

ENAIRe 

2016

ANNUAL REPORT



1 

LETTER FROM THE
CHAIRMAN

2 

OUR CORPORATE
GOVERNANCE

3 

ABOUT ENAIRE

APresentation

ENAIRe in figures

Geographic presence

History

Key elements of our service

Air navigation charges

4 

DEVELOPMENT OF OUR
BUSINESS

Traffic

Safety and Security

Operational/Technical developments

AIS [Aeronautical Information Service]

International

Main Milestones in 2016

5 

OUR PEOPLE

6 

ENAIRe AND THE
ENVIRONMENT

7 

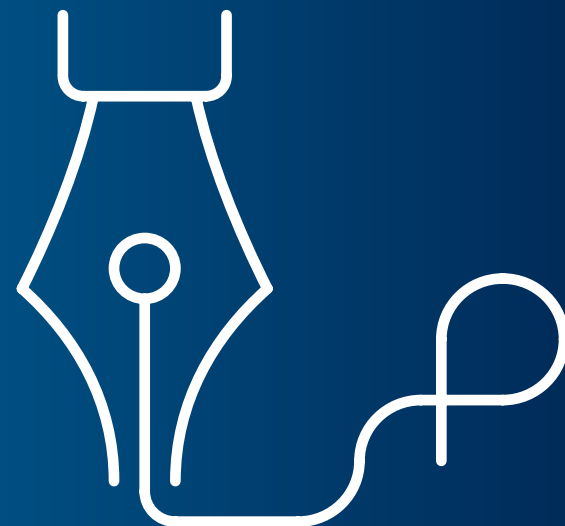
ENAIRe WITH SOCIETY

8 

FINANCIAL INFORMATION

1

LETTER FROM
THE CHAIRMAN





“ENAIRe keeps bolstering its presence in international strategic projects, forums and organisations for the Single European Sky development.”

Julio Gómez-Pomar



We manage one of the biggest airspaces in Europe. Besides, we are the main air navigation service provider in Spain and the fourth one in Europe in terms of movements. This being so, 2016 has been a great year for ENAIRe in five main aspects I wish to highlight: activity, safety, economic results, efficiency of operations and corporate social responsibility.

The Public Business Entity's activity has continued to grow during this period: more than 1.8 million commercial flights and a 7.9% increase attest the good pace of the operations in this public body. This has achieved good economic results that allow us to be very competitive with regard to our charges. As an example, ENAIRe has been the second air navigation service provider with the most economic en-route charges among the five main providers. Furthermore, as stated in ENAIRe

Strategic Plan named Plan de Vuelo 2020 [2020 Flight Plan], as of 2019, ENAIRe will be the first provider due to a 11.5% decrease in said charges between 2018 and 2020.

ENAIRe Flight Plan will be the roadmap of the Spanish air navigation system for the four-year period 2017-2020 and will mark the future of our company as an even safer, more competitive, more punctual and more committed with sustainable growth air navigation service provider.

During this period, ENAIRe has continued to make progress in two crucial aspects: safety and efficiency of operations. Operational Safety is the top priority in the service delivery carried out by ENAIRe, which includes an advanced Safety Management System implemented under the supervision of AESA.

Regarding the progress made in the management of operations, ENAIRE has continued to improve navigation in terminal areas using new approach procedures, carrying out a more flexible use of airspace and implementing efficiency improvements according to the European regulation.

This 2016 Annual Report is the first one in which ENAIRE publishes its Corporate Social Responsibility Report in an integrated way giving an explanation to the society it serves from an economic, social and environmental point of view. From all this I would like to take as an example that, from 2010 to 2016, ENAIRE achieved a reduction into the atmosphere of 2,670 tons of CO₂, which equals planting 133,500 trees.

Finally, ENAIRE keeps bolstering its presence in international strategic projects, forums and organisations for the Single European Sky

development, fostering partnerships with other providers and maintaining Spanish air navigation at the international forefront in terms of Research, Development and Innovation.

These are our present and future references designed and put into practice by people. Many thanks once again to all professionals working in ENAIRE for making possible for everyone to fly increasingly better and with greater safety.

Julio Gómez-Pomar
ENAIRE Chairman
and Secretary of State for Infrastructure, Transport and Housing

2

OUR CORPORATE GOVERNANCE



The Public Business Entity Aeropuertos Españoles y Navegación Aérea (Aena) [Spanish Airports and Air Navigation] changed its name to ENAIRE on 04 July 2014 (Article 18 of Royal Decree-Law 8/2014). This Article was subsequently approved by Law 18/2014 of 15 October approving urgent measures for growth, competitiveness and efficiency. Fundación Aena remained integrated in ENAIRE, which was renamed Fundación ENAIRE, since the publication of said Royal Decree-Law.

ENAIRE is the majority shareholder of Aena, S.A. (51%) and holds a share in Ineco (45.85%), CRIDA (66.66%), EMGRISA (0.08%), GNSS, S.L. (19.3%) and GROUP EAD (36%). Furthermore, ENAIRE holds the patronage of Fundación ENAIRE.

ENAIRE holds:

51%

of the equity of Aena, S.A.



Board of Directors

On 31/12/2016

Chairman

Mr Julio Gómez-Pomar Rodríguez
Secretary of State for Infrastructure,
Transport and Housing
MINISTRY OF DEVELOPMENT

Speakers

Mr Raúl Medina Caballero
Managing Director of Civil Aviation
MINISTRY OF DEVELOPMENT

Ms Cristina Carcelén Hurtado
Associate Director Secretary of State Office Budget
and Costs
MINISTRY OF TAXATION AND PUBLIC
ADMINISTRATION

Mr Mario Díaz Millán
Technical General Vice Secretary
MINISTRY OF DEVELOPMENT

Ms Pilar Garrido Sánchez
Director of Office of Secretary of State for
Infrastructure, Transport and Housing
MINISTRY OF DEVELOPMENT

Board of Directors

On 31/12/2016

Mr Miguel Ángel Jiménez Martín
Sub delegate of the Government for Highway Toll
Roads Concessions Companies
MINISTRY OF DEVELOPMENT

Ms Alicia Segovia Marco
Technical General Secretary
MINISTRY OF DEVELOPMENT

Mr Juan Antonio López Aragón
Parliamentary Adviser of the Minister of Development
MINISTRY OF DEVELOPMENT

Mr Miguel Ángel López González
Chairman of the State Meteorological Agency
MINISTRY OF AGRICULTURE, FOOD AND ENVIRONMENT

Mr Pedro Guerrero Meseguer
Sub director General of Sectoral Analysis
MINISTRY OF ECONOMY AND COMPETITIVENESS

Mr Eduardo Zamarripa Martínez
Director General of Infrastructure
MINISTRY OF DEFENCE

Ms Margarita Gómez de Bonilla
Deputy director General of HR at the MINISTRY
OF DEVELOPMENT

Secretary

Mr Luis Banciella Rodríguez-Miñón
ENAIRe Secretary General

Also belonging to the Board: Mr Luis Izquierdo
Labella who resigned on 22 July 2016, Mr
José Antonio Ruiz López who resigned on 12
September 2016 and Mr Juan Antonio López
Aragón who was a member of the Board of
Directors until 14 June 2016, being reappointed
on 12 September 2016.

Management Committee

ENAIRe Management Committee

Chairman

- ENAIRe CEO

Secretary

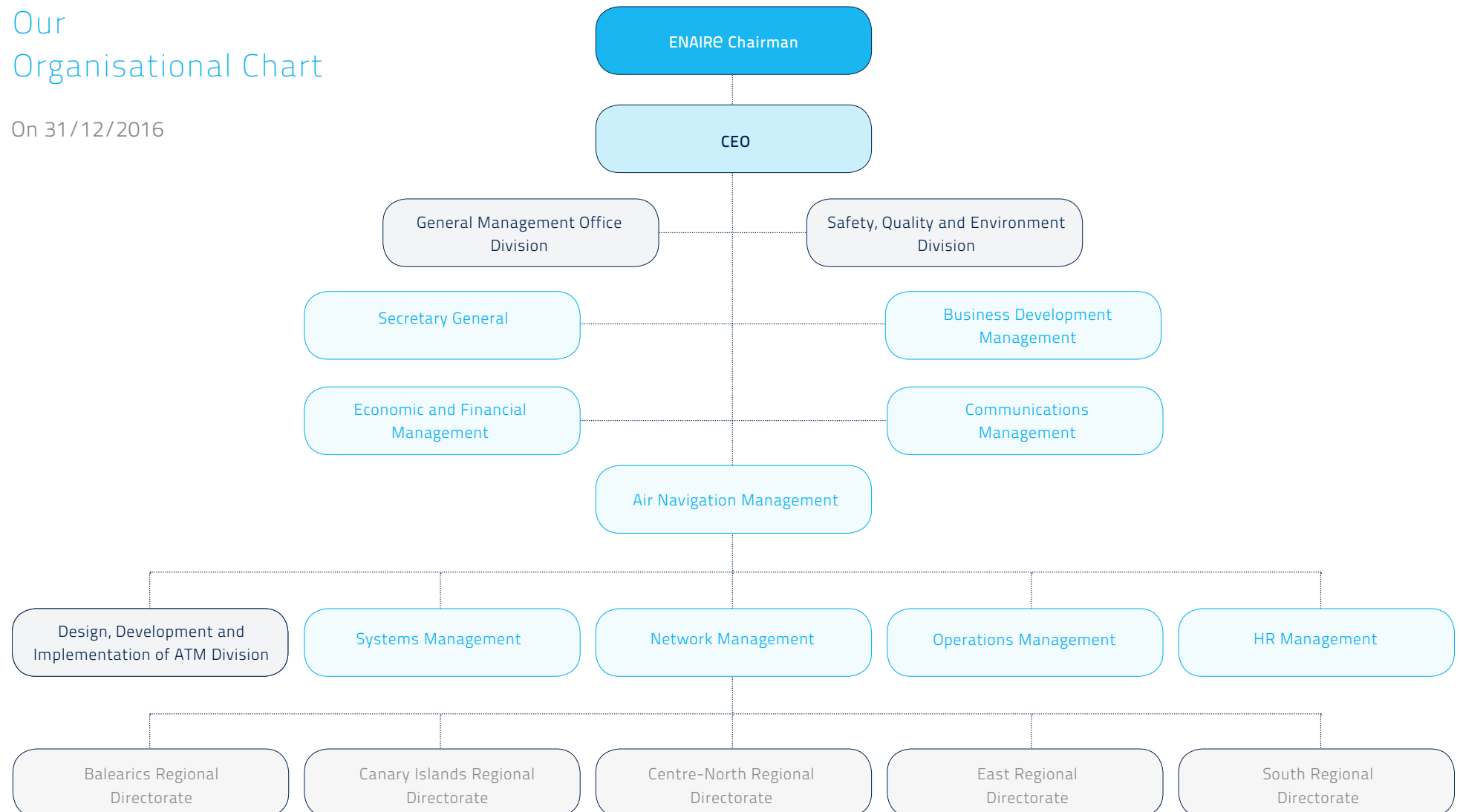
- Head of the General Management Cabinet Division

Members

- CEO
- Secretary General
- Economic and Financial Director
- Business Development Director
- Air Navigation Director
- Systems Director
- Operations Director
- HR Management Director
- Network Director
- Communications Director
- Head of the General Management Cabinet Division
- Head of Safety, Quality and Environment Division

Our Organisational Chart

On 31/12/2016

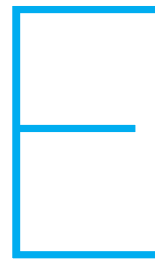


3

ABOUT ENAIRE



Presentation



ENAIRE is the **main air navigation service provider** in Spain and the fourth one in Europe in terms of movements and it participates actively in all the European Union projects in connection with the implementation of the Single European Sky. Due to our geographic location, we **manage air traffic flying to and from four continents** (Europe, America, Asia, and Africa), besides being the main gateway for South American flights.

We are certified by the Spanish Aviation Safety and Security Agency as an air navigation service provider organisation as well as a training provider organisation for air traffic controllers.

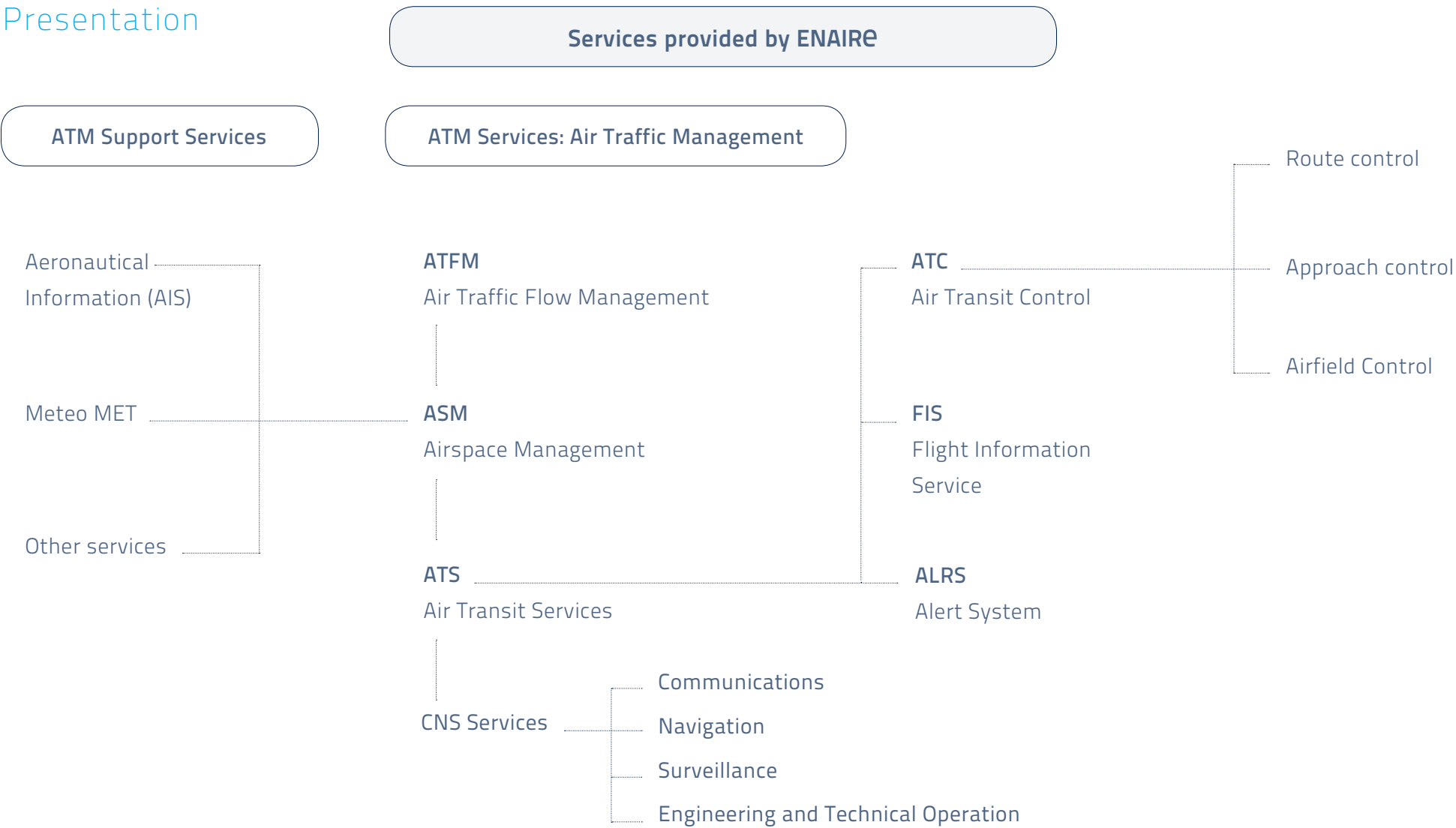
ENAIRE aims to provide air navigation services in order to satisfy both the necessities of its clients and the society as a whole with safety, quality, efficiency and a deep respect for the environment,

contributing to the development of the air transport in Spain.

Our **vision** is to lead the safe, efficient, quality and sustainable delivery of air navigation services in a competitive global environment, to be valued by our customers and society, and depend on people as the main engine driving the company.

The air navigation services under the responsibility of ENAIRE include the management of the **Spanish airspace**, an area of **2,190,000 square kilometres**. Said airspace, **in accordance with the International Civil Aviation Organisation (ICAO) is divided into three Flight Information Regions (FIR)**: Madrid, Barcelona and the Canary Islands.

Presentation



Presentation

Services provided by ENAIRe

As the main air transit service provider in airfields in Spain, we manage 22 control towers, including the 5 towers with the highest level of traffic in Spain. We offer approach services in an exclusive way to all Spanish civil airports and **en-route services to the whole airspace**.

At the same time, we are the **communication, navigation and surveillance service provider in the entire airspace**, in those airports within the Aena S.A. network and for Lleida-Alguaire airport, as well as the aeronautical information exclusive service provider in Spain.

In the international arena, ENAIRe is an **active member of different work groups and associations**. Its major focus is on the achievement of an interoperable, innovative, efficient and standardised international environment in all aspects related to air navigation.

Among other memberships, it is worth highlighting the following ones:

- We are a founding member of A6 Alliance (an alliance formed by the main European air navigation service providers) and we actively participate in the strengthening of initiatives related to the implementation of the Single European Sky.
- We are a leading member of **CANSO** (a global organisation which includes the main air navigation service providers) and we actively participate in technical, operative and advisory groups of EUROCONTROL Governance (European Organisation for the Safety of Air Navigation).
- We are a member of **SESAR Joint Undertaking** (a company engaged in the technological development of the Air Traffic Management, ATM, for the Single European Sky). We actively participate in various projects in which the technology and procedures needed for the achievement of the Single European Sky are being designed, developed and validated.

Presentation

Services provided by ENAIRE

- We are a founding member of **iTEC Consortium** (Interoperability Through European Collaboration) along with DFS (German provider) and NATS (British provider). iTEC Consortium develops the new generation of the interoperable and common controller work position, as well as the future Common Flight Treatment Plan.
- We participate in European consortia for the provisioning of international services: Aeronautical Data Information (**Group EAD**, European AIS Database), Satellite Navigation (**ESSP SAS**, European Satellite Services Provider) and Pan-European Data Communication Services (new pan-European communication network, European ATM Information Management and data link services).
- We participate, along with the air navigation service providers in Morocco, Algeria, Portugal and France, in a group named **AEFMP** (the initials

of the countries involved) which ENAIRE will head in 2017. It promotes the harmonization and enhances the interoperability in the area, enabling the enlargement of the Single European Sky to North Africa.

As a **major milestone**, we will like to highlight the participation of ENAIRE in **SW FAB South West Functional Airspace Block**, formed by Spain and Portugal. In it, a reinforced cooperation regardless of national borders is being carried out, improving the European air transit network and the routes and contributing to the Single European Sky implementation.

ENAIRE will preside over the SW-FAB Operational Board of the Functional Block during the year 2017.

ENAIRE in figures



Over the past 5 years, ENAIRE has managed to achieve a 76% average delay per flight reduction



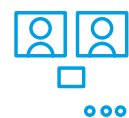
Indicators	2014	2015	2016
Total flights managed (thousands of flights)	1,830	1,894	2,038
IFR* flights managed (thousands of flights)	1,681	1,730	1,868
Average delay per en-route flight	0.30	0.33	0.37
EBITDA (in million euros)	194	274	277



* IFR flights are those flights which operate under the Instrument Flight Rules. They mainly include commercial flights



ENAIRe in figures



Social aspects

	2014	2015	2016
Number of employees**	3,701	3,731	3,693
Staff I Group Agreement	1,663	1,717	1,725
Staff II Control Agreement	2,038	2,014	1,968
Percentage of women within the total workforce	32.69%	33.20%	33.39%
Training hours per employee (Staff I Agreement)	35.95	60.77	39.61
Training hours per employee (Control Staff)	N/A	32.54	32.56
Rotation rate	0.07%	0.13%	0.20%
Incomes from Fundación ENAIRe provided by ENAIRe (€)	1,496,500	1,498,000	1,498,000



** The total number of employees does not include those workers from the Control Agreement with a LER (Special Paid Leave, early retirement) and a RA (Active Reserve, intermediate step between their withdrawal of functions and their retirement) which Control Staff have the right to. Partial retirees are also not included.

ENAIRE in figures



Environmental aspects	2014	2015	2016
Paper consumption (kg)	21,057	24,529	21,191
Vehicles fuel consumption (litres)	139,564	139,740	130,230
Electricity consumption (Kwh)	41,605,545	42,418,277	49,312,707
Water consumption (m ³)	65,506	66,428	80,506
Direct emissions of GHG (tons of CO ₂ equivalent)	630	746	515
Environmental investment (in thousands of euros)	31	55	36




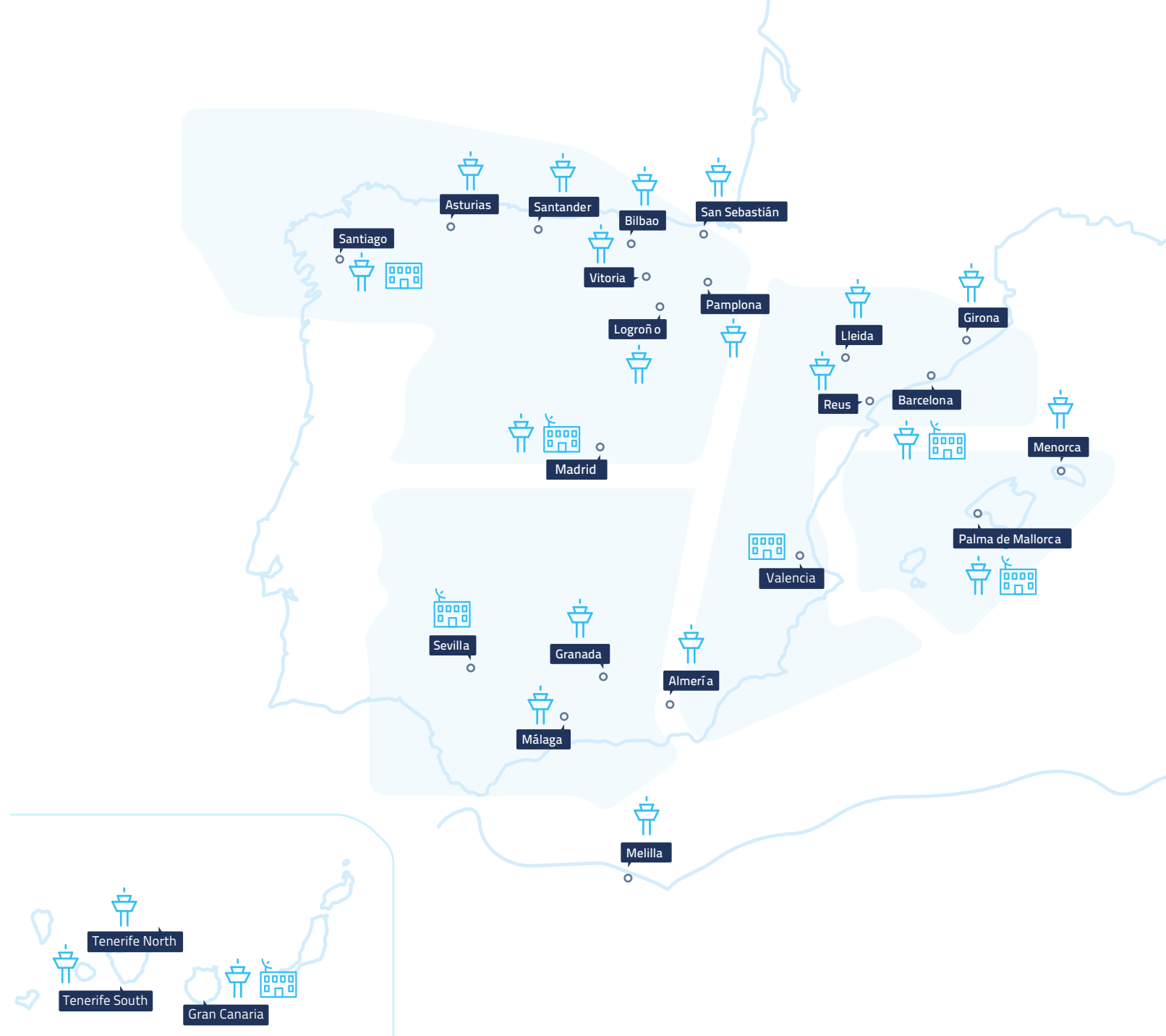
Geographic presence

Control Centres and Towers managed by ENAIRE

 Aerodrome Control Tower (TWR)

 Area Control Center (ACC)

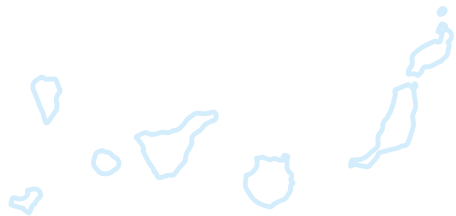
 Terminal Area Control Centre (TACC)



Geographic presence

ENAIRE Regional Directorates

Air navigation services are provided through five different ENAIRE Regional Directorates: Centre-North, East, South, Canary Islands and Balearic Islands. Their headquarters are respectively located at the Madrid, Barcelona, Seville, Gran Canaria and Palma de Mallorca Control Centres (ACC).



Centre-North Regional Directorate

Extension: 435,000 square kilometres

Manages 1,027,379 flights

Facilities: 71 radio navigation aids, 19 surveillance systems, 76 communication centres

Premises: 1 Control Centre in Madrid and 9 Control Towers (Madrid, Bilbao, Santiago, Santander, Asturias, San Sebastián, Vitoria, Pamplona, and Logroño)

South Regional Directorate

Extension: 179,000 square kilometres

Manages 356,757 flights

Facilities: 34 radio navigation aids, 7 surveillance systems, 45 communication centres

Premises: 1 Control Centre in Seville and 4 Control Towers (Málaga, Granada, Almería, and Melilla)

Canary Islands Regional Directorate

Extension: 1,370,000 square kilometres

Manages 309,011 flights

Facilities: 28 radio navigation aids, 10 surveillance systems, 35 communication centres

Premises: 1 Control Centre in Gran Canaria and 3 Control Towers (Gran Canaria, Tenerife South, and Tenerife North)

East Regional Directorate

Extension: 266,000 square kilometres

Manages 866,337 flights

Facilities: 32 radio navigation aids, 10 surveillance systems, 36 communication centres

Premises: 1 Control Centre in Barcelona, 1 Terminal Area Control Center in Valencia and 4 Control Towers (Barcelona, Girona, Reus, and Lleida)

Balearic Islands Regional Directorate

Extension: 51,400 square kilometres

Manages 295,172 flights

Facilities: 19 radio navigation aids, 6 surveillance systems, 13 communication centres

Premises: 1 Control Centre in Palma de Mallorca and 2 Control Towers (Palma de Mallorca and Menorca)

Relevant Milestones

1991

Founding of the public entity named Aeropuertos Españoles y Navegación Aérea (Aena) [Spanish Airports and Air Navigation] (Law 4/1990 of 29 June on the General State Budget). Approval of its Statute in Royal Decree 905/1991 of 14 June.

2004

The first implementation phase of the Single European Sky initiative, known as SES I, was launched in April 2004 as a result of the entry into force of the four community regulations which form the normative pillars of said international European project.

2009

The SES II regulatory package entered into force in December 2009. It expanded the objectives of the Single Sky initiative, specified some of the provisions included in SES I and highlighted environmental and cost efficiency issues.

2010

Due to Law 9/2010, which came into effect that year, a liberalisation of aerodrome control service was made and Aena, currently ENAIRE, was designated as the exclusive en-route and approach control service provider.

2011

Effective separation between Aena Aeropuertos S.A. and Aena Entidad Pública Empresarial [Public Business Entity]. Agreement for the provision of services signed between Aena Aeropuertos S.A. and Aena.

