ACI Airport SudAmérica, S.A.

US$200,000,000

6.875% Senior Secured Guaranteed Notes due 2032

Issue Price: 97.168%

This listing memorandum relates to notes to be issued by ACI Airport SudAmérica, S.A. (the "Issuer"), a corporation (*sociedad anónima*) organized under the laws of Spain and fully and unconditionally guaranteed by Cerealsur S.A. ("Cerealsur"), a corporation (*sociedad anónima*) organized under the laws of Uruguay and a wholly-owned subsidiary of the Issuer and, if and when issued, Puerta del Sur S.A. ("PdS"), a corporation (*sociedad anónima*) organized under the laws of Uruguay, and a wholly-owned subsidiary of Cerealsur. The notes will have a final maturity on November 29, 2032 and will bear interest at a rate of 6.875% per annum, which will be paid semi-annually in arrears on May 29 and November 29, commencing on November 29, 2015. The principal of the notes will be repaid in 34 installments on May 29 and November 29, commencing on May 29, 2016.

The Issuer may redeem some or all of the notes at any time or from time to time on or after November 29, 2022 at the redemption prices specified in this listing memorandum. In addition, at any time or from time to time prior to November 29, 2022, the Issuer may redeem the notes at a price equal to 100% of the principal amount plus a "make-whole" premium. The Issuer may also redeem the notes upon certain changes in tax laws. The Issuer will be required to offer to redeem the notes upon certain events constituting a "Change of Control" as defined herein.

The obligations of the Issuer and Cerealsur will be secured by (i) a pledge of all of the shares in PdS (ii) a pledge of all of the shares in Cerealsur, (iii) an account of Cerealsur into which certain dividend payments and other distributions from PdS to Cerealsur will be deposited and all amounts deposited therein, (iv) an account of the Issuer into which all dividend payments and other distributions from Cerealsur to the Issuer will be deposited and all amounts deposited therein and (v) a debt service reserve account and all the amounts deposited therein (collectively, the "Collateral"). The obligations of PdS under its guarantee, if and when issued, will be unsecured.

The notes will be senior secured obligations of the Issuer and will rank equally in right of payment with all of the Issuer's existing and future obligations that are not subordinated to the notes, senior in right of payment to all existing and future obligations of the Issuer that are subordinated to the notes, senior in right of payment to all existing and future unsecured indebtedness of the Issuer to the extent of the value of the Collateral and, until such time as PdS becomes a guarantor, will be structurally subordinated to the obligations of PdS. The guarantee issued by Cerealsur will be a senior secured obligation of Cerealsur and will rank equally in right of payment with all of Cerealsur's existing and future obligations that are not subordinated to such guarantee, senior in right of payment to all existing and future subordinated indebtedness of Cerealsur, senior in right of payment to all existing and future unsecured indebtedness of Cerealsur to the extent the value of the Collateral and, until such time as PdS becomes a guarantor, will be structurally subordinated to the obligations of PdS. If and when issued, the guarantee issued by PdS will be a senior unsecured obligation of PdS and will rank equally in right of payment with all of PdS's existing and future obligations that are not subordinated to such guarantee, senior in right of payment to all existing and future subordinated indebtedness of PdS, and equally in right of payment with all existing and future unsecured indebtedness of PdS. On the issue date, Cerealsur will be the only guarantor of the notes.

See "Risk factors" beginning on page 19 for a discussion of certain risks you should consider in connection with an investment in the notes.

The notes and the guarantees have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or under any state securities laws. The notes will be offered solely to (1) qualified institutional buyers (as defined in Rule 144A under the Securities Act) and (2) persons outside the United States in compliance with Regulation S under the Securities Act. See "Transfer Restrictions."

There is currently no public market for the notes. The Issuer has applied to list the notes on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market.

The Issuer expects that delivery of the notes will be made to investors in book-entry form through the facilities of The Depository Trust Company for the accounts of its direct and indirect participants, including Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme,* on May 7, 2015.

Nomura **BofA Merrill Lynch**

May 8, 2015

In making your investment decision, you should rely only on the information contained in this listing memorandum. The Issuer and the initial purchasers have not authorized anyone to provide you with any other information. If you receive any other information, you should not rely on it.

The Issuer and the initial purchasers are offering to sell the notes only in jurisdictions where offers and sales are permitted.

This listing memorandum constitutes a prospectus for purposes of Luxembourg law on prospectus securities dated July 10, 2005, as amended.

You should not assume that the information contained in this listing memorandum is accurate at any date other than the date on the front cover of this listing memorandum. Neither the delivery of this listing memorandum nor any sale made hereunder shall, under any circumstances, imply that the information in this listing memorandum is correct as of any date subsequent to the date on the cover of this listing memorandum.

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Unless otherwise indicated or the context otherwise requires, all references in this listing memorandum to:

- the "Issuer," "we," "us" and "our" are to ACI Airport SudAmérica, S.A., a *sociedad anónima* organized under the laws of Spain, the Issuer of the notes offered hereby;
- "Cerealsur" and the "Company" are to Cerealsur S.A., a *sociedad anónima* organized under the laws of Uruguay, together with Puerta del Sur S.A., its consolidated subsidiary;
- "PdS" are to Puerta del Sur S.A., a *sociedad anónima* organized under the laws of Uruguay, and a direct subsidiary of Cerealsur;
- "Spain" are to the *Reino de España*;
- "Uruguay" are to the *República Oriental del Uruguay*;
- "Uruguayan government" are to the government of Uruguay;

- "€" and "euro" are to the single currency introduced at the third stage of the European Monetary Union pursuant to the Treaty establishing the European Community, as amended;

- "ROU$" and "Uruguayan pesos" are to the lawful currency of Uruguay; and

- "US$" and "U.S. dollars" are to the lawful currency of the United States of America.

This listing memorandum has been prepared by the Issuer solely for use in connection with the proposed offering of the notes described in this listing memorandum. This listing memorandum may only be used for the purpose for which it has been prepared. The Issuer accepts responsibility for the information contained in this listing memorandum. To the best knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this listing memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

The initial purchasers make no representation or warranty, expressed or implied, as to the accuracy or completeness of the information contained in this listing memorandum. Nothing contained in this listing memorandum is, or shall be relied upon as, a promise or representation by the initial purchasers as to the past or future.

Neither the Issuer nor the initial purchasers are making an offer to sell the notes in any jurisdiction except where such an offer or sale is permitted. You must comply with all applicable laws and regulations in force in your jurisdiction and you must obtain any consent, approval or permission required by you for the purchase, offer or sale of the notes under the laws and regulations in force in your jurisdiction to which you are subject or in which you make such purchase, offer or sale and neither the Issuer nor the initial purchasers will have any responsibility therefore.

The Issuer is relying upon an exemption from registration under the Securities Act for an offer and sale of securities which do not involve a public offering. By purchasing notes, you will be deemed to have made certain acknowledgments, representations and agreements as set forth under "Transfer Restrictions." The notes are subject to restrictions on transfer and resale and may not be transferred or resold except as permitted under the Securities Act and applicable state securities laws pursuant to registration or exemption therefrom. As a prospective purchaser, you should be aware that you may be required to bear the financial risks of your investment for an indefinite period of time.

None of the U.S. Securities and Exchange Commission (the "SEC"), any U.S. state securities commission or any other regulatory authority in the United States or elsewhere has approved or disapproved the notes, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this listing memorandum. Any representation to the contrary is a criminal offense.

In making an investment decision, prospective investors must rely on their own examination of the Issuer, Cerealsur, the Collateral and the terms of this offering, including the merits and risks involved. Prospective investors should not construe anything in this listing memorandum as legal, business or tax advice. Each prospective investor should consult its own advisors as needed to make its investment decision and to determine whether it is legally permitted to purchase the notes under applicable legal, investment or similar laws or regulations.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ("RSA") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR

RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT, ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

ENFORCEMENT OF CIVIL LIABILITIES

Spain

A final judgment obtained against the Issuer outside of Spain (and, in particular, in the United States), but other than in a country bound by the provisions of Regulation (EU) No. 1215/2012 of the European Parliament and of the European Council of December 12, 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, would be recognized and enforced by the courts of Spain (unless such judgment contravenes principles of Spanish public policy) pursuant to the following regimes:

- According to the provisions of any applicable treaty (there being none currently in existence between Spain and the United States for these purposes).
- In the absence of any such treaty, if it could be proven that the jurisdiction in which the foreign judgment was rendered recognizes Spanish judgments on a reciprocal basis (positive reciprocity) and provided that certain minimum conditions are met (among others, that the matter is not exclusively subject to Spanish jurisdiction, does not infringe public policy and does not contradict a previous Spanish judgment). If it could be proven (usually by the defendant) that the U.S. jurisdiction in which the judgment was obtained does not recognize judgments issued by Spanish courts, then the Spanish courts would not recognize the U.S. judgment in Spain (negative reciprocity).
- In the absence of any such treaty and where reciprocity has not been evidenced (and, according to certain court precedents, even if positive reciprocity has been evidenced), the judgment would be enforced in Spain if it satisfies all of the following requirements in compliance with article 954 of the Spanish Civil Procedure Law of 1881 as interpreted by case law:

  (i) the judgment is rendered as a result of an action *in personam* as opposed to an action *in rem*;

  (ii) the judgment is not contrary to Spanish public policy and the obligation to be fulfilled is legal in Spain;

  (iii) the documentation prepared for the purposes of requesting the enforcement meets all the legal requirements under the law of the jurisdiction in which the judgment was rendered in order to be considered an authentic judgment and it also meets all requirements under the laws of Spain to be admitted (the judgment is final, and a literal, authentic, sworn Spanish translation and apostilled copy is provided);

  (iv) there is not a pending proceeding between the same parties and in relation to the same issues in Spain;

  (v) there is not a judgment rendered between the same parties and for the same cause of action in Spain or in another country; provided that the judgment has been recognized in Spain;

  (vi) when rendering the judgment, the courts rendering it did not infringe an exclusive ground of jurisdiction provided for under Spanish law or based their jurisdiction on exorbitant grounds and the choice of court is not fraudulent; and

  (vii) the rights of defense of the defendant were protected where rendering the judgment, including, but not limited to, a proper service of process carried out with sufficient time for the defendant to prepare its defense.

Any party wishing to have a judgment rendered by a U.S. court recognized or enforced in Spain must file an application seeking declaration of enforceability of such U.S. judgment (*exequatur*) with the relevant Spanish Judge of First Instance (*Juzgado de Primera Instancia*) or Commercial Court (*Juzgado de lo Mercantil*).

The Spanish courts may express any such order in a currency other than euro in respect of the amount due and payable by the Issuer, but in case of enforcement in Spain, the court costs and interest will be paid in euros.

Any judgment obtained against the Issuer in any country bound by the provisions of Regulation (EU) No. 1215/2012 of the European Parliament and of the European Council of December 12, 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters would be recognized and enforced in Spain in accordance with the terms set forth thereby.

The enforcement of any judgment in Spain entails, among others, the following actions and costs: (a) translation fees for documents in a language other than Spanish, which must be accompanied by a sworn translation into Spanish; (b) certain professional fees for the verification of the legal authority of a party litigating in Spain, if needed; (c) judicial tax and fees; and (d) the procedural acts of a party litigating in Spain must be directed by an attorney at law and the party must be represented by a court agent (*procurador*). In addition, Spanish civil proceedings rules cannot be amended by agreement of the parties and will therefore prevail notwithstanding any provision to the contrary in the indenture or the notes.

Uruguay

Each of Cerealsur and PdS is organized under the laws of Uruguay, and all of their respective directors and executive officers reside outside the United States. In addition, all of their respective assets (other than certain offshore accounts) and a substantial portion of the assets of these persons are located in Uruguay. As a result, it may not be possible for investors to effect service of process outside Uruguay upon any of their respective directors or officers, or to enforce against Cerealsur or PdS in U.S. courts judgments predicated solely upon the civil liability provisions of the U.S. federal securities laws and/or other non-Uruguayan laws. In addition, Guyer & Regules, our Uruguayan counsel, has advised us that there is doubt as to whether the courts of Uruguay would enforce in all respects, to the same extent and in as timely a manner as a U.S. or other non-Uruguayan court, an original action predicated solely upon the civil liability provisions of the U.S. federal securities laws or other non-Uruguayan laws, and that the enforceability in Uruguay courts of judgments of U.S. or other non-Uruguayan courts predicated upon the civil liability provisions of the U.S. federal securities laws or other non-Uruguayan laws will be subject to compliance with certain requirements under Uruguayan law, including the condition that any such judgment does not violate Uruguayan public policy (*orden público*).

Subject to the foregoing, a final and conclusive judgment against Cerealsur or PdS obtained outside of Uruguay (and, in particular, in the United States) would be recognized, conclusive and enforceable against Cerealsur or PdS in the courts of Uruguay without re-examination of the merits of the case in respect of which such judgment was given or re-litigation of the merits adjudicated upon; provided that an *exequatur* proceeding is followed before the Uruguayan Supreme Court and the judgment complies with the requirements of applicable Uruguayan law for its enforcement. The *exequatur* proceeding will proceed under the following conditions:

- If there is a treaty between Uruguay and the country where the judgment was rendered, pursuant to the provisions of such treaty. On the date of this listing memorandum, Uruguay is not a party to any treaty with the United States of America with respect to the enforcement in Uruguay of judgments by a U.S. court.

- If there is no treaty, if such judgment:

    (i) complies with all formalities required for the enforceability thereof under the laws of the country where the same was issued;

    (ii) together with related documents, has been translated into Spanish (if applicable) and satisfies the authentication requirements of Uruguayan law;

    (iii) was issued by a competent tribunal under the laws of Uruguay after valid service of process upon the parties to the action;

(iv) was issued after an opportunity was given to the defendant to present its defense;

(v) is not subject to appeal; and

(vi) is not against Uruguayan public policy (*orden públic*o).

In addition, written evidence of compliance with items (iii) and (iv) above would be required to be presented to the relevant court in Uruguay.

Upon compliance with the above, courts in Uruguay will enforce a final and conclusive judgment rendered by a U.S. court in accordance with the procedure contemplated for the enforcement of final and conclusive foreign judgments in the Uruguayan Civil Procedure Code.

FORWARD-LOOKING STATEMENTS

This listing memorandum includes forward-looking statements that reflect our current views with respect to future events. The words "expects," "intends," "anticipates," "believes," "projects," "estimates" and similar expressions identify forward-looking statements. These forward-looking statements are based upon estimates and assumptions made by us and the Issuer that, although believed to be reasonable, are subject to certain known and unknown risks and uncertainties. These risks and uncertainties include, among others, the following:

- the early termination or revocation of the Concession Agreement (as defined below);
- existing and future governmental regulations;
- changes in the maximum tariffs PdS can charge;
- changes in passenger and cargo volumes as compared with the forecasts contained in the ICF Report described below;
- changes in the demand for air travel;
- natural disaster-related losses which may not be fully insurable;
- the Company's ability to generate or obtain the requisite capital to fully develop and operate Carrasco International Airport;
- loss of, or non-performance of contractual obligations by, key customers;
- general economic, political, demographic and business conditions in Uruguay and other geographic markets;
- inflation, depreciation and devaluation of the ROU$ against the U.S. dollar;
- changes in interest rates;
- the ability of PdS to collect on its accounts receivable;
- PdS's ability to pay dividends; and
- various other factors, including those described under "Risk Factors."

All forward-looking statements contained in this listing memorandum are qualified in their entirety by these risks, uncertainties and other factors. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their respective dates. The Company and the Issuer disclaim any obligation or undertaking to update or revise any forward-looking statement contained in this listing memorandum, whether as a result of new information, future events or otherwise. Future events or circumstances could cause actual results to differ materially from historical results or those anticipated.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

The Issuer was formed on January 22, 2015 and, accordingly, no historical financial information has been included in this listing memorandum relating to the Issuer. Because the source of the funding for the payment of the notes will be dividends received by the Issuer from Cerealsur, and Cerealsur will fully and unconditionally guarantee the notes, we have included the financial statements of Cerealsur as described below in this listing memorandum.

This listing memorandum includes Cerealsur's audited special consolidated and separate financial statements as of and for the 12-month period ended December 31, 2014, Cerealsur's audited special consolidated and separate financial statements as of and for the 12-month period ended December 31, 2013 and Cerealsur's audited special consolidated and separate financial statements as of and for the 12-month period ended December 31, 2012, all of which have been audited by PricewaterhouseCoopers Ltda. ("PwC Uruguay"), a member firm of PricewaterhouseCoopers, Cerealsur's independent accountants, whose audit reports with respect thereto are also included in this listing memorandum.

Cerealsur's fiscal year ends on October 31 of each year. However, Cerealsur has prepared special separate and consolidated financial statements for the 12-month period ended December 31 to conform to PdS's year-end, which is December 31. For that reason, we refer to Cerealsur's audited financial statements included in this listing memorandum as "special."

Cerealsur's audited consolidated and separate financial statements have been prepared in accordance with generally accepted accounting principles in Uruguay ("Uruguayan GAAP"). Significant differences exist between Uruguayan GAAP and International Financial and Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), which may be material to the financial information presented in this listing memorandum. Such differences involve methods of measuring the amounts shown in the financial statements, as well as additional disclosures. Cerealsur has not identified or quantified the effect of any such differences. See "Annex A—Summary of Certain Differences Between Uruguayan GAAP and IFRS" for a description of certain of the significant differences between Uruguayan GAAP and IFRS.

In accordance with Uruguayan GAAP, Cerealsur must file consolidated financial statements reflecting its consolidated subsidiary's financial results as well as separate financial statements without consolidating its subsidiary. All financial information in this listing memorandum, which is derived from Cerealsur's audited financial statements, is presented on a consolidated basis, unless otherwise noted. Cerealsur's consolidated financial statements include the assets, liabilities and revenue of PdS, the only subsidiary controlled by Cerealsur, which holds the concession rights related to the exploitation, management and operation of the *Aeropuerto Internacional de Carrasco* ("Carrasco International Airport").

Cerealsur maintains its books and records in both Uruguayan pesos and U.S. dollars. Cerealsur's functional and presentation currency is the U.S. dollar and, accordingly, its audited financial statements included in this listing memorandum are presented in U.S. dollars.

The Company has translated certain amounts in this listing memorandum from Uruguayan pesos into U.S. dollars using the commercial selling or buying rate as reported by the *Banco Central de Uruguay* ("Central Bank") as of December 31, 2014. As a result of fluctuations in the Uruguayan peso/U.S. dollar exchange rate, this rate may not be indicative of current or future exchange rates. As a result, you should not read these rate conversions as representations that any amounts have been or could be converted into U.S. dollars at that or any other exchange rates. See "Exchange Rates."

In this listing memorandum, references to "affiliated companies" are to companies that are related parties to the Company based upon common ownership or common control by another party or person of the Company and such related party.

Rounding

Rounding adjustments have been made to some of the tables in this listing memorandum. Accordingly, totals in certain tables in this listing memorandum may differ from the sum of the individual items in those tables due to rounding.

Flight and Air Passenger Measurement Data

In this listing memorandum, when referring to air passenger volumes, the terms "passengers" and "passenger traffic" refer to the sum of air passenger arrivals (inbound flights) and air passenger departures (outbound flights). The terms "passenger arrivals" and "arrivals" refer to inbound flights only. The term "aircraft movements" refers to the sum of inbound flights and outbound flights. The term "international passengers" refers to the passengers arriving (inbound flights) and departing (outbound flights) on international flights. The term "domestic passengers" refers to passengers (inbound and outbound) on flights within Uruguay.

References to "international passengers" for statistical purposes, means any passenger who embarks or disembarks from a flight arriving from or departing to an international destination, including regional passengers. However, references to "international passengers" with respect to the revenue they generate, means only passengers who depart from Carrasco International Airport on a flight to an international destination including regional passengers. References to "*puente aéreo* passengers" for statistical purposes, means any passenger who embarks or disembarks from a flight arriving from or departing to Aeroparque Jorge Newbery Airport, in the City of Buenos Aires, Argentina.

References to "total passengers," means to the sum of all arriving and departing passengers on commercial and general aviation flights, including transit passengers. "Transit passengers" are those who are required to change aircraft and generally disembark their aircraft and enter the terminal building. Because transit passengers generally disembark their aircraft and enter the terminal building, they typically contribute to aeronautical services and non-aeronautical revenue; however, the Company uses total passengers as a measure of passenger volume because transit passengers do not represent a significant portion of PdS's total passengers. In 2014, transit passengers accounted for approximately 1.9% of PdS's total passengers.

As used in this listing memorandum, "maximum rates" refers to the maximum amounts PdS is permitted currently to charge for services rendered to airport passengers and aircraft operators pursuant to the terms of the Concession Agreement (as defined below). The Defense Ministry (as defined below) may set fees for users of Carrasco International Airport not foreseen in the Concession Agreement when the application of such regulations results in better service for the airlines and the passenger.

Market and Industry Data and Forecasts

This listing memorandum includes market share and industry data and forecasts obtained from industry publications and surveys and internal sources within the Company's group of companies. The review of passenger, cargo and aircraft operation forecasts regarding Carrasco International Airport was prepared for Cerealsur by ICF SH&E, Inc. (operating under the trade name ICF International, "ICF"), in a report dated January 21, 2015 (the "ICF Report"). Industry publications and surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. Neither the Issuer nor the initial purchasers have independently verified any of the data from third-party sources nor have they ascertained the underlying economic assumptions relied upon therein. Statements as to the Company's market position are based on market data currently available to the Issuer. While the Issuer is not aware of any misstatements regarding industry data presented in this listing memorandum, the Issuer's estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under "Risk Factors."

This listing memorandum contains certain statistical and other information regarding Carrasco International Airport. This information has been derived or extracted, as noted in this listing memorandum, from official publications of the Uruguayan Ministry of Defense (the "Defense Ministry").

This listing memorandum also includes certain demographic and tourism data that have been extracted or derived from publications of the Airports International Council. All population data for Uruguay included in this listing memorandum is based on estimated population data from the census for 2011 published by the *Instituto Nacional de Estadística de la República Oriental del Uruguay*. All information included in this listing memorandum that is identified as having been derived or extracted from these institutions is included in this listing memorandum on the authority of such sources as public official documents.

While the Issuer believes this information to be reliable, it has not been independently verified and neither the Issuer nor the initial purchasers make any representation as to the accuracy and completeness of such information.

AVAILABLE INFORMATION

For so long as any notes are "restricted securities" within the meaning of Rule 144A(a)(3) under the Securities Act, the Issuer will, during any period in which it is neither subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner or to the trustee for the notes for delivery to such holder, beneficial owner or prospective purchaser, in each case upon the request of such holder, beneficial owner, prospective purchaser or the trustee, the information required to be provided by Rule 144A(d)(4) under the Securities Act.

SUMMARY

This summary may not contain all of the information that may be important to you. You should read this summary together with the more detailed information regarding Cerealsur and its consolidated subsidiaries appearing elsewhere in this listing memorandum. You should carefully consider, among other things, the matters discussed in "Risk Factors."

Overview

Cerealsur is a holding company and, through its wholly-owned subsidiary, PdS, operates Carrasco International Airport in Canelones, Department of Canelones, Uruguay. PdS is party to a concession agreement (the "Concession Agreement") with the Uruguayan government that provides for the operation of Carrasco International Airport and expires on November 20, 2033. All of the Company's consolidated revenue is derived from its ownership of PdS.

Operations of PdS

PdS charges a tariff for each passenger that departs from, and landing and parking fees for most aircraft that use, Carrasco International Airport. PdS also earns revenues from the provision of cargo, car parking and other services, and from leasing space in Carrasco International Airport to duty free shops and other tenants, among other things.

The Company's principal sources of revenue, passengers use tariffs, aircraft landing charges and aircraft parking charges, are regulated under the Concession Agreement. Certain other sources of the Company's revenue are not regulated and are negotiated with third parties based on prevailing market rates. During the 12-month period ended December 31, 2014, the Company derived 50.8% of its total operating revenue from regulated sources and 49.2% of its revenue from unregulated sources.

The following table summarizes the Company revenue by source for the periods indicated.

	12-month period ended December 31,					
	2014		2013		2012	
	Revenue	% of Revenue	Revenue	% of Revenue	Revenue	% of Revenue
	(amounts in thousands of US$, except percentages)					
Aeronautical revenue	37,122	50.8%	34,030	48.3%	35,150	50.5%
Commercial revenue	34,301	46.9%	33,258	47.2%	33,617	48.3%
Services revenue	833	1.1%	1,968	2.8%	254	0.4%
Works revenue	869	1.2%	1,203	1.7%	630	0.9%
Total operating revenue	73,124	**100.0%**	**70,459**	**100.0%**	**69,651**	**100.0%**

Between 2004 and 2014, Carrasco International Airport experienced strong passenger traffic growth, principally as a result of:

- strong economic growth in Uruguay;
- strong economic growth in the Southern Cone region (Argentina, Brazil and Chile);
- expansion of inbound tourism to Montevideo; and
- the evolving network and route development strategy of certain international airlines, connecting points in the region.

Located just outside of the nation's capital, Carrasco International Airport is Uruguay's main international airport in terms of passengers and cargo volume. For the 12-month period ended December 31, 2014, Carrasco International Airport served a total of approximately 1.7 million passengers, of which 95% were international and 5% were domestic and transit passengers. In recent years, Uruguay has become a popular international destination for travelers, attracting visitors from throughout the Americas (mainly Argentina and Brazil) and Europe. Tourism is an important component of Uruguay's economy with roughly

2.8 million passengers visiting the country in 2014, generating revenues of approximately US$1.7 billion (approximately 3.04% of gross domestic product ("GDP") of Uruguay for that year).

The following table sets forth total passengers to Uruguay for the periods indicated.

	12-month period ended December 31,					
	2014		2013		2012	
	Passengers	%	Passengers	%	Passengers	%
	(passengers in thousands)					
Carrasco International Airport......	1,696	91.0%	1,569	89.0%	1,783	88.0%
Punta del Este Airport (1)..............................	163	9.0%	198	11.0%	248	12.0%
Total...	1,859	100.0%	1,767	100.0%	2,031	100.0%

(1) Source: *Dirección Nacional de Aviación Civil e Infraestructura Aeronáutica* ("DINACIA"), an agency of the Defense Ministry. Punta del Este Airport is used principally on a seasonal basis and is operated by an affiliate.

The following table sets forth selected information regarding the operations of the Company for the periods indicated.

	12-month period ended December 31,		
	2014	2013	2012
Tariff per international passenger (in US$) *	41.00	40.00	40.00
Tariff per *puente aéreo* passenger (in US$) * (1)........	19.00	19.00	19.00
Aeronautical revenue (in thousands of US$)	37,122	34,030	35,150
Commercial revenue (in thousands of US$)	34,301	33,258	33,617
Services revenue (in thousands of US$)......................	833	1,968	254
Works revenue (in thousands of US$).........................	869	1,203	630
Total operating revenue (in thousands of US$)	73,124	70,459	69,651
Total passengers (in thousands)	1,696	1,569	1,783
Operating revenue per passenger (in US$)	43.1	44.9	39.1
Commercial revenue per passenger (in US$)..............	20.22	21.20	18.85
Cargo (thousands of tons)..	31	31	33
Average revenue per ton of cargo exported (in US$) (2)	119	116	84
Average revenue per ton of cargo imported (in US$) (2)	779	720	685

* Regulated tariffs as of December of each year presented.

(1) *Puente aéreo* passengers fly from Carrasco International Airport to Aeroparque Airport in the City of Buenos Aires, Argentina.

(2) PdS has subcontracted the use of the cargo terminal at Carrasco International Airport, and the related provision of cargo services, to TCU S.A. ("TCU"), an affiliated company. TCU pays PdS a monthly fee equal to 40.0% of its gross invoices.

The following table sets forth the principal categories of the Company's commercial revenue by percentage.

	12-month period ended December 31,		
	2014	2013	2012
Duty free shops (1)	38.8%	39.8%	42.5%
Cargo services (2)	19.1%	19.8%	17.4%
Car parking facilities...	6.7%	6.6%	5.7%
VIP lounge (3)...	6.7%	6.7%	5.2%
Leasing of offices and hangars...	5.2%	3.9%	3.4%
Advertising	4.2%	4.1%	5.0%
Leasing to food and beverage vendors (4)	2.0%	1.9%	2.4%
Leasing to retail vendors (4)	3.3%	3.5%	3.6%
Other (5)	13.9%	13.7%	14.7%

(1) PdS charges rental fees, which consist of a specific percentage of the sales by the lessee of the products sold in these shops (e.g., at a rate of 10% for electronic products sold and 20% for other products sold).

(2) PdS has subcontracted the use of the cargo terminal and the related provision of cargo services to TCU. TCU pays PdS a monthly fee equal to 40% of its gross invoices.

(3) PdS operates two VIP lounges–one for arriving and one for departing passengers. PdS charges membership fees to individuals and per passenger fees to airlines for access to the VIP lounges.

(4) PdS charges rental fees, which consist of a fixed fee plus a variable fee equal to the higher of (i) a base monthly rent and (ii) a specific percentage of the gross monthly sales recorded by each lessee.

(5) Other includes principally catering, airline counters, fueling, baggage handling, rental car and taxis and reimbursement of utility charges. PdS has subcontracted baggage and other handling services at Carrasco International Airport to Candysur S.A. ("Candysur"), an unaffiliated company.

Industry Overview

Commercial aviation services are essential to the world economy and historically there has been a strong correlation between growth in GDP and demand for air travel services. Airports benefit from this correlation but also from inherent structural industry characteristics, including limited competition in metropolitan areas, high barriers to entry for new airports, a small proportion of airline costs represented by airport rates and charges, and revenue generated by unregulated commercial activities.

Uruguay

Uruguay is located in the southeastern region of South America. It is bordered by Argentina to its west and Brazil to its north and east, with the Atlantic Ocean to the south and southeast, with a total population of approximately 3.3 million based on the most recently available census information, of which 1.8 million people live in the metropolitan area of its capital and largest city, Montevideo.

Uruguay is ranked first in Latin America in democracy, peace, lack of corruption, quality of living and e-government, and first in South America in terms of press freedom, size of the middle class, prosperity and security according to the United Nations Public Administration Country Studies data center. It ranks second in the region in terms of economic freedom, income equality, per capita income and inflows of foreign direct investment ("FDI"). Uruguay is the third ranking country on the continent as measured by the Human Development Index, GDP growth, innovation and infrastructure. Uruguay is defined as a high income country (top group) by the United Nations, the only Latin American country (other than Chile) to be so defined. Uruguay is also the third highest ranked country in the world in e-participation. Uruguay is an important global exporter of combed wool, rice, soybeans, frozen beef, malt and milk.

Competitive Strengths

We believe the Company's competitive strengths include the following:

Substantial portion of revenues in U.S. dollars and solid platform for expansion with significant growth potential

Substantially all of the Company's consolidated operating revenue is denominated in U.S. dollars. For the 12-month period ended December 31, 2014, approximately 95.7% of the Company's total operating revenue was denominated in U.S. dollars. The Company has been able to further diversify its sources of revenue and obtain higher rates for services that include car parking, as well as rents and fees imposed on third parties who provide services and operate establishments at Carrasco International Airport. The Company believes it has additional capacity to increase commercial and other unregulated revenues from its operations as it continues to improve processes and renovate and expand its operations. The Company believes that it will also benefit from the expected growth in passenger traffic in Uruguay.

Strong and stable cash flow generation history with limited additional capital expenditure requirements

Historically the Company has generated strong cash flow generation. For the 12-month period ended December 31, 2014, the Company generated earnings before interest, taxes and depreciation and amortization ("EBITDA") of US$39.5 million, representing 54.0% of its total operating revenue for the period, and for the 12-month period ended December 31, 2013, the Company generated EBITDA of US$38.1 million, representing 54.0% of its total operating revenue for the period. During the 12-month period ended December 31, 2014, the Company's net cash provided by operating activities less net cash used in investing activities was US$6.9 million, which represented 17.5% of EBITDA for the 12-month period ended December 31, 2014, and during the 12-month period ended December 31, 2013, the Company's net cash provided by operating activities less net cash used in investing activities was US$28.6 million, which represented 75.1% of EBITDA for the 12-month period ended December 31, 2013. During the 12-month period ended December 31, 2014, the Company invested a total of approximately US$24.9 million in capital expenditures at Carrasco International Airport (this amount was impacted by the one-time payment of US$23.5 million by PdS in connection with the extension of the Concession Agreement), and during the 12-month period ended December 31, 2013, the Company invested a total of approximately US$1.5 million in capital expenditures at Carrasco International Airport. The Company believes its cash flow generation capacity is supported by low capital expenditure requirements and a diversified passenger base and robust unregulated commercial revenue generation that is supported by a favorable tariff regime and an airport that has proven capacity to generate revenue.

Diversified sources of revenue and increasing percentage of revenue derived from unregulated sources

PdS's operations are diversified in the types of passengers that use Carrasco International Airport and by its varied sources of revenue. Carrasco International Airport benefits from a diversified passenger base from various markets, including Latin America, North America and Europe, that contributes to PdS's regulated revenues. In addition to regulated passenger tariffs that are charged to airlines, recently PdS has increased its commercial revenue derived from leasing of space to duty free shops, the provision of cargo services, car parking facilities, payments made by passengers and airlines to access the VIP lounges, leasing of offices and hangar space and leasing of space to food and beverage vendors. This increase reflects robust commercial revenue generation that is supported by a favorable tariff regime and shows that Carrasco International Airport has a proven capacity to generate revenue.

For the 12-month period ended December 31, 2014, the Company derived 50.8% of its total operating revenue from regulated sources and 49.2% of its total operating revenue from unregulated sources.

Uruguay has robust macroeconomic and demographic indicators

Uruguay's GDP grew by 3.5% in 2014, 5.1% in 2013, 3.3% in 2012 and 5.2% in 2011, based on information published by the Central Bank, and is expected to grow 3.3% in 2015, based on information published by the World Bank. Historically, Uruguay's GDP growth was primarily a result of continued strength in remittances, tourism, agricultural production, financial services and software. In addition, Uruguay has become an attractive destination for foreign investment in recent years, due largely to its reputation for political stability, responsible macroeconomic management and strategic geographical location between Argentina and Brazil. Moreover, Uruguay ranked first in terms of GDP per capita in South America in 2013, and in August 2014, Uruguay achieved an investment grade rating from the five major international credit rating agencies. We believe these favorable economic indicators have been reflected by solid growth in passenger traffic.

Sponsor and management team with operating track record and experience

Cerealsur forms a part of the Corporación America S.A. ("Corporación America") group. Management of the Corporación America group has substantial experience in the airport industry throughout Latin America and Europe. The Corporación America group currently operates 53 airports around the world, including 46 in Latin America, and has operated for 15 years in the sector, during which time it has developed strong industry expertise in airport operations and commercial management, as well as fueling, cargo and related services. The Company believes it has leveraged and that it will continue to be able to leverage that experience and expertise to make substantial operational improvements at Carrasco International Airport. The Company's management team is composed of experienced professionals with extensive knowledge of airport safety and operations, finance and business development and infrastructure projects in airport-related assets. The Company believes its management team's capabilities and core understanding of its business, as well as the related stable regulatory environment, enables the Company to operate efficiently and manage risk effectively. The experience of the Company's board of directors complements its management team, who benefits from the implementation of best practices across multiple airports controlled by Corporación America and its affiliates around the world.

Strategy

The Company intends to seek to increase revenues and improve efficiencies at PdS and Carrasco International Airport through the following key measures:

Increase traffic of airlines and passengers and enhance the experience of passengers at Carrasco International Airport

A key driver of the Company's revenue growth is related to airline and passenger traffic. Therefore the Company is committed to developing new air service into Carrasco International Airport, improving passenger experience and further expanding the composition of its passenger base.

- *New route development*: The Company intends to promote Carrasco International Airport as a hub for international flights in the region due to its strategic geographical location between Argentina and Brazil. The Company believes that these efforts will facilitate the development of additional routes and further increase passenger traffic and revenue.

- *Attract private airplanes*: The Company is creating a special terminal for private and executive airplanes, including a hangar, private lounge area, dedicated shed space and enhanced security, which the Company believes will be very attractive to passengers who use private and executive airplanes.

- *Enhance passenger experience*: The Company intends to continue to improve experience of passengers travelling through Carrasco International Airport. For example, the Company is working with Antel, a Uruguayan telecommunications company, to create an "experience store," is in the process of increasing covered car parking space availability by 300% and is seeking to develop and install a face-recognition security system for certain passengers, which would significantly reduce time spent by passengers in immigration, allowing for more time to visit the retailers in Carrasco International Airport.

- *Enhance passenger mix*: The Company's strategy is to further develop its passenger traffic profile with a mix of tourism, business and Uruguayan passengers, as well as passengers from other regions, to promote a more resilient and stable traffic base.

Continue to improve the commercial offerings at Carrasco International Airport

Since the Company began operating Carrasco International Airport, it has undertaken various measures to increase the Company's non-aeronautical revenue. The Company intends to continue to provide a wide range of commercial products and services to in order to maximize its revenue. The actions the Company has previously taken and intends to undertake in the future include:

- Building, expanding and redesigning the layout of the terminal at Carrasco International Airport to allow the inclusion of more commercial businesses and larger individual commercial spaces, as well as to redirect the flow of passengers through Carrasco International Airport so as to increase exposure to commercial businesses.

- Granting use permits for spaces at Carrasco International Airport to more established, internationally recognized businesses in order to improve the quality, diversity and recognition of commercial goods and services available to the passengers. For example, the Company has entered into an agreement to open a Britt Shop, a specialty travel retailer that offers a unique shopping experience with over 94 stores in 10 countries. The Company believes this has increased, and will continue to increase, the sales revenue of its commercial tenants, thereby increasing its revenue from commercial activities.

In connection with the Company's efforts to improve the commercial offerings at Carrasco International Airport, the Company analyzes the operations of privatized international airports generally and applies that know-how to make informed decisions regarding its operations. The Company will continue to study other airports to further its efforts to offer passengers and airline customers services that are at the highest international standards.

Further enhance operational efficiency

In an effort to optimize the operating efficiency of Carrasco International Airport, the Company has implemented several initiatives designed to manage costs while maintaining the quality of the airport experience. The Company intends to continue exploring and implementing similar initiatives in the future in order to improve its operational efficiencies, which the Company believes are already among the best in the industry. Examples of initiatives the Company recently implemented and that the Company intends to continue exploring in the future include the following:

- *Rationalizing energy consumption*: The Company has deployed several measures such as automating the activation of air conditioning and lighting throughout the terminal building to focus energy demands more efficiently in active parts of each terminal throughout each day of operation. The Company will continue analyzing its operations to further reduce costs and enhance efficiency.

- *Maintaining effective headcount and controlling administrative expenses*: The Company is continuously assessing efficiency initiatives and targeting these measures to achieve economies of scale through the consolidation of its core corporate and administrative functions. The Company will continue to analyze its headcount requirements as permitted by its operations in an effort to optimize efficiency without adversely affecting the airport experience. For example, the Company has recently reduced its security and parking headcount through additional use of automation.

The ICF Report

PdS has engaged ICF to conduct an independent assessment of the probable future passenger and cargo volumes at Carrasco International Airport. The ICF Report reflecting these matters is attached as Annex B to this listing memorandum. The ICF Report was prepared by ICF and not by the Issuer, the initial purchasers or the Issuer's or the initial purchasers' respective affiliates, and none of the Issuer, the initial purchasers or their respective affiliates take any responsibility therefor. It has been included in this listing memorandum solely as additional information for prospective investors about the matters described therein.

The ICF Report analyzes historical international, *puente aéreo* and domestic passenger and cargo data at Carrasco International Airport, as well as historical economic trends in Uruguay and the relationship between economic trends, airline service factors, passenger traffic and cargo trends.

The ICF Report notes that the key risks to any forecast of airline passenger and operations activity include international economic and political conditions, the economic stability of Uruguay, airline industry conditions in general, the capacity of Carrasco International Airport to handle increased traffic and the development of competing airports.

The forecasts and conclusions of the ICF Report are inherently subject to uncertainties and only speak as of January 21, 2015, the date of the ICF Report, after which time significant changes may have occurred. Inevitably, certain assumptions may not be realized and unanticipated events and circumstances may occur. Even if the assumptions and methodologies in the ICF Report are accurate, the actual passenger and cargo volumes may materially differ from those expressed or implied in the ICF Report. Accordingly, investors are urged not to place undue reliance on the ICF Report, which should not be construed by any investor as affirmations or other approval or disapproval by the Issuer, the initial purchasers or the Issuer's or their respective affiliates of any assumptions, methodologies, findings, observations, conclusions or forecasts contained therein.

Recent Developments

Preliminary Financial Information as of and for the Three-Month Period Ended March 31, 2015

Management of Cerealsur has prepared the following selected preliminary financial information in good faith based upon the most current information available to it on the date hereof. The following selected preliminary financial information is the responsibility of management and has not been subject to an audit, limited review, compilation or any procedures by PricewaterhouseCoopers Ltda. and, accordingly, PricewaterhouseCoopers Ltda. has not expressed any opinion or any other form of assurance on such information. As a result, the following selected preliminary financial information may be materially different from the actual results of Cerealsur due to the completion of Cerealsur's financial closing procedures, final adjustments and other developments that may arise between now and the time Cerealsur's financial results as of and for the three-month period ended March 31, 2015 are finalized. The following selected preliminary financial information has been prepared on a basis consistent with Cerealsur's consolidated financial statements for the year ended December 31, 2014 and in accordance with generally accepted accounting principles in Uruguay. However, financial information for any interim period within a year may not provide any indication of the results to be expected for any future interim period or full year.

Cerealsur's total operating revenue was US$20.1 million for the three-month period ended March 31, 2015, a 10.9% increase from US$18.1 million for the three-month period ended March 31, 2014, as a result of increases in aeronautical and non-aeronautical revenue, largely due to an increase in air passenger traffic at Carrasco International Airport. Cost of services provided was US$8.3 million for the three-month period ended March 31, 2015, a 13.4% decrease from US$9.5 million for the three-month period ended March 31, 2014. Cerealsur recorded net income of US$4.6 million for the three-month period ended March 31, 2015, a 53.6% increase from US$3.0 million recorded for the three-month period ended March 31, 2014. As of March 31, 2015, Cerealsur had US$217.3 million in total assets, US$87.4 million in total financial debts and US$114.0 million in total liabilities, compared to US$207.4 million in total assets, US$87.1 million in total financial debts and US$108.7 million in total liabilities as of December 31, 2014.

General Corporate Information

The Issuer

The Issuer was incorporated on January 22, 2015, with a share capital of €500,000, and its registered office is located in Madrid, Spain at Calle Hermosilla 11, 4th floor, 28001. It is registered with the Mercantile Registry of Madrid, under sheet number M-595096. The Issuer is wholly owned by A.C.I. Airports International S.à r.l., a private limited liability company incorporated under the laws of the Grand Duchy of Luxembourg, which is controlled by Southern Cone Foundation ("SCF"), a private foundation, incorporated under the laws of Principality of Liechtenstein.

At its incorporation, the Issuer was wholly-owned by Yokelet, S.L. ("Yokelet"), a subsidiary of A.C.I. Airports International S.à r.l. Pursuant to a sole shareholder resolution dated January 22, 2015, Yokelet contributed to the Issuer all of the issued and outstanding shares of Cerealsur, consisting of 543,500 shares, in order to strengthen the equity of the Issuer (*aportación de socios a la cuenta número 118*). Such resolution was raised to public deed status by virtue of a public deed dated February 5, 2015. Subsequently, pursuant to a sole shareholder resolution dated January 23, 2015, Yokelet distributed all of the shares of the Issuer to A.C.I. Airports International S.à r.l. Such resolution was raised to public status by virtue of a public deed dated March 6, 2015.

The Company

Cerealsur was incorporated on November 5, 2002 as a corporation (*sociedad anónima*) under the laws of Uruguay. Cerealsur's Bylaws were approved by the *Auditoría Interna de la Nación* (National Internal Audit Office) on December 2, 2002, and registered in the *Registro de Personas Jurídicas Sección Comercio* (Public Registry of Commerce) on January 22, 2003 under number 421 and published in the *Diario Oficial* (Official Gazette) on February 4, 2003. Pursuant to Cerealsur's Bylaws, its term of duration expires on April 30, 2113. On October 13, 2005, Cerealsur was transformed into a limited liability company (*sociedad de responsabilidad limitada).* The aforementioned transformation was registered in the

Registro de Personas Jurídicas Sección Comercio (Public Registry of Commerce) on October 24, 2005 under number 9,035, and duly published in the Official Gazette on October 27, 2005. Cerealsur's Bylaws were subsequently amended on December 5, 2006, incorporating into its corporate purpose the ability to invest in Uruguay or abroad. This amendment was registered in the *Registro de Personas Jurídicas Sección Comercio* (Public Registry of Commerce) on December 8, 2006 under number 26,267 and published in the *Diario Oficial* (Official Gazette) on December 21, 2006. On April 30, 2013, Cerealsur was once again transformed into a corporation (*sociedad anónima*), registered in the *Registro de Personas Jurídicas Sección Comercio* (Public Registry of Commerce) on December 17, 2013 under number 23,194 and published in the *Diario Oficial* (Official Gazette) on December 18, 2013.

Cerealsur's wholly-owned subsidiary PdS was incorporated and organized on October 29, 2002 under Uruguayan law as a corporation (*sociedad anónima*), and registered with the *Registro de Personas Jurídicas Sección Comercio* (Public Registry of Commerce) on January 30, 2003 under number 562. Pursuant to PdS's Bylaws, its term of duration is 100 years from its constitution.

Cerealsur's and PdS's principal executive offices are located at Ruta 101 km. 19,950, Ciudad de la Costa 14000, Uruguay and their telephone number is +59 (8) 2604-0329.

History

On November 23, 1936, the Uruguayan government created a special committee to solve the issue of the lack of a "national aerodrome" for domestic and international aeronautical companies. After several studies and opinions, the special committee recommended the acquisition of a farm located in Carrasco and the Uruguayan Executive Branch approved the site of the current Carrasco International Airport in 1940.

The plans for the construction of the current Carrasco International Airport were approved in April 1944 and a public tender was held. Later in 1944, the construction of the north-south and east-west runways were completed, and on September 19, 1944, the first landing took place, although the airport was not officially inaugurated until 1953.

On February 6, 2003, PdS (wholly-owned by the Uruguayan government) executed the Concession Agreement with the Defense Ministry to operate Carrasco International Airport, initially for a period of 20 years commencing in November 2003, which term was recently extended for an additional period of 10 years, until November 20, 2033.

In August 2003, the Company acquired 100% of the outstanding shares of PdS in a public auction organized by the Uruguayan government on the Uruguayan Stock Exchange. In November 2003, PdS assumed effective control of Carrasco International Airport.

Corporación America

The Corporación America group divides its investments into six strategic business units:

- *Airports*: companies in this unit manage and operate 53 airports across Latin America and Europe, and are developing an additional airport greenfield in Peru, and it also holds the concession for four airport cargo terminals (including Carrasco International Airport);

- *Agribusiness*: companies in this unit have extensive experience in the agricultural and farming industry in Argentina, including the exploitation of over 100,000 hectares of land in various Argentine provinces;

- *Energy*: this unit holds a diversified portfolio of energy investments, including hydrocarbon exploration and production, biodiesel production, wind energy generation, hydroelectric power generation and gas transportation;

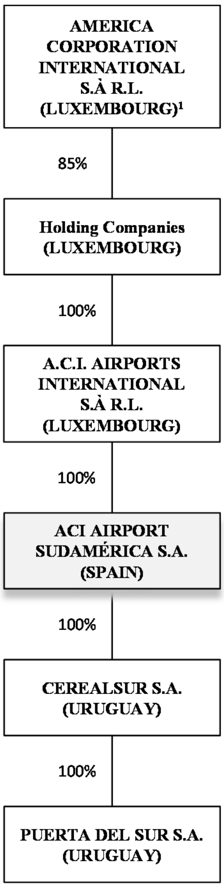
- *Services*: one of the most important banks in Armenia and the concession for the official postal service in Armenia are held and operated by this unit;

- *Infrastructure*: companies in this unit engage in the construction of roads, airports and public works, and operate over 1,200 kilometers of routes in Argentina; and

- *Technology*: this unit is preparing to be a regional provider of advanced technological solutions, IT products and information services in the following areas: financial, governmental, customer loyalty, personal identification, communications and tracking.

Organizational Structure

The following diagram sets forth our organizational structure.



(1) America Corporation International S.à r.l. is indirectly owned by SCF. See "Principal Shareholders and Corporate Information."

The Issuer's registered office is located at Calle Hermosilla, 11, 4th floor, 28001 Madrid, Spain. Cerealsur's and PdS's registered office is located at Colonia 993, 6th Floor, Montevideo, Uruguay.

The Company's website can be accessed at www.aeropuertodecarrasco.com.uy. The information on the Company's website is not incorporated by reference into this listing memorandum.

THE OFFERING

Set forth below is a summary description of the principal terms of the notes and the guarantee. It is not intended to be complete. For a more complete description of the notes and the guarantee, see "Description of the Notes."

Issuer	ACI Airport SudAmérica, S.A.
Guarantor	Cerealsur, S.A.
Notes Offered	US$200,000,000 aggregate principal amount of 6.875% Senior Secured Guaranteed Notes due 2032.
Issue Price	97.168% of the principal amount, plus accrued interest, if any, from May 7, 2015.
Issue Date..	May 7, 2015.
Maturity Date: Principal Payments......	The notes will mature on November 29, 2032. The principal of the notes will be repaid in 34 installments on May 29 and November 29, commencing on May 29, 2016. See "Description of the Notes—Principal, Maturity and Interest."
Interest	Interest on the notes will be payable semi-annually in arrears and will accrue during each interest period from and including the most recent interest payment date (or, in the case of the first interest period, the issue date) at a fixed rate of 6.875% per annum. Interest on the notes will be calculated on the basis of a 360-day year consisting of 12 months of 30 days.
Interest Payment Dates	Interest payments on the notes will be made on each May 29 and November 29, commencing on November 29, 2015.
Collateral...	The Issuer's and Cerealsur's obligations under the notes will be secured by (i) a pledge of all of the shares in PdS, (ii) a pledge of all of the shares in Cerealsur, (iii) an account of Cerealsur into which all dividend payments and other distributions from PdS to Cerealsur will be deposited and all amounts deposited therein, (iv) an account of the Issuer into which all dividend payments and other distributions from Cerealsur to the Issuer will be deposited and all amounts deposited therein and (v) a debt service reserve account and all the amounts deposited therein. See "Description of the Notes—Security."
Guarantee	The obligations of the Issuer under the notes and under the indenture will be guaranteed on a senior secured basis by Cerealsur and, subject to certain conditions, may be guaranteed on an unsecured basis by PdS in the future. PdS is the only subsidiary of Cerealsur. The guarantees of the guarantors will be full and unconditional and joint and several. On the issue date, Cerealsur will be the only guarantor of the notes. See "Description of the Notes—General—The Note Guarantee."
Ranking...	The notes will be general senior obligations of the Issuer and will: • be secured on a first-priority basis as described under

	"Description of the Notes—Security"; • rank equally in right of payment with all of the Issuer's existing and future obligations that are not subordinated to the notes; • rank senior in right of payment to all existing and future obligations of the Issuer that are subordinated to the notes; • rank senior in right of payment to all existing and future unsecured indebtedness of the Issuer to the extent of the value of the Collateral; • be effectively subordinated to obligations of the Issuer preferred by statute or operation of law; • be structurally subordinated to Permitted PdS Debt (as defined under "Description of the Notes") and other obligations of PdS until such time as PdS becomes a guarantor; and • be fully and unconditionally guaranteed by each guarantor. The guarantees will: • be a general senior obligation of each guarantor; • in the case of the guarantee provided by Cerealsur, be secured on a first-priority basis as described under "Description of the Notes—Security"; • rank equally in right of payment with each guarantor's existing and future obligations that are not subordinated to its guarantee; • rank senior in right of payment to all existing and future subordinated indebtedness of each guarantor; • in the case of the guarantee provided by Cerealsur, rank senior in right of payment to all existing and future unsecured indebtedness of Cerealsur to the extent the value of the Collateral; • in the case of the guarantee provided by PdS, if and when issued, rank equally in right of payment to all existing and future unsecured indebtedness of PdS; • be effectively subordinated to the obligations of each guarantor preferred by statute or operation of law; and • be structurally subordinated to Permitted PdS Debt and other obligations of PdS until such time as PdS becomes a guarantor.
Additional Amounts	All payments in respect of the notes and the guarantees will be made without any withholding or deduction for any taxes imposed or levied by or on behalf of Spain or Uruguay or any political subdivision thereof or any authority therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer or a guarantor, as the case may be, will pay such additional amounts as will result in receipt by the holders of notes of such amounts as would have been received by them had no such withholding or deduction for taxes been required, subject to certain exceptions set forth under "Description of the Notes—Additional Amounts."

Optional Redemption	After November 29, 2022, the Issuer may redeem any of the notes, in whole or in part, at the redemption prices and on the dates set forth in "Description of the Notes—Redemption at the Option of the Issuer—Optional Redemption" plus any accrued and unpaid interest to the date of redemption and additional amounts, if any. Prior to November 29, 2022, the Issuer may also redeem the notes, in whole or in part, at a redemption price based on a "make-whole" premium plus any accrued and unpaid interest to the date of redemption and additional amounts, if any. See "Description of the Notes—Redemption at the Option of the Issuer—Optional Redemption." Notwithstanding anything above to the contrary, the Issuer may redeem the notes at par to cure a Retention Event. See "Description of the Notes—Retention Events."
Optional Redemption for Change in Taxes	The notes are redeemable at the Issuer's option, in whole but not in part, at any time, at a redemption price equal to the principal amount thereof plus accrued and unpaid interest to but excluding the date of redemption and any additional amounts due thereon if certain changes in applicable tax law occur. See "Description of the Notes—Redemption at the Option of the Issuer—Optional Redemption for Change in Taxes."
Spanish Tax Law Requirements	Income paid by the Issuer to entities or individuals that are not resident in Spain for tax purposes, and do not act in respect of the notes through a permanent establishment in Spain, is exempt from Spanish Non-Resident Income Tax (as defined under "Taxation—Spanish Tax Considerations"); provided the conditions set forth in First Additional Provision of Law No. 10/2014 of June 26, 2014, are met and, in particular, that the notes are listed on a regulated market, multilateral trading facility or other organized market. See "Taxation—Spanish Tax Considerations—Individuals and Legal Entities That Are Not Tax Resident in Spain." Under the regulations established by section 5 of article 44 of Royal Decree No. 1065/2007, of July 27, 2007, as amended by Royal Decree No. 1145/2011, of July 29, 2011, interest obtained in respect of the notes will not be subject to withholding tax on account of income taxes in Spain; provided certain requirements are met, including that the paying agent provides the Issuer, in a timely manner, with a duly executed and completed Payment Statement (as defined under "Risk Factors—Risks Relating to the Notes, the Guarantees and the Collateral—There are risks related to withholding tax in Spain, including in connection with the delivery of certain documentation by the paying agent"). See "Taxation—Spanish Tax Considerations—Compliance with Certain Requirements in Connection with Income Payments." The Payment Statement shall contain certain details relating to the notes, including the relevant payment date, the total amount of income to be paid on such payment date and a breakdown of the total amount of income corresponding to the notes held through each clearing agency located outside Spain (such as The Depository Trust Company ("DTC"), Euroclear S.A./N.V. or

	Clearstream Banking, *société anonyme*). A paying agency agreement between the paying agent and the Issuer will provide for the timely provision by the paying agent of a duly executed and completed Payment Statement in connection with each payment of income under the notes, and set forth certain procedures agreed by the Issuer and the paying agent which aim to facilitate such process, along with a form of the Payment Statement to be used by the paying agent. If a payment of interest in respect of the notes is not exempt from Spanish withholding tax, including due to any failure by the paying agent to deliver a duly executed and completed Payment Statement, such payment will be made net of Spanish withholding tax, at the rate of 20% during 2015 and 19% as of 2016. If this were to occur due to any failure by the paying agent to deliver a duly executed and completed Payment Statement, affected beneficial owners of the notes will receive a refund of the amount withheld, with no need for action on their part, if the paying agent submits a duly executed and completed Payment Statement to the Issuer no later than the 10th calendar day of the month immediately following the relevant payment date.
Change of Control	If a change of control as described in this listing memorandum occurs with respect to the notes, unless the Issuer has previously exercised its option to redeem the notes, the Issuer will be required to offer to redeem the notes at a price equal to 101% of the principal amount of the notes, plus accrued and unpaid interest and additional amounts, if any, to but excluding the purchase date. See "Description of the Notes—Redemption at the Option of Noteholders Upon a Change of Control."
Covenants	The indenture governing the notes will contain covenants that, among other things, limit the Issuer's, Cerealsur's and PdS's ability to (i) incur additional indebtedness, (ii) make dividend payments or other restricted payments, (iii) sell assets, (iv) create or assume indebtedness for borrowed money that is secured by a lien, (v) enter into sale and leaseback transactions and (vi) engage in mergers, consolidation and transfers of substantially all of their assets. These covenants are subject to a number of important limitations and exceptions. See "Description of the Notes—Certain Affirmative Covenants" and "—Certain Negative Covenants."
Events of Default................................	For a discussion of certain events of default that will permit acceleration of the principal of the notes, plus accrued interest, and any amounts due with respect to the notes, see "Description of the Notes—Events of Default and Remedies."
Additional Notes	Subject to the covenants in the indenture, the Issuer may from time to time, without the consent of holders of the notes, issue additional notes that (other than the issue price, issuance date, the first payment date, the date from which interest will accrue, CUSIP and/or other securities numbers and, to the extent necessary, certain temporary securities law transfer restrictions) have identical terms and conditions (including with respect to

	payment and voting matters) to the then-existing notes, will be secured on a *pari passu* basis by the Collateral, and will be consolidated and will form a single class with the then-existing notes. See "Description of the Notes—Issuance of Additional Notes."
Use of Proceeds.................................	The net proceeds from the sale of the notes is expected to be approximately US$190 million, after deduction of certain expenses including fees and commissions payable to the initial purchasers, fees payable to legal counsel and other expenses. The Issuer intends to use the net proceeds from this offering to (i) make a contribution to Cerealsur in the amount of US$14 million, which, in turn, will be contributed to PdS, to be used by PdS, along with available cash, to repay in full certain of its outstanding obligations; (ii) fund the Debt Service Reserve Account in an amount equal to the Required Debt Service Reserve Amount; (iii) pay fees and expenses related to this offering; and (iv) for general corporate purposes, including, without limitation, the payment of dividends.
Book-Entry; Settlement and Clearance	The notes will be offered and sold (i) outside of the United States only to non-U.S. persons in accordance with Regulation S under the Securities Act and (ii) in the United States only to persons who are qualified institutional buyers as defined in Rule 144A under the Securities Act. The notes will be initially issued in global form without interest coupons, registered in the name of DTC or its nominee. The notes will be issued in minimum denominations of US$200,000 and integral multiples of US$1,000 in excess thereof.
Transfer Restrictions..........................	The notes and the guarantees have not been, and will not be, registered under the Securities Act and may not be offered or sold, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. See "Transfer Restrictions" and "Plan of Distribution" for additional information.
Listing and Trading	The Issuer has applied for the notes to be admitted to listing on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market. There can be no assurance that this application will be accepted and that the notes will be listed or remain so listed. The notes are a new issue of securities, and there is no established trading market for the notes. Accordingly, we cannot assure you that a trading market for the notes will develop or, if one develops, that it will be maintained.
Governing Law..................................	The indenture, the guarantee, the notes, the paying agency agreement and the collateral agency agreement will be governed by the laws of the State of New York. The pledge agreements relating to the pledge of shares of Cerealsur and PdS will be governed by the laws of Uruguay.

Trustee, Registrar, Paying Agent and Transfer Agent	The Bank of New York Mellon.
Collateral Agent	TMF Trust Company (Uruguay) S.A.
Risk Factors	Investing in the notes involves substantial risks and uncertainties. See "Risk Factors" and other information included in this listing memorandum for a discussion of factors you should carefully consider before deciding to purchase any notes.

SUMMARY CONSOLIDATED FINANCIAL DATA

The following table sets forth Cerealsur's summary consolidated financial data as of and for the 12-month periods ended December 31, 2014, 2013 and 2012.

- The summary consolidated financial data as of and for the 12-month period ended December 31, 2014 was derived from Cerealsur's audited special consolidated financial statements as of and for the 12-month period ended December 31, 2014.

- The summary consolidated financial data as of and for the 12-month period ended December 31, 2013 was derived from Cerealsur's audited special consolidated financial statements as of and for the 12-month period ended December 31, 2013.

- The summary consolidated financial data as of and for the 12-month period ended December 31, 2012 was derived from Cerealsur's audited special consolidated financial statements as of and for the 12-month period ended December 31, 2012.

The above-referenced financial statements are included in this listing memorandum and have been audited by PwC Uruguay, whose audit reports with respect thereto are included in this listing memorandum.

Cerealsur prepares its consolidated financial statements in accordance with Uruguayan GAAP. Significant differences exist between Uruguayan GAAP and IFRS, which may be material to the financial information presented in this listing memorandum. Such differences involve methods of measuring the amounts shown in the financial statements, as well as additional disclosures. Cerealsur has not identified or quantified the effect of any such differences. See "Annex A—Summary of Certain Differences Between Uruguayan GAAP and IFRS" for a description of certain of the significant differences between Uruguayan GAAP and IFRS.

	12-month period ended December 31,		
	2014	2013	2012
	(in thousands of US$, except passenger, per passenger and aircraft movement data)		
Statement of income data			
Aeronautical revenue	37,122	34,030	35,150
Non-aeronautical revenue (1)	36,002	36,429	34,501
Total operating revenue	73,124	70,459	69,651
Cost of services provided	(37,673)	(39,558)	(39,774)
Gross income	35,451	30,901	29,877
Administrative and selling expenses (2)	(11,371)	(10,563)	(12,489)
Other income (loss), net	(121)	(469)	(130)
Net financial result	(5,629)	(6,464)	(7,418)
Income before income tax	18,329	13,405	9,841
Income tax	(5,587)	(2,463)	(3,813)
Net income	12,742	10,942	6,027
Balance sheet data			
Cash and cash equivalents	10,342	11,120	4,256
Total assets	207,355	197,769	205,574
Total current liabilities	18,421	24,368	27,191
Total financial debts (3)	87,117	94,800	116,501
Total liabilities	108,684	111,840	130,587
Total equity	98,671	85,929	74,987
Other data (unaudited)			
Total passengers (in thousands)	1,696	1,569	1,783
Total aircraft movements (departing and arriving aircraft)	23,785	23,532	30,366
Total revenue per passenger (US$)	43.1	44.9	39.1
EBITDA (4)	39,521	38,060	35,005

(1) Non-aeronautical revenue consists of commercial revenue, services revenue and works revenue.

(2) Cerealsur's administrative and selling expenses on a stand-alone basis were US$1,587 thousand, US$1,774 thousand and US$1,723 thousand for the 12-month periods ended December 31, 2014, 2013 and 2012, respectively. See Cerealsur's separate financial statements for such periods included in this listing memorandum.

(3) Total financial debts includes current and non-current financial debts.

(4) The Company believes EBITDA provides investors with meaningful information with respect to its operating performance and facilitates comparisons to its historical operating results. EBITDA has limitations as an analytical tool, however, and you should not consider it in isolation, as an alternative to net income or as an indicator of its operating performance or as a substitute for analysis of the results of the Company as reported under Uruguayan GAAP.

Some of these limitations include:

- it does not reflect the Company's cash expenditures, or future requirements for capital expenditures or contractual commitments;
- it does not reflect changes in, or cash requirements for, the Company's working capital needs;
- it does not reflect the Company's interest expense, or the cash requirements to service the interest or principal payments of its debt;
- it reflects the effect of non-recurring expenses, as well as investing gains and losses;
- it is not adjusted for all non-cash income or expense items that are reflected in restatements of changes in financial position;
- other companies in the Company's industry may calculate this measure differently than the Company does, which may limit its usefulness as a comparative measure; and
- EBITDA is not a recognized financial measure under Uruguayan GAAP or IFRS.

Because of these limitations, EBITDA should not be considered a measure of discretionary cash available to the Company to invest in the growth of its business or as a measure of cash that will be available to us to meet its obligations. You should compensate for these limitations by relying primarily on the Company's Uruguayan GAAP results and using EBITDA measure additionally.

Set forth below is a reconciliation of EBITDA to net income:

	12-month period ended December 31,		
	2014	**2013**	**2012**
	(in thousands of US$)		
EBITDA (unaudited)	39,521	38,060	35,005
Depreciation and amortization	(15,497)	(18,554)	(18,251)
Interest expense	(5,694)	(6,101)	(6,913)
Income tax	(5,587)	(2,463)	(3,813)
Net income	12,742	10,942	6,027

RISK FACTORS

An investment in the notes involves risk. You should carefully consider the risks and uncertainties described below and the other information in this listing memorandum before making an investment in the notes. The risks described below are not the only ones facing us or investments in Uruguay in general. The Company's business, financial condition and/or results of operations could be materially adversely affected by any of these risks. There are a number of factors, including those described below, which may adversely affect our ability to make payment on the notes. Additional risks not presently known to us or that we currently deem immaterial may also impair the Company's operations.

This listing memorandum also contains forward-looking statements that involve risks and uncertainties. The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by us or the Company described below and elsewhere in this listing memorandum. See "Forward-Looking Statements."

Risks Relating to the Regulation of the Company's Business

The Company provides a public service regulated by the Uruguayan government and subject to the terms of the Concession Agreement and the Company's flexibility in managing its aeronautical activities is limited by the Concession Agreement and the regulatory environment in which the Company operates.

The Company's aeronautical tariffs and charges are regulated by the terms of the Concession Agreement. For the 12-month periods ended December 31, 2014, 2013 and 2012, approximately 50.8%, 48.3% and 50.5%, respectively, of its total operating revenue was derived from tariffs which are subject to regulation by the Uruguayan government under the terms of the Concession Agreement. The maximum tariffs that the Company may charge under the terms of the Concession Agreement may limit its flexibility in operating its aeronautical activities and, as a result, could materially adversely affect the Company.

PdS's regulated tariffs are adjusted according to a formula and procedures set forth in the Concession Agreement, which takes into consideration Uruguay's Consumer Price Index (the "Uruguayan CPI") which is determined by the Executive Branch of the Uruguayan government, the U.S. Consumer Price Index (the "U.S. CPI") and the variation in the exchange rate between the U.S. dollar and the Uruguayan peso. There can be no assurances that any such procedures will allow adjustments to be carried out in a timely manner, or that such adjustments will preserve the economic and financial equilibrium of the Concession Agreement.

There can be no assurances that the Uruguayan economy will not suffer economic shocks that would require the Company to renegotiate the terms of the Concession Agreement with the Uruguayan government. If the Company is required to renegotiate the Concession Agreement, particularly as regards the economic terms set forth therein, the Company may be required to accept terms that are less favorable than the terms that currently apply to its operations.

The Uruguayan government may impose fines on the Company, terminate and/or buy out the Concession Agreement under certain circumstances.

The Concession Agreement provides that the Uruguayan government may impose fines and other penalties on the Company if it breaches any of its obligations under the Concession Agreement including, in some circumstances, the termination of the Concession Agreement. There can be no assurances that if the Company experiences difficulties, it will not encounter problems in satisfying its obligations under the Concession Agreement and that the Uruguayan government will not impose any such penalties on the Company and/or terminate the Concession Agreement for noncompliance.

In addition, under the Concession Agreement, the Uruguayan government can terminate the Concession Agreement unilaterally for reasons of public policy. Upon such termination, the Uruguayan government would pay PdS a termination payment in an amount based on the value of PdS's investment in Carrasco International Airport. See "The Concession Agreement—Termination—Unilateral Termination by the Uruguayan Executive Branch." There can be no assurance that the Uruguayan government will not terminate the Concession Agreement for public policy reasons or, in the event of such unilateral termination, that the termination payment paid to PdS will be sufficient to satisfy all of PdS's obligations, or to allow PdS to make distributions to Cerealsur, which is the Issuer's source for making payments under the notes. See "—Risks Relating to the Notes, the Guarantees and the Collateral—Cerealsur is subject to risks related to the obligations of its subsidiary."

In addition, if Carrasco International Airport is destroyed, or is so severely damaged that it cannot operate, the Defense Ministry would be entitled to terminate the Concession Agreement without making a termination payment to PdS and to collect any indemnification payments received from insurance for the destruction of assets belonging to the Uruguayan government under the terms of the Concession Agreement.

The Uruguayan government could grant new concessions and authorize the construction of new airports that compete with Carrasco International Airport.

The Uruguayan government is not prohibited under the terms of the Concession Agreement or otherwise from granting other airport concessions. Accordingly, the Uruguayan government could grant other companies additional concessions to operate existing government-managed airports, or authorize the construction of new airports, which could compete directly with Carrasco International Airport. Any such situations may cause a substantially adverse effect on the Company's financial condition or results of operations.

Regulations applicable to aeronautical activities may suffer material changes.

Regulations currently applicable to aeronautical activities in Uruguay or elsewhere may undergo material changes. Any such changes could result in decreased airline traffic at Carrasco International Airport, which would have a material adverse effect on the Company's financial condition or results of operations.

Risks Relating to the Company's Operations

The Company's revenue is highly dependent on levels of aircraft movements, which depend in part on factors beyond its control, including economic and political conditions and environmental factors.

The Company's revenue is closely linked to passenger and cargo traffic volumes and the number of aircraft movements at Carrasco International Airport. These factors directly determine the Company's revenue from aeronautical services and indirectly affect its revenue from other sources. Passenger and cargo traffic volumes and aircraft movements depend in part on many factors beyond the Company's control, including prevailing economic conditions and the political situation in Uruguay, Latin America (in particular Brazil and Argentina), the United States, Europe and elsewhere, the attractiveness of Carrasco International Airport relative to that of other competing airports, health epidemics, fluctuations in petroleum prices (which can have a negative impact on air traffic as a result of fuel surcharges or other measures adopted by airlines in response to increased fuel costs) and changes in regulatory policies applicable to the aviation industry. Additionally, climate conditions or environmental factors, may also affect aircraft movements, that could materially and adversely affect the business, financial condition and results of operations of the Company.

Terrorist attacks may have a severe impact on the international air travel industry.

As with other airport operators, the Company is subject to terrorist attacks. The terrorist attacks in the United States on September 11, 2001 had a severe adverse impact on the air travel industry, particularly on U.S. carriers and on carriers operating international service to and from the United States. Airline traffic in the United States fell precipitously following the attacks. In the event of a terrorist attack directly on Carrasco International Airport, airport operations would be disrupted or suspended during the time necessary to conduct rescue operations, investigate the incident and repair or rebuild damaged or destroyed facilities. In addition, the Company's insurance policies do not cover all losses and liabilities resulting from terrorism. The occurrence of any such event would have a material adverse effect on the Company's financial condition and the commercial operations of PdS.

Increases in international fuel prices could reduce demand for air travel.

Until 2014, international prices of fuel, which represent a significant cost for airlines using Carrasco International Airport, had been increasing, reaching a record high in the first half of 2008 concurrently with the significant increase of crude oil prices (WTI crude reached US$145.30 per barrel in July 2008). Crude oil prices significantly dropped beginning in mid-2014, with WTI prices reaching US$50.0 in March 2015. The price of crude oil and its derivatives are subject to increases for a number of reasons, including, among others, global supply and demand for petroleum, terrorist attacks, a general increase in international hostilities or a reduction in output, voluntary or otherwise, by oil-producing countries. An increase in oil prices, and thus fuel prices, would result in increases in airline costs, which may result in higher airline ticket prices and may decrease demand for air travel, thereby adversely affecting the Company's revenue and results of operations. In addition, high fuel prices are likely to have a material adverse impact on airline operations, particularly those using older, less fuel-efficient airplanes. Such adverse impact could lead to a reduction or cessation in operations by such an airline which, in turn, may reduce traffic at Carrasco International Airport and therefore, the Company's revenue and results of operations.

Failure in airport security could have a material adverse effect on the Company.

Airport security is the responsibility of the Uruguayan government and the Airport Security Police (*Policía Aérea*). The Company is responsible, however, for adopting security measures necessary to assist the Uruguayan government and Airport Security Police in protecting the public and maintaining the security of passengers. Security measures taken by us or the Airport Security Police to comply with future security directives or in response to a terrorist attack or threat could reduce passenger capacity at Carrasco International Airport due to increased passenger screening and slower security checkpoints which would materially adversely affect the Company's financial condition and operating revenue.

International events could have a negative impact on international air travel.

Historically, a substantial amount of the Company's revenue has been derived from aeronautical services, and the Company's principal source of aeronautical revenue is passenger use tariffs. Passenger use tariffs are payable by each passenger (other than diplomats, members of the Defense Ministry assigned to United Nation's peace keeping missions or other international organizations, infants and transit passengers) departing from Carrasco International Airport terminal. For the 12-month periods ended December 31, 2014, 2013 and 2012, passenger use tariffs represented 41.2%, 38.7% and 38.6%, respectively, of the Company's total operating revenue. Events such as the war in Iraq and public health crises such as the SARS crisis and the swine flu (H1N1) epidemic have negatively affected the frequency and pattern of air travel worldwide. Because the Company's revenue is largely dependent on the level of passenger traffic, any general increase of hostilities relating to reprisals against terrorist organizations, outbreaks of health epidemics or other events of general international concern (and any negative economic impact of such events) could result in decreased passenger traffic and increased costs to the air travel industry and, as a result, could materially adversely affect its business.

The Company's revenue and profitability may not increase if it fails to fully implement its business strategy.

The Company's ability to increase its revenue and profitability will depend in part on its business strategy, which consists of increasing Carrasco International Airport users' commercial activities, developing infrastructure to accommodate expected growth in passenger traffic and continuing to improve commercial offerings.

The Company's ability to increase its commercial revenue is significantly dependent upon increasing passenger traffic at Carrasco International Airport and expanding and improving its non-aeronautical revenue, among other factors. The Company cannot assure you that it will be successful in implementing its strategy of increasing its revenue from commercial activities. Passenger traffic volume at Carrasco International Airport depends on factors beyond the control of the Company, such as the attractiveness of the commercial, industrial and tourist centers Carrasco International Airport provides. Accordingly, there can be no assurance that passenger traffic volume and, thus, the Company's revenues derived from commercial activities, will increase.

Competition from other destinations could adversely affect the Company's business.

The principal factor affecting the Company's business is the number of passengers that use Carrasco International Airport, which in turn is dependent upon the level of business, tourism and economic activity in Uruguay and elsewhere. As such, the Company's passenger traffic volume may be adversely affected by economic instability. In addition, passenger traffic volume may be adversely affected by the attractiveness, affordability and accessibility of competing tourist and business destinations located outside of Uruguay, such as in Argentina, Chile and Brazil. The attractiveness of the destinations the Company serves is also likely to be affected by perceptions of travelers as to the safety and political and social stability of the country. There can be no assurance that business activity and tourism levels, and therefore the number of passengers using Carrasco International Airport, will in the future match or exceed current levels.

Deterioration of labor relations could have a material adverse impact on the Company's operations.

As of December 31, 2014, approximately 35% of the Company's employees were represented by a union, and the Company will need to negotiate a new contract with this union in mid-2015. Although the Company believes that it currently has good relations with its labor force, if any conflicts with PdS's employees were to arise in the future, and such conflicts led to strikes or other disruptions, such activities could have an adverse effect on its business. In addition, the Company could be adversely affected by labor unrest or strikes by employees of governmental agencies that supervises or that provides immigration, security or other services at Carrasco International Airport, and with whom the Company must work to operate its business and obtain approvals for increases in its regulated tariffs and charges.

The loss of one or more of the Company's key customers could result in a loss of a significant amount of passengers at Carrasco International Airport.

Tam Linheas Aereas, Aerolíneas Argentinas and Gol Linheas Aereas Inteligentes and their respective affiliates accounted for 19%, 16% and 14%, respectively, of the total passengers departing from and arriving to Carrasco International Airport for the 12-month period ended December 31, 2014. The contracts with the Company's airline customers do not oblige them to provide passenger services to Carrasco International Airport. If any of its key airline customers were to reduce the use of Carrasco International Airport or cease to operate, the remaining airlines may not increase their flight frequency to replace those flights or the related passenger seats on their existing fleets. The Company's business could be adversely affected if the Company loses and was unable to replace, the business of any of its key airline customers.

The operations at Carrasco International Airport may be affected by actions of third parties, which are beyond the Company's control.

The operation of Carrasco International Airport is dependent on the services of third parties and participation of the Uruguayan government for the rendering of services to passengers and airlines, such as meteorology, air traffic control, security, electricity and immigration and customs services. In addition, the Company is dependent on third party providers of certain complementary services such as baggage handling, fuel services, catering and aircraft maintenance and repair. During the last five years, there have been certain occasions when an interruption of services from some of these entities lasted more than a day and adversely affected the operations of the Company. The Company is not responsible or liable for, and cannot control, these services. Any disruption in, or adverse consequence resulting from, their services, including a work stoppage or other similar event, could have a material adverse effect on the Company.

The Company is exposed to certain risks in connection with the granting of permits to use terminal areas at Carrasco International Airport.

The Company is exposed to risks related to the spaces and services sub-concessioned to third parties, such as the risk of non-payment by non-aeronautical sub-concessionaires or a weakening of demand for the use of leased space allocated to non-aeronautical sub-concessionaires. Any of these risks could adversely affect the Company's business, results of operations and financial condition. In addition, the Company receives payments from the concessionaires operating duty free shops based on the percentage of revenues generated therein. Accordingly, the decline in revenues generated in the duty free shops would adversely affect the Company's business, results of operations and financial condition.

The Company is exposed to the risk of non-performance by its subcontractors.

The Company subcontracts certain services which are necessary for its operations, such as activities relating to commercial air transport, including hangar and aircraft maintenance, fuel distribution, platform services and catering. If the Company's subcontractors fail to perform their obligations in accordance with the terms of the agreements with them, the Company could incur extra costs associated with providing the related services, which could adversely affect its business, financial condition and results of operations.

PdS's insurance policies may not provide sufficient coverage against all liabilities.

PdS is required to maintain insurance under the terms of the Concession Agreement. The current coverage is for US$400 million to insure all reasonable risks. There can be no assurance that PdS's insurance policies maintained by PdS will cover all of its liabilities in the event of an accident, terrorist attack or other incident. The insurance market for airport liability coverage generally and for airport construction in particular is limited, and a change in coverage policy by the insurance companies involved could reduce its ability to obtain and maintain adequate or cost-effective coverage. PdS does not currently carry business interruption insurance or property insurance against terrorism and related risks. Consequently, any substantial interruption of its business or terrorist attacks could have a material adverse effect on the Company's results of operations. See "Business—Property and Insurance."

The Company is subject to various environmental regulations that affect its operations and costs, and changes in Uruguayan environmental regulations could limit the growth of Carrasco International Airport.

Carrasco International Airport is located close to urban areas. Should environmental regulators adopt a more restrictive regulatory framework for any of these areas (such as limitations on noise pollution), its ability to expand and meet increased demand at Carrasco International Airport could be limited. Furthermore, compliance with future environmental regulations may require the Company to incur additional costs in order to bring Carrasco International Airport into compliance. If the Company fails to comply with current or future environmental regulations, the Company may be subject to fines and other sanctions, which could adversely affect its financial condition and results of operations.

The Company is dependent on its senior management.

The Company's current and future performance depends significantly on the continuous contribution of its senior management and other key employees. Employee hiring and assignment is made taking into account the competence, skills, aptitude and knowledge of the corresponding person as well as their capacity, work, honesty and commitment in order to achieve the objectives proposed for that position. There can be no assurance that the Company will have the same group of executives in the future, or that in the event that new executives are incorporated to replace the former executives, they will have the same knowledge and experience. The loss of competent management may affect the Company's activities, financial position and results of operations.

The Company is exposed to risks inherent to the operation of airports.

The Company is obligated to protect the public at Carrasco International Airport and to minimize the risk of airside and landside accidents. As with any business that deals with members of the public, the Company must implement certain measures for their protection, such as fire safety in public spaces, design and maintenance of car parking facilities and access routes to meet road safety rules. The Company is also obligated to take certain measures related to aviation activities, such as the maintenance, management and supervision of the terminal building, the provisioning of rescue and fire-fighting services for aircraft, the measurement of runway friction coefficients, and the management of safety threats from birds and other wildlife on airport sites. These obligations could increase the exposure to liability to third parties for personal injury or property damage resulting from the operations of the Company.

The Company's inability to collect rents from its retail and commercial tenants on time or at all may negatively impact its financial performance.

47.6% of the Company's commercial revenue for the 12-month period ended December 31, 2014 was derived from leases of retail and commercial space at Carrasco International Airport. The Company's financial performance depends on PdS's ability to continue to sub-lease these commercial spaces on economically favorable terms, which in turn is affected by the financial stability of PdS's tenants, any of which may experience an adverse change in their business, as a result of general economic conditions, competition or otherwise, at any time. Tenants may become delinquent in their rental payments, delay lease commencements, decline to extend or renew a lease, or exercise early termination rights, if available. If a tenant becomes delinquent, PdS may need to initiate eviction proceedings, which may be lengthy and costly.

If a number of PdS's tenants are unable to make their rental payments to PdS on time or at all and otherwise fail to meet their lease obligations, the Company's financial performance would be adversely affected.

The Company is partially dependent on the sales in certain of its lessees' stores.

47.3% of the Company's commercial revenue for the 12-month period ended December 31, 2014 was derived from rental payments by retail and commercial tenants of PdS totally or partially based on sales by such tenants. PdS charges rental fees to: (a) duty free shops based upon a percentage of sales by the lessees of their products (e.g., 10% of the sale price of electronic products is paid by such lessees to PdS under this type of lease), and (b) food and beverage vendors and retail vendors which consist of a fixed fee plus a variable fee equal to the higher of (i) a base monthly rent and (ii) a specific percentage of the gross monthly sales recorded by each lessee. Accordingly, the amount of rent that PdS is able to collect from duty free shops, food and beverage vendors and retail vendors under such leases is dependent on the level of sales by such lessees. A reduction in the amount of rent PdS is able to collect from such lessees would adversely affect the Company's results of operations and financial condition, as well as Cerealsur's ability to pay dividends to the Issuer.

Holders of the notes will not be able to enforce any claims against property in Uruguay assigned to PdS by the Uruguayan government.

Pursuant to the terms of the Concession Agreement, the Uruguayan government transferred to PdS the use (but not the ownership) of certain real property and personal property. All real or personal property must remain free and clear from any liens and/or encumbrances. Upon the expiration of the Concession Agreement, the real property automatically will be returned, and the personal property must be assigned free of charge to, the Uruguayan government.

A Uruguayan court will not order attachment or permit enforcement of a judgment with respect to any such real property and will not order an attachment or permit enforcement with respect to any of such personal property. Any such property may not be subject to attachment, execution or other legal processes, and the ability of a creditor to realize a judgment against such assets may be adversely affected.

Risks Relating to Uruguay

Any investment in securities of a company with a significant part of its business interests in an emerging market, such as Uruguay, involves significant risks.

Uruguay is an emerging market economy. Emerging markets are generally more vulnerable to market volatility, as well as political and economic instability, than developed markets. As such, investments in securities of issuers with all or substantially all of its interests in an emerging market are subject to certain risks which may affect economic and fiscal results. These risks include:

- high interest rates;
- devaluation or depreciation of the currency;
- inflation;
- changes in governmental economic, tax or other policies;
- the imposition of trade barriers;
- fluctuations in international fuel prices;
- dependence on remittances and tourism;
- exchange controls;
- wage and price controls, including with respect to the tariffs charged by the Company at Carrasco International Airport; and

- economic and political instability.

In addition, economic conditions in Uruguay are, to some extent, influenced by economic and securities market conditions in other emerging market countries. Although economic conditions are different in each country, investors' reaction to developments in one country can have adverse effects on the securities of issuers in other countries, including Uruguay. There can be no assurance that the economic conditions in Uruguay will not continue to be affected negatively by events elsewhere, especially in emerging markets or that such effects in Uruguay will not adversely affect the market value of the notes.

Any of these factors may adversely affect payments on, or the liquidity of, and trading market for, the notes.

Uruguay's economy is vulnerable to external shocks and to adverse developments affecting its major trading partners or by more general "contagion" effects, which could have a material adverse effect on economic growth and its ability to rely on the international capital markets as a source of financing.

Investment in emerging market economies generally poses a greater degree of risk than investment in more mature market economies because the economies in the developing world are more susceptible to destabilization resulting from international and domestic developments. Uruguay's economy remains vulnerable to external shocks, including those relative to or similar to the global economic crisis that began in 2008 and the recent uncertainties surrounding European sovereign debt. Uruguay's economy is also vulnerable to adverse developments affecting its principal trading partners. A significant decline in the economic growth of any of Uruguay's major trading partners could have a material adverse impact on Uruguay's balance of trade and adversely affect Uruguay's economic growth.

In addition, because reactions of "international investors" to events occurring in one market, particularly emerging markets, frequently appear to demonstrate a "contagion" effect, in which an entire region or class of investment is disfavored by international investors, Uruguay could be adversely affected by negative economic or financial developments in other markets. Furthermore, the ongoing instability affecting the European financial markets could adversely affect investors' confidence in other markets, such as Uruguay.

There can be no assurance that external shocks and uncertainties affecting members of the European Union or similar events will not negatively affect investor confidence in emerging markets or the economies of the principal countries in Latin America. These events, as well as economic and political developments affecting the economies of Uruguay's principal trading partners, may adversely affect Uruguay's ability to raise capital in the external debt markets in the future, as well as its economic condition.

Domestic factors could lead to a reduced growth and decrease of foreign investment in Uruguay.

Adverse domestic factors, such as domestic inflation, high domestic interest rates, exchange rate volatility, labor unrest and political uncertainty, could lead to lower growth in Uruguay, declines in foreign direct and portfolio investment and potentially lower international reserves. In addition, any of these factors may adversely affect the liquidity of, and trading markets for, Uruguay's debt.

Risks Relating to the Notes, the Guarantees and the Collateral

The only source of payments on the notes will be dividends paid by PdS, which may not be able to generate sufficient cash flows to meet its debt service obligations and make dividend payments.

The Issuer and Cerealsur are holding companies with no independent business operations. The Issuer will derive substantially all of its income from dividends it receives from Cerealsur, and Cerealsur will receive all of its income from dividends it receives from PdS. Accordingly, the Issuer's ability to make payments on the notes, and Cerealsur's ability to make payments under its guarantee, are dependent on the ability of PdS to generate sufficient revenue from its operations such that after making payments on its indebtedness and other obligations and funding its other liquidity needs, PdS has funds available to make dividend payments in amounts sufficient for the Issuer and Cerealsur to comply with their respective obligations under the notes and the guarantee. PdS's ability to generate revenue from its operations in the future, in turn, will be subject to general economic, financial, competitive, legislative, regulatory and other factors in Uruguay and elsewhere that are beyond its control. See "—Risks Relating to the Company's Operations." If PdS cannot service its indebtedness and other obligations, PdS may have to take actions such as selling assets, seeking additional equity or reducing or delaying capital expenditures and investments. PdS may not be able to effect such actions, if necessary, on commercially reasonable terms, or at all.

Accordingly, if PdS does not have sufficient funds available to make dividend payments in sufficient amounts so that the Issuer can make payments on the notes, or at all, the Issuer will not be able to make payments on the notes. Further, if the Issuer does not receive sufficient funds from Cerealsur to make payments on the notes, it is unlikely that Cerealsur would have sufficient funds to make payments in respect of its guarantee.

The Issuer is subject to risks related to the obligations of PdS.

PdS is not required to guarantee the notes until such time as the PdS Notes (as defined below) are no longer outstanding and the documents pursuant to which the PdS Notes were issued are of no further force and effect. Until such time as PdS becomes a guarantor, the notes will not be guaranteed by PdS and, therefore, will be structurally subordinated to the financial and other obligations of PdS. Generally, the creditors of PdS have priority regarding the assets and profits over the rights of its shareholder, in an event of liquidation, dissolution, bankruptcy, reorganization proceeding or similar proceeding affecting or related to PdS. Consequently, in the event of liquidation, dissolution, bankruptcy, reorganization proceedings or similar proceedings relating to PdS, its assets must be available in order to satisfy its debt before being available or distributed to Cerealsur or to the Issuer.

PdS's level of indebtedness could adversely affect its financial condition and prevent PdS from paying dividends that are the source of payments on the notes.

The level of PdS's indebtedness could have important consequences to holders of the notes, including the following:

- it may make it more difficult for the Issuer to satisfy its obligations with respect to the notes;
- it may limit PdS's ability to borrow money and increase the costs of such additional financings to fund its working capital needs and capital expenditures;
- it may limit PdS's flexibility in planning for, or reacting to, changes in its business and future business opportunities;
- it may restrict PdS's ability to explore business opportunities;
- it may make PdS's more vulnerable to a downturn in its business or in the Uruguayan or international economy;
- a material portion of PdS's cash flow from operations will be dedicated to the repayment of its total financial debt, which amounted to US$87.1 million as of December 31, 2014 (including US$14 million which is expected to be repaid with the proceeds from this offering), and will not be available for other purposes; and
- there would be a material adverse effect on PdS's business and financial condition if it were unable to service its indebtedness or obtain additional financing when needed.

PdS's ability to pay dividends to Cerealsur is limited by certain restrictive covenants in its debt instruments.

On April 30, 2007, PdS issued US$87.0 million in negotiable obligations (the "PdS Notes"), which bear interest at a rate of 7.75% per annum and mature on October 29, 2021, in the local markets in a public auction on the *Bolsa Electrónica de Valores del Uruguay S.A.* As of December 31, 2014, US$61.0 million aggregate amount (including principal and accrued interest) of PdS Notes was outstanding. The debt instrument pursuant to which the PdS Notes were issued contains various restrictive covenants, including a prohibition on the distribution of dividends by PdS if PdS fails to meet a debt service coverage ratio. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Liabilities—Current Liabilities." If PdS fails to comply with such ratio, it will be unable to pay dividends to Cerealsur, which would have a material adverse effect on the Issuer's ability to make payments on the notes, as well as on Cerealsur's ability to make payments in respect of the guarantee.

In addition, the PdS Notes contain other restrictive terms and provisions that may limit the ability of PdS to distribute dividends. The PdS Notes are secured by all aeronautical revenues of PdS, revenues from leases to duty-free shops at the Carrasco International Airport and amounts PdS receives or has a right to receive from the Uruguayan government under the Concession Agreement, all of which are required to be deposited into a guarantee trust for the benefit of the holders of the PdS Notes. If PdS is in default of any of its obligations under the PdS Notes or the guarantee trust, the trustee of the guarantee trust has the right to control the receipt and administration of such revenues and may be required to begin funding a debt service reserve for the PdS Notes, which could have an adverse impact on the ability of PdS to freely make dividend payments and thus the ability of the Issuer to make payments on the note could be adversely affected.

PdS's and Cerealsur's ability to pay dividends require the taking of certain corporate actions, and PdS and Cerealsur may be restricted from making dividend payments under Uruguayan law.

Under each of Cerealsur's and PdS's articles of incorporation, dividend payments are to be made annually, as approved by shareholders in its annual shareholders' meeting. Provided that the Issuer has not deferred payment of principal as permitted under the indenture governing the notes, principal on the notes is expected to be paid semi-annually on May 29 and November 29 of each year, starting on May 29, 2016. Interest on the notes is payable semi-annually on May 29 and November 29 of each year, starting on November 29, 2015. Each of Cerealsur and PdS will, therefore, need to convene each year, in addition to an annual general shareholders' meeting at which dividends are declared, either a board meeting (to be ratified by a resolution of an extraordinary shareholders' meeting) or an extraordinary shareholders' meeting, at which dividends are declared, in order to ensure that funds are available to the Issuer to make payments on the notes.

Although the indenture governing the notes will require Cerealsur, and each of Cerealsur and the Issuer to cause PdS, to take any and all actions necessary under applicable law for PdS and Cerealsur to pay dividends, there can be no assurance that such actions will be taken or will be taken in a timely manner to ensure that the Issuer has funds available from dividends to make payments on the notes.

According to Section 379 of Uruguayan Law No. 16,060, as amended (the "Uruguayan Companies Law"), a Uruguayan company may only distribute dividends or anticipated dividends to its shareholders if it has realized and net earnings pursuant to a balance sheet approved by a competent body under Uruguayan law and ratified at a shareholders' meeting. See "Principal Shareholders and Corporate Information—Cerealsur's Articles of Incorporation—Dividends and Liquidation Rights." As a result, even if cash were available for distribution by PdS or Cerealsur, as the case may be, Uruguayan law would not permit PdS or Cerealsur to apply such cash towards making either an ordinary or an extraordinary dividend if it did not have realized and net earnings (as evidenced by a duly approved balance sheet) in such amount. As of December 31, 2014, PdS had accrued and undistributed net earnings of US$41.5 million and Cerealsur had accrued and undistributed net earnings of US$79.2 million. There can be no assurances, however, that Cerealsur and PdS will have sufficient realized and net earnings in the future, or at the times required, in order to make ordinary or anticipated dividends and, thereby, ensure timely payments on the notes on the required payment dates.

Under the Uruguayan Companies Law, before a Uruguayan company can make distributions to its shareholders, 5% of net income is required to be retained in a legal reserve until the amount of such reserve equals 20% of the company's share capital. As of December 31, 2014, each of PdS and Cerealsur had not yet funded the required legal reserve of 20% of their respective share capital as of such date. As of December 31, 2014, PdS and Cerealsur had funded a legal reserve of 14.8% and 19.0% of their respective paid-in share capital. If an increase to either PdS's or Cerealsur's share capital were to occur in the future, under Uruguayan law, PdS or Cerealsur, as the case may be, would be required to reserve amounts from net income (in order to complete such legal reserve) before it could make dividend distributions, which may have a negative impact on the ability of PdS or Cerealsur to distribute funds up to the Issuer sufficient to make payments on the Notes. In addition, a Uruguayan company must refrain from paying dividends if it has any accumulated losses from previous fiscal years until such losses have been covered, and will be allowed to distribute the balance after legal reserve requirements have been satisfied. There can be no assurance that Cerealsur or PdS will not have accumulated losses and thus suspend the making of dividend payments. See "Principal Shareholders and Corporate Information—Cerealsur's Articles of Incorporation—Dividends and Liquidation Rights."

Enforcing your rights as a holder of the notes or under the guarantees or with respect to the collateral in Spain and Uruguay may be difficult.

The Issuer is incorporated under the laws of Spain and Cerealsur and PdS are organized under the laws of Uruguay. In the event of a bankruptcy, insolvency or similar event, proceedings could be initiated in either or both of such jurisdictions. Such proceedings may be complex and costly for creditors and otherwise may result in greater uncertainty and delay regarding the enforcement of your rights. Your rights under the notes and the guarantees and with respect to the collateral will be subject to the bankruptcy, insolvency and administrative laws and there can be no assurance that you will be able to effectively enforce your rights in such complex, multiple bankruptcy, insolvency or similar proceedings. See "Enforcement of Civil Liabilities" and "Limitations on Validity and Enforceability of the Guarantees and Security Interests and Certain Other Insolvency Considerations." In addition, the insolvency laws of these jurisdictions may not be as favorable to holders of the notes as the laws of some other jurisdictions with which you may be more familiar. Certain provisions of the insolvency laws in these jurisdictions could affect the ranking of the notes and the guarantees or claims relating to the notes and the guarantees on an insolvency of the Issuer, Cerealsur or PdS, as the case may be. In the event that the Issuer, Cerealsur or PdS experienced financial difficulty, it is not possible to know with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings.

If the company that transferred shares of Cerealsur to the Issuer and the shares of the Issuer to its current shareholder becomes insolvent, those transfers may be challenged.

The shares of Cerealsur were recently transferred to the Issuer by Yokelet, and such transfer did not involve consideration. In addition, the shares of the Issuer were recently transferred to its current shareholder (i.e., ACI Airports International, S.à r.l.) by Yokelet as a dividend in kind. See "Summary—General Corporate Information—The Issuer."

Under Spanish law, if Yokelet were to become insolvent, such transfers could be challenged by the insolvency administrator in an insolvency proceeding in accordance with article 71 of the Spanish Insolvency Act. See "Limitations on Validity and Enforceability of the Guarantees and Security Interests and Certain other Insolvency Considerations—Spain—Hardening Periods."

In particular, if the transfer of the shares of Cerealsur is challenged because it falls within the two year hardening period, and such challenge is successful, the consequences are unclear. For example, a court could determine that both the transfer of the shares of Cerealsur to the Issuer and the creation of pledge over such shares would be rescinded, and that Yokelet would recover the ownership of such shares; or that only the transfer of the shares of Cerealsur to the Issuer would be rescinded, but the Issuer would have to indemnify Yokelet for the reduction in the value of the shares of Cerealsur caused by the creation of the pledge plus interest (such value to be calculated as of the time the shares were acquired by the Issuer); or that both the transfer of the shares of Cerealsur to the Issuer and the pledge created over such shares by the Issuer would stand, but the Issuer would have to indemnify Yokelet for the value of the shares plus the legal interest (such value to be calculated as of the time the shares were acquired by the Issuer). In any of these scenarios, the Issuer would have to return any dividends received from Cerealsur plus interest and may also have to compensate Yokelet for any damages caused to the insolvency estate. Additionally, the transfer of the shares of Cerealsur to the Issuer and the creation of pledge over such shares could be challenged under general fraudulent conveyance laws. See "Limitations on Validity and Enforceability of the Guarantees and Security Interests and Certain other Insolvency Considerations—Spain—Fraudulent conveyance laws."

The guarantees and the pledge of the shares of PdS may only be enforceable on a limited basis, or not at all under certain circumstances.

The guarantee of the notes by Cerealsur provides a basis for a direct claim by the holders of the notes against Cerealsur and the pledge creates a lien over the shares of PdS owned by Cerealsur. However, it is possible that the guarantee and the pledge of shares or other collateral by Cerealsur may not be enforceable under the laws of Uruguay. In particular, while the laws of Uruguay permit the guarantee and the pledge to be granted by Cerealsur, upon a challenge brought by a creditor of Cerealsur in a bankruptcy or insolvency proceeding or otherwise, a court could find that Cerealsur lacked capacity to grant a guarantee or a pledge in favor of the holders of the notes on the basis that the guarantee and the pledge granted by Cerealsur were acts outside of Cerealsur's corporate purpose under Uruguayan law as a result of the fact that Cerealsur did not receive all of the proceeds from this offering. Accordingly, the guarantee and/or the pledge could be deemed to be unenforceable against Cerealsur. However, the law of Uruguay is not clear on this point and, in addition, in any such proceeding, a court may also take into account that Cerealsur is a holding company participating in a transaction in support of a larger corporate structure and that, accordingly, Cerealsur would receive an indirect benefit in exchange for providing the guarantee and the pledge. Further, as of December 31, 2014, Cerealsur on a stand-alone basis had no outstanding debt and under the terms of the indenture governing the notes, Cerealsur will not be permitted to incur, except as provided in the indenture, any debt other than debt owing to the Issuer. It is unlikely, therefore, that there would be a creditor with standing to challenge the guarantee and the pledge. However, there can be no assurance that Cerealsur will not incur debt and that a challenge by a creditor of such debt would not lead to a finding by a court that the guarantee and/or the pledge was unenforceable.

The guarantee of the notes by PdS, if and when issued, would provide a basis for a direct claim by the holders of the notes against PdS. However, it is possible that the guarantee may not be enforceable under the laws of Uruguay. In particular, while the laws of Uruguay would permit the guarantee to be granted by PdS, upon a challenge brought by a creditor of PdS in a bankruptcy or insolvency proceeding or otherwise, a court could find that PdS lacked capacity to grant a guarantee in favor of the holders of the notes on the basis that the guarantee granted by PdS was an act outside of PdS's corporate purpose under Uruguayan law, as a result of the fact that PdS's corporate purpose under its by-laws is generally limited to acts relating or incident to the operation of Carrasco International Airport and/or that PdS did not receive a substantial portion of the proceeds from this offering. Accordingly, the guarantee could be deemed to be unenforceable against PdS. However, the law of Uruguay is not clear on this point. Accordingly, there can be no assurance that a challenge by a creditor of PdS would not lead to a finding by a court that the guarantee was unenforceable.

In addition, if a Uruguayan court were to find the incurrence of the guarantee by Cerealsur or, if and when it is issued, by PdS, was a fraudulent transfer or conveyance, such court could void the payment obligations under such guarantee or require the holders of the notes to repay any amounts received in respect of such guarantee. In the event of a finding that a fraudulent transfer or conveyance occurred, holders of the notes may not receive any payment on the notes in respect of such guarantee. Although the guarantee entered into by Cerealsur and, if and when it is issued, by PdS, will contain a provision intended to limit the liability of the relevant guarantor to the maximum amount that it could incur without causing the incurrence of obligations under its guarantee to be a fraudulent transfer, this provision may not be effective to protect the guarantee from being voided under fraudulent transfer law or may reduce Cerealsur's or PdS's obligations under its guarantee to the extent that it does not cover any portion of the amounts due under the notes.

Different disclosure requirements in Spain, Uruguay and the United States may provide you with different or less information about the Issuer than you expect.

Securities disclosure requirements in Spain and Uruguay differ from those applicable in the United States. Accordingly, the information about the Issuer and the Company available to you may not be the same as the information available to security holders of a company that is public in the United States. There may be less publicly available information about the Issuer and the Company than is regularly published about companies that are public in the United States and certain other jurisdictions. Neither the Issuer nor the Company is subject to the periodic reporting requirements of the Exchange Act and, therefore, is not required to comply with the information disclosure requirements imposed by the Exchange Act.

The ability of investors to enforce civil liabilities under U.S. securities laws may be limited.

Cerealsur and PdS are organized under the laws of Uruguay and the Issuer is organized under the laws of Spain. All of the directors, executive officers and controlling persons of these entities reside outside the United States. All or a significant portion of the assets of the Issuer, Cerealsur and PdS and those of their respective directors, executive officers and controlling persons, are located outside the United States. As a result, it may not be possible for investors in the notes to effect service of process within the United States upon these persons or to enforce against them or the Issuer, Cerealsur or PdS judgments obtained in U.S. courts predicated upon the civil liability provisions of the federal securities laws of the United States. See "Enforcement of Civil Liabilities."

Rights of holders of notes in the collateral may be materially adversely affected by the failure to perfect liens on the collateral.

The failure to properly perfect liens on the collateral could materially adversely affect the collateral agent's ability to enforce its rights with respect to the collateral for the benefit of the holders of the notes. In addition, applicable law requires that certain property and rights acquired after the grant of a general security interest or lien can only be perfected at the time such property and rights are acquired and identified. There can be no assurance that the trustee or the collateral agent will monitor, or that the Issuer will inform the trustee or the collateral agent of, the future acquisition of property and rights that constitute collateral, and that the necessary action will be taken to properly perfect the lien on the collateral. Neither the trustee nor the collateral agent will have any obligation to monitor the acquisition of additional property or rights that constitute collateral or the perfection of any security interests therein. Such failure may result in the loss of the practical benefits of the liens thereon or of the priority of the liens securing the notes and the guarantee provided by Cerealsur.

PdS and the Issuer may incur additional debt, including secured debt, which could adversely impact the Issuer's ability to make payments on the notes when due.

PdS and the Issuer are permitted to incur additional indebtedness, in certain limited circumstances, under the indenture governing the notes. See "—PdS's level of indebtedness could adversely affect its financial condition and prevent PdS from paying dividends that are the source of payments on the notes." Certain of this indebtedness may be structurally senior or rank equally in right of payment with the notes and/or may share in the collateral securing the notes. In addition, the indenture governing the notes will allow the Issuer to issue additional notes under certain circumstances. Any such additional indebtedness may reduce the benefits of the collateral to holders of the notes and their ability to control certain actions taken with respect to the collateral.

The Collateral may not be sufficient to satisfy the Issuer's obligations under the notes.

The notes and the guarantee issued by Cerealsur will be secured by a pledge of all the shares of PdS, a pledge of all the shares of Cerealsur and a security interest in certain accounts into which dividends payments from PdS to Cerealsur and from Cerealsur to the Issuer will be deposited. See "Description of the Notes—Security" and "Description of the Notes—Accounts."

There can be no assurance that if the Issuer defaults on the payments due on the notes, or Cerealsur defaults on the payments due under its guarantee, the collateral will be sufficient to pay all amounts payable under the notes. If the collateral is not sufficient to repay all amounts due on the notes, the holders of the notes (to the extent not repaid from the collateral) would have only an unsecured claim against the Issuer's remaining assets. Any claim for the difference between the amount, if any, obtained by holders of the notes from the collateral and the obligations under the notes will rank equally in right of payment with all of the Issuer's other unsecured unsubordinated indebtedness and other obligations, including trade payables.

The shares of PdS that have been granted as collateral for the benefit of the holders of the notes may be subject to limitations on transfer under the terms of the amendment to the Concession Agreement.

The guarantee issued by Cerealsur will be secured by a pledge all of Cerealsur's shares in PdS. As consideration for the extension of the term of the Concession Agreement for an additional 10 year period, PdS agreed that if the shares of PdS are disposed within 36 months after the execution of the amendment to the Concession, PdS will be required to pay to the Uruguayan government 50% of the benefit resulting from the sale. See "The Concession Agreement—Obligations Assumed by PdS Under the 2014 Amendment to the Concession Agreement." Although the terms of the Concession Agreement do not require approval or consent from the Uruguayan government for a change in control in PdS, it is not clear from the terms of the 2014 amendment to the Concession Agreement whether if the collateral agent, for the benefit of the holders of the notes, were, prior to September 2017, to enforce its rights under the terms of the pledge agreement for the PdS shares and dispose of the PdS shares in a private or judicial sale, whether the Uruguayan government would require the collateral agent to return a portion of the proceeds from such sale, thereby reducing the amount received by the noteholders to pay the amounts that the Issuer owes on the notes.

There are risks related to withholding tax in Spain, including in connection with the delivery of certain documentation by the paying agent.

Under Spanish tax regulations established by Royal Decree No. 1065/2007, of July 27, 2007, as amended by Royal Decree No. 1145/2011, of July 29, 2011, income obtained in respect of the notes will not be subject to withholding tax in Spain only if certain requirements are met, including that the paying agent provides the Issuer, in a timely manner, with a duly executed and completed statement providing certain details relating to the notes (the "Payment Statement"). It is expected that the paying agent will follow certain procedures to facilitate its timely provision to the Issuer of a duly executed and completed Payment Statement in connection with each payment under the notes. See "Description of the Notes—Maintenance of Tax Procedures." If such procedures are not followed, however, income in respect of the notes will be subject to withholding tax in Spain, at the rate of 20% in 2015 and 19% beginning in January 2016, and the payments the Issuer makes in respect of the notes will be net of such withholding tax. See "Taxation—Spanish Tax Considerations" for a more detailed explanation.

However, if the payment of income is not exempt from Spanish withholding tax due to any failure by the paying agent to deliver a duly executed and completed Payment Statement to the Issuer, affected beneficial owners of the notes will receive a refund of the amount withheld, with no need for action on their part, if the paying agent submits a duly executed and completed Payment Statement to the Issuer no later than the 10th calendar day of the month immediately following the relevant payment date.

None of the Issuer, Cerealsur or the initial purchasers will be liable for any damage or loss suffered by any holder or beneficial owner of the notes who would otherwise be entitled to an exemption from Spanish withholding tax but whose income payments are nonetheless paid net of Spanish withholding tax because the procedures described above prove ineffective. Moreover, neither the Issuer nor Cerealsur will pay any Additional Amounts (as defined under "Description of the Notes—Additional Amounts") with respect to any such withholding.

Accordingly, to the extent a payment of income in respect of the notes is not exempt from Spanish withholding tax, holders and beneficial owners of the notes may have to apply directly to the Spanish tax authorities for any refund to which they may be entitled.

The EU Savings Directive may increase the likelihood that taxes are withheld on payments on the notes.

The EC Council Directive 2003/48/EC of June 3, 2003 on taxation of savings income in the form of interest payments (the "Savings Directive") requires each Member State of the European Union (each, a "Member State") as from July 1, 2005 to provide to the tax authorities of another Member State details of payments of interest and other similar income within the meaning of the Savings Directive made by a paying agent within its jurisdiction to, or under certain circumstances collected for the benefit of a beneficial owner (within the meaning of the Savings Directive), resident in that other Member State, except that Austria imposes instead a withholding system for a transitional period unless the beneficiary of interest payment elects for the exchange of information.

On March 24, 2014, the Council of the European Union adopted an EU Council Directive amending and broadening the scope of the requirements described above. The changes will expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities. The Savings Directive will also apply a "look through approach" to certain payments where an individual resident in a Member State is regarded as the beneficial owner of that payment for the purposes of the Savings Directive. This approach may apply to payments made to or by, or secured for or by, persons, entities or legal arrangements (including trusts), where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, none of the Issuer, Cerealsur, the paying agent or any other person would be obliged to pay additional amounts with respect to any notes as a result of the imposition of such withholding tax. If a withholding tax is imposed on a payment made by the paying agent, the Issuer will be required to maintain a paying agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Savings Directive.

Changes in legislation or failure to comply with applicable requirements may make the dividends paid to the Issuer subject to corporate tax in Spain.

Under Spanish tax regulations, article 21 of Law No. 27/2014, of November 27, 2014 on Corporate Tax (*Ley 27/2014 del Impuesto sobre Sociedades, dated November 27, 2014,* or "Law No. 27/2014"), dividends obtained by the Issuer will be exempt from corporate tax in Spain if certain requirements are met. It is expected that the dividends distributed by Cerealsur to the Issuer will comply with such requirements.

If there is a change in Spanish tax regulations or in the interpretation thereof or the dividends paid to the Issuer by Cerealsur, and indirectly paid by PdS to Cerealsur, do not continue to comply with the requirements of article 21 of Law No. 27/2014, the dividends paid to the Issuer may become subject to corporate tax in Spain. In such a case, the Issuer may be, under certain circumstances, entitled under article 31 of Law No. 27/2014 to a direct tax credit with respect to the foreign withholding tax paid on the dividends paid to the Issuer, if any, and, under article 32 of Law No. 27/2014, to an indirect tax credit with respect to the underlying corporate income tax paid in respect of profits out of which dividends by Cerealsur and PdS are paid. The credit, however, is limited to the Spanish tax that would be attributable to the income if it were derived from Spanish sources. The ability of the Issuer to make payments on the notes may be adversely affected if it becomes subject to any such tax.

Changes in legislation may cause the dividends paid by PdS to Cerealsur and by Cerealsur to the Issuer subject to tax in Uruguay.

Under article 52 of Title 4 of the Uruguayan tax regulations *(Texto ordenado 1996 actualizado),* dividends paid by PdS to Cerealsur will be exempt from withholding and taxation. The dividends paid by Cerealsur to the Issuer will also be tax exempted under the tax treaty between Spain and Uruguay (the "Spain/Uruguay tax treaty"), as long as the Issuer continues to own at least 75% of the shares of Cerealsur and the Issuer is a Spanish tax resident and is the beneficial owner of Cerealsur. If, however, there is a change in tax laws in Uruguay, including under the Spain/Uruguay tax treaty, or any interpretation of the terms thereof, or if the Issuer fails to comply with the foregoing requirements, dividends paid by Cerealsur to the Issuer may become subject to corporate tax in Uruguay.

The lack of a syndicate of holders and a commissioner in relation to the notes, as is generally required under Spanish law for issuances of debt securities, means that holders of the notes will not benefit from certain rights of holders of debt securities under Spanish law, and the absence of a syndicate of holders and a commissioner may be challenged.

In Spain, issuers of debt securities such as the notes are generally required to have a syndicate of holders (*sindicato de obligacionistas*) that is represented by a commissioner (*comisario*). The indenture, however, will contain mandatory provisions related to the appointment of a trustee that are difficult to reconcile with such syndicate of holders and commissioner requirements and, thus, there will be neither a syndicate of holders nor a commissioner. As a result, holders of the notes (a) will not benefit from the constitution of a syndicate of holders, or the appointment of a commissioner, both as required by article 419 et seq. of the Spanish Capital Companies Law ("*Ley de Sociedades de Capital")* and (b) will be deemed to have irrevocably instructed the trustee to take any action and/or to execute and deliver any documents or notices that may be necessary or desirable to comply with, and give effect to, the matters referred to under paragraph (a) above. Neither Spanish law nor Spanish case law specifically addresses a transaction such as the offering of the notes contemplated hereby, where a Spanish *sociedad anónima*, such as the Issuer, carries out an issuance of debt instruments pursuant to an indenture governed by New York law. However, based primarily on the opinion of scholars that have addressed this issue as well as on precedents in similar transactions, the Issuer has been advised that no such syndicate of holders and commissioner are required under the circumstances of this offering. Notwithstanding the foregoing, the effectiveness of certain amendments, consents, waivers or other actions of the holders of notes taken pursuant to the indenture or the lack of a syndicate of holders or an express appointment of a commissioner may be challenged under Spanish law.

Spanish Law 5/2015, of April 27, on the Promotion of Corporate Financing (*Ley 5/2015, de 27 de abril, de Fomento de la Financiación Empresarial*) was published in the Official State Gazette (*Boletín Oficial del Estado*) on April 28, 2015 and will enter into force on April 29, 2015. Pursuant to this new law, the requirements to have a syndicate of holders and to appoint a commissioner will not be applicable in issuances of debt securities such as the issuance of the notes by the Issuer, which do not qualify as a public offering for subscription in Spain, are governed by the laws of an OECD country (such as the laws of the State of New York) and in which the notes will not be admitted to trading on an official Spanish secondary market or a multilateral trading facility established in Spain.

The indenture governing the notes will restrict PdS's financial and operating flexibility.

The indenture will include a number of restrictive covenants. These covenants will restrict, among other things, PdS's ability to:

- incur or guarantee additional indebtedness;
- sell or transfer assets;
- create liens on assets;
- make investments;
- merge or consolidate with another company; and
- engage in a different business activity.

These covenants could limit PdS's ability to plan for or react to market conditions or to meet its operational or capital needs. PdS's ability to comply with these covenants may be affected by events beyond its control, and PdS may have to curtail some operations to maintain compliance.

The Issuer may not be able to redeem the notes upon a change of control.

Upon the occurrence of a change of control, the Issuer may be required by the holders of the notes to offer to redeem all of the outstanding notes at 101% of their principal amount, plus accrued and unpaid interest and additional amounts. See "Description of the Notes—Redemption at the Option of Noteholders Upon a Change of Control." There is no assurance that the Issuer would be able to redeem the notes (or beneficial interests therein) upon a change of control because it may not have sufficient financial resources to purchase all of the notes that are tendered upon a change of control. While the Issuer may seek to obtain financing in order to make such payments, it may not be able to do so and its failure to make such payments when due would cause a default under the indenture governing the notes. Any of the Issuer's future debt agreements may contain similar provisions.

The Issuer cannot assure you that the credit ratings for the notes will not be lowered, suspended or withdrawn by the rating agencies.

The credit ratings of the notes may change after issuance. Such ratings are limited in scope, and do not address all material risks relating to an investment in the notes, but rather reflect only the views of the rating agencies at the time the ratings are issued. An explanation of the significance of such ratings may be obtained from the rating agencies. There can be no assurance that such credit ratings will remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies, if, in the judgment of such rating agencies, circumstances so warrant. Any lowering, suspension or withdrawal of such ratings may have an adverse effect on the market price and marketability of the notes.

The notes are subject to transfer restrictions.

The notes have not been registered under the Securities Act or the securities laws of any U.S. state or any other jurisdiction, and, unless so registered, may not be offered, sold or otherwise transferred except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Such exemptions include offers and sales that occur outside the United States in compliance with Regulation S and in accordance with any applicable securities laws of any other jurisdiction and sales to qualified institutional buyers as defined under Rule 144A under the Securities Act. For a discussion of certain restrictions on resale and transfer, see "Plan of Distribution" and "Transfer Restrictions." Consequently, a holder of notes and an owner of beneficial interests in those notes must be able to bear the economic risk of their investment in the notes for the term of the notes.

An active trading market for the notes may not develop.

The notes constitute a new issue of securities, for which there is no existing market. Although the Issuer has applied to list the notes on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market, the Issuer cannot assure you that this application will be accepted or provide you with any assurances regarding the future development of a market for the notes, the ability of holders of the notes to sell their notes, or the price at which such holders may be able to sell their notes. If such a market were to develop, the notes could trade at prices that may be higher or lower than the initial offering price depending on many factors, including prevailing interest rates, the Issuer's results of operations and financial condition, prospects for other companies in the Issuer's industry, political and economic developments in and affecting Spain and Uruguay and the markets for similar securities. The initial purchasers have advised the Issuer that they currently intend to make a market for the notes. However, the initial purchasers are not obligated to do so, and any market-making with respect to the notes may be discontinued at any time without notice. If an active trading market for the notes does not develop or is interrupted, the market price and liquidity of the notes may be materially adversely affected.

Developments in other countries may adversely affect the market value of the notes.

The market price of the notes may be adversely affected by developments in the international financial markets and world economic conditions. The market for securities issued by Spanish issuers with Uruguayan assets is influenced, to varying degrees, by economic and market conditions in other countries, especially those in Europe and Latin America. Although economic conditions are different in each country, investor reaction to the developments in one country may cause the capital markets in other countries to fluctuate. The Issuer cannot assure you that the market for the notes will not be affected negatively by events elsewhere or that such developments will not have a negative impact on the market value of the notes.

The proposed financial transactions tax may have a negative effect on holders of the notes.

On February 14, 2013, the European Commission published a proposal (the "Commission's Proposal") for a Directive for a common system of financial transactions taxes (the "FTT") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "participating Member States").

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the notes (including secondary market transactions) in certain circumstances. The issuance and subscription of the notes should, however, be exempt. Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State. Under the Commission's Proposal, the FTT should be payable to the tax administration by each financial institution and, where the FTT had not been duly paid, each party to the transaction, including persons other than financial institutions, should be jointly and severally liable for the payment of the FTT. Therefore, the FTT might increase the costs of the transactions for holders and beneficial owners of the notes.

A joint statement issued in May 2014 by 10 of the 11 participating Member States (Austria, Belgium, Estonia, France, Germany, Italy, Portugal, Slovakia, Slovenia and Spain) indicated an intention to implement the FTT progressively, such that it would initially apply to shares and certain derivatives, with this initial implementation occurring by January 1, 2016. Additionally, those Member States signed a new joint statement on January 27, 2015, renewing their commitment to reach an agreement on the proposal of a directive implementing an enhanced cooperation in the area of a financial transactions taxes.

The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation. Additional Member States of the European Union may decide to participate.

The timing of the enactment of the Commission's Proposal, if at all, and the number of Member States who may elect to participate, is uncertain. Accordingly, prospective purchasers of the notes are advised to consult their professional advisors with respect to the effect that the FTT may have on their purchase, holding and/or sale of the notes.

USE OF PROCEEDS

The Issuer intends to use the net proceeds from this offering to (i) make a contribution to Cerealsur in the amount of US$14 million, which, in turn, will be contributed to PdS, to be used by PdS, along with available cash, to repay in full the amounts outstanding under its loans from Banco Santander and Banco Itaú; (ii) fund the Debt Service Reserve Account in an amount equal to the Required Debt Service Reserve Amount; (iii) pay fees and expenses related to this offering; and (iv) for general corporate purposes, including, without limitation, the payment of dividends.

See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Liabilities" for a description of the Banco Santander loan and the Banco Itaú loan.

CAPITALIZATION

The following table sets forth Cerealsur's cash and cash equivalents and capitalization as of December 31, 2014, on an historical basis. You should read the information set forth in the table below in conjunction with the information included under the headings "Presentation of Financial and other Information," "Summary—Summary Consolidated Financial Data," "Selected Consolidated Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Cerealsur's audited special consolidated financial statements included in this listing memorandum.

	As of December 31, 2014
	Actual
	(amounts in thousands of US$)
Cash and cash equivalents	10,342
Debt:	
Short-term financial debt	13,350
Long-term financial debt	73,767
Total financial debt	87,117
Total equity	98,671
Total capitalization (1)	185,789

(1) Total capitalization is equal to total debt plus total equity. Cash and cash equivalents are not part of total capitalization.

The Issuer was formed by Yokelet on January 22, 2015 and, accordingly, no consolidated historical financial information is available for the Issuer as of the date of this listing memorandum. On January 22, 2015, Yokelet contributed to the Issuer all of the issued and outstanding shares of Cerealsur. As of the date of this listing memorandum, there is no consolidated financial information available for the Issuer reflecting this contribution.

The following table sets forth the Issuer's cash and cash equivalents and capitalization as of December 31, 2014, on a *pro forma* consolidated basis as if, on such date (i) the Issuer had been formed, (ii) Yokelet had contributed to the Issuer all of the issued and outstanding shares of Cerealsur, (iii) Yokelet had distributed all of the shares of the Issuer to A.C.I. Airports International S.à r.l. and (iv) this offering had occurred (but the proceeds had not been used). For purposes of this *pro forma* capitalization table, the contribution of Cerealsur's shares to the Issuer by Yokelet has been recognized at the book value that Cerealsur's shares had in the financial statements of Yokelet as of such date.

