Results Presentation

Corresponding to the nine-month period ended on 30 September 2019

30 October 2019

Disclaimer

This report shows the most significant data of Aena S.M.E., S.A. and its subsidiaries (“Aena” or “the Company”) and its management during the first nine months of 2019, including the most significant information on all business areas, the main figures and the lines of action that have guided the management of the Company.

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(ii) For informative purposes, given that the information it contains is purely explanatory; to this end, it should be indicated that the information and any opinion or statement made in the Presentation (including the information and statements on forecasts, as defined below) (hereinafter the “Information”) has not been the subject of revision or verification by any independent third party or any auditor of the Company, and certain financial and statistical information of this Presentation is subject to rounding adjustments. Consequently, neither the Company nor its directors, managers, employees, or any of its subsidiaries or other companies in the Company’s group:

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The Presentation contains information and statements on forecasts regarding the Company and its group (the "Information and Statements on Forecasts"); said Information and Statements on Forecasts (which, in general terms, are identified by means of the words 'expects', 'anticipates', ‘foresees', 'considers', 'estimates', ‘hopes', 'determines' or similar expressions, among others) may include statements regarding the expectations or forecasts of the Company, as well as assumptions, estimations or statements about future operations, future results, future economic data and other conditions such as the development of its activities, trends in the activity sector, future capital expenditure and regulatory risks and acquisitions. However, it is important to take into account that the Information and Statements on Forecasts:

(i) is not a guarantee of expectations, future results, operations, capital expenditure, prices, margins, foreign exchange rates or other data or events;.

(ii) is subject to material and other kinds of uncertainties and risks (including, among others, the risks and uncertainties described in any presentation that the Company might make to Spain’s CNMV (National Securities Commission)), changes and other factors that may escape the control of the Company or may be difficult to foresee, which could condition and cause the results to be different (in their entirety or in part) from those contemplated in the Information and Statements on Forecasts.

It must also be borne in mind that, except when required by the legislation in force, the Company does not commit to updating the Information and Statements on Forecasts if the facts are not exactly as described, or following any event or circumstance that may take place after the date of the Presentation, even if such events or circumstances make it possible to determine clearly that the Information and Statements on Forecasts will not materialise or make such Information and Statements on Forecasts inexact, incomplete or incorrect.

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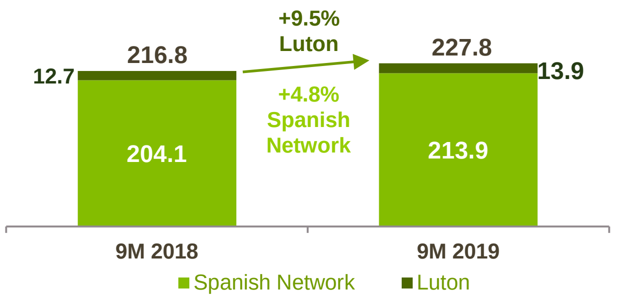
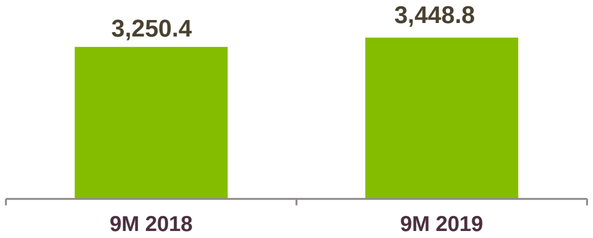
I. Key highlights

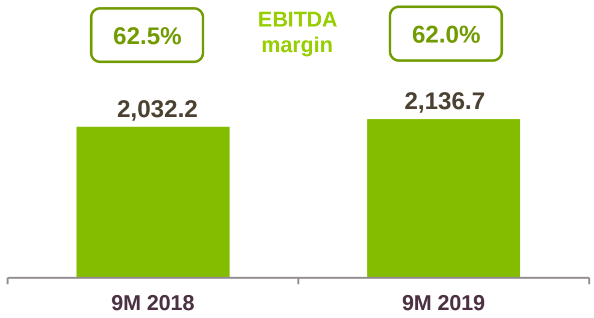
Passengers[1] (M): +5.1%



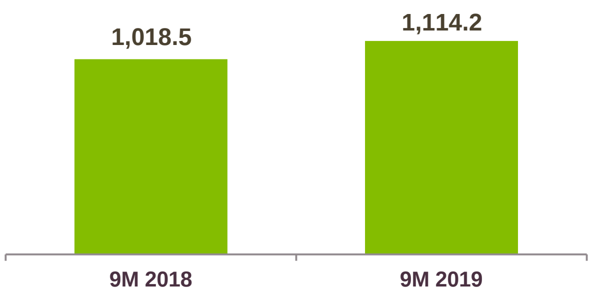
Total revenue (€M): +6.1%



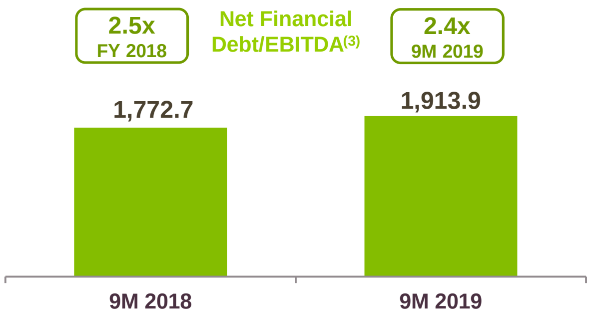
EBITDA[2] (€M): +5.1%



Net profit (€M): +9.4%



Operating Cash Flow (€M): +8,0%



The passenger traffic growth for 2020 in the Spanish airport network is estimated at +1.1%.

(1) Total passengers in the Spanish airport network and at Luton airport. Not including traffic at airports of equity-accounted associates.
(2) Reported EBITDA
(3) Accounting net financial debt calculated as: Total consolidated financial debt (current and non-current) less Cash and cash equivalents.

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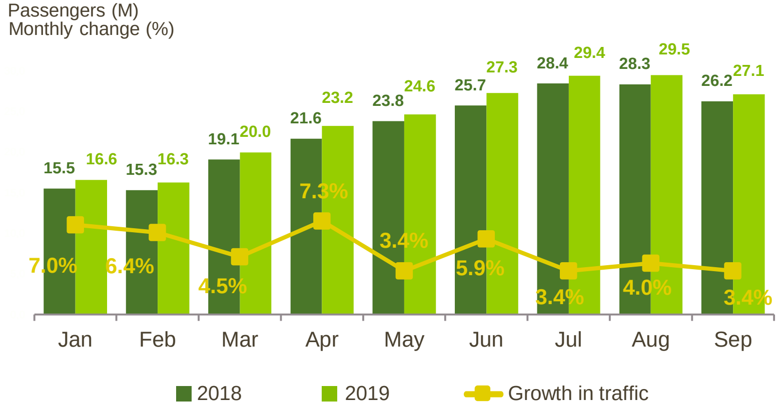
II. Traffic data

Passengers, aircraft movements and cargo

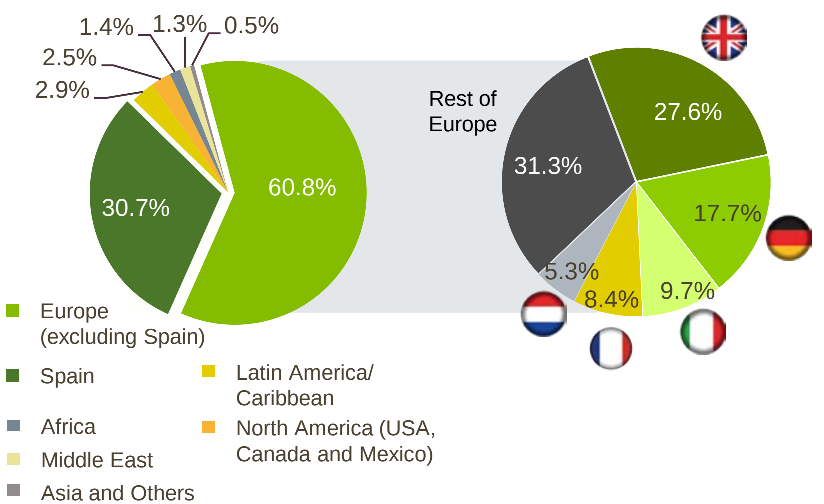
Spanish Network	9M 2019	9M 2018	Variation
Passengers	213,942,748	204,103,918	+4.8%
Operations	1,822,926	1,762,586	+3.4%
Cargo (kg.)	764,142,289	736,174,610	+3.8%

Luton	9M 2019	9M 2018	Variation
Passengers	13,880,909	12,672,318	+9.5%
Operations	108,168	103,648	+4.4%
Cargo (kg.)	25,604,000	17,954,000	+42.6%

Monthly evolution of passenger traffic[1]



Breakdown of passenger traffic[1] by markets



Passenger traffic[1] by airports and groups of airports

Airports/Groups[2]	Passengers[1] M	Chge. (%)	Share (%)	% Chge. Domestic[3]	% Chge. International[3]
A.S. Madrid-Barajas	46.6	6.9%	21.8%	5.0%	7.5%
J.T. Barcelona - El Prat	40.7	5.2%	19.0%	4.7%	5.4%
Palma de Mallorca	24.8	3.1%	11.6%	7.5%	1.8%
Canary Islands Group	33.6	0.0%	15.7%	7.6%	-4.4%
Group I	56.0	7.0%	26.2%	8.8%	6.5%
Group II	10.9	1.9%	5.1%	8.4%	-7.0%
Group III	1.3	17.9%	0.6%	20.3%	1.2%
TOTAL	**213.9**	**4.8%**	**100.0%**	**7.1%**	**3.9%**

(1) Total passengers in the Spanish airport network.
(2) Canary Islands Group: El Hierro, Fuerteventura, Gran Canaria, La Gomera, La Palma, Lanzarote-César Manrique, Tenerife Norte and Tenerife Sur.
Group I: Alicante-Elche, Bilbao, Girona, Ibiza, Málaga-Costa del Sol, Menorca, Seville and Valencia.
Group II: A Coruña, Aerop. Int. Murcia Region, Almería, Asturias, FGL Granada-Jaén, Jerez de la Frontera, Murcia-San Javier, Reus, Santiago, SB-Santander, Vigo and Zaragoza.
Group III: Albacete, Algeciras-Heliport, Badajoz, Burgos, Ceuta-Heliport, Córdoba, Huesca-Pirineos, León, Logroño, Madrid-Cuatro Vientos, Melilla, Pamplona, Sabadell, Salamanca, San Sebastián, Son Bonet, Valladolid and Vitoria.
(3) Percentages calculated based on commercial traffic.

II. Performance by business lines[(1)]

9M 2019

Total revenue €3,448.8 M +6.1%

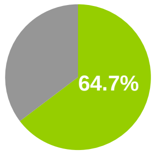
Total expenses €1,901.3 M +4.4%

EBITDA €2,136.7 M +5.1%

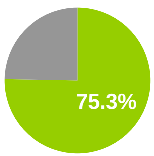
EBITDA margin 62.0%

Airports

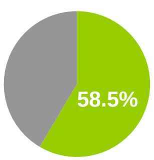
Aeronautical



€2,232.0 M
(+4.2%)



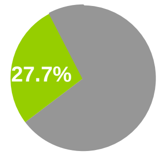
€1,432.3 M
(+3.1%)



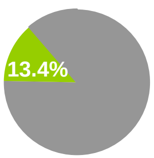
€1,249.9 M
(+2.2%)

EBITDA margin 56.0%

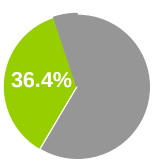
Commercial



€954.9 M
(+8.8%)



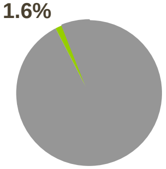
€254.9 M
(+6.7%)



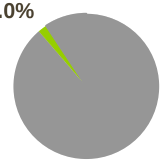
€778.4 M
(+8.3%)

EBITDA margin 81.5%

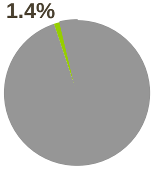
Real estate services



€56.3 M
(+9.7%)



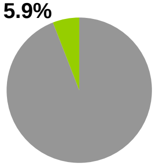
€37.9 M
(+1.9%)



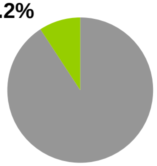
€30.8 M
(+16.3%)

EBITDA margin 54.7%

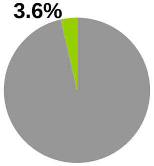
International



€205.1 M
(+13.4%)



€175.6 M
(+11.9%)



€77.6 M
(+21.2%)

EBITDA margin 37.8%

(1) Including Región de Murcia International Airport

II. Commercial Information. Ordinary revenue

Business lines (Thousands of euros)	Revenue		Variation		MAG[1]	
	9M 2019	9M 2018	€ Thousands	%	9M 2019	9M 2018
Duty Free Shops	263,070	241,892	21,178	8.8%		
Food and Beverage	173,338	155,782	17,556	11.3%		
Specialty Shops	88,474	80,190	8,284	10.3%		
Car Parks	119,584	108,031	11,553	10.7%		
Car Rental	121,323	118,289	3,034	2.6%		
Advertising	20,920	25,328	-4,408	-17.4%		
Leases	26,090	25,259	831	3.3%		
VIP services[2]	59,019	47,953	11,066	23.1%		
Other commercial revenue[3]	75,857	68,789	7,068	10.3%		
Commercial	**947,674**	**871,513**	**76,161**	**8.7%**	**111,222**	**93,236**
Average commercial revenue (€)/passenger	**4.43**	**4.27**	**0.16**	**3.7%**		

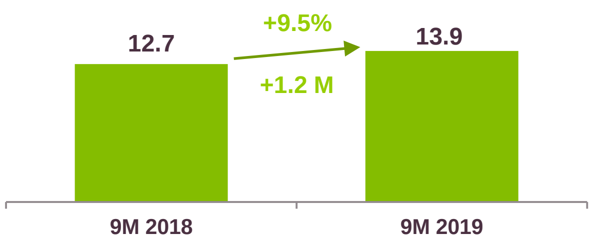
(1) Minimum Annual Guaranteed Rent.
(2) Includes use of lounges and free access zones and fast track.
(3) Includes: Commercial operations, commercial supplies, filming and recording and aircraft hangaring.

- Total ordinary commercial revenue includes the minimum annual guaranteed rents (MAG) set out in contracts in the following business lines: Duty Free Shops, Food & Beverage, Specialty Shops, Advertising and Other Commercial Activities.
- In the first nine months of 2019, the amount recorded as revenue from minimum annual guaranteed rents (MAG) account for 17.9% of revenue from business lines with contracts that include these clauses (16.3% in 9M 2018).

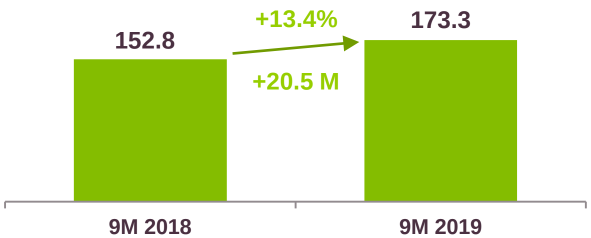
II. International shareholdings

Luton

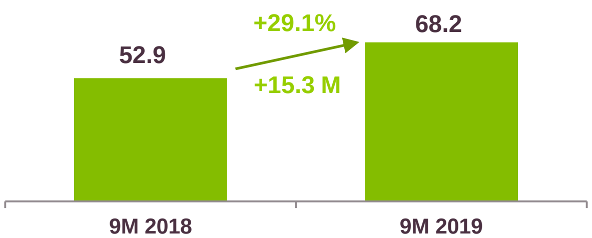
Passengers (M)



Revenue (£ M)

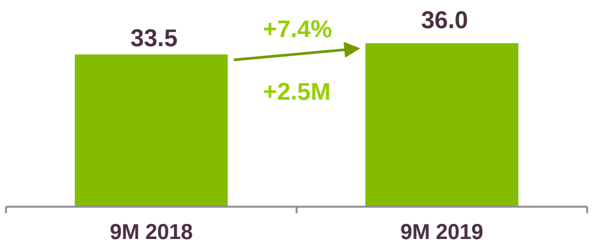


EBITDA (£ M)

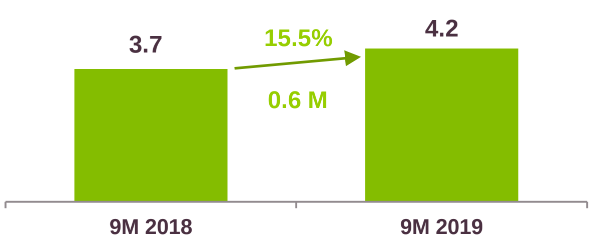


Other shareholdings: Evolution of passenger traffic (millions)

GAP(1)



Aerocali



SACSA

(1) Includes traffic at Sangster International Airport, Montego Bay, Jamaica.

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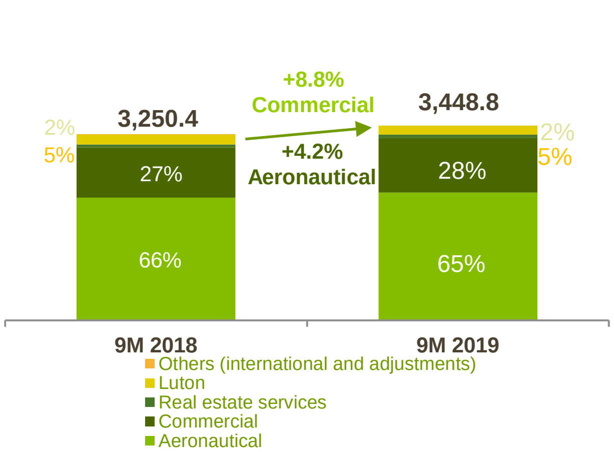
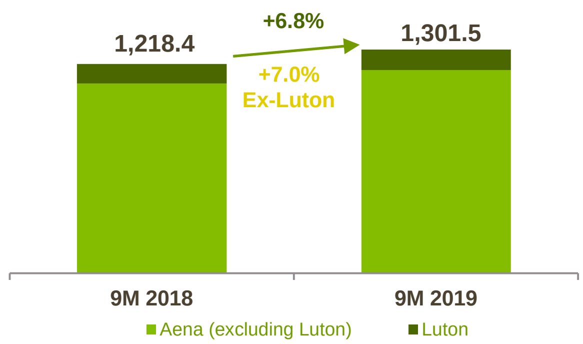
III. Financial results

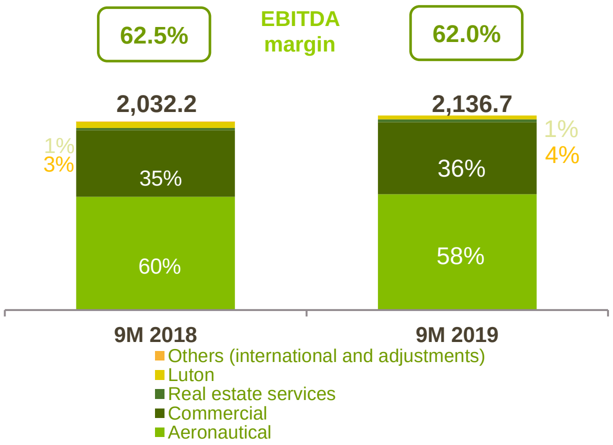
Total revenue (€M): +6.1%



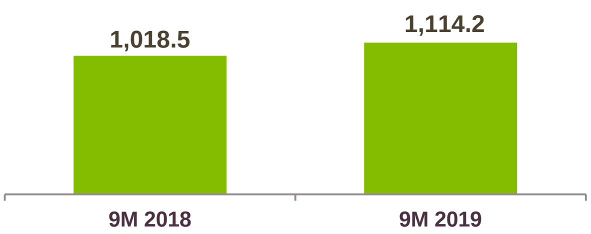
OPEX(1) (€M)



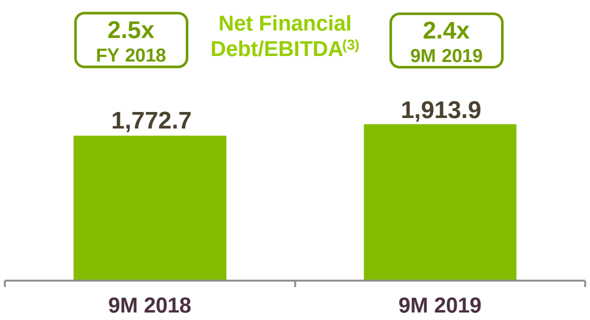
EBITDA(2) (€M): +5.1%



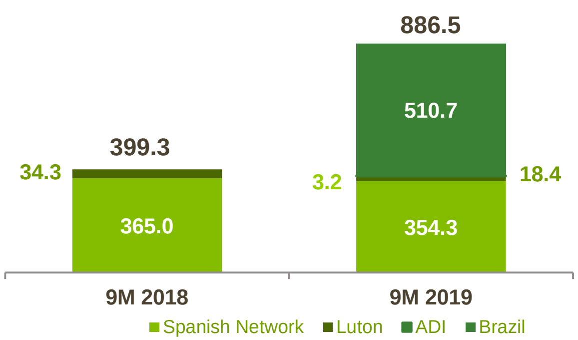
Net profit (€M): +9.4%



Operating Cash Flow (€M): +8.0%



Capex paid (€M): +122.1%



(1) OPEX includes: Supplies, Staff costs and Other operating expenses
(2) Reported EBITDA
(3) Accounting net financial debt calculated as: Total consolidated financial debt (current and non-current) less Cash and cash equivalents.