Relevant Milestones

2012

The Framework Agreement for the establishment of FAB is signed between ENAIRE and NAV Portugal for the development of SW FAB Functional Block.

2014

Aena was renamed ENAIRE in the partial privatisation context of Aena, S.A. by virtue of Royal Decree-Law 8/2014 of 4 July and, afterwards, under Law 18/2014 of 15 October.

2015

Inflow of private capital in 49% of Aena, S.A. ENAIRE keeps 51% of the shares of Aena, S.A.

2016

New Agreement between ENAIRE and Aena S.A. on the provision of air navigation services signed on 23 December 2016 for a five-year period.

Key elements of our service

As explained in our presentation, the key elements of our service include, among others, Air Transit (ATS), communication, navigation, surveillance, engineering and technical operation services (CNS), as well as aeronautical information services in order to support air traffic management using the SACTA System (Automated System of Air Traffic Control) as the main tool for controlling air traffic. These key elements of our business model are explained here below.

ATS Description

As we mentioned hereinabove, ENAIRE is the main aerodrome air transit service provider in Spain. We operate in 22 Control Towers, including the 5 towers with the highest level of traffic in Europe, and had been designated as the exclusive en-route and approach service provider in Spain using:



127

approach and control tower
operational positions



139

en-route control operational positions

Key elements of our service

CNS engineering and technical operation description

Moreover, ENAIRE is the communication, navigation and surveillance service provider in the whole airspace and we perform the maintenance and technical operation in the airports included in Aena S.A. network and Lleida-Alguaire. The facilities used for providing said services are the following ones:



244

radio navigation aids supporting the en-route guidance, TMA and the approach to airports

54

surveillance systems for routes, TMA and surface

130

communication centres

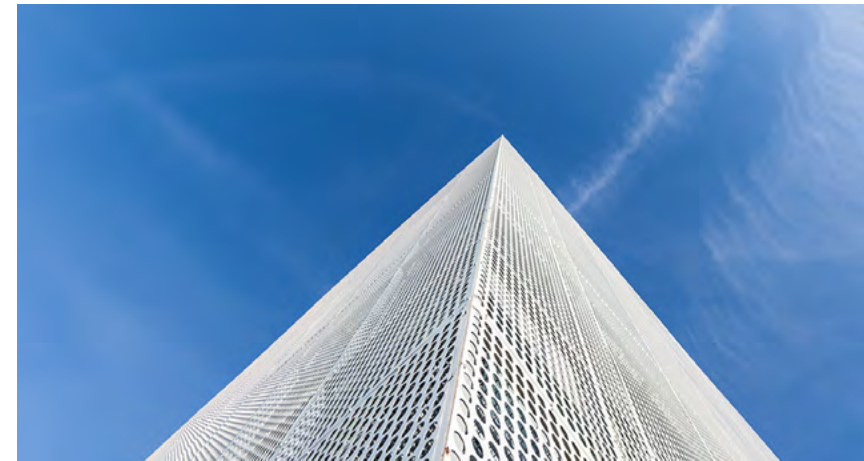
100

REDAN nodes for voice and data communication for air navigation applications

Key elements of our service

AIS Description

ENAIRE is the exclusive Aeronautical Information Service (AIS) provider in Spain. We, in behalf of the State Civil Aviation Authorities, are accountable for receiving, creating, publishing and distributing the aeronautical information and data required in order to ensure the operational safety, regularity and efficiency of air navigation in Spain. Our publications are distributed worldwide.



Key elements of our service

SACTA

Technological development and automation of the air navigation system have led to the development and implementation of several excellent air traffic control systems. The more representative one for providing our services is the Automated System of Air Traffic Control (SACTA).

Used in all ENAIRE and Aena premises, the aim of this system is to integrate all the systems included in the Spanish control towers and en-route and approach control centres to ensure the consistency of data, a coordinated operation and the features required in order to guarantee an efficient air transit control service delivery in terms of capacity, safety and traffic fluidity. In the international arena, SACTA enables the automatic communication among Spanish control centres and their international counterparts. For that

purpose, it uses international standards for the exchange of data, reduces manual actions to a minimum, automatically identifies potential conflicts and provides greater flexibility for the operational airspace reconfiguration with a view to minimise the effects of so-called "traffic peaks".



Navigation charges

ENAIRe's main income source are the **air navigation charges** (en-route and approach). These charges compensate the services provided to airline companies.

En-route charge

En-route charge: This is the payment for the costs incurred by the en-route air navigation facilities and services. Spain is a member of the EUROCONTROL route charge system. For that reason, the billing and collection of the same are entrusted to this Organisation. Its calculation includes the distance flown by an aircraft passing through the Spanish airspace and its weight. These concepts are included in what we call "service units". They are the basis for billing the services provided.



Incomes obtained for en-route support services

€750M

80% of ENAIRe's total incomes



Incomes obtained for approach support services

€21M

2% of ENAIRe's total incomes

Navigation charges

The formula for the charge levied is:

$$r_1 = t \times N$$

The quantity invoiced for the use of en-route air navigation services is the result of multiplying the service units by the unit rate of charge.

Airlines are our main clients inasmuch as the billing of en-route charges provides 80% of ENAIRE's total incomes.

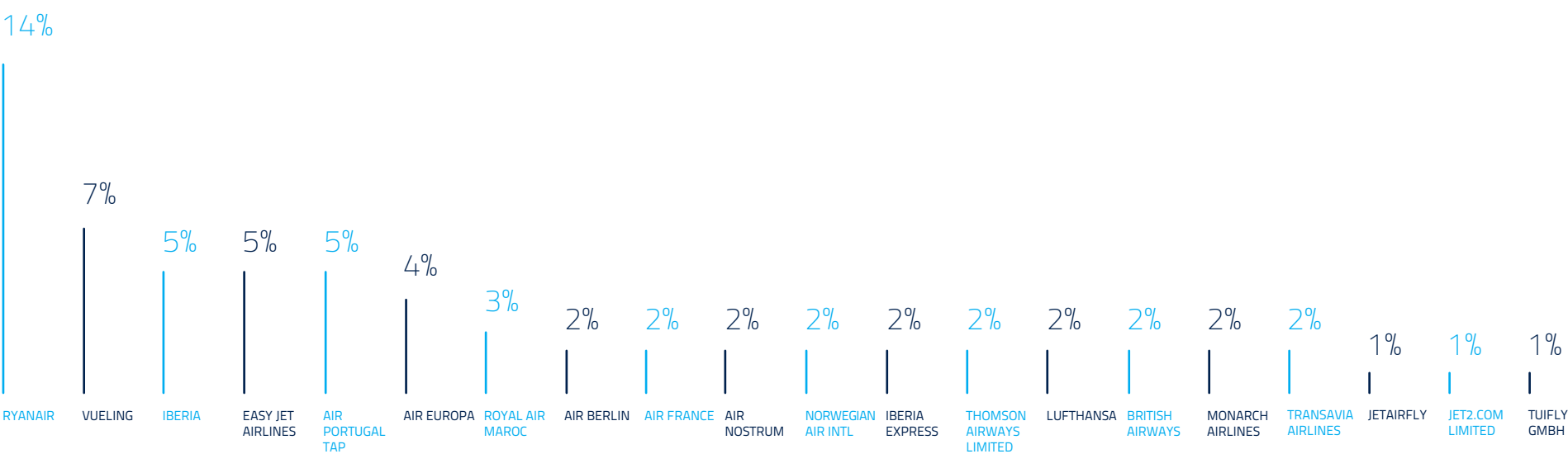
r_1 is the total charge.

t is the Spanish unit rate of charge (in euros) and, as stated in a table included hereinafter, will be different if the route runs through the Iberian Peninsula and the Balearic Islands ("Peninsula") or through the Canary Islands ("Canary Islands").

N is the number of service units corresponding to each flight. It is the result of multiplying the distance factor by the weight factor of each aircraft ($N = d^1 \times p$, where d^1 is the distance factor (great circle distance / 100), and p is the weight factor ($(\text{MTOW} / 50)^{0.5}$).

Navigation charges

Airline billing in 2016



*Rest of companies: 32%

Navigation charges

Approach charge

The approach charge remunerates the air navigation services provided to ensure the safety and orderly flow of movements at this phase of flight. For all the flights that take place as of 1 January 2004, the billing and collection of the approach charge have been entrusted to EUROCONTROL.

The approach charge is applicable to all airports and air bases open to civil traffic where ENAIRe provides approach air navigation services. Approach and take-off operations are considered as a single service with regard to this charge.

The formula for the charge levied is:

$$R = t \times (P / 50)^n$$

Where:

R = Total charge to be paid per operation

t = Unit rate

P = Authorized maximum take-off weight of the aircraft (MTOW)

$(P / 50)^n$ = Service units

n = Weighting coefficient: 0.7

Navigation
charges

Approach charge

Charges (in euros) **2016** **%16-15** **Service units* 2016** **%16-15**

En-route

Peninsula 71.78 0% 9,761,348 8.5%

Canary Islands 58.45 0% 1,484,755 5.9%

Total en-route **11,246,103** **8.15%**

Approach

I Category 18.72 0%

II Category 16.84 0%

III Category 14.04 0%

Total aproximación **1,132,144** **9.5%**



* Unidades de servicio totales sin VFR.

Navigation charges

The **en-route charge has been frozen since 2012**. Furthermore, ENAIRE is the second service provider among the five main European air navigation service providers with the lowest fare in 2016.

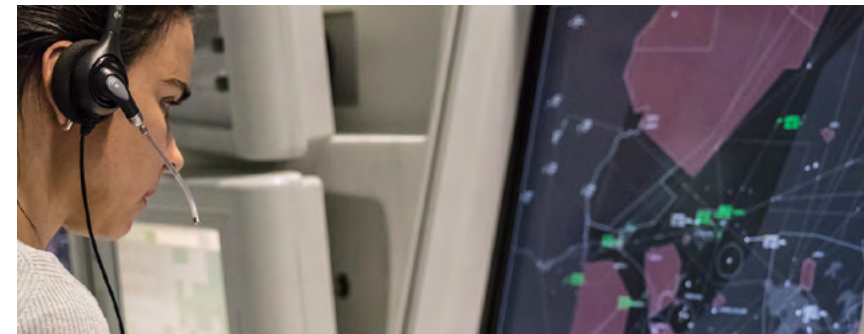
This charge will remain frozen in 2017 and a progressive reduction is expected in 2018-2020 time-period.

The number of **approach service** units for the five Spanish busiest airports (Adolfo Suárez Madrid-Barajas; Barcelona-El Prat; Málaga-Costa del Sol; Palma de Mallorca and Gran Canaria) is 741,140. This means an 8.9% increase with respect to the previous year and a growth of almost 9.5% in all airports. The **performance scheme defined** in the community regulations related to the Single European Sky initiative (SES), EU regulations No 390/2013 and No 391/2013, **establishes that service providers and users must share the risks** associated with the diversions between real traffic and the traffic set forth in the Performance

Plan (South West, FAB Performance Plan, SOWEPP 2015-2019) expressed in service units.

According to the requirements established, the **Performance Plan** includes cost-efficiency targets and an expected traffic scenario with service units.

The sharing of risks scheme considers that the traffic diversions, 30% assumed by providers and 70% by users, can lead to an adjustment in the charge calculation for future years.



4

DEVELOPMENT OF OUR BUSINESS



Traffic

The close relationship that exists in the case of Spain between air traffic trends and the European and Spanish economic cycle has conditioned the progress of national and international traffic. **International traffic and overflights have performed better during the economic crisis period.**

As of November 2013, after two years of continual drops, traffic began to recover to close 2016 with a **rise of 7.9%** in comparison with the previous year and 1,867,734 flights.

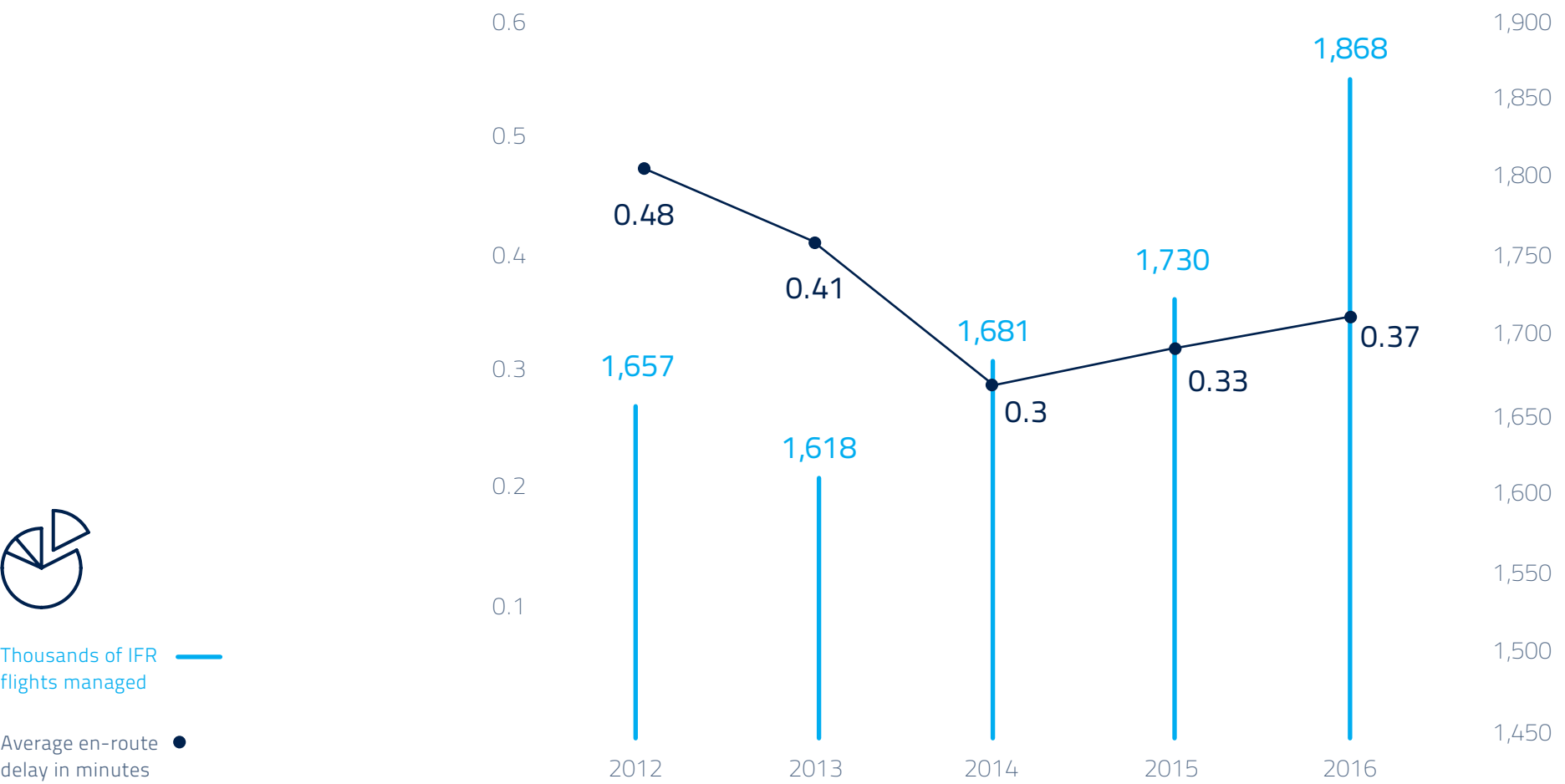
Spain continues to be the **country with the fourth largest European traffic figure** thanks to the increase in movement, higher than 2.8% according to data from Eurocontrol Network Operations Report.

In relation to the origin of traffic with Spanish airports as their destination or flights that go through our

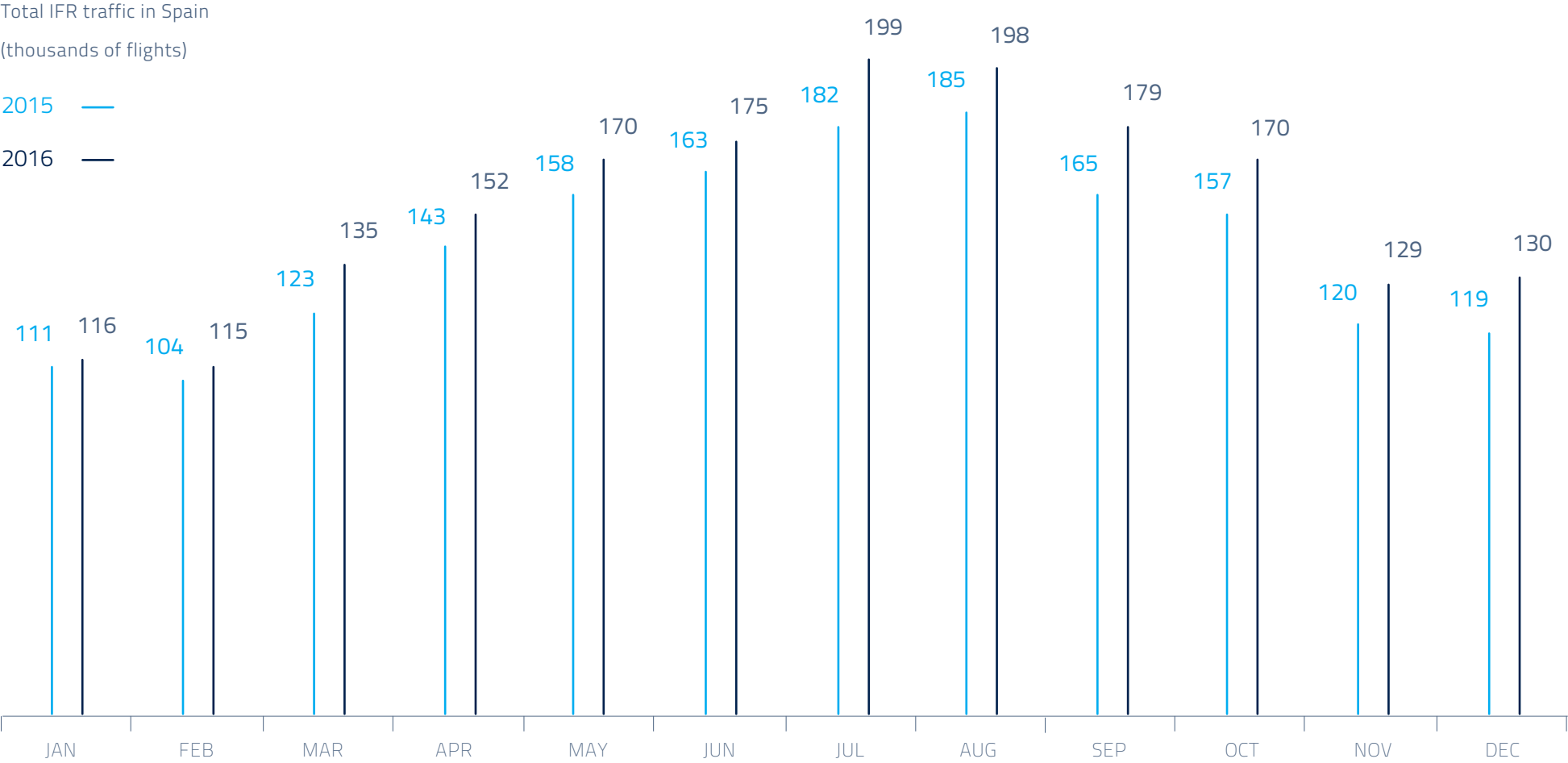
airspace, we should highlight the traffic during 2016 from United Kingdom and Germany mainly to Catalonia and the Balearic Islands, with the United Kingdom-East traffic being the largest international traffic in terms of volume.



Traffic



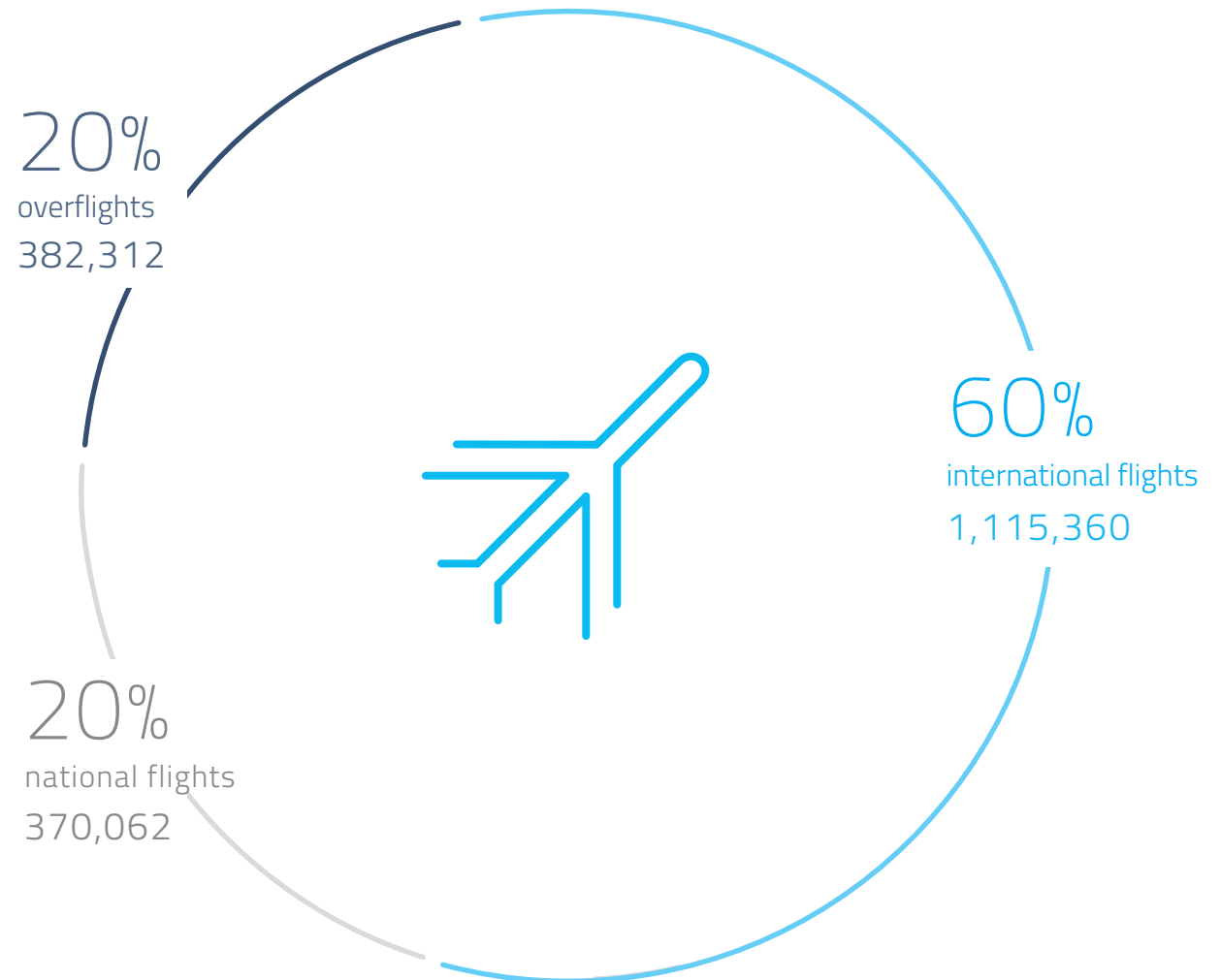
Traffic



Traffic

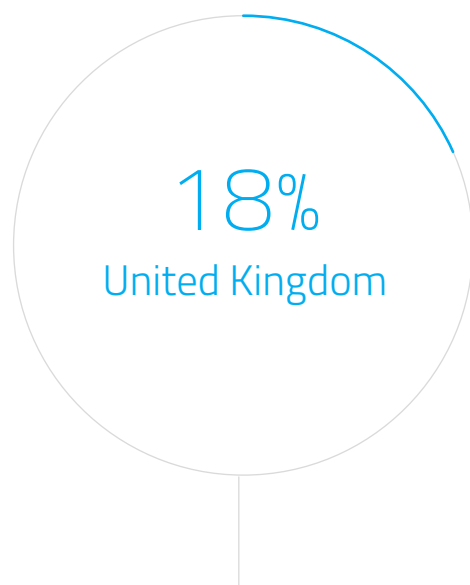


Traffic percentages divided into
overflights, international and national
flights in 2016



Traffic

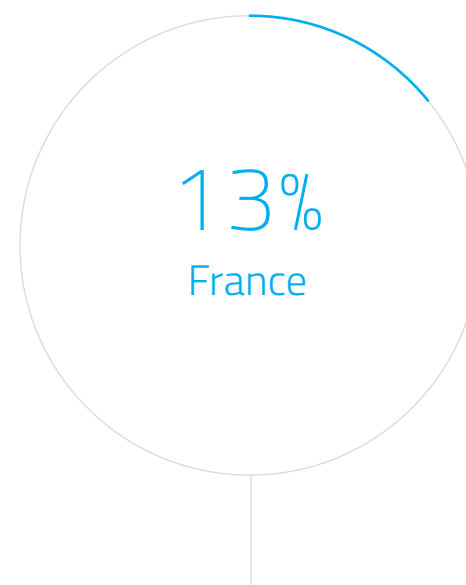
Main countries originating traffic in 2016



79% to/from Spanish airports
21% overflights



82% to/from Spanish airports
18% overflights



46% to/from Spanish airports
54% overflights

Traffic

#	Type	Main flows	2016	Variation (%)	% Over total flights
1	International	United Kingdom-East	80,682	18.4%	4%
2	National	Canary Islands-Canary Islands	66,424	7.3%	4%
3	International	Germany-Balearic Islands	63,645	18.2%	3%
4	International	United Kingdom-Canary Islands	56,591	20.0%	3%
5	International	United Kingdom-Balearic Islands	53,528	14.8%	3%
6	National	Centre-North-East	50,833	1.8%	3%
7	Overflights	United Kingdom-Portugal	50,606	9.9%	3%
8	National	Centre-North-Centre-North	48,141	1.2%	3%
9	Overflights	France-Portugal	47,739	12.1%	3%
10	Overflights	France-Morocco	41,045	-2.9%	2%



Main traffic flows in 2016

Traffic

#	Type	Main flows	2016	Variation (%)	% Over total flights
11	National	Balearic Islands-East	40,913	4.8%	2%
12	International	United Kingdom-South	40,799	17.4%	2%
13	International	Germany-East	39,119	7.5%	2%
14	International	France-Centre-North	38,786	-1.2%	2%
15	International	France-East	37,022	1.5%	2%
16	International	Germany-Canary Islands	36,708	11.2%	2%
17	International	Italy-East	36,556	4.0%	2%
18	International	United Kingdom Centre-North	36,055	9.1%	2%
19	International	Netherlands-East	35,451	8.0%	2%
20	National	Canary Islands-Centre-North	32,519	7.9%	2%



Main traffic flows in 2016

Traffic

	International flights	National flights	Overflights	Total
Spain	1,115,360	370,062	382,312	1,867,734
Variation from 2015 to 2016	10.1%	4.3%	5.4%	7.9%
Peninsula	1,091,945	304,708	368,107	1,764,760
Variation from 2015 to 2016	9.9%	3.6%	5.5%	7.8%
Canary Islands Control Centre	168,885	113,953	26,173	309,011
Variation from 2015 to 2016	13.6%	8.7%	1.9%	10.7%
Madrid Control Centre	545,269	187,420	294,690	1,027,379
Variation from 2015 to 2016	7.9%	3.3%	6.4%	6.6%



Volume of commercial operations in Spain in 2016 and its increase with regard to 2015

Traffic

	International flights	National flights	Overflights	Total
Barcelona Control Centre	614,036	160,808	91,493	866,337
Variation from 2015 to 2016	11.1%	3.6%	1.7%	8.6%
Seville Control Centre	173,758	99,916	83,083	356,757
Variation from 2015 to 2016	10.6%	4.5%	3.4%	7.1%
Palma Control Centre	201,296	93,232	644	295,172
Variation from 2015 to 2016	15.4%	3.5%	-27.4%	11.2%



Volume of commercial operations in Spain in 2016 and its increase with regard to 2015



Traffic



Volume of commercial operations in the Control Towers situated in the airports in which ENAIRE is the main aerodrome transit service provider in 2016 and its increase with regard to 2015

(*) IFR flights are those which operate under the Instrument Flight Rules. They mainly include commercial flights.