The pro forma capitalization table set forth below has been prepared based on the unaudited consolidated financial information of Yokelet as of December 31, 2014 which included its investment in Cerealsur. You should also read the information set forth in the table below in conjunction with the information included under the headings "Summary—General Corporate Information—The Issuer."

	As of December 31, 2014	
	Pro Forma	**Pro Forma As Adjusted**
	Unaudited	
	(amounts in thousands of US$)	
Cash and cash equivalents	10,922	210,922
Debt:		
Notes offered hereby	—	200,000
Short-term financial debt	13,350	13,350
Long-term financial debt	73,767	73,767
Total financial debt	87,117	287,117
Total equity	174,397	174,397
Total capitalization (1)	261,515	461,515

(1) Total capitalization is equal to total debt plus total equity. Cash and cash equivalents are not part of total capitalization.

EXCHANGE RATES

The following table sets forth, for the periods indicated, the period-end, average and low and high exchange rates for the periods identified below for the purchase of U.S. dollars expressed in ROU$ per U.S. dollar. The average exchange rate is calculated by using the average of the Central Bank's reported exchange rates on each day during a monthly period and on the last day of each month during an annual period. Such exchange rates are included for convenience only and are not the exchange rates used by the Company in the preparation of financial statements.

	Period-end	**Average**	**High**	**Low**
		(ROU$ per U.S. dollar)		
Year Ended December 31,				
2010	20.103	20.059	21.092	19.585
2011	19.903	19.314	19.970	18.457
2012	19.401	20.310	21.796	19.436
2013	21.424	21.363	22.145	18.987
2014	24.369	23.246	25.050	21.000
2014:				
October	24.198	24.316	24.850	23.550
November	23.726	23.993	24.650	23.250
December	24.369	24.107	24.800	23.550
2015:				
January	24.473	24.469	25.100	23.700
February	24.655	24.574	25.100	24.000
March	25.709	25.286	26.150	24.300

As of April 27, 2015, the exchange rate of Uruguayan pesos per U.S. dollar was ROU$26.150.

SELECTED CONSOLIDATED FINANCIAL DATA

The following table sets forth Cerealsur's consolidated financial data as of and for the 12-month periods ended December 31, 2014, 2013 and 2012.

- The selected consolidated financial data as of and for the 12-month period ended December 31, 2014 was derived from Cerealsur's audited special consolidated financial statements as of and for the 12-month period ended December 31, 2014.

- The selected consolidated financial data as of and for the 12-month period ended December 31, 2013 was derived from Cerealsur's audited special consolidated financial statements as of and for the 12- month period ended December 31, 2013.

- The selected consolidated financial data as of and for the 12-month period ended December 31, 2012 was derived from Cerealsur's audited special consolidated financial statements as of and for the 12-month period ended December 31, 2012.

The above-referenced financial statements are included in this listing memorandum and have been audited by PwC Uruguay, whose audit reports with respect thereto are included in this listing memorandum.

Cerealsur prepares its consolidated financial statements in accordance with Uruguayan GAAP. Significant differences exist between Uruguayan GAAP and IFRS, which may be material to the financial information presented in this listing memorandum. Such differences involve methods of measuring the amounts shown in the financial statements, as well as additional disclosures. Cerealsur has not identified or quantified the effect of any such differences. See "Annex A—Summary of Certain Differences Between Uruguayan GAAP and IFRS" for a description of certain of the significant differences between Uruguayan GAAP and IFRS.

	12-month period ended December 31,		
	2014	**2013**	**2012**
	(in thousands of US$, except passenger, per passenger and aircraft movement data)		
Statement of income data			
Aeronautical revenue	37,122	34,030	35,150
Non-aeronautical revenue (1)	36,002	36,429	34,501
Total operating revenue	73,124	70,459	69,651
Cost of services provided	(37,673)	(39,558)	(39,774)
Gross income	35,451	30,901	29,877
Administrative and selling expenses (2)	(11,371)	(10,563)	(12,489)
Other income (loss), net	(121)	(469)	(130)
Net financial result	(5,629)	(6,464)	(7,418)
Income before income tax	18,329	13,405	9,841
Income tax	(5,587)	(2,463)	(3,813)
Net income	12,742	10,942	6,027
Balance sheet data			
Cash and cash equivalents	10,342	11,120	4,256
Total assets	207,355	197,769	205,574
Total current liabilities	18,421	24,368	27,191
Total financial debts (3)	87,117	94,800	116,501
Total liabilities	108,684	111,840	130,587
Total equity	98,671	85,929	74,987
Other data (unaudited)			
Total passengers (in thousands)	1,696	1,569	1,783

	12-month period ended December 31,		
	2014	2013	2012
	(in thousands of US$, except passenger, per passenger and aircraft movement data)		
Total aircraft movements (departing and arriving aircraft)	23,785	23,532	30,366
Total revenue per passenger (US$)	43.1	44.9	39.1
EBITDA (4)	39,521	38,060	35,005

(1) Non-aeronautical revenue consists of commercial revenue, services revenue and works revenue.

(2) Cerealsur's administrative and selling expenses on a stand-alone basis were US$1,587 thousand, US$1,774 thousand and US$1,723 thousand for the 12-month periods ended December 31, 2014, 2013 and 2012, respectively. See Cerealsur's separate financial statements for such periods included in this listing memorandum.

(3) Total financial debts includes current and non-current financial debts.

(4) The Company believes EBITDA provides investors with meaningful information with respect to its operating performance and facilitates comparisons to its historical operating results. EBITDA has limitations as an analytical tool, however, and you should not consider it in isolation, as an alternative to net income or as an indicator of its operating performance or as a substitute for analysis of the results of the Company as reported under Uruguayan GAAP.

Some of these limitations include:

- it does not reflect the Company's cash expenditures, or future requirements for capital expenditures or contractual commitments;
- it does not reflect changes in, or cash requirements for, the Company's working capital needs;
- it does not reflect the Company's interest expense, or the cash requirements to service the interest or principal payments of its debt;
- it reflects the effect of non-recurring expenses, as well as investing gains and losses;
- it is not adjusted for all non-cash income or expense items that are reflected in restatements of changes in financial position;
- other companies in the Company's industry may calculate this measure differently than the Company does, which may limit its usefulness as a comparative measure; and
- EBITDA is not a recognized financial measure under Uruguayan GAAP or IFRS.

Because of these limitations, EBITDA should not be considered a measure of discretionary cash available to the Company to invest in the growth of its business or as a measure of cash that will be available to us to meet its obligations. You should compensate for these limitations by relying primarily on the Company's Uruguayan GAAP results and using EBITDA measure additionally.

Set forth below is a reconciliation of EBITDA to net income:

	12-month period ended December 31,		
	2014	2013	2012
	(in thousands of US$)		
EBITDA (unaudited)	39,521	38,060	35,005
Depreciation and amortization	(15,497)	(18,554)	(18,251)
Interest expense	(5,694)	(6,101)	(6,913)
Income tax	(5,587)	(2,463)	(3,813)
Net income	12,742	10,942	6,027

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is derived from Cerealsur's audited special consolidated financial statements, which are presented elsewhere in this listing memorandum. This discussion does not include all of the information included in Cerealsur's audited special consolidated financial statements. You should read Cerealsur's audited special consolidated financial statements and the accompanying notes to gain a better understanding of the Company's business and its historical results of operations. Cerealsur's audited special consolidated financial statements have been prepared in accordance with Uruguayan GAAP. Cerealsur's audited special consolidated financial statements and all other financial information contained in this listing memorandum are presented in U.S. dollars.

Overview

Cerealsur is a holding company and, through its wholly-owned subsidiary, PdS, operates Carrasco International Airport in Canelones, Department of Canelones, Uruguay. PdS is party to the Concession Agreement that provides for the operation of Carrasco International Airport and expires on November 20, 2033. For the 12-month period ended December 31, 2014, the Company had total operating revenue of US$73.1 million and EBITDA of US$39.5 million. All of Cerealsur's revenue is derived from its ownership in PdS.

Factors Affecting The Company's Results of Operations

The Company's results of operations and financial condition are affected by general economic conditions prevailing from time to time in Uruguay and, to a lesser extent, the Southern Cone and in the global financial markets. The factor that most affects the Company's results of operations is the number of passengers that pass through Carrasco International Airport. The majority of the Company's revenue is derived from fees charged to passengers that depart from Carrasco International Airport and from rental income from duty free shops that is calculated based on products sold by the users in their stores (e.g., 10% for electronics products and 20% for other types of products). Rental income for food and beverage vendors and retail vendors consists of a fixed fee plus a variable fee equal to the higher of (i) a base monthly rent and (ii) a specific percentage of the gross monthly sales recorded by each lessee.

Furthermore, because the passenger use tariffs that the Company charges are higher for international passengers than for *puente aéreo* and domestic passengers, the mix of passengers that pass through Carrasco International Airport also affects its results of operations. Because a portion of the Company's revenue is derived from aircraft landing and parking and passenger walkway charges, the movement of aircraft at Carrasco International Airport also affects the Company's results of operations.

The following table sets forth certain statistical data relating to departing passenger volumes and the Company's revenue for the periods indicated.

	12-month period ended December 31,		
	2014	2013	2012
	(amounts in thousands, except as otherwise indicated)		
International departing passengers (1)	685	615	620
Puente aéreo departing passengers	134	141	152
Domestic departing passengers	1	6	14
Total departing passengers (2)	819	762	786
Total aircraft movements	24	24	30
Aeronautical revenue (in thousands of US$)	37,122	34,030	35,150
Aeronautical revenue per total passenger (in US$)	21.89	21.69	19.71
Commercial revenue (in thousands of US$)	34,301	33,258	33,617
Commercial revenue per passenger (in US$)	20.22	21.20	18.85

(1) International passengers (including Uruguayan passengers arriving from and departing to international destinations).

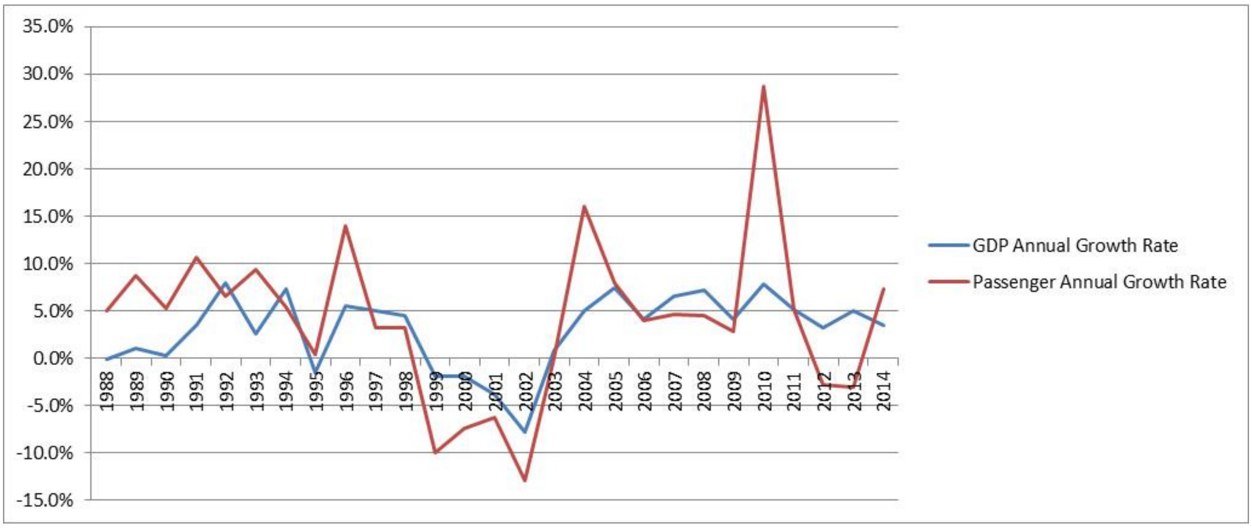
(2) Excludes passengers in transit and exempted passengers.

The majority of the passengers that pass through Carrasco International Airport are Uruguayans. Accordingly, economic conditions in Uruguay are the most significant factor affecting the Company's results of operations. The following table shows the variation in real terms of Uruguay's GDP compared to the change in percentage terms of passengers that passed through Carrasco International Airport for the periods indicated.

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Real growth increase in Uruguayan GDP (1)	0.8%	5.0%	7.5%	4.1%	6.5%	7.2%	4.2%	7.8%	5.2%	3.3%	5.1%	3.5%
Increase (decrease) in passengers (2)	0.0%	16.0%	8.0%	4.1%	4.7%	4.6%	2.9%	28.7%	5.1%	(2.8)%	(3.0)%	7.4%

(1) Based on Central Bank data.

(2) Excludes passengers in transit.



In addition, the exchange rate between the Uruguayan peso and the U.S. dollar has a significant effect on the willingness and ability of Uruguayans to travel. Because airline tickets in Uruguay are sold in U.S. dollars, when the U.S. dollar depreciates against the Uruguayan peso, it is less expensive for Uruguayans to travel. The following table shows exchange rates compared to the number of passengers that passed through Carrasco International Airport for the periods indicated.

	12-month period ended December 31,		
	2014	2013	2012
ROU$ per US$	24.369	21.424	19.401
Variation (in percentages)	13.7%	10.0%	(2.0%)
Total passengers (in thousands) (1)	1,696	1,569	1,783

(1) Includes passengers in transit.

Another factor that affects passenger traffic at Carrasco International Airport is the number of airlines operating at Carrasco International Airport together with the number of regularly scheduled flights. Furthermore, competition on any particular route tends to create price competition among airlines and reduces ticket prices, making flights more affordable and attractive to passengers, and resulting in higher traffic volumes.

Economic conditions in Uruguay and exchange rates between the U.S. dollar and the Uruguayan peso also affect levels of imports and exports to and from Uruguay which, in turn, affect the levels of cargo handled by TCU and, accordingly, the amount of revenue generated from cargo services.

Because approximately 50.8%, 48.3% and 50.5% of the Company's total operating revenue for the 12-month period ended December 31, 2014, 2013 and 2012, respectively, was derived from fees that are regulated pursuant to the

Concession Agreement, the Company's results of operations are substantially dependent upon government approval of increases in the regulated fees the Company charges which can be adjusted annually according to a formula defined in the Concession Agreement. See "Business—Sources of Revenue" for a description of how the fees PdS charges are calculated and approved by the Uruguayan government.

Overview of Statement of Income Line Items

Operating Revenue

The Company derives its revenues from the provision of aeronautical and non-aeronautical services. For a detailed description of the components of the Company's aeronautical and non-aeronautical revenue categories, see "Business—Sources of Revenue."

In Cerealsur's financial statements, revenue is classified into revenue in four categories: aeronautical revenue, commercial revenue, services revenue and works revenue. The following table sets forth a breakdown of the Company's revenue in these categories for the periods indicated.

	12-month period ended December 31,					
	2014		2013		2012	
	Revenue	% of Revenue	Revenue	% of Revenue	Revenue	% of Revenue
	(amounts in thousands of US$, except percentages)					
Aeronautical revenue	37,122	50.8%	34,030	48.3%	35,150	50.5%
Commercial revenue	34,301	46.9%	33,258	47.2%	33,617	48.3%
Services revenue	833	1.1%	1,968	2.8%	254	0.4%
Works revenue	869	1.2%	1,203	1.7%	630	0.9%
Total operating revenue	**73,124**	**100.0%**	**70,459**	**100.0%**	**69,651**	**100.0%**

Aeronautical Revenue

All of the Company's revenue from aeronautical services is regulated under the Concession Agreement. See "Business—Sources of Revenue" for a detailed description of the calculation of the fees PdS is permitted to charge for aeronautical services under the terms of the Concession Agreement.

The Company's revenue from aeronautical services is comprised of: (i) passenger use tariffs, which are charged by PdS to each departing passenger and vary depending on whether the passenger's flight is international, *puente aéreo* or domestic, and (ii) aircraft charges, which are charged for and based, among other things, landing, parking and the duration of an aircraft's stay at the airport, the time of day the aircraft operates at Carrasco International Airport and the specific rates charged for the service.

PdS charges three different types of passenger use tariffs based on whether the passenger's destination is international, *puente aéreo* or domestic.

- International airport passenger use tariffs (*tasas de uso de aeroestación internacional*) are currently US$41.00 per passenger. Pursuant to Decree 062/15, dated February 18, 2015, issued by the Uruguayan Executive Branch, tariffs per international passenger will be raised to US$42.00 effective as of March 18, 2015.

- *Puente aéreo* passenger use tariffs (*tasas de uso de aeroestación regional*), which are charged to all passengers flying to Aeroparque Airport in the City of Buenos Aires, Argentina, are currently US$19.00 per passenger.

- Domestic airport passenger use tariffs (*tasa de uso de aeroestación nacional*) are currently US$2.00 per passenger.

Passenger use tariffs are denominated and payable in U.S. dollars and are automatically included in the cost of a passenger's ticket and are paid to us by the airlines. PdS invoices the airlines on a weekly basis for such payments, which are subsequently due within seven days.

PdS collects aircraft landing charges from carriers for their use of the runways at Carrasco International Airport based on a landing aircraft's maximum takeoff weight ("MTOW") as follows:

MTOW in tons:	**Landing charge(US$)** (1)
up to 10	49.41
between 10 and 20	251.98
between 20 and 30	314.54
between 30 and 70	471.01
between 70 and 170	665.34
more than 170	905.79

(1) Pursuant to Decree 062/15, dated February 18, 2015, issued by the Uruguayan Executive Branch, landing charges will be raised 2.473% effective as of March 18, 2015.

In addition, PdS adds a 20% runway lighting surcharge for certain flights that arrive and depart 30 minutes before sunrise and after sunset. PdS invoices the airlines for such charges every month, which are payable in U.S. dollars.

Except for aircraft based at Carrasco International Airport, PdS collects hourly aircraft parking charges based on the amount of time an aircraft is in a parked position and the aircraft's MTOW. Aircraft charges begin to accrue after an aircraft has been parked for three hours and are based upon a percentage of the applicable landing charge. Aircraft parked at operative aprons are charged 5% of the applicable landing charges, and aircraft parked at remote aprons are charged 2.5% of the applicable landing charges. PdS invoices the airlines at the end of each month for such charges, which are payable in U.S. dollars.

Passenger use tariffs, aircraft landing charges and aircraft parking charges are set by PdS annually based on a formula described in the Concession Agreement and must be approved by the Uruguayan government pursuant to a decree.

PdS charges airlines to connect their aircraft to the terminal through a passenger walkway. Passenger walkway charges are based on the type of aircraft: US$90.53 for wide-body aircraft and US$79.88 for narrow-body aircraft. These charges, which are adjusted annually, were agreed to by PdS and the Airline Chamber of Commerce (*Camara de Comercio de la Aeronáutica*, or the "ACC") in a memorandum of understanding ("MOU") dated January 1, 2013. The MOU has a term of three years and pursuant to its terms PdS and the ACC should initiate the negotiations for the renewal of the MOU six months prior its expiration.

The following table sets forth the Company's revenue from aeronautical services as well as the percentage of total aeronautical revenue they represent for the periods indicated.

	12-month period ended December 31,					
	2014		**2013**		**2012**	
	Revenue	**% of Revenue**	**Revenue**	**% of Revenue**	**Revenue**	**% of Revenue**
	(amounts in thousands of US$, except percentages)					
Passenger use tariffs	30,095	81.1%	27,241	80.0%	26,892	76.5%
Aircraft landing charges	5,637	15.2%	5,191	15.3%	6,793	19.3%
Aircraft parking charges	812	2.2%	1,026	3.0%	872	2.5%
Passenger walkway charges	577	1.6%	572	1.7%	593	1.7%
Total aeronautical revenue	**37,122**	**100.0%**	**34,030**	**100.0%**	**35,150**	**100.0%**

Non-Aeronautical Revenue

Commercial Revenue

The majority of the Company's revenue from commercial services is derived from:

- the leasing of space to duty free shops, under which rental payments are based on a percentage of the revenue from products sold in these shops (e.g., at a rate of 10% for electronic products sold and 20% for other products sold);
- the provision of cargo services (which PdS has contracted out to a cargo operator);
- car parking facilities;
- payments made by passengers and airlines to access the VIP lounges;
- advertising;
- leasing of offices and hangar space;
- leasing of space to food and beverage vendors, under which rental payments are based on a fixed fee plus a variable fee equal to the higher of (i) a base monthly rent and (ii) a specific percentage of the gross monthly sales recorded by each lessee;
- leasing of space to retail and other airport service vendors, such as currency exchange booths, under which rental payments are based on a fixed fee plus a variable fee equal to the higher of (i) a base monthly rent and (ii) a specific percentage of the gross monthly sales recorded by each lessee;
- catering;
- leasing of airline counters;
- payments to PdS by third party vendors that provide aircraft fueling services;
- baggage handling services;
- leasing of space to rental car companies and taxis; and
- reimbursement by lessees of utility charges, which is calculated at a fixed rate per square meter.

The following table sets forth the Company's revenue from commercial services as well as the percentage of total commercial services revenue they represent for the periods indicated.

	12-month period ended December 31,					
	2014		**2013**		**2012**	
	Revenue	**% of Revenue**	**Revenue**	**% of Revenue**	**Revenue**	**% of Revenue**
	(amounts in thousands of US$, except percentages)					
Duty free shops (1)	13,309	38.8%	13,230	39.8%	14,286	42.5%
Cargo services (2)	6,534	19.1%	6,585	19.8%	5,837	17.4%
Car parking facilities	2,292	6.7%	2,197	6.6%	1,910	5.7%
VIP lounge (3)	2,306	6.7%	2,241	6.7%	1,757	5.2%
Leasing of offices and hangars	1,780	5.2%	1,286	3.9%	1,152	3.4%
Advertising	1,453	4.2%	1,361	4.1%	1,692	5.0%
Leasing to food and beverage vendors (4)	697	2.0%	640	1.9%	820	2.4%
Leasing to retail vendors (4)	1,147	3.3%	1,160	3.5%	1,220	3.6%
Other (5)	4,782	13.9%	4,557	13.7%	4,943	14.7%
Total commercial revenue	**34,301**	**100.0%**	**33,258**	**100.0%**	**33,617**	**100.0%**

(1) PdS charges rental fees, which consist of a specific percentage of the sales by the lessee of the products sold in these shops (e.g., at a rate of 10% for electronic products sold and 20% for other products sold).

(2) PdS has subcontracted the use of the cargo terminal and the related provision of cargo services to TCU. TCU pays a monthly fee equal to 40% of its gross invoices.

(3) PdS operates two VIP lounges–one for arriving and one for departing passengers. PdS charges membership fees to individuals and per passenger fees to airlines for access to the VIP lounges.

(4) PdS charges rental fees, which consist of a fixed fee plus a variable fee equal to the higher of (i) a base monthly rent and (ii) a specific percentage of the gross monthly sales recorded by each lessee.

(5) Other includes principally catering, airline counters, fueling, baggage handling, rental car and taxis and reimbursement of utility charges. PdS has subcontracted baggage and other handling services at Carrasco International Airport to Candysur.

Services Revenue

The Company's services revenue accounts for those services the Company provides to affiliated companies in certain specific cases, such as:

- when an affiliate sells a company, the Company may provide transition services during a transitional period;
- the provision of administrative services to certain affiliated companies who do not have their own administrative capacity; and
- the provision of services to affiliated companies when the Company has a particular expertise in specific situations, such as the opening of a new airport.

Works Revenue

The Company's works revenue is derived from certain required capital investments pursuant to the Concession Agreement and other capital investments that the Company has made to upgrade the Carrasco International Airport facilities. Although the Company does not own any of the real property that constitutes Carrasco International Airport, as concessionaire of the airport under the Concession Agreement is required to make certain investments to improve and develop Carrasco International Airport.

Revenue and costs related to concession works are recognized based on IFRIC 12—*Service Concession Arrangements*, the principal provisions being:

- in a concession, there are two phases or elements identified: first, construction, and second, exploitation and operation, each with different profit margins;
- the concessionaire must recognize revenue and costs relating to the construction and exploitation and operation of the service in accordance with IAS 11—*Construction Contracts* and IAS 18—*Revenue,* respectively; and
- the concessionaire must recognize intangible assets considering that it is awarded the right to collect a fee from users for the service provided.

Revenue from works actually performed is recognized based on a work progress certificate, plus a margin of 3%. The cost is recognized concurrently based on such work progress certificates. The revenue net of cost recognized equals the 3% margin.

Cost of Services Provided

The Company's cost of services consists primarily of fees payable to the Uruguayan government under the Concession Agreement, amounts payable to the airport operator, costs of works, guarantees, maintenance, salaries and social security contributions, insurance and depreciation and amortization.

The following table sets forth the breakdown for the Company's cost of services provided for the periods indicated.

	12-month period ended December 31,					
	2014		2013		2012	
	Cost	% of Cost	Cost	% of Cost	Cost	% of Cost
	(amounts in thousands of US$, except percentages)					
Fees (1)	7,532	20.0%	6,963	17.6%	7,689	19.3%
Airport operator	927	2.5%	842	2.1%	750	1.9%
Cost of works	843	2.2%	1,168	3.0%	612	1.5%
Guarantees	107	0.3%	122	0.3%	515	1.3%
Maintenance	6,213	16.5%	5,416	13.7%	5,685	14.3%
Salaries and social security contributions	7,960	21.1%	8,130	20.6%	7,853	19.7%
Insurance	165	0.4%	196	0.5%	206	0.5%
Depreciation and amortization (2)	13,925	37.0%	16,722	42.3%	16,464	41.4%
Total Cost of Services Provided	**37,673**	**100.0%**	**39,558**	**100.0%**	**39,774**	**100.0%**

(1) Concession fees related to the exploitation, management and operation of the Carrasco International Airport.

(2) Depreciation and amortization are included in both Cost of Services Provided and Administrative and Selling Expenses. The classification depends on the nature and purpose of the asset. See note 8 to Cerealsur's special consolidated financial statements as of and for the 12-month period ended December 31, 2014 for a description of how it calculates depreciation and amortization.

The Company's salaries and social security contributions are payable in Uruguayan pesos and are based upon amounts negotiated every three years among the Company, the unions and the Uruguayan government. The Uruguayan social security system covers retirement pensions, health insurance, sick pay and unemployment and is compulsory. The employer and employee contribute to the social security system based on the salary earned by the worker. Monthly contributions to the social security system by employers in respect of retirement pensions are capped at a monthly salary of ROU$106,549 (US$4,440). Any contributions in excess of such amount are not taxable for retirement purposes. Health insurance rate and contribution to special fund are calculated based on total salary as set forth in the following table.

	Retirement	Health Insurance	Contribution to Special Fund
Employer	7.5%	5%	0.125%
Employee	15%	4.5 up to 8%*	0.125%

* Rate depends on salary of employee as well as number of sons and daughters.

Employers must also pay to Banco de Seguros del Estado an insurance premium for work-related accidents. The cost of this insurance depends on the activity of the employer and is calculated based on a percentage of the total amount of salary paid by the employer.

Employees must also pay personal income tax (*Impuesto a la Renta de las Actividades Económicas - IRPF*) at a rate of between 10% and 30% of their salary. Employers are required to withhold this tax from each employee's salary, and pay it, along with social security contributions, to the Uruguayan government. Salaries and social contributions in cost of services provided reflect the payments made in respect of the Company's employees that are involved in its operations.

The Company depreciates its fixed assets, consisting principally of machinery and equipment and vehicles, and its intangible assets, consisting principally of the rights to utilize, during the Concession Agreement term, the new terminal, the runways and its other rights under the Concession Agreement. Depreciation and amortization in cost of services provided reflect the depreciation of such assets that relate to the services the Company provides. See note 8 to Cerealsur's special consolidated financial statements as of and for the 12-month period ended December 31, 2014 for a description of how it calculates depreciation and amortization.

Administrative and Selling Expenses

The Company's administrative and selling expenses consist primarily of utilities, depreciation and amortization, security, health care and firefighters, professional fees, salaries and social security contributions and bad debts.

Utilities represent the amounts the Company pays for electricity, water and similar utilities. The Company pays utilities in Uruguayan pesos.

Security, health care and firefighters represent the amounts the Company pays for the contracting of security guards and emergency health care services, as well as the location and items (such as fire trucks) that the Company provides to the firefighters that provide services to Carrasco International Airport.

The Company's salaries and social security contributions are payable in Uruguayan pesos and are based upon negotiations every three years among the Company, the unions and the Uruguayan government. Social security contributions are payable by the Company based on applicable law. Salaries and social contributions in administrative and selling expenses reflect the payments made in respect of the Company's employees that are involved in the administrative function of its business.

Professional fees represent the fees the Company pays for legal and auditing services, as well as trust fees relating to the PdS Notes.

The Company depreciates its fixed assets, consisting principally of machinery and equipment and vehicles, and its intangible assets, consisting principally of the rights in the terminal, the runway and its other rights under the Concession Agreement. Depreciation and amortization in administrative and selling expenses reflect the depreciation of such assets that relate to the administrative function of its business. Depreciation and amortization are in both, Cost of Services Provided and Administrative and Selling Expenses. The classification depends on the nature and purpose of the asset. See note 8 to the Company's special consolidated financial statements as of and for the 12-month period ended December 31, 2014 for a description of how the Company calculates depreciation and amortization.

Bad debts represent amounts owed that the Company believes it will be unable to collect in the timeframe set forth in when the initial obligation was incurred. For 2012, bad debts principally represents amounts the Company was owed by Pluna Lineas Aereas Uruguayas S.A. ("Pluna"), an airline that represented approximately half of the operations in Carrasco International Airport when it ceased operations on June 30, 2012. Pluna used Carrasco International Airport as a transit hub, and generally most of the passengers that travelled on that airline were transit passengers to whom PdS did not charge passenger use tariffs. At the time Pluna ceased operations, PdS had entered into an agreement with it pursuant to which it waived landing charges incurred by Pluna's aircraft so long as Pluna delivered a minimum number of passengers.

The following table sets forth the Company's administrative and selling expenses, as well as the percentage of administrative and selling expenses they represent for the periods indicated.

	Year ended December 31,					
	2014		2013		2012	
	Expenses	% of Expenses	Expenses	% of Expenses	Expenses	% of Expenses
	(amounts in thousands of US$, except percentages)					
Utilities	2,463	21.7%	2,551	24.2%	2,412	19.3%
Security, healthcare and firefighters	956	8.4%	1,215	11.5%	1,166	9.3%
Salaries and social security contributions	896	7.9%	905	8.6%	715	5.7%
Professional fees	1,751	15.4%	1,123	10.6%	898	7.2%
Depreciation and amortization (1)	1,572	13.8%	1,832	17.3%	1,787	14.3%
Bad debts	19	0.2%	(817)	(7.7%)	3,367	27.0%
Other	3,714	32.7%	3,753	35.5%	2,145	17.2%
Total administrative and selling expenses	**11,371**	**100.0%**	**10,563**	**100.0%**	**12,489**	**100.0%**

(1) Depreciation and amortization are included in both Cost of Services Provided and Administrative and Selling Expenses. The classification depends on the nature and purpose of the asset. See note 8 to Cerealsur's special consolidated financial statements as of and for the 12-month period ended December 31, 2014 for a description of how it calculates depreciation and amortization.

Other Income (Loss), Net

The Company's other income (loss), net consists primarily of amounts donated to the immigration service that operates at Carrasco International Airport to improve passengers' experience as they pass through the airport, as well as for hardware and software development.

Net Financial Result

The Company's net financial result consists primarily of interest payable on debt.

Income Tax

As a result of the terms of the Concession Agreement, the Company applies an accelerated fiscal depreciation regime for its intangible asset. The depreciation began in 2010, and the Company has determined a fiscal useful life of five years for the intangible asset. For the aforementioned and other reasons, as the fluctuations in the exchange rate between the U.S. dollar (the Company's functional currency) and the Uruguayan peso (the Company's tax currency), the Company has experienced historical fiscal losses since 2010. In addition, since the Company reflects a deferred tax expense in its income statement, it currently only pays the Income Tax over Economic Activities (*Impuesto a la Renta de las Actividades Económicas*, or the "IRAE"). The IRAE is the minimum income tax amount that any company must pay in Uruguay, whether or not it has fiscal losses. Tax loss carry forwards in Uruguay generally expire within five years. The Company expects to begin paying taxes in 2017. Fluctuations in the exchange rates between the U.S. dollar and the Uruguayan peso affect the Company's deferred income tax principally as a result of (1) changes in the difference between fixed and intangible assets at accounting values and at tax values and (2) increases in profit or loss on exchange.

Critical Accounting Policies

The preparation of Cerealsur's financial statements and related notes requires the Company to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. The Company has based its estimates on historical experience and on various other assumptions that the Company believes to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

An accounting policy is considered to be critical if it requires an accounting estimate to be made based on assumptions about matters that are uncertain at the time the estimate is made. The Company believes that the following critical accounting policies reflect the more significant estimates and assumptions used in the preparation of Cerealsur's consolidated financial statements. You should read the following descriptions of critical accounting policies and estimates in conjunction with Cerealsur's consolidated financial statements and other disclosures filed with this listing memorandum.

Allowance for Bad Debts

The Company is exposed to losses due to uncollectible accounts, primarily from airlines. Provisions for these items represent the Company's estimations of future losses based on its historical experience. The Company's allowance for bad debts was US$6.0 million, US$6.0 million and US$6.8 million for the 12-month periods ended December 2014, 2013 and 2012, respectively.

Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly to equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years' tax losses.

Deferred tax is recognized using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying of assets and liabilities, using tax rates enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The following table sets forth the effective income tax rates for the periods indicated.

	12-month period ended December 31,		
	2014	2013	2012
	(amounts in thousands of US$, except percentages)		
Income before income tax	18,329	13,405	9,841
Income tax	(5,587)	(2,463)	(3,813)
Percentage of income tax over income before income tax	(30.5)%	(18.4)%	(38.8)%

Impairment of Assets

Intangible assets and other non-current assets are subject to impairment tests whenever changes in events or circumstances indicate that their carrying amount may not be recovered. When the carrying amount of an asset exceeds it recoverable value, an impairment loss is recognized. The recoverable value is the higher of its fair value less costs to sell and its value in use. To assess their impairment, assets are considered at each cash-generating unit level.

Consolidated Historical Results of Operations

The following table sets forth a summary of the Company's consolidated results of operations as well as the percentage change of each category from the prior period for the periods indicated.

	12-month period ended December 31,				
	2014	% change from prior period	2013	% change from prior period	2012
	(amounts in thousands of US$, except percentages)				
Operating revenue					
Aeronautical	37,122	9.1%	34,030	(3.2)%	35,150
Commercial	34,301	3.1%	33,258	(1.1)%	33,617
Services	833	(57.7)%	1,968	675.9%	254
Works	869	(27.8)%	1,203	90.8%	630
Total operating revenue	73,124	3.8%	70,459	1.2%	69,651
Cost of services provided					
Fees	(7,532)	8.2%	(6,963)	(9.4)%	(7,689)
Airport operator	(927)	10.1%	(842)	12.3%	(750)
Cost of works	(843)	(27.8)%	(1,168)	90.8%	(612)
Guarantees	(107)	(12.3)%	(122)	(76.3)%	(515)
Maintenance	(6,213)	14.7%	(5,416)	(4.7)%	(5,685)
Salaries and social security contributions	(7,960)	(2.1)%	(8,130)	3.5%	(7,853)
Insurance	(165)	(15.6)%	(196)	(4.9)%	(206)
Depreciation and amortization	(13,925)	(16.7)%	(16,722)	1.6%	(16,464)
Total cost of services provided	(37,673)	(4.8)%	(39,558)	(0.5)%	(39,774)
Administrative and selling expenses	(11,371)	7.6%	(10,563)	(15.4)%	(12,489)
Other income (loss), net	(121)	(74.1)%	(469)	261.0%	(130)
Net financial result	(5,629)	(12.9)%	(6,464)	(12.9)%	(7,418)
Income before income tax	18,329	36.7%	13,405	36.2%	9,841
Income tax	(5,587)	126.8%	(2,463)	(35.4)%	(3,813)
Net income	12,742	16.5%	10,942	81.5%	6,027

12-Month Period Ended December 31, 2014 Compared to 12-Month Period Ended December 31, 2013

Total Operating Revenue

Total operating revenue was US$73.1 million for the 12-month period ended December 31, 2014, a 3.8% increase from US$70.5 million for the 12-month period ended December 31, 2013, as a result of increases in aeronautical and non-aeronautical revenue.

Aeronautical revenue was US$37.1 million for the 12-month period ended December 31, 2014, a 9.1% increase from US$34.0 million for the 12-month period ended December 31, 2013, primarily as a result of an increase in passenger use tariffs. Passenger use tariffs were US$30.1 million for the 12-month period ended December 31, 2014, a 10.5% increase from US$27.2 million for the 12-month period ended December 31, 2013. This increase is partially attributable to an 11.4% increase in the number of international passengers.

Commercial revenue was US$34.3 million for the 12-month period ended December 31, 2014, a 3.1% increase from US$33.3 million for the 12-month period ended December 31, 2013, principally due to an increase of US$0.5 million in leasing of offices and hangars.

Services revenue was US$0.8 million for the 12-month period ended December 31, 2014, a 57.7% decrease from US$2.0 million for the 12-month period ended December 31, 2013 as a result of a decrease in the services the Company performed for affiliated companies.

Works revenue was US$0.9 million for the 12-month period ended December 31, 2014, a 27.8% decrease from US$1.2 million for the 12-month period ended December 31, 2013 as a result of a decrease in capital expenditures.

Cost of Services Provided

Cost of services provided was US$37.7 million for the 12-month period ended December 31, 2014, a 4.8% decrease from US$39.6 million for the 12-month period ended December 31, 2013, primarily due to decreases of US$2.8 million and US$0.3 million, respectively, in depreciation and amortization and cost of works (during the 12-month period ended December 31, 2014, the decrease in amortization and depreciation was due to the Company depreciating the Concession Agreement over a longer period due to its extension), offset by increases of US$0.8 million and US$0.6 million respectively, in maintenance and in the fees payable pursuant to the Concession Agreement due to the Company depreciating the Concession Agreement over a longer period due to its extension.

Administrative and Selling Expenses

Administrative and selling expenses were US$11.4 million for the 12-month period ended December 31, 2014, a 7.6% increase from US$10.6 million for the 12-month period ended December 31, 2013, principally due to an increase in bad debts of US$0.8 million and an increase in fees of US$0.6 million offset by decreases of US$0.3 million in depreciation and amortization and US$0.3 million in security, healthcare and firefighters.

Other Income (Loss), Net

The Company recorded other loss of US$121 thousand for the 12-month period ended December 31, 2014, a 74.1% decrease from US$469 thousand for the 12-month period ended December 31, 2013, primarily as a result of a decrease of US$196 thousand in donations for the 12-month period ended December 31, 2014 compared to the 12-month period ended December 31, 2013.

Net Financial Result

The Company recorded a net financial loss of US$5.6 million for the 12-month period ended December 31, 2014, a 12.9% decrease from US$6.5 million for the 12-month period ended December 31, 2013, primarily as a result of a reduction of US$0.4 million mainly due to interest paid on the PdS Notes, due to a lower principal balance after amortization of the PdS Notes, and US$0.4 million as a result of the devaluation of the Uruguayan peso versus the U.S. dollar.

Income Tax

For the 12-month period ended December 31, 2014, the Company continued to record tax losses and consequently only paid the IRAE in an amount of US$3,967. Our overall income tax expense increased by US$3.1 million in 2014, from US$2.5 million or an effective income tax rate of 18.4 % for the 12-month period ended December 31, 2013 to US$5.6 million or an effective income tax rate of 30.5 % for the 12-month period ended December 31, 2014. This increase in 2014 was mainly due to the net effect of (i) a decrease in the deferred tax asset mainly generated by a lower accumulated tax losses as a result of the end of the accelerated depreciation regimen of its intangible assets and (ii) an increase in the deferred tax liability due higher devaluation of the Uruguayan peso against the US dollar in 2014 as compared to 2013.

Net Income

As a result of the factors described above, the Company recorded net income of US$12.7 million for the 12-month period ended December 31, 2014, a 16.5% increase from US$10.9 million recorded for the 12-month period ended December 31, 2013.

12-Month Period Ended December 31, 2013 Compared to 12-Month Period Ended December 31, 2012

Total Operating Revenue

Total operating revenue was US$70.5 million for the 12-month period ended December 31, 2013, a 1.2% increase from US$69.7 million for the 12-month period ended December 31, 2012, as a result of increases in non-aeronautical revenue.

Aeronautical revenue was US$34.0 million for the 12-month period ended December 31, 2013, a 3.2% decrease from US$35.2 million for the 12-month period ended December 31, 2012, primarily as a result of Pluna ceasing operations. Passenger use tariffs were US$27.2 million for the 12-month period ended December 31, 2013, a 1.3% increase from US$26.9 million for the 12-month period ended December 31, 2012. This increase is partially attributable to an increase in the Company's average passenger use tariffs on February 27, 2012.

Commercial revenue was US$33.3 million for the 12-month period ended December 31, 2013, a 1.1% decrease from US$33.6 million for the 12-month period ended December 31, 2012, principally due to a decrease of US$1.1 million in duty free shops, partially offset by increases of US$748 thousand and US$484 thousand in cargo services and VIP lounge.

Services revenue was US$2.0 million for the 12-month period ended December 31, 2013, a 675.9% increase from US$254 thousand for the 12-month period ended December 31, 2012 as a result of an increase in the services the Company performed for affiliated companies.

Works revenue was US$1.2 million for the 12-month period ended December 31, 2013, a 90.8% increase from US$630 thousand for the 12-month period ended December 31, 2012 as a result of capital investments made by the Company.

Cost of Services Provided

Cost of services provided was US$39.6 million for the 12-month period ended December 31, 2013, a 0.5% decrease from US$39.8 million for the 12-month period ended December 31, 2012, primarily due to decreases of US$0.7 million, US$0.4 million and US$0.3 million, respectively, in the fees payable pursuant to the Concession Agreement, guarantees and maintenance, offset by increases of US$0.6 million, US$0.3 million and US$0.3 million, respectively, in cost of works, salaries and social security contributions and depreciation and amortization. See "Certain Relationships and Related Party Transactions—Other—Liska Investment Corporation."

Administrative and Selling Expenses

Administrative and selling expenses were US$10.6 million for the 12-month period ended December 31, 2013, a 15.4% decrease from US$12.5 million for the 12-month period ended December 31, 2012, principally due to a decrease in bad debts of US$4.2 million and an increase in other of US$1.6 million.

Other Income (Loss), Net

The Company recorded other loss of US$0.5 million for the 12-month period ended December 31, 2013, a 261.0% increase from US$0.1 million for the 12-month period ended December 31, 2012, primarily as a result of an increase of US$0.2 million in donations for the 12-month period ended December 31, 2013 compared to the 12-month period ended December 31, 2012.

Net Financial Result

The Company recorded a net financial loss of US$6.5 million for the 12-month period ended December 31, 2013, a 12.9% decrease from US$7.4 million for the 12-month period ended December 31, 2012, primarily as a result of a reduction of US$0.9 million mainly due to interest paid on the PdS Notes, due to a lower principal balance after amortization of the PdS Notes.

Income Tax

For the 12-month period ended December 31, 2013, the Company continued to record tax losses and consequently only paid the IRAE in the amount of US$ 4,362. Our overall income tax expense decreased by US$1.4 million in 2013, from US$3.8 million or an effective income tax rate of 38.8% for the 12-month period ended December 31, 2012 to US$2.5 million or an effective income tax rate of 18.4% for the 12-month period ended December 31, 2013. This decrease in 2013 was mainly due to the net effect of (i) an increase in the deferred tax asset mainly generated by a higher tax loss as a result of the higher devaluation of the Uruguayan peso against the US dollar in 2013 as compared to 2012 partially compensated by (ii) an increase in the deferred tax liability due to the accelerated depreciation applicable to the intangible assets.

Net Income

As a result of the factors described above, the Company recorded net income of US$10.9 million for the 12-month period ended December 31, 2013, an 81.5% increase from US$6.0 million recorded for the 12-month period ended December 31, 2012.

Liquidity and Capital Resources

The Company's financial condition and liquidity is and will be influenced by a variety of factors, including:

- its ability to generate cash flows from its operating activities;
- its level of outstanding indebtedness and the interest that it is obligated to pay on its indebtedness, which affects the Company's net financial result;
- its future tax liabilities; and
- its investment commitments under the Concession Agreement and additional capital expenditures.

The Company's principal cash requirements consist of the following:

- operating and working capital requirements;
- the servicing of its indebtedness; and

- its investment commitments under the Concession Agreement and additional capital expenditures.

The Company's principal sources of liquidity have been cash flows from operations and, at the time Carrasco International Airport was constructed, indebtedness. The primary use of the Company's liquidity has been to fund capital expenditures and to service the Company's indebtedness. As of December 31, 2014, the Company's cash and banks totaled US$10.3 million. The Company expects that if current market conditions prevail, its cash flow from operations and available cash on hand will be sufficient to fund the Company's operating needs and capital expenditures and service its debt obligations for the foreseeable future.

Cash Flows

Cash and cash equivalents were US$10.3 million as of December 31, 2014 as compared with US$11.1 million as of December 31, 2013. The primary sources of cash that contributed to the US$0.8 million decrease versus the prior period were approximately US$31.8 million of cash generated from operating activities offset by US$24.9 million of net cash used in investing activities and US$7.7 million of net cash used in financing activities.

Cash Flows From Operating Activities

For the 12-month periods ended December 31, 2014, 2013 and 2012, the Company generated US$31.8 million, US$30.1 million and US$23.7 million, respectively, from its operating activities. The increase in cash flows from operating activities were primarily due to increases in total operating revenue during these periods. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Overview of Statement of Income Line Items—Operating Revenue."

Cash Flows Used In Investing Activities

For the 12-month periods ended December 31, 2014, 2013 and 2012, the Company used US$24.9 million, US$1.5 million and US$1.5 million, respectively, in its investing activities. The increase for the 12-month periods ended December 31, 2014 was primarily due to the payment by PdS of the extension premium (US$20.0 million) in connection with the extension of the Concession Agreement, and the payment of the cost to renovate and return of the old passenger terminal (US$3.5 million) to the Uruguayan government under the 2014 amendment to the Concession Agreement. See "The Concession Agreement—Obligations Assumed by PdS Under the 2014 Amendment to the Concession Agreement."

Cash Flows Used In Financing Activities

For the 12-month periods ended December 31, 2014, 2013 and 2012, the Company used US$7.7 million, US$21.7 million and US$20.9 million, respectively, in its financing activities. In March 2014, the Company repaid a loan in the amount of US$23.9 million to an affiliated company. In addition, in August 2014 and September 2014, the Company entered into two new loan agreements with Banco Santander S.A. and Banco Itaú for US$17 million and US$10 million, respectively, in connection with the extension of the Concession Agreement. See "—Liabilities—Non-Current Liabilities."

Liabilities

As of December 31, 2014, the Company's total liabilities were US$108.7 million, of which US$18.4 million were current liabilities and US$90.3 million were non-current liabilities.

The following tables set forth the Company's current and non-current liabilities as of the dates indicated.

Current Liabilities

	As of December 31,		
	2014	**2013**	**2012**
	(amounts in thousands of US$)		
Local suppliers	2,200	2,344	1,654
Other trade payables (1)	289	595	524
Notes payable	0	7,517	7,201
Negotiable obligations	9,383	9,496	9,608
Bank loans	3,967	1,250	5,000
Other debts (2)	2,582	3,166	3,203
Total current liabilities	18,421	24,368	27,191

(1) Other trade payables include debts with contractors, withholdings to contractors, notes payable, foreign suppliers, letter of credit, advances from customers and related parties.

(2) Other debts include sundry liabilities, fee payable, related parties, social security payable, unearned revenue and provision for social security benefits.

Non-Current Liabilities

	As of December 31,		
	2014	**2013**	**2012**
	(amounts in thousands of US$)		
Notes payable	—	16,352	24,660
Negotiable obligations	51,588	60,185	68,782
Bank loans	22,179	—	1,250
Unearned revenue	2,385	2,644	3,099
Provision for social security benefits	732	980	776
Deferred income tax	12,529	6,946	4,487
Guarantees from customers	849	365	342
Total non-current liabilities	90,263	87,472	103,396

On April 30, 2007, PdS issued US$87.0 million in negotiable obligations, which bear interest at a rate of 7.75% per annum and mature on October 29, 2021, in the local markets in a public auction on the *Bolsa Electrónica de Valores del Uruguay S.A.* As of December 31, 2014, US$61.0 million aggregate amount (including principal and accrued interest) of PdS Notes was outstanding.

Amortization of the PdS Notes began in 2011, at the following rates: 10% of principal was paid in semi-annual installments on April 29 and October 29, 2011 and on April 29 and October 29, 2012; and 10% of principal is payable on an annual basis, in equal and consecutive semi-annual installments from 2013 until October 29, 2021. Interest is payable semi-annually on the PdS Notes. Amounts payable on the PdS Notes are secured by a guarantee trust (the "PdS Notes Guarantee Trust"), the purpose of which is to secure the obligations of PdS under the PdS Notes.

The trust estate of the PdS Notes Guarantee Trust is comprised of:

- revenue from the exploitation, construction and maintenance of Carrasco International Airport pursuant to the Concession Agreement;
- revenue from rents for space leased to duty-free shops; and
- the total amount that PdS receives or has the right to receive from the Uruguayan government or substitute third parties pursuant to the terms and conditions of the Concession Agreement, including any termination payment payable by the Uruguayan government.

Pursuant to the PdS Notes Guarantee Trust, all the amounts which comprise the trust estate are delivered to PdS unless a "trust charging event" *(caso cobro de fidercomiso)* occurs. Under the PdS Notes Guarantee Trust, a "trust charging event" is defined to be:

- in the opinion of the trustee or of the beneficiary of the PdS Notes Guarantee Trust and/or under the Management and Guarantee Trust (as defined below), a default in any of the obligations of PdS under the PdS Notes Guarantee Trust, which is not cured within a period of 10 days;
- a default in any of PdS's obligations under the terms of the PdS Notes;
- payment acceleration of the PdS Notes; and
- if the trustee receives a notice from the Bolsa Electrónica de Valores del Uruguay S.A. or from the Central Bank of Uruguay that PdS has delivered false documents.

In addition, a management and guarantee trust under the PdS Notes was also established to hold the proceeds from issuance of the PdS Notes and disburse such funds to build the new terminal of Carrasco International Airport. As of the date of this listing memorandum, all funds have been disbursed.

Notwithstanding the foregoing, if the beneficiary of the trust gives notice to the trustee that any amount under the PdS Notes is due and unpaid, the assets that comprise the trust estate of the PdS Notes Guarantee will be delivered to the paying agent under the PdS Notes, which assets will be used to pay amounts due under the PdS Notes.

The agreement pursuant to which the PdS Notes were issued contains, among others, the following covenants:

- To maintain a debt service coverage ratio on an annual basis which must be (i) greater than 1.5x for 2006 to 2011; (ii) greater than 1.2x for 2012 to 2014; and (iii) greater than 1.5x from 2015 until repayment of the negotiable obligations. The debt service coverage ratio is calculated as follows: EBITDA (at year end, year "t")/principal amortization + payment of interest service (for the current year, "t + 1");
- To maintain an indebtedness ratio (calculated as: liabilities / (equity + subordinated loans in respect of the PdS Notes granted by the shareholder or group)) of less than 3;
- To comply with all its obligations under the existing agreements with sub-concessionaires of the duty free shops and cargo services, PdS may rescind or amend such agreements only if the amendments or new agreements with new sub-concessionaires are no less favorable (from an economic viewpoint) to PdS (with respect to the existing contracts);
- Not to assign, pledge or otherwise restrict its rights under the PdS Notes Guarantee Trust and the Management and Guarantee Trust;
- Not to distribute dividends unless the debt service coverage ratio on an annual basis exceeds 1.7x and the indebtedness ratio is less than 3.0;
- Not to grant loans to related or controlled parties; and
- Not to secure third party obligations.

On May 29, 2009, PdS entered into a US$20.0 million loan agreement with Banco Santander S.A. The full amount was disbursed to PdS in successive disbursements from May 29, 2009 through September 2009, and the balance was originally repayable over a five-year period commencing with the last date of disbursement, and accrued interest an effective annual rate of 6.5% on balances due. The loan was to be amortized in 16 equal and consecutive quarterly installments from the end of a grace period of one year counted as from the last date of disbursement. This loan was secured until July 27, 2011 by an assignment of credits received or to be received by Navinten in the future and receivables from American Express, Visa and MasterCard credit card payments for sales of products in the duty free shop, and contained covenants that were substantially similar to those contained in the PdS Notes. As of December 31, 2014, such loan had been fully repaid.

In addition, on August 29, 2014 and September 1, 2014, PdS entered into loan agreements in the amount of US$17.0 million and US$10.0 million with Banco Santander S.A. and Banco Itaú, respectively. These loans are repayable over a seven-year period and are amortized in 28 equal and consecutive quarterly installments. The proceeds of both loans were used to make a payment to the Uruguayan government in connection with the extension of the Concession Agreement. Balances on these loans accrue interest at effective annual rates of 5.09%. These loan agreements contain covenants that are substantially similar to those contained in the PdS Notes. US$16.5 million and US$9.7 million, respectively, were outstanding under these loans as of December 31, 2014. A portion of the proceeds from this offering, along with available cash, will be used to repay these loans in full.

Capital Expenditures

Under the Concession Agreement, the Company is required to make certain investments including:

- to build the new terminal at Carrasco International Airport;
- to make any necessary capital expenditures to maintain Carrasco International Airport; and
- to build a taxiway prior to the termination of the Concession Agreement.

The Company makes two kinds of capital expenditures: tangible and intangible. The Company's intangible capital expenditures relate to improvements it makes on properties and assets that will revert to the Uruguayan government when the Concession Agreement terminates.

During the 12-month periods ended December 31, 2014, 2013 and 2012, the Company's tangible capital expenditures amounted to US$0.6 million, US$0.3 million and US$1.0 million, respectively.

During the 12-month periods ended December 31, 2014, 2013 and 2012, the Company's intangible capital expenditures amounted to US$24.4 million, US$1.2 million and US$0.6 million, respectively.

During 2015, the Company expects to invest approximately US$7.9 million in capital expenditures, of which: (i) US$3.5 million relates to construction of a solar farm with two megawatts capacity (890 solar panels), which will reduce Carrasco International Airport's energy consumption by 13%; (ii) US$3.4 million relates to the MITRE Program (as defined below); (iii) US$780 thousand relates to improvements and maintenance of the taxiway and runways; and (iv) the remaining US$220 thousand relate to other capital expenditures, such as the acquisition of computer hardware and machinery.

During 2016, the Company expects to invest approximately US$7.2 million in capital expenditures, of which: (i) US$5.2 million relates to improvements and maintenance of the taxiway and runways; (ii) US$1.7 million relates to construction of a roofed parking lot; and (iii) the remaining US$300 thousand relates to other capital expenditures, such as the acquisition of computer hardware and vehicles.

During 2017, the Company expects to invest approximately US$5.5 million in capital expenditures, of which: (i) US$5.4 million relates to in improvements and maintenance of the taxiway and runways; and (ii) the remaining US$100 thousand relates to other capital expenditures, such as the acquisition of computer hardware and furniture and fixtures.

For the period from 2018 through 2033, the Company expects to invest approximately US$25 million in capital expenditures, of which: (i) US$15 million relates to improvements and maintenance of the taxiway and runways, including the construction of a new taxiway prior to the expiration of the Concession Agreement; (ii) US$2.5 million relates to the construction of new hangars; (iii) US$2.0 million relates to overhauls of fire trucks; and (iv) the remaining US$5.5 million relates to other capital expenditures, such as the acquisition of computer hardware and machinery.

Off-Balance Sheet Transactions

The Company is not party to any off-balance sheet arrangements.

Quantitative and Qualitative Disclosures About Market Risk

The Company is exposed to market risks arising from the Company's normal business activities. These market risks principally involve the possibility that changes in interest rates or exchange rates will adversely affect the value of the Company's financial assets and liabilities or future cash flows and earnings. Market risk is the potential loss arising from adverse changes in market rates and prices.

Foreign Currency Exchange Rate Risk

The Company is exposed to foreign exchange risk of various currencies including, in particular, the euro and the Uruguayan peso. The foreign exchange risk arises from commercial transactions and from assets and liabilities in foreign currency. A substantial portion of the Company's revenue is denominated in U.S. dollars or linked to U.S. dollars because, for example, the rents the Company collects are calculated as a percentage of the total operating revenue of duty free shop and other sub-concessionaires generated in U.S. dollars, and a lesser amount in Uruguayan pesos.

To manage the Company's foreign exchange risk, in general, seeks to neutralize its positive and negative monetary positions. The Company does not have a hedge against that risk through derivative financial instruments. See note 5 to Cerealsur's special consolidated financial statements for the 12-month period ended December 31, 2014 for a summary of the balances of foreign currency assets and liabilities (in a currency other than the functional currency) at the closing of each period.

For the 12-month period ended December 31, 2014, if the quotation of the Uruguayan peso had depreciated/appreciated by 10% compared to the U.S. dollar and other variables had remained constant, the Company's net income would have been higher/lower by approximately US$83.6 thousand due to the exposure generated by that foreign currency for net balances payable at the closing of the period (US$52.3 thousand at December 31, 2013).

For the 12-month period ended December 31, 2014, if the quotation of the euro had depreciated/appreciated by 10% compared to the U.S. dollar and other variables had remained constant, the Company's net income would have been higher/lower by approximately US$8.1 thousand due to the exposure generated by that foreign currency for net balances payable at the closing of the period (US$571.4 thousand at December 31, 2013).

The Company's liabilities that are exposed to foreign currency exchange rate risk are denominated in U.S. dollars. Because the Company borrows in the international markets to support its operations and investments, the Company is exposed to market risks from changes in foreign exchange rates and interest rates.

For a discussion of additional market risks faced by the Company, see note 3.1 to Cerealsur's special consolidated financial statements for the 12-month period ended December 31, 2014.

BUSINESS

Overview

Cerealsur is a holding company and through its wholly-owned subsidiary, PdS, operates Carrasco International Airport. PdS is party to the Concession Agreement that provides for the operation of Carrasco International Airport and expires on November 20, 2033.

Cerealsur was incorporated on November 5, 2002 as a corporation (*sociedad anónima*) under the laws of Uruguay. Cerealsur's Bylaws were approved by the *Auditoría Interna de la Nación* (National Internal Audit Office) on December 2, 2002, and registered in the *Registro de Personas Jurídicas Sección Comercio* (Public Registry of Commerce) on January 22, 2003 under number 421 and published in the *Diario Oficial* (Official Gazette) on February 4, 2003. Pursuant to Cerealsur's Bylaws, its term of duration expires on April 30, 2113. On October 13, 2005, Cerealsur was transformed into a limited liability company (*sociedad de responsabilidad limitada).* The aforementioned transformation was registered in the *Registro de Personas Jurídicas Sección Comercio* (Public Registry of Commerce) on October 24, 2005 under number 9,035, and duly published in the Official Gazette on October 27, 2005. Cerealsur's Bylaws were subsequently amended on December 5, 2006, incorporating into its corporate purpose the ability to invest in Uruguay or abroad. This amendment was registered in the *Registro de Personas Jurídicas Sección Comercio* (Public Registry of Commerce) on December 8, 2006 under number 26,267 and published in the *Diario Oficial* (Official Gazette) on December 21, 2006. On April 30, 2013, Cerealsur was once again transformed into a corporation (*sociedad anónima*), registered in the *Registro de Personas Jurídicas Sección Comercio* (Public Registry of Commerce) on December 17, 2013 under number 23,194 and published in the *Diario Oficial* (Official Gazette) on December 18, 2013.

Cerealsur's wholly-owned subsidiary PdS was incorporated and organized on October 29, 2002 under Uruguayan law as a corporation (*sociedad anónima*), and registered with the *Registro de Personas Jurídicas Sección Comercio* (Public Registry of Commerce) on January 30, 2003 under number 562. Pursuant to PdS's Bylaws, its term of duration is 100 years from its constitution.

History

On November 23, 1936 the Uruguayan government created a special committee to solve the issue of the lack of a "national aerodrome" for domestic and international aeronautical companies. After several studies and opinions, the special committee recommended acquisition of a farm located in Carrasco and the Uruguayan Executive Branch approved the site of the current Carrasco International Airport in 1940.

The plans for the construction of the current Carrasco International Airport were approved in April 1944. Later that year the construction of the north-south and east-west runways were completed; and on September 19, 1944 the first landing took place at Carrasco International Airport, with the airport being officially inaugurated in 1953.

On February 6, 2003, PdS (still wholly owned by the Uruguayan government) entered into a Concession Agreement with the Defense Ministry to operate Carrasco International Airport, initially for a period of 20 years commencing on November 2003, which term has been recently extended for an additional period of 10 years, until November 20, 2033.

In August 2003, the Company acquired 100% of the outstanding shares of PdS in a public auction organized by the Uruguayan government at the Uruguayan Stock Exchange. In November 2003, PdS assumed the effective control of Carrasco International Airport.

Competitive Strengths

We believe the Company's competitive strengths include the following:

Substantial portion of revenues in U.S. dollars and solid platform for expansion with significant growth potential

Substantially all of the Company's consolidated operating revenue is denominated in U.S. dollars. For the 12-month period ended December 31, 2014, approximately 95.7% of the Company's total operating revenue was denominated in U.S. dollars. The Company has been able to further diversify its sources of revenue and obtain higher rates for services that include car parking, as well as rents and fees imposed on third parties who provide services and operate establishments at Carrasco International Airport. The Company believes it has additional capacity to increase commercial and other unregulated revenues from its operations as it continues to improve processes and renovate and expand its operations. The Company believes that it will also benefit from the expected growth in passenger traffic in Uruguay.

Strong and stable cash flow generation history with limited additional capital expenditure requirements

Historically the Company has generated strong cash flow generation. For the 12-month period ended December 31, 2014, the Company generated EBITDA of US$39.5 million, representing 54.0% of its total operating revenue for the period, and for the 12-month period ended December 31, 2013, the Company generated EBITDA of US$38.1 million, representing 54.0% of its total operating revenue for the period. During the 12-month period ended December 31, 2014, the Company's net cash provided by operating activities less net cash used in investing activities was US$6.9 million, which represented 17.5% of EBITDA for the 12-month period ended December 31, 2014, and during the 12-month period ended December 31, 2013, the Company's net cash provided by operating activities less net cash used in investing activities was US$28.6 million, which represented 75.1% of EBITDA for the 12-month period ended December 31, 2013. During the 12-month period ended December 31, 2014, the Company invested a total of approximately US$24.9 million in capital expenditures at Carrasco International Airport (this amount was impacted by the one-time payment of US$23.5 million by PdS in connection with the extension of the Concession Agreement), and during the 12-month period ended December 31, 2013, the Company invested a total of approximately US$1.5 million in capital expenditures at Carrasco International Airport. The Company believes its cash flow generation capacity is supported by low capital expenditure requirements and a diversified passenger base and robust unregulated commercial revenue generation that is supported by a favorable tariff regime and an airport that has proven capacity to generate revenue.

Diversified sources of revenue and increasing percentage of revenue derived from unregulated sources

PdS's operations are diversified in the types of passengers that use Carrasco International Airport and by its varied sources of revenue. Carrasco International Airport benefits from a diversified passenger base from various markets, including Latin America, North America and Europe, that contributes to PdS's regulated revenues. In addition to regulated passenger tariffs that are charged to airlines, recently PdS has increased its commercial revenue derived from leasing of space to duty free shops, the provision of cargo services, car parking facilities, payments made by passengers and airlines to access the VIP lounges, leasing of offices and hangar space and leasing of space to food and beverage vendors. This increase reflects robust commercial revenue generation that is supported by a favorable tariff regime and shows that Carrasco International Airport has a proven capacity to generate revenue.

For the 12-month period ended December 31, 2014, the Company derived 50.8% of its total operating revenue from regulated sources and 49.2% of its total operating revenue from unregulated sources.

Uruguay has robust macroeconomic and demographic indicators

Uruguay's GDP grew by 3.5% in 2014, 5.1% in 2013, 3.3% in 2012 and 5.2% in 2011, based on information published by the Central Bank, and is expected to grow 3.3% in 2015, based on information published by the World Bank. Historically, Uruguay's GDP growth was primarily a result of continued strength in remittances, tourism, agricultural production, financial services and software. In addition, Uruguay has become an attractive destination for foreign investment in recent years, due largely to its reputation for political stability, responsible macroeconomic management and strategic geographical location between Argentina and Brazil. Moreover, Uruguay ranked first in terms of GDP per capita in South America in 2013, and in August 2014, Uruguay achieved an investment grade rating from the five major international credit rating agencies. We believe these favorable economic indicators have been reflected by solid growth in passenger traffic.

Sponsor and management team with operating track record and experience

Cerealsur forms a part of the Corporación America group. Management of the Corporación America group has substantial experience in the airport industry throughout Latin America and Europe. The Corporación America group currently operates 53 airports around the world, including 46 in Latin America, and has operated for 15 years in the sector, during which time it has developed strong industry expertise in airport operations and commercial management, as well as fueling, cargo and related services. The Company believes it has leveraged and that it will continue to be able to leverage that experience and expertise to make substantial operational improvements at Carrasco International Airport. The Company's management team is composed of experienced professionals with extensive knowledge of airport safety and operations, finance and business development and infrastructure projects in airport-related assets. The Company believes its management team's capabilities and core understanding of its business, as well as the related stable regulatory environment, enables the Company to operate efficiently and manage risk effectively. The experience of the Company's board of directors complements its management team, who benefits from the implementation of best practices across multiple airports controlled by Corporación America and its affiliates around the world.

Strategy

The Company intends to seek to increase revenues and improve efficiencies at PdS and Carrasco International Airport through the following key measures:

Increase traffic of airlines and passengers and enhance the experience of passengers at Carrasco International Airport

A key driver of the Company's revenue growth is related to airline and passenger traffic. Therefore the Company is committed to developing new air service into Carrasco International Airport, improving passenger experience and further expanding the composition of its passenger base.

- *New route development*: The Company intends to promote Carrasco International Airport as a hub for international flights in the region due to its strategic geographical location between Argentina and Brazil. The Company believes that these efforts will facilitate the development of additional routes and further increase passenger traffic and revenue.

- *Attract private airplanes*: The Company is creating a special terminal for private and executive airplanes, including a hangar, private lounge area, dedicated shed space and enhanced security, which the Company believes will be very attractive to passengers who use private and executive airplanes.

- *Enhance passenger experience*: The Company intends to continue to improve experience of passengers travelling through Carrasco International Airport. For example, the Company is working with Antel, a Uruguayan telecommunications company, to create an "experience store," is in the process of increasing covered car parking space availability by 300% and is seeking to develop and install a face-recognition security system for certain passengers, which would significantly reduce time spent by passengers in immigration, allowing for more time to visit the retailers in Carrasco International Airport.

- *Enhance passenger mix*: The Company's strategy is to further develop its passenger traffic profile with a mix of tourism, business and Uruguayan passengers, as well as passengers from other regions, to promote a more resilient and stable traffic base.

Continue to improve the commercial offerings at Carrasco International Airport

Since the Company began operating Carrasco International Airport, it has undertaken various measures to increase the Company's non-aeronautical revenue. The Company intends to continue to provide a wide range of commercial products and services to in order to maximize its revenue. The actions the Company has previously taken and intends to undertake in the future include:

- Building, expanding and redesigning the layout of the terminal at Carrasco International Airport to allow the inclusion of more commercial businesses and larger individual commercial spaces, as well as to redirect the flow of passengers through Carrasco International Airport so as to increase exposure to commercial businesses.

- Granting use permits for spaces at Carrasco International Airport to more established, internationally recognized businesses in order to improve the quality, diversity and recognition of commercial goods and services available to the passengers. For example, the Company has entered into an agreement to open a Britt Shop, a specialty travel retailer that offers a unique shopping experience with over 94 stores in 10 countries. The Company believes this has increased, and will continue to increase, the sales revenue of its commercial tenants, thereby increasing its revenue from commercial activities.

In connection with the Company's efforts to improve the commercial offerings at Carrasco International Airport, the Company analyzes the operations of privatized international airports generally and applies that know-how to make informed decisions regarding its operations. The Company will continue to study other airports to further its efforts to offer passengers and airline customers services that are at the highest international standards.

Further enhance operational efficiency

In an effort to optimize the operating efficiency of Carrasco International Airport, the Company has implemented several initiatives designed to manage costs while maintaining the quality of the airport experience. The Company intends to continue exploring and implementing similar initiatives in the future in order to improve its operational efficiencies, which the Company believes are already among the best in the industry. Examples of initiatives the Company recently implemented and that the Company intends to continue exploring in the future include the following:

- *Rationalizing energy consumption*: The Company has deployed several measures such as automating the activation of air conditioning and lighting throughout the terminal building to focus energy demands more efficiently in active parts of each terminal throughout each day of operation. The Company will continue analyzing its operations to further reduce costs and enhance efficiency.

- *Maintaining effective headcount and controlling administrative expenses*: The Company is continuously assessing efficiency initiatives and targeting these measures to achieve economies of scale through the consolidation of its core corporate and administrative functions. The Company will continue to analyze its headcount requirements as permitted by its operations in an effort to optimize efficiency without adversely affecting the airport experience. For example, the Company has recently reduced its security and parking headcount through additional use of automation.

Passengers

The following table sets forth passenger information at Carrasco International Airport for the periods indicated.

	12-month period ended December 31,						
	2014	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**
	(passengers in thousands)						
Departing international passengers	685	615	620	612	528	425	427
Departing *puente aeréo* passengers	134	141	152	179	227	161	149
Departing domestic passengers	1	6	14	13	7	1	0
Departing transit passengers (1)	32	19	186	302	157	112	57
Departing exempted passengers (2)	10	10	13	14	20	18	17
Total departing passengers	861	791	985	1,121	938	717	650
Arriving passengers	836	778	798	825	783	611	587
Total passengers	**1,696**	**1,569**	**1,783**	**1,946**	**1,721**	**1,329**	**1,237**

(1) The Company does not collect tariffs from passengers in transit.

(2) The Company does not collect tariffs from exempted passengers. Exempted passengers include diplomats, members of the Defense Ministry assigned to United Nation's peace keeping missions or other international organizations and children under the age of two.

Aircraft Movements

The following table sets forth the number of aircraft movements at Carrasco International Airport for the periods indicated.

	Total Aircraft Movements		
	12-month period ended December 31,		
	2014	2013	2012
Aircraft movements	23,785	23,532	30,366

Sources of Revenue

The Company's revenue principally is derived from aeronautical services, which are derived from passenger use tariffs and aircraft charges and are regulated by the Uruguayan government under the terms of the Concession Agreement, and non-aeronautical services, which are derived primarily from the Company's commercial and other activities (which the Uruguayan government does not regulate).

The following table summarizes the Company's revenue by source for the periods indicated.

	12-month period ended December 31,					
	2014		2013		2012	
	Revenues	% of Revenues	Revenues	% of Revenues	Revenues	% of Revenues
	(amounts in thousands of US$, except percentages)					
Aeronautical revenue	37,122	50.8%	34,030	48.3%	35,150	50.5%
Commercial revenue	34,301	46.9%	33,258	47.2%	33,617	48.3%
Services revenue	833	1.1%	1,968	2.8%	254	0.4%
Works revenue	869	1.2%	1,203	1.7%	630	0.9%
Total operating revenue	**73,124**	**100.0%**	**70,459**	**100.0%**	**69,651**	**100.0%**

Aeronautical Revenue

All of the Company's revenue from aeronautical services is regulated under the Concession Agreement. The Company's revenue from aeronautical services is classified according to passenger use tariffs, which are charged to each departing passenger and vary depending on whether the passenger's flight is an international, *puente aéreo* or domestic flight, and aircraft charges, which are charged for landing, parking and the duration of an aircraft's stay at the airport, the time of day the aircraft operates at the airport and the specific rates charged for the service, among other things. In addition, as described below, the Company's aeronautical revenue is generated in U.S. dollars.

The following table sets forth the categories of the Company's revenue from aeronautical services as well as the percentage of total aeronautical services revenue they represent for the periods indicated.

	12-month period ended December 31,					
	2014		2013		2012	
	Revenue	% of Revenue	Revenue	% of Revenue	Revenue	% of Revenue
	(amounts in thousands of US$, except percentages)					
Passenger use tariffs	30,095	81.1%	27,241	80.0%	26,892	76.5%
Aircraft landing charges	5,637	15.2%	5,191	15.3%	6,793	19.3%
Aircraft parking charges	812	2.2%	1,026	3.0%	872	2.5%
Passenger walkway charges	577	1.6%	572	1.7%	593	1.7%
Total aeronautical revenue	**37,122**	**100.0%**	**34,030**	**100.0%**	**35,150**	**100.0%**

During the 12-month period ended on December 31, 2014, the Company's aeronautical revenue was US$37,122 thousand, which represented approximately 50.8% of its total operating revenue. For this period, 92.9% of the Company's aeronautical service revenue was derived from tariffs and charges on international flights and 7.1% was derived from *puente aéreo* and domestic flights. Of the international revenue, 79.9% was derived from passenger use tariffs and 20.1% was derived from aircraft charges. In the case of the Company's aeronautical revenue resulting from *puente aéreo* and domestic charges, 96.0% of its revenue was derived from passenger use tariffs and 4.0% resulted from aircraft charges.

Passenger Use Tariffs

PdS has the right to collect a charge for the use of Carrasco International Airport from every departing passenger (other than diplomats, members of the Defense Ministry assigned to United Nation's peace keeping missions or other international organizations, children under the age of two, and transit passengers). PdS does not collect passenger use tariffs from arriving passengers.

For the 12-month period ended December 31, 2014, passenger use tariffs represented approximately 81.1% of the Company's aeronautical services revenue and approximately 41.2% of its total operating revenue.

PdS charges three different types of passenger use tariffs based on the type of flight the passenger departs on.

- International airport passenger use tariffs, or *Tasas de Uso de Aerostación Internacional*, are denominated and payable in U.S. dollars and are automatically included in the cost of a passenger's airline ticket. Currently, the rate PdS charges to international passengers is US$41.00. Pursuant to Decree 062/15, dated February 18, 2015, issued by the Uruguayan Executive Branch, tariffs per international passenger will be raised to US$42.00 effective as of March 18, 2015.

- Puente aéreo passenger use tariffs, or *Tasas de Uso de Aerostación Regional*, are denominated and payable in U.S. dollars, and are automatically included in the cost of a passenger's airline ticket. These charges are a variation of the international flight passenger use tariffs and are applied only to passengers flying to Aeroparque Airport in the City of Buenos Aires, Argentina. Currently, the rate PdS charges to *puente aéreo* passengers is US$19.00.

- Domestic airport passenger use tariffs, or *Tasa de Uso de Aerostación Nacional*, are denominated and payable in U.S. dollars, and are automatically included in the cost of a passenger's airline ticket. Currently, the domestic the rate that PdS charges to domestic passengers is US$2.00.

Until September 1, 2010, the international and *puente aéreo* passenger use tariffs were paid by departing passengers in cash or credit card and in U.S. dollars or its equivalent in Uruguayan pesos at departure, and the Company directly received such payments. Currently, international and *puente aéreo* passenger use tariffs are automatically included in the cost of a passenger's airline ticket by the airline and are subsequently paid by the airline operators to PdS. On a weekly basis, PdS issues an invoice to each airline operator in U.S. dollars, and the payment is due seven days after such issuance.

Aircraft Charges

Landing Charges

PdS collects landing charges from airlines for their use of the runways at Carrasco International Airport. PdS's landing charges are based on each landing aircraft's MTOW. In addition, PdS adds a 20% surcharge for runway lighting for flights arriving and departing during certain hours as determined in accordance with the Aeronautical Information Publication, 30 minutes before sunrise and after sunset. PdS collects landing charges directly from the airlines, which are invoiced and paid in U.S. dollars.

PdS collects aircraft landing charges from carriers for their use of the runways at Carrasco International Airport based on a landing aircraft's MTOW as follows:

MTOW in tons:	US$
up to 10	49.41
between 10 and 20	251.98
between 20 and 30	314.54
between 30 and 70	471.01
between 70 and 170	665.34
more than 170	905.79

For the 12-month period ended December 31, 2014, aircraft landing charges represented approximately 15.2% of the Company's aeronautical revenue and 7.7% of its total operating revenue.

Aircraft Parking Charges

Except for aircraft based at Carrasco International Airport, PdS collects aircraft parking charges based on the amount of time an aircraft is at a parking position and the aircraft's MTOW. The charges do not vary depending on the time of day that an aircraft is parked. Parking charges are further classified depending on whether an aircraft is parked at an operative apron or parked at a remote apron. Aircraft parked at operative aprons are charged 5.0% of the applicable landing charges, and aircraft parked at remote aprons are charged 2.5% of the applicable landing charges. Aircraft parked in a hangar are not charged for parking, since PdS receives separate charges for use of the hangar itself.

For the 12-month period ended December 31, 2014, aircraft parking charges represented approximately 2.2% of the Company's aeronautical revenue and approximately 1.1% of its total operating revenue.

Passenger Walkway Charges

Airlines are also assessed charges for the connection of their aircraft to Carrasco International Airport's terminal through a passenger walkway. PdS operates four passenger walkways. Domestic, *puente aéreo* and international airlines pay PdS for the right to connect to an assigned passenger walkway during embarkation and disembarkation, depending on the size of the aircraft. Air-traffic controllers at Carrasco International Airport determine which passenger walkway should be used by each arriving flight.

Passenger walkway revenues are affected by seasonality and are higher during peak vacation periods. To the extent the airlines operate additional flights in and out of Carrasco International Airport; such airlines are required to use the passenger walkways more frequently, thereby increasing the Company's revenues. These charges are based on the type of aircraft: US$90.53 for wide-body aircraft and US$79.88 for narrow-body aircraft.

For the 12-month period ended December 31, 2014, passenger walkway charges represented approximately 1.6% of the Company's aeronautical revenue and approximately 0.8% of its total operating revenue.

Non-Aeronautical Revenue

Commercial

The following table sets forth the Company's revenue from commercial services as well as the percentage of total commercial services revenue they represent for the periods indicated.

	12-month period ended December 31,					
	2014		2013		2012	
	Revenue	% of Revenue	Revenue	% of Revenue	Revenue	% of Revenue
	(amounts in thousands of US$, except percentages)					
Duty free shops (1)	13,309	38.8%	13,230	39.8%	14,286	42.5%
Cargo services (2)	6,534	19.1%	6,585	19.8%	5,837	17.4%
Car parking facilities	2,292	6.7%	2,197	6.6%	1,910	5.7%
VIP lounge (3)	2,306	6.7%	2,241	6.7%	1,757	5.2%
Leasing of offices and hangars	1,780	5.2%	1,286	3.9%	1,152	3.4%
Advertising	1,453	4.2%	1,361	4.1%	1,692	5.0%
Leasing to food and beverage vendors (4)	697	2.0%	640	1.9%	820	2.4%
Leasing to retail vendors (4)	1,147	3.3%	1,160	3.5%	1,220	3.6%
Other (5)	4,782	13.9%	4,557	13.7%	4,943	14.7%
Total commercial revenue	**34,301**	**100.0%**	**33,258**	**100.0%**	**33,617**	**100.0%**

(1) PdS charges rental fees, which consist of a specific percentage of the sales by the lessee of the products sold in these shops (e.g., at a rate of 10% for electronic products sold and 20% for other products sold).

(2) PdS has subcontracted the use of the cargo terminal and the related provision of cargo services to TCU. TCU pays a monthly fee equal to 40% of its gross invoices.

(3) PdS operates two VIP lounges–one for arriving and one for departing passengers. PdS charges membership fees to individuals and per passenger fees to airlines for access to the VIP lounges.

(4) PdS charges rental fees, which consist of a fixed fee plus a variable fee equal to the higher of (i) a base monthly rent and (ii) a specific percentage of the gross monthly sales recorded by each lessee.

(5) Other includes principally catering, airline counters, fueling, baggage handling, rental car and taxis and reimbursement of utility charges. PdS has subcontracted baggage and other handling services at Carrasco International Airport to Candysur.

The majority of the Company's revenue from non-aeronautical services is derived from leasing of space to duty free shops; the provision of cargo services (which the Company has contracted out to an affiliated cargo operator); car parking facilities, payments made by passengers and airlines to access the VIP lounges; leasing of offices and hangar space; leasing of space to food and beverage vendors; leasing of space to retail and other airport service vendors, such as currency exchange booths; catering; leasing of airline counters; the provision of fueling services; the provision of baggage handling services; leasing of space to rental car companies and taxis; and reimbursement by lessees of utility charges.

Non-aeronautical services also include services related to aeronautical activity and other activities that occur within the airport. Non-aeronautical services include, among others: (a) commercial transportation-related services provided by the Company, including hangar services, maintenance of aircraft, pilot training, sub-concession of space to airlines, aircraft fueling, ramp services, counters and catering; (b) commercial development-related services in the airport, including warehouse usage, duty free shops, car rentals, car parking facilities, retail stores, banks and currency exchange services, fixed based services ("FBO services"), VIP lounge services, telecommunications, dining establishments advertising and passenger services; and (c) ancillary services performed at Carrasco International Airport, including cleaning services and private security.

During the last three years, the Company's total operating revenue has been approximately evenly distributed between aeronautical and non-aeronautical services. During the 12-month periods ended December 31, 2014, 2013 and 2012, the Company's non-aeronautical revenue was US$36,002 thousand, US$36,429 thousand and US$34,501 thousand, respectively, representing approximately 49.2%, 51.7% and 49.5%, respectively, of the Company's total operating revenue for those periods.

The Company's tariffs for non-aeronautical services are not regulated by the Uruguayan government, under the terms of the Concession Agreement or otherwise. The fees charged for services that are not set forth on "*Anexo F*" are freely determined by PdS. Notwithstanding the foregoing, the fees charged by PdS must be set by reference to the prices charged in the local or regional markets, taking into consideration the quality and type of service provided. The changes in these fees are reported to the *Unidad de Control* at least 30 days before they are to become effective.

Since entering into the Concession Agreement, the Company has made it a priority to increase its commercial revenue. As a result, between the 12-month period ended December 31, 2012 and the 12-month period ended December 31, 2014 the Company's total commercial revenue increased approximately 2.0% from US$33,617 thousand to US$34,301 thousand, due primarily to the following initiatives:

- *Expanding and reconfiguring the commercial space available in Carrasco International Airport terminal.* In order to increase the Company's revenue from commercial activities, the Company has expanded and redesigned the terminal to allow the inclusion of more commercial businesses and larger individual commercial spaces, as well as to redirect the flow of passengers through Carrasco International Airport so as to increase its exposure to the commercial businesses operating at Carrasco International Airport.

- *Improving the quality of retail offerings Carrasco International Airport.* The Company has granted permits to use redesigned spaces, as well as newly available spaces, to more established, internationally recognized businesses in order to improve the quality, diversity and recognition of commercial goods and services available to PdS's passengers and other visitors. The sales revenue from sub-concessionaires has increased its revenue.

The Company's revenue from commercial activities is largely dependent on passenger traffic, passenger spending, terminal design, the mix of sub-concessionaires and how fees are charged to businesses operating in the commercial area.

The Company's revenue from non-aeronautical services is mainly derived from a number of commercial activities, the most important of which are the following:

- *Cargo:* TCU has the exclusive use of the cargo terminal and provides cargo storage, stowage and warehouse services, "*puerto libre*" services and related international cargo services at Carrasco International Airport. TCU pays PdS a monthly fee of 40.0% of its gross invoices.

- *Duty free shops:* PdS receives a percentage of the gross amounts invoiced by the duty free shops, based on products sold by the lessees in their stores (e.g., at a rate of 10% for electronics products and 20% for other). The duty free shops are located between customs and the gates, so that all departing and arriving passengers must pass through them. They sell tax-exempt products and currently offer a variety of international brands and products such as clothing, watches, perfumes, electronics, cigarettes and cigars. Such services are provided by Navinten S.A. ("Navinten"), a subsidiary of Dufry A.G. ("Dufry").

- *Car parking:* The Company operates approximately 1,200 parking spaces at the parking lot adjacent to Carrasco International Airport. The parking lot provides short-term, long-term and monthly parking. Cleaning and security services are provided by subcontractors. The parking lot is open 24 hours a day, 365 days a year. For the 12-month period ended December 31, 2014, the Company derived approximately 3.1% of its total operating revenue from parking operations. Passengers, family members, suppliers and employees who work at the various companies located at Carrasco International Airport are the parking lot's principal customers. The parking rates charged are based upon the length of stay. Each vehicle that parks for an initial period of up to 10 minutes is not charged a fee. Thereafter, each vehicle the rate for up to one-hour of time is US$2.00 per hour. The parking rates are capped at the maximum daily rate which is equal to that charged for a six-hour stay. Parking revenues experience seasonality, with higher revenues during the Christmas, New Years and Easter holidays, and in December, January and February, which are the summer vacation months in the region.

- *Fuel services:* PdS receives fees for the sale of aircraft fuel and lubricant by third parties. Currently, PdS receives a fee of US$0.0245 per gallon. Aircraft fuel is provided by companies such as ANCAP, Petrobras and Esso.

- *Sub-concession of space and counters by airlines:* PdS derives revenue from space in Carrasco International Airport that PdS provides to the airlines for certain ancillary activities to their operations, such as ticket counters and back offices.

- *Catering:* PdS receives a percentage of the gross amounts invoiced from food and beverage providers for items that are consumed onboard the aircraft that depart from Carrasco International Airport. Catering services are provided by third parties for domestic, *puente aéreo* and international flights. Currently, the provider of such services is Goddard Catering Group Uruguay S.A.

- *Food and beverage services:* With the inauguration of the new passenger terminal, PdS has renovated spaces in Carrasco International Airport available for restaurants and bars in order to bring in providers of high-quality food and beverage services offering a wider variety of cuisine options and service. PdS charges rental fees, which consist of a fixed fee plus a variable fee equal to the higher of (i) a base monthly rent and (ii) a specific percentage of the gross monthly sales recorded by each lessee.

- *Retail stores:* With the inauguration of the new passenger terminal, PdS has made renovations to increase space available for retail stores in the commercial areas at Carrasco International Airport so as to improve the product mix and brands offered. PdS's retail tenants currently offer internationally recognized brands. PdS is currently in the process of remodeling its retail stores. PdS charges rental fees, which consist of a fixed fee plus a variable fee equal to the higher of (i) a base monthly rent and (ii) a specific percentage of the gross monthly sales recorded by each lessee.

- *Hangar services:* PdS receives revenue for the use of hangars at Carrasco International Airport by airlines and other users for certain supplementary activities such as aircraft repair. Aircraft do not pay parking fees as long as they are parked in a hangar.

- *VIP lounge:* PdS directly provides VIP passenger services in the two VIP lounges located at Carrasco International Airport, located in the departure area and the other in the arrival area. The VIP service includes tailored exclusive services for passengers, such as, "fast pass" service, which provides passengers a dedicated desk at passport control, VIP check in, valet parking, relaxation rooms, as well as a complementary generous selection of freshly made food and drinks, among others. PdS is paid a fee by airlines for use of the VIP lounges and also receives revenues directly from clients other than airlines who pay for the use of the VIP lounges.

- *Advertising:* PdS has developed a number of strategically located advertising spaces at Carrasco International Airport, including billboards and projection and plasma screens. PdS collects fees from advertisers who use its advertising space.

To a lesser extent, PdS also receives revenue from providers of other commercial services including car rentals, communications (which includes telephone and internet services), financial services (including ATMs), transportation services, cargo handling, passenger services (which includes insurance, tourist information and hotel reservations), aircraft maintenance and pilot training.

Services

The Company's services revenue is derived mainly from the services the Company provides to certain affiliated companies in areas where the Company has a particular expertise, such as the opening of a new airport. The Company typically provides services in three situations: first, when one of its affiliates sells a company to a third party, the Company may provide transition services during a transaction period; second, the Company provides administrative services to certain affiliated companies who do not have their own administrative capacity; and third, the Company provides services to affiliated companies when the Company has a particular expertise in specific situations, such as the opening of a new airport. Also, the Company provides minor services to third parties (e.g. Navinten).

Works

The Company's works revenue is derived from required capital investments pursuant to the Concession Agreement and other capital investments it has made to improve Carrasco International Airport.

Principal Customers

The following table sets forth the Company's principal airline customers and principal passenger markets, by passenger volume, for the 12-month period ended December 31, 2014 based on the number of passengers.

	12-month period ended December 31,			
	2014		2013	
	Passengers	% of Passengers	Passengers	% of Passengers
	(number of passengers in thousands)			
Principal airline customers:				
TAM Linheas Aereas	326	19%	360	23%
Aerolíneas Argentinas	270	16%	283	18%
Gol Linheas Aereas Inteligentes	236	14%	184	12%
Lan Airlines	224	13%	213	14%
BQB Lineas Aereas	126	7%	106	7%
American Airlines	118	7%	128	8%
Copa Airlines	101	6%	84	5%
Principal passenger markets:				
São Paulo	451	27%	379	24%
City of Buenos Aires	398	23%	367	23%
Santiago de Chile	236	14%	214	14%
Miami	118	7%	129	8%
Panamá	100	6%	83	5%
Porto Alegre	91	5%	84	5%
Madrid	116	7%	69	4%
Lima	91	5%	92	6%
Rio de Janeiro	39	2%	93	6%
Asunción del Paraguay	29	2%	26	2%
Others	28	2%	33	2%

For the 12-month period ended December 31, 2014, the Company's principal non-airline customers were Navinten, TCU and Candysur. During that period, the Company recorded commercial revenue of US$13.5 million from Navinten, US$6.5 million from TCU and US$1.0 million from Candysur, representing 39.4%, 19.1% and 2.9%, respectively, of its commercial revenue for such period.

As of December 31, 2014, the Company's most important commercial tenant was Navinten, a wholly-owned subsidiary of Dufry, one of the world's largest duty free operators. For the 12-month period ended December 31, 2014, the Company recorded commercial and service revenue of US$13.6 million, or 18.6% of the Company's total operating revenue, from Navinten.

Property and Insurance

Real and Personal Property

Pursuant to the Concession Agreement, the Uruguayan government retains ownership of all real property at Carrasco International Airport operated by the Company. All fixtures and equipment necessary for the operation of Carrasco International Airport belong, upon installation, to the Uruguayan government. The Company will retain ownership of all other property and equipment after the termination of the Concession Agreement. The Company's balance sheets reflects the value of those improvements to real property as well as the value of certain equipment, which will be reverted to the Uruguayan government at the end of the term of the Concession Agreement.

Intellectual Property

As of the date of this listing memorandum, the Company does not have any patents, trademarks, or copyrights. Under the Concession Agreement, the Company has the right to retain and exploit intellectual property relating to Carrasco International Airport; provided that any such intellectual property is assigned to the Uruguayan government at the termination of the Concession Agreement.

Insurance

Pursuant to the Concession Agreement PdS will assume responsibility for any damages that may be caused to third parties or property during the term of the Concession Agreement; therefore, under the Concession Agreement, PdS must provide a liability insurance against any damage, loss or injury that may occur to persons or property as a result of the implementation of the Concession Agreement on behalf of PdS and the Defense Ministry. The minimum amount of required coverage is US$250.0 million.

In addition, under the Concession Agreement, PdS is required to notify an insurer of any matter or event requiring such notice, in accordance with the terms of the policy. PdS is responsible for all losses, claims, actions, fees, costs and other expenses incurred in breach of the obligations contained therein.

Any failure of PdS to comply with the obligations relating to the insurance policies will entitle the Defense Ministry to directly obtain such insurance and to collect the amount of the policy premium. In addition, any failure of PdS to comply with the obligations relating to the insurance or maintenance contract will be deemed a material breach of the terms of the Concession Agreement.

Currently PdS has an insurance policy that complies with the requirements of the Concession Agreement with an insured amount of US$400 million, exceeding the amount required. Additionally, PdS has a property insurance policy for US$178.8 million.

Leases

General

The Company leases approximately 3,809 square meters of retail and commercial space at Carrasco International Airport, and recorded revenue of US$16.3 million from these activities for the 12-month period ended December 31, 2014. This space was approximately 100% occupied at December 31, 2014.

The retail and commercial space at Carrasco International Airport is comprised of duty free operators, food and beverage vendors, banking, currency exchange and space for ATMs, clothing, candies and accessories and other (which mainly consists of car rentals and taxis).

Principal Tenants

PdS's principal tenant since 2011 has been Navinten, a wholly-owned subsidiary of Dufry. Dufry was founded in 1865 and as of September 30, 2014, operated approximately 1,700 travel-related duty free and duty pay shops around the world, including the newspaper and magazine vendor Hudson News. The lease agreement with Navinten expires in 2023, but prior to the expiration date, PdS expects to renegotiate the terms of such lease to coincide with the expiration of the Concession Agreement.

Businesses of the Retail and Commercial Company's Tenants

The Company's retail and commercial tenants are engaged in several different businesses, although the duty free tenant constitutes a significant percentage of its revenues. The following table sets forth the percentage of revenues covered under existing lease agreements by the type of business of the underlying tenant as of December 31, 2014:

	As of December 31,		
	2014	2013	2012
Type of Business	**Revenues as a percentage of total lease revenues**		
Duty free shop	81.6%	82.2%	82.2%
Rental car and taxis..........................	6.5%	6.1%	5.4%
Food and beverage...........................	4.3%	4.0%	4.7%
Security wrap..................................	3.4%	3.4%	3.2%
Currency exchange...........................	1.9%	2.0%	2.0%
Other..	2.3%	2.4%	2.4%
Total...	**100.0%**	**100.0%**	**100.0%**

Bad Debt

The Company did not experience any significant amount of deficiencies in payments owed to it under leases in the 12-month periods ended December 31, 2014, 2013 or 2012.

Competition

In addition to Carrasco International Airport operated by the Company, Punta del Este Airport is the only airport in Uruguay receiving commercial flights. Punta del Este Airport is operated by Consorcio Aeropuertos Internacionales S.A., an affiliate of the Company. The busiest private airport in Uruguay in terms of passenger traffic is Carrasco International Airport, which served 1,696 thousands passengers in 2014. Punta del Este Airport, which is located in the east coast of the country, served approximately 163 thousand passengers in 2014. The Company faces competition from other airports in the region, including the airports in the metropolitan area of Buenos Aires, Argentina, Salgado Filho Airport in Porto Alegre, Brazil and Pajas Blancas Airport in Cordoba, Argentina, to a lesser extent.

Employees

Cerealsur has no employees. As of December 31, 2014, PdS had 209 employees, of which 146 worked on activities such as operations, maintenance, security, customer services, parking and charging of airport charges; 6 performed commercial activities such as sales and marketing; and 57 worked in the finance sector, administration, human resources, the legal department and other activities.

The following table provides information relating to PdS's employees as of December 31, 2014, 2013 and 2012:

	Number of employees as of December 31,		
Areas	**2014**	**2013**	**2012**
Operations and infrastructure...........................	146	153	159
Central administration (finance, commercial, purchasing, human resources, legal, etc.) ...	63	57	51
Total...	**209**	**210**	**210**

Legal Proceedings

Currently, none of the Issuer, Cerealsur and PdS are parties to any material litigation. The Issuer, Cerealsur and PdS may at any time or from time to time become involved in litigation in the ordinary course of their business.

Regulation

The following are the main laws and regulations that govern the Concession Agreement, the Company's business and the operation of Carrasco International Airport:

- Law No. 14,305 (the "Uruguayan Aeronautical Code") as regulated by the Executive Branch Decree No. 39/977. Title V of the Uruguayan Aeronautical Code sets forth the basic framework regarding airports in

Uruguay establishing certain requirement that all airports, depending on their classification, have to comply with.

- Law No. 9,977 “Promotion of National Aviation,” which provides that DINACIA, an agency of the Defense Ministry, shall be the aeronautical authority having as responsibility to control, promote and manage civil aviation.

- Executive Branch Decree No. 21/999, which regulates the responsibilities of DINACIA.

- Law No. 17,555 dated September 18, 2002, which authorized the *Corporación Nacional para el Desarrollo* (a state owned agency, the “CND”) to incorporate a company with the purpose of “managing, exploiting, operating, constructing and maintaining” Carrasco International Airport. Pursuant to the aforementioned authorization, on April 2003 the Uruguayan government resolved to incorporate PdS with a Concession Agreement regime entered into with the Defense Ministry for Carrasco International Airport for a 20-year term, by paying an annual concession price or “fee.”

- Executive Branch Decree No. 376/002 dated September 28, 2002 (“Contrato de Gestión Integral” which includes the “Régimen de Gestión Integral”), which regulates the Law No. 17,555, and created the Control Entity, which acts as PdS’s regulator.

- Executive Branch Decree No. 153/003 dated April 24, 2003, Executive Branch Decree No. 192/003 dated May 20, 2003 and Executive Branch Decree No. 317/003 dated August 13, 2003, which amended the terms of the auction of PdS´ shares and certain requirements connected to the Concession.

- Resolution No. 284/005 issued by the Defense Ministry, pursuant to which the Defense Ministry approved certain amendments to the Concession Agreement, as provided in the Executive Branch Decree No. 229/2014.

- Executive Branch Decree No. 303/005 dated September 13, 2005, Executive Branch Decree No. 469/007 dated December 3, 2007, Executive Branch Decree No. 491/009 dated October 19, 2009, Executive Branch Decree No. 20/012 dated January 27, 2012 and Executive Branch Decree No. 148/2014 dated May 26, 2014 updated the tariffs set forth in the Concession Agreement.

- Executive Branch Decree No. 409/08, which approved the regulations related to the treatment of Carrasco International Airport as a “freeport.”

- Executive Branch Decree No. 229/014 dated August 6, 2014 amended several aspects of the Concession Agreement, providing the extension of the Concession Agreement for an additional 10 year term in exchange for (i) payment of a fee of US$20.0 million and an additional fee by PdS, (ii) the return of the old Carrasco International Airport passengers terminal, and (iii) commitment by PdS commitment to perform certain obligations. See “The Concession Agreement—Obligations Assumed by PdS as Concessionaire.”

Role of DINACIA

The former Directorate of Civil Aviation, currently called DINACIA, the Uruguayan aviation authority, was created by the Executive Branch Decree No. 21/999 dated January 26, 1999.

The Uruguayan Executive Branch Decree No. 21/999 also regulates DINACIA’s organization and powers, which among others include the following: (i) execute the national aeronautics policies according to current regulations and directives; (ii) direct, coordinate, monitor and evaluate the activities assigned to other departments; (iii) advise, in compliance to current legal standards, in all matters related to civil aviation; (iv) issue, in its capacity as national aeronautical authority, certain Certificates (“*Certificados de Explotador Aéreo*”) to airline companies that must comply with the requirements established in the regulations of Civil Aviation; (v) issue Instructions (“*Instructivos*”) to define policies to be developed in the areas of its competence, in order to control compliance with all civil aviation activity; (vi) to issue rules (“*Circulares*”) regarding security and operations.

Notwithstanding the foregoing, DINACIA is competent in all issues related to civil aviation and aeronautics, according to national and international provisions.

The goal of DINACIA is to implement civil aviation policies in Uruguay, according to the current international standards and recommendations, thus continuously monitoring the operational security and directing and controlling civil aviation activities. DINACIA is also in charge of the safety, regularity and efficiency of the aeronautical operations and with providing services in accordance with international regulations and requirements in Uruguay.

DINACIA's rights and obligations with respect to the Concession Agreement are set forth under the Concession Agreement and the applicable laws. DINACIA also provides the necessary resources for the functioning of the Control Entity and administrative support, infrastructure and material resources.

Unidad de Control

The *Unidad de Control* was created by Executive Branch Decree No. 376/002 as the responsible body for the supervision and control of the fulfillment of airport concessionaires and the financial, legal, technical and operative supervision of the Concession Agreement. The Company has weekly communications with the *Unidad de Control* and they inspect Carrasco International Airport regularly.

Carrasco International Airport and Punta del Este airport are the only airports subject to concessions in Uruguay.

Under the terms of the Concession Agreement, certain tariffs and charges require the approval of the *Unidad de Control*, while others, such as the prices agreed to in the MOU, must only be notified to the *Unidad de Control*. PdS is free to charge other fees at its discretion based on market prices and private negotiations.

All disputes arising in connection with the use, operation or management of an airport must be submitted to the *Unidad de Control*. Also, the *Unidad de Control* is the body responsible for suggesting all mitigations and sanctions that must correspond in case of breach of the concessionaires of their obligations.

The *Unidad de Control* also controls compliance with OACI rules relating to maintenance and management of all airports, and is responsible for coordinating and controlling all activities related to the emergency plans of the airports.

Additional Uruguayan Agencies

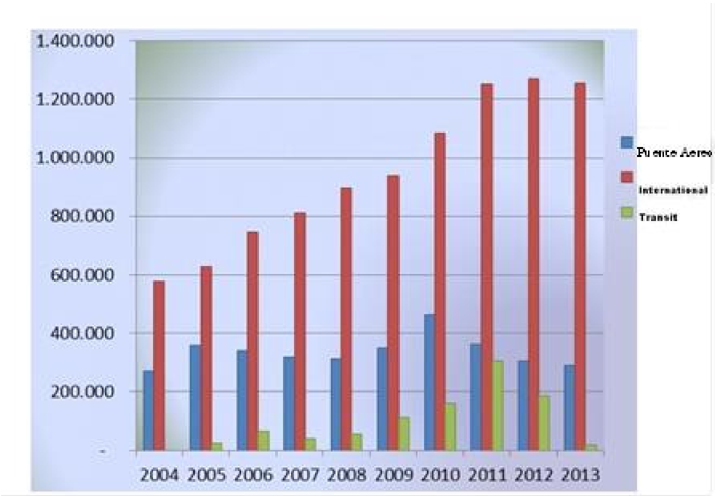
The Uruguayan General Customs Office (*Dirección General de Aduanas*) is also responsible for airport customs.

THE CONCESSION AGREEMENT

Operations

Carrasco International Airport is the largest international airport in Uruguay. Carrasco International Airport handles the vast majority of the arriving and departing passengers entering and leaving Uruguay by air and has the capacity to handle up to 4.5 million passengers annually. Carrasco International Airport currently serves regional centers, tourist destinations and certain major cities throughout the Americas and Europe.

The following table shows the numbers of passengers that were served by Carrasco International Airport, according to DINACIA.



Overview

In September 2002, the Uruguayan government (through Law No. 17,555 and Executive Branch Decree No. 376) authorized Uruguay's National Development Corporation ("NDC"), an Uruguayan state owned agency, to incorporate a company with the purpose to "manage, develop, operate and maintain" Carrasco International Airport. By virtue of such authorization, on October 2002, PdS was formed by the Uruguayan government as a Uruguayan corporation with the aforementioned exclusive purpose.

In February 2003, PdS (then wholly owned by the Uruguayan government) entered into the Concession Agreement with the Defense Ministry to operate Carrasco International Airport. The initial term of the Concession Agreement was for 20 years commencing in November 2003, which has been recently extended for an additional 10-year period (i.e., until 2033) by the Executive Branch Decree No. 229/2014 dated August 6, 2014.

In August 2003, Cerealsur acquired 100% of the issued and outstanding shares of PdS in a public auction organized by the Uruguayan government at the Uruguayan Stock Exchange. In November 2003, PdS took the effective control of Carrasco International Airport.

In order to meet the operator expertise requirements under the Concession Agreement, PdS entered into an operating agreement with Società per Azioni Esercizi Aeroportuali S.E.A. S.p.A ("SEA"), an Italian company with experience in the management and operations of airports around the world, also including the Airport of Milano Malpensa, and Milano Linate, both located in Milan, Italy, to manage Carrasco International Airport. See "—Obligations Assumed by PdS as Concessionaire—Airport Operator." We expect that an affiliate of Corporación America will take over the responsibilities of operating Carrasco International Airport during 2015.

Obligations Assumed by PdS as Concessionaire

Under the terms of the Concession Agreement, PdS is responsible for developing, managing, exploiting, operating and maintaining Carrasco International Airport, which includes performance of the following activities:

- using Carrasco International Airport facilities, and the human and material resources associated with the aeronautical and non-aeronautical services regulated under the Concession Agreement exclusively for such purposes;

- taking all necessary measures (other than those under the responsibility of the Uruguayan government) in order for Carrasco International Airport to be included in the following categories of the International Air Transport Association: (a) Category 1 Instrumental; (b) Category 4E regarding the state of the landing strip; (c) Category 9 regarding fire protection; and (d) at least in Category C;

- maintaining Carrasco International Airport operational 24 hours a day, seven days a week;

- complying with applicable security measures required by the Organización de Aviación Civil Internacional ("OACI"), a specialized United Nations Agency, and other required by DINACIA;

- allowing the Uruguayan government to comply with its duties under the Concession Agreement as the regulator of Carrasco International Airport, including the services relating to air police, police enforcement, customs control, immigration, Interpol, meteorology, veterinary and healthcare;

- keeping and maintaining the facilities received under concession in perfect operating conditions and in full operations (24/7 365 days a year) and replacing them as deemed necessary in the event of destruction or obsolesce and updating them to reflect the latest technological advances;

- implementing the necessary measures to ensure freedom of access and nondiscrimination;

- performing the works required by the Concession Agreement (see "—Obligations Assumed by PdS as Concessionaire—Construction of a New Passenger Terminal");

- reporting to the relevant authorities any breach of the Concession Agreement and those which endanger or may endanger the security of Carrasco International Airport, and cooperate with any investigations);

- maintaining the guarantees and insurance policies valid and current in accordance with the terms of the Concession Agreement;

- reporting to DINACIA, the control entity of Carrasco International Airport, any facts affecting the regulated airport activities;

- paying the concession fee;

- providing to the *Unidad de Control* all documents and information necessary for them to verify compliance with the Concession Agreement;

- permitting DINACIA (without any restrictions) to use space at Carrasco International Airport free of charge, and compensating the Uruguayan Government for the provision of transit, flight protection, radio navigation and communications services;

- maintaining at all times the guarantees and insurance policies required under the terms of the Concession Agreement; and

- complying with all the obligations contained in the Régimen de Gestión Integral and all those inherent to a "reasonable" or "diligent" business owner.

The control of the aeronautical transit, general flight operations and security measures are excluded from the Concession Agreement and remain with DINACIA.

The *Unidad de Control*, an agency comprised of representatives of the Defense Ministry and the Ministries of Economy and Transportation, supervises PdS's compliance with its obligations as concessionaire of Carrasco International Airport, and oversees the financial, legal, technical and operative supervision of the concession. Furthermore, under the terms of the Concession Agreement, PdS has assumed the obligations described below.

Construction of a New Passenger Terminal

One of the principal obligations assumed by PdS under the Concession Agreement was the construction of a new passenger terminal to replace the old passenger terminal. The construction of the new terminal began in 2007 and was completed in December 2009 when the terminal became fully operational. The new passenger terminal is accessed from National Route 101, a major highway linking Montevideo's downtown with Carrasco International Airport and the eastern part of the Uruguay. The new terminal at Carrasco International Airport was designed by the world renowned architect Rafael Viñoly, and represents a milestone for Uruguay in terms of architectural vanguard and technological innovation.

The architectural design of the new terminal Carrasco International Airport includes a big roof of double curvature which extends for almost 400 meters all along the length of the building, overhanging the limits of the building itself to rest on the ground. The new terminal occupies a surface of more than 45,000 square meters and has eight boarding gates, four of which have connecting telescopic air passenger walkways. The new terminal has two main levels with different entry and exit points to service the flow of passengers at departures and at arrivals, respectively.

The initial construction works required to be performed by PdS under the terms of the Concession Agreement have been completed, other than certain works related to sewage and the installation of two 20,000 liters of water tanks, which were inaugurated on December 29, 2009 and were duly authorized by *Unidad de Control*. In addition and pursuant to the 2014 amendment described below, PdS has committed to build a taxi way, which is expected to cost approximately US$15.0 million, and which must be built before the term of the Concession Agreement expires, or sooner, if required by the OACI regulations based on Carrasco International Airport traffic. Carrasco International Airport currently does not have sufficient traffic to require the construction of a new taxi way, therefore PdS only expects to build the new taxi way towards or at the end of the term of the Concession Agreement.

Maintenance and Operation of the Airport Terminal

Under the Concession Agreement, PdS is required to take all measures to provide secure, regular, efficient and high quality services, at the minimum cost to the users of Carrasco International Airport. Any change in the Concession Agreement related to infrastructure, facilities or equipment will require the prior authorization of DINACIA.

Under the Concession Agreement, PdS is not required to hire employees from DINACIA who have a special labor treatment (government employees under the government labor treatment), however, PdS is required to inform the professional team in charge of the exploitation of the Concession Agreement and any change in the team will need to be approved by the *Unidad de Control*.

Under the Concession Agreement, PdS is responsible for complying of all applicable legal framework related aeronautical, labor, fiscal, customs and other matters related to its activity.

Airport Operator

Under the Concession Agreement, PdS is required to engage and maintain an experienced and financially sound airport operator for the airport, who, in turn, is charged with providing advice to PdS in the following areas: airplanes, passengers, mailing and cargo.

On November 19, 2003, PdS entered into an operating agreement with SEA pursuant to which SEA agreed to act as the operator of Carrasco International Airport. Under the terms of the operating agreement between PdS and SEA, PdS pays SEA an annual fee of the higher of 2.5% of the aeronautical revenues or US$300 thousand. PdS expects to replace SEA as operator of Carrasco International Airport with Corporación América, an affiliate, sometime during 2015. Corporación America meets all of the technical and financial requirements specified in the Concession Agreement to become the operator of the Carrasco International Airport. See “Summary—Competitive Strengths—Sponsor and management team with operating track record” and “Summary—General Corporate Information—Corporación America.”

The Concession Agreement requires any entity acting as the operator of Carrasco International Airport must be approved by the Executive Branch and must satisfy the following conditions:

- *Technical operational capacity:* The operator must have at least eight years’ experience in airport management and operations with, at minimum, 40,000 tons of cargo and 2.4 million passengers per year, as certified by the competent aeronautical authority of the country in which it operates. If the operator is a holding company, the referenced technical capacity will be that of the controlled entity. SEA’s technical and operational capacity was certified by the Aeronautical Authority of Milan’s Airport Malpensa and approved by Uruguayan’s Executive Branch.

- *Financial and economical capacity:* The operator must have a minimum operating capital of US$100.0 million in its most recently ended fiscal year, as evidenced by the audited balance sheet and income statement of the operator prepared in accordance with IFRS. Operating capital is calculated as the sum of net worth and short and long term financial debt.

PdS must submit to DINACIA any request seeking the approval of the Executive Branch to approve an entity to become operator of Carrasco International Airport. The Executive Branch must approve the proposed operator within a term of 20 days. If denied, PdS will have 15 days to respond to any objections. Once approved, the agreement between PdS and the operator will be in force during the effective term of the Concession Agreement. Any termination of the operating agreement will require consent of the Uruguayan government.

If PdS elects to replace the airport operator, it must submit to the Uruguayan government the name of the replacement, together with evidence that the proposed operator meets all required conditions. Any proposed operator must be approved by the Uruguayan government.

Fees

As consideration for the airport concession granted by the Uruguayan government, PdS is required to pay annual fees to DINACIA for the concession of Carrasco International Airport. These fees are comprised of: (a) basic fees and (b) additional fees.

Basic Fees

The basic fees are calculated annually for the period from November to November and are equal to the higher of (i) a fixed amount of US$2.5 million and (ii) the amount resulting by multiplying the total number of passengers that use Carrasco International Airport by US$2.30 per passenger (passengers in transit that exceed 7.5% of the total number of passengers that use the services of Carrasco International Airport are excluded from such calculation, as are diplomats, members of the Defense Ministry assigned to United Nation’s peace keeping missions or other international organizations and children under the age of two), plus applicable cargo fees calculated as follows:

- the first 30,000 tons are charged at a rate of US$2.30 per 100kg;

- the following 10,000 tons are charged at a rate of US$1.75 per 100kg; and

- any cargo in excess of 40,000 tons, is charged at a rate of US$1.15 per 100kg.

The fees listed above were originally established by Decree No. 317/003, and are adjusted annually according to the following formula:

$$IGt+i = \alpha\ (IPCt+i\ /\ IPCt)\ /\ (US\$t+i\ /\ US\$t) + \beta\ (CPIt+i\ /\ CPIt)$$

- α = coefficient of local costs.
- β = coefficient of external costs.
- IPCt+i / IPCt = Change in Uruguay Consumer Price Index applied in the following year.
- US$t+i / US$t = Change in the applicable exchange rate for transactions concerted between banks applied in the following year.
- CPIt+i / CPIt = Change in the United States Consumer Price Index applied in the following year.

Additional Fees

In connection with the extension of the term of the Concession Agreement in September 2014, PdS agreed to pay additional fees (effective as of September 1, 2017), which are calculated based on the number of passengers that use Carrasco International Airport and that exceed 1.5 million passengers per year (transit passengers are not included in such calculation, nor are diplomats, members of the Defense Ministry assigned to United Nation's peace keeping missions or other international organizations or children under the age of two) multiplied by the coefficient set forth in the following table.

Passengers from	Passengers to	Coefficient
—	1,500,000	0
1,500,001	1,750,000	0.075
1,750,001	2,000,000	0.155
2,000,001	2,250,000	0.272
2,250,001	2,500,000	0.398
2,500,001	2,750,000	0.538
2,750,001	3,000,000	0.692
3,000,001	—	0.861

Timing of Payment of Fees: PdS must pay 50% of the annual fees to DINACIA in June of each year (as calculated for the previous November to November period), and the remaining 50% in the following December.

Delay in Payment of Fees: if PdS fails to timely pay the annual fees, it shall incur default interest at a rate of LIBOR (180 days) plus 10.0%. In addition, such failure to pay would be a breach of the Concession Agreement and may lead to the termination of the Concession Agreement.

PdS Revenue

Under the terms of the Concession Agreement, PdS is entitled to collect, among others, all aeronautical, commercial and cargo revenue related to services rendered at Carrasco International Airport.

According to Executive Branch Decree No. 317/003, the Executive Branch of the Uruguayan government shall determine, from time to time, the prices charged at Carrasco International Airport for landing, aircraft parking, passenger use tariffs, cargo, handling and storage of containers. However, the prices related to landing, aircraft parking, cargo and aircraft services established by the Uruguayan Executive Branch are the maximum that could in theory be charged, but not necessarily the fees that PdS must charge. This allows PdS in principle to charge lower prices. Other services provided by PdS to airlines and not included above shall be proposed by PdS and approved by the *Unidad de Control*. The current services that are being provided by PdS to the airlines are included in the MOU, which was ratified by the *Unidad de Control*.

The prices charged to the airlines per aircraft movements, are adjusted pursuant to the "*Anexo F,*" while the passenger use tariffs are adjusted on an annual basis pursuant to the formula described in the Concession Agreement. According to the Concession Agreement PdS can submit a calculation to the Unidad de Control requesting it to validate proposed adjustments to regulated fees.

Other commercial revenues agreed between PdS and the *Unidad de Control* relating to the operation of Carrasco International Airport and not included above, are unregulated and may be fixed by PdS without any restriction. However, the Concession Agreement requires that the prices for such unregulated services be in line with local market prices, taking into account the quality and kind of services provided. PdS must inform the *Unidad de Control* about the prices that it will charge for such services, and it encloses comparative information about similar services in Uruguay and in the region and the prices are also published in PdS website and at DINACIA's website.

The prices that PdS charges for the use of spaces within the terminal (other than spaces granted for airline operations) are freely set between PdS and its counterparties and not subject to review or approval by any authority.

Obligations Assumed by PdS Under the 2014 Amendment to the Concession Agreement

As consideration for the extension of the term of the Concession Agreement for an additional 10 year period that took place in September 2014, PdS agreed to the following:

- *Extension Premium*: PdS agreed to pay to the Uruguayan government US$20.0 million simultaneously with the execution of the amendment to the Concession Agreement;

- *Return of Old Passenger Terminal*: The old passenger terminal has been detached from the Concession Agreement and was returned to the Defense Ministry; however PdS has assumed the obligation to pay US$3.5 million in order to renovate the old terminal, which were duly paid with the execution of the amendment to the Concession Agreement;

- *MITRE Program*: PdS will assume all the costs relating to the MITRE Corporation's Center for Advanced Aviation System Development Program (the "MITRE Program"), under which will occur the reorganization of the Uruguayan airspace. The MITRE Program has an estimated cost of US$3.0 million, which will be paid in 24 installments, the first in the amount of US$900 thousand in January 2015, and the remaining 23 monthly installments in an aggregate amount of US$2.1 million starting in January 2015;

- *Waiver of the Payment of Passenger Use Tariffs for Certain Governmental Authorities*: PdS has agreed to waive the payment of passenger use tariffs for diplomats, members of the Defense Ministry assigned to United Nation's peace keeping missions or other international organizations and children under the age of two;

- *Airport Security System*: PdS agreed to replace Carrasco International Airport's current security system with an integrated security system;

- *New Taxi Way*: PdS agreed to build a new taxi way before the termination date of the Concession Agreement, or earlier, if required by the OACI regulations based on Carrasco International Airport traffic statistics; currently the airport does not have sufficient traffic to require the construction of the taxi way and expects to construct the taxi way in the final years of the Concession; and

- *Change of Control of PdS*: In general terms, a change of control of PdS is not subject to approval by the Uruguayan government, nor would it require any type of permit or authorization. However, under the terms of the amendment to the Concession Agreement, it was agreed that if the shares of PdS are sold within the 36 months after the execution of the amendment, PdS will be required to pay to the Uruguayan government 50% of the benefit resulting from the sale, which is defined as the total consideration to be obtained from the sale minus investment costs. PdS is prohibited from assigning the Concession Agreement, in whole or in part, without the prior and express authorization of the Executive Branch. Any new concessionaire would have to comply with the terms of the Concession Agreement.

Guarantees

Under the Concession Agreement, PdS is required to provide the following guarantees:

- A guarantee securing the completion of the construction works of the new terminal. A US$1.5 million completion guarantee is in place concerning Group 1 and 2 works, while a US$2.0 million completion guarantee is in place concerning Group 3 and 4 works. PdS has unofficially agreed with the Unidad de Control that once the sewage works have been completed and the two 20,000 liter water tanks have been installed, the works will be deemed completed and both guarantees returned.

- A performance guarantee in the amount of US$6.0 million. This guarantee will be returned six months after the expiration of the Concession Agreement.

Insurance

See "Business—Insurance."

Termination

The Concession Agreement by its terms will be terminated on November 20, 2033.

Termination Upon Breach by PdS

The Concession Agreement may be terminated by the Defense Ministry (with prior approval of the Executive Branch) upon due notification to PdS, upon repeated and material breaches of the Concession Agreement by PdS. The Concession Agreement does not expressly set forth a definition of a material breach of the Concession Agreement; however the Concession Agreement provides certain examples, including:

- delay in the payment of annual fees to DINACIA for the concession of Carrasco International Airport;

- charging amounts over the maximum permitted under the Concession Agreement;

- provision of services repeatedly in an incorrect or not efficient manner; and

- assignment of the Concession Agreement without the prior approval of the Defense Ministry.

Upon a breach of the Concession Agreement by PdS, the Defense Ministry will be entitled to:

- foreclose upon all collateral posted by PdS under the Concession Agreement to guarantee performance of its obligations;

- take control of Carrasco International Airport and all its assets; and

- claim all damages suffered by Carrasco International Airport as well as request payment of all credit owed to the Defense Ministry.

Unilateral Termination by the Uruguayan Executive Branch

The Defense Ministry may unilaterally terminate the Concession Agreement if prior approval from the Executive Branch is obtained and only due to reasons based on "public interest" that required the Concession Agreement to be terminated.

Upon the unilateral termination of the Concession Agreement, PdS shall be entitled to receive termination payments calculated as follows:

- the performance guarantee posted under the Concession Agreement, plus
- the value of all investments made in construction, reparation of buildings made in accordance with the Concession Agreement, less accumulated depreciation, plus
- a portion of the amount paid in the auction in August 2003 (US$34.0 million) to purchase shares of PdS.

Termination Upon Terminal Destruction

In an event of force majeure (e.g., the destruction of Carrasco International Airport or severe damage that prevents Carrasco International Airport's operations), the Defense Ministry will be entitled to terminate the Concession Agreement without paying the termination payment to PdS and collects all of the indemnification payments under all Carrasco International Airport's insurance policies.

Alternatively, the Defense Ministry could request PdS to re-build Carrasco International Airport if the reconstruction of the airport does not alter the terms of the Concession Agreement.

Termination Upon Agreement Between PdS and the Defense Ministry

The Concession Agreement may be terminated by mutual agreement (with prior approval of the Uruguayan Executive Branch). No termination fee is payable by any party in this circumstance.

Return of Facilities

Upon the expiration of the term, or termination, of the Concession Agreement, the Concession Agreement provides that the Uruguayan government will take full possession of Carrasco International Airport´s premises, and all of its facilities and installations. The works and equipment incorporated by PdS will also be transferred to the Defense Ministry.

In the event that the facilities, installations, or equipment became obsolete or are not of interest to the Uruguayan government, PdS may be required to remove, update or demolish the same. If PdS fails to comply with the aforementioned obligation, the Defense Ministry may perform the mentioned activities at PdS' cost.