III. Some explanations to the financial results

In the first nine months of 2019, revenue from Minimum Annual Guaranteed Rents (MAG) amounted to €111.2 million (€93.2 million in the same period of 2018), representing 17.9% of revenue from business lines that have contracts with these clauses (16.3% in the same period of 2018). This difference is due, in large part, to the sales evolution (€7.0 million), to the conditions agreed in the new contracts (€7.0 million) and to the increase included in the current contracts (€1.9 million).

Staff costs increased by +7.8% (€24.2 million) as a result of the salary review provided for in Royal Decree 24/2018 of December 21, and as a result of additional hiring and the effect in May 2018 of the reversal of the provision created in December 2017 for the additional earnings linked to productivity.

The 2019 financial year is the first year in which IFRS 16 is applied and its impact has been negligible. One of its effects has been the reclassification of the financial effect of the advance payment received from World Duty Free Group España, S.A., amounting to €9.2 million, from a reduction in commercial income to an increase in financial expense, with no impact on cash. Excluding this effect, revenues from Duty-Free Stores to the period amounted to €253.8 million, a year on year increase of €11.9 million (4.9%).

The increase of investment paid by +€487.2 million (+122.1%), is due to the payments corresponding to the concession of the airports of the North-East Group in Brazil (€510.7 million), which is partly offset by a lower investment level both in Spain’s airport network (€354.3 million, compared to €365.0 million in 9M 2018) and in the Luton airport (€18.4 million compared to €34.3 million in 9M 2018).

III. Income statement

€M	9M 2019	9M 2018	Variation M€	Variation %
Ordinary revenue	**3,407.7**	**3,208.9**	**198.8**	**6.2%**
Airports: Aeronautical	2,191.8	2,107.9	83.9	4.0%
Airports: Commercial	944.4	871.5	72.9	8.4%
Real Estate Services	55.1	50.4	4.7	9.3%
Región de Murcia International Airport	12.6	0.0	12.6	N/A
International	205.0	180.7	24.3	13.4%
Adjustments(1)	-1.1	-1.6	0.5	-29.1%
Other revenue	**41.1**	**41.5**	**-0.4**	**-0.9%**
Total revenue	**3,448.8**	**3,250.4**	**198.4**	**6.1%**
Supplies	-128.0	-129.5	-1.5	-1.2%
Staff costs	-337.0	-312.7	24.2	7.8%
Other operating expenses	-836.5	-776.1	60.3	7.8%
Losses, impairment and change in trading provisions	-5.3	5.4	10.7	197.1%
Impairment and net gain or loss on disposals of fixed assets	-6.4	-6.9	-0.5	-7.0%
Other results	1.0	1.6	-0.6	-39.4%
Depreciation and amortisation	-589.1	-602.4	-13.2	-2.2%
Total operating expenses	**-1,901.3**	**-1,820.6**	**80.7**	**4.4%**
Reported EBITDA	**2,136.7**	**2,032.2**	**104.5**	**5.1%**
% Margin (on Total Revenue)	*62.0%*	*62.5%*	-	-
EBIT	**1,547.5**	**1,429.8**	**117.7**	**8.2%**
% Margin (on Total Revenue)	*44.9%*	44.0%	-	-
Finance income	4.1	2.2	1.9	83.4%
Finance costs	-92.5	-104.2	-11.7	-11.2%
Other net finance income/(costs)	1.0	-0.1	1.1	1,367.1%
Share in profit of equity-accounted associates	17.2	14.4	2.8	19.5%
Profit before tax	**1,477.3**	**1,342.2**	**135.2**	**10.1%**
Income tax expense	-359.3	-322.9	-36.4	11.3%
Consolidated profit (/loss) for the period	**1,118.0**	**1,019.3**	**98.8**	**9.7%**
Profit/(loss) for the period attributable to non-controlling interest	3.8	0.8	3.1	403.4%
Profit for the period attributable to shareholders of the parent Company	**1,114.2**	**1,018.5**	**95.7**	**9.4%**

(1) Adjustments among segments.

III. Statement of cash flows

M€	9M 2019	9M 2018	Variation M€	Variation %
Profit before tax	**1,477.3**	**1,342.2**	135.2	*10.1%*
Depreciation and amortisation	589.1	602.4		
Changes in working capital	-82.6	-118.9		
Financial result	87.4	102.0		
Share in losses (profits) of equity-accounted investees	-17.2	-14.4		
Interest flows	-73.5	-103.2		
Tax flows	-66.8	-37.3		
Cash flow from operating activities	**1,913.9**	**1,772.7**	*141.1*	*8.0%*
Acquisition of property, plant and equipment	-886.5	-399.2		
Proceeds from divestment in group companies and associates	5.7	5.0		
Dividends received	13.8	11.7		
Financing obtained (repaid)	-481.5	-618.9		
Other flows used in investing/financing activities/dividend distribution	-1,027.4	-962.4		
Cash flow used in Investing/Financing activities	**-2,376.0**	**-1,963.7**	*-412.2*	*21.0%*
Effect of exchange rate fluctuations on cash held	1.6	0.1		
Cash and cash equivalents at the beginning of the period	**651.4**	**855.0**		
Net (decrease)/increase in cash and cash equivalents	-460.5	-190.9	*-269.6*	*141.3%*
Cash and cash equivalents at the end of the period	**190.9**	**664.1**	*-473.2*	*-71.3%*

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IV. Appendix. Other financial information. Key figures. Quarterly evolution

M€	First Quarter			Second Quarter			Third Quarter			Total		
	2019	2018	Chge.	2019	2018	Chge.	2019	2018	Chge.	2019	2018	Chge.
Consolidated traffic (thousands of passengers)(1)	56,480	53,160	6.2%	79,955	75,632	5.7%	91,389	87,984	3.9%	227,824	216,776	5.1%
Traffic in Aena's Spanish network (thousands of passengers)	52,808	49,884	5.9%	75,109	71,184	5.5%	86,026	83,036	3.6%	213,943	204,104	4.8%
Total Revenue	903.5	841.8	7.3%	1,197.3	1,123.5	6.6%	1,348.0	1,285.1	4.9%	3,448.8	3,250.4	6.1%
Aeronautical	567.9	544.4	4.3%	763.0	729.5	4.6%	860.9	834.1	3.2%	2,191.8	2,107.9	4.0%
Commercial	248.4	220.0	12.9%	323.0	299.0	8.0%	372.9	352.4	5.8%	944.3	871.5	8.4%
Real Estate Services	16.5	16.3	1.2%	19.2	16.9	13.6%	19.4	17.2	12.8%	55.1	50.4	9.3%
Región de Murcia International Airport	1.6	0.0	-	6.2	0.0	-	4.7	0.0	-	12.6	0.0	-
International(2)	56.0	47.2	18.7%	71.7	63.0	13.8%	76.2	68.9	10.7%	203.9	179.1	13.8%
Other revenue	13.3	14.0	-5.0%	14.1	15.1	-6.6%	13.8	12.5	10.3%	41.1	41.5	-1.0%
Total operating expenses	-708.6	-677.8	4.5%	-596.3	-562.6	6.0%	-596.3	-580.2	2.8%	-1,901.3	-1,820.6	4.4%
Supplies	-42.9	-42.8	0.2%	-42.7	-43.9	-2.7%	-42.4	-42.8	-0.8%	-128.0	-129.5	-1.2%
Staff costs	-111.9	-103.1	8.5%	-117.1	-107.3	9.1%	-108.0	-102.3	5.5%	-337.0	-312.7	7.8%
Other operating expenses(3)	-356.6	-331.5	7.6%	-236.5	-207.2	14.1%	-248.7	-232.0	7.2%	-841.8	-770.7	9.2%
Depreciation and amortisation	-198.0	-200.2	-1.1%	-195.5	-201.4	-2.9%	-195.6	-200.8	-2.6%	-589.1	-602.4	-2.2%
Impairment and profit/(loss) on fixed asset disposals and other results	0.7	-0.2	-473.0%	-4.6	-2.8	64.3%	-1.6	-2.3	-31.9%	-5.4	-5.3	1.9%
Total operating expenses (excl. Luton)	-657.3	-633.7	3.7%	-539.0	-507.7	6.2%	-538.1	-526.2	2.3%	-1,734.5	-1,667.7	4.0%
Supplies	-42.9	-42.8	0.2%	-42.7	-43.9	-2.7%	-42.4	-42.8	-0.8%	-128.0	-129.5	-1.2%
Staff costs	-101.5	-93.3	8.8%	-105.1	-93.0	13.0%	-96.1	-91.2	5.4%	-302.7	-277.5	9.1%
Other operating expenses(3)	-331.9	-309.5	7.2%	-207.2	-180.2	15.0%	-218.1	-203.4	7.2%	-757.2	-693.1	9.2%
Depreciation and amortisation	-181.8	-187.9	-3.3%	-179.5	-187.9	-4.5%	-179.9	-186.8	-3.7%	-541.2	-562.6	-3.8%
Impairment and profit/(loss) on fixed asset disposals and other results	0.7	-0.2	-473.0%	-4.6	-2.8	66.7%	-1.6	-2.3	-31.9%	-5.4	-5.3	2.5%
Reported EBITDA	392.9	364.2	7.9%	796.4	762.3	4.5%	947.5	905.6	4.6%	2,136.7	2,032.1	5.1%
EBIDTA margin	43.5%	43.3%	+0.2 p.p.	66.5%	67.9%	-1.3 p.p.	70.3%	70.5%	-0.2 p.p.	62.0%	62.5%	-0.6 p.p.
Reported EBITDA (excl. Luton)	374.7	350.8	6.8%	768.8	742.5	3.5%	916.0	879.0	4.2%	2,059.5	1,972.3	4.4%
Consolidated profit for the period	136.4	111.1	22.7%	422.6	403.3	4.8%	555.2	504.0	10.1%	1,114.2	1,018.5	9.4%

(1) Total passengers in the Spanish airport network and at Luton Airport.
(2) Net of adjustment among segments.
(3) Net of Losses, impairment and change in trading provisions (€5.4 million in 9M 2018 and -€5.3 million in 9M 2019)

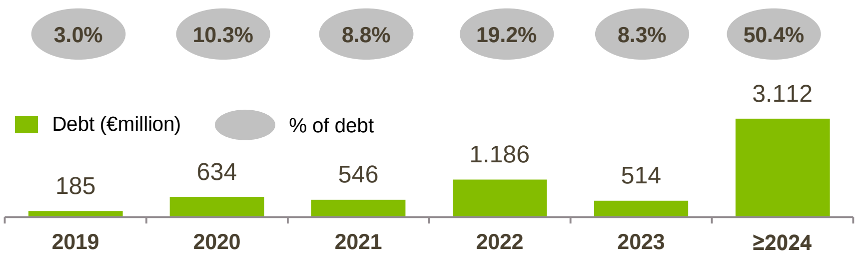
IV. Appendix. Other financial information. Statement of financial position

M€	9M 2019	FY 2018
Property, plant and equipment	12,585.4	12,872.8
Intangible assets	992.1	507.0
Investment properties	142.1	138.2
Right-of-use assets	58.5	-
Investment in affiliates	60.5	65.4
Other non-current assets	203.7	202.2
Non-current assets	**14,042.3**	**13,785.6**
Inventories	7.2	7.3
Trade and other receivables	604.1	454.8
Cash and cash equivalents	190.9	651.4
Current assets	**802.2**	**1,113.5**
Total assets	**14,844.5**	**14,899.1**

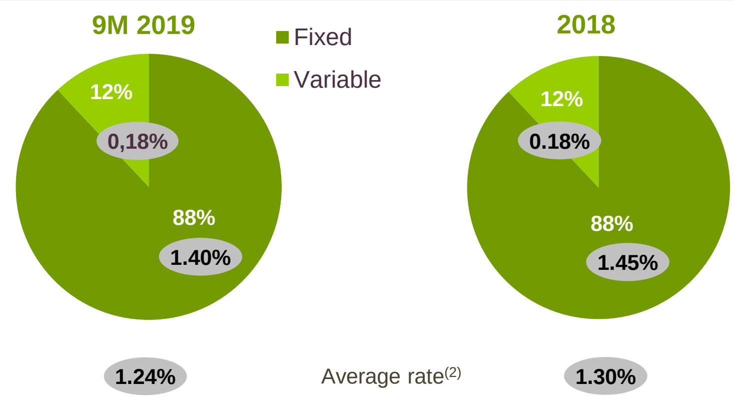
M€	9M 2019	FY 2018
Share capital	1,500.0	1,500.0
Share premium	1,100.9	1,100.9
Retained earnings/(losses)	3,610.5	3,534.6
Other reserves	-165.1	-100.6
Minority interests	-16.4	-11.1
Total equity	**6,029.8**	**6,023.8**
Financial debt	6,211.1	6,573.1
Provision for other liabilities and expenses	76.6	84.7
Grants	467.1	495.6
Other non-current liabilities	265.6	223.4
Non-current liabilities	**7,020.4**	**7,376.8**
Financial debt	687.9	732.4
Provision for other liabilities and expenses	63.3	60.2
Grants	36.8	35.2
Other current liabilities	1,006.2	670.7
Current liabilities	**1,794.2**	**1,498.5**
Total liabilities	**8,814.6**	**8,875.3**
Total net equity and liabilities	**14,844.5**	**14,899.1**

IV. Appendix. Other financial information. Aena debt excl. Luton

Debt maturity profile[1]
Total: €6,177.3 million; Average life: 9.6 years



Debt structure by interest rate regime



Net Financial Debt (€M)

M€	9M 2019	2018
Gross financial debt	(6,388)	(6,802)
Cash and cash equivalents	122	467
Net Financial Debt	(6,266)	(6,335)
Net Financial Debt/EBITDA[3]	2.4x	2.5x

(1) As of 30 September 2019.
(2) The average rate of the debt includes the credit line arranged through the period January to September 2019.
(3) Net financial debt for accounting purposes/EBITDA.

IV. Appendix. Passenger figures by airport group[1] .

Traffic 9M 2019 vs 9M 2018

(1) Passengers in the network of airports in Spain.
(2) Including Región de Murcia International Airport.
(3) Commercial traffic.

IV. Appendix. Traffic information. Traffic by airline (Top 10)

Carrier	Passengers[1] 9M 2019	Passengers 9M 2018	Change %	Change Passengers	Share (%) 9M 2019	Share (%) 9M 2018
Ryanair [2]	38,955,981	36,148,940	7.8%	2,807,041	18.2%	17.7%
Vueling	33,208,152	30,442,519	9.1%	2,765,633	15.5%	14.9%
Iberia	15,492,838	14,444,270	7.3%	1,048,568	7.2%	7.1%
Air Europa	14,577,731	13,078,205	11.5%	1,499,526	6.8%	6.4%
Easyjet[3]	14,031,608	13,112,342	7.0%	919,266	6.6%	6.4%
Iberia Express	7,725,876	7,186,909	7.5%	538,967	3.6%	3.5%
Norwegian Air [4]	7,159,115	7,668,074	-6.6%	-508,959	3.3%	3.8%
Air Nostrum	6,763,144	6,399,406	5.7%	363,738	3.2%	3.1%
Jet2.Com	6,353,475	5,884,819	8.0%	468,656	3.0%	2.9%
Binter Group[5]	5,726,151	5,268,587	8.7%	457,564	2.7%	2.6%
Total Top 10	**149,994,071**	**139,634,071**	**7.4%**	**10,360,000**	**70.1%**	**68.4%**
Total Low-Cost Passengers[6]	**123,604,670**	**115,284,452**	**7.2%**	**8,320,218**	**57.8%**	**56.5%**

(1) Total passengers in the Spanish airport network. 2019 provisional data pending final publication.
(2) Includes Ryanair Ltd. and Ryanair Sun, SA
(3) This includes Easyjet Switzerland, S.A., Easyjet Airline Co. Ltd and Easyjet Europe Airline GMBH.
(4) Includes Norwegian Air International, Norwegian Air Shuttle AS and Norwegian Air UK
(5) Includes Binter Canarias, Naysa and Canarias Airlines.
(6) Includes passengers of low-cost carriers on regular flights.

Thank you

Consolidated interim management report

for the nine-month period ended 30 September 2019

Aena S.M.E., S.A. and Subsidiaries

This document has been originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails.

Webcast/Conference-call:
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1. Executive summary

At 30 September 2019, the performance of the Aena Group[(1)] continues to be positive, both in terms of activity and results.

The following aspects can be highlighted in this period:

- In relation to the Airport Regulation Document (DORA) for the period 2017-2021, pursuant to the application of said document, the 2019 airport charges came into force on 1 March 2019 based on the freezing of adjusted annual maximum income per passenger (IMAAJ) of 2019 with respect to the adjusted annual maximum income per passenger (IMAAJ) for 2018.

  It should also be noted that 10 April 2019 saw the publication of Royal Decree 162/2019 of 22 March, which develops the mechanism for calculating the P index for updating airport charges that will be applied for the first time in 2020.

  In relation to the airport charges applicable from 1 March 2020, at its meeting held on 30 July 2019, Aena's Board of Directors approved the proposed charges, setting the maximum annual adjusted income per passenger (IMAAJ) for 2020 at €10.2997, which represents a decrease of -1.17% compared with the 2019 IMAAJ (€10.42 per passenger). This proposal is subject to review and validation by the Comisión Nacional de los Mercados y la Competencia (CNMC) in its supervisory resolution.

- At an operational level, traffic at the airports managed by the Aena Group continues to break records, with a volume of 227.8 million passengers in the period (+5.1% year-on-year), including Luton Airport.

  In the airports managed in Spain, traffic grew by 4.8% year-on-year, reaching a new historical record of 213.9 million passengers, driven by the good performance in the tourism sector and domestic traffic. This growth is compatible with Aena's passenger traffic forecast for 2019, estimated to increase by 3.7% (within a ± 0.5% range) in the Spain.

  Domestic traffic increased by 7.1% and international traffic by 3.8%. It was observed that the growth in passenger volume to and from the United Kingdom was moderate (+ 2.2%) and in the second international market, Germany, decreased slightly (-0.3%).

- Growth in traffic at Aena's airports contributed to the increase in total revenue by 6.1%[(2)] in comparison with the same period in 2018, to €3,448.8 million, despite the 2.22% reduction in airport charges from 1 March 2018. As from 1 March 2019, tariffs did not change.

- In terms of commercial activity, it is noteworthy that the Board of Directors of Aena agreed on 24 September to extend the contracts of the Tax and Duty Free Shops in the network's airports to the current operator. The extension, which will start at the end of the validity of the current contracts on 31 October 2020, will have an initial period of three years and two possible additional extensions of one year each.

  The technical and economic conditions of the contracts will remain the same as those currently in force, except for an annual increase of the fixed component of minimum annual guaranteed rents of 1.56% weighted annual average, during the entire extension period. The variable remuneration percentages have not been modified.

  Regarding the progress of projects for renewal the food & beverage offer, at the end of July the new food & beverage contracts were awarded for 33 premises at Palma de Mallorca Airport at the end of July, in addition to the 18 premises awarded at Alicante-Elche Airport in the month of January, as well as refurbishment works carried out by the new tenants of the premises in the airports of Barcelona, Málaga and Gran Canaria.

- EBITDA for the period was €2,136.7 million, a year-on-year increase of 5.1%, which reflects the rise in the cost of services provided by third parties as evidenced in the contracts which entered into force with higher associated costs from the second quarter of 2018.

- Profit before tax reached €1,477.3 million, compared with €1,342.2 million on 30 September 2018, and net profit for the period amounted to €1,114.2 million, which constitutes a year-on-year growth of 9.4% (€1,018.5 million as of 30 September 2018).

- Cash flow from operating activities totalled €1,913.9 million for the period, an increase of 8.0% compared with €1,772.7 million in the same period of 2018.

  The Aena Group's ratio of consolidated net financial debt (calculated as Current plus Non-current Borrowings, less "Cash and cash equivalents") to EBITDA was 2.4x at 30 September 2019 (2.5x at 31 December 2018).

  This financial strength was reflected in the confirmation by Fitch Ratings (dated 9 May

[(1)] Aena S.M.E., S.A. and Subsidiaries ("Aena" or "the Company")

[(2)] The change percentages for financial figures have been calculated by taking the figures in thousands of euros as the base.

