional pricing policy for long-term travelers wishing to park at the airport during long holidays and weekends.

Aena Aeropuertos engaged in marketing actions through advertising and promotions and improved distribution outlets through agreements with other parties and by developing a system of online reservations for the Madrid-Barajas, Barcelona-El Prat, Palma de Mallorca, Málaga-Costa del Sol, Santiago and Bilbao airports, which yielded good results.



**Real estate:**  
**Land, warehouses and hangars**  
**30.5 M€ (- 3.1%)**

This activity includes property holdings such as offices, commercial spaces, various warehouses, hangars and other areas needed to carry out those activities that take place primarily outside the terminal building.

In 2012 Aena Aeropuertos set up a pricing strategy for marketable land at all of the airports in the network. It was approved in late 2012 and, starting in 2013, provided for increased revenue for the use of these various assets. As part of this same strategy property holdings were made available for new uses, such as hangars for use by flying clubs. Other activities are also being promoted through new channels.

In October 2012 Aena Aeropuertos signed a partnership agreement with the aviation consortium EADS-CASA to carry out its activity on a 62,000 m<sup>2</sup> plot of land at the Seville Airport.

Also of note is the **awarding of two FBO** (fixed-base operators for corporate and business aviation) **leases at the Madrid-Barajas Airport.**



Asturias Airport



### Air cargo 23.5 M€ (+2.0%)

On 1 December 2012 Aena Aeropuertos took over the company CLASA (Centros Logísticos Aeroportuarios, S.A), which, among other functions, was dedicated to promoting air cargo activities. A **strategic air cargo plan was developed** to promote this activity, that will result in an increased volume of air cargo. Among other measures this plan recalculated the fares charged for leasing the offices in the general services buildings at the cargo centers of the Madrid-Barajas, Barcelona-El Prat and Valencia airports, which were lowered an average of 30%. It also relaxed certain contractual conditions.

Furthermore, so as to increase cargo volume at airports, the charging framework was analyzed and modified and now offers significant discounts that, as pertains to air cargo, involved doing away with the freight fee for cargo on connecting flights and offering a 50% discount on the freight fee for cargo on international flights.

As part of the incentives created for this plan, **Cargo Facilitating Committees were created at each of the main airports**, formed by local representatives of the main agents involved in the process (airlines, handling agents, customs officials, operators, etc.) that will help increase the amount of cargo transported by air.