After the Concession Agreement term has expired or been terminated, PdS will have a period of 180 calendar days to deliver the premises in perfect condition, other than normal wear and tear.

Governing Law

The Concession Agreement is governed by the laws of Uruguay.

Dispute Resolution

Under the Concession Agreement all disputes over "technical matters" between PdS and the Defense Ministry will be resolved before an arbitration tribunal meeting in Uruguay. The arbitration award will not be subject to any kind of appeal or review.

All other "non-technical" disputes are to be resolved before Uruguayan courts. The Concession Agreement does not provide a definition of "technical matters" and it could be a matter of discussion in each case whether the issue subject to dispute falls within this definition.

MANAGEMENT

Boards of Directors

The Issuer

Pursuant to its organizational documents, the Issuer may be managed, at the election of the general meeting of its shareholders, by: (a) a sole director, (b) two joint and several directors, (c) two joint directors, or (d) a board of directors. Directors will be appointed for six years. This period is the same for all directors, without prejudice to any re-election or the power of the general meeting to dismiss a director at any time. If the Issuer's governing body is a board of directors, and if a vacancy arises during a director's appointment, and no substitute is appointed, the board can designate from among the shareholders a person to fill this vacancy until the next general meeting of shareholders.

The Issuer's governing body consists of a board of directors. The following table sets forth the members of the Issuer's board of directors and their respective ages and positions at February 28, 2015:

Name	Age	Position
Daniel Guillermo Simonutti	61	Chairman
Intertrust (Spain), S.L.	N/A	Vice-Chairman
Jorge Alberto Del Aguila	27	Director - Secretary
Martin Eurnekian	36	Director

Biographical Information

Set forth below is biographical information pertaining to the members of the Issuer's board of directors. The business address for each of the Issuer's directors is Hermosilla, 11, 4th floor, 28001 Madrid, Spain.

Daniel Guillermo Simonutti. Mr. Simonutti is Finance Director of Corporación América Group. He currently leads the Finance Department of the Holding Group and is responsible for the financial performance of all of the Group's business units: airports, infrastructure, agribusiness, finance and technology, among others. He is also actively involved in the management of airport concessions, as well as other businesses related to the airport division. Mr. Simonutti began his professional career in the Group in 1982 as Project Leader in the development and implementation of cable TV systems in Cablevisión S.A. Mr. Simonutti attended Universidad Nacional de Rosario where he obtained a degree in Accounting.

Intertrust (Spain), S.L.U ("Intertrust"). Intertrust is a Spanish limited liability company (*sociedad de responsabilidad limitada*) established in 1994, having its seat and its place of business at Calle Hermosilla 11, 4º, 28001 Madrid, Spain, with Tax I.D. number B-80911837 and registered in the Trade Register of Madrid at Volume: 8.524, Book: 0, Page: 1, Section: 8 and Sheet: M-137331, 1st Inscription. Intertrust group is a leading provider of trust and corporate services, which includes the incorporation, management, domiciliation and administration of companies under various jurisdictions and related financial services. Intertrust has appointed Mrs. Carmen Rózpide Orbegozo as its representative in its role as the Vice-Chairman of the board of directors of the Issuer.

Jorge Alberto Del Aguila. Mr. Del Aguila joined Corporación America in 2010 and, since 2011, has been Head of Investment in Argentina and abroad, particularly in Armenia, in connection with Converse Bank CJSC, Zvartnots International Airport, Haypost (Armenia's postal company) and Tierras de Armenia, one of the main wine projects in the country. Mr. Del Aguila attended Universidad del CEMA where he obtained a degree in Political Sciences.

Martin Eurnekian. Mr. Eurnekian has been chairman of PdS since December 29, 2006. Mr. Eurnekian is also the CEO of the airport division of Corporación America group and is a member of the boards of directors of all airport operating companies controlled by the group. Mr. Eurnekian has more than 15 years of experience in managing different businesses (retail, services and construction/engineering) in seven different countries (Argentina, Uruguay, Brazil, Ecuador, Peru, Italy and Armenia). In particular, Mr. Eurnekian has led the processes associated with evaluating, acquiring and constructing (or re-modeling), and is involved in the management of the following airports, in addition to Carrasco International Airport: Punta del Este (Uruguay), Chinchero/Cusco (Peru), Guayaquil

(Ecuador), Brasilia (Brasil), Natal (Brasil), Pisa and Firenze (Italy), among others. Mr. Eurnekian holds an Engineering degree in Information Technology from Universidad de Belgrano, Argentina.

Cerealsur

Cerealsur's board of directors consists of two directors. If a vacancy occurs, the board of directors, pursuant to the Uruguayan Companies Law, may elect a temporary director to fill the vacancy until the next general shareholders' meeting, at which time all members of the board of directors shall come up for election. The following table sets forth the members of Cerealsur's board of directors and their respective ages and positions at February 28, 2015:

Name	Age	Position
Martin Eurnekian..	36	Chairman
Raul Galante..	54	Vice-Chairman

Biographical Information

Set forth below is biographical information pertaining to the members of Cerealsur's board of directors. The business address for each of Cerealsur's directors is Colonia 993, 6th Floor, Montevideo, Uruguay.

See "—The Issuer—Biographical Information" for a biography of Mr. Eurnekian.

Raul Galante. Mr. Galante was appointed as vice-chairman on June 5, 2014. He has more than 15 years of experience in retail and airport businesses. During the last five years he has served as CFO for the group's companies in Uruguay, including duty free, airports, and cargo terminal. He formerly acted as Finance Manager for the Exxel Group, Compañía Minera San José S.A., and Maltería Uruguay S.A. Mr. Galante holds a Public Accountant degree from Universidad de la República, Uruguay.

PdS

PdS's board of directors consists of three directors, and their respective alternates. If a vacancy occurs, the board of directors may elect a temporary director to fill the vacancy until the next annual general shareholders' meeting, at which time all members of the board of directors shall come up for election.

The following table sets forth the members of PdS's board of directors and their respective ages and positions at February 28, 2015:

Name	Age	Position
Martin Eurnekian..	36	Chairman
Diego Arrosa...	37	Director
Raul Galante..	54	Director
Hugo Eurnekian..	32	First Alternate Director
Cesar Carabelli..	67	Second Alternate Director
Martin Cossatti..	38	Third Alternate Director

Biographical Information

Set forth below is biographical information pertaining to the members of board of directors of PdS, who are not members of the board of directors of Cerealsur.

See "—The Issuer—Biographical Information" for a biography of Mr. Eurnekian. See "—Cerealsur—Biographical Information" for a biography of Mr. Galante.

Diego Arrosa. Mr. Arrosa was appointed to the board of directors of PdS on April 18, 2012. He has more than 10 years of experience in managerial positions in both, retail and airport businesses; and has served as the general manager of PdS since 2012. From 2008 to 2012, he was the general manger of the duty free business of Corporación América. Mr. Arrosa holds a Business Administration degree from Universidad de Montevideo, Uruguay.

Cesar Carabelli. Mr. Carabelli was appointed to the board of directors of PdS on June 5, 2014. He has more than 15 years of experience in the airport business. He has had an active role in Corporación America businesses all over the world acting as its infrastructure, corporate purchasing and hiring manager. Mr. Carabelli holds an Industrial Engineering degree from Instituto Tecnológico de Buenos Aires, Argentina.

Hugo Eurnekian. Mr. Eurnekian was appointed to the board of directors of PdS on June 5, 2014. He has more than 10 years of experience in the airport business. He currently serves as the chairman of Corporación America. Hugo Eurnekian is the brother of Martin Eurnekian.

Martín Cossatti. Mr. Cossatti was appointed to the board of directors of PdS on June 5, 2014. He has more than 15 years of experience in financial, planning and audit positions, and for the last 10 years, he has specialized in the airport's businesses. He currently holds the position of planning manager at PdS. Mr. Cossatti holds a Public Accountant degree from the Universidad de la República, Uruguay.

Compensation

Neither the members of Cerealsur's or PdS's board of directors receive compensation for their service as directors. Neither Cerealsur nor PdS administers any pension or retirement program or incentive compensation plan for our directors or executive officers.

During the 12-month period ended December 31, 2014, the aggregate compensation paid to PdS senior management (excluding those who are also employee-directors) and to employee-directors was US$1.5 million and US$0.8 million, respectively. Cerealsur's and PdS directors' and members of the supervisory committee have waived their fees.

Senior Management of PdS

The following table sets forth information regarding the members of PdS's senior management team as of February 28, 2015.

Name	Age	Position
Eduardo Acosta	50	Business Development Director
Adrian Arroqui	38	Human Resources Manager
Ernesto Di Laudo	30	Commercial Manager
Casilda Echevarría	58	Legal Advisor
Jorge Navarro	47	Maintenance & Infrastructure Manager
Martín Radesca	41	Administration & Finance Manager
Nelson Rosano	55	Operations Manager
Federico Cabrera	35	Purchasing Manager
Cecilia Carriquiry	33	Business Development Manager
Ricardo Cerri	34	IT Manager
Martín Cedrani	34	OCC Manager

Eduardo Acosta. Mr. Acosta has more than 10 years of experience in business development areas, mainly in the airport industry. Mr. Acosta has a degree in Public Accounting from Universidad de la República, Uruguay.

Adrian Arroqui. Mr. Arroqui has more than 10 years of experience in human resource managing in multinational companies (Philip Morris Co., Kimberly-Clark Co.) in Latin America (Argentina, Colombia, Uruguay, Brazil, Paraguay, Chile, Peru and Bolivia). Mr. Arroqui has an Industrial Relations degree from Universidad Católica del Uruguay, and a master's degree in Human Resources Management from Universidad del Salvador, Argentina. He currently serves as the human resources manager of PdS.

Ernesto Di Laudo. Mr. Di Laudo was formerly the commercial and processes manager in Garbarino, a leading retail company in Argentina. Mr. Di Laudo has an Industrial Engineering and Systems degree from North Carolina State University. He currently serves as the commercial manager of PdS.

Casilda Echevarría. Ms. Echevarría has broad experience in public concessions and services, managing the legal issues for energy, airport and port industries. She currently serves as the internal legal advisor of PdS. Ms. Echevarría has a Law degree from Universidad de la República, Uruguay.

Jorge Navarro. Mr. Navarro has more than 15 years of experience managing maintenance areas in various industries. He currently serves as the maintenance and infrastructure manager of PdS. Mr. Navarro has an IT Engineering degree from Universidad del Trabajo, Uruguay.

Martín Radesca. Mr. Radesca has more than 10 years of experience in accounting and finance positions for multinational companies. He has been administration and finance manager of PdS since 2011. Mr. Radesca has a Public Accountant degree from Universidad de la República, Uruguay.

Nelson Rosano. Mr. Rosano has more than 10 years of experience in airport operations. Prior to joining PdS, he was an officer in the Uruguayan air force. He currently serves as the operations manager of PdS.

Federico Cabrera. Mr. Cabrera has more than 10 years of experience in purchasing positions. He has been leading the purchasing department of PdS since 2013. He was previously in charge of purchase department for Hipica Rioplatense, Uruguay. Mr. Cabrera holds a degree in International Trade from Universidad de la Empresa, Uruguay.

Cecilia Carriquiry. Ms. Carriquiry has been business development manager of PdS since 2013. She has experience in business analysis at multinational companies, such as Leadgate and Morgan Stanley. Ms. Carriquiry holds a degree in Chemical Engineering from the University of Pennsylvania and an MBA from the Harvard Business School.

Ricardo Cerri. Mr. Cerri has more than five years of experience in IT management. He worked for ABN AMRO BANK in Amsterdam for more than five years, as a senior engineer in global projects. He has been IT manager of PdS since April 2014. Mr. Cerri holds a degree in IT Engineering from Universidad de Belgrano, Argentina.

Martín Cedrani. Mr. Cedrani has more than three years of experience in the airport industry focusing in process analysis. He has been Operations Control Center manager of PdS since March 2015. Mr. Cedrani holds a degree in Industrial Engineering from Universidad de la República, Uruguay.

PRINCIPAL SHAREHOLDERS AND CORPORATE INFORMATION

Description of Principal Shareholders

Cerealsur owns all of the equity interests in PdS. The Issuer owns all of the equity interests in Cerealsur. All of the equity interests in the Issuer are directly owned by A.C.I. Airports International S.à r.l., a private limited liability company incorporated under the laws of the Grand Duchy of Luxembourg, which, in turn, is indirectly controlled by SCF, a private foundation, incorporated under the laws of Principality of Liechtenstein. SCF is controlled by an independent board of directors.

The Issuer's share capital consists of 500,000 ordinary shares, numbers 1 to 500,000, par value €1 each, all of which are fully paid-up and are owned by A.C.I. Airports International S.à r.l. Each ordinary share confers on its holder the right to attend general shareholders' meetings, vote, challenge company resolutions, and participate in the distribution of earnings of the Issuer and in any surplus assets resulting from liquidation, as well as other rights inherent in the holder's status as shareholder under applicable Spanish law.

Cerealsur's Distribution Policy

Neither Cerealsur nor PdS have a dividend policy. However, PdS paid cash dividends to Cerealsur, its sole shareholder, in the amount of US$25,309 thousand and US$8,187 thousand in respect of the fiscal years of PdS ended December 31, 2013 and 2012. PdS has not declared a dividend in respect of the fiscal year ended December 31, 2014.

Cerealsur's Articles of Incorporation

Cerealsur was incorporated on November 5, 2002 as a corporation (*sociedad anónima*) under the laws of Uruguay. Cerealsur's Bylaws were approved by the *Auditoría Interna de la Nación* (National Internal Audit Office) on December 2, 2002, and registered in the *Registro de Personas Jurídicas Sección Comercio* (Public Registry of Commerce) on January 22, 2003 under number 421 and published in the *Diario Oficial* (Official Gazette) on February 4, 2003. Pursuant to Cerealsur's Bylaws, its term of duration expires on April 30, 2113. On October 13, 2005, Cerealsur was transformed into a limited liability company (*sociedad de responsabilidad limitada).* The aforementioned transformation was registered in the *Registro de Personas Jurídicas Sección Comercio* (Public Registry of Commerce) on October 24, 2005 under number 9,035, and duly published in the Official Gazette on October 27, 2005. Cerealsur's Bylaws were subsequently amended on December 5, 2006, incorporating into its corporate purpose the ability to invest in Uruguay or abroad. This amendment was registered in the *Registro de Personas Jurídicas Sección Comercio* (Public Registry of Commerce) on December 8, 2006 under number 26,267 and published in the *Diario Oficial* (Official Gazette) on December 21, 2006. On April 30, 2013, Cerealsur was once again transformed into a corporation (*sociedad anónima*), registered in the *Registro de Personas Jurídicas Sección Comercio* (Public Registry of Commerce) on December 17, 2013 under number 23,194 and published in the *Diario Oficial* (Official Gazette) on December 18, 2013.

Cerealsur's Corporate Purpose

Pursuant to article 2 of Cerealsur's Bylaws its main purpose is to participate in other companies, being an investment company as set forth in section 47 of the Uruguayan Companies Law. Additionally, Cerealsur's secondary purpose is to perform the following activities:

- Industrialize and commercialize goods and services related to food, home and office appliances, construction, leather, electronics, electrical engineering, teaching, shows, photography, fibers, hotel, informatics, wool, library, cleaning, woods, machines, works of engineering, optics, paper, fishing, advertising, chemistry, professional, technical and administrative services, textile, tourism, securities, clothing.

- Investments in securities, bonds, coins, loans with own resources.

- Imports, exports, representations, commissions and consignations.

- Purchase, sale, lease, management, construction and all kinds of operations related to real estate properties, with the exception of rural properties.

Limited Liability

Members of the board of directors of Cerealsur are not liable (in principle) for the credits owed by the Company, when acting as directors of the Company. However, Section 391 of the Uruguayan Companies Law provides that directors are personally and jointly liable for any damages caused to a company arising from their misconduct as directors of such company. The law grants a company, its shareholders and third parties in certain cases, the right to claim such liability. The definition of misconduct for legal purposes consists of:

- acting against the law;

- acting against what the by-laws and articles of incorporation of the company establish;

- not complying with their duty of loyalty to the company; or

- not complying with their duty of care vis-à-vis the company. In particular, the doctrine and Uruguayan court rulings have defined that conduct such as the use for personal profit of confidential information or information that the directors get to know by means of their positions as such directors of such company, or the use of corporate opportunities by directors, all qualify as events against such duty of loyalty.

Regarding shareholders' liability, according to Section 244 of the Uruguayan Companies Law their liability is limited to the capital contributed or committed. The principal obligation of the shareholders is to comply with the integration of the paid-in capital. Section 318 of the Uruguayan Companies Law establishes that if a shareholder does not comply with such obligation, it is forced to pay such sum plus the current bank interest and compensatory damages.

The Uruguayan legal framework provides a principle that shareholders' liability for losses is limited to their equity invested. Notwithstanding the foregoing, the Uruguayan Companies Law provides other assumptions where there may be shareholders' liability:

- Section 324 of the Uruguayan Companies Law refers to the abuse of the right to vote;

- Section 372 of the Uruguayan Companies Law refers to resolutions that are left without effect; and

- Section 325 of the Uruguayan Companies Law refers to conflicts of interests.

The abuse of the right to vote implies the responsibility of the shareholder for the damages caused by the abusive exercise of the right to vote. Under Section 372 the Uruguayan Companies Law, shareholders who voted in favor of a resolution that is subsequently declared void by a court may be held jointly and severally liable for damages resulting from such resolution to such company, other shareholders or third parties. Pursuant to Section 325 of the Uruguayan Companies Law a shareholder who votes on a business transaction in which the shareholder's interest conflicts with that of the company may be liable for damages under the Uruguayan Companies Law, but only if the transaction would not have been validly approved without such shareholder's vote.

Capitalization

Cerealsur may increase its paid-in capital or its contractual capital upon authorization by its shareholders at an extraordinary shareholders' meeting (*asamblea extraordinaria*). Capital increases that imply an increase in the contractual capital must be registered with the public registry of commerce referred to as the Registro Nacional de Comercio and published in the Official Gazette and another newspaper. Capital reductions may be voluntary or mandatory and must be approved by the shareholders at an extraordinary shareholders' meeting when the reduction implies a reduction in the contractual capital and must be registered with the Registro Nacional de Comercio, and published in the Official Gazette and a another newspaper. Capital reductions may be opposed by creditors; if opposed, opposing creditors must be paid or a guarantee for the amount outstanding must be posted in their favor. In case of discrepancies as to the amount and nature of the guarantee among the company and the creditors, the dispute shall be settled by a competent judge.

According to section 293 of the Uruguayan Companies Law reductions in capital are mandatory when losses have depleted reserves and exceed 50% of capital.

Preemptive Rights and Increases of Share Capital

Pursuant to Cerealsur's Bylaws and Section 326 of the Uruguayan Companies Law in the event of an increase in its share capital, each of its existing shareholders has a preemptive right to subscribe for new shares in proportion to such shareholder's share ownership. For any shares of a class not preempted by any shareholder of that class, the remaining holders of the class will be entitled to accretion rights based on the number of shares they purchased when they exercised their own preemptive rights.

Additionally, Section 330 of the Uruguayan Companies Law permits shareholders at an extraordinary shareholders' meeting (*asamblea extraordinaria*) to suspend or limit the preemptive rights relating to the issuance of new shares in specific and exceptional cases in which the importance of the increase requires such action and, additionally, under the following specific conditions:

- the issuance is expressly included in the agenda to be addressed at the shareholders' meeting; and
- the shares to be issued are to be paid in-kind or in exchange for payment under pre-existing obligations.

Shareholders' Meetings and Voting Rights

Pursuant to the Uruguayan Companies Law and according to Cerealsur's Bylaws shareholders' meetings may be called by its board of directors or by its internal comptroller, if appointed, or at the request of the shareholders representing no less than 20% of the paid-in capital. Any meetings called at the request of shareholders must be held within 40 days after the request is made. If the meeting is not called, any of the directors, the members of the internal comptroller body, the Uruguayan Comptroller Agency (*Auditoría Interna de la Nación*, which regulates and oversees Uruguayan corporations), or a competent court may call the meeting. Any shareholder may appoint any person as its duly authorized representative at a shareholders meeting by granting a proxy.

According to article 8 of Cerealsur's Bylaws, the following matters can be considered only at an extraordinary shareholders' meeting (*asamblea extraordinaria*):

- matters within the scope of authority of an ordinary shareholders' meeting that need urgent consideration;
- an amendment of the Bylaws;
- reductions in its share capital;
- increase of capital pursuant to Section 284 of the Uruguayan Companies Law;
- redemption, reimbursement and amortization of its shares;
- designation and removal of the liquidators (in case of liquidation of the company, the liquidators would be the persons in charge of the liquidation in view of the appointed board of directors);
- mergers, and other corporate changes, including dissolution and winding-up;
- limitations or suspensions to preemptive rights to the subscription of the new shares as set forth in Section 330 of the Uruguayan Companies Law; and
- issuance of debentures, convertible negotiable obligations and bonds.

In accordance with Cerealsur's Bylaws, ordinary and extraordinary shareholders' meetings (*asamblea extraordinaria*) are subject to a first and second quorum call, the second to occur upon the failure of the first. The first and second notice of ordinary and extraordinary shareholders' meetings may be made simultaneously. In the event that both are made on the same day, the second must occur at least one hour after the first. If simultaneous notice was not given, the second notice must be given within 30 days after the failure to reach quorum at the first. Such notices must be given in compliance with applicable regulations.

A quorum for an ordinary shareholders' meeting on the first call requires the presence of a number of shareholders holding a majority of the shares entitled to vote and, on the second call, the quorum consists of the number of shareholders present, whatever that number. Decisions at ordinary shareholders' meetings must be approved by a majority of the votes validly exercised by the shareholders.

A quorum for an extraordinary shareholders' meeting (*asamblea extraordinaria*) on the first call requires the presence of shareholders holding 60% of the shares entitled to vote and, on the second call, the quorum requires the presence of persons holding 40% of the shares entitled to vote. Failure to meet any of the abovementioned quorums, a new call shall be held for an extraordinary meeting with the present shareholders, whatever that number is. Decisions at extraordinary shareholders' meeting (*asamblea extraordinaria*) generally must be approved by a majority of the votes validly exercised.

However, pursuant to Section 356 of the Uruguayan Companies Law, all shareholders' meetings, whether convened on a first or second quorum call, or whether ordinary or extraordinary, require the affirmative vote of the majority of shares with right to vote in order to approve the following decisions:

- issuance of new preferred shares;
- limitations or suspensions to preemptive rights to the subscription of the new shares as set forth in section 330 of the Uruguayan Companies Law;
- early winding-up of the company;
- transfer of the domicile of the Company outside of Uruguay;
- fundamental change to the purpose of the company;
- total or partial mandatory repayment by the shareholders of the paid-in capital; and
- a merger or a spin-off, when the Company will not be the surviving company.

Dividend and Liquidation Rights

According to the Uruguayan Companies Law, dividends may be distributed to shareholders if they result from realized and net earnings of the company pursuant to a balance sheet approved by the shareholders. Dividends could exceed net earnings, for example, as a result of (i) a resolution to distribute net earnings generated in a previous fiscal year in which such earnings were not distributed; (ii) a resolution to cancel an extraordinary reserve (not the legal reserve, which is mandatory); or (iii) a resolution to reduce the legal reserve if it exceeds 20% of paid-in capital. The board of directors of Cerealsur submits the Company's financial statements for the previous financial year, together with the reports of its internal comptroller, to the annual ordinary shareholders' meeting. The distribution, amount and payment of dividends, if any, must be approved by the affirmative vote of the majority of the present votes with right to vote at the meeting.

Declarations of dividends are based upon the results of operations, financial condition, cash requirements and future prospects, as well as restrictions under debt obligations and other factors deemed relevant by the board of directors and shareholders of the Company.

According to the Uruguayan Companies Law, net income is allocated in the following order: (i) 5% is retained in a legal reserve until the amount of such reserve equals 20% of the company's share capital; (ii) dividends on preferred stock or common shares or other amounts may be retained as a voluntary reserve, contingency reserve or new account; or (iii) for any other purpose as determined by the company's shareholders at an ordinary shareholders' meeting.

Notwithstanding the foregoing, under Section 320 of the Uruguayan Companies Law, a minimum mandatory dividend of at least of 20% of net income must be distributed to shareholders. However, the right to receive the mandatory dividend may be suspended if (i) so decided at an ordinary or extraordinary shareholders' meeting by shareholders representing at least 75% of the company's capital; (ii) if the company has accumulated losses from previous fiscal years; or (iii) the dividend is directed to constitute a legal reserve of 20% of the paid in capital, as required under Section 93 of the Uruguayan Companies Law. Under (ii), the distribution of dividends would be suspended until the losses from previous fiscal years are covered. Under (iii), the dividends would be paid only if there is a balance after 5% of the net earnings have been applied to the legal reserve (no 5% will be applied if the legal reserve has reached 20% of the paid in capital). Under the applicable regulations, dividends are distributed pro rata in accordance with the number of shares held by each shareholder and within 90 days of approval in the case of dividends distributed as shares.

The payment of dividends may be anticipated when there are sufficient funds to that effect pursuant to an interim balance sheet showing the company has realized and net earnings sufficient to make such anticipated dividend payment. The resolution to pay anticipated dividends can be approved by the board of directors and then ratified by the shareholders' meeting. This implies that semi-annually the board of directors shall approve the payment of anticipated dividends and that the shareholders meeting shall ratify such resolution. In addition, pursuant to Section 97 bis of the Uruguayan Companies Law, companies that individually exceed a threshold of assets or net operating income are required to register their financial statements with the *Auditoría Interna de la Nación* within 180 days after the end of the fiscal year. The minimum threshold of assets or the net operating income has not been established yet. However, the Auditoría Interna de la Nación's criteria is that in the meantime, all the companies must proceed with such a registration. The law provides that if a company that is required to register its financial statements fails to do so, then it cannot distribute dividends until such registration is made. Both Cerealsur and PdS have made such registration with respect to the annual financial statements through 2013.

Approval of Financial Statements

Cerealsur's fiscal year ends on October 31 of each year, after which it prepares an annual report which is presented to the Company's board of directors and Internal Comptroller. The board of directors submits Cerealsur's financial statements for the previous financial year, together with the reports of the Internal Comptroller, to the annual ordinary shareholders' meeting, which must be held within 180 days of the close of its fiscal year, in order to approve its financial statements and determine the allocation of net income for such year.

Right of Dissenting Shareholders to Exercise their Appraisal Right

Whenever certain actions are approved at an extraordinary shareholders' meeting (asamblea extraordinaria) (such as the approval of a merger, a spin-off, a fundamental change of corporate purpose, a transformation from one type of corporation to another, a transfer of the domicile of the Company outside of Uruguay, increase of capital) any shareholder dissenting from the adoption of any such resolution may withdraw and receive the book value per share determined on the basis of the Company's latest financial statements, whether completed or to be completed, provided that the shareholder exercises its appraisal rights within ten days following the shareholders' meeting at which the resolution was adopted.

Notwithstanding the foregoing, Section 362.3 of the Uruguayan Companies Law as amended by Uruguayan Law No. 17,243 provides an exception for the exercise of the appraisal right for companies which are publicly traded. For publicly traded companies (companies whose shares are quoted in a stock exchange), there is no appraisal right for increases of capital, mergers and spin-offs.

In addition, to have appraisal rights, a shareholder must have voted against such resolution, in blank, refrain from voting or, in the case of shareholders who were absent from such meeting, must have duly communicated its intent to exercise such right within 30 days of the last publication in the Official Gazette of the resolution taken at the corresponding shareholders' meeting. Appraisal rights are extinguished with respect to a given resolution if such resolution is subsequently overturned at another shareholders' meeting that is held within 60 days of the previous meeting at which the original resolution was adopted.

Ownership Restrictions

The Concession Agreement does not expressly require an authorization from the Uruguayan government, nor any type of permission, consent or authorization, for a change of control of PdS. However, in connection with the concession term extension in September 2014, PdS agreed with the Uruguayan government that if shares of PdS were sold following 36 months after the amendment of the Concession Agreement, PdS would pay to the Uruguayan government 50% of the benefit resulting from the sale, such benefit being defined as the total consideration to be obtained from the sale compared with the investment costs.

Notwithstanding the foregoing, PdS may not assign the concession, in whole or in part, without the prior and express authorization of the Uruguayan Executive Branch. In order to request such authorization, which would be granted at the discretion of the Executive Branch, evidence is required that the new concessionaire will and can comply with the Concession Agreement.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The Company has engaged in, and will continue to engage in, transactions with its principal shareholders and other related parties, including, without limitation, the transactions described below. Except as described below, the Company believes that these arrangements generally are on terms at least as favorable as those that the Company could obtain from an unaffiliated third party, to the extent there are third parties that could provide comparable services. For more information regarding the relationships and transactions with related parties, see the notes to Cerealsur's special consolidated financial statements included elsewhere in this listing memorandum.

Services That the Company Provided to Affiliates

Drilpen S.A.

Since 2013, the Company has provided technical and operational assistance and engineering and management services related to the construction works of a wind farm to Drilpen S.A., a company organized under the laws of Uruguay and indirectly controlled by SCF, involved in the engineering and construction of wind farms. As of December 31, 2014 and 2013, Drilpen owed the Company US$919 thousand and US$56 thousand, respectively, in trade receivables. During the 12-month periods ended December 31, 2014 and 2013, the Company recorded revenue of US$864 thousand and US$408 thousand, respectively, corresponding to services provided by the Company to Drilpen.

Fingano S.A.

Since 2012, the Company has provided technical and operational assistance and engineering and management services related to the construction works of a wind farm to Fingano S.A., a company organized under the laws of Uruguay and indirectly controlled by SCF, involved in the engineering and construction of wind farms. As of December 31, 2014, 2013 and 2012, Fingano owed the Company US$0 thousand, US$51 thousand and US$0 thousand, respectively, in trade receivables. During the 12-month period ended December 31, 2014 the Company recorded revenue of US$84 thousand and credit memos for an amount of US$125 thousand. During the 12-month periods ended December 2013 and 2012, the Company recorded revenue of US$687 thousand and US$129 thousand, respectively, corresponding to services provided by the Company to Fingano.

Vengano S.A.

Since 2013, the Company has provided technical and operational assistance and engineering and management services related to the construction works of a wind farm to Vengano S.A., a company organized under the laws of Uruguay and indirectly controlled by SCF, involved in the engineering and construction of wind farms. As of December 31, 2014 and 2013, Vengano owed the Company US$0 thousand and US$28 thousand, respectively, in trade receivables. During the 12-month period ended December 31, 2014, the Company recorded revenue of US$46 thousand and credit memos for an amount of US$70 thousand. During the 12-month periods ended December 31, 2013 and 2012, the Company recorded revenue of US$239 thousand and US$0 thousand, respectively, corresponding to services provided by the Company to Vengano.

Corporación America S.A. and Inframerica Concesionaria Do Aeroporto de Brasilia S.A.

During 2013, the Company provided technical and operational assistance and management services to Corporación America S.A., a company organized under the laws of Argentina, and Inframerica Concesionaria Do Aeroporto de Brasilia S.A., a company organized under the laws of Brazil and each indirectly controlled by SCF, in connection with the launch of the concessions of the airports of Natal, Rio Grande do Norte and Brasilia in Brazil. No amounts from Corporación America were outstanding as of December 31, 2014. As of December 31, 2013, US$1,184 thousand was outstanding from Corporación America. During the 12-month periods ended December 31, 2014 and 2013, the Company recorded revenue of US$0 thousand and US$545 thousand, respectively, corresponding to services provided by the Company to Corporación America.

Services Provided by Affiliates to the Company

Proden S.A.

Proden S.A., a company organized under the laws of Argentina, and beneficially owned by SCF, has provided the Company with internal auditing, management control and financial assistance and technology outsourcing services since November 2007. No amounts were owed by the Company to Proden as of December 31, 2014. As of December 31, 2013 and 2012, US$12 thousand and US$4 thousand, respectively, were owed by the Company to Proden. During the 12-month periods ended December 31, 2014, 2013 and 2012, the Company recorded revenue of US$486 thousand, US$230 thousand and US$120 thousand, respectively, corresponding to services provided to the Company by Proden.

Other

TCU S.A.

The Company has granted TCU, a company indirectly controlled by SCF, a sub-concession relating to cargo services at Carrasco International Airport, pursuant to which, TCU provides cargo storage, stowage and warehouse services, "*puerto libre*" services and related international cargo services. Pursuant to the terms and conditions of the TCU sub-concession agreement, TCU pays the Company 40.0% of its gross invoices on a monthly basis. As of December 31, 2014, 2013 and 2012, TCU owed the Company US$1,129 thousand, US$1,188 thousand and US$612 thousand, respectively, in trade receivables. In addition, the Company owed TCU US$600 thousand in debt as of that dates due to a guarantee granted by TCU to the Company under the sub-concession agreement. During the 12-month periods ended December 31, 2014, 2013 and 2012, US$6,534 thousand, US$6,585 thousand and US$5,837 thousand, respectively, of the Company's revenue corresponded to amounts paid to the Company under the sub-concession agreement by TCU.

Liska Investment Corporation

Liska Investment Corporation, a company organized under the laws of British Virgin Islands, and beneficially owned by SCF, provided PdS certain guarantees under the Concession Agreement from 2003 to 2012. As of December 31, 2014, 2013 and 2012 no amounts were owed by the Company to Liska. During 12-month periods ended December 31, 2014, 2013 and 2012, US$0 thousand, US$0 thousand and US$443 thousand, respectively, of the cost of service provided of the Company corresponded to services provided by Liska to the Company. As of December 31, 2014 Liska owed the Company US$1,325 thousand in other receivables, for a credit granted. No interest is earned by the Company on these amounts.

Alaska Green Corporation

On August 20, 2004, the Company entered into a loan agreement, which was amended on January 17, 2007 and October 15, 2010, with Alaska Green Corporation, a company indirectly controlled by SCF, for an amount of €20.0 million, which was fully paid on March 28, 2014. In addition, on January 25, 2007, the Company entered into another loan agreement, with Alaska Green Corporation for an amount of US$21.0 million, which was fully paid on June 12, 2014.

DESCRIPTION OF THE NOTES

The Issuer will issue US$200,000,000 aggregate principal amount of 6.875% Senior Secured Guaranteed Notes due 2032 (the "*Notes*") under an indenture (the "*Indenture*") to be dated as of the Issue Date, among itself, Cerealsur S.A., as a Guarantor, and The Bank of New York Mellon, a New York banking corporation, as the trustee (in such capacity, the "*Trustee*"), paying agent (in such capacity, the "*Paying Agent*"), transfer agent and registrar, in a private transaction that is not subject to the registration requirements of the Securities Act. See "Transfer Restrictions." The Notes will be initially guaranteed by Cerealsur S.A. The Indenture will not incorporate or include any of the provisions of the U.S. Trust Indenture Act of 1939, as amended. The terms of the Notes are subject to the provisions of the Indenture.

Definitions of capitalized terms used in this section of this listing memorandum can be found under "—Certain Definitions." In this section, the term "*Issuer*" refers only to ACI Airport SudAmérica, S.A. and not to any of its Subsidiaries and the term "*Cerealsur*" refers to Cerealsur S.A., a wholly-owned Subsidiary of the Issuer.

The following description is a summary of the material provisions of the Indenture, the Notes and the Note Guarantee. The following description is not complete and is qualified in its entirety by reference to the provisions of the Indenture, the Notes, the Note Guarantee and the other Transaction Documents. Investors are urged to read the Indenture because it, and not this description, will define a Noteholder's rights under the Indenture and the Note Guarantee. Noteholders will be entitled to the benefits of, be bound by and be deemed to have notice of all of the provisions of the Transaction Documents. Copies of the Indenture and the other Transaction Documents are available upon request as set forth under "—Additional Information."

The registered holder of a Note (a "*Noteholder*") will be treated as the owner of such Note for all purposes. Only Noteholders will have rights under the Indenture.

Subject to compliance with the requirements described under "—Issuance of Additional Notes," the Issuer may also issue an unlimited amount of Additional Notes. Unless the context otherwise requires, for all purposes of the Indenture and this "Description of the Notes," references to the Notes include the Notes offered hereby and any Additional Notes actually issued.

General

The Notes

The Notes will:

- be a general senior obligation of the Issuer;
- be secured on a first-priority basis as described under "—Security";
- rank equally in right of payment with all of the Issuer's existing and future obligations that are not subordinated to the Notes;
- rank senior in right of payment to all existing and future obligations of the Issuer that are subordinated to the Notes;
- rank senior in right of payment to all existing and future unsecured indebtedness of the Issuer to the extent of the value of the Collateral;
- be effectively subordinated to the obligations of the Issuer preferred by statute or operation of law;
- be structurally subordinated to Permitted PdS Debt and other obligations of PdS until such time as PdS becomes a Guarantor; and

- be fully and unconditionally guaranteed by each Guarantor, as described under "—The Note Guarantee."

While the Notes will constitute senior secured obligations of the Issuer, it is expected that payments to Investors of principal and interest on the Notes will be made from funds on deposit in the Issuer Account or, should such funds be insufficient for such purposes, from funds in the Debt Service Reserve Account. See "—Accounts—Issuer Account" and "—Accounts—Debt Service Reserve Account." If amounts in the Debt Service Reserve Account are insufficient to cover any payment to Investors, and the Issuer does not otherwise make such payments on the Notes as and when they are due, each Guarantor, pursuant to its Note Guarantee, will be obligated to make such payments as and when due.

The Note Guarantee

Cerealsur will initially guarantee the Notes. Subject to certain conditions, PdS will guarantee the Notes at such time as the Existing PdS Notes are no longer outstanding and the documents pursuant to which the Existing PdS Notes were issued are of no further force and effect. See clause (o) under "—Certain Affirmative Covenants."

A Note Guarantee will:

- be a general senior obligation of each Guarantor;
- in the case of the Note Guarantee provided by Cerealsur, be secured on a first-priority basis as described under "—Security";
- rank equally in right of payment with each Guarantor's existing and future obligations that are not subordinated to its Note Guarantee;
- rank senior in right of payment to all existing and future subordinated indebtedness of each Guarantor;
- in the case of the Note Guarantee provided by Cerealsur, rank senior in right of payment to all existing and future unsecured indebtedness of Cerealsur to the extent of the value of the Collateral;
- in the case of the Note Guarantee provided by PdS, if and when issued, rank equally in right of payment to all existing and future unsecured indebtedness of PdS;
- be effectively subordinated to obligations of each Guarantor preferred by statute or operation of law; and
- be structurally subordinated to Permitted PdS Debt and other obligations of PdS until such time as PdS becomes a Guarantor.

So long as PdS is not a Guarantor, in the event of a bankruptcy, liquidation or re-organization of PdS, PdS will pay all the holders of its debt and trade creditors before it will be able to distribute any of its assets to Cerealsur or the Issuer. Each of the Issuer and Cerealsur are holding companies dependent upon the payment of dividends by PdS in order to satisfy its obligations under the Notes. See "Risk Factors—Risks Relating to the Notes, the Guarantees and the Collateral—The only source of payments on the notes will be dividends paid by PdS, which may not be able to generate sufficient cash flows to meet its debt service obligations and make dividend payments," "—PdS's level of indebtedness could adversely affect its financial condition and prevent PdS from paying dividends that are the source of payments on the notes" and "—PdS's ability to pay dividends to Cerealsur is limited by certain restrictive covenants in its debt instruments."

Each Guarantor will be released from its obligations under its Note Guarantee and the relevant Security Documents to which it is a party upon legal defeasance or satisfaction and discharge of the Indenture as provided under "—Defeasance" and "—Satisfaction and Discharge."

Principal, Maturity and Interest

The Notes will mature on November 29, 2032 (the "*Maturity Date*"), unless earlier redeemed in accordance with the terms of the Indenture. See "—Redemption at the Option of the Issuer" and "—Redemption at the Option of Noteholders Upon a Change of Control."

Interest on the Notes will be payable in arrears on a semi-annual basis and will accrue during each Interest Period from and including the Issue Date at a fixed rate of 6.875% *per annum*. Interest on the Notes will be calculated on the basis of a 360-day year consisting of 12 months of 30 days. Interest payments on the Notes will be made on each May 29 and November 29, commencing on November 29, 2015 (each such date, a "*Payment Date*"); provided that if any such day is not a Business Day, then such day will not be a payment date and the next day that is a Business Day will be a Payment Date. Payments will be made on each Payment Date to the applicable Noteholder, in the case of Global Notes, on the New York Business Day immediately preceding such Payment Date, and in the case of definitive Notes, on the 7th New York Business Day immediately preceding such Payment Date (the "*Record Date*").

On each Payment Date, commencing on May 29, 2016, to the extent that a PdS Distribution Event has not occurred, the Noteholders as of the preceding Record Date will be entitled to receive, in addition to interest and Additional Amounts, if any, due with respect to the Notes, a principal payment corresponding to such Payment Date in the amount set forth below (an "*Anticipated Scheduled Principal Payment*").

Payment Date	Anticipated Scheduled Principal Payment	Payment Date	Anticipated Scheduled Principal Payment
May 29, 2016	US$250,000	November 29, 2024	US$7,236,570
November 29, 2016	US$1,000,000	May 29, 2025	US$7,813,490
May 29, 2017	US$2,250,000	November 29, 2025	US$8,129,790
November 29, 2017	US$2,500,000	May 29, 2026	US$8,039,890
May 29, 2018	US$3,500,000	November 29, 2026	US$8,056,330
November 29, 2018	US$3,500,000	May 29, 2027	US$8,482,690
May 29, 2019	US$700,000	November 29, 2027	US$8,601,260
November 29, 2019	US$250,000	May 29, 2028	US$8,821,620
May 29, 2020	US$700,000	November 29, 2028	US$8,956,380
November 29, 2020	US$1,800,000	May 29, 2029	US$9,175,360
May 29, 2021	US$2,500,000	November 29, 2029	US$9,342,320
November 29, 2021	US$1,500,000	May 29, 2030	US$9,940,910
May 29, 2022	US$5,500,000	November 29, 2030	US$10,173,420
November 29, 2022	US$6,449,470	May 29, 2031	US$9,896,680
May 29, 2023	US$7,500,000	November 29, 2031	US$9,923,750
November 29, 2023	US$6,818,860	May 29, 2032	US$10,313,200
May 29, 2024	US$6,924,930	November 29, 2032	US$3,453,080

If a PdS Distribution Event has occurred, the Issuer may elect to defer payment of all or a portion of two consecutive Anticipated Scheduled Principal Payments for up to two consecutive Interest Periods (such deferred amounts, "*Deferred Principal Payments*"). All Deferred Principal Payments will become due and payable on the third Payment Date immediately following the Payment Date on which the Issuer initially deferred an Anticipated Scheduled Principal Payment.

If a portion but not all of the Notes are redeemed, automatically upon such redemption the remaining Anticipated Scheduled Principal Payments will be reduced on a pro rata basis to reflect such partial redemption.

Security

Pursuant to the Security Documents, the obligations of the Issuer and Cerealsur under the Notes will be secured by a first priority security interest in the following (collectively, the "*Collateral*"), subject to Issuer/Cerealsur Permitted Liens:

(a) 100% of the shares of Cerealsur;

(b) 100% of the shares of PdS;

(c) the Cerealsur Distribution Account;

(d) the Issuer Account;

(e) the Debt Service Reserve Account;

(f) all present and future claims, demands or causes in action in respect of any of the foregoing; and

(g) all payments on or under and all proceeds of any kind and nature whatsoever in respect of any of the foregoing.

In addition, if after the Issue Date, the Issuer makes a Subsidiary Intercompany Loan, then the Issuer will be required to grant a first priority perfected security interest in such Subsidiary Intercompany Loan for the benefit of the Investors, subject to Issuer/Cerealsur Permitted Liens. See the provisions of clause (g)(ii) under "—Certain Affirmative Covenants."

The Collateral constituting shares of Cerealsur and PdS described in clauses (a) and (b) in the first paragraph of this section (the "*Share Collateral*") will be administered by the Collateral Agent, for the benefit of the Investors, pursuant to the terms of the Share Pledge Agreements and the Collateral Agency Agreement. The Share Pledge Agreements will be governed by the laws of Uruguay and will be subject to the jurisdiction of the courts of the city of Montevideo, Uruguay.

Under the Share Pledge Agreements, so long as no Event of Default has occurred and is continuing, the Issuer and Cerealsur, as applicable, will be entitled to exercise any and all voting rights, collect dividends and generally be able to exercise all rights as owner of the Share Collateral in respect of the Share Collateral.

Upon the occurrence and during the continuation of an Event of Default:

(i) all rights of the Issuer and Cerealsur to receive all cash dividends, interest and other payments made upon or with respect to the Collateral will cease and such cash dividends, interest and other payments will be paid to the Trustee pursuant to the Indenture for the benefit of Investors;

(ii) all voting or other consensual rights relating to the Share Collateral will become vested solely in the Collateral Agent for the benefit of Investors, and the right of the Issuer and Cerealsur to exercise any such voting and consensual rights will cease; and

(iii) the Collateral Agent and the Trustee for the benefit of Investors may distribute or sell the Collateral or any part of the Collateral in accordance with the terms of the Security Documents and the Collateral Agency Agreement.

The rights of Investors with respect to the Share Collateral must be exercised by the Collateral Agent (at the instruction of the Trustee acting at the written direction of the Required Noteholders), who will act on behalf of the Investors. Since Investors are not party to the Security Documents, Investors may not, individually or collectively, take any direct action to enforce any rights for their benefit under the Security Documents.

The value of the Collateral securing the Notes and the Note Guarantee of Cerealsur may not be sufficient to satisfy the Issuer's and Cerealsur's obligations under the Notes and Cerealsur's Note Guarantee, as the case may be. The value of the Collateral may be reduced or diluted under certain circumstances, including through the issuance of Additional Notes and the disposition of assets comprising the Collateral, subject to the terms of the Indenture.

The ability of Investors to realize upon the Collateral will be subject to various bankruptcy law limitations in the event of the Issuer's or Cerealsur's bankruptcy. See "Risk Factors—Risks Relating to the Notes, the Guarantees and the Collateral—Enforcing your rights as a holder of the notes or under the guarantees or with respect to the collateral in Spain and Uruguay may be difficult" and "—The guarantees and the pledge of the shares of PdS may only be enforceable on a limited basis, or not at all under certain circumstances."

The Issuer and Cerealsur will be entitled to the release of Collateral from the Liens under the Security Documents under any one or more of the following circumstances:

(A) if the Issuer exercises its legal defeasance or covenant defeasance option as described under "—Defeasance";

(B) upon satisfaction and discharge of the Indenture as described under "—Satisfaction and Discharge"; and

(C) upon consent of the Required Noteholders.

Accounts

Cerealsur Distribution Account and Cerealsur Operating Account

As of the Issue Date, the Trustee will establish and maintain in New York City, New York a special, segregated account in the name of Cerealsur (the "*Cerealsur Distribution Account*"). The Cerealsur Distribution Account will be under the sole control and dominion of the Trustee for the benefit of Investors. The Trustee will be the only entity entitled to withdraw amounts on deposit in such account.

The Indenture will provide that no later than three Business Days prior to each Payment Date, Cerealsur will cause PdS to: (a) deposit into the Cerealsur Distribution Account an amount equal to (i) PdS Distributions on Accounts *minus* (ii) the amount of Cerealsur Costs due and payable as of such date and that are expected to become due and payable during the immediately succeeding Interest Period, and (b) deposit such amount of Cerealsur Costs into an account maintained by Cerealsur in Uruguay for such purposes (the "*Cerealsur Operating Account*"); provided that, the amount of Cerealsur Costs permitted to be transferred to the Cerealsur Operating Account for costs and expenses described in clause (b) of the definition of "Cerealsur Costs" will not exceed, when taken together with any amounts already on deposit as of such date in the Cerealsur Operating Account, US$50,000.

The Cerealsur Operating Account will be under the sole control and dominion of Cerealsur and will not constitute Collateral. Cerealsur will be the only entity entitled to withdraw amounts on deposit in the Cerealsur Operating Account. If during any Interest Period, amounts on deposit in the Cerealsur Operating Account are not sufficient for Cerealsur to pay Cerealsur Costs due and payable during such Interest Period, then Cerealsur will deliver a transfer certificate (in the form attached to the Indenture) to the Trustee requesting the Trustee to draw on amounts available in the Debt Service Reserve Account or available to be drawn under the Reserve L/C in the amount of such deficiency and to transfer such amount to the Cerealsur Operating Account. See "—Debt Service Reserve Account."

The Indenture will provide that immediately upon amounts being deposited into the Cerealsur Distribution Account (but in no event later than the following New York Business Day), the Trustee will transfer all amounts on deposit in the Cerealsur Distribution Account to the Issuer Account.

Issuer Account

As of the Issue Date, the Trustee will establish and maintain in New York City, New York a special, segregated account in the name of the Issuer (the "*Issuer Account*"). The Issuer Account will be under the sole control and dominion of the Trustee for the benefit of Investors and the Trustee will be the only entity entitled to withdraw amounts on deposit in such account.

The Indenture will provide that on each Payment Date, the Trustee will apply amounts on deposit in the Issuer Account to make the payments set forth below in the following order of priority:

(a) *first*, to pay fees and expenses (but excluding indemnification payments, if any) then due and payable to the Trustee and the Agents;

(b) *second*, to the extent not otherwise paid pursuant to clause (a), to pay Issuer Costs then due and payable;

(c) *third*, to pay all accrued and unpaid interest (including Additional Amounts) due on the Notes;

(d) *fourth*, to pay Deferred Principal Payments, if any, and the Anticipated Scheduled Principal Payment due on the Notes;

(e) *fifth*, to transfer funds to the Debt Service Reserve Account an amount such that the amount on deposit in the Debt Service Reserve Account, together with any amounts available to be drawn under the Reserve L/C, if any, is equal to the Required Debt Service Reserve Amount;

(f) *sixth*, to pay indemnification payments, if any, due to the Trustee and the Agents;

(g) *seventh*, if a Retention Event has occurred and is continuing, to retain all amounts in the Issuer Account; and

(h) *eighth*, to the extent there are any remaining funds, to the Issuer, or at the direction of the Issuer and subject to the provisions of clause (h) under "—Certain Negative Covenants," to make Restricted Payments.

Debt Service Reserve Account

As of the Issue Date, the Trustee will establish and maintain in New York City, New York a special, segregated account in the name of the Issuer (the "*Debt Service Reserve Account*"). The Debt Service Reserve Account will provide a reserve for the payment of Cerealsur Costs, Issuer Costs, and principal and interest on the Notes.

The Indenture will provide that, as of the Issue Date and on each Payment Date (to the extent of available funds in the Issuer Account), the Debt Service Reserve Account will be funded in an amount (the "*Required Debt Service Reserve Amount*") equal to the following:

(a) for so long as the Existing PdS Notes are outstanding, the higher of:

 (i) the Anticipated Scheduled Principal Payment (but, for the avoidance of doubt, not taking into account any Deferred Principal with respect to such Anticipated Scheduled Principal Payment) and all accrued and unpaid interest (including Additional Amounts and default amounts, if any) due in respect of the Notes on the next Payment Date; and

 (ii) the sum of (x) all accrued and unpaid interest (including Additional Amounts and default amounts, if any) due in respect of the Notes on the next two Payment Dates *plus* (y) the amount of Fixed Costs due and payable or expected to be due and payable during the next two Interest Periods; and

(b) after all outstanding payment obligations under the Existing PdS Notes have been satisfied in full, the Anticipated Scheduled Principal Payment *plus* accrued and unpaid interest (including Additional Amounts and any default amounts, if any) due in respect of the Notes on the next Payment Date.

In lieu of funding the Debt Service Reserve Account with cash, the Issuer may deliver to the Trustee an irrevocable standby letter of credit issued by a banking institution having a Required Rating (a "*Reserve L/C*") in an amount that, together with amounts on deposit in the Debt Service Reserve Account, is at least equal to the Required Debt Service Reserve Amount. A Reserve L/C must have a term of no less than one year and will be drawable by the Trustee if not replaced at expiry with a letter of credit from an issuing bank having the Required Rating or following the failure of the issuing bank to maintain the Required Ratings. None of the Issuer, Cerealsur or PdS may be the account party in respect of any Reserve L/C, and no Reserve L/C will otherwise constitute Debt of the Issuer, Cerealsur or PdS or be secured by a Lien on any of their respective Property. In addition, the Trustee will be authorized to draw on the Reserve L/C as described below or if an Event of Default has occurred and is continuing.

The Indenture will provide that the Trustee will draw on amounts on deposit in the Debt Service Reserve Account or available to be drawn under the Reserve L/C(s) as follows:

(a) if, in any Interest Period, amounts on deposit in the Cerealsur Operating Account are not sufficient to pay Cerealsur Costs due and payable during such Interest Period, then upon receipt of a transfer certificate (in the form attached to the Indenture) from Cerealsur, the Trustee will draw up to the amount of any such deficiency first, on amounts on deposit in the Debt Service Reserve Account, and second, on amounts available to be drawn under the Reserve L/C, and transfer or deposit such amounts into the Cerealsur Operating Account; and

(b) if on any Payment Date, the amount on deposit in the Issuer Account is not sufficient to make the payments described in clauses (a) through (d) under "—Issuer Account," the Trustee will draw up to the amount of any such deficiency first, on amounts on deposit in the Debt Service Reserve Account, and second, on amounts available to be drawn under the Reserve L/C.

Retention Events

On each Payment Date, if there are any remaining funds on deposit in the Issuer Account after applying amounts as set forth in clauses (a) through (f) under "—Accounts—Issuer Account," the Trustee will retain such remaining funds in the Issuer Account if any of the following events (a "*Retention Event*") has occurred as of such Payment Date:

(a) the Distributions to Debt Service Ratio is less than 1.20:1.00;

(b) the Historical Distributions to Debt Service Ratio is less than 1.20:1.00;

(c) a Default or Event of Default has occurred and is continuing;

(d) a default or event of default has occurred and is continuing under the Existing PdS Notes and such event has not been cured within the applicable cure periods under the Existing PdS Notes; or

(e) Cerealsur or PdS is not permitted or is not able, for any reason, to make dividend payments.

On the New York Business Day prior to each Payment Date, the Issuer will deliver to the Trustee, an Officer's Certificate of the Issuer, certifying whether a Retention Event has occurred and is continuing and including a calculation of the Distributions to Debt Service Ratio and the Historical Distributions to Debt Service Ratio as of such Payment Date and the amount of Fixed Costs due and payable or expected to be due and payable during the next two Interest Periods.

The Issuer may cure the matters giving rise to a Retention Event in the case of a Retention Event described in clause (a) above, by causing the redemption of an aggregate amount of outstanding Notes at par as will be sufficient to increase the Distributions to Debt Service Ratio to 1.20:1.00 or better; provided that the Issuer will not be permitted to cure a Retention Event by a redemption of Notes more than three times during the life of the Notes.

If a Retention Event is cured or is no longer continuing, then on the immediately succeeding Payment Date; provided no other Retention Events have occurred and are continuing on such Payment Date, all amounts retained in the Issuer Account in connection with such Retention Event will no longer be retained and will be applied on such Payment Date in accordance with the second paragraph under "—Accounts—Issuer Account."

Issuance of Additional Notes

The Indenture will provide that the Issuer may, from time to time, without the consent of Noteholders, issue additional Notes ("*Additional Notes*") that (other than the issue price, issuance date, the first payment date, the date from which interest will accrue and, to the extent necessary, certain temporary securities law transfer restrictions) are identical to the Notes issued on the Issue Date; provided that the following conditions are met:

(a) the issuance of any such Additional Notes complies with the provisions of clause (a)(ii)(C) under "—Certain Negative Covenants";

(b) the remaining Anticipated Scheduled Principal Payments are increased on a *pro rata* basis to reflect such additional issuance, which increase will occur automatically upon the issuance of such Additional Notes; and

(c) the Debt Service Reserve Account shall, immediately after the issuance of such Additional Notes, be funded in an amount equal to the Required Debt Service Reserve Amount; it being understood that, the Issuer may deposit (or cause to be deposited) funds in the Debt Service Reserve Account, or may issue a Reserve L/C, for such purpose; and (d) the Trustee shall have received an Officer's Certificate of the Issuer that the conditions precedent to such issuance described in clauses (a) through (c) above have been fulfilled.

Additional Notes will be secured on a *pari passu* basis by the Collateral, will be consolidated and will form a single class with the Notes issued on the Issue Date, so that, among other things, holders of any Additional Notes will have the right to vote together with the Noteholders as one class. If such Additional Notes are not fungible with the Notes for U.S. federal income tax purposes, such Additional Notes will be issued with a separate CUSIP number.

Payments on the Notes

Payments on the Notes will be made by the Trustee directly to the Noteholders in accordance with the procedures set forth in the Indenture. Payments of interest, principal, Premium Amounts, if any, and Additional Amounts, if any, will be made on each Payment Date to the Noteholders as of the preceding Record Date. Payments to Noteholders will be made by electronic funds transfer in immediately available funds to an account maintained by such Noteholder with a bank having electronic funds transfer capability pursuant to transfer instructions provided to the Trustee or, if otherwise instructed by a Noteholder with respect to payments to it, by check sent by first-class mail to the address of such Noteholder appearing on the Register as of the relevant Record Date. Unless such designation for payment by electronic funds transfer is revoked, any such designation made by a Noteholder will remain in effect with respect to any future payments to such Noteholder. Payments of interest, principal, Premium Amounts, if any, and Additional Amounts, if any, with respect to the Global Notes will be made by the Trustee to DTC or its nominee, as the case may be, as the registered holder of the Global Notes. See "Book-entry; Settlement and Clearance."

Paying Agent and Registrar for the Notes

The Trustee will initially act as Paying Agent and Registrar for the Notes. The Issuer may appoint other paying agents instead of, or in addition to, the Trustee; provided that the Issuer will at all times maintain a Paying Agent through which payments under the Notes or the Note Guarantee are made (a) with a specified office in a place where it will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other directive amending, implementing or replacing such Directive or any law implementing or complying with, or introduced in order to conform to, such Directive, and (b) that is a United States Person or a Participating Foreign Financial Institution, as these terms are defined pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended, and the U.S. Treasury regulations thereunder ("*FATCA*"), any intergovernmental agreement between the United States and any other jurisdiction implementing or relating to FATCA, any law, regulation, guidance or interpretations enacted or issued in any jurisdiction with respect thereto, or any agreements entered into in connection with the implementation thereof.

The Issuer may change the Paying Agent, the Transfer Agent or the Registrar without prior notice to the Noteholders; provided that (a) while the Notes are outstanding, the Issuer will maintain a Paying Agent and Registrar in the Borough of Manhattan, The City of New York, State of New York and (b) if and so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and traded on the Euro MTF Market, the

Issuer will publish a notice of any change of the Paying Agent, Transfer Agent or Registrar in accordance with the requirements of such exchange.

Form of Notes; Minimum Denomination; Registration

The Notes will be issued in the form of global notes in registered form ("*Global Notes*") and will be issued in minimum denominations of US$200,000 principal amount and integral multiples of US$1,000. The Global Notes will be deposited on or about the Issue Date with the Trustee as custodian for (and registered in the name of) DTC. Except for the limited circumstances described in the Indenture, Beneficial Owners in Global Notes through DTC will not be entitled to receive physical delivery of certificated Notes. The Notes are not (and will not be) issuable in bearer form. See "Book-entry; Settlement and Clearance."

Additional Amounts

All amounts payable (whether in respect of principal, interest, Premium Amounts, or otherwise) in respect of the Notes and the Note Guarantee by the Issuer or a Guarantor, as the case may be, will be made free and clear of and without withholding or deduction for or on account of any present or future Taxes, unless the withholding or deduction of such Taxes is required by law. Subject to the following paragraph, in the event that such withholding or deduction is required by law, the Issuer or a Guarantor, as the case may be, shall pay such additional amounts ("*Additional Amounts*") as will result in receipt by Investors of such amounts as would have been received by them had no such withholding or deduction been required.

However, the Issuer will not be required to pay any Additional Amounts in respect of any Notes:

(a) in respect of which the Investor is liable for such Taxes by reason of it (or its fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over the Investor, if the Investor is an estate, nominee, trust, partnership, limited liability company) having some connection (whether present or former) with a Relevant Taxing Jurisdiction other than the mere holding of such Notes (or beneficial interests therein), the receipt of any payment or the enforcement of any rights thereunder;

(b) in respect of any Taxes that would have not been so imposed if the Investor had made a declaration of non-residence or had provided the corresponding tax residency certificate or had made any other claim or filing for exemption to which it is entitled (provided that (i) such declaration of non-residence or such tax residency certificate or other claim or filing for exemption is required by Applicable Law of a Relevant Taxing Jurisdiction as a precondition to the exemption from the requirement to deduct or withhold all or part of such Taxes and (ii) at least 90 days prior to the first payment date with respect to such declaration of non-residence or such tax residency certificate or other claim or filing for exemption is required under the Applicable Law of a Relevant Taxing Jurisdiction, the relevant Investor at that time has been notified by the Issuer that a declaration of non-residence or tax residency certificate or other claim or filing for exemption is required to be made), but, in each case, only to the extent that the Investor of such Notes is legally eligible to make such declaration or other claim or filing;

(c) presented for payment (where presentation is required) more than 30 days after the Relevant Date, except to the extent that the relevant Investor would have been entitled to such Additional Amounts on presenting the same for payment on the last day of such period of 30 days;

(d) presented for payment (where presentation is required) by or on behalf of an Investor who would have been able to avoid such withholding or deduction by presenting the relevant Notes to another paying agent;

(e) where the withholding or deduction is imposed on a payment to or for the benefit of an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other directive amending, implementing or replacing such Directive or any law implementing or complying with, or introduced in order to conform to, such Directive;

(f) in respect of any estate, inheritance, gift, sale, transfer, personal property, wealth, interest equalization or similar Taxes;

(g) any such Taxes payable otherwise than by deduction or withholding from payments under or with respect to such Notes;

(h) any withholding or deduction that is imposed pursuant to FATCA, any intergovernmental agreement between the United States and any other jurisdiction implementing or relating to FATCA, any law, regulation, guidance or interpretations enacted or issued in any jurisdiction with respect thereto, or any agreements entered into in connection with the implementation thereof;

(i) any Taxes deducted, withheld or imposed on, or with respect to, such Notes to the extent the Issuer has not received a duly executed and completed payment statement from the Paying Agent, as may be required in order to comply with the procedures set forth under Spanish Law 10/2014 of June 26, 2014, Royal Decree 1065/2007 of 27 July, as amended by Royal Decree 1145/2011, of 29 July and any implementing or substituting legislation or regulation thereof; or

(j) any combination of the above items.

In addition, Additional Amounts will not be payable with respect to any Taxes imposed on or with respect to any payment made by or on behalf of the Issuer to any Noteholder who is a fiduciary, a partnership, a limited liability company or person other than the Beneficial Owner of such payment to the extent that Taxes would not have been imposed had such Noteholder been the Beneficial Owner of such Notes.

The exceptions to the payment by the Issuer of Additional Amounts described above will not be applicable where the withholding or deduction for or on account of any present or future Taxes imposed or levied are required by a law other than Applicable Law of a Relevant Taxing Jurisdiction.

In addition, the Issuer and the Guarantors will also pay and indemnify Investors for any present or future stamp, issue, registration, transfer or similar levies or Taxes that are levied by any Relevant Taxing Jurisdiction in connection with the execution, delivery, issuance, registration or enforcement of the Notes, the Note Guarantee or the Indenture, or any other document or instrument referred to therein or any payment referred thereto.

For purposes of clause (c) above, "*Relevant Date*" means, in respect of any payment, the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the Paying Agent on or prior to such due date, it means the first date on which the full amount of such moneys have been so received and made available for such payment to Investors, with notice to that effect duly given to the Investors in accordance with the Indenture.

Any reference to principal, redemption amounts, interest, Premium Amounts or otherwise will be deemed to include Additional Amounts to the extent payable in respect thereof.

The above obligations will survive any termination or discharge of the Indenture, any transfer by an Investor of its Notes (or beneficial interests therein), and will apply, mutatis mutandis, to any jurisdiction in which any successor Person to the Issuer or a Guarantor is incorporated, organized, engaged in business or otherwise resident for tax purposes or any jurisdiction from or through which any payment on the Notes or the Note Guarantee is made or any political subdivision or taxing authority or agency thereof or therein.

Maintenance of Tax Procedures

On the Issue Date, the Issuer and the Paying Agent will enter into an agreement (the "*Paying Agency Agreement*") providing, among other things, for certain procedures to be followed in connection with payments on the Notes. The Paying Agency Agreement will provide for the timely provision by the Paying Agent of a duly executed and completed payment statement, substantially in the form set forth in the Paying Agency Agreement (a "*Payment Statement*") in connection with payment of income under the Notes, and sets forth certain procedures agreed by the

Issuer and the Paying Agent that aims to facilitate such process, along with the form of the Payment Statement to be used by the Paying Agent. In addition, the Issuer will agree in the Paying Agency Agreement to, so long as any principal amount of the Notes remains outstanding and insofar as it is practicable, maintain, implement or arrange for the implementation of procedures to facilitate the timely provision of a duly executed and completed Payment Statement in connection with each payment of income under the Notes or the collection of any other documentation concerning the Notes or the Beneficial Owners thereof that may be required under Spanish law to allow payments on the Notes to be made free and clear of Spanish withholding tax. However, there can be no assurance that it will be practicable to maintain, implement or arrange for the implementation of any such procedures or that they will be effective, in which case the Issuer may be required to make payments in respect of the Notes net of the Spanish withholding tax applicable to such payments (20% in 2015 and 19% beginning in January 2016) and pay Additional Amounts with respect to such withholding.

Under the Paying Agency Agreement, the Paying Agent must deliver a Payment Statement to the Issuer no later than 6:00 a.m. (New York City time) on the relevant Payment Date. If the Issuer believes that the information contained in the Payment Statement is incomplete or inaccurate or that the Payment Statement is otherwise not in compliance with Applicable Law, the Issuer will notify the Paying Agent and state the reasons for such belief. Following such notification, the Paying Agent shall deliver to the Issuer a further Payment Statement, revised if necessary, as reasonably determined by the Paying Agent, as soon as possible but in any event no later than 9:30 a.m. (New York City time) on the relevant Payment Date (the "*First Statement Deadline*"). If the Paying Agent delivers a duly executed and completed Payment Statement to the Issuer by the First Statement Deadline, the relevant payment will be made free and clear of Spanish withholding tax. Otherwise, the Issuer will be required to make payments in respect of the Notes net of Spanish withholding tax (20% in 2015 and 19% beginning in January 2016).

If the Paying Agent fails or for any reason is unable to deliver a duly executed and completed Payment Statement to the Issuer by the First Statement Deadline, the Paying Agent will use all reasonable efforts to deliver a Payment Statement to the Issuer as soon as possible but no later than 4:00 p.m. (New York City time) on the 10th calendar day of the month immediately following the relevant Payment Date (or if such day is not a New York Business Day, the first New York Business Day immediately preceding such day). If the Issuer believes that the information contained in the Payment Statement is incomplete or inaccurate or that the Payment Statement is otherwise not in compliance with the applicable regulation, the Issuer will notify the Paying Agent and state the reasons for such belief. Following such notification, the Paying Agent shall deliver to the Issuer a further Payment Statement, revised, if necessary, as reasonably determined by the Paying Agent, as soon as possible but in any event no later than 5:00 p.m. (New York City time) on the 10th calendar day of the month immediately following the relevant Payment Date (or if such day is not a New York Business Day, the first New York Business Day immediately preceding such day) (the "*Second Statement Deadline*"). If the Paying Agent delivers a duly executed and completed Payment Statement to the Issuer by the Second Statement Deadline, the Issuer will, no later than the 18th calendar day of the month immediately following the relevant Payment Date (or if such day is not a New York Business Day, the first New York Business Day immediately preceding such day), instruct the Paying Agent to, within one New York Business Day of such date, transfer to each DTC participant the amount initially withheld to such DTC participant for the benefit of Beneficial Owners.

If the Paying Agent fails or for any reason is unable to deliver a duly executed and completed Payment Statement to the Issuer by the Second Statement Deadline, Beneficial Owners will have to apply for a direct refund to the Spanish tax authorities in accordance with the following procedures of the Spanish tax authorities. Beneficial Owners entitled to receive income payments in respect of the Notes free of any Spanish withholding taxes may claim amounts withheld from the Spanish Treasury no earlier than February 1 of the year immediately following the year in which the relevant payment was made. The claim must be made within four years of the last day on which the Issuer has paid any amount so withheld to the Spanish Treasury (which is generally the 20th calendar day of the month immediately following the relevant Payment Date). The claim requires filing with the Spanish tax authorities, among other documents, (a) the relevant Spanish tax form, (b) proof of beneficial ownership and (c) a certificate of residency issued by the tax authorities of the country of tax residence of such Beneficial Owner. Further details of the direct refund process may be found through the Spanish Tax Administration, at the webpage as of the date hereof at www.agenciatributaria.es/AEAT.internet/en_gb/Inicio.shtml.

Redemption at the Option of the Issuer

Optional Redemption

At any time and from time to time after November 29, 2022, at the option of the Issuer, the Issuer may redeem all or part of the Notes upon not less than 30 nor more than 60 days' notice to Noteholders (which notice will be irrevocable and will be published in accordance with the procedures under "—Notices"), at the redemption prices (expressed as percentages of the principal amount) set forth below plus accrued and unpaid interest and Additional Amounts, if any, on the Notes redeemed to the applicable redemption date (the "*Fixed Redemption Premium*"); provided, however, that if the Notes are redeemed in part only, at least US$100,000,000 of the aggregate remaining principal amount of the Notes shall remain outstanding after any such partial redemption.

Date of Redemption	Percentage
Beginning on November 29, 2022 and ending on November 28, 2023...............	103.438%
Beginning on November 29, 2023 and ending on November 28, 2024...............	102.292%
Beginning on November 29, 2024 and ending on November 28, 2025...............	101.146%
Beginning on November 29, 2025 and thereafter	100.000%

At any time and from time to time prior to November 29, 2022, the Issuer will have the right, at its option, to redeem all or part of the Notes, upon not less than 30 nor more than 60 days' notice to Noteholders (which notice will be irrevocable and will be published in accordance with the procedures under "—Notices") at a redemption price equal to:

(a) 100% of the Principal Balance of the Notes being redeemed, *plus*

(b) accrued and unpaid interest and Additional Amounts, if any, to the redemption date, *plus*

(c) the Make-Whole Premium at the redemption date, subject to the right of Noteholders on the relevant Record Date to receive interest due on any Payment Date occurring on or prior to the redemption date;

provided, however, that if the Notes are redeemed in part only, at least US$100,000,000 of the aggregate remaining principal amount of the Notes shall remain outstanding after any such partial redemption.

Notwithstanding anything herein to the contrary, the Issuer may redeem the Notes at par to cure a Retention Event as described under "—Retention Events."

Optional Redemption for Change in Taxes

The Issuer may redeem the Notes in whole, but not in part, at any time upon giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at a redemption price equal to 100% of the Principal Balance, together with accrued and unpaid interest, if any, to the date fixed for redemption (a "*Tax Redemption Date*") (subject to the right of Noteholders to receive on the relevant Record Date to receive interest due on the relevant Payment Date) and Additional Amounts, if any, then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise, if (1) the Issuer determines that, as a result of:

(a) any change in, or amendment to, the law or treaties (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction, which change or amendment is publicly announced and becomes effective after the Issue Date (or, if a Relevant Taxing Jurisdiction became a Relevant Taxing Jurisdiction on a date after the Issuer Date, after such later date); or

(b) any change in position regarding the application, administration or interpretation of such laws, treaties, regulations or rulings (including by virtue of a holding, judgment or order by a court of competent jurisdiction or a change in published administrative practice) of a Relevant Taxing Jurisdiction, which change or amendment is publicly announced and becomes effective after the Issue Date (or, if a Relevant

Taxing Jurisdiction became a Relevant Taxing Jurisdiction on a date after the Issue Date, after such later date);

the Issuer is, or on the next Payment Date would be, required to pay any Additional Amounts, and such obligation cannot be avoided by taking reasonable measures available to it (including, for the avoidance of doubt, the appointment of a new Paying Agent in accordance with "—Paying Agent and Registrar for the Notes") or (2) the Issuer determines that Cerealsur or PdS would be required to pay withholding taxes (other than in respect of income taxes payable by Cerealsur or PdS in Uruguay) on dividends or distributions ("*Distribution Additional Amounts*") and such obligation cannot be avoided by taking reasonable measures available to it, Cerealsur or PdS.

Notice of redemption for taxation reasons will be published in accordance with the procedures under "—Notices." Notwithstanding the foregoing, no such notice of redemption will be given (i) earlier than 90 days prior to the earliest date on which the Issuer or a Guarantor would be obliged to pay Additional Amounts or Distribution Additional Amounts and (ii) unless at the time such notice is given, such obligation to pay Additional Amounts or Distribution Additional Amounts remains in effect.

Prior to the giving of any notice of redemption pursuant to this provision, the Issuer will deliver to the Trustee:

- an Officer's Certificate of the Issuer, stating that the Issuer is entitled to effect the redemption and setting forth a statement of facts showing that the conditions precedent to its right to redeem have occurred; and

- an Opinion of Counsel from legal counsel in a Relevant Taxing Jurisdiction of recognized standing to the effect that (1) the Issuer has or will become obligated to pay such Additional Amounts as a result of such change or amendment, and that the Issuer cannot avoid the obligation to pay such Additional Amounts by taking reasonable measures available to it or (2) Cerealsur or PdS has or will become obligated to pay Distribution Additional Amounts and such obligation cannot be avoided by taking reasonable measures available to it, Cerealsur or PdS.

The Trustee will accept such Officer's Certificate and Opinion of Counsel as sufficient evidence of the satisfaction of the conditions precedent described above, without further inquiry, in which event it will be conclusive and binding on Investors.

Optional Redemption Procedures

Notice of any redemption will be given at least 30 but not more than 60 days before the redemption date to Noteholders to be redeemed in accordance with the provisions described in "—Notices."

Notes called for redemption will become due on the date fixed for redemption. The Issuer will pay the redemption price for the Notes together with accrued and unpaid interest thereon to but not including the date of redemption. On and after the redemption date, interest will cease to accrue on the Notes as long as the Issuer has deposited with the paying agent funds in satisfaction of the applicable redemption price together with accrued and unpaid interest thereon pursuant to the Indenture. Upon redemption of the Notes by the Issuer, the redeemed Notes will be cancelled and cannot be reissued.

If a portion but not all of the Notes are being redeemed, the Notes to be redeemed shall be selected on a pro rata basis or by any other method the Trustee in its sole discretion shall deem fair and appropriate or, so long as the Notes are in global form, in accordance with DTC procedures (in integral multiples of US$1,000; provided that the remaining principal amount of such Noteholder's Note will not be less than US$200,000). Upon surrender of any Note redeemed in part, the Noteholder will receive a new Note equal in principal amount to the unredeemed portion of the surrendered Note. Once notice of redemption is sent to the Noteholders, Notes called for redemption become due and payable at the redemption price on the redemption date, and, commencing on the redemption date, Notes redeemed will cease to accrue interest (unless the Issuer defaults in the payment of the redemption price).

In addition to the Issuer's right to redeem the Notes as set forth above, the Issuer may purchase Notes in open market transactions, tender offers, or otherwise at any price, in compliance with Applicable Law. See "—Open Market Purchases."

Redemption at the Option of Noteholders Upon a Change of Control

If a Change of Control occurs, each Noteholder will have the right to require the Issuer to redeem all or any part (equal to US$200,000 or integral multiples of US$1,000 in excess thereof) of the Noteholder's Notes pursuant to an offer (a "*Change of Control Offer*") on the terms set forth in the Indenture. In the Change of Control Offer, the Issuer will offer a payment (a "*Change of Control Payment*") in cash equal to 101% of the aggregate principal amount of Notes redeemed plus accrued and unpaid interest and Additional Amounts, if any, on the Notes redeemed, to the date of redemption. Within 30 days following any Change of Control, the Issuer will deliver a notice to each Noteholder describing the transaction or transactions that constitute the Change of Control and offering to redeem the Notes on the date (the "*Change of Control Payment Date*") specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is delivered, pursuant to the procedures required by the Indenture and described in such notice. The Issuer will comply with Rule 14e-1 under the Exchange Act and any other Applicable Laws in connection with the redemption of the Notes and the Note Guarantee as a result of a Change of Control. If the provisions of any Applicable Laws conflict with the Change of Control provisions of the Indenture, the Issuer will comply with Applicable Laws and will not be deemed to have breached its obligations under the Change of Control provisions of the Indenture by virtue of such compliance.

On the Change of Control Payment Date, the Issuer will, to the extent lawful:

(a) accept for payment of all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;

(b) deposit with the Paying Agent or tender agent for such Change of Control Offer, as applicable, an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and

(c) deliver or cause to be delivered to the Trustee the Notes so accepted together with an Officer's Certificate stating the Principal Balance of Notes being redeemed by the Issuer.

The Paying Agent or tender agent for such Change of Control Offer, as applicable, will promptly deliver to each Noteholder of Notes properly tendered the Change of Control Payment for such Notes, and the Trustee will promptly authenticate and deliver (or cause to be transferred by book-entry) to each Noteholder a new Note equal in principal amount to any unredeemed portion of the Notes surrendered, if any; provided that each new Note will be in a principal amount of US$200,000 or, if greater, an integral multiple of US$1,000.

The provisions described above that require the Issuer to make a Change of Control Offer following a Change of Control will be applicable whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the Noteholders to require the Issuer to redeem the Notes in the event of a takeover, recapitalization or similar transaction.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Issuer and redeems all Notes properly tendered and not properly withdrawn under the Change of Control Offer. The Issuer will also not be required to make a Change of Control Offer following a Change of Control if it has thereto issued a redemption notice in respect of all the Notes in the manner and in accordance with the provisions described under "—Redemption at the Option of the Issuer" and thereafter purchases all the Notes pursuant to such notice.

Subject to the provisions of the Indenture, the Issuer could enter into certain transactions, including acquisitions, refinancing or other recapitalizations that, though not constituting a Change of Control, could increase the amount of outstanding Debt or otherwise affect the Issuer's capital structure or credit ratings. In addition, there is no assurance that the Issuer would be able to make payments for all Notes (or beneficial interests therein) tendered and accepted in a Change of Control Offer. While the Issuer may seek to obtain financing in order to make such payments, it may not be able to do so and its failure to make such payments when due would constitute an Event of Default. See "Risk Factors—Risks Relating to the Notes, the Guarantees and the Collateral—The Issuer may not be able to redeem the notes upon a change of control."

Open Market Purchases

To the extent permitted under Applicable Law, the Issuer and its Affiliates may at any time and from time to time acquire Notes (or beneficial interests therein) by means other than redemption, whether by tender offer, open market purchases, negotiated transactions or otherwise, so long as such acquisition does not otherwise violate the terms of the Indenture. With respect to any Notes (or beneficial interest therein) owned by the Issuer, the Issuer may surrender such Notes (or beneficial interest therein) to the Trustee for cancellation.

Notwithstanding anything in the Transaction Documents to the contrary, should any Notes (or beneficial interests therein) be owned by the Issuer or any of its Affiliates, then any vote participated in by Investors will exclude, and any determination of the "Required Noteholders" will exclude, the vote relating to (and, in both the numerator and denominator of such calculation, the principal amount of) the Notes (or beneficial interests therein) of each such Person; provided that if such Persons own all of the Notes (or beneficial interests therein), then such Persons will not be excluded from any such vote or determination. Promptly after the Issuer or any Affiliate thereof acquires or disposes of any Notes (or beneficial interests therein), it will so notify the Trustee.

Certain Affirmative Covenants

Pursuant to the Indenture, the Issuer and Cerealsur will agree to the following:

(a) Compliance with Law. Each of the Issuer and Cerealsur shall, and shall cause PdS to, comply at all times in all respects with all Applicable Laws and with its obligations under the Concession Agreement, including operating the Airport in all material respects in compliance with the provisions thereof.

(b) Maintenance of Existence. Each of the Issuer and Cerealsur shall, and shall cause PdS to, maintain, renew and keep in full force and effect its legal existence and rights, licenses, permissions, consents, approvals, franchises and privileges in the jurisdictions necessary (i) in the normal conduct of its business, (ii) with respect to each of the Issuer and Cerealsur, for the performance of its obligations under the Transaction Documents and (ii) with respect to PdS, for the operation of the Airport.

(c) Taxes. Each of the Issuer and Cerealsur shall, and shall cause PdS to, timely pay, discharge and otherwise satisfy (or cause to be paid, discharged or otherwise satisfied) (i) all material Taxes imposed upon it (whether on its income, its profits or otherwise) and all utility and other governmental charges incurred by it in the ownership, operation, maintenance, use and occupancy of its Properties and (ii) all of its material contractual and other obligations of whatever nature, in each case except where the amount or validity thereof is being contested in good faith and (to the extent required by Applicable Law and/or Accounting Principles) the amount thereof is fully reserved for.

(d) Rating Agencies.

   (i) The Issuer shall (A) use commercially reasonable efforts to maintain a rating from each of the Rating Agencies on the Notes, and (B) pay any monitoring fees of the Rating Agencies in respect of the Notes.

   (ii) Each of the Issuer and Cerealsur shall, and shall cause PdS to, provide the Rating Agencies (at the Issuer's sole expense) such reports, records and documents as each Rating Agency shall reasonably request to monitor or affirm the rating(s) assigned by it to the Notes.

(e) Use of Proceeds. The Issuer shall use proceeds payable to it from the sale of the Notes to (i) on the Issue Date, fund the Debt Service Reserve Account in an amount equal to the Required Debt Service Reserve

Amount and (ii) along with available cash, no later than 30 Business Days after the Issue Date, repay in full all outstanding obligations under the Banco Santander Loan and the Banco Itaú Loan.

(f) Notice of Certain Events. The Issuer will promptly (and in any event within 10 Business Days, in each case after the Issuer, Cerealsur or PdS obtains actual knowledge of such event) provide the Trustee (for the Trustee to deliver to each Noteholder): (i) notification of a Default or Event of Default, together with a description of such Default or Event of Default and what actions have been taken and/or will be taken with respect to such events, (ii) notice of any event, occurrence or circumstance that has had a Material Adverse Effect, (iii) notice of the initiation of any material proceeding in, by or before any court, other Governmental Authority or arbitrator relating to the Concession Agreement and (iv) notice of the occurrence of a default or event of default under the Existing PdS Notes, together with a description of such default or event of default and what actions have been taken and/or will be taken with respect to such event.

(g) Preservation of Collateral; Further Assurances; Future Collateral.

(i) Each of the Issuer and Cerealsur will undertake all actions that are necessary to: (A) establish, maintain, preserve, protect and perfect the Trustee's and Collateral Agent's Liens (and the priority thereof) on the Collateral in full force and effect at all times, (B) preserve and protect the Collateral and protect and enforce the Trustee's and the Collateral Agent's rights and title thereto, (C) cause to be filed in the appropriate jurisdictions in the United States all Uniform Commercial Code financing statements, and any amendments and continuation statements with respect thereto, necessary in order to reflect the transactions effected by the Transaction Documents and promptly to provide the Trustee confirmation of all such filings, (D) reasonably promptly execute and deliver all further documents, and take all further action (including the making of any notices and any filings with applicable Governmental Authorities), that may be necessary or desirable that the Trustee and/or the Collateral Agent may reasonably request in order to protect or more fully evidence their right, title and interest in, to and under the Collateral or to enable the Trustee and/or the Collateral Agent to exercise or enforce any of their respective rights in respect thereof and (E) reasonably promptly execute and deliver all further documents, and take all further action, that may be necessary or desirable that the Trustee and/or the Collateral Agent may reasonably request in order to effect more fully the purposes of the Transaction Documents.

(ii) If after the Issue Date, the Issuer makes a Subsidiary Intercompany Loan, then the Issuer shall:

(A) grant a first priority perfected security interest in such Subsidiary Intercompany Loan for the benefit of the Investors, subject to Issuer/Cerealsur Permitted Liens; and

(B) deliver to the Trustee (1) an Officer's Certificate certifying compliance with this clause (ii) and the terms of the Indenture and (2) Opinion(s) of Counsel with respect to such Subsidiary Intercompany Loan and any security documents required to grant the security interest required pursuant to subclause (A) stating that such security documents (x) have been duly authorized, executed and delivered by the parties thereto, (y) constitute valid and legally binding obligations of the party thereto and (z) create a first priority perfected security interest in such Subsidiary Intercompany Loan for the benefit of the Investors, subject to Issuer/Cerealsur Permitted Liens.

(h) Insurance of PdS. Each of the Issuer and Cerealsur shall cause PdS to (i) maintain all insurance, with financially sound and reputable insurers, required under the Concession Agreement and (ii) make all premium and other payments due in respect of such insurance promptly when due and take such other action as may be necessary to cause such insurance to be in full force and effect at all times.

(i) Material Agreements. Each of the Issuer and Cerealsur shall cause PdS to use its commercially reasonable efforts to renew or replace its Material Agreements at or prior to the expiry thereof and on prevailing market terms.

(j) Distribution Actions. No later than 30 calendar days prior to each Payment Date, each of the Issuer and Cerealsur shall, and shall have caused PdS to, have taken any and all actions necessary under Applicable Law (A) for PdS to distribute at least PdS Distributions on Accounts to Cerealsur and (B) for Cerealsur to effect and pay dividends from PdS Distributions to the Issuer, in each case subject to, and to the fullest extent permitted by, Applicable Law.

(k) Payment into Accounts.

(i) Cerealsur shall, and each of the Issuer and Cerealsur shall cause PdS to, deposit all payments made to the Issuer under Subsidiary Intercompany Loans into the Issuer Account.

(ii) Each of the Issuer and Cerealsur shall cause PdS to deposit amounts into the Cerealsur Distribution Account as set forth in the second paragraph under "—Accounts—Cerealsur Distribution Account and Cerealsur Operating Account."

(l) Legal Form. The Issuer shall take all actions required or advisable, to ensure that each of the Transaction Documents remains in full force and effect and in proper legal form under the respective governing law selected in such document, for the enforcement thereof in the applicable jurisdictions.

(m) Rule 144A Information. For so long as any of the Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will furnish, upon the request of any Investor, such information as is specified in Rule 144A(d)(4) under the Securities Act: (i) to such Investor, (ii) to a prospective purchaser of such Note (or a beneficial interest therein) who is a "qualified institutional buyer" (as such term is defined under Rule 144A under the Securities Act) designated by such Investor and (iii) to the Trustee for delivery to any applicable Investor (or such prospective purchaser so designated), in each case in order to permit compliance by such Investor (or prospective purchaser) with Rule 144A in connection with the resale of such Note (or beneficial interest therein) in reliance upon Rule 144A unless, at the time of such request, the Issuer is subject to the reporting requirements of Section 12 or 15(d) of the Exchange Act or is included in the list of foreign private issuers that claim exemption from the registration requirements of Section 11(g) of the Exchange Act (and therefore is required to furnish the SEC certain information pursuant to Rule 12(g)3-2(b) thereunder).

(n) Listing on Securities Exchange; Compliance with Spanish Law 10/2014. The Issuer and Cerealsur will use their reasonable best efforts to cause the Notes to be admitted for listing and trading on the Official List of the Luxembourg Stock Exchange and to maintain such listing on such Official List, and to have the Notes admitted to trading on the Euro MTF as promptly as practicable after the Issue Date, and in any event prior to the date of the first Payment Date. If the Notes fail to be, or at any time cease to be, listed on the Euro MTF, the Issuer shall use its reasonable best efforts to promptly list such Notes on a stock exchange that qualifies as a regulated market, a multilateral trading facility or another organized market prior to the first Payment Date following the date the Notes are delisted. The Issuer shall use its reasonable best efforts to issue the Notes in accordance with the requirements of Additional Provision One of Spanish Law 10/2014, of June 26, on the regulation, supervision and solvency of credit institutions (*Ley 10/2014, de 26 de junio, de ordenación, supervisión y solvencia de entidades de crédito*), as amended, and the procedures for compliance with Spanish tax legislation will be set out in a paying agency agreement between the Issuer and the Paying Agent.

(o) PdS Note Guarantee. Promptly after the date on which the Existing PdS Notes are no longer outstanding and the documents pursuant to which the Existing PdS Notes were issued are of no further force and effect, and subject to Applicable Law, the Issuer and Cerealsur shall cause PdS to:

(i) execute and deliver to the Trustee a supplemental indenture to the Indenture pursuant to which PdS will irrevocably and unconditionally guarantee, on a joint and several basis, the full and prompt payment of the principal of, Premium Amounts, if any, and interest on the Notes on a senior unsecured basis and all other obligations of the Issuer under the Indenture;

(ii) deliver to the Trustee an Opinion or Opinions of Counsel that such supplemental indenture has been duly authorized, executed and delivered and constitutes a legally valid and binding enforceable obligation of PdS (subject to customary qualifications and exceptions, including without limitation, with respect to preferences for creditors and in bankruptcy); and

(iii) to the extent required under Applicable Law of Spain, execute a supplemental public deed before a Spanish notary pursuant to which PdS will accede to the public deed of issuance of the Notes (*escritura de emisión*) as guarantor and register such supplemental public deed with the Commercial Registry of Madrid;

provided that if at that time (x) PdS is prohibited under Applicable Law to provide a Note Guarantee pursuant to this clause (o) or (y) a Note Guarantee by PdS would not be legally valid, binding and enforceable against PdS, then the Issuer and Cerealsur shall not be required to cause PdS to provide a Note Guarantee and the Issuer and Cerealsur shall cause PdS to deliver to the Trustee an Officer's Certificate and an Opinion or Opinions of Counsel as to the matters in subclauses (x) and/or (y).

Certain Negative Covenants

Pursuant to the Indenture, the Issuer and Cerealsur will agree to the following:

(a) Limitation on the Incurrence of Debt.

(i) Cerealsur shall not directly or indirectly, create, incur, issue, assume, guarantee, or otherwise become directly or indirectly liable for, contingently or otherwise, with respect to (collectively, "*incur*") any Debt other than Debt owing to and held by the Issuer.

(ii) The Issuer shall not incur any Debt, except for the following (collectively, "*Permitted Issuer Debt*"):

(A) Debt under the Transaction Documents;

(B) Contingent Liabilities with respect to any Debt of the Issuer that is otherwise permitted by this clause (a)(ii); and

(C) additional Debt of the Issuer so long as:

(1) no Retention Event, Default or Event of Default shall have occurred and be continuing at the time of the incurrence of and immediately after giving effect to such Debt and the application of proceeds therefrom;

(2) on a pro forma basis at the time of the incurrence of and immediately after giving effect to such Debt and the application of proceeds therefrom (x) the Distributions to Debt Service Ratio shall not be less than 1.40:1:00 and (y) for each fiscal year of the Issuer through the Maturity Date, the Distributions to Debt Service Ratio shall not be less than 1.40:1.00 for each Interest Period through the Maturity Date;

(3) the Issuer shall have obtained a Ratings Reaffirmation from each of the Rating Agencies; and

(4) within five Business Days before the incurrence of such additional Debt, the Issuer has delivered to the Trustee an Officer's Certificate certifying to the compliance and satisfaction with each of the requirements set forth in subclauses (1) through (3) of this clause (a)(ii)(C).

(iii) The Issuer and Cerealsur shall not cause or permit PdS to incur any Debt except for the following (collectively, "*Permitted PdS Debt*"):

(A) Debt under the Existing PdS Notes; provided that, at no time, shall the Debt outstanding under the Existing PdS Notes be permitted to increase in amount other than by the ordinary accrual of interest on the terms set forth in the Existing PdS Notes and the related documents pursuant to which the Existing PdS Notes were issued as of the Issue Date;

(B) Debt under the Banco Santander Loan and the Banco Itaú Loan; provided that no later than 30 Business Days after the Issue Date, all outstanding obligations under the Banco Santander Loan and the Banco Itaú are satisfied in full with proceeds from the issuance of the Notes and all commitments thereunder are terminated;

(C) currency hedging obligations entered into in the ordinary course of business and not for speculative purposes not exceeding US$12,000,000 at any time outstanding;

(D) Debt owing to and held by Cerealsur or the Issuer;

(E) Debt for working capital purposes not exceeding US$10,000,000 (or its equivalent in any other currency) at any time outstanding;

(F) Debt represented by letters of credit in order to provide security for workers' compensation claims, payment obligations in connection with self-insurance or similar requirements in the ordinary course of business,

(G) Contingent Liabilities with respect to any Debt of PdS that is otherwise permitted by this clause (iii);

(H) Debt in connection with bids, performance or surety bonds (or similar obligations) incurred in the ordinary course of business; and

(I) additional Debt of PdS so long as:

(1) no Retention Event, Default or Event of Default shall have occurred and be continuing at the time of the incurrence of and immediately after giving effect to such Debt and the application of proceeds therefrom;

(2) on a pro forma basis at the time of the incurrence of and immediately after giving effect to such Debt and the application of proceeds therefrom: (x) the Distributions to Debt Service Ratio shall not be less than 1.40:1:00 and (y) for each fiscal year of the Issuer through the Maturity Date, the Distributions to Debt Service Ratio shall not be less than 1.40:1.00 for each Interest Period through the Maturity Date;

(3) within five Business Days before the incurrence of such additional Debt, the Issuer has delivered to the Trustee an Officer's Certificate certifying to the compliance and satisfaction with each of the requirements set forth in subclauses (1) through (2) of this clause (a)(iii)(I); and

(4) the Issuer shall have obtained a Ratings Reaffirmation from each of the Rating Agencies;

provided that the aggregate amount outstanding of all additional Debt at any one time permitted to be incurred pursuant to this clause (a)(iii)(I) shall not (x) so long as any obligations under the Existing PdS Notes remain outstanding, exceed US$10,000,000 and (y) after all outstanding obligations under the Existing PdS Notes have been satisfied in full, exceed US$15,000,000.

(b) Limitation on Mergers, Consolidations and Sale of All Assets. Each of the Issuer and Cerealsur shall not, and shall not cause or permit PdS to, consummate any merger with or into, consolidation with or sale, assignment or other disposal (directly or indirectly) of all or substantially all of its Property (whether in a single transaction or a series of related transactions) to, any Person.

(c) Limitation on Disposals. Each of the Issuer and Cerealsur shall not, and shall not cause or permit PdS to, convey, sell, lease, assign, transfer or otherwise dispose of any of its Property or business, whether owned on the Issue Date or thereafter acquired, including in the case of the Issuer, any conveyance, sale, assignment, transfer or disposition of any Subsidiary Intercompany Loans (an "*Asset Disposal*"); provided that the following will not be considered to be an Asset Disposal: (i) sales or other disposals for Fair Value of obsolete, worn out or defective Property or Property no longer used in connection with the operation of the Issuer's, Cerealsur's or PdS's business, (ii) sales, leases, assignments or subleases of equipment, inventory, accounts receivable or other disposals of tangible Property (or rights therein), other than the Concession or the Share Collateral, in the ordinary course of business, (iii) Property transferred from Cerealsur or PdS to the Issuer or from PdS to Cerealsur, (iv) the issuance of Capital Stock by PdS to Cerealsur or by Cerealsur to the Issuer; and (v) sales by the Issuer, Cerealsur or PdS at Fair Value of cash and Cash Equivalents.

(d) Limitation on Liens.

(i) The Issuer and Cerealsur shall not create, assume or permit to exist any Lien upon any of its Properties, whether owned on the Issue Date or thereafter acquired, or any of its Capital Stock, other than PdS Permitted Liens and Issuer/Cerealsur Permitted Liens.

(ii) The Issuer and Cerealsur shall not permit or cause PdS to create, assume or permit to exist any Lien upon any of its Properties, whether owned on the Issue Date or thereafter acquired, or any of its Capital Stock, other than PdS Permitted Liens.

(e) Limitation on Nature of Business.

(i) The Issuer shall not engage in any business or other activities other than (A) the issuance of the Notes (and Additional Notes), (B) the incurrence of Permitted Issuer Debt, (C) the making of Issuer Permitted Investments, (D) ownership of the Capital Stock of Cerealsur and (E) activities reasonably related to any of the foregoing.

(ii) Cerealsur shall not engage in any business or activities other than the ownership of the Capital Stock of PdS and activities reasonably related thereto.

(iii) The Issuer and Cerealsur shall not cause or permit PdS to engage in any business or other activities other than the business of managing and operating the Airport and activities reasonably related thereto.

(f) Limitation on Investments; Subsidiaries. Each of the Issuer and Cerealsur shall not, and shall not cause or permit PdS to, create any Subsidiary, enter into any partnership or joint venture or make or own any Investments in any Person except (a) with respect to the Issuer, Issuer Permitted Investments, (b) with respect to Cerealsur, Cerealsur Permitted Investments, and (c) with respect PdS, PdS Permitted Investments.

(g) Limitation on Affiliate Transactions. Each of the Issuer and Cerealsur shall not, and shall not cause or permit PdS to, directly or indirectly, enter into or permit to continue any activity, business, arrangement or other transaction with (including the purchase, sale, lease or exchange of Property with, the making of any Investment in, the rendering of any service to, the incurrence of any Debt from or the purchasing of any service from) any Affiliate thereof or any director (or similar), officer or employee of the Issuer, Cerealsur or PdS (or any of their respective families), or any Affiliate of any thereof (whether in a single transaction or a series of related transactions) unless such activity, business, arrangement or other transaction is:

(i) on terms at least as favorable to the Issuer, Cerealsur or PdS, as the case may be, as would be obtainable by such Person in comparable arm's-length transactions with un-Affiliated Persons of adequate financial and technical capability to perform the transaction;

(ii) between PdS and an Affiliate under an operating agreement for the Airport so long as the fees payable by PdS to such Affiliate under the terms of such agreement shall not exceed US$2,000,000 per year;

(iii) between PdS and its Affiliates and such transaction or transactions involve payments or transfers of Property or services with a Fair Value of less than US$8,500,000 per year in the aggregate (including the transactions described in subclauses (ii) and (v) but excluding the transactions described in subclause (iv));

(iv) has been consented to by Required Noteholders;

(v) for the payment of fees and other compensation paid to, and any indemnity provided on behalf of, officers, directors, employees, consultants or agents of the Issuer, Cerealsur or PdS as determined in good faith by the Issuer, Cerealsur or PdS;

(vi) a Restricted Payment permitted by clause (h) of this "—Certain Negative Covenants"; or

(vii) an Issuer Permitted Investment permitted by clause (f) of this "—Certain Negative Covenants";

provided that the permitted aggregate amount of the transactions permitted under clauses (ii) and (iii) shall be permitted to be increased annually by the same annual percentage increase in passenger tax provided for under the terms of the Concession Agreement.

For the purpose of this clause (g), the holder (whether directly or indirectly) of Capital Stock representing 5% or more of the Capital Stock of a Person will be considered to be an "Affiliate" of such person.

(h) Limitation on Restricted Payments. The Issuer shall not declare or make any Restricted Payment unless each of the following conditions has been satisfied:

(i) no Retention Event, Default or Event of Default has occurred and is continuing; and

(ii) the Distributions to Debt Service Ratio is greater than or equal to1.20:1:00;

(ii) the Historical Distributions to Debt Service Ratio is greater than or equal to 1.20:1:00.

(i) Limitation on Dividend Restrictions. Each of the Issuer and Cerealsur shall not, and shall not cause or permit PdS to, directly or indirectly, cause or permit to become effective any consensual restriction on the ability of PdS to make Restricted Payments to Cerealsur or Cerealsur to make Restricted Payments to the Issuer other than as required (i) under the Existing PdS Notes or (ii) under the Transaction Documents.

(j) Limitation on Issuances of Capital Stock. The Issuer shall not cause or permit Cerealsur to, and Cerealsur shall not, issue any Capital Stock of Cerealsur other than to the Issuer. Cerealsur shall not, and shall not cause or permit PdS to, issue any Capital Stock of PdS other than to Cerealsur.

(k) Limitation on Changes to Concession Agreement and Duty Free Contracts. Each of the Issuer and Cerealsur shall not cause or permit PdS to amend, modify or waive any term of the Concession Agreement or any Duty Free Contract unless such amendment, modification or waiver, alone or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

(l) Limitation on Capital Expenditures. Each of the Issuer and Cerealsur shall not cause or permit PdS to incur capital expenditures other than Permitted Capital Expenditures.

(m) Limitation on Accounts. Cerealsur shall not establish or maintain any accounts other than the Cerealsur Operating Account and the Cerealsur Distribution Account.

Reporting Covenants

Pursuant to the Indenture, the Issuer and Cerealsur, as applicable, will furnish to the Trustee the following reports:

(a) as soon as available but in any event within 120 days after the end of each calendar year, beginning with the year ending December 31, 2015, for the calendar year then ended (i) the Issuer's audited consolidated financial statements, including consolidated income statements and balance sheets of the Issuer and the notes thereto, and the report on such financial statements by the Issuer's independent auditors, and (ii) Cerealsur's audited consolidated financial statements, including consolidated income statements and balance sheets of Cerealsur and the notes thereto, and the report on such financial statements by Cerealsur's independent auditors, accompanied by (1) an operating and financial review of Cerealsur's consolidated financial results for such calendar year and (2) a summary of all material affiliate transactions and description of all material contractual arrangements, including material debt instruments;

(b) as soon as available but in any event within 75 days after the end of each of the first three calendar quarters in each calendar year, for the most recent interim period covered thereby, Cerealsur's unaudited consolidated financial statements and the condensed notes thereto, accompanied by (1) an operating and financial review of Cerealsur's consolidated interim financial results and (2) a summary of all material affiliate transactions and description of all material contractual arrangements, including material debt instruments;

(c) as soon as available but in any event within 75 days after the end of each of the first and third calendar quarters in each calendar year, an operations report with respect to the Airport containing information since the beginning of the most recently completed two calendar quarters on the volume and type of passengers, the amount of cargo handled, the number of aircraft movements and any material accidents that have occurred;

(d) promptly after the occurrence of a material acquisition, disposition or restructuring, or change in auditors of the Issuer, Cerealsur or PdS, notice of such event;

(e) promptly after the execution of any amendment, modification or waiver of a material term of a Material Agreement, a copy of such amendment, modification or waiver; and

(f) concurrently with the delivery of financial statements pursuant to clause (a) an Officer's Certificate of the Issuer stating that no Default or Event of Default has occurred during such period or, if one or more has/have occurred, specifying each such event and what actions have been taken and/or will be taken with respect to each such event.

All the reports required to be delivered or provided under the Indenture shall be in English.

All financial statements and pro forma financial information shall be prepared in accordance with Accounting Principles and on a consistent basis for the periods presented and the financial statements of Cerealsur required under clause (a)(ii) may be presented in the same format as in this listing memorandum; provided that the reports set forth in clauses (a) and (b) may, in the event of a change in Accounting Principles, present earlier periods on a basis that applied to such periods.

Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such will not constitute constructive notice of any information contained therein, including the Issuer's or Cerealsur's compliance with any of its respective covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officer's Certificates of the Issuer or Cerealsur, as the case may be).

In addition, as described in clause (m) under "—Certain Affirmative Covenants" so long as the Notes remain outstanding and during any period that the Issuer is not subject to Section 13 or 15(d) of the Exchange Act nor exempt therefrom pursuant to Rule 12g3-2(b) thereunder, the Issuer will furnish to Noteholders, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

If and for so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market and the rules of that exchange so require, the above information will also be made available through the offices of the Luxembourg listing agent.

Events of Defaults and Remedies

Each of the following events, acts, occurrences or conditions will constitute an "*Event of Default*":

(a) default for 30 days in the payment when due of interest on, or Additional Amounts with respect to, the Notes;

(b) default in payments when due at maturity, upon redemption, declaration or otherwise, of the principal of, or Premium Amounts, if any, on the Notes, after, with respect to the payment of principal, giving effect to any option of the Issuer to defer payment of principal as set forth under "—Principal, Maturity and Interest";

(c) failure by the Issuer or Cerealsur, as the case may be, to comply with the provisions described under "—Certain Negative Covenants" and clauses (a), (e) and (f)(i) under "—Certain Affirmative Covenants";

(d) failure by the Issuer or a Guarantor to comply with their respective obligations under the Share Pledge Agreements, the result of which would impair the rights of the Collateral Agent for the benefit of the Investors with respect to the Share Collateral;

(e) failure by the Issuer or a Guarantor for 30 days after written notice by the Trustee on behalf of Noteholders or by Noteholders holding 25% in aggregate of the Principal Balance of the Notes to comply with any of its other agreements under the Transaction Documents to which it is party;

(f) default by the Issuer, Cerealsur or PdS under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Debt for money borrowed by the Issuer, Cerealsur or PdS (or the payment of which is guaranteed by the Issuer, Cerealsur or PdS) whether such Debt or guarantee exists on the Issue Date or is created after the Issue Date, if that default:

    (i) is caused by a failure to pay principal, interest or premium, if any, on such Debt after the expiration of any grace period provided in such Debt on the date of such default (a "*Payment Default*"); or

    (ii) permits the acceleration, repayment, redemption or purchase of such Debt prior to its express maturity;

    and, in each case, the overdue principal amount of any such Debt, together with the principal amount of any other such Debt under which there has been a Payment Default or the maturity of which is permitted to be accelerated aggregates (A) in the case of the Issuer or Cerealsur, US$500,000 or more and (B) in the case of PdS, US$2,500,000 or more;

(g) failure by the Issuer, Cerealsur or PdS to pay final non-appealable judgments aggregating in excess of (A) in the case of the Issuer or Cerealsur, US$500,000 or more and (B) in the case of PdS, US$2,500,000 or more (in each case, net of any amount with respect to which a reputable and solvent insurance company has acknowledged responsibility for the payment thereof in writing), in each case which judgments are not paid, discharged or stayed for a period of 60 days;

(h) any Note Guarantee shall be held in any judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect, or a Guarantor shall deny or disaffirm in writing its obligations under its Note Guarantee;

(i) subject to the provisions set forth under "—Amendment, Supplement and Waiver," any of the Transaction Documents shall be declared to be unenforceable or invalid or shall cease for any reason to be in full force and effect, or the Issuer or a Guarantor shall deny or disaffirm in writing any of its obligations under the Transaction Documents to which it is a party;

(j) any security interest under a Security Document shall (except in accordance with their terms) be declared to be unenforceable or invalid or shall cease for any reason to be in full force and effect or cease to provide a perfected first priority security interest over the Collateral described in such Security Document, subject to PdS Permitted Liens and Issuer/Cerealsur Permitted Liens, or the Issuer or Cerealsur shall contest in any manner the effectiveness, validity, binding nature and enforceability of any security interest granted under a Security Document;

(k) (i) the Ministry of Defense of Uruguay or the Government of Uruguay issues an official communication addressed to PdS stating that it will terminate the Concession Agreement or the rights of PdS thereunder and such announcement has not been rescinded by the Ministry of Defense of Uruguay or the Government of Uruguay after 30 days, or (ii) prior to the expiration date of the Concession Agreement, the Concession Agreement or the rights of PdS thereunder are terminated for any reason, or the Concession Agreement ceases to be valid, binding and in full force and effect;

(l) Cerealsur or PdS are not permitted or are unable for any reason to pay dividends or make distributions and such prohibition or inability continues for more than two consecutive Interest Periods;

(m) as of any Payment Date, the Distributions to Debt Service Ratio is less than 1.20:1.00 and such failure has occurred for three consecutive Interest Periods; or

(n) certain events of bankruptcy, insolvency or reorganization described in the Indenture with respect to the Issuer, Cerealsur or PdS.

In the case of an Event of Default under clause (k) or clause (n), the Principal Balance of the Notes will become immediately due and payable without further action or notice. If any other Event of Default occurs and is continuing, the Trustee or the Required Noteholders may declare the Principal Balance of the Notes to be immediately due and payable.

Noteholders may not enforce the Indenture or the Notes except as provided in the Indenture. Subject to certain limitations, the Required Noteholders may direct the Trustee in its exercise of any trust or power. The Indenture will provide that if a Default occurs and is continuing and the Trustee is informed of such occurrence by the Issuer, the Trustee must give notice of the Default to the Noteholders within 60 days after being notified by the Issuer. Except in the case of a Default in the payment of principal of, or Premium Amounts, if any, or interest on any Note, the Trustee may withhold notice if and so long as a committee of trust officers of the Trustee in good faith determines that withholding notice is in the interest of the Noteholders.

The Required Noteholders by notice to the Trustee may on behalf of the Noteholders waive any existing Default or Event of Default and its consequences under the Indenture except a continuing Default or Event of Default in the payment of interest or Additional Amounts on, or the principal of, the Notes.

After an Event of Default, if the Trustee collects any money or property, it will pay out the money or property in the following order of priority:

(a) *first*, to pay fees, expenses and indemnification payments, if any, then due and payable to the Trustee and the Agents;

(b) *second*, to Noteholders for amounts due and unpaid on the Notes for principal and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal and interest, respectively; and

(c) *third*, to the Company or, to the extent the Trustee collects any amount pursuant to the Note Guarantee from a Guarantor, to such Guarantor.

No Personal Liability of Directors, Officers, Employees and Stockholders

No director, officer, employee, incorporator or stockholder of the Issuer or a Guarantor, as such, will have any liability for any obligations of the Issuer or such Guarantor under the Notes, the Indenture or the Note Guarantee or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Noteholder by accepting any Notes, waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws of the United States.

Amendment, Supplement and Waiver

Except as provided in the next two succeeding paragraphs the Transaction Documents may be amended and supplemented with the consent of the Required Noteholders (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Notes), and any existing default or compliance with any provision of the Transaction Documents may be waived with the consent of the Required Noteholders (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Notes). If and for long as the Notes are listed on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF and the rules of the exchange so require, the Issuer will inform the Luxembourg Stock Exchange and publish a notice of any such amendment, supplement or waiver in a newspaper having a general circulation in Luxembourg (currently expected to be in the *Luxemburger Wort*) or the website of the Luxembourg Stock Exchange (www.bourse.lu). However, without the consent of each Noteholder affected thereby, no amendment, supplement or waiver may:

(a) reduce the principal amount of the notes whose Noteholders must consent to an amendment, supplement or waiver;

(b) reduce the principal of or change the fixed maturity of any Note or alter the provisions with respect to the redemption of the Notes (other than the provisions described under "—Redemption at the Option of Noteholders Upon a Change of Control," which may be changed prior to a Change of Control having occurred);

(c) reduce the rate of or change the time for payment of interest on any Note;

(d) waive a Default or Event of Default in the payment of principal of, or interest, Premium Amounts or Additional Amounts, if any, on the Notes (except a rescission of acceleration of the Notes by the Required Noteholders and a waiver of the payment default that resulted from such acceleration);

(e) make any Note payable in a currency other than stated in the Notes;

(f) make any change in the provisions of the Indenture relating to waivers of past Defaults or the rights of Noteholders to receive payments of principal of, or interest, Premium Amounts, or Additional Amounts, if any, on the Notes;

(g) waive a redemption payment with respect to any Note (other than provisions relating to the covenants described under "—Redemption at the Option of Noteholders Upon a Change of Control");

(h) release the Issuer or a Guarantor from any of its obligations under the Indenture or its Note Guarantee, except in accordance with the Indenture;

(i) release the security interest granted for the benefit of the Investors in the Collateral other than in accordance with the terms of the Security Documents or as otherwise permitted by the Indenture; or

(j) make any change in the preceding amendment and waiver provisions.

Notwithstanding the preceding, without the consent of any Noteholders, the Issuer, the Guarantors, the Trustee, the Collateral Agent and the other parties thereto may amend or supplement any of the Transaction Documents:

(a) to cure any ambiguity, omission, defect or inconsistency;

(b) to make such changes as are necessary to provide for the issuance of Additional Notes in compliance with the covenants described herein or to add guarantees in favor of the Notes;

(c) to mortgage, pledge, hypothecate or grant a security interest in favor of the Trustee or the Collateral Agent to the extent necessary to grant a security interest for the benefit of any Person; provided that the granting of such security interest is not prohibited by the Indenture;

(d) to conform the text of a Transaction Document to any provision of this "Description of the Notes" to the extent that such provision in this "Description of the Notes" was intended to be a verbatim recitation of a Transaction Document;

(e) to add additional assets or Property as Collateral;

(f) to evidence and provide the acceptance of the appointment of a successor Trustee or Collateral Agent under the Transaction Documents;

(g) to make any change that would provide any additional rights or benefits to the Noteholders that does not adversely affect the legal rights under the Indenture of any such Noteholder in any material respect; or

(h) add Guarantors with respect to the Notes in accordance with the applicable provisions of the Transaction Documents.

Unclaimed Money

Any money deposited with the Trustee or any Paying Agent for the payment of principal, Premium Amounts, if any, Additional Amounts, if any, and interest on the Notes that remains unclaimed for two years after such amounts have become due and payable will be paid to the Issuer upon the Issuer's written request, and all liability of the Trustee or such Paying Agent with respect to such trust money will thereupon cease.

Defeasance

The Issuer may, at its option and at any time, elect to have the obligations of the Issuer and the obligations of the Guarantors discharged with respect to the Indenture, the Note Guarantee and the outstanding Notes ("*Legal Defeasance*"). Legal Defeasance means that the Issuer and the Guarantors will be deemed to have paid and discharged the entire indebtedness represented by the outstanding Notes except for:

(a) the rights of Noteholders to receive payments in respect of principal, Premium Amounts, if any, Additional Amounts, if any, and interest on such Notes when such payments are due;

(b) the Issuer's obligations with respect to the Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed , lost or stolen Notes and the maintenance of an office or agency for payments;

(c) the rights, powers, trusts, duties, indemnities and immunities of the Trustee, and the obligations of the Issuer and the Guarantors in connection therewith; and

(d) the Legal Defeasance provisions of the Indenture.

If the Issuer exercises Legal Defeasance, each Guarantor will be released from its obligations under its Note Guarantee.

In addition, the Issuer may, at its option and at any time, elect to terminate the obligations of the Issuer and the Guarantors described under "—Redemption at the Option of Noteholders Upon a Change of Control," with respect to the covenants described under "—Certain Affirmative Covenants" (other than the covenants described in clauses (a), (b), (c), (h), and (n) under "—Certain Affirmative Covenants") and "—Certain Negative Covenants" (other than the covenant described in clause (b) under "—Certain Negative Covenants") and the Events of Default described under clauses (c) (as to the cross-reference to clauses (e) and (f)(i) only), (e), (f) and (g) under "—Events of Default and Remedies" ("*Covenant Defeasance*"). Thereafter any omission to comply with those covenants will not constitute a Default or Event of Default with respect to the Notes and the occurrence of those events (including Events of Default relating to covenants that are released as result of such Covenant Defeasance) will no longer constitute an Event of Default with respect to the Notes.

If the Issuer exercises Covenant Defeasance, each Guarantor will be released from its obligations under its Note Guarantee.

The Issuer may exercise Legal Defeasance notwithstanding its prior exercise of Covenant Defeasance. If the Issuer exercises Legal Defeasance, payment of the Notes may not be accelerated because of an Event of Default with respect to the Notes. If the Issuer exercises Covenant Defeasance, payment of the Notes may not be accelerated because of an Event of Default specified in clauses (c) (only with respect to the cross-reference to clause (e) and (f)(i)), (e) (only with respect to covenants that are released as a result of such Covenant Defeasance), (f) and (g) under "—Events of Default and Remedies."

In order to exercise either Legal Defeasance or Covenant Defeasance under the Indenture:

(i) the Issuer must irrevocably deposit with the Trustee, in trust, for the benefit of the Noteholders, cash in U.S. Dollars, U.S. Government Obligations, or a combination thereof, in amounts as will be sufficient (without reinvestment), in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, Premium Amounts, if any, Additional Amounts, if any, and interest on the Notes on the Maturity Date or on the applicable redemption date, as the case may be;

(ii) in the case of Legal Defeasance, the Issuer has delivered to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee confirming that (i) the Issuer has received from, or there has been published by, the Internal Revenue Service a ruling, or (ii) since the Issue Date, there has been a change in the applicable U.S. federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel will confirm that, the Noteholders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(iii) in the case of Covenant Defeasance, the Issuer has delivered to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee confirming that, subject to customary assumptions, limitations and exclusions, the Noteholders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will not be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(iv) in the case of Legal Defeasance or Covenant Defeasance, the Issuer has delivered to the Trustee (i) Opinions of Counsel to the effect that, subject to customary assumptions, limitations and exclusions, based upon applicable law then in effect, the Noteholders (x) will not recognize income, gain or loss for Spanish or Uruguayan tax purposes, including withholding tax except for withholding tax then payable on interest payments due, and the amounts to be payable will not be subject to any deposit or temporary freezing of funds in Spain or Uruguay, as a result of such Legal Defeasance or Covenant Defeasance, as the case may be, and (y) will be subject to Taxes in Spain and Uruguay on the same amounts and in the same manner and at the same time as would have been the case if such Legal Defeasance or Covenant

Defeasance, as the case may be, had not occurred or (ii) rulings directed to the Trustee received from tax authorities of the Relevant Taxing Jurisdictions, to the same effect as the Opinions of Counsel described in subclause (i) of this clause (iv);

(v) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under any material agreement or instrument (other than the Indenture) to which the Issuer, Cerealsur or PdS is a party or by which the Issuer, Cerealsur or PdS is bound;

(vi) no Default or Event of Default has occurred and is continuing on the date of such deposit or will occur as result of such deposit (other than a Default or an Event of Default resulting from the borrowing of funds to be applied to make such deposit and other similar and simultaneous deposit relating to other Indebtedness and, in each case, the granting of Liens in connection therewith), and the deposit will not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than the Indenture) to which the Issuer or a Guarantor is a party or by which the Issuer or a Guarantor is bound;

(vii) the Issuer has delivered to the Trustee an Opinion of Counsel to the effect that as of the date of such opinion and subject to customary assumptions, limitations and exclusions, including, without limitation, that no intervening bankruptcy of the Issuer between the date of deposit and the 91st day following the deposit and assuming that no Noteholder is an "insider" of the Issuer under applicable bankruptcy law, after the 91st day following the deposit, the trust funds will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally;

(viii) the Issuer has delivered to the Trustee an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of defeating, hindering, delaying or defrauding creditors of the Issuer, the Guarantors or others;

(ix) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance, as the case may be, have been complied with, such Opinion of Counsel to be subject to customary assumptions, limitations and exclusions; and

(x) the Issuer has delivered irrevocable written instructions to the Trustee to apply the deposited money toward the payment of the Notes at the Maturity Date or the redemption date, as the case may be.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect as to all the Notes issued thereunder, when:

(a) either:

(i) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust and thereafter repaid to the Issuer, have been delivered to the Trustee for cancellation; or

(ii) all Notes that have not been delivered to the Trustee for cancellation have become due and payable by reason of the mailing of a notice of redemption or otherwise or will become due and payable within one year and the Issuer or a Guarantor has irrevocably deposited or caused to be deposited with the Trustee (or another entity designated by the Trustee for such purposed) as trust funds in trust solely for the benefit of Noteholders, cash in U.S. Dollars, U.S. Government Obligations, or a combination thereof, in such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, without any consideration of any reinvestment of interest, to pay and discharge the entire indebtedness on the Notes not delivered to the Trustee for cancellation for principal, Premium Amounts, Additional Amounts, if any, and accrued interest to the Maturity Date or redemption date;

(b) no Default or Event of Default has occurred and is continuing on the date of such deposit or will occur as a result of such deposit and such deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Issuer or any Guarantor is a party or by which the Issuer or any Guarantor is bound;

(c) all sums payable by the Issuer or the Guarantors under the Indenture are paid or caused to be paid by or on behalf of the Issuer or the Guarantors; and

(d) the Issuer has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of the Notes at the Maturity Date or the redemption date, as the case may be.

In addition, the Issuer must deliver an Officer's Certificate and an Opinion of Counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

Notices

Any notice or communication to a Noteholder will be deemed to have been duly given upon the mailing by first class mail to such Noteholder at its registered address as recorded in the Register not later than the latest date, and not earlier than the earliest date prescribed in the Indenture for the giving of notice.

In addition, if and for so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and traded on the Euro MTF Market and its rules so require, all notices to Noteholders will also be supplied to the Luxembourg Stock Exchange and are expected to be published at *www.bourse.lu*. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date.

In the case of Global Notes, notices will be sent to DTC or its nominees (or any successors), as the Noteholders thereof, and DTC will communicate such notices to the DTC participants in accordance with its standard procedures.

Concerning the Trustee

The Bank of New York Mellon will be the Trustee under the Indenture. The Trustee's corporate trust office is presently located at 101 Barclay Street, Floor 7E, New York, New York 10286.

The Trustee will be permitted to engage in other transactions; however, if it acquires any conflicting interest it must eliminate such conflict within 90 days or resign. If the Trustee, Paying Agent, Registrar or such other agent becomes the owner or pledge of the Notes it may deal with the Issuer with the same rights as it would have if it were not the Trustee, Paying Agent, Registrar or such other agent.

Subject to the provisions of the Indenture relating to the duties of the Trustee, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any Noteholder, unless such Noteholder has provided to the Trustee security or indemnity acceptable to the Trustee. Subject to such provision for indemnification and except as otherwise provided , the Required Noteholders will have the right to direct the time, method and place of conducting any proceedings for any remedy available to the Trustee, or exercising any trust or power conferred by the Trustee with respect to the Notes; provided that the Trustee shall have the right to decline to follow any such direction if the Trustee shall determine that the action so directed conflicts with any law or the provisions of the Indenture or subjects the Trustee to personal liability.