(**) VFR flights are those which operate under Visual Flight Rules. They mainly include general aviation, air work and other types of flights.

Control Towers	IFR(*)	VFR(**)	Total figures	% 16/15:	
AS Madrid-Barajas	377,838	0	377,838	3.25%	↑
Barcelona-El Prat	308,169	0	308,169	6.62%	↑
Palma de Mallorca	197,071	713	197,784	10.68%	↑
Málaga-Costa del Sol	121,958	4.630	126,588	13.89%	↑
Gran Canaria	108,909	7.239	116,148	10.34%	↑
Tenerife South	64,049	1.929	65,978	11.64%	↑
Tenerife North	50,686	5.516	56,202	4.15%	↑
Bilbao	41,185	3.461	44,646	2.18%	↑
Menorca	30,977	288	31,265	8.97%	↑
Girona-Costa Brava	13,309	7.093	20,402	-2.24%	↓
Santiago	19,824	1.530	21,354	2.33%	↑

Traffic



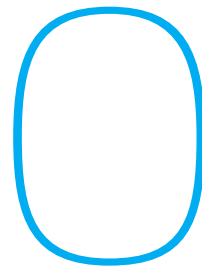
Volume of commercial operations in the Control Towers situated in the airports in which ENAIRE is the main aerodrome transit service provider in 2016 and its increase with regard to 2015

(*) IFR flights are those which operate under the Instrument Flight Rules. They mainly include commercial flights.

(**) VFR flights are those which operate under Visual Flight Rules. They mainly include general aviation, air work and other types of flights.

Control Towers	IFR(*)	VFR(**)	Total figures	% 16/15:	
Reus	6,547	9,436	15,983	10.21%	↑
F.G.L. Granada-Jaén	8,144	2,880	11,024	-1.62%	↓
Santander-Seve Ballesteros	7,947	1,841	9,788	-9.07%	↓
Asturias	11,180	653	11,833	9.94%	↑
Almería	9,591	1,597	11,188	10.22%	↑
Melilla	8,144	264	8,408	0.00%	↑
San Sebastián	5,064	1,857	6,921	0.80%	↑
Vitoria	6,348	338	6,686	-2.29%	↓
Pamplona	3,326	2,182	5,508	-3.42%	↓
Lleida-Alguaire	422	614	1,036	-26.52%	↓
Logroño	680	222	902	-6.53%	↓

Safety & Security

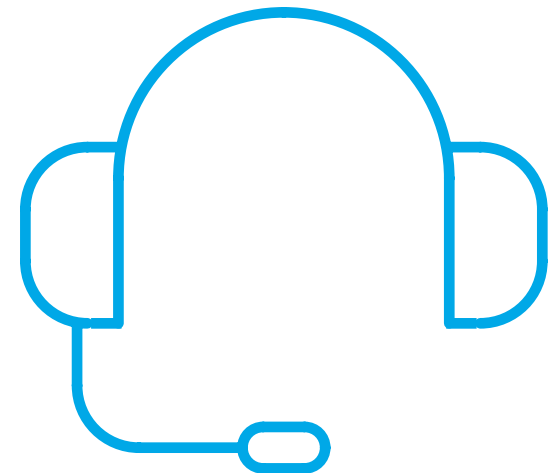


Operational Safety is the **maximum priority** in relation to the provision of air navigation services by ENAIRe. Via the safety management system implemented at ENAIRe, supervised by the National Supervision Authority (AESA), it **ensures the safety of all processes in all areas of the organisation, always prioritising the provision of a safe service.**

Proactive and positive safety culture

During 2016 and within the framework of the teamwork management program (TRM, Team Resource Management), more than 80 controllers who act as facilitators were trained. That has allowed us to carry out TRM facilitation sessions in all Regional Directorates, which lead to a management and development reinforcement for the teamwork control staff.-

Among the safety promotion activities, the publication of the "Más Seguridad [More Safety]" magazine (whose aim is to raise company-own personnel's awareness regarding the importance of safety) should be highlighted, as well as the "Al Otro Lado de la Frecuencia [The other side of the frequency]" awareness campaign in which discussions between pilots and controllers were organised in order to pursue further improvements in safety.



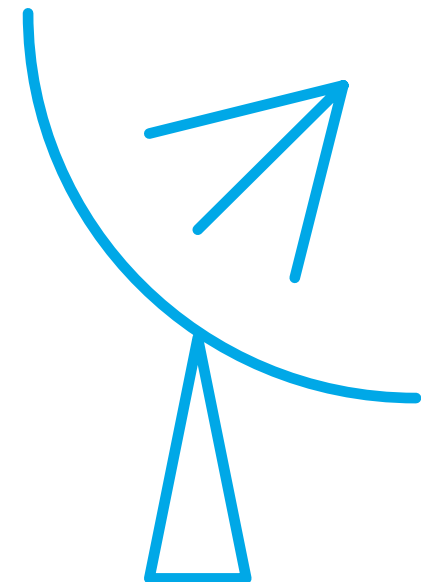
Safety & Security

Risk Management

Significant risk analysis related to impact projects such as ENAIRe General Contingency Plan have been carried out, as well as new precision approach manoeuvres to Ibiza, the unfolding of sectors in the East Region and the placing in service of new air transit automated control tools. The aim of all of them is to improve safety and efficiency.

289 safety analysis were carried out in total with a view to adequately manage the risks derived from the changes implemented in the air navigation system.

Furthermore, periodic risk evaluations were performed in premises and before external services and supplies in accordance with the exiting safety management system procedures.



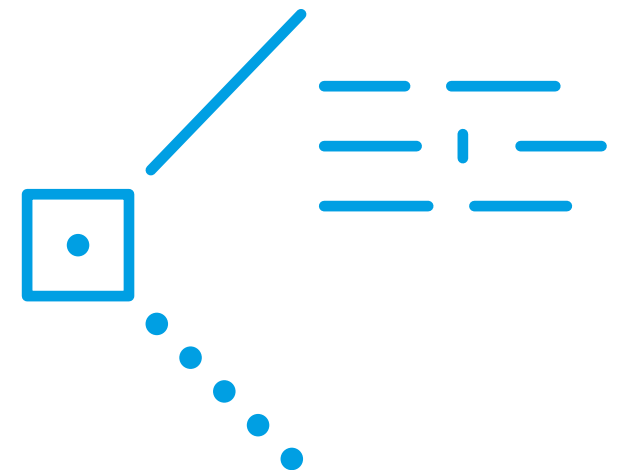
Safety & Security

Safety notification, research and improvement

Within the development and implementation framework of ENAIRE Just Culture Policy, a new version of the procedure was approved during 2016 for evaluating and improving contributors in safety incidents. Besides, the related guidance material was developed with the ultimate objective of ensuring and promoting the notification of safety incidents.

Monitoring of safety results

Safety monitoring indicators related to control positions and sectors have expanded during 2016. These and other indicators are systematically reviewed through the Operational Safety Committee, a first-level committee which involves managers responsible for the provision of air navigation services.



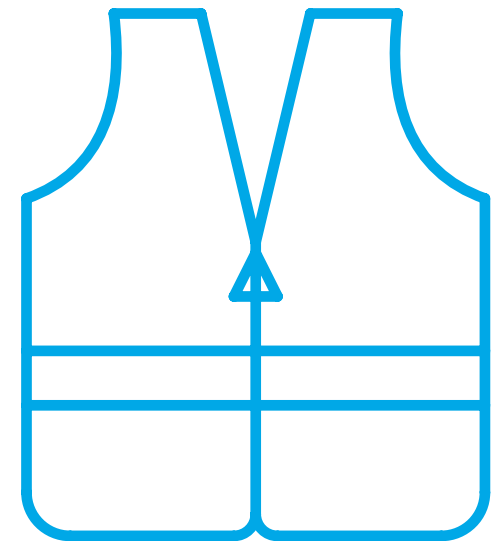
Safety & Security

EoSM

Since its implementation as a safety key indicator, the Safety Management System Maturity indicator evolution has always been positive. In fact, it achieved in 2016 the objectives defined at European level for RP2 (Reference Period 2).

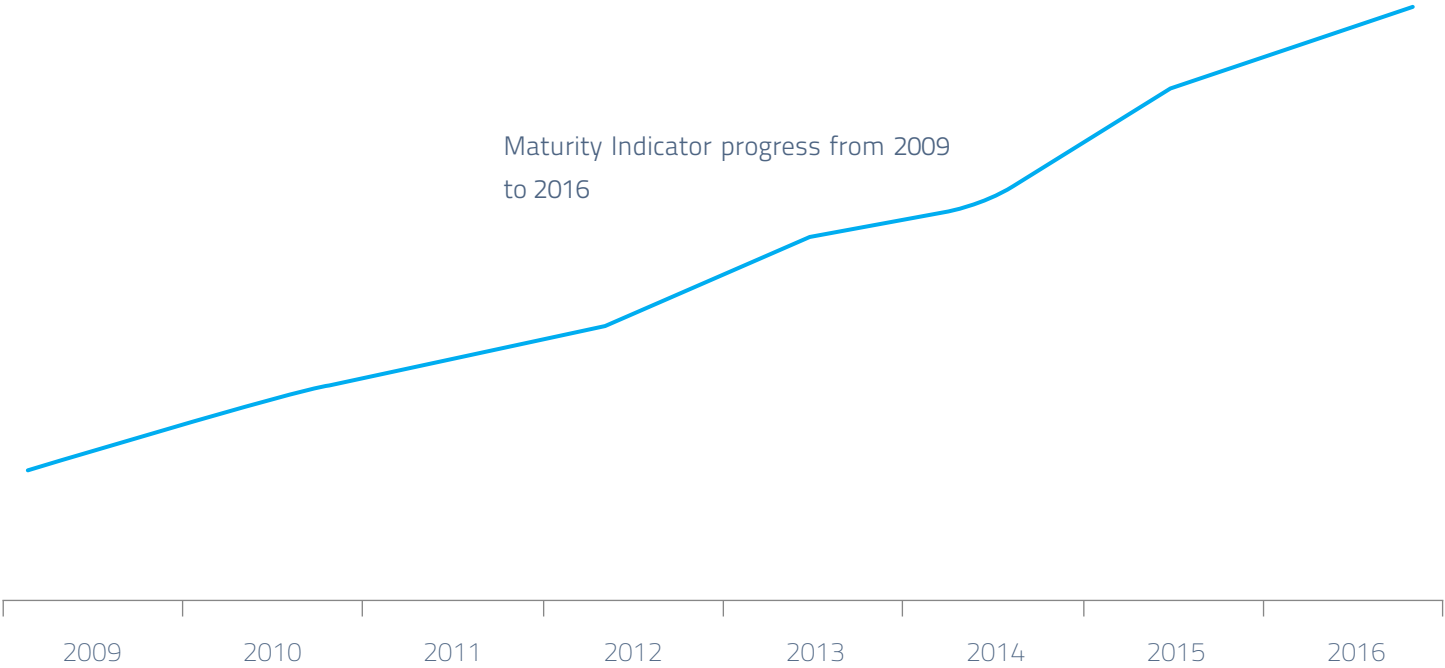
NPS

The indicator known as Weighted Safety Level (NPS) is defined as “the number of safety incidents that occurred in the airspace for which ENAIRE is responsible, weighted according to its severity, in relation to the total number of flight hours controlled in the Spanish air space throughout the year”. Incidents considered as A and B severity are those where it is considered that an ATM contribution exists, directly or indirectly, by ENAIRE.



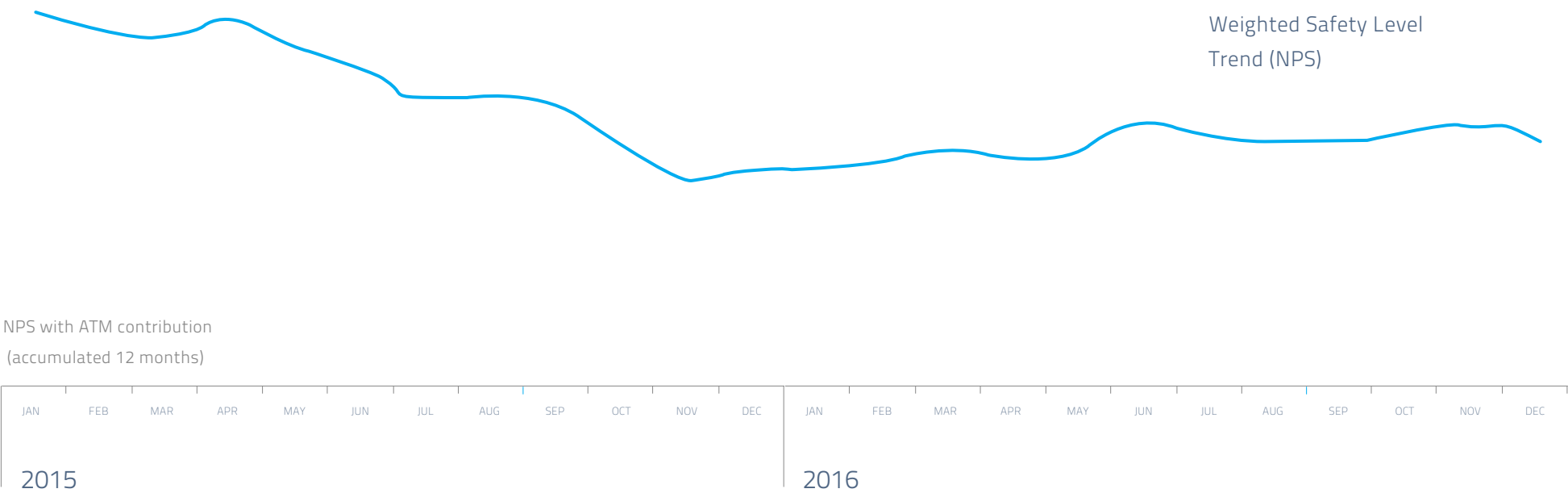
Safety & Security

Operational Safety
Interventions



Safety & Security

Operational Safety
Interventions



Safety & Security

Safety best practices

In its commitment to maintain and improve the highest safety standards in the provision of its services, ENAIRE have signed and implemented in its organisation the **Just Culture Policy**.

In line with current regulations and the good practices of international references with regard to Just Culture in aviation, ENAIRE Just Culture Policy contains the principles and commitments of the company, both on an individual and organisational level, in relation to Just Culture matters.

This is one of the fundamental pillars of safety management. It promotes the notification of safety incidents in order to provide recommendations based on their analysis that prevent their repetition, contributing to the improvement of safety levels by the creation of

an atmosphere of trust "where operators or other first-line staff are not punished for the actions, omissions or decisions they make when based on their experience and ability, but does not tolerate flagrant negligence, intentional infringements or destructive acts" (Just Culture).

The achievements of the aims of this policy go further than just its publication, as they include the development and adoption of a series of procedures that sustain it.

Additionally, the first "observational survey" was carried out in the Canary Islands taking into account the philosophy supported by the initiatives of EUROCONTROL's SAFETY II concept. Safety recommendations and good practices resulted from it.

Safety & Security

Physical Security Interventions (Security)

Within ENAIRE Physical Security management, we have continued working in relation to the development and update of **Physical Security Programs for ENAIRE's facilities**.

The Security Program contains a diagnosis which details the real and objective situation of the physical security for facilities or premises in relation to the provision of air navigation services.

As an essential part of this diagnosis, the Risk Level (NR) of facilities or premises is determined according to their criticality and vulnerability. After the end of 2016, the percentage of facilities or premises which provide air navigation services with an Acceptable Risk Level is 96.69% out of the total operational facilities (355 facilities).

In relation to the rest of Risk Levels figures, it should be noted that there are no facilities with an Unacceptable level.



96.69%

facilities with an **acceptable** NR



3.31%

facilities with an **assumable** NR

Safety & Security

Cyber security

With regard to Cyber security, different activities have been implemented throughout year 2016, including the following ones:

Awareness

ENAIRe personnel awareness in terms of Cyber security.

Cooperation with other organisations

Participation in the "Cl@ve" system and transposition of European directives, including the NIS Directive.

Events and incidents monitoring

Periodic reporting related to monitored activities in the following areas:

- Antivirus
- Spam / Safe emails
- Perimeter security (DMZ).

Risk analysis

Further knowledge about air navigation systems enabling the creation of specific recommendations in order to improve their Risk Levels.

Security Policies

Establishment of the "Information Security Policy" with the aim of protecting information (ensuring its accessibility, privacy, integrity, availability and traceability), as well as processing, transmission and storage information assets.

Operational/Technical developments

Environmental and Operational Efficiency Interventions

In 2016, ENAIRE has carried out different interventions as measures to improve the in-flight efficiency of operations performed by airline companies, as well as to enhance the use of route network. These interventions, which focus on a more direct route planning in order to reduce flight times and polluting emissions, include the following:

Approach procedures based on satellite navigation in airports (RNP APCH)

In order to improve navigation in terminal areas, new approach procedures have been used.

During 2016, interventions aimed at the upcoming implementation of these manoeuvres were carried out in more than 19 Spanish airports, including Palma de Mallorca and Madrid airports.

AMAN (Arrival Manager) /DMAN (Departure Manager)

In 2016, a support tool for arrivals approach (AMAN) has been deployed at Palma de Mallorca Control Centre, as well as for departures (DMAN) at Palma de Mallorca and Málaga-Costa del Sol Towers.

Operational/Technical developments

Flexible Use of Airspace (FUA)

Its objective is to enhance the en-route operational efficiency. The implementation of the Flexible Use of Airspace aims that civil traffic could use restricted airspace areas for military use.

- Civil-military coordination in order to enable more flexible options to airspace users:
 - Increased availability of routes affected by military activity.
 - Implementation/**modification of routes** passing through military areas.
 - **Optimization of military areas** enabling a more direct route mapping.

2016-2017 Airspace Efficiency Plan

This plan consist in the alignment of ENAIRe programs with the European ATM Master Plan and, more specifically, with all European regulations:

- SES Regulation

- European ATM Master Plan Level 3
- Pilot Common Project (PCP).

Its main purpose is seeking efficiency in terms of saving nautical miles flown, fuel consumption and reducing polluting emissions to the atmosphere as a response to airspace users' needs as we explain in Chapter 6 (ENAIRe and the environment). To that effect, the following interventions were deployed:

- New ATS route proposal and modification of the existing ones in order to achieve more efficient airways.
- New instrument flight procedure proposals.
- Improvement proposals for general aviation accessibility.
- Optimization of surveillance minimum altitude charts.
- Measures resulting from operational safety recommendations.

Operational/**Technical** developments

Interventions for the Air Navigation System.

Radio navigation aids

During 2016, different interventions were undertaken in terms of radio navigation aids:

The Logroño DVOR, the Fuerteventura DVOR/DME and the Santander DVOR/DME were completed and placed in service within the facilities replacement program.

Additionally, a significant contribution has been made in order to improve the following **navigation projects**:

Area navigation procedures in TMA (RNAV1): It entails the airspace optimization in high density terminal areas. The implementation of the navigation concept based on PBN features will contribute to optimise the incoming and outgoing flows management, searching for a balance between capacity and demand which will enhance efficiency in the airport environment.

During 2016, the arrival sector procedures at Palma Control Centre were improved.

New advanced manoeuvres: Such as the deployment of manoeuvres based on satellite navigation GBAS (correction of GNSS satellite constellation signals and local-area augmentation systems).

· 2016: completion of project GRAPE (GNSS RFI And PErformances) implementation for the automatic monitoring of GBAS features in Málaga-Costa del Sol airport, measuring the interferences which could affect the GBAS system in real time.

Operational/**Technical** developments

Interventions for the improvement of communications

Air/Ground Communications

The renewal of equipment at the Linares Communication Centre was initiated as part of the interventions associated to compliance with CE 1079/2012 Regulation (8.33 kHz).

Data link Communications (Datalink): A new project to complement pilot-controller voice communications with a data link service which enhances the security of transmissions and enables a better fluidity in operations.

- In January 2016, the VDL station network at the new Palma de Mallorca station was remodelled.
- Air-ground voice communications based on a 8.33 kHz channel spacing: a new project for a more efficient use

of aeronautical frequencies which avoids congestion problems.

- The new equipment was placed in service at TWR/ APP Bilbao (January 2016) and Almeria (March 2016), as well as at Paracuellos Communication Centre.

Ground/ground Communications

During 2016, the following interventions took place:

- Initiation of a record for the progress and adaptation of the Centre for Automatic Retransmission of Integrated Messages (CRAMI). The CRAMI system is the only input/output of aeronautical information (flight plans, meteorological and AIS information) shared between ENAIRe and the Rest of European air navigation service providers, as well as NM servers (EUROCONTROL) and EAD.

Operational/**Technical** developments

- The first phase was developed in 2016. Its complete functionality is scheduled during 2017.
- Operational transition of the communications equipment in Gran Canaria airport which completed the optical fibre ring among air navigation positions.
- **Air Navigation Data Network (REDAN) Phase V:** during 2016, activities related to the evolution of ENAIRE data network (REDAN) continued, followed by the transport of the actual network traffic (REDAN IV) to the new REDAN V infrastructure (central mesh nodes) using the media from two hired communication operators.
- Between 2016 and 2017, a renovation of these transmission systems is scheduled at Tenerife South airport and between Adolfo Suárez Madrid-Barajas airport and Madrid Control Centre.



Operational/**Technical** developments

Interventions for the improvement of the automation system

During the 2016-2020 period, the deployment of new features in successive versions of the system will be carried out, as well as the **evolution of SACTA version 4**.

COMETA at the Canary Islands Control Centre: in relation to Voice over IP protocol Communications System (SCV) under the **COMETA** project (VOIP integrated in SACTA), the following system updates were released:

- 2016: placing in service of the Voice over IP protocol Communications System at the Canary Islands Control Centre.
- 2016-2021: Deployment program for Digital Voice Communication systems using Internet protocol

at the Bilbao, Alicante, Almería, Tenerife South, Jerez, Gran Canaria, Lanzarote, Vigo, A Coruña, Santander, San Sebastián, Gomera, Granada, Ibiza, Menorca and Palma de Mallorca Towers.

New air traffic control advanced position (iTEC):

Definition, in cooperation with our European partners, of a new integrated control position that includes latest functionalities.

- Development of the assisted situational awareness functionality (planning horizon and tactical horizon), operation of Free Routes, improvement of surveillance and flexible configuration.

Operational/Technical developments

Security networks

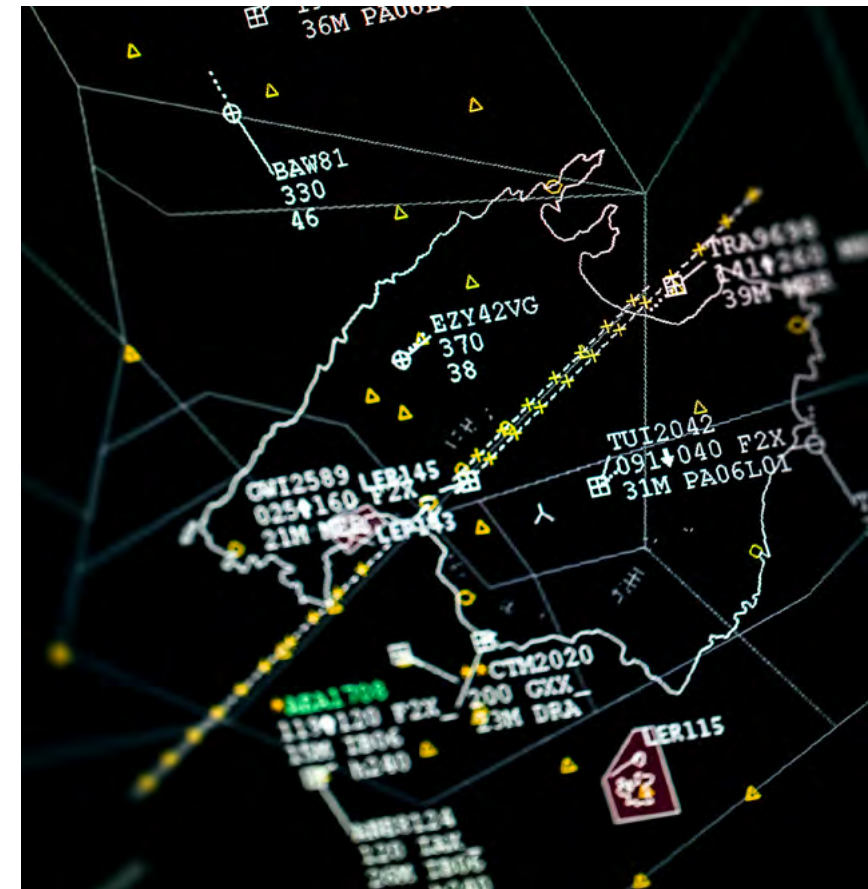
New warning tools at all Control Centres for resolving conflicts:

- Short term conflict alert (STCA) in TMA: It was placed in service in 2016 at the TMAs/APP of the South, Canary Islands, Centre-North and East regions. In 2017, its implementation at national level will be completed with the Balearic region.

Operation without paper strips (OSF):

Operations at Control Towers without using conventional paper strips which enable both technical and operational improvements.

- 2016: Successful operational start-up at Palma de Mallorca Tower.



Operational/**Technical** developments

Interventions for the evolution of Surveillance Systems

Surveillance Systems

In the field related to surveillance improvement, 20 digital receptors and management equipment for primary and secondary radars were provided during 2016 in Alcolea, Alicante, Solórzano, Begas, Paracuellos, Gran Canaria, Tenerife South and Palma de Mallorca.

Multilateration

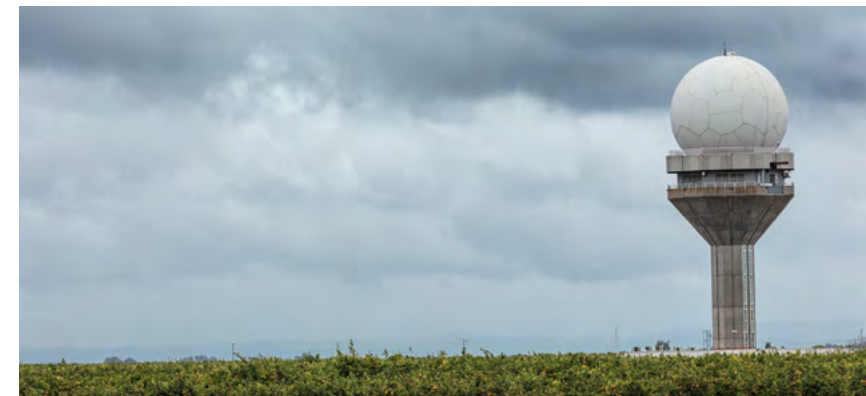
Implementation completed in Tenerife North.

S-Mode

During the S-Mode radar coverage widening process, surveillance systems were enhanced during 2016 with the commissioning of S-Mode radars at Fuerteventura and La Palma. Besides, the primary and secondary radar data combiner elements as well as the digital receivers for the radar placements at Gran Canaria,

Tenerife South and Palma de Mallorca were updated. These were integrated during 2015 in ENAIRE **Air Traffic Control Automated System (SACTA)** in S-Mode.

