



Madrid, 29 May 2018

In compliance with Section 228 of Legislative Royal Decree 4/2015, of 23 October, enacting the consolidated text of the Securities Market Act, Aena S.M.E., S.A. reports the following:

### **PRICE SENSITIVE INFORMATION**

#### **2018-2021 Strategic Plan**

At its meeting held today the Board of Directors of Aena S.M.E., S.A., (AENA), has approved its 2018-2021 Strategic Plan, whose lines of action are included in the accompanying documentation.

The Strategic Plan is to be presented to analysts and investors 7 June.

The Secretary of the Board of Directors

Juan Carlos Alfonso Rubio

# 2018-2021 Strategic Plan

## Lines of action

Aena; smart airports



MAY 2018

On 29 May 2018 the Board of Directors approved the Company's Strategic Plan for the period 2018-2021. With this Plan Aena intends to...

## *Address challenges which it will turn into opportunities*

<u>Challenge</u>		<u>Opportunity</u>	<u>Description</u>	
Increasing passenger traffic		Capacity and service quality	Ensure the <b>capacity</b> of airports and compliance with the high standards of <b>service quality</b> , in a moderate investor cycle	
Sustainability in the airport sector		Environmental responsibility	Assume <b>environmental responsibility</b> in the development of sustainable airports	
Demanding passengers, customers and communities		Airports and airport cities	Develop <b>airports and airport cities</b> that stimulate economic activity, expand the range of services and promote new business opportunities	
Geopolitical uncertainties		Geographical diversification	Grow in new markets to mitigate traffic concentration risks through the <b>geographical diversification</b>	
Efficiency and profitability		Leadership in economic management	Maintain leadership in efficient and cost-effective management of resources to guarantee future investments	
Changing skills and talent		Organisation and talent	Adjust the <b>organisation and talent</b> to future challenges with a team with experience in new business lines, digitalisation and internationalisation	

We have specified...

## *Strategic lines to capture future opportunities*

### Opportunity

### Strategic lines

Capacity and service quality



Capacity

Quality and security

Innovation

Environmental responsibility



Environmental sustainability

Airports and airport cities



Real estate activity

Commercial activity

Joint responsibility

Geographical diversification



Marketing plan

International development

Leadership in economic management



Cost efficiency

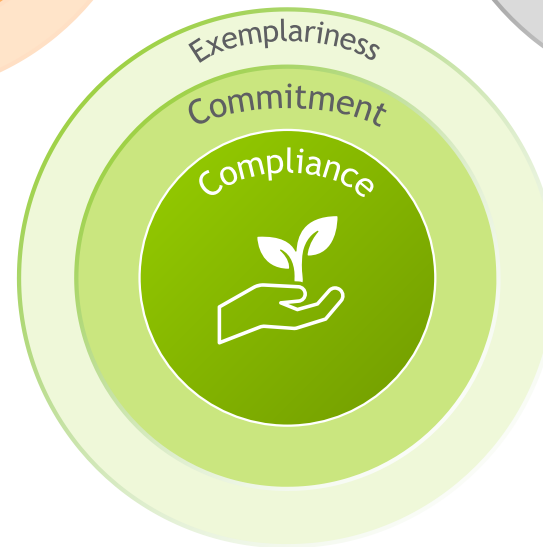
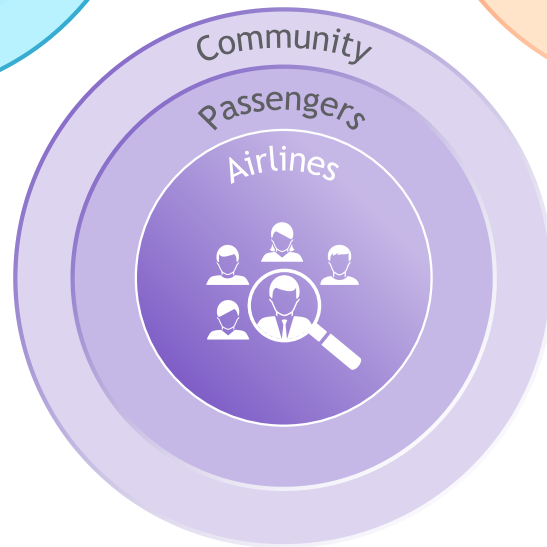
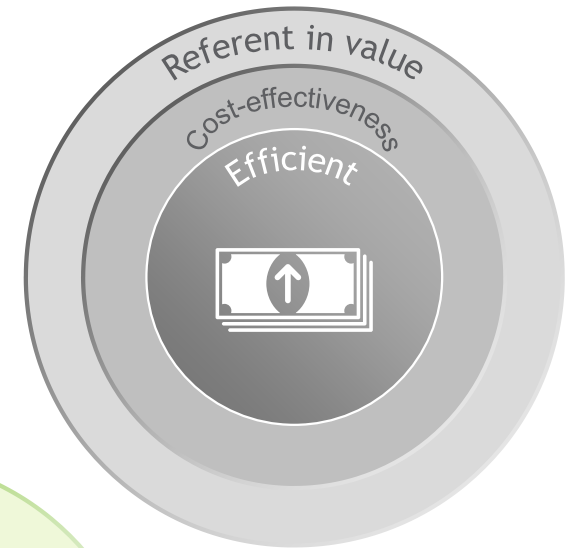
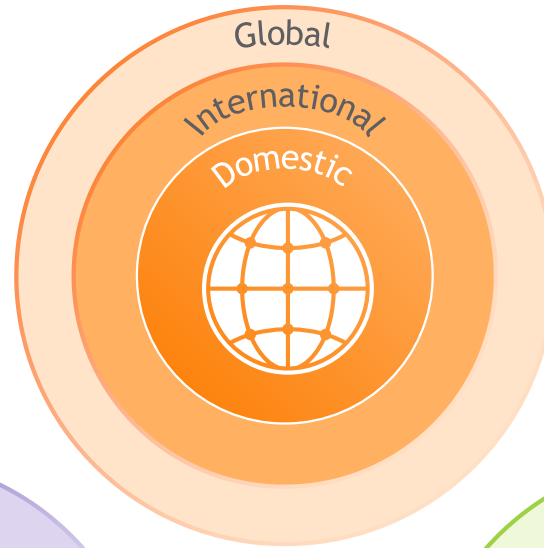
Allocation of capital and shareholder remuneration