2019) and Moody's (dated 26 July 2019) of their respective credit ratings: "A" and "A3", both with a stable outlook.

Fitch Ratings also assigned a "F1" short-term rating for the first time.

- In relation to the execution of investments in airport infrastructure, the amount paid in the period came to €372.6 million (€399.2 million in the same period in 2018). The main investments relate to the airport network (€352.2 million), which continues to focus on security and maintenance in accordance with the regulated investment programme established in the DORA.

- As part of the objectives of the 2018-2021 Strategic Plan, on 15 March 2019, Aena, through its subsidiary Aena Desarrollo Internacional SME, SA, won the auction for the concession for the operation and maintenance of the airports of the so-called North-east of Brazil airports group, comprising the airports of Recife, Maceió, Aracajú, Campina Grande, João Pessoa and Juazeiro do Norte.

  In 2018, this Group registered traffic of 14.0 million passengers. In the first nine months of 2019, traffic of 10.2 million passengers have been recorded, compared to 10.3 million in the same period of the previous year.
  In its meeting of 12 April 2019, the Council of Ministers approved a resolution to authorise Aena Desarrollo Internacional S.M.E., S.A. to create the state-owned company Aeroportos do Nordeste do Brasil S.A. (hereinafter, ANB) in Brazil as a concessionary entity for the management of the above-mentioned airports. The company was formed on 30 May 2019.

  The Board of Directors of ANB, at its meeting held on 1 July 2019, approved a capital increase in an amount of 2,389.0 million Brazilian Real, which was fully subscribed and paid in by its sole shareholder Aena Desarrollo Internacional S.M.E., S.A.

  The signing of the concession agreement and the payment of the fixed concession fee offered took place on 5 September. For its part, the concession term was activated on 8 October, and it was estimated that operational management of the airports that make up the concession would be assumed by ANB between January and February 2020.

  As of 30 September 2019, ANB has paid 2,232 million Brazilian Real (€510.7 million) corresponding to the fixed concession fee offered and the contribution stipulated by the Government of Brazil.

- Likewise, it should be noted that as part of the development of the objectives associated with the Strategic Plan, a new corporate management has been created with the aim of promoting important strategic projects, such as innovation, digital transformation, the quest for passenger excellence and sustainability. The new management area, called Innovation & Strategic Projects Management, will be led by Amparo Brea, who until now was in charge of Planning and Environment Management.

- During the first nine months of 2019, the share price fluctuated between a minimum of €137.00 and a maximum of €178.05, ending the period at €168.00, representing a revaluation of 23.8%, outperforming the IBEX35, which gained 8.3% in the same period.

- Subsequent to 30 September 2019, Aena S.M.E., S.A. announced that passenger traffic in the Spanish network is currently expected to grow 1.1% in 2020.

2. Activity figures

2.1. Traffic in the Aena airport network in Spain

In the first nine months of 2019 passenger traffic in the airports managed in Spain grew by 4.8%, reaching 213.9 million passengers. This volume is breaking new records and places July and August 2019 as the best two months in the history of Aena airports in Spain.

The increase of passenger traffic in the period was boosted by the positive trend in domestic traffic, (+7.1%), with a volume of 65.6 million passengers, driven by the good performance of the Spanish economy and by the increase in the state subsidy for inter-island traffic and flights to and from the Peninsula by residents of the islands, Ceuta and Melilla, which increased from 50% to 75%, from 28 June 2017 and 16 July 2018 respectively.

International traffic grew by 3.8% to 148.4 million passengers, while its contribution to total traffic fell slightly to 69.3% (70.0% in the same period of 2018). As of 30 September 2019, the volume of passengers from/to the United Kingdom has moderated its growth (+2.2%), and it can be seen that the increase in traffic in the second international market, Germany, has slowed down slightly (-0.3%).

In terms of aircraft movements, 1,822,926 flights were recorded, up by 3.4% on the same period of the previous year.

Cargo volumes reached 764,142 metric tons, up by +3.8% compared with 30 September 2019.

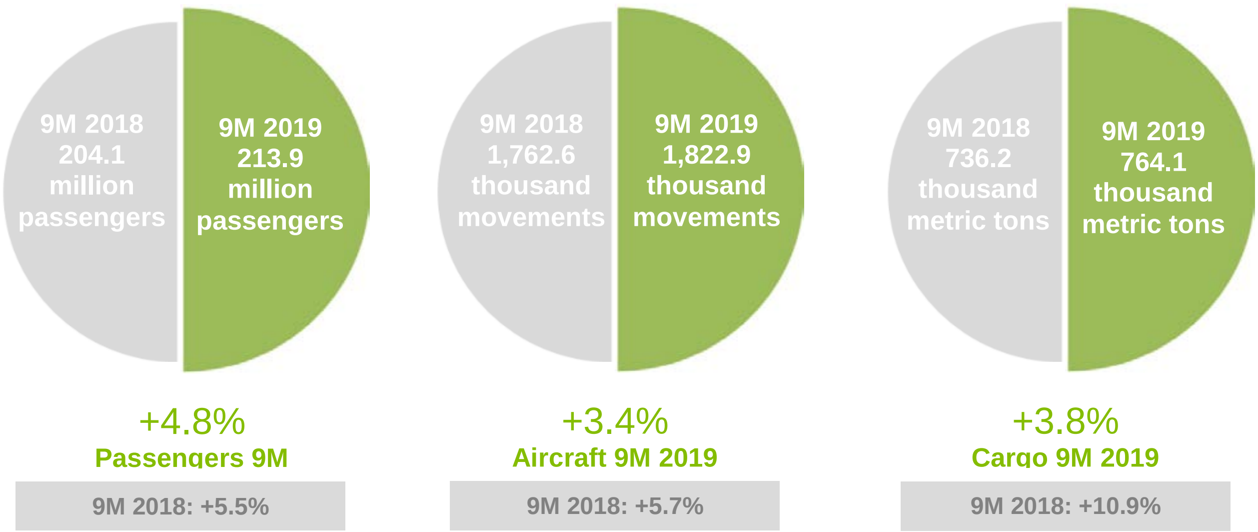

Figure 2. Spanish airports traffic

2.2. Analysis of air passenger traffic by airports and airlines

The percentage distribution of passengers remains concentrated in the 7 main airports, which represent 73.7% of the total:

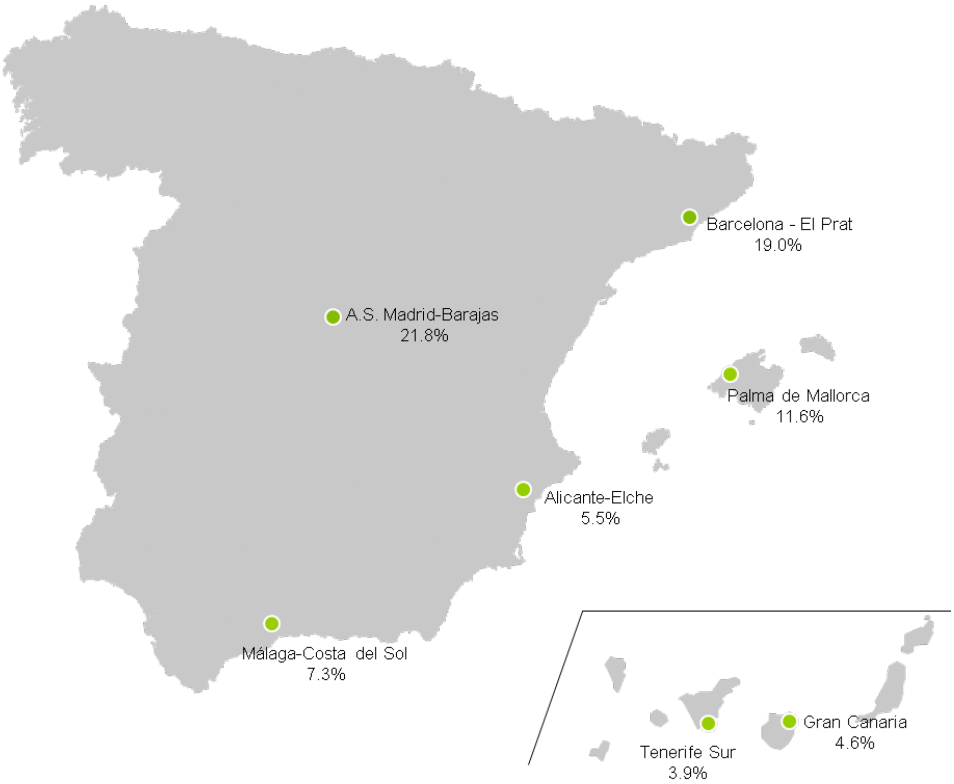

Figure 3. Share of passenger traffic at major airports in Spain

The evolution of traffic by airports is detailed below:

Airports and Airport groups	Passengers			Aircraft			Cargo		
	Millions	Change (1) year-on-year	Share of Total	Thousands	Change (1) year-on-year	Share of Total	Tons	Change (1) year-on-year	Share of Total
Adolfo Suárez Madrid-Barajas	46.6	6.9%	21.8%	320.8	4.4%	17.6%	400,394	6.0%	52.4%
Josep Tarradellas Barcelona-El Prat	40.7	5.2%	19.0%	263.7	2.8%	14.5%	128,544	2.6%	16.8%
Palma de Mallorca	24.8	3.1%	11.6%	178.3	-0.2%	9.8%	6,958	-10.0%	0.9%
Total Canary Islands Group	33.6	0.0%	15.7%	306.7	-0.1%	16.8%	27,313	-0.1%	3.6%
Total Group I	56.0	7.0%	26.2%	445.5	3.8%	24.4%	25,849	-10.4%	3.4%
Total Group II (2)	10.9	1.9%	5.1%	148.7	2.9%	8.2%	127,801	3.9%	16.7%
Total Group III	1.3	17.9%	0.6%	159.3	14.3%	8.7%	47,283	2.6%	6.2%
TOTAL	**213.9**	**4.8%**	**100.0%**	**1,822.9**	**3.4%**	**100.0%**	**764,142**	**3.8%**	**100.0%**

Traffic data pending final closure, not subject to significant changes.

(1) Percentage changes calculated in passengers, aircraft and kg.
(2) Includes data from the Región de Murcia International Airport (AIRM): 904,828 passengers and 6,444 aircraft movements.

Table 1. Analysis of air traffic by airport and groups of airports

The growth in passenger traffic at Adolfo Suárez Madrid-Barajas Airport was distributed between increases of 5.0% in domestic traffic (to 12.6 million passengers) and of 7.5% in international traffic (to 33.9 million passengers).

At Josep Tarradellas Barcelona-El Prat Airport, domestic traffic increased by 4.7% and international traffic by 5.4% (reaching 10.7 and 30.0 million passengers respectively).

Palma de Mallorca Airport recorded growth of 7.5% in domestic passengers, compared with a 1.8% increase in international traffic, with passenger volumes standing at 5.8 and 19.1 million respectively.

As regards the eight airports in the Canary Islands Group, the number of domestic passengers increased by 7.6% (to 13.7 million) and international passengers fell by 4.4% (to 19.6 million).

Growth in passenger traffic of the 8 airports in Group I was led by: Sevilla (+21.0%), Valencia (+10.8%) and Bilbao (+9.2%). Traffic at Alicante-Elche Airport grew by 8.2% (to 11.8 million passengers) and at Málaga-Costa del Sol by 5.2% (to 15.7 million passengers). Domestic traffic in this group grew by 8.8% and international traffic was up by 6.5%.

The airports in Group II registered an overall increase in passenger traffic of 1.9%, to 10.9 million passengers, driven by the 8.4% increase in domestic traffic compared with the 7.0% decrease in international traffic. In this group, we would highlight the increase in the volume of cargo handled at Zaragoza airport (+4.2%), 124,936 metric tons, most of it international.

In Group III it should be noted that the volume of cargo handled at Vitoria airport reached 47,117 metric tons (+2.6%).

Málaga-Costa del Sol Airport

In relation to airport marketing activity, it should be noted that, as a result of it, during the first nine months of 2019, 222 new routes have been opened from the airports in the Aena network: 62 with domestic destinations, 146 medium-haul and 14 long-haul.

The airports with the highest number of new routes were: A.S. Madrid-Barajas (29), Palma de Mallorca (27), Alicante-Elche (20), J.T. Barcelona-El Prat (16) and Málaga-Costa del Sol (16).

By airlines, those with the greatest numbers of newly opened routes were: Vueling (38), Ryanair, (34), easyJet (14), Air Europa (13) and Air Nostrun and Volotea (12).

Regarding long-haul routes, the opening of the following should be noted:

- J.T. Barcelona-El Prat Santiago de Chile and New York operated by Level, Toronto by WestJet, Chicago by Norwegian, Sialkot by Pakistan Airlines and Mexico by Aeromexico.
- A.S. Madrid-Barajas: Xian operated by China Eastern, Boston by Norwegian, Guayaquil via Quito by Plus Ultra, Samana by Wamos, and Medellín, Panama and Iguzau by Air Europa.
- Málaga-Costa de Sol Airport to Bahrain with Gulf Air.

It is also relevant to highlight that during the first nine months of 2019 Laudamotion expanded its operational base at Palma de Mallorca Airport, with four aircrafts that operated during the summer season, and Vueling added one new aircraft at each of its bases in Barcelona, Bilbao, Sevilla, Alicante, Valencia and Santiago.

In September, Ryanair announced the closure of its operating bases in Gran Canaria, Tenerife Sur, Lanzarote and Girona, and Norwegian, the base in Madrid, although both airlines maintain their operations at these airports.

It is worth noting that Thomas Cook Group plc went bankrupt in September and Thomas Cook UK, which carried more than 2.6 million passengers between Spain and the United Kingdom in 2018, has ceased operating.

To mitigate the effects of the reduction of the Thomas Cook Group's activity in the most affected markets, the Canary Islands and the Balearic Islands, Aena will apply an extraordinary incentive in the winter season 2019, which will run from 27 October 2019 to 28 March 2020. The incentive will be applied to seats on international flights in addition to those scheduled on 31 August 2019 at Canary Islands and Balearic Islands airports. The additional seats will have an incentive of 100% discount on the average passenger charge of each company in all Canary Islands airports and independently in the Balearic Islands airports.

For the winter season, airlines have scheduled 113.2 million seats in Aena Spanish airports, which is a 0.5% rise compared to the number deployed during the same period in the previous year. The number of scheduled movements is also up by 0.2% to stand at just over 677,000 commercial operations.

The offer of seats in the domestic market is up overall by 1.1% with about 41 million seats on flights between Spanish airports.

After Spain, the countries where airlines are making available the largest number of seats for the winter season 2019-2020 are the United Kingdom with around 14 million (-2.6%); Germany with almost 9.8 million (-11.8%); Italy with over 6.7 million (+1.6%), and France with over 5.6 million (5.9%).

As for other geographical areas, long-haul destinations are on the rise. There is a big increase in the offering for Latin America which is up by 15.9% with nearly 4,939,000 seats scheduled for the 2019-2020 winter season. It is followed by the Middle East with an 11.8% increase in seats available (more than 2,131,000 seats) and North America at 10.2% (more than 1,955,000 seats)

Regarding the distribution of traffic by geographical area, worthy of note is the considerable growth in non-European traffic, which represents 8.5% of the total, and covers widespread increases in all markets: Latin America +8.8%, North America +14.1%, Africa +15.9%, Middle East +10.9% and Asia +24.8%, highlighting the positive impact of the airport marketing actions carried out.

Among these markets, the volume of passengers with Asia continues to grow significantly and has almost quadrupled in the last four years, and it is estimated that in 2019 it will reach close to 1.4 million passengers. At present, this geographic area has 17 destinations, compared to the 6 destinations that were served in 2015 when there were 0.4 million passengers.

Likewise, it should be noted the increase in traffic with Latin America (+8.8%), given that 25.8% of traffic between Europe and Latin America originates from A.S. Madrid-Barajas.

Region	**Passengers (millions) 9M 2019**	**Variation %**
Europe [1]	130.2	2.7%
Spain	65.6	7.1%
Latin America	6.2	8.8%
North America [2]	5.3	14.1%
Africa	2.9	15.9%
Middle East	2.7	10.9%
Asia and Others	1.0	24.8%
TOTAL	**213.9**	**4.8%**

(1) Excluding Spain
(2) USA, Canada and Mexico

Table 2. Breakdown of traffic by geographical area

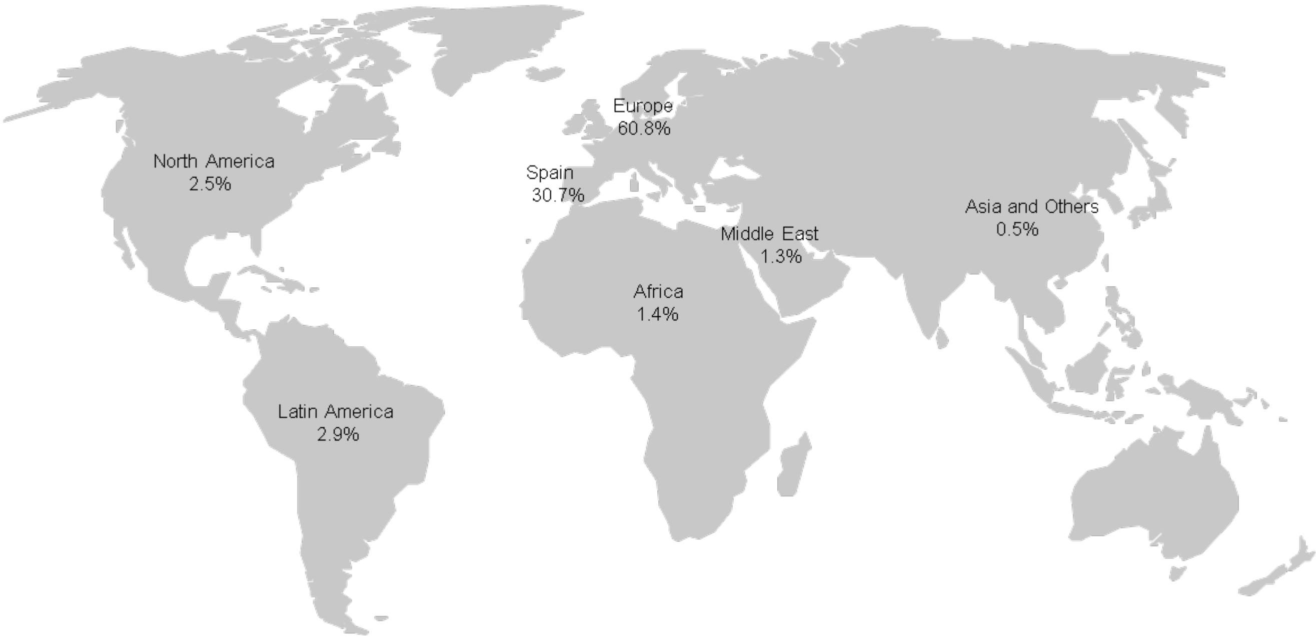

Figure 4. Map of traffic distribution by geographical area

By countries, total traffic of the airport network is concentrated in Spain (30.7%), and in the UK, Germany, Italy and France, which together account for 38.6% of the total (39.4% in 2018).

Of these countries, as already mentioned, it is worth noting that the volume of passengers from/to the United Kingdom has moderated its growth in recent months, accumulating a year-on-year increase of 2.2%, compared to the first half of the year when it stood at 3.2%. Likewise, it can be seen that the increase in traffic in the second international market, Germany, has contracted and registered a slight decrease of 0.3%, having grown by 3.2% in the first half of the year. This evolution of traffic is affected by the uncertainty caused by Brexit, the recovery of alternative tourist destinations to Spain, as well as by the economic environment.

Country	Passengers (millions)		Variation		Share (%)	
	9M 2019	9M 2018	%	Passengers	9M 2019	9M 2018
Spain	65.6	61.2	7.1%	4.3	30.7%	30.0%
United Kingdom	35.9	35.2	2.2%	0.8	16.8%	17.2%
Germany	23.1	23.1	-0.3%	-0.1	10.8%	11.3%
Italy	12.7	11.9	6.8%	0.8	5.9%	5.8%
France	10.9	10.3	5.8%	0.6	5.1%	5.1%
Holland	6.9	6.9	-0.4%	0.0	3.2%	3.4%
Switzerland	5.0	5.0	0.1%	0.0	2.3%	2.4%
Belgium	4.9	4.7	2.9%	0.1	2.3%	2.3%
Portugal	4.3	3.7	15.2%	0.6	2.0%	1.8%
United States	3.9	3.4	14.5%	0.5	1.8%	1.7%
Ireland	3.8	3.5	8.3%	0.3	1.8%	1.7%
Sweden	2.8	3.0	-4.5%	-0.1	1.3%	1.5%
Denmark	2.4	2.7	-11.1%	-0.3	1.1%	1.3%
Norway	2.3	2.4	-6.0%	-0.1	1.1%	1.2%
Austria	2.0	1.3	57.6%	0.7	1.0%	0.6%
Total Top 15	**186.4**	**178.3**	**4.5%**	**8.1**	**87.1%**	**87.4%**
Rest of the world	**27.5**	**25.8**	**6.8%**	**1.7**	**12.9%**	**12.6%**
Total Passengers	**213.9**	**204.1**	**4.8%**	**9.8**	**100.0%**	**100.0%**

Table 3. Traffic distribution by country

As regards the distribution of passenger traffic by airline, it can be seen that low-cost carriers increased their share to 57.8% (56.5% in 2018), the remaining 42.2% corresponding to full service airlines (43.5% in 2018), which shows that the degree of concentration remains at a moderate level.