Judgment Currency

Any payment on account of any amount that is payable in U.S. Dollars (the "*Required Currency*") that is made to or for the account of any Noteholder in lawful currency or any other jurisdiction (the "*Other Currency*") whether as a result of any judgment or order or the enforcement thereof or the realization of a security or liquidation of the Issuer or any Guarantor shall constitute a discharge of the Issuer's or such Guarantor's obligation under the Indenture, the Notes, or the applicable Note Guarantee, as the case may be, only to the extent of the amount of the Required

Currency that such Noteholder could purchase in the New York foreign exchange markets with the amount of the Other Currency in accordance with normal banking procedures at the rate of exchange prevailing on the first New York Business Day following receipt of the payment first referred to above. If the amount of the Required Currency that could be so purchased is less than the amount of the Required Currency originally due to such Noteholder, the Issuer or a Guarantor, as the case may be, shall indemnify and save harmless such Noteholder from and against all loss or damage arising out of or as a result of such deficiency. This indemnity shall constitute an obligation separate and independent from the other obligations contained in the Indenture, the Notes or the Note Guarantee, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under any judgment or order.

Consent to Jurisdiction and Service of Process

The Indenture will provide that the Issuer and each Guarantor will appoint National Corporate Research, Ltd. as its agent for service of process in any suit, action or proceeding with respect to the Indenture, the Collateral Agency Agreement, the Paying Agency Agreement and the Notes brought in any federal or state court located in the City of New York and will submit to such jurisdiction.

Additional Information

Anyone who receives this listing memorandum may obtain a copy of the Indenture or the other Transaction Documents without charge at the registered office of the Issuer and at the offices of the Trustee or by writing to the Trustee.

Governing Law

The Indenture, the Notes and the Note Guarantee will be governed by, and construed in accordance with, the laws of the State of New York. Each of the Share Pledge Agreements will be governed by, and construed in accordance with, the laws of Uruguay. The due authorization of the Notes and the tax regime applicable to payments under the Notes will be governed by, and construed in accordance with, the laws of Spain.

Certain Definitions

The following are certain of the terms as such will be defined in the Indenture:

"*Accounting Principles*" means (a) with respect to the Issuer and PdS, the International Financial Reporting Standards as issued by the International Standards Accounting Board ("*IFRS*") and (b) with respect to Cerealsur, the generally accepted accounting principles of Uruguay, or in the event Cerealsur elects to prepare its financial statements in accordance with IFRS, then it shall mean IFRS.

"*Affiliate*" means, with respect to any Person at any time, any other Person Controlling, Controlled by or under common Control with such specified Person.

"*Agents*" means the Collateral Agent, the Paying Agent, transfer agent, registrar, or other agent appointed by the Company pursuant to the terms of the Indenture.

"*Airport*" means the Aeropuerto Internacional de Carrasco.

"*Applicable Law*" means, as to any Person, any law, order, decree, treaty, rule, regulation or similar requirement (including measures thereunder) or any determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person and/or any of its Property and/or to which such Person and/or any of its Property is subject.

"*Banco Itaú Loan*" means the US$10,000,000 loan agreement, dated as of September 1, 2014, between PdS and Banco Itaú Uruguay S.A.

"*Banco Santander Loan*" means the US$17,000,000 loan agreement, dated as of August 29, 2014, between PdS and Banco Santander S.A.

"*Beneficial Owner*" means a holder of a beneficial interest in a Note.

"*Board of Directors*" means: (a) with respect to a corporation, the board of directors of the corporation, (b) with respect to a partnership, the board of directors of the general partner of the partnership, and (c) with respect to any other Person, the board or committee of such Person serving in a similar function (including, without limitation, a sole shareholder or sole director).

"*Business Day*" means any day other than a Saturday, Sunday or other day on which banking institutions in New York City, New York, the City of Montevideo, Uruguay or Madrid, Spain are permitted or required by Applicable Law to remain closed; provided that, (i) with respect to any actions taken or to be taken by the Trustee or the Collateral Agent such term will mean a day in the jurisdiction of the Trustee or the Collateral Agent (as applicable) other than a Saturday, Sunday or other day on which the Trustee or the Collateral Agent (as applicable) is not open for business and (ii) with respect to the definition of Payment Date, such term will not include Madrid, Spain.

"*Capital Lease Obligations*" means, with respect to any Person as of any date of determination, the obligations of such Person to pay rent and other amounts under any lease of (or other arrangement conveying the right to use) real or personal Property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on the balance sheet of such Person under Accounting Principles. The amount of such obligations at any date of determination will be the capitalized amount thereof as of such date as determined in accordance with the Accounting Principles.

"*Capital Stock*" means, with respect to any Person, any and all shares (whether common or preferred), interests, participations, partnership interests or other equity or ownership interests in such Person (however designated and whether or not voting) and any warrants, rights or options to purchase any of such equity or ownership interests.

"*Cash Equivalents*" means (i) U.S. Dollars or local currencies held by the Issuer, Cerealsur or PdS from time to time in the ordinary course of business, (ii) investment in any marketable general obligations issued by any state of the United States or any political instrumentality thereof, at the time of acquisition, having a credit rating of at least an "A" or better from S&P or Moody's or carrying an equivalent rating by a nationally-recognized rating agency in the United States, (iii) investments in marketable direct obligations issued or unconditionally guaranteed by the United States, Uruguay or any agency or political subdivision thereof having maturities of no more than a year from the date of acquisition, (iv) certificates of deposit, time deposit accounts and money market accounts maturing not more than one year after the acquisition thereof issued by any commercial bank the long term debt of which is rated at the time of acquisition thereof at least "A" or the equivalent thereof by S&P or Moody's or carrying an equivalent rating by a nationally recognized rating agency in the United States, if both of S&P and Moody's cease publishing ratings of investments, and having a combined capital and surplus in excess of US$500,000,000, (iv) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (ii), (iii) and (iv) entered into with any bank meeting the qualifications in clause (iv), (v) commercial paper rated at the time of acquisition thereof at least "A 2" or the equivalent thereof by S&P or "P 2" or the equivalent thereof by Moody's or carrying an equivalent rating by a nationally recognized rating agency, if both of S&P and Moody's cease publishing ratings of investments, and in any case maturing within one year after the date of acquisition thereof, or (vi) interests in any investment company or money market fund which invests 95% or more of its assets in instruments of the type specified in clauses (i) through (v) above.

"*Cerealsur*" means Cerealsur S.A., a *sociedad anónima* incorporated under the laws of Uruguay.

"*Cerealsur Costs*" means (a) all Taxes of Cerealsur and (b) operating and administrative costs and expenses of Cerealsur.

"*Cerealsur EBITDA*" means, with respect to Cerealsur and for any period, the net income (loss) of Cerealsur (on a consolidated basis and as determined in accordance with Accounting Principles) for such period, plus depreciation and amortization, interest expense and income tax, for such period.

"*Cerealsur Permitted Investments*" means (a) cash or Cash Equivalents, (b) Investments in PdS, (c) the Note Guarantee provided by Cerealsur and (d) Uruguayan Cash Equivalents.

"*Cerealsur Share Pledge Agreement*" means that certain share pledge agreement (*Contrato de Prenda con Depósito*), dated as of the Issue Date, among the Issuer, Cerealsur and the Collateral Agent, pursuant to which the Issuer will pledge 100% of the shares of Cerealsur in favor of the Collateral Agent, for the benefit of the Investors.

"*Change of Control*" means that: (a) other than the Permitted Holders, any "person" or "group" (each as used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the total voting power of the Capital Stock of the Issuer or Parent, (b) for any reason, Permitted Holders do not have the right (directly or indirectly) to appoint at least a majority of the Board of Directors of the Issuer, and/or (c)(i) for so long as Southern Cone Foundation (or any other foundation or similar entity) Controls (whether directly or indirectly) the Issuer, any member of such entity's board (or similar body) is a "Specially Designated National" as identified by the United States Office of Foreign Assets Control, (ii) any direct or indirect beneficiary of such entity is: (A) a "Specially Designated National" as identified by the United States Office of Foreign Assets Control and/or (B) headquartered and/or organized in a jurisdiction subject to sanctions imposed by the United States Office of Foreign Assets Control and/or (iii) other than natural persons described in clause (b) of the definition of "Permitted Holders," any member of such entity's board (or similar entity) or any direct or indirect beneficiary of such entity is: (A) a government official or employee, a political party or a similar organization or (B) an institution or other organization that: (1) uses its resources to promote or otherwise support (whether directly or indirectly) any such government official or employee, political party or similar group or (2) violates any of the Corrupt Practices Laws and/or is involved in any bribery, kick-backs or similar activities with any government official or employee, political party or similar group; provided that no Change of Control shall be deemed to occur if within 60 days of the events described in clauses (a) and (b) above, each of the Rating Agencies shall have provided a Ratings Reaffirmation.

"*Collateral Agency Agreement*" means the collateral agency agreement, dated as of the Issue Date, among the Issuer, Cerealsur, the Trustee and the Collateral Agent.

"*Collateral Agent*" means TMF Trust Company (Uruguay) S.A., a *sociedad anónima* organized under the laws of Uruguay, or any successor thereto.

"*Comparable Treasury Issue*" means the United States Treasury security or securities selected by an Independent Investment Banker as having an actual or interpolated maturity comparable to the remaining term of the Notes to be redeemed, that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity or interpolated maturity to the remaining term of such Notes.

"*Comparable Treasury Price*" means, with respect to any redemption date (a) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotation or (b) if the Independent Investment Banker obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

"*Concession*" means the concession for the construction, operation and management of the Airport granted to PdS under the terms of the Concession Agreement.

"*Concession Agreement*" means the concession contract (*Contrato de Gestión Integral*) entered into on February 6, 2003 (as amended to the date of this listing memorandum and as further amended, modified or supplemented from time to time) between PdS and the Uruguayan Ministry of Defense (*Ministerio de Defensa Nacional*) pursuant to which PdS has been granted a concession for the construction, operation and management of the Airport.

"*Contingent Liabilities*" mean any agreement, undertaking or arrangement by which any Person guarantees, endorses or otherwise becomes or is contingently liable (by a Contractual Obligation, contingent or otherwise, to provide funds for payment, to supply funds to, or otherwise to invest in, a debtor, or otherwise to assure a creditor against loss) for the Debt, obligation or any other liability of any other Person (other than by endorsements of instruments in the course of collection), or guarantees the payment of dividends or other distributions upon the Capital Stock of any other Person. The principal amount of any Person's obligation under any Contingent Liability will (subject to any maximum liability of such Person set forth in the documentation for such Contingent Liability) be deemed to be the outstanding principal amount (or maximum outstanding principal amount, if larger) of the Debt, obligation or other liability guaranteed or otherwise covered thereby.

"*Contractual Obligation*" means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it and/or any of its Property is bound, which provision constitutes an agreement, obligation or commitment of, or covenant or undertaking by, such Person.

"*Control*" when used with respect to any Person means the right or power to direct or cause the direction of the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "*Controlling*" and "*Controlled*" have meanings correlative to the foregoing. With respect to any entity that is publicly listed, the Person (or group of Persons) directly or indirectly having the highest percentage of ownership of (or control over the voting of) Capital Stock of such entity will be deemed to have "Control" over such entity unless such percentage is less than 10%.

"*Corrupt Practices Laws*" means, to the extent applicable with respect to any Person: (a) the United States Foreign Corrupt Practices Act of 1977 (Pub. L. No. 95-213, §§101-104), as amended (the "*FCPA*") and (b) any other Applicable Law applicable to such Person and/or any of its Subsidiaries of similar purpose and scope, including without limitation, any Applicable Law relating to the use, or agreement to use, any corporate funds in furtherance of an unlawful offer, payment, promise to pay, or authorization or approval of the payment or giving of money, property, gifts or anything else of value, directly or indirectly, for or on behalf of such Person and/or any of its Subsidiaries to any "government official" (including any officer or employee of a government or government-owned or -controlled entity or of a public international organization, or any Person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office) to influence official action or secure an improper advantage in contravention of the FCPA or such similar laws, rules and regulations.

"*Debt*" means, with respect to any Person at any date, without duplication and whether or not included as liabilities in accordance with Accounting Principles:

(a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(b) all obligations, contingent or otherwise, relative to the amount of all letters of credit, whether or not drawn, banker's acceptances and similar arrangements for the account of such Person;

(c) all Capital Lease Obligations of such Person;

(d) all obligations of such Person to pay the deferred purchase price of Property or services (other than ordinary course trade liabilities that are not past due for 60 days or more), and obligations (including under conditional sales or other title retention agreements) secured by a Lien on Property owned or being purchased by such Person, whether or not such obligations shall have been assumed by such Person or are limited in recourse (provided that if any such obligations are limited in recourse, then the amount of such Debt will be considered to be the maximum potential liability thereunder);

(e) all net obligations of such Person in respect of swap, cap, collar, swaption, option or similar agreements as determined in accordance with Accounting Principles;

(f) all outstanding aggregate investments or principal amounts of indebtedness held by purchasers, assignees or transferees of (or of interests in) accounts receivable, lease receivables or other payment rights (or securities, loans or other obligations issued by or of such purchasers, assignees or transferees) in connection with any securitization by such Person;

(g) the principal component or liquidation preference of all obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Stock (but excluding any accrued dividends);

(h) Taxes, ordinary course trade liabilities and other amounts payable by such person that are past due for 90 days or more;

(i) all Contingent Liabilities of such Person; and

(j) all liabilities secured by any Lien on any Property of such Person even though such Person has not assumed or otherwise become liable for the payment thereof.

"*Debt Service*" means, for any Person for any period, the sum of all principal and interest payments and any fees, commissions, discounts, expenses, premia, breakage costs, termination costs, payments on Capital Lease Obligations and other amounts paid by (including capitalized) by such Person during such period with respect of all Debt of such person.

"*Default*" means any event or condition that with the lapse of time or the giving of notice, or both, would become an Event of Default.

"*Disqualified Stock*" means, with respect to any Person, any Capital Stock that, by its terms (or by the terms of any Debt or other Capital Stock into which it is convertible or for which it is exchangeable at the option of the holder thereof), or upon the happening of any event (a) matures or is mandatorily redeemable (whether pursuant to a sinking fund obligation or otherwise) (b) is convertible into or exchangeable for Debt or Disqualified Stock (excluding Capital Stock which is convertible or exchangeable solely at the option of the Issuer, Cerealsur or PdS (it being understood that upon such conversion or exchange it shall be an incurrence of such Debt or Disqualified Stock)) or (c) is redeemable at the sole option of the holder thereof, in any case on or before the 91st day after the Maturity Date or the date the Notes are no longer outstanding.

"*Distributions to Debt Service Ratio*" means, for any date of determination, the ratio of (a) an amount equal to (i) PdS Distributions *minus* (ii) Fixed Costs, in each case for the most recently ended two Interest Periods to (b) Debt Service of the Issuer for the next two Interest Periods following such date of determination or, for purposes of the calculation in clause (a)(ii)(C)(2)(y) under "—Certain Affirmative Covenants," Debt Service of the Issuer for the specified two Interest Periods.

"*DTC*" means The Depository Trust Company, a New York corporation.

"*Duty Free Contracts*" means the *Contrato de Concesión para la Explotación Comercial de Duty Free en Aeropuerto de Carrasco y Uso de Espacio*, dated July 27, 2011, between PdS and Navinten S.A., the *Acuerdo*, dated December 4, 2012, between PdS and Navinten S.A. and the *Contrato de Explotación Comercial y Uso de Espacio en el Aeropuerto de Carrasco*, dated May 27, 2013, between PdS and Navinten S.A. or any agreements relating to sales of duty free products at the Airport in replacement thereof.

"*Exchange Act*" means the U.S. Securities Exchange Act of 1934, as amended, and all regulations promulgated thereunder.

"*Excluded Capital Expenditures*" means any capital expenditures described in clauses (a) or (b) of the definition of Permitted Capital Expenditures to the extent such capital expenditures are either (i) funded or financed with equity, other subordinated capital or proceeds of asset sales permitted under the Indenture, or (ii) consented to by the Required Noteholders, such consent not to be unreasonably withheld.

"*Existing PdS Notes*" means the 7.75% negotiable obligations due 2021 (*obligaciones negociables*) issued by PdS on April 30, 2007.

"*Fair Value*" means, with respect to any Property, service or business, the price (after taking into account any liabilities relating to such Property, service or business) that could be negotiated in an arm's-length transaction, for cash, between a willing seller and a willing and able buyer, neither of which is under any compulsion to complete the transaction.

"*Fitch*" means Fitch Ratings, Inc. and its successors (including the surviving entity of any merger with another rating agency).

"*Fixed Costs*" means the sum of (a) Cerealsur Costs and (b) Issuer Costs.

"*Governmental Authority*" means any nation or government (including Spain, Uruguay and the United States), any state, province or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any multilateral or supranational entity.

"*guarantee*" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Debt of any other Person: (a) to purchase or pay, or advance or supply funds for the purchase or payment of, such Debt of such other Person, whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise; or (b) entered into for purposes of assuring in any other manner the obligee of such Debt of the payment thereof or to protect such obligee against loss in respect thereof, in whole or in part; provided that "guarantee" will not include endorsements for collection or deposit in the ordinary course of business. When used as a verb, "*guarantee*" has a corresponding meaning.

"*Guarantor*" means, initially, Cerealsur, and commencing at such time that PdS provides a Note Guarantee pursuant to clause (o) under "—Certain Affirmative Covenants," PdS.

"*Historical Distributions to Debt Service Ratio*" means, for any date of determination, the ratio of (a) an amount equal to (i) PdS Distributions *minus* (ii) Fixed Costs, in each case for the two most recently ended Interest Periods to (b) Debt Service of the Issuer for the two most recently ended Interest Periods.

"*Independent Investment Banker*" means one of the Reference Treasury Dealers appointed by the Issuer.

"*Intercompany Loans*" means any extension of credit, loans or advances by the Issuer to any of its Affiliates, including Subsidiary Intercompany Loans.

"*Interest Period*" means: (a) initially, the period from and including the Issue Date to but excluding the first Payment Date, and (b) thereafter, the period from the end of the preceding Interest Period to but excluding the next Payment Date.

"*Investment*" means, with respect to any person, any: (a) purchase or other acquisition of any Capital Stock or Debt issued by any other Person, (b) capital contribution (whether by means of any transfer of Property or otherwise) to any other Person and (c) any incurrence of Debt relating to another Person (such as a guarantee of the Debt of such other Person); provided that Investment does not include the creation of accounts receivable or similar payment rights generated in the ordinary course of business.

"*Investor*" means each Noteholder and Beneficial Owner.

"*Issue Date*" means May 7, 2015, the issue date of the Notes.

"*Issuer Costs*" means (a)Taxes of the Issuer and (b) operating and administrative costs and expenses of the Issuer (including Rating Agency fees, legal fees and registered office fees), and fees, costs, expenses and indemnities of the Trustee and the Agents.

"*Issuer Permitted Investments*" means (a) cash or Cash Equivalents, (b) Investments in Cerealsur or PdS and (c) Intercompany Loans.

"*Issuer/Cerealsur Permitted Liens*" means:

(a) Liens created pursuant to the Transaction Documents;

(b) each of the following as to which no enforcement, collection, execution, levy or foreclosure proceeding have been commenced: (i) Liens for Taxes or other similar charges not yet due or that are being contested in good faith by appropriate proceedings, so long as adequate reserves or other appropriate provisions with respect thereto are maintained on the books of the Issuer to the extent required by Accounting Principles, (ii) statutory Liens, such as carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens, arising in the ordinary course of business that secure amounts not overdue for a period of more than 90 days or that are being contested in good faith by appropriate proceedings, if adequate reserves or other appropriate provisions with respect thereto are maintained on the books of the Issuer to the extent required by Accounting Principles, (iii) Liens arising out of judgments, decrees, orders or awards not giving rise to a Default or Event of Default that are being contested in good faith by appropriate proceedings (or if the period within which such proceeding may be initiated shall not have expired), if adequate reserves or other appropriate provisions with respect thereto are maintained on the books of the Issuer to the extent required by Accounting Principles; and

(c) banker's liens and like encumbrances by financial institutions on deposits, securities or other funds maintained by the Issuer with such financial institution in the ordinary course of business.

"*Lien*" means, as applied to any Property, any pledge, mortgage, lien, charge, security interest, deed of trust, hypothecation, security trust, fiduciary transfer of title, assignment by way of security, charge, sale and lease-back arrangement, easement, servitude, trust arrangement or encumbrance of any kind thereon (including any conditional sale or other title retention agreement, any lease in the nature thereof or the interest of the lessor under any capitalized lease), or any other preferential arrangement having the practical and/or economic effect of constituting a security interest with respect to the payment of any obligation with, or from the proceeds of, such Property (including any right of setoff or similar banker's lien).

"*Make-Whole Premium*" means, at any redemption date, the greater of (a) 1% of the Principal Balance of the Notes being redeemed at such date, and (b) the excess of (i) the sum of the present values at such date of (A) the redemption price of such Notes on November 29, 2022 as if redeemed on that date (such redemption price being described in the table appearing in the first paragraph under "—Redemption at the Option of the Issuer" exclusive of any accrued interest to such redemption date), plus (ii) any required interest payments due on such Notes through and including November 29, 2022 (excluding accrued and unpaid interest to the date of redemption), computing using a discount rate equal to the Treasury Rate plus 50 basis points, over (B) the Principal Balance of such Notes at such date.

"*Material Adverse Effect*" means: (a) a material adverse effect on the business, operations, financial condition and/or Property of the Issuer, Cerealsur or PdS, in each case either individually or on a consolidated basis with its Subsidiaries, (b) a material impairment of the ability of the Issuer or any Guarantor to perform its obligations under the Transaction Documents or (c) a material adverse effect on the transactions contemplated by the Transaction Documents, including: (i) the ability of PdS or Cerealsur to make dividend payments or distributions, (ii) the validity or enforceability against the Issuer or any Guarantor of any of the Transaction Documents to which it is a party, (ii) the rights and remedies of the Investors under the Transaction Documents or (iii) the Liens granted to the Trustee or the Collateral Agent pursuant to the Transaction Documents.

"*Material Agreements*" means (a) the Operating Agreement, (b) the Duty Free Contracts and (c) any other agreement entered into by PdS with a value greater than 10% of the total operating revenue of PdS for the most recent quarterly fiscal period prior to the date on which such agreement is entered into.

"*Moody's*" means Moody's Investors Service, Inc., or any successor thereto (including the surviving entity of any merger with another rating agency).

"*New York Business Day*" means any day other than a Saturday, Sunday or other day on which banking institutions in New York City, New York are permitted or required by Applicable Law to remain closed.

"*Note Guarantee*" means, individually, any guarantee of the Issuer's obligations under the Indenture and the Notes by Cerealsur pursuant to the Indenture or, upon delivery thereof, by PdS pursuant to a supplemental indenture thereto, and, collectively, all such guarantees.

"*Officer*" means, with respect to any Person, (a) the Chairman of the Board of Directors, the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, the Treasurer, any Managing Director, the Secretary of such Person or if such Person is owned or managed by a single entity, the sole shareholder or sole director of such Person, or (b) any other individual designated as an "Officer" for purposes of the Indenture by the Board of Directors of such Person.

"*Officer's Certificate*" means, with respect to any Person, a certificate signed by an Officer of such Person.

"*Operating Agreement*" means the *Contrato de Operación Aeroportuaria*, dated as of November 19, 2003, between PdS and Società per Azionie Esercizi Aeroportuali S.E.A. S.p.A. or any operating agreement in replacement thereof.

"*Opinion of Counsel*" means an opinion in writing signed by legal counsel, which counsel may be an employee of or counsel of the Issuer or its Subsidiaries or other counsel reasonably satisfactory to the Trustee and which opinion must be in form and substance reasonably acceptable to the Trustee.

"*Parent*" means American Corporation International, S.à r.l., a limited liability company organized under the laws of Luxembourg.

"*PdS*" means Puerta del Sur S.A., a *sociedad anónima* incorporated under the laws of Uruguay.

"*PdS Distribution Event*" means any event which results in PdS being prohibited from making dividend payments to Cerealsur pursuant to Section 2.20(f) of the Issuance Document (*Documento de Emisión de Obligaciones Negociables de Oferta Pública Emitidas Por Puerta del Sur S.A.*) for the Existing PdS Notes.

"*PdS Distributions*" means, as of any date of determination, the amount of dividend payments or other distributions made by PdS and deposited by PdS in the Cerealsur Distribution Account and the Cerealsur Operating Account as of such date.

"*PdS Distributions on Accounts*" means, (a) (i) Cerealsur EBITDA *plus* (ii) Cerealsur Costs included in the calculation of Cerealsur EBITDA, *minus* (b) the sum of (i) Permitted Capital Expenditures other than Excluded Capital Expenditures, in each case actually incurred, (ii) Taxes of PdS, (iii) Debt Service of PdS, and (iv) Permitted PdS Costs, *plus or minus* (c) changes in working capital (as determined in accordance with Accounting Principles). PdS Distributions on Accounts shall be calculated as of any date of determination for the most recent six-month period ended on March 31 or September 30.

"*PdS Permitted Investments*" means (a) cash, Cash Equivalents or Uruguayan Cash Equivalents, (b) currency hedging obligations entered into in the ordinary course of business and not for speculative purposes not exceeding US$12,000,000 at any time outstanding and (c) the Note Guarantee provided by PdS.

"*PdS Permitted Liens*" means:

(a) Liens securing the Existing PdS Notes;

(b) each of the following as to which no enforcement, collection, execution, levy or foreclosure proceeding have been commenced: (i) Liens for Taxes or other similar charges not yet due or that are being contested in good faith by appropriate proceedings, so long as adequate reserves or other appropriate provisions with respect thereto are maintained on the books of PdS to the extent required by Accounting Principles, (ii) statutory Liens, such as carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens, arising in the ordinary course of business that secure amounts not overdue for a period of more than 90 days or that are being contested in good faith by appropriate proceedings, if adequate reserves or other appropriate provisions with respect thereto are maintained on the books of PdS to the extent required by Accounting Principles, (iii) any easements, rights of way, restrictions and other similar encumbrances incurred in the ordinary course of business, including, without limitation, the posting of margin under currency hedges, that do not, individually or in the aggregate, materially impair the business of PdS, (iv) Liens or deposits in the ordinary course of business incurred or made as required by Applicable Law in connection with workers' compensation, unemployment insurance and social security, (v) deposits to secure the performance of bids, trade contracts (other than for borrowed money), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business and (vi) Liens arising out of judgments, decrees, orders or awards not giving rise to a Default or Event of Default that are being contested in good faith by appropriate proceedings (or if the period within which such proceeding may be initiated shall not have expired), if adequate reserves or other appropriate provisions with respect thereto are maintained on the books of PdS to the extent required by Accounting Principles;

(c) any interest or title of a lessee under any lease entered into by PdS in the ordinary course of business and covering only the Property so leased;

(d) banker's liens and like encumbrances by financial institutions on deposits, securities or other funds maintained by the Issuer with such financial institution in the ordinary course of business; and

(e) purchase money Liens on Property of PdS securing Debt incurred by PdS for the financing of its acquisition or leasing of such Property; provided that the principal amount of such Debt does not exceed the cost of such Property and such Lien is created within 60 days of such acquisition or lease.

"*PdS Share Pledge Agreement*" means that certain share pledge agreement (*Contrato de Prenda con Depósito*), dated as of the Issue Date, among Cerealsur, PdS and the Collateral Agent, pursuant to which Cerealsur will pledge 100% of the shares of PdS in favor of the Collateral Agent, for the benefit of the Investors.

"*Permitted Capital Expenditures*" means (a) as set forth in a schedule to the Indenture, capital expenditures to be incurred by PdS, (b) other capital expenditures required to be incurred by PdS under the terms of the Concession Agreement, and (c) any capital expenditures of PdS that are projected in good faith and certified by an Officer of Cerealsur to generate a positive net present value, in an amount not to exceed US$10,000,000 in any fiscal year and US$30,000,000 in aggregate.

"*Permitted Holders*" means: (a) with respect to the Issuer, Parent or any direct or indirect Wholly-owned Subsidiary of Parent, and (b) with respect to Parent, (i) Southern Cone Foundation, to the extent that all of the beneficiaries and potential beneficiaries thereunder are persons described in clause (ii) and/or religious, charitable or educational institutions and (ii) members of the Eurnekian family; the respective estates, spouses, heirs, ascendants, descendants and legatees of the members of the Eurnekian family; any trust established solely for the benefit of any one or more of the individuals named in this clause (ii); and any person Controlled by one or more of the other Permitted Holder(s).

"*Permitted PdS Costs*" means, for any period, trustee fees, rating agency fees and expenses, and fees of legal accounting and other professional advisors incurred by PdS in connection with the Permitted PdS Debt.

"*Person*" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization, limited liability company or government or other entity.

"*Premium Amounts*" means the Fixed Redemption Premium and the Make-Whole Premium.

"*Principal Balance*" means, as of any date of determination, the outstanding principal balance of the Notes on such date (or, with respect to any Note or beneficial interest therein, the outstanding principal balance thereof).

"*Property*" means, with respect to any Person, any actual or fiduciary right or interest in or to property or other assets (whether owned by such person or a third party), contract rights and/or revenues of any kind whatsoever, whether real, personal or mixed, whether tangible or intangible, whether existing on the Issue Date or to be created in the future.

"*Rating Agency*" means each of Fitch and S&P.

"*Ratings Reaffirmation*" means, with respect to any event, a written affirmation from a Rating Agency that as a result of such event, its rating of the Notes will be no less than the lower of such Rating Agency's initial and then-current rating on the Notes.

"*Reference Treasury Dealer*" means Nomura Securities International, Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated or any of their respective affiliates which is a primary United States government securities dealer and not less than three other leading primary United States government securities dealers in New York City reasonably designated by the Issuer; <u>provided</u> that if any of the foregoing ceases to be a primary United States government securities dealer in New York City (a "*Primary Treasury Dealer*"), the Issuer will substitute therefor another Primary Treasury Dealer.

"*Reference Treasury Dealer Quotation*" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by such Reference Treasury Dealer at 3:30 p.m. (New York City time) on the third New York Business Day preceding such redemption date.

"*Relevant Taxing Jurisdiction*" means any Governmental Authority of Spain, Uruguay or any other jurisdiction, or any political subdivision or taxing authority thereof or therein, in which the Issuer or a Guarantor is organized or resident for tax purposes, or any other jurisdiction from or through which the Issuer or a Guarantor, or any paying agent, as the case may be, makes payment with respect to the Notes or the Note Guarantee.

"*Required Noteholders*" means, as of any date of determination but subject to "—Open Market Purchases" above, (a) the Noteholders that, in the aggregate, hold more than 50% of the Principal Balance of the Notes on such date or (b) with respect to an instruction to the Trustee to declare the Principal Balance of the Notes immediately due and payable as a result of an Event of Default, the Noteholders that, in the aggregate, hold more than 25% of the Principal Balance of the Notes on such date.

"*Required Rating*" means a long-term unsecured debt rating of not less than "A" by Standard & Poor's or Fitch or "A2" by Moody's.

"*Restricted Investment*" means any Investment other than an Issuer Permitted Investment, Cerealsur Permitted Investment or PdS Permitted Investment.

"*Restricted Payment*" means: (a) any reduction or return of capital, any payment of any dividends, distributions of reserves or other payments on Capital Stock (other than in the form of additional Capital Stock of the same type), (b) the authorization or making of any other distribution, any payment or delivery of Property (including cash) to holders of Capital Stock in their capacity as holders of Capital Stock, (c) the redemption, retirement, purchase or other acquisition, directly or indirectly, for consideration by a Person of any of its Capital Stock now or hereafter outstanding (including any warrants, rights or options with respect to its Capital Stock), (d) the setting aside of any funds for any of the foregoing purposes or (e) make any Restricted Investment.

"*S&P*" means Standard & Poor's Ratings Services, a division of McGraw Hill Financial, Inc., or any successor thereto (including the surviving entity of any merger with another rating agency).

"*Securities Act*" means the U.S. Securities Act of 1933, as amended.

"*Security Documents*" means the Indenture, the Share Pledge Agreements and each security agreement, pledge agreement, assignment or other document under which a security interest is granted to secure payment and performance when due of the Issuer and/or any Guarantor under the Notes, a Note Guarantee and the Indenture, as the case may be.

"*Share Pledge Agreements*" means the Cerealsur Share Pledge Agreement and the PdS Share Pledge Agreement.

"*Spain*" means the Kingdom of Spain.

"*Subsidiary*" means, with respect to any Person at any time, a corporation, partnership or other business entity of which more than 50% of the total Capital Stock having ordinary voting power (other than Capital Stock having such power only by reason of the happening of a contingency) to elect a majority of the Board of Directors of such corporation, partnership or other entity are at such time owned, or the management of which is otherwise Controlled, directly or indirectly through one or more intermediaries, or both, by such Person.

"*Subsidiary Intercompany Loans*" means loans made by the Issuer to Cerealsur and/or to PdS and pursuant to which Cerealsur or PdS, as the case may be, agrees to make payments to the Issuer.

"*Taxes*" means all taxes, levies, customs duties, imposts, fees, assessments or other charges, including all net income, gross income, gross receipts, sales, use, *ad valorem*, value added, turnover, transfer, franchise, profits, license, withholding, payroll, employment, social contributions, excise, estimated, severance, stamp, occupation, property, import, export, asset or other taxes, levies, customs duties, imposts, fees, assessments or charges of any kind whatsoever, together with any interest, penalties, adjustments for inflation, monetary corrections, additions to tax or additional amounts imposed by any Governmental Authority.

"*Transaction Documents*" means the Security Documents, the Collateral Agency Agreement, the Paying Agency Agreement and the Notes.

"*Treasury Rate*" means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity or interpolated maturity (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date. The Treasury Rate will be calculated by the Independent Investment Banker on the third New York Business Day preceding the redemption date.

"*Uruguay*" means the Oriental Republic of Uruguay.

"*Uruguayan Cash Equivalents*" means (i) Uruguayan pesos held by Cerealsur or PdS from time to time in the ordinary course of business, (ii) investment in any marketable general obligations issued by the government of Uruguay or any political instrumentality thereof, at the time of acquisition, having a credit rating of at least an "A+" or better from by a nationally-recognized rating agency in Uruguay, (iii) investments in marketable direct obligations issued or unconditionally guaranteed by Uruguay or any agency or political subdivision thereof having maturities of no more than a year from the date of acquisition and (iv) certificates of deposit, time deposit accounts and money market accounts maturing not more than one year after the acquisition thereof issued by any commercial bank in Uruguay the long term debt of which is rated at the time of acquisition thereof at least "A+" or the equivalent thereof by a nationally recognized rating agency in Uruguay and having a combined capital and surplus in excess of US$60,000,000 (or its equivalent in Uruguayan pesos).

"*US$*" and "*U.S. Dollars*" each mean the lawful currency of the United States of America.

"*U.S. Government Obligations*" means direct obligations (or certificates representing an ownership interest in such obligations) of the United States of America (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States of America is pledged and which are not callable or redeemable at the Issuer's option.

"*Wholly-owned Subsidiary*" means any Subsidiary of a Person all the outstanding Capital Stock (other than directors' qualifying shares and, to the extent required by Applicable Law, Capital Stock representing no more than 5% of such Subsidiary's Capital Stock) is owned, directly or indirectly, by such Person.

BOOK-ENTRY; SETTLEMENT AND CLEARANCE

The Global Notes

The notes will be issued in the form of several registered notes in global form, without interest coupons (the "global notes"), as follows:

- notes sold to qualified institutional buyers under Rule 144A will be represented by the Rule 144A global note; and
- notes sold in offshore transactions to non-U.S. persons in reliance on Regulation S will be represented by the Regulation S global note.

Upon issuance, each of the global notes will be deposited with the trustee as custodian for DTC, as depository, and registered in the name of Cede & Co., as nominee of DTC.

Ownership of beneficial interests in each global note will be limited to persons who have accounts with DTC ("DTC participants") or persons who hold interests through DTC participants. The Issuer expects that under procedures established by DTC:

- upon deposit of each global note with DTC's custodian, DTC will credit portions of the principal amount of the global note to the accounts of the DTC participants designated by the initial purchasers; and
- ownership of beneficial interests in each global note will be shown on, and transfer of ownership of those interests will be effected only through, records maintained by DTC (with respect to interests of DTC participants) and the records of DTC participants (with respect to other owners of beneficial interests in the global note).

Beneficial interests in the global notes may not be exchanged for notes in physical, certificated form except in the limited circumstances described below.

Each global note and beneficial interests therein will be subject to restrictions on transfer as described under "Transfer Restrictions."

Exchanges Among the Global Notes

Beneficial interests in one global note may generally be exchanged for interests in another global note. Depending on whether the transfer is being made during or after the Resale Restriction Period (as defined under "Transfer Restrictions"), and to which global note the transfer is being made, the Issuer may require the seller to provide certain written certifications in the form provided in the indenture.

A beneficial interest in a global note that is transferred to a person who takes delivery through another global note will, upon transfer, become subject to any transfer restrictions and other procedures applicable to beneficial interests in the other global note.

Book-Entry Procedures for the Global Notes

All interests in the global notes will be subject to the operations and procedures of DTC. The following summaries of those operations and procedures are provided solely for the convenience of investors. The operations and procedures of each settlement system are controlled by that settlement system and may be changed at any time. Neither the Issuer, the trustee nor any initial purchaser is responsible for those operations or procedures.

DTC has advised us that it is:

- a limited purpose trust company organized under the laws of the State of New York;

- a “banking organization” within the meaning of the New York Banking Law;
- a member of the Federal Reserve System;
- a “clearing corporation” within the meaning of the New York Uniform Commercial Code; and
- a “clearing agency” registered under Section 17A of the Exchange Act.

DTC was created to hold securities for its participants and to facilitate the clearance and settlement of securities transactions between its participants through electronic book-entry changes to the accounts of its participants. DTC’s participants include securities brokers and dealers, including the initial purchasers; banks and trust companies; clearing corporations and other organizations. Indirect access to DTC’s system is also available to others such as banks, brokers, dealers and trust companies; these indirect participants clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly. Investors who are not DTC participants may beneficially own securities held by or on behalf of DTC only through DTC participants or indirect participants in DTC.

So long as DTC’s nominee is the registered owner of a global note, that nominee will be considered the sole owner or holder of the notes represented by that global note for all purposes under the indenture. Except as provided below, owners of beneficial interests in a global note:

- will not be entitled to have notes represented by the global note registered in their names;
- will not receive or be entitled to receive physical, certificated notes; and
- will not be considered the owners or holders of the notes under the indenture for any purpose, including with respect to the giving of any direction, instruction or approval to the trustee under the indenture.

As a result, each investor who owns a beneficial interest in a global note must rely on the procedures of DTC to exercise any rights of a holder of notes under the indenture (and, if the investor is not a participant or an indirect participant in DTC, on the procedures of the DTC participant through which the investor owns its interest).

Payments of principal, premium (if any) and interest with respect to the notes represented by a global note will be made by the trustee to DTC’s nominee as the registered holder of the global note. Neither the Issuer nor the trustee will have any responsibility or liability for the payment of amounts to owners of beneficial interests in a global note, for any aspect of the records relating to or payments made on account of beneficial ownership interests in the notes by DTC, or for maintaining, supervising or reviewing any records of DTC relating to those interests.

The Issuer expects that DTC or its nominee, upon receipt of any payment of principal of, and premium (if any) and interest on the global notes, will credit participants’ accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the global notes as shown on the records of DTC or its nominee. The Issuer also expects that payments by participants to owners of beneficial interests in the global notes held through such participants will be governed by standing instructions and customary practice, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such participants.

Transfers between participants in DTC will be effected under DTC’s procedures and will be settled in same-day funds. Transfers involving exchanges of beneficial interests between the Regulation S notes and the Rule 144A notes will be effected by DTC by means of an instruction originated through the DTC deposit/withdrawal at custodian system. Accordingly, in connection with any such transfer, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S note and a corresponding increase in the principal amount of the Rule 144A note or vice versa, as applicable. Any beneficial interest in one of the global notes that is transferred to a person who takes delivery in the form of an interest in the other global note will, upon transfer, cease to be an interest in such global note and will become an interest in the other global note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other global note for so long as it remains such an interest. DTC has agreed to the above procedures to facilitate transfers of interests in the global notes among its participants. However, DTC is not obligated to perform these procedures and may discontinue or change these procedures at any time. Neither the Issuer nor the trustee will have any responsibility for the performance by DTC or its participants or indirect participants of their obligations under the rules and procedures governing its operations.

Certificated Notes

Notes in physical, certificated form will be issued and delivered to each person that DTC identifies as a beneficial owner of the related notes only if:

- DTC notifies the Issuer at any time that it is unwilling or unable to continue as depositary for the global notes and a successor depositary is not appointed within 90 days;

- DTC ceases to be registered as a clearing agency under the Exchange Act and a successor depositary is not appointed within 90 days; or

- certain other events provided in the indenture, such as an event of default, should occur.

Certificated notes may not be exchanged for beneficial interests in any global note unless the transferor first delivers to the trustee a written certificate to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such notes. See "Transfer Restrictions" and "Plan of Distribution."

The laws of some states require that certain persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer the notes will be limited to such extent.

TAXATION

The following is a general description of certain tax considerations relating to the notes. It does not constitute tax advice and does not purport to be a complete analysis of all tax considerations relating to the notes, as applicable, whether in Spain, Uruguay, the United States or elsewhere. Prospective noteholders should consult their own tax advisors as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Spain of acquiring, holding and transfer of the notes and receiving payments of interest, principal and/or other amounts under the notes. This summary is based upon the law as in effect on the date of this listing memorandum and is subject to any change in law that may take effect after such date.

Investors should also note that the appointment by an investor in notes or any person through which an investor holds notes, of a custodian, collection agent or similar person in relation to such notes in any jurisdiction may have tax implications. Investors should consult their own tax advisors in relation to the tax consequences for them of any such appointment.

Spanish Tax Considerations

The following summary describes the main Spanish tax implications related to the acquisition, holding and transfer of the notes by certain individuals or entities that are the beneficial owners of the notes and payments made by the Issuer to these beneficial owners of the notes.

The information provided below does not purport to be a complete analysis of the tax law and practice currently applicable in Spain, and it is not intended to be, nor should it be construed to be, legal or tax advice, and does not address all the tax consequences applicable to all categories of investors, some of which (such as look through entities or holders of the notes by reason of employment) may be subject to special rules.

The information provided below has been prepared in accordance with the following Spanish tax legislation in force at the date of this listing memorandum:

(i) of general application, First Additional Provision of Law 10/2014 on the organization, supervision and solvency of credit entities, of June 26 ("Law 10/2014"), as well as Royal Decree 1065/2007, of July 27, 2007, approving the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes, as amended by Royal Decree 1145/2011, of July 29, 2011 ("Royal Decree 1065/2007");

(ii) for individuals resident for tax purposes in Spain which are subject to the Individual Income Tax ("IIT"), Law 35/2006 of November 28 on the IIT Law and on the partial amendment of the Corporate Income Tax Law, the Non-Resident Income Tax Law and the Net Wealth Tax Law, as amended, and Royal Decree 439/2007 of March 30, promulgating the IIT Regulations, along with Law 19/1991, of June 6, on the Net Wealth Tax, as amended, and Law 29/1987, of December 18 on Inheritance and Gift Tax ("IGT");

(iii) for legal entities resident for tax purposes in Spain which are subject to the Spanish Corporate Income Tax ("CIT"), Law 27/2014 of November 27 and Royal Decree 1777/2004 of July 30 promulgating the CIT Regulations as long as they do not oppose the provisions contained in Law 27/2014 of November 27; and

(iv) for individuals and entities who are not resident for tax purposes in Spain which are subject to the Spanish Non-Resident Income Tax ("NRIT"), Royal Legislative Decree 5/2004 of March 5, promulgating the Consolidated Text of the NRIT Law, as amended, and Royal Decree 1776/2004 of July 30 promulgating the NRIT Regulations, along with Law 19/1991 of June 6, on the Net Wealth Tax and Law 29/1987 of December 18 on the Inheritance and Gift Tax.

Whatever the nature and residence of the beneficial owners of the notes, the acquisition, holding and transfer of notes will be exempt from indirect taxes in Spain (i.e., exempt from transfer tax and stamp duty, in accordance with the Consolidated Text of such taxes promulgated by Royal Legislative Decree 1/1993 of September 24 and exempt from value added tax, in accordance with Law 37/1992 of December 1992, regulating such tax).

Individuals with Tax Residency in Spain

Individual Income Tax (Impuesto Sobre la Renta de las Personas Físicas)

Both interest periodically received and income derived from the transfer, redemption or repayment of the notes constitute a return on investment obtained from the transfer of a person's own capital to third parties in accordance with the provisions of Section 25.2 of the IIT Law, and must be included in the investor's IIT savings taxable base and taxed at a flat rate of 20% on the first €6,000, 22% on the following €44,000 and 24% for any amount in excess of €50,000, in 2015, and 19%, 21% and 23% beginning in January 2016.

No withholding on account of IIT will be imposed on interest as well as on income derived from the redemption or repayment the notes, by individual investors subject to IIT provided that certain requirements are met (including that the paying agent provides the Issuer, in a timely manner, with a duly executed and completed Payment Statement). If those requirements are not met, such interest and income will be subject to withholding on account of IIT at the applicable rate (20% in 2015 and 19% beginning in January, 2016). See "—Compliance with Certain Requirements in Connection with Income Payments." Notwithstanding, withholding tax at the applicable rate may have to be deducted by other entities (such as depositaries or financial entities), provided that such entities are resident for tax purposes in Spain or act through a permanent establishment within the Spanish territory.

On the other hand, income derived from the transfer of the notes may be subject, under certain circumstances, to a withholding on account of IIT at the applicable rate (20% in 2015 and 19% beginning in January, 2016). In any event, the individual holder may credit taxes withheld against his or her final IIT liability for the relevant tax year.

Reporting Obligations

The Issuer will comply with the reporting obligations set forth in the Spanish tax laws with respect to beneficial owners of the notes who are individuals resident in Spain for tax purposes.

Net Wealth Tax (Impuesto Sobre el Patrimonio)

For tax year 2015, Spanish resident tax individuals are subject to Spanish Net Wealth Tax (Spanish Law 19/1991), as amended, which imposes a tax on property and rights in excess of €700,000 held on the last day of any year. Spanish resident tax individuals whose net worth is above €700,000 and who hold notes on the last day of any year would therefore be subject to Spanish Net Wealth Tax for such year at marginal rates varying between 0.2% and 2.5% of the average market value of the notes during the last quarter of such year. However, this may vary depending on the legislation of the autonomous region of residency of the taxpayer. Accordingly, prospective noteholders should consult their tax advisers.

From 2016 onwards, a general 100% tax relief applies (as set forth in article 61 of Law 36/2014 of December 26 approving the General State Budget for 2015).

Inheritance and Gift Tax (Impuesto Sobre Sucesiones y Donaciones)

Individuals who are resident in Spain for tax purposes who acquire ownership or other rights over any notes by inheritance, gift or legacy will be subject to the Spanish IGT in accordance with the applicable Spanish regional and state rules. The general applicable tax rates range between 7.65% and 81.6% for 2015, depending on various factors, such as the amount of the gift or inheritance, the net wealth of the heir or beneficiary of the gift, and the kinship with the deceased or the donor. Some tax benefits could reduce the effective tax rate. However, the final tax rate may vary depending also on the legislation of the corresponding autonomous region.

Legal Entities with Tax Residency in Spain

Corporate Income Tax (Impuesto Sobre Sociedades)

Both interest periodically received and income derived from the transfer, redemption or repayment of the notes are subject to CIT (at a general flat tax rate of 28% for tax periods starting in 2015 and 25% for tax periods starting as of 2016) in accordance with the rules for such tax.

No withholding on account of CIT will be imposed on interest as well as on income derived from the redemption or repayment of the notes by Spanish CIT taxpayers provided that certain requirements are met (including that the paying agent provides the Issuer, in a timely manner, with a duly executed and completed Payment Statement). If those requirements are not met, such interest and income may be subject to withholding on account of CIT at the applicable rate (20% in 2015 and 19% beginning in January, 2016). See "—Compliance with Certain Requirements in Connection with Income Payments."

With regard to income derived from the transfer of the notes, in accordance with article 59.s of the CIT regulations, there is no obligation to withhold on income obtained by Spanish CIT taxpayers (which include Spanish tax resident investment funds and Spanish tax resident pension funds) from financial assets traded on organized markets in Organization for Economic Co-operation and Development ("OECD") countries. The Issuer has applied for the notes to be listed on the Luxembourg Stock Exchange for trading on the Euro MTF Market. Upon admission for trading on the Euro MTF Market the Official List of the Luxembourg Stock Exchange, the notes should fulfill the requirements set forth in the legislation for exemption from withholding.

However the Directorate General for Taxation (*Dirección General de Tributos*), on July 27, 2004, issued a ruling stating that in the case of issuances of debt securities by Spanish resident entities, as in the case of the Issuer, application of the exemption requires that, in addition to being traded on an organized market in an OECD member state, the placement of the notes is made outside Spain and in another OECD member state.

In the case of notes held by a Spanish resident entity and deposited with a Spanish based entity acting as depositary or custodian, income obtained upon the transfer of the notes may be subject to withholding tax at the current rate of 20% (19% as of January 1, 2016) if the notes do not comply with exemption requirements specified in the abovementioned ruling issued by the Directorate General for Taxation (*Dirección General de Tributos*) dated July 27, 2004. Therefore, the exemption of withholding regarding income obtained by Spanish resident corporate investors from financial assets listed on an official OECD market, contained in Section 59(s) of the CIT regulation, is not considered applicable. In such a case, the required withholding would be made by the depositary or custodian. Prospective investors should seek advice from their tax advisors to check if they benefit from this withholding exception in case of transfer of the notes.

If the notes are not listed on an organized market in an OECD member state, income derived from the transfer of the notes will be subject to withholding at the then applicable rate (20% in 2015 and 19% beginning in January 2016). In any event, a Spanish CIT taxpayer that is a beneficial owner of the notes may credit the withholding levied against its final CIT liability for the relevant CIT year.

Reporting Obligations

The Issuer will comply with the reporting obligations set forth in the Spanish tax laws with respect to beneficial owners of the notes that are legal persons or entities resident in Spain for tax purposes.

Net Wealth Tax (Impuesto Sobre el Patrimonio)

Spanish resident legal entities are not subject to Wealth tax.

Inheritance and Gift Tax (Impuesto Sobre Sucesiones y Donaciones)

Legal entities resident in Spain for tax purposes that acquire ownership or other rights over the notes by inheritance, gift or legacy are not subject to the IGT but must include the market value of the notes in their taxable income for CIT purposes.

Individuals and Legal Entities That Are Not Tax Resident in Spain

Non-Resident Income Tax (Impuesto Sobre la Renta de no Residentes)

(i) Investors that are not resident in Spain for tax purposes, acting in respect of the notes through a permanent establishment in Spain non-resident income tax.

If the notes form part of the assets affected to a permanent establishment in Spain of a person or legal entity that is not resident in Spain for tax purposes, the tax rules applicable to income deriving from such notes are, generally, the same as those set forth above for Spanish CIT taxpayers. See "—Legal Entities with Tax Residency in Spain-Corporate Income Tax (*Impuesto sobre Sociedades*)." Ownership of the notes by investors who are not resident in Spain for tax purposes will not in itself create the existence of a permanent establishment in Spain.

The Issuer will comply with the reporting obligations set forth under Spanish tax laws with respect to beneficial owners of the notes that are individuals or legal entities not resident in Spain for tax purposes and that act with respect to the notes through a permanent establishment in Spain.

(ii) Investors that are not resident in Spain for tax purposes, not acting in respect of the notes through a permanent establishment in Spain non-resident income tax.

Both interest payments periodically received under the notes and income derived from the transfer, redemption or repayment of the notes, obtained by individuals or entities that are not resident in Spain for tax purposes and do not act, with respect to the notes, through a permanent establishment in Spain, are exempt from NRIT and therefore no withholding on account of NRIT will be levied on such income provided certain requirements are met. In order to be eligible for the exemption from NRIT, certain requirements must be met (including that the paying agent provides the Issuer, in a timely manner, with a duly executed and completed Payment Statement), as set forth in article 44 of Royal Decree 1065/2007 of July 27. See "—Compliance with Certain Requirements in Connection with Income Payments."

If the paying agent fails or for any reason is unable to deliver a duly executed and completed Payment Statement to the Issuer in a timely manner in respect of a payment of income under the notes, the Issuer will withhold Spanish withholding tax at the applicable rate (20% in 2015 and 19% beginning in January, 2016) on such payment of income on the notes and the Issuer will not pay additional amount with respect to any such withholding tax. A beneficial owner not resident in Spain for tax purposes and entitled to exemption from NRIT, but to whom payment was not exempt from Spanish withholding tax due to failure by the paying agent to deliver a duly executed and completed Payment Statement, will receive a refund of the amount withheld, with no need for action on the beneficial owner's part, if the paying agent provides the Issuer with a duly executed and completed Payment Statement no later than the 10th calendar day of the month immediately following the relevant payment date.

In addition, beneficial owners of the notes may apply directly to the Spanish tax authorities for any refund to which they may be entitled, according to the procedures set forth in the NRIT Law. In such case, beneficial owners may claim the amount withheld from the Spanish Treasury from February 1 of the year immediately following the year in which the relevant payment was made and within the first four years following the last day on which the Issuer may pay any amount so withheld to the Spanish Treasury (which is generally the 20th calendar day of the month immediately following the relevant payment date), by filing with the Spanish tax authorities, among other documents (i) the relevant Spanish tax form, (ii) proof of beneficial ownership and (iii) a certificate of residency issued by the tax authorities of the country of tax residence of such beneficial owner (to be obtained from the Internal Revenue Service in the case of U.S. resident beneficial owners).

Net Wealth Tax (Impuesto Sobre el Patrimonio)

For tax year 2015 non-Spanish tax resident individuals are subject to Spanish Net Wealth Tax (Spanish Law 19/1991), which imposes a tax on property and rights in excess of €700,000 that are located in Spain, or can be exercised within the Spanish territory, as the case may be, on the last day of any year.

However, to the extent that the interest derived from the notes is exempt from NRIT (as described under "—Individuals and Legal Entities that are not Tax Resident in Spain-Investors that are not Resident in Spain for Tax Purposes, not acting in respect of the notes through a Permanent Establishment in Spain Non-Resident Income Tax (*Impuesto sobre la Renta de no Residentes*)"), individual beneficial owners not resident in Spain for tax purposes that hold notes on the last day of any year will be exempt from Spanish Net Wealth Tax regarding the holding of the notes. Furthermore, beneficial owners who benefit from a treaty for the avoidance of double taxation with respect to wealth tax that provides for taxation only in the beneficial owner's country of residence will not be subject to Spanish Net Wealth Tax.

If the provisions of the foregoing paragraph do not apply, non-Spanish tax resident individuals whose net worth related to property located, or rights that can be exercised, in Spain is above €700,000 and who hold notes on the last day of any year would therefore be subject to Spanish Net Wealth Tax for such year at marginal rates varying between 0.2% and 2.5% of the average market value of the notes during the last quarter of such year.

Individuals that are not resident in Spain for tax purposes who are resident in an EU or European Economic Area member State may apply the rules approved by the autonomous region where the assets and rights with more value (i) are located, (ii) can be exercised or (iii) must be fulfilled. As such, prospective noteholders should consult their tax advisers.

From 2016 onwards, a general 100% tax relief applies (as set forth in article 61 of Law 36/2014 of December 26 approving the General State Budget for 2015).

Inheritance and Gift Tax (Impuesto Sobre Sucesiones y Donaciones)

Individuals not resident in Spain for tax purposes who acquire ownership or other rights over the notes by inheritance, gift or legacy will be subject to IGT in accordance with the applicable Spanish state rules, unless they reside in a country for tax purposes with which Spain has entered into a treaty for the avoidance of double taxation in relation to IGT. In such case, the provisions of the relevant treaty for the avoidance of double taxation will apply. If no treaty for the avoidance of double taxation in relation to IGT applies, applicable IGT rates would range between 7.65% and 81.6% for 2015, depending on various factors, such as the amount of the gift or inheritance, the net wealth of the heir or beneficiary of the gift, the kinship with the deceased or the donor and the qualification for tax benefits. These factors may vary depending on the application of the state's or the autonomous region's IGT laws. Generally, non-Spanish tax resident individuals are subject to Spanish state rules. However, if the deceased, heir or the donee are resident in an EU or European Economic Area member State, depending on the specific situation, the applicable rules will be those corresponding to the relevant autonomous regions according to the law. Accordingly, prospective noteholders should consult their tax advisers.

Non-Spanish tax resident legal entities that acquire ownership or other rights over the notes by inheritance, gift or legacy are not subject to IGT. Such acquisitions will be subject to NRIT (as described above), without prejudice to the provisions of any applicable treaty for the avoidance of double taxation entered into by Spain. In general, treaties for the avoidance of double taxation provide for the taxation of this type of income in the country of tax residence of the beneficial owner.

Tax Rules for Notes Not Listed on a Regulated Market, Multilateral Trading Facility or other Organized Markets in an OECD Country

Withholding on Account of NRIT

If the notes are not listed on a regulated market, multilateral trading facility or other organized markets on any date on which income in respect of the notes will be paid (i.e., a payment date or a redemption date (including in respect of a change of control), payments of income to beneficial owners in respect of the notes will be subject to Spanish withholding tax at the then applicable rate (20% in 2015 and 19% beginning in January 2016) except in the case of beneficial owners that are: (a) residents of an EU Member State other than Spain and obtain such income either directly or through a permanent establishment located in another EU Member State other than Spain, provided that such beneficial owners (i) do not obtain such income on the notes through a permanent establishment in Spain or in a country or jurisdiction outside the European Union and (ii) are not resident of, are not located in, nor obtain income through, a tax haven (as defined by Royal Decree 1080/1991 of July 5, as amended); or (b) residents for tax purposes in a country which has entered into a treaty for the avoidance of double taxation with Spain which provides for an exemption from Spanish tax or a reduced withholding tax rate with respect to income payable in respect of the notes to such beneficial owners. Individuals and entities that may benefit from such exemptions or reduced tax rates should apply directly to the Spanish tax authorities for any refund to which they may be entitled, following the Spanish tax authorities' procedures set forth in the relevant Spanish legislation.

Tax Havens

Pursuant to Royal Decree 1080/1991 of July 5, as amended, the following are each considered to be a tax haven at the date of this listing memorandum:

- Anguilla;
- Principality of Liechtenstein;
- Antigua and Barbuda;
- Principality of Monaco;
- Bermuda;
- British Virgin Islands;
- Republic of Dominica
- Cayman Islands;
- Republic of Lebanon;
- Channel Islands (Jersey and Guernsey);
- Republic of Liberia;
- Falkland Islands;
- Republic of Nauru;
- Fiji Islands;
- Republic of Seychelles;
- Gibraltar;
- Republic of Vanuatu;
- Grenada;
- Saint Lucia;
- Hashemite Kingdom of Jordan;
- Saint Vincent and the Grenadines;
- Isle of Man;
- Solomon Islands;
- Kingdom of Bahrain;
- Sultanate of Brunei;

- Macau;
- Sultanate of Oman;
- Marianas Islands;
- Cook Islands;
- Mauritius;
- Turks and Caicos Islands;
- Montserrat; and
- United States Virgin Islands.

Compliance with Certain Requirements in Connection with Income Payments

As described under "—Individuals and Legal Entities that are not Tax Resident in Spain-Investors that are not Resident in Spain for Tax Purposes, not acting in respect of the Notes through a Permanent Establishment in Spain" provided the conditions set forth in Law 10/2014 ,in particular, that the Notes are listed on a regulated market, multilateral trading facility or other organized markets and in Royal Decree 1065/2007 are met (including that the paying agent provides the issuer, in a timely manner, with a duly executed and completed Payment Statement) as explained below, income paid in respect of the notes for the benefit of non-Spanish tax resident investors not acting through a permanent establishment will not be subject to Spanish withholding tax. For these purposes, "income" means interest and premium amounts paid on a payment date or the amount of the difference, if any, between the aggregate redemption price paid upon the redemption of the notes (or a portion thereof) and the aggregate principal amount of such notes.

As described under "—Legal Entities with Tax Residency in Spain-Corporate Income Tax (*Impuesto sobre Sociedades*)"; provided the conditions set forth in article 59.s of the CIT regulations are met, there is no obligation to withhold on income obtained by Spanish CIT taxpayers (which include Spanish tax resident investment funds and Spanish tax resident pension funds) from financial assets traded on organized markets in OECD member country.

In accordance with section 5 of Article 44 of Royal Decree 1065/2007, a duly executed and completed Payment Statement must be submitted to the Issuer by the paying agent at the time of each relevant payment of income under the notes (i.e., a payment date or a redemption date including in respect of a change of control). In accordance with the form attached as Annex to Royal Decree 1145/2011, the Payment Statement shall include the following information:

(i) the identification of the notes;

(ii) the payment date;

(iii) the total amount of income to be paid on the relevant payment date; and

(iv) the total amount of income corresponding to notes held through each clearing system located outside Spain (such as DTC, Euroclear S.A./N.V. or Clearstream Banking, *société anonyme*).

In light of the above, the Issuer and the paying agent will enter into a paying agency agreement which, among other things, will provide for the timely provision by the paying agent to the Issuer of a duly executed and completed Payment Statement in connection with each income payment under the notes and set forth certain procedures agreed by the Issuer and the paying agent which aim to facilitate such process, along with a form of the Payment Statement to be used by the paying agent.

Prospective investors should note that neither the Issuer nor the initial purchasers accept any responsibility relating to the procedures established for the timely provision by the paying agent of a duly executed and completed Payment Statement in connection with each payment of income under the notes. Accordingly, neither the Issuer nor the initial purchasers will be liable for any damage or loss suffered by any beneficial

owner who would otherwise be entitled to an exemption from Spanish withholding tax but whose income payments are nonetheless paid net of Spanish withholding tax because these procedures prove ineffective. Moreover, the Issuer will not pay any additional amounts with respect to any such withholding tax.

If the paying agent fails or for any reason is unable to deliver a duly executed and completed Payment Statement to the Issuer in a timely manner in respect of a payment of income under the notes, such payment will be made net of Spanish withholding tax, 20% in 2015 and 19% beginning in January 2016. If this were to occur, affected beneficial owners will receive a refund of the amount withheld, with no need for action on their part, if the paying agent submits a duly executed and completed Payment Statement to the Issuer no later than the 10th calendar day of the month immediately following the relevant payment date. If such was not the case, beneficial owners may apply directly to the Spanish tax authorities for any refund to which they may be entitled, according to the procedures set forth in the relevant Spanish legislation.

European Union Directive on the Taxation of Savings Income

Under Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "EU Savings Directive"), each Member State of the European Union is required to provide to the tax or other relevant authorities of another Member State details of payments of interest or other similar income made by a person within its jurisdiction to, or collected by such a person for, an individual or certain other types of person resident in that other Member State; however, for a transitional period, Austria has instead opted to apply a withholding system in relation to such payments, deducting tax at the rate of 35%, unless during that period it elects otherwise. The transitional period is to terminate following agreement by certain non-EU countries to the exchange of information relating to such payments. Luxembourg has announced that it will no longer apply the withholding tax system as from January 1, 2015 and will provide details of payments of interest (or similar income) as from this date.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into reciprocal provisions of information arrangements or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories.

The EU Savings Directive has been amended by Council Directive 2014/48/EU which was published on April 15, 2014 (the "Amending Directive"). The Amending Directive broadens the scope of the requirements described above. Member States have until January 1, 2016 to adopt the national legislation necessary to comply with the Amending Directive. The changes made under the Amending Directive include extending the scope of the EU Savings Directive to payments made to, or collected for, certain other entities and legal arrangements. They also broaden the definition of "interest payment" to cover income that is equivalent to interest.

Certain United States Federal Income Tax Considerations

The following is a summary of certain United States federal income tax considerations governing the purchase, ownership and disposition of notes as of the date of this listing memorandum. Except where noted, this summary deals only with notes that are held as capital assets by a U.S. holder (as defined below) who acquired the notes upon original issuance at their initial offering price.

A "U.S. holder" means a person that is for United States federal income tax purposes any of the following:

- an individual citizen or resident of the United States;
- a corporation (or any other entity treated as a corporation for United States federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to United States federal income taxation regardless of its source; or

- a trust if it (1) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

This summary is based upon provisions of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), and regulations, rulings and judicial decisions as of the date hereof. Those authorities may be changed, perhaps retroactively, so as to result in United States federal income tax consequences different from those summarized below. This summary does not address all aspects of United States federal income taxes and does not deal with non-U.S., state, or local or other tax considerations that may be relevant to U.S. holders in light of their personal circumstances. In addition, it does not represent a detailed description of the United States federal income tax consequences applicable to you if you are subject to special treatment under the United States federal income tax laws. For example, this summary does not address:

- tax consequences to holders who may be subject to special tax treatment, such as dealers in securities or currencies, traders in securities that elect to use the mark to market method of tax accounting for their securities, financial institutions, regulated investment companies, real estate investment trusts, partnerships or other pass-through entities for United States federal income tax purposes, tax-exempt entities or insurance companies;

- tax consequences to persons holding the notes as part of a hedging, integrated, constructive sale or conversion transaction or a straddle;

- tax consequences to holders of the notes whose "functional currency" is not the U.S. dollar;

- tax consequences to certain United States expatriates;

- alternative minimum tax and Medicare contribution tax consequences, if any; or

- any state, local or foreign tax consequences.

If a partnership holds the notes, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding the notes, you should consult your tax advisors.

If you are considering the purchase of notes, you should consult your own tax advisors concerning the particular United States federal income tax consequences to you of the purchase, ownership and disposition of the notes, as well as the consequences to you arising under the laws of any other taxing jurisdiction.

Payments of Interest

Interest paid on a note generally will be taxable to you as ordinary income at the time it is received or accrued, depending on your regular method of accounting for United States federal income tax purposes.

The amount of interest taxable as ordinary income will include any Spanish tax withheld on payments of interest and any Additional Amounts paid in respect of such tax. You may be entitled to deduct or credit such tax, subject to certain limitations (including that the election to deduct or credit foreign taxes applies to all of your foreign taxes for a particular taxable year). Interest (including any Additional Amounts) on a note generally will be considered foreign source income and, for purposes of the United States foreign tax credit, generally will be considered passive category income. You will generally be denied a foreign tax credit for foreign taxes imposed with respect to the notes where you do not meet a minimum holding period requirement during which you are not protected from risk of loss. The rules governing the foreign tax credit are complex. You are urged to consult your tax advisors regarding the availability of the foreign tax credit under your particular circumstances, including the possible adverse impact on creditability to the extent you are entitled to a refund of any Spanish tax withheld or a reduced rate of withholding.

Sale, Exchange, Retirement or Other Taxable Disposition of Notes

Upon the sale, exchange, retirement or other taxable disposition of a note, you generally will recognize gain or loss equal to the difference between (i) the amount realized upon the sale, exchange, retirement or other taxable disposition (including any Additional Amounts paid in respect of Spanish tax withheld, if any), less an amount equal to any accrued and unpaid interest, which amount will be treated as interest as discussed above and (ii) your adjusted tax basis in the note. Your adjusted tax basis in a note will, in general, be your cost for that note reduced by any previous principal installments received. Any gain or loss generally will be capital gain or loss and will be long-term capital gain or loss if at the time of the sale, exchange, retirement or other taxable disposition the note has been held for more than one year. Such gain or loss will generally be treated as United States source gain or loss. Consequently, you may not be able to claim a credit for any Spanish tax imposed upon a disposition of a note unless such credit can be applied (subject to applicable limitations) against tax due on other income treated as derived from foreign sources. Alternatively, you may deduct any Spanish tax imposed upon a disposition of a note, provided that you do not elect to claim a foreign tax credit for any foreign income taxes paid or accrued in the taxable year. Long-term capital gains of non-corporate U.S. holders are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Backup Withholding and Information Reporting

In general, information reporting requirements will apply to certain payments of interest and principal (including any Additional Amounts) paid on the notes and to the proceeds of the sale or other disposition (including a retirement or redemption) of a note paid to you (unless, in each case, you are an exempt recipient such as a corporation). Backup withholding may apply to such payments if you fail to provide a taxpayer identification number or a certification that you are not subject to backup withholding or if you are subject to backup withholding because you failed to report in full dividend and interest income.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against your United States federal income tax liability provided the required information is timely furnished to the Internal Revenue Service.

Certain Uruguayan Tax Considerations

The following is a summary of certain Uruguayan tax issues related to the purchase, ownership and disposition of the notes by Uruguayan residents (companies and individuals). In addition, the following summary addresses the tax consequences to noteholders if Cerealsur is required to honor its guarantee of the notes.

Although we believe that this summary is a reasonable interpretation of the laws and regulations applicable in Uruguay as in effect on the date of this listing memorandum, no assurance can be given that the courts or tax authorities responsible for the administration of the laws and regulations described herein will agree with these interpretations. Further, holders of notes residing in a jurisdiction that has entered into a double taxation treaty with Uruguay may be subject to a different – generally more favorable – regime. This summary is based upon tax laws of Uruguay as in effect on the date of this listing memorandum and is subject to any change in Uruguayan law that may come into effect after such date.

Prospective purchasers of the notes are advised to consult their own tax advisers as to the consequences of an investment in the notes under the tax laws of the country of which they are resident, including, without limitation, in respect of the receipt of interest and the purchase, sale, redemption or disposition of the notes.

Uruguayan Resident Companies Holding Notes

According to Uruguayan tax regulations, interest on the notes held by Uruguayan companies will not be taxed under the Uruguayan Income Tax over Economic Activities (*Impuesto a la Renta de las Actividades Económicas*, the "IRAE"). Capital gains resulting from the transfer of notes by Uruguayan companies are not subject to taxation in Uruguay.

Uruguayan Resident Individuals Holding Notes

Interest on the notes held by Uruguayan resident individuals will be taxed under the personal income tax laws in Uruguay (*Impuesto a la Renta de la Persona Física*, the "IRPF") at a rate of 12% over the gross amount of the interest. Capital gains resulting from the transfer of notes by Uruguayan resident individuals are not taxed under the IRPF.

Tax Consequences of Payments on the Notes by Cerealsur Under its Guarantee

If the Issuer fails to make payments on the notes when due, and as a result Cerealsur, as guarantor, is required to make payments to noteholders under its guarantee of the notes, then, as described under "Description of the Notes—Additional Amounts," subject to certain exceptions, if Cerealsur was required to withhold or deduct for taxes imposed by Uruguayan law on payments under its guarantee, then Cerealsur would be required to pay additional amounts as will result in receipt by noteholders of such amounts as if no such withholding and deduction were made. No other tax withholding would apply to such payments. However, if Cerealsur is required to make payments on the notes and the amount due in respect of any such payment remains outstanding after December 31 of any year, then Cerealsur will be required to withhold, on an annual basis and until the entire amount is paid, a maximum of 1.5% of the amount due pursuant to Uruguayan net worth tax (*Impuesto al Patrimonio*, the "Net Worth Tax"), with respect to noteholders who are not resident in Uruguay. However, as described under "Description of the Notes—Additional Amounts," subject to certain exceptions, Cerealsur would have the obligation to pay additional amounts to the affected noteholders in respect of such withholding.

Further, in the event any amount due by Cerealsur under its guarantee remains overdue beyond a Uruguayan noteholder's fiscal year, then no withholding will apply to Cerealsur in respect of such noteholder; however, such noteholder shall pay Net Worth Tax at a maximum rate of 1.5% of the amount due. Finally, Uruguayan companies holding notes will be required to pay IRAE at a rate of 25% of foreign exchange profits, if any, accrued between the due date of the payment required to be made by Cerealsur and the actual date on which such payment is made.

CERTAIN ERISA CONSIDERATIONS

The following is a summary of certain considerations associated with the purchase of the notes by employee benefit plans that are subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the Code or provisions under any other federal, state, local, non-U.S. or other laws or regulations that are substantially similar to such provisions of the Code or ERISA (collectively, "Similar Laws"), and entities whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement (each, a "Plan").

General Fiduciary Matters

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan subject to Title I of ERISA or Section 4975 of the Code (an "ERISA Plan") and prohibit certain transactions involving the assets of an ERISA Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of such an ERISA Plan or the management or disposition of the assets of such an ERISA Plan, or who renders investment advice for a fee or other compensation to such an ERISA Plan, is generally considered to be a fiduciary of the ERISA Plan.

In considering an investment in the notes of a portion of the assets of any Plan, a fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any Similar Law relating to a fiduciary's duties to the Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Laws.

Prohibited Transaction Issues

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans from engaging in specified transactions involving plan assets with persons or entities who are "parties in interest," within the meaning of ERISA, or "disqualified persons," within the meaning of Section 4975 of the Code, unless an exemption is available. A party in interest or disqualified person who engaged in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code. In addition, the fiduciary of the ERISA Plan that engaged in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the Code. The acquisition and/or holding of notes by an ERISA Plan with respect to which the Issuer or an Initial Purchaser is considered a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption. In this regard, the U.S. Department of Labor has issued prohibited transaction class exemptions, or "PTCEs," that may apply to the acquisition and holding of the notes. These class exemptions include, without limitation, PTCE 84-14 respecting transactions determined by independent qualified professional asset managers, PTCE 90-1 respecting insurance company pooled separate accounts, PTCE 91-38 respecting bank collective investment funds, PTCE 95-60 respecting life insurance company general accounts and PTCE 96-23 respecting transactions determined by in-house asset managers, however there can be no assurance that all of the conditions of any such exemptions will be satisfied.

Because of the foregoing, the notes should not be acquired or held by any person investing "plan assets" of any Plan, unless such acquisition and holding will not constitute a non-exempt prohibited transaction under ERISA and the Code or similar violation of any applicable Similar Laws.

Representation

Accordingly, by purchasing notes, each purchaser and subsequent transferee of notes will be deemed to have represented and warranted that either (i) no portion of the assets used by such purchaser or transferee to acquire and hold the notes constitutes assets of any Plan or (ii) the acquisition and holding of the notes by such purchaser or transferee will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or similar violation under any applicable Similar Laws.

The foregoing discussion is general in nature and is not intended to be all inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering purchasing the notes on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Laws to such investment and whether an exemption would be applicable to the acquisition and holding of the notes.

LIMITATIONS ON VALIDITY AND ENFORCEABILITY OF THE GUARANTEES AND SECURITY INTERESTS AND CERTAIN OTHER INSOLVENCY CONSIDERATIONS

The validity and enforceability of the guarantees will be subject to certain limitations on enforcement and may be limited under Uruguay law or subject to certain defenses that may limit its validity and enforceability. The following is a summary description of certain limitations on the validity and enforceability of the guarantee to be provided by Cerealsur (or, if and when issued, PdS) in Uruguay, and a summary of certain insolvency law considerations in Uruguay and Spain. In the event that the Issuer or a guarantor experience financial difficulties, it is not possible to know with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced or what the outcome of such proceedings would be. Applicable insolvency laws may affect the enforceability of the obligations of the Issuer and the guarantors. The descriptions below are only a summary and do not purport to be complete or to discuss all the limitations or considerations that may affect the validity and enforceability of the guarantees. See "Risk Factors—Risk Factors Relating to the Notes, the Guarantees and the Collateral."

Uruguay

Uruguayan insolvency law (Law No. 18,387, as amended) regulates insolvency proceedings. Insolvency proceedings, which are called *concursos de acreedore*s, are applicable to all persons who perform business activities and legal entities (civil and commercial). These proceedings may lead either to the restructuring of the business or to the liquidation or sale of the business as a whole or each of the assets of the debtor.

A debtor is entitled to apply for insolvency proceedings when it is in state of insolvency, meaning that it is not able to meet its obligations (current and non-current) or when it expects that it will shortly be unable to do so. The law provides for several events that legally evidence the existence of an insolvency scenario for the debtor. Some of the events are regarded by law to evidence the insolvency without admitting any evidence against such state of insolvency (for example, when the debtor request the insolvency procedure; when the debtor has participated in fraudulent acts for obtaining credits or excluding assets from its creditors or if the debtor has vanished or, in case of a legal entity, the administrators or board members of the debtor have vanished). Other events are regarded by law as evidencing the insolvency status but can be controverted by the production of evidence against said state of insolvency (for example, when debts of the debtor are higher than the value of its assets; when there are two or more attachments for claims that have been favorably recognized by a court and the aggregate amount of such claims exceeds half of the total value of the assets of the debtor; when there are obligations or credits pending payment by the debtor that are past due more than three months; when the debtor has unpaid taxes past due for over a year; or when debtor has its bank accounts suspended or cancelled),

In this sense, insolvency proceedings are available as a type of legal protection that the debtor may request in order to avoid the attachment (embargo) of its assets by each of its creditors.

A debtor is legally obliged to file for insolvency proceedings within 30 days of having knowledge, or if it should have become aware, of becoming insolvent. In the case of debtors who are obliged by law to carry out accounting of their business, knowledge of insolvency is presumed by law on the date on which the balance sheet of the debtor was made or should have been prepared. Creditors are also entitled to request the insolvency of the debtor, and hence may do so.

When insolvency proceedings are requested, the competent court appoints a receiver who will look into the debtor's accounting books and also call on all of the debtor's creditors to verify their debts with the receiver within a 60-day period, counted as from the date such court declares the opening of the insolvency proceedings. For such purpose, creditors must verify their respective debts by providing the receiver with the original documentation evidencing such debts. Based on the documentation provided by creditors and documentation held by the debtor, the court receiver prepares a list of acknowledged debts and classifies them according to the below categories established under Uruguayan law.

- Debts with special privileges are those secured with a pledge or mortgage. Such debts will be paid with the proceeds from the auction of the encumbered assets.

- Debts with general privilege are labor (up to US$31,864 per employee) and tax debts (excluding fines) incurred up to two years before the declaration of insolvency and 50% of unsecured debts held by the creditor taking the first initiative to apply for the corresponding insolvency proceedings, up to 10% of the total debt of the debtor. Such debts will be paid within the insolvency procedures and in first place, prior to other ordinary or unsecured debt of the debtor.

- Ordinary or unsecured debts (non-subordinated and non-privileged creditors). Such debts shall be paid within the insolvency procedures and in second place.

- Subordinated debts, which include fines and other penalties, of any nature, and other credits held by parties in special relationships with the debtor. Such debts will be paid within the insolvency procedures and in third place.

The receiver will pay from the proceeds of the realization of unpledged assets of the debtor, by its order, creditors with general privileges, unsecured creditors and subordinated creditors. Creditors with secured credits must enforce their credits against the secured assets.

Further, the receiver must pay from the unpledged assets of the debtor all debts arising from the insolvency proceedings (such as fees of the receiver and other expenses incurred by it). Such payments are to be effected prior to the payment to any unsecured creditor and prior to the payment to any general privileged creditor. Debts in foreign currency will be converted into Uruguayan pesos, according to the exchange rate as of the opening date of the insolvency proceedings. However, this rule does not apply to pledges and mortgages. Unless otherwise agreed in the reorganization plan, accrual of interest is suspended, except for debts secured by pledges and/or mortgages.

There are no prior transactions or contracts that automatically become void as a result of initiation of the insolvency proceedings, except that (i) compensation clauses, (ii) set off clauses or early termination clauses under which insolvency (or equivalent) triggers anticipated contract termination in any contracts entered into by the debtor are deemed null and void.

Certain transactions performed by the debtor prior to the declaration of insolvency and that fall in the suspect period as provided by law in the terms here outlined may be challenged by the receiver, including: (a) transactions occurring within two years prior to the declaration of insolvency for which no valuable consideration was received by the debtor or where the price of the transaction was under the market price; (b) in rem rights (real rights) granted or extended within six months prior to the declaration of insolvency in guarantee of preexistent obligations which have not matured or in guarantee of new obligations with the same creditor which are assumed upon the termination of prior obligations with said creditor; (c) payments by the debtor within six months prior to the declaration of insolvency in regards to credits not matured; and (d) any kind of termination agreement accepted by the debtor within six months prior to the declaration of insolvency.

The court receiver is also entitled to challenge those transactions entered into by the debtor up to two years prior to the declaration of insolvency but evidence of fraud committed by the debtor and knowledge of the insolvency by the counterparty must be produced.

Transactions that are classified as "ordinary" in the ordinary course of business of the debtor are not subject to challenge.

However, the receiver is entitled to terminate agreements entered by the debtor prior to the declaration of insolvency provided that: (a) such agreements in the opinion of the receiver harm the recovery of credits by all affected creditors; (b) the agreements are valid and in full force as of the date of the declaration of insolvency; and (c) the debtor's obligations under such agreements qualify as major obligations. Notwithstanding the foregoing, Uruguayan Law No. 18,937 restrained the receiver from exercising such right with respect to assignments of credits or rights, present or future; agreements secured with rights in rem (mortgages or pledges); and guarantee trusts.

Once the debtor's insolvency is declared, creditors may not initiate enforcement procedures against the debtor nor continue any pending procedures. Such procedures will be joined to the insolvency procedure. Notwithstanding the above, secured creditors may initiate or continue enforcement procedures (in the latter case, with respect to procedures which had been already initiated prior to the declaration of insolvency), before the corresponding bankruptcy judge after 120 days of the declaration of insolvency.

The debtor must propose a debt settlement plan or debt reorganization plan to the court within a 60-day period prior to the creditors' meeting (Junta de Acreedores). Such plan must be evaluated and voted by the creditors at the creditors meeting and must be finally approved by the court. The Uruguayan insolvency law also allows creditors to propose a debt plan before the creditors meeting is held. In this scenario, the court would publish the debt plan in the *Diario Oficial* (Official Gazette). Creditors that disagree with the proposed debt plan can object to it. Secured creditors do not have the right to vote in the creditors meeting. If a secured creditor does vote at such meeting, its security interest is considered to have been waived.

Spain

Spanish Law No. 22/2003 of July 9, 2003 on Insolvency Proceedings (the "Spanish Insolvency Act"), as further amended, regulates court insolvency proceedings. The insolvency proceedings, which are called *"concurso de acreedores,"* are applicable to all persons or entities (except for the limited exceptions contemplated in the Spanish Insolvency Act).

Concept and Petition for Insolvency

In Spain, insolvency proceedings are only triggered in the event of a debtor's current insolvency (*insolvencia actual*) or imminent insolvency (*insolvencia inminente*). Under the Spanish Insolvency Act, a debtor is insolvent when it becomes unable to regularly meet its obligations as they become due or when it expects that it will shortly be unable to do so. A petition for insolvency may be filed by the debtor, by any creditor (provided that it has not acquired the credit within the six months prior to the filing of the petition for insolvency, for *inter vivos* acts, on a singular basis and once the credit was mature) or by certain other interested third parties.

Voluntary Insolvency

Insolvency is considered voluntary (*concurso voluntario*) if filed by the debtor. The debtor is obliged to file a petition for insolvency within two months after it becomes aware, or should have become aware, of its state of insolvency. It is presumed that the debtor becomes aware of its insolvency, unless otherwise proved, if any of the circumstances that qualify as the basis for a petition for mandatory insolvency occur.

Notwithstanding the foregoing, in accordance with Article 5 bis of the Insolvency Act, the general obligation to file for insolvency within the two months referred above does not apply if the debtor notifies the applicable court that it has initiated negotiations with its creditors to obtain accessions to an anticipated composition agreement between the creditors and the debtor (the "Composition Agreement") or to reach a refinancing agreement set out in Article 71 bis.1 or in the Fourth Additional Disposition of the Spanish Insolvency Act (the so-called 5 bis communication). In fact, by means of the 5 bis communication, on the top of those two months, the debtor gains an additional three month period to achieve an agreement with its creditors or to obtain accessions to an anticipated Composition Agreement and one further month to file for insolvency unless it is no longer insolvent. During such period of time, creditors' applications for insolvency will not be accepted and court enforcement actions, other than those arising from public law claims, over those assets deemed necessary for the continuity of the debtor's business activities, cannot be initiated, and those already initiated will be suspended.

Mandatory Insolvency

Insolvency is considered mandatory (*concurso necesario*) if filed by a creditor or by certain other interested third-parties. Under Article 2.4 of the Spanish Insolvency Act, a creditor can apply for a declaration of insolvency if it can prove that it has failed to attach any assets, or sufficient assets, to pay the amount owed. A creditor may also apply for a debtor's insolvency if it can prove to the court, inter alia that: (i) there is a generalized default on current payment by the debtor; (ii) there is a seizure of assets affecting or comprising the generality of the debtor's assets; (iii) there is a misplacement, "fire sale" or ruinous liquidation of the debtor's assets; or (iv) there is a generalized default on certain tax, social security and employment obligations during the applicable statutory period (three months).

Conclusion of Insolvency: Proposal of Agreement or Liquidation

The Spanish Insolvency Act provides that insolvency proceedings conclude following either the implementation of a Composition Agreement or the liquidation of the debtor.

Certain Effects of the Insolvency for the Debtor and on Contracts

As a general rule, the debtor in a voluntary insolvency retains its powers to manage and dispose of its business, but is subject to the intervention of the insolvency administrator (*administración concursal*) who is appointed by the court. In the case of mandatory insolvency, as a general rule, the debtor no longer has management powers (including the power to dispose of its assets), which are conferred solely upon the insolvency administrator. However, the court has the power to modify this general regime subject to the specific circumstances of the case.

Under Article 61 of the Spanish Insolvency Act, all clauses in contracts with mutual obligations that entitle any party to terminate an agreement based solely on the other party's declaration of insolvency are deemed as not included in the agreement and, therefore, unenforceable, except if expressly permitted by specific laws (i.e., agency laws).

A declaration of insolvency does not affect agreements with reciprocal obligations pending on performance by either the insolvent party or the counterparty, which remain in full force and effect, and the obligations of the insolvent debtor will be fulfilled against the insolvent estate. The court can nonetheless terminate any such contracts at the request of the insolvency administrator, the company itself or the non-debtor when such termination is in the interest of the estate or if there has been a breach of such contract. The termination of such contracts may result in the insolvent debtor having to return the consideration received or indemnify its counterpart.

Additionally, the declaration of insolvency suspends the accrual of interest on debts previous to the declaration of insolvency, except for (i) those on claims secured by an *in rem* right which may be demanded up to the extent of the respective security interest and (ii) any wage credits in favor of employees which will accrue the legal interest set forth in the State Budget Law (*Ley de Presupuestos del Estado*).

In any event, set-off is prohibited unless the requirements for the set-off were satisfied prior to the declaration of insolvency or the claim of the insolvent debtor is governed by a law that permits set-off in an insolvency situation.

As a general rule, insolvency proceedings are not compatible with other enforcement proceedings which can have an effect on the estate. When compatible, in order to protect the interests of the debtor and creditors, the Spanish Insolvency Act extends the jurisdiction of the court dealing with insolvency proceedings, which is then legally authorized to handle any enforcement proceedings or interim measures affecting the debtor's assets (whether based upon civil, labor, or administrative law).

The enforcement of any security over certain assets that are necessary for the continuation of the commercial or professional activity of the insolvent company (*in rem* securities) is prohibited until the earlier of: (i) the date when the creditors and debtor reach a Composition Agreement that does not affect such right or (ii) one year elapses as from the declaration of the insolvency of the debtor without the opening of the liquidation phase.

Ranking of Credits

Creditors are required to report their claims to the insolvency administrator within one month from the last official publication of the court order declaring the insolvency, providing original documentation to justify such claims. Based on the documentation provided by the creditors and documentation held by the debtor, the insolvency administrator draws up a list of acknowledged creditors/claims and classifies them according to the categories established in the Spanish Insolvency Act.

Under the Spanish Insolvency Act, claims are classified in the following groups:

a) Claims against the insolvency estate (*créditos contra la masa*) are not considered part of the debtor's general debt and are payable when due according to their own terms (and, therefore, are paid before other debts under insolvency proceedings). Debt against the insolvency estate includes, among others, (i) certain amounts of the employee payroll; (ii) costs and expenses of the insolvency proceedings; (iii) certain amounts arising from services provided by the insolvent debtor under reciprocal contracts and outstanding obligations that remain in force after insolvency proceedings are declared and deriving from obligations to return and indemnify in cases of voluntary termination or breach by the insolvent debtor; (iv) those amounts that derive from the exercise of a clawback action within the insolvency proceedings of acts performed by the insolvent debtor and correspond to a refund of consideration received by it (except in cases of bad faith); (v) certain amounts arising from obligations created by law or from the non-contractual liability of the insolvent debtor after the declaration of insolvency and until its conclusion; (vi) certain debts incurred by the debtor following the declaration of insolvency; (vii) in case of liquidation, the credit rights granted to the debtor under a Composition Agreement in accordance with article 100.5 of the Spanish Insolvency Act; (viii) 100% of the new funds lent under a refinancing arrangement entered into in compliance with the requirements set forth in Article 71.bis or the 4th Additional Provision of the Spanish Insolvency Act, provided that such arrangement has been entered into after March 9, 2014; and (ix) 100% of the new funds lent by the debtor itself or by persons being in a special relationship with the debtor in the context of a refinancing arrangement entered into in compliance with the requirements set forth in Article 71.bis or the 4th Additional Provision of the Spanish Insolvency Act; provided that such arrangement has been entered into after March 9, 2014; and provided, further that such new funds do not result from a share capital increase. From October 2, 2016, only 50% of the new funds referred to in subsection (a)(viii) will be considered as claims against the insolvency estate, and funds referred to in subsection (a)(ix) will no longer be considered as claims against the insolvency estate.

b) Claims benefiting from special privileges, representing security on certain assets (essentially *in rem* security). The scope of the privilege is established by reference to the value of the collateral (which, in turn, is calculated by reference to the fair value of the collateral). Thus, an objective distinction is being made between the portion of the debt that is really covered by the value of the collateral and the portion that is not. The portion of the debt not covered by the value of the collateral is given the same treatment as for unsecured claims and will be classified according to its nature. The value of the *in rem* security will be that resulting from deducting from nine-tenths of the fair value of the asset or right over which the security lies, any outstanding debts enjoying a preferential security over the same asset. The value cannot be less than zero or greater than the value of the privileged claim or the value of the maximum mortgage or pledge liability which might have been agreed. Fair value means: (i) for listed securities, the average weighted price at which they would have been traded on one or more regulated markets in the last quarter before the date of the declaration of insolvency, according to the certificate issued by the company governing the market in question; (ii) for real estate assets, that resulting from the appraisal report issued by an officially approved entity; and (iii) for other assets, that resulting from the report issued by an independent expert in accordance with the valuation principles and rules generally recognized for these assets. The reports established for the latter two cases will not be necessary when the value has been determined by an independent expert within six months before the date of the declaration of insolvency, or when the assets are cash, current credit accounts, electronic money or fixed-term deposits. These claims may entail separate proceedings and are subject to certain restrictions related to a mandatory waiting period that may last up to one year and certain additional limitations set forth in the Spanish Insolvency Act. However, within such waiting period or while any enforcement proceedings remain suspended under the Spanish Insolvency Act, the insolvency administrator has the option to pay the relevant claims against the insolvency estate under specific payment rules. Generally, special privileged creditors are not affected by Composition Agreements or restructuring arrangements unless they give their express support by voting in favor of the relevant agreement; however, they may be subject to such agreements in the event that a special majority is achieved. In the event of liquidation, they are the first to collect payment against the secured assets.

c) Claims benefiting from general privileges, including, among others, certain labor debts and certain debts with public administrations. Other debts with public administrations corresponding to tax debts and social security obligations are recognized as privileged for half of their amount, and debts held by the creditor applying for the corresponding insolvency proceedings, to the extent such application has been approved, are also recognized as privileged for up to 50% of the amount of such debts. Despite the transitory regime of the Spanish Insolvency Act, which currently applies, as a general principle new monies granted under a refinancing arrangement entered into in compliance with the requirements set forth in Article 71.bis or the 4 Additional Provision of the Spanish Insolvency Act in the amount not admitted as a debt against the insolvency estate (*crédito contra la masa*) will also be recognized as credits with general privilege. The holders of general privileges are not to be affected by Composition Agreements or the restructuring arrangements unless they give their express support by voting in favor of the relevant agreement or in the event that a special majority is achieved. In the event of liquidation, they are the first to collect payment (in the order established by law).

d) Ordinary claims (non-subordinated and non-privileged claims) will be paid on a pro rata basis.

e) Subordinated claims (which are thus classified contractually or pursuant to law). Debts subordinated by virtue of law include, among others, those credits held by parties in special relationships with the debtor, except for those credits that are regarded as debt against the insolvency estate (*crédito contra la masa*) in accordance with subsection (a)(ix) above and until October 1, 2016. In the case of individuals, this includes (i) debtor's relatives, (ii) legal entities controlled by the debtor or its relatives, (iii) legal entities belonging to the company group of the legal entities referred to in subsection (ii); and (iv) legal entities of which persons referred to in subsections (i), (ii) and (iii) are directors or *de facto* directors. In the case of a legal entity, this includes administrators, group companies and their common shareholders, and any shareholders holding, directly or indirectly, over 5% (for companies that have issued securities listed on an official secondary market) or 10% (for companies which have not issued securities listed on an official secondary market) of the entity's share capital when the debt was born. Notwithstanding the above, creditors who have directly or indirectly capitalized their credit rights pursuant to a refinancing arrangement entered into in compliance with the requirements set forth in Article 71.bis or the 4th Additional Provision of the Spanish Insolvency Act shall not be considered as being in a special relationship with the debtor, in respect of credits against the debtor, as a result of the financing granted under such refinancing arrangement. Claims related to accrued and unpaid interest unless and to the extent they are secured by an *in rem* right are also subordinated. Subordinated creditors are second-level creditors; they may not vote on a Composition Agreement and have very limited chances of collection. Furthermore, in the absence of evidence to the contrary, assignees or awardees of claims belonging to any of the persons mentioned in this paragraph are presumed to be persons specially related to the insolvent debtor as long as the acquisition has taken place within two years prior to the insolvency proceedings being declared open.

Article 87.6 of the Spanish Insolvency Act would apply to the Issuer. Article 87.6 provides that creditors holding a third-party guarantee will be recognized in the insolvency proceedings in their full amount without any limitation and without prejudice to the fact that if the guarantor is subrogated in the creditor's place, where the guarantee is enforced the claim of the guarantor will be classified in accordance with the ranking corresponding to the creditor or the guarantor whatever is better for the insolvent's state interest.

Cram Down Mechanism

In general terms, specially or generally privileged creditors are not subject to restructuring arrangements, except if they give their express support by voting in favor of such arrangement. However, the Spanish Insolvency Act provides for a cram down mechanism under which the effects of a refinancing agreement may be extended to non-participating or dissenting financial creditors if certain requirements are met.

The regime to extend the effects of cram down refinancing agreements depends on, among others, the type of financial creditor (secured or unsecured), the value of the security interest (if applicable) and the majorities achieved in the execution of the refinancing agreement. In sum, the main categories of cram down refinancing agreements are the following:

(i) if the agreement is executed by creditors representing at least 51% of the total financial liabilities of the debtor, such agreement will be immune to claw back but its effects will not extend to non-participating or dissenting creditors;

(ii) if the agreement is executed by creditors representing at least 60% of the total financial liabilities of the debtor, such agreement will be immune to claw back and the following effects will extend to unsecured claims and to the amount of secured claims not covered by the security interest: a deferral either of principal, interest or any other amount owed for a period not exceeding 5 years or the conversion of debt into participation loans within the same term. Additionally, if the agreement is executed by creditors representing at least 65% of the total financial liabilities of the debtor, these effects may also be extended to the amount of secured claims covered by the security interest; and

(iii) if the agreement is executed by creditors representing at least 75% of the total financial liabilities of the debtor, such agreement will be immune to claw back and the following effects will extend to unsecured claims and to the amount of secured claims not covered by the security interest: a deferral either of principal, interest or any other amount owed for a period of 5 or more years (but not more than 10 years), debt reductions (apparently without limitation), the conversion of debt into participation loans or any of the other alternative measures available. Additionally, if the agreement is executed by creditors representing at least 80% of the total financial liabilities of the debtor, these effects may also be extended to the amount of secured claims covered by the security interest.

In addition to the above, if 75% of the claims subject to a pooling regime and relating to syndicated financing vote for the arrangement, it will be considered that all the claims in respect of that syndicated financing vote for it, unless the syndicated financing agreement establishes a lower majority, in which case that lower majority will be sufficient. In addition, a recent court resolution (rendered by a first instant court) considers that dissenting creditors that should be considered "special privileged creditors" but who are not able to enforce their security on their own (because, for instance, their right to enforce is subject to the agreement of a majority of lenders which take part at a syndicated loan) cannot be considered "secured creditors" with regards to restructuring arrangement and its effects.

Specially preferred creditors who are bound by the refinancing arrangement (because they supported it or because its effects were extended to it) may start or resume separate enforcement of their collateral upon declaration of a breach of the arrangement, in which case they will keep the amount obtained by enforcement to the extent of the original debt, and any excess will be added to the insolvency estate.

The effects of a Composition Agreement may also be extended to privileged creditors that have not voted in favor of such agreement if certain requirements are met. In particular, in order to implement the cram down mechanism, a dual majority is required: (i) the Composition Agreement must be approved by a majority of 50% or 65% (depending on the type of measures included in the Composition Agreement) of ordinary claims; and (ii) the Composition Agreement must be also approved by a majority of 60% or 75% (depending on the type of measures included in the Composition Agreement) of creditors of the relevant privileged class -according to the classification established under article 94.2 of the Spanish Insolvency Act.

Hardening Periods

There is no clawback date by operation of law. Therefore, there are no prior transactions that automatically become void as a result of the initiation of insolvency proceedings, but instead the insolvency administrator must expressly challenge those transactions. Under the Spanish Insolvency Act, upon the declaration of insolvency, only transactions that could be deemed as having damaged ("*perjudiciales*") the insolvent debtor's estate (i.e., causing a so-called "*patrimonial damage*") during the two years prior to the date the insolvency is declared, may be challenged, even if there was no fraudulent intention. Transactions taking place earlier than two years prior to the declaration of insolvency are subject to the general regime of fraudulent conveyance under the Spanish Civil Code, which requires the evidence of fraud by the claimant.

The Spanish Insolvency Act does not define the meaning of "patrimonial damage." Damage does not refer to the intention of the parties, but to the consequences of the transaction on the debtor's interest resulting on the damage to the insolvent debtor's estate or the prejudice to the equality of the treatment among creditors which drives insolvency proceedings (*pars conditio creditorum*). There are several "irrebuttable presumptions" expressly set forth by the Spanish Insolvency Act (i.e., free disposals and prepayment or cancellation of the company's claims or obligations prior to them being due and where the due dates of the relevant claims or payment obligations fall after the date of declaration of insolvency, except if such obligations were secured by an *in rem* security), in which case such transactions are rescinded if they fall within the hardening period. In addition to the above, the Spanish Insolvency Act sets forth certain actions which are deemed to cause a "patrimonial damage" to the insolvent company, but which are "rebuttable presumptions" and therefore subject to being contested by the other party (i.e., disposals in favor of "specially related parties" (as described above), the provision of security in respect of previously existing obligations or in respect of new obligations replacing existing ones and the payment or other acts to terminate obligations being secured by an *in rem* security and which mature after the declaration of insolvency). Ordinary transactions carried out within the debtor's ordinary course of the business cannot be rescinded, provided that they are carried out at arm's length.

A recent amendment of the Spanish Insolvency Act has excluded certain types of refinancing agreements from the scope of claw-back actions, including the guarantees and security interest granted in execution of such agreements. The amendment includes a new article 71 bis and 4th Additional Provision which focuses on the features that refinancing agreements and other processes will have to contain so as not to be voidable.

If the action for rescission is successful, reciprocal restitution of the consideration will be ordered, along with any benefit and interest accrued. When it is no longer possible to return the item received, the cash equivalent of its value must be delivered. The obligation arising from the action for restoration is considered a credit against the insolvency estate (*créditos contra la masa*), unless the third party is held to have acted in bad faith, in which case the credit due to the restoration will be considered as subordinate.

Fraudulent Conveyance Laws

Under Spanish law, the insolvency administrator and any creditor may bring an action to rescind a contract or agreement (*acción rescisoria*) against the debtor and the third party which is a party to such contract or agreement, provided that the same is performed or entered into fraudulently and the creditor cannot obtain payment of the amounts owed in any other way. Although case law is not entirely consistent, it is broadly accepted that the following requirements must be met in order for a creditor to bring such action:

- the debtor owes the creditor an amount under a valid contract and the fraudulent action took place after such debt was created;
- the debtor has carried out an act that is detrimental to the creditor and beneficial to the third party;
- such act was fraudulent;
- there is no other legal remedy available to the creditor to obtain compensation for the damages suffered; and
- the debtor's insolvency, construed as the situation where there has been a relevant decrease in the debtor's estate making it impossible or more difficult to collect the claim.

The existence of fraud (which must be evidenced by the creditor) is one of the essential requirements under Spanish law for the action to rescind to succeed. Pursuant to Article 1,297 of the Spanish Civil Code: (i) agreements by virtue of which the debtor transfers assets for no consideration, and (ii) transfers for consideration carried out by parties who have been held liable by a court (*sentencia condenatoria*) or whose assets have been subject to a writ of attachment (*mandamiento de embargo*) will be considered fraudulent. The presumption referred to in (i) above is a *juris et de jure* presumption (cannot be rebutted by evidence), unlike the presumption indicated in (ii) above, which is a *juris tantum* presumption (a rebuttable presumption).

If the rescission action were to be upheld, the third party would be liable to return the consideration received under the contract in order to satisfy the debt owed to the creditor. Following that, the creditor would need to carry out the actions necessary to obtain the amount owed by the debtor. If the consideration received by the third party under the contract cannot be returned to the debtor, the third party must indemnify the creditor for such damages.

Insolvency Proceedings Conclusion

Insolvency proceedings may, normally (although the Spanish Insolvency Act foresees other (unusual) conclusions in Article 176), lead either to the restructuring of the business financing in place through the implementation of an agreement between the creditors and the debtor on the payment of debts or to the liquidation of the debtor's assets.

Applicable Jurisdiction

The applicable jurisdiction to conduct an insolvency proceeding is the one in which the insolvent party has its "center of main interests" ("COMI"). The COMI is deemed to be where the insolvent party conducts the administration of its interests on a regular basis and which may be recognized as such by third parties. Insolvency proceedings conducted by the court of the COMI are considered "the principal insolvency proceedings" and have universal reach affecting all the assets of the insolvent party worldwide. If the COMI is not in Spain, but the insolvent party has a permanent establishment in Spain, Spanish courts will only have jurisdiction over the assets located in Spain (the "territorial insolvency proceedings").

TRANSFER RESTRICTIONS

The notes are subject to restrictions on transfer as summarized below. By purchasing notes, you will be deemed to have made the following acknowledgements, representations to and agreements with us and the initial purchasers:

(1) You acknowledge that:

- the notes have not been registered, and will not be registered, under the Securities Act or any other securities laws and are being offered for resale in transactions that do not require registration under the Securities Act or any other securities laws; and

- unless so registered, the notes may not be offered, sold or otherwise transferred except under an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or any other applicable securities laws, and in each case in compliance with the conditions for transfer set forth in paragraph (4) below.

(2) You represent that you are not an affiliate (as defined in Rule 144 under the Securities Act) of the Issuer, that you are not acting on the Issuer's behalf and that either:

- you are a qualified institutional buyer (as defined in Rule 144A under the Securities Act) and are purchasing notes for your own account or for the account of another qualified institutional buyer, and you are aware that the initial purchasers are selling the notes to you in reliance on Rule 144A; or

- you are not a U.S. person (as defined in Regulation S under the Securities Act) or purchasing notes for the account or benefit of a U.S. person, other than a distributor, and you are purchasing notes in an offshore transaction in accordance with Regulation S.

(3) You acknowledge that neither we nor the initial purchasers nor any person representing us or the initial purchasers have made any representation to you with respect to us or this offering, other than the information contained in this listing memorandum. Accordingly, you acknowledge that no representation or warranty is made by the initial purchasers as to the accuracy or completeness of such materials. You represent that you are relying only on this listing memorandum in making your investment decision with respect to the notes. You agree that you have had access to such financial and other information concerning us and the notes as you have deemed necessary in connection with your decision to purchase notes, including an opportunity to ask questions of and request information from us.

(4) You represent that you are purchasing notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case not with a view to, or for offer or sale in connection with, any distribution of the notes in violation of the Securities Act, subject to any requirement of law that the disposition of your property or the property of that investor account or accounts be at all times within your or their control and subject to your or their ability to resell the notes pursuant to Rule 144A or any other available exemption from registration under the Securities Act. You agree on your own behalf and on behalf of any investor account for which you are purchasing notes, and each subsequent holder of the notes by its acceptance of the notes will agree, that until the end of the Resale Restriction Period (as defined below), the notes may be offered, sold or otherwise transferred only:

(a) to the Issuer or any of its subsidiaries;

(b) under a registration statement that has become effective under the Securities Act;

(c) for so long as the notes are eligible for resale under Rule 144A, to a person the seller reasonably believes is a qualified institutional buyer that is purchasing for its own account or for the account of another qualified institutional buyer and to whom notice is given that the transfer is being made in reliance on Rule 144A;

(d) through offers and sales to non-U.S. persons that occur outside the United States within the meaning of Regulation S under the Securities Act; or

(e) under any other available exemption from the registration requirements of the Securities Act,

subject in each of the above cases to any requirement of law that the disposition of the seller's property or the property of an investor account or accounts be at all times within the seller or account's control and to compliance with any applicable state securities laws.

You also acknowledge that to the extent that you hold the notes through an interest in a global note, the Resale Restriction Period (as defined below) may continue indefinitely.

(5) You also acknowledge that the above restrictions on resale will apply from the issue date of the notes until such time as determined by the issuer (in the case of Rule 144A notes) or 40 days (in the case of Regulation S notes) after the later of the issue date and when the notes or any predecessor of the notes are first offered to persons other than distributors (as defined in Rule 902 of Regulation S) in reliance on Regulation S (the "Resale Restriction Period"), and will not apply after the applicable Resale Restriction Period ends; and

- we and the trustee reserve the right to require in connection with any offer, sale or other transfer of notes under clause (e) above the delivery of an opinion of counsel, certifications and/or other information satisfactory to us and the trustee; and

- Each note will contain a legend substantially to the following effect:

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAW OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED OR TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION. THE HOLDER OF THIS NOTE, BY ITS ACCEPTANCE HEREOF, AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED NOTES, TO OFFER, SELL, OR OTHERWISE TRANSFER THIS NOTE, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") THAT IS [IN THE CASE OF RULE 144A NOTES: THE DATE DETERMINED BY THE ISSUER IN ITS SOLE DISCRETION] [IN THE CASE OF REGULATION S NOTES: 40 DAYS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE DATE ON WHICH THIS NOTE (OR ANY PREDECESSOR OF SUCH NOTE) WAS FIRST OFFERED TO PERSONS OTHER THAN DISTRIBUTORS (AS DEFINED IN RULE 902 OF REGULATION S) IN RELIANCE ON REGULATION S], ONLY (A) TO THE COMPANY OR ANY SUBSIDIARY OR AFFILIATE THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE NOTES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTION BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT OR (E) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE COMPANY'S AND TRUSTEE'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AND AT THE SOLE DISCRETION OF THE COMPANY AFTER THE RESALE TERMINATION DATE. [IN THE CASE OF REGULATION S NOTES: BY ITS ACQUISITION HEREOF, THE HOLDER HEREOF REPRESENTS THAT IT IS NOT A U.S. PERSON NOR IS IT PURCHASING FOR THE ACCOUNT OF A U.S. PERSON AND IS ACQUIRING THIS NOTE IN AN

OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT.]

(6) You acknowledge that the foregoing restrictions apply to holders of beneficial interests in the notes, as well as holders of the notes.

(7) You represent and warrant that either (a) no portion of the assets used by you to acquire or hold the notes constitutes assets of an employee benefit plan that is subject to Title I of ERISA, of a plan, individual retirement account or other arrangement that is subject to Section 4975 of the Code or provisions under any Similar Laws, or of an entity whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement or (b) the acquisition and holding of the notes by you will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a similar violation under any applicable Similar Law.

(8) You acknowledge that we, the initial purchasers and others will rely upon the truth and accuracy of the above acknowledgments, representations and agreements. You agree that if any of the acknowledgments, representations or agreements you are deemed to have made by your purchase of notes is no longer accurate, you will promptly notify us and the initial purchasers. If you are purchasing any notes as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each of those accounts and that you have full power to make the above acknowledgments, representations and agreements on behalf of each account.

PLAN OF DISTRIBUTION

Subject to the terms and conditions in the purchase agreement among the Issuer, Cerealsur and the initial purchasers, the Issuer has agreed to sell to the initial purchasers, and the initial purchasers have agreed to purchase severally and not jointly, from the Issuer, the principal amount of the notes set forth below.

The initial purchasers initially propose to offer the notes for resale at the issue price that appears on the cover of this listing memorandum. After the initial offering, the initial purchasers may change the offering price and any other selling terms. We have agreed to reimburse the initial purchasers for certain expenses incurred in connection with the offering of the notes. The initial purchasers may offer and sell notes through certain of their affiliates.

The initial purchasers have agreed to purchase severally and not jointly, the principal amount of the notes set forth opposite each initial purchaser's name below:

Initial Purchasers	**Amount of Notes**
Nomura Securities International, Inc.	US$110,000,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	US$90,000,000
Total	US$200,000,000

In the purchase agreement, each of the Issuer and Cerealsur has agreed to:

- not offer or sell any of its debt securities (other than the notes) for a period of 90 days after the date of this listing memorandum without the prior consent of the initial purchasers; and

- indemnify the initial purchasers against certain liabilities, including liabilities under the Securities Act, or contribute to payments that the initial purchasers may be required to make in respect of those liabilities.

The purchase agreement also provides that the obligation of the initial purchasers to pay for and accept delivery of the notes is subject to, among other conditions, the delivery of certain legal opinions. If all such conditions are satisfied, the initial purchasers are obligated to purchase severally and not jointly, all of the notes if any of the notes are purchased and may resell such notes to investors subject to the selling restrictions below. After the initial offering of the notes, the offering price and other selling terms may be changed by the initial purchasers.

The notes have not been and will not be registered under the Securities Act or the securities laws of any other jurisdiction. In the purchase agreement, the initial purchasers have agreed that:

- the notes may not be offered or sold within the United States or to U.S. persons except pursuant to an exemption from, or in transactions not subject to, the registration requirements of the Securities Act; and

- during the initial distribution of the notes, they will not sell the notes except (a) in the case of offers inside the United States or to U.S. persons, and to non-U.S. persons investing in the Rule 144A note, to persons they reasonably believe are qualified institutional buyers as defined in Rule 144A of the Securities Act or (b) in accordance with Regulation S.

In addition, until 40 days following the commencement of this offering, an offer or sale of notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act unless the dealer makes the offer or sale in compliance with Rule 144A or another exemption from registration under the Securities Act.

Investors in the notes may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the offering price of the notes so purchased.

The notes are a new issue of securities, and there is currently no established trading market for the notes. In addition, the notes are subject to certain restrictions on resale and transfer as described above and under "Transfer

Restrictions." The initial purchasers have advised us that they intend to make a market in the notes, but they are not obligated to do so. The initial purchasers may discontinue any market making in the notes at any time in their sole discretion and without notice. Accordingly, there is no assurance that a liquid trading market will develop for the notes, that investors will be able to sell the notes at a particular time or that the prices that investors receive when they sell will be favorable.

In connection with the offering of the notes, the initial purchasers may engage in overallotment, stabilizing transactions and syndicate covering transactions. Overallotment involves sales in excess of the offering size, which creates a short position for the initial purchasers. Stabilizing transactions involve bids to purchase the notes in the open market for the purpose of pegging, fixing or maintaining the price of the notes. Syndicate covering transactions involve purchases of the notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions and syndicate covering transactions may cause the price of the notes to be higher than it would otherwise be in the absence of those transactions. If the initial purchasers engage in stabilizing or syndicate covering transactions, they may discontinue them at any time.

It is expected that delivery of the notes will be made against payment therefor on or about May 7, 2015, which is the seventh business day following the date hereof (such settlement cycle being referred to as "T+7"). Under Rule 15c6-1 under the U.S. Securities Exchange Act of 1934, as amended, trades in the secondary market generally are required to settle in three business days unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the notes on the date of pricing or until the settlement date may be required, by virtue of the fact that the notes initially will settle in T+7, to specify an alternative settlement cycle at the time of any such trade to prevent failed settlement. Purchasers of the notes who wish to trade the notes on the date of pricing or the next six business days should consult their own advisors.

Sales Outside the United States

None of the Issuer, Cerealsur and the initial purchasers is making an offer to sell, or seeking offers to buy, the notes in any jurisdiction where the offer and sale is not permitted. You must comply with all applicable laws and regulations in force in any jurisdiction in which you purchase, offer or sell the notes or possess or distribute this listing memorandum, and you must obtain any consent, approval or permission required for your purchase, offer or sale of the notes under the laws and regulations in force in any jurisdiction to which you are subject or in which you make such purchases, offers or sales. None of the Issuer, Cerealsur and the initial purchasers will have any responsibility therefor.

Notice to Prospective Investors in Uruguay

The offering of the notes constitutes a private placement (*oferta privada*) under Art. 2 of Law No. 18,627 (December 2, 2009) of Uruguay. Neither the Issuer nor the notes is, or will be, registered with the *Superintendencia de Servicios Financieros del Banco Central del Uruguay* and, accordingly, the notes may not be offered to persons in Uruguay except in circumstances that do not constitute a public offering under the laws of Uruguay.

Notice to Prospective Investors in Spain

The notes may not be offered, sold or distributed in Spain except in accordance with the requirements of the Spanish Securities Market Law No. 24/1988, of July 28 (*Ley 24/1988, de 28 de julio, del Mercado de Valores*), as amended and restated, and Royal Decree No. 1310/2005, of November 4, on the listing of securities, public offers and applicable prospectus (*Real Decreto 1310/2005, de 4 de noviembre, por el que se desarrolla parcialmente la Ley 24/1988, de 28 de julio, del Mercado de Valores en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos*), as amended from time to time (the "Spanish Securities Market Law"). The notes may not be sold, offered or distributed to persons in Spain, except in circumstances which do not constitute a public offer (*oferta pública*) of securities in Spain, within the meaning of the Spanish Securities Market Law. Neither the notes, this offering nor this listing memorandum and its contents have been approved or registered with the Spanish Securities and Exchange Commission (*Comisión Nacional del Mercado de Valores*), and therefore it is not intended for the public offering of notes in Spain.

Notice to Prospective Investors in the European Economic Area

In relation to each Member State of the European Economic Area that has implemented the Prospectus Directive (each, a "Relevant Member State"), with effect from and including the date on which the Prospectus Directive is implemented in that relevant Member State (the "relevant implementation date"), an offer to the public of notes described in this listing memorandum may not be made in that Relevant Member State other than:

- to any legal entity that is a qualified investor as defined in the Prospectus Directive;
- to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the initial purchasers for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of notes shall require the Issuer or the initial purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

This listing memorandum has been prepared on the basis that any offer of notes in any Relevant Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of notes. Accordingly any person making or intending to make an offer in that Relevant Member State of notes which are the subject of the offering contemplated in this listing memorandum may only do so in circumstances in which no obligation arises for the Issuer or any of the initial purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither the Issuer nor the initial purchasers have authorized, nor do they authorize, the making of any offer of notes in circumstances in which an obligation arises for the Issuer or the initial purchasers to publish a prospectus for such offer.

For the purposes of this provision, the expression an "offer to the public" in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe for the notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State; the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State; and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Notice to Prospective Investors in the United Kingdom

This listing memorandum is only being distributed to, and is only directed at, persons in the United Kingdom that are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive ("Qualified Investors") that are also (1) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (2) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). This listing memorandum and its contents should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person in the United Kingdom that is not a relevant person should not act or rely on this document or any of its contents.

Notice to Prospective Investors in Hong Kong

This listing memorandum has not been approved by or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong. The notes will not be offered or sold in Hong Kong other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the notes which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) has been issued or will be issued in Hong Kong or elsewhere other than with respect to notes which are or are intended to be disposed of only to person outside Hong King or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Other Relationships

Some of the initial purchaser and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the initial purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. Certain of the initial purchasers or their affiliates that have a lending relationship with us routinely hedge their credit exposure to us consistent with their customary risk management policies. Typically, such initial purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such short positions could adversely affect future trading prices of the notes offered hereby. The initial purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

An affiliate of Nomura Securities International, Inc. is currently the registered holder of a majority of the outstanding principal amount of the PdS Notes (the "Nomura PDS Noteholder"). Concurrently with the purchase of the PdS Notes in 2007, the Nomura group hedged all its economic exposure to the PdS Notes by repackaging the credit risk through the sale of credit linked-notes ("CLNs") by another Nomura affiliate (the "Nomura CLN Issuer") to an unaffiliated third party investor. Under the current terms of the CLNs, the holders of a majority of the CLNs (the "CLN Majority Holders") can direct the Nomura CLN Issuer to cause the Nomura PDS Noteholder to exercise its voting rights, following the occurrence of certain "events of default" that give rise to such voting rights, to accelerate or take any other action available to a holder of the PDS Notes in accordance with the instructions of the CLN Majority Holders, subject to indemnity and other conditions. In addition, the Nomura CLN Issuer is required to cause the Nomura PDS Noteholder not to exercise voting rights with respect to such matters except in accordance with the provisions of the CLN. This undertaking by the Nomura CLN Issuer applies to PdS Notes held in connection with CLNs and not to any PdS Notes that the Nomura group may acquire or hold in unrelated capacities.

LEGAL MATTERS

Certain legal matters relating to this offering will be passed upon for us by Simpson Thacher & Bartlett LLP, New York, New York. Certain legal matters with respect to Spanish law will be passed upon for us by Cuatrecasas, Gonçalves Pereira, Madrid, Spain. Certain legal matters with respect to Uruguayan law will be passed upon for us by Guyer & Regules, Montevideo, Uruguay.

INDEPENDENT ACCOUNTANTS

The audited special consolidated and separate financial statements of Cerealsur S.A. included in this listing memorandum have been audited by PwC Uruguay, as stated in their audit reports appearing in this listing memorandum.

INDEPENDENT CONSULTANT

The Traffic Forecasts for Carrasco International Airport included as Annex B to this listing memorandum has been exclusively prepared by ICF and is included herein upon reliance upon the authority of such firm as an aviation activity consultant and as per the appointment by PdS. The ICF Report should be read in its entirety by prospective investors for the information contained therein.

LISTING AND GENERAL INFORMATION

Listing Information

Application will be made to list the notes on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market.

For so long as the notes are listed on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market and the rules and regulations of the Luxembourg Stock Exchange so require, all notices to holders of the notes will be supplied to the Luxembourg Stock Exchange and are expected to be published at *www.bourse.lu*.

For so long as the notes are listed on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market and the rules of the Luxembourg Stock Exchange so require, copies of the following documents in physical format may be obtained free of charge during normal business hours, at the Issuer's registered office, at the address listed on the inside back cover page of this listing memorandum:

- this listing memorandum;
- the financial statements included in this listing memorandum;
- the Issuer's most recent published audited annual financial statements;
- the Issuer's organizational documents;
- Cerealsur's most recent published audited annual financial statements and unaudited quarterly interim financial statements; and
- the indenture governing the notes and the related security documents pursuant to which the Collateral is pledged.

The Issuer has appointed The Bank of New York Mellon (Luxembourg) S.A. as Luxembourg listing agent. Application may also be made to the Official List of the Luxembourg Stock Exchange to have the notes removed from listing, including if necessary to avoid any new withholding taxes in connection with the listing.

The Issuer accepts responsibility for the information contained in this listing memorandum. The Issuer declares that, having taken all reasonable care to ensure that such is the case, to the best of its knowledge, the information contained in this listing memorandum is in accordance with the facts and does not omit anything likely to affect its import. This listing memorandum may only be used for the purposes for which it has been published.

General Information

The issuance of the notes has been authorized by the sole shareholder of the Issuer by resolution dated March 20, 2015. The guarantee of the notes by Cerealsur was authorized by the board of directors of Cerealsur by resolution dated March 4, 2015 and ratified at the extraordinary shareholders' meeting of Cerealsur on March 5, 2015.

Except as disclosed in this listing memorandum, there has been no material adverse change in the financial position of Cerealsur since December 31, 2014, the date of the latest audited financial statements included in this listing memorandum.

Except as disclosed in this listing memorandum, there are no litigation or arbitration proceedings against or affecting the Issuer or Cerealsur or any of their respective assets, nor is the Issuer or Cerealsur aware of any pending or threatened proceedings, which are or might reasonably be expected to be material in the context of the issuance of the notes.

ICF International has agreed to the inclusion of the ICF Report in this listing memorandum in the form and context in which it is included.

Clearing Information

The global notes representing the notes have been accepted for settlement into the systems used by DTC, Euroclear S.A./N.V. and Clearstream Banking, *société anonyme*.