Organisation and talent



Adequacy of the organisation and resources

# The Strategic Plan will set a new level of ambition in Aena's management model



# The Strategic Plan is divided into 10 lines of action

1

Expanding and tailoring **capacity** in the highest priority airports, executing DORA 2017-2021 investments and launching projects identified in Master Plans for the 2<sup>nd</sup> DORA

2

Tailoring airport **processes** to deliver more convenience, ease and flexibility to passengers and airlines and improve their experience in compliance with exacting **service quality** levels

3

Developing **digital solutions** and innovative technologies which integrate airport processes, services and commercial range

4

Minimising **environmental footprint** by investing in energy efficiency, renewable energies, soundproofing and biodiversity

5

Using available land to create a **real estate range** in partnership with the private sector and boost economic activity in airport cities

6

Redesigning and streamlining **commercial spaces** in the main airports, re-launch of the Tax and Duty Free retail range and repositioning specialty shops tailored to customer preferences

7

Bringing care and service to society, moving forward in **joint responsibility** in management and contribution to the community

8

Attracting **international traffic**, especially in terms of Asia, to the Madrid and Barcelona hubs and expansion of long-haul routes

9

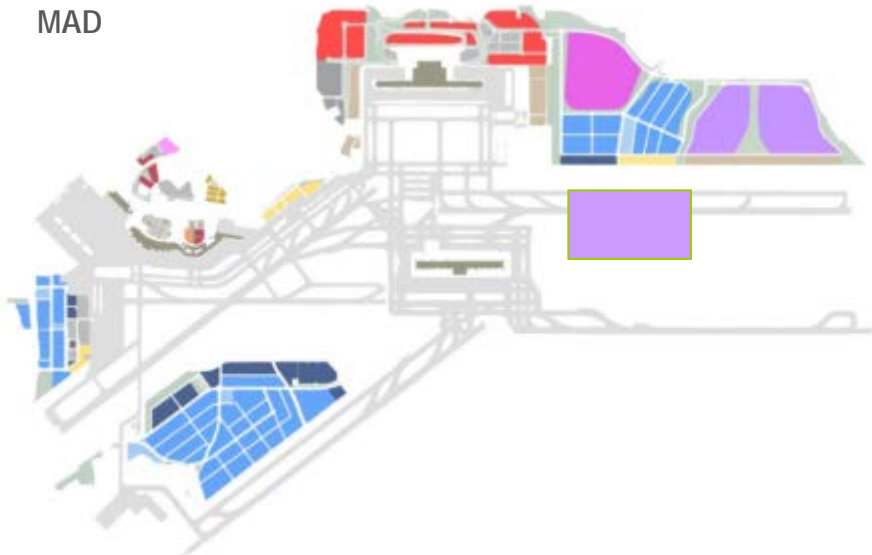
**International expansion** with a corporate structure featuring the input of private partners which makes it possible to seize key opportunities vis-à-vis global competitors with moderate investment effort