Aena's main client airlines continue to be the IAG Group and Ryanair. The first, which includes Iberia Express, Vueling, British Airways, British Airways City Flyer, Aer Lingus and the Level brand, registered 60.6 million passengers and increased its share of total passenger traffic to 28,3% (27.5% in 2018). The Ryanair share has grown to 18.2% (17.7% in 2018). Among the other airlines, noteworthy are the growth in Air Europa, mainly fuelling the Madrid airport traffic, as well as Jet2.com (passengers mainly from the United Kingdom to tourist destinations in Spain) and the Binter Group.

As regards the long-haul activity of low-cost carriers, initiated by Norwegian and Level in June 2017 at Barcelona airport, it should be noted that this continues to grow. Since it began operating, it has totalled 2.1 million passengers and in the first nine months of 2019 it has exceeded 0.9 million passengers, representing year-on-year growth of 57.0%.

Airline	Passengers (millions)		Variation		Share (%)	
	9M 2019	9M 2018	%	Passengers	9M 2019	9M 2018
Ryanair [1]	39.0	36.1	7.8%	2.8	18.2	17.7
Vueling	33.2	30.4	9.1%	2.8	15.5	14.9
Iberia	15.5	14.4	7.3%	1.0	7.2	7.1
Air Europa	14.6	13.1	11.5%	1.5	6.8	6.4
Easyjet [2]	14.0	13.1	7.0%	0.9	6.6	6.4
Iberia Express	7.7	7.2	7.5%	0.5	3.6	3.5
Norwegian Air [3]	7.2	7.7	-6.6%	-0.5	3.3	3.8
Air Nostrum	6.8	6.4	5.7%	0.4	3.2	3.1
Jet2.Com	6.4	5.9	8.0%	0.5	3.0	2.9
Grupo Binter [4]	5.7	5.3	8.7%	0.5	2.7	2.6
Eurowings	4.5	4.5	1.4%	0.1	2.1	2.2
Thomson Airways	3.8	3.9	-3.5%	-0.1	1.8	1.9
Lufthansa	3.5	3.3	6.5%	0.2	1.6	1.6
Transavia	3.0	2.9	2.5%	0.1	1.4	1.4
Condor	2.7	2.7	3.2%	0.1	1.3	1.3
Total Top 15	**167.5**	**157**	**6.8%**	**10.7**	**78.3%**	**76.9%**
All other airlines	46.4	47.2	-1.7%	-0.8	21.7%	23.1%
Total Passengers	**213.9**	**204.1**	**4.8%**	**9.8**	**100.0%**	**100.0%**
Total Low Cost Passengers [5]	**123.6**	**115.3**	**7.2%**	**8.3**	**57.8%**	**56.5%**

[1] Comprising Ryanair Ltd. and Ryanair Sun, S.A.

[2] Includes Easyjet Switzerland, S.A., Easyjet Airline Co. LTD. and Easyjet Europe Airline GMBH.

[3] Comprising Norwegian Air International, Norwegian Air Shuttle AS and Norwegian Air UK.

[4] Comprising Binter Canarias, Naysa and Canarias Airlines.

[5] Includes traffic of low-cost carriers on regular flights.

Table 4. Traffic distribution by airline

2.3. International presence

Aena has a stake in 21 airports outside Spain (12 in Mexico, 2 in Colombia, 1 in the United Kingdom and 6 in Brazil), and through GAP in the Montego Bay and Kingston airports in Jamaica.

The evolution of traffic at these airports was as follows:

Million passengers	9M 2019	9M 2018	Change [(1)] %	Aena's shareholding % Direct	Aena's shareholding % Indirect
London Luton (United Kingdom)	13.9	12.7	9.5%	51.0%	-
Grupo Aeroportuario del Pacífico (GAP) [(2)] (Mexico)	36.0	33.5	7.4%	-	5.8%
Aerocali (Cali, Colombia)	4.2	3.7	15.5%	-	50.0%
SACSA (Cartagena de Indias, Colombia)	4.3	4.0	8.2%	-	37.9%
Aeroportos do Nordeste do Brasil S.A.	10.2	10.3	-1.1%	100.0%	
TOTAL	**68.6**	**64.1**	**7.0%**	-	-

[(1)] *Percentage changes calculated in passengers*

[(2)] *GAP includes traffic at Montego Bay Airport, MBJ (Jamaica)*

Table 5. Passenger traffic at investee airports

London Luton Airport saw its passenger traffic increase by a significant 9.5%, mainly due to the contributions from Wizz Air and Ryanair. The airport is close to reaching its authorised capacity of 18 million passengers per year.

Total passenger traffic of GAP (Grupo Aeroportuario del Pacífico) grew by 7.4% in the period. The number of domestic passengers increased by 7.2% and international passengers increased by 7.6%, with particularly good traffic performance from the Group's main Mexican airports: Guadalajara, Bajío, San José del Cabo and Tijuana, this last driven by an increase in the number of users of the CBX (Cross Border Xpress).

In addition, it is important to mention that on 10 October 2018, GAP closed an agreement with the Jamaican Government to operate, modernise and expand the Norman Manley International Airport, Kingston, by signing a 25-year Concession Agreement with a possible extension of five years. With this operation, GAP has begun operating the two commercial airports of Jamaica (Montego Bay and Kingston), which manage and operate 99% of the country's traffic.

Kingston Airport served a total of 1.7 million passengers in 2018, with passenger traffic of 1.4 million passengers in the first nine months of 2019, representing year-on-year growth of 8.4%.

As regards Cali Airport, traffic grew by 15.5%. Domestic traffic has increased by 17.0% due to the growth strategy pursued in the period by LATAM, backing Colombia and especially Cali, the recovery of frequencies of Avianca in 2019 after its reorganization in 2018, the growth of the Wingo airline and the start of Easyfly operations.

In turn, the increase in international traffic by 10.4% reflects that the reorganisation of international routes by Avianca has been compensated by the growth of COPA and the start-up of Spirit operations.

Cartagena de Indias Airport has increased by 8.2%. Its domestic traffic grew by 8.7%, although it is affected by the reorganisation of routes and frequencies that Avianca is carrying out.

International traffic increased by 6.1% over the period. Delta has increased by two weekly frequencies in winter season to Atlanta and KLM will operate six frequencies to Amsterdam at the end of the year. The winter season operation of flights to Canada by Air Canada (Toronto) and Transat (Montreal) has also been confirmed as in recent years. Avianca, which in its restructuring plan is reorganising routes, cancelled the route with New York for May (3 weekly frequencies) and in June, cancelled the route with San Salvador (4 weekly frequencies).

Apart from this it is worth noting that negotiations are ongoing with the National Infrastructure Agency (ANI) of Colombia for the development of the two public-private initiatives (PPP) for the Cali and Cartagena airports, the objective of which is to sign these concession contracts once the current concession ends in 2020, the latest changes requested by the ANI having been presented in March.

Concession of the North-east of Brazil airports group

Through its subsidiary Aena Desarrollo Internacional S.M.E., S.A., Aena won the concession for the operation and maintenance of the airports of the so-called North-east of Brazil airports group (Recife, Maceió, Aracajú, Campina Grande, João Pessoa and Juazeiro do Norte), at the auction held on 15 March 2019.

In 2018, the group registered traffic of 14.0 million passengers:

Millions of passengers	2018
Recife	8.4
Maceió	2.2
Joao Pessoa	1.4
Aracajú	1.2
Juazeiro do Norte	0.6
Campina Grande	0.2
TOTAL	**14.0**

In the first nine months of 2019 the Group has recorded a traffic of 10.2 million passengers, compared to 10.3 million in the same period in the previous year and the cease in operation of the airline Avianca Brazil (on 24 May 2019) has had a negative impact. In the main airport of the group by passenger volume, Recife, year-on-year traffic has grown by 2.1% in this period.

On 30 May 2019, the new Brazilian company, Aeroportos do Nordeste do Brasil S.A. (“ANB”), was incorporated, wholly owned by Aena Desarrollo Internacional S.M.E., S.A., with a share capital of 10,000 Brazilian Real and whose specific and exclusive corporate object is the provision of public services for the expansion, maintenance and operation of the airport infrastructure of the airport complexes comprising the North-eastern block of Brazil. At its meeting held on 1 July, the Board of Directors of the Brazilian company approved a capital increase of 2,389.0 million Brazilian Real (approximately €537.8 million[1]) which was fully subscribed and paid in by its sole shareholder.

On 5 September, the concession agreement was signed and payment of the bid was made: 1,900.0 Brazilian Real (€427.7 million[1]). This payment completed the one carried out on 18 July 2019: 488.9 million Brazilian Real (€110.1 million[1]) corresponding to the contribution stipulated by the Brazilian Government for the expenses of the call for tenders to be paid to Infraero (advisers, auction expenses and the personnel reallocation programme) and residual cash.

All in all, as of 30 September 2019, ANB has disbursed 2,232 million Brazilian Real (€510.7 million) corresponding to the fixed concession fee offered and the contribution stipulated by the Government of Brazil.

The concession term was activated on 8 October and it is estimated that the operation of the airports that make up the concession would be assumed by ANB between January and February 2020.

The concession, which has a period of 30 years and can be extended by five additional years, is of the BOT (Build, Operate and Transfer) type, does not include ATC (Air Traffic Control) services and follows a Dual-Till model, in which aeronautical revenues are regulated for airports with more than one million passengers and are established based on an agreement with the airlines for the rest of the airports. The commercial activity is not regulated.

The variable financial consideration is set at 8.16% of gross income, with an initial five-year grace period and five progressive years, which would begin in 2025 at 1.63% and gradually increase to 3.26% in 2026, 4.90% in 2027 and 6.53% in 2028, reaching the 8.16% contractual rate applicable in 2029 and subsequent years.

Regarding the last four rounds of privatisation, the offer made by Aena represents 141 Brazilian Real per passenger (€31.9), a figure lower than the average previously paid (188 Brazilian Real per passenger), and the amount of capital expenditure per passenger stands at 159 Brazilian Real (€35.9), the lowest of all rounds.

(1) At the insured exchange rate of 4.4425 EUR/BRL

2.4. Commercial activity

The commercial services that Aena provides to its different users, whether passengers, companions or employees are adapted to their profiles. This commercial offering presents a varied and attractive type of concepts, both local and international.

Cumulative commercial revenue during the first nine months of 2019 reached €954.9 million, representing an increase of 8.8% compared with the same period of the previous year. Among the factors behind this growth are the improvement in the contractual conditions of the new tenders, which include higher minimum annual guaranteed rents (MAGR), their increase in the contracts in force and the favourable development of the car park and VIP services, both managed by Aena.

On a per passenger basis, commercial revenue in the first nine months of 2019 has been 4.43 euros, 3.7% higher to the same period of 2018, when it was 4.27 euros. This comparison is affected by the application of IFRS 16, due to which the expenses deriving from the financial effect of accounting for the advance received from World Duty Free Group España, S.A. in connection with the agreement signed with this company, shown until 31 December 2018 as a deduction from commercial revenue, in 2019 are shown under the heading "Financial expenses" in the income statement. Excluding this effect, the average commercial revenue would be 4.39 euros per passenger (+2.7%). This ratio includes the total ordinary revenue from the commercial activities, both within the terminal and from the car parks, not including that from real estate services, which constitutes a separate business segment.

Most of Aena's commercial contracts provide for a variable income based on sales made (the percentage varies according to the product and service categories) and a minimum annual guaranteed rent (MAGR), which ensures that the lessee pays a minimum amount by committing a percentage of its Business Plan. The following graph shows the evolution by business line until 2023 of the minimum annual guaranteed rents corresponding to the contracts in force on 30 June 2019 and includes those corresponding to the extension of the duty-free contract that ends in October 2020:

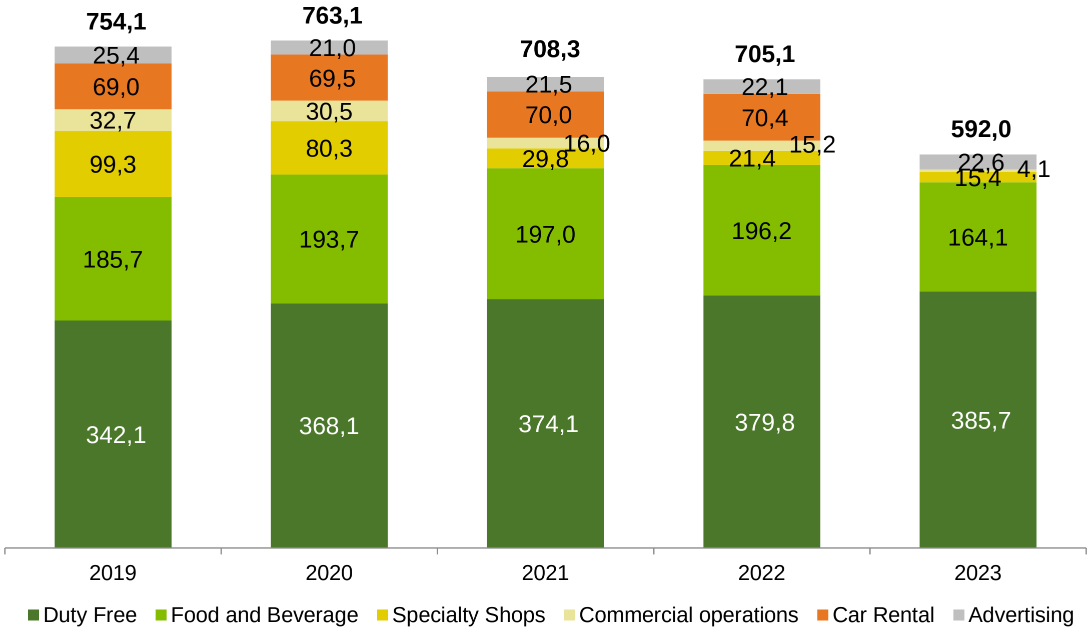

Figure 5. Minimum annual guaranteed rents (MAGR) by lines of business

The MAGRs have been adjusted pro rata to the actual contract start and end days. Includes MAGRs of the Región de Murcia International Airport contracts and an update of the Duty Free MAGRs at Gran Canaria.

Other commercial lines include contracts for financial and regulated services (currency exchange, pharmacies, tobacco shops, etc.)
Duty Free: from 2020 onwards, includes the MAGR of the contract extension.
Advertising: in 2019 this includes corresponding to the extension of the previous contract until 13 June and from 14 June to the MAGR of the new licence contracts.

3. Business lines

The main figures for Aena's results for this period, broken down by business area, show the contribution of the various segments in terms of revenue and EBITDA. The Airports segment represented 92.4% of total revenue and 94.9% of total EDITDA, the Real Estate Services segment contributed 1.6% and 1.4% respectively, and the International segment contributed 5.9% and 6.3%.

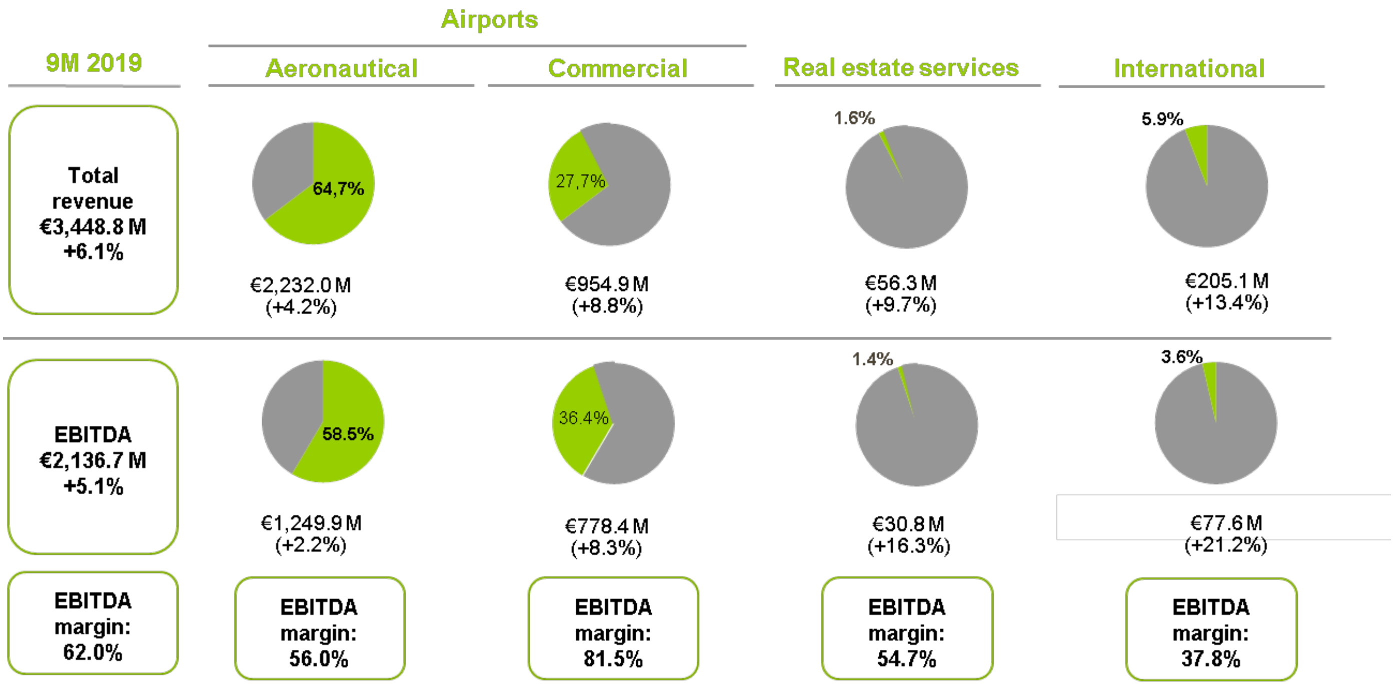

Figure 6. Aena's main results by business area

3.1 Airports Segment

3.1.1 Aeronautical

Airport Regulation Document (DORA 2017-2021)

Regulated Asset Base

The regulated asset base stood at €10,103 million on 31 December 2018.

2019 Airport charges

In relation to the Airport Regulation Document (DORA) for the period 2017-2021 and pursuant to the application of said document, on 1 March 2019 the 2019 airport charges, based on the freezing of the adjusted maximum annual revenue per passenger (IMAAJ) for 2019 came into force with respect to the adjusted maximum annual revenue per passenger (IMAAJ) of 2018.

P index

10 April 2019 saw the publication of Royal Decree 162/2019 of 22 March, which develops the mechanism for calculating the P index for updating airport charges by means of a formula that depends on certain specific indices applicable to the review of certain costs defined in this Royal Decree, together with the procedure for determining their annual value.

Airport charges 2020 consultation process

In accordance with the provisions of the legislation (Law 18/2014 and Directive 2009/12/EC on airport charges), in May, June and July the process of consultation was held between Aena and the associations of airlines using the airports on the updating of airport charges for 2020.

In the course of this process of consultation Aena provided users and the CNMC (Comisión Nacional de los Mercados y la Competencia), which performs the functions of Independent Supervisory Authority, with the information required by the legislation and a proposal of charges which meets the requirements established in the Airport Regulation Document (DORA).

The first meeting in the consulting process was held on 13 May, the second on 17 June, and a third meeting on 16 July, at which the definitive proposal for tariffs for 2020 was submitted.

The users called upon by Aena to take part in the consultative process belong to the following associations and airlines:

- IATA: International Air Transport Association
- A4E: Airlines for Europe
- AIRE: Airlines International Representation in Europe
- ACETA: Asociación de Compañías Españolas de Transporte Aéreo (Association of Spanish Air Transport Companies)
- ALA: Airlines Association
- AECA: Asociación Española de Compañías Aéreas (Association of Spanish Airlines)
- AOC España: Airlines Line Operators Committee
- RACE: Real Aeroclub de España (Royal Aero-Club of Spain)
- RFAE: Real Federación Aeronáutica Española (Royal Aeronautical Federation of Spain)
- AOPA: Aircraft Owners and Pilots Association
- Ryanair
- Norwegian
- Jet2.com

Moreover, the CNMC, the DGAC (Dirección General de Aviación Civil) and AESA (Agencia Estatal de Seguridad Aérea) attended the meetings as observers in this process.