S-Mode radar coverage maps have been integrated in the INSIGNIA application.



Operational/**Technical** developments

ADS-B

(Automatic Dependent Surveillance – Broadcast).

ENAIRE supports firmly and directly the implementation of Automatic Dependent Surveillance Systems (ADS-B).

Within the framework of the agreement related to the temporary assignment of use of two ADS-B stations at ENAIRE's Centre for Experimentation and Development (CED), several tests and analysis were accomplished with data collected from two stations of two different manufacturers. The aim was to validate their technical features and achieve their certification before starting the ADS-B introduction phase in the **air navigation** surveillance network, continuing the work to obtain the certification and developing an implementation plan.



AIS

The Aeronautical Information Service (AIS) continues forward in its transition towards an aeronautical information service model based on information digital services, as well as adapting the processes to the new regulations that are appearing in the national and SES field.

Phase of ADQ project (Aeronautical Data Quality)

Completion of the first phase of ADQ project (Aeronautical Data Quality) with the deployment of the digital exchange format of critical shapeable data between data originators (airports and CNS providers) and the AIS service. This has been an important first step towards a completely digital management (in all stages), which will improve the efficiency of the processing and use of information and will ensure the highest quality levels. Commission Regulation (EU) No 73/2010 set a deadline in 2017 for air navigation service providers to meet the quality requirements for aeronautical data and information in relation to the provisions set out in said regulation.

INSIGNIA map web viewer

The INSIGNIA map web viewer continues to be an important AIS information consultation tool, notably increasing the number of users that use it on a daily basis as well as integrating ever increasing volumes of information. In addition, a great progress has been made in the deployment of the infrastructure that enables its general dissemination via the Internet and the creation of specific maps such as the drone one.

AIS

The Aeronautical Information Service (AIS) continues forward in its transition towards an aeronautical information service model based on information digital services, as well as adapting the processes to the new regulations that are appearing in the national and SES field.

Products oriented to General Aviation

A significant effort in order to redesign the products oriented to General Aviation has also been made, prominent among them was the new VFR Guide which will be unveiled in 2017. Developed following VFR pilots' needs and requirements, its efforts have been focused in expanding the information available from restricted airfields.

ICARO

With respect to the meteorological and aeronautical information management system (ICARO), two milestones should be highlighted:

- Segregation of servers, improving the system availability in potential contingency situations.
- Activation of the Internet Flight Plan presentation functionality.

International

Strengthening our presence in entities, forums and international strategic projects for the development of the Single European Sky is ENAIRe's primary objective, as well as fostering alliances with other service providers and companies related to the aeronautical industry.

Main lines of activity

- As we mentioned hereinabove, we actively participate in A6, CANSO and EUROCONTROL international forums.
- Within our prominent role in the SESAR Program (Single European Sky ATM Research, technological basis of SES), we wish to highlight our following interventions:
 - Our involvement in its R&D phase (participation in the first "wave" of SESAR2020 (2016-2019)) with a total eligible contribution of €13.6 M, including affiliates, completing SESAR 1 administrative closure.

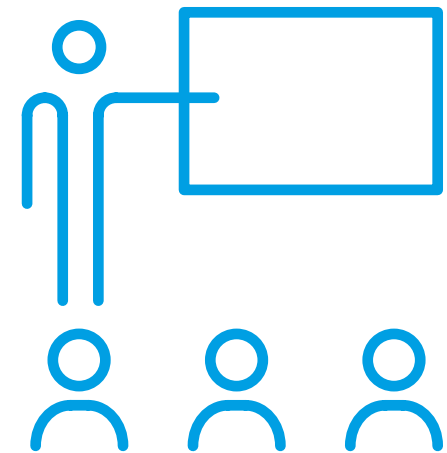
- Our involvement in its deployment phase, both through the direct participation of ENAIRe in SESAR Deployment Manager and through our involvement in a series of projects with a given total budget of €82.7 M and a granted subvention from CEF funds of €34.4 M.



Main Milestones in 2016

From 8 to 10 March 2016

From 8 to 10 March 2016, the World ATM Congress was held in Madrid for the fourth successive year under the slogan "Leadership, Change and Implementation". This event was promoted by CANSO (Air Navigation Services Civil Organisation), of which ENAIRE is a founding member, and it groups together the main air navigation service providers throughout the world.



Main Milestones in 2016

9 March 2016

On 9 March 2016, ENAIRE signed an extension of the agreement with EUROCONTROL in order to operate the European Aeronautical Information Database. Group EAD is a company partially owned by ENAIRE, DFS (the German air navigation service provider) and Frequentis, a company of market information and communication systems, which aims to provide solutions in safety and air traffic management spaces.

10 March 2016

On 10 March 2016, ENAIRE ratified the AEFMP MoU (Memorandum of Understanding) agreement together with its equivalent companies in Algeria, France, Morocco and Portugal as well as with the Civil Aviation authorities of these countries in order to harmonise the provision of air navigation services and facilitate optimal use of airspace.

Main Milestones in 2016

14 April 2016

On 14 April 2016, the Airline Association (ALA) awarded a prize to Ignacio González Sánchez, ENAIRE Director of Air Navigation, in recognition of his management in recent years, as well as ENAIRE's achievements in terms of punctuality, safety and efficiency, aspects which benefit both air traffic and the airlines operating in Spain.

9 May 2016

On 9 May 2016, Ana Pastor, Spanish acting Minister of Development, presided over the signing of an agreement between ENAIRE and the University of León for a free assignment of use of its SACTA software, a system used by air controllers, so that their students could carry out interactive exercises as of academic year 2016/17.

Main Milestones in 2016

23 May 2016

The European ARIADNA consortium led by Indra and integrated by ENAIRe, CRIDA and FADA-CATEC completed on 23 May 2016 the first simultaneous flight tests in a conventional airport of a drone or a remotely piloted aircraft (RPAS/UAS) in the presence of a manned aircraft. This is one of the first flying experiences undertaken in Europe for a drone to be able to operate in a conventional airdrome.

23 June 2016

On 23 June 2016, Solar Impulse piloted by Bertrand Piccard arrived in Spain in a flight from New York. ENAIRe Air Control Centre in Seville managed its entry into Spanish airspace in the early hours of the morning.

Main Milestones in 2016

9 September 2016

ENAIRE (Spain), NAV Portugal, DSNA (France) and DFS (Germany) reached an agreement on 9 September 2016 in order to create a joint working group which analyses long range direct routes through the airspace at Madrid, Lisbon and Brest Control Centres, extending it to the German airspace of Karlsruhe. This will involve a safer, more sustainable and more efficient aircraft traffic management in their airspaces. The agreement took place through the companies which manage the en-route air navigation in those four countries.

From 11 to 13 October 2016

From 11 to 13 October 2016, ENAIRE took part in a simulation in which the response capability of the main stages of the air traffic value chain was tested against a possible (fictitious) eruption from Icelandic volcano Bárðarbunga. Apart from ENAIRE, other entities participated in it such as the Spanish National Meteorological Agency (AEMET), its British equivalent the Met Watch Office, the London Volcanic Ash Advisory Center (VAAC), EUROCONTROL Network Management Board, Aena and the Spanish Aviation Safety and Security Agency (AESA), among others.

Main Milestones in 2016

25 November 2016

The French Air and Space Academy awarded María Luz de Mateo, Head of the International Development and Convergence Division of ENAIRe, the 'Médaille de Vermeil' on 9 December 2016 in recognition of her responsibility and contribution to the EGNOS program implementation (the satellite navigation system promoted by the European Union, EUROCONTROL and the European Space Agency).

27 December 2016

On 27 December 2016, the Assessment Commission's Resolution of the Candidate selection to cover 39 Air Transit Controller positions was published, completing the selection progress initiated on 3 May 2016.

5

OUR PEOPLE



People: the main engine driving the company

Objective: increase the commitment and motivation of all those people who make up ENAIRE professional team as the main engine in the transformation of the organisation

Main figures

	2014	2015	2016	
Number of employees*	4,020	3,976	3,923	↓
Percentage of indefinite contracts	96.92%	96.53%	95.95%	↓
Voluntary rotation	0.0746%	0.1257%	0.203%	↑
Percentage of women within the total workforce	32.69%	33.20%	33.39%	↑
Total training hours for Agreement staff	62,690	105,992	69,841	↓
Total training hours for Control staff	N/A	65,543	64,042	↓
Training hours per employed I Agreement staff	35.95	60.77	39.61	↓
Training hours per employed Control staff	N/A	32.54	32.56	↑
Investment in training	1,194,427 €	1,261,857 €	838,095 €	↓



(*) It includes workers with a LER (Special Paid Leave) and a RA (Active Reserve), as well as partial retirees.

Action Points



During 2016, a new controller selection process was carried out.

ENAIRE has developed 5 main action points in relation with our people: Professional Development, Equality and Diversity, Occupational Health, Internal Communication and Social Activities.



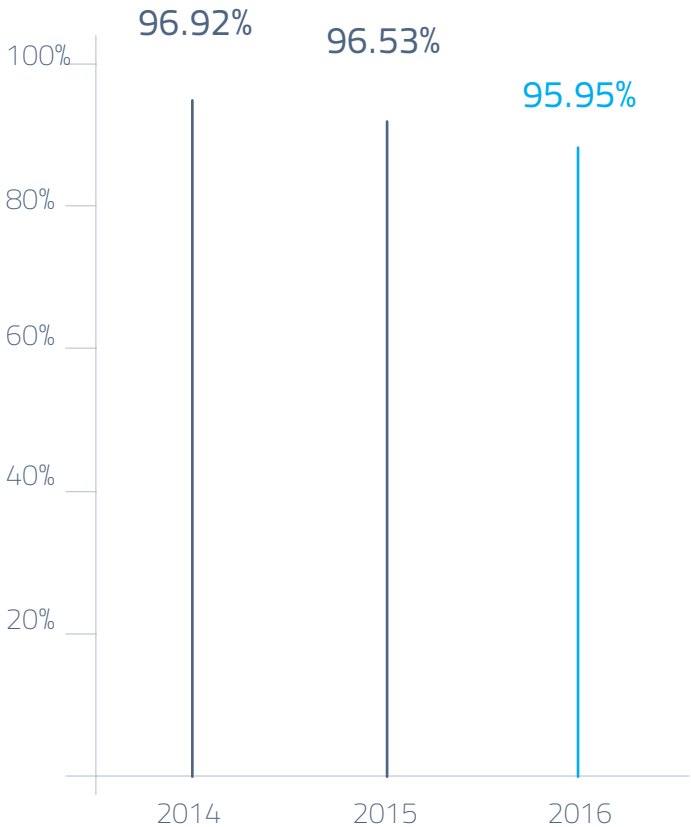
Human Capital



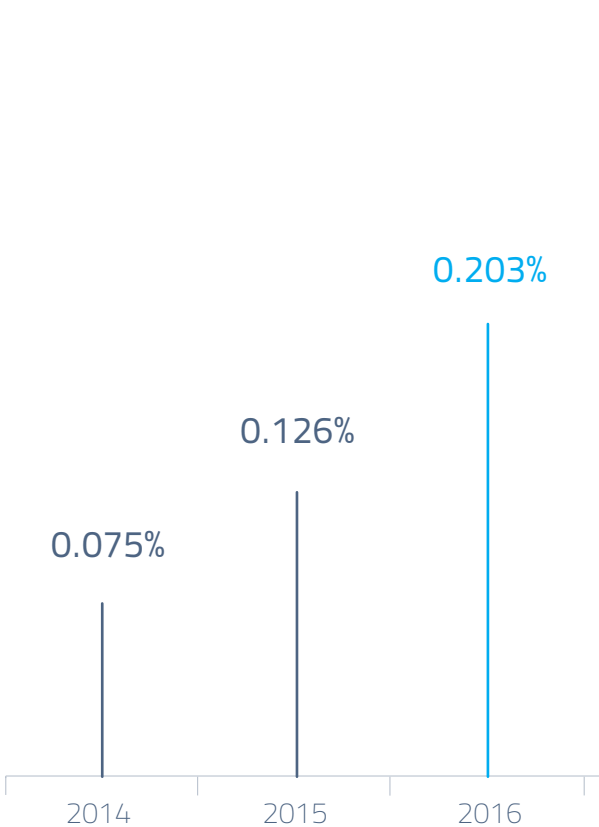
ENAIRE personnel has remained almost constant over the last years, with slight variations in general agreement and control staff.

The workforce average age is 47.66 years, being the average service in our company 22 years.

Percentage of indefinite contracts



Rotation percentage





Human Capital



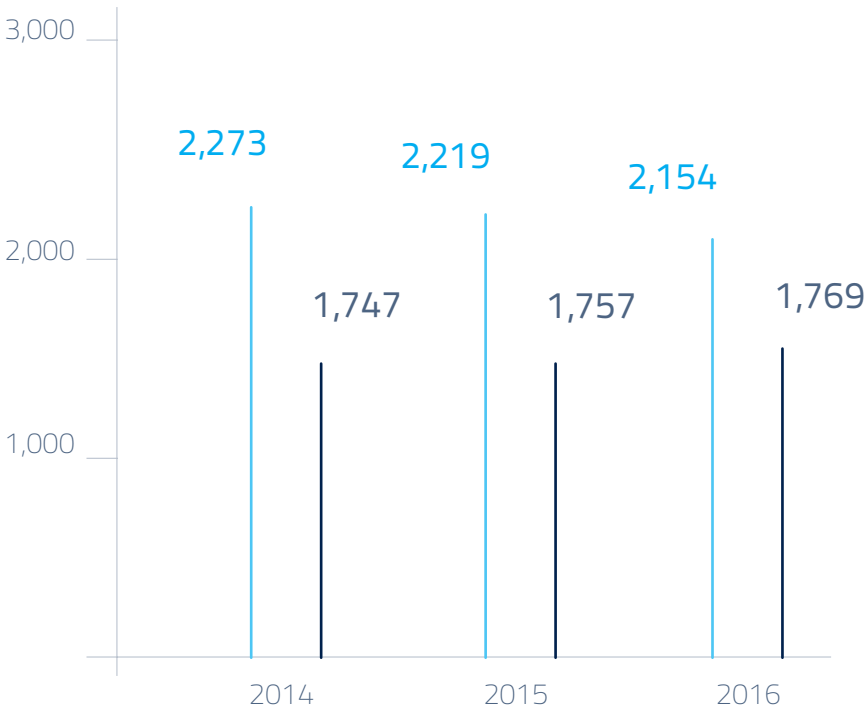
Furthermore, as well as in previous years, the percentage of employees with indefinite contracts has remained above 95%.

During 2016, we published a call to incorporate new controllers who will start their work during 2017.



Control line 
Agreement line 

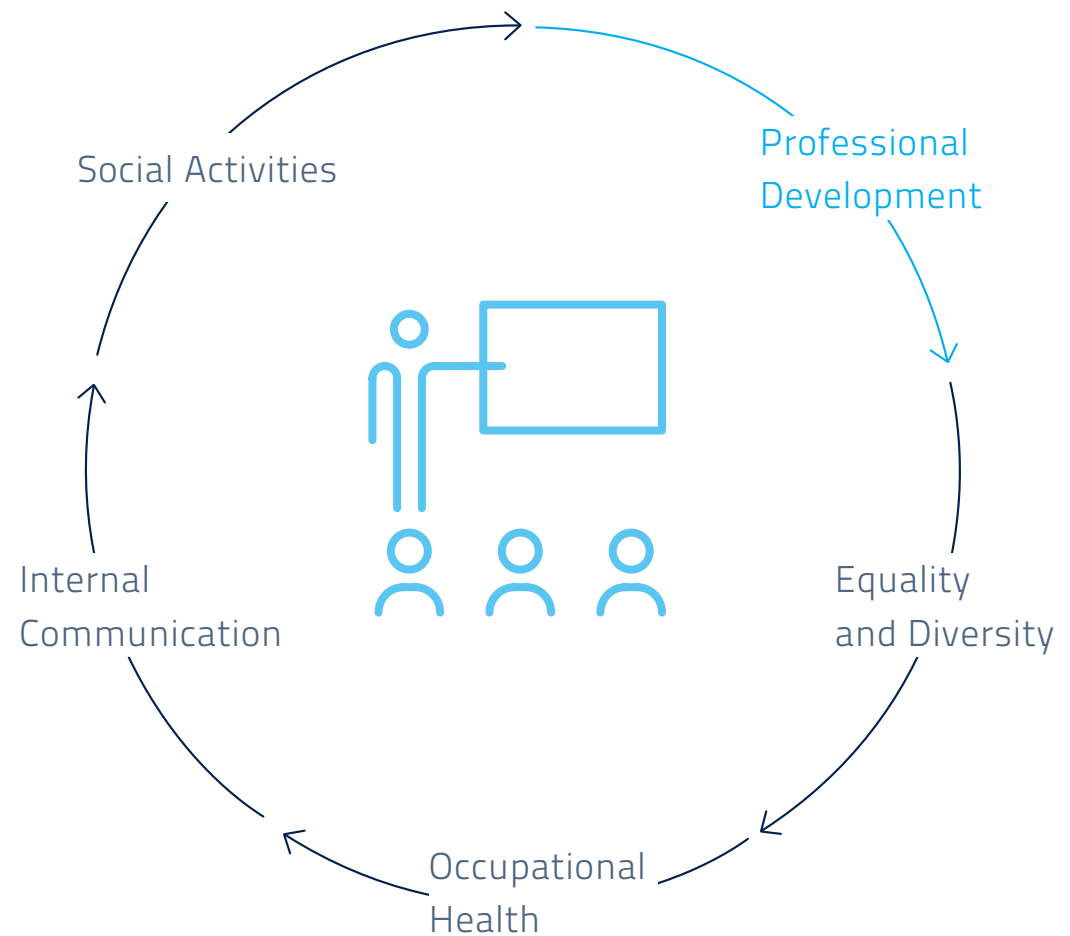
Staff evolution



Professional Development



ENAIRE favours the personal and professional development of its personnel supporting its staff training.



Professional Development/ Training

The Training Plan was established for the 2014-2016 period, being 2015 its implementing peak.

Staff I Group Agreement	2014	2015	2016
Number of courses delivered	N/A	1,558	1,556
Number of participants in the courses	9,669	9,446	8,151
Total of training hours	62,690	105,992	69,841
Training hours per participant	6.48	11.22	8.57
Training hours per employee	35.95	60.77	39.61
Average number of courses per employee	5.53	5.38	4.61



General data from ENAIRE Training Plan during 2016

Professional
Development/
Training

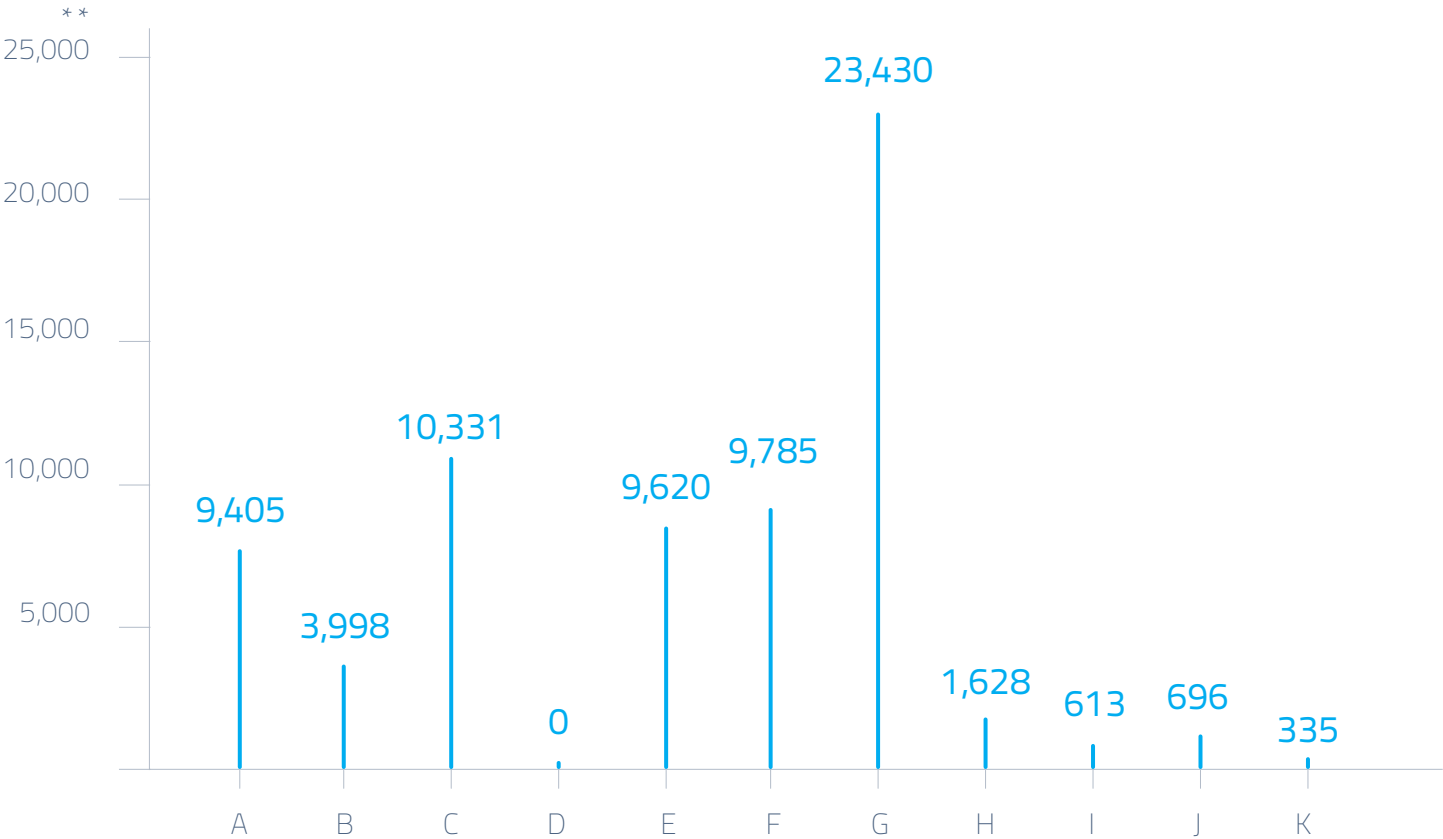
- A. Technical skills
- B. Behavioural skills
- C. Languages
- D. Technologies
- E. Office Automation
- F. Safety and Health (ORP)
- G. Technical operation
- H. Operations
- I. Safety
- J. Security
- K. Quality and environment



(*) Data relating to Agreement staff

(**) Training hours

Agreement staff

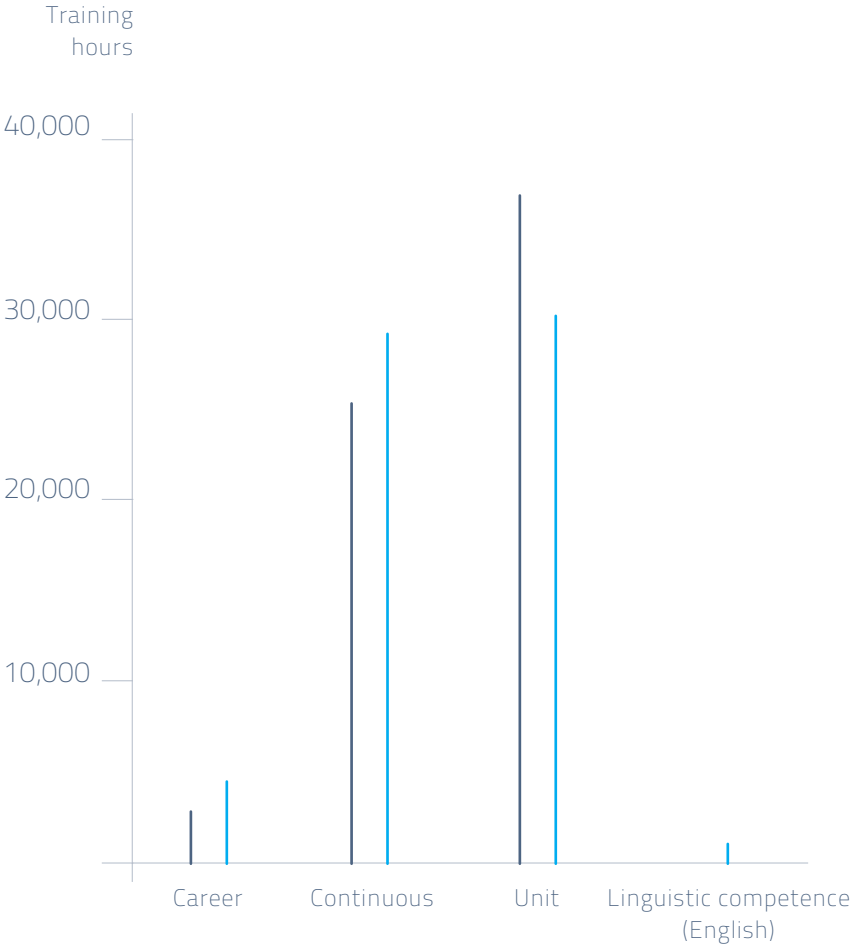


Professional
Development/
Training

Control staff



2016
2015



	2015	2016
Number of participants in the courses	6,169	9,360
Training hours per employee	32.54	32.56
Number of training hours delivered	65,543	64,042



Professional Development/ Training



The Training program is divided into two big blocks: a Training Plan for Air Traffic Controllers and a Group Training Plan (for staff belonging to the I Collective Agreement)



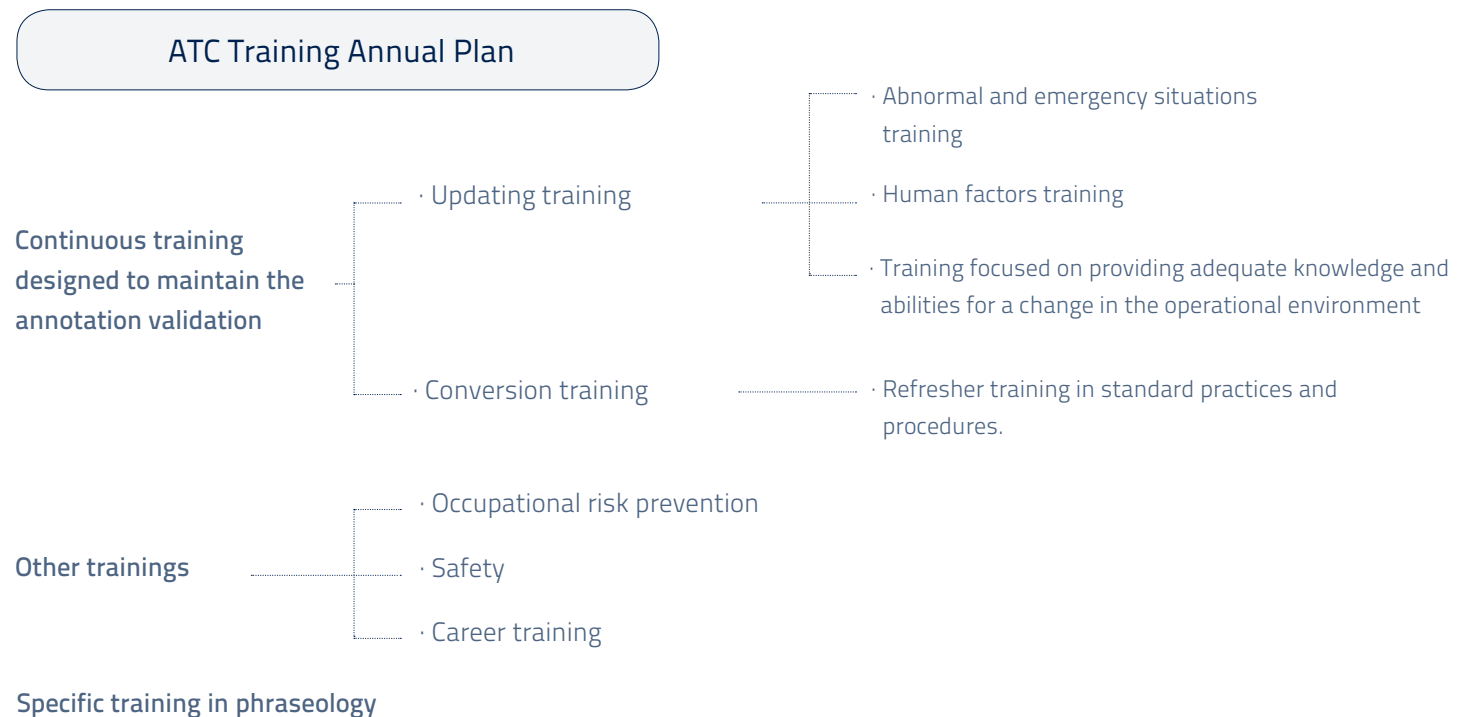
Professional Development/ATC Training Annual Plan



During 2016, "training itineraries" were developed for supervisors in ATC premises, as well as for Heads of Operations.