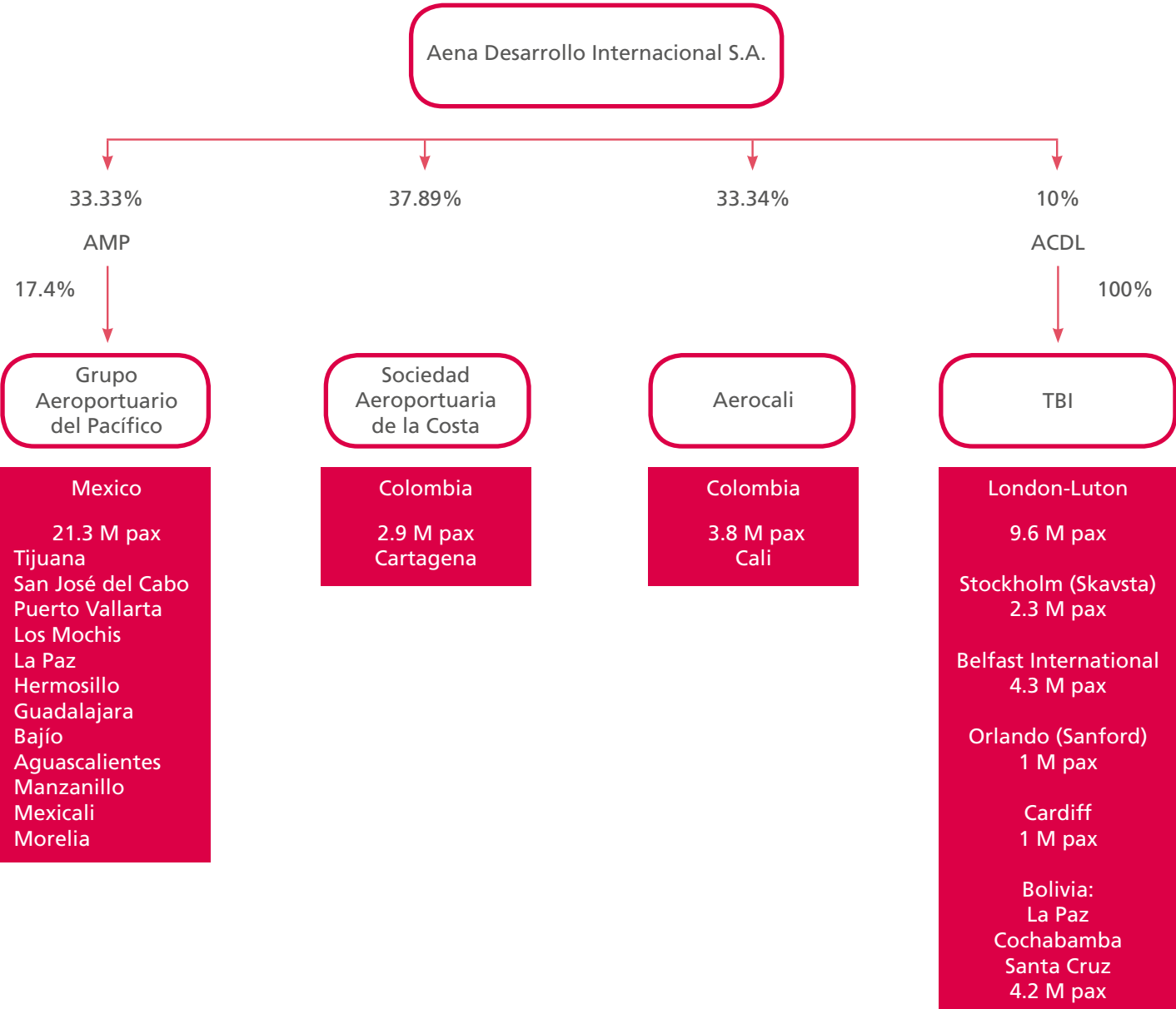
Façade London's Luton Airport

## International

The strategy of Aena Internacional in the past resulted in Aena Aeropuertos having today a presence in a large number of foreign airports and countries. This presence, however, was established through minority stakes that do not allow Aena Aeropuertos to consolidate its international activity in its accounts.

At the close of 2012 Aena Internacional held interests in a total of 27 airports scattered throughout Latin America (Mexico, Colombia and Bolivia), Europe (United Kingdom and Sweden) and the United States. Specifically, it has a stake through various companies in 22 airports and operations and management centers in 5 airports in the United States. Through its Flight Verification Unit (UVV) it provides aviation services to airports both in the Aena Aeropuertos network and abroad.

Financial stakes of Aena Desarrollo Internacional S.A. at the end of 2012



In 2012 the strategy was reformulated to focus on providing value instead of increasing its ownership stake. This led, as detailed further down, to a divestiture process, mainly in

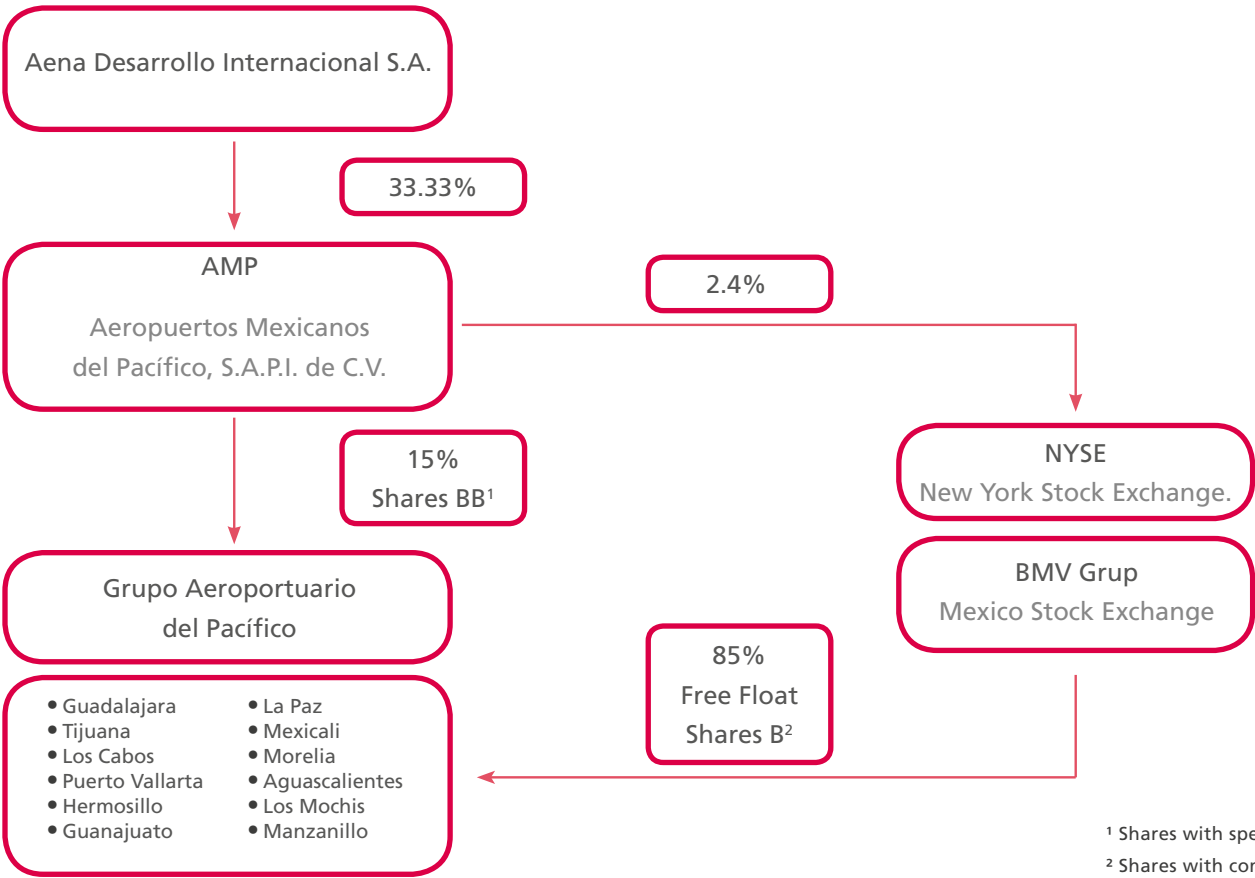
TBI, in which Aena Aeropuertos had a minority stake of 10% along with Abertis.