The tariff proposal applicable starting on 1 March 2020 was approved by the Board of Directors of Aena on 30 July 2019, setting the maximum annual adjusted income per passenger (IMAAJ) for 2020 at €10.2997, which entails a reduction of -1.17% with respect to the IMAAJ of 2019 (€10.42 per passenger) as a result of the adjustments that the DORA establishes in relation to the incentive for quality levels, the traffic structure at year end 2018 and the effect of the P index calculated according to the methodology established in Royal Decree 162/2019 of 22 March.

This proposal, which has been communicated to the CNMC, to the users' associations and to the DGAC, will be subject to review and validation by the CNMC in its resolution on supervision of airport tariffs applicable by Aena, S.M.E. S.A., in 2020.

Aeronautical activity

In the field of aeronautical activity, it should be noted that Región de Murcia International Airport (AIRM) started its activity on 15 January. This airport is managed under concession for a period of 25 years by Aena Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia S.M.E., S.A. (100% owned by Aena S.M.E., S.A.) and its operational and financial information is included in the Airports segment.

As regards the services provided to passengers, in the first nine months of 2019 it is important to highlight the award of the contract for the new cleaning service in Barcelona Airport and Aena's participation in the launch of the ASQ (Airport Service Quality) Tablets programme, a technological improvement aimed at real-time monitoring of the results of surveys conducted of passengers that will allow airports to act immediately if a problem or risk is detected.

In terms of services provided to airlines, it is worth noting the start of a pilot project to test facial recognition during the boarding process at Menorca Airport and its possible extension to Madrid and Barcelona Airports.

For its part, in the section on operations and security, multidisciplinary procedures have been drawn up at airports, including airport security, operational safety, air navigation and security forces, in order to establish coordinated actions in the presence of drones as a safety threat to air transport.

Likewise, during this period, the strikes called during the summer months have been monitored on a continuous basis, and their impact at operational level has been insignificant and very specific.

Finally, it should be noted that airport security, border control and customs control are the three basic aspects affected at operational level by Brexit. Aena is working with all the agents and the institutions involved to minimise the operational impact on airports and to undertake the necessary changes in both the infrastructure and the resource requirements of the main processes affected.

The following is a summary of the most significant figures of the aeronautical activity during the period:

Thousands of euros	9M 2019	9M 2018	Variation	% Change
Ordinary revenue	2,198,310	2,107,865	90,445	4.3%
Airport charges[1]	2,140,331	2,048,627	91,704	4.5%
Passengers	992,828	939,429	53,399	5.7%
Landing	574,971	558,560	16,411	2.9%
Security	344,394	330,515	13,880	4.2%
Airbridges	76,589	81,369	-4,780	-5.9%
Handling	84,251	76,992	7,259	9.4%
Fuel	25,392	25,672	-280	-1.1%
Parking	32,795	27,948	4,847	17.3%
On-board catering	9,111	8,142	969	11.9%
Other Airport Services[2]	57,979	59,238	-1,259	-2.1%
Other operating revenue	33,705	34,408	-703	-2.0%
Total revenue	2,232,015	2,142,273	89,742	4.2%
Total expenses (including depreciation and amortisation)	-1,432,316	-1,388,842	43,474	3.1%
EBITDA[3]	1,249,916	1,223,201	26,715	2.2%

[1] The amounts for passenger fees, landing charges and security charges are shown net of commercial incentives: €19.8 million in 2019 (€16.6 million in 2018).

[2] Includes: Check-in counters, use of 400 Hz airbridges, fire service, luggage lockers and other revenue.

[3] Earnings before interest, tax, depreciation and amortisation.

Table 6. Key financial data for the aeronautical activity

Total revenue from the aeronautical business increased to €2,232.0 million (up by +4.2% compared with the same period in 2018), driven by the positive evolution of traffic (+4.8% increase in passenger traffic and +3.4% increase in the number of aircraft).

The reduction in charges of -2.22% from 1 March 2018 led to a reduction in revenue of €5.2 million. Tariffs did not change after 1 March 2019.

The effect of traffic incentives has totalled €19.8 million over the period (net of the regularisation of €1.3 million of provisions from previous years) compared with €16.6 million in 2018 (net of the regularisation of €3.0 million).

Rebates for connecting passengers amounted to €57.9 million, €2.2 million more than in the same period of 2018. Connecting traffic grew by 4.1%, and the number of connecting passengers was 6.9% of the total passengers recorded in this period.

Total expenses of the aeronautical activity increased by 3.1% in comparison with the same period of 2018. Excluding depreciation and amortisation (€450.2 million), total expenses increased by 6.9% due to the increase in personnel costs and other operating expenses explained in section 4. Income Statement.

The aforementioned effects put EBITDA for the period at €1,249.9 million, which represents growth of €26.7 million compared with 2018 (+2.2%).

As for the main actions carried out at the airports in the network, with the main objective of maintaining the quality of service provided to passengers and airlines, the following stand out:

Passenger services

To improve the passenger experience, Aena pays special attention to the services it offers at its airports.

During this period, the tender for cleaning services started in 2018 within the framework of the Strategic Cleaning Plan continued. Since the inception of the Plan and to date, the provision of this service has been tendered and awarded at a total of 21 airports. The new contracts have an annual awarded value of €70.2 million, which represents an annual cost increase of 23.1% compared to the previous contracts at these airports.

In addition, cleaning services at Madrid and Barcelona airports have been tendered in 2019 for an amount of €134.8 million for a period of 3 years, which can be extended by two periods of one year.

The contract for the new service at Barcelona airport, awarded to Sacyr Facilities for an amount of €57.8 million, came into force on 1 August and represents an estimated 36.5% increase compared to the previous procedure (in the first year) and 34% of the personnel assigned to carry out the cleaning tasks.

The tender for the Madrid airport, in turn, was awarded in the month of September. It was awarded in three lots, totalling €75.8 million, and provides for an estimated increase of 12.9% compared with the previous procedure (in the first year) and an increase of 17% of the staff assigned to cleaning work. The successful bidders on each one of the lots are: Sacyr Facilities (Lot 1, T123), Ferrovial Servicios (Lot 2, T4) and Óptima Facility Servicios (Lot 3, T4S).

The main objective of the new contracts is to improve the quality offered to passengers in compliance with the quality standards set out in the Airport Regulation Document 2017-2021 (DORA). It provides a model that promotes the values of quality, efficiency and flexibility, as well as modernising the service by means of a digital platform for resolving incidents in real time.

With respect to the progressive incorporation of all airports in the Aena network into the ASQ (Airport Service Quality) programme with tablets, this has been prepared for launch at 8 other airports. The airports of A Coruña, Santander, Zaragoza, Reus, Valencia, Tenerife Norte, La Palma and Murcia (AIRM) will join Málaga-Costa del Sol airport in the last quarter of 2019 in the use of these electronic devices.

The use of this new technology will allow real-time monitoring of the results of passenger experience surveys, allowing action to be taken immediately in the event of a problem being detected, thereby improving passenger service.

On the other hand, the tender for a new defibrillator project is planned, which will increase the number of them from 291 to a total of 502 (including 120 mobile defibrillators for SEI vehicles), distributed throughout all airports in the Aena network. This new procedure will optimise the costs associated with this service by grouping the current 7 contracts into a single tender with two lots.

Services to airlines

Among the actions that Aena carries out on a regular basis to offer a better service to airlines, the different pilot projects related to the use of facial recognition technology to improve the flow of passengers passing through the airport stand out. By enabling passengers to pass through the security filter and board without having to show their documentation, this technology increases the capacity of the handling service.

This initiative started at Menorca Airport in the first quarter of 2019 and further tests are expected in the coming months both at A.S. Madrid-Barajas Airport and at J.T. Barcelona-El Prat.

Likewise, in the field of service to airlines, Aena has incorporated a new Self Bag Drop service that would be available to airlines that wish to back this technology that is capable of providing passengers with an automated system to complete the entire check-in process without requiring external personnel to intervene. Currently, J.T. Barcelona-El Prat Airport has some counters of this type available for companies such as Vueling, Air France-KLM or Lufthansa, which are expected to also be installed at the beginning of 2020 at A.S. Madrid-Barajas.

Air traffic services

In the field of ATS (Air Traffic Services), on 15 January 2019 air traffic control started from the Tower of Región de Murcia International Airport (AIRM), following the commissioning of all of the air navigation systems and facilities, and the supervision and authorisation of the start of the service by the Spanish Aviation Safety and Security Agency (AESA).

The ATS provider (for both ATC - Air Traffic Control - and AFIS - Aerodrome Flight Information System) was changed in March in the control towers at the El Hierro, La Gomera, Burgos and Huesca airports. The service has been contracted for an amount similar to that of the previous contract, the duration being seven years plus an additional one-year extension.

During the month of June, the Advanced Data Link Service with the D-DCL aircraft (Datalink Departure Clearance) was implemented in the Control Towers of Barcelona and Palma de Mallorca airports. This service makes it possible to automate and improve take-off clearance tasks by significantly reducing voice communications over the aeronautical frequency by linking data between the controller and pilots.

Operational systems

During 2019, progress was made in the integration of the airports of the Aena network into the "A-CDM" (Airport-Collaborative Decision Making) and Advanced Tower programmes, under the auspices of Eurocontrol. These programmes encourage the exchange of information between all agents involved in the operation of a flight, in order to foster joint decision-making, improve timeliness, reduce the cost of movements and mitigate the environmental impact.

It is also expected that Tenerife Norte and Valencia airports will obtain Advanced Tower Certification in the fourth quarter, when the operational data from these airports will be integrated into the European real-time information network managed by Eurocontrol, reaching close to 75% of operating traffic in the network in Spain by the end of 2019. Similarly, work is expected to start during the fourth quarter 2019 on migration from Advanced Tower to A-CDM at Málaga-Costa del Sol Airport, with the objective of its being certified in early 2020.

Operations

In this area, 15 internal supervisions have been carried out as part of the annual maintenance plan for the execution of certifications and verifications. In addition, support was provided to the 16 airports that AESA (the Spanish Aviation Safety and Security Agency) inspected during the first nine months of 2019.

Likewise, among other actions carried out, it is relevant to highlight safety in the presence of drones as a safety threat to air transport, which during this period has developed the standard procedure that airports must use to apply the coordinated response protocol, approved on 26 June 2019 by the National Civil Aviation Security Committee to establish coordinated actions.

Physical safety

As regards the actions related to physical safety, it is worth noting that it has been completed the first of the two years of the new private safety contracts. These new contracts, based on indicators of quality of safety and passenger service, which are aligned with the objectives established in the DORA, have had a positive result so far.

Regarding this service, it should be noted that an indefinite strike started at J.T. Barcelona-El Prat airport in August, whose operational impact has been zero since its inception and during all the weeks of the strike.

During the period AESA continued its airport security audit activity at various airports in the network, with satisfactory results. In the third quarter, it carried out 15 inspections, accumulating a total of 43 in the first nine months. Aena continues to work on internal quality control to achieve continuous improvement in operations and processes. For this purpose, 6 verifications were conducted in the third quarter, and a total of 28 so far this year.

- Security equipment

In order to improve security processes, 2018 saw the start of automation of the connections filter at T4 of Madrid airport, which is now in operation. These actions have been completed at Sevilla airport and are continuing at Ibiza airport.

In relation to the supply and installation of the Hold Baggage Screening Equipment (Standard 3), during the first quarter of 2019, two machines were installed at Menorca airport. The following airports have been awarded supplies: Madrid, Barcelona, Palma, Gran Canaria, Málaga, Granada, Alicante, A Coruña, Almería, Valencia, Reus, Vigo, Sevilla. Girona, Zaragoza, Ibiza, Santiago, Fuerteventura and Asturias.

Additionally, a final block is pending with the rest of the airports affected by the project. The detection standards or regulations for EDS (explosive detection system) equipment are defined by the European Commission and are set out in European Union Regulations and Decisions and Spanish legislation (National Security Programme - PNS). Standard 3 involves a higher ability to detect explosives, relative to the previous standard (Standard 2).

The supply of ABC (Automatic Border Control) equipment is also in the final allocation phase corresponding to the airports of Tenerife Sur, Reus, and Girona.

Facilities and Maintenance

In 2019, the Strategic Airport Maintenance Plan (PEMA) was continued, with the aim of streamlining and standardising maintenance services at all airports in the Aena network, over a period of three years.

Its implementation focuses on grouping projects together to reduce the number of contracts, create synergies in the performance of services and increase management efficiency. Likewise, this Plan focuses on:

- Adjusting the scope of services to the requirements of the regulations in force.
- Improving the quality of the service, aligned with the DORA indicators,
- Improving the control of facilities through the digitalisation of services; and
- Cost optimisation.

This Plan includes the finalisation of the preventive maintenance manuals for airport facilities and infrastructure (in December 2019) to standardise components and prepare their work plans based on the different laws and regulations.

The streamlining of maintenance services will make it possible to group procedures, so that, for example, between airports in Groups I, II, III and the Canary Islands Group, there will be a decrease from 350 procedures to just 18. Of these 18 procedures, 3 have already been awarded, and the remaining 15 are expected to be tendered in the last quarter of 2019.

3.1.2 Commercial activity

The following table shows the most significant figures for commercial activity.

Thousands of euros	9M 2019	9M 2018	Variation	% Change
Ordinary revenue	947,674	871,513	76,161	8.7%
Other operating revenue	7,226	5,912	1,314	22.2%
Total revenue	954,900	877,425	77,475	8.8%
Total expenses (including depreciation and amortisation)	-254,918	-238,977	15,941	6.7%
EBITDA (1)	778,370	718,498	59,872	8.3%

(1)Earnings before interest, tax, depreciation and amortisation.

Table 7. Key financial data for the commercial activity

Total revenue from commercial activity increased by 8.8% in this period relative to the same period of 2018, to €954.9 million.

Ordinary revenue, now accounting for 27.8% of the Group's total ordinary revenue (27.2% in 2018), reached €947.7 million, representing a 8.7% increase relative to the same period of 2018.

This increase was mainly due to the growth in traffic, the improvement in the contractual conditions of new tenders, which include higher minimum annual guaranteed rents (MAGR), the increase in these rents under current contracts, and to the good performance of the two businesses managed by Aena (car parks and VIP services).

In the first nine months of 2019, the recorded amount of ordinary revenue from minimum annual guaranteed rents (MAGR) totals €111.2 million, which is 17.9% of revenue for activities with contracts that include these clauses (duty free, specialty shops, food and beverage, advertising and other commercial activities), compared to the 16.3% that they represented in the same period of 2018. The difference is due mainly to the evolution of sales under existing contracts (€7.0 million), the better conditions of the new contracts (€7.0 million) and the increase in MAGR under current contracts (€1.9 million).

Total expenses for this activity increased by 6.7%, or by 11.1% if depreciation and amortisation are excluded. This increase was largely due to the cost increase that has affected the Company, as explained in section 4. Income Statement, as well as costs of the new contracts awarded for the provision of integral services in the VIP lounges, which have moved on to their own management model.

EBITDA of the commercial business increased by €59.9 million year-on-year, reaching €778.4 million.

The breakdown of ordinary revenue from the various commercial business lines is shown below:

	Revenue		Variation		Minimum Annual Guaranteed Rents	
Thousands of euros	**9M 2019**	**9M 2018**	**Thousands of €**	**%**	**9M 2019**	**9M 2018**
Duty free shops (1)	263,070	241,892	21,178	8.8%		
Specialty Shops	88,474	80,190	8,284	10.3%		
Food and Beverage	173,338	155,782	17,556	11.3%		
Car rental	121,323	118,289	3,034	2.6%		
Car Parks	119,584	108,031	11,553	10.7%		
VIP services	59,019	47,953	11,066	23.1%		
Advertising	20,920	25,328	-4,408	-17.4%		
Leases	26,090	25,259	831	3.3%		
Other commercial revenue	75,857	68,789	7,068	10.3%		
Ordinary commercial revenue	**947,674**	**871,513**	**76,161**	**8.7%**	**111,222**	**93,236**

(1) In application of IFRS 16 in 2019, the expenses deriving from the financial effect of accounting for the advance received from World Duty Free Group España, S.A. in connection with the agreement signed with this company, shown until 31 December 2018 as a deduction from commercial revenue are shown under the heading "Financial expenses" in the income statement. Excluding this effect, revenues from duty-free shops in the period would amount to €253.8 million, representing an increase of €11.9 million (+4.9%).

Table 8. Breakdown of commercial business lines

The AENA Board of Directors agreed on 24 September to extend the contracts of the Tax and Duty Free Shops to the current operator at the twenty-five airports in the Aena network. The technical and economic conditions of the contracts will remain the same as those currently in force, except for an annual remuneration increase of the fixed component of minimum annual guaranteed rents, during the entire extension period, of 1.56% weighted annual average. The variable remuneration percentages have not been modified.

With regard to specialty shops, the current offering has continued to be complemented, with several recognised fashion and accessories brands at various Aena airports.

During this period the new food and beverage contracts were awarded for 33 premises at Palma de Mallorca Airport, in addition to the 18 premises awarded at Alicante-Elche Airport in previous periods, as well as refurbishment work carried out by the new tenants of the premises in the airports of Barcelona, Málaga and Gran Canaria.

The car rental service, of great importance at our tourist airports, saw the opening of a new lobby at Málaga-Costa del Sol Airport, which brings the counters of car rental companies together in one area with modern, open concept counters.

More management improvements have been included in the car parks business line operated by Aena. Long stay car parks (at Tenerife Norte Airport) and express parking (at Palma de Mallorca and Vigo Airports) were opened and the pay-by-plate service promoted. Among other actions, marketing campaigns focused on increasing customer share, the number of bookings and the positioning of our own brand, "Aena Parking", were implemented.

Revenue from the VIP lounge business, managed by Aena derives from the 14.5% increase in users, which in turn is the result of the marketing actions and pricing policy implemented by Aena. VIP lounges are also being expanded and redesigned at several airports, and additional services and rates are being implemented to improve the offering in the premium segment.

By lines of business, the following commercial actions carried out during the period stand out more specifically:

Duty Free Shops

Revenues from duty free shops increased by 8.8% in the period, to €263.1 million(1) compared with 2018, representing 27.8% of revenue from commercial activity.

The duty free shops business area is operated by the World Duty Free Group (DUFRY), through the contracts signed with Aena, broken down into three lots. It provides Aena with a guaranteed income, derived from minimum annual guaranteed rents.

The Aena Board of Directors agreed on 24 September to extend the contracts to the current operator at the twenty-five airports in the Aena network. The extension will be for a period of five years, with an initial period of three years and two possible additional extensions of one year each. This will start at the end of the current contracts on 31 October 2020 and will therefore end on 31 October 2025 if the maximum five years have elapsed.

The technical and economic conditions of the contracts will remain the same as those currently in force, except for an annual remuneration increase of the minimum annual guaranteed rents, during the entire extension period, of 1.56% weighted annual average. This increase has been calculated based on the total minimum annual guaranteed rent from 2020, which includes 10 months at the rent set out in the contract currently in force, plus the minimum guaranteed rent in the extension of the contract for the last 2 months. The variable remuneration percentages, on the other hand, have not been modified.

Regarding the project launched by Dufry, in collaboration with Aena, in June 2018, in order to identify actions to optimise its commercial performance in 5 pilot airports, Dufry has carried out marketing and surface improvement actions to reinforce the sales and the offer at airport shops. The best initiatives carried out at the five airports (T2 at JT Barcelona-El Prat, Málaga-Costa del Sol, Alicante-Elche, Gran Canaria and Bilbao) will be applied to the rest of the airports to improve the passenger experience, thus enhancing commercial revenue.

The following actions have been taken during the first nine months of 2019:

- Optimisation of the pricing policy: repositioning, widening the range and promotions of certain product categories.
- Improvement of the designs and layouts of current shops: change of layout and sense of place (Bilbao), refurbishment of the main shop (Alicante, Barcelona and Gran Canaria), development of a new shop concept *New Generation Store* (Málaga arrivals), introduction of the beach concept (Alicante arrivals), and

(1) In application of IFRS 16 in 2019, the expenses deriving from the financial effect of accounting for the advance received from World Duty Free Group España, S.A. in connection with the agreement signed with this company, recorded until 31 December 2018 as minor commercial revenue are shown under the heading "Financial expenses" in the income statement. Excluding this effect, revenues from duty-free shops in the period would amount to €253.8 million, representing an increase of €11.9 million (+4.9%).

opening of the new shop in the non-Schengen area at Málaga Airport.

- Optimisation of the selection and brands of snacks and deli products, beverages, health and beauty products, jewellery and travel accessories, among other categories.

- Marketing and digital development: partnership between Aena and Dufry (in the VIP lounges in Alicante and Málaga and the Bilbao car park), launch of the *Reserve & Collect* service at all airports in Spain and the digitisation of the main shop in Málaga as a *New Generation Store*. Additionally, an agreement has been reached for the joint loyalty of new users of the *Red by Dufry* and *Aena Club Cliente* programmes, the development of new payment methods by WeChat and Alipay has been introduced and sales assistance with the use of tablets has begun.