The CUSIP, ISIN and Common Code numbers, as applicable, for the notes are as follows:

Rule 144A Note CUSIP:	**Rule 144A Note ISIN:**	**Rule 144A Note Common Code:**
00102J AA3	US00102JAA34	122010554
Regulation S Note CUSIP:	**Regulation S Note ISIN:**	**Regulation S Note Common Code:**
E0351Q AA0	USE0351QAA07	122010627

INDEX TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS OF CEREALSUR S.A.

Special Consolidated and Separate Financial Statements as of and for the 12-Month Periods Ended December 31, 2014 and 2013

Special Consolidated and Separate Financial Statements as of and for the 12-Month Periods Ended December 31, 2013 and 2012

Special Consolidated and Separate Financial Statements as of and for the 12-Month Periods Ended December 31, 2012 and 2011

Cerealsur S.A.

Special financial statements
At December 31, 2014

Contents

References
UY$ - Uruguayan peso
US$ - US dollar

Section I - Special Consolidated Financial Statements

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Independent Auditors' Report

To the Shareholders and Directors of Cerealsur S.A.

We have audited the special consolidated financial statements of Cerealsur S.A., (the Company) and its subsidiary, which consist of the consolidated statement of financial position at December 31, 2014, and the consolidated statements of income, changes in equity and cash flows for the special 12-month period beginning January 1, 2014 and ending December 31, 2014, and the related notes, which contain a summary of the significant accounting standards applied and other explanatory notes enclosed herewith.

Management's responsibility on the special consolidated financial statements

The Company's Management is responsible for the preparation and fair presentation of these special consolidated financial statements in accordance with generally accepted accounting standards in Uruguay ("Uruguayan GAAP"), and for keeping an internal control system that Management may deem suitable to allow for the preparation of financial statements free of material errors due to fraud or involuntary errors.

Auditor's responsibility

Our responsibility is to express an opinion on the special consolidated financial statements, based on our audit. We performed our audit in accordance with International Auditing Standards. These standards require that we comply with ethical requirements and that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

An audit includes performing procedures to obtain evidence supporting the amounts and assertions disclosed in the financial statements. The selected procedures depend on our judgment, which includes assessing the risk of the financial statements containing material errors due to fraud or involuntary errors. When performing this risk assessment, we consider the internal control system relevant to the fair preparation and presentation of the financial statements of the Company to select the audit procedures that are appropriate in the circumstances, but not with the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes assessing the appropriateness of the accounting standards used and the reasonableness of the estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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11.000 Montevideo, Uruguay, www.pwc.com.uy

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We consider that the audit evidence obtained is sufficient and appropriate to support our opinion.

Opinion

In our opinion, the special consolidated financial statements mentioned in paragraph 1 present fairly, in all material aspects, the consolidated financial position of the Company and its subsidiary at December 31, 2014, as well as its consolidated statements of income and cash flows for the special 12-month period beginning January 1, 2014 and ending December 31, 2014, in conformity with Uruguayan GAAP.

On this same date, we issued our audit opinion on the special separate financial statements of the Company for the special 12-month period beginning January 1, 2014 and ending December 31, 2014. In accordance with Uruguayan GAAP, the Company must file its special consolidated financial statements jointly with its subsidiary and its special separate financial statements, which comprise the financial statements the entity must file to conform to Uruguayan GAAP. Those financial statements are included in section II of this report.

Montevideo, Uruguay
February 27, 2015

PricewaterhouseCoopers

Richard Moreira de la Rosa
Public Accountant
Partner
C.J.P.P.U. 48208

CEREALSUR S.A.

SPECIAL CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At December 31, 2014
(Amounts in US dollars)

	12.31.2014	12.31.2013
ASSETS		
CURRENT ASSETS		
CASH AND CASH EQUIVALENTS (Note 6)		
Cash	69,826	69,276
Banks	10,272,341	11,050,805
	10,342,167	11,120,081
TRADE RECEIVABLES		
Debtors for services (Note 7)	10,648,962	10,370,882
Related parties (Note 17.1)	2,049,799	2,510,501
Notes receivable	26,990	27,990
Less: Allowance for bad debts (Note 13)	(6,025,580)	(6,006,437)
	6,700,171	6,902,936
OTHER RECEIVABLES		
Advances to suppliers	265,833	168,601
Prepaid insurance	96,432	124,548
Salary advances	57,501	17,147
Expenses to be recovered	72,481	51,387
Tax credits (Note 10.3)	1,297,167	1,501,161
Related parties (Note 17.1)	1,325,487	-
	3,114,901	1,862,844
INVENTORIES		
Spare parts	353,312	456,975
	353,312	456,975
TOTAL CURRENT ASSETS	**20,510,551**	**20,342,836**
NON-CURRENT ASSETS		
FIXED ASSETS (Note 8 and Exhibit 1)		
Original values	7,963,917	7,416,878
Less: Accumulated depreciation	(6,548,663)	(5,944,208)
	1,415,254	1,472,670
INTANGIBLE ASSETS (Note 8 and Exhibit 1)		
Original values	289,724,180	265,355,612
Less: Accumulated amortization	(104,295,111)	(89,402,358)
	185,429,069	175,953,254
TOTAL NON-CURRENT ASSETS	**186,844,323**	**177,425,924**
TOTAL ASSETS	**207,354,874**	**197,768,760**

The accompanying Notes 1 to 24 and the Exhibit are an integral part of these special financial statements.

CEREALSUR S.A.

SPECIAL CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At December 31, 2014
(Amounts in US dollars)

	12.31.2014	12.31.2013
LIABILITIES		
CURRENT LIABILITIES		
TRADE PAYABLES		
Local suppliers	2,199,555	2,344,076
Debts with contractors	153,828	162,688
Withholdings due to contractors	53,248	53,819
Notes payable	-	64,173
Foreign suppliers (Note 10.1)	73,907	135,651
Letter of credit	-	157,443
Advances from customers	8,374	9,664
Related parties (Note 17.1)	-	11,736
	2,488,912	2,939,250
FINANCIAL DEBTS (Note 11)		
Notes payable (Note 17.1)	-	7,516,875
Negotiable obligations	9,383,258	9,495,630
Bank loans	3,967,094	1,250,000
	13,350,352	18,262,505
OTHER DEBTS		
Sundry accruals	112,660	11,228
Fee payable (Note 10.2)	870,516	822,973
Related parties (Note 17.1)	-	600,000
Social security payable	222,853	218,833
Unearned revenue (Note 10.5)	618,841	746,453
Provision for social security benefits	756,815	766,363
	2,581,685	3,165,850
TOTAL CURRENT LIABILITIES	**18,420,949**	**24,367,605**
NON-CURRENT LIABILITIES		
FINANCIAL DEBTS (Note 11)		
Notes payable (Note 17.1)	-	16,352,482
Negotiable obligations	51,588,400	60,185,034
Bank loans	22,178,572	-
	73,766,972	76,537,516
OTHER DEBTS		
Unearned revenue (Note 10.5)	2,385,003	2,643,671
Provision for social security benefits	732,207	980,201
Deferred income tax (Note 12)	12,529,329	6,946,378
Guarantees from customers (Note 10.4)	849,187	364,558
	16,495,726	10,934,808
TOTAL NON-CURRENT LIABILITIES	**90,262,698**	**87,472,324**
TOTAL LIABILITIES	**108,683,647**	**111,839,929**
EQUITY (as per related statements and Note 14)		
OWNERS' CONTRIBUTIONS		
Paid-in capital	19,947	19,947
	19,947	19,947
CONTRIBUTIONS TO BE CAPITALIZED		
Contributions to be capitalized - Additional paid-in capital	19,434,687	19,434,687
	19,434,687	19,434,687
RESERVES		
Legal reserve	3,784	3,784
	3,784	3,784
RETAINED EARNINGS		
Prior twelve months periods' income	66,470,413	55,528,571
Net income for the twelve-month period	12,742,396	10,941,842
	79,212,809	66,470,413
TOTAL EQUITY	**98,671,227**	**85,928,831**
TOTAL EQUITY AND LIABILITIES	**207,354,874**	**197,768,760**

The accompanying Notes 1 to 24 and the Exhibit are an integral part of these special financial statements.

CEREALSUR S.A.

SPECIAL CONSOLIDATED STATEMENT OF INCOME
for the special 12-month period beginning January 1, 2014 and ending December 31, 2014
(Amounts in US dollars)

	12.31.2014	12.31.2013
OPERATING REVENUE (Note 1.2)		
Aeronautical revenue	37,121,728	34,030,123
Commercial revenue (Notes 17.2 and 17.4)	34,300,605	33,257,792
Services revenue (Note 17.2)	832,749	1,968,136
Works revenue (Note 2.20)	868,569	1,202,852
	73,123,651	70,458,903
COST OF SERVICES PROVIDED		
Fee (Notes 1.2 and 10.2)	(7,531,846)	(6,962,688)
Airport operator (Note 10.1)	(927,042)	(842,322)
Cost of works (Note 2.20)	(843,268)	(1,167,819)
Guarantees (Note 19)	(107,000)	(122,000)
Maintenance	(6,213,089)	(5,415,875)
Salaries and social security contributions	(7,959,771)	(8,130,031)
Insurance	(165,417)	(196,101)
Depreciation and Amortization	(13,925,422)	(16,721,552)
	(37,672,855)	(39,558,388)
GROSS INCOME	35,450,796	30,900,515
ADMINISTRATIVE AND SELLING EXPENSES (Notes 13.1, 15.1 and 17.2)	(11,370,800)	(10,562,892)
OTHER INCOME (LOSS), NET		
Other (Note 15.2)	(121,283)	(468,880)
	(121,283)	(468,880)
NET FINANCIAL RESULTS (Note 15.3)	(5,629,399)	(6,463,641)
INCOME BEFORE TAX	18,329,314	13,405,102
INCOME TAX (Note 16)		
Current tax	(3,967)	(4,362)
Deferred tax	(5,582,951)	(2,458,898)
	(5,586,918)	(2,463,260)
NET INCOME FOR THE TWELVE MONTHS PERIOD	**12,742,396**	**10,941,842**

The accompanying Notes 1 to 24 and the Exhibit are an integral part of these special financial statements.

CEREALSUR S.A.

SPECIAL CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the special 12-month period beginning January 1, 2014 and ending December 31, 2014
(Amounts in US dollars)

	Capital	Contributions to be capitalized	Reserves	Retained earnings	Total equity
BALANCES AT December 31, 2012					
Owners' contributions					
Units	19,947	-	-	-	19,947
Contributions to be capitalized	-	19,434,687	-	-	19,434,687
Retained earnings	-				
Legal reserve	-	-	3,784	-	3,784
Unappropriated retained earnings	-	-	-	55,528,571	55,528,571
TOTAL AT December 31, 2012	**19,947**	**19,434,687**	**3,784**	**55,528,571**	**74,986,989**
NET INCOME/LOSS FOR THE PERIOD	**-**	**-**	**-**	10,941,842	10,941,842
SUBTOTAL	**-**	**-**	**-**	**10,941,842**	**10,941,842**
BALANCES AT December 31, 2013					
Owners' contributions					
Paid-in capital	19,947	-	-	-	19,947
Contributions to be capitalized	-	19,434,687	-	-	19,434,687
Retained earnings					
Legal reserve	-	-	3,784	-	3,784
Unappropriated retained earnings	-	-	-	66,470,413	66,470,413
TOTAL AT December 31, 2013	**19,947**	**19,434,687**	**3,784**	**66,470,413**	**85,928,831**
NET INCOME/LOSS FOR THE PERIOD	**-**	**-**	**-**	12,742,396	12,742,396
SUBTOTAL	**-**	**-**	**-**	**12,742,396**	**12,742,396**
BALANCES AT December 31, 2014					
Owners' contributions					
Paid-in capital	19,947	-	-	-	19,947
Contributions to be capitalized	-	19,434,687	-	-	19,434,687
Retained earnings	-				
Legal reserve	-	-	3,784	-	3,784
Unappropriated retained earnings	-	-	-	79,212,809	79,212,809
TOTAL AT December 31, 2014	**19,947**	**19,434,687**	**3,784**	**79,212,809**	**98,671,227**

The accompanying Notes 1 to 24 and the Exhibit are an integral part of these special financial statements.

CEREALSUR S.A.

SPECIAL CONSOLIDATED STATEMENT OF CASH FLOWS
for the special 12-month period beginning January 1, 2014 and ending December 31, 2014
(Amounts in US dollars)

	Notes	12.31.2014	12.31.2013
Cash flows from operating activities			
Net income for the twelve-month period		12,742,396	10,941,842
Adjustments for: Depreciation of fixed assets and amortization of intangible assets		15,497,208	18,553,540
Provision for impaired credits		99,593	81,819
Recovery of impaired credits		(80,450)	(898,537)
Stocks obsolescence allowance		272,958	-
Deferred income tax		5,582,951	2,458,898
Changes in Assets and liabilities			
Decrease / (Increase) in trade receivables		183,622	(1,101,730)
Increase in other receivables		(1,252,057)	(105,330)
Increase in inventories		(169,295)	(363,353)
(Decrease) / Increase in trade payables		(450,338)	761,047
Decrease in other debts		(606,198)	(265,822)
Cash flows from (applied to) operating activities		**31,820,390**	**30,062,374**
Cash flows from investment activities			
Increase in fixed assets and intangible assets, net		(24,915,607)	(1,497,316)
Cash flows applied to investment activities		**(24,915,607)**	**(1,497,316)**
Cash flows from financing activities			
Increase / (decrease) in loans, net		(7,682,697)	(21,701,000)
Cash flows applied to financing activities		**(7,682,697)**	**(21,701,000)**
Increase / (decrease) in cash, net		(777,914)	6,864,058
Initial balance of cash and cash equivalents	6	11,120,081	4,256,023
Ending balance of cash and cash equivalents	6	**10,342,167**	**11,120,081**

The accompanying Notes 1 to 24 and the Exhibit are an integral part of these special financial statements.

CEREALSUR S.A.

NOTES TO THE SPECIAL CONSOLIDATED FINANCIAL STATEMENTS

for the special 12-month period beginning January 1 and ending December 31, 2014

NOTE 1 – GENERAL INFORMATION

1.1 Legal nature and operations

Cerealsur Sociedad Anónima (the "Company") was initially established as a corporation on November 5, 2002. The National Auditing Office approved its by-laws on December 2, 2002.

The Company subsequently changed its legal nature on October 13, 2005 and started operations as Cerealsur Ltda. The amendment to the charter and bylaws was registered with the Legal Persons Registration Authority - Business Section, on October 24, 2005.

On June 29, 2006, the General Extraordinary Partners' Meeting resolved to amend article 2 of the Incorporation Agreement, adapting the corporate purpose of the Company to the provisions of Section 47 of Commercial Companies Law and by a private Document dated December 5, 2006, the partners of Cerealsur Ltda. executed the amendment to the Incorporation Agreement, registered with the National Registry of Commerce under number 26267, on December 8, 2006, and published in the Professional Bulletin on December 18, 2006 and in the Official Gazette on December 21, 2006.

On April 30, 2013, the Company changed its legal nature to Cerealsur Sociedad Anónima. Its by-laws were approved by the National Auditing Office on December 3, 2013.

On December 26, 2013, Yokelet S.L. acquired 100% of Cerealsur S.A. capital.

On August 27, 2003, the Company purchased for US$ 34,000,000 (United States dollars thirty four million) 100% of the shares in Puerta del Sur S.A. ("PDS"), for a par value of UY$ 180,000 (Uruguayan pesos one hundred and eighty thousand), through a public auction to the best bidder held on the Montevideo Stock Exchange.

NOTE 1 – GENERAL INFORMATION (Cont'd)

1.1 Legal nature and operations (Cont'd)

In accordance with its By-laws approved by the National Internal Auditing Office on January 28, 2003, the purpose of Puerta del Sur S.A. is the administration, exploitation and operation, construction and maintenance of the Carrasco International Airport "Gral. Cesáreo L. Berisso" (AIC), regarding the airport and non-airport activities, including commercial -duty-free shops- and service activities, complementary of the airport activity, pursuant to the provisions of Law No. 17555, Decree No. 376/002 (which includes the *Integrated Management System* as supplementary document), and the contract entered into between the National Ministry of Defense (MDN) and the National Development Corporation on December 19, 2002.

On February 6, 2003, PDS signed a contract with the National Ministry of Defense, which was approved by the Executive Branch through Resolution 1976/002, for the integrated management of the Carrasco International Airport "Gral. Cesáreo L. Berisso" for its entire exploitation, in the manner and under the conditions specified in Decree 376/02 of September 28, 2002; this decree is considered as an integral part of this contract for all effects". In addition, on August 11, 2003 an amendment to that contract was signed specifying that "this contract is integrated as an entire agreement with Decree No. 376/02 dated September 28, 2002, the Annexes, all the national and international aeronautical regulations on customs, taxes and all other matters related to the purpose hereof and to Executive Branch Decrees Nos. 153/003 of April 24, 2003, 192/003 of May 20, 2003, and 317/2003 of August 4, 2003."

On September 2, 2014, the parties signed an amendment to the Integrated Management Contract ("IMC"), establishing in clause two that they agree to partially amend the contract, extending clause Fourteen and adding the provisions of Decree 229/014 of August 6, 2014 as an integral part of the entire contract.

Additionally, Article 4.16 sets out the applicable penalties in the event of default, in whole or in part, or improper or late noncompliance with any of the obligations of PDS.

The IMC and its subsequent amendments impose upon PDS a series of obligations, as detailed in Note 1.3. No balance is due of the price offered at the public auction.

PDS enjoys the tax exemptions set out in Section 6.B), C) and E) of Decree-Law No. 15,637 of September 28, 1984.

NOTE 1 – GENERAL INFORMATION (Cont'd)

1.1 Legal nature and operations (Cont'd)

These special consolidated financial statements for a period of 12 months have been prepared for consolidation purposes with the Company's subsidiary. The fiscal year-end of the Company is October 31 of each year.

These special financial statements have been approved by Company Management for their issuance on February 27, 2015, but they have not yet been submitted to the consideration of the Company's shareholders.

1.2 Main revenue and expenses of the Company and its Subsidiary

1.2.1 Main revenue

PDS receives revenue from aeronautical and commercial services provided.

The first group includes:

a) Landing tariffs
b) Airplanes parking tariffs
c) Airport use tariffs

In relation to such revenue, Article 4.12 of the IMC provides as follows:

- The maximum prices of the landing and parking services, cargo and system for free provision of services on land to airplanes, receivable from the persons who provide those services, are set out in Annex F to the IMC. These prices have been index-adjusted by several decrees of the Executive Branch. On January 27, 2012, the Executive Branch approved Decree No. 020/012 establishing the prices set forth in the referred to Annex F, effective February 26, 2012.

  On May 26, 2014, the Executive Branch approved Decree No. 148/014 establishing the new prices in the referred to Annex F, effective June 25, 2014.

- The prices for services provided to airlines, not comprised in the Annex F, as well as their modification, will be proposed by PDS, and subject to approval.

- The prices for the remaining services not comprised in the Annex F will be freely set by PDS

NOTE 1 – GENERAL INFORMATION (Cont'd)

1.2 Main revenue and expenses of the Company and its Subsidiary (Cont'd)

1.2.2 Main expenses

Article 4.7 of the IMC establishes that the price that PDS will pay to the State as consideration for the administration, exploitation, operation, construction and maintenance of AIC will accrue annually, as from the takeover date, and will be the higher of: a) US$ 2,500,000; or b) the amount resulting from multiplying the work units (per passenger or per each 100 kilograms of cargo or mailing) by US$ 2.30. The minimum annual fee amount (sub-section a), and the value of the work unit (sub-section b) will be adjusted annually, according to the procedure described in Article 4.13 of the IMC. The annual fee has been adjusted by different decrees of the Executive Branch. On January 27, 2012, the Executive Branch approved Decree No. 020/012, which came into force on February 26, 2012, and established that PDS was to pay the State the higher of: a) US$ 4,027,188; or b) the amount resulting from multiplying the work units (per passenger or per each 100 kilograms of cargo or mailing) by US$ 3.71.

On May 26, 2014, the Executive Branch approved Decree No. 148/014, which came into force on June 25, 2014, and established that PDS was to pay the State the higher of: a) US$ 4,117,169; or b) the amount resulting from multiplying the work units (per passenger or per each 100 kilograms of cargo or mailing) by US$ 3.79.

With the amendment to the contract made on September 2, 2014, and the inclusion of the provisions of Decree No. 229/014, point 4.7 of the IMC has been modified, creating the concepts of annual fee, base fee and additional fee. The annual fee is defined as the aggregate of the basic fee and the additional fee. The definition of base fee coincides with the one established above and detailed in the preceding paragraphs, specifically excluding from the work unit the military and civilian personnel assigned to United Nations or other international agencies peacekeeping missions. It is further established that the passengers in transit or *transfer* exceeding 7.5% of the total number of passengers that use the service of the AIC will not be included in the calculation of the base fee. Finally, the additional fee concept has been created, which is defined as the annual price payable as from the first day of the 37th (thirty seventh) month counted as from the date of execution of the amended IMC (September 2, 2014), that is, effective October 1, 2017. The additional fee shall be applied as from 1,500,000 passengers per annum (departures and arrivals, excluding passengers in transit and personnel assigned to United Nations or other international agencies peacekeeping missions), and will be calculated applying different coefficients to the parameter defined in the base fee for the numbers of passengers in each category. The amounts paid will be applied to the Tourism Promotion Fund.

NOTE 1 – GENERAL INFORMATION (Cont'd)

1.3 Obligations assumed by PDS

Under Article 4.4 of the IMC, PDS is to take all the measures and actions necessary to administer, operate, exploit, build and maintain the AIC, ensuring the provision of the integrated management services under optimum conditions of safety, efficiency, frequency, hygiene and comfort. This article describes the following obligations:

- Destine the assets, facilities, material and human resources used in the airport and non-airport services exclusively for the purposes of the IMC.
- Make investments in construction, new works, repair, enlargement, preservation and maintenance, as described in the technical annexes, according to the investment schedule. Further, the necessary investments to respond to the growth in the national and international air traffic of passengers and cargo.
- Carry out all the necessary acts so that the AIC is at least under the following categories: 1) Category I -Instrumental; 2) category 4E -runway status; 3) category 9 -fire protection; and 4) IATA category C.
- Pay the fee annually accrued under the terms and conditions set forth in the contract.
- Maintain the guarantees and insurance in full force and effect.
- Maintain and preserve in good operating condition the assets it receives according to the inventory performed on the takeover date, making the pertinent replacements in case of destruction and obsolescence and updating it on the basis of the technological breakthroughs.

The IMC also sets out as follows:

- The contract term shall be 20 years counted as from the takeover of the AIC (November 21, 2003), and may be extended for a further 10-year term, at PDS's request and subject to the approval of the Executive Branch.
- With the amendment to the IMC made on September 2, 2014, the option was exercised, and article 2 sets forth the extension of the contract term until November 20, 2033.
- The maximum prices charged by PDS for the services it provides as AIC operator in relation to the landing and parking of airplanes, prices for cargo and prices for free provision of services on land to airplanes, receivable from the persons who render that service.
- The fee amount payable to the National Airport Infrastructure and Civil Aviation Authority ("DINACIA"), as well as the frequency of those payments.
- The amount of the guarantees that are to be provided in favor of the MDN for:
    - the obligations of the purchaser (the Company) for the hiring of the airport operator, investments and payment of capital; and
    - the obligations of the contractor (PDS) for contract performance.

NOTE 1 – GENERAL INFORMATION (Cont'd)

1.3 Obligations assumed by PDS

- PDS obligation to hire an airport operator which will be in charge of at least the operating management of the AIC in the service areas for airplanes, passengers, mailing and cargo. The contractor's organization will ensure that all operations are under the control of the management that will be in charge of the airport operator (Note 10.1)

- PDS must contract civil liability insurance against damages, losses or injuries that could be caused to persons or property in relation to the performance of the IMC, in the name of PDS and the National Ministry of Defense, to cover all risks until termination or expiration of the IMC. The minimum insurable amount was set at US$ 250,000,000.

The new obligations arising under the amended IMC are as follows:

- payments of US$ 20,000,000 and US$ 3,500,000 made at the time of execution of the amendment;

- delivery of the building of the former Passenger Airport Terminal, no longer included in the area covered by the concession and returned to the MDN, with the respective minutes for the delivery of the building having been signed on the same day of execution of the amendment to the contract;

- financing by the Group of the costs of consulting services for the study of the Uruguayan air space for its restatement;

- payment of the annual fee with the new calculation method established (Note 1.2.2.);

- construction of "ALFA" and "BRAVO" taxiways under the terms of the IMC and its amendments, when the required volume of airplane operations is verified, or in the event of noncompliance before expiration of the extended concession term (November 20, 2033);

- payment to the State of the sum equivalent to 50% of the proceeds from the sale of shares, in whole or in part, if a sale is made within 36 months counted as from the amendment to the IMC (September 2, 2014).

NOTE 2 - MAIN ACCOUNTING POLICIES

The main accounting policies used by Cerealsur S.A. and its subsidiary PDS (jointly, the "Group") in preparing these special consolidated financial statements are summarized below. These standards have been applied consistently with those of the previous year.

2.1 Basis for preparation

These special consolidated financial statements have been prepared in accordance with the provisions of Decree No. 266/07 dated July 31, 2007, Decree No. 538/09 dated November 30, 2009 and Decree No. 99/09 dated February 27, 2009, which apply to fiscal years beginning January 1, 2009. These standards require the application of International Financial Reporting Standards (IFRS) adopted at that date by the International Accounting Standards Board (IASB), translated into Spanish and published by the National Internal Auditing Office; the index-adjustment to the financial statements and disclosure standards included in Decree No. 103/91 and Decree No. 37/10.

In preparing these special consolidated financial statements we have applied the historical cost as described below.

Amendments to the accounting policies

(a) New and amended standards effective as from the fiscal year beginning January 1, 2014

There are no new accounting standards effective for the first time as from the fiscal year beginning January 1, 2014.

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

2.1 Basis for preparation (Cont'd)

The accounting standards and interpretations adopted by the IASB after July 31, 2007 are not effective standards in Uruguay for the preparation of these special financial statements. The main standards and amendments to standards adopted but not yet effective in Uruguay are shown below:

- International Accounting Standard 1 - Presentation of Financial Statements, issued in September 2007 and effective since January 1, 2009.
- International Accounting Standard 27 - Consolidated and Separate Financial Statements, issued in January 2008 and effective since July 1, 2009.
- IFRS 3 - Business Combinations, issued in January 2008 and effective since July 1, 2009.
- Amendments to several International Accounting Standards and IFRS by the Exposure Draft Annual Improvements issued by the IASB in May 2008, 2009, 2010 and 2011.
- Interpretation 17 - Distributions of Non-cash Assets to Owners, issued in November 2008 and effective since July 1, 2009.
- Interpretation 18 - Transfers of Assets from Customers, issued in January 2009 and effective since July 1, 2009.
- International Accounting Standard 36 - Impairment of Assets, issued in April 2009 and effective since January 1, 2010.
- IFRS 2 - Share-based Payments, issued in June 2009 and effective since July 1, 2010.
- IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations, issued in April 2009 and effective since January 1, 2010.
- International Accounting Standard 24 - Related Party Disclosures, issued in November 2009 and effective for fiscal years beginning January 1, 2011.
- International Accounting Standard 32 - Financial Instruments (Classification of rights issues), issued in October 2009 and effective for fiscal years beginning February 1, 2010.
- Interpretation 19 - Extinguishing Financial Liabilities with Equity, issued in November 2009 and effective since July 1, 2010.
- Amendments to IFRS 7 - Financial Instruments: disclosures, issued in October 2010 and effective for fiscal years beginning July 1, 2011 and issued in December 2011 and effective for fiscal years beginning January 1, 2013.

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

2.1 Basis for preparation (Cont'd)

- Amendments to IFRS 1 - First-time Adopters, issued in December and effective for fiscal years beginning July 1, 2011 and issued in March 2012 and effective for fiscal years beginning January 1, 2013.
- Amendment to IAS 12 - Income Taxes, including deferred tax assets, issued in December 2010 and effective for fiscal years beginning January 1, 2012.
- Amendment to IAS 19 - Employee Benefits, issued in June 2011 and effective for fiscal years beginning July 1, 2012.
- Amendment to IAS 1 - Presentation of Financial Statements with regard to Other Comprehensive Income, issued in June 2011 and effective for fiscal years beginning July 1, 2012.
- IFRS 9 - Financial Instruments, issued in November 2009 and amended in October 2010. Effective for fiscal years beginning January 1, 2018.
- IFRS 10 - Consolidated Financial Statements, issued in May 2011, amended in October 2012 and effective for fiscal years beginning January 1, 2013.
- IFRS 11 - Joint Arrangements, issued in May 2011, amended in June 2012 and effective for fiscal years beginning January 1, 2013.
- IFRIC Interpretation 20 - Stripping Costs in the Production Phase of a Surface Mine, effective for fiscal years beginning January 1, 2013.
- IFRS 12 - Disclosure of Interests in Other Entities, issued in May 2011 and effective for fiscal years beginning January 1, 2013.
- IFRS 13 - Fair Value Measurement, effective for fiscal years beginning January 1, 2013.
- IAS 27 revised - Separate Financial Statements, issued in May 2011 and effective for fiscal years beginning January 1, 2013.
- IAS 28 revised - Investments in Associates and Joint Ventures, issued in May 2011 and effective for fiscal years beginning January 1, 2013.
- Amendment to IAS 32 - Financial Instruments, Requirements for Offsetting Financial Assets and Financial Liabilities, effective for fiscal years beginning January 1, 2014.
- IFRIC 21 - The obligating event that gives rise to levies or taxes other than income tax occurs on the date established by the legislation, effective for fiscal years beginning January 1, 2014.
- IFRS 15 – Revenue from contracts with customers, effective as from the fiscal years beginning January 1, 2017. Defines a unique revenue recognition model, with a base of well-founded conclusions applicable to all industries and types of contract for sale of goods or services.

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

2.1 Basis for preparation (Cont'd)

(b) New standards, amendments and interpretations issued but not yet in effect for fiscal years beginning January 1, 2014, ant not yet early adopted by the Company

The Executive Branch issued Decree 291/14 in October 2014 establishing the mandatory application for fiscal years beginning on January 1, 2015 of the International Financial Reporting Standard for Small and Medium-sized Enterprises (IFRS for SMEs) issued by the International Accounting Standards Board at the date of publication of the decree, translated into Spanish and published on the Internal Audit website. Without prejudice to its general mandatory application, this decree sets out as an alternative treatment the application of the accounting standards established by Decree 124/11.

Decree No. 124/11, issued on April 1, 2011, establishes that the accounting standards of mandatory application for public companies are the International Financial and Reporting Standards translated into Spanish, for fiscal years beginning January 1, 2012.

It is not expected that the standards and interpretations will have a material impact on the valuation and disclosure of the Company's financial statements.

2.2 Subsidiaries

A subsidiary is any entity in relation to which the Group has the power to govern the financial and operating policies generally for being the owner of more than half of the voting rights of the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has the power to control an entity. Subsidiaries are consolidated as from the date on which control is conveyed to the Group. These subsidiaries are not consolidated as from the date on which control ceases.

Intercompany transactions, balances and unrealized gains of Group entities are eliminated. Unrealized losses are also eliminated.

The accounting policies of subsidiaries are consistent with the policies adopted by the Group.

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

2.3 Information by business segment

Group assets and transactions are exposed to similar risks and subject to similar returns; as a result, the Group does not segregate information by business segment.

2.4 Functional currency and financial statement presentation currency

The financial statements of the Group are prepared and disclosed in US dollars, which is the functional currency and reporting currency of the Group financial statements.

Group accounting records are kept in both Uruguayan pesos - the legal currency in Uruguay - and US dollars.

2.5 Balances in foreign currency

Foreign currency assets and liabilities (in a currency other than the functional currency) are stated at the exchange rate prevailing at each closing. Exchange differences are charged to income. The following exchange rates were applied: US$ 1 = UY$ 24.369 and EUR 1 = US$ 1.21585 at December 31, 2014 and US$ 1 = UY$ 21,424 and EUR 1 = US$ 1.38045 at December 31, 2013.

Retained earnings are disclosed at their historical value stated in US dollars. The amounts reported under the captions in the Statement of Income were translated at the exchange rate prevailing on the date of each transaction.

The asset and liability balances denominated in foreign currency (other than the functional currency) at the end of each period are summarized in Note 5.

2.6 Trade receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method, less the impairment allowance. An impairment allowance of trade receivables is recorded when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the effective interest rate.

These allowances are calculated basically in accordance with the aging of balances at each closing date. The impairment allowance is recognized in the Statement of Income.

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

2.7 Financial assets

The Group classifies its financial assets within the following categories: investments at fair value through income/ loss; loans and other receivables; permanent investments held until maturity, and financial assets available for sale. The classification depends on the purpose for which the investments were acquired. Management sets the classification of the investments at the time of the initial recognition and reconsiders it at each closing date.

(a) Investments at fair value though profit or loss

This caption includes investments acquired for sale in the short-term (within 12 months following the closing) and they are valued at fair value. Variances in fair value are recorded in profit and loss accounts.

(b) Loans and other accounts receivable

They are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method, less the impairment allowance, if any.

(c) Permanent investments held until maturity

Permanent investments held until maturity are investments with a fixed maturity date that the Group Management intends and has the financial ability to maintain until their maturity date. They are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method, less the impairment allowance, if any.

(d) Financial assets available for sale

This caption includes assets not falling within any of the categories mentioned above. These assets are recognized at their fair value and variances in the fair value are recognized directly in equity accounts (variances of fair value in equity adjustments); when these investments are sold or impaired, the accumulated amount of the related adjustments at fair value is charged to profit and loss accounts.

These assets are written down when the right to collect the respective cash flows has been forfeited or assigned and the Group has transferred substantially all of the risks and benefits inherent in the ownership right on the assets.

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

2.7 Financial assets

During this period and the prior period, the Group did not maintain any investments in the following categories: Investments at fair value through income/ loss; Permanent investments held until maturity, and; financial assets available for sale.

2.8 Impairment of assets

Fixed assets and intangible assets are subject to impairment tests whenever changes in events or circumstances indicate that their carrying amount may not be recovered. When the carrying amount of an asset exceeds it recoverable value, an impairment loss is recognized. The recoverable value is the higher of its fair value less costs to sell and its value in use. To assess their impairment, assets are considered at each cash-generating unit level.

2.9 Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined using the first-in, first-out (FIFO) method.

2.10 Fixed assets

Fixed assets are recorded at their historical cost, less depreciation. Historical cost includes expenses directly attributable to the acquisition of assets.

Depreciation is calculated based on the straight-line method from the month following the month of addition of assets by applying the annual rates defined in Exhibit 1.

Maintenance costs and repairs are charged to income in the period they are incurred.

The residual value of assets and their useful lives are reviewed, if necessary, at each closing.

The carrying amount of an asset is reduced immediately to its recoverable value as soon as it is determined that its carrying amount exceeds its estimated recoverable value (Note 2.8).

Profits and losses arising from the disposal of assets (due to sale or retirement) are determined comparing revenue obtained with their carrying amount. Profits and losses are included in the Statement of Income.

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

2.11 Intangible assets

2.11.1 Concession of AIC

This intangible asset shows the value of acquisition of the shares of PDS in a public auction (Note 1.1) that exceeds the equity value (UY$ 180,000) of this subsidiary at that time plus expenses directly associated with the acquisition. It is amortized under the straight-line method over the term of the public concession granted to PDS. Impairment tests are annually performed on this asset and it is recorded at cost less accumulated impairment losses.

2.11.2 Concession-related construction works

Over the term of the Concession Contract, PDS undertakes to perform construction works and improvements in consideration of the right to exploit an intangible asset. This entitles PDS to charge users for the airport services. The intangible asset is recognized at the fair value of the construction works and improvements. The fair value of the construction works or improvements equals the cost of the construction works or improvements plus a reasonable margin, estimated at 3%.

Intangible assets associated with the works actually performed are recognized based on the work progress certificate and amortized from the month following the month of the completion of the works, considering as useful life the period remaining until the end of the concession, as detailed in Exhibit 1.

The allocation of resources for the incorporation of Intangible assets is disclosed in the account Advances to suppliers in the Intangible assets section of Exhibit 1.

The carrying amount of an asset is reduced immediately to its recoverable value as soon as it is determined that its carrying amount exceeds its estimated recoverable value (Note 2.8).

2.12 Financial loans

Loans received are initially recognized at fair value, net of the transaction costs incurred. Subsequently, these loans are disclosed at amortized cost; any difference between the funds deposited (net of transaction costs) and the repayment value is recognized in the Statement of Income using the effective interest rate method. Loans are classified under Current Liabilities unless the Group has an unconditional right to postpone payment for a term of at least 12 months following the closing date of the period.

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

2.13 Income tax

The income tax charge is calculated by adding the current tax charge or tax payable and the income tax charge or credit.

Deferred taxes are recognized according to the liability method, for the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts, based on tax regulations.

Deferred taxes are determined using the rates and regulations effective at the date of the financial statements that are expected to the effective at the time deferred tax assets are realized or deferred tax liabilities are settled.

Deferred tax assets are recognized as long as it is probable that there will be future taxable profits to offset against deductions for temporary differences.

2.14 Employee benefits

Liabilities relating to optional or mandatory employee benefits are recognized under Liabilities and expensed in the period in which they accrue.

2.15 Provisions

Provisions for debts relating to legal claims or other actions from third parties are recognized when the Group has a legal or alleged obligation arising from past events; it is likely that resources should be allocated to settle the liability and the amount of the obligation has been estimated in a reliable manner.

2.16 Share capital

The nominal value of shares issued and the amount of the contributions received in excess of the shares issued are disclosed as Additional paid-in capital under Contributions and commitments to be capitalized.

2.17 Concession for use of terminal space

Concession for use of terminal space where the grantor maintains a substantial portion of the risks and benefits is classified as operating. Revenue and cost accrued by this caption are included in the Statement of Income.

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

2.18 Capital

To determine the income/loss for the period, the capital to be maintained has been defined as the financial capital invested or received as a result of capital contributions.

2.19 Cash and cash equivalents

In the Statement of Cash Flows, cash and cash equivalents include cash available, sight deposits in banks and temporary investments with a maturity date less than 90 days (Note 6).

2.20 Revenue and expense recognition

The criteria applied by the Group for revenue and expense recognition resulting from the business operation are detailed below:

a. Aeronautical revenue and costs

Aeronautical revenue is recognized when the Group provides a service to third parties, such as the boarding fee, landing tariffs, airplane parking tariffs and/or airport use tariffs. Aeronautical costs have been recognized with charge to income in the period in which they accrue (Notes 1.2 and 1.3).

b. Commercial revenue and costs

Commercial revenue and costs have been recognized as revenue or cost in the period they accrue.

c. Services revenue

Service revenue is recognized in the accounting period in which the services are provided, based on the rate of progress of the service provided in proportion to the total service agreed upon.

d. Revenue and costs related to concession works

In these special consolidated financial statements, revenue and costs related to concession works have been recognized based on Interpretation 12 - Service Concession Arrangements of IFRIC. The main provisions established in the standard are the following:

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

2.20 Revenue and expense recognition (Cont'd)

- In a concession, there are two phases or elements identified: first, construction, and second, exploitation and operation, with different profit margins.

- The concessionaire must recognize revenue and costs relating to the construction, exploitation and operation of the service in accordance with IAS 11 *Construction Contracts* and IAS 18 *Revenue*, respectively.

- The concessionaire must recognize intangible assets considering that it is awarded the right to collect a fee from users for the service provided.

Revenue from works actually performed is recognized based on a work progress certificate, plus a margin of 3%. The cost is recognized based on each work progress.

e. Cost of fees

The fees generated until the start-up of the new airport terminal, associated with the right of use of the properties received from the grantor, were recognized in the period between the beginning of the concession and the construction of the new terminal.

From the construction and the start-up of the new airport terminal, the fee is recognized on an annual basis, in accordance with the IMC, as a reduction of the revenue received from its activity, in the amount of the annual fee payable detailed in Notes 1.2.2 and 1.3.

The commitment related to the fee payable in accordance with the IMC is detailed in Note 20.

f. Other revenue and costs non-related to concession works

Revenue and costs for other works, under construction contracts the result of which may be estimated with sufficient skills, are recognized in Other income/loss as such, with reference to the completion of the activity under the contract at the closing date (Note 18).

NOTE 3 – FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

Group activities expose the Group to a variety of financial risks, including exchange risk, credit risk, liquidity risk and interest rate risk.

Management is responsible for risk management.

(a) Market risk

i. Exchange risk

The Group is exposed to foreign exchange risk of many currencies, particularly, the Euro and the Uruguayan Peso. The foreign exchange risk arises from commercial transactions and from assets and liabilities in foreign currency.

To manage its foreign exchange risk, in general, the Group seeks to neutralize its positive and negative monetary positions maintained. The Group does not have a hedge against that risk through derivative financial instruments. Note 5 to the financial statements summarizes the balances of foreign currency assets and liabilities (in a currency other than the functional currency) at the closing of each period.

In the period ended December 31, 2014, if the value of the Uruguayan peso had depreciated/ appreciated by 10% compared with the US dollar and the other variables had remained constant, the after-tax profit would have been higher/ lower by approximately US$ 83,600 due to the exposure generated by that foreign currency for net balances payable at the closing of the period (US$ 52,297 at December 31, 2013).

In the period ended December 31, 2014, if the value of the Euro had depreciated/ appreciated by 10% compared with the US dollar and the other variables had remained constant, the after-tax profit would have been higher/ lower by approximately US$ 8,100 due to the exposure generated by that foreign currency for net balances payable at the closing of the period (US$ 571,448 at December 31, 2013).

ii. Interest rate risk on fair value and cash flows

The Group does not have significant assets that generate interest; as a result, operating revenue and cash flows are substantially independent from the changes in market interest rates.

Interest rate risk for the Group may arise from non-current debts. Debts at fixed rates do not expose the Group to interest rate risk on the fair value of its liabilities.

iii. Price risk

The Group is not exposed to price risk since it does not have financial assets at fair value.

NOTE 3 – FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

(b) Credit risk

Credit risk is focused on accounts receivable basically from airlines and concessions for use of space. Although there is a significant number of customers and credit is not concentrated, customers may be affected by internal and external economic factors which, considering their profile and characteristics, result in a low probability of risk. There are policies in place to control the credit granted.

(c) Liquidity risk

The Group manages liquidity risk carefully; this implies maintaining sufficient cash and cash equivalents to face committed short-term disbursements of funds.

The table below shows the Group financial liabilities and the time lapsing from the period-end date until their maturity. The amounts disclosed below are contractual undiscounted cash flows.

At December 31, 2014	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
Financial debts	18,232,369	17,252,697	46,519,411	25,734,931
Trade accounts payable and Other debts	3,471,724	-	-	1,279,848

At December 31, 2013	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
Financial debts	22,608,675	13,147,819	35,397,956	45,690,806
Trade accounts payable and Other debts	3,773,451	-	-	1,246,942

3.2 Capital risk management

The Group's objective relating to capital management is to safeguard the ability of the Group to continue operating as a going concern to generate income for its shareholders and benefits to stakeholders and maintain an optimum capital structure aiming at reducing the cost of capital.

NOTE 3 – FINANCIAL RISK MANAGEMENT (Cont'd)

3.2 Capital risk management (Cont'd)

To maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to the shareholders, issue new shares or sell assets to reduce its debt.

The Group monitors its capital based on the leverage ratio. This ratio is calculated by dividing the total debt to equity. Net debt accounts for total debts (including current and non-current debts) less cash and cash equivalents. Total capital accounts for equity as disclosed in the special consolidated statement of equity plus net debt.

Leverage ratios at December 31, 2014 and December 31, 2013 were the following:

	12.31.2014	12.31.2013
Financial debts (Note 11)	87,117,324	94,800,021
Less: Cash and cash equivalents (Note 6)	(10,342,167)	(11,120,081)
Net debt	76,775,157	83,679,940
Total Equity	98,671,227	85,928,831
Total Equity and Liabilities	175,446,384	169,608,771
Leverage ratio	**44%**	**49%**

3.3 Fair value estimates

The fair value of financial instruments not traded in an active market, such as loans, is determined applying valuation techniques, mainly present value of discounted cash flows and quoted market prices or quoted prices available from brokers for similar instruments.

NOTE 4 - ESTIMATES AND ASSUMPTIONS IN THE APPLICATION OF THE ACCOUNTING POLICIES

The preparation of financial statements in accordance with Uruguayan GAAP requires that Management make estimates and assumptions affecting the amount of assets and liabilities, revenue and expenses recorded. Actual results might differ from these estimates and assumptions.

NOTE 4 - ESTIMATES AND ASSUMPTIONS IN THE APPLICATION OF THE ACCOUNTING POLICIES (Cont'd)

The main estimates used and assumptions made in determining the carrying amount of assets and liabilities are:

(a) Fair value estimates

The nominal value of deposits, Trade receivables and Other receivables less their Allowance for bad debts and Trade payables, Financial debts, Other debts and Provision for short-term contingencies approximate their fair value.

(b) Deferred income tax

The Group recognizes the effect of deferred income tax based on estimates and assumptions relating to realization and settlement of assets and liabilities, respectively.

Changes in estimates and assumptions may have a significant impact, in the period those changes occur, on the deferred tax assets and liabilities recorded.

(c) Recognition of revenue related to concession works

Revenue and costs related to concession works have been recognized based on IFRIC Interpretation 12 - Service Concession Arrangements. Revenue from works actually performed is recognized based on a work progress certificate, plus an estimated margin of 3%. The cost is recognized based on each work progress.

(d) Other revenue and costs not related to concession works

Revenue and costs not related to concession works, associated with construction contracts the result of which may be estimated reliably, are recognized based on the percentage of completion method.

NOTE 5 - FOREIGN CURRENCY POSITION

Balances of foreign currency assets and liabilities, other than the functional currency, at December 31, 2014 and December 31, 2013 are the following:

	12.31.2014			12.31.2013
	Uruguayan pesos	**Euro**	**Equivalent in in US$**	**Equivalent in in US$**
Assets				
Current assets				
Cash and banks	7,052,393	3,046	293,104	979,297
Trade receivables	2,844,407	-	116,722	160,096
Other receivables	33,958,215	-	1,393,491	1,545,417
Total assets	43,855,015	3,046	1,803,317	2,684,810
Liabilities				
Current liabilities				
Trade payables	29,015,278	91,994	1,302,514	1,594,796
Other debts	42,025,191	-	1,724,535	1,959,468
Financial debts	-	-	-	7,516,875
Total liabilities	71,040,469	91,994	3,027,049	11,071,139
Net position	**(27,185,454)**	**(88,948)**	**(1,223,732)**	**(8,386,329)**

NOTE 6 - CASH AND CASH EQUIVALENTS

	12.31.2014 US$	12.31.2013 US$
Cash and banks	10,342,167	11,120,081
	10,342,167	**11,120,081**

NOTE 7 - TRADE RECEIVABLES

There is no credit risk concentration relating to trade receivables, based on the characteristics of customers. As detailed in Note 2.6, an allowance for bad debts was set up in case some receivables become uncollectible.

The Group recorded an allowance for bad debts in the amount of US$ 19,143 in the period ended December 31, 2014 (Note 15). In the period ended December 31, 2013, allowances for a total of US$ 816,718 were reversed.

NOTE 7 - TRADE RECEIVABLES (Cont'd)

PDS recognized the impairment of receivables with its main aeronautical customer, Pluna Líneas Aéreas Uruguayas S.A. ("Pluna"), which in early July 2012 filed a petition for reorganization and ceased operations.

Income/ loss was charged to Administrative and selling expenses in the Statement of Income (Note 15.1).

NOTE 8 - FIXED ASSETS AND INTANGIBLE ASSETS

8.1 Changes in the balances of fixed assets and intangible assets during this period are disclosed in the Exhibit to these financial statements.

8.2 Depreciation of fixed assets and amortization of intangible assets for the period ended December 31, 2014 was allocated as follows: US$ 13,925,422 to Cost of services provided and US$ 1,571,786 to Administrative and selling expenses (Note 15.1). Depreciation of fixed assets and amortization of intangible assets for the period ended December 31, 2013 was allocated as follows: US$ 16,721,552 to Cost of services provided and US$ 1,831,988 to Administrative and selling expenses (Note 15.1).

8.3 Analysis of recoverability of intangible assets

i) During the period ended December 31, 2014 and December 31, 2013, no intangible asset impairment losses were recognized.

ii) For the purpose of analyzing the impairment of intangible assets through the calculation of their recoverable value, pre-tax cash flow projections covering a five-year period have been used, based on assumptions approved by the Board of Directors. Cash flows for the following years were extrapolated using estimated growth rates. Growth projections do not exceed the long-term growth expected for the business.

iii) The key assumptions used in the projections were the following:

	December 2014 %	**December 2013 %**
- passenger growth rate	2.6	3.8
- pre-tax discount rate	7.75	7.75

iv) PDS estimates the growth rate of aeronautical and commercial revenue based on past experience and the prospects for changes in air traffic.

NOTE 9 - FINANCIAL INSTRUMENTS

9.a Breakdown:

	Loans and other accounts receivable	Total US$
At December 31, 2014		
Assets		
Cash and banks	10,342,167	10,342,167
Trade receivables	6,700,171	6,700,171
Total	**17,042,338**	**17,042,338**

	Other liabilities	Total US$
Liabilities		
Trade payables	2,488,912	2,488,912
Financial debts	87,117,324	87,117,324
Other debts	1,232,363	1,232,363
Total	**90,838,599**	**90,838,599**

	Loans and other accounts receivable	Total US$
At December 31, 2013		
Assets		
Cash and banks	11,120,081	11,120,081
Trade receivables	6,902,936	6,902,936
Total	**18,023,017**	**18,023,017**

	Other liabilities	Total US$
Liabilities		
Trade payables	2,939,250	2,939,250
Financial debts	94,800,021	94,800,021
Other debts	1,187,531	1,187,531
Total	**98,926,802**	**98,926,802**

NOTE 9 - FINANCIAL INSTRUMENTS (Cont'd)

9.b Credit rating of financial assets

The credit rating of financial assets that are neither due nor impaired is assessed based on external risk ratings, if any, and historical information on default rate from its counterparties:

	December 2014	December 2013
Accounts receivable		
Counterparties without external risk ratings	6,932,248	7,537,751
Total accounts receivable	**6,932,248**	**7,537,751**
Cash at banks and short-term deposits		
AA (UY)	10,226,845	10,978,267
Counterparties without external risk ratings	45,496	72,541
Total Cash at banks and Short-term deposits	**10,272,341**	**11,050,808**

NOTE 10 - TRADE PAYABLES AND OTHER DEBTS

10.1 Balance held with the airport operator

As set forth in the contract entered into between the airport operator, Societá Esercizi Aeroportuali S.p.A ("SEA") and PDS, the operator will receive on an annual basis the higher of 2.5% of the Group's aeronautical revenue or US$ 300,000 as consideration for the service provided.

The Foreign suppliers line includes the amount accrued and owed to SEA of US$ 25,667 (US$ 25,667 at December 2013). The charge to income amounts to US$ 927,042 (US$ 842,322 at December 2013), and is included in Cost of services provided.

10.2 Balance held with the National Ministry of Defense

The Fee payable line item includes an amount of US$ 870,516 at December 31, 2014 and US$ 822,973 at December 31, 2013, for the balance of the annual price payable to the State as consideration for the administration, exploitation, operation, construction and maintenance of the AIC, accrued as detailed in Note 1.2.2.

The charge to income amounts to US$ 7,531,846 for the period ended on December 31, 2014 and US$ 6,962,688 for the period ended on December 31, 2013, and is included in Cost of services provided.

NOTE 10 - TRADE PAYABLES AND OTHER DEBTS (Cont'd)

10.3 Tax balances

This account includes the following items:

	December 2014	December 2013
Certificate of credit requested	200,559	233,402
Certificates held in the portfolio	806	5,272
	201,365	238,674
Payments on account	1,169,047	1,336,814
Income tax withholdings (individuals)	(77,837)	(80,597)
Business income (IRAE) and assets (IP) tax prepayment	4,071	5,716
Corporations Control Tax (ICOSA) prepayment	521	554
	1,095,802	1,262,487
Tax credits	**1,297,167**	**1,501,161**

10.4 Guarantees from customers

i) Correspond to cash deposits made by the concessionaires in favor of PDS to guarantee compliance with all the obligations arising under the respective contracts. These guarantees will be valid until all of the obligations become extinguished, and their validity period will never be shorter than the term of the concession. The sub-concessionaire may, at any time and with the prior written consent of the Grantor, replace the guarantees with another that duly secures compliance with the guaranteed obligations.

ii) TCU S.A. signed in favor of PDS a guarantee for US$ 600,000, enforceable only in the event of noncompliance with the obligations arising under the contract as licensee, as set forth in the contract signed on January 15, 2010. The term of duration of the above-mentioned contract is 12 months, automatically renewable for a further 12-month period, and successively for equal periods, unless earlier terminated by either party upon written notice.

NOTE 10 - TRADE PAYABLES AND OTHER DEBTS (Cont'd)

10.4 Guarantees from customers (Cont'd)

The rescission to the former contract was signed on August 18, 2014, and a new contract was entered into effective July 1, 2014 and for a term of 5 years counted as from that date. The same terms and conditions of this guarantee are maintained. The balance of this guarantee at December 31, 2014 has been disclosed in the line item Guarantees from customers within Other debts - Non-current. The balance of this guarantee at December 31, 2013 has been disclosed in the line item Related parties within Other debts - Current.

The present value of the guarantee is reviewed at the end of each period and the differences are recognized in the Statement of Income, under Financial Results.

iii) Navinten S.A. signed in favor of PDS a guarantee for US$ 600,000, enforceable only in the event of noncompliance with the obligations arising under the contract as licensee, as set forth in the contract signed on January 15, 2010 and expiring on November 20, 2023.

The balance of this guarantee at December 31, 2014 and December 31, 2013 has been disclosed in the line item Guarantees from customers within Other debts - Non-current, net of the calculation of the present value.

The present value of those guarantees is reviewed at the end of each period and the differences are recognized in the Statement of Income, under Financial Results.

10.5 Unearned revenue

	December 2014	December 2013
Current		
Advertising and goodwill to be accrued (third parties)	551,801	717,977
Guarantees received but not yet accrued (Note 10.4)	67,040	28,476
	618,841	746,453
Non-current		
Advertising and goodwill to be accrued (third parties)	2,021,381	2,389,763
Guarantees received but not yet accrued (Note 10.4)	363,622	253,908
	2,385,003	2,643,671
Total	**3,003,844**	**3,390,124**

NOTE 10 - TRADE PAYABLES AND OTHER DEBTS (Cont'd)

10.5 Unearned revenue (Cont'd)

The balances included in advertising and goodwill to be accrued correspond to advance collections, less the portion of revenue accrued at year-end under the contracts for goodwill for the use of spaces in the new terminal.

The balances included in guarantees received to be accrued correspond to the difference between the fair value of the guarantees received and the amount in cash received. At December 31, 2014 and December 31, 2013, the fair value of the liability was determined based on the discount of the future cash outflow at an interest rate applied to the transaction. This difference is accrued over the life of the contract.

NOTE 11 – FINANCIAL DEBTS

Breakdown

	December 2014	December 2013
Current		
Bank loans	3,967,094	1,250,000
Negotiable obligations	9,383,258	9,495,630
Notes payable	-	7,516,875
	13,350,352	18,262,505
Non-current		
Negotiable obligations	51,588,400	60,185,034
Bank loans	22,178,572	-
Notes payable	-	16,352,482
	73,766,972	76,537,516
Total financial debts	**87,117,324**	**94,800,021**

11.1 Bank loans

The balance at December 31, 2013 corresponds to a bank loan granted by Banco Santander S.A. to PDS for US$ 20,000,000, which was made effective through successive disbursements from May 29, 2009 to September 30, 2009, repayable over 5 years counted as from the date of the last disbursement completing the total amount lent, at an effective annual interest rate of 6.5% on balances due. The loan will be amortized in 16 equal and consecutive quarterly installments as from the end of a grace period of one year counted as from the last disbursement date.

This bank loan was guaranteed until July 27, 2011 by an assignment of credits received or to be received by Navinten S.A. in the future, receivable from American Express, Visa, and MasterCard credit cards for sales of products in the AIC Duty-Free Shop.

NOTE 11 – FINANCIAL DEBTS (Cont'd)

11.1 Bank loans (Cont'd)

A series of conditions to be complied by PDS are also established, which do not differ significantly from those established in the Negotiable Obligations issue contract mentioned in Note 11.2.

On June 11, 2014, a bank bond for US$ 3,000,000 was created with Banco Itaú at a nominal annual rate of 4.5%, and another bond for US$ 3,000,000 with Nuevo Banco Comercial at a nominal annual rate of 4.5%. The bank bond with Banco Itaú was settled on July 30, 2014 and the bank bond with Nuevo Banco Comercial, on August 22, 2014.

The balance as of December 31, 2014 balance corresponds to a loan for US$ 17,000,000 granted by Banco Santander S.A. and another loan for US$ 10,000,000 granted by Banco Itaú. The expiration term of the two loans is 7 years. The loan will be amortized in 28 equal and consecutive quarterly installments. The interest rate conditions are similar for the two loans and no bond or guarantee was required in this respect. A series of conditions to be complied by the Company are also established, which do not differ significantly from those established in the Negotiable Obligations issue contract mentioned in Note 11.2.

11.2 Negotiable Obligations

On April 30, 2007, PDS issued negotiable obligations for a nominal value of US$ 87,000,000 for a term of 14 years and a half, falling due on October 29, 2021 at a fixed interest rate of 7.75% per annum. This issuance was offered through a public auction at Bolsa Electrónica de Valores del Uruguay S.A.

(a) Principal amortization will start as from 2011, at the following percentages:

- 10% of principal, will be paid in two semi-annual installments on April 29 and October 29, 2011 and on April 29 and October 29, 2012.
- 10% of principal on an annual basis, in equal and consecutive semi-annual installments as from 2013 and until October 29, 2021.

(b) Interest will be paid semi-annually.

(c) Guarantee: Assignment to a Guarantee Trust to be created of the following credits of PDS: 1) Revenue from the exploitation, construction and maintenance of the AIC ; 2) revenue from fee for the space granted for the exploitation of the duty-free shop and for the operation and exploitation of the cargo terminal of the AIC; 3) the total amounts PDS receives or has the right to receive for any item from the State or third parties.

(d) Program risk rating: A (UY) by Fitch Uruguay Calificadora de Riesgo S.A.

(e) Trustee of the Trust: Fidential S.R.L.

NOTE 11 – FINANCIAL DEBTS (Cont'd)

11.2 Negotiable Obligations (Cont'd)

(f) Issue trust agent: Bolsa Electrónica de Valores del Uruguay S. A.

(g) Paying Agent, registrant and depositing and custody of funds: Banco Santander S.A. (ex ABN Amro Bank N.V. Montevideo branch).

The amounts collected for the subscription and placements of the negotiable obligations were transferred to an administration and guarantee trust, *Fideicomiso Construcción del Aeropuerto Internacional de Carrasco,* and were released from that trust as stipulated in the fund application schedule and in the procedures manual, following the methods established by that trust. The funds managed by the trust were fully released in the year 2009.

The Negotiable Obligations issue contract establishes a series of conditions to be fulfilled by PDS, some of which are detailed below:

- To maintain a debt servicing coverage ratio on an annual basis which i) shall be greater than 1.5 times for the years 2006 to 2011; and ii) greater than 1.2 times for the years 2012 to 2014; and greater than 1.5 times as from 2015 and until repayment of the negotiable obligations. This ratio is defined as EBITDA (at year end, year "t")/principal amortization + payment of interest service (for the current year, "t + 1").

- To maintain an indebtedness ratio (liabilities / (equity + subordinated loans in respect of the negotiable obligations granted by the shareholder or group)) of less than 3.

- To faithfully comply with all its obligations in the existing contexts with the concessionaires of the administration and exploitation of the duty-free shop and of the administration and exploitation of the air cargo and may rescind or amend them only if the amendments or the new concessionaires do it under no less advantageous conditions (from an economic viewpoint) for PDS (with respect to the existing contracts).

- Not to assign, pledge or otherwise restrict its rights under the trust agreement.

NOTE 11 – FINANCIAL DEBTS (Cont'd)

11.2 Negotiable Obligations (Cont'd)

- To abstain from distributing dividends unless the debt servicing coverage ratio on an annual basis exceeds 1.7 and PDS complies with the restriction to maintain the indebtedness ratio. Furthermore, while the construction of the new terminal of the AIC is in progress and until payment of the first principal amortization has been made or when the trust agent has duly notified PDS of noncompliance with the obligations assumed.

- To abstain from granting loans to related or controlled parties.

- To abstain from securing third party obligations.

11.3 Notes payable

The notes payable in Euros at December 31, 2013 correspond to the balance of the loan agreement signed on August 20, 2004 and partially amended on January 17, 2007 (amendments effective April 1, 2007) between Alaska Green Corporation and the Company, which enabled obtaining a loan for EUR 20,000,000 (Euros twenty million).

The main conditions of the loan were as follows:

a) Compensatory interest shall accrue on balances due as from December 20, 2004 at an annual nominal rate of 9%. As per the amendment to the loan, compensatory interest shall accrue on balances due until March 31, 2007. No interest payments will apply thereafter.

b) Principal will be payable in three consecutive annual installments from December 20, 2010 through December 20, 2012, with the latter being the final repayment date of the loan.

c) As per the amendment to the loan, while the amendment to the loan agreement remains in effect, no arrears will be applied to the interest payments.

On October 15, 2010, an amendment to the loan agreement was signed, modifying the time period for repayment of principal, which will be payable in three consecutive annual installments from December 20, 2012 through December 20, 2014, the latter being the final repayment date of the loan. Interest will be paid together with the first principal disbursement.

Payment of the first principal installment for EUR 5,445,234 and interest for EUR 992,396 was made on May 9, 2012.

Payment of the second principal installment for EUR 5,445,234 was made on July 4, 2013.

Payment of the last principal installment for EUR 5,445,235 was made on March 28, 2014.

NOTE 11 – FINANCIAL DEBTS (Cont'd)

11.3 Notes payable (Cont'd)

The US dollar-denominated financial debts at December 31, 2013 correspond to the loan agreement signed by Alaska Green Corporation and the Company on January 25, 2007, which enabled obtaining a loan for US$ 21,000,000 (United States dollars twenty one million).

The main conditions of the loan were as follows:

a) The loan will not accrue compensatory interest on balances due.

b) The terms and conditions for repayment of principal will be established by the parties by mutual consent, after the contractual conditions have been set forth under the Trust Agreement for the distribution of dividends of PDS to the Company.

A partial principal payment for US$ 654,901 was made on May 9, 2012.

A second partial principal payment for US$ 2,886,554 was made on September 28, 2012.

Principal for US$ 1,106,063 was repaid on July 4, 2013.

Another principal payment for US$ 7,477,969 was made on March 28, 2014.

On April 8, 2014, principal was amortized for a total of US$ 1,300,000.

The last principal amortization for US$ 7,574,513 took place on June 12, 2014.

11.4 Other information

11.4.1 As described in Notes 11.1 and 11.2, Group's assets secure neither the bank loans nor the negotiable obligations.

11.4.2 The carrying amounts of the Group's loans are denominated in the following currencies:

	December 2014	December 2013
United States Dollar	87,117,324	87,283,146
Euro	-	7,516,875

11.4.3 The Group's indebtedness at fixed rates permits no exposure to interest rate variations.

NOTE 11 – FINANCIAL DEBTS (Cont'd)

11.4 Other information (Cont'd)

11.4.4 The carrying amount of short-term loans and negotiable obligations approximate their fair values.

The carrying amount and fair value of non-current bank loans are as follows:

	Carrying amount		**Fair value**	
	2014	**2013**	**2014**	**2013**
Bank loans	22,178,572	-	21,562,446	-
	22,178,572	**-**	**21,562,446**	**-**

NOTE 12 - DEFERRED INCOME TAX

Deferred tax assets and liabilities are disclosed as a net amount since they may be offset as they related to the same tax authority. Offset amounts include the following:

	December 2014	December 2013
Deferred tax assets:		
- Deferred tax asset to be refunded after 12 months.	22,935,723	23,879,272
- Deferred tax asset to be refunded within 12 months.	-	-
	22,935,723	23,879,272
Deferred tax liabilities:		
- Deferred tax liability to be refunded after 12 months.	35,465,052	30,825,650
- Deferred tax liability to be refunded within 12 months.	-	-
	35,465,052	30,825,650
Deferred tax liability, net	**(12,529,329)**	**(6,946,378)**

Gross changes in deferred income tax were the following:

	2014	2013
At January 1	(6,946,378)	(4,487,480)
Charge for the year	(5,582,951)	(2,458,898)
At December 31	**(12,529,329)**	**(6,946,378)**

Changes in deferred tax assets and liabilities during the period were the following:

Deferred tax assets

Deferred tax assets	Valuation allowance	Provisions	Unearned revenue	Tax losses	Total
At January 1, 2014	181,363	245,050	704,205	22,748,654	23,879,272
Charged/(paid) to earnings	(115,822)	6,243	(106,801)	(727,169)	(943,549)
At December 31, 2014	**65,541**	**251,293**	**597,404**	**22,021,485**	**22,935,723**
At January 1, 2013	188,222	193,940	811,004	16,816,034	18,009,200
Charged/(paid) to earnings	(6,859)	51,110	(106,799)	5,932,620	5,870,072
At December 31, 2013	**181,363**	**245,050**	**704,205**	**22,748,654**	**23,879,272**

NOTE 12 - DEFERRED INCOME TAX (Cont'd)

Prior-year tax losses at December 31, 2014 amount approximately to UY$ 2,146,566,348 (adjusted at December 31, 2014), which account for US$ 88,085,943. They are broken down is as follows:

They are broken down is as follows:

Tax losses US$	Date of generation	Date of expiration
31,747,137	2010	2015
23,442,312	2011	2016
17,003,729	2012	2017
15,892,765	2013	2018
88,085,943		

Deferred tax liabilities

Deferred tax liability	Fixed and intangible assets	Total
At January 1, 2014	**30,825,650**	**30,825,650**
Charged/(paid) to earnings	4,639,402	4,639,402
At December 31, 2014	**35,465,052**	**35,465,052**
At January 1, 2013	22,496,680	22,496,680
Charged/(paid) to earnings	8,328,970	8,328,970
At December 31, 2013	**30,825,650**	**30,825,650**

NOTE 13 - ALLOWANCES AND PROVISIONS

A detail of the changes in the balance of the allowance for bad debts at December 31, 2014 and December 31, 2013 is disclosed below:

	December 2014	December 2013
Initial balance	6,006,437	6,823,155
Charged to income:		
Setting up of allowances (Note 15.1)	99,593	81,819
Reversal charged to income (Note 15.1)	(80,450)	(898,537)
Closing balance	**6,025,580**	**6,006,437**

NOTE 14- EQUITY

14.1 Share capital

At December 31, 2014, the Company's authorized capital amounts to UY$800,000,000 (UY$ 1,000,000.at December 31, 2013). The capital actually paid in at December 31, 2014 and December 31, 2013 amounts to UY$ 543,500 and is made up of 543,500 shares of UY$ 1 each.

On October 14, 2014, the Extraordinary Meeting of Shareholders of the Company approved an amendment to the by-laws whereby the share capital was increased to $800,000,000. This capital increase was registered with the Registry of Commerce and the pertinent publications were made. It was also communicated to the National Internal Auditing Office, as per evidence dated December 29, 2014.

There are no shares imposing on the Company the obligation to pay dividends, so no liability has been recognized.

14.2 Restriction on the distribution of profits

14.2.1 Section 93 of the Commercial Companies Law No. 16060 establish that 5% of the net profits of each fiscal year must be appropriated to the legal reserve, until it reaches 20% of the paid-in capital. If, for whatever reason, this legal reserve is reduced, the Company shall not distribute profits until it is replenished.

14.2.2 Pursuant to Section 98 of the law, the Company shall not distribute net profits until prior year losses are offset.

14.3 Distribution of profits

On October 14, 2014, the General Extraordinary Shareholders' Meeting decided to approve the financial statements at October 31, 2012 and October 31, 2013, maintaining the results reported in the accounts.

On June 11, 2013, the General Extraordinary Shareholders' Meeting decided to approve the financial statements at October 31, 2011, maintaining the results reported in the accounts.

NOTE 15 - BREAKDOWN OF INCOME AND EXPENSE BALANCES

15.1 Administrative and selling expenses

Administrative and selling expenses include the following items:

	December 2014	December 2013
Bad debts	19,143	(816,718)
Utilities	2,463,322	2,551,244
Advertising	337,961	463,410
Security, health care and firefighters	955,588	1,215,126
Salaries and social security contributions	895,614	905,042
Travel expenses	899,375	842,581
Computer equipment and services	126,257	117,894
Fees for professional services	1,750,874	1,122,842
Taxes	6,270	212,716
Amortization and depreciation	1,571,786	1,831,988
Insurance	12,211	10,794
Entertainment and events	107,732	112,960
VIP Room Catering	314,335	261,575
Charter service	806,904	806,904
Commissions	457,927	433,135
Other	645,501	491,399
	11,370,800	**10,562,892**

15.2 Other results

Other results include the following items:

	December 2014	December 2013
Donations	128,432	324,379
Other	(7,149)	144,501
	121,283	**468,880**

NOTE 15 - BREAKDOWN OF INCOME AND EXPENSE BALANCES (Cont'd)

15.3 Financial results

Financial income (loss), net includes the following items:

	December 2014	December 2013
Interest paid	5,694,104	6,101,105
Interest earned	(70,235)	(75,312)
Guarantees	17,400	17,400
Expenses relating to negotiable obligations	43,369	43,369
Credit cards commissions	21,018	21,870
Translation gains/(losses)	(76,257)	355,209
	5,629,399	**6,463,641**

NOTE 16 - INCOME TAX

	December 2014	December 2013
Current tax	(3,967)	(4,362)
Deferred tax (Note 12)	(5,582,951)	(2,458,898)
	(5,586,918)	**(2,463,260)**

The pre-tax income tax charge differs from the notional figure that resulted from applying the weighted average tax rate on the Group's income, as follows:

	2014 US$	2013 US$
Pre-tax income	18,329,314	13,405,102
Tax calculated at the income tax rate (25%)	(4,582,329)	(3,351,275)
Tax impact of:		
Non-taxable income	27,673	46,136
Non-deductible expenses for tax purposes	(891,823)	(382,432)
Tax inflation adjustment	(488,490)	73,946
Exchange difference not admitted	2,047,381	2,036,271
Other	(1,699,330)	(885,906)
Income tax debit	**(5,586,918)**	**(2,463,260)**

NOTE 17 - TRANSACTIONS WITH RELATED PARTIES

17.1 Below is a breakdown of balances with related parties:

	December 2014	December 2013
TRADE RECEIVABLES		
Related parties		
TCU S.A.	1,128,777	1,187,672
Aeropuertos Argentina 2000	1,915	4,380
Drilpen S.A	919,107	55,685
Vengano S.A	-	28,304
Fingano S.A.	-	50,947
Corporación América S.A.	-	1,183,513
	2,049,799	2,510,501
OTHER RECEIVABLES		
Related parties		
Liska Investments Corporation	1,325,487	-
	1,325,487	-
CURRENT TRADE PAYABLES		
Related parties		
Proden S.A.	-	11,736
	-	11,736
CURRENT FINANCIAL DEBTS		
Related parties		
Alaska Green Corporation	-	7,516,875
	-	7,516,875
OTHER DEBTS		
Related parties		
TCU S.A.	600,000	600,000
	600,000	600,000
NON-CURRENT FINANCIAL DEBTS		
Related parties		
Alaska Green Corporation	-	16,352,482
	-	16,352,482

The balances with related parties included under Trade receivables are associated with the provision of services.

NOTE 17 - TRANSACTIONS WITH RELATED PARTIES (Cont'd)

The balance with the related party included under Current other debts at December 31, 2014 and December 31, 2013 is associated with a guarantee received from TCU S.A. as detailed in Note 10.4.

17.2 Below is a breakdown of the transactions with related parties:

	December 2014	December 2013
OPERATING REVENUE		
Commercial revenue		
Aeropuertos Argentina 2000	9,237	11,604
CAISA	4,708	-
TCU S.A.	6,534,349	6,585,451
	6,548,294	**6,597,055**

	December 2014	December 2013
Services revenue		
Corporación América S.A. /Inframerica Concesionaria do Aeropuerto de Brasilia S.A.	-	544,976
Drilpen S.A	863,840	408,160
Vengano S.A	(23,200)	238,800
Fingano S.A.	(41,760)	687,341
	798,880	**1,879,277**
ADMINISTRATIVE AND SELLING EXPENSES		
Fees for professional services		
Proden S.A.	486,096	230,251
	486,096	**230,251**

17.3 Key staff remunerations

Remunerations received by the Group's key staff amounted to approximately 10.56% of total remunerations accrued at December 31, 2014 (9.98% of total remunerations accrued at December 31, 2013).

NOTE 17 - TRANSACTIONS WITH RELATED PARTIES (Cont'd)

17.4 Contracts for Duty-Free Shop and Cargo Terminal

On January 1 and March 1, 2004, PDS signed contracts with Navinten S.A. and TCU S.A., automatically renewable for periods of twelve months, granting permits for use of terminal space for the operation and exploitation of duty-free shops and cargo terminal, respectively.

On March 1, 2006 and subsequently on January 15, 2010 and March 30, 2012, Puerta del Sur S.A. signed addenda to the original contract with TCU S.A. modifying the fee percentage receivable, calculated on that company's revenues. As set forth in the contract signed on March 30, 2012 (effective March 1, 2011), the monthly fee for the Free Airport operations was fixed at forty percent (40%) of total gross sales, without taxes.

The rescission to the former contract was signed with TCU on August 18, 2014, and a new contract was entered into effective July 1, 2014 and for a term of 5 years counted as from that date. No amendments were made to the fee receivable or significant amendments to the other contract conditions, but an amendment to the space assigned under the concession was established.

On November 24, 2006, PDS signed a new contract with Navinten S.A. modifying the fee percentage receivable for revenue from sales of electronic items.

PDS signed an amendment to that contract on October 15, 2009 (effective January 1, 2010) rectifying therein the fee percentages receivable for sales revenues and setting the goodwill amount for use of the new terminal.

Furthermore, on July 27, 2011 PDS entered into a new contract with Navinten S.A. whereby the contract signed on January 1, 2004 and its Addenda were rescinded, executing a new contract by reason of its termination as a related party.

In accordance with these contracts, the monthly fee for use of terminal space at AIC assigned will be determined on the basis of gross billings or the operated cargo volumes, as applicable.

17.5 Guarantees received

As mentioned in Note 10.4, there are guarantees received from customers at present.

NOTE 18 - ROAD CONSTRUCTION CONTRACT

On September 2, 2008, PDS entered into a contract with the Ministry of Transport and Public Auction Works ("MTOP") and Corporación Vial del Uruguay S.A. ("CVU") whereby PDS agreed to perform construction works in the public auction road network adjacent to the AIC. The total amount for the road construction work was approximately UY$ 455,000,000.

PDS has signed subcontracts for these road construction works for approximately UY$ 89,000,000, UY$ 143,000,000, UY$ 175,000,000 and UY$ 23,000,000 with different third-party contractors.

Furthermore, on September 15, 2010 PDS entered into an extension of the contract with CVU for a total amount of US$ 2,914,095 and as a result, the amounts initially agreed with the contractors were modified.

Revenue and costs of road construction works that are determined with reference to the status of performance of the respective contracts, if any, have been included in the Statement of Income, under Other income/loss.

Under the contract for road construction works, Puerta del Sur S.A. is to provide a Contract Performance Bond for an amount of US$ 1,000,000 (Note 19).

NOTE 19 - GUARANTEES AND SURETYSHIPS PROVIDED

As set forth in the IMC, the following guarantees are maintained at December 31, 2014 and December 31, 2013:

Beneficiary	Agent	Amount	Item
MDN	Citibank	US$ 1,500,000	Investments performance bond
MDN	Banco Santander	US$ 2,000,000	Investments performance bond
MDN	Banco Itaú	US$ 6,000,000	Contract performance bond

At December 31, 2014, the accrued cost of those performance bonds is US$ 107,000, and has been included in Cost of services provided (US$122,000 at December 31, 2013, included in Cost of services provided).

NOTE 19 - GUARANTEES AND SURETYSHIPS PROVIDED (Cont'd)

As mentioned in Note 22, the Company provided a contract performance bond for US$ 1,000,000 in favor of CVU. As provided for in article Five of the contract entered into between the Ministry of Transport and Public Auction Works, Corporación Vial del Uruguay and PDS on September 2, 2008, and considering that half of the period of responsibility for defects had elapsed and the preservation works under the contract had been concluded, 50% of the bond for Repairs of Works was paid back, and a bond for US$ 500,000 was provided. As per final receipt minutes dated June 30, 2014, whereby the support system was excluded from the changer structure, that bond was extended until December 31, 2015 for an amount of US$200,000.

NOTE 20- COMMITMENTS

Commitments - Fee payable

As detailed in Note 1.2.2, PDS must pay an annual fee, calculated annually on the basis of the higher of the minimum payable and the amount resulting from multiplying the work units by a given amount. The nominal value, considering the current parameters, of the minimum fee payments to be made until the end of the concession is US$ 80 million.

NOTE 21 - CONCESSION FOR USE OF TERMINAL SPACE

7% of the total of the concessions for use of terminal space of PDS for the period ended on December 31, 2014 (US$ 25,470,452) correspond to contracts for a fixed price. The remaining 93% correspond to revenue from concession for use, based on revenue earned by its sub-concessionaires, which is basically described in Note 17.4.

5 % of the total of the concessions for use of terminal space for the period ended on December 31, 2013 (US$ 24,189,567) correspond to contracts for a fixed price. The remaining 95% correspond to revenue from concession for use, based on revenue earned by its sub-concessionaires.

NOTE 22- CONTINGENCIES

22.1 In the ordinary course of its business, the Group may be exposed to claims, litigation and contingencies. The Group has recorded provisions in the cases where it considers that probable losses could be incurred for the Company.

NOTE 22- CONTINGENCIES (Cont'd)

22.2 Insurance taken out by the Group basically includes the following:

- Civil liability insurance as airport operator (Note 1.3) for an insured amount of US$ 400,000,000, expiring on July 15, 2015.
- Global business insurance policy for an insured amount of US$ 178,867,050, expiring on October 26, 2015.

22.3 In accordance with the provisions of Law No. 18099 of January 24, 2007, the Group is jointly liable for the labor and social security obligations with respect to the workers of the subcontractors with which it operates for the performance of the works contracts with customers.

Based on information made available by the Group at December 31, 2014 and December 31, 2013, it is not anticipated that these situations might have material effects on the Company's assets.

NOTE 23 – SEGMENT REPORTING

The Group receives revenue from aeronautical and commercial services provided, in relation to the administration, operation, exploitation, construction and maintenance of the AIC, in accordance with the conditions set forth in the IMC.

Aeronautical revenue basically comprises landing tariffs, airplanes parking tariffs and tariffs for use of airport. In addition, commercial revenue basically includes revenue from the concession for use of terminal space leased to shops, and services revenue (Note 17.4).

It is understood that both the aeronautical and commercial services are interrelated and are exposed to risks and returns of a similar nature, directly associated with the airport activity the main support of which is the transport of cargo and passengers.

NOTE 24 – SUBSEQUENT EVENTS

On January 22, 2015, Yokelet S.L. decided to make a contribution towards America Corporation Aeropuertos Spain S.A. (subsequently ACI Airport Sudamérica S.A.) of the full ownership of all the shares in Cerealsur S.A. owned by it, that is, 543,500 shares representative of 100% of its paid-in capital.

On February 18, 2015, the Executive Branch approved Decree No. 062/2015 establishing the new prices in the referred to Annex F to the Integrated Management Contract, effective March 20, 2015.

Except as mentioned in the preceding paragraphs, at the date of these special consolidated financial statements there are no further major events that could have a material impact on the Group.

CEREALSUR S.A.

CONSOLIDATED FIXED ASSETS AND INTANGIBLE ASSETS - DEPRECIATION AND AMOR
for the special 12-month period beginning January 1, 2014 and ending December 31,
(Amounts in US dollars)

					DEPRECIATION/ AMORTIZATION		
	Values at 01.01.2014	Increases	Decreases	Values at 12.31.2014	Accumulated At 01.01.2014	Deletions For the period	For Rate
FIXED ASSETS							
Computer equipment	913,513	191,065	-	1,104,578	704,976	-	33%
Furniture and fixtures	239,693	2,209	-	241,902	175,177	-	10%
Vehicles	837,837	268,242	-	1,106,079	325,576	-	33%
Machinery and equipment	4,958,939	53,643	-	5,012,582	4,305,652	-	33%
Installations	432,827	-	-	432,827	432,827	-	33%
Imports in progress	34,069	65,949	(34,069)	65,949	-	**-**	0%
TOTAL FIXED ASSETS	**7,416,878**	**581,108**	**(34,069)**	**7,963,917**	**5,944,208**	-	
INTANGIBLE ASSETS							
Runway	14,669,151	-	-	14,669,151	6,320,942	**-**	6%-33
New terminal	210,344,108	868,568	-	211,212,676	60,515,209	**-**	6%-33
Concession rights	-	23,500,000		23,500,000	-		
Other assets	6,210,325	-	-	6,210,325	5,215,761	**-**	6%-33
Concession of AIC	34,132,028	-	-	34,132,028	17,350,446	-	5%
TOTAL INTANGIBLE ASSETS	**265,355,612**	**24,368,568**	**-**	**289,724,180**	**89,402,358**	**-**	
TOTAL AT 12.31.2014	**272,772,490**	**24,949,676**	**(34,069)**	**297,688,097**	**95,346,566**	**-**	

CEREALSUR S.A.

CONSOLIDATED FIXED ASSETS AND INTANGIBLE ASSETS - DEPRECIATION AND AMOR
for the special 12-month period beginning January 1, 2014 and ending December 31,
(Amounts in US dollars)

	ORIGINAL VALUES				DEPRECIATIO		
	Values at 01.01.2014	Increases	Decreases	Values at 12.31.2014	Accumulated At 01.01.2014	Deletions For the period	F
FIXED ASSETS							
Computer equipment	780,306	133,207	-	913,513	617,323	-	3
Furniture and fixtures	239,693	-	-	239,693	137,673	-	1
Vehicles	837,837	-	-	837,837	242,693	-	3
Machinery and equipment	4,831,983	126,956	-	4,958,939	3,703,011	-	3
Installations	432,827	-	-	432,827	409,777	-	3
Imports in progress	-	34,069	-	34,069	-	**-**	
TOTAL FIXED ASSETS	**7,122,646**	**294,232**	**-**	**7,416,878**	**5,110,477**	-	
INTANGIBLE ASSETS							
Runway	14,669,151	-	-	14,669,151	5,505,074	**-**	6%
New terminal	209,141,024	1,203,084	-	210,344,108	45,498,973	**-**	6%
Other assets	6,210,325	-	-	6,210,325	5,034,657	**-**	6%
Concession of AIC	34,132,028	-	-	34,132,028	15,643,845	-	
TOTAL INTANGIBLE ASSETS	**264,152,528**	**1,203,084**	**-**	**265,355,612**	**71,682,549**	**-**	
TOTAL AT 12.31.2013	**271,275,174**	**1,497,316**	**-**	**272,772,490**	**76,793,026**	**-**	

Section II - Special Separate Financial Statements

Independent Auditors' Report

To the Shareholders and Directors of Cerealsur S.A.

We have audited the special separate financial statements of Cerealsur S.A. (the Company), which consist of the separate statement of financial position at December 31, 2014, and the separate statements of income, changes in equity and cash flows for the special 12-month period beginning January 1, 2014 and ending December 31, 2014, and the related notes, which contain a summary of the significant accounting standards applied and other explanatory notes enclosed herewith.

Management's responsibility on the special consolidated financial statements

The Company's Management is responsible for the preparation and fair presentation of these special consolidated financial statements in accordance with generally accepted accounting standards in Uruguay ("Uruguayan GAAP"), and for keeping an internal control system that Management may deem suitable to allow for the preparation of financial statements free of material errors due to fraud or involuntary errors.

Auditor's responsibility

Our responsibility is to express an opinion on the special separate financial statements, based on our audit. We performed our audit in accordance with International Auditing Standards. These standards require that we comply with ethical requirements and that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

An audit includes performing procedures to obtain evidence supporting the amounts and assertions disclosed in the financial statements. The selected procedures depend on our judgment, which includes assessing the risk of the financial statements containing material errors due to fraud or involuntary errors. When performing this risk assessment, we consider the internal control system relevant to the fair preparation and presentation of the financial statements of the Company to select the audit procedures that are appropriate in the circumstances, but not with the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes assessing the appropriateness of the accounting standards used and the reasonableness of the estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We consider that the audit evidence obtained is sufficient and appropriate to support our opinion.

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Opinion

In our opinion, the special separate financial statements mentioned in paragraph 1 present fairly, in all material aspects, the separate financial position of the Company at December 31, 2014, as well as its separate statements of income and cash flows for the special 12-month period beginning January 1, 2014 and ending December 31, 2014, in conformity with Uruguayan GAAP.

On this same date, we issued our audit opinion on the special consolidated financial statements of Cerealsur S.A. and its subsidiary for the special 12-month period beginning January 1, 2014 and ending December 31, 2014. In accordance with Uruguayan GAAP, the Company must file its special consolidated financial statements jointly with its subsidiary and its special separate financial statements, which comprise the financial statements the entity must file to conform to Uruguayan GAAP. Those financial statements are included in section I of this report.

Montevideo, Uruguay
February 27, 2015

Pricewaterhouse Coopers

Richard Moreira de la Rosa
Public Accountant
Partner
C.J.P.P.U. 48208

CEREALSUR S.A.

SPECIAL SEPARATE STATEMENT OF FINANCIAL POSITION
at December 31, 2014
(Amounts in US dollars)

	12.31.2014	12.31.2013
ASSETS		
CURRENT ASSETS		
CASH AND BANKS		
Cash	50	-
Banks	93,280	42,357
	93,330	42,357
OTHER RECEIVABLES		
Tax credits	117	1,547
Related parties (Note 11)	1,325,487	-
	1,325,604	1,547
TOTAL CURRENT ASSETS	**1,418,934**	**43,904**
NON-CURRENT ASSETS		
PERMANENT INVESTMENTS (Note 6)		
Investments	82,001,754	92,986,114
	82,001,754	92,986,114
INTANGIBLE ASSETS (Note 7 and Exhibit)		
Concession of Carrasco International Airport	34,132,028	34,132,028
Less: Accumulated amortization	(18,759,069)	(17,350,446)
	15,372,959	16,781,582
TOTAL NON-CURRENT ASSETS	**97,374,713**	**109,767,696**
TOTAL ASSETS	**98,793,647**	**109,811,600**

The accompanying Notes 1 to 15 and the Exhibit are an integral part of these special financial statements.

CEREALSUR S.A.

SPECIAL SEPARATE STATEMENT OF FINANCIAL POSITION
at December 31, 2014
(Amounts in US dollars)

	12.31.2014	12.31.2013
LIABILITIES		
CURRENT LIABILITIES		
TRADE PAYABLES		
Local suppliers	9,760	2,184
	9,760	2,184
FINANCIAL DEBTS (Note 8)		
Notes payable (Note 11.1)	-	7,516,875
	-	7,516,875
OTHER DEBTS		
Sundry accruals	112,660	11,228
	112,660	11,228
TOTAL CURRENT LIABILITIES	**122,420**	**7,530,287**
NON-CURRENT LIABILITIES		
FINANCIAL DEBTS (Note 8)		
Notes payable (Note 11.1)	-	16,352,482
	-	16,352,482
TOTAL NON-CURRENT LIABILITIES	**-**	**16,352,482**
TOTAL LIABILITIES	**122,420**	**23,882,769**
EQUITY (as per related statements and Note 9)		
OWNERS' CONTRIBUTIONS		
Paid-in capital	19,947	19,947
	19,947	19,947
CONTRIBUTIONS TO BE CAPITALIZED		
Contributions to be capitalized - Additional paid-in capital	19,434,687	19,434,687
	19,434,687	19,434,687
RESERVES		
Legal reserve	3,784	3,784
	3,784	3,784
RETAINED EARNINGS		
Prior twelve-month periods' income	66,470,413	55,528,571
Net income for the twelve-month period	12,742,396	10,941,842
	79,212,809	66,470,413
TOTAL EQUITY	**98,671,227**	**85,928,831**
TOTAL EQUITY AND LIABILITIES	**98,793,647**	**109,811,600**

The accompanying Notes 1 to 15 and the Exhibit are an integral part of these special financial statements.

CEREALSUR S.A.

SPECIAL SEPARATE STATEMENT OF INCOME
for the special 12-month period beginning January 1 and ending December 31, 2014
(Amounts in US dollars)

	12.31.2014	12.31.2013
REVENUE		
Holding gains /(losses) on investments (Note 6)	14,321,391	13,686,611
	14,321,391	13,686,611
ADMINISTRATIVE AND SELLING EXPENSES (Notes 7 and 10.1)	(1,587,229)	(1,773,870)
FINANCIAL INCOME/ (LOSS) (Note 10.2)	8,234	(970,899)
NET INCOME FOR THE TWELVE MONTHS PERIOD	**12,742,396**	**10,941,842**

The accompanying Notes 1 to 15 and the Exhibit are an integral part of these special financial statements.

CEREALSUR S.A.

SPECIAL SEPARATE STATEMENT OF CHANGES IN EQUITY
for the special 12-month period beginning January 1 and ending December 31, 2014
(Amounts in US dollars)

	Capital	Contributions and commitments to be capitalized	Reserves	Retained earnings	Total equity
BALANCES AT Monday, December 31, 2012					
Owners' contributions					
Units	19,947	-	-	-	19,947
Contributions to be capitalized	-	19,434,687	-	-	19,434,687
Retained profits					
Legal reserve	-	-	3,784	-	3,784
Unappropriated retained earnings	-	-	-	55,528,571	55,528,571
TOTAL AT DECEMBER 31, 2012	**19,947**	**19,434,687**	**3,784**	**55,528,571**	**74,986,989**
NET INCOME/LOSS FOR THE TWELVE-MONTH PERIOD	**-**	**-**	**-**	10,941,842	10,941,842
SUBTOTAL	**-**	**-**	**-**	**10,941,842**	**10,941,842**
BALANCES AT DECEMBER 31, 2013					
Owners' contributions					
Paid-in capital	19,947	-	-	-	19,947
Contributions to be capitalized	-	19,434,687	-	-	19,434,687
Retained profits					
Legal reserve	-	-	3,784	-	3,784
Unappropriated retained earnings	-	-	-	66,470,413	66,470,413
TOTAL AT DECEMBER 31, 2013	**19,947**	**19,434,687**	**3,784**	**66,470,413**	**85,928,831**
NET INCOME/LOSS FOR THE TWELVE-MONTH PERIOD	-	-	-	12,742,396	12,742,396
SUBTOTAL	**-**	**-**	**-**	**12,742,396**	**12,742,396**
BALANCES AT DECEMBER 31, 2014					
Owners' contributions					
Paid-in capital	19,947	-	-	-	19,947
Contributions to be capitalized	-	19,434,687	-	-	19,434,687
Retained profits					
Legal reserve	-	-	3,784	-	3,784
Unappropriated retained earnings	-	-	-	79,212,809	79,212,809
TOTAL AT DECEMBER 31, 2014	**19,947**	**19,434,687**	**3,784**	**79,212,809**	**98,671,227**

The accompanying Notes 1 to 15 and the Exhibit 1 are an integral part of these special financial statements.

CEREALSUR S.A.

SPECIAL SEPARATE STATEMENT OF CASH FLOWS
for the special 12-month period beginning January 1 and ending December 31, 2014
(Amounts in US dollars)

	12.31.2014	12.31.2013
Cash flows from operating activities		
Net income for the twelve-month period	12,742,396	10,941,842
Adjustments for: Amortization of intangible assets	1,408,623	1,706,601
Translation gains /(losses) on dividends payable	-	813,676
Holding gains /(losses) on investments	(14,321,391)	(13,686,611)
Changes in Assets and liabilities		
Increase in other receivables	(1,324,057)	(633)
Increase in trade payables	7,576	2,184
Increase in other debts	101,432	479
Cash flows applied to operating activities	**(1,385,421)**	**(222,462)**
Cash flows from investment activities		
Collection of dividends	25,305,751	8,186,773
Cash flows from investment activities	**25,305,751**	**8,186,773**
Cash flows from financing activities		
Decrease in financial debts	(23,869,357)	(7,991,993)
Cash flows applied to financing activities	**(23,869,357)**	**(7,991,993)**
Increase/(Decrease) in net cash flows	50,973	(27,682)
Initial balance of cash and cash equivalents	42,357	70,039
Ending balance of cash and cash equivalents	**93,330**	**42,357**

The accompanying Notes 1 to 15 and the Exhibit 1 are an integral part of these special financial statements.

CEREALSUR S.A.

NOTES TO THE SPECIAL SEPARATE FINANCIAL STATEMENTS
for the special 12-month period beginning January 1 and ending December 31, 2014

NOTE 1 – GENERAL INFORMATION

1.1 Legal nature and general information on the Company

Cerealsur Sociedad Anónima (the "Company") was initially established as a corporation on November 5, 2002. The National Auditing Office approved its by-laws on December 2, 2002.

On October 13, 2005, the company started to operate as Cerealsur Ltda. The amendment to the charter and bylaws was registered with the Legal Persons Registration Authority - Business Section, on October 24, 2005.

On June 29, 2006, the General Extraordinary Partners' Meeting resolved to amend article 2 of the Incorporation Agreement, adapting the corporate purpose of the Company to the provisions of Section 47 of Commercial Companies Law and by a private Document dated December 5, 2006, the partners of Cerealsur Ltda. executed the amendment to the Incorporation Agreement, registered with the National Registry of Commerce under number 26267, on December 8, 2006, and published in the Professional Bulletin on December 18, 2006 and in the Official Gazette on December 21, 2006.

On April 30, 2013, the Company changed its type of business organization to Cerealsur Sociedad Anónima. Its financial statements were approved by the National Auditing Office on December 3, 2013.

On December 26, 2013, Yokelet S.L. acquired 100% of Cerealsur S.A. capital.

On August 27, 2003, the Company purchased for US$ 34,000,000 (United States dollars thirty four million) 100% of the shares in Puerta del Sur S.A. ("PDS"), for a par value of UY$ 180,000 (Uruguayan pesos one hundred and eighty thousand), through a public auction to the best bidder held on the Montevideo Stock Exchange.

NOTE 1 – GENERAL INFORMATION (Cont'd)

1.1 Legal nature and operations (Cont'd)

In accordance with its By-laws approved by the National Internal Auditing Office on January 28, 2003, the purpose of Puerta del Sur S.A. is the administration, exploitation and operation, construction and maintenance of the Carrasco International Airport "Gral. Cesáreo L. Berisso" (AIC), regarding the airport and non-airport activities, including commercial -duty-free shops- and service activities, complementary of the airport activity, pursuant to the provisions of Law No. 17555, Decree No. 376/002 (which includes the *Integrated Management System* as supplementary document), and the contract entered into between the National Ministry of Defense (MDN) and the National Development Corporation on December 19, 2002.

On February 6, 2003, Puerta del Sur S.A. and the MDN signed a contract, approved by the Executive Branch under Resolution No. 1976/002 "for the integrated management of the Carrasco International Airport "Gral. Cesáreo L. Berisso" for its full exploitation, in the manner and under the conditions specified by Decree No. 376/02 of September 28, 2002, which is considered as an integral part of this contract for all effects". In addition, on August 11, 2003 an amendment to that contract was signed specifying that "this contract is integrated as an entire agreement with Decree No. 376/02 dated September 28, 2002, the Annexes, all the national and international aeronautical regulations on customs, taxes and all other matters related to the purpose hereof and to Executive Branch Decrees Nos. 153/003 of April 24, 2003, 192/003 of May 20, 2003, and 317/2003 of August 4, 2003."

On September 2, 2014, the parties signed an amendment to the Integrated Management Contract, establishing in clause two that they agree to partially amend the contract, extending clause Fourteen and adding the provisions of Decree 229/014 of August 6, 2014 as an integral part of the entire contract.

Additionally, Article 4.16 sets out the applicable penalties in the event of default, in whole or in part, or improper or late noncompliance with any of the obligations of PDS.

These special financial statements for a period of 12 months have been prepared for consolidation with the Company's subsidiary. The fiscal year-end of the Company is October 31 of each year.

These special financial statements have been approved by Company Management for their issuance on February 27, 2015, but they have not yet been submitted to the consideration of the Company's shareholders.

NOTE 1 – GENERAL INFORMATION (Cont'd)

1.2 Main revenue and expenses of the Company

1.2.1 Main revenue

The Company's revenues derive exclusively from the variation in equity value of the subsidiary PDS

1.2.2 Main expenses

The main expenses are the intangible asset amortization and financial results.

1.3 Obligations assumed by the Company

The decrees mentioned in Note 1.1 imposed on the Company, as purchaser of the shares in PDS, a series of obligations that have already been entirely fulfilled. At this date, no balance is due of the price offered at the public auction.

NOTE 2 - MAIN ACCOUNTING STANDARDS

The main accounting policies used in the preparation of these special financial statements are summarized below. These standards have been applied consistently with those of the previous year. Cerealsur S.A. and its subsidiary, PDS, are jointly referred to as the "Group".

2.2 Basis for preparation

These special consolidated financial statements have been prepared in accordance with the provisions of Decree No. 266/07 dated July 31, 2007, Decree No. 538/09 dated November 30, 2009 and Decree No. 99/09 dated February 27, 2009, which apply to fiscal years beginning January 1, 2009. These standards require the application of International Financial Reporting Standards ("IFRS") adopted at July 31, 2007 by the International Accounting Standards Board ("IASB"), translated into Spanish and published by the National Internal Auditing Office and disclosure standards included in Decree No. 103/91 and Decree No. 37/10.

In preparing these special financial statements we have applied the historical cost, except as mentioned in Note 2.2.

Pursuant to the provisions of Decree No. 538/09, these separate special financial statements of the Company, jointly with the special consolidated financial statements of the Group that were presented in Section I above, make up the special financial statements of the Company, in conformity with Uruguayan GAAP.

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

2.2 Basis for preparation (Cont'd)

Amendments to the accounting policies

(a) New and amended standards effective as from the fiscal year beginning January 1, 2014

There are no new accounting standards effective for the first time as from the fiscal year beginning January 1, 2014.

The accounting standards and interpretations adopted by the IASB after July 31, 2007 are not effective standards in Uruguay for the preparation of these special financial statements. The main standards and amendments to standards adopted but not yet effective in Uruguay are shown below:

- International Accounting Standard 1 - Presentation of Financial Statements, issued in September 2007 and effective since January 1, 2009.
- International Accounting Standard 27 - Consolidated and Separate Financial Statements, issued in January 2008 and effective since July 1, 2009.
- IFRS 3 - Business Combinations, issued in January 2008 and effective since July 1, 2009.
- Amendments to several International Accounting Standards and IFRS by the Exposure Draft Annual Improvements issued by the IASB in May 2008, 2009, 2010 and 2011.
- Interpretation 17 - Distributions of Non-cash Assets to Owners, issued in November 2008 and effective since July 1, 2009.
- Interpretation 18 - Transfers of Assets from Customers, issued in January 2009 and effective since July 1, 2009.
- International Accounting Standard 36 - Impairment of Assets, issued in April 2009 and effective since January 1, 2010.
- IFRS 2 - Share-based Payments, issued in June 2009 and effective since July 1, 2010.
- IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations, issued in April 2009 and effective since January 1, 2010.
- International Accounting Standard 24 - Related Party Disclosures, issued in November 2009 and effective for fiscal years beginning January 1, 2011.
- International Accounting Standard 32 - Financial Instruments (Classification of rights issues), issued in October 2009 and effective for fiscal years beginning February 1, 2010.
- Interpretation 19 - Extinguishing Financial Liabilities with Equity, issued in November 2009 and effective since July 1, 2010.

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

2.2. Basis for preparation (Cont'd)

- Amendments to IFRS 7 - Financial Instruments: disclosures, issued in October 2010 and effective for fiscal years beginning July 1, 2011 and issued in December 2011 and effective for fiscal years beginning January 1, 2013.
- Amendments to IFRS 1 - First-time Adopters, issued in December and effective for fiscal years beginning July 1, 2011 and issued in March 2012 and effective for fiscal years beginning January 1, 2013.
- Amendment to IAS 12 - Income Taxes, including deferred tax assets, issued in December 2010 and effective for fiscal years beginning January 1, 2012.
- Amendment to IAS 19 - Employee Benefits, issued in June 2011 and effective for fiscal years beginning July 1, 2012.
- Amendment to IAS 1 - Presentation of Financial Statements with regard to Other Comprehensive Income, issued in June 2011 and effective for fiscal years beginning July 1, 2012.
- IFRS 9 - Financial Instruments, issued in November 2009 and amended in October 2010. Effective for fiscal years beginning January 1, 2018.
- IFRS 10 - Consolidated Financial Statements, issued in May 2011, amended in October 2012 and effective for fiscal years beginning January 1, 2013.
- IFRS 11 - Joint Arrangements, issued in May 2011, amended in June 2012 and effective for fiscal years beginning January 1, 2013.
- IFRIC Interpretation 20 - Stripping Costs in the Production Phase of a Surface Mine, effective for fiscal years beginning January 1, 2013.
- IFRS 12 - Disclosure of Interests in Other Entities, issued in May 2011 and effective for fiscal years beginning January 1, 2013.
- IFRS 13 - Fair Value Measurement, effective for fiscal years beginning January 1, 2013.
- IAS 27 revised - Separate Financial Statements, issued in May 2011 and effective for fiscal years beginning January 1, 2013.
- IAS 28 revised - Investments in Associates and Joint Ventures, issued in May 2011 and effective for fiscal years beginning January 1, 2013.
- Amendment to IAS 32 - Financial Instruments, Requirements for Offsetting Financial Assets and Financial Liabilities, effective for fiscal years beginning January 1, 2014.
- IFRIC 21 - The obligating event that gives rise to levies or taxes other than income tax occurs on the date established by the legislation, effective for fiscal years beginning January 1, 2014.
- IFRS 15 – Revenue from contracts with customers, effective as from the fiscal years beginning January 1, 2017. Defines a unique revenue recognition model, with a base of well-founded conclusions applicable to all industries and types of contract for sale of goods or services.

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

2.2. Basis for preparation (Cont'd)

(b) New standards, amendments and interpretations issued but not yet in effect for fiscal years beginning January 1, 2014, ant not yet early adopted by the Company

The Executive Branch issued Decree 291/14 in October 2014 establishing the mandatory application for fiscal years beginning on January 1, 2015 of the International Financial Reporting Standard for Small and Medium-sized Enterprises (IFRS for SMEs) issued by the International Accounting Standards Board at the date of publication of the decree, translated into Spanish and published on the Internal Audit website. Without prejudice to its general mandatory application, this decree sets out as an alternative treatment the application of the accounting standards established by Decree 124/11.

Decree No. 124/1, issued on April 1 2011, establishes that the accounting standards of mandatory application for public companies are the International Financial and Reporting Standards translated into Spanish, for fiscal years beginning January 1, 2012.

It is not expected that the standards and interpretations will have a material impact on the valuation and disclosure of the Group's financial statements.

2.2 Subsidiaries

A subsidiary is any entity in relation to which the Company has the power to govern the financial and operating policies generally for being the owner of more than half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company has the power to control an entity.

In line with the provisions of Section 3 of Decree No. 538/09, the investments in subsidiaries have been valued in these financial statements according to the equity method of accounting.

The Company's share of post-acquisition profits or losses of its subsidiaries is recognized in income, and its interest in the post-acquisition equity adjustments is recognized in equity adjustments. When the Company's share of its subsidiary's losses is equal to or exceeds its equity interest in the subsidiary plus the amount of any unsecured credit owed by it, the Company ceases to recognize subsequent losses, unless it has incurred debts or has made payments on behalf of the subsidiary.

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

2.2 Subsidiaries (Cont'd)

Unrealized gains between the Company and its subsidiaries are deleted in proportion to the Company's equity in the subsidiaries.

Unrealized losses are also deleted, unless the transaction shows impairment in the value of the asset transferred. The accounting policies of subsidiaries have been modified to be consistent with the policies adopted by the Company.

2.3 Information by business segment

The Company's assets and transactions are exposed to similar risks and subject to similar returns; as a result, the Company does not segregate information by business segment.

2.4 Functional currency and reporting currency

The financial statements of the Company are prepared and disclosed in US dollars, which is the functional currency and reporting currency of the financial statements of the Company.

The Company accounting records are kept in both Uruguayan pesos - the legal tender in Uruguay - and US dollars.

2.5 Balances in foreign currency

Foreign currency assets and liabilities (in a currency other than the functional currency) are stated at the exchange rate prevailing at each closing. Exchange differences are charged to income. The following exchange rates were used: US$ 1 = UY$ 24.369 and EUR 1 = US$ 1.21585 at December 31, 2014 and US$ 1 = UY$ 21,424 and EUR 1 = US$ 1.38045 at December 31, 2013.

Retained earnings are disclosed at their historical value stated in US dollars. The amounts reported under the captions in the Statement of Income were translated at the exchange rate prevailing on the date of each transaction.

Ending balances of foreign currency assets and liabilities are summarized in Note 4.

2.6 Financial assets

The Company classifies its financial assets within the following categories: investments at fair value through income/ loss; loans and other receivables; permanent investments held until maturity, and financial assets available for sale. The classification depends on the purpose for which the investments were acquired. Management sets the classification of the investments at the time of the initial recognition.

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

2.6 Financial assets (Cont'd)

(a) Investments at fair value though income/ loss

This caption includes investments acquired for sale in the short-term (within 12 months following the closing) and they are valued at fair value. Variances in fair value are recorded in profit and loss accounts.

(b) Loans and other accounts receivable

They are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method, less the impairment allowance, if any.

(c) Permanent investments held until maturity

Permanent investments held until maturity are investments with a fixed maturity date that Management intends and has the financial ability to maintain until their maturity date. They are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method, less the impairment allowance, if any.

(d) Financial assets available for sale

This caption includes assets not falling within any of the categories mentioned above. These assets are recognized at their fair value and variances in the fair value are recognized directly in equity accounts (variances of fair value in equity adjustments); when these investments are sold or impaired, the accumulated amount of the related adjustments at fair value is charged to profit and loss accounts.

These assets are written down when the right to collect the respective cash flows have been forfeited or assigned and the Company has transferred substantially all of the risks and benefits inherent in the ownership right on the assets.

During this period and the prior period, the Company did not maintain any investments in the following categories: Investments at fair value through income/ loss; Permanent investments held until maturity, and; financial assets available for sale.

2.7 Impairment of assets

Intangible assets and other non-current assets are subject to impairment tests whenever changes in events or circumstances indicate that their carrying amount may not be recovered. When the carrying amount of an asset exceeds it recoverable value, an impairment loss is recognized. The recoverable value is the higher of its fair value less costs to sell and its value in use. To assess their impairment, assets are considered at each cash-generating unit level.

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

2.8 Intangible assets

Intangible assets show the value of acquisition of the shares of PDS in a public auction (Note 1.1) that exceeds the equity value (UY$ 180,000) of this Company at that time plus expenses directly associated with the acquisition. It is amortized under the straight-line method over the term of the public concession granted to PDS. Impairment tests are annually performed on this asset and it is recorded at cost less accumulated impairment losses.

2.9 Financial loans

Loans received are initially recognized at fair value, net of the transaction costs incurred. Subsequently, these loans are disclosed at amortized cost; any difference between the funds deposited (net of transaction costs) and the repayment value is recognized in the Statement of Income using the effective interest rate method. Loans are classified under Current liabilities unless the Company has an unconditional right to postpone payment for a term of at least 12 months following the closing date of the period.

2.10 Income tax

Most income obtained by the Company is not taxable under current regulations in force. It arises from the holding of shares in PDS and is not subject to business income tax ("IRAE"). As a result, the impact of deferred income tax is not considered in accordance with International Accounting Standard No. 12 (IAS 12).

2.11 Share capital

The nominal value of shares issued and the amount of the contributions received in excess of the shares issued are disclosed as Additional paid-in capital under Contributions and commitments to be capitalized.

2.12 Capital

To determine the income/loss for the period, the capital to be maintained has been defined as the financial capital invested or received as a result of capital contributions.

2.13 Cash and cash equivalents

The account cash and cash equivalents includes sight deposits in banks for the purpose of the preparation of the Statement of Cash Flows.

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

2.14 Revenue recognition

The operating revenue of the Company, mentioned in Note 1.2.1, is recognized in the accounting period it accrues.

NOTE 3 – FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks, including exchange risk, liquidity risk and interest rate risk.

Management is responsible for risk management.

(a) Exchange risk

The Company is exposed to foreign exchange risk of many currencies, particularly, the Uruguayan Peso at December 31, 2014 and the Euro at December 31, 2013. The foreign exchange risk arises from assets and liabilities in foreign currency.

The Company does not have a hedge against that risk through derivative financial instruments. Note 4.a to the special financial statements summarizes the balances of foreign currency assets and liabilities (in a currency other than the functional currency) at the closing of each period.

In the period ended December 31, 2014, if the value of the Uruguayan peso had depreciated/ appreciated by 10% compared with the US dollar and the other variables had remained constant, the after-tax profit would have been higher/ lower by approximately US$ 400 due to the exposure to that currency generated by net assets balances at the closing of the period.

In the period ended December 31, 2013, if the value of the Euro had depreciated/ appreciated by 10% compared with the US dollar and the other variables had remained constant, the after-tax profit would have been higher/ lower by approximately US$ 751,687 due to the exposure generated by that foreign currency for net balances payable at the closing of the period.

(b) Liquidity risk

The Company manages liquidity risk carefully; this implies maintaining sufficient cash and cash equivalents to face committed short-term disbursements of funds.

NOTE 3 – FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

The table below shows the Company financial liabilities and the time lapsing from the period-end date until their maturity. The amounts disclosed below are contractual undiscounted cash flows.

at December 31, 2014	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade accounts payable and Other debts	122,420	-	-	-

At December 31, 2013	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Financial debts	7,516,875	-	-	16,352,482
Trade accounts payable and Other debts	13,412	-	-	-

(c) Interest rate risk on cash flows

The Company does not have significant assets that generate interest; as a result, operating revenue and cash flows are substantially independent from the changes in market interest rates.

The Interest rate risk for the Company may arise from non-current debts. Financial debts at December 31, 2013 do not accrue interest (Note 8).

3.2 Capital risk management

The Company's objective relating to capital management is to safeguard the ability of the Company to continue operating as a going concern to generate income for its shareholders and benefits to stakeholders and maintain an optimum capital structure aiming at reducing the cost of capital.

To maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to the shareholders, issue new shares or sell liabilities to reduce its debt.

The Company monitors its capital based on the leverage ratio. This ratio is calculated by dividing the total debt to equity. Net debt accounts for total debts (including current and non-current debts) less cash and cash equivalents. Total capital accounts for equity as disclosed in the consolidated statement of financial position sheet plus net debt.

NOTE 3 – FINANCIAL RISK MANAGEMENT (Cont'd)

3.2. Capital risk management

At December 31, 2014 the Company does not have financial debts. Leverage ratio at December 31, 2013 was the following:

	December 2013
Financial debts (Notes 8 and 11)	23,869,357
Less: Cash and cash equivalents (Note 5)	(42,357)
Net debt	23,827,000
Total Equity	85,928,831
Total Equity and Liabilities	109,755,831
Leverage ratio	**22%**

3.3 Fair value estimates

The fair value of financial instruments not traded in an active market, such as loans, is determined applying valuation techniques, mainly present value of discounted cash flows and quoted market prices or quoted prices available from brokers for similar instruments. The nominal value of financial creditor accounts is considered to approximate its fair value.

NOTE 4 - FOREIGN CURRENCY POSITION

Balances of foreign currency assets and liabilities, other than the functional currency, at December 31, 2014 and December 31, 2013 are the following:

	12.31.2014			12.31.2013
	Uruguayan Peso	**Euro**	**Equivalent in in US$**	**Equivalent in in US$**
Assets				
Current assets				
Cash and banks	407,526	-	16,723	8,880
Other receivables	3,074	-	117	1,547
Total assets	**410,600**	**-**	**16,840**	**10,427**
Liabilities				
Current liabilities				
Trade payables	-	-	-	481
Other debts	308,509	-	12,660	11,217
Financial debts	-	-	-	7,516,875
Total liabilities	**308,509**	**-**	**12,660**	**7,528,573**
Net position	**102,091**	**-**	**4,180**	**(7,518,146)**

NOTE 5 - FINANCIAL INSTRUMENTS

5.a Breakdown:

	Other accounts receivable	Total
at December 31, 2014		
Assets		
Cash and banks	93,330	93,330
Other receivables	1,325,487	1,325,487
Total	**1,418,817**	**1,418,817**

	Other Liabilities	Total
Liabilities		
Other debts	110,025	110,025
	110,025	**110,025**

	Other accounts receivable	Total
At December 31, 2013		
Assets		
Cash and banks	42,357	42,357
Total	**42,357**	**42,357**
Liabilities		
Financial debts	23,869,357	23,869,357
Total	**23,869,357**	**23,869,357**

5.b Credit rating of financial assets

The credit rating of financial assets that are neither due nor impaired is assessed based on external risk ratings, if any, and historical information on default rate from its counterparties:

	December 2014	December 2013
Cash at banks and short-term deposits		
AA (UY)	93,330	42,357
Total Cash at banks and Short-term deposits	**93,330**	**42,357**

NOTE 6 - PERMANENT INVESTMENTS

It accounts for 100% of the equity in PDS - Nominal value UY$ 793,051,895 - stated at equity value.

	December 2014	December 2013
Balance at the beginning of the period	92,986,114	88,299,952
Share in profits	14,321,391	13,686,611
Distribution of dividends	(25,305,751)	(9,000,449)
Balance at the end of the period	**82,001,754**	**92,986,114**

The Company's equity in its subsidiary at the end of the period was the following:

Company	period	Country of incorporation	Assets	Liabilities	Revenue	Profit	Holding in %
Puerta del Sur S.A.	1.1.2014 12.31.2014	Uruguay	190,562,981	108,561,227	73,123,651	14,321,391	100%
Puerta del Sur S.A.	1.1.2013 12.31.2013	Uruguay	180,943,274	87,957,160	70,458,903	13,686,611	100%

Holding gains / (losses) on investments account for the increase in the equity value of shares of PDS plus dividends distributed in the period.

NOTE 7 – INTANGIBLE ASSETS

Changes in the balances of intangible assets during this period are disclosed in the Exhibit 1 to these special financial statements.

Amortization of intangible assets for the period ended December 31, 2014 in the amount of U$S 1,408,623 and for the period ended December 31, 2013 of U$S 1,706,601 was allocated to Administrative and selling expenses.

NOTE 8 – FINANCIAL DEBTS

The notes payable in Euros correspond to the balance of the loan agreement signed on August 20, 2004 and partially amended on January 17, 2007 (amendments effective April 1, 2007) between Alaska Green Corporation and the Company, which enabled obtaining a loan for EUR 20,000,000.

The main conditions of the loan were as follows:

d) Compensatory interest shall accrue on balances due as from December 20, 2004 at an annual nominal rate of 9%. As per the amendment to the loan, compensatory interest shall accrue on balances due until March 31, 2007. No interest payments will apply thereafter.

e) Principal will be payable in three consecutive annual installments from December 20, 2010 through December 20, 2012, with the latter being the final repayment date of the loan.

f) As per the amendment to the loan, while the amendment to the loan agreement remains in effect, no arrears will be applied to the interest payments.

On October 15, 2010, an amendment to the loan agreement was signed, modifying the time period for repayment of principal, which will be payable in three consecutive annual installments from December 20, 2012 through December 20, 2014, the latter being the final repayment date of the loan. Interest will be paid together with the first principal disbursement.

Payment of the first principal installment for EUR 5,445,234 and interest for EUR 992,396 was made on May 9, 2012.

Payment of the second principal installment for EUR 5,445,234 was made on July 4, 2013.

Payment of the second principal installment for EUR 5,445,235 was made on March 28, 2014.

The US dollar-denominated financial debts at December 31, 2013 correspond to the loan agreement signed by Alaska Green Corporation and the Company on January 25, 2007, which enabled obtaining a loan for US$ 21,000,000.

The main conditions of the loan were as follows:

c) The loan will not accrue compensatory interest on balances due.

NOTE 8 – FINANCIAL DEBTS (Cont'd)

d) The terms and conditions for repayment of principal will be established by the parties by mutual consent, after the contractual conditions have been set forth under the Trust Agreement for the distribution of dividends of PDS to the Company.

A partial principal payment for US$ 654,901 was made on May 9, 2012.

A second partial principal payment for US$ 2,886,554 was made on September 28, 2012.

Principal for US$ 1,106,063 was repaid on July 4, 2013.

Another principal payment for US$ 7,477,969 was made on March 28, 2014.

Principal for US$ 1,300,000 was repaid on April 8, 2014.

The last principal amortization for US$ 7,574,513 took place on June 12, 2014.

NOTE 9 – EQUITY

9.1 Capital

At December 31, 2014, the Company's authorized capital amounts to UY$ 800,000,000 (UY$ 1,000,000 at December 31, 2013). The capital actually paid in at December 31, 2014 and December 31, 2013 amounts to UY$ 543,500 and is made up of 543,500 shares of UY$ 1 each.

On October 14, 2014, the Extraordinary Meeting of Shareholders of the Company approved an amendment to the by-laws whereby the share capital was increased to $800,000,000. This capital increase was registered with the Registry of Commerce and the pertinent publications were made. It was also communicated to the National Internal Auditing Office, as per evidence dated December 29, 2014.

Shares do not impose on the Company the obligation to pay dividends; as a result, no liability has been recognized.

9.2 Restriction on the distribution of profits

9.2.1 Section 93 of the Commercial Companies Law No. 16060 establishes that no less than 5% of the net profits of each fiscal year must be appropriated to the legal reserve, until it reaches 20% of the paid-in capital. If, for whatever reason, this legal reserve is reduced, the Company shall not distribute profits until it is replenished.

9.2.2 Pursuant to Section 98 of the law, the Company shall not distribute net profits until prior year losses are offset.

9.3 Distribution of profits

On October 14, 2014, the General Extraordinary Shareholders' Meeting decided to approve the financial statements at October 31, 2012 and October 31, 2013, maintaining the results reported in the accounts.

On June 11, 2013, the General Extraordinary Shareholders' Meeting decided to approve the financial statements at October 31, 2011, maintaining the results reported in the accounts.

CEREALSUR S.A.

NOTES TO THE SPECIAL SEPARATE FINANCIAL STATEMENTS
for the special 12-month period beginning January 1 and ending December 31, 2014

NOTE 10 - BREAKDOWN OF INCOME/ LOSS BALANCES

10.1 Administrative and selling expenses

Administrative and selling expenses include the following items:

	December 2014	December 2013
Fees for professional services	173,260	61,246
Taxes	3,524	648
Amortization of intangible assets	1,408,623	1,706,601
Bank charges	188	140
Overheads	1,634	5,235
	1,587,229	**1,773,870**

10.2 Financial results

Financial income (loss), net includes the following items:

	December 2014	December 2013
Exchange and translation differences	8,234	(970,899)
	8,234	**(970,899)**

NOTE 11 - TRANSACTIONS WITH RELATED PARTIES

11.1 Below is a breakdown of balances with related parties:

	December 2014	December 2013
Other receivables		
Related parties		
Liska Investments Corporation	1,325,487	-
	1,325,487	-
Current financial debts		
Related parties		
Alaska Green Corporation	-	7,516,875
	-	7,516,875
Non-current financial debts		
Related parties		
Alaska Green Corporation	-	16,352,482
	-	16,352,482

NOTE 11 - TRANSACTIONS WITH RELATED PARTIES (Cont'd)

11.2 Key staff remuneration

The Company's key staff (Note 12) did not receive any compensation during the period beginning January 1, 2014 and ending December 31, 2014 or the period beginning January 1, 2013 and ending December 31, 2013.

NOTE 12 - KEY STAFF AND NUMBER OF OFFICERS

The key staff of the Company at December 31, 2014 and 2013 is the following:

Director, Chairman: Martín Francisco Eurnekian Bonnarens
Director, Vice-chairman: Raúl Galante Santana

At December 31, 2014 and December 31, 2013 the Company did not have any employees.

NOTE 13 - TAXES

The main taxes payable by the Company are as follows:

13.1 Business tax (IRAE)

The Company is subject to IRAE. However, as mentioned in Note 2.10, in line with current laws, the main revenues of the Company are not subject to that tax.

13.2 Assets Tax (IP) and Corporations Control Tax (ICOSA)

As established by current laws, the Company, as a corporation, is required to pay ICOSA and pays IP at a rate of 1.50%.

CEREALSUR S.A.