Description of Aena Internacional’s financial stakes in 2012

GRUPO AEROPORTUARIO DEL PACÍFICO (GAP)

The company was created in 1998 as part of the Mexican government’s program to open the Mexican airport system to foreign investment. In the initial stage, 15% of the Grupo Aeroportuario Pacífico (GAP) was sold to a strategic partner, Aeropuertos Mexicanos del Pacífico (AMP), through a public bidding process. In February 2006 the government made the remaining 85% of GAP available for trade on the New York and Mexico stock exchanges.

Thus, Aena Internacional’s stake in the Grupo Aeroportuario del Pacífico (GAP), which operates 12 airports in Mexico, is handled through the company Aeropuertos Mexicanos del Pacífico (AMP), which is, in turn, a strategic partner of GAP. AMP is 33.3% owned by Aena Internacional, which is also AMP’s operating partner. The other shareholders are CMA (Controladora Mexicana de Aeropuertos, a Mexican partner) and DCA (Desarrollo de Concesiones Aeroportuarias), which is owned by the Spanish group Abertis. As part of the IPO of GAP, AMP purchased 2.4% of the ordinary shares of GAP, meaning its joint interests in that company stood at 17.4% at the end of 2012. AMP provides GAP with administrative and technology transfer services.





Traffic

GAP operates twelve airports that serve two important metropolitan areas (Guadalajara and Tijuana), various tourist destinations (like Puerto Vallarta, Los Cabos, La Paz and Manzanillo) and a number of medium-sized cities (like Hermosillo, Guanajuato, Morelia, Aguascalientes, Mexicali and Los Mochis).

Five of the airports are among Mexico’s top ten in passenger traffic, based on figures for 2012.

Ranking of Mexican airports by passenger traffic 2012:

AIRPORT	PASSENGERS (thousands)
Mexico City	29,481,3
Cancún	14,480,9
Guadalajara	7,436,4
Monterrey	6,105.9
Tijuana	3,759,8
Los Cabos	3,018,5
Puerto Vallarta	2,597,7
Hermosillo	1,288,7
Mérida	1,245,3
Culiacán	1,168,4

The total passenger traffic in 2012 was 21.3 million, 5.3% more than in 2011.

GAP’s revenue totaled 4.9 billion Mexican pesos (287.8 million euros), with an EBITDA of 2.9 billion pesos (171.1 million euros).

Investments

In 2012 GAP completed construction of a new terminal at the San José del Cabo Airport (\$63 million investment, 35,000 m² and 1,500 passengers during peak traffic hours) and a satellite terminal at the Puerto Vallarta Airport. It also refurbished the terminal building at the Tijuana Airport and constructed a new building for rescue personnel at the Guadalajara Airport. Many other airport terminals were also upgraded. The access roads to the Guadalajara Airport were expanded and the taxiways were improved at the Los Mochis and Manzanillo airports. Runway and taxiway lighting systems were improved, aircraft parking stands were expanded, and the perimeter fencing was also repaired and upgraded.

AIRPORT CONCESSIONS AND DEVELOPMENT LIMITED (ACDL) - TBI

Aena Internacional has a stake in the company TBI Ltd. through the company Airport Concessions and Development Limited (ACDL), the sole owner of TBI. At the close of 2012 Aena Internacional owned 10% of ACDL, the remaining 90% being owned by Abertis Airports.