10

Specifying a transparent and efficient **capital allocation** plan

# 5 Implementation of the new real estate development model at A.S. Madrid-Barajas and Barcelona-El Prat airports

Real estate uses



	Plot surface area (ha)	Built-up surface area (m <sup>2</sup> GFA)
Logistics	212	1,221,000
Cargo	45	265,000
Hangars	9	74,000
Offices / Retail	57	604,000
Hotels	5	68,000
Retail Centre	57	341,000
Other uses	11	107,000
<b>TOTAL</b>	<b>396</b>	<b>2,680,000</b>
Remaining surface area	244	



	Plot surface area (ha)	Built-up surface area (m <sup>2</sup> GFA)
Logistics	65	293,000
E-commerce	43	361,000
Cargo	24	53,000
Industrial	28	136,000
Hangars	9	35,000
Offices	67	362,000
Retail	1	156,000
Hotels	8	50,000
Shared facilities and parking spaces	17	87,000
<b>TOTAL</b>	<b>262</b>	<b>1,533,000</b>

(\*) Plots already occupied are included

# 5 Implementation of the new real estate development model at AS Madrid-Barajas and Barcelona-El Prat airports

## Implementation strategy and proposal of the Business Model

Through its subsidiary Aena Inmobiliaria, Aena will play an active role in the real estate development of the future growth at airports

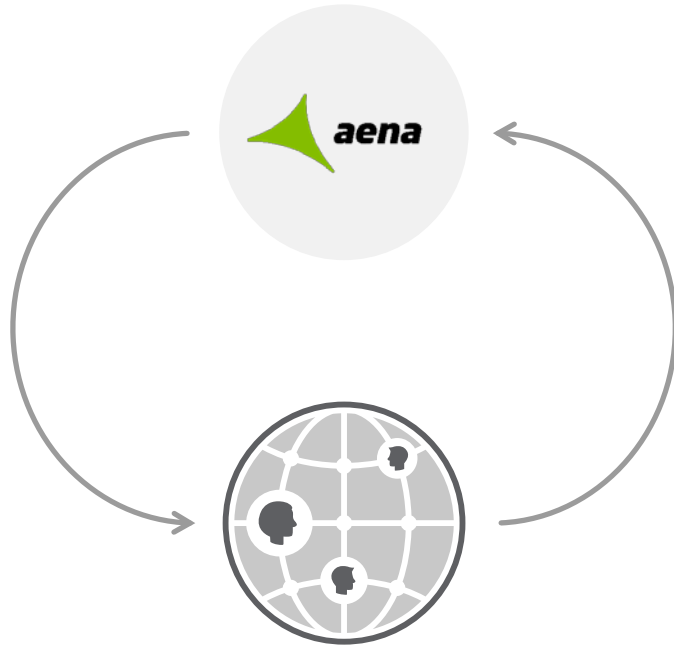
Aena will identify the potential partners of Aena Inmobiliaria by type of asset and will establish a transparent selection procedure that maximises the value generated for Aena and minimises the risks

- Define the bidding strategy
  - Definition of division of assets blocks
  - Definition of the assets that are included
  - Assignment / contribution model by Aena
  - Stake in each block
- Analyse and determine the legal conditions, eliminating the risks for the parent company
- Undertake preliminary market test with potential partners
- Perform an asset valuation to set a minimum price
- Prepare and develop the specifications for the public tender
- Define urban value-added elements and the relationship of Aena's airports with the territorial agency that allow presenting a comprehensive strategy for real estate development in AS Madrid-Barajas and Barcelona-El Prat





## 9 International expansion



International expansion with a corporate structure featuring the input of private partners to seize key opportunities vis-à-vis global competitors