NOTES TO THE SPECIAL SEPARATE FINANCIAL STATEMENTS
for the special 12-month period beginning January 1 and ending December 31, 2014

NOTE 14 - CONTINGENCIES

In the ordinary course of its business, the Company may be exposed to claims, litigation and contingencies. The Company is subject to the risks and contingencies of PDS

No specific assets or liabilities for contingencies have been recorded.

NOTE 15 - SUBSEQUENT EVENTS

On January 22, 2015, Yokelet S.L. decided to make a contribution towards America Corporation Aeropuertos Spain S.A. (subsequently ACI Airport Sudamérica S.A.) of the full ownership of all the shares in Cerealsur S.A. owned by it, that is, 543,500 shares representative of 100% of its paid-in capital.

Except as mentioned in the preceding paragraph, at the date of these special financial statements there are no further major events that could have a material impact on the Company.

CEREALSUR S.A.

INTANGIBLE ASSETS - AMORTIZATION
for the special 12-month period beginning January 1, 2014 and ending December 31, 2014
(Amounts in US dollars)

	Original values					A	
							For t
	Value at 1.1.2014	**Increases**	**Decreases**	**Value at 12.31.2014**	**Accumulated at 1.1.2014**	**Deletions for the period**	**Rate**
Concession of AIC	34,132,028	-	-	34,132,028	17,350,446	-	5%
Total	**34,132,028**	**-**	**-**	**34,132,028**	**17,350,446**	**-**	

CEREALSUR S.A.

INTANGIBLE ASSETS - AMORTIZATION
for the special 12-month period beginning January 1, 2014 and ending December 31, 2014
(Amounts in US dollars)

	Original values						
							For
	Value at 1.1.2013	Increases	Decreases	Value at 12.31.2013	Accumulated at 1.1.2013	Deletions for the period	Rate
Concession of AIC	34,132,028	-	-	34,132,028	15,643,845	-	5
Total	**34,132,028**	**-**	**-**	**34,132,028**	**15,643,845**	**-**	

CEREALSUR S.A.

Special Financial Statements
At December 31, 2013

Contents

Section I - Special Consolidated Financial Statements

Section II - Special Separate Financial Statements

References

UY$ - Uruguayan peso
US$ - US dollar

Section I - Special Consolidated Financial Statements

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Independent Auditors' Report

To the Shareholders and Directors of Cerealsur S.A.

We have audited the special consolidated financial statements of Cerealsur S.A. (the "Company") and its subsidiary, which consist of the consolidated statement of financial position at December 31, 2013, and the related consolidated statements of income, changes in equity and cash flows for the special 12-month period beginning January 1, 2013 and ending December 31, 2013, and the related notes, which contain a summary of the significant accounting standards applied and other explanatory notes enclosed herewith.

Management's responsibility on the special consolidated financial statements

The Company's Management is responsible for the preparation and fair presentation of these special consolidated financial statements in accordance with generally accepted accounting standards in Uruguay ("Uruguayan GAAP"), and for keeping an internal control system that Management may deem suitable to allow for the preparation of financial statements free of material errors due to fraud or involuntary errors.

Auditor's responsibility

Our responsibility is to express an opinion on the special consolidated financial statements, based on our audit. We performed our audit in accordance with International Auditing Standards. Those standards require that we comply with ethical requirements and that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

An audit includes performing procedures to obtain evidence supporting the amounts and assertions disclosed in the financial statements. The selected procedures depend on our judgment, which includes assessing the risk of the financial statements containing material errors due to fraud or involuntary errors. When performing this risk assessment, we consider the internal control system relevant to the fair preparation and presentation of the financial statements of the Company to select the audit procedures that are appropriate in the circumstances, but not with the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes assessing the appropriateness of the accounting standards used and the reasonableness of the estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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We consider that the audit evidence obtained is sufficient and appropriate to support our opinion.

Opinion

In our opinion, the special consolidated financial statements mentioned in paragraph 1 present fairly, in all material aspects, the consolidated financial position of the Company and its subsidiary at December 31, 2013, as well as its consolidated statements of income and cash flows for the special 12-month period beginning January 1, 2013 and ending December 31, 2013, in conformity with Uruguayan GAAP.

On this same date, we issued our audit opinion on the special separate financial statements of the Company for the special 12-month period beginning January 1, 2013 and ending December 31, 2013. In accordance with Uruguayan GAAP, the Company must file its special consolidated financial statements jointly with its subsidiary and its special separate financial statements, which comprise the financial statements the Company must file to conform to Uruguayan GAAP. Those financial statements are included in section II of this report.

Montevideo, Uruguay
April 8, 2014

PricewaterhouseCoopers

Richard Moreira de la Rosa
Public Accountant
Partner
C.J.P.P.U. 48208

CEREALSUR S.A.

SPECIAL CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2013

(Amounts in US dollars)

	12.31.2013	12.31.2012
ASSETS		
CURRENT ASSETS		
CASH AND CASH EQUIVALENTS (Note 6)		
Cash	69,276	48,232
Banks	11,050,805	4,207,791
	11,120,081	4,256,023
TRADE RECEIVABLES		
Trade receivables (Note 7)	10,370,882	11,166,543
Related parties (Note 17)	2,510,501	611,975
Notes receivable	27,990	29,125
Less: Allowance for bad debts (Note 13)	(6,006,437)	(6,823,155)
	6,902,936	4,984,488
OTHER RECEIVABLES		
Advances to suppliers	168,601	123,722
Prepaid insurance	124,548	143,292
Salary advances	17,147	-
Expenses to be recovered	51,387	-
Tax credits (Note 10.3)	1,501,161	1,490,500
	1,862,844	1,757,514
INVENTORIES		
Spare parts	456,975	93,622
	456,975	93,622
TOTAL CURRENT ASSETS	**20,342,836**	**11,091,647**
NON-CURRENT ASSETS		
FIXED ASSETS (Note 8 and Exhibit 1)		
Cost	7,416,878	7,122,646
Less: Accumulated depreciation	(5,944,208)	(5,110,477)
	1,472,670	2,012,169
INTANGIBLE ASSETS (Note 8 and Exhibit 1)		
Cost	265,355,612	264,152,528
Less: Accumulated amortization	(89,402,358)	(71,682,549)
	175,953,254	192,469,979
TOTAL NON-CURRENT ASSETS	**177,425,924**	**194,482,148**
TOTAL ASSETS	**197,768,760**	**205,573,795**

The accompanying Notes 1 to 24 and Exhibit 1 are an integral part of these consolidated financial statements.

CEREALSUR S.A.
SPECIAL CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At December 31, 2013
(Amounts in US dollars)

	12.31.2013	12.31.2012
LIABILITIES		
CURRENT LIABILITIES		
TRADES PAYABLE		
Local suppliers	2,344,076	1,653,900
Debts with contractors	162,688	122,857
Withholdings due to contractors	53,819	66,856
Notes payable	64,173	-
Foreign suppliers (Note 10.1)	135,651	311,304
Letter of credit	157,443	-
Advances from customers	9,664	19,018
Related parties (Note 17)	11,736	4,268
	2,939,250	2,178,203
FINANCIAL DEBTS (Note 11)		
Notes payable (Note 17.1)	7,516,875	7,201,403
Negotiable obligations	9,495,630	9,608,006
Bank loans	1,250,000	5,000,000
	18,262,505	21,809,409
OTHER DEBTS		
Sundry accruals (Note 10.2)	11,228	85,404
Fee payable (Note 10.2)	822,973	769,419
Related parties (Note 10.5)	600,000	600,000
Social security payable	218,833	213,963
Unearned revenue (Note 17.1)	746,453	894,488
Provision for social security benefits	766,363	639,856
	3,165,850	3,203,130
TOTAL CURRENT LIABILITIES	**24,367,605**	**27,190,742**
NON-CURRENT LIABILITIES		
FINANCIAL DEBTS (Note 11)		
Notes payable (Note 11.1)	16,352,482	24,659,947
Negotiable obligations	60,185,034	68,781,665
Bank loans	-	1,250,000
	76,537,516	94,691,612
OTHER DEBTS		
Unearned revenue (Note 10.5)	2,643,671	3,098,753
Provision for social security benefits	980,201	775,760
Deferred income tax (Note 12)	6,946,378	4,487,480
Guarantees from customers (Note 10.4)	364,558	342,459
	10,934,808	8,704,452
TOTAL NON-CURRENT LIABILITIES	**87,472,324**	**103,396,064**
TOTAL LIABILITIES	**111,839,929**	**130,586,806**
EQUITY (as per related statements and Note 14)		
OWNERS' CONTRIBUTIONS		
Paid-in capital	19,947	19,947
	19,947	19,947
CONTRIBUTIONS TO BE CAPITALIZED		
Contributions to be capitalized - Additional paid-in capital	19,434,687	19,434,687
	19,434,687	19,434,687
RESERVES		
Legal reserve	3,784	3,784
	3,784	3,784
RETAINED EARNINGS		
Prior twelve months periods' income	55,528,571	49,501,441
Income for the twelve months period	10,941,842	6,027,130
	66,470,413	55,528,571
TOTAL EQUITY	**85,928,831**	**74,986,989**
TOTAL EQUITY AND LIABILITIES	**197,768,760**	**205,573,795**

The accompanying Notes 1 to 24 and Exhibit 1 are an integral part of these consolidated financial statements.

CEREALSUR S.A.

SPECIAL CONSOLIDATED STATEMENT OF INCOME

for the special 12-month period beginning January 1 and ending December 31, 2013

(Amounts in US dollars)

	12.31.2013	12.31.2012
OPERATING REVENUE (Note 1.2)		
Aeronautical revenue	34,030,123	35,150,280
Commercial revenue (Notes 17.2 and 17.4)	33,257,792	33,616,572
Services revenue (Note 17.2)	1,968,136	253,647
Works revenue (Note 2.20)	1,202,852	630,383
	70,458,903	69,650,882
COST OF SERVICES PROVIDED		
Fees (Note 10.2)	(6,962,688)	(7,689,134)
Airport operator (Note 10.1)	(842,322)	(749,816)
Cost of works (Note 2.20)	(1,167,819)	(612,023)
Guarantees (Notes 17.2 and 19)	(122,000)	(514,775)
Maintenance	(5,415,875)	(5,684,873)
Salaries and social security contributions	(8,130,031)	(7,853,388)
Insurance	(196,101)	(206,201)
Depreciation and amortization	(16,721,552)	(16,463,791)
	(39,558,388)	(39,774,001)
GROSS INCOME	30,900,515	29,876,881
ADMINISTRATIVE AND SELLING EXPENSES (Notes 15.1 and 17.2)	(10,562,892)	(12,488,762)
OTHER INCOME (LOSS), NET		
Works revenue (Notes 2.20 and 18)	-	131,187
Cost of works (Notes 2.20 and 18)	-	(135,011)
Other (Note 15.2)	(468,880)	(126,068)
	(468,880)	(129,892)
NET FINANCIAL RESULTS (Note 15.3)	(6,463,641)	(7,417,622)
INCOME BEFORE INCOME TAX	13,405,102	9,840,605
INCOME TAX (Note 16)		
Current tax	(4,362)	(3,881)
Deferred tax	(2,458,898)	(3,809,594)
	(2,463,260)	(3,813,475)
NET INCOME FOR THE TWELVE MONTHS PERIOD	**10,941,842**	**6,027,130**

The accompanying Notes 1 to 24 and Exhibit 1 are an integral part of these consolidated financial statements.

CEREALSUR S.A.
SPECIAL CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the special 12-month period beginning January 1 and ending December 31, 2013
(Amounts in US dollars)

	Capital	Contributions and commitments to be capitalized	Reserves	Retained earnings	Total equity
BALANCES AT DECEMBER 31, 2011					
Owners' contributions					
Units	19,947				19,947
Contributions to be capitalized		19,434,687			19,434,687
Retained profits					
Legal reserve			3,784		3,784
Unappropriated retained earnings				49,501,441	49,501,441
TOTAL AT DECEMBER 31, 2011	**19,947**	**19,434,687**	**3,784**	**49,501,441**	**68,959,859**
NET INCOME FOR THE TWELVE MONTHS PERIOD				6,027,130	6,027,130
SUBTOTAL	-	-	-	**6,027,130**	**6,027,130**
BALANCES AT DECEMBER 31, 2012					
Owners' contributions					
Units	19,947				19,947
Contributions to be capitalized		19,434,687			19,434,687
Retained profits					
Legal reserve			3,784		3,784
Unappropriated retained earnings				55,528,571	55,528,571
TOTAL AT DECEMBER 31, 2012	**19,947**	**19,434,687**	**3,784**	**55,528,571**	**74,986,989**
NET INCOME FOR THE TWELVE MONTHS PERIOD				10,941,842	10,941,842
SUBTOTAL	-	-	-	**10,941,842**	**10,941,842**
BALANCES AT DECEMBER 31, 2013					
Owners' contributions					
Paid-in capital	19,947				19,947
Contributions to be capitalized		19,434,687			19,434,687
Retained profits					
Legal reserve			3,784		3,784
Unappropriated retained earnings				66,470,413	66,470,413
TOTAL AT DECEMBER 31, 2013	**19,947**	**19,434,687**	**3,784**	**66,470,413**	**85,928,831**

The accompanying Notes 1 to 24 and Exhibit 1 are an integral part of these consolidated financial statements.

CEREALSUR S.A.
SPECIAL CONSOLIDATED STATEMENT OF CASH FLOWS
for the special 12-month period beginning January 1 and ending December 31, 2013
(Amounts in US dollars)

CASH FLOWS FROM OPERATING ACTIVITIES	12.31.2013	12.31.2012
Net Income for the twelve months period	10,941,842	6,027,130
Adjustments for:		
Depreciation of fixed assets and amortization of intangible assets	18,553,540	18,250,506
(Decrease in) / Setting up of allowance for bad debts	(816,718)	3,367,444
Deferred income tax	2,458,898	3,809,594
Changes in Assets and liabilities		
(Increase) / Decrease in trade receivables	(1,101,730)	(3,673,630)
(Increase) / Decrease in other receivables	(105,330)	(958,226)
(Increase) in Inventories	(363,353)	(39,645)
(Decrease) / Increase in trades payable	761,047	(2,666,729)
Increase in other debts	(265,822)	(430,621)
Total Changes in assets and liabilities	(1,075,188)	(7,768,851)
CASH FLOWS FROM OPERATING ACTIVITIES	**30,062,374**	**23,685,823**
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in advances to suppliers	-	50,116
Increase in fixed assets and intangible assets, net	(1,497,316)	(1,598,785)
CASH FLOWS USED IN INVESTING ACTIVITIES	**(1,497,316)**	**(1,548,669)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in financial debts	(21,701,000)	(20,890,880)
CASH FLOWS APPLIED TO FINANCING ACTIVITIES	**(21,701,000)**	**(20,890,880)**
INCREASE IN NET CASH FLOWS	6,864,058	1,246,274
INITIAL BALANCE OF CASH AND CASH EQUIVALENTS	4,256,023	3,009,749
ENDING BALANCE OF CASH AND CASH EQUIVALENTS	11,120,081	4,256,023

The accompanying Notes 1 to 24 and Exhibit 1 are an integral part of these consolidated financial statements.

NOTE 1 – GENERAL INFORMATION

1.1 Legal nature and operations

Cerealsur Sociedad Anónima (the "Company"), was initially established as a corporation on November 5, 2002, with a contractual capital of UY$ 1,500,000. The National Auditing Office approved its financial statements on December 2, 2002.

On October 13, 2005, the Company started to operate as Cerealsur Ltda., changing its type of business organization, with a capital of UY$ 543,500, represented by 1,087 units of UY$ 500 each. The amendment to the charter and the bylaws (the "Bylaws") was registered with the Legal Persons Registration Authority - Business Section, on October 24, 2005.

On June 29, 2006, the Extraordinary Partners' Meeting resolved to amend article 2 of the Bylaws, adapting the corporate purpose of the Company to the provisions of Section 47 of Uruguayan Commercial Companies Law No. 16060 and by a private Document dated December 5, 2006, the partners of Cerealsur Ltda. executed the amendment to the Incorporation Agreement, registered with the National Registry of Commerce under No. 26267, on December 8, 2006, and published in the Professional Bulletin on December 18, 2006 and in the Official Gazette on December 21, 2006.

On April 30, 2013, the Company changed its type of business organization, with the name of Cerealsur Sociedad Anónima, and a contractual capital of UY$ 1,000,000 represented by bearer shares. Its financial statements were approved by the National Auditing Office on December 3, 2013. At December 31, 2012, the Company partners were Alaska Green Corporation, which held 99.908% of capital, and Pucket Corporation, which held the remaining 0.092%.

On August 27, 2003, the Company purchased for US$ 34,000,000, 100% of the shares in Puerta del Sur S.A. ("PDS"), for a par value of UY$ 180,000, through a public auction to the best bidder held on the Montevideo Stock Exchange.

As established in its Bylaws approved by the National Auditing Office on January 28, 2003, the corporate purpose of PDS is the administration, exploitation, operation, construction and maintenance of Carrasco International Airport "Gral. Cesáreo L. Berisso" ("AIC"), regarding the airport and non-airport activities, including commercial -duty-free shops- and service activities, complementary of the airport activity, pursuant to the provisions of Law No. 17555, Decree No. 376/002 (which includes the "Integrated Management System" as supplementary document), and the contract entered into between the National Ministry of Defense ("MDN") and the National Development Corporation on December 19, 2002.

NOTE 1 – GENERAL INFORMATION (Cont'd)

1.1 Legal nature and operations (Cont'd)

On February 6, 2003, PDS and the MDN signed a contract, approved by the Executive Branch under Resolution No. 1976/002 "for the integrated management of the AIC for its full exploitation, in the manner and under the conditions specified by Decree No. 376/02 of September 28, 2002, which is considered as an integral part of this contract for all effects". In addition, on August 11, 2003, an amendment to that contract was signed specifying that "this contract is integrated as an entire agreement with Decree No. 376/02 dated September 28, 2002, the Annexes, all the national and international aeronautical regulations on customs, taxes and all other matters related to the purpose hereof and to Executive Branch Decrees No. 153/003 dated April 24, 2003, 192/003 of May 20, 2003, and 317/2003 of August 4, 2003."

The Integrated Management Contract, or the "IMC", provides that the contract term shall be 20 years counted as from the takeover of the AIC, and may be extended for a further 10-year term, at the request of PDS and subject to the approval of the Executive Branch (Note 24).

The IMC and its subsequent amendments impose upon PDS a series of obligations, as detailed in Note 1.3. No balance is due of the price offered at the public auction.

PDS enjoys the tax exemptions set out in Article 6 Section B), C) and E) of Decree-Law No. 15,637 of September 28, 1984.

These special consolidated financial statements for a period of 12 months have been prepared for consolidation purposes with the Company's subsidiary. The fiscal year-end of the Company is October 31 of each year.

These special financial statements have been approved by Management for their issuance on April 8, 2014, but they have not yet been submitted to the consideration of the Company's shareholders.

1.2 Main revenue and expenses of the Company and its Subsidiary

1.2.1 Main revenue

PDS receives revenue from aeronautical and commercial services provided.

The first group includes:

a) Landing tariffs
b) Airplanes parking tariffs
c) Airport use tariffs

NOTE 1 – GENERAL INFORMATION (Cont'd)

1.2 Main revenue and expenses of the Company and its Subsidiary (Cont'd)

In relation to such revenue, Article 4.12 of the IMC provides as follows:

- The maximum prices of the landing and parking services, cargo and system for free provision of services on land to airplanes, receivable from the persons who provide those services, are set out in Annex F to the IMC. These prices have been updated over time by several decrees issued by the Executive Branch, and the last update was Decree No. 491/009 of October 9, 2009, whereby new adjustments were established effective December 29, 2009 to the prices set in Annex F. On January 27, 2012, the Executive Branch approved Decree No. 020/12 establishing new adjustments to the prices set forth in Annex F, effective February 26, 2012.
- The prices for services provided to airlines, not comprised in Annex F, as well as their modification, will be proposed by PDS, and subject to approval.
- The prices for the remaining services not comprised in Annex F will be freely set by PDS.

1.2.2 Main expenses

Article 4.7 of the IMC establishes that the price that PDS will pay to the State as consideration for the administration, exploitation, operation, construction and maintenance of AIC will accrue annually, as from the takeover date, and will be the higher of: a) US$ 2,500,000; or b) the amount resulting from multiplying the work units (per passenger or per each 100 kilograms of cargo or mailing) by US$ 2.30. The minimum annual fee amount (sub-section a), and the value of the work unit (sub-section b) will be adjusted annually, according to the procedure described in Article 4.13 of the IMC. The annual fee has been adjusted by different decrees of the Executive Branch. Decree No. 491/009 of October 9, 2009 which had been in force since December 29, 2009 and during the fiscal year 2011, established that PDS was to pay the State the higher of: a) US$ 3,630,469; or b) the amount resulting from multiplying the work units (per passenger or per each 100 kilograms of cargo or mailing) by US$ 3.34.

On January 27, 2012, the Executive Branch approved Decree No. 020/012, which came into force on February 26, 2012, and established that PDS was to pay the State the higher of: a) US$ 4,027,188; or b) the amount resulting from multiplying the work units (per passenger or per each 100 kilograms of cargo or mailing) by US$ 3.71.

NOTE 1 – GENERAL INFORMATION (Cont'd)

1.3 Obligations assumed by PDS

Under Article 4.4 of the IMC, PDS is to take all the measures and actions necessary to administer, operate, exploit, build and maintain the AIC, ensuring the provision of the integrated management services under optimum conditions of safety, efficiency, frequency, hygiene and comfort. This article describes the following obligations:

– Destine the assets, facilities, material and human resources used in the airport and non-airport services exclusively to the subject matter of the IMC.
– Make investments in construction, new works, repair, enlargement, preservation and maintenance, as described in the technical annexes, according to the investment schedule. Further, the necessary investments to respond to the growth in the national and international air traffic of passengers and cargo.
– Carry out all the necessary acts so that the AIC is at least under the following categories: 1) Category I -Instrumental; 2) category 4E -runway status; 3) category 9 -fire protection; and 4) IATA category C.
– Payment of the fee annually accrued under the terms and conditions set forth in the contract.
– Maintain the guarantees and insurance in full force and effect.
– Maintain and preserve in good operating condition the assets it receives according to the inventory performed on the takeover date, making the pertinent replacements in case of destruction and obsolescence and updating it on the basis of the technological breakthroughs.

The IMC also sets out as follows:

- The contract term shall be 20 years counted as from the takeover of the AIC, and may be extended for a further 10-year term, at PDS's request and subject to the approval of the Executive Branch (Note 24).
- The maximum prices charged by PDS for the services it provides as AIC operator in relation to the landing and parking of airplanes, prices for cargo and prices for free provision of services on land to airplanes, receivable from the persons who render that service.
- The fee amount payable to the National Airport Infrastructure and Civil Aviation Authority ("DINACIA"), as well as the frequency of those payments.

NOTE 1 – GENERAL INFORMATION (Cont'd)

1.3 Obligations assumed by PDS (Cont'd)

- The amount of the guarantees that are to be provided in favor of the MDN for:
  - the obligations of the purchaser (the Company) for the hiring of the airport operator, investments and payment of capital; and
  - the obligations of the contractor (PDS) for contract performance.
- PDS obligation to hire an airport operator which will be in charge of at least the operating management of the AIC in the service areas for airplanes, passengers, mailing and cargo. The contractor's organization will ensure that all operations are under the control of the management that will be in charge of the airport operator (Note 10.1)
- PDS must contract civil liability insurance against damages, losses or injuries that could be caused to persons or property in relation to the performance of the IMC, in the name of PDS and the National Ministry of Defense, to cover all risks until termination or expiration of the IMC. The minimum insurable amount was set at US$ 250,000,000.

NOTE 2 - MAIN ACCOUNTING STANDARDS

The main accounting standards used by the Company and its subsidiary PDS (jointly, the "Group") in preparing these consolidated financial statements are summarized below. These standards have been applied consistently with those of the previous year.

2.1 Basis for preparation

These special consolidated financial statements have been prepared in accordance with the provisions of Decree No. 266/07 dated July 31, 2007, Decree No. 538/09 dated November 30, 2009 and Decree No. 99/09 dated February 27, 2009, which apply to fiscal years beginning January 1, 2009. These standards require the application of International Financial Reporting Standards ("IFRS") adopted at that date by the International Accounting Standards Board ("IASB"), translated into Spanish and published by the National Internal Auditing Office; the index-adjustment to the financial statements and disclosure standards included in Decree No. 103/91 and Decree 37/10.

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

2.1 Basis for preparation (Cont'd)

In preparing these special consolidated financial statements we have applied the historical cost as described below.

Accounting standards adopted by the IASB not yet effective as accounting standards in Uruguay.

The accounting standards and interpretations adopted by the IASB after July 31, 2007 are not effective standards in Uruguay.

The main standards and amendments to standards adopted but not yet effective in Uruguay are shown below:

- International Accounting Standard 1 - Presentation of Financial Statements, issued in September 2007 and effective since January 1, 2009.
- International Accounting Standard 27 - Consolidated and Separate Financial Statements, issued in January 2008 and effective since July 1, 2009.
- IFRS 3 - Business Combinations, issued in January 2008 and effective since July 1, 2009.
- Amendments to several International Accounting Standards and IFRS by the Exposure Draft Annual Improvements issued by the IASB in May 2008, 2009, 2010 and 2011.
- Interpretation 17 - Distributions of Non-cash Assets to Owners, issued in November 2008 and effective since July 1, 2009.
- Interpretation 18 - Transfers of Assets from Customers, issued in January 2009 and effective since July 1, 2009.
- International Accounting Standard 36 - Impairment of Assets, issued in April 2009 and effective since January 1, 2010.
- IFRS 2 - Share-based Payment, issued in June 2009 and effective since July 1, 2010.
- IFRS 5 - Non-current Assets Held for Sale and Discontinued, issued in April 2009 and effective since January 1, 2010.
- International Accounting Standard 24 - Related Party Disclosures, issued in November 2009 and effective for fiscal years beginning January 1, 2011.
- International Accounting Standard 32 - Financial Instruments (Classification of rights issued), issued in October 2009 and effective for fiscal years beginning February 1, 2010.
- Interpretation 19 - Extinguishing Financial Liabilities with Equity, issued in November 2009 and effective since July 1, 2010.

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

2.1 Basis for preparation (Cont'd)

- Amendments to IFRS 7 - Financial Instruments: disclosures, issued in October 2010 and effective for fiscal years beginning July 1, 2011 and issued in December 2011 and effective for fiscal years beginning January 1, 2013.
- Amendments to IFRS 1 - First-time Adopters, issued in December and effective for fiscal years beginning July 1, 2011 and issued in March 2012 and effective for fiscal years beginning January 1, 2013.
- Amendment to IAS 12 - Income Taxes, including deferred tax assets, issued in December 2010 and effective for fiscal years beginning January 1, 2012.
- Amendment to IAS 19 - Employee Benefits,
- issued in June 2011 and effective for fiscal years beginning July 1, 2012.
- Amendment to IAS 1 - Presentation of Financial Statements with regard to Other Comprehensive Income, issued in June 2011 and effective for fiscal years beginning July 1, 2012.
- IFRS 9 - Financial Instruments, issued in November 2009 and amended in October 2010. Effective for fiscal years beginning January 1, 2015.
- IFRS 10 - Consolidated Financial Statements, issued in May 2011, amended in October 2012 and effective for fiscal years beginning January 1, 2013.
- IFRS 11 - Joint Arrangements, issued in May 2011, amended in June 2012 and effective for fiscal years beginning January 1, 2013.
- IFRIC Interpretation 20 - Stripping Costs in the Production Phase of a Surface Mine, effective for fiscal years beginning January 1, 2013.
- IFRS 12 - Disclosure of Interests in Other Entities, issued in May 2011 and effective for fiscal years beginning January 1, 2013.
- IFRS 13 - Fair Value Measurement, effective for fiscal years beginning January 1, 2013.
- IAS 27 revised - Separate Financial Statements, issued in May 2011 and effective for fiscal years beginning January 1, 2013.
- IAS 28 revised - Investments in Associates and Joint Ventures, issued in May 2011 and effective for fiscal years beginning January 1, 2013.
- Amendment to IAS 32 - Financial Instruments, Requirements for Offsetting Financial Assets and Financial Liabilities, effective for fiscal years beginning January 1, 2014.
- IFRIC 21 - The obligating event that gives rise to levies or taxes other than income tax occurs on the date established by the legislation, effective for fiscal years beginning January 1, 2014.

It is not expected that the standards and interpretations will have a material impact on the valuation and disclosure of the Group's financial statements.

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

2.1 Basis for preparation (Cont'd)

Decree No. 124/11 was issued on April 1, 2011 and establishes that the accounting standards the application of which is mandatory for public companies are IFRS translated into Spanish, for fiscal years beginning January 1, 2012.

2.2 Subsidiaries

A subsidiary is any entity in relation to which the Group has the power to govern the financial and operating policies generally for being the owner of more than half of the voting rights of the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has the power to control an entity. Subsidiaries are consolidated from the moment when control is transferred to the Group, and are excluded from the consolidation on the date control ceases.

Intercompany transactions, balances and unrealized gains of Group entities are eliminated. Unrealized losses are also deleted.

The accounting policies of subsidiaries are consistent with the policies adopted by the Group.

2.3 Information by business segment

Group assets and transactions are exposed to similar risks and subject to similar returns; as a result, the Group does not segregate information by business segment.

2.4 Functional currency and reporting currency

The financial statements of the Group are prepared and disclosed in US dollars, which is the functional currency and reporting currency of the Group financial statements.

Group accounting records are kept in both Uruguayan pesos - the legal currency in Uruguay - and US dollars.

2.5 Balances in foreign currency

Foreign currency assets and liabilities (in a currency other than the functional currency) are stated at the exchange rate prevailing at each closing. Exchange differences are charged to income/loss. The following exchange rates were used: US$ 1 = UY$ 21.424 and EUR 1 = US$ 1.38045 at December 31, 2013, and US$ 1 = UY$ 19.401 and EUR 1 = US$ 1.322 at December 31, 2012.

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

2.5 Balances in foreign currency (Cont'd)

Retained earnings are disclosed at their historical value stated in US dollars. The amounts reported under the captions in the Statement of Income were translated at the exchange rate prevailing on the date of each transaction.

Ending balances of foreign currency assets and liabilities (in a currency other than the functional currency) are summarized in Note 5.

2.6 Trade receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method, less the impairment allowance. An impairment allowance of trade receivables is recorded when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the effective interest rate.

This allowance is calculated basically in accordance with the aging of balances at each closing date. The impairment allowance is recognized in the Statement of Income.

2.7 Financial Assets

The Group classifies its financial assets within the following categories: investments at fair value through income/ loss; loans and other receivables; permanent investments held until maturity, and financial assets available for sale. The classification depends on the purpose for which the investments were acquired. Management sets the classification of the investments at the time of the initial recognition and reconsiders it at each closing date.

(a) Investments at fair value though income/ loss

This caption includes investments acquired for sale in the short-term (within 12 months following the closing) and they are valued at fair value. Variances in fair value are recorded in profit and loss accounts.

(b) Loans and other receivables

They are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method, less the impairment allowance, if any.

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

2.7 Financial Assets (Cont'd)

(c) Permanent investments held until maturity

Permanent investments held until maturity are investments with a fixed maturity date that Management intends and has the financial ability to maintain until their maturity date. They are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method, less the impairment allowance, if any.

(d) Financial assets available for sale

This caption includes assets not falling within any of the categories mentioned above. These assets are recognized at their fair value and variances in the fair value are recognized directly in equity accounts (variances of fair value in equity adjustments); when these investments are sold or impaired, the accumulated amount of the related adjustments at fair value is charged to profit and loss accounts.

These assets are written down when the right to collect the respective cash flows has been forfeited or assigned and the Group has transferred substantially all of the risks and benefits inherent in the ownership right on the assets.

During this period and the prior period, the Group did not maintain any investments in the following categories: Investments at fair value through income/ loss; Permanent investments held until maturity, and financial assets available for sale.

2.8 Impairment of assets

Fixed assets and intangible assets are subject to impairment tests whenever changes in events or circumstances indicate that their carrying amount may not be recovered. When the carrying amount of an asset exceeds it recoverable value, an impairment loss is recognized. The recoverable value is the higher of its fair value less costs to sell and its value in use. To assess their impairment, assets are considered at each cash-generating unit level.

2.9 Inventories

Assets recorded under Inventories are stated at the lower of cost value and the net realizable value. Cost is determined using the first-in, first-out (FIFO) method.

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

2.10 Fixed assets

Fixed assets are recorded at their historical cost, less depreciation. Historical cost includes expenses directly attributable to the acquisition of assets.

Depreciation is calculated based on the straight-line method from the month following the month of its incorporation by applying the annual rates defined in Exhibit 1.

Maintenance costs and repairs are charged to income/loss in the period they are incurred.
The residual value of assets and their useful lives are reviewed, if necessary, at each closing.

The carrying amount of an asset is reduced immediately to its recoverable value as soon as it is determined that its carrying amount exceeds its estimated recoverable value (Note 2.8).

Profits and losses arising from the disposal of assets (due to sale or retirement) are determined comparing revenue obtained with their carrying amount. Profits and losses are included in the Statement of comprehensive income.

2.11 Intangible assets

2.11.1 Concession of AIC

This intangible asset shows the value of acquisition of the shares of PDS in a public auction (Note 1.1) that exceeds the equity value (UY$ 180,000) of this subsidiary at that time plus expenses directly associated with the acquisition. It is amortized under the straight-line method using a 20-year useful life, which is the current term of the concession granted to PDS. Impairment tests are annually performed on this asset and it is recorded at cost less accumulated impairment losses.

2.11.2 Concession-related construction works

Under the IMC, PDS undertakes to perform construction works and improvements in consideration of the right to exploit an intangible asset and the related right to charge a fee to users of airport services. The intangible asset is recognized at the fair value of the construction works and improvements. The fair value of the construction works or improvements equals the cost of the construction works or improvements plus a reasonable margin, estimated at 3%.

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

2.11.2 Concession-related construction works (Cont'd)

Intangible assets associated with the works actually performed are recognized based on the work progress certificate and amortized from the month following the month of completion of the works, considering as useful life the period remaining until the end of the concession, as detailed in Exhibit 1. The allocation of resources for the incorporation of Intangible assets is disclosed in the account Advances to suppliers with in the Intangible assets section of Exhibit 1.

The carrying amount of an asset is reduced immediately to its recoverable value as soon as it is determined that its carrying amount exceeds its estimated recoverable value (Note 2.8).

2.12 Financial loans

Loans received are initially recognized at fair value, net of the transaction costs incurred. Subsequently, these loans are disclosed at amortized cost; any difference between the funds deposited (net of transaction costs) and the repayment value is recognized in the Statement of Income using the effective interest rate method. Loans are classified under Current Liabilities unless the Group has an unconditional right to postpone payment for a term of at least 12 months following the closing date of the period.

2.13 Income tax

The income tax charge is calculated by adding the current tax charge or tax payable and the income tax charge or credit.

Deferred taxes are recognized according to the liability method, for the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts, based on tax regulations.

Deferred taxes are determined using the rates and regulations effective at the date of the financial statements that are expected to the effective at the time deferred tax assets are realized or deferred tax liabilities are settled.

Deferred tax assets are recognized as long as it is probable that there will be future taxable profits to offset against deductions for temporary differences.

2.14 Employee benefits

Liabilities relating to optional or mandatory employee benefits are recognized under Liabilities and charged to losses of the period they accrue.

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

2.15 Provisions

Provisions for debts relating to legal claims or other actions from third parties are recognized when the Group has a legal or alleged obligation arising from past events; it is likely that resources should be allocated to settle the liability and the amount of the obligation has been estimated in a reliable manner.

2.16 Share capital

The nominal value of shares issued and the amount of the contributions received in excess of the shares issued are disclosed as Additional paid-in capital under Contributions and commitments to be capitalized.

2.17 Concession for use of terminal space

Concession for use of terminal space where the grantor maintains a substantial portion of the risks and benefits is classified as operating. Revenue and cost accrued by this caption are included in the Statement of Income.

2.18 Capital

To determine the income/loss for the period, the capital to be maintained has been defined as the financial capital invested or received as a result of capital contributions.

2.19 Cash and cash equivalents

In the Statement of Cash Flows, cash and cash equivalents include cash available, sight deposits in banks and temporary investments with a maturity date less than 90 days (Note 6).

2.20 Revenue and expense recognition

The criteria applied by the Group for revenue and expense recognition resulting from the business operation is detailed below:

(a) Aeronautical revenue and costs

Aeronautical revenue is recognized when the Group provides a service to third parties, such as the boarding fee, landing tariffs, airplane parking tariffs and/or airport use tariffs. Aeronautical costs have been recognized with charge to income/loss in the period they accrue (Notes 1.2 and 1.3).

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

2.20 Revenue and expense recognition

(b) Commercial revenue and costs

Commercial revenue and costs have been recognized as revenue or cost in the period they accrue.

(c) Revenue and costs related to concession works

Revenue and costs related to concession works have been recognized based on *Interpretation 12 - Service Concession Arrangements* (IFRIC 12). The main provisions established in the standard are the following:

- in a concession, there are two phases or elements identified: first, construction, and second, exploitation and operation, with different profit margins.
- the concessionaire must recognize revenue and costs relating to the construction and exploitation and operation of the service in accordance with IAS 11 *Construction Contracts* and IAS 18 *Revenue*, respectively.
- the concessionaire must recognize intangible assets considering that it is awarded the right to collect a fee from users for the service provided.

Revenue from works actually performed is recognized based on a work progress certificate, plus a margin of 3%. The cost is recognized based on each work progress.

(d) Fees

The fees generated until the start-up of the new airport terminal, associated with the right of use of the properties received from the grantor, were recognized in the period between the beginning of the concession and the construction of the new terminal.

From the construction and the start-up of the new airport terminal, the fee is recognized on an annual basis, in accordance with the IMC, as a reduction of the revenue received from its activity, in the amount of the annual fee payable detailed in Notes 1.2.2 and 1.3.

The commitment related to the fee payable in accordance with the IMC, is detailed in Note 20.

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

2.20 Revenue and expense recognition

(e) Other revenue and costs not related to concession works

Revenue and costs for other works, in connection with construction contracts the result of which may be estimated with sufficient skills, are recognized in Other income/loss as such, with reference to the completion of the activity on the date of closing (Note 18).

NOTE 3 – FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

Group activities expose the Group to a variety of financial risks, including exchange risk, credit risk, liquidity risk and interest rate risk.

Management is responsible for risk management.

(a) Market risk

i. Exchange risk

The Group is exposed to foreign exchange risk of many currencies, particularly, the Euro and the Uruguayan Peso. The foreign exchange risk arises from commercial transactions and from assets and liabilities in foreign currency.

To manage its foreign exchange risk, in general, the Group seeks to neutralize its positive and negative monetary positions maintained. The Group does not have a hedge against that risk through derivative financial instruments. Note 5 to the financial statements summarizes the balances of foreign currency assets and liabilities (in a currency other than the functional currency) at the closing of each period.

In the period ended December 31, 2013, if the value of the Uruguayan peso had depreciated/ appreciated by 10% compared with the US dollar and the other variables had remained constant, the after-tax profit would have been higher/ lower by approximately US$ 52,297 due to the exposure generated by that foreign currency for net balances payable at the closing of the period (US$ 59,574 at December 31, 2012).

In the period ended December 31, 2013, if the value of the Euro had depreciated/ appreciated by 10% compared with the US dollar and the other variables had remained constant, the after-tax profit would have been higher/ lower by approximately US$ 571,448 due to the exposure generated by that foreign currency for net balances payable at the closing of the period (US$ 1,058,747 at December 31, 2012).

NOTE 3 – FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

ii. Interest rate risk on fair value and cash flows

The Group does not have significant assets that generate interest; as a result, operating revenue and cash flows are substantially independent from the changes in market interest rates.

Interest rate risk for the Group may arise from non-current debts. Debts at fixed rates do not expose the Group to interest rate risk on the fair value of its liabilities.

iii. Price risk

The Group is not exposed to price risk since it does not have financial assets at fair value.

Credit risk

Credit risk is focused on accounts receivable basically from airlines and concessions for use of space. Although there is a significant number of customers and credit is not concentrated, customers may be affected by internal and external economic factors which, considering their profile and characteristics, result in a low probability of risk. There are policies in place to control the credit granted.

Liquidity risk

The Group manages liquidity risk carefully; this implies maintaining sufficient cash and cash equivalents to face committed short-term disbursements of funds.

The table below shows the Group financial liabilities and the time lapsing from the period-end date until their maturity. The amounts disclosed below are contractual undiscounted cash flows.

At December 31, 2013	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
Financial debts	22,608,675	13,147,819	35,397,956	45,690,806
Trade accounts payable and other debts	3,773,451	-	-	1,246,942

At December 31, 2012	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
Financial debts	26,973,958	22,293,203	37,420,706	57,896,094
Trade accounts payable and other debts	2,958,371	-	-	1,248,994

NOTE 3 – FINANCIAL RISK MANAGEMENT (Cont'd)

3.2 Capital risk management

The Group's objective relating to capital management is to safeguard the ability of the Group to continue operating as a going concern to generate income for its shareholders and benefits to stakeholders and maintain an optimum capital structure aiming at reducing the cost of capital.

To maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to the shareholders, issue new shares or sell liabilities to reduce its debt.

The Group monitors its capital based on the leverage ratio, which is calculated dividing the net debt by the total capital. Net debt accounts for total debts (including current and non-current debts) less cash and cash equivalents. Total capital accounts for equity as disclosed in the special consolidated statement of equity plus net debt.

Leverage ratios at December 31, 2013 and 2012 were the following:

	2013	2012
Financial debts (Note 11)	94,800,021	116,501,021
Less: cash and cash equivalents (Note 6)	11,120,081	4,256,023
Net debt	83,679,940	112,244,998
Total Equity	85,928,831	74,986,989
Total Equity and Liabilities	169,608,771	187,231,987
Leverage ratio	**49%**	**60%**

3.3 Fair value estimation

The fair value of financial instruments not traded in an active market, such as loans, is determined applying valuation techniques, mainly present value of discounted cash flows and quoted market prices or quoted prices available from brokers for similar instruments.

NOTE 4 – USE OF ESTIMATES

The preparation of financial statements in accordance with Uruguayan GAAP requires that Management make estimates and assumptions affecting the amount of assets and liabilities, revenue and expenses recorded. Actual results might differ from these estimates and assumptions.

NOTE 4 – USE OF ESTIMATES (Cont'd)

The main estimates used and assumptions made in determining the carrying amount of assets and liabilities are:

Fair value estimation

The nominal value of deposits, Trade receivables and Other receivables less their Allowance for bad debts and Trade payables, Financial debts, Other debts and Provision for short-term contingencies approximate their fair value.

Deferred income tax

The Group recognizes the effect of deferred income tax based on estimates and assumptions relating to realization and settlement of assets and liabilities, respectively.

Changes in estimates and assumptions may have a significant impact, in the period those changes occur, on the deferred tax assets and liabilities recorded.

Recognition of revenue related to concession works

Revenue and costs related to concession works have been recognized based on IFRIC 12 requirements. Revenue from works actually performed is recognized based on a work progress certificate, plus an estimated margin of 3%. The cost is recognized based on each work progress.

Other revenue and costs non-related to concession works

Revenue and costs not related to concession works, associated with construction contracts the result of which may be estimated reliably, are recognized based on the percentage of completion method.

NOTE 5 - FOREIGN CURRENCY POSITION

Balances of foreign currency assets and liabilities, other than the functional currency, at December 31, 2013 and December 31, 2012 are the following:

	12.31.2013			12.31.2012
	Uruguayan peso	Euro	Equivalent in US$	Equivalent in US$
ASSETS				
CURRENT ASSETS				
Cash and banks	20,972,918	255	979,297	279,401
Trade receivables	3,429,889	-	160,096	165,657
Other receivables	33,109,016	-	1,545,417	1,490,500
TOTAL ASSETS	**57,511,823**	**255**	**2,684,810**	**1,935,558**
LIABILITIES				
CURRENT LIABILITIES				
Trade payables	31,964,882	74,456	1,594,796	1,016,924
Other debts	41,979,642	-	1,959,468	1,714,983
Financial debts	-	5,445,235	7,516,875	14,402,806
TOTAL LIABILITIES	**73,944,524**	**5,519,691**	**11,071,139**	**17,134,713**
NET POSITION	**(16,432,701)**	**(5,519,436)**	**(8,386,329)**	**(15,199,155)**

NOTE 6 – CASH AND CASH EQUIVALENTS

	2013 US$	2012 US$
Cash and banks	11,120,081	4,256,023
	11,120,081	4,256,023

NOTE 7 - TRADE RECEIVABLES

There is no credit risk concentration relating to trade receivables, based on the characteristics of customers. As detailed in Note 2.6, an allowance for bad debts was set up in case some receivables become uncollectible.

NOTE 7 - TRADE RECEIVABLES (Cont'd)

The Group reversed the allowance for bad debts in the amount of US$ 816,718 in the period ended December 31, 2013 (Note 13). In the period ended December 31, 2012, an allowance for bad debts was set up in the amount of US$ 3,367,444.

PDS recognized the impairment of receivables with its main aeronautical customer, Pluna Líneas Aéreas Uruguayas S.A. ("Pluna"), which in early July 2012 filed a petition for reorganization and ceased operations.

Income/ loss was charged to Administrative and selling expenses in the Statement of Income (Note 15.1).

NOTE 8 - FIXED ASSETS AND INTANGIBLE ASSETS

Changes in the balances of fixed assets and intangible assets during this period are disclosed in the Exhibit 1 to these financial statements.

Depreciation of fixed assets and amortization of intangible assets for the period ended December 31, 2013 were allocated in the following manner: US$ 16,721,552 to Cost of services provided and US$ 1,831,988 to Administrative and selling expenses (Note 15.1). Depreciation of fixed assets and amortization of intangible assets for the period ended December 31, 2012 were allocated in the following manner: US$ 16,463,791 to Cost of services provided and US$ 1,786,715 to Administrative and selling expenses (Note 15.1).

Analysis of recoverability of intangible assets

i) During the fiscal year ended December 31, 2013 and 2012 no losses on intangible asset impairment were recognized.

ii) For the purpose of analyzing the impairment of intangible assets through the calculation of their recoverable value, pre-tax cash flow projections covering a five-year period have been used, based on assumptions approved by the Board of Directors. Cash flows for the following years were extrapolated using estimated growth rates. Growth projections do not exceed the long-term growth expected for the business.

iii) These were the key assumptions used in the projections:

	2013	**2012**
	%	**%**
- passenger growth rate	3.8	1.7
- pre-tax discount rate	7.75	7.75

NOTE 8 - FIXED ASSETS AND INTANGIBLE ASSETS (Cont'd)

iv) PDS estimates that the growth rate of aeronautical and commercial revenue based on past experience and the prospects for changes in air traffic.

NOTE 9 - FINANCIAL INSTRUMENTS

9.a Breakdown:

	Loans and other receivables	Total US$
At December 31, 2013		
Assets		
Cash and banks	11,120,081	11,120,081
Trade receivables	6,902,936	6,902,936
Total	**18,023,017**	**18,023,017**

	Other liabilities	Total US$
Liabilities		
Trade payables	2,939,250	2,939,250
Financial debts	94,800,021	94,800,021
Other debts	1,187,531	1,187,531
Total	**98,926,802**	**98,926,802**

	Loans and other receivables	Total US$
At December 31, 2012		
Assets		
Cash and banks	4,256,023	4,256,023
Trade receivables	4,984,488	4,984,488
Total	**9,240,511**	**9,240,511**

	Other liabilities	Total US$
Liabilities		
Trade payables	2,178,203	2,178,203
Financial debts	116,501,021	116,501,021
Other debts	1,111,878	1,111,878
Total	**119,791,102**	**119,791,102**

NOTE 9 - FINANCIAL INSTRUMENTS (Cont'd)

9.b Credit rating of financial assets

The credit rating of financial assets that are neither due nor impaired is assessed based on external risk ratings, if any, and historical information on default rate from its counterparties:

	2013 US$	2012 US$
Accounts receivable		
Counterparties without external risk ratings	5,676,454	4,690,748
Total accounts receivable	5,676,454	4,690,748
Cash at banks and short-term deposits		
AA (UY)	10,978,267	4,133,193
Counterparties without external risk ratings	72,541	74,641
Total cash at banks and short-term deposits	11,050,808	4,207,834

NOTE 10 - TRADES PAYABLE AND OTHER DEBTS

10.1 Balance held with the airport operator

As set forth in the contract entered into between the airport operator, Societá Esercizi Aeroportuali S.p.A. ("SEA") and PDS, the operator will receive on an annual basis the higher of 2.5% of the Group's aeronautical revenue or US$ 300,000 as consideration for the service provided.

The Foreign suppliers line includes the amount accrued and owed to SEA of US$ 25,667 (US$ 25,667 at December 2012). The charge to income/loss amounts to US$ 842,322 (US$ 749,816 at December 2012), and is included in Cost of services provided.

10.2 Balance held with the National Ministry of Defense

The Fee payable line item within Other debt under Current liabilities, includes an amount of US$ 822,973 at December 31, 2013 and of US$ 769,419 at December 31, 2012, for the balance of the annual price payable to the State as consideration for the administration, exploitation, operation, construction and maintenance of the AIC, accrued as detailed in Note 1.2.2. The charges to income/loss amount to US$ 6,962,688 for the period ended on December 31, 2013 and US$ 7,689,134 for the period ended on December 31, 2012, and are included in Cost of services provided.

NOTE 10 - TRADES PAYABLE AND OTHER DEBTS (Cont'd)

10.3 Tax balances

This account includes the following items:

	2013 US$	2012 US$
Certificate of credit requested	233,402	323,895
Certificates held in the portfolio	5,272	1,024,942
	238,674	1,348,837
Payments on account	1,336,814	245,101
Income tax withholdings (individuals)	(80,597)	(111,295)
Business income (IRAE) and assets (IP) tax prepayment	5,716	7,339
Corporations Control Tax (ICOSA) prepayment	554	518
	1,262,487	141,663
Tax credits	1,501,161	1,490,500

10.4 Guarantees from customers

i) Correspond to cash deposits made by sub-concessionaires at AIC in favor of PDS to guarantee compliance with all the obligations arising under the respective contracts. These guarantees will be valid until all of the obligations become extinguished, and their validity period will never be shorter than the term of the concession. The sub-concessionaire may, at any time and with the prior written consent of the grantor, replace the guarantees with another that duly secures compliance with the guaranteed obligations.

ii) TCU S.A. signed in favor of PDS a guarantee for US$ 600,000, enforceable only in the event of noncompliance with the obligations arising under the contract as licensee, as set forth in the contract signed on January 15, 2010.

The balance of this guarantee at December 31, 2013 and December 31, 2012 has been disclosed in the line item Related parties within Other debts - Current.

The term of duration of the above-mentioned contract is 12 months, automatically renewable for a further 12-month period, and successively for equal periods, unless earlier terminated by either party upon written notice.

NOTE 10 - TRADES PAYABLE AND OTHER DEBTS (Cont'd)

10.4 Guarantees from customers (Cont'd)

iii) Navinten S.A. signed in favor of PDS a guarantee for US$ 600,000, enforceable only in the event of noncompliance with the obligations arising under the contract as licensee, as set forth in the contract signed on January 15, 2010 and expiring on November 20, 2023.

The balance of this guarantee at December 31, 2013 and December 31, 2012 has been disclosed in the line item Guarantees from customers, within Other debts – Non-current.

The present value of the guarantee is reviewed at the end of each period and the differences are recognized in the Statement of income, under Financial Results.

10.5 Unearned revenue

	2013 US$	2012 US$
Current		
Advertising and goodwill to be accrued (third parties)	717,977	866,012
Guarantees received but not yet accrued (Note 10.4)	28,476	28,476
	746,453	894,488
Non-current		
Advertising and goodwill to be accrued (third parties)	2,389,763	2,816,369
Guarantees received but not yet accrued (Note 10.4)	253,908	282,384
	2,643,671	3,098,753
Total	**3,390,124**	**3,993,241**

The balances included in advertising and goodwill to be accrued correspond to advance collections, less the portion of revenue accrued at year-end under the contracts for goodwill for the use of spaces in the new terminal.

The balances included in guarantees received to be accrued correspond to the difference between the fair value of the guarantees received and the amount in cash received. At December 31, 2013 and December 31, 2012, the fair value of the liability was determined based on the discount of the future cash outflow at an interest rate applied to the transaction. This difference is accrued over the life of the contract.

The present value of those guarantees is reviewed at the end of each period and the differences are recognized in the Statement of Income, under Financial Results.

NOTE 11 – FINANCIAL DEBTS

Breakdown

	2013 US$	2012 US$
Current		
Bank loans	1,250,000	5,000,000
Negotiable obligations	9,495,630	9,608,006
Notes payable	7,516,875	7,201,403
	18,262,505	21,809,409
Non-current		
Negotiable obligations	60,185,034	68,781,665
Bank loans	-	1,250,000
Notes payable	16,352,482	24,659,947
	76,537,516	94,691,612
Total financial debts	94,800,021	116,501,021

11.1 Bank Loans

The bank loan was granted by Banco Santander S.A. to PDS, as detailed below:

- Loan for US$ 20,000,000, which was made effective through successive disbursements from May 29, 2009 to September 30, 2009, repayable over 5 years counted as from the date of the last disbursement completing the total amount lent, at an effective annual interest rate of 6.5% on balances due. The loan will be amortized in 16 equal and consecutive quarterly installments as from the end of a grace period of one year counted as from the last disbursement date.

  This bank loan was guaranteed until July 27, 2011 by an assignment of credits received or to be received by Navinten S.A. in the future, receivable from American Express, Visa, and MasterCard credit cards for sales of products in the AIC Duty-Free Shop.

  A series of conditions to be complied by PDS are also established, which do not differ significantly from those established in the Negotiable Obligations program mentioned in Note 11.2.

NOTE 11 – FINANCIAL DEBTS (Cont'd)

11.2 Negotiable Obligations

On April 30, 2007, PDS issued negotiable obligations for a nominal value of US$ 87,000,000 for a term of 14 years and a half, falling due on October 29, 2021 at a fixed interest rate of 7.75% per annum. This issuance was offered through a public auction at Bolsa Electrónica de Valores del Uruguay S.A.

(a) Amortization will start as from 2011, at the following percentages:

- 10% of principal will be paid in two semi-annual installments on April 29 and October 29, 2011 and on April 29 and October 29, 2012.

- 10% of principal on an annual basis, in equal and consecutive semi-annual installments as from 2013 and until October 29, 2021.

(b) Interest will be paid semi-annually.

(c) Guarantee: Assignment to a Guarantee Trust to be created of the following credits of PDS: 1) Revenue from the exploitation, construction and maintenance of the AIC; 2) revenue from fee for the space granted for the exploitation of the duty-free shop and for the operation and exploitation of the cargo terminal of the AIC; 3) the total amounts PDS receives or has the right to receive for any item from the State or third parties.

(d) Program risk rating: A (UY) by Fitch Uruguay Calificadora de Riesgo S.A.

(e) Trustee of the Trust: Fidential S.R.L.

(f) Issue trust agent: Bolsa Electrónica de Valores del Uruguay S. A.

(g) Paying Agent, registrant and depositing and custody of funds: Banco Santander S.A. (ex ABN Amro Bank N.V. Montevideo branch).

The amounts collected for the subscription and placements of the negotiable obligations were transferred to an administration and guarantee trust, *Fideicomiso Construcción del Aeropuerto Internacional de Carrasco*, and were released from that trust as stipulated in the fund application schedule and in the procedures manual, following the methods established by that trust.

The funds managed by the trust were fully released in 2009.

NOTE 11 – FINANCIAL DEBTS (Cont'd)

11.2 Negotiable Obligations (Cont'd)

The Negotiable Obligations program establishes a series of conditions to be fulfilled by PDS, some of which are detailed below:

- To maintain a debt servicing coverage ratio on an annual basis which i) shall be greater than 1.5 times for the years 2006 to 2011; and ii) greater than 1.2 times for the years 2012 to 2014; and greater than 1.5 times as from 2015 and until repayment of the negotiable obligations. This ratio is defined as EBITDA (at year end, year "t")/principal amortization + payment of interest service (for the current year, "t + 1").

- To maintain an indebtedness ratio (liabilities / (equity + subordinated loans in respect of the negotiable obligations granted by the shareholder or group)) of less than 3.

- To faithfully comply with all its obligations in the existing contexts with the concessionaires of the administration and exploitation of the duty-free Shop and of the administration and exploitation of the air cargo terminal and may rescind or amend them only if the amendments or the new concessionaires do it under no less advantageous conditions (from an economic viewpoint) for PDS (with respect to the existing contracts).

- Not to assign, pledge or otherwise restrict its rights under the trust agreement.

- To abstain from distributing dividends unless the debt servicing coverage ratio on an annual basis exceeds 1.7 and PDS complies with the restriction to maintain the indebtedness ratio. Furthermore, while the construction of the new terminal of the AIC is in progress and until payment of the first principal amortization has been made or when the trust agent has duly notified PDS of noncompliance with the obligations assumed.

- To abstain from granting loans to related or controlled parties.

- To abstain from securing third party obligations.

NOTE 11 – FINANCIAL DEBTS (Cont'd)

11.3 Notes payable

The notes payable in Euros correspond to the balance of the loan agreement signed on August 20, 2004 and partially amended on January 17, 2007 (amendments effective April 1, 2007) between Alaska Green Corporation and the Company, which enabled obtaining a loan for EUR 20,000,000.

The main conditions of the loan are as follows:

a) Compensatory interest shall accrue on balances due as from December 20, 2004 at an annual nominal rate of 9%. As per the amendment to the loan, compensatory interest shall accrue on balances due until March 31, 2007. No interest payments will apply thereafter.

b) Principal will be payable in three consecutive annual installments from December 20, 2010 through December 20, 2012, with the latter being the final repayment date of the loan.

c) As per the amendment to the loan, while the amendment remains in effect, no arrears will be applied to the interest payments.

On October 15, 2010, an amendment to the loan agreement was signed, modifying the time period for repayment of principal, which will be payable in three consecutive annual installments from December 20, 2012 through December 20, 2014, the latter being the final repayment date of the loan. Interest will be paid together with the first principal disbursement.

Payment of the first principal installment for EUR 5,445,234 and interest for EUR 992,396 was made on May 9, 2012.

Payment of the second principal installment for EUR 5,445,234 was made on July 4, 2013.

The US dollar-denominated financial debts correspond to the loan agreement signed by Alaska Green Corporation and the Company on January 25, 2007, which enabled obtaining a loan for US$ 21,000,000.

NOTE 11 – FINANCIAL DEBTS (Cont'd)

11.3 Notes payable (Cont'd)

The main conditions of the loan are as follows:

a) The loan will not accrue compensatory interest on balances due.

b) The terms and conditions for repayment of principal will be established by the parties by mutual consent, after the contractual conditions have been set forth under the Trust Agreement for the distribution of dividends of PDS to the Company.

A partial principal payment for US$ 654,901 was made on May 9, 2012.

A second partial principal payment for US$ 2,886,554 was made on September 28, 2012.

Principal for US$ 1,106,063 was repaid on July 4, 2013.

11.4 Other information

11.4.1 As described in Notes 11.1 and 11.2, Group's assets secure neither the bank loans nor the negotiable obligations.

As collateral for faithful compliance with the loan agreement detailed in Note 11.3, the Company created a pledge on 100% of the shares in PDS owned by the Company, in favor of Alaska Green Corporation, maintaining the exercise of its rights over the shares.

NOTE 12 - DEFERRED INCOME TAX

Deferred tax assets and liabilities are disclosed as a net amount since they may be offset as they related to the same tax authority. Offset amounts include the following:

	2013 US$	2012 US$
Deferred tax assets:		
- Deferred tax asset to be refunded within 12 months	-	-
- Deferred tax asset to be refunded after 12 months	23,879,272	18,009,200
	23,879,272	18,009,200
Deferred tax liabilities:		
- Deferred tax liability to be refunded within 12 months	-	-
- Deferred tax liability to be refunded after 12 months	30,825,650	22,496,680
	30,825,650	22,496,680
Deferred tax liability, net	**(6,946,378)**	**(4,487,480)**

Gross changes in deferred income tax were the following:

	2013 US$	2012 US$
At January 1	(4,487,480)	(677,886)
Deferred tax for the period	(2,458,898)	(3,809,594)
At December 31	**(6,946,378)**	**(4,487,480)**

Changes in deferred tax assets and liabilities during the period were the following:

Deferred tax assets

Deferred tax assets	Allowance for bad debts	Sundry provisions	Unearned revenue	Tax losses	Total
At January 1, 2012	20,500	167,054	1,064,626	13,744,610	14,996,790
Charge to income	167,722	26,886	(253,622)	3,071,424	3,012,410
At December 31, 2012	**188,222**	**193,940**	**811,004**	**16,816,034**	**18,009,200**
Charge to income	(6,859)	51,110	(106,799)	5,932,620	5,870,072
At December 31, 2013	**181,363**	**245,050**	**704,205**	**22,748,654**	**23,879,272**

Prior-year tax losses amount approximately to UY$ 1,949,468,642 (adjusted at December 31, 2013), which account for US$ 90,994,615.

NOTE 12 - DEFERRED INCOME TAX (Cont'd)

The breakdown is the following:

Tax losses US$	Date of generation	Date of expiration
33,053,125	2010	2015
24,109,182	2011	2016
17,487,438	2012	2017
16,344,870	2013	2018
90,994,615		

Deferred tax liabilities

Deferred tax liability	**Fixed and intangible assets**	**Total**
At January 1, 2012	15,674,676	15,674,676
Charge to income	6,822,004	6,822,004
At December 31, 2012	**22,496,680**	**22,496,680**
Charge to income	8,328,970	8,328,970
At December 31, 2013	**30,825,650**	**30,825,650**

NOTE 13 - ALLOWANCES AND PROVISIONS

A detail of the changes in the balance of the allowance for bad debts at December 31, 2013 and December 31, 2012 is disclosed below:

	2013 US$	**2012 US$**
Initial balance	**6,823,155**	**962,451**
Charged to income:		
Setting up of allowance	81,819	3,367,444
Reclassification of Pluna-related allowances	-	2,493,260
Reversal charged to income/(loss) (Note 15.1)	(898,537)	-
Ending balance	**6,006,437**	**6,823,155**

NOTE 14 - EQUITY

14.1 Capital

At December 31, 2013, the Company's authorized capital amounts to UY$ 1,000,000. The capital actually paid in at December 31, 2013 amounts to UY$ 543,500 and is made up of 1,087 shares of UY$ 500 each. At December 31, 2012, the Company's capital amounts to UY$ 543,500, represented by 1,087 units of UY$ 500 each.

Units of interest do not impose on the Company the obligation to pay dividends; as a result, no liability has been recognized.

14.2 Restriction on the distribution of profits

14.2.1 Section 93 of the Commercial Companies Law No. 16060 establish that 5% of the net profits of each fiscal year must be appropriated to the legal reserve, until it reaches 20% of the paid-in capital. If, for whatever reason, this legal reserve is reduced, the Company shall not distribute profits until it is replenished.

14.2.2 Pursuant to Section 98 of the law, the Company shall not distribute net profits until prior year losses are offset.

14.3 Distribution of profits

On June 11, 2013, the General Extraordinary Shareholders' Meeting decided to approve the financial statements at October 31, 2011, maintaining the results reported in the accounts.

NOTE 15 - BREAKDOWN OF INCOME/ LOSS BALANCES

15.1 Administrative and selling expenses

Administrative and selling expenses include the following items:

	2013 US$	2012 US$
Bad debts/reversals	(816,718)	3,367,444
Utilities	2,551,244	2,411,929
Advertising	463,410	329,338
Security, health care and firefighters	1,215,126	1,165,957
Salaries and social security contributions	905,042	714,668
Travel expenses	235,983	77,599
Computer equipment and services	117,894	333,936
Professional fees	1,122,842	897,532
Taxes	212,716	51,165
Depreciation and amortization	1,831,988	1,786,715
Insurance	10,794	26,243
Entertainment and events	112,960	116,331
Commissions	433,135	412,852
Other	2,166,476	797,053
	10,562,892	12,488,762

15.2 Other losses

Other losses include the following items:

	2013 US$	2012 US$
Donations	324,379	99,219
Other	144,501	26,849
	468,880	126,068

NOTE 15 - BREAKDOWN OF INCOME/ LOSS BALANCES (Cont'd)

15.3 Net financial results

Financial income (loss), net include the following items:

	2013	2012
	US$	US$
Interest paid	6,101,105	6,913,431
Interest earned	(75,312)	(41,209)
Guarantees	17,400	42,300
Expenses relating to negotiable obligations	43,369	103,369
Credit cards commissions	21,870	14,891
Translation differences	355,209	384,840
	6,463,641	7,417,622

NOTE 16 - INCOME TAX

	2013	2012
	US$	US$
Current tax	(4,362)	(3,881)
Deferred tax (Note 12)	(2,458,898)	(3,809,594)
	(2,463,260)	(3,813,475)

The pre-tax income tax charge differs from the notional figure that resulted from applying the weighted average tax rate on the Group's income, as follows:

	2013	2012
	US$	US$
Pre-tax income	13,405,102	9,840,605
Tax calculated at the income tax rate (25%)	(3,351,275)	(2,460,151)
Tax impact of:		
Non-taxable income	46,136	135,266
Non-deductible expenses for tax purposes	(382,432)	(219,249)
Tax inflation adjustment	73,946	479,698
Other	1,150,365	(1,749,039)
Income tax debit	**(2,463,260)**	**(3,813,475)**

NOTE 17 - TRANSACTIONS WITH RELATED PARTIES

17.1 Below is a breakdown of balances with related parties:

	2013	2012
	US$	US$
TRADE RECEIVABLES		
Related parties		
TCU S.A.	1,187,672	611,975
AEROPUERTOS ARGENTINA 2000	4,380	-
DRILPEN S.A	55,685	-
VENGANO S.A	28,304	-
FINGANO S.A.	50,947	-
CORPORACION AMERICA S.A.	1,183,513	-
	2,510,501	611,975
CURRENT TRADES PAYABLE		
Related parties		
Proden S.A.	11,736	4,268
	11,736	4,268
CURRENT FINANCIAL DEBTS		
Related parties		
Alaska Green Corporation	7,516,875	7,201,403
	7,516,875	7,201,403
CURRENT OTHER DEBTS		
Related parties		
TCU S.A.	600,000	600,000
	600,000	600,000
NON-CURRENT FINANCIAL DEBTS		
Related parties		
Alaska Green Corporation	16,352,482	24,659,947
	16,352,482	24,659,947

NOTE 17 - TRANSACTIONS WITH RELATED PARTIES (Cont'd)

The balances with related parties included under Trade receivables are associated with the provision of services.

The balance with the related party included under Current other debts at December 31, 2013 and December 31, 2012 is associated with a guarantee received from TCU S.A. as detailed in Note 17.5.

17.2 Below is a breakdown of the transactions with related parties:

	2013	2012
	US$	US$
OPERATING REVENUE		
Commercial revenue		
AEROPUERTOS ARGENTINA 2000	11,604	-
TCU S.A.	6,585,451	5,837,213
	6,597,055	5,837,213
SERVICES REVENUE		
CORPORACION AMERICA S.A./INFRAMERICA CONCESIONARIA DO AEROPUERTO DE BRASILIA S.A.	544,976	-
DRILPEN S.A.	408,160	-
VENGANO S.A.	238,800	-
FINGANO S.A.	687,341	129,000
	1,879,277	129,000
COST OF SERVICES PROVIDED		
Guarantees		
Liska Investments Corporation	-	442,775
	-	442,775
ADMINISTRATIVE AND SELLING EXPENSES		
Professional fees		
Proden S.A.	230,251	120,420
	230,251	120,420

17.3 Key staff remunerations

Remunerations received by the Group's key staff amounted to approximately 6.78% of total remunerations accrued at December 31, 2013 (6.98% of total remunerations accrued at December 31, 2012).

NOTE 17 - TRANSACTIONS WITH RELATED PARTIES (Cont'd)

17.4 Contracts for Duty-Free Shop and Cargo Terminal

On January 10 and March 10, 2004, PDS signed contracts with Navinten S.A. and TCU S.A., automatically renewable for periods of twelve months, granting permits for use of terminal space for the operation and exploitation of duty-free shops and cargo terminal, respectively.

On March 1, 2006, January 15, 2010 and March 30, 2012, PDS signed amendments to the original contract with TCU. S.A. modifying the fee percentage receivable on that company's revenues. As set forth in the contract signed on March 30, 2012 (effective March 1, 2011), the monthly fee for the free airport operations was fixed at forty percent (40%) of total gross sales, without taxes.

On November 24, 2006, PDS signed a new contract with Navinten S.A. modifying the fee percentage receivable for revenue from sales of electronic items.

PDS signed an amendment to that contract on October 15, 2009 (effective January 1, 2010) rectifying therein the fee percentages receivable for sales revenues and setting the goodwill amount for use of the new terminal.

Furthermore, on July 27, 2011, PDS entered into a new contract with Navinten S.A. whereby the contract signed on January 1, 2004 and its amendments were rescinded, executing a new contract by reason of its termination as a related party.

In accordance with these contracts, the monthly fee for use of terminal space at AIC assigned will be determined on the basis of gross billings or the operated cargo volumes, as applicable.

17.5 Guarantees received

As mentioned in Note 19, until fiscal year 2012 there were guarantees provided by the related party Liska Investments Corporation, and at present, guarantees received from customers, as detailed in Note 10.4.

NOTE 18 - ROAD CONSTRUCTION CONTRACT

On September 2, 2008, PDS entered into a contract with the Ministry of Transport and Public Auction Works ("MTOP") and Corporación Vial del Uruguay S.A. ("CVU") whereby PDS agreed to perform construction works in the public auction road network adjacent to the AIC. The total amount for the road construction work was approximately UY$ 455,000,000.

NOTE 18 - ROAD CONSTRUCTION CONTRACT (Cont'd)

In this regard, PDS subcontracted for these road construction works for approximately UY$ 89,000,000, UY$ 143,000,000, UY$ 175,000,000 and UY$ 23,000,000 with different third party contractors.

Furthermore, on September 15, 2010, PDS entered into an extension of the contract with CVU for a total amount of US$ 2,914,095 and as a result, the amounts initially agreed with the contractors were modified.

Revenue and costs of road construction works are included in the Statement of Income, under Other income/loss.

The road works were finished on December 20, 2011.

As per de contract, the Company was to provide a loan for US$ 1,000,000, which amount has been reduced to US$ 500,000 as of August 2013 and will be fully released by December 2014 (Note 19).

NOTE 19 - GUARANTEES AND SURETYSHIPS PROVIDED

As set forth in the IMC, the following guarantees are maintained at December 31, 2013 and December 31, 2012:

Beneficiary	Agent	Amount	Item
MDN	Liska Investments Co/Banco Citibank	US$ 1,500,000	Investments performance loan
MDN	Banco Santander	US$ 2,000,000	Investments performance loan
MDN	Banco Itaú	US$ 6,000,000	Contract performance loan

On December 21, 2012, Liska bond was replaced with another of similar characteristics issued by Citibank.

At December 31, 2013, the accrued cost of those performance bonds is US$ 122,000, which has been included in Cost of services provided (US$442,775 at December 31, 2012).

As mentioned in Note 18, PDS provided a loan for US$ 1,000,000 in favor of CVU. In August 2013, after 18 months have passed from the provisional receipt date, the amount of the loan was reduced to US$ 500,000 until the final receipt date, scheduled for December 20, 2014.

NOTE 20- COMMITMENTS

Commitments - Fee payable

As detailed in Note 1.2.2, PDS must pay an annual fee, calculated annually on the basis of the higher of the minimum payable and the amount resulting from multiplying the work units by a given amount. The nominal value considering the current parameters, of the minimum fee payments to be made until the end of the concession is US$ 45,000,000.

NOTE 21 - CONCESSION FOR USE OF TERMINAL SPACE

5% of the total of the concessions for use of terminal space of PDS for the period ended on December 31, 2013 (US$ 24,189,567) correspond to contracts for a fixed price. The remaining 95% correspond to revenue from concession for use, based on revenue earned by sub-concessionaires, which is basically described in Note 17.4.

5 % of the total of the concessions for use of terminal space for the period ended on December 31, 2012 (US$ 24,559,674) correspond to contracts for a fixed price. The remaining 95% correspond to revenue from concession for use, based on revenue earned by sub-concessionaires.

NOTE 22- CONTINGENCIES

22.1 In the ordinary course of its business, the Group may be exposed to claims, litigation and contingencies. The Group has recorded provisions in the cases where it considers that probable losses could be incurred for the Company.

22.2 Insurance contracted by the Group includes the following:

- Civil liability insurance as airport operator (Note 1.3) for an insured amount of US$ 400,000,000, expiring on July 15, 2014.
- Global business insurance policy for an insured amount of US$ 38,157,050, expiring on October 26, 2014.
- Global business insurance policy for an insured amount of US$ 156,350,000, expiring on October 26, 2014.

22.3 As required by Law No. 18099 of January 24, 2007, the Group is jointly liable for the labor and social security obligations with respect to the workers of the subcontractors with which it operates for the performance of the works contracts with customers.

NOTE 22- CONTINGENCIES (Cont'd)

At December 31, 2013 and December 31, 2012, based on information made available by the Group, it is not anticipated that these situations might have material effects on the Group's assets.

NOTE 23 – SEGMENT REPORTING

The Group receives revenue from aeronautical and commercial services provided, in relation to the administration, operation, exploitation, construction and maintenance of the AIC, in accordance with the conditions set forth in the IMC.

Aeronautical revenue basically comprises landing tariffs, airplanes parking tariffs and tariffs for use of airport. In addition, commercial revenue basically includes revenue from the concession for use of terminal space leased to shops, and services revenue (Note 17.4).

It is understood that both the aeronautical and commercial services are interrelated and are exposed to risks and returns of a similar nature, directly associated with the airport activity the main support of which is the transport of cargo and passengers.

NOTE 24 – SUBSEQUENT EVENTS

PDS is conducting negotiations with the MDN to obtain an extension of the concession term for a further 10-year term, in accordance with the provisions of the IMC. At the date of issue of these financial statements, there has been important progress in the negotiations between the parties but it is still pending approval.

CEREALSUR S.A
FIXED ASSETS AND INTANGIBLE ASSETS - CONSOLIDATED DEPRECIATION AND AMORTIZATION for the special 12-month period beginning January 1, 2013 and ending December 31, 2013
(Amounts in US dollars)

	ORIGINAL VALUES				DEPRECIATION / AMORTIZATION					
							For the period			
	Value at 01.01.2013	Increases	Decreases	Value at 12.31.2013	Accumulated at 01.01.2013	Deletions for the period	Rate	Amount	Accumulated at 31.12.2013	Net value at 12.31.2013
FIXED ASSETS										
Computer equipment	780,306	133,207	-	913,513	617,323	-	33%	87,653	704,976	208,537
Furniture and fixtures	239,693	-	-	239,693	137,673	-	10%	37,504	175,177	64,516
Vehicles	837,837	-		837,837	242,693	-	33%	82,883	325,576	512,261
Machinery and equipment	4,831,983	126,956	-	4,958,939	3,703,011	-	33%	602,641	4,305,652	653,287
Installations	432,827	-	-	432,827	409,777	-	33%	23,050	432,827	-
Imports in progress	-	34,069	-	34,069	_	-	0%	-	-	34,069
TOTAL FIXED ASSETS	7,122,646	294,232	-	7,416,878	5,110,477	-		833,731	5,944,208	1,472,670
INTANGIBLE ASSETS										
Runway	14,669,151	-	-	14,669,151	5,505,074		6%-33%	815,868	6,320,942	8,348,209
New terminal	209,141,024	1,203,084	-	210,344,108	45,498,973	-	6%-33%	15,016,236	60,515,209	149,828,899
Other assets	6,210,325	-	-	6,210,325	5,034,657	-	6%-33%	181,104	5,215,761	994,564
Concession of AIC	34,132,028	-	-	34,132,028	15,643,845	-	5%	1,706,601	17,350,446	16,781,582
TOTAL INTANGIBLE ASSETS	264,152,528	1,203,084	-	265,355,612	71,682,549			17,719,809	89,402,358	175,953,254
TOTAL AT 12.31.2013	271,275,174	1,497,316	-	272,772,490	76,793,026	-		18,553,540	95,346,566	177,425,924

CEREALSUR S.A
FIXED ASSETS AND INTANGIBLE ASSETS - CONSOLIDATED DEPRECIATION AND AMORTIZATION for the special 12-month period beginning January 1, 2012 and ending December 31, 2012
(Amounts in US dollars)

	ORIGINAL VALUES				DEPRECIATION / AMORTIZATION					
	Value at 01.01.2012	Increases	Decreases	Value at 12.31.2012	Accumulated at 01.01.2012	Deletions for the period	For the period: Rate	For the period: Amount	Accumulated at 31.12.2012	Net value at 12.31.2012
FIXED ASSETS										
Computer equipment	629,234	151,072	-	780,306	572,256	-	33%	45,067	617,323	162,983
Furniture and fixtures	203,170	36,523	-	239,693	102,626	-	10%	35,047	137,673	102,020
Vehicles	236,791	601,046	-	837,837	179,844	-	33%	62,849	242,693	595,144
Machinery and equipment	4,652,223	179,760	-	4,831,983	3,130,273	-	33%	572,738	3,703,011	1,128,972
Installations	432,827	-	-	432,827	358,791	-	33%	50,986	409,777	23,050
TOTAL FIXED ASSETS	6,154,245	968,401	-	7,122,646	4,343,790	-		766,687	5,110,477	2,012,169
INTANGIBLE ASSETS										
Runway	14,669,151	-	-	14,669,151	4,689,476	-	6%-33%	815,598	5,505,074	9,164,077
New terminal	208,510,642	630,382	-	209,141,024	30,718,457	-	6%-33%	14,780,516	45,498,973	163,642,051
Other assets	6,210,325	-	-	6,210,325	4,853,553	-	6%-33%	181,104	5,034,657	1,175,668
Advances from suppliers	50,114	-	50,114	-	-	-	-	-	-	-
Concession of AIC	34,132,028		-	34,132,028	13,937,244	-	5%	1,706,601	15,643,845	18,488,183
TOTAL INTANGIBLE ASSETS	263,572,260	630,382	50,114	264,152,528	54,198,730	-		17,483,819	71,682,549	192,469,979
TOTAL AT 12.31.2012	269,726,505	1,598,783	50,114	271,275,174	53,542,520	-		18,250,506	76,793,026	194,482,148

Section II - Special Separate Financial Statements

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Independent Auditors' Report

To the Shareholders and Directors of Cerealsur S.A.

We have audited the special separate financial statements of Cerealsur S.A. (the "Company"), which consist of the separate statement of financial position at December 31, 2013, and the separate statements of income, changes in equity and cash flows for the special 12-month period beginning January 1, 2013 and ending December 31, 2013, and the related notes, which contain a summary of the significant accounting standards applied and other explanatory notes enclosed herewith.

Management's responsibility on the special separate financial statements

The Company's Management is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting standards in Uruguay ("Uruguayan GAAP"), and for keeping an internal control system that Management may deem suitable to allow for the preparation of financial statements free of material errors due to fraud or involuntary error.

Auditor's responsibility

Our responsibility is to express an opinion on the special separate financial statements, based on our audit. We performed our audit in accordance with International Auditing Standards. Those standards require that we comply with ethical requirements and that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

An audit includes performing procedures to obtain evidence supporting the amounts and assertions disclosed in the financial statements. The selected procedures depend on our judgment, which includes assessing the risk of the financial statements containing material errors due to fraud or involuntary error. When performing this risk assessment, we consider the internal control system relevant to the fair preparation and presentation of the financial statements of the Company to select the audit procedures that are appropriate in the circumstances, but not with the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes assessing the appropriateness of the accounting standards used and the reasonableness of the estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We consider that the audit evidence obtained is sufficient and appropriate to support our opinion.

PricewaterhouseCoopers Ltda., Cerrito 461 1st floor, T: +598 29160463
11.000 Montevideo, Uruguay, www.pwc.com.uy

Opinion

In our opinion, the special separate financial statements mentioned in paragraph 1 present fairly, in all material aspects, the separate financial position of the Company at December 31, 2013, as well as its separate statements of income and cash flows for the special 12-month period beginning January 1, 2013 and ending December 31, 2013, in conformity with Uruguayan GAAP.

On this same date, we issued our audit opinion on the special consolidated financial statements of the Company and its subsidiary for the special 12-month period beginning January 1, 2013 and ending December 31, 2013. In accordance with Uruguayan GAAP, the Company must file its special consolidated financial statements jointly with its subsidiary and its special separate financial statements, which comprise the financial statements the entity must file to conform to Uruguayan GAAP. Those financial statements are included in section I of this report.

Montevideo, Uruguay
April 8, 2014

PricewaterhouseCoopers

Richard Moreira de la Rosa
Public Accountant
Partner
C.J.P.P.U. 48208

CEREALSUR S.A.
SPECIAL SEPARATE STATEMENT OF FINANCIAL POSITION
At December 31, 2013
(Amounts in US dollars)

	31.12.2013	31.12.2012
ASSETS		
CURRENT ASSETS		
CASH AND BANKS		
Cash and banks	42,357	70,039
OTHER RECEIVABLES	42,357	70,039
Tax credits	1,547	914
	1,547	914
TOTAL CURRENT ASSETS	**43,904**	**70,953**
NON-CURRENT ASSETS		
PERMANENT INVESTMENTS (Note 6)		
Investments in companies	92,986,114	88,299,952
	92,986,114	88,299,952
INTANGIBLE ASSETS (Note 7 and Exhibit 1)		
Concession of AIC	34,132,028	34,132,028
Less: Accumulated amortization	(17,350,446)	(15,643,845)
	16,781,582	18,488,183
TOTAL NON-CURRENT ASSETS	**109,767,696**	**106,788,135**
TOTAL ASSETS	**109,811,600**	**106,859,088**

The accompanying Notes 1 to 16 and the Exhibit 1 are an integral part of these special financial statements.

CEREALSUR S.A.
SPECIAL SEPARATE STATEMENT OF FINANCIAL POSITION
At December 31, 2013
(Amounts in US dollars)

	31.12.2013	31.12.2012
LIABILITIES		
CURRENT LIABILITIES		
TRADES PAYABLE		
Market suppliers	2,184	-
	2,184	
OTHER DEBTS		
Provisions	11,228	10,749
	11,228	10,749
FINANCIAL DEBTS (Notes 8 and 11)		
Notes payable	7,516,875	7,201,403
	7,516,875	7,201,403
TOTAL CURRENT LIABILITIES	**7,530,287**	**7,212,152**
NON-CURRENT LIABILITIES		
FINANCIAL DEBTS (Notes 8 and 11)		
Notes payable	16,352,482	24,659,947
TOTAL NON-CURRENT LIABILITIES	**16,352,482**	**24,659,947**
TOTAL LIABILITIES	**23,882,769**	**31,872,099**
EQUITY (as per related statements and Note 9)		
OWNERS' CONTRIBUTIONS		
Paid-in capital	19,947	19,947
	19,947	19,947
CONTRIBUTIONS TO BE CAPITALIZED		
Contributions to be capitalized - Additional paid-in capital	19,434,687	19,434,687
	19,434,687	19,434,687
RESERVES		
Legal reserve	3,784	3,784
	3,784	3,784
RETAINED EARNINGS		
Prior years' income/loss	55,528,571	49,501,441
Income/loss for the period	10,941,842	6,027,130
	66,470,413	55,528,571
TOTAL EQUITY	**85,928,831**	**74,986,989**
TOTAL EQUITY AND LIABILITIES	**109,811,600**	**106,859,088**

The accompanying Notes 1 to 16 and the Exhibit 1 are an integral part of these special separate financial statements.

CEREALSUR S.A.
SPECIAL SEPARATE STATEMENT OF INCOME
for the special 12-month period beginning January 1 and ending December 31, 2013
(Amounts in US dollars)

	31.12.2013	31.12.2012
REVENUE		
Income/loss on holding investments (Note 6)	13,686,611	8,333,910
	13,686,611	8,333,910
ADMINISTRATIVE AND SELLING EXPENSES (Note 10.1)	(1,773,870)	(1,722,817)
FINANCIAL INCOME/LOSS (Note 10.2)	(970,899)	(583,963)
NET INCOME FOR THE TWELVE MONTHS PERIOD	**10,941,842**	**6,027,130**

The accompanying Notes 1 to 16 and the Exhibit 1 are an integral part of these special separate financial statements.

CEREALSUR S.A.
SPECIAL SEPARATE STATEMENT OF CHANGES IN EQUITY
for the special 12-month period beginning January 1 and ending December 31, 2013
(Amounts in US dollars)

	Capital	Contributions and commitments to be capitalized	Reserves	Retained earnings	Total equity
BALANCES AT DECEMBER 31, 2011					
Owners' contributions					
Units	19,947	-	-	-	19,947
Contributions to be capitalized	-	19,434,687	-	-	19,434,687
Retained profits					
Legal reserve	-	-	3,784	-	3,784
Unappropriated retained earnings	-	-	-	49,501,441	49,501,441
TOTAL AT December 31, 2011	**19,947**	**19,434,687**	**3,784**	**49,501,441**	**68,959,859**
NET INCOME FOR THE TWELVE MONTHS PERIOD	-	-	-	6,027,130	6,027,130
SUBTOTAL	**-**	**-**	**-**	**6,027,130**	**6,027,130**
BALANCES AT DECEMBER 31, 2012					
Owners' contributions					
Units	19,947	-	-	-	19,947
Contributions to be capitalized	-	19,434,687	-	-	19,434,687
Retained profits					
Legal reserve	-	-	3,784	-	3,784
Unappropriated retained earnings	-	-	-	55,528,571	55,528,571
TOTAL AT DECEMBER 31, 2012	**19,947**	**19,434,687**	**3,784**	**55,528,571**	**74,986,989**
NET INCOME FOR THE TWELVE MONTHS PERIOD	**-**	**-**	**-**	**10,941,842**	**10,941,842**
SUBTOTAL	**-**	**-**	**-**	**10,941,842**	**10,941,842**
BALANCES AT DECEMBER 31, 2013					
Owners' contributions					
Paid-in capital	19,947	-	-	-	19,947
Contributions to be capitalized	-	19,434,687	-	-	19,434,687
Retained profits					
Legal reserve	-	-	3,784	-	3,784
Unappropriated retained earnings	-		-	66,470,413	66,470,413
TOTAL AT DECEMBER 31, 2013	**19,947**	**19,434,687**	**3,784**	**66,470,413**	**85,928,831**

The accompanying Notes 1 to 16 and the Exhibit 1 are an integral part of these special separate financial statements.

CEREALSUR S.A.
SPECIAL SEPARATE STATEMENT OF CASH FLOWS
for the special 12-month period beginning January 1 and ending December 31, 2013
(Amounts in US dollars)

	31.12.2013	31.12.2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the twelve months period	10,941,842	6,027,130
Adjustments for:		
Amortization of intangible assets	1,706,601	1,706,601
Income/loss on holding investments	(13,686,611)	(8,333,910)
Income/loss on translation of dividends payable	813,676	286,216
Changes in assets and liabilities		
Other receivables	(633)	153
Trade payables	2,184	-
Other debts	479	2,249
Total Changes in assets and liabilities	2,030	2,402
CASH FLOWS FROM/APPLIED TO OPERATING ACTIVITIES	(222,462)	(311,561)
CASH FLOWS FROM INVESTING ACTIVITIES		
Collection of dividends	8,186,773	11,886,554
CASH FLOWS FROM INVESTING ACTIVITIES	8,186,773	11,886,554
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in financial debts	(7,991,993)	(11,588,062)
CASH FLOWS APPLIED TO FINANCING ACTIVITIES	(7,991,993)	(11,588,062)
DECREASE IN NET CASH FLOWS	(27,682)	(13,069)
INITIAL BALANCE OF CASH FLOWS	70,039	83,108
ENDING BALANCE OF CASH FLOWS	42,357	70,039

The accompanying Notes 1 to 16 and the Exhibit 1 are an integral part of these special separate financial statements.

NOTE 1 – GENERAL INFORMATION

1.1 Legal nature and general information on the Company

Cerealsur Sociedad Anónima (the "Company"), was initially established as a corporation on November 5, 2002, with a contractual capital of UY$ 1,500,000. Its financial statements were approved by the National Auditing Office on December 2, 2002.

On October 13, 2005, the company started to operate as Cerealsur Ltda., changing its type of business organization, with a capital of UY$ 543,500, represented by 1,087 units of UY$ 500 each. The amendment to the charter and bylaws (the "Bylaws") was registered with the Legal Persons Registration Authority - Business Section, on October 24, 2005.

On June 29, 2006, the General Extraordinary Partners' Meeting resolved to amend article 2 of the Incorporation Agreement, adapting the corporate purpose of the Company to the provisions of Section 47 of Commercial Companies Law and by a private Document dated December 5, 2006, the partners of Cerealsur Ltda. executed the amendment to the Incorporation Agreement, registered with the National Registry of Commerce under number 26267, on December 8, 2006, and published in the Professional Bulletin on December 18, 2006 and in the Official Gazette on December 21, 2006.

On April 30, 2013, the Company changed its type of business organization, with the name of Cerealsur Sociedad Anónima, and a contractual capital of UY$ 1,000,000 represented by bearer shares. Its financial statements were approved by the National Auditing Office on December 3, 2013. At December 31, 2012, the Company partners were Alaska Green Corporation, which held 99.908% of capital, and Pucket Corporation, which held the remaining 0.092%.

On August 27, 2003, the Company purchased for US$ 34,000,000 (United States dollars thirty four million) 100% of the shares in PDS, for a par value of UY$ 180,000, through a public auction to the best bidder held on the Montevideo Stock Exchange.

As established in its Bylaws approved by the National Auditing Office on January 28, 2003, the corporate purpose of PDS is the administration, exploitation, operation, construction and maintenance of Carrasco International Airport "Gral. Cesáreo L. Berisso" ("AIC"), regarding the airport and non-airport activities, including commercial -duty-free shops- and service activities, complementary of the airport activity, pursuant to the provisions of Law No. 17555, Decree 376/002 (which includes the "Integrated Management System" as supplementary document), and the contract entered into between the National Ministry of Defense ("MDN") and the National Development Corporation on December 19, 2002.

NOTE 1 – GENERAL INFORMATION (Cont'd)

1.1 Legal nature and general information on the Company (Cont'd)

On February 6, 2003, PDS and the MDN signed a contract, approved by the Executive Branch under Resolution No. 1976/002 for the integrated management of the AIC for its full exploitation, in the manner and under the conditions specified by Decree 376/02 of September 28, 2002, which is considered as an integral part of this contract for all effects". In addition, on August 11, 2003 an amendment to that contract was signed specifying that "this contract is integrated as an entire agreement with Decree No. 376/02 dated September 28, 2002, the Annexes, all the national and international aeronautical regulations on customs, taxes and all other matters related to the purpose hereof and to Executive Branch Decrees Nos. 153/003 of April 24, 2003, 192/003 of May 20, 2003, and 317/2003 of August 4, 2003."

The Integrated Management Contract, or the "IMC", provides that the contract term shall be 20 years counted as from the takeover of the AIC, and may be extended for a further 10 years, at the request of PDS and subject to the approval of the Executive Branch (Note 16).

These special financial statements for a period of 12 months have been prepared for consolidation with the Company's subsidiary. The fiscal closing date of the Company is October 31 of each year.

These special financial statements have been approved by Management for their issuance on April 8, 2014, but they have not yet been submitted to the consideration of the Company's shareholders.

1.2 Main revenue and expenses of the Company

1.2.1 Main revenue

The Company's revenues derive exclusively from the variation in equity value of the subsidiary PDS

1.2.2 Main expenses

The main expenses are the intangible asset amortization and financial results.

1.3 Obligations assumed by the Company

The decrees mentioned in Note 1.1 imposed on the Company, as purchaser of the shares in PDS, a series of obligations that have already been entirely fulfilled. At this date, no balance is due of the price offered at the public auction.

NOTE 2 - MAIN ACCOUNTING STANDARDS

The main accounting policies used in the preparation of these special financial statements are summarized below. These standards have been applied consistently with those of the previous year. Cerealsur S.A. and its subsidiary, PDS, are jointly referred to as the "Group".

2.1 Basis for preparation

These special financial statements have been prepared in accordance with the provisions of Decree 266/07 dated July 31, 2007, Decree 538/09 dated November 30, 2009 and Decree 99/09 dated February 27, 2009, which apply to fiscal years beginning January 1, 2009. These standards require the application of International Financial Reporting Standards ("IFRS") adopted at July 31, 2007 by the International Accounting Standards Board ("IASB"), translated into Spanish and published by the National Internal Auditing Office and disclosure standards included in Decree No. 103/91 and Decree No. 37/10.

In preparing these special financial statements we have applied the historical cost, except as mentioned in Note 2.2.

Pursuant to the provisions of Decree No. 538/09, these separate special financial statements of the Company, jointly with the special consolidated financial statements of the Group that were presented in Section I above, make up the special financial statements of the Company, in conformity with Uruguayan GAAP.

Accounting standards adopted by the IASB not yet effective as accounting standards in Uruguay.

The accounting standards and interpretations adopted by the IASB after July 31, 2007 are not effective standards in Uruguay.

The main standards and amendments to standards adopted but not yet effective in Uruguay are shown below:

- International Accounting Standard 1 - Presentation of Financial Statements, issued in September 2007 and effective since January 1, 2009.
- International Accounting Standard 27 - Consolidated and Separate Financial Statements, issued in January 2008 and effective since July 1, 2009.

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

2.1 Basis for preparation (Cont'd)

- IFRS 3 - Business Combinations, issued in January 2008 and effective since July 1, 2009.
- Amendments to several International Accounting Standards and IFRSs by the Exposure Draft Annual Improvements issued by the IASB in May 2008, 2009, 2010 and 2011.
- Interpretation 17 - Distributions of Non-cash Assets to Owners, issued in November 2008 and effective since July 1, 2009.
- Interpretation 18 - Transfers of Assets from Customers, issued in January 2009 and effective since July 1, 2009.
- International Accounting Standard 36 - Impairment of Assets, issued in April 2009 and effective since January 1, 2010.
- IFRS 2 - Share-based Payment, issued in June 2009 and effective since July 1, 2010.
- IFRS 5 - Non-current Assets Held for Sale and Discontinued, issued in April 2009 and effective since January 1, 2010.
- International Accounting Standard 24 - Related Party Disclosures, issued in November 2009 and effective for fiscal years beginning January 1, 2011.
- International Accounting Standard 32 - Financial Instruments (Classification of rights issued), issued in October 2009 and effective for fiscal years beginning February 1, 2010.
- Interpretation 19 - Extinguishing Financial Liabilities with Equity, issued in November 2009 and effective since July 1, 2010.
- Amendments to IFRS 7 - Financial Instruments: disclosures, issued in October 2010 and effective for fiscal years beginning July 1, 2011 and issued in December 2011 and effective for fiscal years beginning January 1, 2013.
- Amendments to IFRS 1 - First-time Adopters, issued in December and effective for fiscal years beginning July 1, 2011 and issued in March 2012 and effective for fiscal years beginning January 1, 2013.
- Amendment to IAS 12 - Income Taxes, including deferred tax assets, issued in December 2010 and effective for fiscal years beginning January 1, 2012.
- Amendment to IAS 19 - Employee Benefits, issued in June 2011 and effective for fiscal years beginning July 1, 2012.
- Amendment to IAS 1 - Presentation of Financial Statements with regard to Other Comprehensive Income, issued in June 2011 and effective for fiscal years beginning July 1, 2012.

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

2.1 Basis for preparation (Cont'd)

- IFRS 9 - Financial Instruments, issued in November 2009 and amended in October 2010. Effective for fiscal years beginning January 1, 2015.
- IFRS 10 - Consolidated Financial Statements, issued in May 2011, amended in October 2012 and effective for fiscal years beginning January 1, 2013.
- IFRS 11 - Joint Arrangements, issued in May 2011, amended in June 2012 and effective for fiscal years beginning January 1, 2013.
- IFRIC Interpretation 20 - Stripping Costs in the Production Phase of a Surface Mine, effective for fiscal years beginning January 1, 2013.
- IFRS 12 - Disclosure of Interests in Other Entities, issued in May 2011 and effective for fiscal years beginning January 1, 2013. IFRS 13 - Fair Value Measurement, effective for fiscal years beginning January 1, 2013.
- IAS 27 revised - Separate Financial Statements, issued in May 2011 and effective for fiscal years beginning January 1, 2013.
- IAS 28 revised - Investments in Associates and Joint Ventures, issued in May 2011 and effective for fiscal years beginning January 1, 2013.
- Amendment to IAS 32 - Financial Instruments, Requirements for Offsetting Financial Assets and Financial Liabilities, effective for fiscal years beginning January 1, 2014.
- IFRIC 21 - The obligating event that gives rise to levies or taxes other than income tax occurs on the date established by the legislation, effective for fiscal years beginning January 1, 2014.

It is not expected that the standards and interpretations will have a material impact on the valuation and disclosure of the Company's financial statements.

2.2 Subsidiaries

A subsidiary is any entity in relation to which the Company has the power to govern the financial and operating policies generally for being the owner of more than half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company has the power to control an entity.

In line with the provisions of Section 30 of Decree No. 538/09, the investments in subsidiaries have been valued in these financial statements according to the equity method of accounting.

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

2.2 Subsidiaries (Cont'd)

The Company's share of post-acquisition profits or losses of its subsidiaries is recognized in income/loss, and its interest in the post-acquisition equity adjustments is recognized in equity adjustments. When the Company's share of its subsidiary's losses is equal to or exceeds its equity interest in the subsidiary plus the amount of any unsecured credit owed by it, the Company ceases to recognize subsequent losses, unless it has incurred debts or has made payments on behalf of the subsidiary.

Unrealized gains between the Company and its subsidiaries are deleted in proportion to the Company's equity in the subsidiaries. Unrealized losses are also deleted, unless the transaction shows impairment in the value of the asset transferred. The accounting policies of subsidiaries have been modified to be consistent with the policies adopted by the Company.

2.3 Information by business segment

The Company's assets and transactions are exposed to similar risks and subject to similar returns; as a result, the Company does not segregate information by business segment.

2.4 Functional currency and reporting currency

The financial statements of the Company are prepared and disclosed in US dollars, which is the functional currency and reporting currency of the financial statements of the Company.

The Company accounting records are kept in both Uruguayan pesos - the legal tender in Uruguay - and US dollars.

2.5 Balances in foreign currency

Foreign currency assets and liabilities (in a currency other than the functional currency) are stated at the exchange rate prevailing at each closing. Exchange differences are charged to income/loss. The following exchange rates were used: US$ 1 = UY$ 21.424 and EUR 1 = US$ 1.38045 at December 31, 2013 and US$ 1 = UY$ 19.401 and EUR 1 = US$ 1.322 at December 31, 2012.

Retained earnings are disclosed at their historical value stated in US dollars. The amounts reported under the captions from the Statement of Income were translated at the exchange rate prevailing on the date of each transaction.

Ending balances of foreign currency assets and liabilities are summarized in Note 4.

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

2.6 Financial Assets

The Company classifies its financial assets within the following categories: investments at fair value through income/ loss; loans and other receivables; permanent investments held until maturity, and financial assets available for sale. The classification depends on the purpose for which the investments were acquired. Management sets the classification of the investments at the time of the initial recognition.

(a) Investments at fair value though income/ loss

This caption includes investments acquired for sale in the short-term (within 12 months following the closing) and they are valued at fair value. Variances in fair value are recorded in profit and loss accounts.

(b) Loans and other receivables

They are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method, less the impairment allowance, if any.

(c) Permanent investments held until maturity

Permanent investments held until maturity are investments with a fixed maturity date that Management intends and has the financial ability to maintain until their maturity date. They are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method, less the impairment allowance, if any.

(d) Financial assets available for sale

This caption includes assets not falling within any of the categories mentioned above. These assets are recognized at their fair value and variances in the fair value are recognized directly in equity accounts (variances of fair value in equity adjustments); when these investments are sold or impaired, the accumulated amount of the related adjustments at fair value is charged to profit and loss accounts.

These assets are written down when the right to collect the respective cash flows have been forfeited or assigned and the Company has transferred substantially all of the risks and benefits inherent in the ownership right on the assets.

During this period and the prior period, the Company did not maintain any investments in the following categories: Investments at fair value through income/ loss; Permanent investments held until maturity, and financial assets available for sale.

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

2.7 Impairment of assets

Intangible assets and other non-current assets are subject to impairment tests whenever changes in events or circumstances indicate that their carrying amount may not be recovered. When the carrying amount of an asset exceeds it recoverable value, an impairment loss is recognized. The recoverable value is the higher of its fair value less costs to sell and its value in use. To assess their impairment, assets are considered at each cash-generating unit level.

2.8 Intangible assets

Intangible assets show the value of acquisition of the shares of PDS in a public auction (Note 1.1) that exceeds the equity value (UY$ 180,000) of this Company at that time plus expenses directly associated with the acquisition. It is amortized under the straight-line method using a 20-year useful life, which is the current term of the concession granted to PDS Impairment tests are annually performed on this asset and it is recorded at cost less accumulated impairment losses.

2.9 Financial loans

Loans received are initially recognized at fair value, net of the transaction costs incurred. Subsequently, these loans are disclosed at amortized cost; any difference between the funds deposited (net of transaction costs) and the repayment value is recognized in the Statement of income using the effective interest rate method. Loans are classified under Current liabilities unless the Company has an unconditional right to postpone payment for a term of at least 12 months following the closing date of the period.

2.10 Income tax

Most income obtained by the Company is not taxable under current regulations in force. It arises from the holding of shares in PDS and is not subject to business income tax ("IRAE"). As a result, the impact of deferred income tax is not considered in accordance with International Accounting Standard No. 12 (IAS 12).

2.11 Share capital

The nominal value of shares issued and the amount of the contributions received in excess of the shares issued are disclosed as Additional paid-in capital under Contributions and commitments to be capitalized.

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

2.12 Capital

To determine the income/loss for the period, the capital to be maintained has been defined as the financial capital invested or received as a result of capital contributions.

2.13 Cash and cash equivalents

The account cash and cash equivalents includes sight deposits in banks for the purpose of the preparation of the Statement of Cash Flows.

2.14 Revenue recognition

The operating revenue of the Company, mentioned in Note 1.2.1, is recognized in the accounting period it accrues.

NOTE 3 – FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks, including exchange risk, liquidity risk and interest rate risk.

The Management is responsible for risk management.

(a) Exchange risk

The Company is exposed to foreign exchange risk of many currencies, particularly, the Euro. The foreign exchange risk arises from assets and liabilities in foreign currency.

The Company does not have a hedge against that risk through derivative financial instruments. Note 4.a to the special financial statements summarizes the balances of foreign currency assets and liabilities (in a currency other than the functional currency) at the closing of each period.

In the period ended December 31, 2013, if the quotation of the Euro had depreciated/ appreciated by 10% compared with the US dollar and the other variables had remained constant, the after-tax profit would have been higher/ lower by approximately US$ 563,766 (US$ 1,080,210 at December 31, 2012) due to the exposure generated by that foreign currency for net balances payable at the closing of the period.

NOTE 3 – FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

(b) Liquidity risk

The Company manages liquidity risk carefully; this implies maintaining sufficient cash and cash equivalents to face committed short-term disbursements of funds.

The table below shows the Company financial liabilities and the time lapsing from the period-end date until their maturity. The amounts disclosed below are contractual undiscounted cash flows.

At December 31, 2013	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Financial debts	7,516,875	-	-	16,352,482
Trade accounts payable and	13,412	-	-	-
	13,412	-	-	-
At December 31, 2012	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
Financial debts	7,201,403	7,201,403	-	17,458,545
Trade accounts payable and Other debts	10,749	-	-	-

(c) Interest rate risk on cash flows

The Company does not have significant assets that generate interest; as a result, operating revenue and cash flows are substantially independent from the changes in market interest rates.

The Interest rate risk for the Company may arise from non-current debts. Financial debts at December 31, 2013 and 2012 do not accrue interest (Note 8).

3.2 Capital risk management

The Company's objective relating to capital management is to safeguard the ability of the Company to continue operating as a going concern to generate income for its shareholders and benefits to stakeholders and maintain an optimum capital structure aiming at reducing the cost of capital.

To maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to the shareholders, issue new shares or sell liabilities to reduce its debt.

NOTE 3 – FINANCIAL RISK MANAGEMENT (Cont'd)

3.2 Capital risk management (Cont'd)

The Company monitors its capital based on the leverage ratio, which is calculated dividing the net debt by the total capital. Net debt accounts for total debts (including current and non-current debts) less cash and cash equivalents. Total capital accounts for equity as disclosed in the consolidated statement of financial position sheet plus net debt.

Leverage ratios at December 31, 2013 and 2012 were the following:

	2013	2012
	US$	US$
Financial debts (Note 11)	23,869,357	31,861,350
Less: Funds available and its equivalents	42,357	70,039
Net debt	23,827,000	31,791,311
Total Equity	85,928,831	74,986,989
Total Equity and Liabilities	109,755,831	106,778,300
Leverage ratio	**22%**	**30%**

The fair value of financial instruments not traded in an active market, such as loans, is determined applying valuation techniques, mainly present value of discounted cash flows and quoted market prices or quoted prices available from brokers for similar instruments. The nominal value of financial creditor accounts is considered to approximate its fair value.

NOTE 4 - FOREIGN CURRENCY POSITION

Balances of foreign currency assets and liabilities, other than the functional currency, at December 31, 2013 and December 31, 2012 are the following:

	31.12.2013			31.12.2012
	Uruguayan peso	Euro	Equivalent in US$	Equivalent in US$
ASSETS				
CURRENT ASSETS				
Cash and banks	190,245	-	8,880	3,878
Other receivables	33,143	-	1,547	914
TOTAL ASSETS	**223,388**	**-**	**10,427**	**4,792**

NOTE 4 - FOREIGN CURRENCY POSITION

	31.12.2013			31.12.2012
	Uruguayan peso	Euro	Equivalent in US$	Equivalent in US$
LIABILITIES				
CURRENT LIABILITIES				
Trade payables	10,305	-	481	-
Other debts	240,313	-	11,217	10,749
Financial debts	-	5,445,235	7,516,875	7,201,403
NON-CURRENT LIABILITIES				
Financial debts	-	-	-	7,201,403
TOTAL LIABILITIES	250,618	5,445,235	7,528,573	14,413,555
NET LIABILITY POSITION	(27,230)	(5,445,235)	(7,518,146)	(14,408,763)

NOTE 5 - FINANCIAL INSTRUMENTS

5.a Breakdown:

At December 31, 2013:	**Other accounts receivable**	**Total**
Assets		
Cash and banks	42,357	42,357
Total	**42,357**	**42,357**

	Other liabilities	**Total**
Liabilities		
Financial debts	23,869,357	23,869,357
Total	**23,869,357**	**23,869,357**

At December 31, 2012:	**Other accounts receivable**	**Total**
Assets		
Cash and banks	70,039	70,039
Total	**70,039**	**70,039**

	Other liabilities	**Total**
Liabilities		
Financial debts	31,861,350	31,861,350
Total	**31,861,350**	**31,861,350**

NOTE 5 - FINANCIAL INSTRUMENTS

5.b Credit rating of financial assets

The credit rating of financial assets that are neither due nor impaired is assessed based on external risk ratings, if any, and historical information on default rate from its counterparties:

	2013	2012
	US$	**US$**
Cash at banks and short-term bank deposits		
AA (UY)	42,357	70,039
Total cash at banks and short-term bank deposits	**42,357**	**70,039**

NOTE 6 - PERMANENT INVESTMENTS

It accounts for 100% of the equity in PDS - Nominal value UY$ 793,051,895 - stated at equity value.

	2013	2012
	US$	**US$**
Balance at the beginning of the period	88,299,952	92,138,812
Share in profits	13,686,611	8,333,910
Distribution of dividends	(9,000,449)	(12,172,770)
Balance at the end of the period	92,986,114	88,299,952

The Company's equity in its subsidiary at the end of the period was the following:

Company	Fiscal year	Country of incorporation	Assets	Liabilities	Revenue	Profit	Holding percentage
PDS	2013	Uruguay	180,943,274	87,957,160	70,458,903	13,686,611	100%
PDS	2012	Uruguay	187,014,659	98,714,707	69,650,882	8,333,910	100%

Income/loss on holding investments accounts for the increase in the equity value of shares of PDS plus dividends distributed in the period.

NOTE 7 – INTANGIBLE ASSETS

Changes in the balances of intangible assets during this period are disclosed in the Exhibit 1 to these special financial statements.

Amortization of intangible assets for the period ended December 31, 2013 and 2012 in the amount of US$ 1,706,601 was allocated to Administrative and selling expenses of each period.

NOTE 8 – FINANCIAL DEBTS

Financial debts in Euros correspond to the balance of the loan agreement signed on August 20, 2004 and partially amended on January 17, 2007 (amendments effective April 1, 2007) between Alaska Green Corporation and the Company, which enabled obtaining a loan for Euros 20,000,000.

The main conditions of the loan are as follows:

a) Compensatory interest shall accrue on balances due as from December 20, 2004 at an annual nominal rate of 9%. As per the amendment to the Loan, compensatory interest shall accrue on balances due until March 31, 2007. No interest payments will apply thereafter.

b) Principal will be payable in three consecutive annual installments from December 20, 2010 through December 20, 2012, with the latter being the final repayment date of the loan.

c) As per the amendment to the loan, while the amendment to the loan agreement remains in effect, no arrears will be applied to the interest payments.

On October 15, 2010, an amendment to the loan agreement was signed, modifying the time period for repayment of principal, which will be payable in three consecutive annual installments from December 20, 2012 through December 20, 2014, the latter being the final repayment date of the loan. Interest will be paid together with the first principal disbursement.

Payment of the first principal installment for EUR 5,445,234 and interest for EUR 992,396 was made on May 9, 2012.

Payment of the second principal installment for EUR 5,445,234 was made on July 4, 2013.

NOTE 8 – FINANCIAL DEBTS (Cont'd)

The US dollar-denominated financial debts correspond to the loan agreement signed by Alaska Green Corporation and the Company on January 25, 2007, which enabled obtaining a loan for US$ 21,000,000.

The main conditions of the loan are as follows:

a) The loan will not accrue compensatory interest on balances due.

b) The terms and conditions for repayment of principal will be established by the parties by mutual consent, after the contractual conditions have been set forth under the Trust Agreement for the distribution of dividends of PDS to the Company.

A partial principal amortization for US$ 654,901 was made on May 9, 2012.

A second partial principal amortization for US$ 2,886,554 was made on September 28, 2012.

Principal for US$ 1,106,063 was amortized on July 4, 2013.

NOTE 9- EQUITY

9.1 Capital

At December 31, 2013, the Company's authorized capital amounts to UY$ 1,000,000. The capital actually paid in at December 31, 2013 amounts to UY$ 543,500 and is made up of 1,087 shares of UY$ 500 each. At December 31, 2012, the Company's capital amounts to UY$ 543,500, represented by 1,087 units of UY$ 500 each.

Units of interest do not impose on the Company the obligation to pay dividends; as a result, no liability has been recognized.

9.2 Restriction on the distribution of profits

9.2.1 Section 93 of the Commercial Companies Law No. 16060 establish that 5% of the net profits of each fiscal year must be appropriated to the legal reserve, until it reaches 20% of the paid-in capital. If, for whatever reason, this legal reserve is reduced, the Company shall not distribute profits until it is replenished.

NOTE 9- EQUITY (Cont'd)

9.2.2 Pursuant to Section 98 of the law, the Company shall not distribute net profits until prior year losses are offset.

9.3 Distribution of profits

On June 11, 2013, the General Extraordinary Partners' Meeting decided to approve the financial statements at October 31, 2011, maintaining the results reported in the accounts.

NOTE 10 - BREAKDOWN OF INCOME/ LOSS BALANCES

10.1 Administrative and selling expenses

Administrative and selling expenses include the following items:

	2013	2012
	US$	US$
Amortization of intangible assets	1,706,601	1,706,601
Professional fees	61,246	12,901
Bank charges	140	1,763
Taxes	648	1,055
Overheads	5,235	497
	1,773,870	1,722,817

10.2 Financial income/loss

Financial income/ loss include the following items:

	2013	2012
	US$	US$
Exchange and translation differences	(970,899)	(583,963)
	(970,899)	(583,963)

NOTE 11 - TRANSACTIONS WITH RELATED PARTIES

11.1 Below is a breakdown of balances with related parties:

	2013 US$	2012 US$
CURRENT FINANCIAL DEBTS		
Related companies	7,516,875	7,201,403
Alaska Green Corporation	7,516,875	7,201,403
NON-CURRENT FINANCIAL DEBTS		
Related companies	16,352,482	24,659,947
Alaska Green Corporation	16,352,482	24,659,947

11.2 Key staff remuneration

The Company's key staff is the Administrator, who did not receive any compensation during the period beginning January 1, 2013 and ending December 31, 2013 or the period beginning January 1, 2012 and ending December 31, 2012.

NOTE 12 - GUARANTEES PROVIDED

As collateral for compliance with the loan agreement detailed in Note 8, the Company constituted a pledge on 100% of the shares in PDS owned by the Company, in favor of Alaska Green Corporation, maintaining the exercise of its rights over the shares.

NOTE 13 - KEY STAFF AND NUMBER OF OFFICERS

The key staff of the Company at December 31, 2013 and 2012 is the following:

Company administrator: Alaska Green Corporation

Appointed individual (section 82 of Law 16060): Mr. Raúl Galante
At December 31, 2013 and December 31, 2012 the Company did not have any employees.

NOTE 14 - TAXES

The main taxes payable by the Company are as follows:

14.1 Business tax (IRAE)

The Company is subject to IRAE. However, as mentioned in Note 2.10, in line with current laws, the main revenues of the Company are not subject to that tax.

14.2 Assets Tax (IP) and Corporations Control Tax (ICOSA)

As established by current laws, the Company, as a corporation, is required to pay ICOSA.

As from application of legislation in force since July 1, 2007, the Company pays IP at a rate of 1.50%.

NOTE 15- CONTINGENCIES

In the ordinary course of its business, the Company may be exposed to claims, litigation and contingencies. The Company is subject to the risks and contingencies of PDS

No specific assets or liabilities for contingencies have been recorded.

NOTE 16 – SUBSEQUENT EVENTS

The Company is conducting negotiations with the MDN obtain an extension of the concession term for a further 10 years, in accordance with the provisions of the IMC. At the date of issue of these financial statements, there has been important progress in the negotiations between the parties but it is still pending approval.

Exhibit 1

CEREALSUR S.A.

INTANGIBLE ASSETS - AMORTIZATION for the special 12-month period beginning January 1, 2013 and ending December 31, 2013

(Amounts in US dollars)

	ORIGINAL VALUES			A M O R T I Z A T I O N				
				Accumulated	For the period			
	Value at the beginning of the period	Increases	Value at the end of the period	At the beginning of the period	Rate	Amount	Accumulated At end of the period	Net value at 12.31.2013
Concession of AIC	34,132,028	-	34,132,028	15,643,845	5%	1,706,601	17,350,446	16,781,582
TOTAL AT 12.31.2013	**34,132,028**	**-**	**34,132,028**	**15,643,845**		**1,706,601**	**17,350,446**	**16,781,582**

Exhibit 1

CEREALSUR S.A.

INTANGIBLE ASSETS - AMORTIZATION for the special 12-month period beginning January 1, 2013 and ending December 31, 2013

(Amounts in US dollars)

	ORIGINAL VALUES			AMORTIZATION				
					For the period			
	Value at the beginning of the period	Increases	Value at the end of the period	Accumulated At the beginning of the period	Rate	Amount	Accumulated At end of the period	Net value at 12.31.2012
Concession of AIC	34,132,028	-	34,132,028	13,937,244	5%	1,706,601	15,643,845	18,488,183
TOTAL AT 12.31.2012	**34,132,028**	**-**	**34,132,028**	**13,937,244**		**1,706,601**	**15,643,845**	**18,488,183**

Cerealsur Ltda.

Special Financial Statements
At December 31, 2012

Contents

References

UY$ - Uruguayan peso
US$ - US dollar

Section I - Special Consolidated Financial Statements

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Independent Auditors' Report

To the Managing Partners of Cerealsur Ltda.:

We have audited the special consolidated financial statements of Cerealsur Ltda. (the "Company") and its subsidiary, which consist of the consolidated statement of financial position at December 31, 2012, and the related consolidated statements of income, changes in equity and cash flows for the special 12-month period beginning January 1, 2012 and ending December 31, 2012, and the related notes, which contain a summary of the significant accounting standards applied and other explanatory notes, enclosed herewith.

Management's responsibility on the special consolidated financial statements

The Company's Management is responsible for the preparation and fair presentation of these special consolidated financial statements in accordance with generally accepted accounting standards in Uruguay ("Uruguayan GAAP"), and for keeping an internal control system that Management may deem suitable to allow for the preparation of financial statements free of material errors due to fraud or involuntary errors.

Auditor's responsibility

Our responsibility is to express an opinion on the special consolidated financial statements, based on our audit. We performed our audit in accordance with International Auditing Standards. Those standards require that we comply with ethical requirements and that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

An audit includes performing procedures to obtain evidence supporting the amounts and assertions disclosed in the financial statements. The selected procedures depend on our judgment, which includes assessing the risk of the financial statements containing material errors due to fraud or involuntary errors. When performing this risk assessment, we consider the internal control system relevant to the fair preparation and presentation of the financial statements of the Company to select the audit procedures that are appropriate in the circumstances, but not with the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes assessing the appropriateness of the accounting standards used and the reasonableness of the estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We consider that the audit evidence obtained is sufficient and appropriate to support our opinion.

PricewaterhouseCoopers Ltda., Cerrito 461 1st floor, T: +598 29160463
11.000 Montevideo, Uruguay, www.pwc.com.uy

Opinion

In our opinion, the special consolidated financial statements mentioned in paragraph 1 present fairly, in all material aspects, the consolidated financial position of the Company and its subsidiary at December 31, 2012, as well as its consolidated statements of income and cash flows for the special 12-month period beginning January 01, 2012 and ending December 31, 2012, in conformity with Uruguayan GAAP.

On this same date, we issued our audit opinion on the special separate financial statements of the Company for the special 12-month period beginning January 01, 2012 and ending December 31, 2012. In accordance with Uruguayan GAAP, the Company must file its special consolidated financial statements jointly with its subsidiary and its special separate financial statements, which comprise the financial statements the Company must file to conform to Uruguayan GAAP. Those financial statements are included in section II of this report.

Montevideo, Uruguay
March 22, 2013

PricewaterhouseCoopers

Richard Moreira de la Rosa
Public Accountant
Partner
C.J.P.P.U. 48208

CEREALSUR LTDA.
SPECIAL CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at December 31, 2012
(Amounts in US dollars)

	12.31.2012	12.31.2011
ASSETS		
CURRENT ASSETS		
CASH AND CASH EQUIVALENTS (Note 6)		
Cash	48,232	48,160
Banks	4,207,791	2,961,589
	4,256,023	3,009,749
TRADE RECEIVABLES		
Trade receivables (Note 7)	11,166,543	5,029,756
Related parties (Note 17.1)	611,975	593,942
Notes receivable	29,125	17,055
Less: Allowance for bad debts (Note 13)	(6,823,155)	(962,451)
	4,984,488	4,678,302
OTHER RECEIVABLES		
Advances to suppliers	123,722	395,859
Prepaid insurance	143,292	141,820
Tax credits (Note 10.3)	1,490,500	261,609
	1,757,514	799,288
INVENTORIES		
Spare parts	93,622	53,977
	93,622	53,977
TOTAL CURRENT ASSETS	11,091,647	8,541,316
NON-CURRENT ASSETS		
FIXED ASSETS (Note 8 and Exhibit 1)		
Cost	7,122,646	6,154,245
Less: Accumulated amortization	(5,110,477)	(4,343,790)
	2,012,169	1,810,455
INTANGIBLE ASSETS (Note 8 and Exhibit 1)		
Advances to suppliers	-	50,114
Cost	264,152,528	263,522,146
Less: Accumulated amortization	(71,682,549)	(54,198,730)
	192,469,979	209,373,530
TOTAL NON-CURRENT ASSETS	194,482,148	211,183,985
TOTAL ASSETS	205,573,795	219,725,301

The accompanying Notes 1 to 26 and Exhibit 1 are an integral part of these consolidated financial statements.