In 2012, TBI either owned or had operating licenses for the Luton, Belfast and Cardiff airports in the United Kingdom, the Orlando Sanford airport in the United States, the La Paz, Santa Cruz and Cochabamba airports in Bolivia, and the Skavsta airport in Sweden. It also had various airport operating and management contracts in the United States (Atlanta Hartsfield Jackson, Raleigh-Durham, Burbank Bob Hope, Macon Downtown and Middle Georgia Regional).

In August 2012 it signed a contract with the Luton Borough Council by which the Council agreed not to exercise its right to terminate the concession contract in 2014 and to extend it until 31 March 2031. The investments required by the concession contract and its subsequent modifications will allow the commercial capacity to be increased, which will boost short-term traffic growth.

In late 2012 TBI decided to undertake a process of divestiture led by Abertis (majority owner). This process was carried out over the course of 2013. As part of its new strategic framework, Aena Aeropuertos signed a joint purchase agreement with Ardian on 31 July 2013, which was closed on 27 November 2013.

The total passenger traffic at TBI in 2012 was 23.3 million. Its 2012 revenue was 213.1 million pounds, with an EBITDA of 57.2 million pounds (261.1 million euros and 70.1 million euros, respectively).

## COLOMBIAN AIRPORTS

### Cartagena de Indias Airport

The airport in the Colombian city of Cartagena de Indias is managed by Sociedad Aeroportuaria de la Costa S.A. (SACSA), which is 38% owned by Aena Internacional, which is also an operating partner.

In August 1996 SACSA signed a 15-year concession contract to manage the airport, which includes the direct operation and maintenance of the airport facilities.

As a result of its excellent management the Civil Aviation Authority awarded an extension to SACSA on 3 March 2010 to manage the Rafael Núñez Airport for an additional nine years in exchange for SACSA's commitment to invest 103 billion pesos (equivalent to approximately 45 million euros on the date of the contract) to modernize and expand the airport.

**The Cartagena Airport handled 2.9 million passengers in 2012, a 3% increase over 2011.**

The airport had a total revenue of over 53.7 billion pesos, 11% more than in 2011, with an EBITDA of 21.6 billion pesos (22.8 million euros and 9.2 million euros, respectively), 28% more than in 2011.

### Cali Airport

The airport in Cali, Colombia's third largest city, serves a population of about 8 million. It is Colombia's third most important airport in terms of passenger traffic, behind the airports of Bogotá and Medellín. It is a metropolitan airport with mainly domestic traffic (82% of all traffic), with the main route being Cali-Bogotá (approximately 60% of all traffic).

Aerocali is licensed to operate the Alfonso Bonilla Aragón Airport. Aena Internacional owns 33% of Aerocali and is an operating partner with an operating contract. The other owners are Corficolombiana (33.3%) and Abertis (33.3%).

Corficolombiana is one of Colombia's top investment banks, with growing holdings in the regional market. It is the investment and consulting arm of Grupo Aval, Colombia's most important financial group.

**The Cali Airport had 3.8 million passengers in 2012, 14% more than in 2011.**

The Cali Airport had a total revenue of 61.428 billion pesos (26.1 million euros), 14.4% more than in 2011, and an EBITDA of 16.159 billion pesos (6.8 million euros), a 19% increase over 2011.

### Barranquilla Airport

The license to operate the Barranquilla Airport expired on 28 February 2012.

AVIATION SERVICES:  
FLIGHT VERIFICATION UNIT

In 2007 Aena Internacional created a Flight Verification Unit (UVV) to provide verification services to Spanish airports, so as to be able to market this service to other parties.

In 2012 the Flight Verification Unit of Aena Internacional provided its verification services on a regular basis, totaling 766.21 hours of activity. A total of 295 flights were made during which 181 navais were calibrated. In addition, various marketing actions were carried out in 2012 to provide services to clients outside the Aena group both inside and outside Spain. This led to the UVV's first international contract in Morocco.

In October 2012 Aena Internacional completed the task of outfitting its aircraft so that it could validate SBAS procedures.

Total passenger traffic in 2012 in partially-owned airports

The total passenger traffic in the 2012 FY includes figures for twelve airports in Mexico, two in Colombia, Luton, Belfast, Cardiff, Orlando, Skavsta and the three airports in Bolivia.

In 2012, the passenger traffic at those airports in which Aena Internacional had a stake at the close of 2012 totaled 51.3 million, a 5.1% increase over the figure from 2011.