- Actions with the sales force, such as performance related incentives at Barcelona and Alicante, and competitions among pilot airports to boost sales.

Aena also carried out marketing and floor space improvement actions in this business line during the period, notably:

- Refurbishment of the T1 Non-Schengen shop at A.S. Madrid-Barajas.

- Opening of new specialty refurbished shops at J.T. Barcelona-El Prat airport (M0 modules due to change of location, M1 and M2), and at Palma de Mallorca Airport Module C shops in their new location, and Module A shops.

- Promotions aimed at reinforcing the purchase of the most attractive product categories for British passengers, with the aim of offsetting the effect of the devaluation of the pound, which has a significant impact on their purchases.

In addition, it should be mentioned that the Duty Free area at Región de Murcia International Airport is now opened to the public.

Alicante Airport walk-through shop

Specialty Shops

Revenue generated by this line of business in the first nine months of 2019 amounted to €88.5 million, 10.3% more than in the same period of 2018, driven by initiatives to refurbish commercial premises at different airports in the network.

The following actions are noteworthy in this regard:

- Opening of 11 shops at Málaga airport, with 5 shops still to be opened in the last quarter of 2019. The new commercial offer will include, for the first time at this airport, brands such as *Natura*, *Vidal & Vidal* and an electronics store belonging to the CAPI operator that will be present at Aena for the first time.

- Continuation of the process of renewal of the commercial offer in T1 of J.T. Barcelona-El Prat Airport. On 3 September, shops were awarded to the fashion and accessories business (*Burberry* and *Mango*) and a large multi-store with the *Hudson* brand.

  Four shops and 2 multi-stores were opened at T2 during the period. With these openings, to which others will be gradually added, the quality of the commercial offer at the airport will make a significant qualitative leap.

- At Palma de Mallorca Airport and to complement the current offer, three small seasonal (pop-up) outlets were put out to tender.

- At Menorca Airport, almost all the stores were put out for tender in August, as an improvement of the commercial offer, which includes 2 premises for multi-stores and 7 premises for activities such as souvenirs, delicatessen, electronics, fashion and accessories. It is estimated that this new offer will be operational at the start of the peak season (April 2020).

- At A.S. Madrid-Barajas Airport have been awarded 4 small-sized areas for prestigious brands such as *TOUS*, *Tag Heuer*, and *Nails Factory*. This is the first time that there is an exclusive space for *Tag Heuer*, one of the world's leading luxury watch brands.

- At Lanzarote Airport, 4 stores have been opened for fashion and accessories, delicatessen and regional products and souvenirs.

- At Fuerteventura Airport, 3 stores have been put out for tender for electronics, delicatessen and regional products.

In addition to these commercial actions, in order to continue improving the passenger experience, Aena continues to offer the Personal Shopper service at four of its main airports. This free service has been available at the Madrid (T1, T4 and T4S), J.T. Barcelona-El Prat and Málaga-Costa del Sol airports since 2018, and since February 2019 is now available at Alicante airport.

On the other hand, it should be noted that actions are being taken to cover the specific needs of Asian passengers, who have high potential for expansion and expenditure. Support continues to be provided by a company specialised in preparing and publishing content for the most widely established social network in China (*WeChat*), in which Aena already has 2,150 followers and more than 22,000 views of the published content. A profile has also been created in the second most important social network by number of users: Xiaohongshu (*Red Little Book*), and progress has been made in facilitating Asian passengers to use their preferred means of payment, WeChat Pay, which is already available at these customers' main receiving stores.

Likewise, during the first nine months of 2019, Aena launched two social profiles on Instagram and Facebook (@enjoyaena) to carry out communication and marketing campaigns through the main social networks.

Attracting new brands and potential business opportunities is another of the levers driving commercial activity in 2019, with connections being re-established with the retail sector in order to renew the portfolio of potential bidders for our spaces.

Food and Beverage

Food and beverage revenue amounted to €173.3 million and grew by 11.3%.

Notable in this period was the award of the new catering contracts for 33 premises at the Palma de Mallorca Airport, which join the 18 premises awarded at Alicante-Elche Airport in January, as well as the renovation works carried out by the new tenants of the premises of the Gran Canaria, Barcelona and Malaga airports.

- At Gran Canaria airport, at the end of September 2019, 17 stores with renewed brands are already in operation.

- J.T. Barcelona-El Prat Airport, as a result of the extensive renovation in 2018 of the catering offer, it now has 44 points of sale operating with the new brands in September 2019 out of the 49 that were awarded.

  The new premises will occupy an area of about 16,000 m², which is an increase of 19% compared with the area prior to the bidding process.

- Likewise, as of September 2019, Málaga-Costa del Sol Airport has 22 new restaurants, as a result of the tender in June 2018 of the 25 awarded outlets.

  The new establishments will occupy a total area of more than 6,500 m².

- At Alicante Airport, the new operators Áreas, Select Service Partner (SSP), Grupo EatOut (Pansfood) and Airfoods have started their activity. At the end of September, 9 premises were opened with the new brands *Burger King* and *Santa Gloria*, *Lavazza, Häagen Dazs*, *Costa*

Coffee, *Carlsberg*, *Eat*, and *Foodmarket*.

The renovation of the catering offer for the 18 premises awarded in January covers an area of approximately 5,600 m².

- Regarding the award of the new catering contracts for 33 premises at Palma de Mallorca Airport, it is expected that the new operators will start to operate as of November 2019.

  The catering companies with the highest number of awarded premises are Áreas (23 premises), Airfoods (5) and SSP (2), in addition to Burger King Spain, McDonald's and Lagardère, which will manage 1 premises each.

  The new offer will occupy an area of more than 10,600 m², which will mean an increase in the catering at this airport of around 9%.

  The new contracts represent an estimated increase in the income from this line of activity in Palma de Mallorca, for a full year and based on the new minimum annual guaranteed rents of close to 75% compared to the 2018 income.

- At Girona-Costa Brava Airport, the five new points of sale and food and beverage vending machines, awarded to Areas at the beginning of the year, have commenced operations with the following brands: *Burger King, La Pausa, Carlsberg, Exploring the World and Lavazza.*

- At the end of May, Adolfo Suárez Madrid-Barajas Airport began operating the 250 food and beverage vending machines installed by the new tenant, Selecta Vending, with the brands *Selecta* and *Starbucks On the Go*.

Additionally, it should be noted that Region de Murcia International Airport opened a new catering offer, operated by Airfoods with well-known brands such as *Costa Coffee* and *Subway*, *Food & Goods* and *Semba*.

This company is also responsible for the operation and management of 13 food and beverage vending machines.

Car rental

This line of business generated revenue of €121.3 million, representing a year-on-year increase of 2.6%.

The number of contracts has increased by 7.7%, while sales have increased by 1.0%. For its part, in airports with a business profile, the car rental service maintained a favourable trend in the first nine months of 2019.

Regarding the main actions carried out in this activity, it should be mentioned that car rental operators have been unified at Málaga-Costa del Sol Airport, in a lobby with modern counters and open concepts.

The operator SIXT is now present at Region de Murcia International Airport, completing the offer up to four operators.

Car Parks

Aena manages this important line of business, which encompasses a diverse range of car parks, dealing with operations, marketing policies and income control.

During this period, income from this activity increased to €119.6 million, a 10.7% year-on-year, driven by the improvement of the non-reserve segment and online bookings at the main airports, as well as by the opening of express car parks at the main airports (A.S. Madrid-Barajas in June 2018 and J.T. Barcelona-El Prat in May 2018).

Revenue from reservations made through the various sales channels reached €34 million, a 27% increase with respect to the first nine months of 2018.

In its management, Aena has continued to add improvements and new parking facilities, and has promoted the pay-by-plate service. A new long-stay car park has been opened at Tenerife Norte Airport, express car parks in Palma de Mallorca and Vigo, and the pay-by-plate service is operating at airports in Madrid, Barcelona, Bilbao, Alicante and Valencia.

In addition, Aena has promoted this activity through marketing campaigns focused on increasing customer share, the number of bookings and the positioning of our own brand, "Aena Parking".

VIP services

Revenue from the VIP services activity was recorded at €59.0 million in the period, which represents 23.1% growth over the same period last year.

This business line includes the operation of 27 own VIP lounges, 1 Premium lounge, 2 VIP lounges leased to Iberia, and the preferential security service access points: *Fast Lane* and *Fast Track* (service at security checkpoints in 9 airports of the network), business centres, rest rooms (in Madrid and Barcelona) and meeting rooms.

The revenue for the VIP lounges managed by Aena amounted to €55.0 million, a 23.9% year-on-year increase, as a result of the 14.5% increase in the number of users and a price policy that has been implemented.

Throughout these first nine months, Aena continued to remodel the VIP lounges at Palma de Mallorca and J.T. Barcelona-El Prat airports, completed the work on the new Menorca lounge, the renewal of the VIP lounge in Málaga airport as well as the redesign of VIP launges at the airports of: Madrid, Palma de Mallorca, Alicante, Gran Canaria, Tenerife Norte, Tenerife Sur and Ibiza.

During this period, the *Fast Lane* service has also been incorporated at A Coruña airport, and the new *Meet & Assist* service at Palma de Mallorca airport.

New user agreements have also been signed with airlines.

To service these lounges, Aena has awarded comprehensive management contracts for the airports of Gran Canaria, Tenerife Sur, Fuerteventura, Bilbao, Valencia and Menorca, and the awarding of new contracts for VIP lounges at Madrid, Tenerife Norte and Vigo airports is in the tendering phase.

Given the dynamic nature of this activity, Aena is developing additional services and rates to improve the offer available to the Premium segment.

Other commercial revenue

This includes sundry commercial activities carried out at airports such as banking services, baggage wrapping machines, other vending machines and regulated services (pharmacies, tobacco shops and lotteries...).

On 30 September 2019, the revenue from these activities has reached €75.9 million, and an increase of €7.1 million (+10.3% year-on-year), derived mainly from the activity of banking services.

VIP lounge at Menorca Airport

Advertising

On 14 June, the activity of the new companies awarded the advertising and promotional activity at Aena airports began.

The new licences have been awarded during April in eight lots, for a term of seven years, to four different providers: Exterior Plus S.L. and Sistemas e Imagen Publicitaria S.L.U. (5 airports in the Madrid/Central Peninsular lot and 4 in the Catalonia lot), JFT Comunicación, (8 airports in the Canary Islands lot and 10 in the Andalusia lot), Promedios, (8, 5 and 4 airports in the North, North-east and Levante lots respectively) and the New Business Media Ceco Centros Comerciales temporary consortium, (4 airports in the Balearic Islands lot).

As a result of the new economic conditions, the minimum annual guaranteed rent will decrease by €32.5 million in 2018 to €21.0 million in 2020 (first full year). In spite of this, it is expected that these contracts will operate with variable income, representing estimated revenue of roughly €27 million.

3.2 Real estate services segment

The real estate services activity segment includes the provision of leasing or transfer of use of land (built on or not), office buildings, warehouses, hangars and cargo sheds to airlines, airfreight operators, handling agents and other airport service providers aimed at supporting the activity and developing complementary services, such as the 24 service stations (15 land-side and 9 air-side) at 12 airports and the FBO (fixed-base operator) terminals at five of the major airports in the network, where service is provided for private jets in a customised manner.

As regards the plans for real estate development of the A.S. Madrid-Barajas and J.T. Barcelona-El Prat airports, Aena continues to work with external advisers to define the main aspects for marketing the land available at both airports.

- A.S. Madrid-Barajas Airport, after the initial evaluations carried out with the hired experts, an area of up to 2.2 million m² will be developed over the next years by occupying 349 net hectares (out of the total of 909 gross hectares available) for a range of uses, which will represent significant diversification of the activity implemented at the airport, bringing it closer to the modern concept of *Airport City*.

- For its part, the Real Estate Plan for the J.T. Barcelona-El Prat Airport will cover a maximum of 1.1 million new buildable m², through the occupation of close to 200 net hectares (out of the total of 290 gross hectares available) in a global development project that takes full account of the environmental and ethnographic values of the Delta del Llobregat.

The main objective pursued by these projects is to enable Aena to define the strategy for implementing the business model to be developed. Once defined, the process of selecting partners will start through a public tender, which is expected to start in the first half of 2020.

In line with the work carried out at Madrid and Barcelona airports, Aena has hired a consultant, ARUP, who will support the definition of real estate development plans at other airports where land and assets with high potential are available for the development of complementary airport activities, specifically at Palma de Mallorca, Málaga, Valencia and Sevilla airports. Work commenced in mid-September and is expected to last one year.

Key financial data for the real estate services segment is set out below:

Thousands of euros	**9M 2019**	**9M 2018**	**Variation**	**% Change**
Ordinary revenue	55,173	50,410	4,763	9.4%
Real estate services[(1)]	55,173	50,410	4,763	9.4%
Other operating revenue	1,132	906	226	24.9%
Total revenue	56,305	51,316	4,989	9.7%
Total expenses (including depreciation and amortisation)	-37,933	-37,224	709	1.9%
EBITDA [(2)]	30,790	26,465	4,325	16.3%

[(1)] *Includes warehouses, hangars, real estate operations, off-terminal supplies and others.*
[(2)] *Earnings before interest, tax, depreciation and amortisation.*

Table 9. Key financial data for the real estate services segment

Revenue from real estate services amounted to €56.3 million, which represents year-on-year growth of 9.7%.

Total expenses increased by 1.9%, or excluding depreciation and amortisation by 2.7%.

The main actions carried out during the period in relation to existing assets were as follows:

Hangar activity:

- At Sevilla Airport, in January the operation began on a hangar of approximately 6,000 m^2 built to support the aircraft maintenance of a major airline.
- A.S. Madrid-Barajas Airport, is in the process of upgrading an 8,800 m² hangar located in the Antigua Zona Industrial, estimating that it will start operating before the end of 2019.
- At Palma de Mallorca Airport, a 5,000 m^2 plot was contracted for the construction of a 3,500 m^2 hangar.
- At the Valencia Airport, a plot of 15,600 m² has been awarded for the construction of a new hangar of 4,750 m² with a private platform.

Executive aviation:

- A.S. Madrid-Barajas and J.T. Barcelona-El Prat airports, in 2019, the new awardees of the terminals for executive aviation (FBOs) began their activity, completing the renewal of a service that has been provided for more than 5 years, with high levels of perceived quality by all its users.
- Since mid-June, a new exclusive filter for users of these facilities has been fully operational at the FBO of Ibiza Airport, thereby significantly improving customer experience.
- The tender for the executive aviation terminal (FBOs) at Palma de Mallorca Airport was launched in August, as well as the lease of an area in the entrance hall of the terminal to carry out multi-brand retail activity.

Cargo:

In relation to the spaces dedicated to air cargo:

- A.S. Madrid-Barajas Airport has started operating within a 7,200 m^2 warehouse. It is also worth noting that the development of new cargo facilities in the area known as "Rejas" continues to progress, with the execution of the construction work on a 12,500 m^2 import warehouse having been awarded to Correos in this period.
- J.T. Barcelona-El Prat Airport was been awarded the contract to execute the refurbishment work on the cargo building operated by Swissport, which entails an increase in lease income starting next year.
- At Zaragoza Airport, the tender for the commercialisation of the warehouse was published in September, whose construction work was awarded in the previous period. A cargo agent will develop the operation of the activity.

Other activities:

The old Son Bonet Airport control centre has been tendered as a centre for hotels, training and catering schools.

3.3 AIRM

On 15 January 2019, the Región de Murcia International Airport (AIRM) commenced operations. This airport is managed by Aena Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia SME, SA, which is wholly owned by Aena S.M.E., S.A. on a concession basis, for a period of 25 years.

In the first nine months of 2019, AIRM registered a volume of 904,828 passengers, most of them international, and 6,444 aircraft movements. The operational and financial information for the period is included in the aeronautical, commercial and real estate activities in this management report (see additional information described in note 4 to the Consolidated Financial Statements for the six-month period ended on 30 June 2019).

3.4 International activity

Financial data for the international activity consist mainly of the consolidation of London Luton Airport (the fifth largest airport in the United Kingdom by number of passengers), and those deriving from advisory services to international airports. In total, revenues from international business increased by 13.4% in the first nine months of 2019, up to €205.1 million.

Thousands of euros	9M 2019	9M 2018	Variation	% Change
Ordinary revenue	204,985	180,723	24,262	13.4%
Other operating revenue	154	146	8	5.5%
Total revenue	205,139	180,869	24,270	13.4%
Total expenses (including depreciation and amortisation)	-175,634	-156,964	18,670	11.9%
EBITDA [1]	77,622	64,068	13,554	21.2%

[1] *Earnings before interest, tax, depreciation and amortisation.*

Table 10. Key financial data for the international segment

Regarding the consolidation of London Luton Airport, this represented a contribution of €77.2 million in EBITDA terms, which has increased by 29.1% compared with the same period in 2018, reflecting the growth in traffic for the period (+9.5%) as well as the positive evolution of commercial revenue.

Thousands of euros[1]	9M 2019	9M 2018	Variation	% Change
Aeronautical revenue	88,510	77,761	10,748	13.8%
Commercial revenue	107,620	95,047	12,573	13.2%
Total revenue	196,129	172,808	23,321	13.5%
Staff	-34,272	-35,230	-958	-2.7%
Other operating expenses	-84,618	-77,603	7,015	9.0%
Depreciation, amortisation and impairment	-47,892	-40,028	7,864	19.6%
Total expenses	-166,782	-152,861	13,921	9.1%
EBITDA[2]	77,200	59,780	17,420	29.1%
Operating profit	29,347	19,947	9,400	47.1%
Financial result	-18,425	-17,542	883	5.0%
Profit before tax	10,922	2,405	8,517	354.1%

[1] *Euro-sterling exchange rate: 0.8835 in 9M 2019 and 0.8841 in 9M 2018.*

[2] *Earnings before interest, taxes, depreciation and amortisation.*

Table 11. Luton Airport Income statement

London Luton's revenue in sterling terms increased over the period to £173.3 million (+13.4% compared to the same period in 2018). This growth was possible thanks to the increased traffic, accompanied by good commercial revenue performance.

Aeronautical income in sterling rose by 13.7% and commercial revenue by 13.2%. In the commercial revenue section, retail activities (shops and restaurants) performed well, with revenue increasing by 22.4% in the period, driven by the opening of new premises (with better concession fees), as a result of the expansion of the terminal, with passenger flow also improving. Thanks to the actions carried out, the airport has a more attractive and varied range of services for passengers.

EBITDA increased by 29.1% in the period compared with the same period in 2018, reaching £68.2 million (£52.9 million in the same period of the previous year). Likewise, the EBITDA margin improved from 34.6% at September 2018 to 39.4%.

The evolution of equity-accounted investees is shown hereunder:

	Equity method profit/(loss)				Exchange rates [1]			
Thousands of euros	9M 2019	9M 2018	Variation	% Change	Foreign exchange rate	9M 2019	9M 2018	% Variation
AMP (Mexico)	11,169.5	9,748.2	1,421.3	14.6%	€ - MXN	21.63	22.74	-4.9%
SACSA (Colombia)	4,082.2	3,681.2	401.0	10.9%	€ - COP	3,641.15	3,446.85	5.6%
AEROCALI (Colombia)	1,917.4	939.8	977.6	104.0%	€ - COP	3,641.15	3,446.85	5.6%
Total share in income of associates	**17,169.1**	**14,369.2**	**2,799.9**	**19.5%**				

[1] *Average rate for the period*

Table 12. Equity-accounted investees

4. Income statement

Thousands of euros	9M 2019	9M 2018	Variation	% Change
Ordinary revenue	3,407,717	3,208,939	198,778	6.2%
Other operating revenue	41,122	41,496	-374	-0.9%
Total revenue	**3,448,839**	**3,250,435**	**198,404**	**6.1%**
Supplies	-128,024	-129,522	-1,498	-1.2%
Staff costs	-336,953	-312,709	24,244	7.8%
Other operating expenses	-836,482	-776,133	60,349	7.8%
Losses, impairment and change in trading provisions	-5,258	5,414	10,672	197.1%
Depreciation and amortisation	-589,140	-602,356	-13,216	-2.2%
Impairment and net gain or loss on disposals of fixed assets	-6,393	-6,872	-479	-7.0%
Other net gains/(losses)	951	1,570	-619	-39.4%
Total expenses	**-1,901,299**	**-1,820,608**	**80,691**	**4.4%**
EBITDA (1)	**2,136,680**	**2,032,183**	**104,497**	**5.1%**
Operating profit/(loss)	**1,547,540**	**1,429,827**	**117,713**	**8.2%**
Finance income	4,077	2,223	1,854	83.4%
Finance costs	-92,455	-104,170	-11,715	-11.2%
Other net financial income/(expense)	1,001	-79	1,080	1367.1%
Net finance income/(costs)	**-87,377**	**-102,026**	**-14,649**	**-14.4%**
Profit or loss of equity method measured companies	17,169	14,369	2,800	19.5%
Profit before tax	**1,477,332**	**1,342,170**	**135,162**	**10.1%**
Income tax	-359,289	-322,917	36,372	11.3%
Consolidated profit for the period	**1,118,043**	**1,019,253**	**98,790**	**9.7%**
Profit for the period attributable to non-controlling interest	3,846	764	3,082	403.4%
Profit for the period attributable to the parent company's shareholders	**1,114,197**	**1,018,489**	**95,708**	**9.4%**

(1) *Earnings before interest, taxes, depreciation and amortisation.*

Table 13. Income statement

As a result of the positive evolution of all business lines, Aena's total revenue increased by 6.1% year-on-year, up to €3,448.8 million.