CEREALSUR LTDA.
SPECIAL CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at December 31, 2012
(Amounts in US dollars)

	12.31.2012	12.31.2011
LIABILITIES		
CURRENT LIABILITIES		
TRADES PAYABLE		
Local suppliers	1,653,900	1,622,474
Debts with contractors	122,857	158,901
Withholdings due to contractors	66,856	438,945
Notes payable	-	2,495,371
Foreign suppliers (Note 10.1)	311,304	105,201
Advances from customers	19,018	9,204
Related parties (Note 17)	4,268	14,836
	2,178,203	4,844,932
FINANCIAL DEBTS (Note 11)		
Notes payable (Note 17.1)	7,201,403	7,054,573
Interest payable (Note 17.1)	-	1,285,699
Negotiable obligations	9,711,375	5,417,562
Prepaid issuance expenses	(103,369)	(103,369)
Bank loans	5,000,000	5,000,000
	21,809,409	18,654,465
OTHER DEBTS		
Sundry accruals	85,404	174,748
Fee payable (Note 10.2)	769,419	906,977
Related parties (Note 17.1)	600,000	600,000
Social security payable	213,963	176,348
Unearned revenue (Note 10.5)	894,488	786,004
Provision for social security benefits	639,856	548,808
	3,203,130	3,192,885
TOTAL CURRENT LIABILITIES	27,190,742	26,692,282
NON-CURRENT LIABILITIES		
FINANCIAL DEBTS (Note 11)		
Notes payable (Note 17.1)	24,659,947	35,109,140
Negotiable obligations	69,600,000	78,300,000
Prepaid issuance expenses	(818,335)	(921,704)
Bank loans	1,250,000	6,250,000
	94,691,612	118,737,436
OTHER DEBTS		
Unearned revenue (Note 10.5)	3,098,753	3,674,649
Provision for social security benefits	775,760	668,215
Deferred income tax (Note 12)	4,487,480	677,886
Guarantees from customers (Note 10.4)	342,459	314,974
	8,704,452	5,335,724
TOTAL NON-CURRENT LIABILITIES	103,396,064	124,073,160
TOTAL LIABILITIES	130,586,806	150,765,442
EQUITY (as per related statements and Note 14)		
OWNERS' CONTRIBUTIONS		
Paid-in capital	19,947	19,947
	19,947	19,947
CONTRIBUTIONS TO BE CAPITALIZED		
Contributions to be capitalized - Additional paid-in capital	19,434,687	19,434,687
	19,434,687	19,434,687
RESERVES		
Legal reserve	3,784	3,784
	3,784	3,784
RETAINED EARNINGS		
Prior twelve months periods' income	49,501,441	40,796,255
Net income for the twelve months period	6,027,130	8,705,186
	55,528,571	49,501,441
TOTAL EQUITY	74,986,989	68,959,859
TOTAL EQUITY AND LIABILITIES	205,573,795	219,725,301

The accompanying Notes 1 to 26 and Exhibit 1 are an integral part of these consolidated financial statements.

CEREALSUR LTDA.
SPECIAL CONSOLIDATED STATEMENT OF INCOME
for the special 12-month period beginning January 1, 2012 and ending December 31, 2012
(Amounts in US dollars)

	12.31.2012	12.31.2011
OPERATING REVENUE (Note 1.2)		
Aeronautical revenue	35,150,280	28,059,133
Commercial revenue (Notes 17.2 and 17.4)	33,870,219	32,696,114
Works revenue (Note 2.20)	630,383	(245,238)
	69,650,882	60,510,009
COST OF SERVICES PROVIDED		
Fees (Notes 1.2 and 10.2)	(7,689,134)	(7,567,462)
Airport operator (Note 10.1)	(749,816)	(708,093)
Cost of works (Note 2.20)	(612,023)	238,094
Guarantees (Notes 17.2 and 19)	(514,775)	(753,621)
Maintenance	(5,684,873)	(4,705,044)
Salaries and social security contributions	(7,853,388)	(6,705,629)
Insurance	(206,201)	(222,700)
Depreciation and amortization	(16,463,791)	(16,318,962)
	(39,774,001)	(36,743,417)
GROSS INCOME	29,876,881	23,766,592
ADMINISTRATIVE AND SELLING EXPENSES (Notes 13, 15.1 and 17.2)	(12,488,762)	(9,049,984)
OTHER INCOME (LOSS), NET		
Works revenue (Notes 2.20 and 18)	131,187	567,947
Cost of works (Notes 2.20 and 18)	(135,011)	(581,390)
Other (Note 15.2)	(126,068)	(42,915)
	(129,892)	(56,358)
NET FINANCIAL RESULTS (Note 15.3)	(7,417,622)	(7,184,258)
INCOME BEFORE TAX	9,840,605	7,475,992
INCOME TAX (Note 16)		
Current tax	(3,881)	-
Deferred tax	(3,809,594)	1,229,194
	(3,813,475)	1,229,194
INCOME FOR THE TWELVE MONTHS PERIOD	6,027,130	8,705,186

The accompanying Notes 1 to 26 and Exhibit 1 are an integral part of these consolidated financial statements.

CEREALSUR LTDA.
SPECIAL CONSOLIDADATED STATEMENT OF CHANGES IN EQUITY
for the special 12-month period beginning January 1, 2012 and ending December 31, 2012
(Amounts in US dollars)

	Capital	Contributions and commitments to be capitalized	Reserves	Retained earnings	Total equity
BALANCES AT DECEMBER 31, 2010					
Owners' contributions					
Units	19,947				19,947
Contributions to be capitalized		19,434,687			19,434,687
Retained profits					
Legal reserve			3,784		3,784
Unappropriated retained earnings				40,796,255	40,796,255
TOTAL AT DECEMBER 31, 2010	19,947	19,434,687	3,784	40,796,255	60,254,673
NET INCOME FOR THE TWELVE MONTHS PERIOD				8,705,186	8,705,186
SUBTOTAL			-	8,705,186	8,705,186
BALANCES AT DECEMBER 31, 2011					
Owners' contributions					
Units	19,947				19,947
Contributions to be capitalized		19,434,687			19,434,687
Retained profits					
Legal reserve			3,784		3,784
Unappropriated retained earnings				49,501,441	49,501,441
TOTAL AT DECEMBER 31, 2011	19,947	19,434,687	3,784	49,501,441	68,959,859
NET INCOME FOR THE TWELVE MONTHS PERIOD				6,027,130	6,027,130
SUBTOTAL	-		-	6,027,130	6,027,130
BALANCES AT DECEMBER 31, 2012					
Owners' contributions					
Units	19,947				19,947
Contributions to be capitalized		19,434,687			19,434,687
Retained profits					
Legal reserve			3,784		3,784
Unappropriated retained earnings				55,528,571	55,528,571
TOTAL AT DECEMBER 31, 2012	19,947	19,434,687	3,784	55,528,571	74,986,989

The accompanying Notes 1 to 26 and Exhibit 1 are an integral part of these consolidated financial statements.

CEREALSUR LTDA.
CONSOLIDATED STATEMENT OF CASH FLOWS
for the special 12-month period beginning January 1, 2012 and ending December 31, 2012
(Amounts in US dollars)

	12.31.2012	12.31.2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the twelve months period	6,027,130	8,705,186
Adjustments for:		
Depreciation of fixed assets and amortization of intangible assets	18,250,506	18,100,597
Setting up of / (Decrease in) allowance for bad debts	3,367,444	(130,893)
Deferred income tax	3,809,594	(1,229,194)
Changes in assets and liabilities		
Increase in trade receivables	(3,673,630)	(1,064,148)
(Increase)/ Decrease in other receivables	(958,226)	572,026
Increase in inventories	(39,645)	(53,977)
Decrease in trades payable	(2,666,729)	(11,184,731)
Decrease in other debts	(430,621)	(2,324,414)
Total changes in assets and liabilities	(7,768,851)	(14,055,244)
CASH FLOWS FROM OPERATING ACTIVITIES	23,685,823	11,390,452
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in advances to suppliers	50,116	300,998
Increase in fixed assets and intangible assets, net	(1,598,785)	(234,156)
CASH FLOWS (USED IN) APPLIED TO INVESTING ACTIVITIES	(1,548,669)	66,842
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in financial debts	(20,890,880)	(9,881,781)
CASH FLOWS APPLIED TO FINANCING ACTIVITIES	(20,890,880)	(9,881,781)
INCREASE IN NET CASH FLOWS	1,246,274	1,575,513
INITIAL BALANCE OF CASH AND CASH EQUIVALENTS	3,009,749	1,434,236
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	4,256,023	3,009,749

The accompanying Notes 1 to 26 and Exhibit 1 are an integral part of these consolidated financial statements.

NOTE 1 – GENERAL INFORMATION

1.1 Legal nature and operations

Since October 13, 2005, Cerealsur Ltda. (the "Company") is a limited liability company, with a capital of UY$ 543,500, represented by 1,087 units of UY$ 500 each. The Company's partners are Alaska Green Corporation, which holds 99.908% of capital, and Pucket Corporation, which holds the remaining 0.092%. The amendment to the charter and bylaws (the "Bylaws") was registered with the Legal Persons Registration Authority - Business Section, on October 24, 2005.

It was initially established as a corporation on November 5, 2002, with a contractual capital of UY$ 1,500,000. Its financial statements were approved by the National Auditing Office on December 02, 2002.

On June 29, 2006, the General Extraordinary Partners' Meeting resolved to amend article 2 of the Bylaws, adapting the corporate purpose of the Company to the provisions of Section 47 of Uruguayan Commercial Companies Law No. 16060 and by a private document dated December 5, 2006, the partners of Cerealsur Ltda. executed the amendment to the Bylaws, registered with the National Registry of Commerce under No. 26267, on December 8, 2006, and published in the Professional Bulletin on December 18, 2006 and in the Official Gazette on December 21, 2006.

On August 27, 2003, the Company purchased for US$ 34,000,000 100% of the shares in Puerta del Sur S.A. ("PDS"), for a par value of UY$ 180,000, through a public auction to the best bidder held on the Montevideo Stock Exchange.

As established in its Bylaws approved by the National Auditing Office on January 28, 2003, the corporate purpose of PDS is the administration, exploitation, operation, construction and maintenance of Carrasco International Airport "Gral. Cesáreo L. Berisso" ("AIC"), regarding the airport and non-airport activities, including commercial -duty-free shops- and service activities, complementary of the airport activity, pursuant to the provisions of Law 17555, Decree No. 376/002 (which includes the "Integrated Management System" as supplementary document), and the contract entered into between the National Ministry of Defense ("MDN") and the National Development Corporation on December 19, 2002.

On February 6, 2003, PDS and the MDN signed a contract, approved by the Executive Branch under Resolution 1976/002 "for the integrated management of the AIC for its full exploitation, in the manner and under the conditions specified by Decree No. 376/02 of September 28, 2002, which is considered as an integral part of this contract for all effects". In addition, on August 11, 2003, an amendment to that contract was signed specifying that "this contract is integrated as an entire agreement with Decree No. 376/02 dated September 28, 2002, the Annexes, all the national and international aeronautical regulations on customs, taxes and all other matters related to the purpose hereof and to Executive Branch Decrees Nos. 153/003 of April 24, 2003, 192/003 of May 20, 2003, and 317/2003 of August 4, 2003."

The Integrated Management Contract ("IMC"), provides that the contract term shall be 20 years counted as from the takeover of the AIC, and may be extended for a further 10-year term, at the request of PDS and subject to the approval of the Executive Branch (Note 26).

The IMC and its subsequent amendments impose upon PDS a series of obligations, as detailed in Note 1.3. No balance is due of the price offered at the public auction.

NOTE 1 – GENERAL INFORMATION (Cont'd)

1.1 Legal nature and operations (Cont'd)

PDS enjoys the tax exemptions set out in Section 6.B), C) and E) of Decree-Law No. 15,637of September 28, 1984.

These special consolidated financial statements for a period of 12 months have been prepared for consolidation purposes with the Company's subsidiary. The fiscal year-end of the Company is October 31 of each year.

These special financial statements have been approved by Management for their issuance on March 22, 2013, but they have not yet been submitted to the consideration of the Company's partners.

1.2 Main revenue and expenses of the Company and its Subsidiary

1.2.1 Main revenue

PDS receives revenue from aeronautical and commercial services provided.

The first group includes:

a) Landing tariffs
b) Airplanes parking tariffs
c) Airport use tariffs

In relation to such revenue, Article 4.12 of the IMC provides as follows:

- The maximum prices of the landing and parking services, cargo and system for free provision of services on land to airplanes, receivable from the persons who provide those services, are set forth in Annex F to the IMC. These prices have been updated over time by several decrees issued by the Executive Branch, and the last update was Decree No. 491/009 of October 9, 2009, whereby new adjustments were established effective December 29, 2009 to the prices set in Annex F. On January 27, 2012, the Executive Branch approved Decree No. 020/12 establishing new adjustments to the prices set forth in Annex F, effective February 26, 2012.
- The prices for services provided to airlines, not comprised in Annex F, as well as their modification, will be proposed by PDS, and subject to approval.
- The prices for the remaining services not comprised in Annex F will be freely set by PDS

1.2.2 Main expenses

Article 4.7 of the IMC establishes that the price that PDS will pay to the State as consideration for the administration, exploitation, operation, construction and maintenance of AIC will accrue annually, as from the takeover date, and will be the higher of: a) US$ 2,500,000; or b) the amount resulting from multiplying the work units (per passenger or per each 100 kilograms of cargo or mailing) by US$ 2.30. The minimum annual fee amount (sub-section a), and the value of the work unit (sub-section b) will be adjusted annually, according to the procedure described in Article 4.13 of the IMC. The annual fee has been adjusted by different decrees of the Executive Branch. Decree No. 491/009 of October 9, 2009 which had been in force since December 29, 2009 and during the fiscal year 2011, established that PDS was to pay the State the higher of: a) US$ 3,630,469; or b) the amount resulting from multiplying the work units (per passenger or per each 100 kilograms of cargo or mailing) by US$ 3.34.

NOTE 1 – GENERAL INFORMATION (Cont'd)

1.2.2 Main expenses (Cont'd)

On January 27, 2012, the Executive Branch approved Decree No. 020/012, which came into effect on February 26, 2012, and established that PDS was to pay the State the higher of: a) US$ 4,027,188; or b) the amount resulting from multiplying the work units (per passenger or per each 100 kilograms of cargo or mailing) by US$ 3.71.

1.3 Obligations assumed by PDS

Under Article 4.4 of the IMC, PDS has to take all the measures and actions necessary to manage, operate, exploit, build and maintain the AIC, ensuring the provision of the integrated management services under optimum conditions of safety, efficiency, frequency, hygiene and comfort. This article describes the following obligations:

- Destine the assets, facilities, material and human resources used in the AIC and non-airport services exclusively to the subject matter of the IMC.
- Make investments in construction, new works, repair, enlargement, preservation and maintenance, as described in the technical annexes, according to the investment schedule. In addition to make all the necessary investments to respond to the growth in the national and international air traffic of passengers and cargo.
- Carry out all the necessary acts so that the AIC is at least under the following categories: 1) Category I -Instrumental; 2) category 4E -runway status; 3) category 9 -fire protection; and 4) at least IATA category C.
- Payment of the fee annually accrued under the terms and conditions set forth in the contract.
- Maintain the guarantees and insurance in full force and effect.
- Maintain and preserve in good operating condition the assets it receives according to the inventory performed on the takeover date, making the pertinent replacements in case of destruction and obsolescence and updating it on the basis of the technological breakthroughs.

The IMC also sets out as follows:

- The contract term shall be 20 years counted as from the takeover date of the AIC, and may be extended for a further 10-year term, at PDS's request and subject to the approval of the Executive Branch (Note 26).
- The maximum prices charged by PDS for the services it provides as AIC operator in relation to the landing and parking of airplanes, prices for cargo and prices for free provision of services on land to airplanes, receivable from the persons who render that service.
- The fee amount payable to the National Airport Infrastructure and Civil Aviation Authority ("DINACIA"), as well as the frequency of those payments.
- The amount of the guarantees that are to be provided in favor of the MDN for:

NOTE 1 – GENERAL INFORMATION (Cont'd)

1.3 Obligations assumed by PDS (Cont'd)

- the obligations of the purchaser (the Company) for the hiring of the operator of the AIC, investments and payment of capital; and
- the obligations of the contractor (PDS) for contract performance.

- PDS obligation to hire an airport operator which will be in charge of at least the operating management of the AIC in the service areas for airplanes, passengers, mailing and cargo. The contractor's organization will ensure that all operations are under the control of the management that will be in charge of the airport operator (Note 10.1)
- PDS must contract civil liability insurance against damages, losses or injuries that could be caused to persons or property in relation to the performance of the IMC in the name of PDS and the MDN, to cover all risks until termination or expiration of the IMC. The minimum insurable amount was set at US$ 250,000,000.

In addition, Section 4.6 establishes the applicable sanctions for complete or partial performance or late performance of any of the obligations of PDS.

NOTE 2 - MAIN ACCOUNTING STANDARDS

The main accounting standards used by the Company and its subsidiary PDS (jointly, the "Group") in preparing these consolidated financial statements are summarized below. These standards have been applied consistently with those of the previous year.

2.1 Basis for preparation

These special consolidated financial statements have been prepared in accordance with the provisions of Decree No. 266/07 dated July 31, 2007, Decree No. 538/09 dated November 30, 2009 and Decree No. 99/09 dated February 27, 2009, which apply to fiscal years beginning January 1, 2009. These standards require the application of International Financial Reporting Standards ("IFRS") adopted at that date by the International Accounting Standards Board ("IASB"), translated into Spanish and published by the National Internal Auditing Office; the index-adjustment to the financial statements and disclosure standards included in Decree No. 103/91 and Decree No. 37/10.

In preparing these special consolidated financial statements we have applied the historical cost as described below.

Accounting standards issued by the IASB not yet effective as accounting standards in Uruguay.

The accounting standards and interpretations adopted by the IASB after July 31, 2007 are not effective standards in Uruguay.

The main standards and amendments to standards adopted but not yet effective in Uruguay are shown below:

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

2.1 Basis for preparation (Cont'd)

International Accounting Standard 1 - Presentation of Financial Statements, issued in September 2007 and effective since January 1, 2009.

- International Accounting Standard 27 - Consolidated and Separate Financial Statements, issued in January 2008 and effective since July1, 2009.
- IFRS 3 - Business Combinations, issued in January 2008 and effective since July 1, 2009.
- Amendments to several International Accounting Standards and IFRSs by the Exposure Draft Annual Improvements issued by the IASB in May 2008, 2009, 2010 and 2011.
- Interpretation 17 - Distributions of Non-cash Assets to Owners, issued in November 2008 and effective since July 1, 2009.
- Interpretation 18 - Transfers of Assets from Customers, issued in January 2009 and effective since July 1, 2009.
- International Accounting Standard 36 - Impairment of Assets, issued in April 2009 and effective since January 1, 2010.
- IFRS 2 - Share-based Payment, issued in June 2009 and effective since July 1, 2010.
- IFRS 5 - Non-current Assets Held for Sale and Discontinued, issued in April 2009 and effective since January 1, 2010.
- International Accounting Standard 24 - Related Party Disclosures, issued in November 2009 and effective for fiscal years beginning January 1, 2011.
- International Accounting Standard 32 - Financial Instruments (Classification of rights issued), issued in October 2009 and effective for fiscal years beginning February 1, 2010.
- Interpretation 19 - Extinguishing Financial Liabilities with Equity, issued in November 2009 and effective since July 1, 2010.
- Amendments to IFRS 7 - Financial Instruments: disclosures, issued in October 2010 and effective for fiscal years beginning July 1, 2011 and issued in December 2011 and effective for fiscal years beginning January 1, 2013.
- Amendments to IFRS 1 - First-time Adopters, issued in December and effective for fiscal years beginning July 1, 2011 and issued in March 2012 and effective for fiscal years beginning January 1, 2013.
- Amendment to IAS 12 - Income Taxes, including deferred tax assets, issued in December 2010 and effective for fiscal years beginning January 1, 2012.
- Amendment to IAS 19 - Employee Benefits, amended in June 2011, issued in June 2011 and effective for fiscal years beginning July 1, 2012.
- Amendment to IAS 1 - Presentation of Financial Statements with regard to Other Comprehensive Income, issued in June 2011 and effective for fiscal years beginning July 1, 2012.
- IFRS 9 - Financial Instruments, issued in November 2009 and amended in October 2010. Effective for fiscal years beginning January 1, 2015.
- IFRS 10 - Consolidated Financial Statements, issued in May 2011, amended in October 2012 and effective for fiscal years beginning January 1, 2013.
- IFRS 11 - Joint Arrangements, issued in May 2011, amended in June 2012 and effective for fiscal years beginning January 1, 2013.
- IFRIC Interpretation 20 - Stripping Costs in the Production Phase of a Surface Mine, effective for fiscal years beginning January 1, 2013.

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

2.1 Basis for preparation (Cont'd)

- IFRS 12 - Disclosure of Interests in Other Entities, issued in May 2011 and effective for fiscal years beginning January 1, 2013.
- IFRS 13 - Fair Value Measurement, effective for fiscal years beginning January 1, 2013.
- IAS 27 revised - Separate Financial Statements, issued in May 2011 and effective for fiscal years beginning January 1, 2013.
- IAS 28 revised - Investments in Associates and Joint Ventures, issued in May 2011 and effective for fiscal years beginning January 1, 2013.
- Amendment to IAS 32 - Financial Instruments, Requirements for Offsetting Financial Assets and Financial Liabilities, effective for fiscal years beginning January 1, 2014.

It is not expected that the standards and interpretations will have a material impact on disclosure of the Company's consolidated financial statements.

Decree No. 124/11 was issued on April 1, 2011 and establishes that the accounting standards the application of which is mandatory for public companies are IFRS translated into Spanish, for fiscal years beginning January 1, 2012.

2.2 Subsidiaries

A subsidiary is any entity in relation to which the Group has the power to govern the financial and operating policies generally for being the owner of more than half of the voting rights of the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has the power to control an entity. Subsidiaries are consolidated from the date control is transferred to the Group. When control ceases, they are no longer consolidated.

Intercompany transactions, balances and unrealized gains of Group entities are deleted. Unrealized losses are also deleted.

The accounting policies of subsidiaries are consistent with the policies adopted by the Group.

2.3 Information by business segment

Group assets and transactions are exposed to similar risks and subject to similar returns; as a result, the Group does not segregate information by business segment.

2.4 Functional currency and reporting currency

The financial statements of the Group are prepared and disclosed in US dollars, which is the functional currency and reporting currency of the Group financial statements.

Group accounting records are kept in both Uruguayan pesos - the legal tender in Uruguay - and US dollars.

2.5 Balances in foreign currency

Foreign currency assets and liabilities (in a currency other than the functional currency) are stated at the exchange rate prevailing at each closing. Exchange differences are charged to income/loss. The following exchange rates were used: US$ 1 = UY$ 19.401 and EUR 1 = US$ 1.322 at December 31, 2012, and US$ 1 = UY$ 19.903 and EUR 1 = US$ 1.29555 at December 31, 2011.

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

2.5 Balances in foreign currency (Cont'd)

Retained earnings are disclosed at their historical value stated in US dollars. The amounts reported under the captions from the Statement of Income were translated at the exchange rate prevailing on the date of each transaction.

Ending balances of foreign currency assets and liabilities (in a currency other than the functional currency) are summarized in Note 5.

2.6 Trade receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method, less the impairment allowance. An impairment allowance of trade receivables is recorded when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the effective interest rate.

This allowance is calculated basically in accordance with the aging of balances at each closing date. The impairment allowance is recognized in the Statement of Income.

2.7 Financial Assets

The Group classifies its financial assets within the following categories: investments at fair value through income/ loss; loans and other receivables; permanent investments held until maturity, and financial assets available for sale. The classification depends on the purpose for which the investments were acquired. Management sets the classification of the investments at the time of the initial recognition and reconsiders it at each closing date.

(a) Investments at fair value though income/ loss

This caption includes investments acquired for sale in the short-term (within 12 months following the closing) and they are valued at fair value. Variances in fair value are recorded in profit and loss accounts.

(b) Loans and other receivables

They are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method, less the impairment allowance, if any.

(c) Permanent investments held until maturity

Permanent investments held until maturity are investments with a fixed maturity date that Management intends and has the financial ability to maintain until their maturity date. They are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method, less the impairment allowance, if any.

(d) Financial assets available for sale

This caption includes assets not falling within any of the categories mentioned above. These assets are recognized at their fair value and variances in the fair value are recognized directly in equity accounts (variances of fair value in equity adjustments); when these investments are sold or impaired, the accumulated amount of the related adjustments at fair value is charged to profit and loss accounts.

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

2.7 Financial Assets (Cont'd)

These assets are written down when the right to collect the respective cash flows has been forfeited or assigned and the Group has transferred substantially all of the risks and benefits inherent in the ownership right on the assets.

During this period and the prior period, the Group did not maintain any investments in the following categories: Investments at fair value through income/ loss; Permanent investments held until maturity, and financial assets available for sale.

2.8 Impairment of assets

Fixed assets and intangible assets are subject to impairment tests whenever changes in events or circumstances indicate that their carrying amount may not be recovered. When the carrying amount of an asset exceeds it recoverable value, an impairment loss is recognized. The recoverable value is the higher of its fair value less costs to sell and its value in use. To assess their impairment, assets are considered at each cash-generating unit level.

2.9 Inventories

Assets recorded under Inventories are stated at the lower of cost value and the net realizable value. Cost is determined using the first-in, first-out (FIFO) method.

2.10 Fixed assets

Fixed assets are recorded at their historical cost, less depreciation. Historical cost includes expenses directly attributable to the acquisition of assets.

Depreciation is calculated based on the straight-line method from the month following the month of its incorporation by applying the annual rates defined in Exhibit 1.

Maintenance costs and repairs are charged to income/loss in the period they are incurred.

The residual value of assets and their useful lives are reviewed, if necessary, at each closing.

The carrying amount of an asset is reduced immediately to its recoverable value as soon as it is determined that its carrying amount exceeds its estimated recoverable value (Note 2.8).

Profits and losses arising from the disposal of assets (due to sale or retirement) are determined comparing revenue obtained with their carrying amount. Profits and losses are included in the Statement of Income.

2.11 Intangible assets

2.11.1 Concession of AIC

This intangible asset shows the value of acquisition of the shares of PDS in a public auction (Note 1.1) that exceeds the equity value (UY$ 180,000) of this subsidiary at that time plus expenses directly associated with the acquisition. It is amortized under the straight-line method using a 20-year useful life, which is the current term of the concession granted to PDS. Impairment tests are annually performed on this asset and it is recorded at cost less accumulated impairment losses.

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

2.11 Intangible assets (Cont'd)

2.11.2 Concession-related construction works

Under the IMC, PDS undertakes to perform construction works and improvements in consideration of the right to exploit an intangible asset and the related right to charge a fee to users of airport services. The intangible asset is recognized at the fair value of the construction works and improvements. The fair value of the construction works or improvements equals the cost of the construction works or improvements plus a reasonable margin, estimated at 3%.

Intangible assets associated with the works actually performed are recognized based on the work progress certificate and amortized from the month following the month of the completion of the works, considering as useful life the period remaining until the end of the concession, as detailed in Exhibit 1.

The allocation of resources for the incorporation of Intangible assets is disclosed in the account Advances to suppliers within the Intangible assets section of Exhibit 1.

The carrying amount of an asset is reduced immediately to its recoverable value as soon as it is determined that its carrying amount exceeds its estimated recoverable value (Note 2.8).

2.12 Financial loans

Loans received are initially recognized at fair value, net of the transaction costs incurred. Subsequently, these loans are disclosed at amortized cost; any difference between the funds deposited (net of transaction costs) and the repayment value is recognized in the Statement of Income using the effective interest rate method. Loans are classified under Current Liabilities unless the Group has an unconditional right to postpone payment for a term of at least 12 months following the closing date of the period.

2.13 Income tax

The income tax charge is calculated by adding the current tax charge or tax payable and the income tax charge or credit.

Deferred taxes are recognized according to the liability method, for the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts, based on tax regulations.

Deferred taxes are determined using the rates and regulations effective at the date of the financial statements that are expected to the effective at the time deferred tax assets are realized or deferred tax liabilities are settled.

Deferred tax assets are recognized as long as it is probable that there will be future taxable profits to offset against deductions for temporary differences.

2.14 Employee benefits

Liabilities relating to optional or mandatory employee benefits are recognized under Liabilities and charged to losses of the period they accrue.

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

2.15 Provisions

Provisions for debts relating to legal claims or other actions from third parties are recognized when the Group has a legal or alleged obligation arising from past events; it is likely that resources should be allocated to settle the liability and the amount of the obligation has been estimated in a reliable manner.

2.16 Capital

Capital is disclosed at the nominal value of the units of interest.

2.17 Concession for use of terminal space

Concession for use of terminal space where the grantor maintains a substantial portion of the risks and benefits is classified as operating. Revenue and cost accrued by this caption are included in the Statement of Income.

2.18 Capital

To determine the income/loss for the period, the capital to be maintained has been defined as the financial capital invested or received as a result of capital contributions.

2.19 Cash and cash equivalents

In the Statement of cash flows, cash and cash equivalents include cash available, sight deposits in banks and temporary investments with a maturity date less than 90 days (Note 6).

2.20 Revenue and expense recognition

The criteria applied by the Group for revenue and expense recognition resulting from the business operation is detailed below:

a. Aeronautical revenue and costs

Aeronautical revenue is recognized when the Group provides a service to third parties, such as the boarding fee, landing tariffs, airplane parking tariffs and/or airport use tariffs. Aeronautical costs have been recognized with charge to income/loss in the period they accrue (Notes 1.2 and 1.3).

b. Commercial revenue and costs

Commercial revenue and costs have been recognized as revenue or cost in the period they accrue.

c. Revenue and costs related to concession works

Revenue and costs related to concession works have been recognized based on *Interpretation 12 - Service Concession Arrangements* ("IFRIC 12"). The main provisions established in the standard are the following:

- in a concession, there are two phases or elements identified: first, construction, and second, exploitation and operation, with different profit margins.

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

2.21 Revenue and expense recognition (Cont'd)

- the concessionaire must recognize revenue and costs relating to the construction and exploitation and operation of the service in accordance with IAS 11 *Construction Contracts* and IAS 18 *Revenue*, respectively.
- the concessionaire must recognize intangible assets considering that it is awarded the right to collect a fee from users for the service provided.

Revenue from works actually performed is recognized based on a work progress certificate, plus a margin of 3%. The cost is recognized based on each work progress.

d. Fees

The fees generated until the start-up of the new airport terminal, associated with the right of use of the properties received from the grantor, were recognized in the period between the beginning of the concession and the construction of the new terminal.

From the construction and the start-up of the new airport terminal, the fee is recognized on an annual basis, in accordance with the IMC, as a reduction of the revenue received from its activity, in the amount of the annual fee payable detailed in Notes 1.2.2 and 1.3.

The commitment related to the fee payable in accordance with the IMC, is detailed in Note 20.

e. Other revenue and costs non-related to concession works

Revenue and costs for other works, in connection with construction contracts the result of which may be estimated with sufficient skills, are recognized in Other income/loss as such, with reference to the completion of the activity on the date of closing (Note 18).

NOTE 3 – FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose the Group to a variety of financial risks: market risk (including exchange risk, interest rate risk on fair value and cash flows and price risk), credit risk and liquidity risk.

Management is responsible for risk management.

(a) Market risk

i. Exchange risk

The Group is exposed to foreign exchange risk of many currencies, particularly, the Euro and the Uruguayan Peso. The foreign exchange risk arises from commercial transactions and from assets and liabilities in foreign currency.

NOTE 3 – FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

To manage its foreign exchange risk, in general, the Group seeks to neutralize its positive and negative monetary positions maintained. The Group does not have a hedge against that risk through derivative financial instruments. Note 5 to the financial statements summarizes the balances of foreign currency assets and liabilities (in a currency other than the functional currency) at the closing of each period.

In the period ended December 31, 2012, if the value of the Uruguayan peso had depreciated/ appreciated by 10% compared with the US dollar and the other variables had remained constant, the after-tax profit would have been higher/ lower by approximately US$ 59,574 due to the exposure generated by that foreign currency for net balances payable at the closing of the period (US$ 118,389 at December 31, 2011).

In the period ended December 31, 2012, if the value of the Euro had depreciated/ appreciated by 10% compared with the US dollar and the other variables had remained constant, the after-tax profit would have been higher/ lower by approximately US$ 1,058,747 due to the exposure generated by that foreign currency for net balances payable at the closing of the period (US$ 1,674,808 at December 31, 2011).

ii. Interest rate risk on fair value and cash flows

The Group does not have significant assets that generate interest; as a result, operating revenue and cash flows are substantially independent from the changes in market interest rates.

Interest rate risk for the Group may arise from non-current debts. Debts at fixed rates do not expose the Group to interest rate risk on the fair value of its liabilities.

iii. Price risk

The Group is not exposed to price risk since it does not have financial assets at fair value.

(b) Credit risk

Credit risk is focused on accounts receivable basically from airlines and concessions for use of space. Although there is a significant number of customers and credit is not concentrated, customers may be affected by internal and external economic factors which, considering their profile and characteristics, result in a low probability of risk. There are policies in place to control the credit granted.

(c) Liquidity risk

The Group manages liquidity risk carefully; this implies maintaining sufficient cash and cash equivalents to face committed short-term disbursements of funds.

The table below shows the Group financial liabilities and the time lapsing from the period-end date until their maturity. The amounts disclosed below are contractual undiscounted cash flows. Balances due within 12 months are equivalent to their carrying amounts since the impact on the discount is immaterial.

NOTE 3 – FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

At December 31, 2012	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Financial debts	26,973,958	22,293,203	37,420,706	57,896,094
Trade accounts payable and Other debts	2,958,371	-	-	1,248,994
At December 31, 2011	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
Financial debts	25,614,676	26,818,119	47,740,739	73,209,063
Trade accounts payable and Other debts	5,751,909	-	-	1,275,999

3.2 Capital risk management

The Group's objective relating to capital management is to safeguard the ability of the Group to continue operating as a going concern to generate income for its shareholders and benefits to stakeholders and maintain an optimum capital structure aiming at reducing the cost of capital.

To maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to the shareholders, issue new shares or sell liabilities to reduce its debt.

The Group monitors its capital based on the leverage ratio, which is calculated dividing the net debt by the total capital. Net debt accounts for total debts (including current and non-current debts) less cash and cash equivalents. Total capital accounts for equity as disclosed in the special consolidated statement of equity plus net debt.

Leverage ratios at December 31, 2012 and 2011 were the following:

	12.31.2012	12.31.2011
Financial debts (Note 11)	116,501,021	137,391,901
Less: Cash and cash equivalents (Note 6)	4,256,023	3,009,749
Net debt	112,244,998	134,382,152
Total Equity	74,986,989	68,959,859
Total Equity and Liabilities	187,231,987	203,342,011
Leverage ratio	**60%**	**66%**

3.3 Fair value estimation

The fair value of financial instruments not traded in an active market, such as loans, is determined applying valuation techniques, mainly present value of discounted cash flows and quoted market prices or quoted prices available from brokers for similar instruments.

NOTE 4 - USE OF ESTIMATES

The preparation of financial statements in accordance with accounting standards effective in Uruguay requires that Management make estimates and assumptions affecting the amount of assets and liabilities, revenue and expenses recorded. Actual results might differ from these estimates and assumptions.

The main estimates used and assumptions made in determining the carrying amount of assets and liabilities are:

(a) Fair value estimation

The nominal value of deposits, Trade receivables and Other receivables less their Allowance for bad debts and Trade payables, Financial debts, Other debts and Provision for short-term contingencies approximate their fair value.

(b) Estimated recoverability of the value of intangible assets arising under the concession

The Group annually verifies whether the intangible assets have impaired, as established in Note 2.8. The recoverable value has been determined based on discounted cash flow techniques, the calculation of which requires the use of estimates, as detailed in Note 8. Actual results could differ from the estimates used in their determination.

(c) Deferred income tax

The Group recognizes the effect of deferred income tax based on estimates and assumptions relating to realization and settlement of assets and liabilities, respectively.

Changes in estimates and assumptions may have a significant impact, in the period those changes occur, on the deferred tax assets and liabilities recorded.

(d) Recognition of revenue related to concession works

Revenue and costs related to concession works have been recognized based on IFRIC 12. Revenue from works actually performed is recognized based on a work progress certificate, plus an estimated margin of 3%. The cost is recognized based on each work progress.

(e) Other revenue and costs non-related to concession works

Revenue and costs not related to concession works, associated with construction contracts the result of which may be estimated reliably, are recognized based on the percentage of completion method.

NOTE 5 - FOREIGN CURRENCY POSITION

Balances of foreign currency assets and liabilities, other than the functional currency, at December 31, 2012 and December 31, 2011 are the following:

NOTE 5 - FOREIGN CURRENCY POSITION (Cont'd)

	12.31.2012			12.31.2011
	Uruguayan peso	Euro	Equivalent in US$	Equivalent in US$
ASSETS				
CURRENT ASSETS				
Cash and banks	5,275,772	5,649	279,401	115,170
Trade receivables	3,213,908	-	165,657	110,427
Other receivables	28,917,190	-	1,490,500	315,740
TOTAL ASSETS	37,406,870	5,649	1,935,558	541,337
LIABILITIES				
CURRENT LIABILITIES				
Trade payables	19,545,034	7,186	1,016,924	724,437
Other debts	33,272,385	-	1,714,983	1,413,371
Financial debts	-	10,894,708	14,402,806	22,449,412
TOTAL LIABILITIES	52,817,419	10,901,894	17,134,713	24,587,220
NET POSITION	(15,410,549)	(10,896,245)	(15,199,155)	(24,045,883)

NOTE 6 - CASH AND CASH EQUIVALENTS

	12.31.2012	12.31.2011
	US$	US$
Cash and banks	4,256,023	3,009,749
	4,256,023	3,009,749

NOTE 7 - TRADE RECEIVABLES

There is no credit risk concentration relating to trade receivables, based on the characteristics of customers. As detailed in Note 2.6, an allowance for bad debts was set up in case some receivables become uncollectible.

NOTE 7 - TRADE RECEIVABLES (Cont'd)

The Group has set up an allowance for bad debts in the amount of US$ 3,367,444 in the period ended December 31, 2012 (Note 13). The bad debt allowance of US$ 130,893 was reversed and trade receivables for US$ 26,271 were written off in the period ended December 31, 2011.

PDS recognized the impairment of receivables with the main aeronautical customer, Pluna Líneas Aéreas Uruguayas S.A. ("Pluna"), which in early July 2012 filed a petition for reorganization and ceased operations.

Losses were charged to Administrative and selling expenses in the Statement of Income (Note 15.1).

NOTE 8 - FIXED ASSETS AND INTANGIBLE ASSETS

8.1 Changes in the balances of fixed assets and intangible assets during this period are disclosed in Exhibit 1 to these financial statements.

8.2 Depreciation of fixed assets and amortization of intangible assets for the period ended December 31, 2012 were allocated in the following manner: US$ 16,463,791 to Cost of services provided and US$ 1,786,715 to Administrative and selling expenses (Note 15.1). Depreciation of fixed assets and amortization of intangible assets for the period ended December 31, 2011 were allocated in the following manner: US$ 16,318,962 to Cost of services provided and US$ 1,781,635 to Administrative and selling expenses (Note 15.1).

8.3 Analysis of recoverability of intangible assets

i) During the fiscal year ended December 31, 2012 and 2011 no losses on intangible asset impairment were recognized.

ii) For the purpose of analyzing the impairment of intangible assets through the calculation of their recoverable value, pre-tax cash flow projections covering a five-year period have been used, based on assumptions approved by the Board of Directors. Cash flows for the following years were extrapolated using estimated growth rates. Growth projections do not exceed the long-term growth expected for the business.

iii) These were the key assumptions used in the projections:

	2012	**2011**
	%	**%**
- passenger growth rate	1.7	3
- pre-tax discount rate	7.75	7.75

iv) PDS estimates that the growth rate of aeronautical and commercial revenue based on past experience and the prospects for changes in air traffic.

NOTE 9 - FINANCIAL INSTRUMENTS

9.a Breakdown:

	Loans and other receivables	Total US$
At December 31, 2012		
Assets		
Cash and banks	4,256,023	4,256,023
Trade receivables	4,984,488	4,984,488
Total	**9,240,511**	**9,240,511**

	Other liabilities	Total US$
Liabilities		
Trade payables	2,178,203	2,178,203
Financial debts	116,501,021	116,501,021
Other debts	1,111,878	1,111,878
Total	**119,791,102**	**119,791,102**

	Loans and other receivables	Total US$
At December 31, 2011		
Assets		
Cash and banks	3,009,749	3,009,749
Trade receivables	4,678,302	4,678,302
Total	**7,688,051**	**7,688,051**

	Other liabilities	Total US$
Liabilities		
Trade payables	4,844,932	4,844,932
Financial debts	137,391,901	137,391,901
Other debts	1,221,951	1,221,951
Total	**143,458,784**	**143,458,784**

NOTE 9 - FINANCIAL INSTRUMENTS (Cont'd)

9.b Credit rating of financial assets

The credit rating of financial assets that are neither due nor impaired is assessed based on external risk ratings, if any, and historical information on default rate from its counterparties:

	2012	2011
	US$	US$
Accounts receivable		
Counterparties without external risk ratings	4,690,748	2,601,134
Total accounts receivable	**4,690,748**	**2,601,134**
Cash at banks and short-term deposits		
AA (UY)	4,133,193	2,886,139
Counterparties without external risk ratings	74,641	75,450
Total cash at banks and short-term deposits	**4,207,834**	**2,961,589**

NOTE 10 - TRADES PAYABLE AND OTHER DEBTS

10.1 Balance held with the airport operator

As set forth in the contract entered into between the AIC operator, Societá Esercizi Aeroportuali S.p.A. ("SEA") and PDS, the operator will receive on an annual basis the higher of 2.5% of the Group's aeronautical revenue or US$ 300,000 as consideration for the service provided.

The foreign suppliers line includes the amount accrued and owed to SEA of US$ 25,667 (US$ 25,667 at December 2011). The charge to income/loss amounts to US$ 749,816 (US$ 708,093 at December 2011), and is included in Cost of services provided.

10.2 Balance held with the MDN

The Fee payable line item within Other debts under Current liabilities, includes an amount of US$ 769,419 at December 31, 2012 and of US$ 906,977 at December 31, 2011, for the balance of the annual price payable to the MDN as consideration for the administration, exploitation, operation, construction and maintenance of the AIC, accrued as detailed in Note 1.2.2. The charges to income/loss amount to US$ 7,689,134 for the period ended on December 31, 2012 and US$ 7,567,462 for the period ended on December 31, 2011, and are included in Cost of services provided.

10.3 Tax balances

This account includes the following items:

NOTE 10 - TRADES PAYABLE AND OTHER DEBTS (Contd't)

10.3 Tax balances (Contd't)

	12.31.2012 US$	12.31.2011 US$
Certificate of credit requested	323,895	151,392
Certificates held in the portfolio	1,024,942	105,356
	1,348,837	256,748
Payments on account	245,101	62,318
Income tax withholdings (individuals)	(111,295)	(61,782)
IRAE prepayment	7,339	3,859
Corporations Control Tax (ICOSA) prepayment	518	466
	141,663	4,861
Tax credits	1,490,500	261,609

10.4 Guarantees from customers

i) Correspond to cash deposits made by the sub-concessionaires at AIC in favor of PDS to guarantee compliance with all the obligations arising under the respective contracts. These guarantees will be valid until all of the obligations become extinguished, and their validity period will never be shorter than the term of the concession. The sub-concessionaire may, at any time and with the prior written consent of the grantor, replace the guarantees with another that duly secures compliance with the guaranteed obligations.

ii) Navinten S.A. signed in favor of PDS a guarantee for US$ 600,000, enforceable only in the event of non-compliance with the obligations arising under the contract as licensee, as set forth in the contract signed on January 15, 2010 and expiring on November 20, 2023.

The balance of this guarantee at December 31, 2012 and December 31, 2011 has been disclosed in the line item Guarantees from customers, within Other debts – Non-current. The present value of the guarantee is reviewed at the end of each period and the differences are recognized in the Statement of Income, under Financial Results.

10.5 Unearned revenue

Current	12.31.2012 US$	12.31.2011 US$
Advertising and goodwill to be accrued (third parties)	866,012	757,528
Guarantees received but not yet accrued (Note 10.4)	28,476	28,476
	894,488	786,004

Non-current	12.31.2012 US$	12.31.2011 US$
Advertising and goodwill to be accrued (third parties)	2,816,369	3,363,789
Guarantees received but not yet accrued (Note 10.4)	282,384	310,860
	3,098,753	3,674,649

NOTE 10 - TRADES PAYABLE AND OTHER DEBTS (Cont'd)

10.5 Unearned revenue (Cont'd)

The balances included in Advertising and goodwill to be accrued correspond to advance collections, less the portion of revenue accrued at year-end under the contracts for goodwill for the use of spaces in the new terminal of the AIC.

The balances included in guarantees received to be accrued correspond to the difference between the fair value of the guarantees received and the amount in cash received. At December 31, 2012 and December 31, 2011, the fair value of the liability was determined based on the discount of the future cash outflow at an interest rate applied to the transaction. This difference is accrued over the life of the contract.

The present value of those guarantees is reviewed at the end of each period and the differences are recognized in the Statement of Income, under Financial Results.

NOTE 11 – FINANCIAL DEBTS

Breakdown:

	12.31.2012	12.31.2011
	US$	US$
Current		
Bank loans	5,000,000	5,000,000
Negotiable obligations	8,700,000	4,350,000
Interest on negotiable obligations	1,011,375	1,067,562
Prepaid issuance expenses	(103,369)	(103,369)
Notes payable	7,201,403	7,054,573
Interest payable	-	1,285,699
	21,809,409	18,654,465
Non-current		
Negotiable obligations	69,600,000	78,300,000
Prepaid issuance expenses	(818,335)	(921,704)
Bank loans	1,250,000	6,250,000
Notes payable	24,659,947	35,109,140
	94,691,612	118,737,436
Total financial debts	116,501,021	137,391,901

11.1 Bank loans

The bank loan was granted by Banco Santander S.A. to PDS, as detailed below:

Loan for US$ 20,000,000, which was made effective through successive disbursements from May 29, 2009 to September 30, 2009, repayable over 5 years counted as from the date of the last disbursement completing the total amount lent, at an effective annual interest rate of 6.5% on balances due. The loan will be amortized in 16 equal and consecutive quarterly installments as from the end of a grace period of one year counted as from the last disbursement date.

NOTE 11 – FINANCIAL DEBTS (Cont'd)

11.1 Bank loans (Cont'd)

This bank loan was guaranteed until July 27, 2011 by an assignment of credits held or to be received by Navinten S.A. in the future, receivable from American Express, Visa, and MasterCard credit cards for sales of products in the AIC Duty-Free Shop.

On July 27, 2011 a surety contract was entered into with Liska, whereby a surety was provided until August 31, 2011, the date on which Banco Santander released PDA from its obligation to secure the bank loan.

A series of conditions to be complied with by PDS are also established, which do not differ significantly from those established under the negotiable obligations issuance program mentioned in Note 11.2.

11.2 Negotiable Obligations

On April 30, 2007, PDS issued negotiable obligations for a nominal value of US$ 87,000,000 for a term of 14 years and a half, falling due on October 29, 2021 at a fixed interest rate of 7.75% per annum. This issuance was offered through a public auction at Bolsa Electrónica de Valores del Uruguay S.A.

(a) Amortization will start as from 2011, at the following percentages:

- 5% of principal will be paid in two semi-annual installments on April 29 and October 29, 2011.
- 5% of principal will be paid in two semi-annual installments on April 29 and October 29, 2012.
- Since 2013 and until 2021 inclusive, 10% of principal will be paid annually in two semi-annual, equal and consecutive installments on April 29 and October 29, 2012.

(b) Interest will be paid semi-annually.

(c) Guarantee: Assignment to a guarantee trust to be created of the following credits of PDS: 1) Revenue from the exploitation, construction and maintenance of the AIC; 2) revenue from fee for the space granted for the exploitation of the duty-free shop and for the operation and exploitation of the cargo terminal of the AIC; 3) the total amounts PDS receives or has the right to receive for any item from the State or third parties.

(d) Program risk rating: A (Uy) by Fitch Uruguay Calificadora de Riesgo S.A.

(e) Trustee of the Trust: Fidential S.R.L.

(f) Issue trust agent: Bolsa Electrónica de Valores del Uruguay S. A.

(g) Paying Agent, registrant and depositing and custody of funds: Banco Santander S.A. (ex ABN Amro Bank N.V. Montevideo branch).

NOTE 11 – FINANCIAL DEBTS (Cont'd)

11.2 Negotiable Obligations (Cont'd)

The amounts collected for the subscription and placements of the negotiable obligations were transferred to an administration and guarantee trust, *Fideicomiso Construcción del Aeropuerto Internacional de Carrasco*, and will be released from that trust as stipulated in the fund application schedule and in the procedures manual, following the methods established by that trust.

The funds managed by the trust were fully released in 2009.

Expenses relating to the issuance of the negotiable obligations are disclosed under Prepaid issuance expenses, deducted from financial liabilities and these expenses are accrued in the period of amortization of negotiable obligations.

The negotiable obligations program establishes certain of conditions to be fulfilled by PDS, some of which are detailed below:

- To maintain a debt servicing coverage ratio on an annual basis which i) shall be greater than 1.5 times for the years 2006 to 2011; and ii) greater than 1.2 times for the years 2012 to 2014; and greater than 1.5 times as from 2015 and until repayment of the negotiable obligations. This ratio is defined as EBITDA (at year end, year "t")/principal amortization + payment of interest service (for the current year, "t + 1").
- To maintain an indebtedness ratio (liabilities / (equity + subordinated loans in respect of the negotiable obligations granted by the shareholder or group)) of less than 3.
- To faithfully comply with all its obligations in the existing contexts with the concessionaires of the administration and exploitation of the duty-free shop and of the administration and exploitation of the air cargo terminal and may rescind or amend them only if the amendments or the new concessionaires do it under no less advantageous conditions (from an economic viewpoint) for PDS (with respect to the existing contracts).
- Not to assign, pledge or otherwise restrict its rights under the trust agreement.
- To abstain from distributing dividends unless the debt servicing coverage ratio on an annual basis exceeds 1.7 and PDS complies with the restriction to maintain the indebtedness ratio. Furthermore, while the construction of the new terminal of the AIC is in progress and until payment of the first principal amortization has been made or when the trust agent has duly notified PDS of noncompliance with the obligations assumed.
- To abstain from granting loans to related or controlled parties.
- To abstain from securing third party obligations.

11.3 Notes payable

The notes payable in Euros correspond to the balance of the loan agreement signed on August 20, 2004 and partially amended on January 17, 2007 (amendments effective April 1, 2007) between Alaska Green Corporation (principal partner) and the Company, which enabled obtaining a loan for EUR 20,000,000.

NOTE 11 – FINANCIAL DEBTS (Cont'd)

11.3 Notes payable (Cont'd)

The main conditions of the loan are as follows:

a) Compensatory interest shall accrue on balances due as from December 20, 2004 at an annual nominal rate of 9%. As per the amendment to the loan, compensatory interest shall accrue on balances due until March 31, 2007. No interest payments will apply thereafter.

b) Principal will be payable in three consecutive annual installments from December 20, 2010 through December 20, 2012, with the latter being the final repayment date of the loan.

c) As per the amendment to the loan agreement, while the amendment remains in effect, no arrears will be applied to the interest payments.

On October 15, 2010, an amendment to the loan agreement was signed, modifying the time period for repayment of principal, which will be payable in three consecutive annual installments from December 20, 2012 through December 20, 2014, the latter being the final repayment date of the loan. Interest will be paid together with the first principal disbursement.

Payment of the first principal installment for EUR 5,445,234 and interest for EUR 992,396 was made on May 9, 2012.

The US dollar-denominated financial debts correspond to the loan agreement signed by Alaska Green Corporation (majority partner) and the Company on January 25, 2007, which enabled obtaining a loan for US$ 21,000,000.

The main conditions of the loan are as follows:

a) The loan will not accrue compensatory interest on balances due.

b) The terms and conditions for repayment of principal will be established by the parties by mutual consent, after the contractual conditions have been set forth under the Trust Agreement for the distribution of dividends of PDS to the Company.

A partial principal payment for US$ 654,901 was made on May 9, 2012.

A second partial principal payment for US$ 2,886,554 was made on September 28, 2012.

11.4 Other information

11.4.1 As described in Notes 11.1 and 11.2, Group's assets secure neither the bank loans nor the negotiable obligations.

11.4.2 As collateral for compliance with the loan agreement detailed in Note 11.3, the Company created a pledge on 100% of the shares in PDS owned by the Company in favor of Alaska Green Corporation, maintaining the exercise of its rights over the shares.

NOTE 12 - DEFERRED INCOME TAX

Deferred tax assets and liabilities are disclosed as a net amount since they may be offset as they related to the same tax authority. Offset amounts include the following:

NOTE 12 - DEFERRED INCOME TAX (Cont'd)

Deferred tax assets

	12.31.2012	12.31.2011
	US$	US$
- Deferred tax to be refunded within 12 months	-	-
- Deferred tax to be refunded after 12 months	18,009,200	14,996,790
	18,009,200	14,996,790

Deferred tax liabilities

	12.31.2012	12.31.2011
	US$	US$
- Deferred tax allocated within 12 months	-	-
- Deferred tax allocated after 12 months	22,496,680	15,674,676
	22,496,680	15,674,676
Deferred tax liabilities, net	**(4,487,480)**	**(677,886)**

Gross changes in deferred income tax were the following:

	12.31.2012	12.31.2011
	US$	US$
Balance at the beginning of the period	(677,886)	(1,907,080)
Deferred tax for the period	(3,809,594)	1,229,194
Balance at the end of the period	(4,487,480)	(677,886)

Changes in deferred tax assets and liabilities during the period were the following:

NOTE 12 - DEFERRED INCOME TAX (Cont'd)

Deferred tax assets

Deferred tax assets	Allowance for bad debts	Sundry provisions	Unearned revenue	Tax losses	Total
At December 31, 2010	86,109	90,195	7,159,528	-	7,335,832
Charge to income (loss)	(65,609)	76,859	6,585,082	1,064,626	7,660,958
At December 31, 2011	**20,500**	**167,054**	**13,744,610**	**1,064,626**	**14,996,790**
Charge to income (loss)	167,722	26,886	3,071,424	(253,622)	3,012,410
At December 31, 2012	**188,222**	**193,940**	**16,816,034**	**811,004**	**18,009,200**

Prior-year tax losses amount approximately to UY$ 1,506,782,795 (adjusted at December 31, 2012), which account for US$ 77,665,213. The breakdown is the following:

Tax losses US$	Date of generation	Date of expiration
34,670,262	2010	2015
25,035,845	2011	2016
17,959,106	2012	2017

Deferred tax liabilities

	Fixed assets and intangible assets	Total
At December 31, 2010	9,242,912	9,242,912
Charge to income (loss)	6,431,764	6,431,764
At December 31, 2011	**15,674,676**	**15,674,676**
Charge to income (loss)	6,822,004	6,822,004
At December 31, 2012	**22,496,680**	**22,496,680**

NOTE 13- ALLOWANCES AND PROVISIONS

A detail of the changes in the balance of the allowance for bad debts at December 31, 2012 and December 31, 2011 is disclosed below:

	12.31.2012	12.31.2011
	US$	US$
Initial balance	**962,451**	**1,119,615**
Charged to income:		
Setting up of allowance (Note 15.1)	3,367,444	-
Reclassification of Pluna-related allowances	2,493,260	-
Unused amounts transferred (Note 15.1)	-	(130,893)
Accounts receivable written off during the fiscal year	-	(26,271)
Ending balance	**6,823,155**	**962,451**

NOTE 14 - EQUITY

14.1 Capital

The Company's capital at year-end amounts to UY$ 543,500 and is made up of 1,087 units of UY$ 500 each.

Units of interest do not impose on the Company the obligation to pay dividends, as a result, no liability has been recognized.

14.2 Restriction on the distribution of profits

14.2.1 Section 93 of the Uruguayan Commercial Companies Law establishes that 5% of the net profits of each fiscal year must be appropriated to the legal reserve, until it reaches 20% of the paid-in capital. If, for whatever reason, this legal reserve is reduced, the Company shall not distribute profits until it is replenished.

14.2.2 Pursuant to Section 98 of the Companies Law, the Company shall not distribute net profits until prior year losses are offset.

14.3 Distribution of profits

On February 18, 2011, the General Ordinary Partners' Meeting decided to approve the financial statements at October 31, 2010, maintaining the results reported in the accounts.

NOTE 15 - BREAKDOWN OF INCOME/ LOSS BALANCES

15.1 Administrative and selling expenses

Administrative and selling expenses include the following items:

	12.31.2012 US$	12.31.2011 US$
Reversals/Setting up bad debts	3,367,444	(130,893)
Utilities	2,411,929	2,890,596
Advertising	329,338	268,201
Security, health care and firefighters	1,165,957	1,375,411
Salaries and social security contributions	714,668	766,966
Travel expenses	77,599	226,740
Computer equipment and services	333,936	254,540
Professional fees	897,532	661,006
Taxes	51,165	82,540
Depreciation and amortization	1,786,715	1,781,635
Insurance	26,243	11,781
Entertainment and events	116,331	56,727
Commissions	412,852	324,040
Other	797,053	480,694
	12,488,762	9,049,984

15.2 Other losses

Other losses include the following items:

	12.31.2012 US$	12.31.2011 US$
Donations	(99,219)	(88,116)
Other	(26,849)	45,201
	(126,068)	(42,915)

15.3 Net financial results

Financial income (loss), net includes the following items:

	12.31.2012 US$	12.31.2011 US$
Interest paid	(6,913,431)	(7,563,440)
Interest earned	41,209	37,479
Guarantees received	(42,300)	(71,300)
Expenses relating to negotiable obligations	(103,369)	(146,885)
Credit cards commissions	(14,891)	(18,976)
Translation differences	(384,840)	578,864
	(7,417,622)	(7,184,258)

NOTE 16 - INCOME TAX

	12.31.2012 US$	12.31.2011 US$
Current tax	(3,881)	-
Deferred tax (Note 12)	(3,809,594)	1,229,194
	(3,813,475)	1,229,194

The pre-tax income tax charge differs from the notional figure that resulted from applying the weighted average tax rate on the Group's income, as follows:

	12.31.2012 US$	12.31.2011 US$
Pre-tax income	9,840,605	7,475,992
Tax calculated at the income tax rate (25%)	(2,460,151)	(1,868,998)
Tax impact of:		
Non-taxable income	135,266	117,586
Non-deductible expenses for tax purposes	(219,249)	(81,116)
Tax inflation adjustment	479,698	1,401,736
Other	(1,749,039)	1,659,986
Income tax credit / (debit)	(3,813,475)	1,229,194

NOTE 17 - TRANSACTIONS WITH RELATED PARTIES

17.1 Below is a breakdown of balances with related parties:

	12.31.2012 US$	12.31.2011 US$
TRADE RECEIVABLES		
Related parties		
TCU S.A.	611,975	507,402
San Roque S.A.	-	86,540
	611,975	593,942
CURRENT TRADES PAYABLE		
Related parties		
San Roque S.A.	-	2,141
Proden S.A.	4,268	12,695
	4,268	14,836
CURRENT FINANCIAL DEBTS		
Related parties		
Alaska Green Corporation	7,201,403	7,054,573
	7,201,403	7,054,573
Interest payable		
Alaska Green Corporation	-	1,285,699
	-	1,285,699

NOTE 17 - TRANSACTIONS WITH RELATED PARTIES (Cont'd)

	12.31.2012	12.31.2011
	US$	US$
CURRENT OTHER DEBTS		
Related parties		
TCU S.A.	600,000	600,000
	600,000	600,000
NON-CURRENT FINANCIAL DEBTS		
Related parties		
Alaska Green Corporation	24,659,947	35,109,140
	24,659,947	35,109,140

17.1 Below is a breakdown of balances with related parties:

In early 2011, after the sale of the shares in Navinten S.A., Navinten S.A. and PDS were no longer related companies.

In May 2012, the shares in San Roque S.A. were sold, so this entity and the Company are no longer related companies.

The balances with related parties included under Trade receivables are associated with the fee to be collected.

The balance with the related party included under Current other debts at December 31, 2012 and December 31, 2011 is associated with the guarantee received from TCU S.A. as detailed in Note 17.5.

17.2 Below is a breakdown of the transactions with related parties:

	12.31.2012	12.31.2011
	US$	US$
OPERATING REVENUE		
Commercial revenue		
TCU S.A.	5,837,213	4,939,872
San Roque S.A.	-	231,546
	5,837,213	5,171,418
COST OF SERVICES PROVIDED		
Guarantees received		
Liska Investments Corporation	442,775	753,621
	442,775	753,621
ADMINISTRATIVE AND SELLING EXPENSES		
Professional fees		
Proden S.A.	120,420	112,336
	120,420	112,336

17.3 Key staff remunerations

Remunerations received by the Group's key staff amounted to approximately 6.98% of total remunerations accrued at December 31, 2012 (8.77 % of total remunerations accrued at December 31, 2011).

17.4 Contracts for Duty-Free Shop and Cargo Terminal

On January 10 and March 10, 2004, PDS signed contracts with Navinten S.A. and TCU S.A., automatically renewable for periods of twelve months, granting permits for use of terminal space for the operation and exploitation of duty-free shops and cargo terminal, respectively.

NOTE 17 - TRANSACTIONS WITH RELATED PARTIES (Cont'd)

17.4 Contracts for Duty-Free Shop and Cargo Terminal (Cont'd)

On March 1, 2006, January 15, 2010 and March 30, 2012, PDS signed amendments to the original contract with TCU S.A. modifying the fee percentage receivable on that company's revenues. As set forth in the contract signed on March 30, 2012 (effective March 1, 2011), the monthly fee for the free airport operations was fixed at forty percent (40%) of total gross sales, without taxes.

On November 24, 2006, PDS signed a new contract with Navinten S.A. modifying the fee percentage receivable for revenue from sales of electronic items.

PDS signed an amendment to that contract on October 15, 2009 (effective January 1, 2010) rectifying therein the fee percentages receivable for sales revenues and setting the goodwill amount for use of the new terminal.

Furthermore, on July 27, 2011, PDS entered into a new contract with Navinten S.A. whereby the contract signed on January 1, 2004 and its amendments were rescinded, executing a new contract by reason of its termination as a related party.

In accordance with these contracts, the monthly fee for use of terminal space assigned at AIC will be determined on the basis of gross billings or the operated cargo volumes, as applicable.

17.5 Guarantees received

As mentioned in Notes 11.1 and 19, the related company, Liska Investments Corporation has provided guarantees.

In addition, TCU S.A. signed in favor of PDS a guarantee for US$ 600,000, enforceable only in the event of noncompliance with the obligations arising under the contract as licensee, as set forth in the contract signed on January 15, 2010. The balance of the guarantee is disclosed in Other debts under Related parties at December 31, 2012 and 2011, as detailed in Note 17.1.

The term of duration of the above-mentioned contract is 12 months, automatically renewable for a further 12-month period, and successively for equal periods, unless earlier terminated by either party upon written notice.

NOTE 18 - ROAD CONSTRUCTION CONTRACT

On September 2, 2008, PDS entered into a contract with the Ministry of Transport and Public Auction Works ("MTOP") and Corporación Vial del Uruguay S.A. ("CVU") whereby PDS will perform construction works in the public auction road network adjacent to the AIC. The total amount for the road construction work is approximately UY$ 455,000,000.

PDS has signed subcontracts for these road construction works for approximately UY$ 89,000,000, UY$ 143,000,000, UY$ 175,000,000 and UY$ 23,000,000 with different contractors.

Furthermore, on September 15, 2010, PDS entered into an extension of the contract with CVU for a total amount of US$ 2,914,095. As a result, the amounts initially agreed with the contractors were modified.

Revenue and costs of road construction works are included in the Statement of Income, under Other income/loss.

The road construction contract sets forth that the Company shall provide a loan in the amount of US$ 1,000,000.

NOTE 19 - GUARANTEES AND SURETYSHIPS PROVIDED

As set forth in the IMC, the following guarantees are maintained at December 31, 2012 and December 31, 2011:

Beneficiary	Agent	Amount	Item
MDN	Liska Investments Co/Banco Citibank	US$ 1,500,000	Investments performance loan
MDN	Banco Santander	US$ 2,000,000	Investments performance loan
MDN	Banco Itaú	US$ 6,000,000	Contract performance loan

The cost accrued on the performance bonds set up by Liska Investments Corporation in the period ended December 31, 2012 amounted to US$ 442,775 and has been included in Cost of services provided (US$ 824,921 at December 31, 2011, US$ 753,621 in Cost of services provided, and US$ 71,300, in Financial results). On December 21, 2012 that bond was replaced with another of similar characteristics issued by Citibank.

As mentioned in Note 18, PDS provided a performance bond for US$ 1,000,000 in favor of CVU.

NOTE 20- COMMITMENTS

Commitments - Fee payable

As detailed in Note 1.2.2, PDS must pay an annual fee, calculated annually on the basis of the higher of the minimum payable and the amount resulting from multiplying the work units by a given amount. The nominal value, considering the current parameters, of the minimum fee payments to be made until the end of the concession is US$ 45,000,000.

NOTE 21 - CONCESSION FOR USE OF TERMINAL SPACE

5% of the total of the concessions for use of terminal space of PDS for the period ended on December 31, 2012 (US$ 24,559,674) correspond to contracts for a fixed price. The remaining 95% correspond to revenue from concession for use, based on revenue earned by sub-concessionaires, which is basically described in Note 17.4. 5 % of the total of the concessions for use of terminal space for the period ended on December 31, 2011 (US$ 25,851,230) correspond to contracts for a fixed price. The remaining 95% correspond to revenue from concession for use, based on revenue earned by sub-concessionaires.

NOTE 22 - KEY STAFF OF THE COMPANY AND SUBSIDIARY AND NUMBER OF OFFICERS

The key staff of the Company at December 31, 2012 and 2011 is the following:

NOTE 22 - KEY STAFF OF THE COMPANY AND SUBSIDIARY AND NUMBER OF OFFICERS (Cont'd)

Company administrator: Alaska Green Corporation.

Appointed individual (section 82 of the Uruguayan Companies Law): Mr. Raúl Galante

The key staff of PDS is the following: Board of Directors:

- President:	Mr. Martín Eurnekian
- Director:	Mr. Diego Arrosa
- Director:	Mr. Fernando Peláez
- Syndic:	Mr. Daniel Simonutti
- General Director:	Mr. Martín Eurnekian
Director of Administration and Finance:	Mr. Raúl Galante
Commercial Director:	Mr. Eduardo Acosta
General Manager:	Mr. Diego Arrosa
Technical Representative:	Mr. Horacio Bresciano

At December 31, 2012, the Group had 207 employees on its payroll and at December 31, 2011 there were approximately 206.

NOTE 23 - TAXES, SOCIAL SECURITY AND EMPLOYEE BENEFITS

As established in the Integrated Management System of the AIC, PDS will enjoy the tax exemptions set out in sub-sections B), C) and E) of section 6 of Decree-Law No. 15637 of September 28, 1984.

The main taxes, social security and employee benefits payable by the Group are as follows:

23.1 Income tax

As established by Law 18083, the Group has been subject to Business Income Tax ("IRAE") since July 1, 2007.

Current and deferred income tax charges are included in income for the period, in the Income Tax chapter.

23.2 Payroll taxes

The Group is subject to the general payroll tax system for its employees. The charges assumed for this item are included in income for the period, under Costs of services provided and Administrative and selling expenses.

23.3 Employee benefits

The Group employees do not have benefits other than those established by legal provisions in effect in Uruguay. Under these provisions, the Group is basically obliged to make pension fund contributions monthly. Social security coverage (pension fund contributions, health care, etc.) is assumed by the State or by pension fund managers created for such purpose.

NOTE 24- CONTINGENCIES

24.1 In the ordinary course of its business, the Group may be exposed to claims, litigation and contingencies. The Group has recorded provisions in the cases where it considers that probable losses could be incurred for the Company.

24.2 Insurance contracted by the Group includes the following:

- Civil liability insurance as airport operator (Note 1.3) for an insured amount of US$ 400,000,000, expiring on July 15, 2013.
- Global business insurance policy for an insured amount of US$ 36,112,850, expiring on October 26, 2013.
- Global business insurance policy for an insured amount of US$ 156,350,000, expiring on October 26, 2013.

24.3 As required by Law 18099 of January 24, 2007, the Group is jointly liable for the labor and social security obligations with respect to the workers of the subcontractors with which it operates for the performance of the works contracts with customers.

At December 31, 2012 and December 31, 2011, based on information made available by the Group, it is not anticipated that these situations might have material effects on the Group's assets.

NOTE 25 – SEGMENT REPORTING

The Group receives revenue from aeronautical and commercial services provided, in relation to the administration, operation, exploitation, construction and maintenance of the AIC, in accordance with the conditions set forth in the IMC.

Aeronautical revenue basically comprises landing tariffs, airplanes parking tariffs and tariffs for use of airport. In addition, commercial revenue basically includes revenue from the concession for use of terminal space leased to shops, and services revenue (Note 17.4).

It is understood that both the aeronautical and commercial services are interrelated and are exposed to risks and returns of a similar nature, directly associated with the airport activity the main support of which is the transport of cargo and passengers.

NOTE 26 – SUBSEQUENT EVENTS

PDS is conducting negotiations with the MDN to obtain an extension of the concession term for a further 10-year term, in accordance with the provisions of the IMC. At the date of issue of these financial statements, there has been important progress in the negotiations between the parties but it is still pending approval.

Exhibit 1
(Page 1)

CEREALSUR LTDA.
FIXED ASSETS AND INTANGIBLE ASSETS - CONSOLIDATED DEPRECIATION AND AMORTIZATION
for the special 12-month period beginning January 1, 2012 and ending December 31, 2012
(Amounts in US dollars)

	ORIGINAL VALUES				DEPRECIATION/ AMORTIZATION					
	Value at 01.01.2012	Increases	Decreases	Value at 12.31.2012	Accumulated at 01.01.2012	Deletions of the period	For the period Rate	For the period Amount	Accumulated at 12.31.2012	Net value at 12.31.2012
FIXED ASSETS										
Computer equipment	629,234	151,072	-	760,306	572,256	-	33%	45,067	617,323	162,983
Furniture and fixtures	203,170	36,523	-	239,693	102,626	-	10%	35,047	137,673	102,020
Vehicles	236,791	601,046	-	837,837	179,844	-	33%	62,849	242,693	595,144
Machinery and equipment	4,652,223	179,760	-	4,831,983	3,130,273	-	33%	572,738	3,703,011	1,128,972
Installations	432,827	-	-	432,627	356,791	-	33%	50,986	409,777	23,050
TOTAL FIXED ASSETS	6,154,245	968,401	-	7,122,646	4,343,790	-		766,687	5,110,477	2,012,169
INTANGIBLE ASSETS										
Runway	14,669,151	-	-	14,669,151	4,689,476	-	6% - 33%	815,598	5,505,074	9,164,077
New terminal	208,510,642	630,382	-	209,141,024	30,718,457	-	6% - 33%	14,780,516	45,498,973	163,642,051
Other assets	6,210,325	-	-	6,210,325	4,853,553	-	6% - 33%	181,104	5,034,657	1,175,668
Advances from suppliers	50,114	-	50,114	-	-	-		-	-	-
Concession of AIC	34,132,028	-	-	34,132,028	13,937,244	-	5%	1,706,601	15,643,845	18,488,183
TOTAL INTANGIBLE ASSETS	263,572,260	630,382	50,114	264,152,528	54,198,730	-		17,483,819	71,682,549	192,469,979
TOTAL AT 12.31.2012	269,725,505	1,598,783	50,114	271,275,174	58,542,520	-		18,250,506	76,793,026	194,482,148

Exhibit 1
(Page 2)

CEREALSUR LTDA.
FIXED ASSETS AND INTANGIBLE ASSETS - CONSOLIDATED DEPRECIATION AND AMORTIZATION
for the special 12-month period beginning January 1, 2011 and ending December 31, 2011
(Amounts in US dollars)

	ORIGINAL VALUES				DEPRECIATION/ AMORTIZATION					
	Value at 01.01.2011	Increases	Decreases	Value at 12.31.2011	Accumulated at 01.01.2011	Deletions of the period	For the period Rate	For the period Amount	Accumulated at 12.31.2011	Net value at 12.31.2011
FIXED ASSETS										
Computer equipment	579,869	49,365	-	629,234	526,958	-	33%	45,298	572,256	56,978
Furniture and fixtures	191,047	12,123	-	203,170	72,890	-	10%	29,736	102,626	100,544
Vehicles	168,454	68,337	-	236,791	168,454	-	33%	11,390	179,844	56,947
Machinery and equipment	4,302,654	349,569	-	4,652,223	2,602,127	-	33%	528,146	3,130,273	1,521,950
Installations	432,827	-	-	432,827	302,662		33%	56,129	358,791	74,036
TOTAL FIXED ASSETS	5,674,851	479,394	-	6,154,245	3,673,091			670,699	4,343,790	1,810,455
INTANGIBLE ASSETS										
Runway	14,669,151	-	-	14,669,151	3,873,879	-	6% - 33%	815,597	4,689,476	9,979,675
New terminal	208,755,880	-	245,238	208,510,642	15,985,386	-	6% - 33%	14,733,071	30,718,457	177,792,185
Other assets	6,210,325	-	-	6,210,325	4,678,924		6% - 33%	174,629	4,853,553	1,356,772
Advances from suppliers	351,112	-	300,998	50,114	-	-	-	-	-	50,114
Concession of AIC	34,132,028	-		34,132,028	12,230,643	-	5%	1,706,601	13,937,244	20,194,784
TOTAL INTANGIBLE ASSETS	264,118,496	-	546,236	263,572,260	36,768,832			17,429,898	54,198,730	209,373,530
TOTAL AT 12.31.2011	269,793,347	479,394	546,236	269,726,505	40,441,923			18,100,597	58,542.520	211,183,985

Section II - Special Separate Financial Statements

Independent Auditors' Report

To the Managing Partners of Cerealsur Ltda.:

We have audited the special separate financial statements of Cerealsur Ltda. (the "Company"), which consist of the separate statement of financial position at December 31, 2012, and the separate statements of income, changes in equity and cash flows for the special 12-month period beginning January 1, 2012 and ending December 31, 2012, and the related notes, which contain a summary of thc significant accounting standards applied and other explanatory notes enclosed herewith.

Management's responsibility on the special consolidated financial statements

The Company's Management is responsible for the preparation and fair presentation of these special consolidated financial statements in accordance with generally accepted accounting standards in Uruguay ("Uruguayan GAAP"), and for keeping an internal control system that Management may deem suitable to allow for the preparation of financial statements free of material errors due to fraud or involuntary errors.

Auditor's responsibility

Our responsibility is to express an opinion on the special separate financial statements, based on our audit. We performed our audit in accordance with International Auditing Standards. Those standards require that we comply with ethical requirements and that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

An audit includes performing procedures to obtain evidence supporting the amounts and assertions disclosed in the financial statements. The selected procedures depend on our judgment, which includes assessing the risk of the financial statements containing material errors due to fraud or involuntary errors. When performing this risk assessment, we consider the internal control system relevant to the fair preparation and presentation of the financial statements of the Company to select the audit procedures that are appropriate in the circumstances, but not with the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes assessing the appropriateness of the accounting standards used and the reasonableness of the estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We consider that the audit evidence obtained is sufficient and appropriate to support our opinion.

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pwc

Opinion

In our opinion, the special separate financial statements mentioned in paragraph 1 present fairly, in all material aspects, the separate financial position of the Company at December 31, 2012, as well as its separate statements of income and cash flows for the special 12-month period beginning January 1, 2012 and ending December 31, 2012, in conformity with Uruguayan GAAP.

On this same date, we issued our audit opinion on the special consolidated financial statements of the Company and its subsidiary for the special 12-month period beginning January 1, 2012 and ending December 31, 2012. In accordance with Uruguayan GAAP, the Company must file its special consolidated financial statements jointly with its subsidiary and its special separate financial statements, which comprise the financial statements the Company must file to conform to Uruguayan GAAP. Those financial statements are included in section I of this report.

Montevideo, Uruguay
March 22, 2013

Pricewaterhouse Coopers

Richard Moreira de la Rosa
Public Accountant
Partner
C.J.P.P.U. 48208

CEREALSUR LTDA.
SPECIAL SEPARATE STATEMENT OF FINANCIAL POSITION
at December 31, 2012
(Amounts in US dollars)

	12.31.2012	12.31.2011
ASSETS		
CURRENT ASSETS		
CASH AND BANKS		
Cash and banks	70,039	83,108
	70,039	83,108
OTHER RECEIVABLES		
Tax credits	914	1,067
	914	1,067
TOTAL CURRENT ASSETS	**70,953**	**84,175**
NON-CURRENT ASSETS		
PERMANENT INVESTMENTS (Note 6)		
Investments in companies	88,299,952	92,138,812
	88,299,952	92,138,812
INTANGIBLE ASSETS (Note 7 and Exhibit 1)		
Concession of AIC	34,132,028	34,132,028
Less: Accumulated amortization	(15,643,845)	(13,937,244)
	18,488,183	20,194,784
TOTAL NON-CURRENT ASSETS	**106,788,135**	**112,333,596**
TOTAL ASSETS	**106,859,088**	**112,417,771**

The accompanying Notes 1 to 16 and the Exhibit 1 are an integral part of these special separate financial statements.

CEREALSUR LTDA.
SPECIAL SEPARATE STATEMENT OF FINANCIAL POSITION
at December 31, 2012
(Amounts in US dollars)

	12.31.2012	12.31.2011
LIABILITIES		
CURRENT LIABILITIES		
OTHER DEBTS		
Provisions	10,749	8,500
	10,749	8,500
FINANCIAL DEBTS (Notes 8 and 11)		
Notes payable	7,201,403	7,054,573
Interest payable	-	1,285,699
	7,201,403	8,340,272
TOTAL CURRENT LIABILITIES	**7,212,152**	**8,348,772**
NON-CURRENT LIABILITIES		
FINANCIAL DEBTS (Notes 8 and 11)		
Notes payable	24,659,947	35,109,140
	24,659.947	35,109,140
TOTAL NON-CURRENT LIABILITIES	**24,659,947**	**35,109,140**
TOTAL LIABILITIES	**31,872,099**	**43,457,912**
EQUITY (as per related statements and Note 9)		
OWNERS' CONTRIBUTIONS		
Paid-in capital	19,947	19,947
	19,947	19,947
CONTRIBUTIONS TO BE CAPITALIZED		
Contributions to be capitalized - Additional paid-in capital	19,434,687	19,434,687
	19,434,687	19,434,687
RESERVES		
Legal reserve	3,784	3,784
	3,784	3,784
RETAINED EARNINGS		
Prior years' income	49,501,441	40,796,255
Net income for the year	6,027,130	8,705,186
	55,528,571	49,501,441
TOTAL EQUITY	**74,986,989**	**68,959,859**
TOTAL EQUITY AND LIABILITIES	**106,859,088**	**112,417,771**

The accompanying Notes 1 to 16 and the Exhibit 1 are an integral part of these special separate financial statements.

CEREALSUR LTDA.

SPECIAL SEPARATE STATEMENT OF INCOME

for the special 12-month period beginning January 1, 2012 and ending December 31, 2012

(Amounts in US dollars)

	12.31.2012	12.31.2011
REVENUE		
Income on holding investments (Note 6)	8,333,910	9,885,330
	8,333,910	9,885,330
ADMINISTRATIVE AND SELLING EXPENSES (Note 10.1)	(1,722,817)	(1,721,573)
NET FINANCIAL LOSS (Note 10.2)	(583,963)	541,429
NET INCOME FOR THE TWELVE MONTHS PERIOD	**6,027,130**	**8,705,186**

The accompanying Notes 1 to 16 and the Exhibit 1 are an integral part of these special separate financial statements.

CEREALSUR LTDA.

SPECIAL SEPARATE STATEMENT OF CHANGES IN EQUITY

for the special 12-month period beginning January 1, 2012 and ending December 31, 2012
(Amounts in US dollars)

	Capital	Contributions and commitments to be capitalized	Reserves	Retained earnings	Total equity
BALANCES AT DECEMBER 31, 2010					
Owners' contributions					
Units	19,947				19,947
Contributions to be capitalized		19,434,687			19,434,687
Retained profits					
Legal reserve			3,784		3,784
Unappropriated retained earnings				40,796,255	40,796,255
TOTAL AT DECEMBER 31, 2010	**19,947**	**19,434,687**	**3,784**	**40,976,255**	**60,254,673**
NET INCOME FOR THE TWELVE MONTHS PERIOD				8,705,186	8,705,186
SUBTOTAL	-	-	-	**8,705,186**	**8,705,186**
BALANCES AT DECEMBER 31, 2011					
Owners' contributions					
Units	19,947				19,947
Contributions to be capitalized		19,434,687			19,434,687
Retained profits					
Legal reserve			3,784		3,784
Unappropriated retained earnings				49,501,441	49,501,441
TOTAL AT DECEMBER 31, 2011	**19,947**	**19,434,687**	**3,784**	**49,501,441**	**68,959,859**
NET INCOME FOR THE TWELVE MONTHS PERIOD				6,027,130	6,027,130
SUBTOTAL	-		-	**6,027,130**	**6,027,130**
BALANCES AT DECEMBER 31, 2012					
Owners' contributions					
Units	19,947				19,947
Contributions to be capitalized		19,434,687			19,434,687
Retained profits					
Legal reserve			3,784		3,784
Unappropriated retained earnings				55,528,571	55,528,571
TOTAL AT DECEMBER 31, 2012	**19,947**	**19,434,687**	**3,784**	**55,528,571**	**74,986,989**

The accompanying Notes 1 to 16 and the Exhibit 1 are an integral part of these special separate financial statements.

CEREALSUR LTDA.

SEPCIAL SEPARATE STATEMENT OF CASH FLOWS

for the special 12-month period beginning January 1, 2012 and ending December 31, 2012
(Amounts in US dollars)

	12.31.2012	12.31.2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the twelve months period	6,027,130	8,705,186
Adjustments for:		
Amortization of intangible assets	1,706,601	1,706,601
Income/ (loss) on holding investments	(8,333,910)	(9,885,330)
Income/ (loss) on translation of dividends payable	286,216	-
Changes in assets and liabilities		
Other debts	153	
Other receivables	2,249	675 3,500
Total Changes in assets and liabilities	2,402	4,175
CASH FLOWS (APPLIED TO) FROM OPERATING ACTIVITIES	**(311,561)**	**530,632**
CASH FLOWS FROM INVESTING ACTIVITIES		
Collection of dividends	11,886,554	
CASH FLOWS FROM INVESTING ACTIVITIES	**11,886,554**	-
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) in financial debts	(11,588,062)	(541,504)
CASH FLOWS APPLIED TO FINANCING ACTIVITIES	**(11,588,062)**	**(541,504)**
DECREASE IN NET CASH FLOWS	**(13,069)**	**(10,872)**
INITIAL BALANCE OF CASH FLOWS	83,108	93,980
ENDING BALANCE OF CASH FLOWS	70,039	83,108

The accompanying Notes 1 to 16 and the Exhibit 1 are an integral part of these special financial statements.

NOTE 1 – GENERAL INFORMATION

1.1 Legal nature and general information on the Company

Since October 13, 2005, Cerealsur Ltda. (the "Company") is a limited liability company, with a capital of UY$ 543,500, represented by 1,087 units of UY$ 500 each. The Company partners are Alaska Green Corporation, which holds 99.908% of capital, and Pucket Corporation, which holds the remaining 0.092%. The amendment to the charter and bylaws (the “Bylaws”) was registered with the Legal Persons Registration Authority - Business Section, on October 24, 2005.

The Company was initially established as a corporation on November 5, 2002, with a contractual capital of UY$ 1,500,000. Its financial statements were approved by the National Auditing Office on December 02, 2002.

On August 27, 2003, the Company purchased for US$ 34,000,000 100% of the shares in Puerta del Sur S.A. ("PDS"), for a par value of UY$ 180,000, through a public auction to the best bidder held at Montevideo Stock Exchange.

As established in its Bylaws approved by the National Auditing Office on January 28, 2003, the corporate purpose of PDS is the administration, exploitation, operation, construction and maintenance of Carrasco International Airport "Gral. Cesáreo L. Berisso" (“AIC”), regarding the airport and non-airport activities, including commercial -duty-free shops- and service activities, complementary of the airport activity, pursuant to the provisions of Law No. 17555, Decree No.376/002 (which includes the "Integrated Management System" as supplementary document), and the contract entered into between the National Ministry of Defense (“MDN”) and the National Development Corporation on December 19, 2002.

On February 6, 2003, PDS and the MDN signed a contract, approved by the Executive Branch under Resolution 1976/002 "for the integrated management of the AIC for its full exploitation, in the manner and under the conditions specified by Decree No. 376/02 of September 28, 2002, which is considered as an integral part of this contract for all effects". In addition, on August 11, 2003 an amendment to that contract was signed specifying that "this contract is integrated as an entire agreement with Decree No. 376/02 dated September 28, 2002, the Annexes, all the national and international aeronautical regulations on customs, taxes and all other matters related to the purpose hereof and to Executive Branch Decrees Nos. 153/003 of April 24, 2003, 192/003 of May 20, 2003, and 317/2003 of August 4, 2003."

The IMC provides that the contract term shall be 20 years counted as from the takeover date of the AIC, and may be extended for a further 10-year term, at the request of PDS and subject to the approval of the Executive Branch (Note 16).

On June 29, 2006, the General Extraordinary Partners' Meeting resolved to amend article 2 of the Incorporation Agreement, adapting the corporate purpose of the Company to the provisions of Section 47 of Uruguayan Commercial Companies Law No. 16060 and by a private Document dated December 5, 2006, the partners of the Company executed the amendment to the Incorporation Agreement, registered with the National Registry of Commerce under No. 26267, on December 8, 2006, and published in the Professional Bulletin on December 18, 2006 and in the Official Gazette on December 21, 2006.

These special financial statements for a period of 12 months have been prepared for consolidation with the Company's subsidiary. The fiscal year-end of the Company is October 31 of each year.

These special financial statements have been approved by Management for their issuance on March 22, 2013, but they have not yet been submitted to the consideration of its partners.

NOTE 1 – GENERAL INFORMATION (Cont'd)

1.2 Main revenue and expenses of the Company

1.2.1 Main revenue

The Company's revenues derive exclusively from the variation in equity value of the subsidiary PDS

1.2.2 Main expenses

The main expenses are the intangible asset amortization and financial results.

1.3 Obligations assumed by the Company

The decrees mentioned in Note1.1 imposed on the Company, as purchaser of the shares in PDS, a series of obligations that have already been entirely fulfilled. At this date, no balance is due of the price offered at the public auction.

NOTE 2 - MAIN ACCOUNTING STANDARDS

The main accounting policies used in the preparation of these special financial statements are summarized below. These standards have been applied consistently with those of the previous year. The Company and its subsidiary, PDS, are jointly referred to as the "Group".

2.1 Basis for preparation

These special consolidated financial statements have been prepared in accordance with the provisions of Decree No. 266/07 dated July 31, 2007, Decree No. 538/09 dated November 30, 2009 and Decree No. 99/09 dated February 27, 2009, which apply to fiscal years beginning January 1, 2009. These standards require the application of International Financial Reporting Standards ("IFRS") adopted at July 31, 2007 by the International Accounting Standards Board ("IASB"), translated into Spanish and published by the National Internal Auditing Office and disclosure standards included in Decree No. 103/91 and Decree No 37/10.

In preparing these special financial statements we have applied the historical cost, except as mentioned in Note 2.2.

Pursuant to the provisions of Decree No. 538/09, these separate special financial statements of the Company, jointly with the special consolidated financial statements of the Group (as defined below) that were presented in Section I above, make up the special financial statements of the Company, in conformity with Uruguayan GAAP.

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

Accounting standards adopted by the IASB not yet effective as accounting standards in Uruguay.

The accounting standards and interpretations adopted by the IASB after July 31, 2007 are not effective standards in Uruguay.

The main standards and amendments to standards adopted but not yet effective in Uruguay are shown below:

- International Accounting Standard 1 - Presentation of Financial Statements, issued in September 2007 and effective since January 1, 2009.
- International Accounting Standard 27 - Consolidated and Separate Financial Statements, issued in January 2008 and effective since July1, 2009.
- IFRS 3 - Business Combinations, issued in January 2008 and effective since July 1, 2009.
- Amendments to several International Accounting Standards and IFRSs by the Exposure Draft Annual Improvements issued by the IASB in May 2008, 2009, 2010 and 2011.
- Interpretation 17 - Distributions of Non-cash Assets to Owners, issued in November 2008 and effective since July 1, 2009.
- Interpretation 18 - Transfers of Assets from Customers, issued in January 2009 and effective since July 1, 2009.
- International Accounting Standard 36 - Impairment of Assets, issued in April 2009 and effective since January 1, 2010.
- IFRS 2 - Share-based Payment, issued in June 2009 and effective since July 1, 2010.
- IFRS 5 - Non-current Assets Held for Sale and Discontinued, issued in April 2009 and effective since January 1, 2010.
- International Accounting Standard 24 - Related Party Disclosures, issued in November 2009 and effective for fiscal years beginning January 1, 2011.
- International Accounting Standard 32 - Financial Instruments (Classification of rights issued), issued in October 2009 and effective for fiscal years beginning February 1, 2010.
- Interpretation 19 - Extinguishing Financial Liabilities with Equity, issued in November 2009 and effective since July 1, 2010.
- Amendments to IFRS 7 - Financial Instruments: disclosures, issued in October 2010 and effective for fiscal years beginning July 1, 2011 and issued in December 2011 and effective for fiscal years beginning January 1, 2013.

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

- Amendments to IFRS 1 - First-time Adopters, issued in December and effective for fiscal years beginning July 1, 2011 and issued in March 2012 and effective for fiscal years beginning January 1, 2013.
- Amendment to IAS 12 - Income Taxes, including deferred tax assets, issued in December 2010 and effective for fiscal years beginning January 1, 2012.
- Amendment to IAS 19 - Employee Benefits, issued in June 2011 and effective for fiscal years beginning July 1, 2012.
- Amendment to IAS 1 - Presentation of Financial Statements with regard to Other Comprehensive Income, issued in June 2011 and effective for fiscal years beginning July 1, 2012.
- IFRS 9 - Financial Instruments, issued in November 2009 and amended in October 2010. Effective for fiscal years beginning January 1, 2015.
- IFRS 10 - Consolidated Financial Statements, issued in May 2011, amended in October 2012 and effective for fiscal years beginning January 1, 2013.
- IFRS 11 - Joint Arrangements, issued in May 2011, amended in June 2012 and effective for fiscal years beginning January 1, 2013.
- IFRIC Interpretation 20 - Stripping Costs in the Production Phase of a Surface Mine, effective for fiscal years beginning January 1, 2013.
- IFRS 12 - Disclosure of Interests in Other Entities, issued in May 2011 and effective for fiscal years beginning January 1, 2013.
- IFRS 13 - Fair Value Measurement, effective for fiscal years beginning January 1, 2013.
- IAS 27 revised - Separate Financial Statements, issued in May 2011 and effective for fiscal years beginning January 1, 2013.

- IAS 28 revised - Investments in Associates and Joint Ventures, issued in May 2011 and effective for fiscal years beginning January 1, 2013.

- Amendment to IAS 32 - Financial Instruments, Requirements for Offsetting Financial Assets and Financial Liabilities, effective for fiscal years beginning January 1, 2014.

It is not expected that the standards and interpretations will have a material impact on the valuation and disclosure of the Group's financial statements.

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

2.2 Subsidiaries

A subsidiary is any entity in relation to which the Company has the power to govern the financial and operating policies generally for being the owner of more than half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company has the power to control an entity.

In line with the provisions of Section 3 of Decree No. 538/09, the investments in subsidiaries have been valued in these financial statements according to the equity method of accounting.

The Company's share of post-acquisition profits or losses of its subsidiaries is recognized in income/loss, and its interest in the post-acquisition equity adjustments is recognized in equity adjustments. When the Company's share of its subsidiary's losses is equal to or exceeds its equity interest in the subsidiary plus the amount of any unsecured credit owed by it, the Company ceases to recognize subsequent losses, unless it has incurred debts or has made payments on behalf of the subsidiary.

Unrealized gains between the Company and its subsidiaries are deleted in proportion to the Company's equity in the subsidiaries. Unrealized losses are also deleted, unless the transaction shows an impairment in the value of the asset transferred. The accounting policies of subsidiaries have been modified to be consistent with the policies adopted by the Company.

2.3 Information by business segment

The Company's assets and transactions are exposed to similar risks and subject to similar returns; as a result, the Company does not segregate information by business segment.

2.4 Functional currency and reporting currency

The financial statements of the Company are prepared and disclosed in US dollars, which is the functional currency and reporting currency of the financial statements of the Company.

The Company's accounting records are kept in both Uruguayan pesos - the legal currency in Uruguay - and US dollars.

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

2.5 Balances in foreign currency

Foreign currency assets and liabilities (in a currency other than the functional currency) are stated at the exchange rate prevailing at each closing. Exchange differences are charged to income/loss. The following exchange rates were used: US$ 1 = UY$ 19.401 and EUR 1 = US$ 1.322 at December 31, 2012 and US$ 1 = UY$ 19.903 and EUR 1 = US$ 1.29555 at December 31, 2011.

Retained earnings are disclosed at their historical value stated in US dollars. The captions from the Statement of Income were translated at the exchange rate prevailing on the date of each transaction.

Ending balances of foreign currency assets and liabilities are summarized in Note 4.

2.6 Financial Assets

The Company classifies its financial assets within the following categories: investments at fair value through income/ loss; loans and other receivables; permanent investments held until maturity, and financial assets available for sale. The classification depends on the purpose for which the investments were acquired. Management sets the classification of the investments at the time of the initial recognition.

(a) Investments at fair value though income/ loss

This caption includes investments acquired for sale in the short-term (within 12 months following the closing) and they are valued at fair value. Variances in fair value are recorded in profit and loss accounts.

(b) Loans and other receivables

They are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method, less the impairment allowance, if any.

(c) Permanent investments held until maturity

Permanent investments held until maturity are investments with a fixed maturity date that Management intends and has the financial ability to maintain until their maturity date. They are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method, less the impairment allowance, if any.

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

2.6 Financial Assets

(a) Financial assets available for sale

This caption includes assets not falling within any of the categories mentioned above. These assets are recognized at their fair value and variances in the fair value are recognized directly in equity accounts (variances of fair value in equity adjustments); when these investments are sold or impaired, the accumulated amount of the related adjustments at fair value is charged to profit and loss accounts.

These assets are written down when the right to collect the respective cash flows have been forfeited or assigned and the Company has transferred substantially all of the risks and benefits inherent in the ownership right on the assets.

During this period and the prior period, the Company did not maintain any investments in the following categories: Investments at fair value through income/ loss; Permanent investments held until maturity, and; Financial assets available for sale.

2.7 Impairment of assets

Intangible assets and other non-current assets are subject to impairment tests whenever changes in events or circumstances indicate that their carrying amount may not be recovered. When the carrying amount of an asset exceeds it recoverable value, an impairment loss is recognized. The recoverable value is the higher of its fair value less costs to sell and its value in use. To assess their impairment, assets are considered at each cash-generating unit level.

2.8 Intangible assets

Intangible assets show the value of acquisition of the shares of PDS in a public auction (Note 1.1) that exceeds the equity value (UY$ 180,000) of this Company at that time plus expenses directly associated with the acquisition. It is amortized under the straight-line method using a 20-year useful life, which is the term of the concession granted to PDS. Impairment tests are annually performed on this asset and it is recorded at cost less accumulated impairment losses.

NOTE 2 - MAIN ACCOUNTING STANDARDS (Cont'd)

2.9 Financial loans

Loans received are initially recognized at fair value, net of the transaction costs incurred. Subsequently, these loans are disclosed at amortized cost; any difference between the funds deposited (net of transaction costs) and the repayment value is recognized in the Statement of Income using the effective interest rate method. Loans are classified under Current Liabilities unless the Company has an unconditional right to postpone payment for a term of at least 12 months following the closing date of the period.

2.10 Income tax

Most income obtained by the Company is not taxable under current regulations in force. It arises from the holding of shares in PDS and is not subject to business income tax (IRAE). As a result, the impact of deferred income tax is not considered in accordance with International Accounting Standard No. 12 ("IAS 12").

2.11 Capital

Capital is disclosed at the value of the units of interest.

2.12 Capital

To determine the income/loss for the period, the capital to be maintained has been defined as the financial capital invested or received as a result of capital contributions.

2.13 Cash and cash equivalents

The account cash and cash equivalents includes sight deposits in banks for the purpose of the preparation of the Statement of Cash Flows.

2.14 Revenue recognition

The operating revenue of the Company, mentioned in Note 1.2.1, is recognized in the accounting period it accrues.

NOTE 3 – FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks, including exchange risk, liquidity risk and interest rate risk.

Management is responsible for risk management.

(a) Exchange risk

The Company is exposed to foreign exchange risk of many currencies, particularly, the Euro. The foreign exchange risk arises from assets and liabilities in foreign currency.

The Company does not have a hedge against that risk through derivative financial instruments. Note 4.a to the special financial statements summarizes the balances of foreign currency assets and liabilities (in a currency other than the functional currency) at the closing of each period.

In the period ended December 31, 2012, if the quotation of the Euro had depreciated/ appreciated by 10% compared with the US dollar and the other variables had remained constant, the after-tax profit would have been higher/ lower by approximately US$ 1,080,210 (US$ 1,683,706 at December 31, 2011) due to the exposure generated by that foreign currency for net balances payable at the closing of the period.

(b) Liquidity risk

The Company manages liquidity risk carefully; this implies maintaining sufficient cash and cash equivalents to face committed short-term disbursements of funds.

The table below shows the Company financial liabilities and the time lapsing from the period-end date until their maturity. The amounts disclosed below are contractual undiscounted cash flows.

NOTE 3 – FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

At December 31, 2012	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Financial debts	7,201,403	7,201,403		17,458,545
Trade accounts payable and Other debts	10,749	-	-	-

At December 31, 2011	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Financial debts	8,340,272	7,054,570	7,054,570	21,000,000
Trade accounts payable and Other debts	8,500	-	-	-

(c) Interest rate risk on cash flows

The Company does not have significant assets that generate interest; as a result, operating revenue and cash flows are substantially independent from the changes in market interest rates.

The Interest rate risk for the Company may arise from non-current debts. Financial debts at December 31, 2012 and 2011 do not accrue interest (Note 8).

3.2 Capital risk management

The Company's objective relating to capital management is to safeguard the ability of the Company to continue operating as a going concern to generate income for its shareholders and benefits to stakeholders and maintain an optimum capital structure aiming at reducing the cost of capital.

To maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to the shareholders, issue new shares or sell liabilities to reduce its debt.

The Company monitors its capital based on the leverage ratio, which is calculated dividing the net debt by the total capital. Net debt accounts for total debts (including current and non-current debts) less cash and cash equivalents. Total capital accounts for equity as disclosed in the consolidated statement of financial position sheet plus net debt.

NOTE 3 – FINANCIAL RISK MANAGEMENT (Cont'd)

3.2 Capital risk management (Cont´d)

Leverage ratios at December 31, 2012 and 2011 were the following:

	12.31.2012	**12.31.2011**
Financial debts (Note 11)	31,861,350	43,449,412
Less: Cash and cash equivalents (Note 6)	70,039	83,108
Net debt	31,791,311	43,366,304
Total Equity	74,986,989	68,959,859
Total Equity and Liabilities	106,778,300	112,326,163
Leverage ratio	**30%**	**39%**

3.3 Fair value estimation

The fair value of financial instruments not traded in an active market, such as loans, is determined applying valuation techniques, mainly present value of discounted cash flows and quoted market prices or quoted prices available from brokers for similar instruments. The nominal value of financial creditor accounts is considered to approximate its fair value.

NOTE 4 - FOREIGN CURRENCY POSITION

Balances of foreign currency assets and liabilities, other than the functional currency, at December 31, 2012 and December 31, 2011 are the following:

	12.31.2012			12.31.2011
	Uruguayan peso	**Euro**	**Equivalent in US$**	**Equivalent in US$**
ASSETS				
CURRENT ASSETS				
Cash and banks	75,237	-	3,878	81
Other receivables	17,732	-	914	1,067
TOTAL ASSETS	92,969		4,792	1,148
LIABILITIES				
CURRENT LIABILITIES				
Other debts	208,541	-	10,749	-
Financial debts	-	5,447,354	7,201,403	8,340,272
NON-CURRENT LIABILITIES				
Financial debts	-	5,447,354	7,201,403	14,109,140
TOTAL LIABILITIES	208,541	10,894,708	14,413,555	22,449,412
NET POSITION	(115,572)	(10,894,708)	(14,408,763)	(22,448,264)

NOTE 5 - FINANCIAL INSTRUMENTS

	Loans and other receivables	Total US$
At December 31, 2012		
Assets		
Cash and banks	70,039	70,039
Total	70,039	70,039

	Other liabilities	Total US$
Liabilities		
Financial debts	31,861,350	31,861,350
Total	31,861,350	31,861,350

	Loans and other receivables	Total US$
At December 31, 2011		
Assets		
Cash and banks	83,108	83,108
Total	83,108	83,108

	Other liabilities	Total US$
Liabilities		
Financial debts	43,449,412	43,449,412
Total	43,449,412	43,449,412

5.b Credit rating of financial assets

The credit rating of financial assets that are neither due nor impaired is assessed based on external risk ratings, if any, and historical information on default rate from its counterparties:

	12.31.2012 US$	12.31.2011 US$
Cash at banks and short-term deposits		
AA (UY)	70,039	83,108
Total Cash at banks and Short-term deposits	70,039	83,108

NOTE 6 - PERMANENT INVESTMENTS

It accounts for 100% of the equity in PDS - Nominal value UY$ 793,051,895 - stated at equity value.

	12.31.2012	12.31.2011
	US$	US$
Balance at the beginning of the period	92,138,812	82,253,482
Share in profits	8,333,910	9,885,330
Distribution of dividends	(12,172,770)	-
Balance at the end of the period	88,299,952	92,138,812

The Company's equity in its subsidiary at the end of the period was the following:

Company	Fiscal year	Country of Incorporation	Assets	Liabilities	Revenue	Profit	Holding %
PDS	2012	Uruguay	187,014,659	98,714,707	69,650,882	8,333,910	100%
PDS	2011	Uruguay	199,446,342	107,307,530	60,510,009	9,885,330	100%

Income/loss on holding investments accounts for the increase in the equity value of shares of PDS plus dividends distributed in the period.

NOTE 7 – INTANGIBLE ASSETS

Changes in the balances of intangible assets during this period are disclosed in the Exhibit to these special financial statements.

Amortization of intangible assets for the period ended December 31, 2012 and 2011 in the amount of US$ 1,706,601 was allocated to Administrative and selling expenses of each period.

NOTE 8 – FINANCIAL DEBTS

Financial debts in Euros correspond to the balance of the loan agreement signed on August 20, 2004 and partially amended on January 17, 2007 (amendments effective April 1, 2007) between Alaska Green Corporation (majority partner) and the Company, which enabled obtaining a loan for Euros 20,000,000.

NOTE 8 – FINANCIAL DEBTS (Cont'd)

The main conditions of the loan are as follows:

a) Compensatory interest shall accrue on balances due as from December 20, 2004 at an annual nominal rate of 9%. As per the amendment to the loan, compensatory interest shall accrue on balances due until March 31, 2007. No interest payments will apply thereafter.

b) Principal will be payable in three consecutive annual installments from December 20, 2010 through December 20, 2012, with the latter being the final repayment date of the loan.

c) As per the amendment to the loan, while the amendment to the loan agreement remains in effect, no arrears will be applied to the interest payments.

On October 15, 2010, an amendment to the loan agreement was signed, modifying the time period for repayment of principal, which will be payable in three consecutive annual installments from December 20, 2012 through December 20, 2014, the latter being the final repayment date of the loan. Interest will be paid together with the first principal disbursement.

Payment of the first principal installment for EUR 5,445,234 and interest for EUR 992,396 was made on May 9, 2012.

The US dollar-denominated financial debts correspond to the loan agreement signed by Alaska Green Corporation (majority partner) and the Company on January 25, 2007, which enabled obtaining a loan for US$ 21,000,000.

The main conditions of the loan are as follows:

a) The loan will not accrue compensatory interest on balances due.

b) The terms and conditions for repayment of principal will be established by the parties by mutual consent, after the contractual conditions have been set forth under the Trust Agreement for the distribution of dividends of PDS to the Company.

A partial principal payment for US$ 654,901 was made on May 9, 2012.

A second partial principal payment for US$ 2,886,554 was made on September 28, 2012.

NOTE 9- EQUITY

9.1 Capital

The Company's capital at year-end amounts to UY$ 543,500 and is made up of 1,087 units of UY$ 500 each.

Units of interest do not impose on the Company the obligation to pay dividends, as a result, no liability has been recognized.

9.2 Restriction on the distribution of profits

9.2.1 Section 93 of the Uruguayan Commercial Companies Law establishes that 5% of the net profits of each fiscal year must be appropriated to the legal reserve, until it reaches 20% of the paid-in capital. If, for whatever reason, this legal reserve is reduced, the Company shall not distribute profits until it is replenished.

9.2.2 Pursuant to Section 98 of the Companies Law, the Company shall not distribute net profits until prior year losses are offset.

9.3 Distribution of profits

On February 18, 2011, the General Ordinary Partners' Meeting decided to approve the financial statements at October 31, 2010, maintaining the results reported in the accounts.

NOTE 10 - BREAKDOWN OF INCOME/ LOSS BALANCES

10.1 Administrative and selling expenses

Administrative and selling expenses include the following items:

	31.12.12	**31.12.11**
	US$	**US$**
Amortization of intangible assets	1,706,601	1,706,601
Professional fees	12,901	12,345
Bank charges	1,763	727
Taxes	1,055	1,269
Overheads	497	631
	1,722,817	1,721,573

NOTE 10 - BREAKDOWN OF INCOME/ LOSS BALANCES (Cont'd)

10.2 Net financial results

Financial income (loss), net includes the following items:

	31.12.12	31.12.11
	US$	US$
Exchange and translation differences	(583,963)	541,429
	(583,963)	541,429

NOTE 11 - TRANSACTIONS WITH RELATED PARTIES

11.1 Below is a breakdown of balances with related parties:

	31.12.12	31.12.11
	US$	US$
CURRENT FINANCIAL DEBTS		
Related companies		
Alaska Green Corporation	7,201,403	8,340,272
NON-CURRENT FINANCIAL DEBTS		
Related companies		
Alaska Green Corporation	24,659,947	35,109,140

11.2 Key staff remuneration

The Company's key staff is the Administrator, who did not receive any compensation during the period beginning January 1, 2012 and ending December 31, 2012 or the period beginning January 1, 2011 and ending December 31, 2011.

NOTE 12 - GUARANTEES PROVIDED

As collateral for compliance with the loan agreement detailed in Note 8, the Company constituted a pledge on 100% of the shares in PDS owned by the Company, in favor of Alaska Green Corporation, maintaining the exercise of its rights over the shares.

NOTE 13 - KEY STAFF AND NUMBER OF OFFICERS

The key staff of the Company at December 31, 2012 and 2011 is the following:

Company administrator: Alaska Green Corporation

Appointed individual (section 82 of the Companies Law): Mr. Raúl Galante
At December 31, 2012 and December 31, 2011 the Company did not have any employees.

NOTE 14- TAXES

The main taxes payable by the Company are as follows:

14.1 Business tax (IRAE)

The Company is subject to IRAE. However, as mentioned in Note 2.10, in line with current laws, the main revenues of the Company are not subject to that tax.

14.2 Assets Tax (IP) and Corporations Control Tax (ICOSA)

As established by current laws, the Company, as a limited liability company, is not required to pay ICOSA.

As from application of legislation in force since July 1, 2007, the Company pays IP at a rate of 1.50%.

NOTE 15- CONTINGENCIES

In the ordinary course of its business, the Company may be exposed to claims, litigation and contingencies. The Company is subject to the risks and contingencies of PDS

No specific assets or liabilities for contingencies have been recorded.

NOTE 16 – SUBSEQUENT EVENTS

PDS is conducting negotiations with the MDN to obtain an extension of the concession term for a further 10-year term, in accordance with the provisions of the IMC. At the date of issue of these special financial statements, there has been important progress in the negotiations between the parties but it is still pending approval.

Exhibit 1

CEREALSUR LTDA.
INTANGIBLE ASSETS - AMORTIZATION

for the special 12-month period beginning January 1, 2012 and ending December 31, 2012
(Amounts in US dollars)

	ORIGINAL VALUES			A M O R T I Z A T I O N				
	Value at the beginning of the period (1)	Increases (2)	Value at the end of the period 3= (1+2)	Accumulated At the beginning of the period (4)	For the period Rate	For the period Amount (5)	Accumulated At the end of the period 6= (4+5)	Net value at 12.31.2012 7= (3-6)
Concession of AIC	34,132,028	-	34,132,028	13,937,244	5%	1,706,601	15,643,845	18,488,183
TOTAL AT 12.31.2012	**34,132,028**	**-**	**34,132.028**	**13,937,244**		**1,706,601**	**15,643,845**	**18,488,183**

Exhibit 1

CEREALSUR LTDA
INTANGIBLE ASSETS - AMORTIZATION
for the special 12-month period beginning January 1, 2011 and ending December 31, 2011
(Amounts in US dollars)

	ORIGINAL VALUES			AMORTIZATION				
	Value at the beginning of the period (1)	Increases (2)	Value at the end of the period 3= (1+2)	Accumulated At the beginning of the period (4)	For the period Rate	For the period Amount (5)	Accumulated At the end of the period 6= (4+5)	Net value at 12.31.2011 7= (3-6)
Concession of AIC	34,132,028	-	34,132,028	12,230,643	5%	1,706,601	13,937,244	20,194,784
TOTAL AT 12.31.2011	**34,132,028**	**-**	**34,132,028**	**12,230,643**		**1,706,601**	**13,937,244**	**20,194,784**

ANNEX A – SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN URUGUAYAN GAAP AND IFRS

Overview

The financial information included in this listing memorandum related to Cerealsur is prepared and presented in accordance with generally accepted accounting principles in Uruguay ("Uruguayan GAAP"). Certain differences between Uruguayan GAAP and International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), may be material to the financial information contained in this listing memorandum. Such differences are summarized below.

Cerealsur is responsible for preparing this summary. A complete reconciliation of Cerealsur's special consolidated financial statements and related footnote disclosures between Uruguayan GAAP and IFRS has not been prepared, nor have such differences been quantified. Accordingly, no assurance is provided that the following summary of differences between Uruguayan GAAP and IFRS is complete. In making an investment decision, investors must rely upon their own examination of Cerealsur, the terms of this offering and the financial information included in this listing memorandum. Potential investors should consult their own professional advisors for an understanding of the differences between Uruguayan GAAP and IFRS, and how those differences might affect the financial information contained in this listing memorandum.

The special consolidated financial statements of Cerealsur have been prepared in accordance with the Uruguayan Companies Law No. 16,060, which establishes that commercial entities must prepare their financial statements in accordance with Uruguayan GAAP, and therefore they should follow the regulations of Executive Branch Decree No. 266/07 dated July 31, 2007. The application of Executive Branch Decree No. 266/07 is mandatory for financial periods beginning as from January 1, 2009. These regulations have established:

- The mandatory application of those IFRS issued by the IASB as of July 31, 2007, which had been translated into the Spanish language and had been published in Uruguay's *Auditoria Interna de la Nación* website;

- Guidelines to present consolidated and separate financial statements established by Executive Branch Decree No. 538/09; and

- The application of the presentation standards established by Executive Branch Decree No. 103/91 and Executive Branch Decree No. 37/10.

All of the above conform to Uruguayan GAAP.

Therefore, any IFRS or IFRS interpretation or amendment issued by the IASB subsequent to July 31, 2007 did not constitute Uruguayan GAAP and were not applied as of the date of the preparation of the special consolidated financial statements included in this listing memorandum.

Additionally, in October 2014, the Uruguayan government issued Executive Branch Decree No. 291/14 which states that small and medium sized entities must apply for fiscal years beginning on January 1, 2015 IFRS for Small Medium Entities ("IFRS for SMEs") as adopted, with few exceptions, by the IASB as of the date of publication of the decree, which had been translated into the Spanish language and published in Uruguay's *Auditoría Interna de la Nación* website.

Consideration of IFRS 1 "First Time Adoption of IFRS"

IFRS 1 prescribes the procedures when an entity adopts IFRS for the first time as the basis for preparing its general-purpose financial statements. The term "first IFRS financial statements" is defined in IFRS 1 as an entity's first annual financial statements in which an entity adopts IFRS by an explicit and unreserved statement of compliance with IFRS. The standard further states that financial statements are first IFRS financial statements if an entity presented its most recent previous financial statements in accordance with national requirements that are not consistent with IFRS in all respects.

The date of transition is the beginning of the earliest period for which an entity presents full comparative information under IFRS in its first IFRS financial statements. IFRS 1 requires an entity to prepare and present an opening balance sheet as a primary statement at the date of transition to IFRS. The general requirement of IFRS 1 is full retrospective application of all accounting standards effective at the end of an entity's first IFRS reporting period. IFRS 1 has two categories of exceptions to full retrospective application, mandatory exceptions and optional exemptions.

However, when a group becomes first time adopter later than its subsidiary, associate or joint venture, the standard sets out the carrying amounts for assets and liabilities that must be used. The entity, in its consolidated financial statements, should measure the assets and liabilities of the subsidiary, associate or joint venture at the same carrying amounts as in the financial statements of the subsidiary, after adjusting for consolidation and equity accounting adjustments and for the effects of the business combination in which the entity acquired the subsidiary.

Significant Differences Between Uruguayan GAAP as Applied to the Company and IFRS as Issued by the IASB

As indicated above, IFRS amendments and interpretations issued by the IASB subsequent to July 31, 2007 were not applied. Some of the standards issued subsequent to July 31, 2007 may have an impact on the financial position or results of operations of Cerealsur, or may require additional disclosure information to be included in the consolidated financial statements. The following summary of certain differences between Uruguayan GAAP and IFRS does not purport to be a complete description of all IFRS amendments and interpretations issued by the IASB subsequent to July 31, 2007. The following list is not exhaustive and describes only those IFRS amendments and/or interpretations issued by the IASB as of December 31, 2014, the date of the latest financial statements included in this listing memorandum, and which would have been effective for Cerealsur for its financial statements if it had applied all IFRS as issued by the IASB as of that date. This summary does not include any IFRS interpretation or amendment issued by the IASB subsequent to July 31, 2007 and which would not have been effective for Cerealsur for its consolidated annual financial statements presented in this listing memorandum.

Business Combinations

IFRS 3 (2004) "Business Combinations"

Under Uruguayan GAAP, Cerealsur adopted the version of IFRS 3 (2004) in force as of July 31, 2007. Under IFRS 3 (2004) all business combinations are accounted for under the acquisition method.

IFRS 3 "Business Combinations"

In January 2008, the IASB issued IFRS 3 replacing IFRS 3 (2004) and effective for business combinations in periods beginning on or after July 1, 2009. Under IFRS 3, an acquirer of a business recognizes the assets acquired and liabilities assumed at their acquisition's date fair values and discloses information that enables users to evaluate the nature and financial effects of the acquisition. The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed.

The revised version applies to business combinations occurring in an entity's first annual period beginning on or after July 1, 2009.

Investments in Associates

IAS 28 "Investments in Associates"

Under Uruguayan GAAP, Cerealsur adopted the version of IAS 28 in force as of July 31, 2007. IAS 28 prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for these types of investments. The guidance in IAS 28 defines "significant influence" as "the power to participate in the financial and operating policy decisions of an investee but is not control or joint control of those policies."

IAS 28 "Investments in Associates" (2011)

In May 2011, the IASB issued IAS 28 "Investments in Associates and Joint Ventures" which superseded IAS 28 "Investments in Associates" and prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

The changes to IAS 28 are the result of the issuance of IFRS 10, 11, and 12. IAS 28 (Revised 2011) is applicable to all entities that have joint control of, or significant influence over, an investee.

IAS 28 (Revised 2011) does not change the guidance that relates to associates, including that relating to significant influence. The definition of significant influence in IAS 28 (Revised 2011) however has not been updated to reflect the definition of control included in IFRS 10 or IAS 27 (Revised 2011). The guidance in IAS 28 (Revised 2011) continues to define "significant influence" as "the power to participate in the financial and operating policy decisions of an investee but is not control or joint control of those policies."

IAS 28 (Revised 2011) does not change the guidance on the measurement and recognition of impairment losses of an investment in a joint venture (or associate) in accordance with IAS 39, nor does it change the date of the financial statements of the joint venturer (or investor) and the joint venture (or associate), and their respective accounting policies.

The standard is applicable to annual reporting periods beginning on or after January 1, 2013.

Consolidation of Financial Statements

IAS 27 (2008) "Consolidated and Separate Financial Statements" and SIC-12 "Consolidation - Special Purpose Entities"

Under Uruguayan GAAP, Cerealsur adopted the requirements previously contained in IAS 27 (2008) and SIC-12 in force as of July 31, 2007. IAS 27 (2008) identifies control as the basis for consolidation and focuses on the power to govern the financial and operating policies for assessing control of typical operating entities. In contrast, SIC-12 focuses on risks and rewards for assessing control of special purpose entities. Although the concept that an investor could control an investee while holding less than 50% of the voting rights was implicit in IAS 27 (2008), it was not explicitly stated. Only currently exercisable potential voting rights are considered when assessing control.

IFRS 10 "Consolidated Financial Statements"

In May 2011, the IASB issued IFRS 10, which requires a parent to present consolidated financial statements as those of a single economic entity, replacing the requirements previously contained in IAS 27 (2008) and SIC-12.

With IFRS 10, there is no separate guidance with a different consolidation model for special purposes entities; rather, this guidance is incorporated into the single consolidation model in IFRS 10. The new control definition reflects that an investor can achieve power over an investee in many ways, not just through governing financial and operating policies. The investor must assess whether it has rights to direct the relevant activities. Although exposure to risks and rewards is an indicator of control, it is not the sole focus for consolidation for any type of entity.

IFRS 10 states that an investor can control an investee with less than 50% of the voting rights of the investee. IFRS 10 provides specific application guidance for assessing control (i.e., de-facto control) in such cases. Potential voting rights are substantive when the holder has the practical ability to exercise its rights and those rights are exercisable when decisions about the direction of the relevant activities need to be made. Deciding whether potential voting rights are substantive requires judgment. Potential voting rights may need to be considered even if they are not currently exercisable.

IFRS 10 does not change consolidation procedures i.e., how to consolidate an entity. Rather, IFRS 10 changes whether an entity is consolidated, by revising the definition of control.

The standard is applicable to annual reporting periods beginning on or after January 1, 2013.

Joint Arrangements

IAS 31 "Interests in Joint Ventures"

Under Uruguayan GAAP, Cerealsur adopted the requirements previously contained in IAS 31. The accounting requirements in IAS 31 are driven only by whether the arrangements are structured through an entity. Jointly controlled operations and jointly controlled assets are arrangements in IAS 31 that do not require the existence of an entity. Parties are simply required to recognize assets, liabilities, revenues and expenses arising from the arrangements. However, when the same arrangements are structured through an entity, IAS 31 classified them as "jointly controlled entities" and offered parties an accounting choice between proportionate consolidation and the equity method.

IFRS 11 "Joint Arrangements"

In May 2011, the IASB issued IFRS 11, which replaces IAS 31 "Interests in Joint Ventures." IFRS 11 requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and then account for those rights and obligations in accordance with that type of joint arrangement.

Under the new requirements, the accounting for joint arrangements will be driven by a principle, namely those parties should recognize their rights and obligations arising from the arrangements. The parties rights and obligations will result in either the recognition of assets and liabilities and corresponding revenues and expenses or in the recognition of an investment.

Joint arrangements are either joint operations or joint ventures. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint operators recognize their assets, liabilities, revenue and expenses in relation to its interest in a joint operation (including their share of any such items arising jointly). A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (joint venturers) have rights to the net assets of the arrangement. A joint venturer applies the equity method of accounting for its investment in a joint venture in accordance with IAS 28 Investments in Associates and Joint Ventures (2011). Unlike IAS 31, the use of "proportionate consolidation" to account for joint ventures is not permitted.

The standard is applicable to annual reporting periods beginning on or after January 1, 2013.

Disclosure of Interests in Other Entities

Previous dispersed IFRS guidance

Under Uruguayan GAAP, Cerealsur adopted the disclosure requirements previously contained in IAS 27, IAS 28 and IAS 31, as applicable. These standards contain numerous disclosure requirements for investments in subsidiaries, associates and joint ventures.

IFRS 12 "Disclosure of Interests in Other Entities"

In May 2011, the IASB issued IFRS 12 "Disclosure of Interests in Other Entities" which requires the extensive disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.

IFRS 12 combines the disclosure requirements for an entity's interests in subsidiaries, joint arrangements, associates and structured entities into one comprehensive disclosure standard. Many of the disclosure requirements were previously included in IAS 27, IAS 31, and IAS 28, while others are new.

In high-level terms, the required disclosures are grouped into the following broad categories:

- Significant judgments and assumptions - such as how control, joint control, significant influence has been determined;

- Interests in subsidiaries - including details of the structure of the group, risks associated with structured entities, changes in control, and so on;

- Interests in joint arrangements and associates - the nature, extent and financial effects of interests in joint arrangements and associates (including names, details and summarized financial information); and

- Interests in unconsolidated structured entities - information to allow an understanding of the nature and extent of interests in unconsolidated structured entities and to evaluate the nature of, and changes in, the risks associated with its interests in unconsolidated structured entities.