Controller focused training is divided into two types: a continuous training designed to maintain the annotation validation and other trainings related to occupational risk prevention, safety and career training.

Besides, specific training in aeronautical phraseology is also provided as a cross-cutting subject. The specific phraseology in each issue is included in all training actions.



Professional Development /Group Training Plan (I Agreement)

During 2016, we have worked very actively in order to develop a **needs detection program** with a view to define an individual training itinerary for our employees. Those needs have been ratified by the corresponding direct superiors. The training required to meet all identified needs has been negotiated with trade unions. As the result of the efforts made in 2016, the 2017-2018 Training Plan has been approved.

The approach of this **Training Plan** is mainly technical and it promotes training in workers functional areas with the objective of improving their specialisation.

The training actions identified in the detection process have been included as planned training, while those training actions which depend on the concurrence of certain circumstances, have been included as potential training.



Professional Development / Group Training Plan (I Agreement)



Professional Development /Performance Assessment

Performance Assessment

ENAIRE has normally applied the **Performance Management System** in conformity with its Agreement in order to ensure maximum objectivity and transparency using measurable objectives. This system is linked to the implementation of training actions carried out during the year by the Group Agreement staff and by business, personal and improvement job skills goals as well as by the implementation of training actions for structure personnel.

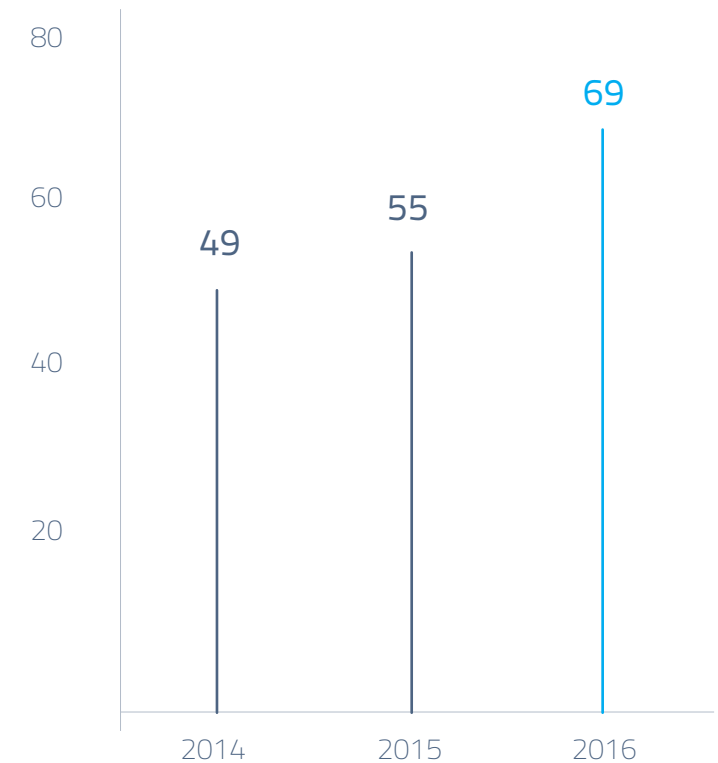


Professional Development / Vocational Integration Support

Vocational Integration Support

In order to contribute to the comprehensive training of university students by easing the working methodology knowledge in a company for a better performance of their professional work and within the **Youth Emancipation Plan** promoted by the Spanish **Ministry of Development**, ENAIRE offers every year certain vacancies for in-company internships that may be prolonged for a second year. Since 2014, the number of scholarships offered has been gradually increased every year. In 2016, we reached a total amount of **69 internships**.

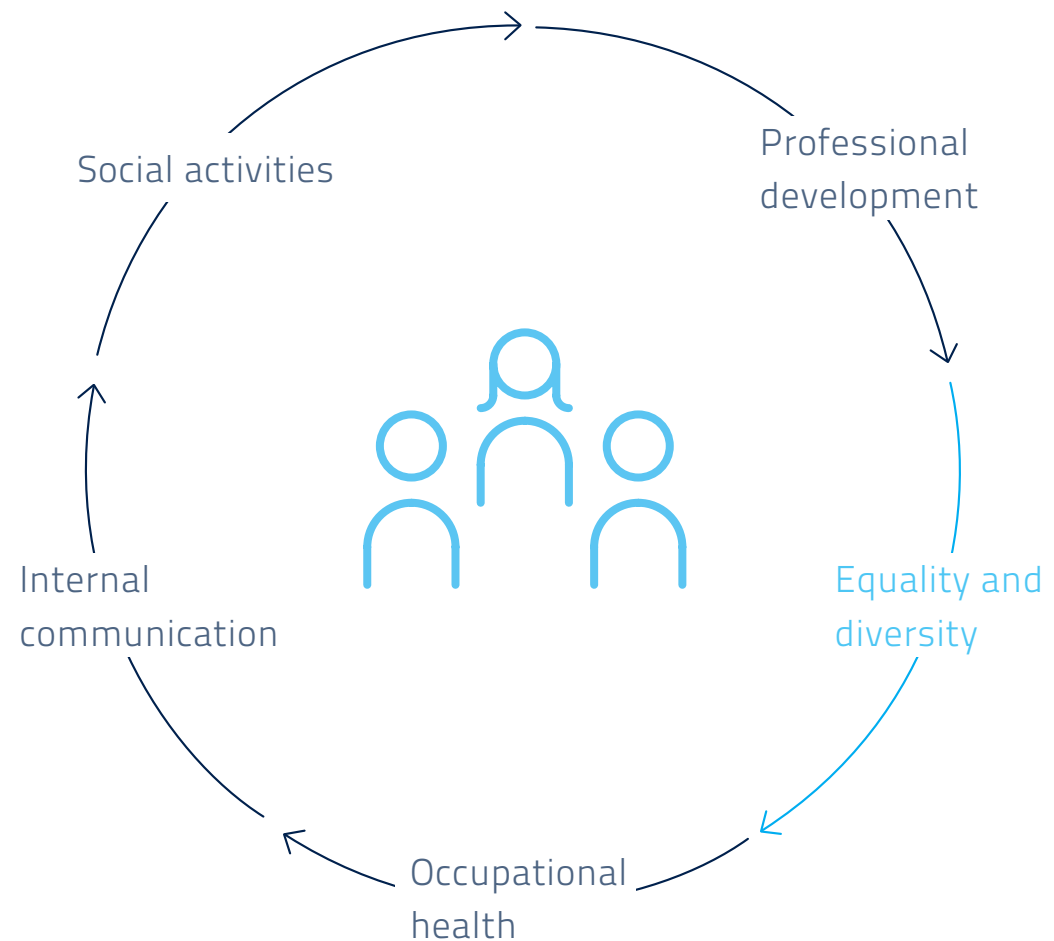
Trainees



Equality and Diversity /Equality Plan



ENAIRE has a Equality Commission in all and every agreement whose functions are related to the tracking and analysis of best practices, proposals, implementation of awareness-raising and assessment campaigns to that effect.



Equality and Diversity /Equality Plan



Among the measures included in our Equality Plans, the use of communication channels and dissemination of job offers that facilitate the recruitment of female staff in those positions in which they are underrepresented can be observed.

Diversity in the workforce and **equality** of opportunity are the basic principles of ENAIRE Human Resources Policy. Through the commitment of the whole organisation and the support of upper management, they make possible that this message reaches and has an impact on all areas of our company.

Equality Plan

Since 2011, ENAIRE has an **Equality Plan** for each of its two work agreements in which the interventions aimed to fulfil our goals in terms of professional recruitment and advancement, training, payments and sexual harassment and harassment based on sex prevention are detailed. Furthermore, ENAIRE has specific **workplace harassment, sexual harassment and harassment based on sex Protocols** (the one applicable to the staff included in Control Agreement will be approved in 2017).

In this way, the company reinforces its commitment in order to fight against inequality due to gender. In 2016, no claims or complaints of that nature have been received.



Equality and Diversity / Equality Plan


Measures to reconcile work, private and family life


Among the measures included in the Equality Plans of our two agreements are those that favour the **conciliation** of the employees' **work and private and family lives**.

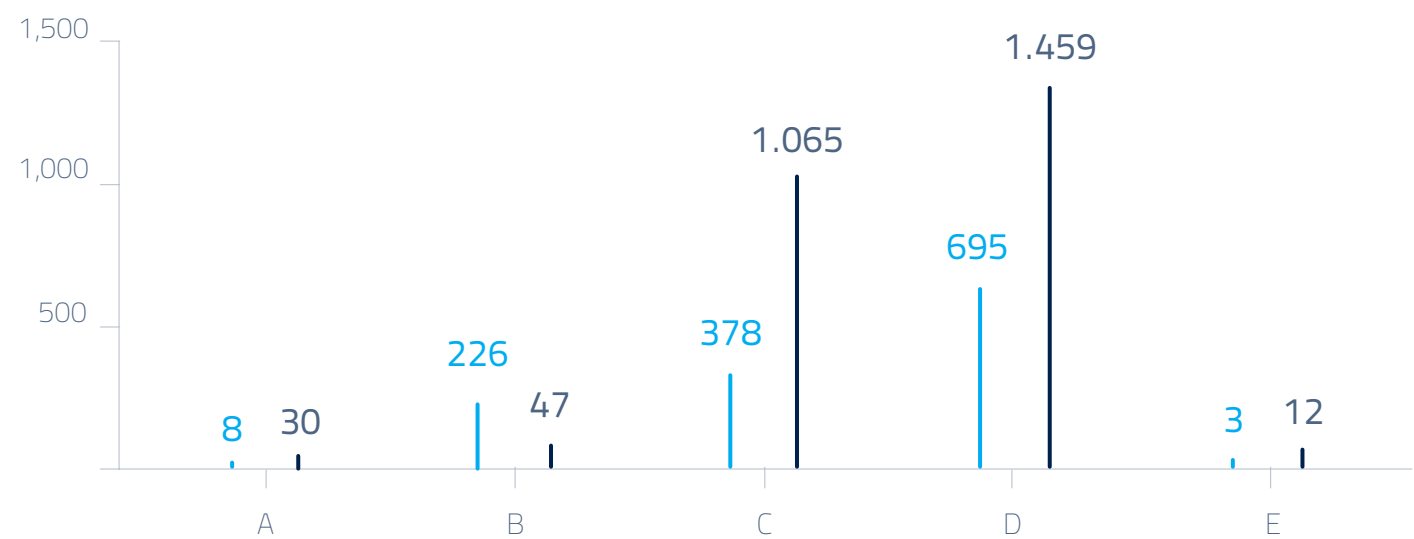
Distribution by gender and category

- A. Others
- B. Administrative
- C. Technical
- D. Controllers
- E. Management



Women line 

Men line 



Equality and Diversity / Equality Plan

Reconciliation measures

Working hours

- Working-hour flexibility for personnel with normal working days
- Possibility of intensive working day in Summer

Paternity / Maternity

- Remunerated free days for the birth, adoption or fostering of a child
- Distribution of maternity leaves
- Transfer of part of the maternity leave
- Working day adaptation during pregnancy and breastfeeding

Gender violence

- Reduction of the working day or reorganisation of working hours
- Suspension of the working contract in cases of workstation abandonment due to gender violence
- Possibility of relocation of staff

Family life balance

- Reduction of the working day for dependent members of the family
- Leave of absence in order to look after children or relatives
- Possibility of attending training courses in those situations

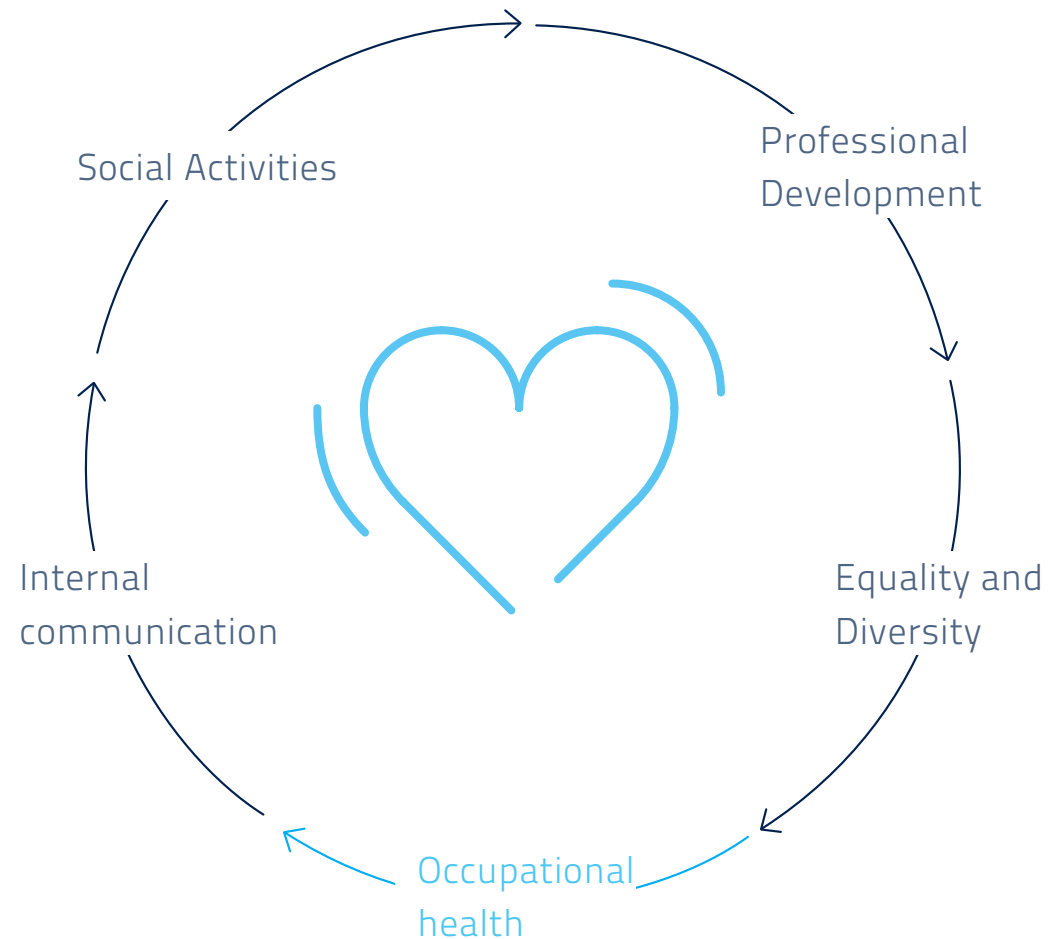


Reconciliation measures available for
employees included in Group Agreement
(I Agreement)

Occupational Health



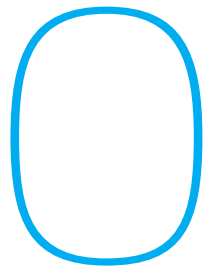
Among the developed interventions related to occupational risk prevention training, the action guidelines in case of cardio-respiratory stoppage were sent to all our workers via "ENAIRE informa"



Occupational Health/ Prevention Plan



ENAIRE offers a Health Promotion service without any additional costs to those employees and relatives subscribed to a healthcare policy. A series of long-distance services performed by healthcare professionals are included in it. They can be accessed either by telephone or through the Internet.



One of the aims of the organisation is creating a work space that protects, promotes and supports the physical, mental and social well-being of its workers. Furthermore, we raise awareness and train our employees in terms of occupational safety, ensuring compliance with existing regulations.

In 2016, ENAIRE has conducted several activities in fulfilment of its **Prevention Plan**. Among them we can find our occupational risk prevention training, the tracking of preventive follow-up measures, coordination meetings on business activities with outsourced companies, the periodic meetings of the Safety and Health Committee, the delivery and surveillance of the use of personal protective equipment and a campaign for medical examinations and safety periodic inspections.

These Occupational Health undertakings are developed through the Occupational Risk Prevention Service

(SPRL). This Service is included in the 2016 Annual Report where all technical and medical activities in terms of Occupational Risk Prevention for all ENAIRE workers are described.

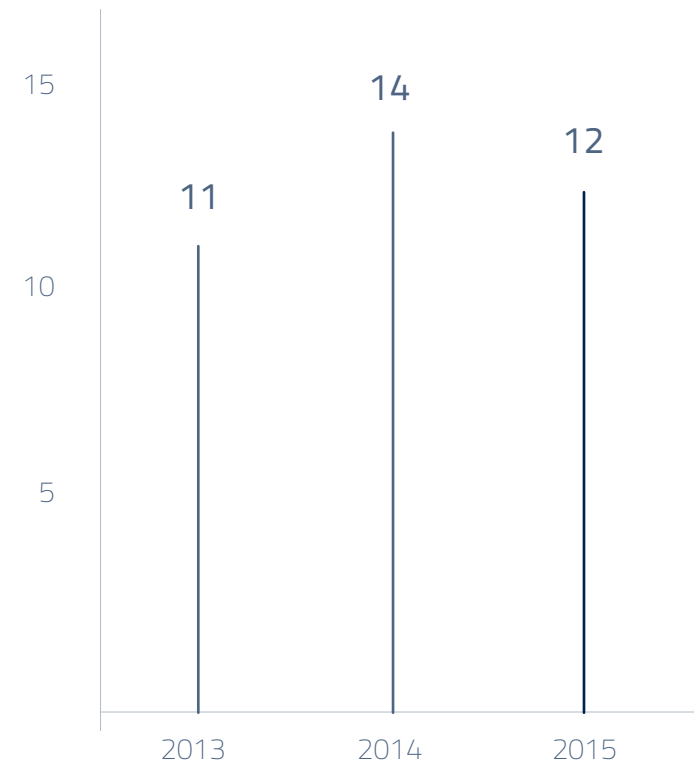


Occupational Health/ Prevention Plan

In order to enable the improvement of Occupational Risk Prevention Management, diverse interventions have been dealt with throughout the year 2016 involving different sectors of the organisation.



Number of leaves due to accidents at work



Occupational Health/ Prevention Plan

Specific training in Occupational Risk Prevention

One of the key actions that any organisation must develop in order to achieve a healthy and secure work environment in which its personnel is involved in Occupational Risk Prevention is to **provide specific training to all its staff** depending on their

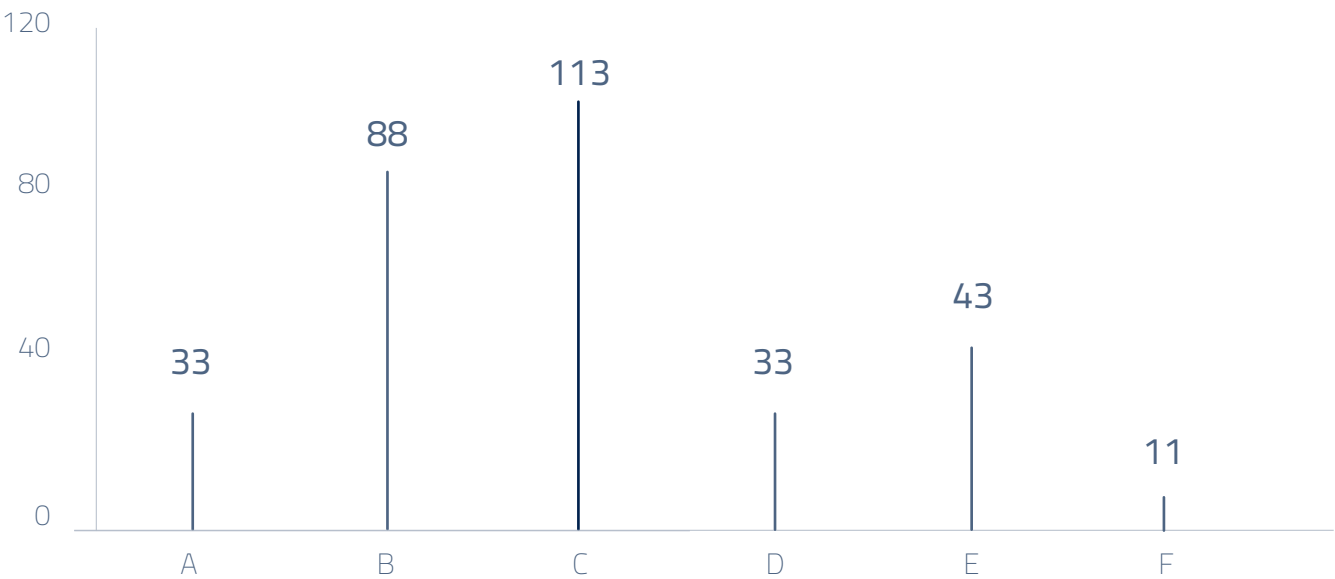
job position, informing about their particular risks and preventive measures to be adopted.

To this end, **more than 320 courses which have been attended by more than 4,400 workers, making a total of almost 2,000 training hours**, have been conducted. This training was developed both classroom-based and online.

- A. Balearic Islands Regional Directorate
- B. Canary Islands Regional Directorate
- C. Centre-North Regional Directorate
- D. East Regional Directorate
- E. South Regional Directorate
- F. Central Services



Number of ORP courses



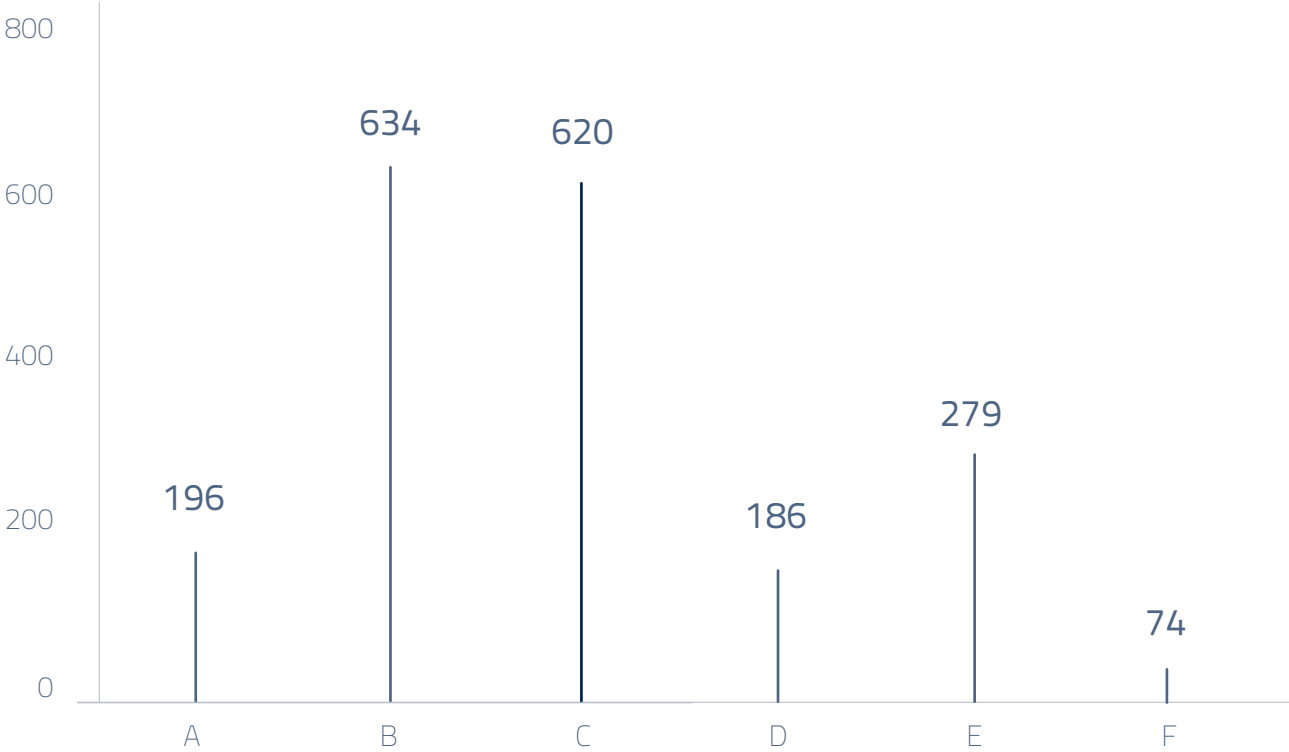
Occupational Health/ Prevention Plan

Training hours in Occupational Risk Prevention (ORP)

- A. Balearic Islands Regional Directorate
- B. Canary Islands Regional Directorate
- C. Centre-North Regional Directorate
- D. East Regional Directorate
- E. South Regional Directorate
- F. Central Services



ORP training hours



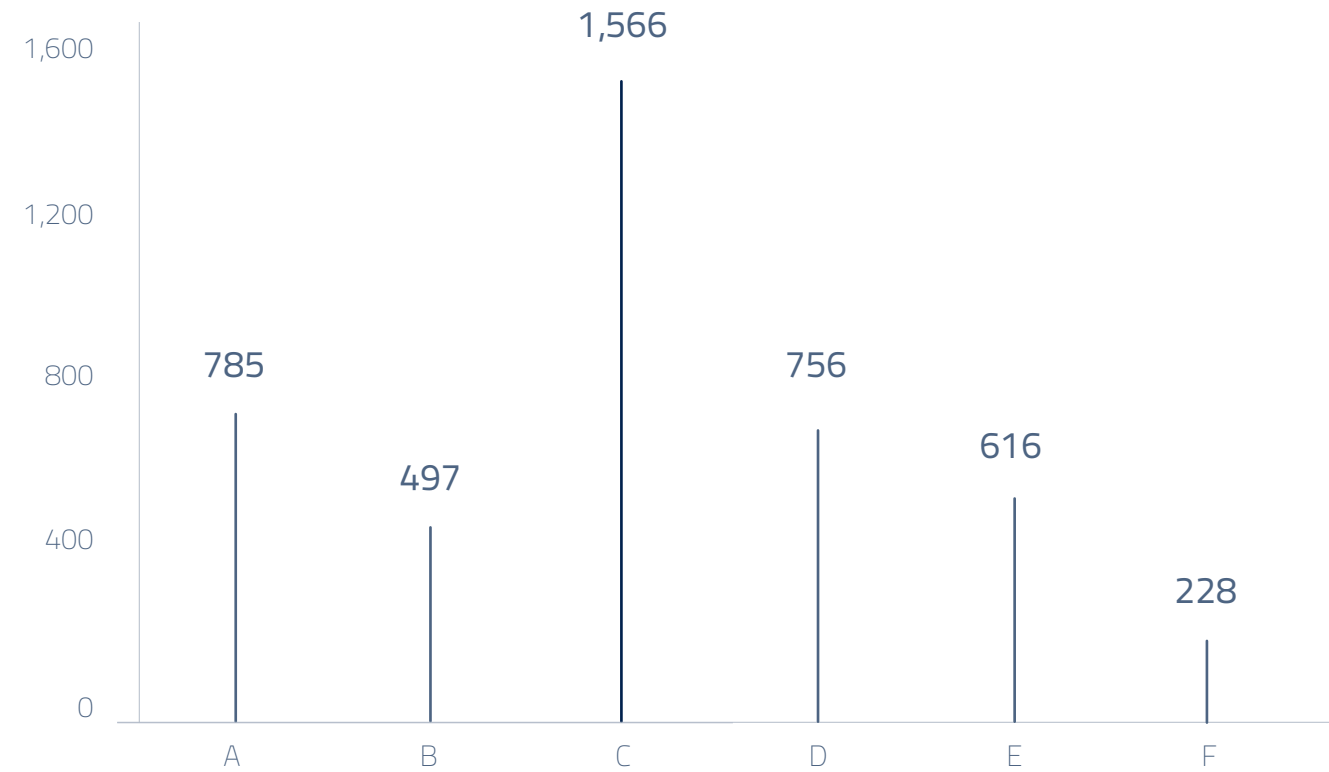
Occupational Health/ Prevention Plan

Number of workers attending Occupational Risk
Prevention training (ORP)

- A. Balearic Islands Regional Directorate
- B. Canary Islands Regional Directorate
- C. Centre-North Regional Directorate
- D. East Regional Directorate
- E. South Regional Directorate
- F. Central Services



Number of attendees



Occupational Health



In 2015, several semicircular lipoatrophy cases were detected so, throughout the year 2016, different interventions were carried out in order to limit its effect on workers such as sending preventive information or distributing electrostatic covers for chairs.