Ordinary revenue grew by 6.2%, to €3,407.7 million. This increase of €198.8 million has been explained above in the analysis of the various business lines.

As regards the change in total expenses, this period shows an increase of 4.4% (€80.7 million), or 7.7% if depreciation and amortisation are excluded, due to the effect of changes in the following items:

- Supplies fell by 1.2% (€1.5 million), mainly due to a reduction in the cost of the ATM/CNS (Air Traffic Management and Communications, Navigation and Surveillance) service due to the agreement signed with ENAIRE until 2021 (-3.6 million euros), partially offset by the increase in the Agreement with the Ministry of Defence (+1.1 million euros).

- The staff costs have shown an increase of 7.8% (€24.2 million), derived mainly from the salary review for staff of Aena S.M.E., S.A., provided for pursuant to RD 24/2018 of 21 December, for new hires, and due also to the effect produced by the reversal in May 2018 of an excess provision of 2017 (€5.6 million).

- Other operating expenses increased by 7.8% (€60.3 million), mainly due to the effect of the entry into force in 2018 of new contracts at airports in the network, with higher costs associated with private security services (€20.9 million; +17.7% year-on-year) from June onwards, to the service for passengers with reduced mobility (€3.9 million: +9.3%) as from February, as well as new cleaning services (€3.0 million; +6.1%).

  Likewise, further increases have been recorded for electricity charges (€6.5 million, up 11.1% year-on-year) and professional services (€3.9 million, up 11.5%), and the cost of VIP lounges managed by Aena (€3.1 million; +20.0%) due to the increase in users and new contracts initiated in 2018; passport control support service expenses (€1.6 million; +82.5%), maintenance (€1.6 million; +1.1%)

This item also reflects higher costs at London Luton Airport, mainly due to the increase in services resulted from new surface area of the terminal associated with the *Curium Project*.

- Depreciation of fixed assets decreased by €13.2 million (2.2%), mainly due to the full depreciation of certain assets, partly offset by the depreciation of the new investment associated with the extension project of the Luton airport terminal and the multy-story car park, as well as the investments in runways and taxiways on the network and other actions on the airports in Spain.

EBITDA (income before interest, tax, depreciation and amortisation) increased to €2,136.7 million (including €77.2 million from the consolidation of Luton), which represents an increase of 5.1%, bringing the EBITDA margin for the period to 62.0% (62.5% in the same period of 2018).

Financial expenses fell by €11.7 million (11.2%), mainly due to the reduction in interest on debt, as a result of lower interest rates and debt volume (-10.5 million euros), as well as the variation in financial expenses of the cost of breach of the interest rate hedging associated with the loan held with Depfa Bank, which was cancelled in July 2018 (-17.2 million euros).

These lower financial expenses are partially offset by the reclassification of the financial effect of the advance received from World Duty Free Group España, S.A., by application of IFRS 16 (+9.2 million euros, no effect on cash), and by the cost of the exchange rate hedging instrument (NDF) contracted to hedge the risk of exposure to fluctuations in the Brazilian real/euro exchange rate, for meeting the capital payments corresponding to the concession (+6.3 million euros).

Income tax amounted to €359.3 million, an increase of €36.4 million, as a result of higher earnings for the period. The effective rate for the period was 24.3% (24.1% in the same period of 2018).

Consolidated profit for the period was €1,118.0 million. Earnings for the period attributable to non-controlling interests came to €3.8 million (corresponding to 49% of London Luton's net profit), which places Profit for the year attributable to the parent company's shareholders at €1,114.2 million, 9.4% more than in the first nine months of 2018.

5. Investments in airport infrastructure

The total amount of capital expenditure paid during the period (property, plant and equipment, intangible assets and real estate investments) came to €372.6 million, including €18.4 million at London-Luton and €2.0 million at Región de Murcia International Airport.

In the Spanish airport network, payments for tangible investments during the period amounted to €352.2 million, representing a year-on-year decrease of €12.8 million (-3.5%).

This amount was mainly used to pay for investments in infrastructure maintenance.

As regards the actions put into service during the period, those that have focused mainly on the flight field are noteworthy. Highlighting the remodelling of the South Pier apron of terminal T1 at J.T. Barcelona-El Prat Airport, the aprons at Palma de Mallorca, Lanzarote, Girona-Costa Brava and Fuerteventura, as well as the regeneration of the runways at Bilbao and Tenerife Norte airports.

As regards actions at facilities, it is worth noting the improved peak capacity of the automatic baggage transport system in Palma de Mallorca, the supply of walkways at Málaga and the supply of air-conditioning equipment for aircraft at Barcelona. In maintenance of facilities, the actions carried out at the Barcelona power plant stand out.

Also of note in the field of security: the new building for the fire-fighting service at Ibiza Airport and the beaconing activities at A.S. Madrid-Barajas and Málaga.

Regarding investments in execution, it is worth noting the focus on the terminal area: the remodelling and extension of the south pier building at Barcelona Airport, the renovation of the flooring in the Palma de Mallorca terminal and the adaptation of the T2 building to the boarding processes in Tenerife Sur, the actions derived from the functional design at Reus, as well as the refurbishment of the Picasso terminal at Málaga airport.

Of particular note in airfields is the improvement or expansion of the aprons at Tenerife Sur, Ibiza, Girona and Zaragoza airports. Likewise, it is also worth highlighting the screed surface of the runway in Sevilla.

As regards the facilities, the supply with the installation of walkways in Madrid and Barcelona stands out.

The chapter on person security includes the provision of passport control equipment at several airports and the improvement of security equipment at walkways at Madrid airport.

Buildings notably includes the construction of a new PIF (Border Inspection Point) building in Barcelona and the construction of a new cargo terminal in Zaragoza.

Notable actions are also being carried out in regards to the environment, aimed at soundproofing homes in the adjoining areas of several airports and thermal insulation of the terminal building and the modules in Palma de Mallorca.

As regards important actions initiated recently, these include improvements to the terminal building of Tenerife Sur and Sevilla airports have been noted in terminal buildings, according to the new functional design.

On the flight field, the actions to expand the aprons in Madrid and Ibiza, the widening of the accesses to the 03R and 03L runway heads in Gran Canaria, as well as the splitting of the platform internal rolling stock in front of the NAT in Alicante.

Also noteworthy are the replacement of baggage inspection machines in the hold and the extension of the baggage handling system in Palma de Mallorca, the adaptation of the baggage inspection system and equipment to the latest existing standard in several airports, the supply of aircraft assistance equipment in Madrid, and the expansion and refurbishment of the VIP lounge at Gran Canaria Airport.

Studies have begun to define the T4 and T4S expansions at the A.S. Madrid Barajas Airport, as well as the T1 and the construction of a satellite at the J.T. Barcelona-El Prat Airport. Currently, consultancy services for the drafting of the corresponding construction projects are in tender process.

Lastly, it should be mentioned that in this period the construction of a photovoltaic solar plan was awarded for A.S. Madrid Barajas Airport.

Regarding the Murcia Region International Airport, investments are being made according to the financial offer submitted by Aena.

At London-Luton Airport, investments continued to focus on the maintenance and renovation of equipment, as well as the *Curium Project,* which aims to increase capacity to 18 million passengers with an investment of approximately £160 million.

June witnesses the formalisation of the deed of acceptance of the first phase, and main, of the extension works for London-Luton Airport (*Curium Project*), to be completed in December 2018.

During 2019, the completion and operation of the new Foxtrot taxiway, including the de-icing platform, is noteworthy. The construction of the new high-rise parking building (*Multi-story Car Park 2*) which was partially in service during the month of August, is still ongoing, and it is estimated that it will be completed by the end of the year.

The terminal building is also being connected to the Luton Airport Parkway railway station, with the works being financed and executed by Luton Borough Council.

The airport continues to explore, together with the Luton Borough Council, options for providing new capacity to the airport once it is close to reaching the currently authorised limit.

Regarding the capital expenditure of equity-accounted investees, it should be noted that on 13 May the environmental licence was partially assigned by Aerocivil (the Colombian civil aviation authority) to Cartagena de Indias Airport, resulting in the allocation of environmental risks in favour of SACSA. In addition, minor works are being carried out that will increase the capacity of the airport.

In the GAP airports, at the end of September 2019, the remodelling and expansion of Terminal 1 at Guadalajara airport and the rehabilitation of runway 18-36 at La Paz airport were completed. The extensions of the terminal buildings in Los Cabos, Morelia and Aguascalientes are in progress.

Expansion of the general aviation apron and taxiway is underway at Tijuana airport.

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5.1 Analysis of capital expenditure by area of action

Information on the breakdown of capital expenditure payments in the Spanish airports network at 30 September 2019 is shown hereunder together with a comparison with the same period of 2018:

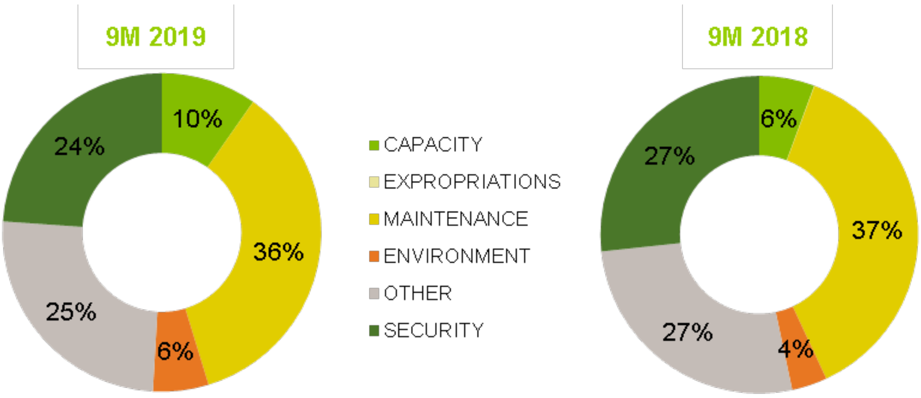

Figure 7. Analysis of capital expenditure by areas of application

- Capital expenditure aimed at ensuring the maintenance of the service fell as a proportion of the total, from 37% in the period of 2018 to 36% in 2019. It amounted to €125.2 million in this period (€11.3 million less than in 2018). The actions carried out included the construction of the new PIF (Border Inspection Point) building in Barcelona, improvements to the airfields at the Tenerife Sur, Valencia and Girona airports, as well as actions in the drainage system of Alicante airport and improvement to the roofs at Madrid airport.

- Capital expenditure on security represented 24% of the total (27% in the same period of 2018), amounting to €84.1 million (€97.4 million in 2018). Actions carried out on safety included those aimed at improving the paving of various areas of the airfield at Madrid, Ibiza, Tenerife Norte, Lanzarote and Girona airports, as well as those aimed at improving ground lighting at Málaga, Sevilla and Madrid airports, all of them in the aircraft movement zone. In terms of the security of people and facilities, actions focused on providing the terminals with access control systems, automated hand baggage equipment and explosive detection systems of a higher standard.

- Investments in capacity amounted to €34.2 million (€20.5 million in 2018), increasing from 6% to 10% as a proportion of the total. The actions completed in the terminals included: improved automatic luggage transport system in Palma de Mallorca, adapting the terminal building to the functional design in Reus. In the field of flights, the following developments are worth noting: the new parking spaces at the T4S terminal in Madrid airport, the remodelling and extension of the South Pier apron in Barcelona, the paving of the commercial aviation apron and the merger of the commercial apron with the parallel taxiway in Ibiza, the extension of the commercial apron extension for aircraft in Zaragoza, and the adaptation of the T2 building to the boarding procedures in Tenerife Sur.

- In the environmental category, capital expenditure amounted to €19.9 million (€6.7 million more than in the same period of 2018). This amount corresponds mainly to the thermal insulation work at Palma de Mallorca airport, soundproofing works on homes in areas adjacent to several airports, the installation of efficient lighting systems at several airports in the network, the new hot water supply from the co-generation plant at A.S. Madrid-Barajas airport, the installation of photovoltaic solar panels at the airports in the Canary Islands and the improvement of water used at Alicante airport.

- Other investments reflect actions amounting to €88.8 million (€97.2 million in 2018), including investments in information technologies, especially those aimed at improving communication infrastructure at several airports and storage servers and networks. Also noteworthy are those aimed at commercial activities, among which the following stand out: the adaptation of VIP lounges in J.T. Barcelona-El Prat and the various improvements carried out in car parks at Madrid, Palma de Majorca and Malaga airports. Also noteworthy are the improvements to the terminal buildings according to the functional design in Sevilla and Tenerife Sur.

6. Statement of financial position

6.1 Net assets and capital structure

Thousands of euros	9M 2019	2018	Variation	% Change
ASSETS				
Non-current assets	14,042,288	13,785,594	256,694	1.9%
Current assets	802,163	1,113,476	-311,313	-28.0%
Total assets	14,844,451	14,899,070	-54,619	-0.4%
EQUITY AND LIABILITIES				
Equity	6,029,806	6,023,805	6,001	0.1%
Non-current liabilities	7,020,440	7,376,773	-356,333	-4.8%
Current liabilities	1,794,205	1,498,492	295,713	19.7%
Total equity and liabilities	14,844,451	14,899,070	-54,619	-0.4%

Table 14. Summary of the consolidated financial position

Effects of the entry into force of the new IFRS 16 Accounting Standard

IFRS 16 was applied in preparing the financial statements for the first time in 2019, as explained in note 2.1. to the 2018 Consolidated Financial Statements. This standard replaces IAS 17 Leases. The Aena Group has opted not to restate the previous periods and has recognised right-of-use assets and lease liabilities in an approximate amount of €45 million at 30 September 2019. In addition, the heading "Right-of-use assets" in the statement of financial position includes the carrying amount (€13.5 million) of the leased assets previously classified as finance leases under the overturned IAS 17 standard, which were recorded as property, plant and equipment in the statement of financial position at 31 December 2018. Consequently the total amounts to €58.5 million.

The impacts on the income statement (explained in note 2.1. of the Consolidated Annual Accounts for the six-month period ended 30 June 2019) have not had a significant effect at the end of the nine-month period.

Main changes

Non-current assets increased by €256.7 million, mainly due to the effect of the following changes:

- An increase of €485.1 million under the heading of "Intangible assets", mainly as a result of the year-end exchange rate (€497.1 million) of the acquisition of the concession for the operation and maintenance of airports grouped under the heading called North-east of Brazil airports group.
- Increase due to the recognition in "Right-of-use assets" of assets amounting to €45 million deriving from the previously mentioned entry into force of IFRS 16.
- On the other hand, there has been a fall of €287.4 million in the "Property, plant and equipment" heading, explained by trends in capital expenditure in the Spanish network, as a result of which additions to non-current assets for the period were less than the depreciation and amortisation recognised.
- Likewise, the amount of the heading "Equity accounted investees" was reduced by €5.0 million, mainly as a result of the approval of the distribution of dividends in the amount of €20.4 million and the capital reduction of the associate AMP of €5.2 million. These factors have been partially offset by the amount of €17.2 million under the heading of "Profit or loss of equity measured companies" on the Income Statement as at 30 September 2019 and other minor factors that have increased the value of these investments.
- Lastly, the heading "Other financial assets" increased by €7.1 million due to the net constitution of deposits consigned by legal mandate to various public institutions of Autonomous Regions, corresponding to deposits in guarantee previously received from lessees of Aena's commercial spaces, in compliance with Law 29/1994, of 24 November, on Urban Leases.

For its part, Current assets have decreased by €311.3 million, mainly due to the reduction of the balance of "Cash and cash equivalents" by €460.5 million (the variation of which is explained in section 7. Statement of cash flows), partially offset by the increase in the balance of "Trade and other receivables" by €149.3 million due to the usual seasonality of the third quarter of the year.

The increase of €6.0 million from Equity reflects the positive result for the period in the amount of €1,118.0 million) and, to the contrary, the payment of dividends in the amount of €1,045.1 million, as well as the decrease of €63.1 million under the heading " Other reserves "(which includes the Reserve for cash flow hedges), mainly as a result of the adjustment to fair value on 30 September 2019, which gave rise to an increase of €82.7 million in the Liabilities of said financial instruments, as a consequence of the evolution of the interest rate curve.

The decrease in Non-current Liabilities of €356.3 million is essentially due to the reduction in long-term "Borrowings" of €362.0 million, explained by the short-term transfer of €449.0 million corresponding to repayment of the principal of Aena's debt to ENAIRE (as a co-borrowing entity with various financial institutions) in accordance with the established repayment schedule.

In the opposite sense, an entry was recorded in liabilities arising from the entry into force of IFRS 16 for an amount of €44.1 million, the reclassification to long term of approximately €21.5 million of the Luton subsidiary's bank debt, and net collections of new deposits in guarantee amounting to €22.9 million.

On the other hand, the increase of €81.0 million in the heading "Derivative financial instruments" stems, as indicated above, from the adjustment to fair value of derivatives, the balancing entries being Reserve for cash flow hedges (75%), and deferred taxes (the remaining 25%).

The increase of €295.7 million in Current liabilities mainly reflects the net effect of the following headings:

- Increase in the heading "Trade and other payables" by €53.1 million, mainly due to the annual accrual of Spanish property tax (IBI) and other local taxes which in application of IFRIC 21 are fully recognised at the beginning of the period for the amount of €146.9 million (of which €82.1 million remained payable at 30 September 2019), and an increase of €23.3 million in "Customer advances" due to the seasonality of the period. All of the above has been partly compensated by paying contractors and service providers the debt outstanding at the end of 2018, decreasing the balance by about €72.6 million during the period.

- An increase of €280.6 million in the balance of the heading "Current tax liabilities" due to the accrual of corporate Income Tax for the period, decreased by an early payment of €41.3 million, for the payment associated with the tax return for 2018 for €19.3 million, and for a payment of €6 million to the subsidiary of Luton.

- "Borrowings" was reduced by €44.5 million, mainly explained by the long-term reclassification of the aforementioned Luton debt, and the cancellation of credit facilities in that subsidiary, amounting to €27.2 million of euros.

Working capital, calculated as the difference between current assets and current liabilities, which is generally negative in the Company as a result of its operations and financing structure, stood at -€992.0 million at the end of the period (-€385.0 million at 31 December 2018), due to the changes in current assets and liabilities mentioned previously.

6.2 Changes in loans and borrowings

The Aena Group's consolidated net financial debt (calculated as Current plus Non-current "Borrowings", less "Cash and cash equivalents"), stood at €6,708.2 million at 30 September 2019 (including €445.2 million from the consolidation of Luton Airport's borrowings and €41.6 million of AIRM) compared with €6,654.1 million at 31 December 2018, reducing the associated ratio:

Thousands of euros	**9M 2019**	**2018**
Gross financial debt for accounting purposes	6,899,032	7,305,505
Cash and cash equivalents	190,883	651,381
Net financial debt for accounting purposes	**6,708,149**	**6,654,125**
Net financial debt for accounting purposes/EBITDA(1)	**2.4x**	**2.5x**

(1)Earnings before interest, tax, depreciation and amortisation.

Table 15. Net loans and borrowings of the Group

Aena's financial strength is reflected in the confirmation by Fitch Ratings of the "A" credit rating with a stable outlook on 9 May 2019 and by Moody's of the "A3" credit rating with a stable outlook on 26 July 2019.

Fitch Ratings also assigned a "F1" short-term rating for the first time.

During the period, debt of €449.0 million was amortised, in accordance with the payment schedule established in the contracts, and the average interest rate of Aena's debt was 1.24% (1.30% at 31 December 2018).

At 30 September, Aena had the full €800 million undrawn and available under a sustainable syndicated credit line (ESG-linked RCF), as well as €636 million corresponding to three loans of €150 million, €400 million and €86 million, respectively, which are available for the following periods: 31 December 2019, 1 December 2019 (undergoing an extension until 31 December 2021) and 16 April 2021, respectively.

The above-mentioned €86 million loan corresponds to the financing agreement between Aena and the European Investment Bank (EIB) signed on 16 April of this year, whereby the EIB granted the Company a long-term loan with a two-year grace period. This loan is intended to finance 75% of investments to improve energy efficiency and encourage renewable energy consumption at the airports and heliports in the Aena network in Spain, foreseen in DORA 2017-2021.