IFRS 12 lists specific examples and additional disclosures, which further expand upon each of these disclosure objectives, and includes other guidance on the extensive disclosures required.

The standard is applicable to annual reporting periods beginning on or after January 1, 2013.

Fair Value Measurements

Previous dispersed IFRS guidance

Under Uruguayan GAAP, Cerealsur adopted the guidance previously contained in existing various IFRS standards as it relates to fair value measurements, and in some cases disclosures in force as of July 31, 2007.

IFRS 13 "Fair Value Measurement"

In May 2011, the IASB issued IFRS 13 "Fair Value Measurement" which replaces the guidance on fair value measurement in existing IFRS accounting literature with a single standard.

IFRS 13 defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. However, IFRS 13 does not change the requirements regarding which items should be measured or disclosed at fair value.

IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements). With some exceptions, the standard requires entities to classify these measurements into a "fair value hierarchy" based on the nature of the inputs:

- Level 1 - quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 - inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

- Level 3 - unobservable inputs for the asset or liability.

Entities are required to make various disclosures depending upon the nature of the fair value measurement (e.g., whether it is recognized in the financial statements or merely disclosed) and the level in which it is classified.

The standard is applicable to annual reporting periods beginning on or after January 1, 2013.

Financial Instruments

IAS 39 "Financial Instruments: Recognition and Measurement"

Under Uruguayan GAAP, Cerealsur adopted the guidance previously contained in IAS 39 "Financial Instruments: Recognition and Measurement" in force as of July 31, 2007. IAS 39 contains classification categories for financial assets and financial liabilities. Financial assets are classified as held-to-maturity, loans and receivables and available for sale. Those categories are used to determine how a particular financial asset is recognized and measured in the financial statements.

IAS 39 recognizes two classes of financial liabilities: financial liabilities at fair value through profit or loss and other financial liabilities measured at amortized cost using the effective interest method.

A financial asset or group of assets is impaired, and impairment losses are recognized, only if there is objective evidence as a result of one or more events that occurred after the initial recognition of the asset. An entity is required to assess at each balance sheet date whether there is any objective evidence of impairment. If any such evidence exists, the entity is required to do a detailed impairment calculation to determine whether an impairment loss should be recognized. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the financial asset's original effective interest rate.

IFRS 9 "Financial Instruments" (2014)

IFRS 9 "Financial Instruments" issued on July 24, 2014 is the IASB's replacement of IAS 39 "Financial Instruments: Recognition and Measurement." The standard includes requirements for recognition and measurement, impairment, de-recognition and general hedge accounting. The IASB completed its project to replace IAS 39 in phases, adding to the standard as it completed each phase.

The version of IFRS 9 issued in 2014 supersedes all previous versions and is mandatorily effective for periods beginning on or after January 1, 2018 with early adoption permitted (subject to local endorsement requirements). For a limited period, previous versions of IFRS 9 may be adopted early if not already done so provided the relevant date of initial application is before February 1, 2015.

The new standard uses a single approach to determine whether a financial asset is measured at amortized cost or fair value; the approach in IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. Gains and losses on those financial assets classified as measured at fair value are either recognized in profit or loss or in other comprehensive income.

IFRS 9 contains three principal classification categories for financial assets - i.e. measured at: amortized cost; fair value through other comprehensive income (FVOCI); and fair value through profit or loss (FVTPL). The existing IAS 39 categories of held-to-maturity, loans and receivables, and available-for-sale are removed.

IFRS 9 retains the existing requirements in IAS 39 for the classification of financial liabilities.

Additions to the standard in November 2013 put in place a new model for hedge accounting that closely aligns the relevant accounting treatment with risk management activities. The new model:

- Replaces the IAS 39 hedge effectiveness test with an objectives-based test that focuses on the economic relationship between the hedged item and hedging instrument;

- Allows that a risk component is designated as the hedged item for non-financial items as well as financial items.

- Allows the designation of more groups of items as the hedged item;

- Allows items such as the time value of an option to be accounted for as a cost of hedging; and
- Introduces more extensive and meaningful disclosure requirements.

On completion of the standard in July 2014, guidance on impairment was incorporated into IFRS 9. The new requirements are based on an expected loss impairment model, which replaces the incurred loss model of IAS 39. Under this new model, expected credit losses are accounted for from the date when financial instruments are first recognized. Entities are required to recognize 12-month expected credit losses, or, where credit risk has increased significantly since initial recognition, lifetime expected credit losses.

Employee Benefits

IAS 19 "Employee Benefits" (1998)

Under Uruguayan GAAP, Cerealsur adopted the 1998 version of IAS 19. IAS 19 outlines the accounting requirements for employee benefits, including short-term benefits (e.g., wages and salaries, annual leave), post-employment benefits such as retirement benefits, other long-term benefits (e.g., long service leave) and termination benefits. The standard establishes the principle that the cost of providing employee benefits should be recognized in the period in which the benefit is earned by the employee, rather than when it is paid or payable, and outlines how each category of employee benefits are measured, providing detailed guidance in particular about post-employment benefits.

IAS 19 "Employee Benefits" (2011)

Changes introduced by IAS 19 (2011) as compared to IAS 19 (1998) include:

- Introducing a requirement to fully recognize changes in the net defined benefit liability (asset) including immediate recognition of defined benefit costs, and require disaggregation of the overall defined benefit cost into components and requiring the recognition of measurements in other comprehensive income (eliminating the 'corridor' approach);
- Introducing enhanced disclosures about defined benefit plans;
- Modifications to the accounting for termination benefits, including distinguishing between benefits provided in exchange for service and benefits provided in exchange for the termination of employment, and changing the recognition and measurement of termination benefits; and
- Clarification of miscellaneous issues, including the classification of employee benefits, current estimates of mortality rates, tax and administration costs and risk-sharing and conditional indexation features.

ANNEX B – REPORT OF ICF INTERNATIONAL

Traffic Forecasts for Carrasco International Airport

Montevideo, Uruguay

FINAL

January 21, 2015

Submitted to:

Aeropuerto de Carrasco
MONTEVIDEO URUGUAY

Submitted by:

ICF International
630 Third Avenue
New York, NY 10017 USA

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Forecast Limitations

This forecast was prepared exclusively for the benefit and internal use of Puerta del Sur as described in ICF's engagement letter, dated November 2014. In arriving at our analysis, we have relied upon and assumed, without independent verification and investigation, the accuracy and completeness of all information available from public sources and all information supplied by the Puerta del Sur. ICF's opinion could vary materially should some of these sources prove to be innaccurate or incomplete. ICF believes the approaches and assumptions utilized in this analysis to be reasonable; however, certain assumptions regarding future trends and forecasts may not materialize, and therefore could affect actual future development and market demand.

The information contained in this report reflects prevailing market conditions and views as of January 2015 all of which are accordingly subject to change. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by ICF as to the fairness, correctness, accuracy or completeness of this report.

The contents of this document are confidential and proprietary. This document is not to be reproduced in whole or in part, used for any purpose except under the terms specified in our engagement letter.

1 INTRODUCTION AND EXECUTIVE SUMMARY

1.1 INTRODUCTION

Puerta del Sur ("the Client") has engaged ICF International ("ICF") to develop long-term traffic forecasts for Carrasco International Airport ("the Airport" or "MVD") located in Montevideo, Uruguay. ICF's forecasts are intended to be used by Puerta del Sur to assess the passenger traffic potential of the Airport.

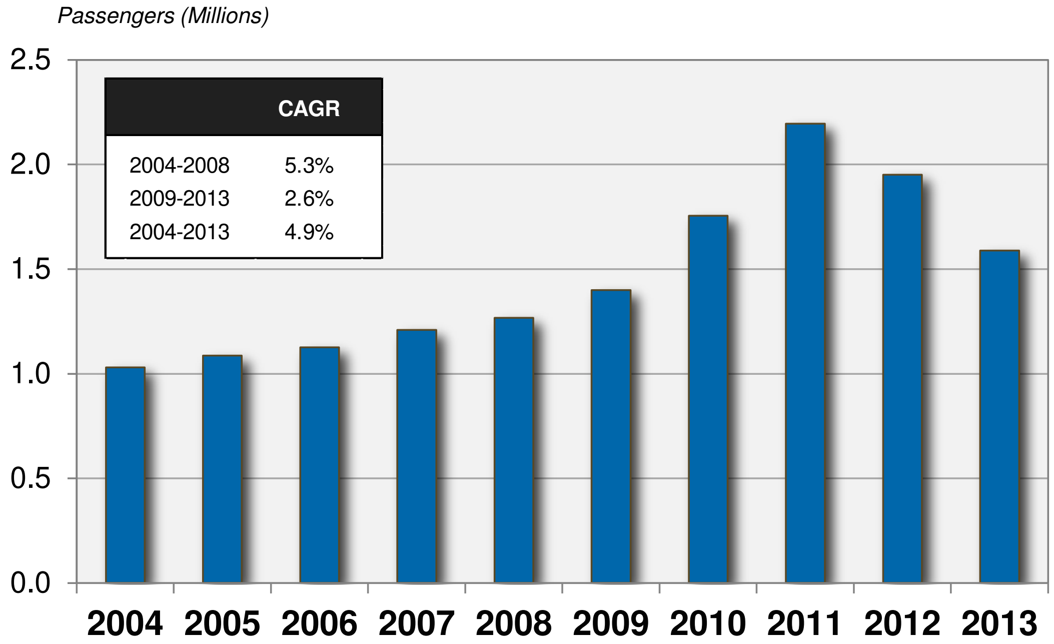
MVD is the primary airport of Uruguay and has seen steady passenger traffic growth in much of the last decade, driven by the growth of tourism and the strong economic performance not only of Uruguay but also of MVD's primary Origin-Destination markets, Argentina and Brazil.

However, passenger traffic at MVD has been shaped as much by economic growth as by the uneven history of air carrier service. Between June and August of 2012, 44% of MVD's seat capacity was lost with the sudden collapse of the Uruguayan flag carrier Pluna. As a result, passenger traffic declined by 11% in 2012 and 18% in 2013. Both supply and demand side factors have therefore been given careful consideration in ICF's forecast.

Between 2004 and 2011 MVD experienced strong passenger traffic growth. There were three major factors for this expansion:

- Strong economic growth in Uruguay as well as in the key Southern Cone region (Argentina, Brazil and Chile);
- Expansion of inbound tourism to Montevideo; and
- Network development strategy of the national carrier, Pluna, to make MVD a hub airport connecting points in Brazil to points in Argentina, creating transit passengers.

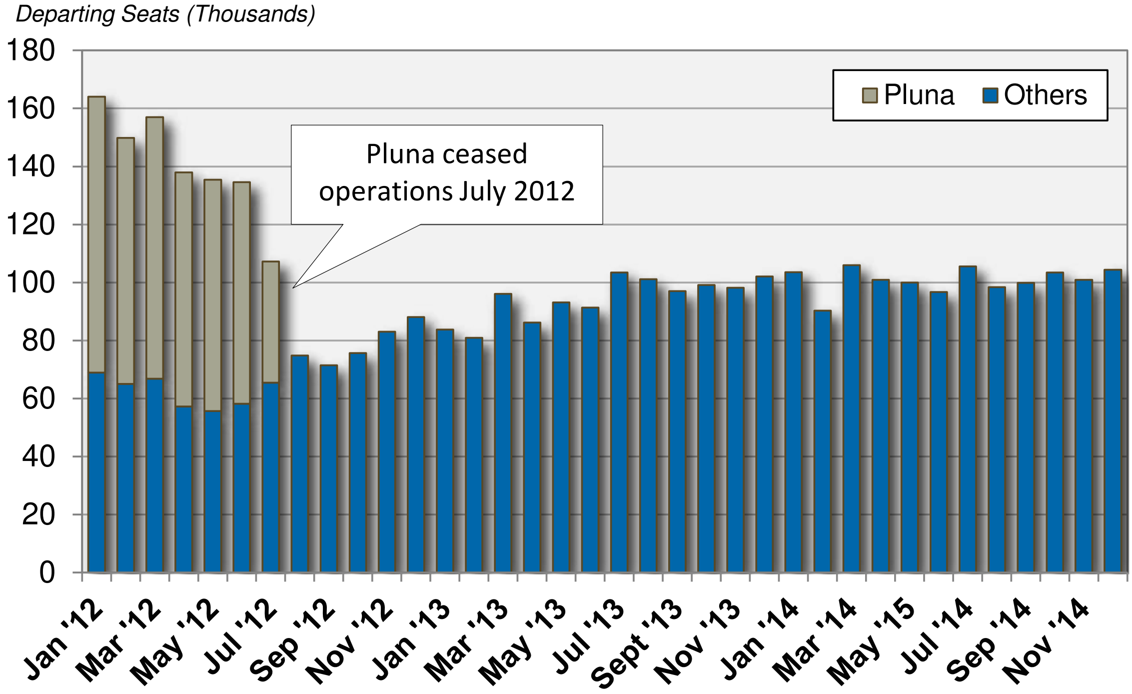
Exhibit 1-1: Historic Passenger Traffic at MVD, 2004 – 2013



Note: Transit passengers – defined as those who do not disembark – are not counted by the Airport and therefore are not included.
Sources: ACI; MVD Airport Management

Pluna, which represented over 50% of the service capacity at MVD, ceased operation in July 2012 causing a major disruption to the MVD market. This shock to MVD capacity has partially recovered as foreign flag carriers and new local carriers backfilled some of this service at MVD. However, to date, other carriers have only replaced about half of Pluna's former service. The planned launch of Alas Uruguay in January 2015 will provide a significant boost to capacity, though ICF believes that no carrier will duplicate Pluna's hub strategy.

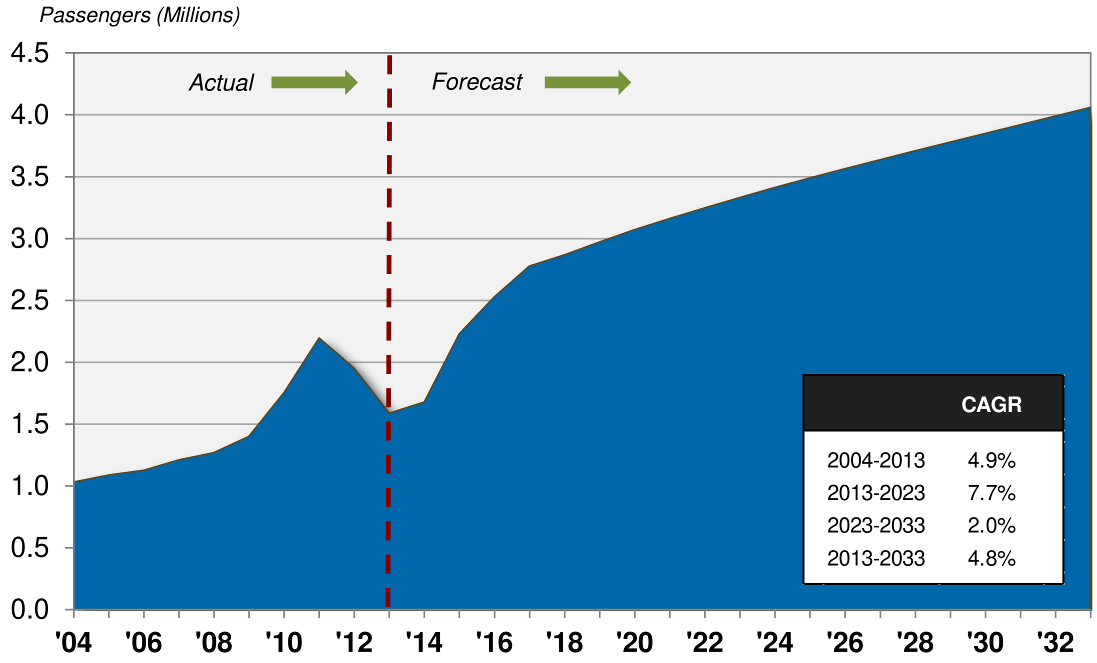
Exhibit 1-2: Monthly MVD Seat Capacity, January 2012 – December 2014



Source: Innovata

ICF projects strong growth over the 5 year period between 2014 and 2018, driven by the continued restoration of service, including the launch of Alas Uruguay, as well as the economic growth of Uruguay and those of neighboring countries. However, in the longer term, between 2018 and 2033, passenger traffic growth for MVD will moderate, due to slower GDP growth, a maturing aviation market, and unusually low population growth rates.

Exhibit 1-3: Actual and Forecast MVD Annual Traffic Volumes, 2004 – 2033



Source: Actual – MVD Airport Management / Forecast – ICF International

1.2 Data Sources Used

For this assignment, ICF has drawn on a variety of resources. ICF has conducted an extensive analysis using proprietary and public databases, as well as industry publications.

Principal data sources used by ICF include:

- Innovata Airline Schedules
- IATA PaxIS traffic statistics
- ACI and ICAO traffic databases
- Economist Intelligence Unit (EIU)
- International Monetary Fund (IMF)
- The World Bank
- Airports Council International (ACI)
- Puerta del Sur, S.A.
- Central Bank of Uruguay
- Export and Investment Promotion Agency of Uruguay
- Ministry of Tourism and Sport of Uruguay

- National Civil Aviation and Aeronautical Infrastructure Agency of Uruguay (DINACIA)
- Regional aviation forecasts from Boeing and Airbus

1.3 Report Limitations

This study develops a market analysis in a manner consistent with industry practices for similar work. ICF believes that the approaches and assumptions used in this analysis are reasonable; however, certain assumptions regarding future trends and forecasts may not materialize, and therefore could affect actual development and market demand.

For this review, ICF relied on publicly available data and information, including economic and aviation statistics and forecasts, as well as data provided by the Client and forecasts prepared by the Economist Intelligence Unit (EIU) and the International Monetary Fund (IMF). Although ICF believes these sources are reliable, its opinion could vary materially should some of the information provided prove to be inaccurate or incomplete.

The opinions expressed herein are not given as an inducement or an endorsement for any financial transaction. ICF accepts no responsibility for damages, if any, that may result from decisions made or actions taken by any party, including third parties, based on this report. Any use that a third party makes of this report, its analysis, or the opinions contained therein, is the sole responsibility of that party.

The analysis and opinions presented in this report reflect ICF's reasoned views and judgment as of December 2014 based on the information available to us at the time this report was prepared.

2 URUGUAY MARKET OVERVIEW AND DEMAND DRIVERS

2.1 INTRODUCTION

Carrasco International Airport (IATA airport code: MVD) is located in Montevideo, Uruguay and is the principal airport serving the country. Montevideo is the capital and largest metropolitan area of Uruguay, home to approximately 40% of the country's 3.4 million residents. Uruguay is situated along the south-eastern coast of South America, bordered by Brazil to the northeast, Argentina to the west, and the Atlantic Ocean to the south.

Exhibit 2-1: Location of Uruguay

The Uruguayan economy is driven primarily by agricultural exports including soy, dairy products, beef, and wool, though financial services, call centers, and software are sectors of growing importance. Although it is one of the smallest countries in South America, both in terms of population size and GDP, Uruguay has become an attractive destination for foreign investment in recent years, due largely to its reputation for political stability, responsible macroeconomic management, and geostrategic position between Argentina and Brazil. Despite its small size, Uruguay boasts the highest GDP per capita in

Latin America at US$ 16,400. In March 2013, Uruguay achieved investment grade rating from the three major credit rating agencies. These conditions have contributed to strong GDP growth over the last decade, which averaged 5.6% per year.

Exhibit 2-2: Location of Carrasco International Airport

Tourism is another important pillar of Uruguay's economy and represents a key driver of air traffic at MVD. Uruguay attracted approximately 2.5 million foreign visitors in 2013. Montevideo is the most popular tourist destination in Uruguay, followed closely by Punta del Este, a beach resort town located approximately 85 miles east of Montevideo. The majority of foreign tourists (over 80% in 2013) travelling to Uruguay were from neighboring Brazil and Argentina.

In the following sections, ICF analyzes the recent socioeconomic development of this market and identifies the main drivers that have been considered in the traffic forecast.

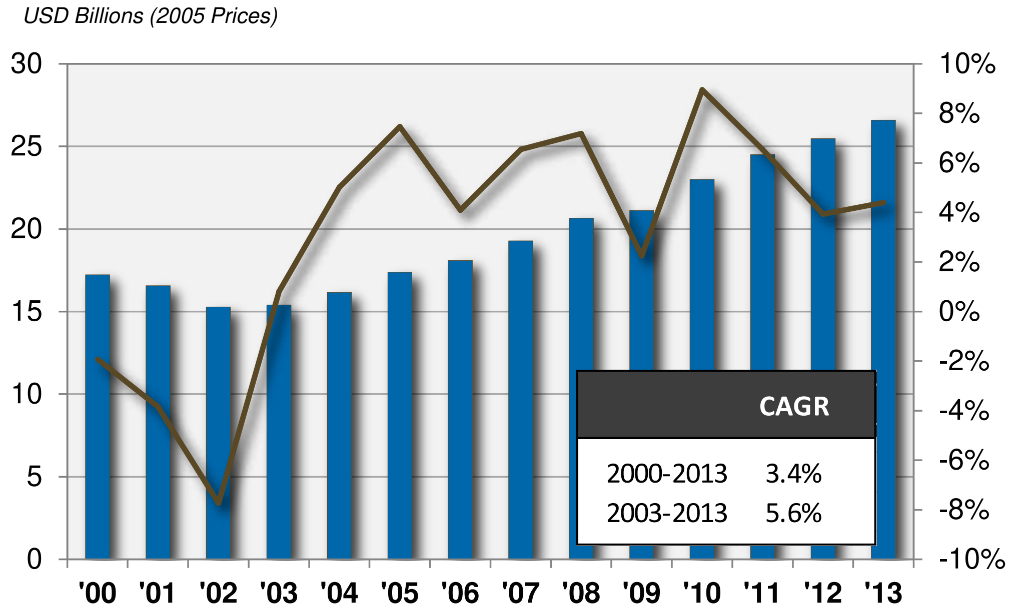
2.2 Socioeconomic Trends

Demand for air travel is heavily influenced by socioeconomic factors such as economic growth, income, population, and the composition of the economy.

Economic Growth

The consistent growth of the Uruguayan economy in the last decade has had a positive influence on air traffic. As a rule, air traffic growth is highly correlated to GDP growth (refer to section 4.2 for historical correlations between Uruguay's GDP and air traffic). Uruguay's real GDP grew at an average annual rate of 3.4% between 2000 and 2013; excluding the 2001-2002 downturn stemming from the Argentine Peso Crisis, GDP growth averaged an impressive 5.6% from 2003 to 2013. Although the global financial crisis dampened growth in 2009, Uruguay was one of the few countries in the world that did not suffer a recession. GDP growth is expected to remain steady at around 2.8% in 2014 according to the International Monetary Fund.

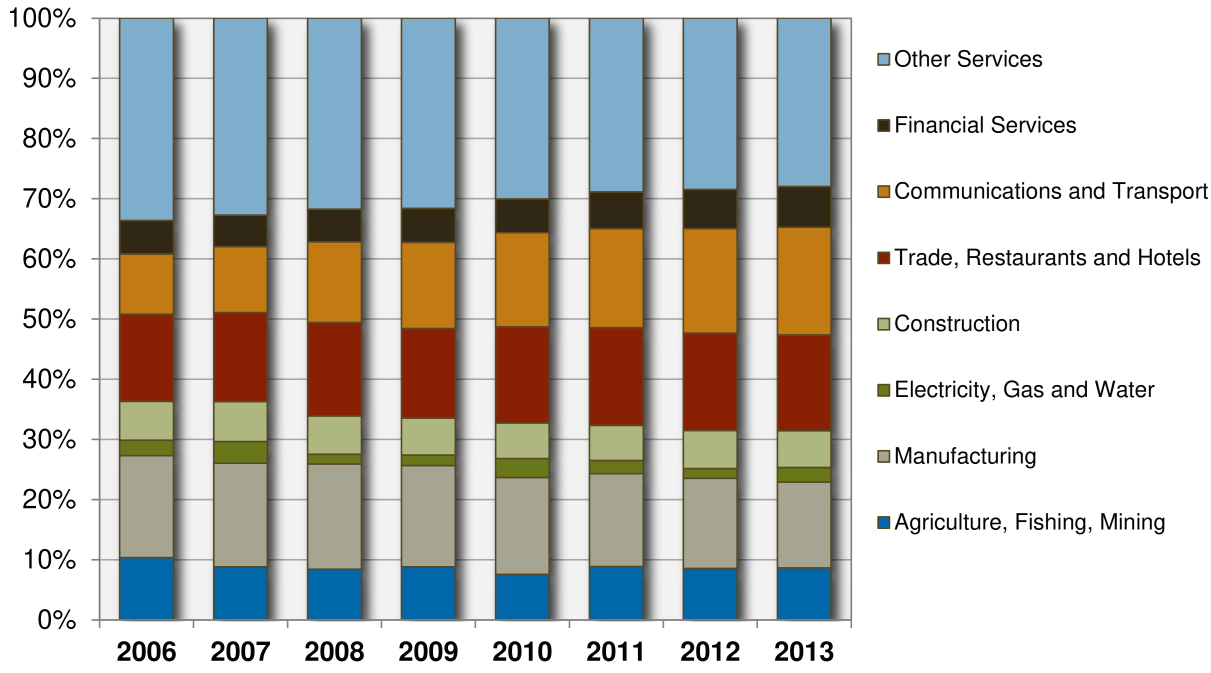
Exhibit 2-3: Real GDP of Uruguay, 2000-2013



Source: EIU, IMF World Economic Outlook, October 2014

In 2013, services (financial and other) accounted for roughly a third of total GDP, while manufacturing accounted 14 percent. Within services, call centers and banking are sectors of growing importance to Uruguay. Although the economy has diversified over the last few decades to include a growing share of manufacturing and services, the largest manufacturing industries in Uruguay – food processing and textiles – still depend on agricultural inputs. The share of communications and transport activities has also increased notably in the last several years, from 10% in 2006 to 18% in 2013.

Exhibit 2-4: GDP of Uruguay by Sector, 2006-2013

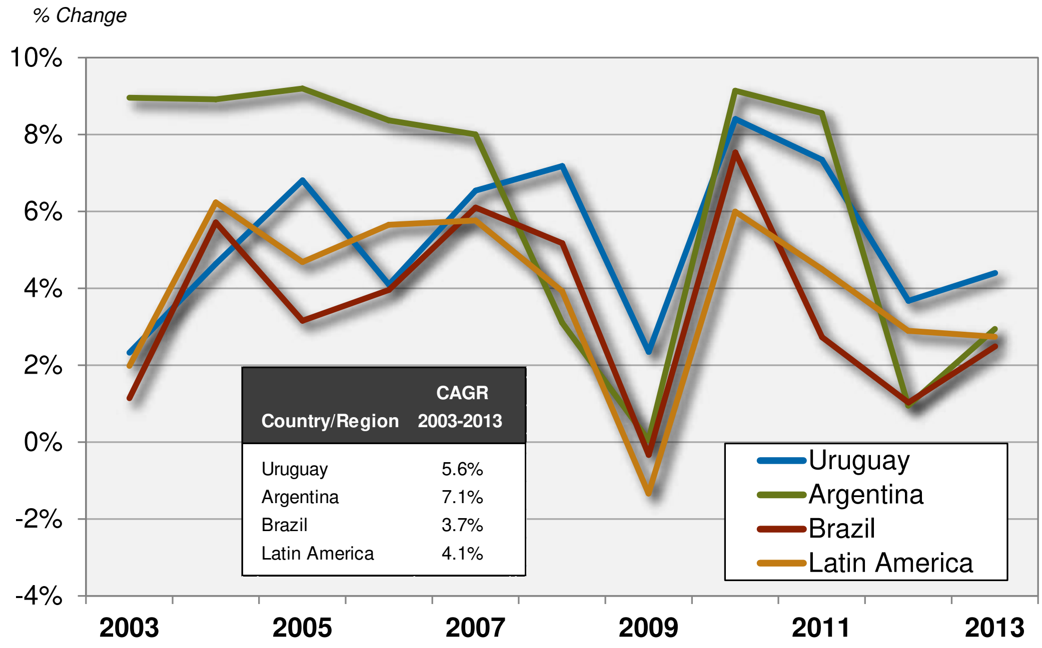


Sector	2006	2007	2008	2009	2010	2011	2012	2013
Other Services	33.6%	32.7%	31.7%	31.6%	30.0%	28.9%	28.5%	28.0%
Financial Services	5.6%	5.3%	5.5%	5.6%	5.6%	6.1%	6.5%	6.8%
Communications and Transport	10.0%	10.9%	13.4%	14.3%	15.6%	16.5%	17.4%	17.9%
Trade, Restaurants, Hotels	14.5%	14.8%	15.5%	14.9%	16.0%	16.2%	16.2%	15.9%
Construction	6.5%	6.6%	6.4%	6.1%	5.9%	5.8%	6.3%	6.1%
Electricity, Gas, Water	2.5%	3.6%	1.6%	1.8%	3.1%	2.2%	1.6%	2.4%
Manufacturing	16.9%	17.3%	17.5%	16.8%	16.1%	15.4%	15.0%	14.2%
Agriculture, Fishing, Mining	10.3%	8.8%	8.4%	8.8%	7.5%	8.9%	8.6%	8.6%

Source: Central Bank of Uruguay

Trade and domestic consumption are also important contributors to Uruguay's economy, which outperformed the regional average over the 2003-2013 period, as shown in the chart below. Uruguay's average annual GDP growth in the last decade has been one of the strongest in the region and averaged 1.5 percentage points higher than the Latin American average.

Exhibit 2-5: Real GDP Growth of Latin America and Select Countries, 2003-2013



Source: EIU, IMF World Economic Outlook, October 2014

Uruguay's GDP is expected to grow at an average annual rate of 2.6% from 2013-2033. GDP forecasts from 2013 to 2030 are taken from the Economist Intelligence Unit's October 2014 forecast. ICF's estimates are used after 2030. Since the availability of long-term forecast for Uruguay was limited beyond 2018, ICF performed a correlation analysis of Uruguay's historical GDP against the GDP of other South American countries. ICF applied the percentage point growth of the most highly correlated country, Chile, to Uruguay's GDP beyond 2018 to estimate Uruguay's long-term GDP growth.

Uruguay is a founding member of Mercosur, or the Southern Common Market, a trade block formed in 1991 by Uruguay, Paraguay, Argentina, and Brazil that allows for the free movement of people and goods among its member countries. Today the group includes 5 members, with Venezuela having joined in July 2012. Unsurprisingly, Brazil and Argentina are among Uruguay's most important trading partners. In 2013, Brazil was the top export market for Uruguayan goods with a 19% share while Argentina was the third largest market with a 5% share.

Exhibit 2-6: Uruguay's Top 10 Export Markets, 2013

Rank	Country	2013 Trade USD (millions)	Share of Total
1	Brazil	1,744	19.0%
2	China	1,466	16.0%
3	Argentina	474	5.2%
4	Venezuela	450	4.9%
5	Germany	363	4.0%
6	United States	359	3.9%
7	Russia	277	3.0%
8	Netherlands	186	2.0%
9	Paraguay	159	1.7%
10	Italy	153	1.7%
	Others	**3,524**	**38.5%**
	Total	**9,155**	

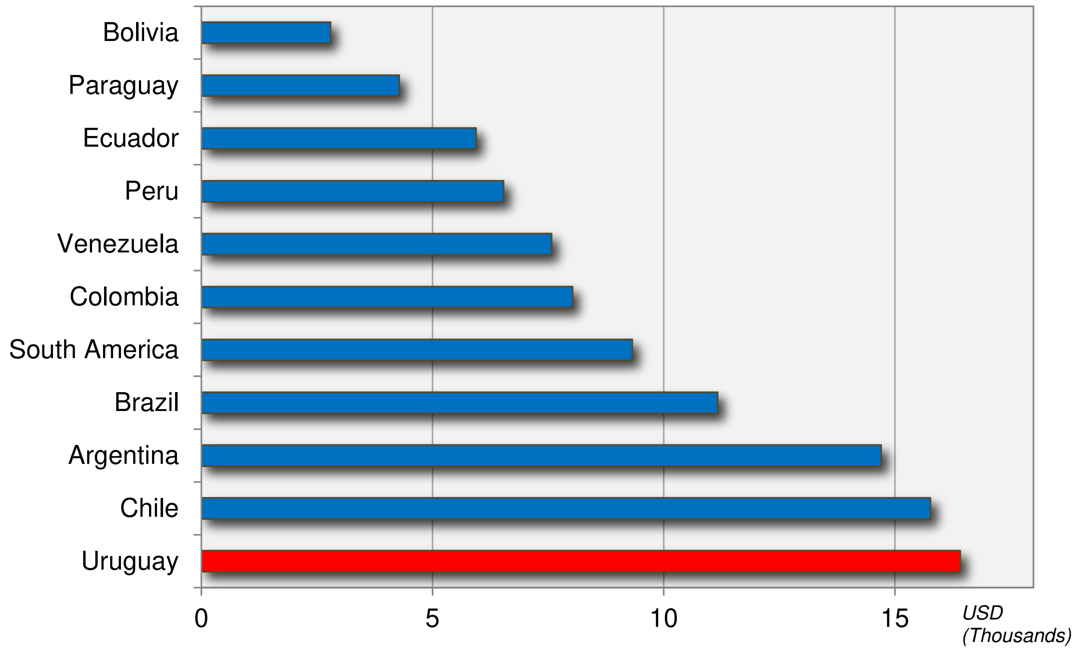
Note: Excludes Free Zones
Source: Export and Investment Promotion Agency of Uruguay

Since 2006, Uruguay's trade in goods with Mercosur has increased by nearly 70% to more than US $5 billion. While Uruguay has benefitted from close trade and financial linkages with Argentina and Brazil, it is also susceptible to economic shocks originating in those two countries. This interconnection can be seen most clearly during the 2001-2002 Argentine Peso Crisis, which resulted in a precipitous decline in Uruguay's growth rate those years as Argentines withdrew foreign reserves, held mostly in Uruguayan banks.

Uruguay's primary exports in 2013 included Soy (19%), meat (13%), grains (11%), and milk products (9%). As is the case in other major agricultural export countries in the region, China has become an important export market for Uruguay in the last decade.

Despite its small size, Uruguay is recognized as one of the more mature countries in South America based on indicators such as health, quality of life, literacy, and GDP per capita. Although Uruguay is only the 8th largest economy in South America out of 12 countries, it has the highest GDP per capita in Latin America.

Exhibit 2-7: GDP per Capita of South American Countries, 2013

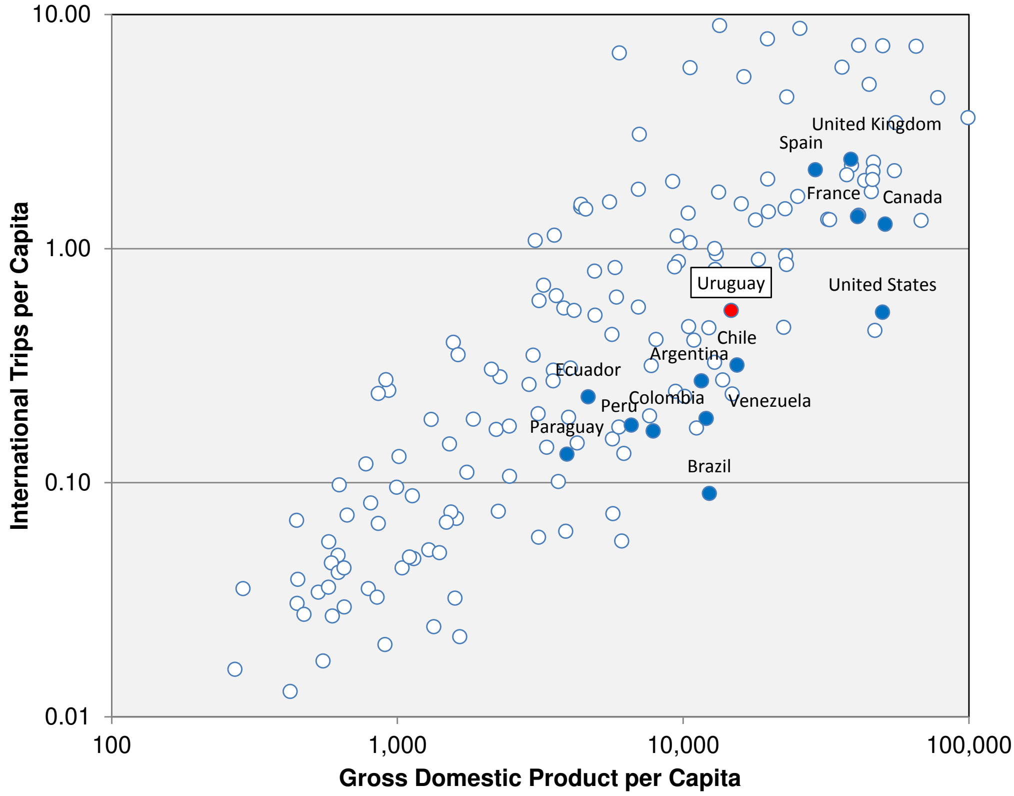


Source: IMF World Economic Outlook, October 2014

In addition, 55.5% of Uruguayans are considered middle class, the highest share of any Latin American country[1] which is reflected in a high propensity to travel. As shown in Exhibit 2-8 below, Uruguayans take more international trips per capita than any other South American country except Guyana. A country's international propensity for air travel usually rises as GDP per capita rises, given the strong relationship between the two variables.

[1] "Latin America's Global Middle Class." Mauricio Cardenas, Homi Kharas, Camila Henao. The Brookings Institute. Aril 26, 2011.

Exhibit 2-8: Propensity to Travel (International) of Select Countries, 2012

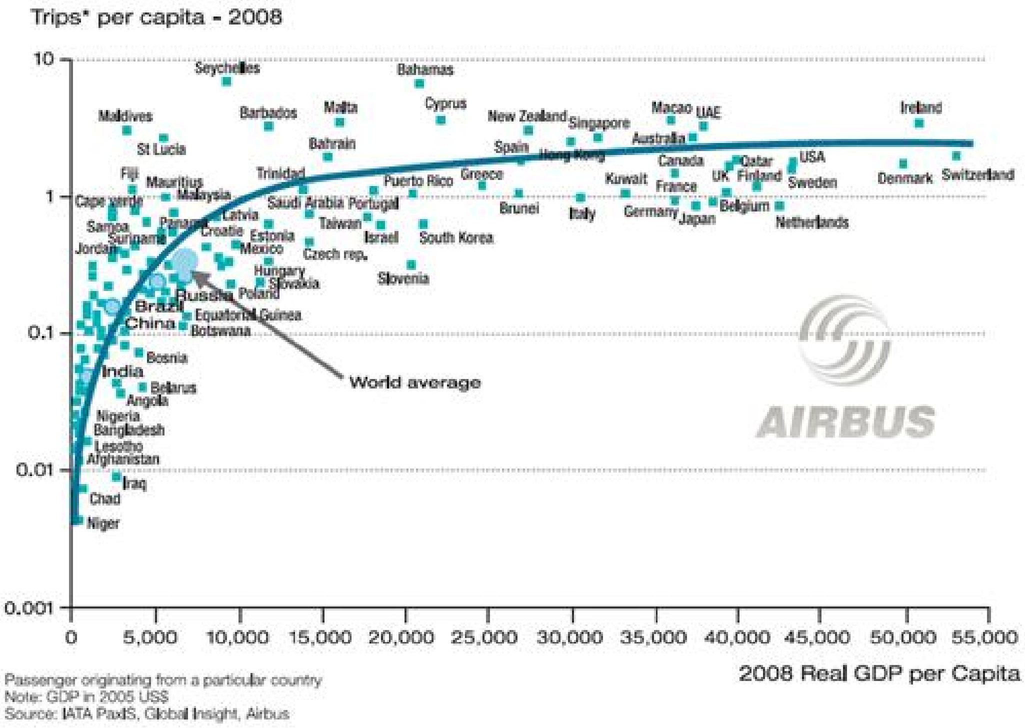


Note: Graph shown in log scale and gross domestic product in USD

Source: IMF, IATA PaxIS

Given historically insignificant levels of domestic air travel in Uruguay, ICF has focused its analysis on international propensity. However, total propensity to travel, including domestic and international is shown below in the chart produced by Airbus.

Exhibit 2-9: Propensity to Travel (Total), 2008

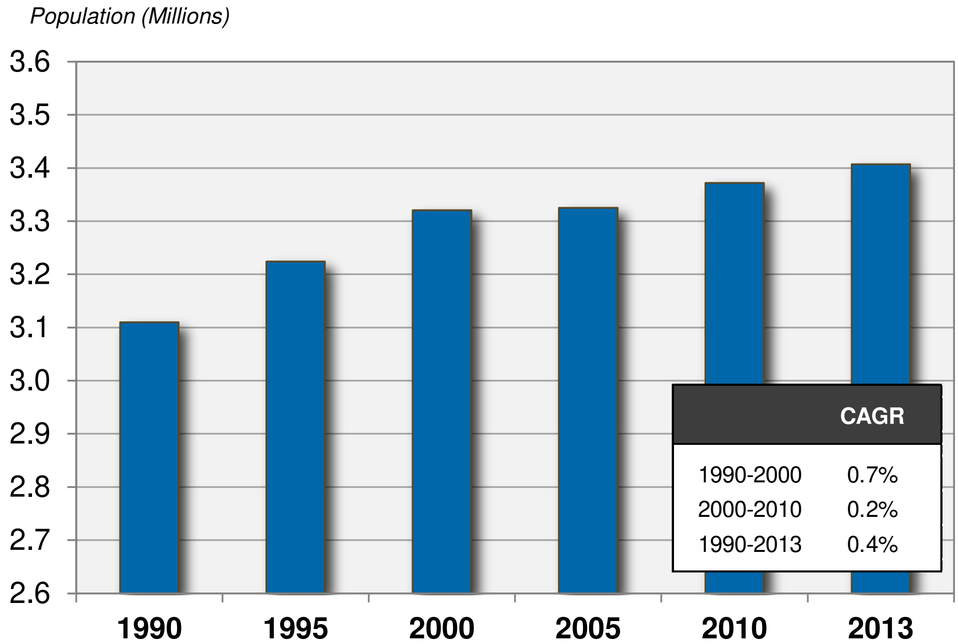


Source: Airbus

Population Growth

The population of Uruguay is relatively mature and reached just over 3.4 million in 2013. The rate of growth of the population has been slowing in recent decades, dropping from an average of 0.7% from 1990-2000 to 0.2% from 2000-2010.

Exhibit 2-10: Population of Uruguay, 1990-2013



Source: The World Bank

Among South American countries, Uruguay has the lowest historical 10-year average annual population growth rate at 0.3%. Uruguay's historical growth is also lower than that of Canada, Mexico, and the United States.

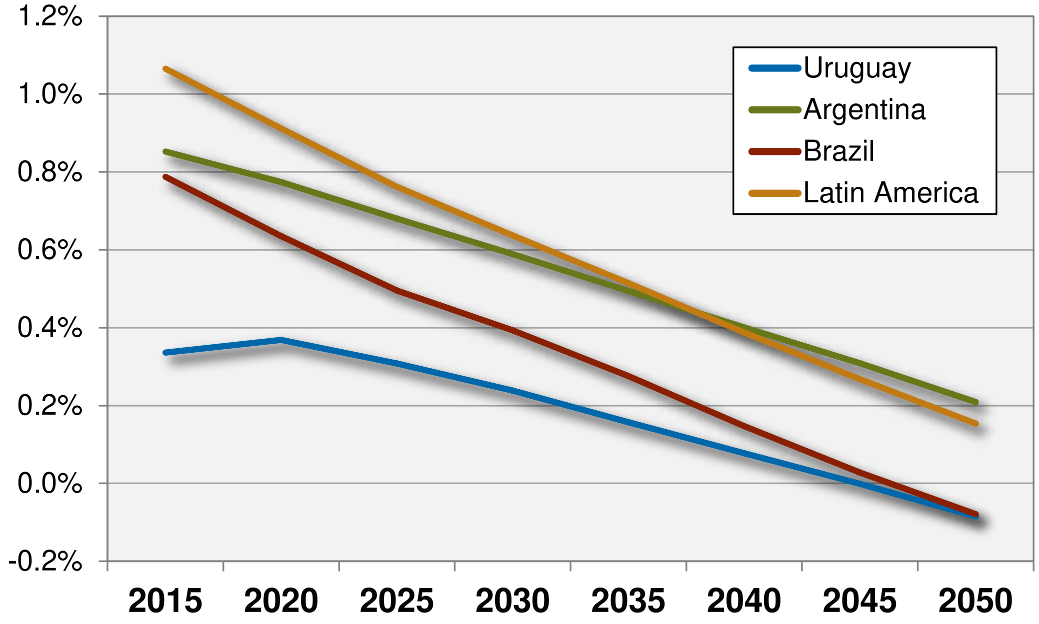
Exhibit 2-11: Population Growth Benchmarks

Country	CAGR 2003-2013
South America	
Bolivia	2.0%
Paraguay	1.8%
Ecuador	1.7%
Venezuela	1.6%
Peru	1.6%
Colombia	1.2%
Argentina	1.1%
Brazil	1.1%
Chile	1.0%
Uruguay	0.3%
North America	
Mexico	1.5%
Canada	1.1%
United States	0.8%

Source: IMF World Economic Outlook, October 2014

According to the Economic Commission for Latin America and the Caribbean (ECLAC), population growth will pick up slightly in the next decade, then decline steadily over the next 40 years, eventually falling to negative growth between 2045 and 2050. Uruguay's population growth rate is forecast to remain below that of Argentina, Brazil, and Latin America combined through 2050.

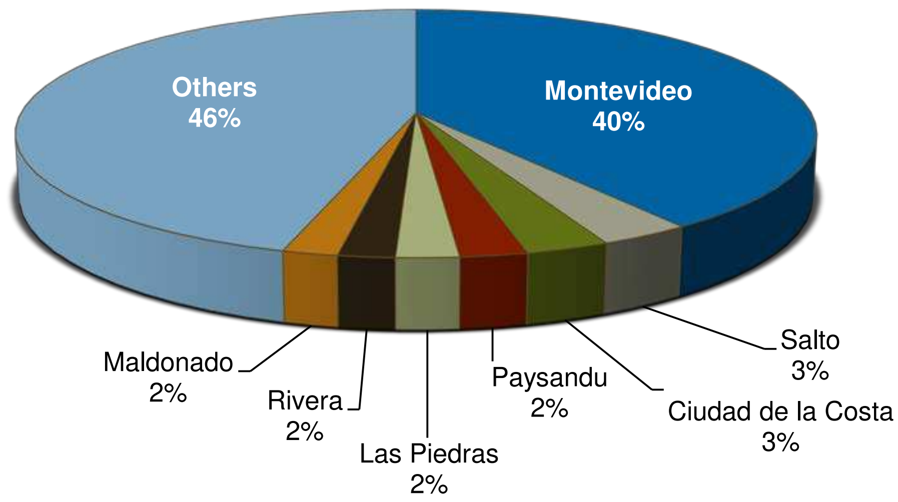
Exhibit 2-12: Population Growth Forecast for Uruguay and Select Countries, 2015-2050



Source: ECLAC

Uruguay is a highly urbanized country, with approximately 93% of the population living in cities. Montevideo is by far the largest city in Uruguay, accounting for approximately 40% of the total population as of the latest census. Montevideo is the economic and political center of Uruguay, with most of the country's largest companies and foreign multinationals headquartered there.

Exhibit 2-13: Uruguay Population Distribution by City, 2011 (Latest Census)



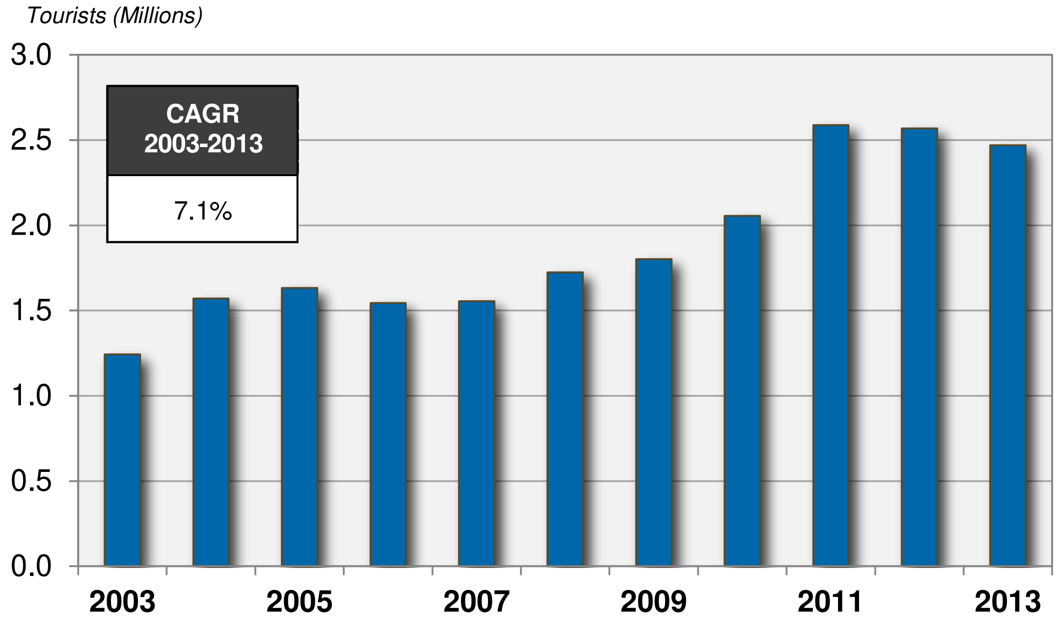
Source: National Statistics Office (2011 Census)

2.3 Tourism Trends

Global tourism has experienced moderate growth in the past several years despite ongoing economic and geopolitical challenges. After a small contraction in 2008 due to the global financial crisis, international tourist arrivals around the world have increased 5.0% annually on average.

Over the past decade, Uruguay has become an increasingly desirable tourist destination, thanks to its beautiful beaches, cultural heritage, and festivals. Tourism to Uruguay has experienced above average growth in comparison to South America as a region. This growth in inbound tourism in turn fuels demand for air transportation. Between 2003 and 2013, tourist arrivals grew at an average annual rate of 7.1%, compared to 4.0% for South America.

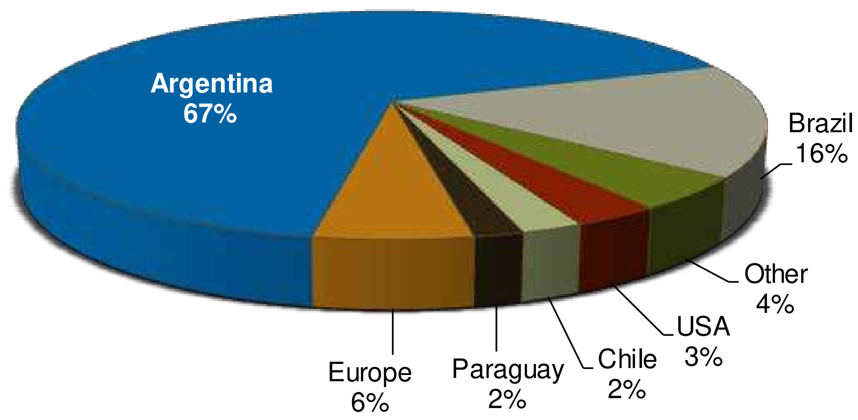
Exhibit 2-14: Inbound Foreign Tourists to Uruguay, 2003-2013



Note: Excludes Uruguayans returning home from abroad
Source: Ministry of Tourism and Sport of Uruguay

International visitors to Uruguay declined for the second consecutive year in 2013, down slightly from a peak of 2.6 achieved in 2011. This levelling off can be primarily attributed to weak economic conditions in Argentina and Brazil, which account for the majority of international visitors to Uruguay. In 2013, 67% of total foreign arriving visitors were residents of Argentina and 16% were residents of Brazil.

Exhibit 2-15: Inbound International Tourists to Uruguay by Country, 2013

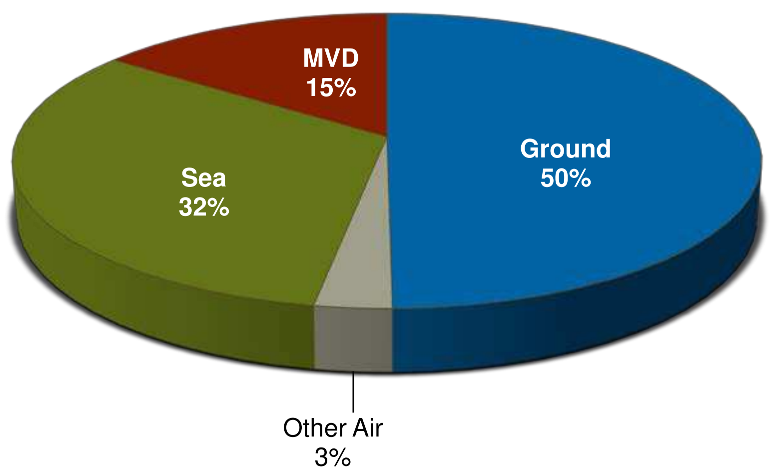


Source: Ministry of Tourism and Sport of Uruguay

In 2013, 15% of tourists arrived in Uruguay via MVD, which is the country's primary international gateway. MVD was the second largest point of entry for tourists after the port of Colonia, located on the southern coast of Uruguay across the River Plate from Buenos Aires, which received 23% of total tourists in 2013.

Overall, ground transportation is the most frequently used mode of transportation by tourists, capturing a half of total arrivals in 2013. Transportation by sea, which is mostly comprised of ferry service from Argentina, was the second-most utilized mode, capturing a third of arriving tourists, followed by air transportation with an 18% share.

Exhibit 2-16: Share of Inbound Tourists to Uruguay by Mode of Transportation, 2013

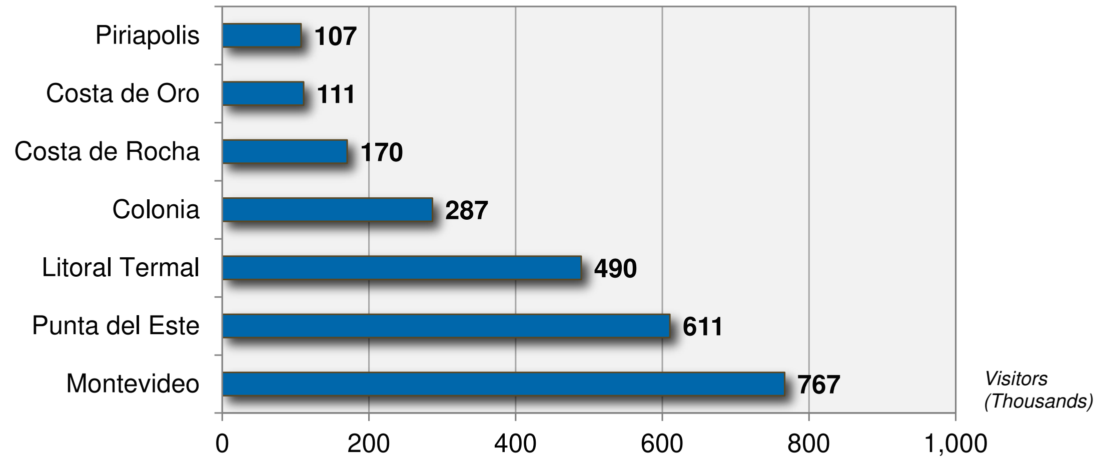


Source: Ministry of Tourism and Sport of Uruguay

As the capital and largest city of Uruguay, Montevideo is the natural focal point of the country. In 2013, Montevideo was the top tourism destination in Uruguay. The colonial history of Uruguay is on display throughout the city, which is an attractive destination for its rich cultural offerings including museums, theaters, concerts, popular festivals, and international exhibitions, which are unmatched by any other Uruguayan city.

Uruguay's beaches along the Atlantic coast of South America are also among the continent's tourist hot spots, attracting hundreds of thousands of visitors each year. Punta del Este, an upscale beach resort located east of Montevideo, was the second most popular tourist destination in 2013. Aside from its beaches, Punta del Este offers first-class hotels and restaurants, casinos, and prestigious yacht clubs. Punta del Este is particularly popular among Argentines and Brazilians, many of whom spend their summer vacations there. Tourism to Uruguay's beaches peaks during the summer months of December through February. Visitor spending in Uruguay in 2013 was 1.9 billion, or approximately 7% of GDP.

Exhibit 2-17: Inbound Tourists to Uruguay by Principal Destination, 2013



Source: Ministry of Tourism and Sport of Uruguay

3 The Airport and Aviation Trends

3.1 Introduction

In addition to aviation demand drivers such as the economy, supply factors have also played a determining role in shaping traffic growth at MVD. The Airport's history of uneven carrier service over the last decade can be characterized by the frequent entry and exit of airlines. Most recently, with the demise of the Uruguayan flag carrier Pluna in July 2012, 44% of departing seats were lost, representing an unprecedented disruption of service at MVD.

This chapter will provide a brief summary of the history of the Airport, followed by an overview of historical aviation activity trends.

3.2 Airport Overview

Airport History

Carrasco International Airport opened in 1947 in the Canelones Department of Uruguay, located approximately 12 miles from downtown Montevideo. Since the Airport began operations, it served as the primary base of operations of the Uruguayan flag carrier Pluna until its collapse in July 2012. In November 2003, the government of Uruguay transferred the administration, operation, and maintenance of the Airport to the private sector. Puerta del Sur, S.A., a subsidiary of Buenos Aires-based Corporación America, was awarded a twenty year concession to run the Airport.

Puerta del Sur initiated the construction of a new, modern terminal in 2007, with the idea of establishing a connecting airport hub in South America at MVD. Designed by globally renowned, Uruguayan-born architect Rafael Viñoly, the new terminal nearly tripled the passenger capacity of the airport. Construction finished in 2009, with operations beginning in December of that year, at which point the original passenger terminal was converted to a cargo terminal. The US $165 million new terminal has four jetways and the capacity to handle 4.5 million passengers annually, with room for expansion of up to two additional jetways and a maximum capacity of 6 million passengers. The overall airport expansion project also included the construction of a new US $15 million cargo terminal and the extension of the main runway to 3,200 meters to accommodate intercontinental flights.

Current Service

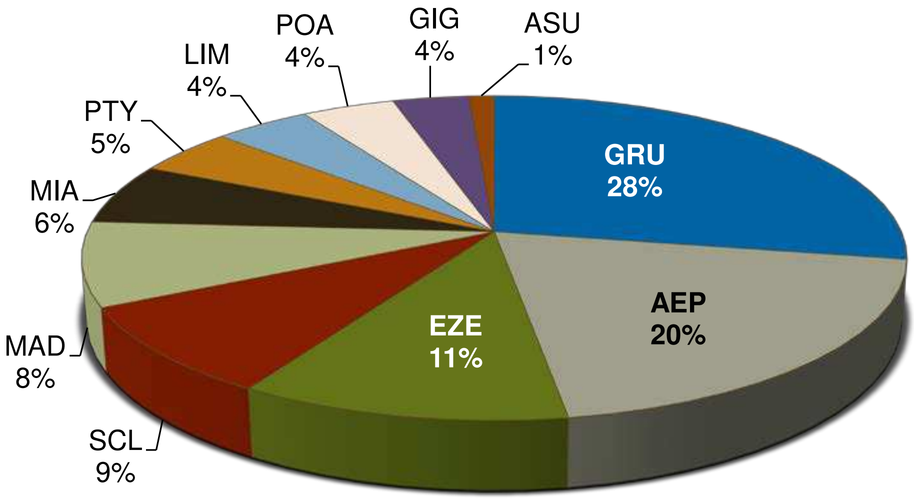
As of November 2014, there are 10 airlines operating scheduled service from MVD serving 11 nonstop destinations, accounting for approximately 101,000 monthly seats.

Exhibit 3-1: Non-stop Destinations at MVD Airport

Source: Innovata November 2014

The majority of seat capacity at MVD is generated from the Buenos Aires (Jorge Newbery-AEP and Ezeiza-EZE) and Sao Paulo (Guarulhos) routes, which represent 31% and 28% shares of total capacity, respectively. The Buenos Aires (Jorge Newbery) – Montevideo route is referred to as the "Puente Aereo" or "Air Bridge" due to the frequency of flights between the two cities. The Puente Aereo service is regulated by both the Uruguayan and Argentine governments, with each side allowed up to 60 weekly frequencies.

Exhibit 3-2: Share of Monthly Departing Seats at MVD by Destination (November 2014)



Source: Innovata, November 2014

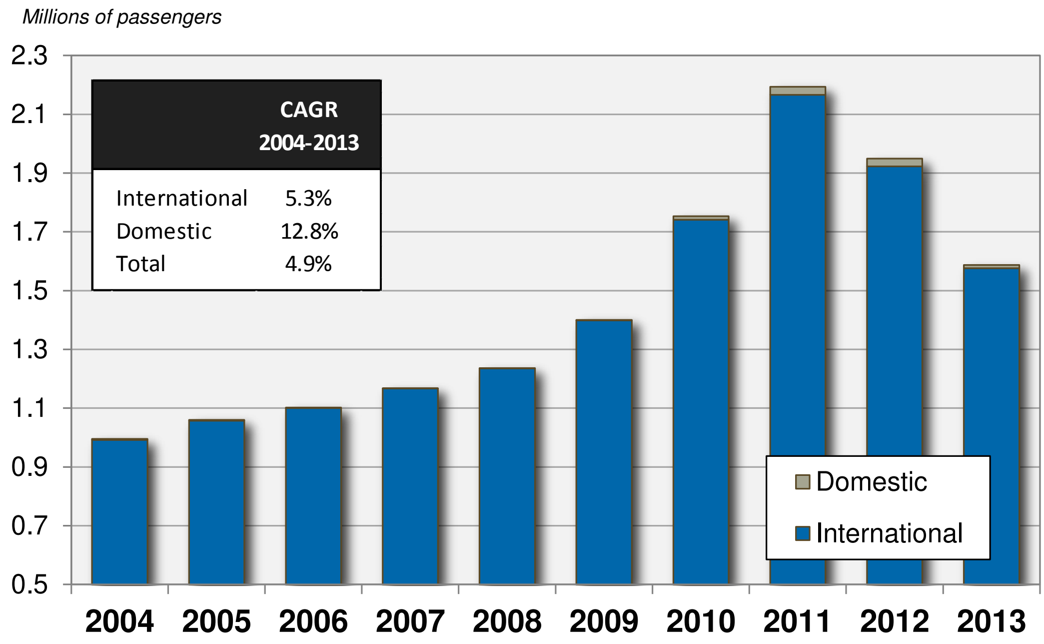
3.3 Historical Traffic, ATM, and Cargo Trends

Traffic History

MVD served more than 1.5 million passengers in 2013, down from a historic high of 2.2 million in 2011. This decrease can be attributed to Pluna's suspension of all operations, which in June 2012 accounted for 57% of the airport's total seat capacity.

Despite declines in the past two years, passenger traffic at MVD has been on an overall upward trajectory in recent years, growing at an average annual rate of 11.4% between 2004 and 2011. The effects of the 2008-2009 global economic crisis on MVD were limited, as growth continued uninterrupted. During this period, domestic traffic grew at a much faster pace than international traffic, reflecting the start-up of scheduled service by BQB beginning in 2010. Previously, domestic air service was sporadic and almost non-existent.

Exhibit 3-3: Passenger Traffic at MVD, International and Domestic, 2004-2013



Source: ACI; MVD Airport

Top O&D Markets

Brazil and Argentina are MVD's top two O&D markets, representing 50% of total O&D passengers in 2013. MVD-Brazil O&D passengers increased at an average annual rate of 13% between 2006 and 2013, reflecting the strong performance of its economy. At the same time, Argentine O&D passengers have been declining at around 5% per year over the same period. This drop in traffic from Argentina can be attributed in part to the protectionist policies imposed by the Argentine government. The United States, Chile, and Spain round out the top five O&D markets at MVD. These five countries accounted for a combined for just over 75% of total O&D traffic in 2013.

Exhibit 3-4: Top 25 O&D Markets at MVD by Country, 2006 and 2013

Rank	Market	O&D Passengers 2006	O&D Passengers 2013	2013 Share of Total	CAGR 2006-2013
1	Brazil	182,659	433,699	27.9%	13.1%
2	Argentina	485,978	343,488	22.1%	-4.8%
3	United States	96,190	180,625	11.6%	9.4%
4	Chile	71,661	134,208	8.6%	9.4%
5	Spain	108,735	87,917	5.7%	-3.0%
6	Peru	8,603	39,914	2.6%	24.5%
7	Mexico	18,295	33,733	2.2%	9.1%
8	Paraguay	16,665	32,167	2.1%	9.9%
9	Panama	7,560	28,503	1.8%	20.9%
10	France	14,547	23,282	1.5%	6.9%
11	Italy	21,921	20,726	1.3%	-0.8%
12	Colombia	4,739	20,506	1.3%	23.3%
13	United Kingdom	7,174	18,252	1.2%	14.3%
14	Germany	10,015	17,549	1.1%	8.3%
15	Venezuela	8,680	15,664	1.0%	8.8%
16	Uruguay	16	13,891	0.9%	162.9%
17	Dominican Republic	2,938	11,127	0.7%	21.0%
18	Cuba	2,832	10,927	0.7%	21.3%
19	Canada	9,243	8,278	0.5%	-1.6%
20	Ecuador	3,318	6,765	0.4%	10.7%
21	Australia	5,271	5,600	0.4%	0.9%
22	Costa Rica	2,165	5,462	0.4%	14.1%
23	Switzerland	5,268	4,536	0.3%	-2.1%
24	Portugal	1,727	4,320	0.3%	14.0%
25	Israel	3,436	3,831	0.2%	1.6%
	Subtotal (Top 25 Countries)	**1,099,636**	**1,504,970**	**96.8%**	**4.6%**
	Total (All countries)	**1,131,179**	**1,554,467**		**4.6%**

Source: PaxIS

The largest O&D city market at MVD is by far Buenos Aires (including both Jorge Newbery and Ezeiza airports), which accounted for 20% of total O&D passengers in 2013. Jorge Newbery received 85% of MVD-Buenos Aires traffic, with the remainder traveling through Ezeiza. The second largest O&D market, Sao Paulo (Guarulhos), accounted for 11% of O&D passengers in 2013.

Exhibit 3-5: Top 25 O&D Markets at MVD by Airport, 2006 and 2013

Rank	City	Code(s)	O&D Passengers 2006	O&D Passengers 2013	CAGR 2006-2013	Nonstop Service?
1	Buenos Aires	AEP, EZE	460,637	306,418	-5.7%	Y
2	Sao Paulo	GRU, CGH, VCP	100,239	169,509	7.8%	Y
3	Santiago	SCL	68,936	117,587	7.9%	Y
4	Miami	MIA	36,151	88,387	13.6%	Y
5	Porto Alegre	POA	39,591	76,968	10.0%	Y
6	Rio De Janeiro	GIG, SDU	18,023	70,464	21.5%	Y
7	Madrid	MAD	39,268	56,779	5.4%	Y
8	New York	JFK, EWR, LGA	21,608	42,446	10.1%	N
9	Lima	LIM	8,295	37,080	23.9%	Y
10	Asuncion	ASU	16,116	32,080	10.3%	Y
11	Panama City	PTY	7,560	28,503	20.9%	Y
12	Paris	CDG, ORY	11,439	21,019	9.1%	N
13	Salvador	SAL	4,409	19,809	23.9%	N
14	Mexico City	MEX	12,831	19,390	6.1%	N
15	London	LHR, LGW, LCY	6,464	17,212	15.0%	N
16	Barcelona	BCN	25,422	15,683	-6.7%	N
17	Caracas	CCS	8,285	15,577	9.4%	N
18	Florianopolis	FLN	1,856	14,924	34.7%	N
19	Salto	STY		13,885	-	N
20	Cancun	CUN	2,502	11,351	24.1%	N
21	Bogota	BOG	3,459	11,051	18.0%	N
22	Milan	MXP, LIN	8,474	11,048	3.9%	N
23	Havana	HAV	2,832	10,922	21.3%	N
24	Frankfurt	FRA	4,040	10,856	15.2%	N
25	Curitiba	CWB	2,317	10,039	23.3%	N
	Subtotal (Top 25 Cities)		**910,754**	**1,228,987**	**4.4%**	
	Total (All Cities)		**1,131,179**	**1,554,467**	**4.6%**	

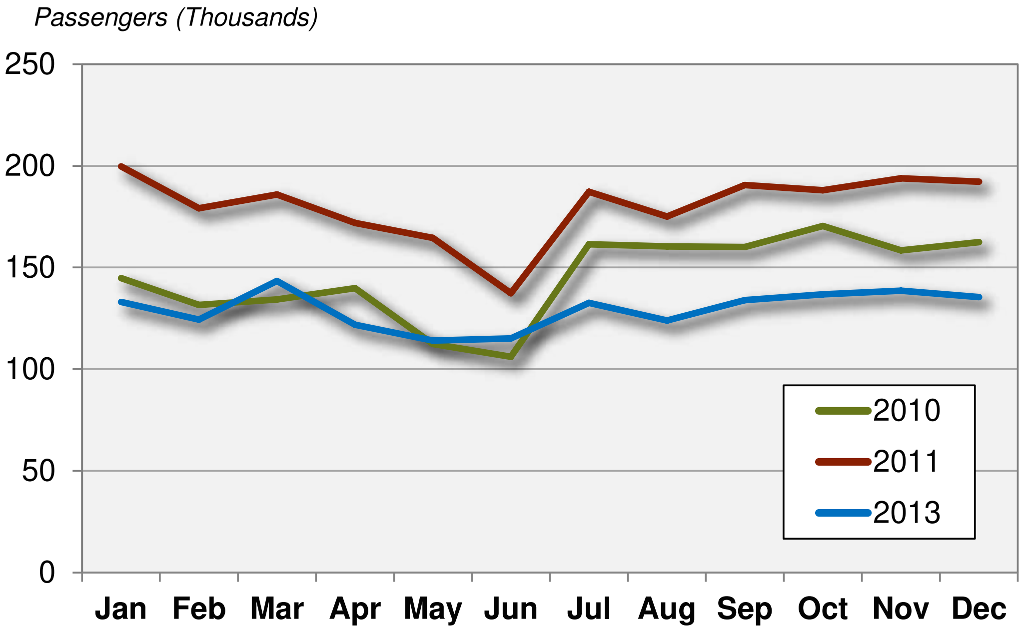
Source: PaxIS; Innovata, November 2014

Although Buenos Aires is the largest O&D market by volume, its share of total O&D declined at an average annual rate of 6% between 2006 and 2013. Meanwhile, Sao Paulo, Santiago, and Miami – all top 5 O&D airport markets at MVD – saw strong growth over the same period. With the exception of New York (JFK), all of the top ten O&D destinations at MVD have non-stop service.

Seasonality

Although Uruguay is a popular tourism destination, especially during the peak summer months of December and January, historical international passenger traffic has not exhibited any strong seasonal fluctuation. As seen in Exhibit 3-6, which shows passengers by month during 2010, 2011 and 2013, traffic has remained steady throughout the year, with the exception of the winter months of May through July when traffic decreased.

Exhibit 3-6: Total Passengers at MVD by Month (2010, 2011, 2013)

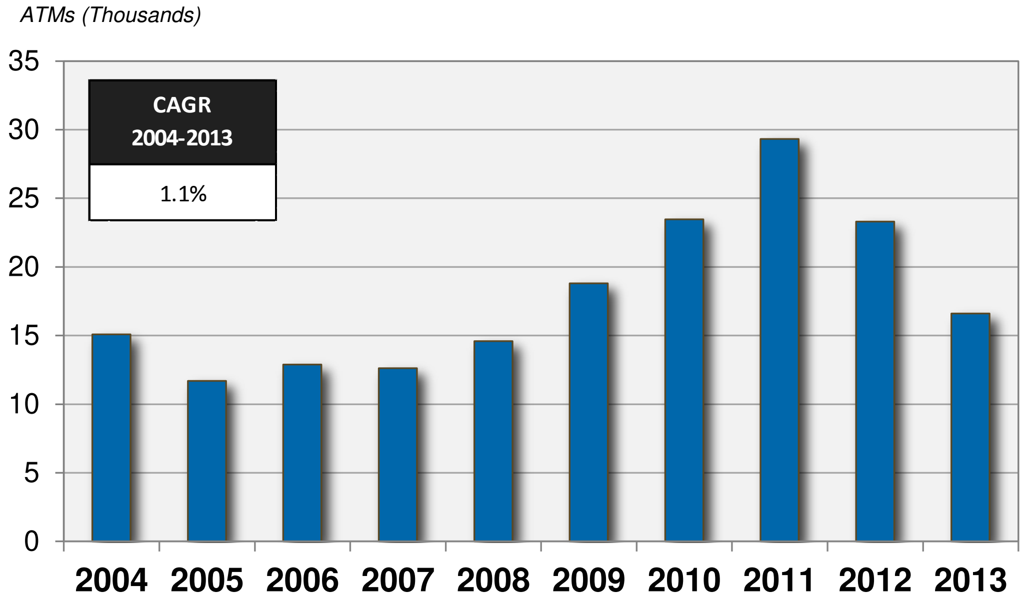


Note: 2012 not shown due to the fluctuations in traffic caused by Pluna's exit
Source: MVD Airport Management

Historical Air Traffic Movement Trends

Air traffic movements at MVD grew at an average annual rate of just 1.1% between 2004 and 2013. The consistent increase in ATMs observed between 2008 and 2011 corresponds with Pluna's implementation of its connecting hub strategy when it expanded service to second-tier markets in the Southern Cone.

Exhibit 3-7: Historical Air Traffic Movements, 2004-2013

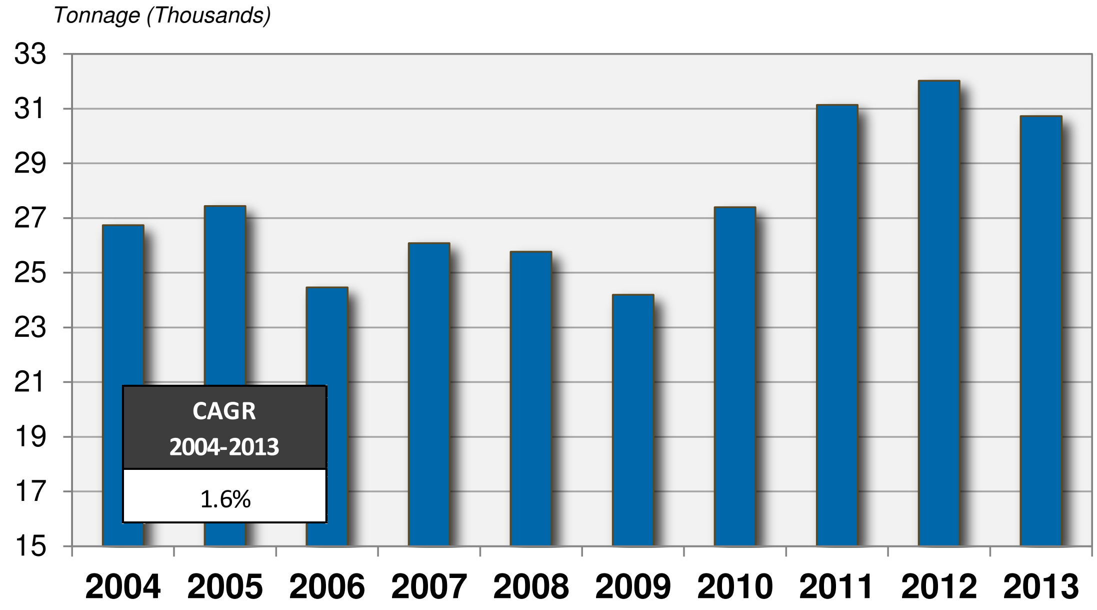


Source: MVD Airport Management

Historical Cargo Trends

Cargo movement by tonnage at MVD grew at an average annual rate of 1.6% between 2004 and 2013, with most of that growth occurring in 2010 and 2011. Cargo tonnage decreased slightly at an average rate of 2.0% per year between 2004 and 2009. In more recent years, cargo movements have tapered off at around 31,000 tonnes. The beginning of this period of growth coincided with the completion of the new cargo facility at MVD at the end of 2009, which added an additional 13,500m^2 of space for cargo handling in addition to the existing 5,500m^2 building. Exhibit 3-8 shows international cargo only, as ACI did not report any domestic cargo for MVD.

Exhibit 3-8: Historical Cargo Tonnage, 2004-2013



Note: Cargo in metric tons
Source: ACI

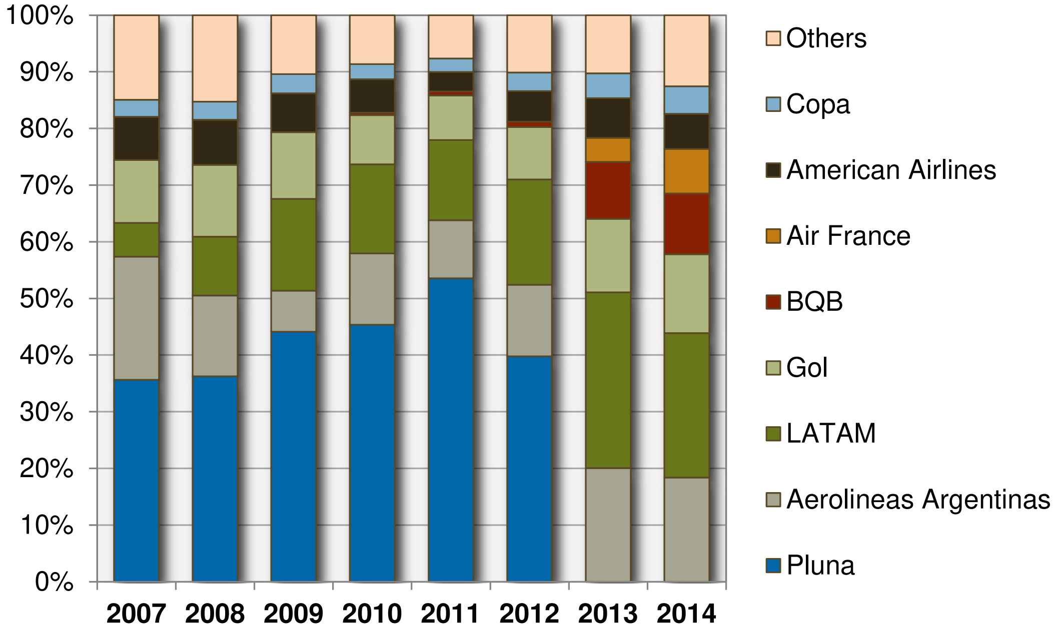
3.4 Historical Air Service Trends

Air Service Overview

Volatility of carrier service has been a defining feature of the Airport for much of the last decade. Although MVD currently has scheduled service from a diverse set of carriers, only three of the twelve currently serving the Airport have provided consistent, uninterrupted service since 2002. Aerolineas Argentinas and Pluna have historically been the dominant airlines at MVD with a combined seat capacity share at MVD between 50-70% over the last 17 years. Until Pluna's exit in July 2012, Aerolineas Argentinas and Pluna competed head-to-head on the most highly traveled city pair: Buenos Aires – Montevideo.

As Pluna began to grow service at MVD, Aerolineas Argentinas' position gradually eroded. In 2011, at the peak of its service, Pluna surpassed the 50% threshold of seat capacity share at MVD. By June 2012, the month prior to its collapse, Pluna's share had reached 57%.

Exhibit 3-9: Scheduled Seat Capacity Shares at MVD, 2007-2014



Carrier	Share of Total Annual Seats							
	2007	2008	2009	2010	2011	2012	2013	2014
Others	14.9%	15.2%	10.4%	8.6%	7.6%	10.1%	10.3%	12.5%
Copa	3.0%	3.2%	3.4%	2.7%	2.4%	3.3%	4.4%	4.9%
American Airlines	7.6%	7.9%	6.8%	5.9%	3.4%	5.4%	7.0%	6.2%
Air France	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.2%	7.9%
BQB	0.0%	0.0%	0.0%	0.4%	0.7%	0.9%	10.1%	10.7%
Gol	11.1%	12.7%	11.8%	8.7%	7.9%	9.3%	13.0%	13.9%
LATAM	6.0%	10.4%	16.2%	15.7%	14.2%	18.6%	31.0%	25.5%
Aerolineas Argentinas	21.7%	14.3%	7.3%	12.6%	10.2%	12.6%	20.0%	18.4%
Pluna	35.6%	36.3%	44.1%	45.4%	53.6%	39.8%	0.0%	0.0%

Source: Innovata

LAN and American Airlines have also had a consistence presence at the airport in the last decade, offering direct service to Santiago and Miami, respectively.

Since 2002, nine carriers have ceased operations at MVD, due to either the collapse of the airline or withdrawal of service. With the exception of United and Iberia, the majority of the airlines that have ended service at MVD were small regional carriers based in either Uruguay or Argentina and provided service within South America.

Exhibit 3-10: Carriers That Dropped Service at MVD Since 2002

Carrier	Year Service Ended	Reason
LAPA	2002	Collapsed
Aerovip	2005	Collapsed
Air Class Lineas Aereas	2005	Collapsed
American Falcon	2005	Collapsed
U Air	2006	Collapsed
Varig*	2006	Collapsed
United	2007	Pulled out of market
Iberia*	2013	Pulled out of market
Pluna	2013	Collapsed

*Note: After years of financial trouble, Varig was re-launched as “New Varig” in 2006 and was acquired by Gol in 2007; Iberia restarted service in September 2014
Source: Innovata

At the same time, MVD has also witnessed the entrance of several new carriers since 2002 that have greatly expanding the number of non-stop destinations, reflecting the strong growth of the economy and concomitant demand for air linkages. Since 2002, nine carriers have inaugurated service at MVD, many of which provide connections to a number of destinations outside of South America, most notably Madrid, Panama City, and Paris, which is an extension of Air France’s CDG-EZE service.

Exhibit 3-11: Carriers That Added Service at MVD Since 2002 (as of November 2014)

Carrier	Year Service Began	Current Destinations
Varig-GOL	2005	Porto Alegre, Sao Paulo
Copa	2006	Panama City
TAM	2007	Rio de Janeiro, Sao Paulo
TACA	2007	Lima
BQB	2010	Asuncion, Buenos Aires, Porto Alegre, Salto
Sol Lineas Aereas	2011	Rosario
Air Europa	2013	Madrid
Air France*	2013	Buenos Aires/Paris
Iberia*	2014	Madrid

*Note: Air France service to Montevideo is an add-on to its Paris – Buenos Aires route; Iberia resumed service on MVD-MAD route
Source: Innovata

Pluna

As the country’s flag carrier and the largest airline serving MVD in terms of seat share throughout the Airport’s history, Pluna played a foundational role in the development of passenger traffic and of the airport itself. The carrier was established in 1936 as a private company under the acronym Pluna, or Primeras Líneas Uruguayas de Navegación Aérea (First Uruguayan Air Navigation Lines in English). The Uruguayan Government assumed an 85% share of the company in 1944 after it was forced to cease operations due to a lack of spare parts during World War II. Pluna became a fully government-owned company in 1951.

After a rapid expansion of service to Brazil and the United States in the ensuing decades, growth began to slow in the 1980s. Financial trouble in the 1990s gave way to the privatization of Pluna in 1995, with 51% of the company's shares being sold to an Argentine consortium, and later Varig. Following Varig's 2005 bankruptcy, Leadgate Investment, a subsidiary of Latin American Regional Aviation Holding Corporation (LARAH), assumed 75% of the company's shares in 2007, with the government of Uruguay holding the balance.

Leadgate's turnaround plan for Pluna sought to take advantage of the small but fast-growing intra-regional international market in South America by converting MVD into a hub airport connecting Montevideo with airports in the Southern Cone countries of Brazil, Argentina, Chile, and Paraguay. Under this new strategy, Pluna focused on short-haul routes under 3 hours and abandoned its larger aircraft, eventually operating only CRJs. The opening of the new terminal at MVD in 2009 improved the connecting experience for Pluna's passengers, which the carrier was able to triple the total passengers carried prior to the 2007 restructuring. By 2012, Pluna had made notable progress in implementing this new strategy, with 40% of its passenger traffic connecting through Montevideo to destinations in the Southern Cone. At the peak of its service in December 2011, Pluna served 13 international destinations in the Southern Cone, 8 of which were in Brazil.

Nevertheless, Pluna's financial position continued to deteriorate from 2007 to 2012, during which time it suffered losses of more than US $100 million. While the global economic crisis (particularly the slowdown in Brazil) and rise in fuel prices were partly to blame, the aggressive protectionism of the Argentina government also was a factor in Pluna's collapse. Following the renationalization of Aerolineas Argentinas in 2008, the Argentine government repeatedly blocked Pluna's attempts to serve second-tier markets in Argentina, thus limiting the airline's growth potential. With the full support of the Argentine government, Aerolineas Argentinas also enjoyed fuel subsidies, allowing it to undercut Pluna's fares.

Furthermore, with roughly 20% of its international seats deployed on Argentine routes, Pluna suffered additional losses due to the protectionist currency controls and heightened exit visa requirements imposed by the government of Argentina. Argentines, who have long vacationed in Punta del Este and used Uruguayan banks to hold their savings, curtailed travel following these measures. Pluna also experienced difficulty transferring its own funds from Argentina to Uruguay.

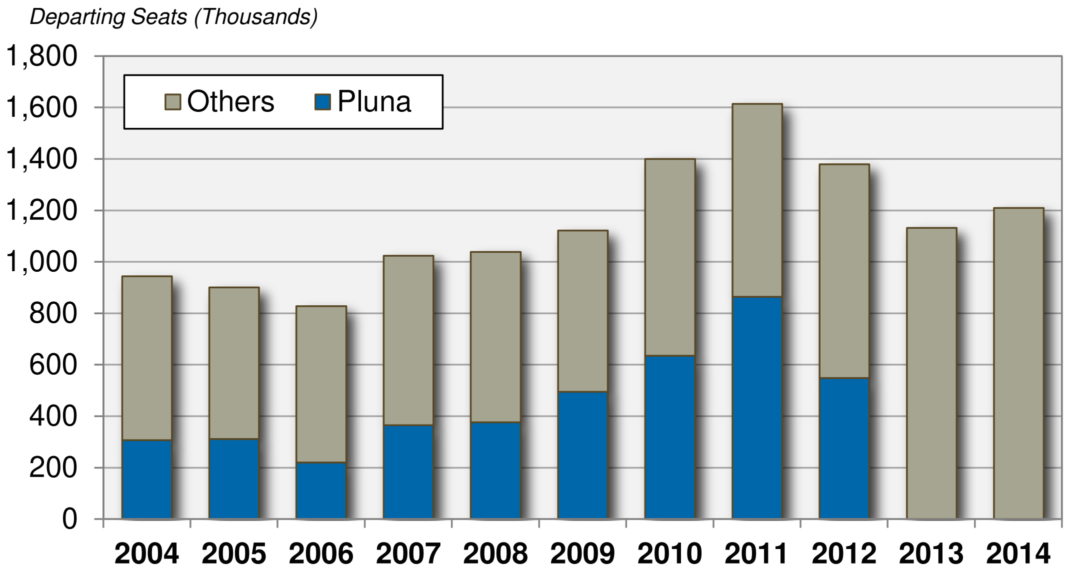
In the face of these mounting difficulties in late 2011 and early 2012, LARAH returned its stake in the airline to the government in June 2012. After failing to find new investors in the company, and following employee strikes, Pluna was officially shut down on July 5, 2012.

Impact of Pluna's Collapse

Capacity

As mentioned previously, Pluna accounted for over 50% of seat capacity at MVD in the months leading up to its demise in July 2012. Between 2004 and 2009, seat capacity at the Airport remained more or less constant, hovering around 1 million annual departing seats. In 2009, as it started implementing its hub strategy at MVD by cutting long-haul service and increasing service to short-haul destinations to Southern Cone countries, Pluna began increasing capacity. This trend would continue for the next two years, during which time overall seat capacity at MVD saw a marked increase of 44%.

Exhibit 3-12: Annual Departing Seats at MVD, Pluna vs. Others, 2004-2014

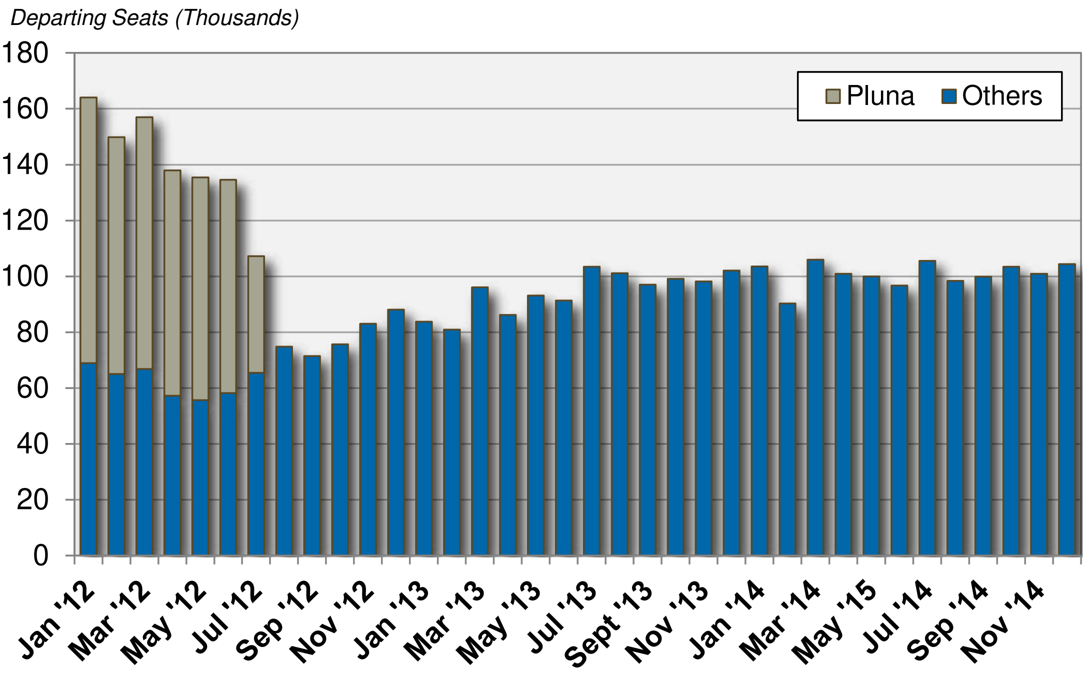


Source: Innovata

The sudden collapse of Pluna left a significant void in the Uruguayan market. Exhibit 3-13 shows the impact Pluna's end of operations had on total departing seats at the Airport. From June to August 2012, total seats declined by 44%, from nearly 134,000 to75,000 per month.

In the 12 months following July 2012, foreign flag carriers serving MVD, including Aerolineas Argentina, BQB, Gol, and TAM, gradually restored a portion of the service previously offered by Pluna. Between August 2012 and December 2013, seat capacity grew at an average rate of 2.0% per month. In 2014, capacity increased 6.9% year-over-year. Total seat capacity as of December 2014 remains roughly 22% lower than the June 2012 total.

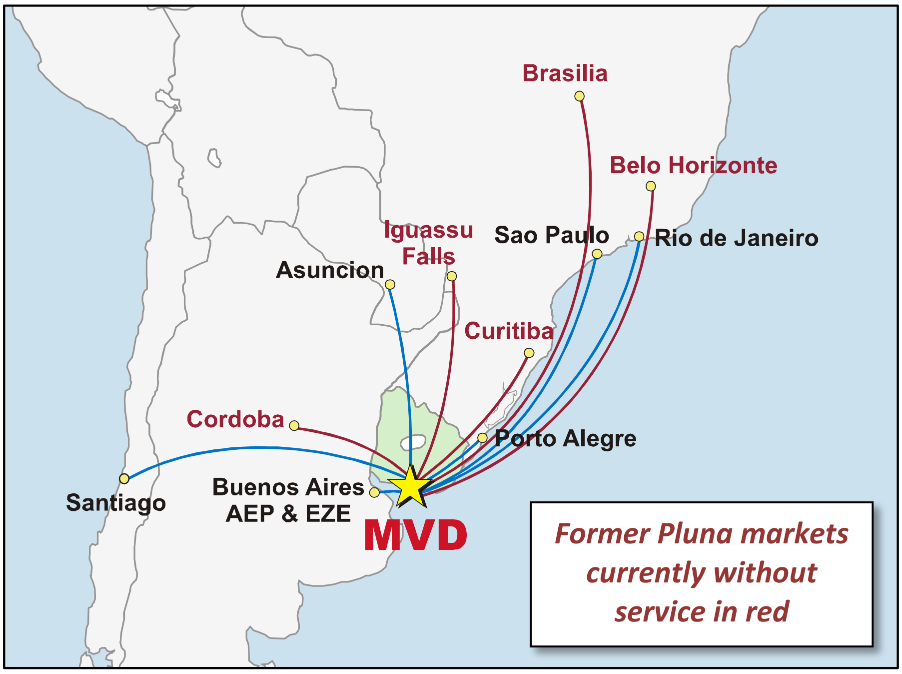
Exhibit 3-13: Monthly Departing Seats at MVD, Pluna vs. Others, January 2012 – December 2014



Source: Innovata

Prior to its collapse, Pluna served 12 markets from MVD, as shown in Exhibit 3-14. Five of those markets were served exclusively by Pluna and have not been picked up by any other carrier. The markets not picked up by other carriers largely represent Pluna's failed hub strategy concept of serving secondary markets in Argentina and Brazil.

Exhibit 3-14: Destinations Served by Pluna as of July 2012



Source: Innovata, July 2012

The remaining seven markets were either served by both Pluna and another carrier or have been added by another carrier since Pluna's exit. As shown in Exhibit 3-15, seat capacity has only been partially recovered on most of those routes.

Exhibit 3-15: Weekly Seats on Routes with Post-Pluna Gap Partially Recovered

Market/Carrier	Monthly Seats (June) 2011	2012	2013	2014	2012/2014 Difference
Buenos Aires (AEP & EZE)	**46,164**	**39,148**	**31,164**	**29,825**	*-9,323*
Pluna	28,440	27,900			*-27,900*
Others	17,724	11,248	31,164	29,825	*18,577*
Asuncion	**3,870**	**3,870**	**1,428**	**893**	*-2,977*
Pluna	3,870	3,870			*-3,870*
Others			1,428	893	*893*
Rio de Janeiro (GIG)	**4,500**	**5,580**	**5,220**	**830**	*-4,750*
Pluna	4,500	5,580			*-5,580*
Others			5,220	830	*830*
Porto Alegre	**13,060**	**14,137**	**7,310**	**6,974**	*-7,163*
Pluna	2,700	4,770			*-4,770*
Others	10,360	9,367	7,310	6,974	*-2,393*
Santiago	**15,902**	**18,732**	**8,550**	**11,597**	*-7,135*
Pluna	7,650	10,260			*-10,260*
Others	8,252	8,472	8,550	11,597	*3,125*
Total Seats - Pluna	47,160	52,380			*-52,380*
Total Seats - Others	36,336	29,087	53,672	50,119	*21,032*
Total Seats - 6 markets	**83,496**	**81,467**	**53,672**	**50,119**	**-31,348**

Source: Innovata

Although weekly departing seats on each of the above six routes remain below levels observed while Pluna was in operation, some capacity has been recovered. Most notably, Aerolineas Argentinas more than doubled its seat capacity on the highly traveled MVD-Buenos Aires route. In addition, BQB, which began operations in 2010, ramped up capacity to Buenos Aires and introduced service to Asuncion and Porto Alegre.

While four of the five markets formerly served by Pluna that have not been picked up by other carriers are in Brazil, Brazilian carriers TAM and Gol have added new service or expanded capacity on the primary destinations in Brazil: Sao Paulo and Rio de Janeiro.

Uruguayan Flag Carriers

BQB Airlines

BQB Líneas Aéreas, a regional airline based in Punta del Este, Uruguay significantly expanded service following Pluna's exit. Launched in 2010, BQB is owned by Buquebus, the integrated Argentine/Uruguayan tour operator best known for its ferry service across the River Plate. BQB began operations with service to Argentina and southern Brazil using turboprop aircraft. In 2013 and early 2014 BQB introduced several new destinations formerly served by Pluna including Santiago, Curitiba, Florianopolis, Rio de Janeiro and Sao Paulo.

Although BQB has taken over some of the capacity left by Pluna departure on the Puente Aereo, BQB's expansion into Argentina has been limited by restrictions imposed by the Argentine government. BQB has been unsuccessful in negotiating additional slots on the Puente Aereo with the Argentine government, which claims that only state-owned carriers should be allocated slots. BQB has also been denied route authorities to serve destinations in the country's interior, such as Cordoba.

The difficulties, combined with operational and financial challenges, led BQB to drastically cut service in the middle of 2014. After failing to receive authorization to fly the aircraft, BQB returned its single A319 under lease, which it operated on a charter basis for only two months, and reduced its fleet of four ATR72 turboprop aircraft to two. BQB suspended all services to Chile and Brazil, and as of November 2014 operates just two routes from MVD: Buenos Aires (Jorge Newbery) and Asuncion. As a result of these cuts, BQB's September-December 2014 capacity fell 64% year-over-year.

Nevertheless, these capacity reductions in the final months of 2014 were more than offset by the growth of Copa, Air France, Gol, and TAM at MVD, resulting in 3% capacity growth year-over-year overall for the airport in September-December 2014.

Although it appears BQB has stabilized, further difficulties for BQB remain as the carrier will likely come under greater competitive pressure on its Puente Aereo route once Alas Uruguay begins service. Moreover, BQB may be required to relinquish Puente Aereo slots to Alas Uruguay, which will become the official flag carrier of Uruguay.

Alas Uruguay Airlines

Subsequent to Pluna's shut down, ex-Pluna employees began taking steps to establish a new flag carrier to be named "Alas Uruguay," formerly announced as "Alas-U." The new carrier will be managed and majority owned by the union of former Pluna employees, with partial government ownership. Alas Uruguay has secured the support of the President of Uruguay and is supported by US $15 million in funding from Uruguay's State Development Fund. Although it originally planned to purchase three ex-Pluna CRJ900s from the Uruguayan Government, the airline has instead decided to lease four Boeing 737-300s at a lower cost. The carrier's air certificate is still pending approval and the aircraft are expected to be delivered at the end of 2014 and beginning of 2015.

Unlike BQB, Alas Uruguay will benefit from the full support of the government of Uruguay, which should help facilitate approvals and certifications. Alas Uruguay plans to launch five routes from MVD in March of 2015: Buenos Aires (Jorge Newbery), Asuncion, Sao Paulo, Rio de Janeiro, and Santiago.

Given the progress that has been made in establishing the carrier, the support it has received from the government, and the capacity still left by Pluna that has yet to be filled, ICF believes that Alas Uruguay will succeed in starting up as the new flag carrier of Uruguay; however its long term viability will rest on the capabilities of its management team and access to slots in the all-important Puente Aereo.

4 Aviation Activity Forecast Methodology and Assumptions

4.1 Introduction

ICF developed aviation activity forecasts for MVD for the period 2014 to 2033 for passengers, air traffic movements, and cargo. No single forecast methodology was used. Instead, ICF used a consensus approach to forecasting that took into account econometric analysis, trend analysis, and ICF's expert judgment, supplemented with information collected through interviews with airport officials. For the initial years, ICF developed an activity-based ("bottom-up") route level forecast, and over the longer term, projected traffic in relation to long-term GDP growth. ICF recognizes that recent carrier disruptions have affected MVD traffic. Consequently, we have modeled how we believe MVD traffic will recover and resume long term growth.

ICF first produced separate demand traffic forecasts for each of the major market components at MVD:

- Domestic Passengers
- International Passengers

Subsequently, the projections of passenger demand were used as the basis for derivative forecasts of commercial ATMs and cargo tonnage based on various underlying assumptions such as average aircraft size, estimated seat factor, etc.

Over the first five years of the forecast, ICF projected demand on a "bottom-up" or route level (using 2013 as a base year). The short-term forecasts were based on ICF's analysis of route level air service in this market and professional judgment. A "bottom-up" forecast is very effective in the short term since it captures elements that are not measureable in an econometric forecast, and which heavily influence the direction of air traffic. Factors that influenced the forecast were:

- Current route schedules (published through December 2014)
- Announcements of new service and forward schedules (advanced through June 2015)
- Airport interviews
- Airline network strategies and fleet plans

For the remainder of the forecast period, ICF created traffic forecasts based on a "top-down" basis using econometric analysis of long-term economic projections. The long-term passenger traffic was forecasted by international and domestic segments, not by route.

4.2 METHODOLOGY AND ASSUMPTIONS

Passenger Forecast – Short-term Route Level

In determining how the MVD market will grow and continue to recover from the loss of Pluna in the short-term, ICF's analysis considered historical service levels on a route by route basis, market potential, and the likelihood of carriers adding new or additional capacity. ICF also relied on service announcements and interviews with the airport to inform the route level build-up. The short-term route level forecast considers capacity increases on *existing routes* (e.g., increased frequency, change of aircraft gauge, entry of new carriers), as well as the addition of new service on *unserved routes*. Exhibit 4-1 below shows the new services assumed between 2014 and 2018 (excluding service additions by incumbent carriers on routes that are already served).

ICF believes that within the 2014-2018 timeframe, new service to at least one additional long-haul destination will be added. However, without a firm announcement for additional North America, Europe, or Middle East service, ICF instead used a placeholder to model the impact of a new unspecified long-haul route on traffic in the short-term. The effect on the traffic forecast is the same. Possible candidates for the new route include nonstop or "tag" service (e.g., a continuation from Buenos Aires, Sao Paulo or Rio de Janeiro) from Atlanta (ATL), Houston Intercontinental (IAH), Washington Dulles (IAD), Mexico City (MEX), Bogota (BOG), Dubai (DXB), Doha (DOH), or Istanbul (IST). It is also conceivable that more than one of these new routes would be added, but not at the same time, and possibly not within the 2014-2018 timeframe. Our assumption is that the equivalent of one unspecified daily long-haul service will be introduced during the short-term timeframe.

Exhibit 4-1: New Service Assumed, 2014- 2018 (Showing New Routes or Carriers Only)

Carrier	Destination(s)
Alas Uruguay	Asuncion Buenos Aires - Jorge Newbery Rio de Janeiro - Galeao Santiago Sao Paulo - Guarulhos
Azul	Belo Horizonte Sao Paulo - Viracopos
Unspecified	New long-haul destination in North America, Europe, or Middle East

Source: ICF Analysis

For the purpose of this route-level analysis, ICF assumed that the new planned Uruguayan flag carrier Alas Uruguay will commence operations in June 2015. ICF also assumed that Alas Uruguay will serve Buenos Aires (Jorge Newbery) – as indicated by the carrier in recent press coverage – and will gradually build up service on the main trunk routes from MVD: Asuncion, Sao Paulo (Guarulhos), Rio de Janeiro, and Santiago over the short-term forecast period.

However, ICF believes that it will be challenging for MVD to support two local carriers given the small size of the local air travel market, and strong foreign competition on all trunk routes: Alas Uruguay and BQB will compete against each other on the Puente Aereo, as well as against much larger established carriers such as Aerolineas Argentinas to Buenos Aires, LAN to Santiago, and TAM and Gol to Rio de Janeiro and Sao Paulo. ICF also believes that, like Pluna and BQB, Alas Uruguay will experience difficulties expanding into secondary destinations in Argentina due to the neighboring country's protectionist policies. As a result, ICF's forecast assumes that one of the two Uruguayan carriers will cease operation by the beginning of the long-term forecast period in 2018.

Passenger Forecast – Long-term Econometric

An econometric approach is useful for quantifying the importance of the underlying economic factors that influence aviation demand in the long run. However, econometric analysis by itself is often limited by a lack of historic data and an inability to quantify all of the factors that may influence air traffic levels. Furthermore, an econometric relationship may not hold constant over the forecast period, which is often the case for immature or rapidly developing air travel markets where the income elasticities often decline over time.

The econometric forecast is based on historical correlations between the growth of passenger traffic and the growth of real GDP. International and domestic passenger traffic flows are forecast separately. Although foreign tourists make up a large portion of MVD's international traffic, due to limited historical data availability, international traffic is forecast based on the elasticity of international passenger growth to Uruguay real GDP growth.

The elasticities between GDP growth and the growth of passenger volumes were calculated using log-log regression analysis between the historical values of the variables. The results of the regression analysis indicate that Uruguay GDP is a strong predictor of overall international travel at MVD, with an income elasticity of demand of 1.08, and a correlation (adjusted R2) of 0.94, based on 10 years of historical data. For the forecast, the international elasticity was gradually tapered down to reflect the maturing of the market, as well as the slowing population growth of Uruguay (already less than 0.2% per year on average from 2002-2012).

For the domestic segment, ICF assumed that no other carrier, including Alas Uruguay, would resume the services that BQB dropped over the forecast period. Domestic service in Uruguay has proven very difficult to sustain on a regular basis given the country's small geography, and population concentration in Montevideo. As a result, ICF has not produced a domestic passenger forecast.

Three separate traffic forecast scenarios were prepared: a Base Case, a High Case, and a Low Case. The Base Case assumes that Alas Uruguay operates 50% of the service it has announced, as outlined in Exhibit 4-1 above. Specifically, ICF assumed in the base case that Alas U operates 50% of the frequencies it has announced to each planned destination. The High Case assumes that Alas Uruguay operates 100% of its planned frequencies, while the low case assumes that Alas Uruguay does not operate at all. The low case also assumes slower growth of connecting passengers, from around 2% today to 3% by the end of the forecast period, and a relatively flat overall airport load factor over the short term period.

General Passenger Forecast Assumptions

ICF calculated the share of scheduled passengers transferring at MVD based on historical passenger traffic statistics from the Airport and assumed this share would grow to 4.1% by the end of the forecast period (currently 2.2%). This level of connectivity is much lower than that which was achieved at the peak of Pluna’s operation in 2011 (27.3% for international). However, ICF does not expect Alas Uruguay to adopt Pluna’s strategy of establishing a connecting hub at MVD for Southern Cone countries, and therefore does not expect any significant increase in the share of transfer passengers at MVD from 2013. This business model was already proven to be unviable by Pluna.

Forecast of Air Traffic Movements (ATMs)

Passenger traffic volumes were converted into ATMs based on various underlying assumptions such as average aircraft size and load factor growth. The forecast of ATMs is aligned with its historical growth.

In 2013, the average number of seats per international ATM was 133 and the average number of seats per domestic ATM was 68. Over the long-term forecast period, starting after 2018, ICF assumed the average aircraft size would increase gradually by 0.5 seats per year to reach 154 average seats in 2033. This is consistent with a global trend towards operating aircraft with increasingly denser seating configurations, which allows airlines to minimize costs per flown seat.

At the end of the route level in 2018, the average passenger load factor at MVD is forecast to be 71%. Over the forecast period, ICF assumed that load factors would increase slowly, by 0.5 percentage points per year, reaching 79.2% in 2033.

Forecast of Cargo Tonnage

The forecast of cargo tonnage is based on the forecast of passenger flight movements. ICF assumed an average tonnage per ATM based on historical data from ACI, and grew that figure during the forecast period to account for market expansion. The average tonnage per ATM was revised downward in 2015 and 2016 to reflect Alas Uruguay's market entry and focus on the passenger market. Over the long-term forecast period, ICF assumed that the ratio of cargo tonnage per international ATM would grow by around 0.005 metric tons per ATM annually. This is a standard forecast practice in small markets like MVD, where historical data and low volumes do not provide a basis to develop reliable long-term econometric forecasts. The cargo forecast is segmented between imports and exports, with imports representing nearly 57% of total cargo volumes.

5 FORECAST RESULTS

5.1 TRAFFIC FORECAST

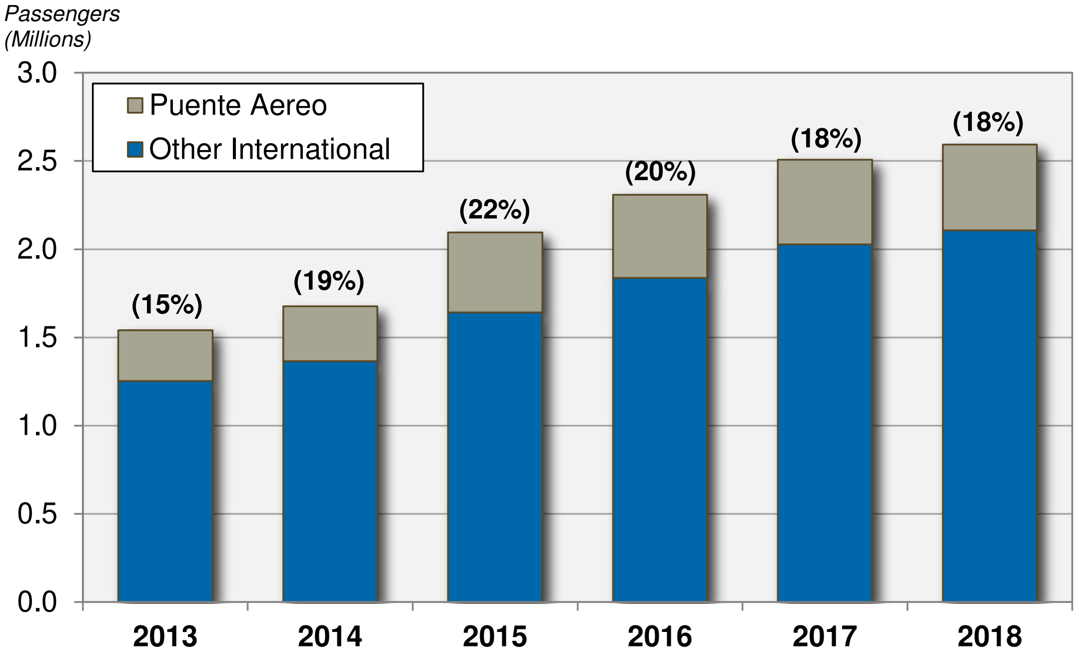
The full effect of the capacity that was lost by Pluna's collapse was seen in 2013, when passenger traffic bottomed out at 1.6 million. Based on year-to-date actual data and published airline schedules, ICF projects passenger growth of 6.3% in 2014. The short-term forecast is driven by the route level service assumptions as previously described. The long-term is driven by the econometric forecast, as well as assumptions about the long-term income elasticity of passenger growth to Uruguayan GDP growth. ICF forecast passengers in three separate scenarios – a Base Case, a High Case, and a Low Case – as described in Section 4.2.

Short-term Passenger Forecast

Recent carrier disruptions at the Airport drive the need for a consensus approach that combines short-term route level and long-term econometric analysis. ICF's analysis considered historical service levels on a route by route basis, market potential, and the likelihood of carriers adding new or additional capacity. The route level is the result of trend analysis and ICF's own expert judgment, supplemented with information collected through interviews with airport officials to develop how MVD traffic will recover in the short-term.

In the short-term, passengers are forecast to grow 10.5% on average from 2013-2018. The short term reflects ICF's expert opinion of likely routes served, including the build-up of start-up Alas Uruguay, long-haul foreign carrier service, as well as increasing the frequency of current service.

Exhibit 5-1: Short-term Passenger Forecast (2014-2018)



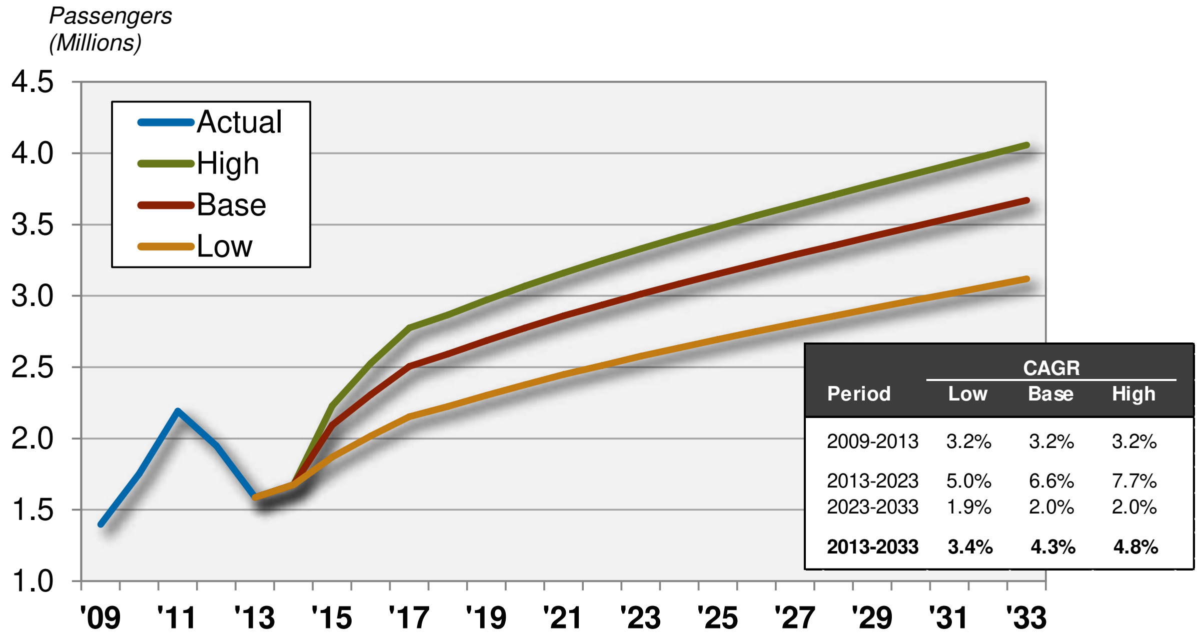
Notes: Share of Puente Aereo passengers is shown in parenthesis; Transfer passengers counted twice

Source: ICF Analysis

Total Passenger Forecast by Scenario

In the Base Case, total passengers are forecast to increase by 4.3% per year, reaching 3.7 million in 2033. ICF projects a continued short-term rebound from 2014 to 2018, with passengers reaching 2.6 million total passengers in 2018. Sustained GDP growth drives the long-term air traffic forecast. Transfer passengers are forecast to remain a small percentage of total traffic throughout the forecast period. In the High Case, total passengers are forecast to increase by 4.8% per year and to reach 4.1 million in 2033. In the Low Case, total passengers are forecast to grow by 3.4% per year, increasing to 3.1 million in 2033.

Exhibit 5-2: Passenger Forecast



Note: Transfer passengers counted twice

Source: ICF Analysis

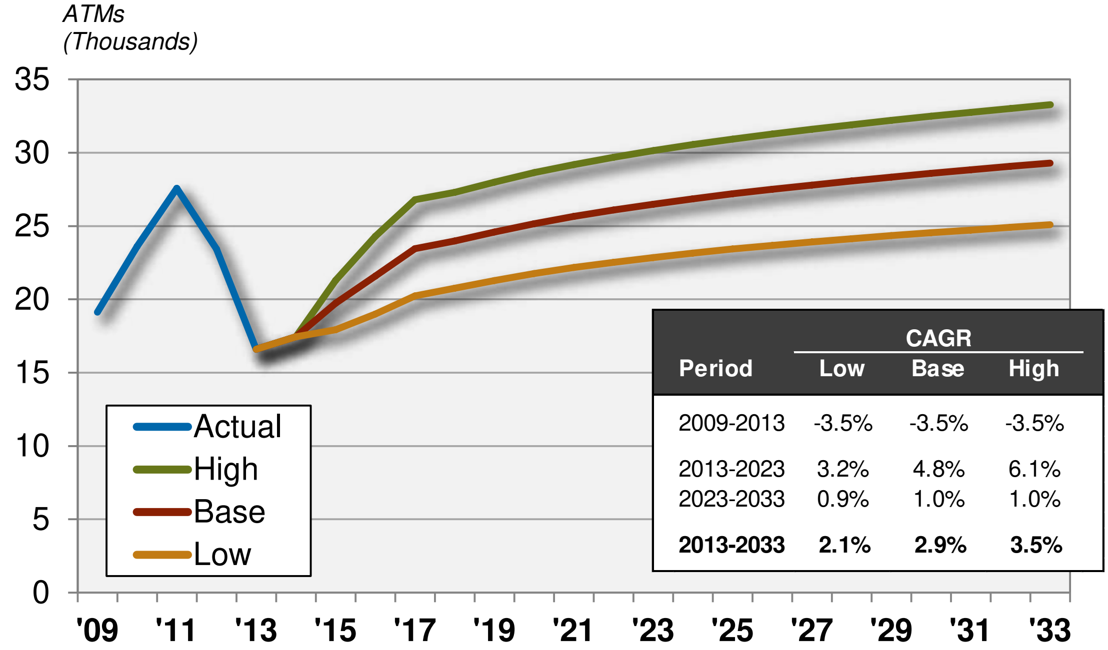
5.2 ATM Forecast

The ATM forecast is a derivative of the passenger forecast ICF converted the passenger projection into ATMs using assumptions of future trends regarding load factors and average aircraft size.

In the Base Case, ATMs are forecast to increase by 2.9% per year reaching 29,000 in 2033. In the High Case, ATMs are forecast to increase by 3.5% per year reaching 33,000 in 2033. In the Low Case, ATMs are forecast to grow by 2.1% per year, increasing to 25,000 in 2033.

Exhibit 5-3: Air Traffic Movements (ATMs) Forecast

Source: ICF Analysis



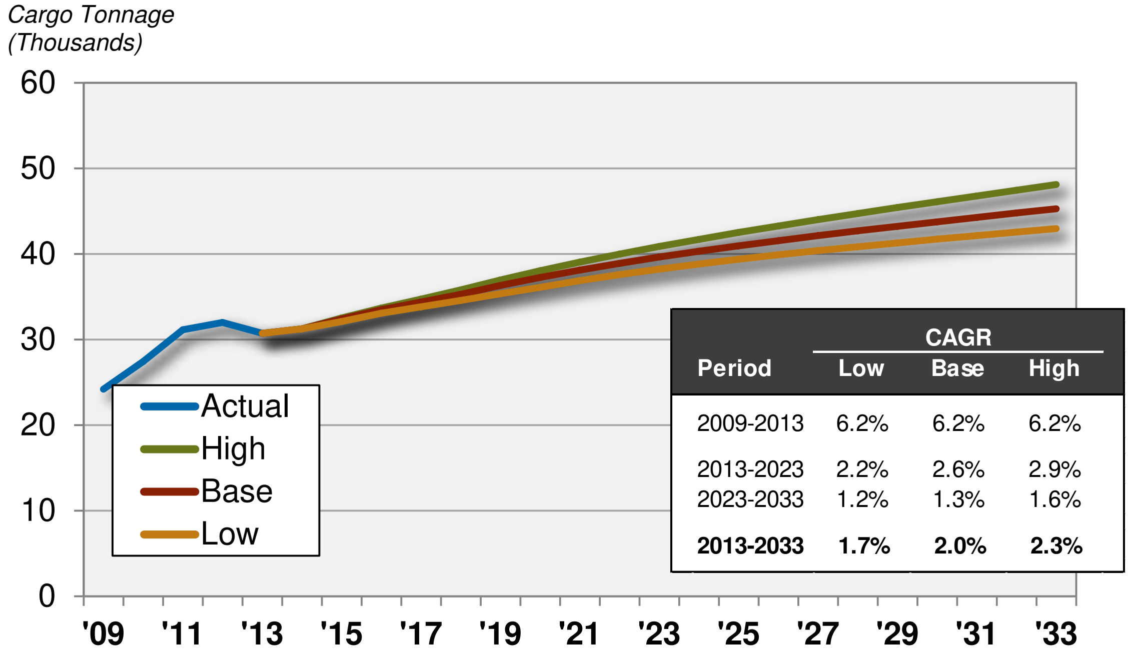
Period	CAGR Low	CAGR Base	CAGR High
2009-2013	-3.5%	-3.5%	-3.5%
2013-2023	3.2%	4.8%	6.1%
2023-2033	0.9%	1.0%	1.0%
2013-2033	**2.1%**	**2.9%**	**3.5%**

5.3 Cargo Tonnage Forecast

Historical cargo tonnage has grown 1.6% annually from 2004-2013. Due to the lack of statistically significant relationship between Uruguay GDP growth and cargo tonnage growth, cargo tonnage is forecast according to growth of passenger air traffic movements. ICF assumes that low volumes of cargo will continue as has been the historic trend. Note that this forecast could change materially should a cargo airline elect to establish a regional hub in MVD from which to redistribute traffic to the Southern Cone.

In the Base Case, international cargo tonnage is forecast to increase by 2.0% per year reaching 45 thousand metric tons in 2033. In the High Case, international cargo tonnage is forecast to increase by 2.3% per year and to reach 48 thousand metric tons in 2033. In the Low Case, international cargo tonnage is forecast to grow by 1.7% per year, increasing to 43 thousand metric tons in 2033.

Exhibit 5-4: Cargo Tonnage Forecast



Period	CAGR Low	CAGR Base	CAGR High
2009-2013	6.2%	6.2%	6.2%
2013-2023	2.2%	2.6%	2.9%
2023-2033	1.2%	1.3%	1.6%
2013-2033	**1.7%**	**2.0%**	**2.3%**

Note: Cargo shown in metric tons

Source: ICF Analysis

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LISTING MEMORANDUM

May 8, 2015