	2011	2012	% Change
GAP	20,207,576	21,287,278	5.3%
CALI	3,343,176	3,819,777	14.3%
CTG	2,161,260	2,884,504	33.5%
TBI	23,089,175	23,281,200	0.8%
Total	48,801,187	51,272,759	5.1%



Terminal T2 Departures Salidas									
Linea	Destino	Compañía	Salida	Compañía	Salida	Compañía	Salida	Compañía	Salida
12:00	MUNICH	DLH	409-412	11:41	D56	NUEVA			
12:00	TENERIFE	W	AFR4028	505-515	11:51	E82			
12:30	ROMA-FCO	UX	3103	410-422	11:46	E81			
12:30	TENERIFE	W	AFL1675	505-515	11:51	E82			
12:30	TENERIFE	W	UX	9118	505-515	11:46	E81		
12:30	TENERIFE	W	AZA	081	410-422	11:51	E82		
12:30	ROMA-FCO	AZA	2454	505-515	11:51	E82			
12:30	TENERIFE	W	KLM3368	505-515	11:51	E82			
12:30	FRANKFURT	DLH	113	409-412	12:31	D56			
12:30	FRANKFURT	JKK	8865	409-412	12:31	D56			



# Corporate Responsibility



# Aena Aeropuertos: a responsible Company

For Aena Aeropuertos Corporate Responsibility (CR) is all about aligning the governance and management of the Company toward a search for satisfying the needs and expectations of all its stakeholders. To this end the company:

- Has established close and lasting ties with its stakeholders so as to promote **dialogue and transparency**.
- Is especially mindful of **social, occupational and environmental concerns, as well as its commitments in the area of Human Rights**.
- **Integrates CR into its value chain:** by incorporating CR criteria into its commercial relationships with others, the company encourages transparency and competition in the marketplace.
- **Is working for value-based management:** its Code of Conduct represents a means for conveying its culture of ethics and offers a guaranteed instrument for enhancing its corporate identity. The Code includes guidelines related to the workplace, people, resources and the environment.

As a result, for Aena Aeropuertos, Corporate Responsibility comprises a **strategic function that is related to the sustainability, competitiveness and reputation of the Company**, and whose function is to create long-term value for every stakeholder.



Fuerteventura Airport



## Financial performance

The efforts of Aena Aeropuertos over the last two years were aimed at showcasing the Company so as to transform it into a worldwide leader that is financially profitable.

Over recent months **cost-cutting, and enhanced commercial revenue** thanks to the commercial developments intended to make travelers' experiences more pleasant, have become a priority for Aena Aeropuertos.

The goal of this initiative is to offer a selection of quality products that takes into account the needs and expectations of stakeholders while giving an added value to our airport facilities (see page 54).

**Aena Aeropuertos views excellence in management as an indicator of maximum efficiency.** This excellence is rooted in different areas of its activity:

- The certification of its services. Spain's Aviation Safety Agency (AESA) certifies the company's compliance with the international regulations recommended by the International Civil Aviation Organization (ICAO).
- Physical and operational security as the strategic basis for Aena Aeropuertos' public responsibility.
- Quality based on Quality, Environmental and Energy Efficiency Management Systems, EMAS, Occupational Hazard Prevention, Operational Safety and Physical Security.

# Environmental performance



Lanzarote Airport

For Aena Aeropuertos, as a leading provider of air transport services, the [search for sustainability](#) is essential in areas such as making airport operations and the development of airport facilities compatible with the local setting, reducing the emission of greenhouse gases, minimizing noise pollution, as well as everything involving the promotion of practices that allow for increased energy efficiency and the use of renewable energies, in keeping with the company's strategic objectives and its Environmental and Energy Policy.

As concerns the area of [controlling noise pollution](#), Aena Aeropuertos uses Strategic Noise Maps for large airports to evaluate the noise exposure generated by air traffic. It also engages in various activities that help to minimize this impact, such as Action Plans and the Noise Insulation Plans that by late 2012 had served to soundproof 17,958 homes. Other measures, like the installation of Noise Monitoring Systems and Interactive Noise Maps (Webtrak), are used to detect, measure and monitor aviation noise levels in the vicinity of airports.



Another key aspect for Aena Aeropuertos is the **efficient energy management of its facilities**. To this end the Company has an Energy Savings and Efficiency Plan whose aim is to establish objectives, programs and measures to supplement those already carried out. These include procedures to control and monitor consumption, the implementation of energy efficiency measures, and the use of renewable energies. This all allowed Aena Aeropuertos to reduce its overall energy use by 10% from 2009 to 2012, with the ensuing reduction in atmospheric CO<sub>2</sub> emissions. Also of note in this regard is the Airport Carbon Accreditation certification obtained by the Madrid-Barajas, Barcelona-El Prat, Palma de Mallorca, Malaga-Costa del Sol and Lanzarote airports.