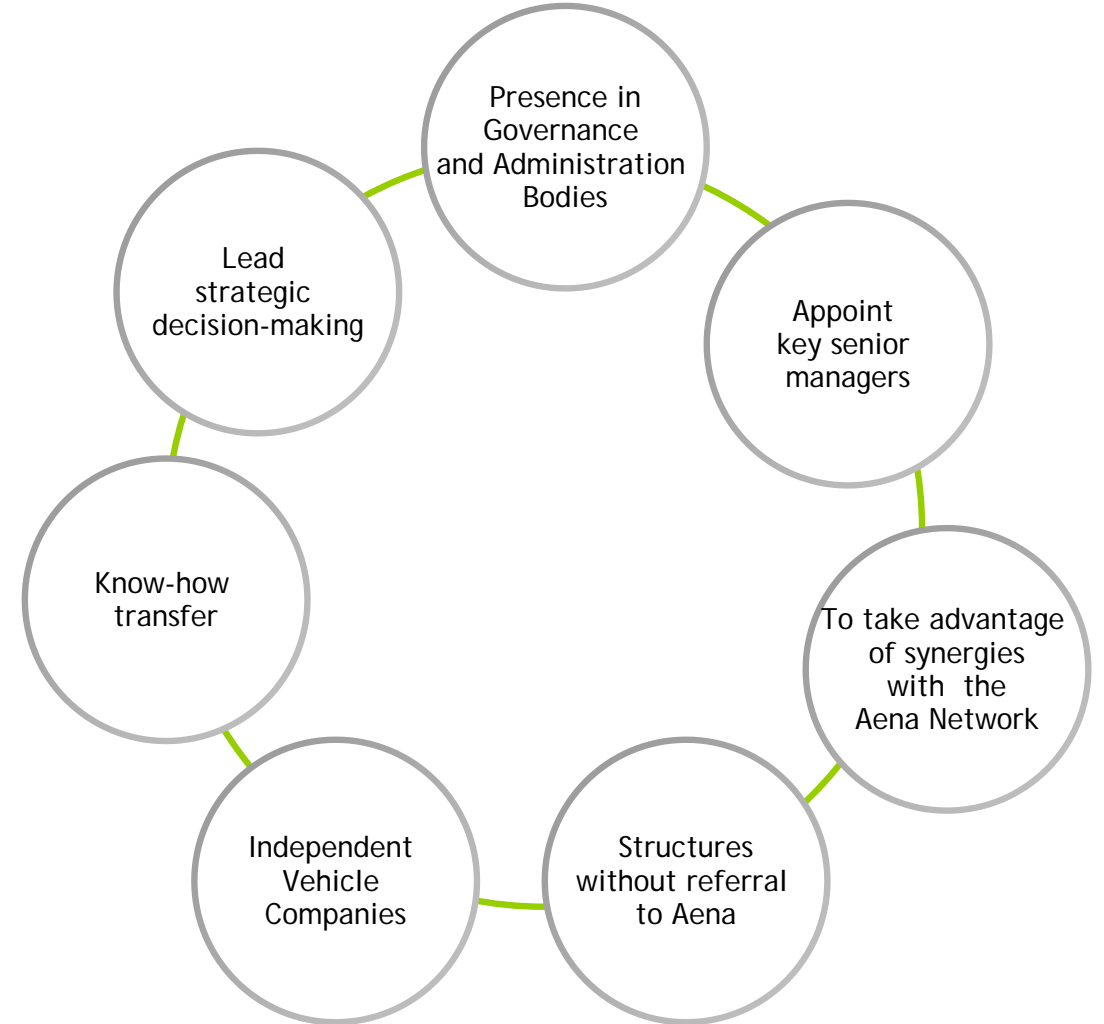
- Consolidation/expansion of assets already operated abroad through Aena Internacional: Luton, Mexico, Cartagena, Cali
- In the medium and long term, strategic acquisition of high potential international assets through corporate structures in which private partners take part
- Enhancing Aena's position as a global leader, limiting its exposure to the economic cycle and seizing opportunities vis-à-vis global competitors with moderate investment effort

# 9 International expansion

## Business model

Participation aside from Aena's professional activity, through the holding company Aena Internacional, through the creation or acquisition of independent vehicle companies for each project

Stable alliances will be strengthened with reference partners of preferably financial profile to undertake individual or regional opportunities. Through them, stakes in international airport assets will be acquired



## 10 Cost efficiency and shareholder remuneration policy

Maintain discipline in cost control and consolidate the financial position, maintaining current competitiveness with respect to the environment

- Do not exceed the regulated unit cost of €2.63/ATU<sup>1</sup> set out in the DORA, with different action plans:
  - ✓ Alignment of interests of service providers with Aena (contracting of service linking their benefits with the achievement of new levels of service)
  - ✓ Variability of contracts by traffic (increases and decreases)
- Development of plans for the main operating expenses:
  - ✓ Strategic cleaning plan
  - ✓ Strategic maintenance plan
  - ✓ Strategic security plan

In addition there is a shareholder remuneration policy consisting of the distribution of 80% of the individual net profit in 2018, 2019 and 2020 under the terms of the policy which has been approved by the Board of Directors and reported as independent price sensitive information.

<sup>1</sup>ATU (Air Traffic Unit): Total passengers + total aircraft \* 100 + tons of commercial cargo \* 10

In order to drive the actions envisaged in the Strategic Plan Aena will enhance its team. This means it will have to:

## Plan and foresee the necessary people to undertake the increase of the activity and the new roles and challenges

The Plan provides for expansion of the Company's human resources in the first two years (2018-2019) to cover the profiles and needs required to address the new challenges and the increase in operations:

- Increasing traffic demand, maintaining current productivity throughout the period
- Compliance with the new regulatory requirements concerning security and the DORA

In the following years there is the option of hiring new staff, albeit subject to subsequent analysis which supports such needs.

The companies which will be set up to conduct real estate operations and international development will be able to equip themselves with their own resources.