Occupational Health and Safety Management System

One of the main aspects of the organisation which has been described in its **Integrated Management Policy is to ensure personnel protection** in order to permanently reduce the accident rate, the perpetration of acts of unlawful interference and the risk level of working areas, promoting the commitment for the prevention of damages and deterioration of health in the whole company.

As a support tool for achieving such purpose, ENAIRE has a certified Occupational Risk Prevention Management System according to regulation OHSAS 18001 renewed in 2016.

CISM Program

CISM or Critical Incident Stress Management is a support programme for those operational Air Traffic

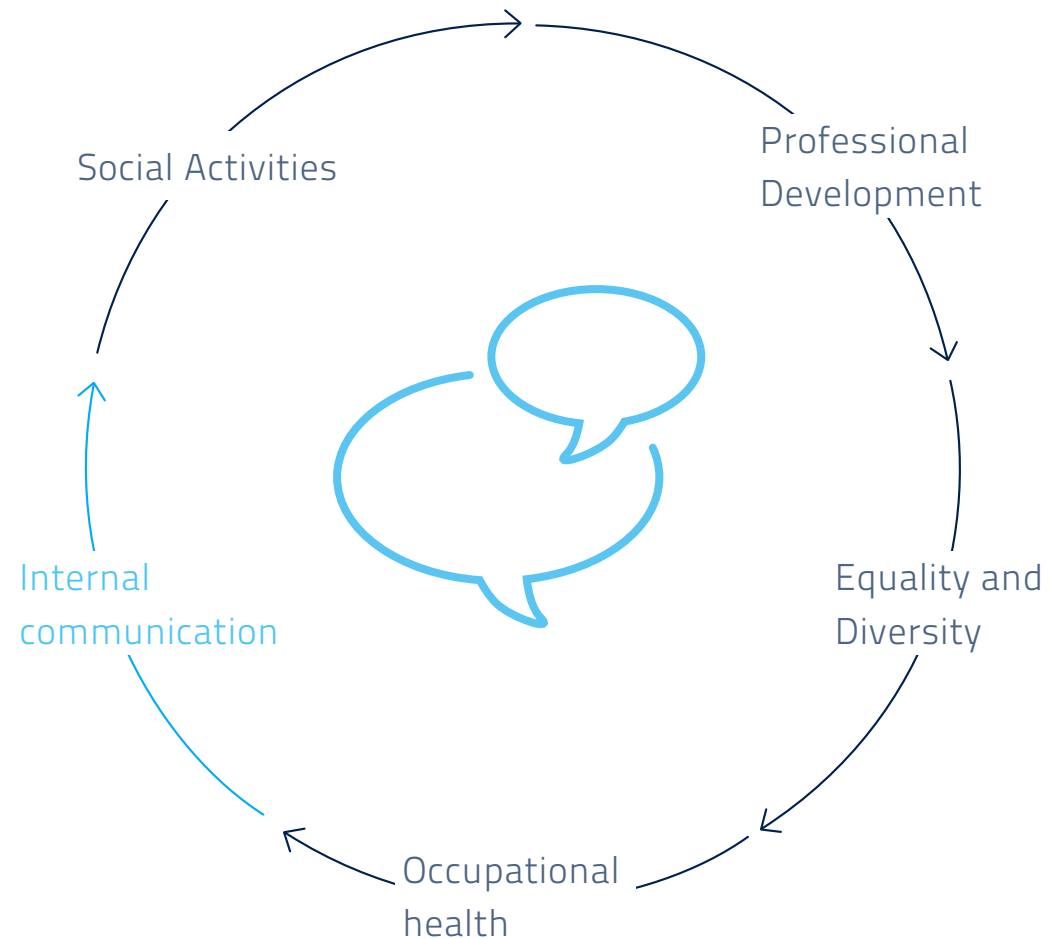
Controllers (CTAS) who may have any possible stress condition derived from a critical incident occurred during the exercise of their functions in their working places.

Within the CISM program framework, ENAIRE provides controllers with a psychological support service which represents a structured aid to human reactions related to ATC incidents of traumatic nature in order to soften their impact on controllers and hasten the return of workers to personal and working normality.

Internal Communication



Internal Communication is a strategic factor in companies and must not be separated from business and commercial plans. In fact, it must be align with them to achieve the company's success. To communicate, also internally, apart from being an obligation and a right, is profitable.



Internal Communication

A good Internal Communication is key in order to successfully undertake projects. For that reason, ENAIRE has several channels for providing continuous information on the performance and

milestones of the organisation and on any other aspect of its workers' interest

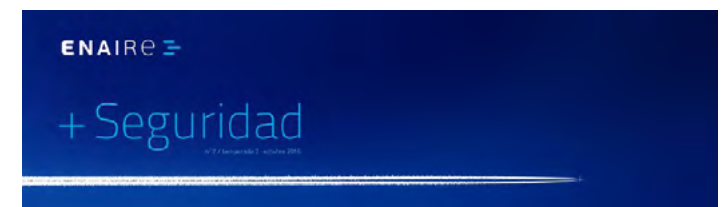
Among the different communication channels, we can highlight the following:

ENAIRE informa

- Communications via mass distribution internal mail created and distributed by Communication Directorate in which news and relevant events for employees are reported.
- In 2016, 176 "ENAIRE informa" have been published.

Más Seguridad Magazine

- Digital magazine addressed to all employees in which aspects related to safety are developed in order to spread that culture throughout the company.
- In 2016, 2 magazines have been published.



Internal Communication

Vuela Magazine

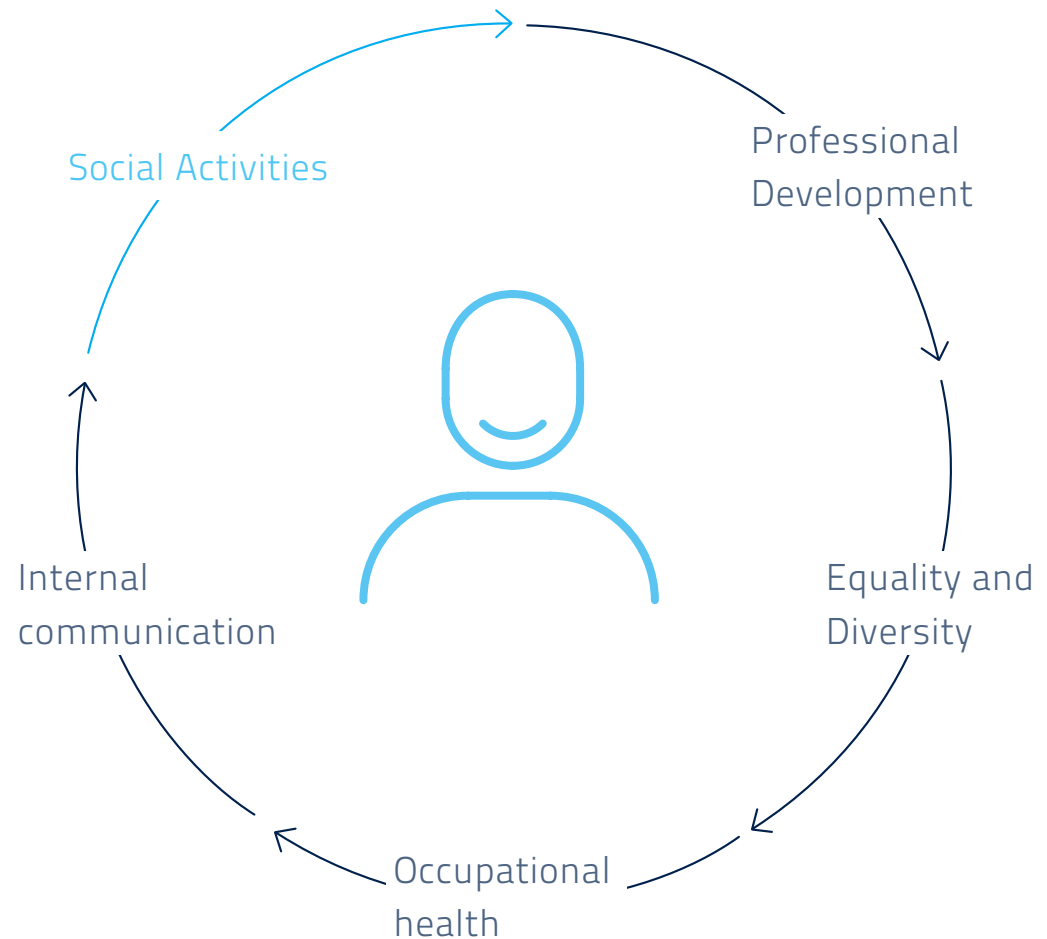
- Bimonthly printed digital magazine whose main aim is to create closer ties between the company and its workers with a more participative format and ludic nature topics.
- It is internally send by email and published in the Intranet. Besides, it is externally shared with stakeholders, the web page and social media.
- It was created in 2016 and its name, "Vuela", was chosen among 84 proposals received from workers from all over Spain.



Social Activities



One of the activities accomplished by ENAIRE in order to promote family reconciliation is the establishment of the “days without school” where activities are offered for the children of employees. In this way, child care is provided and workers do not need to take days off. These activities also include Summer and Easter camps.



Social Activities



15 employees from ENAIRE took part in the Carrera de las Empresas 2016 [2016 Companies race] to foster the concepts of sports and teamwork. There were a 6km and a 10km race.

Social Activities for employees and their relatives

ENAIRE has a Social Activities Program which contributes to improve the quality and stability of employment and promotes personal and workplace conciliation.

Social Aids Program

2,807 aids granted in 2016.

- Financial support is provided to employees through a total payroll for medical issues, accommodations for people with disabilities, studies, camps, nursery schools,...

This Program includes several specific actions aimed to boost positive measures for workers and their environment:

Medical and Life Insurance

- In all workers' salary, a Medical and Life Insurance with favourable conditions is included.

Social Activities



Last Christmas, the Three Kings Day was celebrated in different ENAIRE work centres for the smallest family members. They enjoyed the visit of their Royal Majesties and numerous activities were performed.

Refundable Advance Payment Program

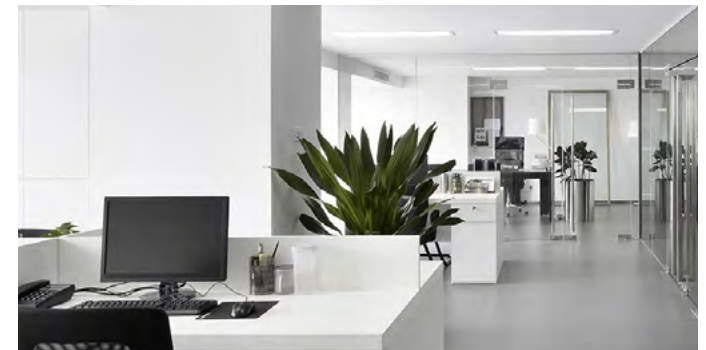
- 40 workers have benefited from this measure in 2016.
- In extreme emergency situations, advance payments can be delivered and subsequently returned within a maximum period of 24 months.

Exceptional aids

- 3 workers have benefited from this measure in 2016.
- Apart from the social aids arising from the total payroll, other aids are granted in order to meet the expenditures caused by very serious and higher amount incidents.

Employee Aid Program

- Long-distance external services for legal and administrative consultations.
- Face-to-face external services for specific needs (must be approved by Human Resources).
- Improvement of face-to-face services for employees at lower prices.



Social Activities



In addition to social aids and PAE [Employee Aid Program], other activities are carried out such as the transfer of facilities so that solidarity markets can be organised.

Employee Aid Program (PAE)

During 2016, the new **Employee Aid Program (PAE)** dossier was formalised with a new company which provides its services through a Special Employment Centre (CEE). This Centre promotes the employment integration of disabled people.

The **Employee Aid Program** offers a 24/365 service which enhances people's quality of life and facilitates the fulfilment of arrangements in all aspects.

One of the novelties of this service is that it includes a Purchase Club in which workers can benefit from great offers and discounts in all kind of leisure activities.



6

ENAIRE AND THE ENVIRONMENT



In figures

	2014	2015	2016	
Energy consumption				
Electricity (kWh)	41,601,54	42,418,277	49,312,707	↑
Vehicle fuel consumption (l)	139,564	139,740	130,230	↓
Resource consumption				
Water (m ³)	65,506	66,428	80,506	↑
Paper (kg)	21,057	24,529	21,191	↓
Direct emissions				
Emissions CO ₂ (t)	630	746	515	↓



In figures

	2014	2015	2016	
Non-hazardous waste				
Containers and packages (kg)	5,224	12,160	116,892	↑
Paper and cardboard (kg)	31,463	19,747	21,878	↑
Scrap (kg)	1,054	3,911	1,240	↓
Decanting fat (kg)	46,820	43,210	34,000	↓
Glass (kg)	1,242	1,621	1,485	↓
Hazardous waste				
Batteries (kg)	12,698	11,858	4,463	↓
Fluorescent tubes (kg)	287	794	172	↓
Contaminated containers (kg)	264	504	639	↑
Contaminated absorbents (kg)	516	293	118	↓
Environmental investment (in thousands of euros)	31	55	36	↓

Action points

E

NAIRE recognizes the economic, social and environmental value of the activity it carries out. For this reason, one of its main purposes is to minimize the impact of flights on the environment and on ENAIRe's activity and thereby achieve the sustainability of the environment.

In order to ensure that this aim is achieved, ENAIRe participates and develops on its own initiative, on one hand, projects focused on reducing the environmental footprint of flights and, on the other, includes good environmental practices in its daily work.

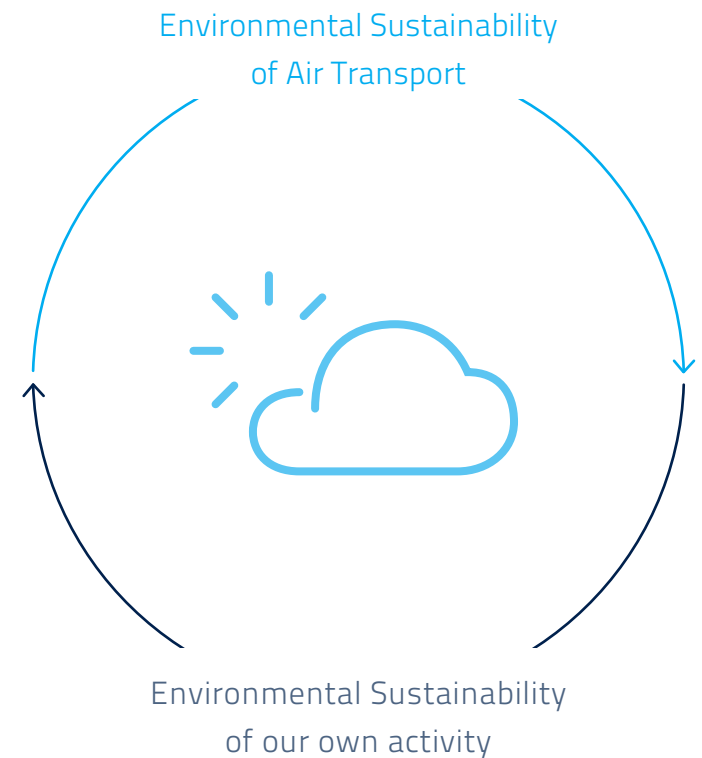


Action points

Environmental Sustainability of Air Transport

Sustainability is a priority for ENAIRe and, with a view to reducing CO₂ emissions to our skies, several measures have been adopted to improve the use of the existing route network. They are targeted to a more direct route planning that enables the **reduction of flying time, consumption and polluting emissions**:

The measures implemented by ENAIRe between 2012 and 2016 have enabled a reduction of 1.8 million in flown miles. This results in a saving of almost 20,000 tons of fuel, as well as 63,000 tons less of CO₂ emissions to the atmosphere. **All this has offset the felling of 3.6 million trees.**



Action points

ENAIRE Commitment:

To contribute to the reduction of greenhouse gas emissions coming from aircrafts through the improvement of the airspace organisation.

To implement airspace reorganisation measures that enable our clients to achieve an average annual reduction of 30,000 tons³ of CO₂ emissions.



[ENAIRE's list of services](#)



The measures implemented by ENAIRE between 2012 and 2016 have resulted in:

1,8 million

less flown miles

20,000 tons

less of CO₂ emissions to the atmosphere

63.000 toneladas

menos de emisiones de CO₂ en la atmósfera

3,6 million

trees would be needed to absorb the CO₂ not emitted

Action points

Flexible Use of Airspace (FUA)

The close cooperation between ENAIRe and the Spanish Ministry of Defence in order to facilitate the Flexible Use of Airspace has allowed civil aircrafts to fly over restricted military use areas in certain circumstances without the need to go around them. The objective of this cooperation is **improving the operational efficiency** as explained in section "Operational and Technical Business Development". This contributes to a significant **reduction in consumptions and emissions**.

2016-2017 Airspace Efficiency Plan

The main aim of the 2016-2017 Airspace Efficiency Plan is the drive for efficiency in terms of **saving nautical miles flown, fuel consumption and reducing polluting emissions to the atmosphere** meeting the needs of airspace users. As a result of this work, 85 improvement measures have been defined: 20 of them have

already been implemented and the rest are in their analysis or implementation phase.

Continuous descent

Another of the measures that ENAIRe is currently putting in place is the continuous descent procedure in which the aircraft descends from an optimum position with minimal engine thrust. This makes it possible to **save fuel and significantly reduces CO₂ emissions**. Furthermore, this implies a **reduction of the noise level** per flight.

Nocturnal routes

ENAIRe has implemented several measures so that nocturnal routes **reduce their environmental impact**, especially regarding sound levels. Among these measures, we can find the limitation of routes and the design of more direct nocturnal routes which reduce flying times.

Action points

Interventions within SESAR framework

SESAR represents the technological pillar of the Single European Sky. ENAIRe has been working actively since 2007, along with other service providers, airports, industry players and users to create a **Single Sky that enables a more efficient, safer and environmentally sustainable use of airspace**. ENAIRe is contributing to the definition of different SESAR projects in which technical facilitators and procedures are developed at European level. These projects are related to improvements in flight efficiency that potentially reduce noise conditions, fuel consumption and atmospheric pollution.

Among the most relevant projects, we would like to highlight the following ones:

- Precision navigation procedures in terminal areas. The aim of this project is increasing the total operational capacity of terminal areas and thus decreasing the traffic flying over them.

- Vertical guidance approach procedures. The aim of this project is developing vertical guidance approach procedures (APV). This process will include the design of procedures, tests in selected airports and the establishment of regulatory materials and associated compliance standards that will become the basis for the certification and approval in Europe.
- Use of PBN for en-route separation. Among other improvements, the aim of this project is to achieve an optimum use of the available airspace and to assess minimum distances between routes.



Action points

ENAIRE presents its airspace improvements in CONAMA with Grupo Fomento

The National Environmental Conference (CONAMA) included in its 2016 edition a panel discussion of the Spanish Ministry of Development called: *"La respuesta en clave sostenible a las demandas de transporte e infraestructuras"* [The sustainable response to transport and infrastructure demands]. In it, Adif, Aena, ENAIRE, Puertos del Estado and Renfe displayed their work in terms of environmental matters.

ENAIRE exposed its strong commitment to the environment through **four main action points**:

- Improvement of the route network efficiency of the Spanish airspace providing a reduction of distances flown for airlines that allows them to save fuel and decrease emissions: design of new air routes and review of traffic routing with airlines.

- Reduction of emissions at arrival and departure points in airports.
- Reduction of taxi times at departure points in Adolfo Suárez Madrid-Barajas, Barcelona-El Prat and Palma de Mallorca airports.
- Operational measures to reduce noise in the airport environment in cooperation with Aena.



Action points

Environmental sustainability of our own activity

ENAIRe has implemented an **Environmental Management System** which aims to reduce the environmental impact and ensure the monitoring and control of its main aspects.

The Environmental Management System is certified in accordance with international standard **ISO 14001: 2004**. It establishes the work basis to define continuous improvement actions that reduce impacts and optimize the management of resources.

The main aspects on which the Environmental Management System acts are:

- Improving energy efficiency
- Reducing waste
- Reducing emissions.



Action points



ENAIRE is a member of the environmental community of the Spanish Association for Quality (AEC) and, as such, it shares the best environmental practices with other benchmark companies.

Energy is one of the main wellbeing sources of modern society but also the main reason causing the environmental problems of our planet. Higher energy consumption implies higher resource consumption, higher waste production and higher levels of polluting emissions to the atmosphere.

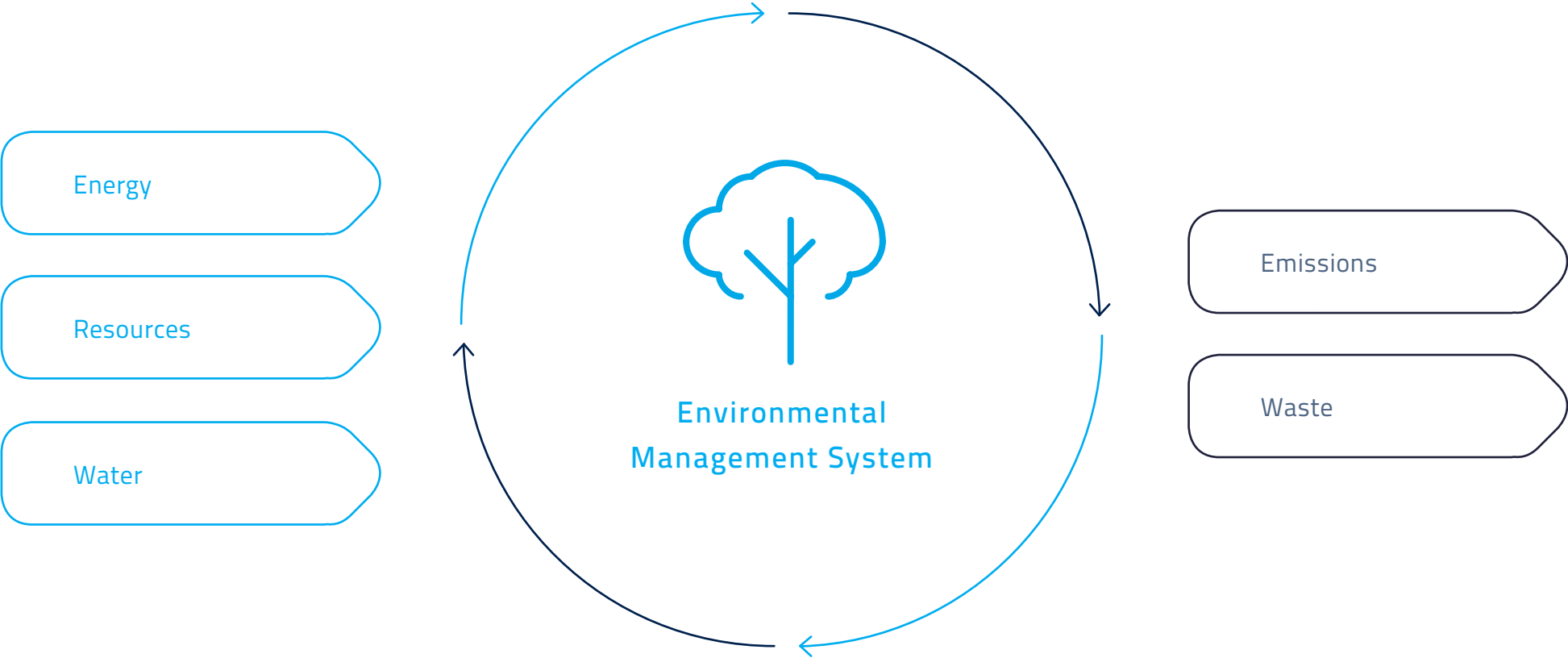
An **efficient use of energy** is an obligation for those organisations that, as ENAIRE, wish to maintain a real commitment with sustainability.

For that reason, during 2016 different actions included in **2016 Annual Environmental Plan** have been carried out.

In order to improve energy efficiency, we wish to highlight the following measures:

- Optimisation of contracted power.
- Measures for reducing the consumption of reactive energy.
- Execution of audits on energy efficiency.
- Renewal of the vehicle fleet for more efficient vehicles.
- Installation of charging points for electric vehicles in ENAIRE Control Centres in Palma and Madrid.
- With regard to renewable energy sources, the wind turbine installed in the Canary Islands has generated 1,837,077 kWh. Its production since its installation has amounted to 24,615,011 kWh.

Additionally, during 2016 we have worked on the new response approach in case of **environmental emergencies**, training our workers to that effect.