Likewise, in an effort to make **the preservation of our natural heritage compatible with airport operations**, Aena Aeropuertos engages in various measures aimed at protecting and preserving biodiversity, conserving our historical heritage, and decontaminating the soil.

Lastly, in its search for maximum efficiency in the **management of its certified systems** it is important to note that an integrated quality and environmental management system is currently being implemented throughout its airport network that will result in a single Company-wide certification, to which other systems already in place at Aena Aeropuertos will gradually be added.



Wind turbines at the La Palma Airport

## Social performance

Our human resources are Aena Aeropuertos' greatest asset. The Company's strategy is designed to increase its employees' motivation, improve their training and development, and ensure their job security. The Company's guiding principles include equality, work-family reconciliation, merit and talent management.

Over the course of 2012 the main achievements in this area were:

- The addition to the Aena Aeropuertos staff of 61 jobs to be filled by the disabled (23 university graduates and 38 specialists).
- 88.4% of the staff had a permanent contract.
- The awarding of some type of social aid on 12,116 occasions, which means that 7% of the staff took advantage of the benefits offered by Aena Aeropuertos.
- Over 307,713 hours of technical training, an average of 23.38 training hours per employee. 92% of the employees took at least one course in 2012.

As part of the social aspect of sustainability, **Aena Aeropuertos aims to include the most disadvantaged groups through international development cooperation, the promotion of equality, encouraging education and solidarity, and other means.** These values, once integrated into its value chain and incorporated into its everyday corporate management, benefit not only large communities but also those groups with very specific needs.

- From July 2008 to December 2012 our specialized staff helped 4,821,394 Passengers with Reduced Mobility .
- Over 41,000 students have visited the various centers in the Aena Aeropuertos network and discovered how the world of aviation works.
- The Outreach Area program, through which social agencies are given free use of airport space to promote their causes or engage in specific campaigns, was used for 2,056 days in 2012 by 70 such agencies.
- The Second Outreach Event held at the Madrid-Barajas Airport in November 2012 was attended by over 3,000 people.



## Partnerships

Aena Aeropuertos is working hard every day to have its activities and services contribute to sustainable development in a way that not only favors its direct clients, but society in general and the communities in which it is present.

To this end Aena Aeropuertos has partnerships with social organizations like Cermi, Fundación ONCE, Afanías, Apsuria and Insertia. It also has agreements with international groups (ICAO and CACSA), universities and schools, public administrations, foundations and NGOs, and is a member of various notable institutions in the area of corporate responsibility, excellence and quality, in which it participates through good practices, initiatives, working groups, etc.

### Some examples:

- Corporate Governance or Reputation Commissions sponsored by the Club for Excellence in Sustainability.
- The “Accelerating CR in public companies” project (Forética).
- Training activities as part of the Ibero-American Program for Specialized Technical Training (PIFTE) of the Spanish Agency for International Development Cooperation (AECID).
- Partnership with the Malaga Business Owners’ Federation, the University of Malaga, and the Healthy Lifestyle Foundation to promote healthy habits, efficient driving and energy savings through awareness campaigns in area companies, and by disseminating a study showing the impact of these initiatives.



Donated space at the Madrid-Barajas Airport







# 2012 Results

# Analysis of Results

(Million €)	2011	2012	Change	% Change
Ordinary revenue	2,405.7	2,598.5	192.8	+8.0%
Operating costs <sup>1</sup>	2,421.4	2,289.9	-131.5	-5.4%
Adjusted EBITDA <sup>1</sup>	869.4	1,188.9	319.5	+36.7%
Adjusted EBITDA Margin <sup>1</sup>	36%	46%	-	+10 bp
Operating result (EBIT) <sup>1</sup>	35.3	355.5	320.2	+907.8%
Financial expenses - net	-350.5	-322.1	-28.4	-8.1%
Net	-214.5	-63.5	-151.0	-70.4%
Adjusted net profit	-214.5	70.9	285.4	133.1%

<sup>1</sup> Adjusted for the cost of the Voluntary Retirement Plan (134.5 million euros)

Aena Aeropuertos' **ordinary revenue** was up 8% to 2.6 billion euros in 2012. This increase of 192.8 million euros was mainly due to:

- The positive impact that the increase in tariffs had on aeronautical revenue (coming into effect in July). It compensated for the drop in traffic, with passenger numbers down 5% and operations down 9.8%. The aeronautical segment helped to improve ordinary revenue with a contribution worth 180.3 million euros (93.5% of the total variation).
- The commercial activity throughout the year was of little significance in terms of 2012 revenue, although it did provide the basis for future growth. Having said that, it is worth noting the 6.8% growth in revenue from stores, due to the new range of products and the redesign of important commercial spaces for specialist stores at Madrid-Barajas, Barcelona-El Prat and Palma de Mallorca airports.