In relation to the capital contributed by the concessionaire of the North-east of Brazil airports group, Aena Desarrollo Internacional contracted a non-deliverable forward hedging instrument with early cancellation option (in the event that the transaction does not go ahead). The purpose was to hedge the risk of exposure to fluctuations in the Brazilian Real/euro exchange rate in the period between the day of the award, 15 March, and the dates on which the capital payments required by the concession were paid (July and September 2019).

From a financial point of view at 30 September, the hedge had achieved the objective of covering the effects of the appreciation of the Brazilian Real in the amount of €8.3 million and at the accounting level the hedge had an impact on financial expenses in the profit and loss account of €6.3 million.

6.3 Information on average payment terms

At 30 September, the payment ratios to suppliers of Aena S.M.E., S.A. and Aena Desarrollo Internacional, S.M.E., S.A. are as follows:

Days	9M 2019
Average term of payment to suppliers	45
Ratio of transactions paid	51
Ratio of transactions pending payment	17

Table 16. Average payment terms

These parameters have been calculated according to the provisions set forth in Article 5 of the Resolution of *29 January 2016 of the Accounting and Auditing Institute, regarding the information to be included in the notes to the financial statements with regard to the average period of payment to trade suppliers* based on the balance of suppliers who, by their nature, are suppliers of goods and services, so that it includes the data pertaining to the items of trade payables in the statement of financial position.

Thousands of euros	9M 2019
Total payments made	730,428
Total payments outstanding	133,638

Table 17. Balance concerning suppliers

Over the period as a whole, these average payment terms were in accordance with those established by Law 15/2010. Cases in which payment was made outside the legally stipulated period were due mainly to reasons not attributable to the Company: invoices not received on time, expired AEAT certificates, lack of certificates of proof of supplier bank accounts, among others.

7. Cash flow

Thousands of euros	9M 2019	9M 2018	Variation	% Change
Net cash from operating activities	1,913,872	1,772,725	141,147	8.0%
Net cash flows from investment activities	-873,277	-385,177	-488,100	-126.7%
Net cash flows generated/(used) from financing activities	-1,502,691	-1,578,564	75,873	4.8%
Cash and cash equivalents at the beginning of the period	651,380	854,977	-203,597	-23.8%
Effect of exchange rate fluctuations	1,599	149	1,450	-973.2%
Cash and cash equivalents at the end of the period	**190,883**	**664,110**	**-473,227**	**-71.3%**

Table 18. Summary of the consolidated statement of cash flows

During the first nine months of 2019, the Group's financing requirements have been met with the €1,913.9 million of cash flows generated by operating transactions and the vast liquidity existing at the beginning of the period, which helped fund €886.5 million of the non-financial investment programme (including €510.7 million paid by ANB) and the repayment of the debt according to the established schedule (€449.0 million), without resorting to external financing).

Net cash from operating activities

The main cash inflows from operating activities related to payments from customers, both airlines and commercial tenants, and the main operating outflows involved payments for sundry services received, employee benefits and local and state taxes.

Cash flow from operating activities before changes in working capital and other cash from operations (interest and tax on profits paid and received), increased in the period by 5.7% up to €2,146.3 million, from €2,031.5 million in the same period of 2018, mainly as a result of the improvement in the Group's operations as also reflected in EBITDA (earnings before interest, tax, depreciation and amortisation) of €2,136.7 million for the period, as against €2,032.2 million in the same period of 2018.

Once changes in working capital, interest and tax payments and other minor operating payments and receipts are taken into account, the net cash generated by operating activities amounted to €1,913.9 million, 8.0% more than in the same period of the previous year (€1,772.7 million).

Net cash used in investing activities

Net cash used in investing activities during this period amounted to €873.3 million (compared to €385.2 million in 2018), including €510.7 million corresponding to the disbursements associated with the concession of the group of airports in the northeast of Brazil made by ANB (payments related to the fixed canon of the offered concession and the contribution stipulated by the Government of Brazil).

The rest of the amount mainly includes payments relating to acquisitions and replacements of non-financial fixed assets related to airport infrastructure, amounting to €372.6 million (€399.2 million in 2018). These investments mainly focused on improvements to facilities and operational security of the airports in the network and the expansion project for London Luton Airport in the UK (see Section "5. Investments").

In addition, investing activities also included dividend collections from equity-accounted associates for €13.8 million (€11.7 million in 2018) and certain divestments in associates (see note 2.3 of the Financial Statements dated 30 June 2019).

Cash used in financing activities

The main financing outflows corresponded to the payment of dividends and repayment of principal of the mirror debt with Enaire as a co-accredited entity pursuant to the schedule of payments established under the agreement. The amount of the dividends paid amounted to €1,045.1 million, of which €1,039.5 million was paid to the shareholders of Aena and the remainder to the minority shareholders of Luton (€983.9 million in 2018, of which €975.0 million was paid to the shareholders of Aena and the rest to the minority shareholders of Luton).

For its part, repayment of the principal of the debt corresponding to the mirror debt with Enaire as a co-accredited institution was €449.0 million (€613.2 million in the same period of 2018). €27.2 million of the arranged credit policies have also been repaid (€3.4 million in the same period of 2018), and €53.2 million have been collected as guarantees ("Other income") (€25.4 million in the same period of 2018).

8. Main legal proceedings

As a result of the overflight of aircraft in the population centre known as Ciudad Santo Domingo (Algete, Madrid), some inhabitants of this area considered their fundamental rights to be infringed due to excessive levels of noise in their homes, and they filed a contentious-administrative appeal against Aena, ENAIRE and the Ministry of Development, demanding the cessation of the alleged infringement of their right, which for them would result in the suspension of use of runway 18R (one of the four at the Adolfo Suárez Madrid-Barajas airport). On 31 January 2006, the High Court of Justice (Supreme Court of Justice of Madrid) ruled that it dismissed the aforementioned administrative appeal, which was appealed by five of the original appellants, with the Supreme Court (TS) partially upholding the appeal by means of the Judgement dated 13 October 2008, for infringement of the right to domiciliary privacy. Subsequently, there were various pronouncements and incidents of enforcement which were appealed by all the parties involved in the proceedings.

Under a third motion for enforcement, the High Court of Justice of Madrid issued a ruling on 2 December 2014 notifying ENAIRE and Aena on 5 December 2014, whereby: (i) it declared that the judgement of the Supreme Court of 13 October 2008 had not been executed, since it concluded that the breach of fundamental rights due to the stress caused by the overflights remained; and (ii) ordered, as a means of execution of the same, a 30% reduction in the number of overflights of Ciudad Santo Domingo, calculated based on the number of overflights in 2004, which amounted to 20,730 approaches to runway 18R.

An appeal for reversal was filed against the Order of 2 December 2014 with the same division of the High Court of Justice of Madrid requesting suspension of its enforcement without having to begin the reduction in the number of flights over Ciudad Santo Domingo until they are down to 30% less than those existing in 2004.

Finally, the Supreme Court issued a judgement on 3 April 2017, revoking the Order of 18 December 2014, by which it was agreed to suspend the 30% reduction, although it does not state that the Ruling passed on 13 October 2008 has been enforced as there are insufficient elements to assess the actual compliance or non-compliance with the ruling. The Supreme Court ruling of 3 April 2017 has no material consequences for AENA since the current situation is maintained.

After delivering the aforementioned judgement, the Supreme Court of Madrid needed to continue with the execution and requested technical information regarding noise level verifications. The expected completion date of these checks and presentation of results to the Court was the end of November 2017, but after several requests for extensions of time by the Solicitor General, it ended on 22 February 2018.

By Order of 22 March 2018, the parties and the Prosecution Ministry were allowed a period to present pleadings about the documentation submitted by the Solicitor General. After receiving the pleadings, the High Court of Justice of Madrid issued an order dated 30 July 2018, which agreed: (i) to dismiss the argument of a resident's lack of legitimacy and (ii) to declare the Supreme Court ruling of 13 October 2008 executed.
Subsequently, several residents filed a motion for reconsideration of the judgement passed by the High Court of Justice on 30 July 2018, against which, on 14 September 2018, Aena filed a writ of appeal. By Order of 21 December 2018, the Supreme Court dismissed the appeal for reversal. On 1 February 2019, the residents announced an appeal in cassation against the Rulings handed down on 30 July and 21 December 2018.

On 26 February, Aena was notified by the High Court of Justice of Madrid that the cassation appeal is considered to have been prepared by the opposing party and Aena is summoned to appear before the Supreme Court. On 8 April, Aena filed a letter of appearance and opposition to the appeal with the Court.

By ruling dated 25 September 2019, the Supreme Court has rejected the cassation appeal against the order issued on 21 December 2018 by the Administrative Chamber of the Supreme Court of Madrid.

With regard to the contentious-administrative appeals filed by Aena against the resolutions of the CNMC of 23 April and 30 June 2015, issued in the process of approval of the Aena tariff modification for 2016 and relating to the separation criteria for airport costs and expenses arising from commercial activities and the calculation of the tariff deficit, both were dismissed by the Audiencia Nacional in their judgements of 3 June and 17 June 2019.

Said rulings do not have any impact on the Company's financial statements or have any effect on the criteria for setting the rates contained in the current Airport Regulation (DORA) document, which covers the years 2017 to 2021.

Having analysed the aforementioned Judgements, the Company has considered that these should not be appealed.

9. Stock market performance

During the first nine months of 2019, the share price fluctuated between a minimum of €137.00 and a maximum of €178.05, ending the period at €168.00, representing a revaluation of 23.8%, outperforming the IBEX35, which gained 8.3% in the same period.

Figure 8. Stock market performance

The main figures of performance of Aena's share price on the continuous market of the Madrid Stock Exchange are summarised as follows:

30/09/2019	AENA.MC
Total volume traded (no. shares)	51,893,169
Daily average volume traded in the period (No. of shares)	271,692
Capitalisation (€)	25,200,000,000
Closing price (€)	168.00
Number of shares	150,000,000
Free Float (%)	49%
Free Float (shares)	73,500,000

Table 19. Main data on Aena's share trading

As regards the acquisition and disposal of treasury shares, at 30 September 2019 Aena did not hold treasury shares, so there was no impact on the yield obtained by the shareholders or on the value of the shares.

10. Other events

Subsequent to 30 September 2019 and until the date of publication of this report, the following events considered significant have occurred:

- Passenger traffic growth estimate for the year 2020:
  Aena S.M.E., S.A. estimates that passenger traffic in the Spanish network is currently expected to grow 1.1% in 2020.

APPENDICES:

I. Consolidated interim financial statements
II. Summary of Relevant Events published

APPENDIX I: Consolidated interim financial statements

Consolidated interim statement of financial position at 30 September 2019 and 31 December 2018

Thousands of euros	30 September 2019	31 December 2018
ASSETS		
Non-current assets		
Property, plant and equipment	12,585,398	12,872,781
Intangible assets	992,108	506,996
Investment properties	142,138	138,183
Right-of-use assets	58,494	-
Equity-accounted investees	60,456	65,433
Other financial assets	79,905	72,854
Derivative financial instruments	-	1,144
Deferred tax assets	119,639	124,944
Other receivables	4,150	3,259
	14,042,288	**13,785,594**
Current assets		
Inventories	7,181	7,258
Trade and other receivables	604,099	454,838
Cash and cash equivalents	190,883	651,380
	802,163	**1,113,476**
Total assets	**14,844,451**	**14,899,070**
EQUITY AND LIABILITIES		
Equity		
Share capital	1,500,000	1,500,000
Share premium	1,100,868	1,100,868
Retained earnings/(losses)	3,610,475	3,534,635
Cumulative conversion differences	-21,633	-20,301
Other reserves	-143,473	-80,333
Non-controlling interests	-16,431	-11,064
	6,029,806	**6,023,805**
Liabilities		
Non-current liabilities		
Borrowings	6,211,113	6,573,078
Derivative financial instruments	137,498	56,543
Grants	467,135	495,594
Provisions for employee benefit obligations	52,640	46,622
Provision for other liabilities and expenses	76,631	84,700
Deferred tax liabilities	55,924	70,995
Other non-current liabilities	19,499	49,241
	7,020,440	**7,376,773**
Current liabilities		
Borrowings	687,923	732,428
Derivative financial instruments	34,478	32,740
Trade and other payables	666,289	613,049
Current tax liabilities	305,443	24,889
Grants	36,778	35,217
Provision for other liabilities and expenses	63,294	60,169
	1,794,205	**1,498,492**
Total liabilities	**8,814,645**	**8,875,265**
Total equity and liabilities	**14,844,451**	**14,899,070**

APPENDIX I: Consolidated interim financial statements

Consolidated interim statement of profit or loss for the nine-month periods ended 30 September 2019 and 30 September 2018

Thousands of euros	30 September 2019	30 September 2018
Ongoing activities		
Ordinary revenue	3,407,717	3,208,939
Other operating revenue	7,360	7,975
Work carried out by the Company for its assets	3,801	3,684
Subcontracted work and other supplies	-128,024	-129,522
Staff costs	-336,953	-312,709
Losses, impairment and change in trading provisions	-5,258	5,414
Other operating expenses	-836,482	-776,133
Depreciation and amortisation	-589,140	-602,356
Portion of grants for fixed assets and others taken to income	28,390	27,140
Surplus provisions	1,571	2,697
Impairment and net gain or loss on disposals of fixed assets	-6,393	-6,872
Other gains/(losses) – net	951	1,570
Operating profit	**1,547,540**	**1,429,827**
Finance income	4,077	2,223
Finance costs	-92,455	-104,170
Other financial income/(expense) - net	1,001	-79
Net financial income	**-87,377**	**-102,026**
Profit or loss of equity method measured companies	17,169	14,369
Profit before tax	**1,477,332**	**1,342,170**
Income tax expense	-359,289	-322,917
Consolidated profit (/loss) for the period	**1,118,043**	**1,019,253**
Profit/(loss) for the period attributable to non-controlling interest	**3,846**	**764**
Profit for the year attributable to the parent company's shareholders	**1,114,197**	**1,018,489**
Earnings per share (Euro per share)		
Basic earnings per share for the period	7.43	6.79
Diluted earnings per share for the period	7.43	6.79

APPENDIX I: Consolidated interim financial statements

Consolidated interim statement of cash flows for the 9-month periods ended 30 September 2019 and 30 September 2018

Thousands of euros	30 September 2019	30 September 2018
Profit before tax	**1,477,332**	**1,342,170**
Adjustments for:	**668,944**	**689,317**
Depreciation and amortisation	589,140	602,356
(Profit)/loss on disposal of fixed assets	6,393	6,872
Accrual of grants	-28,390	-27,140
Trade receivable impairment adjustments	5,258	-5,414
Changes in provisions	26,422	23,600
Finance income	-4,896	-2223
Finance costs	69,944	79,512
Exchange differences	-182	-670
Financial expenses settlement of financial derivatives	22,511	25,407
Other revenue and expense	-87	1,386
Share in profit/(loss) of entities accounted for using the equity method	-17,169	-14,369
Changes in working capital:	**-92,167**	**-118,244**
Inventories	83	27
Trade and other receivables	-177,027	-179,659
Other current assets	5,467	-554
Trade and other payables	121,571	93,011
Other current liabilities	-40,708	-30,562
Other non-current assets and liabilities	-1,553	-507
Other cash generated from operations	**-140,237**	**-140,518**
Interest paid	-75,447	-105,029
Interest received	955	1,077
Taxes collected (paid)	-66,754	-37,349
Other proceeds (payments)	1,009	783
Net cash from operating activities	**1,913,872**	**1,772,725**
Cash flow from investment activities		
Acquisition of property, plant and equipment	-346,722	-384,523
Acquisition of intangible assets	-532,228	-13,824
Acquisition of investment properties	-7,592	-869
Payments for acquisition of other financial assets	-8,361	-12,713
Proceeds from disposals of property, plant and equipment	85	34
Proceeds from divestments/loans to Group and associate companies	5,658	5,044
Proceeds from other financial assets	2,122	9,965
Dividends received	13,761	11,709
Net cash flows from investment activities	**-873,277**	**-385,177**

APPENDIX I: Consolidated interim financial statements

Consolidated interim statement of cash flows for the 9-month periods ended 30 September 2019 and 30 September 2018 (Continued)

Thousands of euros	30 September 2019	30 September 2018
Cash flow from financing activities		
Income from outside resources (Grants)	1,574	904
Shareholder contributions	-	3,393
Other revenue	53,194	25,419
Repayment of bank borrowings	-27,166	-3,393
Repayment of Group financing	-448,954	-613,202
Payments of lease liabilities (2018: payments of finance lease liabilities)	-5,351	-2,302
Dividends paid	-1,045,047	-983,898
Other payments	-30,941	-5,485
Net cash flows used in financing activities	**-1,502,691**	**-1,578,564**
Effect of exchange rate fluctuations	**1,599**	**149**
Net (decrease)/increase in cash and cash equivalents	-460,497	-190,867
Cash and cash equivalents at the beginning of the period	**651,380**	**854,977**
Cash and cash equivalents at the end of the period	**190,883**	**664,110**

APPENDIX II: Summary of Significant Events published 9M 2019

Register	Date	Type of event	Description
273536	04/01/2019	Composition of the Board of Directors	The Company communicates changes in the composition of the Board of Directors, Executive Committee and Appointments and Remuneration Committee
274244	29/01/2019	Composition of the Board of Directors	The Company communicates changes in the composition of the Board of Directors and the Appointments and Remuneration Committee
274582	07/02/2019	Others re corporate governance	The Company communicates the change of the chairman of the Audit Committee
274937	20/02/2019	Announcements of public presentations and meetings	Aena, S.M.E., S.A. announces the presentation of the Group´s results for FY2018
275161	26/02/2019	Annual corporate governance report	The company publishes its Annual Corporate Governance Report for 2018
275164	26/02/2019	Interim financial information	The Company publishes information on results for H2 2018
275165	26/02/2019	Information on results	Results Presentation and Consolidated Management Report FY 2018
275167	26/02/2019	Announcements and resolutions of general shareholders meetings	The Company announces the approval of the call of the General Shareholders'
275168	26/02/2019	Board of directors remuneration annual statement	The Company publishes the Annual Report on directors' remuneration for
275170	26/02/2019	Information on dividends	2018 financial year dividend proposal
275672	05/03/2019	Announcements and resolutions of general shareholders meetings	The Company communicates the call for the General Shareholder´s Meeting 2019
276121	15/03/2019	Start of form Transfers and acquisitions of company shares End of form	The company announces that it has been awarded the concession for the Northeast Group of airports in Brazil
276523	28/03/2019	Placing of large numbers of shares (block trades)	Merrill Lynch informs that it is carrying out on behalf of Talos Capital Designated Activity Company, an entity managed by TCI Fund Management Limited, a private placement among qualified investors of a package of AENA shares representing approximately 0.8% of its share capital.
276543	29/03/2019	Placing of large numbers of shares (block trades)	Merrill Lynch forwards details of the private placement among qualified investors of a package of AENA shares representing approximately 0.8% of its share capital.
276946	09/04/2019	Information on dividends	The Company communicates the dividend distribution approval by the General Shareholders´ Meeting
276947	09/04/2019	Announcements and resolutions of general shareholders meetings	The Company communicates the approval of Resolutions by the General Shareholders´ Meeting
276948	09/04/2019	Composition of the Board of Directors	The Company communicates changes in the composition of the Board of Directors and Board of Directors´ Committees
277143	15/04/2019	Announcements of public presentations and meetings	Aena, S.M.E., S.A. announces the presentation of the Group´s results for Q1 2019
277144	15/04/2019	Announcements of public presentations and meetings	Aena, S.M.E., S.A. announces the presentation of the Group´s results for Q1 2019
277145	15/04/2019	Announcements of public presentations and meetings	Aena, S.M.E., S.A. announces the presentation of the Group´s results for Q1 2019
277415	25/04/2019	Strategic plans, profit forecasts and presentations	The Company communicates the revision of passenger traffic growth estimate for the year 2019.
277681	30/04/2019	Interim financial information	The Company communicates Q1 2019 results
277989	09/05/2019	Credit ratings	Fitch affirms long-term IDR "A" Stable and rates Aena short-term IDR "F1"

APPENDIX II: Summary of Significant Events published 9M 2019 (Continued)

Register	Date	Type of event	Description
280407	22/07/2019	Announcements of public presentations and meetings	Aena, S.M.E., S.A. announces a conference call to present the Group´s results for H1 2019
280653	26/07/2019	Credit ratings	Moody’s affirms long-term IDR “A3” with Stable Outlook
280889	30/07/2019	Interim financial information	The Company communicates H1 2019 results
280892	30/07/2019	Information on results	2019 First Half Results presentation
280914	30/07/2019	Settlement of court or administrative proceedings	The company has decided not to appeal de National High Court Judgments
281986	24/09/2019	Other remarks on business and financial situation	Aena communicates that the Board of Directors has agreed at its meeting held today, to extend the Duty Free and Duty Paid contracts currently operated by World Duty Free Group S.A. (DUFRY) and its subsidiaries