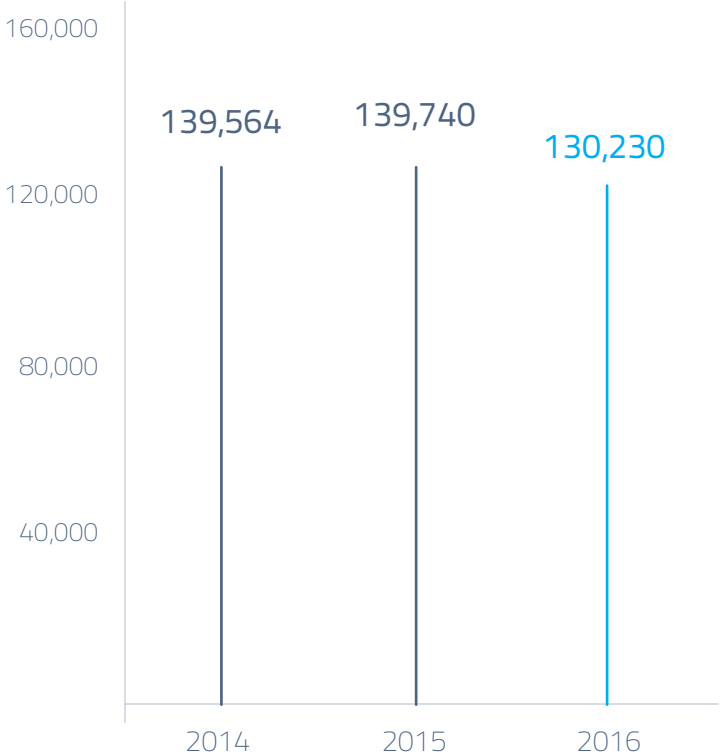


Action points

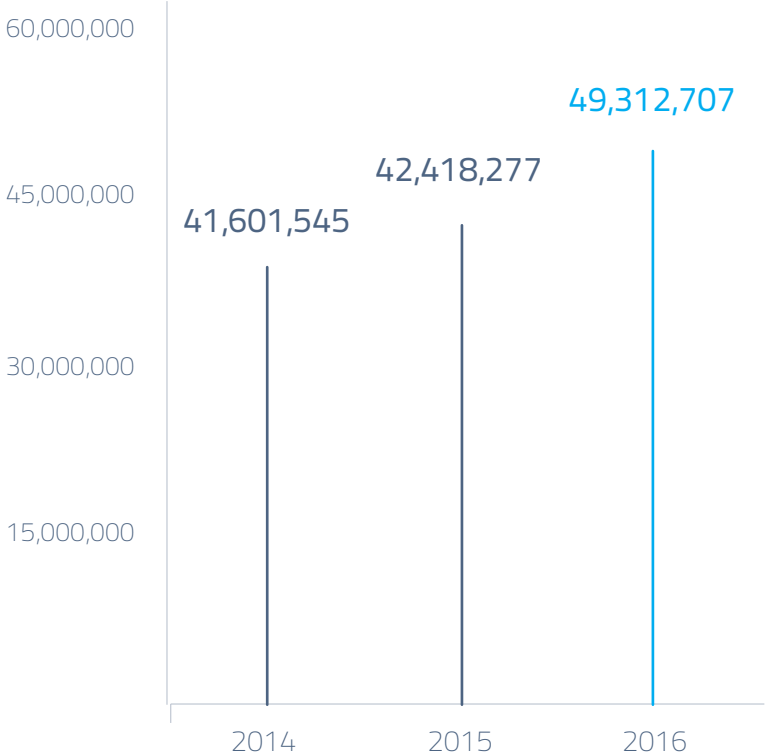
Energy



Consumption of transport fuel (l)



Consumption of electricity (kw)

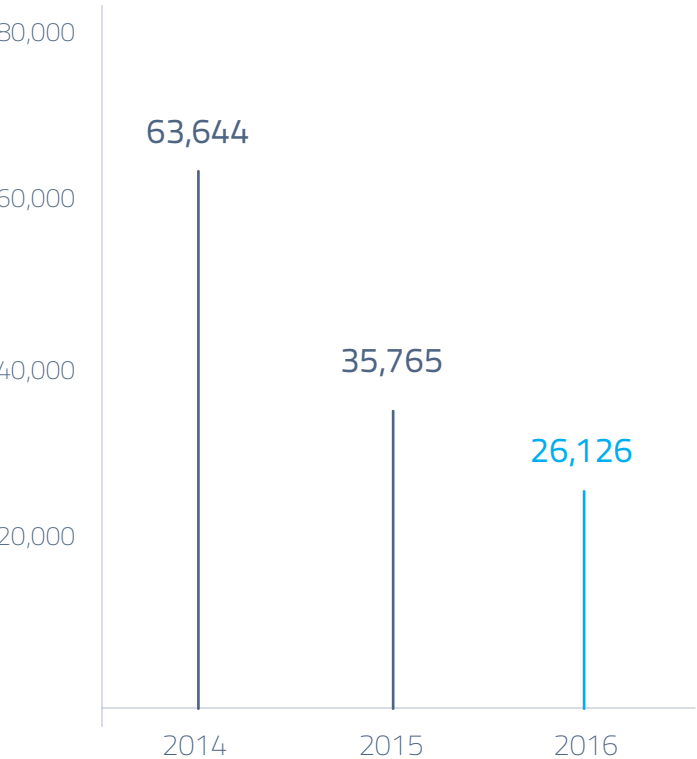


Action points

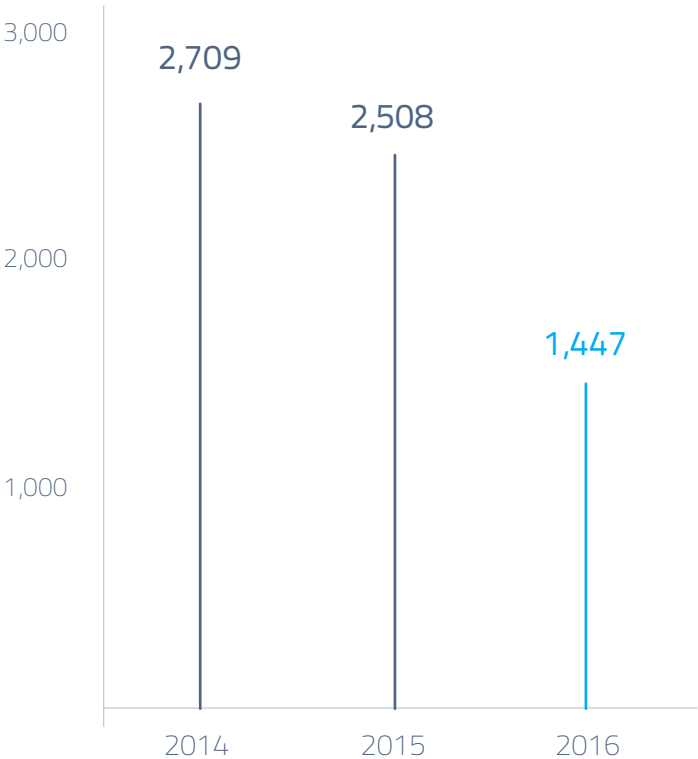
Energy



Consumption of bunker fuel (m³)



Consumption of cooking fuel (m³)

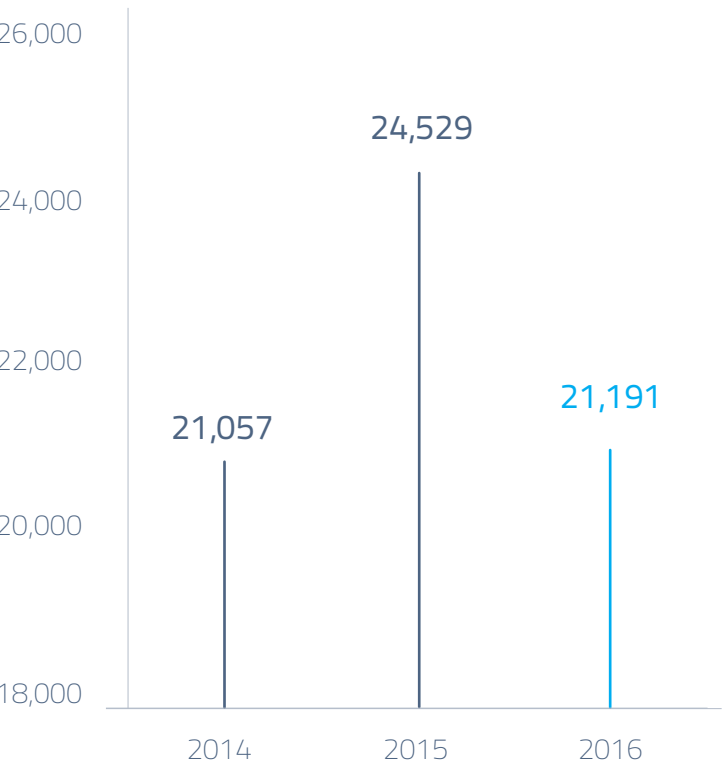


Action points

Resources



Consumption of paper (kg)



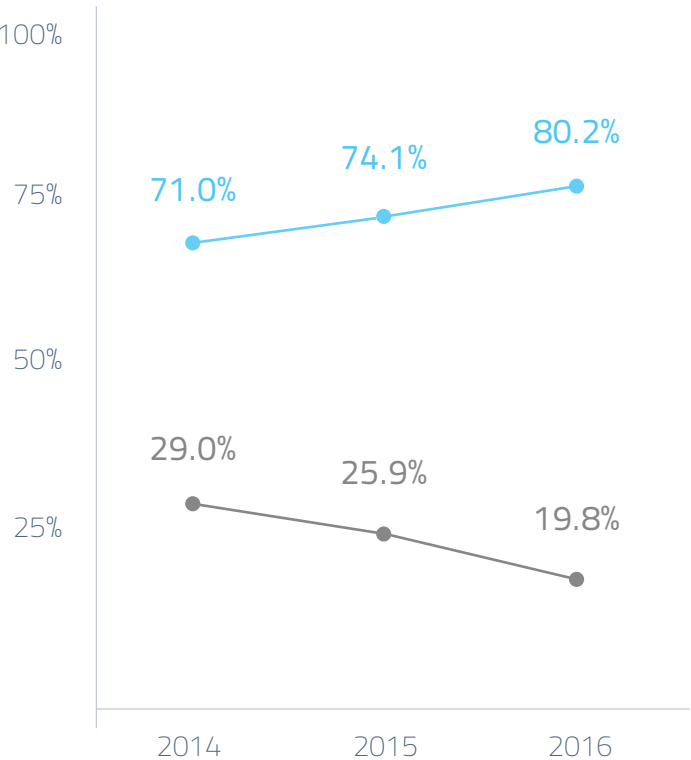
Action points

Water

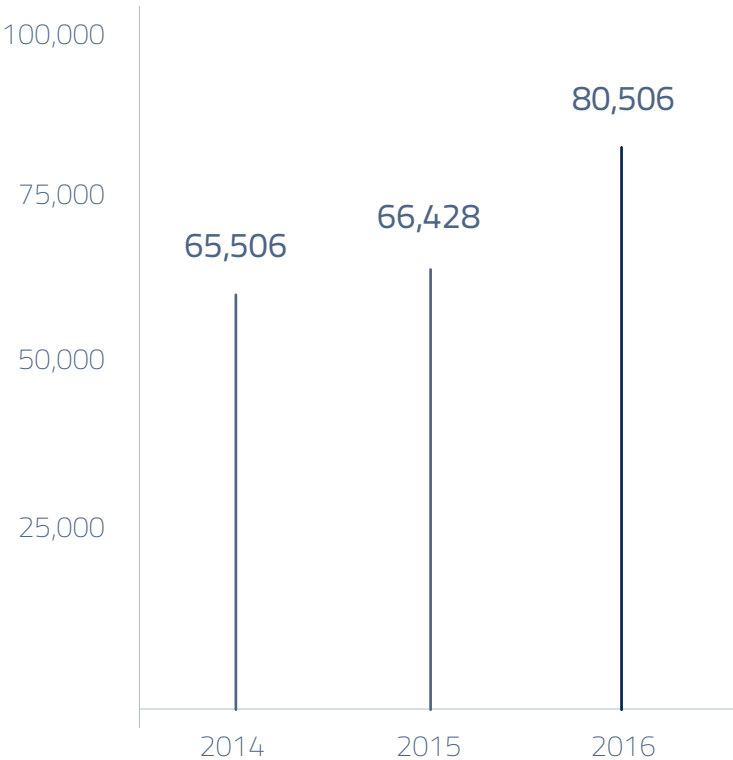


Domestic water line —
Irrigation water line —

Distribution of water consumption per use



Consumption of water (m³)



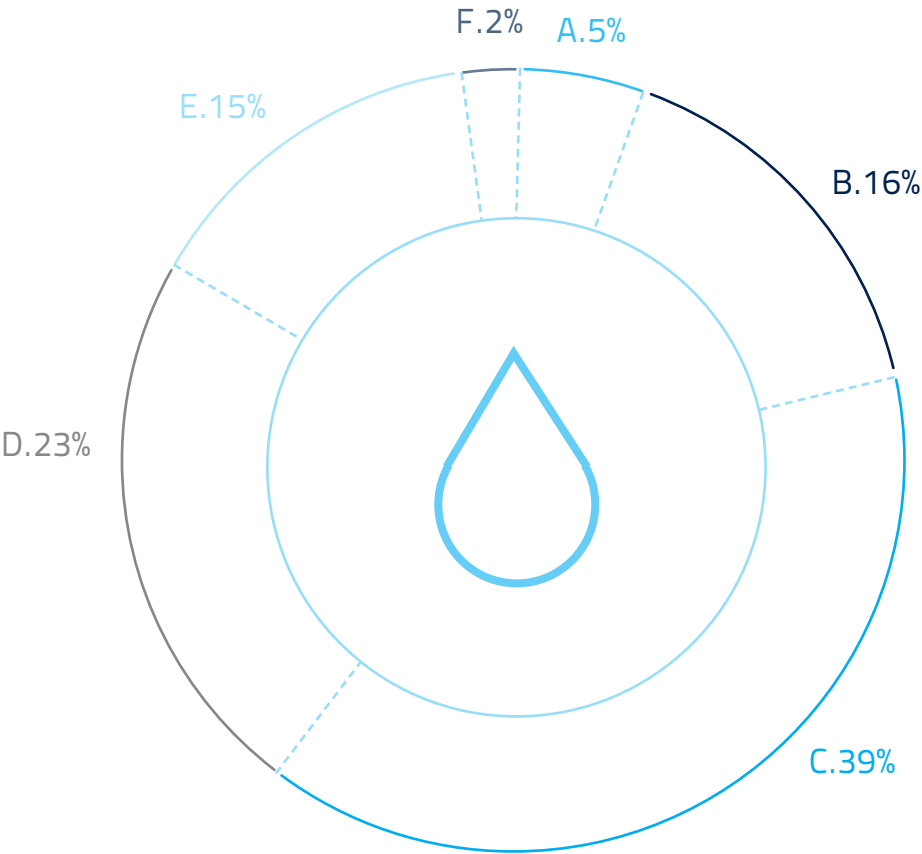
Action points

Water



Distribution of water consumption in Directorates and Central Services (%)

- A. Balearic Islands Regional Directorate
- B. Canary Islands Regional Directorate
- C. Centre-North Regional Directorate
- D. East Regional Directorate
- E. South Regional Directorate
- F. Central Services



Action points

Waste



Special waste	2014	2015	2016	
Waste from electrical and electronic devices (kg)	6,646	7,889	18,389	↑
Waste from used oils (kg)	1,098	1,504	1,206	↓
Waste from ditch or sewage sludge (kg)	27,684	11,909	11,100	↓
Waste from ink or toner cartridges (kg)	1,210	1,130	1,263	↑
Waste from expired drugs (kg)	15	11	0	↓
Waste from alkaline or saline batteries (kg)	198	174	317	↑
Waste from button-cell batteries (kg)	3	2	10	↑
Biomedical waste (kg)	58	133	39	↓
Pruning waste (kg)	14,870	23,006	7,395	↓
TR cells (unit)	0	0	0	=
Waste from construction and demolition (kg)	41	125,830	2,480	↓
Waste from refrigerant gases (l)	136	45	8	↓
End-of-life vehicle (number)	0	0	0	=

Action points

Waste



Hazardous waste	2014	2015	2016	
Batteries (kg)	12,698	11,858	4,463	↓
Aerosoles (kg)	71	46	37	↓
Fluorescent tubes (kg)	287	794	172	↓
Contaminated containers (kg)	264	504	639	↑
Contaminated absorbents (kg)	516	293	118	↓
Waste from water with antifreeze (kg)	35	159	0	↓
Waste from used filters (kg)	75	236	45	↓
Waste from hydrocarbons (kg)	58	0	0	↓
Waste from paint (kg)	25	138	17	↓
Solvent waste (kg)	41	45	31	↓



Action points

Waste



Non-hazardous waste	2014	2015	2016	
Containers and packages (kg)	5,224	12,160	116,892	↑
Paper and cardboard (kg)	31,463	19,747	21,878	↑
Wood (kg)	656	775	244	↓
Scrap (kg)	1,054	3,911	1,240	↓
Vegetable oils (kg)	866	342	1,023	↑
Decanting fat (kg)	46,820	43,210	34,000	↓
Glass (kg)	1,242	1,621	1,485	↓
Wastewater from stagnant wells (m³)	30	35	19	↓
Other waste (kg)	74,930	67,623	75,720	↑



Action points

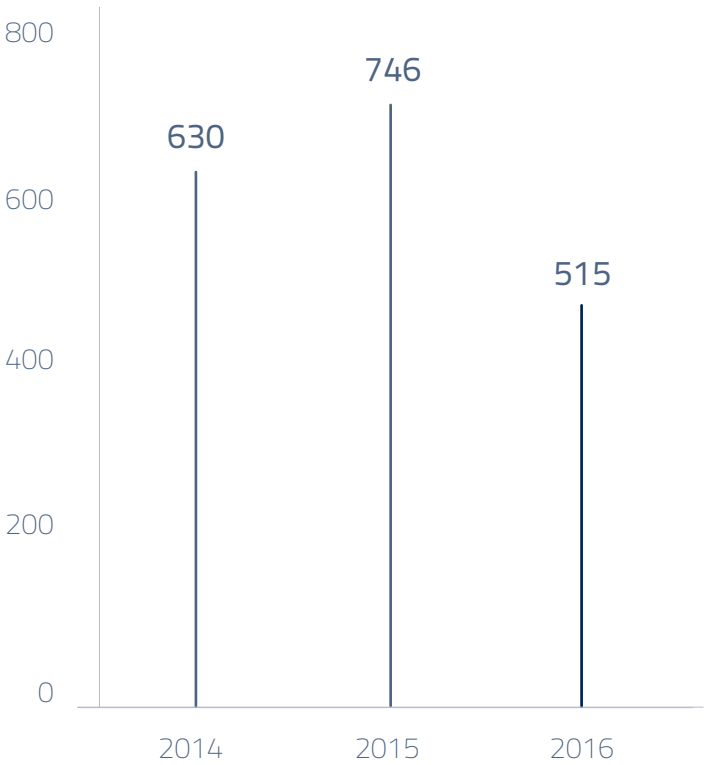
Emissions



* The emissions generated by our activity are due to the diesel fuel consumption of our vehicles and generating sets (which use Diesel fuel type A) and our boilers and kitchens (which use Diesel fuel type C).

These calculations are made following conversion factors in order to obtain the CO2 emissions generated by our own operations (1 scope). In ENAIRE, we use the factors proposed in the *Guía Práctica per al Càlcul d'Emissions de Gasos amb Efecte d'Hivernacle (GEH)* of the *Oficina Catalana del Canvi Climàtic*.

Direct emissions (eq CO₂ tn)



2014* 2015* 2016*

Diesel fuel type A (CO ₂ kg/l)	2.61	2.47	2.50
Diesel fuel type C (CO ₂ Kg/l)	2.79	2.79	2.83



Action points



From 2010 to 2016, ENAIRE has managed to save 2,670 mt of CO₂ which equals planting 133,500 trees

Environmental awareness

In order to involve ENAIRE entire staff in the achievement of our sustainability objectives, during 2016 we have continued to strengthen an internal Environmental Awareness Program which includes:

- Training on environmental emergencies for technical operating staff.
- Development of courses related to environmental topics, environmental legislation and environmental monitoring of suppliers for all personnel.



7

ENAIRe
WITH SOCIETY



Action points



In accordance with our vision, our objective towards society is to provide safe, efficient, quality and sustainable air navigation services in a competitive global environment, to be valued by customers and society, and to depend on people as the main engine driving the company.



Action points



ENAIRE is strongly committed with society and that enables actions directed mainly to enhance training and culture and to contribute actively to social welfare.

Main figures

	2014	2015	2016
Contributions to Fundación ENAIRE (in million euros)	1,497	1,498	1,498
Investment in R&D&I (in million euros)	15.28	14.30	16.76



Action points

Training and culture

ENAIRe is aware of the importance that spreading knowledge has regarding the work it performs and the innovative projects in which it is involved. For that reason, its presence in training activities and conferences held by universities and companies in the industry is increasingly bigger.

Courses and Agreements

Throughout 2016, ENAIRe has participated and actively promoted several programs and actions to **enhance training** of young people and sector professionals .



Action points

Agreement with the Canary Islands Government for the training of students

In 2016, ENAIRe has signed a Collaboration Agreement with the Department of Education and Universities of the Canary Islands Government thanks to which the students from the Lomo de la Herradura High School (Telde-Gran Canaria) could do internships in the premises of ENAIRe Air Transit Control Centre in the Canary Islands.

Agreement with the University of León for the assignment of use of the Automated System of Air Traffic Control (SACTA)

Thanks to the agreement with the University of León, the "SACTA Educational System" came into operation. That means that the software created by ENAIRe has been installed in a controller position within a Control Centre in the 2016/2017 academic year so that the students pursuing the Master in Aeronautical Engineering or the Degree in Aerospace Engineering could use it.

"Air Transport and Journalism" course by Aprocta

Also in 2016, ENAIRe has participated in the "Air Transport and Journalism" course conducted by the Spanish Air Traffic Controllers Association (Aprocta) in collaboration with the Spanish Aviation Safety and Security Agency, the European Commission, the Press Association of Madrid, Iberia and ITAérea Aeronautical Business School.



Action points



ENAIRE signs the actions for the local implantation of the Single European Sky at its stand at World ATM Congress.

Congresses and forums

ENAIRE has gradually increased its organisation and presence in specialized conferences and forums in which the **exchange of knowledge and experiences** contributes to the enrichment of all professionals and groups within the aeronautical industry.

During 2016, we wish to highlight the following ones:

Safety Forum with airlines, pilots and controllers

At the beginning of 2016, the 5th edition of the Safety Forum organised by the Safety Division in cooperation with IATA and EUROCONTROL took place in ENAIRE Central Services. In this Forum participated airlines operational safety representatives (Iberia, Ryanair and British Airways among other airlines), as well as Safety Regional Departments and representatives from the Spanish Official College of Commercial Aviation Pilots (COPAC).

The completion of these joint conferences between pilots and controllers represents an essential tool in order to share specific aspects of operations and improve flight safety.

World ATM Congress

ENAIRE has participated once again in the World Air Traffic Management Congress (World ATM Congress) in which it has displayed its main technology advances.

Under the slogan "Leadership, Change and Implementation", the most outstanding leaders of the aviation sector and the international aeronautical community have discussed about the current scenario and the future solutions of the industry. In parallel to the exhibition open to the general public in which several companies show the latest technologies in air traffic control and the products they place on the market,

Action points



Every year, ENAIRE hosts a forum with its clients and other state administration bodies with the objective of exchanging information and improving service delivery.

different work sessions and conferences related to this sector have been held.

Among the main technology advances shown by ENAIRE in this forum, we wish to highlight the new functions incorporated to the Automated System of Air Traffic Control (SACTA) and the new services for airlines and individuals, as well as the introduction of the Internet Flight Plan. This event brings together in Spain the main air navigation operators in the world and almost 7,000 professionals from 125 countries and 225 companies in the aeronautical industry take part in it.

Air Navigation Clients Forum

ENAIRE has held the Annual Forum for Cooperation covering the year 2015 with Air Navigation Customers. This event represents a meeting point for ENAIRE Management with its clients and other state

administration bodies with the objective of exchanging information about the service delivery. Throughout the meeting, the attendees were informed about the results on the features of the air navigation system (traffic, economic efficiency, safety, delays, efficiency plan...), as well as the findings of the perceived quality survey, the future plans and projects and the main actions carried out.



Action points



With regard to R&D&I, ENAIRe works closely with the Reference Centre for Research, Development and Innovation in ATM (CRIDA A.I.E.), a non-profit joint venture between ENAIRe, The Polytechnic University of Madrid and INECO.

ENAIRe with General Aviation: Volemos Juntos [Let's fly together]

By the end of 2016, a day of conferences sponsored by ENAIRe was held in order to promote communication and the exchange of experiences among different parts involved in the General Aviation sector.

The event called "ENAIRe with General Aviation: *Volemos Juntos* [Let's fly together]" took place in ENAIRe headquarters and a large group of organisations within the sector, aeronautical authorities, AENA (airport operator), air traffic service providers, controllers and experts from different countries participated in it. This event ended with a panel discussion.

This act strengthens the awareness of the different parties involved in the General Aviation development.

"Keep Calm and Think Safety" Campaign

Within the framework of the "Al otro lado de la frecuencia [The other side of the frequency]" Program, ENAIRe developed in June 2016 the "Keep Calm and Think Safety" Campaign, in which controllers and pilots exchanged views on their interventions in case of emergency or in special situations preserving safety as the top priority of their operations. In 2016 several sessions were carried out at Las Palmas, Seville and Palma de Mallorca Control Centres as well as at Valencia Terminal Area Control Centre and at Santiago Tower.

In this way, ENAIRe enhances a closer rapprochement of operational controllers to the opinions and main issues raised by airlines with a view to deepen understanding on the mutual influence between the operations of pilots and controllers through the analysis of the specific problems they face in the course of their work.

Action points

Positive social contribution

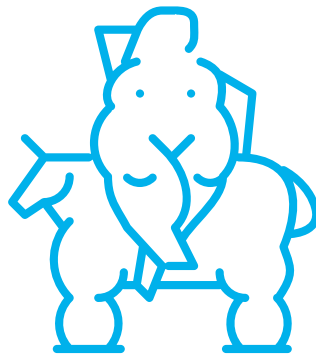
ENAIRe wants to **contribute decisively to the progress and development of society** by actively participating and getting involved in the solution of its main concerns. In order to fulfil this target, ENAIRe mainly channels its external social activities through the Fundación ENAIRe.

Fundación ENAIRe

Fundación ENAIRe (former Fundación Aena) was created in December 1994 and was recognised, classified and registered as a private cultural foundation in the registry of the Spanish Ministry of Culture on 14 March 1995 (BOE [Official State Gazette], 17 March 1995). Since the adoption of the Foundations Law 50/2002 on 26 December, Fundación ENAIRe is included among the foundations of the state sector.



Action points



Its primary objectives are to promote aeronautical culture, manage the historical and artistic heritage gathered in Spanish airports and ensure their preservation and dissemination in society.

As a result of its commitment, Fundación ENAIRE develops numerous activities: the promotion of research through the annual announcement of its awards, the organisation of study days, conference cycles and expositions and the publication of books, magazines and brochures.

The main activities carried out in 2016 by Fundación ENAIRE have been the following ones:

- Exposition of Colección ENAIRE [ENAIRE Collection] on Contemporary Art in Valladolid [Spain].
- Exposition of DRON: EVOLUCIÓN [DRONE: EVOLUTION] in the Sala Arquería of the Spanish Ministry of Development.
- Release of the first edition of the digital magazine of the foundation: ENARTE.
- Cooperation with Fundación Indalecio Prieto in the edition of Indalecio Prieto Tuero's biography, the first Spanish Minister of Air and political leader of the Air Forces of the Republic (FAR).
- Preparation of the brochure for the 2016 Fundación ENAIRE Photography Award.

Action points

- Celebration of the XX edition of the Aeronautical Study Sessions which, in 2016, revolved around remote control aircrafts: from UAV to drones.
- Expositions in which some models from the foundation such as "Un Siglo de la Industria Aeronáutica Española [A Century of the Spanish Aeronautical Industry]" in the Arrigorriaga Town Council [Spain] and "Los orígenes del control aéreo. Los ingenieros militares pioneros de la aeronáutica española [Origins of air traffic control. The pioneer military engineers of the Spanish aeronautical industry]" in the Museum of Guadalajara [Spain] were displayed.
- In November, Fundación ENAIRE initiated the Preservation Master Plan for the comprehensive review of the 1,231 works of art included in Colección ENAIRE [ENAIRE Collection] on Contemporary Art.

Further information in:



www.fundacionenaire.com

[@FundacionENAIRE](https://twitter.com/FundacionENAIRE)



Action points

Other solidarity activities by ENAIRE

Solidarity markets

As has become traditional, ENAIRE organises a solidarity market every Christmas in favour of those most in need inside its facilities with the participation of its employees. Furthermore, in 2016, it counted on the participation of Apadrina la Ciencia, Cáritas, and SETEM which provided from toys to leather goods and food products to be sold.