**Operating costs** (net of 134.5 million euros accounted for the Voluntary Retirement Plan) were significantly lower as a result of the cost-cuttings measures introduced in 2011, which have seen a reduction in costs across the board. In terms of specific expenditure concepts, the most significant variations corresponded to the following areas:

- Procurement: 211.2 million euros in 2012. The largest item here was the Service Agreement with Aena Entidad Pública Empresarial to provide Air Traffic Control Services. Savings stood at 6%.
- Staff costs, net of the effects of the allocation to provision for the Voluntary Retirement Plan, a sum set at 134.5 million euros in 2012, were down 2.5% (9.7 million euros) on the previous year. This reduction is mainly due to the non-payment of the December extra salary payment in 2012 (as a result of the application of Act No. 2/2012) and the suspension of contributions to the pension fund (Pursuant to Royal Decree-Act No. 20/2012). Staff numbers were reduced by 11% as a result of the Voluntary Retirement Plan. As these redundancies took place in both 2012 and 2013, the cost savings were not fully reflected in 2012.



- Other Operating Costs is the item that saw the greatest reduction, down 10.9% (108.5 million euros) to 883.4 million euros in 2012, as a consequence of the efficiency and operational measures that have been introduced. Specifically, the most important measures have allowed Aena Aeropuertos to streamline and optimise costs in the following services: maintenance (down 20%), security checkpoints, private security and surveillance, shuttle transport at Madrid-Barajas and Barcelona-El Prat, public information, health policy, energy efficiency, technical assistance and other cost areas (public relations, communications, office stationary, work meetings, secondments etc.)
- Fixed asset depreciation, an expense which in 2012 stood at 833.4 million euros, which, although it does not represent an appreciable variation on the previous year, has been affected by the modification in the useful life of runways and taxiways, terminal buildings and parking buildings, as established in NIC 16. The reassessment resulted in an annual saving of over 90 million euros. These lower costs have been mainly compensated by the greater provision set aside for the entry into service of the new terminal at Alicante (March 2011), the new terminal at La Palma (May 2011), the new terminal area at Santiago Airport (October 2011), the new runway at Málaga-Costa del Sol (May 2012), the extension and modernisation work at the Ibiza terminal building (July 2012), as well as the accelerated provision of inspection equipment which needs to be replaced in order to meet applicable regulations before 2014, and the assets of the Torrejón Air Base, closed to civil aviation on 28 February 2013.

The **EBITDA**, adjusted for the cost of the Voluntary Retirement Plan, up from 869.4 million euros to 1.2 billion euros by the close of 2012, an increase of 36.7% and a 10 basis-point improvement in the margin, which rose to 46%.

The adjusted **operating result** rose to 355.5 million euros (a 907.8% increase on the 35.3 million euros in 2011).

The **net financial result** was down 8.1%, from 350.5 million euros in 2011 to 322.1 million euros in 2012. This drop of 28.4 million euros was mainly due to:

- Reduced interest expenditure in 2012, down from 312.2 million euros in 2011 to 283.8 million euros in 2012, due to the lower average rates over this period.
- Reduced interest on default payments for expropriations, which fell from 53.8 millions euros in 2011 to 31.7 million euros in 2012. The reduced expenditure in 2012 compared to 2011 was due to the fact that there were more court decisions during 2011 regarding expropriated land than in previous years.

The **net result**, once the tax effect of the adjustment for the impact of the Voluntary Retirement Plan had been eliminated, stood at 70.9 million euros, compared to losses of 214.5 million euros in 2011, a clear indication of the Company's profitability.



# Consolidated financial statements

Aena Aeropuertos S.A. and Subsidiary Companies - Consolidated annual accounts for 2012  
(all amounts in thousands of euros, unless otherwise indicated)

## Statement of financial position as at 31 December 2012 and 2011

	Year ended on December, 31st	
	2012	2011
<b>ASSETS</b>		
<b>Non-current assets</b>		
Plant and equipment	15,781,467	16,065,993
Intangible assets	115,727	107,967
Real estate investments	129,256	133,135
Investment in subsidiaries	58,443	55,187
Deferred taxes asset	62,259	58,996
Financial assets available for sale	57,769	57,769
Other financial assets	1,433	1,138
Derivates	-	-
	16,206,354	16,480,185
<b>Current assets</b>		
Stock	4,178	5,224
Trade and other receivables	498,286	457,727
Cash and equivalent	8,210	3,316
	510,674	466,267
<b>Total Assets</b>	<b>16,717,028</b>	<b>16,946,452</b>

	Year ended on December, 31st	
	2012	2011
<b>Net assets and liabilities</b>		
<b>Net equity attributable to owners of the parent</b>		
Ordinary capital	1,500,000	1,500,000
Issuance premium	1,100,868	1,100,868
Cumulative profits / (losses)	-146,101	-82,820
Cumulative exchange rates differences	-1,014	-4,696
Hedging reserves	-16,414	-24,149
<b>Total net equity</b>	<b>2,437,339</b>	<b>2,489,203</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial debt	11,033,570	11,124,741
Derivatives	9,455	32,180
Differed tax liabilities	208	666
Employee benefits	6,783	5,225
Provisions for other liabilities and charges	433,188	365,933
Grants and subsidies	665,394	625,666
Other long-term liabilities	3,773	1,398
	12,152,371	12,155,809
<b>Current liabilities</b>		
Trade and other payables	761,382	985,080
Current tax liabilities	-	-
Financial debt	1,052,112	1,074,600
Derivatives	13,398	1,944
Grants and subsidies	23,000	32,361
Provisions for other liabilities and charges	277,426	207,455
	2,127,318	2,301,440
<b>Total liabilities</b>	<b>14,279,689</b>	<b>14,457,249</b>
<b>Total equity and liabilities</b>	<b>16,717,028</b>	<b>16,946,452</b>

# Consolidated financial statements

Aena Aeropuertos S.A. and Subsidiary Companies - Consolidated annual accounts for 2012 (all amounts in thousands of euros, unless otherwise indicated)

Consolidated profit and loss account for the financial years concluding on 31 December 2012 and 2011

	Year ended on December, 31st	
	2012	2011
<b>Continuing operations</b>		
Revenues	2,598,474	2,405,659
Other operating income	7,445	13,175
Work performed by the entity for its assets	6,504	6,709
Provisions	-198,587	-211,165
Staff costs <sup>1</sup>	-508,909	-384,112
Other operating expenses	-883,438	-991,933
Depreciation and amortization	-833,421	-834,143
Allocation of grants and other non-financial assets	32,226	38,821
Excess provisions	26,908	10,244
Impairment and loss on disposal of fixed assets	-25,676	-13,344
Other net profits (losses)	-524	-4,638
<b>Profit from operations</b>	<b>221,002</b>	<b>35,273</b>
Financial income	2,168	2,030
Financial expenses	-296,834	-339,838
Other net financial income (expenses)	-27,478	-12,736
Financial expenses – net	<b>-322,144</b>	<b>-350,544</b>
Share of results of subsidiaries and associated companies	8,894	9,228
Result before taxes	<b>-92,248</b>	<b>-306,043</b>
Income tax	28,722	91,521
Profit attributable to shareholders of the parent	<b>-63,526</b>	<b>-214,522</b>
<b>Adjusted EBITDA <sup>2</sup></b>	<b>1,188.9</b>	<b>869.4</b>
<b>Adjusted EBITDA margin</b>	<b>46%</b>	<b>36%</b>
<b>Adjusted net profit <sup>2</sup></b>	<b>70.9</b>	<b>-214.5</b>

<sup>1</sup> Includes 134.5 million euros from the Voluntary Retirement Plan in 2012.

<sup>2</sup> Adjusted for the cost of the Voluntary Retirement Plan (134.5 million euros)

# Consolidated financial statements

Aena Aeropuertos S.A. and Subsidiary Companies - Consolidated annual accounts for 2012  
(all amounts in thousands of euros, unless otherwise indicated)

Consolidated cash flow account for the financial years concluding on 31 December 2012 and 2011

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

	Year ended on December, 31st	
	2012	2011
<b>Cash flow from investment activities</b>		
Acquisitions of tangible assets	-795,096	-1,028,583
Acquisitions of intangible assets	-19,888	-52,339
Acquisitions of real estate investments	-421	-3,506
Proceeds from sale of other financial assets	-	18
Payments for the acquisition of other financial assets	-16	-
- Proceeds other financial assets	255	-
Dividends received	1,854	1,744
<b>Net cash used in investment activities</b>	<b>-813,312</b>	<b>-1,082,666</b>
<b>Cash flow from financing activities</b>		
Proceeds from issuance of ordinary shares	-	61
Income from loans and borrowings ( <b>FEDER grants</b> )	17,539	61,584
Income Group's financing	715,500	605,959
Returns of debts to credit institutions	-3,344	-5,581
Returns of Group's financing	-617,896	-315,281
<b>Net cash generated generated/(used) in financing activities</b>	<b>111,799</b>	<b>346,742</b>
(Decrease) / increase in cash and cash equivalents	4,894	-2,905
<b>Cash, cash equivalents at the beginning of the year</b>	<b>3,316</b>	<b>6,221</b>
<b>Cash, cash equivalents at the end of the year</b>	<b>8,210</b>	<b>3,316</b>







GOBIERNO  
DE ESPAÑA

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*So you can get there*