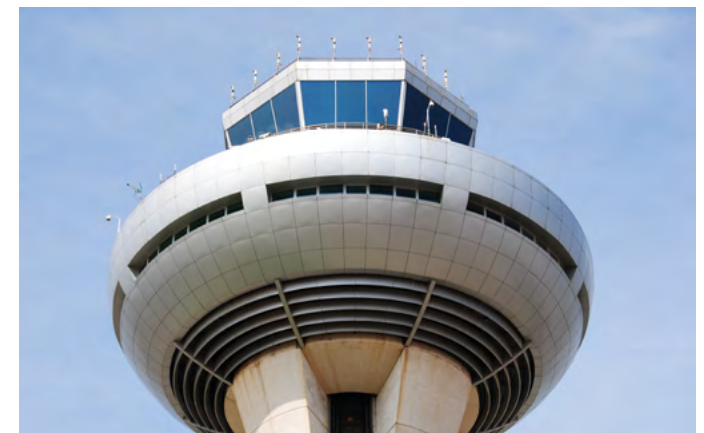
Due to the success of this initiative, in 2017 it is envisaged to further expand the solidarity market with an additional one in summer.

Visits to ENAIRE Control Centres.

In order to bring air traffic control services closer to society, ENAIRE has created in 2016 a procedure for visiting the premises of our different air regions that eases the rapprochement of all types of public

to facilities and professionals, always ensuring the safety of this activity.

During 2016, more than 500 visits have been received including associations, airlines, educational institutions and individuals.



Action points

Cooperation with blood donation campaigns

ENAIRE cooperates with the Spanish Red Cross in a very important activity -blood donation in order to meet the demands of the health centres in the Community of Madrid. This campaign has the support of ENAIRE employees.

Use of the airspace for solidarity and leisure activities

As the body responsible for airspace management, ENAIRE reserves it with the objective of ensuring the correct development of those activities that society demands. Among those activities we can find the celebration of events, competitions or solidarity activities. In 2016, the most relevant ones were the commemoration of 11M in Madrid, the celebration of the XIX Copa del Rey de Aerostación [Ballooning King's Cup of Spain], the parade by the Patrulla Águila in the Spanish National Day or the air festivals held in Gijón, Motril, and Torre del Mar.









Action points

Communication with society

Social media

As part of its commitment to transparency towards society, ENAIRE has not only collaborated actively during 2016 with the media, but also expanded its

presence in social media to disseminate air navigation culture and information of interest for its passengers. Besides, they represent a direct contact with users.

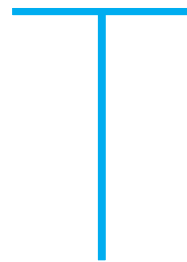
Social media	Followers	Publications	Follow us!	
Twitter	4,523	796	twitter.com/ENAIRE	
Facebook	879	539	www.facebook.com/ENAIRE	
LinkedIn	3,170	147	es.linkedin.com/company/enaire	
Instagram	620	237	www.instagram.com/ENAIRE	
YouTube	72	10	www.youtube.com/ENAIRE	
Google+	20	40	plus.google.com/+ENAIRE	
Total	9,284	1,769		

8

FINANCIAL INFORMATION



Economic efficiency



The Spanish economy continues growing, as shown by the main economic scales. According to data from the Spanish National Statistics Institute, the Spanish GDP has increased by 3% in 2016, which represents a consolidation of the growth initiated in previous years.

Air transport is a strategic sector for Spain due to its economic and social impact. Besides, it contributes to a higher territorial connexion, connectivity, accessibility and cohesion.

Tourism represents about 11% of Spanish GDP, 4 out of 5 tourists who arrive in Spain travel by air transport.

Spain welcomed **75.6 million international tourists** in 2016 and that implies a new historical record as it means 7.7 million more than the year before (a 10.3%

inter-annual variation). Of that total, 60.6 (80.2%) million international tourists came to Spain by air.

Of these 75.6 million, more than half of those tourists came from three emission markets: the United Kingdom with more than 17.8 million, France with 11.4 million and Germany with 11.2 million.

We also wish to highlight the inter-annual growth of tourists coming from countries such as Saudi Arabia, Argentina, Canada, United Arab Emirates, Ireland or Israel.

The main emitting countries have contributed to this growth where the following inter-annual growths in relative terms should be emphasised: Ireland (+23%), Portugal (+15%) and the United Kingdom (+12%). By Autonomous Communities, all recorded increases, being more significant in the Valencian Community (17%), Madrid (14%) and the Canary Islands (13%).

Economic efficiency

Meanwhile, in absolute terms, Catalonia tops the list of communities with 17.8 million international tourists, followed by the Canary Islands with 13.2 million and the Balearic Islands with 13.0 million.

In terms of access routes, out of the total number of international tourists that visited Spain, 75.6 million (80.2% of the total) chose to travel by plane, 17.3% travelled by road and 2.6% used other means of transport (ports and railways). But, that said, we must not forget the relevant position of Spain as an entrance and exit door to Latin-America by plane.

The public business entity ENAIRE has made an enormous effort and a profound transformation in recent years by means of the Rationalization and Efficiency Plan, laying the foundations for future growth.

The improvement strategy of our services with the ultimate aim of offering a better efficiency to our clients

is based on the development of different intervention programs in those areas related to said services. The fulfilment of these programs requires the use of the economic resources stated below:

66 million euros (payment criterion)

Investment

940 million euros

Revenues

764 million euros

Expenses

Economic efficiency

The **operating expenses** in 2016 increased by **46.4 million euros** from the previous year. The total **operating revenues** grew to 940.4 million in 2016, which represents a 7.5% rise (65.6 millions) in comparison with 2015.

The total **investment** made by the public business entity ENAIRE in 2016 (according to the payment criterion) **came to a total of 65.9 million euros**, a figure that represents a 10.4% rise (+6.2 millions) in comparison with 2015.

This growth derives from our objective of updating and modernising the air navigation system through technological evolution and the development of new procedures and functionalities.

The **main interventions** carried out by ENAIRE in order to improve our services and achieve our proposed performances are outlined here below.



Expenses

In recent years, ENAIRE has developed an ambitious cost reduction plan as well as measures to improve operational efficiency and productivity, which have been successful.

In 2016, Current Expenses have increased by 10.8% compared to the year 2015. That is mainly due to the

fact that, in 2015, several provisions of personnel were reverted for the amount of 56.1 million, to the 1% salary increase according to 2016 Spanish State General Budget in 2016, to the increase in Social Security expenditure at the company's expense and to the new LER [special paid leave] actuarial calculation.

Concept	2016	2015 (*)	Variations	
Supplies	35.5	34.9	0.6	1.7%
Personnel expenses	533.9	472.9	61.0	12.9%
Other operating expenses	97.3	93.8	3.5	3.7%
Total current expenses	666.7	601.6	65.1	10.8%



(*) Restated amounts (See note 2.g included in the Annual Accounts)

Figures in million euros

Expenses

If the data hereinbefore mentioned were isolated and figures in 2015 and 2016 were homogenised, an effective decrease in personnel expenses which will lead to a decrease in current expenses could be seen.



Investments

The increase in investments over the previous fiscal year steams from our objective of enhancing the upgrade and modernization of the air navigation system through technical evolution and the development of new functionalities. That will increase the system efficiency and improve the quality of the service delivered, as well as improve, at the same time, the operational efficiency. This evolution mainly arises from incorporating the new technology currently available on the market, once the required technological maturity is reached, and from our participation, along with other service providers, at a European level, in the different groups established for that purpose (SESAR, EUROCONTROL, etc.).

Another reason for the increased investments is the implantation of the measures required to comply with the European regulatory framework in terms of the Single European Sky (SES), both recently published,

such as, for example, the Common Pilot Project (PCP) published in 2014, or another regulation already in effect, such as Datalink, the separation of voice channels (8.33 kHz) or the one related to Surveillance Performance Interoperability (SPI). Said interventions included in the European ATM Master Plan will enhance the global performance of air navigation services and the network functions in general air traffic. Besides, they will ensure the harmonisation and standardisation of technical and operational criteria in the delivery of services in all Member States.

Additionally, several projects are being developed for the integration of equipment and functionalities, as well as for a centralized supervision and control of some systems. Their aim is to improve their exploitation and operation and, after the investment needed for their deployment they will allow for a higher operational flexibility and improve in terms of cost-efficiency once implemented.

Inversiones

Hereinafter, a breakdown of investment by concept can be seen:

Figure in million euros	2016
Automation	28.40
Communications	6.97
Navigation and Surveillance	8.11
Information Systems	4.92
Simulations	2.15
Safety	0.92
System maintenance	14.41
TOTAL	65.88



Analysis results

Profit and loss statement

Concept [figures in million euros]	2016	2015 (*)	Variations	
Turnover	922.9	864.7	58.2	6.7%
Other income	17.6	10.1	7.4	73.3%
Operating income	940.5	874.8	65.6	7.5%
Supplies	35.5	34.9	0.6	1.7%
Personnel expenses	533.9	472.9	61	12.9%
Other operating expenses	97.3	93.8	3.5	3.7%
Depreciation	100.3	116.2	-15.9	-13.7%
Impairment, exceptional costs and other profit and loss	-3.3	-0.5	-2.8	-514.0%
Operating expenses	763.7	717.3	46.4	6.5%



(*) Restated amounts (See note 2.g included in the Annual Accounts).

Analysis results

Profit and loss statement

Concept [figures in million euros]	2016	2015 (*)	Variations	
Operating profit and loss	176.7	157.5	19.2	12.2%
EBITDA	277.0	273.8	3.3	1.2%
Financial profit and loss	206.0	-3.5	209.5	5,991.7%
Profit and loss before tax	382.7	154.0	228.7	148.5%
Income tax	-41.5	-42.4	-0.9	-2.2%
Profit and loss for the financial year	341.3	111.7	227.8	205.6%
Aena's 49% OPV [IPO] Result		2,972.6		
Aena's 49% OPV [IPO] Income tax		-500		
Profit and loss for the financial year with Aena's 49% OPV [IPO]		2,584.3		



(*) Restated amounts (See note 2.g included in the Annual Accounts).

Analysis results

Profit and loss statement

The Entity's turnover rose to 922.9 million euros in 2016, representing a 6,7% increase, +58.2 million, on the previous year.

This increase is mainly due to the positive development of the service units which have grown as follows: +8.5% en-route increase in Peninsula and 5.9% in the Canary Islands and 9.5% approach increase due to the traffic rise.

Other Operating Income have mainly grown as a result of the receipt of operating subventions (8.9 million euros from the European Union), the allocation of 1.7 million euros to works carried out for fixed assets (as in 2016 the expenses made by the company for the manufacturing of fixed assets have begun to be incorporated in them) and the 2 million surplus provision for the reversal of provisions of the municipal public domain occupation tax from the Begues City Council (Barcelona) from 2009 to

2013 according to the decision taken by the Supreme Tribunal of Justice of Catalonia which dismissed the appeal made by the Begues City Council.

The operating expenses reflect a 6.5% increase. In terms of expenses, the biggest variations involve:

- Supplies. These expenses which comprise the payment agreements with other Organisms (AEMET and AESA) rose by €0.6 million (+1.7%). This increase is due to the traffic growth.
- Personnel expenses. They amounted to €533.9 million in 2016 compared to €472.9 million in 2015. This is mainly due to the 1% salary increase after been frozen for several years and to exceptional personnel expenses such as the increase in Social Security expenditure at the company's expense due to the notification of the labour inspectorate in order to regulate the contribution according to CNAE [Spanish

Analysis results

Profit and loss statement

National Classification of Economic Activities] (+11.7 million euros) and the new LER [special paid leave] actuarial calculation (+3.4 million euros).

Additionally, in 2015 fiscal year, provisions of personnel were reverted for the amount of 56.1 million euros. Among them we should highlight -41.4 million euros derived from a Supreme Court judgment of 20 May 2015 favourable to the company's interests. As a result, the difference in the maximum total payroll in 2010 fiscal year should not be paid to controllers as the requirements agreed on 13 August 2013 between this group and ENAIRe were not met. We also wish to highlight -6.6 million euros in the provision of LER funds, -6.8 million euros in the provision of the Voluntary Disconnection Social Plan and -1.1 million euros in the provision for claims of certifiers and long-service bonuses.

The Entity's turnover rose to

922,9 million euros

+58 million euros

on the previous year (2015)

+8,5% en-route increase

in service units in Peninsula

+5,9% en-route increase

in service units in the Canary Islands

Analysis results

Profit and loss statement

- Other operating expenses. They registered a 3.7% growth (+3.5 million euros) reaching a total of 97.3 million euros in 2016, as a result of the increase in consultancy works, bank charges (for the holding of Aena's shares), communications, computer circuits and contributions to EUROCONTROL.

- Depreciation of fixed assets. This figure registered 100.3 million euros in 2016, 15.9 million euros less (-13.7%) than in 2015. This decrease is due to the Reduction and Optimisation Plan of the investments made.

- Impairment, disposal of fixed assets and other profit and loss. This expense amounted to -3.3 million in 2016 compared to -0.5 million in 2015. Extraordinary Income is included in "Other profit and loss" for the exercise of the right to deduct input VAT regarding aerodrome control services

in years 2012, 2013 and the estimate of amounts deducted for the same concept in 2014.

Operating profit and loss in 2016 reached 176.7 million euros, a 12.2% improvement (+19.2 million euros) over the year 2015. As hereinbefore explained, this was due to traffic growth.

Financial profit and loss amounted to 206 million euros in 2016 given the dividend received from Aena S.A. (207.3 million euros) and Ineco (+3.1 million euros), as well as the reduction of financial expenses on debt.

Profit and loss for the 2016 financial year reached 341.3 million euros, although it would be 133.9 million euros if the dividend from Aena is excluded. In 2015 it amounted to 111.7 million euros (excluding the sale of Aena) and that represents a 19.9% improvement.

Analysis results

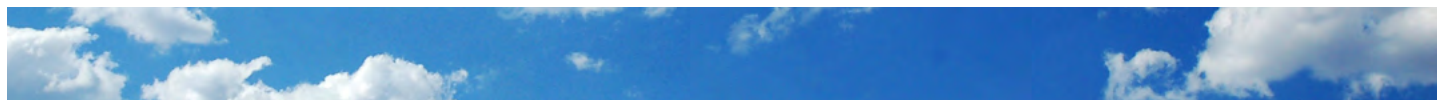
Balance, capital structure and cash flow statement

ENAIRE balance

Balance ENAIRE	2016	2015 (*)	Variation
Non-Current Assets	9,628.3	10,687.8	-1,059.5
Current Assets	1,644.8	2,021.3	-376.5
Total Assets	11,273.1	12,709.1	-1,436.0
Net Equity	2,280.8	2,452.7	-171.6
Non-Current Liabilities	8,015.9	8,864.9	-849.1
Current Liabilities	976.4	1,391.4	-415.0
Total Liabilities	11,273.1	12,709.1	-1,436.0



(*) Restated amounts (See note 2.g included in the Annual Accounts).



Analysis results

Balance, capital structure and cash flow statement

Total Assets decrease in 2016 compared to 2015, as a consequence of the descent in investments in long-term group and associated companies.

Additionally, the Long-Term Current Tax Asset decreased by 54.7 million euros in 2016, in comparison with the amount registered in 2015 (244.7 million euros). The reason for this variation is essentially the consequence of the fact that the tax exemption applicable to the capital gains generated in the sale of 49% of Aena S.A.'s shares shall not be effective until the settlement of annual tax is made, and not the settlement of instalment payments.

The decrease of Non-Current Assets is accompanied by a drop in the Current Asset owed. This is due to, among other reasons, the decrease in cash and other equivalent liquid assets (397.4 million euros in 2016 to 534.6 million euros in 2015).

Besides that, the Short-Term Current Tax Asset increased in 2016 due to the short-term classification of 2015 corporate tax settlement.

Net equity decreased by 171.9 million in 2016 over the previous year mostly as a consequence of the sale of Aena's shares. It should be taken into account that in 2016, 302.5 million which were unpaid in 2015 were transferred to the Spanish Public Treasury as the result of the sale of Aena.

Current and Non-current Liabilities decreased mainly due to the repayment of principal debt with credit entities, both in the short and in the long term.

Analysis results

Balance, capital structure and cash flow statement

Clarifications of Entity's cash flow statements

Figures in million euros	2016	2015 (*)	Variation
Cash flow for operational activities	486.4	(391.8)	878.2
Cash flows for investment activities	1,106.5	5,281.7	(4,175.2)
Cash flows for financing activities	(1,730.0)	(4,568.1)	2,838.1
Net Cash or Equivalents Increase/Decrease	(137.1)	321.8	(458.9)
Cash or Equivalents at the beginning of the Fiscal Year	534.6	212.8	321.8
Cash or Equivalents at the end of the Fiscal Year	397.4	534.6	(131.1)



(*) Restated amounts (See note 2.g included in the Annual Accounts).



Analysis results

Balance, capital structure and cash flow statement

Net cash flows for operational activities

The main collections for operations correspond to collections made to customers (mainly EUROCONTROL and Aena S.A.), while the main operating payments correspond to payments to creditors for providing several different services, personnel, and local and state taxes.

Cash generated by operational activities before working capital variations increased by 8% reaching 304.1 million euros in 2016, from 281 million euros in 2015, largely as a result of the company's improved operations reflected in the increase in profits before taxes.

Variations in working capital changed from -111.6 million euros in 2015 to -66.2 million euros in 2016. This paragraph refers mainly to the variations in the balance of receivables

(clients, public finance) and payables (suppliers, personnel...) in the short term.

Interest paid, largely involving the payment of debt interest, dropped due to a reduction in the amounts of the average debt, in addition to the average type of the same.

The receipt of dividends corresponds mainly to the dividends received by Entity Aena S.A. (207.3 million euros), bearing in mind that Aena S.A. shares 50% of the results of every fiscal year with its partners in dividends according to that established in the OPV [IPO] Information Leaflet registered in the CNMV [National Securities Market Commission]. The payment of said dividends is made per due year.

Analysis results

Balance, capital structure and cash flow statement

The rest of receipt of dividends up to the amount of 210.4 million euros corresponds to those dividends received by Ineco and Grupo EAD.

For its part, the payment and collection for corporate taxes changed from -558.2 million euros in 2015 to 39.9 million euros in 2016, mainly due to the fact that 2015 corporate tax included the fiscal impact of the payments on account derived from the sale of Aena, S.A.'s 49%, estimated in 601 million euros.

As a consequence of all the above, the cash flow for operational activities has increased to 486.4 million euros in 2016, from -391.8 million euros in 2015. We wish to highlight other operating cash flows (mostly the payment for corporate taxes) which increased remarkably in 2016 due to the elimination of the effect derived from the sale of Aena S.A.'s 49% in 2015.

Net cash flows for investment activities

The main payments related to investment flows correspond to purchases and repositions of non-financial real estate relative to IT applications and technical facilities, both relative to air navigation.

During 2016, those payments have risen slightly to 65.9 million euros from 50.2 million euros in 2015.

The collections related to disinvestment which correspond, on one hand, to the credit derivatives with Aena S.A., reached 1,172.4 million euros in 2016 compared to 1,081.4 million euros and, on the other hand, in this case only in 2015 fiscal year, to the sale of Aena S.A.'s 49% which involved in 2015 collections of 4,247.7 million euros that included the net expenses derived from the operation.

Analysis results

Balance, capital structure and cash flow statement

Keeping in mind the above, the net cash generated for investment activities has decreased to 1,172.4 million euros, from 5,281.7 million euros in 2015.

Cash flows for financing activities

Cash flows for financing activities change from -4,568.1 million euros in 2015 to -1,730 million euros in 2016 as a consequence of the elimination of the effect of Aena's OPV [IPO]. Said effect in 2015 is reflected as follows:

- A 1,274.4 million euros depreciation of equity instruments is reflected in 2015, as a consequence of the sale of 49% of Aena, S.A.'s shares and based on the reduction of Entity Equity for that amount.
- As a consequence of the sale of 49% of Aena, S.A.'s shares, a payment was made in 2015 to

the account for the benefit of the net sale of taxes to the Spanish Public Treasury for the amount of 2,165.3 million euros.

In 2016, the payment on account rises to 509.8 million euros and includes the dividends received by Aena and transferred to the Spanish Public Treasury which amounts to 207.3 million euros and those 302.5 million euros transferred to the Spanish Public Treasury for the retained earnings from 2015 fiscal year derived from the sale of Aena.

Moreover, long-term bank debt depreciations have reached 1,224.7 million euros (1,128.4 million euros in 2015) due to its own compliance with the payment schedule established according to contract. No bank debt has been refinanced.

Analysis results

Balance, capital structure and cash flow statement

ENAIRe's activities are exposed to several financial risks: market risk, credit risk and liquidity risk. The Entity's Global Risk Management Program focuses on the uncertainty of financial markets and tries to minimize the potential adverse effects on its financial profitability.

There is an Acknowledge of Financial Debt Agreement between Public Business Entity ENAIRe and Aena, S.A. originating from the non-monetary contribution which led to the creation of Aena, S.A. and by which it assumed 94.9% of the bank debt of the main company.

The main financial risks are hereinafter indicated:

Market risk

Interest rate risk on cash flows and fair value. ENAIRe's interest rate risk arises from the financial debt.



Analysis results

Balance, capital structure and cash flow statement

The loans issued at variable rates expose the Entity to risk of interest rate fluctuating in cash flows, which is partially offset by cash held at variable rates. The loans issued at fixed rates expose the Entity to fair value interest rate risk.

The financial expenses are mainly due to the financial debt recognised with Credit institutions. Likewise, the Entity has concluded interest rate hedging agreements which are transferred to Aena, S.A. The percentage costs of these derivatives which correspond to the subsidiary company Aena S.A are transferred to it.

In regard to reviewable rate loans, the Entity has modified the rate regime for those loans due to be revised in 2016. The total amount revised is 808.516 thousand euros which correspond to EIB loans and have been set at a fixed rate to maturity at an average rate of 0.81%.

Credit risk

The credit risk of the Entity is caused by cash and other equivalent liquid assets, derivative financial instruments and deposits in banks and finance institutions, as well as by the credit exposure of commercial accounts receivables and transactions agreed.

The Entity does not expect any losses not provisioned as a result of default by these counterparties.

ENAIŘE maintains its treasury and equivalent liquid assets in high-credit-quality financial institutions.

Analysis results

Balance, capital structure and cash flow statement

Liquidity risk

The main risk variables are: limitations in the financing markets, increase in forecast investment and decrease in cash-flow generation.

With the aim of maintaining sufficient liquidity to meet the financial requirements over a minimum of twelve months, a long-term financing policy was established, as well as the arranging of short and medium-term liquidity lines.

In order to be able to meet the investment obligations and its short-term debts, ENAIRe has, at the close of 2016 financial year, a 397.5 million euros treasury and its own operating cash flows. In these circumstances, the Entity Directors consider that there will be no problem to meet payment commitments.



Business areas

Concepts	Air navigation	Corporate unit	Total
Net turnover	921.9	0.9	922.9
Other operating income	17.5	0.1	17.6
Total operating income	939.5	1.0	940.5
Supplies	(35.5)	0.0	(35.5)
Personnel expenses	(533.9)	0.0	(533.9)
Depreciation of fixed assets	(99.7)	(0.6)	(100.3)
Other operating expenses	(95.3)	(2.0)	(97.3)
Losses, impairment and other profit and loss	2.2	1.1	3.3
Total operating expenses	(762.2)	(1.5)	(763.7)
Operating results	177.3	(0.5)	176.7
EBITDA	277.0	0.0	277.0
Total Assets	1,175.7	10,097	11,273
Total Liabilities	350.3	8,642	8,992



Figures in million euros.

Business areas

Air navigation segment

The turnover from the Air navigation segment reached 921.9 million euros in 2016 compared to 863.8 million euros in 2015.

The main reason for this increase is the positive development of the en-route and approach service units due to the increase in traffic.

Other operating income have mainly grown as a result of the receipt of operating subventions (8.9 million euros from the European Union), as well as the allocation of 1.7 million euros to works carried out for fixed assets and the 2 million surplus provision for the reversal of provisions. Under these circumstances, the operating results rose to 177.3 million euros in 2016 from the 157.5 million euros in 2015.

Corporate segment

In this segment are included the Entity's income and expenses which are not related to air navigation activities. In 2016, we wish to highlight an income arising from the Agreement for the Not Free of Charge Transfer of Use of the Arturo Soria Building to Aena, S.A. within the turnover, as well as the depreciation expenses linked to said building and the contribution of Fundación ENAIRe regarding expenses.

This segment includes in its balance sheet the financial debt from the participation in Aena S.A.'s equity.

Contracts

During 2016 fiscal year, the total volume of goods and services contracts awarded to ENAIRe reached 101.18 million euros (excluding taxes).

Contracts awarded centrally represented 95% of this volume (96.11 million euros), compared to 5% (5.06 million euros) awarded to all peripheral centres.

The breakdown of the contracts awarded involving centralised expenses according to their nature is as follows:

10.29 million euros

Assistance and services

6.21 million euros

Supplies

The breakdown of the contracts awarded involving centralised investment according to their nature is as follows:

7.15 million euros

Assistance and services

1.29 million euros

Works

17.17 million euros

Supplies

Contracts

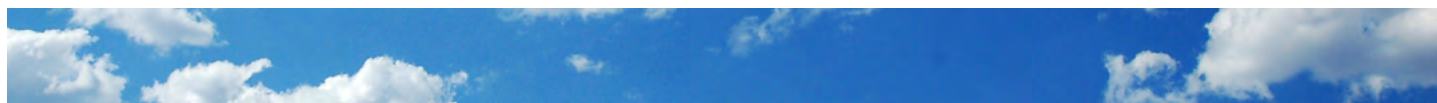
Most significant dossiers in 2016 according to the amounts awarded

Name	Net amount awarded
Supply in working order of the IP-based voice communication system for the Madrid Control Centre	20,540,000.00
Supply in working order of equipment for the SACTA data communication system in operational chain 1 and simulation	12,231,707.00
Supply in working order of an operational and simulation SACTA system at the new Valencia Terminal Area Control Centre	4,160,652.00
Extension of SACTA simulator at the Barcelona Control Centre and supply and installation of supplementary equipment for the simulator in Palma de Mallorca	3,446,000.00
Supply of micro-computing framework agreement	2,776,032.80
Adaptation of ground-to-air communications for the migration to VOIP	2,472,399.73
Extension of SACTA simulator at the Madrid Control Centre and supply and installation of supplementary equipment for the simulators in Seville and the Canary Islands	2,245,000.00

Contracts

Most significant dossiers in 2016 according to the amounts awarded

Name	Net amount awarded
Development and implementation of A-CDM phase II: functional improvements and a new platform/tower interface	1,990,309.05
Orion system deployment extension service	1,846,977.97
Supply in working order of a S-mode radar in Malaga I	1,593,000.00



Moreover, the amount awarded to ENAIRe involving minor contracts during 2016 reached 3.09 million euros.

About this Annual Report

This is the first time that ENAIRe publishes its Corporate Social Responsibility Report in conjunction with its Annual Report, in order to be accountable for its commitments in terms of sustainability under an economic, social and environmental approach.

The Corporate Responsibility Report has been elaborated in accordance with current tendencies and demands in reporting in a way that, on one hand, complies with G4 version of the guide to producing reports of the international reference entity Global Reporting Initiative (GRI), and, on the other one, provides greater detail related to contents recommended by the International Integrated Reporting Framework developed by the International Integrated Reporting Council (IIRC).

Coverage and scope: the Report meets the criteria established by the G4 guide from Global Reporting Initiative (GRI) in its essential version.

The content included in the Report refers to the period running from 1 January 2016 to 31 December 2016 and covers all activities developed by ENAIRe. The content meets the expectations of ENAIRe's interest groups and, in no case, any deliberate omission on relevant content has occurred.

All variations regarding the coverage and scope of information are indicated in the Report in the corresponding section. Likewise, changes in the formulas used in order to calculate the given data are reported.

For any questions or queries regarding this Annual Report, please do not hesitate to contact us at:

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